



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL



Spending Taxpayer Dollars

EPA's Purchase Order Process Needs to Improve and Achieve Better Value

Report No. 17-P-0001

October 13, 2016

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS				1. REQUISITION NUMBER	PAGE 1 OF
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30					
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER		
7. FOR SOLICITATION INFORMATION CALL:		a. NAME	b. TELEPHONE NUMBER (calls)		
9. ISSUED BY	CODE	10. THIS ACQUISITION IS		UNRESTRICTED OR	
		<input type="checkbox"/> SMALL BUSINESS		<input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM	
		<input type="checkbox"/> HUBZONE SMALL BUSINESS		<input type="checkbox"/> EDWOSB	
		<input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS		<input type="checkbox"/> 8 (A)	
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED	12. DISCOUNT TERMS	<input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		13b. RATE	
<input type="checkbox"/> SEE SCHEDULE				14. MET	
15. DELIVER TO	CODE	16. ADMINISTERED BY			
17a. CONTRACTOR/OFFEROR	CODE	FACILITY CODE	18a. PAYMENT WILL BE MADE BY		
TELEPHONE NO.			18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM		
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER					



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Abbreviations

CDW	Compass Data Warehouse
CO	Contracting Officer
EAS	Environmental Protection Agency Acquisition System
EPA	U.S. Environmental Protection Agency
EPAAG	Environmental Protection Agency Acquisition Guide
EPAAR	Environmental Protection Agency Acquisition Regulation
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System-Next Generation
FY	Fiscal Year
GSA	General Services Administration
IGF Code	Inherently Governmental Function Code
OAM	Office of Acquisition Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
SAP	Simplified Acquisition Procedures

Cover photo: Example of a purchase order and supplies or services purchased.
(GSA, EPA and EPA OIG images)

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At a Glance

Why We Did This Audit

The U.S. Environmental Protection Agency (EPA) spends millions of dollars annually for goods and services procured using purchase orders within the simplified acquisitions procedures. According to the Federal Acquisition Regulation, the purpose of simplified acquisition procedures is to reduce administrative costs, promote efficiency and economy in contracting, improve opportunities for small businesses, and avoid unnecessary burdens for agencies and contractors.

The purpose of this audit was to determine if EPA purchase orders were awarded in accordance with applicable laws, regulations and guidance.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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EPA's Purchase Order Process Needs to Improve and Achieve Better Value

What We Found

EPA purchase order procedures were not implemented in accordance with the Federal Acquisition Regulation (FAR) or the EPA Acquisition Regulation (EPAAR).

We estimate that the agency could save approximately \$592,000 annually by using purchase cards instead of purchase orders.

In fiscal year 2015, up to 1,714 purchases could have been made with purchase cards, as opposed to purchase orders, to achieve cost savings through the maximum use of purchase cards as required by the FAR. In addition, the EPA's acquisition system did not always provide descriptions for supplies and services purchased as required by the Office of Management and Budget Circular A-123, the FAR, and General Services Administration criteria.

These conditions occurred due to inadequate policies, procedures and training. As a result, competition, fairness and other economic opportunities may have been precluded. Also, the EPA is not realizing potential savings based on its current purchase card practices due to forfeited refunds, point-of-sale discounts, and reduced administrative costs.

Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for Administration and Resources Management require the EPA to update its policy, procedures and checklists to cover applicable FAR and EPAAR requirements; require acquisition and program personnel to be trained; and promote greater use of purchase cards.

The EPA agreed with Recommendations 1, 2 and 3, and provided corrective actions and planned completion dates. The EPA provided alternative corrective actions and planned completion dates for Recommendations 4, 5 and 6, and alternative corrective actions for Recommendation 7. These alternative corrective actions address the intent of the recommendations. Corrective actions have already been completed for Recommendations 8, 9 and 10. Recommendations 1 through 6 are considered open pending completion of corrective actions. Recommendation 7 is considered unresolved. Recommendations 8, 9 and 10 are considered closed.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

October 13, 2016

MEMORANDUM

SUBJECT: EPA's Purchase Order Process Needs to Improve and Achieve Better Value
Report No. 17-P-0001

FROM: Arthur A. Elkins Jr.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins Jr.", is written over the printed name.

TO: Donna Vizian, Acting Assistant Administrator
Office of Administration and Resources Management

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). The project number for this audit was OA-FY15-0193. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position.

The EPA's Office of Administration and Resources Management is responsible for the issues noted in this report.

Action Required

In accordance with EPA Manual 2750, you are required to provide a written response to this report within 60 calendar days. You should include planned corrective actions and completion dates for all unresolved recommendations. Your response will be posted on the OIG's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

Table of Contents

Chapters

1	Introduction	1
	Purpose	1
	Background.....	1
	Responsible Office.....	2
	Scope and Methodology	2
2	Noncompliance With Purchase Order Requirements	4
	Noncompliance With FAR and EPAAR Requirements	4
	Lack of Internal Guidance and Training Led to Noncompliance.....	5
	Conclusions	6
	Recommendations	6
	Agency Response and OIG Evaluation	7
3	Improvements Needed in the Use of Purchase Cards Versus Purchase Orders.....	8
	FAR and Treasury Financial Manual on Purchase Card Use	8
	Purchase Orders Used Instead of Purchase Cards.....	9
	Awareness and Availability Hinder Greater Use of Purchase Cards.....	10
	Conclusions	10
	Recommendations	11
	Agency Response and OIG Evaluation	11
4	Incomplete Information Systems Data	13
	Acquisition System Data and Requirements	13
	Systems Missing Supplies and Services Descriptors	15
	Improvements Are Needed in Policy, Guidance and Oversight	16
	Conclusions	16
	Actions Taken	17
	Recommendations	17
	Agency Response and OIG Evaluation	17
	Status of Recommendations and Potential Monetary Benefits	19

Appendices

A	Sample Purchase Orders Reviewed.....	20
B	EAS Supplies and Services Data Fields.....	21
C	Agency Response to Draft Report.....	23
D	Distribution	28

Chapter 1

Introduction

Purpose

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) conducted this audit to determine if EPA purchase orders were awarded in accordance with applicable laws, regulations and guidance.

Background

The EPA obligates approximately \$39–\$46 million annually to buy supplies and services using purchase orders. A purchase order is an offer by the government to buy supplies or services using simplified acquisition procedures (SAP). The following are examples of the types of supplies or services purchased:

- Computer equipment and licensing agreements.
- Lab equipment and maintenance agreements.
- Furniture.
- Training and conferences.
- General office supplies and equipment.
- Legal and other consulting services.
- Subscriptions for magazines and for access to widely used databases.

