

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



National Cemetery Administration

*Audit of Contracting
Practices*

September 26, 2013
12-00366-339

ACRONYMS AND ABBREVIATIONS

| | |
|------|---|
| CY | Calendar Year |
| eCMS | Electronic Contract Management System |
| FAR | Federal Acquisition Regulation |
| IOP | Integrated Oversight Process |
| MSN | Memorial Service Network |
| NCA | National Cemetery Administration |
| OIG | Office of Inspector General |
| VAAR | Veterans Affairs Acquisition Regulation |
| VHA | Veterans Health Administration |

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Report Highlights: Audit of NCA's Contracting Practices

Why We Did This Audit

To improve its acquisition process, in February 2008, the National Cemetery Administration (NCA) transferred contract responsibilities from the Veterans Health Administration to NCA's Office of Management Contracting Service. NCA administered 574 contracts during calendar year 2012 with an estimated contract value of about \$382 million. Previous VA Office of Inspector General (OIG) contract audits, reviews, and investigations in other VA Administrations have identified systemic issues impacting VA's acquisition process.

What We Found

NCA did not have effective internal controls or existing controls were not followed to ensure adequate development, award, and administration of contracts. In a statistical sample of 50 competitive contracts and all 32 noncompetitive contracts, we found one or more contract deficiencies in each of the 82 contracts we reviewed. Contract files did not always have sufficient evidence of acquisition planning, market research, and vendor past performance. NCA improperly awarded 16 of the 32 noncompetitive contracts, as opposed to competitively bid small business set-asides.

Contracting officers did not consistently provide a complete history of contract actions in VA's mandatory Electronic Contract Management System (eCMS). Additionally, NCA did not conduct Integrated Oversight Process (IOP) reviews of 25 of the 36 competitive contracts and 24 of the 29 noncompetitive contracts that were

required to be reviewed under this mandatory process.

These deficiencies occurred because NCA did not have sufficient management staff in place to lead and manage the newly established organization. Without sufficient management oversight, NCA could not ensure internal controls were working properly and as planned when developing and awarding contracts. As a result, NCA cannot ensure awarded contracts consistently met the Federal Acquisition Regulation and VA policies.

What We Recommended

We recommended NCA strengthen contracting processes and controls by enforcing the proper use of competition requirements when appropriate, make full use of eCMS, and fully implement IOP reviews.

Agency Comments

The Under Secretary for Memorial Affairs agreed with our recommendations and provided an appropriate action plan. We consider the actions acceptable and will follow up on their implementation.

A handwritten signature in black ink that reads "Linda A. Halliday".

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

Objective We conducted this audit to assess the adequacy of contract development, award, administration, and oversight processes for the National Cemetery Administration's (NCA) Office of Management's Contracting Service.

NCA's Mission NCA's mission is to honor veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service to our Nation.

NCA's Contracting Service NCA's contracting function, formerly the Logistics Management Service, is now organized as the Contracting Service. Veterans Health Administration (VHA) was historically responsible for construction, grounds, and facility maintenance contracts at national cemeteries, while NCA was responsible for national contracts, such as those for headstones and markers. NCA began assuming contracts administered and awarded by VHA in February 2008 and in September 2011, NCA assumed contracting responsibilities from VHA. The only service not provided by NCA Contracting Service is contracting for major cemetery construction projects, which is provided by VA's Office of Construction and Facilities Management.

NCA's Contracting Service is responsible for providing guidance, determining availability of qualified resources, developing and issuing solicitations, and awarding and administering contracts. It oversees all NCA facilities in areas of contract management under the direction of the NCA Head of Contracting Activity. Contracting Service is composed of the Stafford, VA, and Washington, DC, offices and staff in the five Memorial Service Network (MSN) offices.

Other Information

- Appendix A provides additional background information.
- Appendix B provides information about the audit scope and methodology.
- Appendix C provides comments from the Under Secretary for Memorial Affairs.

