



# AUDIT OF THE FEDERAL TRADE COMMISSION'S CONTRACTING OFFICER'S REPRESENTATIVE PROGRAM

Office of Inspector General  
Federal Trade Commission

OIG Report No. A-22-03  
December 2, 2021





UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of Inspector General

December 2, 2021

**MEMORANDUM**

**FROM:** Andrew Katsaros  
Inspector General

**TO:** David B. Robbins  
Executive Director

**SUBJECT:** Audit of the Federal Trade Commission's Contracting Officer's Representative Program

The Office of Inspector General (OIG) conducted a performance audit to determine whether the FTC's contracting officer's representative (COR) program is operating in compliance with federal requirements and FTC policies and procedures.

Based on our audit results, we concluded that the program generally complies with federal requirements, including the Federal Acquisition Regulation (FAR). However, our audit did reveal opportunities for management to clarify responsibilities within the COR program. We recommended that the FTC Executive Director, in coordination with the Director of the Financial Management Office, update the FTC *Administrative Manual*, Chapter 2: Section 300—Acquisition, to reflect the current process of acquiring and managing FTC contracts. We also recommended that the FTC Executive Director, in coordination with each FTC operating unit director, develop guidance on the oversight of COR activities and maintenance of COR files.

The FTC's response to the draft report's findings and recommendations is included as Appendix E. The response reflects that the FTC concurred with the report's recommendations. Within 60 calendar days, please submit to us an action plan that addresses the additional recommendations in this report.

A public version of this report will be posted on the OIG's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 and 8M).

The OIG greatly appreciates the cooperation and courtesies extended to us by the Office of the Executive Director and its Financial Management Office throughout the audit.

If you have any questions or concerns regarding this report, please contact me at (202) 326-3527.





OFFICE OF INSPECTOR GENERAL

# AUDIT OF THE FEDERAL TRADE COMMISSION'S CONTRACTING OFFICER'S REPRESENTATIVE PROGRAM

December 2, 2021  
Report No. A-22-03

## IN SUMMARY

### Why We Performed This Audit

The audit objective was to determine whether the FTC's contracting officer representative COR program is in compliance with federal requirements and FTC policies and procedures.

In 2020, the FTC's CORs monitored 324 unique contracts valued at more than \$87 million. Our audit scope covered the COR program and activities for the period covering October 1, 2019, through September 30, 2020.

The Contracting Officer Representative COR acts as the "eyes and ears" of the contracting officer to ensure performance of all necessary actions; ensure compliance with contract terms; and safeguarding the interests of the Commission's mission specifically, and the United States generally, in the FTC's contractual relationships.

Based on our audit results, we concluded that the program generally complies with federal requirements, including the Federal Acquisition Regulation FAR. However, our audit did reveal opportunities for management to clarify responsibilities within the COR program.

### What We Found

Our audit found the following:

- I. *The FTC's Administrative Manual misguides users with outdated acquisition practices and process.* The Manual has not been updated since September 2017. As a result, the primary resource for acquisition policy currently available to FTC CORs and other staff includes inaccurate guidance to FTC staff.
- II. *Most FTC bureaus and offices have not established and implemented specific internal policies and procedures guiding their contract management.* Without internal procedures that details the file contents that CORs must maintain, operating units risk not capturing and documenting the material transactions that support management decision-making. Lacking the proper policies, program management does not have sufficient tools to conduct effective reviews and ensure the COR files meet documentation standards.

Our audit also presented an "Other Matter" that discusses how the FTC's Acquisition Division has not developed the oversight structure to support the transition to a hybrid work environment.

### What We Recommend

#### Recommendation 1

We recommend that the FTC Executive Director, in coordination with the Director of the Financial Management Office, update the FTC *Administrative Manual* Chapter 2: Section 300—Acquisition, to reflect the current process of acquiring and managing FTC contracts.

#### Recommendation 2

We recommend that the Executive Director, in coordination with each FTC operating unit director, develop guidance on the oversight of COR activities and maintenance of COR files.

FTC management concurred with our report recommendations.

