



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

FAS Cannot Evaluate the FASt Lane Program's Performance for Contract Modifications

Report Number A170097/Q/7/P19001
October 24, 2018

Executive Summary

FAS Cannot Evaluate the FAST Lane Program's Performance for Contract Modifications

Report Number A170097/Q/7/P19001

October 24, 2018

Why We Performed This Audit

This audit was included in our *Fiscal Year 2017 Audit Plan*. The Federal Acquisition Service (FAS) established the FAST Lane Program to streamline the process for awarding and modifying Schedule 70, General Purpose Commercial Information Technology Equipment, Software, and Services contracts. Under this program, FAS's goals are to award new contracts within 30 to 45 days and modifications within 24 to 48 hours.

Our objective was to determine if the FAST Lane Program achieved its purpose to provide customer agencies quicker access to vendors with new and emerging technologies and meet its program goals.

What We Found

FAS's FAST Lane Program appears to be meeting its intended goal of awarding new contracts within 30 to 45 days. In our sample of 22 FAST Lane contracts, we found that 18 were awarded in 45 days or less. In addition, the remaining four sampled FAST Lane contracts were awarded between 48 and 69 days, which is significantly less than the average 110 days for award.

However, FAS cannot determine if it is achieving its intended purpose and program goal of awarding FAST Lane contract modifications within 24 to 48 hours because it does not identify requests for FAST Lane modifications upon receipt and does not track the processing of such modifications. Instead, FAS retroactively designates modifications as FAST Lane only if they were processed in 2 days or less. Consequently, its reported program results are unreliable and cannot be substantiated. To evaluate the FAST Lane Program's performance and provide accurate results, it is imperative that FAS develop an effective process that identifies requests for FAST Lane modifications upon receipt and tracks their processing.

What We Recommend

We recommend that the FAS Commissioner direct the Assistant Commissioner, Office of Information Technology Category, to implement a process to evaluate and accurately report the FAST Lane Program performance for contract modifications that identifies requests for FAST Lane modifications upon receipt and tracks the processing of such modifications.

The FAS Commissioner concurred with our recommendation. GSA's written response is included in its entirety in **Appendix B**.

Table of Contents

Introduction	1
Results	
<i>Finding – Although FAS’s FASt Lane Program appears to be meeting its goal for new contract awards, it cannot evaluate the program’s performance for awarding contract modifications.</i>	3
Conclusion.....	5
<i>Recommendation.....</i>	5
<i>GSA Comments.....</i>	5
Appendixes	
Appendix A – Scope and Methodology	A-1
Appendix B – GSA Comments	B-1
Appendix C – Report Distribution	C-1

Introduction

We performed an audit of the FAS Lane Program's process for awarding Schedule 70, General Purpose Commercial Information Technology Equipment, Software, and Services (Schedule 70) contracts and contract modifications.

Purpose

This audit was included in our *Fiscal Year 2017 Audit Plan*. The Federal Acquisition Service (FAS) established the FAS Lane Program to streamline the process for awarding and modifying Schedule 70 contracts. Under this program, FAS's goals are to award new contracts within 30 to 45 days and modifications within 24 to 48 hours.

Objective

Our objective was to determine if the FAS Lane Program achieved its purpose to provide customer agencies quicker access to vendors with new and emerging technologies and meet its program goals.

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

Background

GSA is the acquisition and procurement arm of the federal government, offering equipment, supplies, telecommunications, and integrated information technology solutions to federal, state, and local customer agencies. As an integral part of GSA, FAS has the capability to deliver comprehensive products and services across the government through its Multiple Award Schedules Program. Under this program, FAS enters into government-wide contracts with commercial firms to provide over 11 million commercial supplies and services on 33 schedules. According to FAS, each schedule is comprised of contractors that supply comparable commercial supplies and services through contracts awarded by FAS.