RESULTS AND RECOMMENDATIONS

Finding **Contract Development, Award, and Administration Oversight Needs Strengthening**

NCA did not have effective internal controls or existing controls were not followed to ensure adequate development, award, and administration of contracts. In a statistical sample of 50 competitive contracts and all 32 noncompetitive contracts, we found one or more contract deficiencies in each of the 82 contracts we reviewed.

- Contract files did not always have sufficient evidence of acquisition planning, market research, vendor past performance, and proper justification and approval for noncompetitive contract awards.
- NCA improperly awarded 16 of the 32 noncompetitive contracts instead of using competitively bid small business set-asides.
- Contracting officers did not consistently provide a complete history of contract actions in VA's mandatory Electronic Contract Management System (eCMS).
- NCA did not conduct Integrated Oversight Process (IOP) reviews of 25 of the 36 competitive contracts and 24 of the 29 noncompetitive contracts that required review under this mandatory process.

These deficiencies occurred because NCA did not have sufficient management staff in place to lead and manage the newly established organization. During a critical 3-year period that began before and ended after VA fully transitioned contracting responsibilities from VHA, the Director of Contracting and one of two supervisor positions were vacant. Without sufficient management oversight, NCA could not ensure internal controls were working properly and as planned when developing and awarding contracts. One of the major controls that had not been fully implemented was VA's mandatory IOP. As a result, NCA could not ensure awarded contracts consistently met Federal Acquisition Regulation (FAR) and VA policies.

Acquisition Process

The acquisition process includes contract development, award, and administration. Key components of the contract development phase include written acquisition plans, market research, and evaluations of past performance.

Table 1 summarizes the contract deficiencies we found during our review of 50 sampled competitive contracts and 32 noncompetitive contracts.

Table 1

| Summary of Contract Deficiencies | | | | |
|----------------------------------|--------------------------|----------|-----------------------------|----------|
| Component | 50 Competitive Contracts | | 32 Noncompetitive Contracts | |
| | Missing | Required | Missing | Required |
| Acquisition Plans | 19 | 24 | 10 | 10 |
| Market Research | 17 | 50 | 20 | 32 |
| Past Performance | 6 | 44 | 15 | 18 |

Source: NCA Contracting Service, eCMS, and VA OIG

Acquisitions Plans Needed

Acquisition planning is the process that includes developing an overall strategy for managing an acquisition. The plan must address the technical, business, management, and other significant considerations that will control the acquisition. Acquisition planning ensures that the requirements are presented in a way that promotes full and open competition, as well as identifies impediments that could delay the acquisition or lead to increased cost or technical risk.

- Of the 50 sampled competitive contracts, 24 had a total estimated value of \$1 million or more, each requiring a written acquisition plan per VA policy.
- Of the 24 competitive contracts, 19 had no written acquisition plan in the contract files.
- Of the 32 noncompetitive contracts, 10 had no written acquisition plan in the contract files. The 10 noncompetitive contracts had a total estimated value of \$1 million or more, each requiring a written acquisition plan per VA policy.

Without an effective acquisition plan, NCA lacked a key contracting component to ensure a successful procurement.

Market Research Missing or Inadequate

The FAR requires contracting officers to conduct market research early in the acquisition process to ensure that the government is procuring goods and services at reasonable costs, regardless of the status of competition. Market research promotes maximum competition by collecting and analyzing information to determine potential vendors capable of meeting agency needs and acquiring pricing information.

- For 17 of 50 sampled competitive contracts, evidence of market research was inadequate or missing from the contract files.

- Of 32 noncompetitive contracts, 20 lacked adequate evidence that contracting officers conducted market research.

*Past
Performance
Documentation
Needed*

The FAR requires past performance evaluations for acquisitions expected to exceed the simplified acquisition threshold of \$150,000. Past performance evaluations provide information, such as a contractor's record of meeting contract terms, quality of work, and integrity. A guiding principle of FAR is to use contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform. Without conducting past performance evaluations, NCA contracts are at risk for not ensuring contractor compliance with contract terms.

