



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this audit of the process to evaluate contractors that received or are expected to receive American Recovery and Reinvestment Act of 2009 (Recovery Act) funds from the U.S. Environmental Protection Agency (EPA) to determine whether EPA completed contractor performance evaluations in a timely manner and considered all sources of information during the contractor performance evaluation process.

Background

In July 2009, EPA decided to obligate approximately \$211 million in Recovery Act funds to Superfund contractors. Office of Management and Budget Recovery Act guidance requires agencies to actively monitor contracts to ensure that performance, cost, and schedule goals are met. The guidance emphasizes the importance of completing timely contractor performance evaluations.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2010/20100426-10-R-0113.pdf

EPA Should Improve Its Contractor Performance Evaluation Process for Contractors Receiving Recovery Act Funds

What We Found

EPA had not completed in a timely manner 30 of 36 (83 percent) of the required contractor performance evaluations for contractors awarded Recovery Act funds. Contracting officers (COs) are required to complete and document the evaluation within 95 business days after each 12 months of contract performance. On average, EPA completed the evaluations 109 business days late, generally because there was no system in place to monitor evaluation timeliness. Consequently, contractor past performance evaluation information was not available to EPA when it awarded a new Recovery Act contract totaling \$5.4 million. Consideration of contractor performance prior to award reduces the risk of providing funds to a contractor with a history of poor performance.

Further, COs did not consider all available sources of information when preparing performance evaluations for contractors to which they awarded Recovery Act funding. When preparing the performance evaluation of a contractor, the CO is required to use information from the technical and contracting offices. EPA did not always provide the Financial Monitoring Review, Defense Contract Audit Agency, and Office of Inspector General report directly to COs. COs found the database in which the Office of Acquisition Management houses this information difficult to access. As a result, EPA awarded \$109 million in Recovery Act funds to contractors with cost control and other performance issues.

What We Recommend

We recommend that the Assistant Administrator for Administration and Resources Management develop a system to monitor and verify the timeliness of performance evaluations, revise Quality Assurance Plan requirements, maintain reports in an electronic system that COs can access, and require COs to consider annual performance evaluation results. EPA agreed with the findings and provided corrective action plans for addressing all of the recommendations in the report.