



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

AUDIT REPORT

DOE-OIG-19-46

September 2019

**THE DEPARTMENT OF ENERGY'S
INTERAGENCY AGREEMENTS**



Department of Energy
Washington, DC 20585

September 4, 2019

MEMORANDUM FOR THE DIRECTOR, OFFICE OF ACQUISITION MANAGEMENT,
DEPARTMENT OF ENERGY
DIRECTOR, OFFICE OF ACQUISITION MANAGEMENT,
NATIONAL NUCLEAR SECURITY ADMINISTRATION

Michelle Anderson

FROM: Michelle Anderson
Deputy Inspector General
for Audits and Inspections
Office of Inspector General

SUBJECT: INFORMATION: Audit Report on "The Department of Energy's
Interagency Agreements"

BACKGROUND

The *Economy Act of 1933*¹ (*Economy Act*) provides authority for Federal agencies to acquire goods and services through interagency agreements, if those goods or services cannot be provided as conveniently or at a lower price by commercial enterprises. The Department of Energy can enter into two types of agreements: interagency acquisitions and interagency transactions. An interagency acquisition occurs when the servicing agency provides acquisition assistance to the requesting agency, such as awarding and administering a contract with a commercial enterprise (e.g., Federal agency to contractor). An interagency transaction occurs when the requesting agency uses the servicing agency's internal resources or activities to fulfill a requirement (e.g., Federal agency to Federal agency). In both cases, the servicing agency may charge a fee for the assistance, such as a percentage of the contract value or an itemized charge for services. The Department may enter into interagency agreements as either the requesting agency or the servicing agency. In some cases, the Department enters into agreements on behalf of the management and operating (M&O) contractors that manage its sites.

The Department's Acquisition Guide, Chapter 17.1, *Interagency Acquisitions, Interagency Transactions, and Interagency Agreements*, contains requirements for the Department's use of both interagency acquisitions and interagency transactions under the *Economy Act* and other authorities. The Acquisition Guide explains how acquisition planning is to be used in determining if the procurement approach for the goods or services is in the best interest of the Government. Since interagency acquisitions result in a contractual agreement, additional requirements from the Federal Acquisition Regulations (FAR) are also followed.

¹ 31 U.S.C. 1535

Between fiscal years 2012 and 2017, the Department paid approximately \$9.7 billion to other agencies on 1,585 interagency agreements for goods, services, and fees. Given the amount of funding involved, we initiated this audit to determine whether the Department's use of interagency agreements complied with applicable regulations and Department policies.

RESULTS OF AUDIT

The Department could not demonstrate that its use of interagency agreements fully complied with applicable regulations and Department policies.² When reviewing interagency agreements where the Department requested goods and services through other agencies, we found issues with the documented justification for the use of the interagency agreements and/or the support of the costs incurred by the other agency in 58 of the 60 interagency agreements sampled. The interagency agreements with identified issues had an award value of approximately \$174 million, almost 70 percent of the \$249 million sampled award value.

These issues occurred because procurement officials that we spoke to did not believe that they were required to document acquisition planning in the file or obtain support for costs incurred. Consequently, the Department had no assurance that it took the best procurement approach to meet its mission needs. Additionally, there was no assurance that the interagency agreement costs represented appropriate project efforts or that costs were appropriately charged to the Department.

Department as Requesting Agency

The Department's interagency agreements to obtain goods and services through other Federal agencies did not fully comply with requirements in the Department's Acquisition Guide, and/or the FAR for interagency acquisitions. We reviewed 60 interagency agreements comprised of 40 interagency transactions and 20 interagency acquisitions from 3 different procurement offices within the Department. Our review found that the Department had not always:

- Documented acquisition planning, as required, to justify the use of interagency agreements.
- Received and/or reviewed supporting documentation prior to payments made for costs incurred.

To the Department's credit, we found that the files for the interagency agreements in our sample contained requisitions and statements of work to be performed, as required. Further, the agreements generally referenced the statutory authority for the work and contained estimated costs and schedules.

² There are exceptions to the Acquisition Guide, Chapter 17.1 requirements. For example, the Department receives funding from other agencies through interagency agreements for work to be performed at the Department's laboratories and facilities, referred to as Strategic Partnership Projects. The Department also receives funding through interagency agreements for activities under the power marketing authority of the Power Marketing Administrations. These interagency agreements are subject to different rules and were not included in our scope. Further, we did not review direct interagency acquisitions, where the Department places an order directly with another agency's contract without involving the other agency.