- Of the 50 sampled competitive contracts, 44 were above the simplified acquisition threshold of \$150,000.
- Six of the 44 competitive contracts did not have documentation to support contracting staff performed past performance evaluations.
- Of the 18 noncompetitive contracts, 15 lacked past performance evaluations, even though they were above the simplified acquisition threshold.

*Other Than
Full and Open
Competition*

Competition provides the best assurance that the government has received a fair and reasonable price and obtained comprehensive vendor input on the technical aspects of the proposed acquisition. It encourages contractors to offer best value proposals when bidding on Federal contracts, thereby reducing costs and protecting the interest of taxpayers. The FAR defines "best value" as the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to a requirement.

*Small Business
Awarded
Noncompetitively*

For 16 of the 32 contracts (valued at about \$24 million), NCA improperly awarded them as noncompetitive contracts when they should have been competitively bid small business set-asides. To set aside an acquisition for competition restricted to small business, the contracting officer must have a reasonable expectation that two or more small business concerns will make an offer and an award will be made at a fair market price. In addition, the award must be made to a qualified small business, the price must be fair and reasonable, and written justification and approval must meet FAR requirements.

Table 2 summarizes the deficiencies found during our review of the 16 improperly awarded noncompetitive contracts.

Table 2

| Summary of Improperly Awarded Noncompetitive Contracts | | |
|---|----------------|-----------------|
| Component | Missing | Required |
| Market Research | 14 | 16 |
| Justification for Other Than Open Competition | 16 | 16 |

Source: NCA Contracting Service, eCMS, and VA OIG

Lack of Market Research

To determine if there are small businesses that would make an offer at a fair market price, the contracting officer conducts market research. This is required to determine if the set-aside award will be competitive or noncompetitive. The contracting officer conducts market research by searching databases, such as Vendor Information Pages and the Central Contracting Registration. After completing market research, the contracting officer issues notices to potential small businesses.

For 14 of 16 noncompetitive contracts, the contract files contained no evidence that contracting officers conducted market research to identify eligible small businesses. Without adequate market research, NCA cannot ensure that they are fostering entrepreneurship by increasing business opportunities for service-disabled veteran-owned small businesses and veteran-owned small businesses.

Written Justification Needed for Noncompetitive Awards

The written justifications for awarding the 16 noncompetitive contracts did not comply with FAR requirements. The FAR requires a contracting officer to approve the acquisition of goods or services through other than full and open competition in a written justification. For contracts that require written justification, the contracting officer must certify that the information is complete and accurate.

Proper justifications for developing and awarding a noncompetitive contract include the following.

- A contracting officer can only identify one qualified source and no other supplies or services will satisfy agency requirements
- An unusual and compelling urgency
- Issues of national security

The FAR expressly prohibits noncompetitive justifications on the basis of a lack of advanced planning or concerns related to the availability of funds. Following is an example of an improper justification for a noncompetitive contract award.

NCA contracting officers awarded two noncompetitive contracts, with a combined value of approximately \$6 million. These two minor construction contracts consisted of in-ground crypts and a columbarium. The noncompetitive award justification provided by the contracting officers stated delays in obtaining construction funding during the previous 2 fiscal years. When a contracting officer inappropriately awards contracts without competition, not only do other eligible businesses lose the opportunity to compete, NCA also may not have obtained the best value.

Contract Documentation Missing in eCMS

NCA contracting officers did not always include contract documentation in eCMS to provide a complete history of contract awards. We identified missing documentation in eCMS for all 50 competitive contracts and all 32 noncompetitive contracts. The required contract documentation missing from eCMS, included acquisition plans, market research, past performance, contract reviews, and contract options. As a result, contracting supervisors could not use key management features in eCMS, such as a reporting tool for monitoring contracting officer workload and performance.

The FAR and VA acquisition policy require contract files to include documentation to support key activities in contract development. While the FAR allows agencies to retain contract files in any storage medium, VA transitioned from a hard copy-based contracting process to eCMS in 2007. In November 2010, the Office of Acquisitions, Logistics and Management mandated use of eCMS for all procurement actions valued at or above \$3,000. Implementation of eCMS was intended to improve contract processing by promoting uniformity in contracts, improving capability of consolidating requirements, and providing a secure electronic archiving system.

