



March 4, 2020

TO: David S. Ferriero  
Archivist of the United States

FROM: James Springs *James Springs*  
Inspector General

SUBJECT: *Audit of NARA's Oversight and Management of Information Technology  
Contracts*  
OIG Audit Report No. 20-AUD-06

This memorandum transmits the results of our final report entitled, *Audit of NARA's Oversight and Management of Information Technology Contracts*. We have incorporated the formal comments provided by your office.

The report contains seven recommendations, which are intended to strengthen the oversight of the Office of the Chief Acquisition Officer, improve management of the Contracting Officer's Representative (COR) workforce, and strengthen implementation of the Federal Acquisition Certification Program for Program and Project Managers. Your office concurred with all of the recommendations. Based on your February 25, 2020 response to the final draft report, we consider all the recommendations resolved and open. Once your office has fully implemented the recommendations, please submit evidence of completion of agreed upon corrective actions so that recommendations may be closed.

As with all OIG products, we determine what information is publically posted on our website from the attached report. Consistent with our responsibility under the *Inspector General Act, as amended*, we may provide copies of our report to congressional committees with oversight responsibility over the National Archives and Records Administration.

We appreciate the cooperation and assistance NARA extended to us during the audit. Please call me or Jewel Butler, Assistant Inspector General for Audits, with any questions.

Attachment

cc: Debra Wall, Deputy Archivist of the United States  
William Bosanko, Chief Operating Officer  
Chris Naylor, Deputy Chief Operating Officer  
Micah Cheatham, Chief of Management and Administration  
LaVerne Fields, Chief Acquisition Officer  
Kimm Richards, Accountability  
United States House Committee on Oversight and Government Reform

Senate Homeland Security and Governmental Affairs Committee



Audit of NARA's Oversight and Management of  
Information Technology Contracts

March 4, 2020

OIG Audit Report No. 20-AUD-06

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# *Executive Summary*

## *Audit of NARA's Oversight and Management of Information Technology Contracts*

OIG Report No. 20 AUD 06

March 4, 2020

### **Why Did We Conduct This Audit?**

In the Audit of NARA's Procurement Program (Audit Report No. 17-AUD-06, November 15, 2016), the Office of Inspector General (OIG) identified significant weaknesses in internal controls within NARA's acquisition function, negatively impacting NARA's contract management. We also found a general lack of communication existed between the program areas of acquisitions and information services.

In addition, the OIG's top ten management challenges have long included improving project and contract management, information technology (IT) security, and enterprise risk management.

We performed this audit to determine whether NARA provides effective oversight and management of its IT contracts.

### **What Did We Recommend?**

We made seven recommendations intended to strengthen the oversight of the Office of the Chief Acquisition Officer, improve management of the Contracting Officer's Representative (COR) workforce, and strengthen implementation of the Federal Acquisition Certification Program for Program and Project Managers. Management concurred with the seven recommendations, and in response, provided a summary of their proposed actions.

### **What Did We Find?**

The National Archives and Records Administration (NARA) has not ensured effective implementation of acquisition management roles delegated to the CAO in accordance with Services Acquisition Reform Act of 2003 (SARA). This occurred because executive management designed controls that weakened key authorities and responsibilities of the Chief Acquisition Officer (CAO), including exclusion of the CAO in advising and assisting the agency head and other agency officials to ensure NARA procurements supported the agency in achieving its mission. As a result, the CAO's role functioned as a supervisory Contracting Officer, and lacked the entity-wide governance of acquisition activities as required. Without comprehensive management of acquisition activities that ensures agency executives are making informed strategic decisions, NARA risks experiencing procurement challenges, such as contract costs overruns, duplicative projects, and poor contractor performance in a reactive instead of proactive manner.

In addition, NARA lacks a comprehensive acquisition career management (ACM) program that enhanced the acquisition workforce, and provided for workforce planning, career paths and education and training. Specifically:

- CORs assigned to NARA's most complex and critical IT contracts lacked appropriate certifications,
- training requirements for CORs did not comply with federal guidelines, and
- NARA's program/project manager certification program operated under outdated guidance.

This occurred because the CAO did not establish and maintain acquisition management controls in accordance with federal policies. During FY 2017 and FY 2018, NARA has spent over \$90 million in contracting for major IT investments. However, CORs assigned to these contracts did not meet the appropriate training and experience levels. Without an effective ACM program, NARA lacks assurance that its IT contracts are administered to deliver the best value possible to the agency.