The EPA uses purchase orders following the SAP prescribed in the Federal Acquisition Regulation (FAR), part 13, which covers the acquisition of supplies and services that generally do not exceed the simplified acquisition threshold of \$150,000. However, there are instances where the threshold is increased.

Acquisitions that had an anticipated dollar value below \$3,000¹ were considered to be micro-purchases. The preferred purchase and payment method for micro-purchases is the government purchase card. Both the FAR and the Treasury Financial Manual emphasize that federal agencies use government purchase cards as the preferred method, and to use the purchase card to the maximum extent. Government purchase cards are issued to authorized agency personnel in order to acquire and pay for supplies and services.

¹ As of October 1, 2015, this micro-purchase threshold changed from \$3,000 to \$3,500. This change happened after our collection of data.

According to the FAR 13.002, the purpose of using SAP is to:

- Reduce administrative costs.
- Improve opportunities for small businesses to obtain a fair proportion of government contracts.
- Promote efficiency and economy in contracting.
- Avoid unnecessary burdens for agencies and contractors.

Responsible Office

The Office of Acquisition Management (OAM) within the EPA's Office of Administration and Resources Management is responsible for planning, awarding, and administering contracts for the agency. These responsibilities include:

- Issuing and interpreting acquisition regulations.
- Administering training for contracting and program acquisition personnel.
- Providing advice and oversight to regional procurement offices.
- Providing information technology improvements for acquisition.

Scope and Methodology

We conducted this audit from July 2015 to July 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To obtain an understanding of the purchase order environment, we reviewed the following criteria:

- Office of Management and Budget (OMB) Circular A-123, and a memo titled *Conducting Acquisition Assessments Under OMB Circular A-123*, dated May 21, 2008.
- The Treasury Financial Manual.
- The FAR.
- The EPA's Acquisition Regulation (EPAAR).
- The General Services Administration's (GSA's) Federal Procurement Data Systems-Next Generation (FPDS-NG) User Manual and the FPDS-NG Data Element Dictionary.
- Other internal guidance documents related to SAP.

We also obtained data from Compass Data Warehouse (CDW), EPA's Acquisition System (EAS), and FPDS-NG. We used the information for background purposes, for determining the total dollar value associated with

purchase orders, and to obtain the population of purchase orders to sample. We performed selective testing of internal controls (i.e., interviewing information specialists, and obtaining data dictionaries, applicable regulations, and other documented procedures for systems data). We assessed the reliability of computer generated data for completeness in identifying supplies and services.

We reviewed EPA internal controls and oversight to assess whether purchase orders were appropriate, accurate and complete. We reviewed internal policies, procedures and checklists; information system controls; and overall roles and responsibilities within the EPA's organizational structure to assess whether improvements were needed when procuring supplies and services, and managing and reporting an acquisition. We also reviewed audit reports issued by other OIG offices and the U.S. Government Accountability Office.

To determine whether the EPA awarded purchase orders in accordance with applicable laws, regulations and guidance, we performed the following tasks:

- Judgmentally selected a sample of 24 purchase orders and randomly selected five purchase orders (using a random generator and all totaling \$1,430,775) to test compliance with FAR and EPAAR requirements. Appendix A includes the sampled purchase orders, responsible program office or region, and the sampling criteria used.
- Interviewed or provided a survey questionnaire to select contracting officers (COs) and program staff to assist in determining compliance.
- Assessed whether other methods preferred by the FAR should have been implemented.
- Reviewed information systems data to determine whether the EPA reported accurate and complete purchase order data.

Chapter 2

Noncompliance With Purchase Order Requirements

EPA purchase orders for goods and services were not always executed in accordance with the FAR or the EPAAR. We identified the following conditions: (1) missing evidence of justifications; (2) lack of market research evidence; (3) missing fair and reasonableness statements; (4) inadequate brand name procedures; and (5) inadequate posting of a purchase order synopsis and insufficient response time allowed for a request for quotes.

These conditions stem from inadequate guidance and training. As a result, competition, fairness and economic benefit opportunities may have been precluded.

Noncompliance With FAR and EPAAR Requirements

The EPA's purchase orders for goods and services were not always in compliance with FAR and EPAAR requirements. We reviewed 29 purchase orders (sample purchase orders reviewed are in Appendix A) and identified the following noncompliant purchases:

- **Missing justifications.** EPAAR 1513.170-1 requires a brief written statement in support of sole source acquisitions exceeding the micro-purchase threshold. The statement must cite at least one of the circumstances in FAR 6.302 and include necessary facts to support each circumstance. We determined that two purchase orders from Region 8 did not prepare a sole source justification as required.
- **Missing market research evidence.** FAR 7.102 requires agencies to perform acquisition planning and conduct market research to promote and provide for (1) the acquisition of commercial items, (2) full and open competition, and (3) the consideration and use of pre-existing contracts. FAR 10.001 requires agencies to complete market research appropriate to the circumstance, before soliciting offers for acquisitions that have an estimated value less than the simplified acquisition threshold when adequate information is not available and circumstances justify the cost. FAR 10.002 (e) states, "Agencies should document the results of market research in a manner appropriate to the size and complexity of the acquisition." Region 8 lacked market research evidence in four out of five purchase orders reviewed that were awarded without open competition.

- **Missing fair and reasonableness statement.** FAR 13.106-3(a) requires the CO to determine whether the proposed price is fair and reasonable before making an award. If only one response is received, a statement of price reasonableness should be included in the contract file. A headquarters' purchase order for a sole source \$3,990 *PoliticoPro* subscription did not have the CO's determination that the anticipated cost would be fair and reasonable documented in the contract file.
- **Brand name peculiar to one manufacturer.** Per FAR 11.105(a)(1), agency requirements shall not be written particular to a brand name, product, or feature of a product, unless the feature is essential to the government's requirements. Region 1 purchased Dell cables for \$3,442 and utilized brand name requirements. This brand name purchase precluded consideration of equivalent products that were available under different manufacturers. Even though the requirements document identified a description for a cable for Dell servers, the document indicated Dell as the only brand name source. In this situation, sufficient market research should have been conducted to obtain other potential sources to be included in the requirements document.
- **Synopsis not posted to the federal business opportunities website and unreasonable quote response time.** FAR 5.101(a)(1) requires COs to disseminate information on proposed contract actions expected to exceed \$25,000, by posting the synopsis contract action on the federal business opportunities website to be accessible by the public. When requesting quotes, FAR 5.203(b) requires that the CO establish a solicitation response time so that potential offerors have a reasonable opportunity to respond to the proposed contract action.