Acquisition Planning

The Department had not adequately documented its justification for use in 34 of the interagency agreements reviewed. Specifically, we found issues with documentation in 18 interagency transactions and 16 interagency acquisitions included in our sample. The Department's Acquisition Guide contains the requirement to conduct acquisition planning and to document that the ordered goods and services cannot be provided as conveniently or economically by a commercial enterprise. The specific documentation requirements vary depending on the type of interagency agreement (interagency transaction or interagency acquisition) and the statutory authority referenced in the agreement.

Interagency Transactions

Files for 18 of the 40 interagency transactions in our sample, with an award value of approximately \$48 million, did not document the required consideration of alternative sources, such as whether to use an existing contract, award a new contract, or use another agency to perform or contract for the needed service. For interagency transactions, Acquisition Guide, Chapter 17.1 requires that, when the *Economy Act* is the authority for the transaction, documentation should support that the required amounts of goods and services are available; the order is in the best interest of the United States Government; and the ordered goods or services cannot be provided by contract as conveniently or economically from a commercial enterprise. The Acquisition Guide states that the preferred method of documentation is to follow the D&F format at FAR Subpart 1.7, *Determinations and Findings*. FAR Subpart 1.704(d) requires that the findings detail the particular circumstances, facts, or reasoning essential to support the determination and that necessary supporting documentation be obtained from appropriate requirements and technical personnel.

The files for 22 of the 40 sampled interagency transactions contained support for the determination to use an interagency transaction, such as selection statements based on merit reviews of the servicing agencies or designation of the agency as the required source for goods or services. However, none of the remaining 18 files provided documented evidence to explain why the Federal agencies selected were the most convenient or economical sources for obtaining needed goods or services. Specifically, while files for 15 of the agreements contained a D&F, the document did not contain sufficient details to support the determination to use an interagency transaction. The other three files did not contain a D&F document. None of the 18 files contained additional evidence to support the determination. For example, files reviewed did not contain documentation as to why the Department entered into an interagency transaction with the Army Corps of Engineers to clean up a site in Alaska or with the Naval Postgraduate School to analyze the Department's cost proposal requirement for environmental projects, rather than procuring these services directly from commercial enterprises. Without the supporting documentation, the Department was unable to demonstrate that the selection was in the best interest of the Government.

Interagency Acquisitions

We found that contract files for 16 of the 20 sampled interagency acquisitions, with an award value of approximately \$101 million, were missing required acquisition planning documentation. For interagency acquisitions, the Acquisition Guide requires procurement officials to document completion of market research, and, if the agreement was authorized under the *Economy Act*, a D&F document in accordance with the FAR is also required.

Specifically, we found that 16 of the 20 sampled interagency acquisition files did not contain documentation supporting completion of the required market research, even though many of the acquisitions were for services similar to those previously procured directly by the Department or services that appeared to be readily available in the market. However, the Department used interagency acquisitions to acquire human capital services; drug and alcohol testing; construction projects; airplane purchases; and other staffing, data management, and administrative support, indicating that these services could not be directly acquired as conveniently or economically by contracting with a private source. The performance of market research for interagency acquisitions, as required by the Acquisition Guide, ensures that potential sources for the needed services are identified.

Additionally, while 14 of the 20 sampled interagency acquisition files cited the *Economy Act* and contained the required D&F document, there was no support provided for the determinations. There was one additional file that cited the *Economy Act* but did not contain the required D&F document. Contracting Officers for three of the interagency acquisitions in our sample stated that the D&F documents had been approved without review of supporting documents, such as market research or cost comparisons. FAR 17.502-2 requires that an interagency acquisition funded under the *Economy Act* be supported by a D&F document that is approved by a Contracting Officer. The document must state that the use of an interagency acquisition is in the best interest of the Government and that the goods or services cannot be obtained as conveniently or economically by contracting directly with a private source. Further, FAR Subpart 1.704(d) requires that the D&F detail the particular circumstances, facts, or reasoning essential to support the determination and that necessary supporting documentation be obtained from appropriate requirements and technical personnel.