## Summary of Recommendations

### Finding 1: NARA Needs to Strengthen Oversight of the CAO's Delegated Responsibilities and Authorities

Number	Recommendation	Responsible Office
1	Ensure the CAO's delegated responsibilities and authorities as outlined in NARA Directive 101, <i>NARA Organization and Delegation of Authority</i> , are reflected in the CAO's position description and performance plan.	Chief of Management and Administration
2	Ensure the Chief Acquisition Officer is adequately positioned to regularly engage with NARA's Management Team and senior management in order to advise and assist the agency head and other agency officials to ensure the mission of the agency is achieved through the acquisition management activities.	Chief of Management and Administration
3	Establish and document an acquisition workforce strategic plan to address achieving the objectives of key acquisition positions.	Chief Acquisition Officer in consultation with the Chief of Management and Administration

### Finding 2: Ineffective Management Controls over NARA's Acquisition Workforce

Number	Recommendation	Responsible Office
4	Issue written guidance that requires appointment of Contracting Officer's Representatives with Level III certification for those contracts with major IT investments.	Chief Acquisition Officer
5	Establish an appointment matrix to ensure consistent identification and assessment of risks for IT contracts.	Chief Acquisition Officer
6	Issue written guidance to Contracting Officers that requires use of the appointment matrix established in Recommendation 5 when determining the appropriate Contracting Officer's Representative certification level.	Chief Acquisition Officer
7	Revise <i>Interim Guidance 810-2, NARA's Implementation of Federal Acquisition Certification for Program and Project Managers</i> in accordance with the Office of Federal Procurement Policy, <i>Revisions to Federal Acquisition Certification for Program and Project Managers</i> , dated, December 16, 2013, including NARA's implementation of reciprocal acquisition certifications.	Chief Acquisition Officer

## Background

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The National Archives and Records Administration (NARA) is an independent agency created to identify, protect, preserve, and make publicly available the historically valuable records of all three branches of the Federal government.

In October 2016, the Archivist of the United States delegated authority to NARA's Chief Acquisition Officer (CAO) to advise and assist in establishing appropriate business strategies to achieve the agency's mission and performance objectives, and to ensure acquisition planning and contract management processes were integrated into agency strategic and operational planning processes. NARA officially appointed its first CAO in September 2017. The CAO reports to the Chief of Management and Administration (CMA).

Other CAO duties include leading agency-wide acquisitions policy, planning, and operations. CAO responsibilities also include the training and professional development of the acquisition workforce.

The Office of the Chief Acquisition Officer (O/CAO) performs all of NARA's large contracting functions, including contract management, and manages the NARA purchase card program and interagency agreements.

### **NARA Acquisition Workforce Roles and Responsibilities**

#### Acquisition Contract Support

Acquisition contractors provide support to NARA in the areas of acquisition process management support, acquisition policy development assistance, technical and contracting support, acquisition training support, technical evaluation assistance, and automated acquisition system support. NARA has received acquisition support from contractor employees since 2005.

#### Contracting Officer/Contract Specialist (CO)

A Contracting Officer is responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interest of the United States in its contractual relationships.

#### Contracting Officer's Representatives (COR)

COR responsibilities include the day-to-day contractor oversight such as providing technical direction, resolving problems, monitoring contract performance, and verifying invoices for payment.

### Program/Project Manager (P/PM)

P/PMs ensure that performance requirements are appropriately written, standards are established, and contractors deliver what they promise. P/PMs also lead integrated project teams and oversee contractual budgeting and governance processes.

### Other Acquisition Roles

Individuals who directly manage CORs and P/PMs are also members of the acquisition workforce.<sup>1</sup>

### **NARA Information Technology (IT) Acquisition Costs**

NARA relies extensively on IT systems to accomplish its mission. In fiscal year (FY) 2017 and FY 2018, NARA obligations for contracted services and supplies totaled \$255 million<sup>2</sup> and \$268 million, respectively. Of these amounts, \$115 million (45%) in FY 2017 and \$111 million (42%) in FY 2018 were for NARA IT investments.<sup>3</sup>

### **Prior Audit of NARA Procurement Program**

In the Office of Inspector General's (OIG's) prior Procurement Audit,<sup>4</sup> we indicated NARA needed to give critical attention toward strengthening internal controls over its acquisition functions, providing better oversight and management of its procurement activities and ensuring effective and efficient processes and procedures adhere to federal and internal acquisition policies. Our prior audit report included 26 recommendations intended to strengthen the management, accountability, and oversight of the Procurement Program.

While NARA officials generally agreed with the recommendations, we found during this audit, acquisition management closed 7 of the 26 audit recommendations (see Appendix B).

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<sup>1</sup> Office of Federal Procurement Policy (OFPP) Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*, April 15, 2005.

<sup>2</sup> NARA data for obligated amounts obtained from USASpending.gov.

<sup>3</sup> NARA data for IT investments obtained from OMB IT Dashboard.

<sup>4</sup> Audit Report No. 17-AUD-06, *Audit of NARA's Procurement Program*, November 15, 2016.



# Objectives, Scope, Methodology

## Objectives

The objective of this audit was to determine whether NARA provides effective oversight and management of its IT contracts. Specifically, determine whether NARA monitored contractor performance according to federal requirements and guidance, NARA policies and procedures, and the terms of the contract.

## Scope and Methodology

To accomplish our objective, we examined the control environment of acquisition leadership at NARA and the extent and effectiveness of the internal controls over the acquisition workforce responsible for monitoring contractor performance. We further sampled certain contracts to further determine the effectiveness of those controls. We did not assess the use of contractor performance ratings and past performance information, or NARA’s responsibilities for performance reporting requirements.