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## AUDIT RESULTS SUMMARY

We conducted a performance audit to determine whether the Federal Trade Commission's (FTC's) contracting officer's representative (COR) program is operating in compliance with federal requirements and FTC policies and procedures. We audited the COR program and activities for the period covering October 1, 2019, through September 30, 2020. Please see appendix A for additional information on our objective, scope, and methodology, including information on our restated objectives. (We include further background information in appendix B. See appendix C for a detailed listing of test results that support our findings and appendix D for a list of acronyms and abbreviations used in this report.)

Based on our audit results, we concluded that the program generally complies with federal requirements, including the Federal Acquisition Regulation (FAR). However, our audit did reveal opportunities for management to clarify responsibilities within the COR program. Specifically, we concluded that enhancements to and reinforcement of policies and procedures would improve the program and help management coordinate efforts across multiple FTC bureaus and offices. (See findings I and II about current federal acquisition practices and internal policies and procedures guiding contract management, respectively.) In addition to findings I and II, we noted as an "Other Matter" that the Acquisition Division has opportunities to improve internal guidance supporting staff operations occurring in the remote workplace.

The report contains two recommendations for strengthening the controls and overall efficiency of the FTC's COR program. FTC management agreed with both recommendations. According to FTC management, the Acquisitions Division is in the process of updating the *Administrative Manual* to reflect current conditions. Additionally, the Acquisitions Division will set standards that the FAR requires with respect to file content and thoroughness of documentation in the post-award phases of contracts throughout FTC operating units. The entire FTC response to our report is included in appendix E.

## WHY WE PERFORMED THIS AUDIT

The FTC’s Acquisition Division is responsible for all contracting needs within the Commission. During FY 2020, the FTC obligated approximately \$87 million for contracts (refer to **table 1** for details), including goods and services ranging from legal support services to operational support for the agency’s computer network.

**Table 1: FY 2020 Obligations by FTC Agency<sup>1</sup>**

FTC Bureau or Office	Contract Obligations	% of Total Obligations
Office of Chief Information Officer	31,973,242	36.74%
Bureau of Competition	17,948,210	20.62%
Bureau of Consumer Protection	17,592,101	20.22%
Office of Chief Administrative Services Office	11,862,822	13.63%
Financial Management Office	3,831,406	4.40%
Human Capital Management Office	1,587,260	1.82%
Office of Public Affairs	1,236,503	1.42%
Office of the Secretary	270,729	0.31%
Other	261,537	0.30%
Office of International Affairs	185,243	0.21%
Office of Inspector General	168,819	0.19%
Bureau of Economics	106,913	0.12%
<b>Total</b>	<b>87,024,783</b>	<b>100%</b>

Source: [www.SAM.gov](http://www.SAM.gov)

Recently, FTC’s Acquisitions Division (ACQDIV)—facing increasing demands at a challenging pace—has changed significantly (e.g., by transitioning to a more automated procurement system; see finding I for further details). In addition to the challenges posed by the ongoing COVID-19 pandemic, federal contracting requirements and the increasing need for expert witness services maintain pressure on the acquisitions program.

<sup>1</sup> The U.S. General Services Administration’s [www.SAM.gov](http://www.SAM.gov) report on FTC FY 2020 included \$83,737,178 net contract obligations (both obligations and de-obligations for contract services). We found FTC CORs assigned to 324 unique contracts totaling \$87,024,783 obligations. Additionally, we found 82 contract Procurement Instrument Identifiers (PIIDs), accounting for a \$3,287,604 de-obligated balance, that did not have assigned CORs as of September 30, 2020. For our current audit, we use the \$87,024,783 figure that accounts for the 324 contracts with assigned CORs.

## FINDINGS AND RECOMMENDATIONS

### I. The FTC's Administrative Manual Misguides Users with Outdated Acquisition Practices and Process

In October 2019, the FTC completed transitioning its federal shared service functions from the Department of the Interior Business Center (IBC) to the Department of the Treasury's Administrative Resource Center (ARC). This migration incorporated a new ARC contract management system and made significant changes to the travel, acquisitions, financial operations, and reporting functions.<sup>2</sup> However, the FTC's primary guide on acquisitions does not reflect these updated functions and processes.

GAO's *Standards for Internal Control in the Federal Government* advises management to review policies, procedures, and related control activities periodically for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management should review this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately.

