



Office of Audits
Office of Inspector General
U.S. General Services Administration

Audit of the Federal Acquisition Institute's Interagency Agreements for Workforce Training Systems

Report Number A190106/M/T/F22002
November 19, 2021

Executive Summary

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Why We Performed This Audit

The Federal Acquisition Institute's (FAI's) daily operations and resource management have been delegated to GSA by the Office of Management and Budget. This includes the management of the Federal Acquisition Institute Training Application System (FAITAS), a government-wide workforce management system. We included this audit in our *Fiscal Year 2019 Audit Plan* after FAITAS experienced multiple outages that prevented hundreds of thousands of civilian acquisition workforce members from accessing their training and certifications. We examined FAI's analysis and decision documents regarding its replacement of FAITAS. We also reviewed FAI's interagency agreements for the use of FAITAS.

Our objectives were to determine if: (1) FAI used the results of the analysis of alternatives report when making FAITAS decisions and recommendations, and if not, determine if FAI's decisions and recommendations for FAITAS were supported by other analysis and decision documents; and (2) FAI's interagency agreements for the use of FAITAS were executed in accordance with applicable regulation, guidance, and internal policy.

What We Found

FAI's recommendation to its oversight bodies to replace FAITAS was not supported by complete and accurate information. We found that FAI's recommendation was not supported by a detailed comparative analysis, omitted key information, and included erroneous data. As a result, FAI did not have assurance that its recommendation best met FAI's mission needs.

Additionally, FAI did not properly execute and administer its interagency agreements for the use of FAITAS in accordance with applicable regulation, guidance, and internal policy. We found that FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its interagency agreements. FAI also failed to obtain or document internal reviews or maintain interagency agreement documents as required.

What We Recommend

We recommend that the Associate Administrator of the GSA Office of Government-wide Policy and the FAI Director:

1. Distribute this audit report to FAI's oversight bodies that provide strategic direction and accountability over FAI.
2. Ensure that future system decisions are informed by complete and accurate information. If analysis of alternatives are used as part of these decisions, FAI should adopt the U.S. Government Accountability Office's *Best Practices for the Analysis of Alternatives Process*.¹
3. Comply with all applicable requirements under the Economy Act and cite the act as the statutory authority to enter into interagency agreements. Also, revise the current interagency agreement with the Defense Acquisition University to cite the Economy Act.
4. Revise FAI's operations manual to align with the *GSA Delegations of Authority Manual* and to establish a process to document the required GSA reviews of interagency agreements.
5. Improve management oversight of FAI staff's compliance with FAI's operations manual. Specifically, ensure that FAI staff maintain complete records and obtain required GSA reviews of interagency agreements.

The Associate Administrator of the GSA Office of Government-wide Policy partially disagreed with *Finding 1*, but agreed with *Finding 2* and our recommendations. GSA's comments are included in their entirety in **Appendix B**.

¹ *Best Practices for the Analysis of Alternatives Process*, Amphibious Combat Vehicle, Appendix I (GAO-16-22, October 28, 2015).

Table of Contents

Introduction	1
---------------------------	----------

Results

<i>Finding 1 – FAI’s recommendation to replace FAITAS was not supported by complete and accurate information.</i>	<i>3</i>
--	----------

<i>Finding 2 – FAI did not properly execute and administer its interagency agreements.</i>	<i>5</i>
---	----------

Conclusion.....	10
------------------------	-----------

<i>Recommendations</i>	<i>10</i>
------------------------------	-----------

<i>GSA Comments.....</i>	<i>11</i>
--------------------------	-----------

Appendixes

Appendix A – Scope and Methodology.....	A-1
--	------------

Appendix B – GSA Comments	B-1
--	------------

Appendix C – Report Distribution.....	C-1
--	------------

Introduction

The Federal Acquisition Institute's (FAI's) daily operations and resource management have been delegated to GSA by the Office of Management and Budget. This includes the management of the Federal Acquisition Institute Training Application System (FAITAS), a government-wide workforce management system. We examined FAI's analysis and decision documents regarding its replacement of FAITAS. We also reviewed FAI's interagency agreements for the use of FAITAS.

Purpose

This audit was included in our *Fiscal Year 2019 Audit Plan* after FAITAS experienced multiple outages that prevented hundreds of thousands of civilian acquisition workforce members from accessing their training and certifications.

Objectives

Our objectives were to determine if: (1) FAI used the results of the analysis of alternatives (AoA) report when making FAITAS decisions and recommendations, and if not, determine if FAI's decisions and recommendations for FAITAS were supported by other analysis and decision documents; and (2) FAI's interagency agreements for the use of FAITAS were executed in accordance with applicable regulation, guidance, and internal policy.

