



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

JAN 05 2012

OFFICE OF  
ENVIRONMENTAL INFORMATION

**MEMORANDUM**

**SUBJECT:** OEI Response to Final Report: EPA's Contract Oversight and Controls Over Personal Computers Need Improvement (Project No. OA-FY 10-0057)

**FROM:** Malcolm D. Jackson   
Assistant Administrator and Chief Information Officer

**TO:** Arthur Elkins  
Inspector General

The purpose of the memorandum is to provide the Office of Environmental Information's (OEI) official response to the subject final report.

OEI reaffirms our position with respect to the audit report recommendation and continues to respectfully disagree with the OIG, and believe that the information presented by the IG, as it relates to recommendation #1, is inaccurate.

The OIG, in their response to the report *EPA's Contract Oversight and Controls Over Personal Computers Need Improvement* dated September 26, 2011, conceded to OEI's assertion that the contract structure considers components other than just the number of computers ordered for calculating the standard seat minimum and the monthly standard seat cost. Specifically, the "OIG agrees that the contract structure considers components other than just the number of computers ordered for figuring the standard seat minimum and for calculating the monthly standard seat cost". Further, the OIG agreed that the current pricing on this contract is for a minimum of 12,000 users.

OEI believes that the OIG has failed to obtain sufficient, appropriate evidence to provide a reasonable basis for their finding. This assertion is supported by the following:

1. The OIG did not directly contact the Office of Acquisition Management (OAM) to discuss the CTS contract structure. While they did have discussions with the CTS Contracting Officer's Representative (COR), the COR is limited in what actions they are authorized to take. Specifically, a COR is prohibited from making any changes that will affect the cost of the contract or work assignment.

2. The evidence provided by the OIG in Table 1 inaccurately portrays the Agency's ability to scale up/down based on customer orders. The pricing on this contract reflects the total price to provide the service to a minimum of 12,000 seats. As agreed to by the OIG, the 12,000 seat minimum was used as a means by which the contractor could properly size the number of laptop/desktops and printers needed, and also to determine the number of contract support personnel needed for adequate end-user support across 18 servicing locations. The information presented does not consider contractual arrangements such as, "Once ordered, the service for each seat will remain in place and billable for 48 consecutive months." The Agency, by the terms of the contract, ordered 12,000 seats and is obligated to pay for those seats. Therefore, the assertion that the Agency could save \$1.9M is incorrect.

In advance of this audit, OEI initiated activities to replace the current CTS contract. OEI will continue to pursue this activity and expects to have contract transition completed by October 2012.