Interpretation of Planning Documentation Requirements

Acquisition planning documents were not in the files because procurement officials were uncertain about the documentation requirements contained in Department policies. Departmental Acquisition Letter, AL-2018-01, *STRIPES Mandatory Use Policy*, like its predecessor documents, states that required pre-award documentation for interagency agreements (transactions and acquisitions) shall be maintained in electronic form and reside in the Department's Strategic Integrated Procurement Enterprise System (STRIPES) procurement database as the official file. For interagency acquisitions, the requirement to document acquisition planning, per Chapter 17.1 of the Department's Acquisition Guide, is reinforced by FAR Subpart 4.801(b), *Government Contract Files*, which is applicable to interagency agreements. FAR Subpart 4.801(b) requires that the contract files contain sufficient

documentation to provide a complete background as a basis for informed decisions at each step in the acquisition process, to support actions taken, and for reviews or investigations.

Despite these requirements, procurement managers that we spoke to at the Office of Headquarters Procurement Services and the National Nuclear Security Administration's (NNSA) Office of Acquisition Management indicated that they did not believe there was a requirement to document acquisition planning for interagency agreements in STRIPES, although the requirements in AL-2018-01 were effective upon issuance. In addition, in six interagency agreements that we reviewed, including four interagency acquisitions and two interagency transactions, the Contracting Officers with the Office of Headquarters Procurement Services stated that the program office requestors did not always provide acquisition planning documents in the requisition package. Procurement officials did not document the acquisition planning in the contract file even when they claimed to have reviewed it or believed it was done by the program office requesting the interagency agreement. Headquarters' and NNSA's procurement officials that we spoke to stated that they had not received training on processing interagency agreements. In response to our coordination draft, NNSA officials stated that they would work with and train the contracting staff to ensure appropriate file documentation. Further, the Office of Acquisition Management's Office of Policy is revising the Acquisition Guide to clarify the requirements and expectations for documenting acquisition planning that justifies the use of an interagency agreement.

Costs Incurred

We could not determine if supporting documentation for \$61 million in costs incurred, as of April 2017, including approximately \$37 million in interagency transaction costs and approximately \$24 million in interagency acquisition costs, was received or reviewed before payments were made. For both interagency transactions and acquisitions, the Acquisition Guide requires the Contracting Officer and designated Contracting Officer Representative to review invoices to ensure that payments are only made for goods and services received and accepted pursuant to the terms of the agreement. However, the Department's Contracting Officers and Contracting Officer Representatives could only demonstrate that they had, or had access to, supporting documentation of costs incurred, such as itemized statements of costs or invoices, for 16 of the 60 interagency agreements in our sample.

For the other 44 agreements, the Contracting Officers and Contracting Officer Representatives received transaction reports from the U.S. Department of Treasury's Intragovernmental Payment and Collection (IPAC) system which showed the transfer of funds between Federal agencies. These reports did not provide sufficient detail of the work performed to correlate the cost charged to the work performed under the interagency agreement. Additionally, 11 of these interagency agreements, valued at approximately \$40.1 million, were entered into by the Department of Energy on behalf of 5 of its M&O contractors. We found that the M&O contractors had not received itemized statements for 10 of these 11 interagency agreements to support the incurred costs. The Department of Energy Acquisition Regulation 970.5232-3, *Accounts, Records and Inspection*, requires its M&O contractors to maintain supporting documentation for incurred costs to support the allowability of their costs claimed. In July 2017, the Office of Chief Financial Officer issued a Finance & Accounting Notice to require invoices

and reviews of cost supporting documentation when the Department enters into an interagency agreement to fulfill requirements of an M&O contractor. This notice was issued subsequent to our work in this area, and therefore, we did not test for compliance with the new requirement.

In addition to not always receiving itemized statements, we noted that 43 of the 60 sampled interagency agreements did not designate which agency had responsibility for reviewing invoices received from contractors. The Acquisition Guide requires that the roles and responsibilities for contract administration be designated and documented in the agreement.

Cost Review Requirements

The Department did not receive all support for costs incurred because officials did not always believe that they needed to obtain any other supporting documentation than the IPAC transaction reports. However, the interagency agreement template in the Acquisition Guide, which provided instructions on how to create and prepare an interagency agreement, requires the servicing agency to submit itemized cost statements. Standard interagency agreement templates contain a clause requiring itemized statements. We found that 33 of the 60 sampled interagency agreements included the clause to require itemized statements. Despite including this clause in the agreements, it was not always enforced, as the Department only received itemized statements for 10 of the 33 agreements that contained the requirement.