See **Appendix A** – Scope and Methodology for additional details.

Background

FAI has statutory responsibilities under 41 U.S.C. 1201(a) to promote professional certification training and career development, human capital planning, and acquisition research for the civilian acquisition workforce. FAI also develops tools to standardize and consolidate acquisition workforce data to reduce duplication across the civilian federal government.

FAI's oversight bodies are the Office of Management and Budget's Office of Federal Procurement Policy (OFPP) and the FAI Board of Directors. OFPP establishes acquisition workforce policies, provides strategic direction, and evaluates FAI's performance. The OFPP Administrator appoints the FAI Board of Directors to represent the needs of agencies and advise FAI on how to meet its statutory responsibilities.

In March 2013, the OFPP Administrator delegated FAI's daily operations and resource management to the GSA Administrator through a service level agreement. The GSA Administrator appoints the FAI Director with concurrence from the OFPP Administrator. The FAI Director reports to GSA's Senior Procurement Executive within GSA's Office of Government-

wide Policy. The FAI Director prepares annual budgets and implements programs and initiatives for the civilian acquisition workforce.

Until May 2021, FAI supported the training and career development needs of civilian acquisition workforce members through FAITAS. FAITAS was a web-based system hosted and operated by the U.S. Army. In March 2021, FAITAS had approximately 260,000 users across more than 100 agencies. FAITAS also served as a government-wide workforce management system, which enabled agencies to perform annual human capital reporting and make data-informed decisions.

FAI's operations are funded by the Acquisition Workforce Training Fund to develop and deliver training resources for the civilian acquisition workforce. From Fiscal Year 2017 through Fiscal Year 2019, FAI paid the U.S. Army over \$7.73 million for FAITAS operations, maintenance, and customer support. FAI obtained these services from the U.S. Army through interagency agreements, which allow one agency to obtain supplies or services through another agency's contract. According to the Federal Acquisition Regulation, unless a more specific authority exists, the Economy Act is the statutory authority that should be used for these types of agreements.²

Since 2015, FAITAS has had four outages lasting 2, 26, 45, and 93 days. These outages prevented the civilian acquisition workforce from accessing the system to manage their training and certifications. FAI worked with the U.S. Army to resolve the FAITAS outages; however, FAI staff said they had no ability to resolve the outages because the U.S. Army operated FAITAS. To meet the needs of the civilian acquisition workforce during the outages, FAI set up emergency procedures for agency representatives to manually input information through limited FAITAS access points. FAI also began researching acquisition training systems that could replace FAITAS and give FAI more control over system operations.

In August 2018, FAI contracted for an AoA to assess FAITAS and identify potential alternatives for a replacement. The contractor evaluated the cost, effectiveness, and risk of potential alternatives, and provided three recommendations to replace FAITAS. In April 2020, FAI signed a 5-year, \$17 million interagency agreement with the Defense Acquisition University (DAU) to use its contract for Cornerstone OnDemand (CSOD) as a replacement to FAITAS. DAU provides training and career development to the defense acquisition workforce using CSOD, a commercial learning management application. Under this new interagency agreement, DAU provides FAI with CSOD operations, maintenance, and technical support. FAI transitioned to CSOD in June 2021.

² Federal Acquisition Regulation 17.502-2(b), *The Economy Act*; 31 U.S.C. 1535.

Results

FAI's recommendation to its oversight bodies to replace FAITAS was not supported by complete and accurate information. We found that FAI's recommendation was not supported by a detailed comparative analysis, omitted key information, and included erroneous data. As a result, FAI did not have assurance that its recommendation best met FAI's mission needs.

Additionally, FAI did not properly execute and administer its interagency agreements for the use of FAITAS in accordance with applicable regulation, guidance, and internal policy. We found that FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its interagency agreements. FAI also failed to obtain or document internal reviews or maintain interagency agreement documents as required.

Finding 1 – FAI's recommendation to replace FAITAS was not supported by complete and accurate information.

FAI's recommendation to its oversight bodies to replace FAITAS was not supported by complete and accurate information. We found that FAI's recommendation was not supported by a detailed comparative analysis, omitted key information, and included erroneous data. As a result, FAI did not have assurance that its recommendation best met FAI's mission needs.