We found that the Financial Management Office (FMO) has not updated the FTC's *Administrative Manual* to reflect the current process of procuring and managing acquisitions. The *Administrative Manual*, Chapter 2: Section 300—Acquisition (the *Manual*), has not been updated since September 2017. As a result, the primary resource for acquisition policy currently available to FTC CORs and other staff includes inaccurate guidance to FTC staff.

For example: the FTC's acquisition policy, under the General Contracting Process section, currently states that “the acquisition process typically begins before a Requester or Bureau/Office formally requests the purchase of a good or service through the Contract Lifecycle Management (CLM) system or Comprizon.” The acquisitions policy further states that “the Requirements Package must be validated and funding approved as part of the requisition routing process in CLM or Comprizon.” With the current guidance obsolete, FTC's acquisitions staff must sort through largely irrelevant information when procuring and managing contracts. CORs relying solely on this outdated *Manual* language, which refers to Comprizon, to navigate the acquisition process would likely struggle to administer a timely, efficient process under the current PRISM system.

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<sup>2</sup> The Department of Treasury Federal Shared Service specifically incorporates an Oracle product designed to provide a more automated procurement system with increased efficiency through its Procurement Information System for Management (PRISM), compared with FTC's previous Contract Lifecycle Management (CLM) procurement system. All contracts were converted into PRISM from the legacy procurement systems (Comprizon and CLM) on October 15, 2019.

## **Recommendation**

We recommend that the FTC Executive Director, in coordination with the Director of the Financial Management Office, update the *FTC Administrative Manual*, Chapter 2: Section 300—Acquisition, to reflect the current process of acquiring and managing FTC contracts.

## **II. Most FTC Bureaus and Offices Have Not Established and Implemented Specific Internal Policies and Procedures Guiding Their Contract Management**

FTC ACQDIV provides the acquisition program with the overall guidance and policy structure to conform to the Federal Acquisition Regulation (FAR) and other requirements of contract administration. However, by design, those broad-level policies and procedures alone cannot guide each FTC bureau and office toward effective control environments.

GAO's *Standards for Internal Control in the Federal Government* advises agencies to adopt policies specific to each operating unit when considering the specific objectives, related risks, and responsive controls that each unit must establish. In this audit, we found that each specific FTC operating unit's administrative office—such as the ones housed in the Bureau of Competition (BC), Bureau of Consumer Protection (BCP), or Office of the Chief Information Officer (OCIO)—does not have sufficiently documented internal procedures tailored to the specific contracts executed by their respective programs.

FTC operating units' contract control environment could be better supported operating-unit-specific policy, agency-wide, on the supervisory review of COR performance that reinforces CO guidance. GAO's *Standards for Internal Control in the Federal Government* advise that each unit of an agency should adopt policies that weigh its operational process' specific objectives against their related risks. Those policies should document, with an appropriate level of detail, how management will monitor control activities effectively. Management may further define policies through day-to-day procedures, depending on the rate of change in the operating environment and complexity of the operational process. GAO's *Standards for Internal Control in the Federal Government* also instruct agency management to document all transactions and other significant events in a manner that allows the documentation to be readily available for examination.

Regardless of obstacles imposed by the pandemic, we noted during our limited COR file review that documentation practices vary across the Commission. The lack of formalized procedures within the operating units could contribute to inconsistent documentation practices.

One operating unit's internal policy highlights area-specific improvements that would benefit other bureaus and offices across the Commission. The Office of the Chief Administrative Officer (OCASO) has developed internal policy that informs OCASO staff on the management of contract files.<sup>3</sup> OCASO policy includes several requirements that could be instituted throughout FTC offices and bureaus to increase compliance. For instance, internal OCASO policy details the file contents that CORs must maintain on an OCASO shared site. Most importantly, the policy instructs OCASO's Customer and Project Management Office to conduct random contract file

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<sup>3</sup> FTC Office of Chief Administrative Officer, *Contract File Index Maintenance Procedure*, (June 2019).



reviews to ensure completeness of files. Other FTC operating units would improve the efficiency and effectiveness of their contract file management with similar policies appropriate to their specific contracts.

Without internal procedures, operating units risk not capturing and documenting the material transactions that support management decision-making. Staff with COR responsibility may not understand how files are to be housed, as well as documentation requirements. Further, it can hinder management oversight of program assets and limit the capacity to improve outcomes. Lacking the proper policies, program management does not have sufficient tools to conduct effective reviews and ensure the COR files meet documentation standards.