We identified relevant federal statutes and policies; and NARA policies, procedures, and guidance regarding oversight and management of IT contracts. We judgmentally selected<sup>5</sup> seven IT contracts active during FY 2017 and FY 2018 to examine contract oversight and management activities (see Figure 1). In addition to contracts reviewed, we surveyed nine CORs assigned to oversee the performance of those contracts.

**Figure 1: OIG Audit Sample of NARA IT Contracts**

Contract Number	Contract Description	Contract Award Value
NAMA-14-G-0003	NARA Information Technology & Telecommunication Support /Help Desk	\$55,949,260
NAMA-13-F-0141	NARA Integrated Siebel Program Support Services	\$32,425,249
NAMA-15-F-0141	Executive Office of the President (EOP) instance of Electronic Records Archive Data Migration	\$25,781,256
NAMA-16-G-0005	National Archives Catalog and Description and Authority Systems	\$17,333,283
NAMA-15-G-0007	Enterprise Cloud Services	\$15,098,999
NAMA-16-F-0055	Oracle License Support	\$8,459,987

<sup>5</sup> This sampling approach is a non-statistical technique of which audit results cannot be projected to the population of contracts at NARA.

NAMA-16-G-0007	History Hub (Pilot Project for External Collaboration Network)	\$540,134
<b>Total Sample Amount</b>		<b>\$155,588,164</b>

Source: NARA CAO

We interviewed NARA officials including the Chief Acquisition Officer, Chief Information Officer (CIO), Contracting Officers, CORs, Program and Project Managers, and others who have key roles, such as COR supervisors. To gain an understanding of contract monitoring processes, procedures, and relevant data, we observed acquisition information systems for project management, contract writing, and acquisition workforce management, for example, Clarity, the Procurement Request Information System for Management (PRISM), and the Federal Acquisition Institute Training Application System (FAITAS). We performed limited verification of the information generated by these systems, including contract data made available to the public.

## Internal Controls

We reviewed the agency's internal controls relating to the oversight and management of IT contracts. Our assessment identified significant deficiencies with both the design, implementation, and operation of controls over acquisition activities, particularly with the CAO's efforts to coordinate, collaborate, and communicate across NARA business areas, and meet the requirements to provide effective oversight and management of the acquisition workforce responsible for monitoring contractor performance. The Government Accountability Office's (GAO's) *Standards for Internal Controls in the Federal Government* provided the basis for which we identified the weaknesses in NARA's acquisition controls. We assessed compliance of internal procedures and processes with federal acquisition laws, regulations, and policies; management of the acquisition workforce, including acquisition training and certification programs; and data management needed for contract activities, including the documentation of contractor performance. Our assessment showed that NARA's controls were not properly designed, implemented, or operating effectively.

This performance audit was conducted in accordance with generally accepted government auditing standards between April 2017 and December 2018<sup>6</sup> at Archives II in College Park, Maryland. The generally accepted government auditing standards require 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>6</sup> Due to the expansion of the audit scope and other circumstances, the audit was significantly delayed.

The audit was conducted by Sonya Zacker, Senior IT Program Auditor, and Teresa Rogers, Senior Program Auditor.

## Audit Results

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### **Finding 1. NARA Needs to Strengthen Oversight of the CAO's Delegated Responsibilities and Authorities**

NARA has not ensured effective implementation of acquisition management roles delegated to the CAO in accordance with the Services Acquisition Reform Act of 2003 (SARA).<sup>7</sup> This occurred because executive management<sup>8</sup> designed controls that weakened key authorities and responsibilities of the CAO, including exclusion of the CAO from advising and assisting the agency head and other agency officials to ensure NARA procurements support the agency in achieving its mission. As a result, the CAO's role functioned as a supervisory Contracting Officer and lacked the entity-wide governance of acquisition activities as required. Without comprehensive management of acquisition activities to ensure agency executives are making informed strategic decisions, NARA risks experiencing procurement challenges, such as contract costs overruns, duplicative projects, and poor contractor performance in a reactive instead of proactive manner.

SARA states acquisition management is the primary duty of a CAO and they shall advise and assist the agency head and other agency officials to ensure the mission of the agency is achieved through the management of the agency's acquisition activities.

In addition, the SARA statutory provisions outline seven functions for which CAOs are required to perform in their capacities. These functions include: (1) monitoring and evaluating performance of acquisition activities, (2) increasing the use of full and open competition, (3) increasing performance-based contracting, (4) managing agency acquisition policy, (5) making acquisition decisions, (6) ensuring acquisition career management, and (7) planning acquisition resources. SARA also requires the head of each agency to designate a Senior Procurement Executive (SPE) responsible for management direction of the agency's procurement system.

In October 2016, NARA adopted into policy the statutory provisions for the CAO and SPE positions, and appointed the current CAO on September 17, 2017. The CAO has broad authority through this policy to designate NARA's SPE. The CAO had retained the SPE role and responsibilities up until NARA's recent addition of an SPE.<sup>9</sup>

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<sup>7</sup> While NARA is not mandated to have a CAO, they have chosen to implement the role. OFPP stated in an October 18, 2012 memo that non-CFO Act agencies should update their policies, as appropriate, to clearly define acquisition leadership roles and responsibilities at the agency.