The EPA did not post the synopsis for a Nitron XL3t Ultra Analyzer to the federal business opportunities website as required for purchases greater than \$25,000. The contract action synopsis should have been publicized on the federal business opportunities website to provide public information on this contract action. In addition to not posting the synopsis, the request for quote found in the contract file required that a prospective vendor respond to the request in less than 24 hours.

Lack of Internal Guidance and Training Led to Noncompliance

COs did not comply with FAR requirements due to the lack of training and internal guidance documents, such as standard operating procedures or checklists for simplified acquisitions. Our survey of CO questionnaire responses revealed that 10 of 11 COs did not receive training in simplified acquisition procedures. The EPA last revised its guidance, titled *Simplified Acquisitions Made Easy*, in 2009. This guidance is outdated and does not reflect current FAR thresholds for simplified acquisitions. While there is a checklist for simplified acquisitions on

OAM's intranet site, we found that regions and divisions had different checklists or were not using checklists at all. Updated internal guidance and a standardized checklist for simplified acquisitions would provide for better internal controls so that procedures are followed and supporting documents are filed in the purchase order.

Conclusions

By not providing adequate justifications, limiting response times, and not conducting market research, the agency may not be able to determine:

- The exact extent and reasoning for sole source purchases.
- How many sources (including small businesses) that may be able to fulfill the requirement.
- If there are acceptable equivalents to brand name requirements.
- If the prices paid for goods and services were fair and reasonable.

Competition in federal contracting, which includes the use of SAP, is an effective means of acquiring supplies and services, and generally results in lower prices. However, the noncompliant conditions we found during the audit, such as not synopsisizing contract actions, may hinder small business opportunities. Publicizing contract actions can increase competition, broaden industry participation in meeting government requirements, and assist small business concerns in obtaining contracting opportunities. However, by not posting synopses when required, the EPA may have unnecessarily precluded competition. As a result, the EPA may have missed out on potential benefits, such as improved level of service and overall lower pricing for the goods and services it acquired under SAP.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

1. Update the Simplified Acquisition Procedures checklist to include the requirements for documenting justifications, fair and reasonableness statements, and market research in the contract file; applying appropriate brand name and synopsisizing procedures; and allowing sufficient response time for request for quotes.
2. Require that checklist completion be documented in all contract files.
3. Provide training on checklist documentation requirements to contracting officers.

Agency Response and OIG Evaluation

The EPA agreed with Recommendations 1 through 3, and provided an estimated completion date of March 2017 for Recommendations 1 and 2, and December 2017 for Recommendation 3.

For Recommendation 1, the EPA is developing a toolkit that will include a checklist with SAP documents. For Recommendation 2, the EPA will revise EPAAG to make the checklist mandatory. For Recommendation 3, the EPA is developing a training plan for the SAP checklist. These three recommendations will remain open pending completion of the proposed corrective actions.

Chapter 3

Improvements Needed in the Use of Purchase Cards Versus Purchase Orders

The EPA has not utilized the government purchase card to the maximum extent practicable as required by the FAR and encouraged by the Treasury Financial Manual. For fiscal year (FY) 2015, we identified up to 1,714 of 1,793 (96 percent) of purchase order transactions (totaling over \$37 million) that potentially could have used a purchase card. This condition occurred due to the purchaser's lack of knowledge about purchase card alternative methods, not being sufficiently trained, and not having clear guidance or direction from the CO. We also determined that an insufficient amount of COs have purchase cards. By not utilizing the governmentwide commercial purchase card to the maximum extent practicable, the EPA could be forfeiting savings in the form of administrative costs, refunds and point-of-sale discounts.

FAR and Treasury Financial Manual on Purchase Card Use

The FAR requires that government purchase cards be used to the maximum extent practicable to take advantage of reduced administrative costs and promote economy and efficiency. Under FAR 13.003(e), "Agencies shall use the Governmentwide commercial purchase card and electronic purchasing techniques to the maximum extent practicable in conducting simplified acquisitions."

Similarly, FAR 13.201(b) requires that government purchase cards be the preferred method used to purchase and pay for micro-purchases. Moreover, per FAR 13.301(b), agency procedures should not limit the use of the government purchase card to micro-purchases, and should encourage use of the card in greater amounts by contracting officers to place orders and to pay for purchases against established contracts.

Per the Treasury Financial Manual, Volume 1, Part 4, Section 4515, agency procedures should encourage greater use of the purchase card in greater dollar amounts by contracting officers to place orders and to pay for purchases against contracts. Other SAP methods can only be used instead of the government purchase card when it is more cost effective, practicable or required by existing statutes.

Purchase Orders Used Instead of Purchase Cards

We identified up to 1,714 of 1,793 (96 percent) of purchase orders (totaling over \$37 million) that potentially could have used a purchase card² because they were non-prohibited transactions, as noted in Table 1.

Table 1: Non-Prohibited transactions

Purchases	Non-Prohibited ^a	Value of non-prohibited	Universe	Value of universe
At or below the micro-purchase threshold of \$3,000.	474	\$708,045	501	\$744,650
Over the micro-purchase threshold of \$3,000.	1,240	\$36,930,968	1,292	\$38,457,299
Total	1,714	\$37,639,013	1,793	\$39,201,949

Source: OIG analysis of FY 2015 Compass data for purchase orders

^a According to EPA Acquisition Guide, 13.3.1, EPA cardholders are not allowed to use purchase cards for prohibited transactions. However, program cardholders or acquisition professionals are allowed to use purchase cards for non-prohibited transactions when factors described in footnote 2 do not apply.

The EPA has several types of purchases that fall under non-prohibited transactions for which a purchase card could have been used. We found a purchase order for a subscription service that had been made with a credit card in a prior purchase. However, since the subscription cost increased from approximately \$2,400 to \$3,990 (i.e., a cost that went from below the micro-purchase threshold to above), the purchaser elected to use a purchase order instead of enlisting the assistance of a CO who had a purchase card with a higher authorized warrant limit.

After identifying the subscription as a non-prohibited transaction, we identified an additional 35 purchase order transactions in FY 2015 for subscriptions totaling over \$350,000. These transactions also did not use the purchase card (Table 2).

