



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS'

LAW ENFORCEMENT RECRUITMENT

SERVICES CONTRACT WITH THE

NATIONAL NATIVE AMERICAN LAW ENFORCEMENT
ASSOCIATION

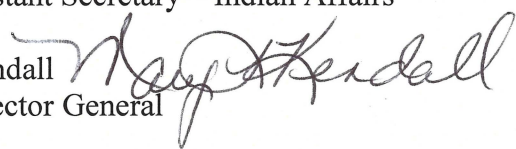


**OFFICE OF
INSPECTOR GENERAL**
U.S. DEPARTMENT OF THE INTERIOR

MAY 09 2012

Memorandum

To: Donald Laverdure
Acting Assistant Secretary – Indian Affairs

From: Mary L. Kendall 
Acting Inspector General

Subject: Final Evaluation Report – Bureau of Indian Affairs' Law Enforcement
Recruitment Services Contract with the National Native American Law
Enforcement Association
Report No. WR-EV-BIA-0005-2011

This memorandum transmits the results of our final report detailing the results of our evaluation of the Bureau of Indian Affairs' (BIA) law enforcement recruitment services contract with the National Native American Law Enforcement Association (NNALEA). Our objective was to determine if the BIA Office of Justice Services (OJS) received the intended benefit by awarding a recruitment services contract to NNALEA.

We found that OJS received no benefit when they awarded a recruitment services contract to NNALEA, thus wasting almost \$1 million. This occurred because the Bureau violated Federal procurement regulations and Departmental policy and failed to use its Office of Human Capital Management to develop required contract terms. These failures resulted in a poorly written contract, which was developed in conjunction with NNALEA. The contract contained significant defects, allowing NNALEA to take advantage of OJS to produce unusable contract deliverables. Our report includes a recommendation to help the Bureau prevent this from situation from reoccurring.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

A response to this report is not required. If you have any questions regarding this memorandum or the subject report, please contact me at 202-208-5745.

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Results in Brief

In 2009, we evaluated staffing needs for the Bureau of Indian Affairs's (BIA) detention facilities. At that time, we learned that BIA awarded a \$1 million contract to the National Native American Law Enforcement Association (NNALEA), a 501 (c) nonprofit organization, to recruit needed law enforcement officers to work in Indian Country. Our review identified deficiencies in both the award process and contract terms. We issued a management advisory report, recommending that BIA terminate the contract.

Based on that report and advice from the Solicitor's Office, BIA terminated the contract on February 25, 2010. At the time of termination, the contract had been in place for 8 months and BIA paid NNALEA nearly the entire contract value of \$1 million. We conducted this evaluation to determine if the Office of Justice Services (OJS) received the intended benefit from the contract.

Our evaluation determined that OJS received no benefit from the award of a recruitment services contract to NNALEA. We found that BIA awarded a defective contract, disenfranchised potential job applicants, and wasted nearly \$1 million of Federal funds. This occurred because BIA violated Federal Acquisition Regulations and Departmental policy and failed to use its Office of Human Capital Management to develop required contract terms. These failures resulted in a poorly written contract, developed in conjunction with NNALEA, that contained significant contract defects, allowing NNALEA the opportunity to take advantage of OJS to produce unusable contract deliverables.

Introduction

Objective

The objective of our evaluation was to determine if the Bureau of Indian Affairs (BIA) Office of Justice Services (OJS) received the intended benefit from awarding a recruitment services contract to the National Native American Law Enforcement Association (NNALEA).

Background

During our office's previous review of staffing needs for BIA detention facilities, we learned that on June 9, 2009, BIA awarded a \$1 million, 1-year contract to NNALEA to recruit for and hire critically needed law enforcement officers (police, corrections, and criminal investigator positions) to work in Indian Country.¹ In 2009, our review of the contract identified deficiencies in the award process, price negotiation, and contract performance requirements, as well as a vague statement of work. As a result, we issued a management advisory report recommending that BIA terminate the contract.² Based on our report and advice from the Office of the Solicitor, BIA terminated the contract for convenience on February 25, 2010. At that time, the contract had been in place for 8 months and BIA had paid \$967,100, nearly the entire contract value of \$1 million, to the contractor, NNALEA, for its recruitment efforts.