Our recent audit of *Lawrence Livermore National Security, LLC, Costs Claimed Under Department of Energy Contract No. DE-AC52-07NA27344 for Fiscal Year 2015* (DOE-OIG-18-12, December 2017) encountered the same issue of not receiving or reviewing support for interagency agreement costs prior to payment. In this audit, the Department cited the *Economy Act* as the reason for not obtaining invoices on behalf of the M&O contractors for cost incurred through interagency agreements. The audit concluded that the *Economy Act* does not relieve the contractor of the responsibility to support costs charged to the contract. Lawrence Livermore National Security, LLC was still responsible for providing supporting documentation for costs incurred on the contract in order to verify that the costs incurred were allowable.

Impact

Without adequate acquisition planning, the Department may not have acquired goods and services as conveniently or economically as possible by using interagency agreements, totaling approximately \$149 million, instead of using a commercial enterprise. During our audit, Department officials told us that they perceived interagency agreements as having very little risk since other Federal agencies have no profit motive. Despite the lack of profit motive, the consideration of alternative sources for interagency transactions or market research for interagency acquisitions confirms the cost effectiveness of using the other agencies' contracts or procurement functions. Additionally, by not reviewing supporting documentation of costs incurred, such as itemized statements of costs or detailed invoices, the Department cannot verify that the interagency agreement costs were allowable. Further, the M&O contractors are at risk of incurring costs that may not be allowable under their contracts with the Department.

RECOMMENDATIONS

To address the issues identified in our report, we recommend that the Director, Office of Acquisition Management, direct the Office of Policy to clarify the Acquisition Guide requirements and expectations for:

1. Documenting acquisition planning to justify the use of interagency agreements; and
2. Providing supporting documentation of costs incurred, such as itemized statements of cost or detailed invoices, to serve as support for the costs incurred.

We also recommend that the Director, Office of Acquisition Management, and the Director, Office of Acquisition Management for NNSA, direct their procurement offices to:

3. Ensure that files contain required acquisition planning documentation;
4. Ensure that Contracting Officers review acquisition planning documents prior to signing the D&F document authorizing the agreement; and
5. Provide training to procurement staff specific to interagency agreements.

MANAGEMENT RESPONSE

Management generally concurred with our recommendations and identified actions it would take to address them. However, management disagreed with our underlying findings given that two-thirds of the judgmental sample were interagency transactions, stating that interagency transactions fall outside the realm of acquisition. Despite this disagreement, management stated that it will review existing policy, including its alignment with statutory and regulatory requirements, and make any revisions determined to be necessary and appropriate. Additionally, management will emphasize the responsibilities for Contracting Officers and Contract Specialists to create, retain, and approve acquisition planning documents by revising the Acquisition Guide and providing training. Further, management will include review of interagency agreement files in management and peer review audits.

Management comments are included in Attachment 3.

AUDITOR COMMENTS

Management's proposed actions are responsive to our recommendations. Regarding management's statement that interagency transactions are outside the realm of acquisition, we maintain that interagency transactions are covered by the Acquisition Guide, entered into STRIPES, and require Contracting Officer approval. The Acquisition Guide specifically states that chapter 17.1 provides guidance on interagency transactions.

Attachments

cc: Deputy Secretary
Chief of Staff

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

We conducted this audit to determine whether the Department of Energy's use of interagency agreements complied with applicable regulations and Department policies.

SCOPE

This audit was conducted between March 2017 and April 2019. The scope of the audit covered interagency agreements active during fiscal years (FYs) 2012 through 2017. We conducted work at the Office of Science's (Science) Integrated Support Center in Argonne, Illinois; and the National Nuclear Security Administration's (NNSA) Albuquerque Complex in Albuquerque, New Mexico. The audit was conducted under Office of Inspector General project number A17CH027.

The initial scope of this review included interagency agreements where the Department acted as the servicing agency providing the goods and services; however, the Department was unable to identify any such agreements. As such, we did not perform work related to interagency agreements where the Department acted as the servicing agency and could not conclude whether the Department had complied with applicable regulations and Departmental policies in that area.

The scope of this review also did not include Strategic Partnership Projects and other interagency funding transfers. Specifically, Strategic Partnership Projects and other interagency funding transfers are subject to different requirements. Finally, we did not review direct interagency acquisitions, where the Department places an order directly with another agency's contract without involving the other agency.

METHODOLOGY

To accomplish the audit objective, we:

- Reviewed Federal and Departmental regulations, as well as prior Office of Inspector General and Government Accountability Office audit reports relevant to interagency agreements.
- Held discussions with procurement officials from the Office of Management, the Office of the Chief Financial Officer, NNSA, and Science related to interagency agreement policies, processes, and practices.
- Requested listings of interagency agreements (where the Department was the requesting agency) that were active during FYs 2012 through 2017. We received a listing of 1,585 active interagency agreements where the Department was the requesting agency.

