



National Archives and Records Administration

8601 Adelphi Road
College Park, Maryland 20740-6001

Date : October 26, 2005

Reply to

Attn of : Office of Inspector General (OIG)

Subject : Management Letter No. 06-05, Flawed Contract Performance Work Statement could have Adverse Impacts on NARA's Budgetary Resources

To: Allen Weinstein, Archivist of the United States (N)

In the written response to draft audit report, "Review of Modifications Made to the Performance-Based Task Order for Information Technology Support Services," and in a subsequent exit briefing, the Director of the Acquisition Services Division (NAA) stated that a "flawed" Performance Work Statement (PWS) for the Information Technology Support Services (ITSS) task order contributed significantly to some of the major problems identified in the report¹. He attributed the "flawed" work statement to failures on the part of the government in drafting this document. Because the work statement represents the basic understanding between the contractor and the government as to the scope of work to be accomplished, any failure by the government to adequately define the work to be performed could result in significant, unplanned increases in the funding required to manage and operate the agency's computer network.

We are now in the second option year of the task order which consists of a base year and four options, and the period of performance extends from October 1, 2003, through September 30, 2008. The total amount of the original task order was approximately \$52.08 million, if NARA exercises all four options.

Experience, to date, suggests that the contractor is likely to continue proposing task order modifications that could result, if approved by the government, in significant, unplanned increases in the funding required to acquire information technology support services for the agency. Since the completion of our audit, the contractor has requested additional funds to establish a network security program. We reviewed the appropriateness of this proposed task order modification and determined that it duplicated the network security program effort required by the original task order. During our review, management officials cancelled this inappropriate modification which would have required NARA to pay an additional \$3.23 million to \$5.22 million, depending on the outcome of negotiations with the contractor. The results of our review of this modification were presented to you in Audit Memorandum No. 05-19, Review of Proposed Modification of the Information Technology Support Services Task Order Security Program Requirements, dated July 6, 2005. In addition, during a meeting with Office of Administrative Services (NA) officials to discuss the audit results, the NAA Director told us that

¹ Comments made by the NAA Director are highlighted in the attached Management Comments on OIG Report no. 05-18, Review of Modifications Made to the Performance-Based Task Order for Information Technology Support Services.

he is constantly bombarded with contractor requests for additional funding. Considering the adverse impact that this situation could have on NARA's limited budgetary resources and/or accomplishment of information technology support requirements, we felt compelled to bring this situation to your attention.

If a decision is made to continue with the current, NAA-described flawed task order statement of work, we suggest that you direct the NAA Director to strongly emphasize to contracting personnel that they must exercise increased caution when approving modifications that call for additional funds to be added to the ITSS task order. An alternative that you may want to consider is either terminating the ITSS task order, or not exercising remaining options, and establishing a new contract vehicle for acquiring IT support services.

Please respond by November 17, 2005, with the action(s), if any, to be taken to remedy this condition. We will follow-up at a later date, if necessary, to determine if corrective action was taken and whether the action taken was sufficient to correct the condition, or to determine if the problem still persists. If you have any questions concerning the issue discussed in this Management Letter, or you require additional information, please contact me.

Paul Brachfeld
Inspector General

Attach: Management Comments on OIG Report no. 05-18, Review of Modifications Made to the Performance-Based Task Order for Information Technology Support Services.