



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-CGI-20-21

What OIG Audited

Within the Bureau of Administration, Office of Operations, the Office of Facilities Management Services (FMS) operates and maintains owned and delegated Department of State (Department) facilities in the metropolitan Washington, DC, area and at other domestic locations. FMS has the critical responsibility to provide safe, comfortable, and sustainable work environments in domestic facilities to support the Department's mission. To carry out its responsibility, FMS uses management service contracts to provide essential services that are necessary to make buildings habitable.

The Office of Inspector General (OIG) conducted this audit to determine whether FMS administered and oversaw selected domestic FMS contracts in accordance with the Federal Acquisition Regulation and Department policies and guidance. To perform the audit, OIG selected four task orders associated with four different FMS contracts that had a combined value of more than \$151 million.

What OIG Recommends

OIG made nine recommendations intended to improve the administration and oversight of current and future FMS contracts. On the basis of management's response to a draft of this report, OIG considers one recommendation closed and eight resolved, pending further action. A synopsis of management's response and OIG's reply follow each recommendation in the Audit Results section of this report. FMS's and the Bureau of Administration, Office of the Procurement Executive's (OPE), response to a draft of this report are reprinted in their entirety in Appendices B and C, respectively. A summary of OPE's general comments about the draft report and OIG's reply is presented in Appendix D.

March 2020

OFFICE OF AUDITS

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION

Audit of Selected Bureau of Administration, Office of Operations, Office of Facilities Management Services, Contracts

What OIG Found

FMS's Contracting Officer's Representatives (COR) did not consistently administer and oversee the task orders reviewed for this audit, in accordance with the FAR and Department guidance. Specifically, for three of the four task orders reviewed, COR files were incomplete or were missing, which limited OIG's ability to assess whether the designated CORs consistently monitored contractor performance. In addition, OIG found that the CORs for three task orders were not maintaining records of invoice reviews. Furthermore, OIG found that the option year for one task order was exercised almost a month after the prior option period had ended.

These deficiencies occurred, in part, because FMS had not established and implemented the internal management controls necessary to effectually oversee the task orders. The Contracting Officer (CO) did not identify specific duties and responsibilities in the COR designation memoranda, nor did FMS establish specific procedures for establishing a quality assurance surveillance plan, executing that plan, and properly recording invoice reviews. With respect to the option year that was exercised a month after the prior option period ended, this occurred because FMS did not establish requirements, timeframes, and expectations of oversight of the acquisition planning process. In addition, the CO and the COR did not communicate for the option year to be exercised in a timely manner.

It is important for these deficiencies to be corrected so that FMS can demonstrate comprehensive oversight of the task orders it administers and can achieve reasonable assurance that contractor performance is supporting FMS's mission. In addition, incomplete COR files inhibit access to technical contract information and hinder the transition of oversight responsibilities when a new COR is assigned. Furthermore, without specifics in the COR designation memoranda, oversight personnel may not fully understand their responsibilities in administering and overseeing the task orders assigned.