Table 2: Subscriptions

Purchases	Subscription transactions	Non-Prohibited transactions	Cost range	Total of subscription transactions
At or below the micro-purchase threshold of \$3,000.	9	474	\$363.03–\$3,000	\$15,652
Over the micro-purchase threshold of \$3,000.	26	1240	\$3,300–\$114,300	\$342,544
Total	35	1,714		\$358,196

Source: OIG analysis of FY 2015 Compass data for purchase orders used to acquire subscription services.

² For non-prohibited transactions, we understand that there may be circumstances when a purchase card cannot or should not be used like a vendor does not accept credit cards and other circumstances.

Awareness and Availability Hinder Greater Use of Purchase Cards

EPA COs did not provide an indication that program staff were aware of the option to have the COs use a government purchase card to acquire non-prohibited items and purchases that exceed the micro-purchase threshold. Program staff believed they were required to use a purchase order instead of using a CO's government purchase card when the amount exceeded the micro-purchase authority. This occurred due to a lack of training for both program staff and COs.

In addition, EPA guidance is unclear about purchase card use above the micro-purchase threshold amount. While the EPA Acquisition Guide (EPAAG) 13.3.1.8 requires program office cardholders to use the government purchase card to place orders at or below the micro-purchase threshold, it does not encourage cardholders to seek assistance from COs for purchases that exceed the micro-purchase threshold.

Furthermore, the EPA may not have enough COs with purchase cards to sufficiently address program needs. An OAM official explained that a purchase order may have been used because all COs do not have purchase cards. Our analysis determined that approximately 13 percent of the COs within the EPA have a government purchase card, which limits opportunities for greater use.

Conclusions

By not utilizing the government purchase card to the maximum extent practicable, the EPA could be forfeiting savings in the form of administrative costs, refunds and point-of-sale discounts. We determined that the EPA could have saved up to \$592,000 in administrative costs and refunds by using purchase cards instead of purchase orders.

According to GSA's website, the estimated administrative savings for purchase card use is \$70 per transaction when used in place of a written purchase order.³ This amount multiplied by the total non-prohibited transactions of 1,714 (Table 2, Column 2) amounts to approximately \$119,000 in potential annual cost savings.

In addition, GSA's purchase card contract offers refunds based on the amount of total sales. For example, if there are \$30,000 in purchases, the EPA could receive a rebate of 1.277 percent. With over \$37 million in sales identified in Table 2, the rebate would represent up to approximately \$472,000 (\$37 million times 1.277 percent) in potential annual cost savings.

Many GSA Schedule vendors offer point-of-sale discounts to government purchase cardholders when they use their cards at retail locations.

³ Until there is a system block to prevent the printing of purchase orders, opportunities still exist for automated purchase orders to be printed for operational use.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

4. Require contracting officers who approve purchase orders to maximize the use of purchase cards and document the justification as to why purchase cards were not used.
5. Provide training to educate program staff about the types of transactions that acquisition professionals can purchase with credit cards.
6. Update the EPA Acquisition Guide and the “Simplified Acquisition Made Easy” guidance to include the use of purchase cards for acceptable purchases over the micro-purchase threshold.
7. Re-examine the selection of contracting officers with purchase cards, and determine the proper number of contracting officers and other acquisition professionals who should have purchase cards.

Agency Response and OIG Evaluation

The EPA provided alternative corrective actions for Recommendations 4 through 7, with a completion date of March 2017 for Recommendations 4 and 6, and a completion date of December 2016 for Recommendation 5. We believe the alternative corrective actions meet the intent of the original recommendations.

Recommendations 4, 5, and 6 are considered open pending completion of proposed corrective actions. The EPA did not provide a completion date for Recommendation 7. Recommendation 7 is considered unresolved. The following is a summary of the agency’s responses and our evaluation:

- **Recommendations 4 and 6.** For both of these recommendations, the EPA’s initial response did not completely address the intent of the recommendation. However, on September 12, 2016, the EPA provided an acceptable corrective action. The EPA will develop a SAP checklist that will require users to indicate whether using a purchase card was considered and the reason why the purchase card was not used. We believe the alternative corrective action meets the intent of our recommendations.
- **Recommendation 5.** The EPA’s initial response indicated that it disagreed with Recommendation 5. However, on September 12, 2016, the EPA provided an acceptable alternative corrective action with a completion date of December 2016. The EPA agreed to publish a “Flash Notice,” which reiterates EPAAG 13.3.1.8 and 13.3.1.9, and advises COs

that they may use purchase cards to place orders or make payments. We believe the alternative corrective action meets the intent of our recommendation.

- **Recommendations 7.** The EPA's initial response indicated that it disagreed with Recommendation 7. However, on September 12, 2016, the EPA provided an acceptable corrective action that we believe meets the intent of our recommendation. The EPA indicated that each OAM division will have at least one purchase cardholder per service center. However, the EPA did not provide a completion date for this alternative corrective action.

Chapter 4

Incomplete Information Systems Data

Improvements are needed in completing EAS description fields. EAS did not always contain a description of supplies or services acquired for purchase orders as required by OMB Circular A-123, the FAR, and GSA guidance. This occurred due to insufficient internal controls in the EPA's policies and guidance, and management oversight.

EAS provides information to FPDS-NG and the EPA's CDW. Consequently, users of both FPDS-NG and CDW do not receive accurate and complete information about purchases when there is missing data in EAS. As a result, the EPA and others are not in the best position to make effective, fact-based decisions regarding acquisitions, and are not able to receive the best value for future purchases of supplies and services and satisfy agency needs.

Acquisition System Data and Requirements

EAS is a web-based database that provides the EPA with the tools needed to effectively support the complete acquisition and management lifecycles from initial planning and requisitioning through award and closeout. Three specific EAS fields are used when inputting the type of goods and services purchased with a purchase order and include:

- (1) The purpose field.
- (2) The purpose description field.
- (3) The line item description field.

The latter two fields were reviewed because they affected the outcome of reports in FPDS-NG and CDW. The EAS "purpose description field" provides data for the FPDS-NG "description of requirement field." The EAS "line item description field" provides data for the CDW "line item and extended description field." Appendix B has more details on the fields.

The following criteria establish requirements for the EPA to maintain accurate and complete data. According to OMB Circular A-123, controls should be designed to ensure that data are valid and complete. In addition, an OMB cover memo dated May 21, 2008, *Conducting Acquisition Assessments under OMB Circular A-123*, states: "The purpose of this memorandum is to provide guidelines for conducting entity level internal control reviews of the acquisition function as required by OMB Circular A-123." The acquisition guidelines attached to the cover memo in its Appendix 1 identify areas to "beware of" related to information management and stewardship. Specifically, the OMB cover memo includes the following situations:

- Agency/contracting activity has not led to the collection of a full set of information or data.
- Data are not current, reliable, complete or accurate.
- Transaction data are not regularly monitored for accuracy and completeness.
- Financial information pertaining to acquisition is not of the proper scope, level of detail, timing, content and presentation format.
- Acquisition information received by financial management staff is not clear and understandable, and impairs the efficient processing of information into management reports.
- Information is not maintained in a standardized format or is of poor quality.