The need for OJS to initiate hiring law enforcement officers escalated in 2007. A senior OJS official told us that Senator Byron Dorgan, former chairman of the Senate Committee on Indian Affairs, along with high-level BIA officials, pressured OJS to hire additional law enforcement positions. This resulted in OJS identifying the need to hire 121 police officers, 68 correctional officers, and 23 criminal investigators.

The idea to hire a contractor to recruit law enforcement officers originated with a former director of the Office of Human Capital Management, BIA's Human Resources office. In 2007, this office prepared the contract's initial "performance work statement," also called a statement of work, which is a list of deliverables that the contractor must accomplish to fully comply with the terms and conditions of the contract. Potential contractors typically use the initial statement of work to prepare bids in response to official contract solicitations.

In 2008, OJS and its contracting office took over full responsibility for the planning, solicitation, award, execution, and management of the recruitment services contract. In June 2008, BIA received two bids. NNALEA and the

¹ Final Evaluation – Bureau of Indian Affairs' Detention Facilities (Report No. WR-EV-BIA-0005-2010), dated March 31, 2011.

² Bureau of Indian Affairs' Contract with the National Native American Law Enforcement Association Contract Number CBK00090002 (Report No. WR-EV-BIA-0015-2009), dated February 2, 2010.

[REDACTED] submitted technical proposals, including detailed bids for \$1.7 million and [REDACTED] million respectively.

From June through September 2008, OJS convened an evaluation panel consisting of four OJS employees to rate the two technical proposals. In April 2009, a final consensus technical evaluation was completed and NNALEA was selected. Although NNALEA's bid was the highest, the evaluation panel believed that NNALEA had the historical knowledge and social network to recruit qualified law enforcement applicants. This belief was based on OJS officials' previous experiences with NNALEA, such as attending its annual conferences.

In NNALEA's technical proposal, the chief executive officer (CEO) stated that he had retired as a deputy assistant director of the U.S. Secret Service (USSS). The CEO also stated that he:

- Worked in the Offices of Human Resources and Training, Inspection, and Government and Public Affairs while at USSS;
- Received training that included personnel management, ethics, and law enforcement;
- Served on a number of Department of Homeland Security committees and Department of Justice working groups, several of which involved Native American law enforcement issues; and
- Testified before the Senate Committee on Indian Affairs on issues pertaining to homeland security.

In its technical proposal, NNALEA stated that it would "deliver 500 applicants that meet or exceed the legislative requirements" set forth in various regulations and guidelines applicable to employment of Federal law enforcement officers. NNALEA also stated that it would refer 500 "qualified candidates" to serve in law enforcement positions at various Indian reservations. The technical proposal also listed a number of steps that NNALEA would take "to ensure that the job applicants are qualified."

When it accepted NNALEA's bid of \$1.7 million, OJS had already determined that it had only \$1 million to spend on recruitment services. NNALEA and BIA entered into negotiations to reduce contract requirements, level of recruitment services, and contract amount to an exact \$1 million. These negotiations resulted in the statement of work being revised multiple times.

On June 9, 2009, BIA entered into a 1-year, \$1 million, performance-based, firm-fixed price contract³ with NNALEA to provide 500 prescreened applications. At the time of the contract award, BIA's Human Resources office was in the process of transitioning from a manual to an electronic application process. Human Resources officials told us that OJS never contacted them about the

³ A performance-based firm-fixed price contract is a contract in which the deliverable is defined, as well as the price for providing the deliverable.

contract's statement of work, deliverables, or terms. In addition, they indicated that the hard copy, paper applications provided under the terms of the contract were useless to them, following their change to electronic processing, because applicants entered their personal information directly into USA JOBS.