In August 2018, as part of its process to select a replacement for FAITAS, FAI awarded a \$522,703 contract for an AoA. The U.S. Government Accountability Office established 22 best practices for an AoA process. These best practices provide a framework to consistently and reliably select the project alternative that best meets mission needs based on factors such as costs, effectiveness, and risks. In October 2019, the contractor delivered its final AoA report. The report contained a detailed analysis of the following three options for the replacement of FAITAS:

- **Platform-as-a-Service** – GSA would use a provider's cloud-based platform to develop, test, deliver, and manage software;
- **Custom Software Development** – GSA would pay for custom-built software to replace FAITAS; and
- **Software-as-a-Service (SaaS)** – GSA would pay for a commercial software subscription and the provider would manage the software's maintenance, upgrades, and security.

At the request of GSA and FAI executive leadership, the AoA contractor's report also included an analysis of cost information for a separate option under which FAI would use a commercially available SaaS application, CSOD, through an interagency agreement with DAU. Under this agreement, DAU would contract directly with the vendor for the CSOD application; FAI would pay an annual fee to DAU for its use.

The AoA contractor's analysis relied on estimates and other data provided to FAI by DAU. In its report, the AoA contractor noted that this data was not comparable to the data it used in its detailed analysis. For example, DAU's estimates did not include costs for converting legacy data, migrating content, or developing all reporting modules envisioned for the FAITAS replacement. These issues prevented the AoA contractor from performing a detailed comparative analysis of FAI's potential use of DAU's CSOD application to replace FAITAS. However, the contractor provided a limited assessment of this option in its report.

While the AoA contractor reported that DAU's experience with implementation and operation of CSOD could result in efficiencies, it also reported a number of drawbacks that did not align with several of FAI's key priorities for the FAITAS replacement. For example, the contractor reported that FAI would not have sole system control—a major problem with FAITAS. The contractor also reported that the use of DAU's CSOD application was not the lowest cost alternative.

The AoA contractor rated its three recommended options based on its analysis and understanding of FAI's priorities, but did not rate the use of DAU's CSOD application. FAI and Office of GSA IT (GSA IT) staff told us that GSA was under no obligation to follow the AoA contractor's recommendations, but they considered the recommendations and discussed them internally before making their decision.

FAI and GSA IT staff also told us that they received additional information from DAU regarding its CSOD application in the areas of cost, implementation time, and the use of a shared service after receiving the AoA report. However, FAI and GSA IT did not document how they assessed this additional information in comparison to other alternatives to determine which solution best met mission needs. Ultimately, the FAI Director, with GSA IT's concurrence, recommended the replacement of FAITAS with DAU's CSOD system to its oversight bodies.

As further evidence, the FAI Director and Associate Chief Information Officer for Corporate IT Services provided an executive briefing, which they used to make their recommendation to FAI's oversight bodies. After the executive briefing, FAI's oversight bodies approved the recommendation to use DAU's CSOD application.

The executive briefing summarized the contractor's AoA results, but did not include all information necessary to inform the oversight bodies' decision. For example, the briefing did not mention that contracting directly with a SaaS provider for a replacement application would provide FAI with sole system control. This would have met one of FAI's key priorities and provided a major benefit of reducing the risk of system outages that plagued FAITAS. The executive briefing also did not address risks associated with the use of DAU's CSOD application that did not align with FAI's key priorities, including the lack of control over system availability and higher costs.

As described below, we also found that FAI's executive briefing contained unsupported or incorrect information related to time frames, costs, and complexity and risk levels for the

replacement options. Taken together, these errors further eroded the reliability of information used in the decision-making process for the replacement system.

- **Time Frames** – According to the executive briefing, the time frame for implementation when contracting directly with a SaaS provider was approximately 18-24 months; however, according to the AoA report, the time frame for implementing this option was approximately 12 months. FAI staff told us that they unintentionally used the incorrect time frame in the executive briefing. In a subsequent discussion, FAI and GSA IT staff stated that they made adjustments because the AoA implementation time frames were too optimistic. However, neither FAI nor GSA IT could provide documentation to support how the adjusted time frame was determined.
- **Costs** – The cost data for DAU's CSOD application in the executive briefing was overstated by approximately \$270,000. FAI staff informed us that this was due to a typographical error. Additionally, the total cost for a GSA-implemented SaaS application as presented in the executive briefing was nearly \$300,000 more than the cost included in the AoA report. FAI staff said that the cost estimate they presented for the GSA-implemented SaaS application was the average cost of two SaaS applications under consideration.
- **Complexity and Risk Ratings** – FAI included complexity and risk ratings for each alternative in the executive briefing. The complexity and risk ratings using DAU's contract for CSOD were both medium while the GSA SaaS ratings were both medium-high. We found that the complexity and risk ratings were not included in the AoA report. FAI staff agreed that the AoA report did not provide a complexity rating for any of the options, but noted the report had detailed findings of risks and challenges for each option. Ultimately, FAI staff did not provide further support to demonstrate how they calculated the ratings.