<sup>8</sup> Executive management includes senior executives reporting directly to the Archivist and Deputy Archivist.

<sup>9</sup> Subsequent to our fieldwork, on October 15, 2019, NARA appointed a SPE.

In addition to having managed the role of SPE, the CAO also served as NARA's Head of Contracting Activity (HCA), Suspension and Debarment Official (SDO), Director of Small and Disadvantaged Business Utilization (SADBUS) and Acquisition Career Management (ACM) Program Officer, and Labor Compliance Advisor. However, executive management's decision to design controls that concentrated six additional key acquisition roles with the seven statutory functions delegated to the CAO further complicated the CAO implementing these roles. This contributed to challenges with Management enforcing accountability.

Although the CAO delegated some of the aforementioned roles and responsibilities, GAO's *Standards for Internal Controls in the Federal Government* indicates that senior management retain ownership for fulfilling assigned responsibilities.<sup>10</sup> Rather than rebalance the workload or increase resource levels, we found that NARA did not fully enforce accountability of the delegated SARA provisions; and by lessening enforcement, the CAO was unable to demonstrate, as a primary role, effective acquisition management in accordance with federal requirements.

Until NARA leadership addresses the concentration of acquisition management responsibilities and establishes clearer lines of authority, the CAO cannot effectively implement acquisition management roles in accordance with Federal and NARA guidance.

#### Acquisition Program Coordination and Collaboration

Per *NARA Directive 101, NARA Organization and Delegation of Authority*, the CAO shall provide advice and assistance to the Archivist of the United States in establishing appropriate business strategies to achieve the NARA mission and agency performance objectives, and shall ensure NARA acquisition planning and contract management processes are integrated into agency strategic and operational planning processes. We found no instances where the CAO regularly engages with the Archivist. The CAO did not participate in either the Management Team (MT) or Executive Leadership Team (ELT) meetings, while other C-level officials such as the CIO, Chief Financial Officer (CFO) and senior executives such as the CMA were members of the teams.

The ELT and MT generally meet with the Archivist to discuss the agency's mission, vision, and strategic direction. ELT meeting objectives entail working with the Archivist in conducting activities that include, but are not limited to, defining NARA's strategic direction and planning for the achievement of the agency's vision and strategic goals. Meanwhile, per their objectives stated in the team's charter, the MT regularly convenes to define the agency's priorities, align resources, and foster meaningful, ongoing communication across the organization. These

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<sup>10</sup> GAO *Standards for Internal Control in the Federal Government*, 3.07

meetings could have been opportunities in which the CAO could have advised and assisted the Archivist of the United States.

When we raised concerns about the appropriateness of having acquisitions equally represented in meetings with NARA leadership, the CAO did not know their reason for the exclusion. Likewise, the CMA, who oversees the CIO, CFO, and CAO, did not have an explanation nor the authority to determine which senior managers attend the ELT and MT meetings. Without the CAO equally represented among senior management, NARA risks creating a ‘tone’ that might instill unnecessary barriers toward implementing acquisition internal controls. Equally important Federal standards for internal controls make management responsible for setting the tone at the top and throughout the organization by their example, which is fundamental to an effective internal control system.<sup>11</sup>

### Acquisition Strategic Planning

Per NARA Directive 101, the CAO had been delegated the responsibility to ensure the appropriate strategic planning and evaluation of NARA acquisition resources, including assessing the requirements established for agency personnel. However, when the OIG requested acquisition-related risk assessments and strategic plans, the CAO was unable to provide current or previous versions.

## **Recommendations**

We recommend the following improvements to the Chief of Management and Administration to strengthen accountability of acquisition management roles and responsibilities:

**Recommendation 1:** Ensure the CAO's delegated responsibilities and authorities as outlined in NARA Directive 101, *NARA Organization and Delegation of Authority*, are reflected in the CAO's position description and performance plan.

### Management Response

The CMA will ensure the CAO's FY 2021 Performance Plan reflects the CAO's delegated responsibilities and authorities as outlined in NARA Directive 101, *NARA Organization and Delegation of Authority*.

*Target Completion Date:* November 30, 2020

### OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

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<sup>11</sup> GAO Standards for Internal Controls in the Federal Government 1.03.

**Recommendation 2:** Ensure the Chief Acquisition Officer is adequately positioned to regularly engage with NARA's Management Team and senior management in order to advise and assist the agency head and other agency officials to ensure the mission of the agency is achieved through the acquisition management activities.

Management Response

The CMA will ensure that the Management Team charter is amended to include the CAO. The CAO will begin attending Management Team meetings in June 2020.

*Target Completion Date:* June 30, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

**Recommendation 3:** The Chief Acquisition Officer in consultation with the Chief of Management and Administration establish and document an acquisition workforce strategic plan to address achieving the objectives of key acquisition positions.