Findings

BIA wasted almost \$1 million, the full contract amount, by awarding a recruitment services contract to NNALEA. This occurred because BIA violated Federal Acquisition Regulations (FAR) (see appendix 3) and Departmental policy and failed to use its available human resource experience in developing contract terms. These failures resulted in a poorly written contract, developed in conjunction with NNALEA, with significant contract defects in terms and conditions. This allowed NNALEA to take advantage of OJS and the contract defects to produce unusable contract deliverables.

BIA Violated Federal Acquisition Regulations

Contract Award

As previously reported in our management advisory report, BIA violated procurement regulations by awarding the contract to an organization whose board was comprised of primarily current Government employees (FAR 3.601). At the time of contract award, 5 of 7 NNALEA executive board members were current Government employees from agencies such as the U.S. Drug Enforcement Administration; U.S. Secret Service; and Bureau of Alcohol, Tobacco, Firearms, and Explosives. Although regulations allow the agency head or certain designees to authorize an exception for a compelling reason, such as when the Government's needs cannot be otherwise met (FAR 3.602), we found no such exception documented in the contract files. By appointing NNALEA dues paying members to participate on the technical panel that evaluated and selected NNALEA as the contractor, BIA created an appearance of a conflict of interest.

Acquisition Planning and Market Research

We found no evidence of acquisition planning and market research, which are required by regulations (FAR 7.102 (a)) for all acquisitions to promote and provide for full and open competition and selection of the appropriate contract instrument.

The contracting officer stated that he did not conduct market research, even though it is required by regulations to establish cost reasonableness. This research is also necessary to evaluate technical proposals from potential contractors. Generally, contracting officers use such techniques as seeking advice about similar goods and services from knowledgeable individuals in government and industry. We found no evidence in the contract files that the contracting officer sought such advice for the contract.

Although neither the OJS program office nor the contracting office conducted pre-acquisition market research, BIA's Human Resources office somehow established an independent Government cost estimate of \$300,000, as listed in the contract proposal evaluation documents. The contracting officer stated that it was his "gut" feeling that the independent Government cost estimate was "nowhere

close to reality.” We found no evidence in the contract file that showed how cost estimates were developed or what reference material was used to establish the independent Government cost estimate of \$300,000.

Competition

BIA did not seek “full and open” competition for the contract as required by regulations (FAR 6.101 (a)). The Bureau received two technical proposals in response to its initial solicitation for bids: NNALEA (\$1.7 million) and [REDACTED]. An OJS official knew they had only \$1 million to spend when they reviewed the two proposals, but selected NNALEA as the contractor. Regulations require that the contracting officer advise OJS officials to modify the statement of work commensurate with the budgeted \$1 million and then seek new bidders through competition (FAR 15.206). Instead, OJS officials and NNALEA negotiated to reduce the contract amount from \$1.7 million to \$1 million. In the process, BIA and NNALEA significantly modified the contract’s statement of work. For example, the original statement of work required NNALEA to determine that Native American candidates in order to qualify met the requirements of the Indian Law Enforcement Reform Act. Under the revised contract terms, NNALEA only needed to review the application materials submitted by every applicant.

Cost Reasonableness

BIA did not determine price reasonableness of the contract as required by regulations (FAR 15.404 -1(a)). Before awarding a contract, the contracting officer is required to generally determine whether a proposed price is reasonable. In this case, the contracting officer stated that he derived the \$1 million estimate from his personal and professional opinion in contracting. During our review, however, we found no evidence in the files to support this price other than that \$1 million was available for the contract. The contracting officer admitted that after the statement of work was significantly changed, the contract price was no longer reasonable.