In sum, FAI's recommendation to replace FAITAS with DAU's CSOD application was not supported by complete and accurate information. Although FAI has since replaced FAITAS with DAU's CSOD application, the lack of quality information FAI put forward to its oversight bodies could have undermined the effectiveness of the decision-making process. To address this deficiency, FAI should improve its decision-making practices for future system decisions by ensuring that it develops recommendations that are based on complete and accurate information. Additionally, when using AoAs, FAI should adopt the U.S. Government Accountability Office's *Best Practices for the Analysis of Alternatives Process* and thoroughly document all source data, methodologies, calculations, results, and selection criteria.

Finding 2 – FAI did not properly execute and administer its interagency agreements.

FAI did not properly execute and administer its interagency agreements for the use of FAITAS in accordance with applicable regulation, guidance, and internal policy. We found that FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its

interagency agreements. FAI also failed to obtain or document internal reviews or maintain interagency agreement documents as required.

Interagency agreements are established using the Bureau of the Fiscal Service's Agreement Between Federal Agencies forms: FS Form 7600A, *General Terms & Conditions (GT&C) Section* (7600A form); and FS Form 7600B, *Order Requirements and Funding Information (Order) Section* (7600B form).³ The 7600A form is completed every 5 years and includes the general terms, conditions, and statutory authority. The 7600B form is completed annually with the description of the goods and services and funding information. We tested 3 7600A forms and 12 7600B forms to determine whether FAI properly executed and administered the interagency agreements.

Figure 1 shows the details of the forms we tested. Of the 15 interagency agreement forms, 13 were with the U.S. Army for FAITAS from Fiscal Year 2017 through Fiscal Year 2019, and 2 were with DAU for the FAITAS replacement from Fiscal Year 2020. Collectively, these represent all of FAI's interagency agreement forms for FAITAS for this time period.

Figure 1 – Tested Interagency Agreements

Interagency Agreement Form	Servicing Agency		Total
	U.S. Army	DAU	
7600A	2	1	3
7600B	<u>11</u>	<u>1</u>	<u>12</u>
Total	13	2	15

Incorrect Statutory Authority Cited in Interagency Agreements

FAI incorrectly cited the Acquisition Workforce Training Fund statute as its authority to enter into the three 7600A forms we tested.⁴ This statute does not specifically authorize FAI to enter into interagency agreements. Therefore, in accordance with the Federal Acquisition Regulation, FAI should have cited the Economy Act as the statutory authority to enter into the agreements.⁵ Because FAI did not cite the Economy Act on these agreements, it also failed to meet the requirements for interagency agreements under the act. For example, the Economy

³ The 7600A and 7600B forms have been revised multiple times. In this paragraph, we are using the names from the revisions in November 2016 and June 2017, respectively.

⁴ 41 U.S.C. 1703.

⁵ See 48 C.F.R. 17.502-2, The Economy Act.

Act requires that a contracting officer or other designated official determines if the interagency agreement represents the best interest of the government.⁶

FAI staff said that the GSA Office of General Counsel (OGC) reviewed these three agreements and that FAI relied on these OGC reviews to ensure that it cited the correct statutory authority. FAI staff could only provide evidence of an OGC review for two of the agreements. Neither review indicated that OGC identified the cited statutory authority as being incorrect. OGC staff told us that they advised FAI in February 2020 to cite the Economy Act; nonetheless, we found that an April 2020 interagency agreement that was reviewed by OGC still contained the incorrect authority.

To address this deficiency, FAI should comply with all applicable requirements under the Economy Act and cite the act as the statutory authority to enter into interagency agreements. FAI should also revise the current agreement with DAU to cite the Economy Act.

Improper GSA Official Signed FAI Interagency Agreements

The *GSA Delegations of Authority Manual* states that GSA's Senior Procurement Executive must sign FAI's agreements.⁷ However, we found that the GSA Senior Procurement Executive did not sign 13 of the 15 interagency agreement forms we tested.

