



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

# Audit of FAS's Use of the One Acquisition Solution for Integrated Services Contract Vehicle

Report Number A160025/Q/9/P17002  
April 20, 2017

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## ***Executive Summary***

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### **Audit of FAS's Use of the One Acquisition Solution for Integrated Services Contract Vehicle**

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#### **Why We Performed This Audit**

We performed an audit of the GSA Federal Acquisition Service's (FAS's) Office of the Assisted Acquisition Services' (Assisted Acquisitions') task orders awarded under One Acquisition Solution for Integrated Services (OASIS) contracts. In fiscal years 2015 and 2016, we identified FAS's use and management of OASIS as one of GSA's major management challenges.<sup>1</sup> The objective of our audit was to determine if FAS's Assisted Acquisitions awarded task orders under the OASIS contract vehicle in accordance with the price evaluation and negotiation provisions established under federal acquisition regulations and GSA policies.

#### **What We Found**

We found that Assisted Acquisitions personnel complied with price evaluation and negotiation provisions when awarding OASIS task orders and as such, we do not have reportable audit findings.

However, we are bringing two observations to management's attention.

- First, a majority of the competitive task orders that Assisted Acquisitions placed against OASIS contracts had only limited competition. Seven of the nine competitive task orders in our sample received less than three bids from qualified contractors. Assisted Acquisitions may be able to increase competition on OASIS task orders by requiring contracting officers to obtain three bids, providing contractors with advance notice, and/or soliciting feedback from qualified contractors that did not submit a bid.
- Second, for several task orders we reviewed, the Electronic Contract Files did not contain all required documents and as a result, may have lacked the information Assisted Acquisitions personnel needed to justify their decision to award and to properly administer the contract. FAS should consider specifying in its guidance which documents should be included in the Electronic Contract Files to comply with requirements.

The FAS Commissioner agreed with our observations. GSA's written comments are included in their entirety in ***Appendix B***.

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<sup>1</sup> *The Office of Inspector General's Assessment of GSA's Major Management Challenges* (October 2014 and October 2015).

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## Introduction

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We performed an audit of the GSA Federal Acquisition Service's (FAS's) Office of the Assisted Acquisition Services' (Assisted Acquisitions') task orders awarded under One Acquisition Solution for Integrated Services (OASIS) contracts.

### Purpose

This audit was included in the GSA Office of Inspector General's *Fiscal Year 2016 Audit Plan*. In fiscal years 2015 and 2016, we identified FAS's use and management of OASIS as one of GSA's major management challenges.<sup>2</sup> These challenges include whether or not GSA's contracting officers properly award, administer, and manage the OASIS contracts.

### Objective

Our objective was to determine if FAS's Assisted Acquisitions awarded task orders under the OASIS contract vehicle in accordance with the price evaluation and negotiation provisions established under federal acquisition regulations and GSA policies.

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

### Background

The OASIS contract vehicle provides a platform across the federal government for the acquisition of complex professional services. It is composed of multiple 10-year contracts with no maximum on the total value of orders that can be placed under them.<sup>3</sup> OASIS brings together seven different Multiple Award Schedule (schedule) contracts that span 28 different labor classification codes under the professional, scientific, and technical services sector. The core disciplines of the OASIS contract include program management services, management consulting services, logistics services, engineering services, scientific services, financial management services, and ancillary support services.

Prior to OASIS, federal customers' requirements for complex, interdisciplinary solutions would require either several contracts under GSA's schedule contract vehicle, creation of their own contract vehicle, or a full-and-open competitive procurement, thus "increasing contracting costs and administration complexity."<sup>4</sup>

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<sup>2</sup> *The Office of Inspector General's Assessment of GSA's Major Management Challenges* (October 2014 and October 2015).

<sup>3</sup> The 10-year contracts include a 5-year base period and an additional 5-year option to extend.

<sup>4</sup> GSA Business Case – *Establishment of a New GSA Contract Vehicle Tentatively Named Integrations*, issued by the Assistant Commissioner for the Office of General Supplies and Services (October 2011).