The guidelines define acquisition as:

. . . the process of acquiring, with appropriated funds, by contract for purchase or lease, property or services (including construction) that support the mission and goals of an executive agency. . .

The guidelines also state that this includes “. . . the description of requirements to satisfy agency needs . . .”

According to FAR 4.606(a)(1), agencies are required—at a minimum—to report in FPDS-NG, contract actions⁴ over the micro-purchase threshold for definitive contracts (which includes purchase orders) and indefinite delivery vehicles, regardless of the solicitation process used. Agencies must also report any modification to these contract actions that change previously reported contract action data, regardless of dollar value. This includes purchase orders over the micro-purchase threshold awarded by a CO.

Per FAR 4.604(b)(1) and FAR 4.604(b)(2), COs must submit complete and accurate data on contract actions to the FPDS-NG within 3 business days after contract award. According to FAR 4.602(c), the [FPDS-NG website](#) provides instructions for submitting data, and provides technical and end-user guidance.

The FPDS-NG User’s Manual and Data Dictionary were developed to familiarize and assist users with FPDS-NG data-entry requirements. According to the FPDS-NG User Manual, the data system contains current information on federal contracting for contract actions over \$3,000. The system identifies who bought what, from whom, for how much, when and where. According to the FPDS-NG Data Element Dictionary and the FPDS-NG User Manual, all agencies are required to complete the FPDS-NG “description requirement field” for purchase orders.

⁴ Under FAR 4.601, Contract actions means any oral or written action that results in the purchase, rent, or lease of **supplies or equipment, services, or construction** using appropriated dollars over the micro-purchase threshold, or modifications to these actions regardless of dollar value.

The dictionary requires all agencies to enter a brief description of the goods or services being bought.

Systems Missing Supplies and Services Descriptors

We obtained reports from FPDS-NG and CDW to assess the fields that reported the purchase order description of goods and services, and to determine whether the data from both systems were complete. The reports receive information from select EAS database fields. The EAS “purpose description field” is the source for the FPDS-NG “description of requirement field.” Also, the EAS “line item description field” is the source of data for the CDW “line item and extended description field” (Appendix B).

The EAS purpose and line item description fields did not have the level of detail, content and presentation format to provide sufficient value to users. FPDS-NG and CDW data reports did not always adequately describe the supply or service purchased because the source EAS description fields only contained codes. Specifically, 106 of the 1,913 description fields in FPDS-NG only included the inherently governmental function (IGF) code and did not contain an adequate description of the supplies or services purchased.

In addition, 96 of the 1,826 purchase orders in CDW contained inadequate descriptions because the original information entered into the EAS line item description field was either blank or did not adequately describe the product or service purchased. Furthermore, 78 of these 96 purchase orders entered only a requisition code number. The EAS fields used and the screen print examples are provided in Appendix B. Table 3 summarizes the number of purchase orders with an inadequate description of supplies and services in FPDS-NG and CDW.

Table 3: Missing descriptors

System	No. of transactions with inadequate descriptors	Universe of transactions	Value of inadequate descriptors
FPDS-NG ^a	106	1,913	\$3,503,570
CDW ^b	96 ⁵	1,826	\$1,384,702

Source: OIG analysis of EAS, FPDS-NG, and CDW data.

^a Purchase orders reported for the period of October 17, 2013, through July 21, 2015, are each above the \$3,000 criteria reported on the EAS “description field” under the purpose, and the FPDS-NG “description of requirement” field.

^b Purchase orders for FY 2015 purchases (October 1, 2014–September 30, 2015) reported on the EAS “line item description field,” and the CDW “line item and extended description field” under the document details.

⁵ After our audit results were briefed in March 2016, we noticed that the EAS fields previously identified as blank and the source for the CDW were corrected to incorporate the description of supplies and services.

Improvements Are Needed in Policy, Guidance and Oversight

EAS is the original point of entry for purchase order data that eventually ends up in FPDS-NG and CDW. Improved policy, procedures and oversight are needed to improve EAS data quality. There are three fields in EAS used to describe supplies and services: the purpose field, the purpose description field, and the line item description field. Our review of the EAS System Manual for purchases, requisitions and orders, in addition to the initial instruction provided on the database screen, implies that entering the description of supplies and services is optional⁶ (Table 4).

Table 4: EAS guidance for description field

Guidance	Direction
EAS transitional workbook (prepared by the software contractor).	In the purpose description field, users may include a description of supplies and services. ^a In the line item description field, it says to enter a description.

Source: OIG analysis of EAS guidance.

^a This field verbiage was verified by viewing the actual EAS.

The description fields did not contain an adequate description of the supplies and services purchased due to inadequate oversight. COs are responsible for entering supplies and services descriptions in EAS at the time of award.

We found no policy requiring regular review of EAS data for accuracy and completeness, as required by OMB Circular A-123.

Conclusions

According to an OMB memo dated May 21, 2008, information management and stewardship has a direct influence on the extent to which the acquisition function is efficient, effective and accountable to the taxpayer. Incomplete data can limit facts that potential buyers need to purchase similar items. Incomplete data also can limit the agency's ability to know whether a purchase will satisfy agency needs.

The use of FPDS-NG data provides a basis for recurring and special reports to the President, the Congress, the Government Accountability Office, federal executive agencies, and the general public. As a result of not having complete information prior to current and future purchases, similar items may not be identified, and the most efficient and economical or best value for the government may not be achieved.

⁶ By contrast, the Simplified Made Easy guidance document specifically states that the Procurement Request (EPA Form 1900-8) **must** state the description of the supply or service, but no reference was made about the EAS description field.

Actions Taken

More instruction regarding EAS description fields was provided on April 1, 2016, through the EPA's resource center website, which is a central depository for "hot tips" and other documents that support using EAS. The EPA stated that the fields should clearly identify goods and services that are procured with the award, and that the IGF code is not the only text to be entered.