### **Recommendation**

We recommend that the FTC Executive Director, in coordination with each FTC operating unit director, develop guidance on the oversight of COR activities and maintenance of COR files.

## OTHER MATTER

### The FTC's Acquisition Division Has Not Developed the Oversight Structure to Support the Transition to a Hybrid Work Environment

Traditional federal government file storage practices—including a reliance on paper records—have been upended by the COVID-19 pandemic. Many federal employees who, prior to the COVID-19 pandemic, predominantly worked in the same physical space as their coworkers now work remotely and must rely on information technology (IT) to access secure data and collaborate. The probability of remote work increasingly defining the near-future of the FTC's work environment requires a robust structure that supports employees' ability to access and share information.

GAO's *Standards for Internal Control in the Federal Government* instructs management to reviews policies, procedures, and related control activities periodically for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management should review this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. Changes may occur in personnel, operational processes, or information technology.

Prior to the current remote work environment necessitated by the pandemic, ACQDIV had in place a process that enabled consistent and effective processing and review of contract files. Adapting these processes—to support consistent contract processing and oversight in an electronic records environment—remains a challenge. The necessity for (and future likelihood of) a decentralized work environment has required staff to be creative, including recording or documenting remote contract file reviews (e.g., peer reviews).<sup>4</sup> According to ACQDIV officials, future acquisition program adaptations will include developing procedures for migrating paper files to a hybrid work environment.

With the lingering uncertainty about our future work environment, ACQDIV can benefit now—from by migrating to a digital records environment suited to largely remote work—to guide and system consistency and staff flexibility.

FMO informed us that as a result of the COVID-forced remote work environment, the ACQDIV has by default turned to electronic filing of all generated documents. FMO further informed that it no longer attempts to update hard copy contract files—and that it has been exploring products and services used by different agencies to allow for better record accessibility going forward.

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<sup>4</sup> ACQDIV staff use an internal peer review of contract files as a quality control measure. By reviewing each other's assigned work on contract files, ACQDIV staff ensure that all procedures, including clearances and approvals, have been followed—and that all laws, executive orders, regulations, and other applicable requirements have been met.

## PREVIOUS FINDINGS ON THE ACQUISITIONS DIVISION

In FY 2018, we issued an audit report on the FMO Acquisition Division's planning activities.<sup>5</sup> The objective of our audit was to determine whether the FTC properly plans and awards contracts in accordance with applicable laws, regulations, and policies. To accomplish the objective, we assessed the overall structure of FTC's procurement process, as well as the Acquisition Division's policies and procedures supporting acquisition planning.

The results of our audit showed that opportunities existed that could improve acquisition planning and pre-award administration of contract acquisitions. Specifically, we found a lack of policy guidance on the overall structure of contract files and legal reviews of contract awards.

Our audit report included the following recommendations:

- Develop a policy that clearly identifies the documents required to be in contract files to constitute a complete history of the transaction, including records normally contained in the contract file as identified in Federal Acquisition Regulation (FAR) § 4.803.
- Develop requirements for a systematic legal review process for acquisitions that meet identified conditions.

The ACQDIV closed the first recommendation in May 2020, as well as the second recommendation during the time of our fieldwork on this audit.

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<sup>5</sup> FTC OIG, AR-18-05, [\*Audit of Federal Trade Commission Acquisition Planning Activities\*](#), (September 2018).

## APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

We conducted a performance audit to determine whether the FTC’s contracting officer representative (COR) program is in compliance with federal requirements and FTC policies and procedures. Using our professional judgment, we adjusted our objective—related to the removal contract closeout issues—to align with the current transition to a remote work environment. As background for our audit, we researched and reviewed pertinent authorities, including federal laws, agency guidance, policies, and procedures. These included OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Controls*; the GAO *Standards for Internal Control in the Federal Government*; internal FTC policies; and policy memoranda.

We reviewed prior audit reports issued by other OIGs and GAO relevant to COR programs. We conducted interviews with FTC officials. In planning and performing our audit, we identified the internal control components germane to our audit objective. We gained an understanding of controls over the contract process and performed testing on COR file documentation.

