

BRIEFLY...

Highlights of Report Number 05-11-001-06-001, to the Assistant Secretary of Labor for Mine Safety and Health.

WHY READ THE REPORT

The mission of the U.S. Department of Labor's (DOL) Mine Safety and Health Administration (MSHA) is to promote safe and healthful workplaces for the nation's miners. DOL's Office of the Assistant Secretary for Administration and Management (OASAM) responsibilities include managing the Department's procurement programs. OASAM has delegated to MSHA the authority and responsibility to contract for all of MSHA's program property and services. Within MSHA, the Directorate of Administration and Management (A&M) is responsible for managing contracting activity.

Federal procurement regulations require, among other things, that MSHA promote full and open competition, provide maximum opportunities to small businesses, and ensure compliance with general procurement requirements. Past Office of Inspector General (OIG) audit work at MSHA identified weaknesses in these areas. Specifically, a 2004 report concluded that MSHA consistently demonstrated a lack of regard for Federal Acquisition Regulation principles, and a 2008 report identified weaknesses in MSHA's awarding of procurement actions without full and open competition (i.e., sole source).

WHY OIG CONDUCTED THE AUDIT

We conducted this audit to determine whether MSHA complied with appropriate procurement regulations and procedures when making new contract awards.

The audit covered 133 new awards with individual values of \$25,000 or more that MSHA awarded from April 1, 2008, through September 30, 2009, totaling \$16 million.

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/2011/05-11-001-06-001.pdf>.

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MSHA'S CONTROLS OVER CONTRACT AWARDS NEED STRENGTHENING

WHAT OIG FOUND

The OIG found that MSHA did not adequately support sole source awards, promote full and open competition, or maximize small business opportunities for 28 percent of the contract awards. Deficiencies included no justifications or inadequate justifications to make awards without full and open competition, no Procurement Review Board reviews and Chief Acquisition Officer approvals when required, no publication of solicitations, and no review of proposed procurements by the Office of Small Business Programs.

In addition, MSHA did not comply with applicable DOL procurement procedures for 38 percent of the awards. Deficiencies included no review of solicitations or pre-award packages by DOL's Office of the Solicitor as required by a Memorandum of Agreement, no approval by the Assistant Secretary for Administration and Management, no conflict of interest certifications from program officials, and incomplete Simplified Acquisition Documentation Checklists (Form DL 1-2216) for contracts under \$100,000.

These deficiencies occurred because of a lack of management oversight. By not promoting full and open competition, maximizing small business opportunities, or following appropriate procurement procedures, MSHA could not demonstrate that it made the best award decisions.

WHAT OIG RECOMMENDED

The OIG made 4 recommendations to the Assistant Secretary for Mine Safety and Health to ensure procurement officials comply with procedures, require supervisory review of contracts, provide refresher training to personnel, and develop and implement controls to assure the Office of the Solicitor completes pre-award reviews of selected contracts as required.

The Assistant Secretary agreed with our recommendations and stated that MSHA is taking action to review its procurement program, identify lapses, and develop and implement new management procedures to improve the effectiveness and accountability of its contracting.