The FAI Director incorrectly signed the interagency agreements as the designated GSA official, based on OGC guidance that he was authorized to do so under the service level agreement between OFPP and GSA. FAI then incorporated this guidance into its operations manual, instructing FAI staff to obtain the FAI Director's signature for its interagency agreements. However, GSA's Senior Procurement Executive told us that while FAI reasonably relied on OGC's guidance, he agrees that he should have signed FAI's interagency agreements as required by

⁶ See 48 C.F.R. 17.502-2(c)(1)(i).

⁷ *GSA Delegations of Authority Manual* (ADM P 5450.39D, November 16, 2011) and *GSA Delegations of Authority Manual, Chapter 6* (ADM 5450.39D CHGE 12, October 18, 2018).

the *GSA Delegations of Authority Manual*. The GSA Senior Procurement Executive signed two subsequent interagency agreements with DAU.

FAI should revise its operations manual to align with the *GSA Delegations of Authority Manual* regarding who should sign FAI's interagency agreements. Doing so will ensure the appropriate level of GSA review for the agreements.

Failure to Obtain or Document Required Internal Reviews of FAI's Interagency Agreements

Since 2017, GSA policies have required internal reviews of interagency agreements from OGC and GSA IT prior to executing the agreements. Although FAI's operations manual incorporates these policies, FAI did not obtain or document these reviews as required.

GSA OGC reviews. Of the 15 interagency agreement forms we tested, 12 required an OGC review in accordance with GSA policies and FAI's operations manuals in effect at the time each interagency agreement was executed.⁸ However, FAI could not provide evidence of an OGC review for 6 of the 12 interagency agreements.

While FAI's current operations manual states that FAI staff must obtain OGC reviews of all interagency agreements, it does not instruct staff on how to document these reviews. FAI staff told us that they could not locate documentation of OGC's reviews because the information was saved in emails and on personal network drives of staff members who are no longer employed by FAI. Without documentation of OGC reviews, FAI has no assurance that its interagency agreements received the required legal oversight.

GSA IT reviews. Of the 15 interagency agreement forms we tested, 7 required a review by GSA's Chief Information Officer (CIO) in accordance with the Federal Information Technology Acquisition Reform Act (FITARA). However, FAI did not obtain the CIO's review for any of the seven interagency agreements. Because FAI did not obtain the CIO's review of the interagency agreements for FAITAS, GSA IT cannot identify and mitigate potential information technology risks to FAI systems or operations.

In accordance with FITARA, agency CIOs are required to have a significant role in agency decisions regarding the acquisition of information technology, including the review of interagency agreements.⁹ In July 2017, GSA implemented policy designed to comply with

⁸ *Office of Budget Policy & Standard Operating Procedure Interagency Agreement* (October 1, 2014) and *Office of Budget Policy & Standard Operating Procedure Intra- And Inter-Agency Agreement* (July 16, 2018).

⁹ Title VIII, Subtitle D of the National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291.

FITARA. Among other things, this policy required that GSA's CIO review all interagency agreements related to information technology.¹⁰

FAI incorporated this policy into its operations manual in October 2018. Nonetheless, FAI failed to obtain the required reviews for the five of the seven interagency agreements that were executed after FAI enacted this policy. Moreover, FAI staff said that they were aware of this requirement; however, they still failed to obtain the required GSA IT reviews of the DAU interagency agreements before they were signed.

To address these deficiencies, FAI should revise its operations manual to establish a consistent process to document the required GSA reviews of interagency agreements. In addition, FAI should improve management oversight of its staff's compliance with applicable laws and internal policy, as well as FAI's operations manual.

Insufficient Agreement Documentation

FAI staff failed to maintain the final versions of 11 out of 15 tested interagency agreement forms. In addition, FAI staff could only provide draft versions of key supporting documents, including the performance work statement of the related contract.

The Federal Acquisition Regulation requires FAI to keep its interagency agreements and supporting documents to provide a complete history of the acquisition for investigations, litigation, or congressional inquiries.¹¹ FAI's operations manual also requires staff to save signed interagency agreements in Pegasys, GSA's financial system of record.

FAI staff said that they could not locate some of the interagency agreements or supporting documentation because the information was saved in emails and on personal network drives of staff members who are no longer employed by FAI. Without final versions of the interagency agreements, FAI lacks critical information necessary to properly execute and administer the interagency agreements, such as the effective dates of the agreements and complete terms and conditions. Accordingly, FAI should strengthen management oversight of staff's compliance with its operations manual and ensure its staff maintains complete records.

As demonstrated above, FAI did not comply with applicable laws, regulation, and guidance for its interagency agreements. FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its interagency agreements. FAI also failed to obtain or document internal reviews or maintain interagency agreement documents as required. Accordingly, FAI should improve oversight of its operations to comply with the laws, regulation, and guidance relevant to its interagency agreements.