According to a Contracting Service supervisor, eCMS routinely stops responding. This causes the system to generate a time-out message when contracting staff attempt to input documentation. Due to the impact on personal productivity, contracting officers maintained hard copy contract files outside of eCMS. The lack of documentation in eCMS adversely affects management's ability to readily assess the quality, timeliness, and administration of contracts.

Improved Oversight Needed

The recurring systemic deficiencies associated with acquisition planning, contract award, and contract administration occurred because NCA did not have sufficient management staff in place to lead and manage the newly established organization. According to NCA officials, the Director of Contracting position and one of two supervisor positions were vacant during a critical 3-year period that spanned before and after VA fully transitioned contracting responsibilities from VHA.

Without sufficient management oversight, NCA could not ensure internal controls were working as planned and properly when developing and awarding contracts. At the time of our audit, NCA's Contracting Service's management team was in place. However, necessary oversight controls were not sufficiently adequate. Among the major controls that had not been fully implemented was the Integrated Oversight Process (IOP).

**VA's
Integrated
Oversight
Process**

In June 2009, VA established the IOP. The IOP reviews replaced the traditional technical reviews of contracts required by the Veterans Affairs Acquisition Regulation (VAAR). The IOP requires each contracting activity to commit the time and resources needed to conduct contract reviews. It also holds contracting officers responsible for building quality into the acquisition process and preventing violations of laws and regulations. Depending on the type and estimated value of the contract and what is being procured, the process requires a peer review or second-level supervisor, Contract Review Team, and Contract Review Board to evaluate the contract.

The IOP also requires legal reviews for certain contracts to prevent violations of law and/or regulations and to minimize risks associated with protests and contract claims. Contract Review Teams and Contract Review Boards are composed of acquisition and legal professionals to ensure that acquisitions comply with FAR and VAAR. After VA established the IOP in June 2009, NCA did not implement controls to ensure required reviews were conducted.

- Thirty-six of the 50 competitive contracts sampled required an IOP review.
- NCA did not conduct required IOP reviews on 25 of the 36 competitive contracts.
- Twenty-nine of the 32 noncompetitive contracts required an IOP review.
- NCA did not conduct required IOP reviews on 24 of 29 noncompetitive contracts.

The IOP review process was intended to strengthen acquisition operations and improve the quality of awarded contracts. Had NCA acquisition management ensured required IOP contract reviews were conducted, most of the identified issues could have been prevented. Without these reviews, NCA could not ensure it received the best possible value on the goods and services acquired through these contracts.

NCA needs to strengthen management oversight during all contracting phases and ensure the IOP is fully implemented. Without sufficient management oversight, NCA cannot ensure contracting practices comply with applicable laws and regulations and cemetery needs are met in the most efficient and effective manner. In our opinion, NCA could have identified and prevented many of the deficiencies if the required IOP contract reviews were conducted and appropriate corrective actions were taken.

Conclusion

We found one or more contract deficiencies in each of the 82 contracts we reviewed. These deficiencies in contract development, award, and administration increase the risk of VA paying for goods and services it did not receive. To ensure the government receives the best value from their procurements and to protect the interests of taxpayers, NCA needs to promote competition. To ensure NCA contracting activities meet acquisition laws, regulations, and VA policy, NCA acquisition management must provide the leadership and guidance necessary to strengthen controls, such as making full use of eCMS and conducting IOP reviews.

Recommendations

1. We recommended the Under Secretary for Memorial Affairs ensure the Contracting Service establish procedures to ensure contracts are properly awarded according to the Federal Acquisition Regulation.
2. We recommended the Under Secretary for Memorial Affairs ensure acquisition plans, market research, and evaluations of past performance are properly documented in the contract files.
3. We recommended the Under Secretary for Memorial Affairs ensure Contracting Service establish procedures to ensure competitive procurement methods are used to the maximum extent possible.
4. We recommended the Under Secretary for Memorial Affairs coordinate with the Office of Acquisition, Logistics, and Management to resolve Electronic Contract Management System issues to ensure system capabilities are fully used.
5. We recommended the Under Secretary for Memorial Affairs ensure Contracting Service fully implements the Integrated Oversight Process and ensure required contract reviews are conducted before awarding contracts.