FAS's Schedule 70 delivers information technology (IT) products, services, and solutions to customer agencies through its four contract divisions: Hardware, Software, IT Services, and Telecom/Security. With more than 7.5 million products and services from over 4,500 contractors, Schedule 70 is the largest and most widely used contract vehicle within the federal government. Schedule 70 sales for Fiscal Year (FY) 2017 totaled over \$15 billion, representing more than 48 percent of FAS's schedule total sales.

FAS Lane Program

In June 2015, FAS launched the FAS Lane Pilot Program under Schedule 70. On April 6, 2016, GSA launched the *Making it Easier* initiative and officially announced the FAS Lane Program as part of this initiative. FAS's stated purpose of the FAS Lane Program is to provide a streamlined

process for awarding and modifying contracts, affording customer agencies quicker access to vendors with new and emerging technologies. FAS's goals are to award FAST Lane contracts within 30 to 45 days and process modifications within 24 to 48 hours. FAS has reported that, prior to the FAST Lane Program, it awarded contracts in 110 days and modified contracts in 10 to 15 days, on average.

The FAST Lane Program has a program lead (currently the Schedule 70 Hardware Division Director), 4 branch chiefs, and 16 contracting officials. Each Schedule 70 division has one branch chief and four contracting officials who process and award FAST Lane contract actions.

Vendors that do not have a Schedule 70 contract are eligible to participate in the FAST Lane Program by submitting new offers that support GSA or other federal agencies' requirements for IT products and services. To ensure a faster contract award process, FAS requires participating vendors to respond to inquiries for requested information within 3 to 5 days. In addition, current Schedule 70 contractors can submit modification requests under the FAST Lane Program, but only to add new products, services, and Special Item Numbers. FAS requires contractors seeking FAST Lane modifications to respond to inquiries for requested information within 48 hours.

Submittal and Tracking of New Offers

Vendors submit new offers to FAS through the eOffer system. Each new offer is assigned a unique offer number. Vendors wishing to participate in the FAST Lane Program identify their offer as FAST Lane in the eOffer system. If a vendor identifies a new offer as FAST Lane, the eOffer system: (1) adds an "f" to the beginning of the offer number, and (2) notifies the FAST Lane Program office. A FAST Lane branch chief then assigns the new offer to a FAST Lane contracting official for processing.

Based on information obtained from the eOffer system, the FAST Lane Program office tracks all FAST Lane new offers.

Submittal and Tracking of Contract Modifications

Contractors submit modifications to FAS through the eMod system. Each modification is assigned a unique control number. However, unlike eOffer, contractors cannot identify their modification as FAST Lane in the eMod system. Thus, the unique control number does not indicate the modification as FAST Lane. If contractors want their modification processed through the FAST Lane Program, they must send an email to the FAST Lane mailbox or notify the contracting officer of record, who may not be a FAST Lane contracting official and is not required to notify FAST Lane officials of the request.

FAS relies on branch chiefs to provide the number of FAST Lane modifications processed. However, the number of modifications processed may not be accurate because FAS does not identify requests for FAST Lane modifications upon receipt or track their processing.

Results

FAS's FAST Lane Program appears to be meeting its intended goal of awarding new contracts more quickly. However, FAS cannot determine if it is achieving its intended purpose and program goal for FAST Lane contract modifications because it does not identify requests for FAST Lane modifications upon receipt and does not track the processing of such modifications. Instead, FAS retroactively designates modifications as FAST Lane only if they were processed in 2 days or less. Consequently, its reported program results are unreliable and cannot be substantiated. To evaluate the FAST Lane Program's performance and provide accurate results, it is imperative that FAS develop an effective process that identifies requests for FAST Lane modifications upon receipt and tracks their processing.

Finding – Although FAS's FAST Lane Program appears to be meeting its goal for new contract awards, it cannot evaluate the program's performance for awarding contract modifications.