Management Response

The CAO, in consultation with the Chief of Management and Administration, will establish and document an acquisition workforce strategic plan to address achieving the objectives of key acquisition positions

*Target Completion Date:* December 31, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

## **Finding 2. Ineffective Management Controls over NARA's Acquisition Workforce**

NARA lacks a comprehensive acquisition career management program that enhanced the acquisition workforce, and provided for workforce planning, career paths and education and training. Specifically, CORs assigned to NARA's most complex and critical IT contracts lacked appropriate certifications, training requirements for CORs did not comply with federal guidelines, and NARA's program/project manager certification program operated under outdated guidance. This occurred because the CAO did not establish and maintain acquisition management controls in accordance with federal policies. During FY 2017 and FY 2018, NARA has spent over \$90 million in contracting for major IT investments.<sup>12</sup> However, CORs assigned to these contracts did not meet the appropriate training and experience levels. Without an effective ACM program, NARA lacks assurance that its IT contracts are administered to deliver the best value possible to the agency.

According to the Office of Federal Procurement Policy (OFPP) Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*, the CAO shall develop and maintain an ACM program to ensure the development of a competent, professional workforce to support the accomplishment of agency mission. The Policy Letter also established the ACM role with key responsibilities in acquisition workforce development and management (including identifying staffing needs and training requirements), and ensuring agency policies and procedures for workforce management are consistent with those established by OFPP. Through NARA Directive 101, the CAO was given the role of ACM program officer.

### Improper COR Certification Levels

OFPP Memo, *Revisions to the Federal Acquisition Certification for Contracting Officer's Representatives (FAC-COR)*, established three levels of certifications, with Level III CORs being the most experienced in an agency. Level III CORs should be assigned to the most complex and mission critical contracts within the agency. CORs for major investments, as defined by Office of Management and Budget (OMB) Circular A-11, *Preparation, Submission, and Execution of the Budget*, shall generally be designated as Level III CORs.

Of the seven IT contracts<sup>13</sup> sampled, we found five involved major IT investments, which totaled approximately \$147 million. The CORs assigned to oversee the performance of these contracts had Level II certifications instead of Level III as generally required. We surveyed the CORs assigned to determine their responsibilities related to the major IT contracts. Four of the nine CORs reported they did not receive adequate guidance in order to perform their responsibilities.

<sup>12</sup> NARA data for IT investments obtained from OMB IT Dashboard.

<sup>13</sup> Contracts sampled were judgmentally selected and active during FY 2017 and 2018.



Also, six of the nine CORs indicated concerns regarding the instructions they received on how to document contractors' performance.

According to the CAO, Information Services, not the Office of the Chief Acquisition Officer, is responsible for direct supervision of CORs that oversee IT contracts. The CAO further indicated IT contracts do not require Level III CORs and the competencies identified in the OFPP Memo, *FAC-COR*, were only for IT contracts in development, of which the CAO indicated NARA had none. However, NARA has spent over \$90 million in contracting for major IT investments in FY 2017 and FY 2018. Failure to assign CORs with proper certification levels and required experience, increases NARA's risk of approving payments for inferior goods and services, preventing ballooning contract costs, and failing to meet mission-critical contract objectives.

Inadequate COR training

OFPP Memo, *FAC-COR*, established the minimum training, experience, and continuous learning points (CLPs) needed for CORs to perform their required duties. (See Figure 2).

**Figure 2: FAC-COR Certification Requirements**

Level I	<ul style="list-style-type: none"> <li>● 8 hours of training</li> <li>● no experience</li> <li>● Continuous learning: 8 CLPs, every two years</li> </ul>
Level II	<ul style="list-style-type: none"> <li>● 40 hours of training</li> <li>● one year of previous COR experience</li> <li>● Continuous learning: 40 CLPs, every two years</li> </ul>
Level III	<ul style="list-style-type: none"> <li>● 60 hours of training</li> <li>● two years of previous COR experience required on contracts of moderate to high complexity that require significant acquisition investment</li> <li>● Continuous learning: 40 CLPs, every two years</li> </ul>

Source: OFPP FAC-COR

Level III CORs are also often called upon to perform significant program management activities and should be trained accordingly.

NARA assigned CORs to major IT investments that did not meet the minimum training and experience levels. For example, a COR assigned to oversee an IT contract valued at over \$55 million had less than four months of experience at Level II. According to the COR, their training and previous experience did not prepare them to handle a contract of this magnitude, nor were adequate resources provided to oversee the contract. In situations where CORs were not adequately trained, NARA lacks assurance contracts have the appropriate oversight and management to achieve optimal performance.

As reported in the prior Procurement Audit<sup>14</sup> NARA's Procurement Guide required CORs to complete "a mandatory refresher course every three years," to maintain each certification level. However, this policy was not in accordance with federal guidance, which required training every two years. According to the CAO, NARA was provided a waiver to allow recertification every three years instead of the mandatory two years. However, the CAO did not provide documentation supporting the waiver. Without a comprehensive ACM program maintained in accordance with federal policies, NARA CORs responsible for overseeing contractors' performance may continue to lack training requirements necessary to meet the demands of their role and responsibilities.

