

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 05-06-004-07-001, to the Assistant Secretary for Administration and Management.

WHY READ THE REPORT

Nineteen agencies in DOL periodically purchase goods and services to accomplish their missions. In Fiscal Year (FY) 2005, DOL agencies procured an estimated \$1.7 billion in supplies and services through over 8,300 separate actions. Of these, over 2,500 represent supplies and services procured through GSA Schedules, at a cost of approximately \$166 million.

Under the GSA Schedules Program outlined in Federal Acquisition Regulation (FAR) Part 8, GSA establishes long-term governmentwide contracts with commercial firms to provide access to over 6.8 million commercial supplies and services. Government agencies can order directly from GSA Schedule contractors or through the "GSA Advantage" online shopping and ordering system. The advantages of using GSA Schedules are volume discount pricing, shorter lead times, lower administrative costs, and reduced inventories.

WHY OIG DID THE AUDIT

Our audit objective was to determine if DOL procured supplies and services through the GSA Schedules Program in accordance with prescribed rules and regulations.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2006/05-06-004-07-001.pdf>.

September 2006

There Is No Evidence Contracting Officers Are Checking Required Sources Before Making GSA Schedule Procurements

WHAT OIG FOUND

We found for the most part that Contracting Officers were procuring supplies and services through GSA Schedules according to the prescribed rules and regulations. However, we found no evidence that DOL Contracting Officers are checking required sources before making GSA Schedule procurements.

The FAR has two requirements before agencies procure supplies and services using GSA Schedules. First, if applicable, they must check existing government inventories of excess personal property. For all other items and personal property not found during the review of existing inventories, they must give first consideration to the nonprofit agencies on the Procurement List provided by the Committee for Purchase from People Who Are Blind or Severely Disabled. We found no evidence that DOL Contracting Officers are checking these required sources.

WHAT OIG RECOMMENDED

We recommended that the Chief Acquisition Officer:

- Direct all DOL Contracting Officers to comply with the FAR and the DOL Acquisition Regulation (DOLAR).
- Amend Form DL 1-2216, Simplified Acquisition Documentation Checklist.
- Require all DOL Contracting Officers to use Form DL 1-2216 and include the certified form in the contract file.

OASAM's Deputy Assistant Secretary for Operations (the Senior Procurement Executive) responded that the agency concurs and will implement the recommendations during the First Quarter of FY 2007. Based on the response, we consider the recommendations resolved.