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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Office of Audits

Independent Accountants' Report on Audit of International Boundary and Water Commission: Contract Award and Management of Funds Provided by the American Recovery and Reinvestment Act

Report Number AUD/CG-10-21, June 2010

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Kearney & Company, P.C., performed this audit under Department of State, Office of Inspector General, Contract No. SAQMMA09D0002, and by acceptance the report becomes a product of the Inspector General.



**Harold W. Geisel
Deputy Inspector General**

6/22/2010

Date

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INTERNATIONAL BOUNDARY AND WATER COMMISSION

**Contract Award and Management of Funds Provided by the
American Recovery and Reinvestment Act of 2009**

**KEARNEY &
COMPANY**

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Contract is SAQMMA09D0002 Task Order is SAQMMA10F0504*

March 30, 2010

Mr. Harold W. Geisel, Acting Inspector General
U.S. Department of State
Office of the Inspector General
2201 C Street, N.W.
Washington, DC 20520

Kearney & Company, P.C. (Kearney) is pleased to submit this performance audit report related to the International Boundary and Water Commission's (IBWC) compliance with Federal, U.S. Department of State (Department), and ARRA acquisition management practices. Kearney evaluated the IBWC's performance in complying with the source selection process, pre-/post-award process, contract administration and management controls for contracts funded through the ARRA of 2009. This performance audit was designed to meet the objectives identified in the Objectives section and Appendix A, Scope and Methodology of this report.

We conducted this performance audit from January 18, 2010 through March 30, 2010, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The purpose of this report is to communicate the results of our performance audit and the related findings and recommendations.

We would like to thank the Department Offices involved for their cooperation during the course of this engagement.

A handwritten signature in blue ink that reads "Kearney & Company". The signature is written in a cursive, flowing style.

Kearney & Company, P.C.

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EXECUTIVE SUMMARY

At the request of the Office of Inspector General (OIG), U.S. Department of State (Department), Kearney and Company, P.C. (Kearney), evaluated the International Boundary and Water Commission's (IBWC) performance in complying with the source selection process, pre-/post-award process, and contract administration and management controls for contracts with funds provided by the American Recovery and Reinvestment Act (Recovery Act) of 2009.

Performance was assessed using the Recovery Act requirements as established by the April 3, 2009, Office of Management and Budget (OMB) Memorandum M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009* (M-09-15); other OMB guidance; the Federal Acquisition Regulation (FAR); and the IBWC Acquisition Division Administration of ARRA (Recovery Act) Requirements and Agency Review of Recipient Reporting Standard Operating Procedure (SOP).

We found that IBWC had implemented additional policies and procedures specific to the Recovery Act. IBWC took significant steps to implement and execute these policies and procedures and to comply with OMB and FAR guidance. However, we noted exceptions evidencing areas where IBWC procedures should be enhanced to ensure full compliance with Recovery Act objectives as follows:

- Contractor eligibility/qualifications are not always able to be determined.
- Documentation of contract negotiations needs improvement.
- Contract monitoring is not in compliance with current system.
- Other reporting compliance matters need to be addressed.

To enhance internal controls and to help ensure that OMB Recovery Act objectives are met, we recommended that

- IBWC management implement additional procedures and requirements to ensure that the monitoring of Recovery Act contracts is fully documented.
- IBWC contracting officers properly document price negotiations.
- IBWC contracting officers ensure that all required vetting actions are executed, documented, and properly filed prior to contract award.
- IBWC contracting officers ensure that "Notices to Prime Recipients" are issued and transparency reporting requirements are met timely.

In its May 14, 2010, response to the draft report, IBWC agreed with all of the report's recommendations. (The response is in Appendix A.)

BACKGROUND

IBWC is an organization operated jointly by the United States and Mexico to monitor the U.S.–Mexico border, establish boundary and water treaties, and settle boundary and water quality

disputes. IBWC consists of two independent oversight bodies: the U.S. Section and the Mexican Section. The U.S. Section receives its guidance from the Department, and the results of its operations are included in the Department's annual consolidated financial statements. Both sections work closely to achieve the objectives of the organization.