- Reviewed files documented within the Department's Strategic Integrated Procurement Enterprise System and hard-copy documents at the NNSA's Office of Acquisition Management in Albuquerque, New Mexico.

Our review of files looked at a judgmentally selected sample of 60 out of 1,585 interagency agreements active during the scope of our review. The 60 interagency agreements included 20 each from the Office of Headquarters Procurement Services, Science's Office of Acquisition and Assistance, and NNSA's Office of Acquisition Management. We selected these three offices because of the number of active interagency agreements used by each. At the time of our review, 696 interagency agreements in our scope were completed and 889 were still ongoing. The 60 interagency agreements selected for review included 19 completed and 41 ongoing agreements. We selected the sample based on an analysis of factors such as award value, age of award, and the other Federal agency involved in the interagency agreement. For the 60 sampled interagency agreements, we evaluated whether each agreement was an interagency transaction or acquisition because the requirements for each type are different. Our sample included 40 interagency transactions and 20 interagency acquisitions. We then reviewed whether the files demonstrated compliance with applicable requirements, such as whether the interagency agreement had appropriate approvals; was supported by a requisition; defined roles and responsibilities for the agencies; documented acquisition planning, including the best procurement approach and determination and findings documents; and if it had been closed out appropriately. Because our sample was comprised of judgmental or non-statistical selections, the results and overall conclusions were limited to the interagency agreements tested and could not be projected to the entire population or universe of interagency agreements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Accordingly, the audit included tests of controls and compliance with laws and regulations to the extent necessary to satisfy the objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We relied on computer-processed data to determine the audit universe of interagency agreements where the Department was the requesting agency. We assessed the data by comparing the data contained in the Department's Strategic Integrated Procurement Enterprise System with source documents and deemed the data to be sufficiently reliable for our purposes.

An exit conference was held with management officials on August 8, 2019.

PRIOR REPORTS

- Audit Report on [Lawrence Livermore National Security, LLC, Costs Claimed under Department of Energy Contract No. DE-AC52-07NA27344 for Fiscal Year 2015](#) (DOE-OIG-18-12, December 2017). The costs of interagency agreements entered into for the benefit of Lawrence Livermore National Security, LLC (LLNS) were reviewed as a part of this audit of LLNS's incurred costs for fiscal year 2015. The audit questioned approximately \$1.3 million of interagency agreement costs for lack of supporting documentation. Specifically, LLNS was unable to provide adequate supporting documentation for costs it had incurred for all 13 interagency agreement transactions in the tested sample. When the auditors requested supporting documentation, LLNS's finance department officials stated that it was not available because the Department of Energy's payment and collection system and the intra-Governmental payment and collection system did not require supporting documentation. The audit stated that according to the Department's National Nuclear Security Administration, LLNS provided adequate supporting documentation for the interagency agreement costs it had incurred when it provided the Department of Energy's payment and collection system funds transfer invoice to the Office of Inspector General because interagency agreements are only subject to the *Economy Act of 1933* (31 U.S.C. 1535) and not LLNS's prime contract requirements or the cost principles. While the Office of Inspector General agreed that interagency agreements are authorized by the *Economy Act of 1933*, the act does not relieve LLNS of the responsibility to support costs charged to the contract. The report further stated that without proper verification of costs incurred, LLNS would not be able to verify that the costs represented appropriate project efforts, and therefore, were properly charged to the contract. The auditors concluded that regardless of the method used to remit payment, LLNS was responsible for providing supporting documentation for costs incurred on the contract, in accordance with contract terms.
- Audit Report on [National Nuclear Security Administration's Construction of a Radiological/Nuclear Complex for Homeland Security](#) (DOE/IG-0775, September 2007). The audit reviewed an interagency agreement between the National Nuclear Security Administration and the Department of Homeland Security for the construction of the Radiological/Nuclear Countermeasures Test and Evaluation Complex. The audit found that the Nevada Site Office had not ensured that cost and schedule baselines were prepared, coordinated, and used for project management; allocated adequate contingency funds for the project; effectively monitored project status; and effectively communicated project status to senior Department of Energy and Department of Homeland Security officials. Further, the audit found a lack of clarity as to which agency was responsible for the management and coordination of the project. This led to conflicting views between Nevada Site Office personnel and Department of Homeland Security officials.