¹⁰ GSA Enterprise Information Technology Management (ITM) Policy (2101.1 CIO, July 14, 2017).

¹¹ See Federal Acquisition Regulation 17.502-1(a)(1)(ii), *General*; Federal Acquisition Regulation 4.801(b).

Conclusion

FAI's recommendation to its oversight bodies to replace FAITAS was not supported by complete and accurate information. We found that FAI's recommendation was not supported by a detailed comparative analysis, omitted key information, and included erroneous data. As a result, FAI did not have assurance that its recommendation best met FAI's mission needs.

Additionally, FAI did not properly execute and administer its interagency agreements for the use of FAITAS in accordance with applicable regulation, guidance, and internal policy. We found that FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its interagency agreements. FAI also failed to obtain or document internal reviews or maintain interagency agreement documents as required.

Taken together, these deficiencies resulted in less oversight of FAITAS decisions and interagency agreements. Accordingly, FAI should improve its decision-making practices for future systems decisions by ensuring that it develops recommendations that are based on complete and accurate information. In addition, FAI should follow applicable regulation, guidance, and internal policy to ensure that it properly executes and administers its future interagency agreements.

Recommendations

We recommend that the Associate Administrator of the GSA Office of Government-wide Policy and the FAI Director:

1. Distribute this audit report to FAI's oversight bodies that provide strategic direction and accountability over FAI.
2. Ensure that future system decisions are informed by complete and accurate information. If analysis of alternatives are used as part of these decisions, FAI should adopt the U.S. Government Accountability Office's *Best Practices for the Analysis of Alternatives Process*.
3. Comply with all applicable requirements under the Economy Act and cite the act as the statutory authority to enter into interagency agreements. Also, revise the current interagency agreement with the Defense Acquisition University to cite the Economy Act.
4. Revise FAI's operations manual to align with the *GSA Delegations of Authority Manual* and to establish a process to document the required GSA reviews of interagency agreements.

5. Improve management oversight of FAI staff's compliance with FAI's operations manual. Specifically, ensure that FAI staff maintain complete records and obtain required GSA reviews of interagency agreements.

GSA Comments

The Associate Administrator of the GSA Office of Government-wide Policy agreed with our recommendations and *Finding 2*. However, she partially disagreed with *Finding 1*, writing that:

Although FAI does concur that more thorough documentation [of its decision to replace FAITAS with DAU's CSOD] should have occurred, we are confident that the FAI's recommendation to replace FAITAS was supported by the best available and most complete information at that time, contrary to finding 1.

We could find no evidence to support the Associate Administrator's assertion that FAI's decision was based on "the best available and most complete information at that time." As described in *Finding 1*, GSA personnel could not provide support for numerous assertions made about the quality of information they relied upon throughout the decision-making process for replacing FAITAS. For example, although FAI and GSA IT staff told us that they considered additional DAU-supplied information on the CSOD application's cost and implementation time, they could not support how they assessed this additional information in comparison to other alternatives to determine which solution best met mission needs.

Based on the above, we reaffirm *Finding 1*.

GSA's comments are included in their entirety in **Appendix B**.

Audit Team

This audit was managed out of the Acquisition and Information Technology Audit Office and conducted by the individuals listed below:

Sonya D. Panzo	Associate Deputy Assistant Inspector General for Auditing
Susan M. Klein	Audit Manager
Bruce E. McLean	Auditor-In-Charge
James W. Dean	Management Analyst

Appendix A – Scope and Methodology

We tested whether FAI supported its FAITAS decisions with analysis and decision documents. To evaluate whether FAI properly executed and administered its interagency agreements in accordance with applicable regulation, guidance, and internal policy, we tested FAI's agreements from Fiscal Year 2017 through Fiscal Year 2019. We also analyzed DAU interagency agreements for the FAITAS replacement from Fiscal Year 2020.

To accomplish our objectives, we:

- Researched the Federal Acquisition Regulation, Office of Management and Budget guidance, and internal GSA and FAI policies on the use of interagency agreements;
- Analyzed 15 interagency agreement forms to determine if they were executed and administered in accordance with applicable regulation, guidance, and internal policy;
- Analyzed FAI's operations manual to determine if FAI designed, implemented, monitored, and remediated control activities;
- Reconciled the obligation amounts for the interagency agreements we tested to FAI's payment data in Pegasys, GSA's financial system of record;
- Analyzed FAI's AoA documents to determine if FAI:
 - Implemented the recommendations to replace FAITAS, and
 - Identified and analyzed risk when implementing the recommendations;
- Reviewed the information shared between FAI and its oversight bodies to determine if FAI communicated quality information about its proposed recommendation to use DAU's contract for CSOD to replace FAITAS; and
- Interviewed and corresponded with GSA staff from FAI, GSA IT, OGC, the Office of Government-wide Policy, and the Office of the Chief Financial Officer.