FAS's OASIS Program Management Office (PMO) is responsible for managing the contracts. Since OASIS was established in May 2014, the OASIS PMO awarded 458 contracts through this contract vehicle. Government agencies' contracting officers have since awarded 261 task orders under the OASIS contracts with an estimated value of \$4.7 billion.

One of the primary users of OASIS contracts is GSA's Assisted Acquisitions. Assisted Acquisitions uses interagency agreements to procure products and services for federal agencies. Assisted Acquisitions' goal is to provide "best value in acquisition, so that partner agencies can focus on their mission critical activities instead of overseeing acquisition and project management personnel."<sup>5</sup> Assisted Acquisitions offices include the Federal Systems Integration and Management (FEDSIM) located in GSA's Central Office in Washington, D.C., and nine Client Support Centers located across GSA's geographical regions. Assisted Acquisitions uses a procurement team to award task orders and administer contracts. The team includes a contracting officer, a contract specialist, and a program manager. As of May 23, 2016, Assisted Acquisitions awarded 28 OASIS task orders with an estimated value of almost \$1.8 billion (38 percent of total estimated value), making it the second largest governmentwide user of OASIS contracts. See *Table 1*.

**Table 1 – Summary of OASIS Task Orders**

| Ordering Office                            | Number of Task Orders | Estimated Value        | Percentage of Total Estimated Value |
|--|-----------------------|------------------------|-------------------------------------|
| Department of the Air Force                | 123                   | \$1,867,804,580        | 40                                  |
| Assisted Acquisitions                      | 28                    | 1,786,651,338          | 38                                  |
| Department of the Army                     | 34                    | 477,281,616            | 10                                  |
| Department of the Navy                     | 21                    | 203,223,687            | 4                                   |
| Department of Homeland Security            | 10                    | 79,879,201             | 2                                   |
| All other contracting offices <sup>6</sup> | 45                    | 250,758,470            | 6                                   |
| <b>Total</b>                               | <b>261</b>            | <b>\$4,665,598,892</b> | <b>100</b>                          |

OASIS allows for both competitive and non-competitive task orders. Competitive task orders allow all potential qualified contractors the opportunity to submit a bid. With a competitive task order, the solicitation is issued to all qualifying contractors on the OASIS contract. Non-competitive task orders are awarded to a specific contractor based on an applicable "exception to fair opportunity" described under Federal Acquisition Regulation (FAR) 16.505(b)(2). Examples of exceptions to fair opportunity are:

<sup>5</sup> GSA's *Fiscal Year 2017 Congressional Justification* (February 9, 2016).

<sup>6</sup> These include offices such as the Executive Office of the President, the Department of Health and Human Services, and the Department of Justice.

- The need for the services is of such unusual urgency that providing fair opportunity to all contractors would result in unacceptable delays;
- Only one contractor is capable of providing the services required at the level of quality required because the services ordered are highly-specialized; and
- The contracting officer's decision to make a direct award for any of the small business concerns identified in FAR 19.000(a)(3) (e.g., awards made to a Service Disabled Veteran Owned Small Business).

The contracting officer is responsible for determining fair and reasonable pricing under both competitive and non-competitive awards. Contracting officers determine fair and reasonable pricing for competitively solicited task orders by evaluating multiple offers and cost or pricing data from OASIS contractors that submit bids. For non-competitive task orders, the contracting officer establishes fair and reasonable pricing by comparing the proposed pricing to the Independent Government Cost Estimate. The Independent Government Cost Estimate is typically comprised of historical pricing data for task orders with similar requirements. In the October 2009 memorandum *Increasing Competition and Structuring Contracts for the Best Results*, the Office of Management and Budget noted that non-competitive task orders pose a higher risk to the government since they do not benefit from the comparison of multiple proposed solutions and prices.

Lastly, contracting officers may decide to negotiate with contractors that submit bids to lower their offered rates in order to determine fair and reasonable pricing. If negotiations are held, FAR 15.405(b) states that the contracting officer's objective is to negotiate a contract that provides the contractor "the greatest incentive for efficient and economical performance."