As part of our audit, we (a) used a judgmental sample of 10 COR files, maintained in their respective operating units, that closed during FYs 2019 and 2020 to test their adequacy and (b) examined the documentation included within the 10 COR files (refer to **appendix C** for the results). This process required CORs to upload documentation to a new SharePoint site created specifically to meet our audit requirements. **Table 2** shows the 13 items that we tested as part of our COR file assessment.

**Table 2: Audit Tests of COR Files**

Testing Step	Audit Test
1	A copy of letter of appointment from the Contracting Officer, a copy of any changes to that letter, and a copy of any termination letter.
2	A copy of the contract or the appropriate part of the contract
3	A copy of all contract modifications.
4	The applicable quality assurance surveillance plan (QASP)
5	All correspondence initiated by authorized representatives concerning performance of the contract.
6	The names and position titles of individuals who serve on the contract administration team. The Contracting Officer must approve all those who serve on this team.
7	A record of inspections performed and the results.
8	Memoranda for record or minutes of any pre-performance conferences.
9	Memoranda for record or minutes of any meetings and discussions with the contractor or others pertaining to the contract or contract performance.
10	Applicable laboratory test results.
11	Records relating to the contractor's quality control system and plan and results of the quality control effort
12	A copy of the surveillance schedule.
13	Documentation pertaining to acceptance of performance of services, including reports and other data.



To ensure data reliability, we compared AQCDIV data on contract obligations to Financial Management Office (FMO) data from the Financial Systems and Reporting Division, as well as data from the U.S. General Services Administration's System for Award Management (SAM) website on the FTC's FY 2020 contract obligations. To obtain reasonable assurance that we had complete and accurate data, we compared data sets to identify and investigate differences.

We performed the audit work remotely from January 2021 through September 2021. 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.

We used the following criteria in the performance of our audit:

- *FTC Administration Manual*, Chapter 2: Section 300—Acquisition
- FTC FMO acquisition policy memoranda
- OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*
- *GAO Standards for Internal Control in the Federal Government*
- FAR Title 48
- Office of Federal Procurement Policy memoranda

## APPENDIX B: BACKGROUND

### The FTC's COR Program

*The COR.* A COR is designated and authorized to monitor FTC contract performance throughout the entire process, from the planning phase to initiating and participating in the closeout of each contract.<sup>6</sup> Once they are appointed pursuant to an FTC COR designation letter,<sup>7</sup> CORs create and maintain electronic and hard copy files, in accordance with all pertinent records requirements.

*The CO.* One vital role the COR plays in successful contract administration is by acting as the “eyes and ears” of the contracting officer (CO). The CO is responsible for ensuring performance of all necessary actions; ensuring compliance with contract terms; and safeguarding the interests of the Commission’s mission specifically, and the United States generally, in the FTC’s contractual relationships.

**Table 3: CORs by FTC Work Location**

Location	Number of CORs	Contract Obligations
Constitution Center	41	43,623,226
FTC Headquarters	40	41,411,888
Separated	4	1,478,706
New York, NY	1	392,850
Chicago, IL	1	25,600
San Francisco, CA	1	25,000
Los Angeles, CA	1	24,850
Atlanta, GA	2	21,663
Cleveland, OH	1	21,000
<b>Total</b>	<b>92</b>	<b>87,024,783</b>

Source: [www.SAM.gov](http://www.SAM.gov)

*COR workforce and workload at FTC in FY 2020.* As of September 30, 2020, FTC had 92 employees trained and certified to perform COR duties. This total includes 81 CORs located in Washington, DC. In addition, 7 CORs were located at the FTC’s eight regional offices and 4 CORs have separated from the FTC. In 2020, the FTC’s CORs monitored 324 unique contracts valued at more than \$87 million. Through these contracts, the FTC obtained a wide array of essential goods and services, including database maintenance, legal research, expert witness services, IT services, information retrieval, and management and professional services, including consulting and administrative support.

<sup>6</sup> 48 C.F.R. § 1.602-2.

<sup>7</sup> The CO designates a COR in accordance with a designation letter—which specifies the extent of the COR’s authority to act on behalf of the CO, the limitations of the COR’s authority, and the period covered by the designation.