Regulations state that contracting officers are responsible for purchasing services at fair and reasonable prices (FAR 15.4). In cases where the offered price is not based on adequate price competition, the determination of price reasonableness may require obtaining cost or pricing data, or making comparisons with prices on previous procurements or with the independent Government cost estimates (FAR 15.403). As previously reported, the contracting officer did not conduct market research, seek adequate competition, or otherwise take steps to determine contract price reasonableness.

Performance-Based Acquisition

The NNALEA contract did not describe BIA’s recruitment needs, or how NNALEA would meet them. Performance-based acquisition is preferred for acquiring services, and regulations hold agency officials responsible for accurately describing in the contract both the need for services and how it will be

fulfilled (FAR 37.102 (a) and (e)). Regulations (FAR 37.601) state that performance-based contracts for services shall include a performance work statement and measurable performance standards. Measurable standards could be in terms of quality, timeliness, and quantity.

Although the NNALEA contract included a performance work statement, the statement did not describe OJS requirements for law enforcement applicants. For example, the statement did not specify an applicant's age, citizenship, educational background, criminal record, or fitness requirements. In addition, the contract gave the contracting officer the right to assess whether or not performance was accomplished in accordance with the terms of the contract, but the terms of the contract were so poorly written that the contracting officer could not make such an assessment.

Statement of Work

BIA did not write a statement of work that contained descriptors necessary to determine the extent of contract deliverables, for a firm-fixed price performance-based contract.

Regulations require that Bureau program officials accurately describe the need to be filled or problem to be resolved through a service contract in a manner that ensures full understanding and responsive performance by contractors (FAR 37.102 (e)). Based on this regulation, Bureau program officials should have obtained assistance from contracting officials to expand and clarify descriptors.

Although responsible for ensuring that all required minimum job qualification standards were included and clearly described in the contract statement of work, BIA failed to do so. For example, BIA did not specify the applicant's age requirement in the contract, which for OJS law enforcement positions is no older than 37 years of age. Being a law enforcement association, however, NNALEA should have been aware of age restrictions for these types of positions. In addition, there was no requirement that NNALEA recruit, prescreen, and refer a specific number of applicants for each position.

OJS prepared the statement of work that was significantly revised by NNALEA, and was provided to the contracting officer for review. The contracting officer stated that he reviewed the document for editorial changes only and not for content.

Expertise of Evaluation Panelists

The evaluation panel selecting the contractor did not have the necessary expertise to properly evaluate the technical proposals. Regulations require that the contracting officer establish an evaluation team, tailored for the particular acquisition, that includes appropriate contracting, legal, logistics, technical, and other expertise to ensure a comprehensive evaluation (FAR 15.303 (a) and (b)(1)).

Of the four selected OJS officials which were selected by the contracting officer's technical representative, one official expressed concerns that they had neither the knowledge nor the experience to properly review the bid proposals. This panel, however, was still responsible for selecting the contractor. Based on the expertise that NNALEA claimed to have, the panel assumed that NNALEA had the historical knowledge and social network to recruit qualified law enforcement applicants.

Required Solicitor Review

BIA violated DOI legal review policy for "Acquisition and Acquisition-Related Transactions." Specifically, the contracting officer did not submit the proposed contract solicitation and proposed negotiated contract documents to the Solicitor's Office for legal review prior to contract award. The Departmentwide legal review policy requires the bureaus and offices to submit all proposed negotiated contractual documents on acquisitions in excess of \$500,000 to the Solicitor's Office prior to award for legal review, advice, and/or concurrence (DOI Acquisition Policy Release, 2001-3).

Termination

BIA did not follow proper closeout procedures when it terminated the contract for convenience and paid settlement costs of \$600,000 to NNALEA. Regulations require the contracting officer to refer a settlement proposal of \$100,000 or more to the appropriate audit agency for review and recommendations (FAR 49.107). Departmental policy (360 DM 2.3) requires that audits of such settlement proposals be referred to the OIG Director of External Audits. This referral is necessary to validate the planned settlement amounts. Although BIA worked with the Office of the Solicitor to develop a termination and settlement agreement, we found no evidence that BIA referred the settlement proposal for audit review as required.