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## Results

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Based on our sample, we found Assisted Acquisitions awarded task orders under the OASIS contract vehicle in accordance with the price evaluation and negotiation provisions. We reviewed 16 task orders with a total value of \$1.4 billion and found that all were awarded in accordance with the FAR and GSA policies. As a result, we have no reportable audit findings.

However, we are bringing two observations to management's attention. First, there was limited competition from qualified contractors for a majority of Assisted Acquisitions' competitive OASIS task orders. Second, for several task orders we reviewed, the Electronic Contract Files (ECFs) did not contain all required task order documents.

### Observations

#### **Observation 1 – The majority of competitively solicited OASIS task orders had limited competition.**

The majority of the OASIS competitively solicited task orders in our sample had only limited competition. Of the 16 task orders in our sample, 9 were solicited competitively with no exception to fair opportunity and of those, 7 task orders valued at \$312 million received less than three bids.

Assisted Acquisitions may be able to increase competition on OASIS task orders by requiring contracting officers to obtain three bids, providing contractors with advance notice, and/or soliciting feedback from qualified contractors that did not submit a bid. By increasing competition, Assisted Acquisitions contracting officers may be able to improve their ability to ensure the prices offered to government customers are fair and reasonable.

#### **Obtaining Three Bids**

Assisted Acquisitions could require its contracting officers to obtain at least three bids similar to the requirement for awards under non-OASIS contracts. For example, for awards under GSA's schedule contract vehicle, the FAR requires contracting officers to receive at least three bids. FAR 8.405-1(c)(1), *Ordering Procedures for Federal Supply Schedules*, states that the schedule contracting officer should ensure that at least three bids are received from contractors for orders exceeding \$150,000. Likewise, FAR 14.408(b), *Award*, states that if a contracting officer receives less than three bids, they must ascertain the reasons for the lack of competition when sealed bidding practices are used. However, the FAR does not identify the number of bids required for OASIS task orders.

According to the OASIS PMO and Assisted Acquisitions contracting officers, receipt of at least three bids is currently considered a benchmark or target. In September 2015, the OASIS PMO provided required training to contracting officers, with handouts that

included an OASIS target for contracting officers to obtain three to five bids per solicitation.<sup>7</sup>

### **Providing Advance Notice**

Although not required by the FAR, providing advance notice could result in increased competition.<sup>8</sup> Assisted Acquisitions contracting officers could use several methods to provide advance notice to contractors:

- Advance Notice Memorandum – to notify contractors of an upcoming requirement by a government agency.
- Request for Interest (RFI) – to notify contractors to determine the level of interest and capability of fulfilling the government agency’s requirement.
- Draft Request for Proposal – to notify contractors of the upcoming requirement and allow for feedback, such as the need to clarify any language before the final Request for Proposal is issued.

In our sample, Assisted Acquisitions contracting officers were inconsistent in providing advance notice to contractors. In four of the seven competitively solicited OASIS task orders that received less than three bids, advance notice was not provided. The total estimated value of the four task orders is \$44 million.

Currently, the OASIS PMO is drafting guidance to promote the benefits of RFIs to OASIS contracting officers governmentwide titled: *The OASIS RFI Guide: Tips and Techniques for More Productive Market Research*.<sup>9</sup> The OASIS PMO manager strongly encourages the issuance of RFIs and stated that the contracting officers who receive the most competition are those who issue an RFI or draft Request for Proposal.

### **Soliciting Feedback from Contractors**

Although contracting officers are not required to solicit feedback from non-bidders, the information received from contractors could provide insight about why competition was limited, such as whether the language in the solicitation was restrictive and not conducive to competition. An Assisted Acquisitions senior procurement analyst stated that postaward engagement would provide invaluable feedback to the contracting officers, especially in cases where the contracting officers expected multiple bids but only received one.<sup>10</sup>

For the seven competitive task orders in our sample that did not receive three or more bids, we found that only one contracting officer requested feedback from contractors

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<sup>7</sup> OASIS *Delegation of Procurement Authority Training*.

<sup>8</sup> Under FAR 16.505(a)(1), contracting officers are not required to synopsise (*i.e.*, summarize the task order with an advance notice) for awards made under the OASIS contract.