**Management
Comments
and OIG
Response**

The Under Secretary for Memorial Affairs concurred with our recommendations and plans on taking corrective actions during the first quarter of FY 2014. The Under Secretary described control improvements which should result in obtaining best value for contracted goods and services in accordance with the Federal Acquisition Regulations.

We will monitor implementation of these actions and will close the recommendations when we receive sufficient evidence demonstrating NCA's progress in addressing the issues identified. Appendix C contains the full text of the Under Secretary's comments.

Appendix A Background

Role of NCA

NCA's mission is to honor veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service to our Nation. NCA's responsibilities include maintaining approximately 3.2 million gravesites at 131 national cemeteries in 39 states and Puerto Rico. In FY 2012, NCA conducted over 118,000 interments and processed nearly 355,000 applications for headstones and markers for placement in cemeteries. According to NCA, 574 contracts were administered during calendar year (CY) 2012 with an estimated contract value of about \$382 million.

The Under Secretary stated in his March 2012 congressional testimony that NCA is currently experiencing the largest expansion of the National Cemetery System since the Civil War. NCA has built 18 new National cemeteries from 1992 through 2010. NCA is in the land-acquisition and planning phase for five additional cemeteries.

Memorial Service Networks

Memorial Service Networks (MSNs) provide direction, operational oversight, and engineering assistance to the cemeteries located in their geographic areas. NCA's field structure is geographically organized into the following five MSN office locations.

- Philadelphia, PA
- Atlanta, GA
- Denver, CO
- Indianapolis, IN
- Oakland, CA

NCA's Contracting Service office in Stafford, VA, provides the following contracting support.

- Headstone and marker program
- Raising, realigning, and cleaning of headstones and markers
- Grave liner and equipment purchases
- Grounds maintenance and janitorial contracts

NCA's Contracting Service office in Washington, DC, provides contract support to NCA's Design and Construction Service, which is responsible for NCA's National cemeteries' minor construction projects.

Prior Audit and Reviews

Previous VA Office of Inspector General (OIG) contract audits, reviews, and investigations in other VA Administrations have identified systemic issues impacting VA's acquisition process.

Appendix B Scope and Methodology

Scope

We conducted our audit work from April 2012 through August 2013. The audit scope included a universe of 524 contracts, with an estimated value of about \$424 million active during CY 2011. Our sample included 50 active competitive contracts totaling nearly \$114 million and 32 noncompetitive contracts totaling approximately \$35 million.

Methodology

We interviewed NCA management and staff to obtain an understanding of NCA's contracting procedures. We reviewed a random sample of 50 national contracts and all 32 contracts reported in eCMS to be sole-source contracts active during CY 2011. To assess the quality of NCA's review procedures, we performed the following steps.

- Reviewed the applicable laws, regulations, and policies and procedures to gain an understanding of the NCA Contracting Service activity
- Interviewed NCA VA Central Office and Contracting Service management and staff to gain an understanding of the NCA Contracting Service internal control environment
- Reviewed hard copy contract and electronic contract files in the eCMS to assess acquisition planning, awarding, and monitoring of contracts

To determine if NCA provided sufficient management oversight to adequately develop, award, and administer contracts that complied with FAR and VAAR, we conducted the following.

- Reviewed 50 statistically sampled competitive contracts active during CY 2011, which included supporting documents in both hard copy and electronic contract files
- Reviewed all 32 noncompetitive contracts active during CY 2011, which included supporting documents in both hard copy and electronic contract files
- Interviewed NCA's Under Secretary for Management, NCA's Director of Contracting Service, and NCA's Contracting Service Chiefs from the Stafford, VA, and Washington, DC, offices

In addition, we analyzed the management staffing levels for FY 2009 through FY 2012 to assess its impact on the contract development, award, administration, and oversight processes. We also evaluated one contract terminated during FY 2012 to determine whether the termination was executed in accordance with FAR and VAAR. Our review showed the contract was properly terminated.

