

APPENDIX D

AGENCY RESPONSE TO DRAFT REPORT

U.S. Department of Labor

Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210

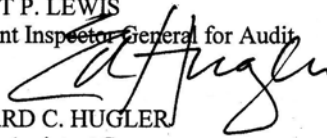


SEP 01 2006

MEMORANDUM FOR ELLIOT P. LEWIS

Assistant Inspector General for Audit

FROM:


EDWARD C. HUGLER
Deputy Assistant Secretary
for Administration and Management

SUBJECT:

Response to Draft Audit Report on Findings and Recommendations:
There is No Evidence Contracting Officers are Checking Required
Sources Before Making GSA Schedule Procurements; Draft Audit
Report No.: 05-06-004-07-001

This responds to the subject draft report resulting from an audit by the Office of Inspector General, based on fieldwork begun May 6, 2005 and concluded January 17, 2006, to determine if the Department of Labor (DOL) procured supplies and services through the General Services Administration (GSA) Schedules Program in accordance with prescribed rules and regulations. The report confirms that DOL Contracting Officers were, for the most part, procuring supplies and services through GSA services in conformance with applicable requirements, with the exception of the one finding below.

The finding arises from an ambiguity in Form DL 1-2216, and the use of an alternate form by ETA and MSHA. As a result, there was an absence of clear documentation in contract files that DOL Contracting Officers were checking required sources before procuring supplies and services using GSA Schedules—specifically existing government inventories of excess personal property, and nonprofit agencies on the Procurement list provided by the Committee for Purchase from People Who are Blind or Severely Disabled.

Draft Finding: There is No Evidence Contracting Officers are Checking Required Sources Before Making GSA Schedule Procurements

Draft Recommendations: The OIG recommends that the Chief Acquisition Officer—

1. Direct all DOL Contracting Officers to comply with the Federal Acquisition Regulation (FAR) and the DOL Acquisition Regulation (DOLAR) by: (a) first checking existing government inventories, and (b) then checking the Procurement List provided by the Committee for Purchase from People Who Are Blind or Severely Disabled.
2. Amend Form DL 1-2216 to allow Contracting Officers to indicate whether checking required sources is applicable to the procurement type and, if applicable, whether they checked required sources before procuring supplies and services using GSA Schedules. The form should also provide space to annotate the reason why checking required sources is not applicable.

3. Require all DOL Contracting Officers to use Form DL 1-2216 and include the certified form in the contract file.

Agency Response: We concur with the OIG recommendations and are currently taking steps to:

1. Revise Form DL 1-2216 under the authority of DOLAR Section 2901.404 permitting such revisions without the rulemaking process to amend the regulation;
2. Require all DOL Contracting Officers to use the revised Form DL 1-2216 and include the certified form in the contract file; and
3. Direct all DOL Contracting Officers to comply with the Federal Acquisition Regulation and DOLAR by: (a) first checking existing government inventories, and (b) then checking the Procurement List provided by the Committee for Purchase from People Who Are Blind or Severely Disabled.

We anticipate that these actions will be completed during the First Quarter of FY 2007. If you have any questions, please have your staff contact Al Stewart, Director, Business Operations Center on (202) 693-4021.

cc: Heads of DOL Contracting Activities
Al Stewart, OASAM