<sup>9</sup> The OASIS PMO manager stated that the *OASIS RFI Guide* will be finalized in March 2017.

<sup>10</sup> This senior procurement analyst serves on the FAS Assisted Acquisitions Committee, which is responsible for issuing FAS guidance to Assisted Acquisitions employees.



who did not submit a bid. The task order was awarded at \$93.3 million and received a single bid. According to the feedback, several contractors did not bid because they have limited bid and proposal budgets and they were unable to compete due to other ongoing proposals. In contrast, the contracting officers for the remaining six task orders that did not receive three or more bids could only speculate as to the possible reasons about why contractors did not submit bids.

**Observation 2 – The Electronic Contract Files for several task orders did not contain all required documents.**

We found that required documents were missing from the ECF for 3 of the 16 task orders reviewed. As a result, the files for these contracts lacked the information Assisted Acquisitions personnel needed to justify their decision to award and to properly administer the contract. The ECF is the system of record for task order documents and provides support for contracting officers' contract actions. FAR 4.801(b), *Government Contract File – General*, states that contract files should constitute a complete history of the transaction in order to support actions taken. After our inquiry regarding the missing documents, the contracting officers uploaded four of the six documents into the ECF.

While some Assisted Acquisitions' regions have issued requirements and guidelines for uploading official contract documentation into the ECF, the requirements and guidelines do not identify the specific documents needed for compliance with FAR 4.801(b) for OASIS task orders. As such, FAS should consider specifying in its guidance which documents should be included in the ECF to comply with FAR 4.801(b).

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## Conclusion

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FAS's Assisted Acquisitions awarded task orders under the OASIS contract vehicle in accordance with the price evaluation and negotiation provisions established under the FAR and GSA policies and as such, we do not have any reportable audit findings. However, we did identify two observations for management's attention. First, the majority of competitive OASIS task orders had limited competition. To strengthen competition, FAS should consider requiring contracting officers to: obtain three or more bids from qualified contractors for competitive task orders, provide more advance notice to the solicited OASIS contractors, and follow-up with contractors who did not submit bids. Second, we found ECFs lacked required documents for several OASIS task orders.

In March 2016, we reported that schedule contract ECFs were missing key contract documentation, which impairs FAS's ability to effectively administer its schedule contracts and comply with FAR documentation requirements.<sup>11</sup> In that report, we recommended that FAS develop and implement policy identifying the minimum documents necessary for schedule contract ECFs to comply with contract file requirements established in FAR 4.801(b) and FAS policy. FAS addressed the recommendation and issued memorandum *FAS Policy and Procedure (PAP) 2016-06* that provides instructional guidance on the minimum documentation to comply with FAR 4.801(b).<sup>12</sup> Similarly, FAS should consider specifying in its guidance which documents should be included in the ECF to comply with FAR 4.801(b) for OASIS task orders.

### GSA Comments

The FAS Commissioner agreed with our observations. GSA's written comments are included in their entirety as **Appendix B**.

### Audit Team

This audit was managed out of the Pacific Rim Region Audit Office and conducted by the individuals listed below:

|                     |  |
|---------------------|--|
| Paula Denman        | Regional Inspector General for Auditing,<br>Greater Southwest Region |
| Eric Madariaga      | Audit Manager  |
| Alexandra Breedlove | Auditor  |

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<sup>11</sup> *FAS has not Effectively Digitized Federal Supply Schedules Contract Files (A150029/Q/T/P16001, March 28, 2016).*

<sup>12</sup> FAS's PAP 2016-06 was effective as of February 5, 2016, and applies to all FAS acquisition personnel that award and administer schedule contracts.

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## **Appendix A – Scope and Methodology**

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We selected a judgmental sample of 16 (57 percent) of the 28 OASIS task orders awarded by Assisted Acquisitions from December 2014 through February 2016. The total estimated value of our sample was \$1.4 billion (or 78 percent of the universe). Of the 16 sampled task orders, 9 were awarded competitively and 7 were awarded non-competitively. Our selection was based on factors associated with high-risk contracting including non-competitive contracts and competitive contracts that had a low number of bids. The task orders were awarded by Assisted Acquisitions offices including FEDSIM and Client Support Centers in the National Capital Region, New England Region, Northeast Caribbean Region, Mid-Atlantic Region, Southeast Sunbelt Region, Greater Southwest Region, Rocky Mountain Region, and Pacific Rim Region.