### Outdated Policies for Program and Project Managers

OFPP Memo, *Revisions to the Federal Acquisition Certification for Program and Project Managers (FAC-P/PM)*, established reciprocity for individuals certified as P/PMs. Mid-level P/PMs are considered to have met FAC-COR Level II requirements and senior-level P/PMs are considered to have met FAC-COR Level III requirements. However, NARA guidance<sup>15</sup> is outdated and does not reflect the revised FAC-P/PM policy. Additionally, thirteen of approximately 17 P/PMs have senior-level certifications (i.e., Level III COR equivalent) and could have been assigned as CORs instead of the Level II CORs appointed to oversee the major IT contracts. Without controls to ensure P/PMs are properly assigned, NARA has limited assurance that a capable and competent workforce will oversee critical agency contracts.

## **Recommendations**

We recommend the following improvements to the Chief Acquisition Officer to strengthen management of acquisition workforce responsible for overseeing IT contracts:

**Recommendation 4:** Issue written guidance that requires appointment of Contracting Officer's Representatives with Level III certification for those contracts with major IT investments.

### Management Response

The Chief Acquisition Officer will issue written guidance that requires appointment of Contracting Officer's Representatives with Level III certification for those contracts with major IT investments.

*Target Completion Date:* November 30, 2020

### OIG Analysis

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<sup>14</sup> Audit Report No. 17-AUD-06, *Audit of NARA's Procurement Program*, November 15, 2016.

<sup>15</sup> Interim Guidance 810-2, *NARA's Implementation of Federal Acquisition Certification for Program and Project Managers*, dated September 18, 2009.

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

**Recommendation 5:** Establish an appointment matrix to ensure consistent identification and assessment of risks for IT contracts.

Management Response

The Chief Acquisition Officer will establish an appointment matrix to ensure consistent identification and assessment of risks for IT contracts.

*Target Completion Date:* November 30, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

**Recommendation 6:** Issue written guidance to Contracting Officers that requires use of the appointment matrix established in Recommendation 5 when determining the appropriate Contracting Officer's Representative certification level.

Management Response

The Chief Acquisition Officer will issue written guidance to Contracting Officers that requires use of the appointment matrix established in Recommendation 5 when determining the appropriate Contracting Officer's Representative certification level.

*Target Completion Date:* November 30, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

**Recommendation 7:** Revise *Interim Guidance 810-2, NARA's Implementation of Federal Acquisition Certification for Program and Project Managers* in accordance with the Office of Federal Procurement Policy, *Revisions to Federal Acquisition Certification for Program and Project Managers*, dated, December 16, 2013, including NARA's implementation of reciprocal acquisition certifications.

Management Response

The Chief Acquisition Officer will revise Interim Guidance 810-2 to include reciprocal acquisition certifications.

*Target Completion Date:* November 30, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our recommendation. This recommendation will remain open and resolved pending completion of the corrective actions identified above.

## Appendix A – Summary of Monetary Results

Finding No.	Recommendation	Description	Amount	Category	Agency Response	OIG Response
2	N/A	NARA assigned CORs to major IT investments that did not meet the minimum training and experience levels.	\$90,000,000	Questioned Costs, No Recovery	<p>Management does not agree with the questioned costs included in this report. This report identifies as "questioned costs" NARA's entire portfolio of "major" IT projects for FY 2017 and FY 2018. Management acknowledges the weaknesses identified in this report, but does not agree that the risk and consequences of those weaknesses are so severe that the entire value of the subject contracts should be considered a questioned cost. Management also believes that the sampled contracts do not represent the entire portfolio of major IT projects to a degree or extent sufficient to characterize the entire portfolio as questioned costs.</p>	<p>The OIG's position of these questioned costs did not change. In addition to the sampled contracts for major IT projects not having a level III COR, the OIG also observed the following:</p> <ol style="list-style-type: none"> <li>1. A cure notice was issued for one contract.</li> <li>2. The COR was unable to meet review requirements for deliverables for one contract.</li> <li>3. CORs indicating they were not adequately trained or prepared for the contracts they were assigned.</li> <li>4. The CAO was unable to produce adequate spend analysis for the contracts.</li> </ol>

## Appendix B – Acronyms

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ACM	Acquisition Career Management
CAO	Chief Acquisition Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CLP	Continuous Learning Points
CMA	Chief of Management and Administration
CO	Contracting Officer
COR	Contracting Officer’s Representative
ELT	Executive Leadership Team
EOP	Executive Office of the President
FAC	Federal Acquisition Certification
FAITAS	Federal Acquisition Institute Training Application System
FAR	Federal Acquisition Regulation
FY	Fiscal Year
GAO	General Accountability Office
HCA	Head of Contracting Activity
IT	Information Technology
MT	Management Team
NARA	National Archives and Records Administration
O/CAO	Office of the Chief Acquisition Officer
OFPP	Office of Federal Procurement Policy
OIG	Office of Inspector General
OMB	Office of Management and Budget
P/PM	Program and Project Manager
PRISM	Procurement Information System for Management
SADBUS	Director of Small and Disadvantaged Business Utilization
SARA	Services Acquisition Reform Act of 2003
SDO	Suspension and Debarment Official
SPE	Senior Procurement Executive

## Appendix C – Prior Audit Recommendations

The status of the recommendations from the *Audit of NARA's Procurement Program* (OIG Report No. 17-AUD-06, November 16, 2016).