Fraud Assessment The audit team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The audit team

exercised due diligence in staying alert to any fraud indicators by taking actions, such as:

- Soliciting the OIG's Office of Investigations for indicators particular to contract fraud
- Reviewing contract documents to ensure the Excluded Parties List was checked for debarred vendors before contracts were awarded
- Reviewing contract documents for family members or former VA employees employed by one of the contract vendors
- Reviewing for contracts awarded to ineligible set-aside contractors

We did not identify any instances of fraud during this audit.

Data Reliability

We determined that the reliability of computer-processed data in eCMS was sufficient to select the statistical sample. We relied on supporting documentation in contract files and only reviewed eCMS computer-processed data to a limited extent. We considered that information reliable to meet the audit objective.

Government Standards

Our assessment of internal controls focused on those controls relating to our audit objectives. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C Under Secretary for Memorial Affairs Comments

**Department of
Veterans Affairs**

Memorandum

Date: September 20, 2013

From: Under Secretary for Memorial Affairs (40)

Subj: Draft Report, Audit of National Cemetery Administration's Contracting Practices
(Project Number 2012-00366-R4-0029)

To: Assistant Inspector General for Audits and Evaluations (52)

The National Cemetery Administration (NCA) submits the attached report concerning progress in implementing recommendations made in the Office of Inspector General (OIG) draft report, Audit of NCA's Contracting Practices, August 29, 2013. Our point of contact is Mr. Thomas Muir, Deputy Under Secretary for Management. You may contact him at (202) 461-6234.



Steve L. Muro

Attachment

**Draft report, Audit of National Cemetery Administration's Contracting Practices
Project Number 2012-00366-R4-0029**

| | |
|--------------------------|---|
| Recommendation 1: | We recommend the Under Secretary for Memorial Affairs ensure the Contracting Service establish procedures to ensure contracts are properly awarded according to the Federal Acquisition Regulations. |
| OIG Comment: | Please provide your written comments to our report. In particular, state whether you concur or do not concur with the finding, please provide a specific explanation including supporting documentation of your decision. If you concur with the finding but do not concur with the recommendations, please provide alternative corrective action. If you concur with the recommendations, please provide an implementation plan with target completion dates. |
| VA Response: | <p>Concur:</p> <p>In response to the OIG recommendation, Contracting Service will develop a Memorandum for the Record to ensure that the Contracting staff follows the procedures in accordance with the Federal Acquisition Regulation (FAR). A Memorandum for Record will be added to the contract file stating that the Contract Specialist/Officer has ensured that they properly awarded the contract in accordance to the FAR. The Memorandum for Record will be signed by the awarding Contracting Officer and reviewed by the Chief, Contracting Service.</p> <p>Target Completion Date: October 31, 2013</p> |
| Recommendation 2 | We recommend the Under Secretary for Memorial Affairs ensure acquisition plans, market research, and evaluations of past performance are properly documented in the contract files. |
| OIG Comment: | Please provide your written comments to our report. In particular, state whether you concur or do not concur with the finding, please provide a specific explanation including supporting documentation of your decision. If you concur with the finding but do not concur with the recommendations, please provide alternative corrective action. If you concur with the recommendations, please provide an implementation plan with target completion dates. |

