IMPLEMENTATION REVIEW OF ACTION PLAN

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

Assignment Number A170095
September 28, 2017
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Introduction

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

Objective

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

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

Background

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

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

Our audit found that:
• Limited instruction, informal guidance, and minimal experience inhibit proper contractor team arrangement administration.
• Contracting system limitations hinder contracting officers’ ability to administer team arrangements and reduce associated risks.

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

1. Strengthen guidance by:
   a. Developing FAS policies specific to contractor team arrangements; and
   b. Providing instruction and training to contracting officers and schedule contractors on the use of contractor team arrangements.

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

The FAS Commissioner agreed with our report recommendations.
Results

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

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

Audit Team

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
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<tbody>
<tr>
<td>John Walsh</td>
<td>Regional Inspector General for Auditing</td>
</tr>
<tr>
<td>Erin Priddy</td>
<td>Audit Manager</td>
</tr>
<tr>
<td>Shane Dunlay</td>
<td>Auditor-In-Charge</td>
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Appendix A – Action Plan for Report Number A130009/Q/A/P140004

<table>
<thead>
<tr>
<th>Audit Report Number/Date of Issue</th>
<th>Recommendation Number</th>
<th>Proposed Recommendation Completion Date</th>
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<tbody>
<tr>
<td>A130009: Office of Inspector General, Audit of Contractor Team Arrangement Use</td>
<td>001</td>
<td>Dec 2014</td>
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**Action to be Taken—Step by Step 2014:**

Interim Guidance has been issued to provide further clarity around the use of Contractor Team Arrangements (CTAs). OGA is working with the Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) to issue final guidance in the future.

**9014 (Continued):**

OG is currently developing a formal Contractor Team Arrangement (CTA) policy.

**Formal CTA Policy and Procedures Directive**

| Updated CTA training material included in webinars and DAU courses, FAC 036: GSA Schedules BPA, and CTAs. |

**Given the complexity of the matter, and the lack of a final rule to address apparent regulatory gaps, the policy to provide further clarity around the use of Contractor Team Arrangements is being formulated and we intend to issue guidance in the very near future (FY15 Q1 FY15). We will share the CTA policy guidance with all stakeholders including the OIG while finalized.”**

OG CTA training material will be updated with the interim guidance during the next training refresh period (anticipated release during FY15).
Appendix A – Action Plan for Report Number A130009/Q/A/P140004 (cont.)

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

**Recommendation**

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

<table>
<thead>
<tr>
<th>Audit Report Number/Title</th>
<th>Recommendation Number</th>
<th>Proposed Recommendation Completion Date (Month/Year)</th>
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<tbody>
<tr>
<td>A130009, Office of Inspector General Audit of Contractor Team Arrangement Use</td>
<td>002</td>
<td>The Associated Services Acquisition Service (ASAS) issued the Operational Notice (ON) on CTAs in August 2014. See Appendix for the finalized Operational Notice (ON).</td>
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</table>

**Action to be Taken Step by Step**

002:
> The Associated Services Acquisition Service (ASAS) has taken proactive measures by establishing/developing policies specific to Contractor Team Arrangements (CTAs). In addition, the following instructions and training have been provided to Contracting Officers with regards to acquisitions awarded and administered within the ASAS Business Systems (ASBS, ITBS, and TBS):

(a) Prior to executing the initial award of any acquisition (agreements, contracts, or orders), within the ASAS Business Systems to a valid Contractor Team Arrangement (CTA), the contracting officer shall file all appropriate documents associated with the CTA in the electronic contract file in the “Award Documents” tab (Tab 45) and reference the “Teaming Arrangements (if applicable)” category. The contracting officer shall maintain the file with any additional documentation germane to the CTA filed in the same tab and category.

(b) When an indefinite-delivery vehicle has been established (i.e., IFAs, IFAs, IDIQs, IDIQs, IDRs) with an award going to a CTA, the contracting officer shall file all appropriate documentation concerning the CTA in the electronic contract file for both indefinite-delivery vehicles and any resultant orders or calls.

(c) For any awards already executed to CTAs, the contracting officer shall file all appropriate documents associated with the CTA at the “Award Documents” tab and category “Teaming Arrangements (if applicable).”

(d) The contracting officer shall file any time maintain a separate file or use an alternate location within the electronic contract file for documents germane to CTA management.

Supporting Documentation to be sent to ASC:

> Final Operational Notice (ON) signed by the Assistant Commissioner.

With the updated guidance (i.e., Operational Notice) we are requiring contracting officers upload the appropriate Contractor Team Arrangement documentation onto the Electronic Contract Federal (ECF). Once loaded in the ECF, each attachment is flagged within a particular tab (or folder) and given a specific category in accordance with the Contract Tab Advisory Guide (CTAG) maintained by the FAO Office of Acquisition Management. The values for the Tab Category are query-able, in real-time, to allow for central monitoring so that management knows how many awards have been made to team arrangements at any given time. This facilitiates tracking and ease of reference. A report “Contractor Team Arrangement Orders Reports” was created and published to our business systems allowing management to query for all orders with the CTA documentation in the ECF in real-time (see attached).
Appendix B – Report Distribution

Commissioner, Federal Acquisition Service (Q)
Deputy Commissioner, Federal Acquisition Service (Q1)
Chief of Staff, Federal Acquisition Service (Q0A)
Controller, Federal Acquisition Service (BF)
Assistant Commissioner, Office of Policy and Compliance (QV)
Assistant Commissioner, Office of Assisted Acquisition Services (QF)
Deputy Assistant Commissioner, Office of Assisted Acquisition Services (QF1)
Associate Administrator for Governmentwide Policy (M)
Branch Chief, GAO/IG Audit Management Division (H1G)
Assistant Inspector General for Auditing (JA)
Deputy Assistant Inspector General for Investigations (JID)
Director, Audit Planning, Policy, and Operations Staff (JAO)