NNALEA Capitalized on Bureau Failures

Modified Statement of Work

BIA officials negotiated with NNALEA's CEO to modify the statement of work, which was incorporated into the contract and signed.

The most significant modification to the statement of work eliminated OJS's need for *500 qualified Native American law enforcement applicants* and replaced it with *500 pre-screened potential applicants*. Although OJS was seeking new law enforcement applicants to work in Indian Country, this modification removed the requirement that an applicant be qualified for the position and be of Native American heritage to be counted as a contract deliverable applicant.

In addition, the modification removed the requirement that the applicant must be otherwise qualified to seek employment as a police officer, correctional officer, or criminal investigator. To illustrate, the modified statement of work removed the requirement that a law enforcement applicant must be no older than 37 years old,

have a valid license to drive, be a U.S. citizen free of felony convictions, and meet educational requirements.

BIA Officials Lacked Experience

We found that NNALEA took advantage of OJS program officials' inexperience and contracting officer's failures to reduce how much work was required to satisfy the terms of the contract.

Senior OJS program officials told us that they were not trained to write statements of work or negotiate contract terms and that they did not have the knowledge, training, and experience to do so. When NNALEA's CEO proposed significant modifications to the statement of work, BIA officials simply accepted them in part because they said that they were under pressure to get the contract out.

In addition to the program officials' inexperience and inability to write an effective statement of work and negotiate contract terms, the contracting officer did not conduct any market research to determine an estimated cost of obtaining qualified law enforcement applicants. The contracting officer did not even question the significant modifications made to the statement of work that reduced NNALEA's performance requirements, stating simply that he reviewed it for only editorial changes, and not content.

In addition, the contracting officer was required by regulations to seek additional competition by readvertising the contract and soliciting additional bids because of the significant changes made to the statement of work and the reduced contract amount, but he failed to do so (FAR 15.206). In the end, the contracting officer's actions resulted in the award of a non-competitive contract that was tailored to meet the needs of NNALEA without regard to justification and compliance with regulations. Further, the contracting officer's actions resulted in OJS failing to achieve its desired results of obtaining qualified Native American applicants.

Human Resources Office Involvement Omitted

BIA's Human Resources office was omitted from the contract solicitation, award, and contract deliverable process. The idea to contract out for law enforcement recruitment services and the initial development of the statement of work originated with a former director of BIA's Human Resources office. We were told that in 2008, Human Resources staff quit working on the statement of work, leaving its development to the program office. OJS program officials, including that office's former deputy director, and the contracting officer almost exclusively prepared the contract.

At the time of our review, Human Resources officials did not understand why they were not involved in the process. Based on our review of the contract files, we found little to no communication between OJS officials and the Human Resources office during the contract period. We believe that if these two offices had effectively communicated with each other on the contract statement of work,

evaluation and selection panel, and contract deliverables requirements, the contract would have better reflected OJS's law enforcement needs.

Unusable Deliverables

NNALEA provided OJS with 748 applications, none of which were of use to OJS.

Upon delivery, OJS officials reviewed the first batch of applications, finding them to be generally unacceptable because they were incomplete and/or applicants exceeded age requirements, did not have Indian preference, and/or had criminal records. Specifically, we reviewed 514 applications for age, felony records, citizenship, driver's license, educational requirements, required documentation, and position applied. We found 244 applications (47 percent) to be unacceptable because applicants were not qualified for the position applied for or applications were incomplete. For example, one applicant was born in 1929, which is clearly too old at 80 years of age. Other examples include the following:

- 3 applicants were not U.S. citizens;
- 104 applicants were either too old or too young;
- 3 applicants did not have a driver's license;
- 26 applications were missing critical documents required by the contract;
- 47 applicants lacked a 4-year degree for the criminal investigator position; and
- 119 applicants did not specify the position they were applying for, which is an Office of Personnel Management requirement (see appendix 4 for additional details).