Rec. No.	Recommendation Text	Status
1	CAO and Senior Procurement Executive (SPE) are structured to ensure alignment with NARA leadership and used by leadership as a business partner in supporting mission needs.	Closed
2	Archivist ensures the CAO responsibilities and title are assigned or delegated to an official who performs the duties of a CAO, including establishing an effective control environment, identifying acquisition objectives, and assessing the risks facing NARA as it seeks to achieve acquisition objectives.	Closed
3	CAO formally appoint a SPE and procurement officials who are authorized to approve warrants over \$100,000,000 and approve warrant for construction and architectural-engineering services contracting officers.	Open
4	Competition Advocate, in collaboration with the CAO, completes an evaluation and report on the overall strength of NARA's competition practice in accordance with the (Federal Acquisition Regulation (FAR) and OMB guidance.	Closed
5	Competition Advocate, in collaboration with the CAO, develop and implement procedures to promote the acquisition of commercial items and report annually new initiatives to the CAO and SPE.	Open
6	CAO develop and implement procedures to ensure contracting offices in BCN and BFS report all contract related activity to the SPE.	Open
7	CAO ensure NARA 501 NARA Procurement policy and NARA's General Acquisition Policy addresses procurements related to Architecture/Engineering and Construction.	Open
8	CAO, in collaboration with CFO, Director of Acquisitions, and program managers, develop and implement procedures for proper planning of new contracts with NARA funds.	Open
9	CAO develop and implement procedures to ensure contracts are evaluated to identify contracts that are wasteful, inefficient, or unlikely to meet NARA needs.	Open
10	CAO and SPE develop and implement test plans and procedures to assess internal control over acquisition activities and programs using OMB Memorandum, <i>Conducting Acquisition Assessments</i> .	Open
11	CAO modify procedures to ensure all contracting activity, including Architecture/Engineering, construction services are included in random selections for internal control reviews.	Open
12	CAO establish standards for retaining documentation supporting the evaluation of internal controls.	Closed

13	CAO include CO's who are not GS1102's, COR's and P/PM's in the internal control program test plan.	Open
14	CAO establish various performance metrics to be tracked and analyzed on how long the acquisition takes, where delays occur and why delays occur.	Open
15	CAO develop and implement meaningful and measurable performance metrics to continually assess the performance of the acquisition function in supporting NARA's mission and achieving acquisition goals.	Open
16	CAO ensure NARA 501 NARA Procurement policy includes guidance to program offices on their responsibilities in the procurement process.	Open
17	CAO ensure program offices are routinely trained in NARA procurement policy and procedures, specifically procurements requisition packages and procurement lead times.	Closed
18	CAO assess staffing needs for NARA's Procurement Program to ensure the procurement program has sufficient staff to maintain effective, efficient operations and adhere to federal and internal guidance.	Open
19	CAO develop a process to monitor the close-out of contracts process to ensure contracts are closed in a timely manner and identify reasons contracts are not closed out in a timely manner.	Open
20	Acquisition Career Manager (ACM) verify all contracting officers, contracting officer representatives, program and project managers, and other contracting professionals set up an account in FAITAS for tracking certifications and continuous training.	Open
21	ACM continue to work with the Federal Acquisition Institute to get access to all NARA staff accounts in FAITAS. If the ACM is unable to obtain direct access to NARA staff accounts, the ACM should develop and implement a tracking system to document and monitor training for all contracting officers, contracting officer representatives, program and project managers, and other contracting professionals ensuring compliance with the Federal Acquisition Certification.	Closed
22	CAO work with the CIO to determine and document how best to support IT acquisition, such as through the development of specialized IT acquisition cadres, specifically contracting officers, and staff.	Closed
23	ACM ensure NARA Certification for Program and Project managers Applications are signed by the Deputy Archivist in accordance with NARA policy and maintained.	Open
24	CAO ensure all contracting officers, regardless of their government series, be certified at an appropriate level; and any contracting professional issued an unlimited warrant be level III certified.	Open
25.	CAO establish and implement procedures for potential administrative or disciplinary actions for contracting officers, and contracting officer representatives, and other contracting professionals that do not have their FAC certifications or continuous training required by OMB guidance. For example, if after one year from notice the contracting professional still does not have	Open



	appropriate certificates and/or training, disciplinary action, removal of warrant or removal from the position may occur.	
26	CAO ensure there is more IT training for CO's that do a significant amount of work in IT in accordance with OMB technology acquisition cadre guidance.	Open

## **Appendix D – Future Acquisition Audits**

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Based on the findings identified in this report and the OIG’s assessment of risk of NARA’s acquisition activities, we plan to include in the following audits in our future Work Plans:

- Use of Independent Contractors
- Use of Technical Direction Letters
- Acquisition Information System, PRISM

## Appendix E – Management Response

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NATIONAL  
ARCHIVES

Date: 25 February 2020  
To: James Springs, Inspector General  
From: David S. Ferriero, Archivist of the United States  
Subject: Action Plan to OIG Report 20-AUD-06, *Audit of NARA's Oversight and Management of Information Technology Contracts*

Thank you for the opportunity to provide comments on this final report. We appreciate your willingness to meet and clarify language in the report.