We conducted the audit between September 2019 and February 2021 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Controls

We assessed internal controls significant within the context of our audit objectives against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment and the report findings include any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Appendix B – GSA Comments

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Office of Governmentwide Policy
U.S. General Services Administration

October 25, 2021

MEMORANDUM FOR SONYA D. PANZO
ASSOCIATE DEPUTY ASSISTANT INSPECTOR
GENERAL FOR AUDITING

FROM: KRYSTAL J. BRUMFIELD
ASSOCIATE ADMINISTRATOR
OFFICE OF GOVERNMENT-WIDE POLICY

Discussed by:
Krystal Brumfield
Associate Administrator

SUBJECT: Response to Draft Report, Audit of the Federal Acquisition
Institute's Interagency Agreements for Workforce Training
Systems Report Number A190106

Thank you for the opportunity to comment on the subject draft audit report, Audit of the Federal Acquisition Institute's Interagency Agreements for Workforce Training Systems (FAITAS) Report Number A190106, dated September 21, 2021, and for your team's cooperation in working with us.

The draft report describes the major challenges associated with the FAITAS operations and maintenance that GSA faced. These ranged from potential security issues and an unstable platform to multiple prolonged system outages that made the system inaccessible to the 280K user community, to name a few. The severity of these challenges prompted the immediate need for the General Services Administration (GSA)/Federal Acquisition Institute (FAI) to act quickly and revisit whether continued investment in the system was the correct decision for FAI, its stakeholders, and the FAITAS user base. FAI decided to transition to a commercial solution as quickly and securely as possible.

FAI, in partnership with the Office of GSA IT (GSA IT), conducted an analysis of alternatives (AoA) to gain insight into alternate commercial solutions and chose to migrate to the Defense Acquisition University (DAU) Cornerstone On-Demand (CSOD) learning platform. The migration came ahead of schedule and under budget by \$1.1 million.

While FAI agrees that it should have been more thorough when documenting its decision, we are confident that the decision to transition to DAU CSOD met both FAI's business and technical requirements.

We carefully reviewed the draft report. Although FAI does concur that more thorough documentation should have occurred, we are confident that the FAI's recommendation to replace FAITAS was supported by the best available and most complete information at that time, contrary to finding 1. Additionally, we agree with finding 2 that *FAI did not properly execute and administer its interagency agreements*.

Audit Finding 1

The draft audit report states:

- FAI's recommendation to its oversight bodies to replace FAITAS was not supported by complete and accurate information.
- As a result, FAI did not have assurance that its recommendation best met FAI's mission needs.

FAI's recommendations were based on the most accurate information available at the time. Requirements, timeframes, and cost estimates may sometimes change over the course of a project as new information is gathered. Changes in available information in no way detracts from our confidence that the DAU CSOD recommendation best met FAI's mission needs.

The contractor AoA Report identified three alternatives for GSA/FAI consideration:

- Alternative 1 – Learning Management System-Centric and Software as a Service (SaaS) based Solution
- Alternative 2 - Platform as a Service (PaaS) based Solution
- Alternative 3 - Custom Software Development Solution

Once FAI recognized that a SaaS solution was the best alternative, it examined whether it should implement a stand-alone version or leverage an existing solution available through Defense Acquisition University (DAU). Based on discussions and expertise of GSA IT, FAI requested the AoA contractor to include a cost analysis for a separate option where FAI would leverage the DAU CSOD system through an interagency agreement with DAU.

Neither FAI nor GSA IT thought it would be advisable to rely solely upon the AoA. While the AoA contractor provided great insight, FAI and GSA IT properly and

appropriately applied their professional business and technical judgment. The AoA, for instance, mischaracterized FAI as needing to have "direct systems control" and did not include several costs which would have been associated with a stand-alone solution.

FAI/GSA IT considered several factors in deciding whether to use a shared service solution. FAI recognized that it could reduce transition time frames, risk, and achieve volume-based pricing through the DAU solution and support the Administration's objectives in promoting shared services. Taking these factors into consideration along with prior GSA IT system transition experiences, the FAI/GSA IT team determined partnering with DAU was the best decision.

