



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

IMPLEMENTATION REVIEW OF ACTION PLAN

Audit of Contractor Team Arrangement Use A130009/Q/A/P140004 September 8, 2014

Assignment Number A170095
September 28, 2017

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Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our September 2014 audit report, *Audit of Contractor Team Arrangement Use*, Report Number A130009/Q/A/P140004 (see **Appendix A**).

Objective

The objective of our review was to determine whether the Federal Acquisition Service (FAS) has taken the corrective actions as outlined in the action plan for *Audit of Contractor Team Arrangement Use*. To accomplish our objective we:

- Met and corresponded with FAS personnel;
- Examined documentation submitted by FAS personnel supporting completion of the action plan steps;
- Examined guidance and training materials provided by FAS and contained in GSA's Internal Control Audit Tracking System;
- Performed limited testing of the implementation of the guidance contained in these supporting documents; and
- Examined documentation associated with a recent internal review performed by FAS personnel.

Background

A contractor team arrangement (team arrangement) is an agreement between two or more Multiple Award Schedule (schedule) contractors to work together to meet customer agency contracting needs. A team arrangement allows contractors to complement each other's capabilities in order to provide a total solution that combines the supplies and/or services from the team members' individual schedule contracts. The team members develop a team arrangement, independent from the government, which cannot conflict with the underlying terms and conditions of their separate schedule contracts. The team arrangement is documented in a written agreement that details the responsibilities of each team member.

On September 8, 2014, we issued an audit report, *Audit of Contractor Team Arrangement Use* to FAS. The objectives of our audit were to: (1) determine the extent to which contracting officers follow existing guidance and regulation in the administration of contractor team arrangements, and (2) assess contracting officer awareness of risk in improperly administering team arrangements.

Our audit found that:

- Limited instruction, informal guidance, and minimal experience inhibit proper contractor team arrangement administration.
- Contracting system limitations hinder contracting officers' ability to administer team arrangements and reduce associated risks.

To address the findings identified in our report, we recommended that the FAS Commissioner:

1. Strengthen guidance by:
 - a. Developing FAS policies specific to contractor team arrangements; and
 - b. Providing instruction and training to contracting officers and schedule contractors on the use of contractor team arrangements.
2. Develop a centralized internal identification and tracking methodology for contractor team arrangements.

The FAS Commissioner agreed with our report recommendations.

Results

Our implementation review determined that FAS has taken appropriate corrective actions to address our recommendations. Therefore, no further action is necessary.

Conclusion

Our implementation review determined that FAS addressed the audit recommendations in the action plan, dated November 26, 2014.

Audit Team

This review was managed out of the Heartland Region Audit Office and conducted by the individuals listed below:

John Walsh	Regional Inspector General for Auditing
Erin Priddy	Audit Manager
Shane Dunlay	Auditor-In-Charge

Appendix A – Action Plan for Report Number A130009/Q/A/P140004

(A130009) Action Plan

Designated Responding Official: [REDACTED]

Contact Person: [REDACTED]

Telephone Number: [REDACTED]

Date: 11/26/2014

Recommendation

Strengthen guidance by:

- Developing FAS policies specific to contractor team arrangements; and
- Providing instruction and training to contracting officers and schedule contractors on the use of contractor team arrangements.

Audit Report Number/Title	Recommendation Number	Proposed Recommendation Completion Date
A130009: Office of Inspector General Audit of Contractor Team Arrangement Use	001	Interim Guidance has been issued to provide further clarity around the use of Contractor Teaming Arrangements (CTAs). The GSA Office of Government wide Policy (OGP) is working with the Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) to issue final guidance in the future. OGP anticipates a final rule being published in approximately April 2016. This projection is based upon the time needed for FAR/GSAR cases to go through the rulemaking process, soliciting public comment, and reconciling comments before a rule is published as final.

Action to be Taken Step by Step	Supporting Documentation to be sent to H1C	Documentation Will be Sent Last Day
<p>001A:</p> <p>Interim Guidance has been issued to provide further clarity around the use of Contractor Teaming Arrangements (CTAs). GSA is working with the Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) to issue final guidance in the future.</p> <p>001A (Continued):</p>	<p>Interim Guidance: Ordering activities are responsible for accurately achieving and reporting on their small business goals, including accurate reporting to the Federal Procurement Data System (FPDS). Under CTAs, each contractor had privity of contract with the ordering activity. When a Multiple Award Schedule (MAS) order is awarded with a CTA, small business achievement in contractual terms is based upon the dollar amount of the work the small business contractors perform under the order. FPDS currently will only accept information relating to one contractor per order. The ordering activity must determine which CTA member is realizing the preponderance of the revenue on an order and report that contractor's information to FPDS.</p>	<p>On August 7, 2013, Interim Guidance was issued and can be found in the following resources: Contractor Team Arrangements: www.gsa.gov/contractorteamingarrangements 2. Elements of a CTA Document: http://www.gsa.gov/portal/content/202253 3. FAQ: "Contractor Team Arrangements": http://www.gsa.gov/portal/content/202257 4. Small Business Set Aside FAQs (#13): http://slaging.gsa.gov/portal/content/113371#13 5. MAS Desk Reference: Contractor Team Arrangements(CTAs) http://www.gsa.gov/MASDESKTOP/section9_1.html</p>