According to BIA's Human Resources deputy director, NNALEA's CEO stated that he would focus his recruitment efforts in Indian Country. We found that recruitment in Indian Country was ineffective, with only 22 of 514 applicants (or about 4 percent) having Indian preference.

BIA determined the applications to be unacceptable and did not use any of the applications, both because of the content and the format did not meet the current applicant recruitment system requirements. We noted that Human Resources officials subsequently received telephone calls from applicants inquiring about the status of their job applications and employment opportunity. We also interviewed 56 applicants, finding that some were unhappy with the lack of feedback from NNALEA regarding their application status. OJS' inability to use the applications and its subsequent actions frustrated some job applicants.

Conflicting Reported Accomplishments

We identified two instances where the information we obtained conflicted with the reported accomplishments by NNALEA. NNALEA submitted six invoices to BIA for payment during the contract period. Each invoice included an "Outline Report of Activities and Accomplishments," which contained 5-7 pages of narrative describing NNALEA's planning and recruitment efforts, and completed

accomplishments for the previous month. In the first instance, NNALEA reported that it conducted an onsite recruiting event at the Crow Fair Celebration, held August 13-17, 2009. The contracting officer's technical representative, however, told us that they attended the Celebration and did not observe a NNALEA recruiting booth or representative in attendance. In the second instance, NNALEA reported that it placed recruiting advertisements in the Aberdeen News, a news publication that is circulated in South Dakota, for October 11, 2009, and October 18, 2009. An Aberdeen News representative, however, told us that they had no record of NNALEA placing the advertisements.

We attempted to interview current members of the NNALEA board of directors about their knowledge of NNALEA's implementation and performance of the contract. These directors, all of whom were Federal law enforcement agents, declined to participate in an interview on advice of NNALEA's counsel. Although we initially interviewed NNALEA's CEO about the contract, he also declined to be interviewed further on advice of counsel.

Conclusion and Recommendation

Conclusion

BIA wasted almost \$1 million of appropriated funds intended to fill critically needed law enforcement officers positions in Indian Country. This amount also does not include the associated costs incurred by BIA and other Departmental officials for over 2 years to plan, solicit, award, oversee, and terminate the NNALFA contract. Furthermore, this contract caused OJS to lose potential applicants.

The purpose of Federal Acquisition Regulations is to provide “uniform policies and procedures for acquisition” and ensure “full and open” competition. Among its guiding principles is to have an acquisition system that conducts business with integrity, fairness, and openness. BIA ignored regulations and Departmental policy, choosing to negotiate contract terms with a contractor without the benefit of expert advice. This resulted in the award of a defective contract that was neither open to competition nor embodied fair and transparent business practices.

Recommendation

We recommend that the Assistant Secretary for Indian Affairs direct BIA to:

Increase its internal control and accountability efforts over its contracting program to satisfy that the program is in full compliance with Federal Acquisition Regulations and Departmental policy. These efforts should be accomplished in coordination with its management responsibilities under OMB Circular A-123, “Management’s Responsibility for Internal Control,” to continuously assess, monitor, and improve the effectiveness of program internal controls given the deficiencies identified in this report.

Appendix I: Scope, Methodology, and Sites Visited and/or Contacted

Scope

Our scope covered 2007 through 2010, which included contract conception to contract termination. We conducted our evaluation in accordance with the *Quality Standards for Inspections* as put forth by the President's Council on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations

Methodology

To accomplish our objective, we conducted the following activities:

- Reviewed contract file, including contract solicitation, award, and termination documents, NNALEA invoices and reports, and other related documents;
- Reviewed applicable laws, regulations, and bureau policies and procedures related to the contract;
- Interviewed Indian Affairs and BIA officials;
- Interviewed Solicitor Office officials;
- Interviewed applicants;
- Analyzed contract deliverables and NNALEA's reported accomplishments; and
- Conducted an investigative inquiry.