While FAI could have followed the competitive procurement process in order to award its own contract, doing so would have increased transition time and complexity. Amongst other things, adding several months for a new acquisition would have required FAI to remain on the unstable FAITAS platform longer, risking another user lock out.

The goal of the FAITAS transition was achieved. FAI successfully migrated from the legacy version of FAITAS to the DAU implementation of CSOD, now called FAI CSOD. The implementation of FAI CSOD came in under budget by \$1.1M and gained the ability to leverage resources by partnering with DAU. For example, DAU recently increased the number of help desk personnel; the additional personnel are also made available to support FAI CSOD users.

FAI agrees that it should have been more thorough while documenting its decisions, including how it applied its judgment while reviewing the AoA in stakeholder briefing materials. However, FAI is confident that its decision to transition to DAU CSOD met both business and technical requirements.

Audit Finding 2

The draft audit report detailed issues with FAI handling of IAAs.

- FAI did not cite the correct statutory authority.
- FAI failed to obtain or document internal reviews.
- FAI failed to maintain interagency agreement documents.

FAI agrees that these findings were accurate at the time the audit fieldwork began and that improvements are needed in its review and maintenance of IAA documents. With regard to citing the correct statutory authority, FAI began referencing the Economy Act

on all Interagency Agreements (IAAs) upon being notified by GSA Office of General Counsel in September 2020.¹ The current IAA with DAU, dated March 31, 2021, cites the Economy Act. FAI is also complying with all applicable requirements under the Economy Act.

OIG Recommendation 001

Distribute this audit report to FAI's oversight bodies that provide strategic direction and accountability over FAI.

FAI Response: FAI agrees with this recommendation. FAI is overseen by the Office of Federal Procurement Policy (OFPP) which has delegated day to day management responsibility to the General Services Administration. FAI will share the report with the Acting OFPP Director and consult with OFPP on how to best share the audit report with its oversight bodies.

OIG Recommendation 002

Ensure that future system decisions are informed by complete and accurate information. If analysis of alternatives is used as part of these decisions, FAI should adopt the U.S. Government Accountability Office's *Best Practices for the Analysis of Alternatives Process*.

FAI Response: FAI agrees that systems decisions need to be informed by complete and accurate information. Although we believe the transition decisions were based on complete and accurate information, we agree that the decisions should have been documented more appropriately. To improve the internal AoA process, FAI will review and adopt the U.S. Government Accountability Office's *Best Practices for the Analysis of Alternatives Process*.

OIG Recommendation 003

Comply with all applicable requirements under the Economy Act and cite the act as the statutory authority to enter into interagency agreements. Also, revise the current interagency agreement with the Defense Acquisition University to cite the Economy Act.

FAI Response: FAI agrees with this recommendation. As noted above, FAI has referenced the Economy Act as the relevant statutory authority in all IAAs since September 2020. FAI verified that the current IAA with DAU, dated March 31, 2021,

¹ OGC provided advice related to citing the Economy Act in the absence of any other specific authority on a particular IAA in February 2020. Later, in September 2020 OGC advised FAI leadership that FAI should cite the Economy Act, absent another specific authority, with respect to all IAAs.

cites the Economy Act. FAI is also complying with all applicable requirements under the Economy Act.

OIG Recommendation 004

Revise FAI's operations manual to align with the *GSA Delegations of Authority Manual* and to establish a process to document the required GSA reviews of interagency agreements.

FAI Response: FAI agrees with this recommendation. FAI will create a GSA IAA development and review reference sheet and share it across OGP to ensure all members of the organization are familiar with the GSA review process of interagency agreements.

OIG Recommendation 005

Improve management oversight of FAI staff's compliance with FAI's operations manual. Specifically, ensure that FAI staff maintain complete records and obtain required GSA reviews of interagency agreements.

FAI Response: FAI agrees with recommendation. FAI will conduct a review of its operations manual to ensure applicable processes and procedures are updated to reflect established procedures. Additionally, FAI will facilitate a training session on how and where to maintain complete records with staff to improve current processes and obtain required GSA IAA reviews.

We appreciate the opportunity to review draft report A190106. If you have any questions, please contact Ms. Rebecca Zusman, Federal Acquisition Institute, Deputy Director at rebecca.zusman@gsa.gov or 202-704-9092.

Appendix C – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Associate Administrator for Government-wide Policy (M)

Principal Deputy Associate Administrator for Government-wide Policy (M1)

Deputy Chief Acquisition Officer and Senior Procurement Executive (M1V)

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