To accomplish our objective, we:

- Reviewed OASIS contract documentation and task orders;
- Reviewed the FAR, General Services Administration Acquisition Manual, OASIS contract requirements, and regional Assisted Acquisitions policy (e.g., Pacific Rim Region *Acquisition Risk Mitigation Initiative*) to verify that the sampled task order awards complied with applicable criteria;
- Reviewed Office of Management and Budget memorandums for increasing competition in federal contracting;
- Analyzed OASIS task order data for number of bids received by government agencies;
- Reconciled OASIS's Contract Payment Reporting Module and Federal Procurement Data System data to information contained in Assisted Acquisitions contract files; and
- Interviewed FAS contracting personnel, contracting officers from the U.S. Air Force, and OASIS contractors.

We conducted the audit between November 2015 and December 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### **Internal Controls**

Our assessment of internal controls was limited to those necessary to address the objective of the audit.

## Appendix B – GSA Comments



GSA Federal Acquisition Service

DATE APRIL 6, 2017

MEMORANDUM FOR PAULA DENMAN  
REGIONAL INSPECTOR GENERAL FOR AUDITING  
GREATER SOUTHWEST REGION (JA-9)  
OFFICE OF INSPECTOR GENERAL

FROM: THOMAS A. SHARPE  
COMMISSIONER  
FEDERAL ACQUISITION SERVICE (Q)

A handwritten signature in black ink, appearing to read "T. Sharpe", followed by the date "4/6/2017".

SUBJECT: Office of Inspector General (OIG) Draft Report A160025 - Task Orders  
Awarded under One Acquisition Solution for Integrated Services  
(OASIS) contracts March 15, 2017

The Federal Acquisition Service's appreciates the opportunity to review and comment on the Office of Inspector General (OIG) draft report entitled *Audit of FAS's Use of the One Acquisition Solution for Integrated Services Contract Vehicle (OASIS) A160025*.

The report found the Assisted Acquisition Services personnel were in full compliance with price evaluation and negotiation provisions when awarding OASIS task orders. Therefore, the OIG had no reportable audit findings.

The OIG report provided two observations:

- 1). The majority of competitively solicited OASIS task orders have limited competition.
  - Obtaining Three Bids
  - Providing Advance Notice
  - Soliciting Feedback from Contractors
- 2). The Electronic Contract Files for several task orders did not contain all required documents.

AAS agrees with the OIG findings and observations, OASIS task orders could benefit from greater competition. AAS will continue to reinforce acquisition strategies that address the audit team observations by sharing best practices and procedures to increase competition and ensure prices received are fair and reasonable. The majority of the contract files contained the

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## ***Appendix B – GSA Comments (cont.)***

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required documentation, however, there were a limited amount of contract files where documentation was missing. AAS management will continue to review the ECF for compliance and provide guidance which will ensure all acquisitions are in full compliance with both AAS internal guidance and with the FAR 4.801(b).

If you have any additional questions or concerns, please contact Ms. Catherine Collins at (732-543-2034) or [cathy.collins@gsa.gov](mailto:cathy.collins@gsa.gov)

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## ***Appendix C – Report Distribution***

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Acting GSA Administrator (A)

Commissioner (Q)

Deputy Commissioner (Q1)

Chief of Staff (Q)

Assistant Commissioner, Office of Acquisition Management (QV)

Program Management Officer (QV0EB)

Financial Management Officer, FAS Financial Services Division (BGF)

Assistant Commissioner, Assisted Acquisition Services (QF)

Assistant Commissioner, Office of Professional Services and Human Capital Categories (10Q)

Program Manager, Program Management Division (QRBA)

Chief Administrative Services Officer (H)

GAO/IG Audit Management Division (H1G)

Assistant Inspector General for Auditing (JA)

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