Site Visits and Contacts

During our evaluation, we visited the following sites:

- Indian Affairs' offices in Anadarko, OK, and in Herndon, VA; and
- BIA offices in Washington, DC, and Reston, VA.

We also contacted the BIA office in Albuquerque, NM, and NNALEA Headquarters in Washington, DC.

Appendix 2: Funds to be Put to Better Use

ISSUE	Rec. #	Funds to be Put to Better Use
Funds wasted due to award of defective service contract	I	\$967,100

Appendix 3: Federal Regulations

Citation	Excerpt
Federal Ethics Standards	
5 C.F.R. § 2635.101(b) (8) and (14)	Federal employees are under a duty to avoid any actions creating the appearance that they are violating the law or ethical standards. Employees must act impartially and not give preferential treatment to any private organization or individual.
Federal Acquisition Regulations	
Part 3 - Improper Business Practices and Personal Conflicts of Interest, Subpart 3.6 - Contracts with Government Employees or Organizations Owned or Controlled by Them, 3.601(a) Policy and 3.602 Exceptions	A contracting officer shall not knowingly award a contract to a Government employee or to a business concern or other organization owned or substantially owned or controlled by one or more Government employees. The agency head, or a designee not below the level of the head of the contracting activity, may authorize an exception only if there is a most compelling reason to do so, such as when the Government's needs cannot reasonably be otherwise met.
Part 6 - Competition Requirements, Subpart 6.1 - Full and Open Competition, 6.101(a) Policy	Contracting officers shall promote and provide for full and open competition in soliciting offers and awarding government contracts.
Part 7 – Acquisition Planning, Subpart 7.1 - Acquisition Plans, 7.102(a)(1)-(3) Policy and 7.103(f) Agency-head responsibilities	Agencies shall perform acquisition planning and conduct market research for all acquisitions in order to promote and provide for acquisition of commercial items or non-developmental items, full and open competition, and selection of the appropriate contract type. The agency head or designee shall prescribe procedures for ensuring that the statement of work is closely aligned with performance outcomes and cost estimates.

Citation	Excerpt
Federal Acquisition Regulations	
Part 10 – Market Research, 10.001(a)(ii) Policy and 10.002(b)(2)(i) Procedures	<p>Agencies must conduct market research appropriate to the circumstances before soliciting offers for acquisitions with an estimate value in excess of the simplified acquisition threshold.</p> <p>Techniques for conducting market research may include contacting knowledgeable individuals in government and industry regarding market capabilities to meet requirements.</p>
Part 15 – Contracting by Negotiation, Subpart 15.2 – Solicitation and Receipt of Proposals and Information, 15.206(e) Amending the Solicitation	<p>If, in the judgment of the contracting officer, based on market research or otherwise, an amendment proposed for issuance after offers have been received is so substantial as to exceed what prospective offerors reasonably could have anticipated, so that additional sources likely would have submitted offers had the substance of the amendment been known to them, the contracting officer shall cancel the original solicitation and issue a new one, regardless of the stage of the acquisition.</p>
Part 15 – Contracting by Negotiation, Subpart 15.3 – Source Selection, 15.303(a), (b)(1) Responsibilities and 15.305(a)(1) Proposal Evaluation	<p>The contracting officer, designated as the source selection authority, shall establish an evaluation team, tailored for the particular acquisition that includes appropriate contracting, legal, logistics, technical, and other expertise, to ensure a comprehensive evaluation of offers.</p> <p>Normally, competition establishes price reasonableness. Therefore, when contracting on a firm-fixed-price or fixed-price with economic price adjustment basis, comparison of the proposed prices will usually satisfy the requirement to perform a price analysis, and a cost analysis need not be performed.</p>