MANAGEMENT COMMENTS



Department of Energy
Washington, DC 20585

July 1, 2019

MEMORANDUM FOR MICHELLE ANDERSON
DEPUTY INSPECTOR GENERAL
FOR AUDITS AND INSPECTIONS
OFFICE OF INSPECTOR GENERAL

FROM: *John R. Bashista*
JOHN R. BASHISTA
DIRECTOR
OFFICE OF ACQUISITION MANAGEMENT

SUBJECT: Response to the Office of Inspector General Draft Audit Report
Titled "The Department of Energy's Interagency Agreements"
A17CH027

The Department of Energy (DOE) appreciates the opportunity to review the subject draft report. The draft report makes five recommendations. Two are specifically for the Director, Office of Management for DOE. The other three are for both the Director, Office of Acquisition Management for the National Nuclear Security Administration (NNSA), and the Director, Office of Management for DOE. Below you will find the response to each recommendation, along with several technical comments for consideration.

Recommendation 1: Review and clarify the DOE Acquisition Guide requirements and expectations for the documentation of acquisition planning to justify the use of interagency agreements.

Management Response: Concur.

While we disagree with the underlying findings (given that two-thirds of the judgmental sample were interagency transactions, which fall outside of the realm of acquisition), the Office of Acquisition Management, Office of Policy (MA-61) will review its existing policy, including its alignment with statutory and regulatory requirements, and make any revisions determined to be necessary and appropriate.

Estimated Completion Date: December 31, 2019



Recommendation 2: Review and clarify the DOE Acquisition Guide requirements and expectations for provision of supporting documentation of costs incurred, such as itemized statements of cost or detailed invoices, to serve as support for the costs incurred.

Management Response: Concur in part.

Within the framework of interagency acquisitions and transactions, the responsibility to substantiate incurred costs is shared by both the requesting and the servicing organizations. The level of detail deemed adequate for cost substantiation will vary depending on the particulars of the interagency acquisition or transaction. Moreover, within the context of direct interagency acquisitions, the various contractual instruments (e.g., base contract, orders) will articulate the administrative requirements, often delegated from the servicing entity's contracting officer to the requesting entity's contracting officer – or to another official tasked with contract administration. The Office of Acquisition Management, Office of Policy (MA-61) will review its existing policy, including its alignment with statutory and regulatory requirements, and make any revisions determined to be necessary and appropriate.

Estimated Completion Date: December 31, 2019

Recommendation 3: Ensure contract files contain required acquisition planning documentation.

Management Response: Concur.

DOE and NNSA will emphasize the responsibilities for Contracting Officers (COs) and contract specialists to create and retain required acquisition planning documentation for Interagency Agreement files through various means – the release of revised DOE Acquisition Guide chapters that provide clarity on acquisition planning documentation, as well as NNSA's IAA checklist and NNSA's refresher training during Procurement Excellence Training (PET) sessions. Additionally, NNSA will include Interagency Agreement files in management and peer review audits. Finally, for standardization and consistency, beginning in 2017, NNSA implemented a standard checklist to be used for Interagency Agreement files; this captures appropriate requirements of the Federal Acquisition Regulation (FAR).

Estimated Completion Date: March 31, 2020

Recommendation 4: Ensure that Contracting Officers review acquisition planning documents prior to signing the D&F document authorizing the agreement.

NNSA Management Response: Concur. DOE and NNSA will emphasize the responsibilities for COs and contract specialists to review acquisition planning documentation prior to signing D&Fs for Interagency Agreements through various means – the release of a revised DOE Acquisition Guide chapter that provides clarity on the linkage between acquisition planning and D&F documents, as well as refresher training. NNSA's Office of Acquisition Management will conduct PET sessions focused on requirements for Interagency Agreements, including use of the standardized checklists to ensure the file contains the Determination and Findings (D&F) and supporting acquisition planning data, as required by the FAR. Finally, as stated earlier, NNSA will include Interagency Agreement files in management and peer review audits.

Estimated Completion Date: March 31, 2020

Recommendation 5: Provide training to procurement staff specific to interagency agreements.

NNSA Management Response: Concur. DOE will publicize the revised Acquisition Guide chapter on Interagency Agreements via a Policy Flash and agency-wide outreach such as Procurement Policy Advisory Group meetings. NNSA's Office of Acquisition Management will conduct refresher PET sessions focused on requirements for Interagency Agreements, including ensuring the file contains the appropriate documentation in accordance with FAR 17.5. These requirements will also be reinforced through ongoing team training, individual training, and on-the-job training.

Estimated Completion Date: March 31, 2020

FEEDBACK

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