## FTC's Contracting Process

The FTC contracting process is comprised of five key phases (see **diagram 1**); the COR plays a vital role throughout all five phases of the contracting process.

**Diagram 1: FTC's Contracting Process**



**Source:** Adapted from *FTC Administrative Manual*, Chapter 2: Section 300—Acquisition

As part of the first phase (*planning and communication*) of any acquisition, requesting operating units are required to construct a requirements package (RP).<sup>8</sup> Prior to submitting a requisition, the operating units will receive guidance from the Acquisition Division on their RP contents.<sup>9</sup> During this phase, acquisition requests are validated, funding is approved, and market research is conducted.<sup>10</sup>

The second phase, the *pre-award process*, begins when ACQDIV accepts the completed RP. Pre-award activities include acquisition planning, solicitation, and the evaluation of proposals. The CO is responsible for the third phase, the *contract award*—which brings to a close all pre-award activities.

During the fourth phase, *contract administration*, the COR monitors contractor work for

compliance with technical requirements, as well as with the statement of work (SOW). Specifically, the COR reviews approval/rejection of invoices, ensures that the work is within scope of the contract, and confirms sufficient contract funds to pay for the work. As part of the fifth phase, *contract closeout*, the COR submits a closeout confirmation memorandum to ACQDIV—to confirm, among other issues, that the contract is not in litigation or dispute and all deliveries and payments have been made.

## COR Contract File Documentation

COR file contents should include sufficient records to describe the COR's performance over the complete life cycle of a contract.<sup>11</sup> ACQDIV provides CORs assistance throughout the contracting process, including guidance on managing COR records.

<sup>8</sup> The contents in a typical RP include a contract statement of work (SOW), independent government cost estimate (IGCE), documented market research, and often a justification for other than full and open competition (JOFOC).

<sup>9</sup> ACQDIV has established required procurement action lead time (PALT) that provides requesters with a time estimate for processing by transaction type. Prior to drafting RPs, requesters review PALTs to plan for timely award and delivery of required services and products.

<sup>10</sup> FMO Policy Memorandum AD 4005, *Market Research*, establishes that the extent of market research will vary for each acquisition, depending on such factors as estimated dollar value, complexity, urgency, and past FTC experience acquiring the same or similar supplies or services.

<sup>11</sup> FMO Policy Memorandum AD 4001, *Acquisition Authority Delegations*.

COR files must include a copy of the appointment letter, including any changes to the letter, as well as a copy of any termination letter. Files also include a copy of the contract or the appropriate part of the contract, all contract modifications,<sup>12</sup> the quality assurance surveillance plan (QASP), and correspondence initiated by authorized representatives concerning performance of the contract.

Additionally, the COR must maintain files of the names and position titles of individuals who serve on the contract administration team, inspections performed and the results, records or minutes of meetings and discussions with the contractor, records relating to the contractor's quality control system, and the contract surveillance schedule.

Contract files must be retained for 6 years after final payment or contract closing. After this period, the contract file should be destroyed. Documents with sensitive information, including personally identifiable information (PII), should be disposed of in a burn bag or shred bin.<sup>13</sup>

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<sup>12</sup> CORs must maintain the contract number, contract value, base period of performance/delivery date, contract options, contract type (e.g., fixed price, cost, time and materials), CO point of contact, and contractor point of contact.

<sup>13</sup> Electronic records can be destroyed using the PGP encryption desktop shredder, in accordance with FMO Policy Memorandum, *FTC's COR Invoicing Process*.



## APPENDIX C: RESULTS OF COR FILE TESTING

Sample No.	1	2	3	4	5	6	7	8	9	10	Overall Results			
Contract Number	29FTC119C0201	29FTC119C0114	29FTC119F0071	29FTC119C0069	29FTC120C0066	29FTC119C0174	29FTC119C0093	29FTC119C0103	29FTC119C0158	29FTC117P0035	Yes	No	N/A	Total
A copy of letter of appointment from the Contracting Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	0	0	10
A copy of the contract or the appropriate part of the contract	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	0	0	10
A copy of all contract modifications	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	0	0	10
The applicable quality assurance surveillance plan (QASP)	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No	N/A	0	2	8	10
All correspondence initiated by authorized representatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	0	0	10
The names and position titles of individuals who serve on the contract administration team	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	0	0	10
A record of inspections performed and the results	No	No	No	No	No	No	No	No	No	No	0	10	0	10
Memoranda for record or minutes of any pre-performance conferences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
Memoranda for record or minutes of any meetings and discussions with the contractor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	3	0	7	10
Applicable laboratory test results	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
Records relating to the contractor's quality control system	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No	N/A	0	2	8	10
A copy of the surveillance schedule	No	No	No	N/A	No	No	No	No	No	No	0	9	1	10
Documentation pertaining to acceptance of performance of services	No	Yes	Yes	No	No	No	No	No	No	No	2	8	0	10