FAS's FAST Lane Program appears to be meeting its intended goal of awarding new contracts within 30 to 45 days. In our sample of 22 FAST Lane contracts, we found that 18 were awarded in 45 days or less. In addition, the remaining four sampled FAST Lane contracts were awarded between 48 and 69 days, which is significantly less than the average 110 days for award. FAS uses data from the eOffer system to track the time from submission to award a new contract in the FAST Lane Program.

However, FAS cannot determine if it is achieving its goal of awarding FAST Lane contract modifications within 24 to 48 hours because it does not identify and track FAST Lane modifications starting with submission of the modification requests. As a result, its reported program results are unreliable and cannot be substantiated.

FAST Lane contracting officials do not identify FAST Lane modifications when the modification requests are submitted. Instead, FAST Lane officials retroactively designate modifications as FAST Lane only after they are successfully processed in 2 days or less from the date the modification was submitted. This practice of retroactive designation ensures that FAS will always meet its program goal for FAST Lane modifications.

Unlike the eOffer system, the eMod system does not have an option that allows contractors to identify modifications as FAST Lane. Hence, the eMod system does not assign a unique control number to indicate the modification is FAST Lane. Instead, FAS relies on the contractor to notify FAST Lane officials when requesting modifications be processed under the FAST Lane Program. A contractor may also request directly to the contracting officer of record that its modification be processed under the FAST Lane Program. However, the contracting officer of record is not required to notify FAST Lane officials of the request. As a result, FAS cannot accurately and consistently report or determine whether the program goal for modifications is achieved.

Consequently, FAS's reported program results are unreliable and cannot be substantiated. FAS Lane officials acknowledged that they could not substantiate program results because they do not have a process to track FAS Lane modifications. Nonetheless, FAS officials relied on these results in asserting that the FAS Lane Program processed thousands of modifications in 2 days or less. For example:

- In April 2016, FAS management stated in a GSA blog post, *GSA Making it Easier with new FAS Lane for IT*, that FAS had processed over 5,000 FAS Lane modifications.
- In October 2016, GSA's *Making it Easier to do Business with the Government* publication stated that more than 2,266 FAS Lane modifications were processed in FY 2016.
- In August 2017, FAS Lane officials stated that 1,342 FAS Lane modifications were processed from July 2016 through June 2017.

Without the ability to identify and track FAS Lane modifications, FAS cannot accurately report program results or determine if the program's intended purpose or goal for modifications is achieved.

Conclusion

FAS's FAST Lane Program appears to be meeting its goal to award new contracts in 30 to 45 days. However, FAS cannot determine if it is achieving its intended purpose and program goal for FAST Lane contract modifications because it does not identify requests for FAST Lane modifications upon receipt and does not track the processing of such modifications. Instead, FAS retroactively designates modifications as FAST Lane only if they were processed in 2 days or less. Consequently, its reported program results are unreliable and cannot be substantiated. To evaluate the FAST Lane Program's performance and provide accurate results, it is imperative that FAS develop an effective process that identifies requests for FAST Lane modifications upon receipt and tracks their processing.

Recommendation

We recommend that the FAS Commissioner direct the Assistant Commissioner, Office of Information Technology Category, to implement a process to evaluate and accurately report the FAST Lane Program performance for contract modifications that identifies and tracks FAST Lane modifications upon submission of the modification requests.

GSA Comments

The FAS Commissioner concurred with our recommendation. GSA's written response is included in its entirety in **Appendix B**.

Audit Team

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

Paula Denman	Regional Inspector General for Auditing
Grace Mclver	Audit Manager
Susan Houghtalin	Auditor-In-Charge
Ashley Charles	Auditor

Appendix A – Scope and Methodology

This audit was included in our *Fiscal Year 2017 Audit Plan* and focused on the FAST Lane process for contract awards and modifications. Our audit scope consisted of a judgmental sample of FAST Lane contracts and modifications.

Contract Sample (New Offers)

We selected a judgmental sample of 22 contracts, or 10 percent, of the 217 FAST Lane contracts awarded between October 2015 and August 2017.