In addition, the EAS now provides improved instructions. Specifically, the following instructions are on EAS screens for purchase orders:

The "Description:" field below populates the FPDS "Description of Requirement:" field. In the "Description:" field, enter a brief description that clearly identifies the goods or services that are procured with the award. A brief description of the reason for the modification can also be included. Spell out acronyms and ensure the 'IGF' code is not the only entered text. Procurement sensitive information should not be included.

This change reflects changes that improve the accuracy and completeness of information in EAS.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

8. Update the EPA Acquisition Guide policy or other Office of Acquisition Management guidance to include the requirement to provide a complete description of the supplies and services in the EPA Acquisition System description fields used to feed Federal Procurement Data System-Next Generation.
9. Update the EPA Acquisition Guide policy or other Office of Acquisition Management guidance to include the requirement to provide a complete description of supplies or services in the EPA Acquisition System description fields, regardless of the dollar amount provided to Compass Data Warehouse.
10. Develop a procedure to regularly monitor the accuracy and completeness of EPA Acquisition System data entered into the description fields.

Agency Response and OIG Evaluation

The EPA concurred with Recommendations 8 through 10, and provided a completion date of April 2016 for Recommendations 8 and 9, and July 2016 for

Recommendation 10. For Recommendations 8 and 9, the EPA implemented guidance to provide a complete description of supplies and services used to feed FPDS-NG and CDW. For Recommendation 10, OAM agreed with our recommendation and provided training to its divisions and the regions, which included information on the “description of requirement field.”

OAM also stated it would continue the activities of an annual Independent Verification and Validation Review and peer reviews to periodically check for accuracy and completeness of the description of requirement fields. These three recommendations are considered closed.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
1	6	Update the Simplified Acquisition Procedures checklist to include the requirements for documenting justifications, fair and reasonableness statements, and market research in the contract file; applying appropriate brand name and synopsis procedures; and allowing sufficient response time for request for quotes.	O	Assistant Administrator for Administration and Resources Management	3/31/17	
2	6	Require that checklist completion be documented in all contract files.	O	Assistant Administrator for Administration and Resources Management	3/31/17	
3	6	Provide training on checklist documentation requirements to contracting officers.	O	Assistant Administrator for Administration and Resources Management	12/31/17	
4	11	Require contracting officers who approve purchase orders to maximize the use of purchase cards and document the justification as to why purchase cards were not used.	O	Assistant Administrator for Administration and Resources Management	3/31/17	1,185 *
5	11	Provide training to educate program staff about the types of transactions that acquisition professionals can purchase with credit cards.	O	Assistant Administrator for Administration and Resources Management	12/31/16	
6	11	Update the EPA Acquisition Guide and the "Simplified Acquisition Made Easy" guidance to include the use of purchase cards for acceptable purchases over the micro-purchase threshold.	O	Assistant Administrator for Administration and Resources Management	3/31/17	
7	11	Re-examine the selection of contracting officers with purchase cards, and determine the proper number of contracting officers and other acquisition professionals who should have purchase cards.	U	Assistant Administrator for Administration and Resources Management		
8	17	Update the EPA Acquisition Guide policy or other Office of Acquisition Management guidance to include the requirement to provide a complete description of the supplies and services in the EPA Acquisition System description fields used to feed Federal Procurement Data System-Next Generation.	C	Assistant Administrator for Administration and Resources Management	4/30/16	
9	17	Update the EPA Acquisition Guide policy or other Office of Acquisition Management guidance to include the requirement to provide a complete description of supplies or services in the EPA Acquisition System description fields, regardless of the dollar amount provided to Compass Data Warehouse.	C	Assistant Administrator for Administration and Resources Management	4/30/16	
10	17	Develop a procedure to regularly monitor the accuracy and completeness of EPA Acquisition System data entered into the description fields.	C	Assistant Administrator for Administration and Resources Management	7/31/16	

¹ O = Recommendation is open with agreed-to corrective actions pending.
C = Recommendation is closed with all agreed-to actions completed.
U = Recommendation is unresolved with resolution efforts in progress.

* Cost savings are based on 2 years, per EPA OIG policy.

Sample Purchase Orders Reviewed

Purchase order	Program office or region	Ceiling amount	Criteria ^a
EP145000115	Region 5	\$10,113	Year end
EP141000043	Region 1	\$6,500	Lowest dollar value
EP141000004	Region 1	\$3,442	Lowest dollar value
EP15C000044	Office of Research and Development	\$135,000	Highest dollar value
EP146000043	Region 6	\$63,871	Year end
EP14H000428	Office of Research and Development	\$3,333	Random
EP14W000344	Office of Land and Emergency Management (formerly OSWER)	\$39,945	Year end
EP14H000035	Office of Air and Radiation	\$3,990	Random
EP14H000574	Office of Enforcement and Compliance Assurance	\$3,660	Random
EP148000029	Region 8	\$9,426	Lowest dollar value
EP148000010	Region 8	\$5,306	Lowest dollar value
EP148000047	Region 8	\$5,372	Year end
EP158000005	Region 8	\$143,030	Highest dollar value
EP147000163	Region 7	\$143,051	Highest dollar value
EP15Z000097	Office of Research and Development	\$6,725	Random
EP142000024	Region 2	\$3,860	Lowest dollar value
EP14D000119	Office of Research and Development	\$131,040	Year end
EP15D000108	Office of Research and Development	\$149,476	Highest dollar value
EP159000002	Region 9	\$5,750	Random
EP15B000031	Office of Air and Radiation	\$109,980.00	non competed orders
EP15W000302	Office of Research and Development	\$97,050.00	non competed orders
EP15H000009	Office of Enforcement and Compliance Assurance	\$84,280.00	non competed orders
EP15C000048	Office of Research and Development	\$64,763.00	non competed orders
EP15D000165	Office of Air and Radiation	\$53,200.00	non competed orders
EP154000050	Region 4	\$47,542.00	non competed orders
EP15C000021	Office of Research and Development	42,500.00	non competed orders
EP15W000224	Office of Research and Development	\$38,022.00	non competed orders
EP15H000089	Office of Administration and Resource Management	\$13,115.61	non competed orders
EP15Z000117	Office of Research and Development	\$7,433.96	non competed orders
Total		\$1,430,775.29	

Source: OIG audit sample from an OAM-provided universe.

^aWe judgmentally selected 24 purchase orders to review: five with lowest dollar value; five with highest dollar value; five selected based on being issued during the end of the fiscal year; and 10 purchases orders that were not competed. We randomly selected five with a random number generator.