## APPENDIX D: ACRONYMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS	
<b>ACQDIV</b>	FTC's Acquisitions Division
<b>ARC</b>	Department of Treasury's Administrative Resource Center
<b>BC</b>	FTC Bureau of Competition
<b>BCP</b>	FTC Bureau of Consumer Protection
<b>CFR</b>	Code of Federal Regulations
<b>CLM</b>	Contract Lifecycle Management
<b>CO</b>	Contracting Officer
<b>COR</b>	Contracting Officer's Representative
<b>CPMO</b>	FTC Customer and Project Management Office
<b>GAO</b>	Government Accountability Office
<b>FAR</b>	Federal Acquisition Regulation
<b>FMO</b>	FTC Financial Management Office
<b>FTC</b>	Federal Trade Commission
<b>FY</b>	Fiscal Year
<b>IBC</b>	Department of Interior Business Center
<b>NARA</b>	National Archives and Records Administration
<b>OCASO</b>	FTC Office of the Chief Administrator Services Officer
<b>OCIO</b>	FTC Office of the Chief Information Officer
<b>OIG</b>	FTC Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>PII</b>	Personally Identifiable Information
<b>PRISM</b>	Procurement Information System for Management
<b>SAM</b>	System for Award Management

## APPENDIX E: FTC MANAGEMENT RESPONSE



UNITED STATES OF AMERICA  
Federal Trade  
Commission  
WASHINGTON, D.C. 20580

November 9, 2021

### MEMORANDUM

**FROM:** David Rebich  
Chief Financial Officer

**DAVID REBICH** Digitally signed by DAVID REBICH  
Date: 2021.11.09 11:42:08 -05'00'

**THRU:** David Robbins  
Executive Director

**DAVID ROBBINS** Digitally signed by DAVID  
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Date: 2021.11.09 16:44:23 -05'00'

**TO:** Andrew Katsaros  
Inspector General

**SUBJECT:** Management's Response to Draft Report on Contracting Officer's  
Representative Program

The Federal Trade Commission (FTC) appreciates the Office of the Inspector General's (OIG) work to identify potential risks to the FTC.

The draft OIG Report indicates that the Administrative Manual, in light of the transition from legacy contract writing systems to a new system that changed the processes used to acquire and manage contracts, needs to be updated. Further, the Report describes the risk of CORs not documenting management decisions for material transactions as events occur in their post award administration of issued contracts.

The draft Report recommends that the Executive Director in coordination with each FTC operating unit director and with the Director of the Financial Management Office:

1. Update the FTC *Administrative Manual* Chapter 2: Section 300—Acquisition to reflect the current process of acquiring and managing FTC contracts;
- and,
2. Develop guidance on the oversight of COR activities and maintenance of COR files;

The FTC agrees with both of these recommendations and is committed to ensuring appropriate management controls are in place and operating as intended.

**OIG Recommendation 1:** Acquisitions is in the process of updating all elements of the Administrative Manual to reflect changed conditions and will give prompt attention to the pages that guide the rest of the organization on how the interaction between them and Acquisition currently must flow with respect to acquiring and managing FTC contracts.

**OIG Recommendation 2:** Acquisitions will set standards that the FAR requires with respect to file content and thoroughness of documentation in the post-award (contract performance and quality assurance phases under the purview of CORs) in various operating units. It will then coordinate the implementation of more comprehensive coverage and documentation with the units to apply consistent standards by the CORs and between them and their management teams. Consideration will be given to the peculiarities of the situations of various FTC units and the vagaries that exist between types of contracts issued for each (i.e., simple supply deliveries vs. provisions of complex services).