Modification Sample

We selected a judgmental sample of 18 modifications, or 24 percent, of 74 FAST Lane modifications processed between October 2015 and March 2017 identified and provided by FAST Lane officials. However, this data did not include the modification number, date received, or date awarded; therefore, we developed an alternative method to identify FAST Lane modifications.

We determined that the 74 modifications were related to 37 contracts. The reported sales for these 37 contracts was \$392,543,775. To select our sample:

1. We selected the top eight contracts representing 89 percent of reported sales.
2. We generated modification reports for these eight contracts to identify all modifications processed in FY 2016 and FY 2017.
3. From these modification reports, we determined 139 modifications were processed to add products, services, and Special Item Numbers.
4. We identified 61 of the 139 modifications as possible FAST Lane contract modifications because they were processed in 2 days or less. These 61 modifications were under seven of the eight contracts selected. One of the eight contracts selected did not have a modification processed in 2 days or less.
5. From the 61 possible FAST Lane modifications, we judgmentally selected 18 modifications to determine if the contractor requested these modifications be processed as FAST Lane.

To accomplish our objective, we:

- Reviewed FAS's *Center for IT Schedule Operations Desk Guide* and the *FAST Lane Pilot Program Desk Guide* to obtain an understanding of FAS's contract award and modification processes;
- Reviewed the Schedule 70 and FAST Lane award process flow charts;
- Examined a judgmental sample of 22 FAST Lane contract files to determine if FAS awarded these contracts within the program goal;

- Examined contract files for a judgmental sample of 18 modifications to verify whether these modifications should have been processed under the FAS Lane Program; and
- Interviewed and held discussions with FAS contracting officials.

We conducted the audit between July 2017 and June 2018 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 finding and conclusion 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

October 18, 2018

MEMORANDUM FOR: Paula Denman
Regional Inspector General for Auditing
Greater Southwest Region Audit Office
Office of Inspector General (J)

FROM: Alan B. Thomas, Jr. 
Commissioner
Federal Acquisition Service (Q)

SUBJECT: Response to Draft Report *FAS Cannot Evaluate the FAS Lane Program's Performance for Contract Modifications* Report Number A170097

Thank you for the opportunity to comment on the referenced draft report *FAS Cannot Evaluate the FAS Lane Program's Performance for Contract Modification*, Report Number A170097, dated October 4, 2018. The Federal Acquisition Service (FAS) appreciates your team's collaboration with the Office of Information Technology Category (ITC) on revisions to the draft via the Exit Briefing held on September 13, 2018 and provides its response to the recommendation below.

OIG Recommendation 001

We recommend that the FAS Commissioner direct the Assistant Commissioner, Office of Information Technology Category, to implement a process to evaluate and accurately report the FAS Lane Program performance for contract modifications that identifies and tracks FAS Lane modifications upon submission of the modification requests.

FAS concurs with this recommendation and is currently scheduled to meet with the Common Acquisition Platform (CAP) on October 22, 2018 to begin the process for implementing the tracking mechanism for FAS Lane eMods. Upon issuance of the final audit report, FAS will establish a Corrective Action Plan which will outline the specific actions to be taken in support of the implementation as well as the estimated dates for completion of those actions.

Again, thank you for the opportunity to review this draft report. If you have any questions, please contact Warren J. Blankenship from the Office of Information Technology Category (ITC) at warren.blankenship@gsa.gov or (703) 309-7850.

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405

Appendix C – Report Distribution

GSA Administrator (A)

Commissioner (Q)

Deputy Commissioner (Q1)

Deputy Commissioner (Q2)

Chief of Staff (Q0A)

Senior Advisor (Q0A)

Program Analysis Officer (Q1A)

Assistant Commissioner, Office of Policy and Compliance (QV)

Financial Management Officer, FAS Financial Services Division (BGF)

Program Manager (QT2F1C)

Chief Administrative Services Officer (H)

Audit Management Division (H1EB)

Assistant Inspector General for Auditing (JA)

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