EAS Supplies and Services Data Fields

EAS field	When entered	Interfaced with CDW	Interfaced with FPDS
Purpose (see screen print example below)	Enters at Requisition	n/a	n/a
Description (see screen print example below)	Enters at award phase.	This EAS field is the source for the CDW’s extended description field under document summary section	Under the award process, this EAS field is the source for FPDS-NG “description of requirement” field.

Screen Print of EAS purpose and description field and instructions.

The first step in creating a Requisition is to select the Requisition number mask. Please also provide a brief description of the purpose of your request. This makes it easier to track later.

Purpose

Number of characters left: 200

You may also provide a more detailed description about your request. This is optional and can be entered later.

Description:

Number of characters left: 32,000

Screen Print Example of EAS description field completed (IGF code)

The screenshot shows the EAS system interface for a Purchase Order: EP-15-3-000054 (BASE/Released). The breadcrumb trail is: General > Items > Delivery > Funding > e-Purchase Order > Distribution > Notes. The description field is populated with the IGF code: IGF::OT::IGF. The summary section on the left shows the obligation amount as \$67,020.00. The general information section includes the purpose and description, both set to IGF::OT::IGF, and the purchase order is priced at \$0.00.

EAS field	When entered	Interfaced with CDW	Interfaced with FPDS
Description (line item) (see screen print example below)	Entered at the time of requisition	Under the award process, this EAS field is the source for CDW's extended description field under the document detail section.	n/a

Screen Print of EAS line item Description Field.

Description - Change Test:

Number of characters left: 32,000

Supplies or Services:

Accountable Property:

Picture/Specifications

Qualifier:

Screen Print Example of EAS description field completed (Blank).

EAS
Purchase Order: EP-15-W-000069 (BASE/Released)

NAVIGATOR | DETAILS | MESSAGES | ACCESS | HISTORY | POST AWARD

General > **Items** > Delivery > Funding > e-Purchase Order > Distribution > Notes

View: Item History | Other Actions

Item Number	Description	Quantity	Unit	Total Amount	Obligated Amount	Option LI	Status	Last Update	Version	Action
0003				\$81,978.56	\$81,978.56	No	Item Active	BASE		Add

Summary sidebar:
 Version: BASE (12/9/2014)
 Vendor: Innotade International LLC
 Status: Released
 Stage: Released Award
 Total Items: 1
Obligation Amount
 Total: \$ 81,978.56
 Appropriated: \$ 81,978.56
 Non-Appropriated: \$ 0.00
 Total Amount: \$ 81,978.56

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Agency Response to Draft Report

August 22, 2016

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Audit Report OA-FY15-0193
“EPA’s Purchase Order Process Needs to Improve and Achieve Better Value”
dated July 15, 2016

FROM: Donna J. Vizian, Acting Assistant Administrator

TO: Michael Petscavage, Director
Contracts and Assistance Agreement Audits
Office of the Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject draft audit report. Attached is a summary of the agency’s overall position on each of the draft report recommendations. In this summary, we have provided high-level intended corrective actions and estimated completion dates in response to sic of the findings. For two of the findings, we provided alternative corrective actions with estimated completion dates. OARM disagrees with two of the recommendations and has provided detailed justification for our disagreement.

If you have questions regarding this response, please contact Lisa M. Maass, Office of Acquisition Management, Audit Follow-up Coordinator, at 202-564-2498.

AGENCY’S OVERALL POSITION ON DRAFT REPORT RECOMMENDATIONS

The agency concurs with the Recommendations 1, 2,3,8,9, and 10; provided alternative corrective actions to Recommendations 4, and 6; and disagreed with Recommendations 5 and 7.

AGENCY’S RESPONSE TO DRAFT REPORT RECOMMENDATIONS

SUBJECT: Attachment to Response to Office of Inspector General Draft Audit Report
 OA-FY15-0193 “EPA’s Purchase Order Process Needs to Improve and Achieve
 Better Value”, dated July 15, 2016

RECOMMENDATION	CORRECTIVE ACTION
<p>1. Update the SAP checklist to include the requirements for documenting justifications, fair and reasonableness statements, and market research in the contract file; applying appropriate brand name and synopsising procedures; and allowing sufficient response time for request for quotes.</p>	<p>OAM agrees with this recommendation. OAM is developing a Simplified Acquisition Procedures Toolkit which will include a SAP Checklist. This Toolkit and Checklist are anticipated to be available for use by March 2017. In the meantime, OAM, SACO, and regional staff are required to use the “Acquisition Checklist” folder template in EAS in accordance with EPAAG 4.5.1.1 at http://oamintra.epa.gov/node/521. This checklist was updated with various types of supporting documents that can be included as part of a contract file, and enables contracting staff to save electronic copies of supporting documents in the appropriate sections of the acquisition checklist folder template in EAS. While the existing checklist is not solely for simplified acquisitions, checklist items pertaining to simplified acquisitions are available for contracting staff to identify and include in the file.</p> <p>To be Completed: March 2017</p>
<p>2. Require that checklist completion be documented in all contract files.</p>	<p>OAM agrees with this recommendation. Per EPAAG 4.5.1.1 at http://oamintra.epa.gov/node/521, use of the Acquisition Checklist template is mandatory for OAM, SACO, and regional contracting staff. Accordingly, when a SAP Checklist template is developed, use of this template will be mandatory as well.</p> <p>To be Completed: March 2017</p>
<p>3. Provide training on checklist documentation requirements to CO’s.</p>	<p>OAM agrees with this recommendation. OAM is currently developing a training plan intended to achieve the following goals: (1) equip EPA’s acquisition professionals with the information, resources, and tools needed to provide better contract administration and oversight, (2) mitigate the risk associated with non-compliance of contracting policies and procedures, and (3) access areas where future remediation is needed in order to address skill gaps. OAM will include SAP checklist training in the appropriate module under this initiative.</p> <p>To be Completed: December 2017</p>
<p>4. Require CO’s who approve purchase orders to maximize the use of purchase cards and document the justification as to why purchase cards were not used.</p>	<p>Accordingly, although OAM finds no need to revise existing EPAAG policy, OAM offers an Alternate Corrective Action to this recommendation. OAM is developing a SAP Toolkit which will include a SAP Checklist. OAM will include an item in the SAP checklist which will require users to indicate whether using a purchase card was considered for the procurement.</p>