<p>QV is currently developing a formal Contractor Teaming Arrangement (CTA) policy.</p> <p>001B:</p> <p>QV currently offers CTA training through webinars and a Defense Acquisition University (DAU) course, FAC 036: GSA Schedules BPAs and CTAs. QV is in the process of updating these training courses with the interim guidance on CTAs. Once a final rule is published, the course material will be updated again.</p>	<p>Formal CTA Policy and Procedure Directive</p> <p>Updated CTA training material included in webinars and DAU course, FAC 036: GSA Schedules BPAs and CTAs.</p> <p>In accordance with FAS Instructional Letter 2014-04 (attached), FAS acquisition workforce members are required to complete FAC 036 GSA Schedules BPAs and CTAs (CLPs; 2, Course Length: approximately 1-2 hours). Personnel who enter the FAS acquisition workforce after the issuance of this IL must complete the required training within the first year of their duties. QV will issue a notification to FAS Acquisition Workforce members that FAC 036 GSA Schedules BPAs and CTAs has been updated to include the interim guidance and formal FAS CTA policy. Once a final rule is published, FAS will issue supplemental policy guidance requiring FAS Acquisition Workforce members to complete the updated training.</p> <p>QV intends to work with the Federal Acquisition Institute (FAI) to issue a notice to the 1102 workforce within FAITAS indicating that an update has been made the FAC 036 GSA Schedules BPAs and CTAs.</p>	<p>Given the complexity of the matter, and the lack of a final rule to address apparent regulatory gaps, the policy to provide further clarity around the use of Contractor Teaming Arrangements is being formulated and we hope to issue guidance in the very near future (1st/2nd QTR FY15). We will share the CTA policy guidance with all stakeholders including the OIG once finalized.</p> <p>QV CTA training material will be updated with the interim guidance during the next training refresh period (anticipated release during 1st QTR FY 2015).</p> <p>1st QTR FY 15</p>
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Appendix A – Action Plan for Report Number A130009/Q/A/P140004 (cont.)

Designated Responding Official: [REDACTED]
Contact Person: [REDACTED]
Telephone Number: [REDACTED]
Date: 9/17/2014

Recommendation

Develop a centralized internal identification and tracking methodology for contractor team arrangements.

Audit Report Number/Title A310009: Office of Inspector General Audit of Contractor Team Arrangement Use	Recommendation Number: 002	Proposed Recommendation Completion Date (Month/Year) The Assisted Service Acquisition Service (AAS) issued the Operational Notice (ON) on CTAs in August 2014. See Appendix for the finalized Operational Notice (ON).
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Action to be Taken Step by Step	Supporting Documentation to be sent to HIG	Documentation Will be Sent Last Day
<p><u>002:</u></p> <p>The Assisted Acquisition Service (AAS) has taken proactive measures by establishing/developing policies specific to Contractor Teaming Arrangements (CTAs). In addition the following instructions and training has been provided to Contracting Officers with regards to acquisitions awarded and administered within the AAS Business Systems (ASSIST, ITSS, and TOS):</p> <p>(a) Prior to executing the initial award of any acquisition (agreements, contracts, orders) within the AAS Business Systems to a valid Contractor Teaming</p>	<p>Final Operational Notice (ON) signed by the Assistant Commissioner.</p> <p>With the updated guidance (i.e., Operational Notice) we are requiring contracting officers upload the appropriate Contractor Teaming Arrangement documentation into the Electronic Contract File (ECF). Once loaded in the ECF, each attachment is flagged within a particular tab (or folder) and given a specific category in accordance with the Contract Tab Advisory Guide (CTAG) maintained by the FAS Office of Acquisition Management. The values for the Tab</p>	<p>The action has been completed and the final Operational Notice is attached as an Appendix to this action plan.</p> <p>A screen shot of the report "Contractor Teaming Arrangement Orders" is attached as an Appendix to this action plan.</p>

<p>Arrangement (CTA), the contracting officer shall file all appropriate documents associated with the CTA in the electronic contract file in the "Award Documents" tab (Tab 45) and reference the "Teaming Arrangements (if applicable)" category. The contracting officer shall maintain the file with any additional documentation germane to the CTA filed in the same tab and category.</p> <p>(b) When an indefinite-delivery vehicle has been established (i.e., BPAs, BCAs, IDIQs, IDDOs, IDRs) with an award going to a CTA, the contracting officer shall file all appropriate documentation concerning the CTA in the electronic contract file for both indefinite-delivery vehicle and any resultant orders or calls.</p> <p>(c) For any awards already executed to CTAs, the contracting officer shall file all appropriate documents associated with the CTA at the "Award Documents" tab and category "Teaming Arrangements (if applicable)."</p> <p>(d) The contracting officer shall not at any time maintain a separate file or use an alternate location within the electronic contract file for documents germane to CTA management.</p>	<p>and Category are query-able, in real-time, to allow for central monitoring so that management knows how many awards have been made to team arrangements at any given time. This facilitates tracking and ease of reference. A report "Contractor Teaming Arrangement Orders Reports" was created and published to our business systems allowing management to query for all orders with the CTA documentation in the ECF in real-time (see attached).</p>	
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Appendix B – Report Distribution

Commissioner, Federal Acquisition Service (Q)

Deputy Commissioner, Federal Acquisition Service (Q1)

Chief of Staff, Federal Acquisition Service (Q0A)

Controller, Federal Acquisition Service (BF)

Assistant Commissioner, Office of Policy and Compliance (QV)

Assistant Commissioner, Office of Assisted Acquisition Services (QF)

Deputy Assistant Commissioner, Office of Assisted Acquisition Services (QF1)

Associate Administrator for Governmentwide Policy (M)

Branch Chief, GAO/IG Audit Management Division (H1G)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Investigations (JID)

Director, Audit Planning, Policy, and Operations Staff (JAO)