| | |
|---------------------------------|---|
| <p>NCA Response:</p> | <p>Concur:</p> <p>In response to the OIG recommendation, standard sample documents are being developed to ensure acquisition plans, market research, and evaluations of past performance are properly documented in the contract files. The Chief, Contracting Service will review the contract files monthly for compliance to ensure that the acquisition plans, market research, and past performance evaluations are properly documented in the contract file and placed in the eCMS briefcase. NCA will have the eCMS Coordinator generate a monthly audit briefcase report on all new contracts for documentation accuracy.</p> <p>Target Completion Date: October 31, 2013</p> |
| <p>Recommendation 3:</p> | <p>We recommend the Under Secretary for Memorial Affairs ensure Contracting Service establish procedures to ensure competitive procurement methods are used to the maximum extent possible.</p> |
| <p>OIG Comment:</p> | <p>Please provide your written comments to our report. In particular, state whether you concur or do not concur with the finding, please provide a specific explanation including supporting documentation of your decision. If you concur with the finding but do not concur with the recommendations, please provide alternative corrective action. If you concur with the recommendations, please provide an implementation plan with target completion dates.</p> |
| <p>NCA Response:</p> | <p>Concur:</p> <p>In response to the OIG recommendation, NCA will develop a Memorandum for the Record stating that the Contracting Officer has ensured that competition to the maximum extent practicable has been conducted. Any action not competed shall be reviewed by the Director, Contracting Service and the NCA Head of Contracting Activity for approval.</p> <p>Target Completion Date: October 31, 2013</p> |
| <p>Recommendation 4:</p> | <p>We recommend the Under Secretary for Memorial Affairs coordinate with the Office of Acquisition, Logistics, and Management to resolve Electronic Contract Management System issues to ensure system capabilities are fully used.</p> |

| | |
|---------------------------------|--|
| <p>OIG Comment:</p> | <p>Please provide your written comments to our report. In particular, state whether you concur or do not concur with the finding, please provide a specific explanation including supporting documentation of your decision. If you concur with the finding but do not concur with the recommendations, please provide alternative corrective action. If you concur with the recommendations, please provide an implementation plan with target completion dates.</p> |
| <p>NCA Response:</p> | <p>Concur:</p> <p>In response to the OIG recommendation, Under Secretary for Memorial Affairs and the Deputy Under Secretary for Management will schedule a meeting with Glenn Haggstrom, Office Acquisition, Logistics, and Construction, to resolve Electronic Contact Management System issues that NCA is currently experiencing to ensure that system capabilities can be fully used.</p> <p>Target Completion Date: November 29, 2013.</p> |
| <p>Recommendation 5:</p> | <p>We Recommend the Under Secretary for Memorial Affairs ensure Contracting Service fully implements the Integrated Oversight Process and ensure required contract reviews are conducted before awarding contracts.</p> |
| <p>OIG Comment:</p> | <p>Please provide your written comments to our report. In particular, state whether you concur or do not concur with the finding, please provide a specific explanation including supporting documentation of your decision. If you concur with the finding but do not concur with the recommendations, please provide alternative corrective action. If you concur with the recommendations, please provide an implementation plan with target completion dates.</p> |
| <p>NCA Response:</p> | <p>Concur:</p> <p>In response to the OIG recommendation, NCA will continue to implement the requirements of the Office of Acquisition, Logistics and Construction Information Letter (IL) 001AL-09-02, Integrated Oversight Process (IOP) June 19, 2009 as the standard for contract reviews. All appropriate contracting staff will be given a copy of the IL to review and sign off stating that they are committed to following the procedures set forth in the IL. For actions Other than Full and Open Competition approval will be required by the Director of Contracting Service and the Head of Contracting Activity.</p> <p>Target Completion Date: October 31, 2013</p> |

Appendix D Office of Inspector General Contact and Staff Acknowledgments

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|-----------------|---|
| OIG Contact | For more information about this report, please contact the Office of Inspector General at (202) 461-4720. |
| Acknowledgments | Cherie E. Palmer, Director Matthew Byrne Larry Chinn Joseph DeAntonis Dana Fuller Kevin Gibbons Lee Giesbrecht Raymond Jurkiewicz Cynnde Nielsen Nelvy Viguera Butler Ora Young |

Appendix E Report Distribution

VA Distribution

Office of the Secretary
Veterans Health Administration
Veterans Benefits Administration
National Cemetery Administration
Assistant Secretaries
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Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans
Affairs, and Related Agencies
House Committee on Oversight and Government Reform
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Senate Appropriations Subcommittee on Military Construction, Veterans
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National Veterans Service Organizations
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