Management does not agree with the questioned costs included in this report. This report identifies as "questioned costs" NARA's entire portfolio of "major" IT projects for FY 2017 and FY 2018. Management acknowledges the weaknesses identified in this report, but does not agree that the risk and consequences of those weaknesses are so severe that the entire value of the subject contracts should be considered a questioned cost. Management also believes that the sampled contracts do not represent the entire portfolio of major IT projects to a degree or extent sufficient to characterize the entire portfolio as questioned costs.

We concur with the seven recommendations in this audit, and in response, the attachment provides a summary of our proposed actions. As each recommendation is satisfied, we will

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8601 ADELPHI ROAD  
COLLEGE PARK, MD 20740-6001  
[www.archives.gov](http://www.archives.gov)

provide documentation to your office. If you have questions about this action plan, please contact Kimm Richards at [kimm.richards@nara.gov](mailto:kimm.richards@nara.gov) or by phone at 301-837-1668.



DAVID S. FERRIERO  
Archivist of the United States

Attachment

**Action Plan Response to OIG Report 20-AUD-06**  
***Audit of NARA's Oversight and Management of Information Technology Contracts***

**Recommendation 1:** We recommend the Chief of Management and Administration ensure the CAO's delegated responsibilities and authorities as outlined in NARA Directive 101, NARA Organization and Delegation of Authority, are reflected in the CAO's position description and performance plan.

**Planned Action:** The CMA will ensure the CAO's FY 2021 Performance Plan reflects the CAO's delegated responsibilities and authorities as outlined in NARA Directive 101, NARA Organization and Delegation of Authority.

**Target Completion Date:** November 30, 2020

**Recommendation 2:** We recommend the Chief of Management and Administration ensure the Chief Acquisition Officer is adequately positioned to regularly engage with NARA's Management Team and senior management in order to advise and assist the agency head and other agency officials to ensure the mission of the agency is achieved through the acquisition management activities.

**Planned Action:** The CMA will ensure that the Management Team charter is amended to include the CAO. The CAO will begin attending Management Team meetings in June 2020.

**Target Completion Date:** June 30, 2020

**Recommendation 3:** We recommend the Chief Acquisition Officer, in consultation with the Chief of Management and Administration, establish and document an acquisition workforce strategic plan to address achieving the objectives of key acquisition positions.

**Planned Action:** The CAO, in consultation with the Chief of Management and Administration, will establish and document an acquisition workforce strategic plan to address achieving the objectives of key acquisition positions.

**Target Completion Date:** December 31, 2020

**Recommendation 4:** We recommend the Chief Acquisition Officer issue written guidance that requires appointment of Contracting Officer's Representatives with Level III certification for those contracts with major IT investments.

**Planned Action:** The Chief Acquisition Officer will issue written guidance that requires appointment of Contracting Officer's Representatives with Level III certification for those contracts with major IT investments.

**Target Completion Date:** November 30, 2020

**Recommendation 5:** We recommend the Chief Acquisition Officer establish an appointment matrix to ensure consistent identification and assessment of risks for IT contracts.

**Planned Action:** The Chief Acquisition Officer will establish an appointment matrix to ensure consistent identification and assessment of risks for IT contracts.

**Target Completion Date:** November 30, 2020

**Recommendation 6:** We recommend the Chief Acquisition Officer issue written guidance to Contracting Officers that requires use of the appointment matrix established in Recommendation 5 when determining the appropriate Contracting Officer's Representative certification level.

**Planned Action:** The Chief Acquisition Officer will issue written guidance to Contracting Officers that requires use of the appointment matrix established in Recommendation 5 when determining the appropriate Contracting Officer's Representative certification level.

**Target Completion Date:** November 30, 2020

**Recommendation 7:** We recommend the Chief Acquisition Officer revise *Interim Guidance 810-2, NARA's Implementation of Federal Acquisition Certification for Program and Project Managers* in accordance with the Office of Federal Procurement Policy, *Revisions to Federal Acquisition Certification for Program and Project Managers*, dated, December 16, 2013, including NARA's implementation of reciprocal acquisition certifications.

**Planned Action:** The Chief Acquisition Officer will revise *Interim Guidance 810-2* to include reciprocal acquisition certifications.

**Target Completion Date:** November 30, 2020

## **Appendix E – Report Distribution List**

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Archivist of the United States  
Deputy Archivist of the United States  
Chief Operating Officer  
Deputy Chief Operating Officer  
Chief of Management and Administration  
Chief Acquisition Officer  
Accountability  
United States House Committee on Oversight and Government Reform  
Senate Homeland Security and Governmental Affairs Committee

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