	<p>To be Completed: March 2017</p>
<p>5. Provide training to educate program staff about the types of transactions that acquisition professionals can purchase with credit cards.</p>	<p>OAM disagrees with this recommendation. Although acquisition planning is a collaborative effort, the contracting officer is ultimately responsible for documenting and justifying the contract type selected in support of assigned requirement(s) based upon the nature of the requisition. With regard to simplified acquisitions, contracting officers have a number of simplified acquisition tools in their toolbox aside from purchase cards, and regularly consider these tools when determining the best acquisition strategy based on the nature of the requirement. Accordingly, as the contracting officer is responsible for deciding the appropriate contract type, OAM sees no need to train program staff on this topic.</p>
<p>6. Update the EPAAG and the "Simplified Acquisition Made Easy" guidance to include the use of purchase cards for acceptable purchases over the micro-purchase threshold.</p>	<p>OAM does not plan to update the obsolete "Simplified Acquisition Made Easy" guide, as sufficient guidance on simplified acquisition procedures is already delineated in the EPA Acquisition Guide Part 13, and Federal Acquisition Regulation Part 13.</p> <p>OAM offers the following Alternate Corrective Action. OAM is developing a SAP Toolkit which will include a SAP Checklist. OAM will include an item in the SAP checklist which will require users to indicate whether using a purchase card was considered for the procurement.</p> <p>To be Completed: March 2017</p>
<p>7. Re-examine the selection of CO's with purchase cards, and determine the proper number of CO's and other acquisition professionals who should have purchase cards.</p>	<p>OAM disagrees with the recommendation. The purchase card is <u>only</u> a method of payment above the micro-purchase threshold, and discussions on this subject should be careful to not confuse this distinction between the procurement method and payment method. EPAAG 13.3.1.9 already states that acquisition professional cardholders may use the purchase card to place orders or make payments within the limits of their warrants. Additionally, contracting officers have a number of simplified acquisition tools in their toolbox aside from purchase cards, and regularly consider these tools when determining the best acquisition strategy based on the nature of the requirement.</p> <p>Furthermore, recent attempts to use the purchase card on larger procurements have yielded mixed results with regard to best value to the agency. OAM conducted a pilot which attempted to use the purchase card as the method of payment on a couple of larger (multi-million dollar) contracts. Based on the results of this pilot, OAM learned that while we may increase our rebates, there is every likelihood that the affected contractors would build the costs into their proposals to offset the costs associated with processing payments. The overall effect of that would be EPA's cost of operations would likely increase.</p>

	<p>Having explained the above, OAM’s process for issuing new purchase card accounts includes a number of management oversight and internal controls. Upon receipt of a new cardholder account, the Purchase Card Team analyzes the historical usage level of the requesting office and determines whether that level warrants issuance of an additional account. If historical usage does not support a new account, the request is denied. In the event the requesting office has a mission critical need for a new account, the process provides for the Senior Resource Official to submit a written justification to the National Purchase Card Program Manager for adjudication. This process has resulted in less cardholders and more efficiency in managing the purchase card program, which was recently recognized in OIG Audit OA-FY15-0276 “FY 2015 Risk Assessment of EPA’s Purchase Card and Convenience Check Program” which characterized OAM’s oversight and management of the purchase card program as “Low Risk”.</p>
<p>8. Update the EPAAG policy or other OAM guidance to include the requirement to provide a complete description of the supplies and services in the EAS description fields used to feed FPDS-NG.</p>	<p>OAM agrees with this finding, and has already published a Federal Procurement Data System Quick Guide (attached hereto), as well as EAS Hot Tips on various procurement reporting topics which address audit findings regarding the ‘Description of Requirement’ reporting element (attached hereto). This guidance includes information on a recent change made to EAS to display text on the general tab at the header level which advises staff that “the "Description:" field populates the FPDS "Description of Requirement:" field, and further advises staff that a brief description that clearly identified the goods or service that are being procured with the award must be included for both contract and modifications (see attached EAS Change e-mail). In these policies, staff are also advised to spell out acronyms and ensure the 'IGF' code is not the only entered text, and that procurement sensitive information should not be included.</p> <p>Furthermore, OAM is already identifying acquisition reporting vulnerabilities as documented under “Peer Review Findings and Best Practices” at http://oamintra.epa.gov/?q=node/279, and OAM divisions and regions are implementing corrective action plans to remedy data and reporting inaccuracies. OAM intends to continue these activities.</p> <p>Completed: April 2016</p>
<p>9. Update the EPAAG policy or other OAM guidance to include the requirement to provide a complete description of the supplies and services in the EAS description fields, regardless of the dollar amount provided to the CDW.</p>	<p>OAM agrees with this finding, and has already published a Federal Procurement Data System Quick Guide (attached hereto), as well as EAS Hot Tips on various procurement reporting topics which address audit findings regarding the ‘Description of Requirement’ reporting element (attached hereto). This guidance includes information on a recent change</p>

	<p>made to EAS to display text on the General tab at the Header level which advises staff that “the "Description:" field populates the FPDS "Description of Requirement." field, and further advises staff that a brief description that clearly identified the goods or service that are being procured with the award must be included for both contract and modifications (see attached EAS Change e-mail). In these policies, staff are also advised to spell out acronyms and ensure the 'IGF' code is not the only entered text, and that procurement sensitive information should not be included.</p> <p>Furthermore, OAM is already identifying acquisition reporting vulnerabilities as documented under “Peer Review Findings and Best Practices” at http://oamintra.epa.gov/?q=node/279, and OAM Divisions and Regions are implementing corrective action plans to remedy data and reporting inaccuracies. OAM intends to continue these activities.</p> <p>Completed: April 2016</p>
<p>10. Develop a procedure to regularly monitor the accuracy and completeness of EAS data entered into the description fields.</p>	<p>OAM agrees with this finding, and in accordance with the OMB Memorandum on “Improving Acquisition Data Quality” dated May 9, 2008, EPA conducts an annual Independent Validation and Verification (IV&V) and certifies on the accuracy of FPDS data. In support of this certification, FPDS IV&V Training, which included information regarding the FPDS Description of Requirement Field, was provided to offices on the following dates:</p> <p style="padding-left: 40px;">CPOD – February 23, 2016 HPOD – March 2, 2016 RTPPOD – March 17, 2016 Regions – April 13, 2016, April 19, 2016 and April 20, 2016 SRRPOD – May 4, 2016 Simplified Acquisition Contracting Officers – July 26, 2016</p> <p>Furthermore, OAM is already identifying acquisition reporting vulnerabilities as documented under “Peer Review Findings and Best Practices” at http://oamintra.epa.gov/?q=node/279, and OAM Divisions and Regions are implementing corrective action plans to remedy data and reporting inaccuracies. OAM intends to continue these activities.</p> <p>Completed: July 2016</p>

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