Citation	Excerpt
Part 15 – Contracting by Negotiation, Subpart 15.4 – Contract Pricing, 15.402 (a) Pricing Policy, 15.404-1(a)(1) and 15.404-1(2)(i), (ii), (v) and (vi) Proposal Analysis Techniques	<p>Contracting officers shall purchase supplies and services from responsible sources at fair and reasonable prices.</p> <p>The Contracting officer is responsible for evaluating the reasonableness of the offered prices.</p> <p>The Government may use various price analysis techniques and procedures to ensure a fair and reasonable price. For example, comparison of proposed prices (1) received in response to the solicitation, (2) to historical prices paid, (3) with independent Government cost estimates, and (4) with prices obtained through market research for the same or similar items.</p>
Part 37 – Service Contracting, Subpart 37.1 – Service Contracts, 37.102(e) Policy	<p>Agency program officials are responsible for accurately describing the need to be filled, or problem to be resolved, through service contracting in a manner that ensures full understanding and responsive performance by contractors and, in so doing, should obtain assistance from contracting officials, as needed.</p>
Subpart 37.6- Performance-Based Acquisition, 37.601(b)(1)-(2) General	<p>Performance-based contracts for services shall include a performance work statement and measurable performance standards (i.e., in terms of quality, timeliness, quantity, etc.).</p>
Part 42 – Contract Administration and Audit Services, Subpart 42.15 - Contractor Performance Information, 42.1503(b), (f) Procedures	<p>Agency evaluations of contractor performance prepared under this subpart shall be provided to the contractor as soon as practicable after completion of the evaluation.</p> <p>Agencies shall ensure information is reported in the Federal Awardee Performance and Integrity Information System module of the Past Performance Information Retrieval System within 3 working days after a contracting officer issues a final termination for cause or default notice.</p>
Part 49 – Termination of Contracts, Subpart 49.1 – General Principles, 49.107 Audit of prime contract settlement proposals and subcontract settlements	<p>The Termination Contracting Officer shall refer each prime contractor settlement proposal of \$100,000 or more to the appropriate audit agency for review and recommendations.</p>

Citation	Excerpt
Part 52 - Solicitation Provisions and Contract Clauses, Subpart 52.2 - Text of Provisions and Clauses, 52.232-32 Performance-Based Payments	The Contracting Officer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contracting Officer may, at any time, require the contractor to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable.

Appendix 4: Unusable Contract Deliverables

Unacceptable Applications

Application Batch	Delivery Date	Applications	Unacceptable Applications
1	9/21/2009	122	58
2	10/27/2009	126	67
3	11/20/2009	97	49
4	12/4/2009	62	21
5	12/8/2009	31	14
6	12/15/2009	76	35
Total		514	244

Figure 1. The total number of unacceptable applications out of the total number of applications delivered under the contract, broken down by batch number and delivery date.

Number of Unacceptable Applications by Batch and Type

Issue	Batch	1	2	3	4	5	6	Total
Unacceptable Applications		58	67	49	21	14	35	244
Not a US Citizen		1	2	0	0	0	0	3
Doesn't Meet Age Requirement		27	31	22	6	5	13	104
No Driver's License		0	2	0	0	0	1	3
Missing Required Documents		6	8	7	2	1	2	26
Doesn't Meet Education Requirements		9	13	8	3	3	11	47
Position Not Specified		26	29	24	15	8	17	119

Figure 2. The total number of applications determined to be unacceptable because they did not meet contract, law enforcement, and/or OPM requirements.

Comparison - Payments vs. Applicant File Delivery

Invoice	Invoice Date	Invoice Amount	Applicant Batch	Applicants	Delivery Date
1	7/2/2009	\$108,025	1	122	9/21/2009
2	8/13/2009	\$97,025	2	126	10/27/2009
3	9/22/2009	\$81,525	3	97	11/20/2009
4	10/14/2009	\$80,525	4	62	12/4/2009
			5	31	12/8/2009
			6	76	12/15/2009
Totals		\$367,100		514	

Figure 3. The amount and date of payments made by BIA before contract termination as compared to the number and date of applications delivered by NNALEA.

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