U.S. Section mission operations include the following:

- Develop and maintain flood control levee systems.
- Maintain the safety of dams.
- Develop and maintain the diversion of dams and related structures.
- Develop and maintain storage dams (reservoirs)/power plants.
- Develop and maintain wastewater treatment plants.
- Operate field offices.
- Manage the Texas Clean Rivers Program.
- Issue emergency management alerts.

Many projects are required to accomplish the mission of IBWC. The Recovery Act was signed into law on February 17, 2009, and provided funding for IBWC to assist in the accomplishment of the IBWC mission. The \$787 billion Recovery Act resulted in \$220 million for IBWC to fund the Rio Grande Flood Control System Project. Identification and prioritization of projects are the outcome of ongoing environmental evaluation, geo-technical investigations, and necessity of repairs and/or rehabilitation of the flood control system. Projects will result in the repair and/or rehabilitation of levee segments raised to original design level and reconstruction of segments where the integrity of the structures is compromised. Over 3 million Texas and New Mexico residents are protected by the Rio Grande flood control systems.

In 2001, the geo-technical analysis resulted in a determination that 60 percent of the Rio Grande flood control system was deficient. IBWC has been addressing these deficiencies with available funds. The Recovery Act will allow for the repair and/or rehabilitation to progress at a much improved pace. A large percentage of needed levee raising and structural rehabilitation to meet Federal Emergency Management Agency standards will be completed as a result of Recovery Act funding.

To move forward with the Rio Grande flood control system projects, IBWC issues competitively bid contracts and awards firm-fixed-price contracts. Contracts will be awarded to the technically acceptable source that submits the lowest bid. The Rio Grande project will be conducted in two phases: the pre-construction phase and the construction phase. Pre-construction consists of geo-technical investigations, environmental documentation, and design. Construction is based upon specifications resulting from the pre-construction phase.

OBJECTIVES, SCOPE, AND METHODOLOGY

At the request of the Department's OIG, we assessed IBWC's source-selection process, pre-/post-award process, and contract administration and management controls over Recovery Act

contracts. Performance for this engagement was assessed using the Recovery Act requirements established in M-09-15, other OMB guidance, the FAR, and the IBWC SOP as the criteria. We also obtained supporting documentation to determine whether IBWC was compliant with Recovery Act financial and reporting requirements.

We conducted this performance audit from January through March 2010 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The purpose of this audit was to determine the performance of IBWC related to the source selection, pre-/post-award, and contract administration and management controls phases in relation to contracts issued with Recovery Act funds. For the solicitation phase, we reviewed planning effectiveness, competition maximization, appropriate solicitation, proper publications, use of firm-fixed-price contracts, small and disadvantaged business practices, and proposal evaluation criteria. For the pre-/post-award phase, we reviewed the timeliness of award issuance, contractor selection, sufficiency of transparency, and reporting of award information. For the contract administration and management controls phase, we reviewed selected contracts use and status of funds, cost and schedule overruns prevention, performance of funding recipients, timeliness of expenditures, minimization of improper payments, and effectiveness of records management.

To properly assess the performance of the various phases, we obtained supporting documentation for a sample of contract task orders funded with Recovery Act monies issued prior to December 31, 2009. The population consisted of 26 task orders, valued at \$144 million, from 16 unique contracts. We selected the 11 highest dollar amount task orders and an additional five random task orders to obtain a total sample of 16 task orders from 11 unique contracts. These 16 task orders resulted in 98.5 percent coverage of the contract dollar amounts and were valued at \$141 million.

The Government Accountability Office Financial Audit Manual, section 450, provides guidance pertaining to acceptable sample sizes and error rates for typical internal control samples. Although this sample is not an internal control sample, it also does not fit the criteria for a substantive sample, and internal control criteria are more relevant. In internal control testing, a sample size of 45 items results from the use of a 90 percent confidence level and a 5 percent tolerable error rate with zero deviations expected. As IBWC does not have 45 items to test, we will require zero deviations to conclude that performance over the solicitation, award, and monitoring activities related to Recovery Act funds are acceptable.

AUDIT FINDINGS AND RECOMMENDATIONS

Contracts and subsequent task orders associated with the Recovery Act call for increased transparency and accountability. IBWC has developed an SOP for the Administration of

Recovery Act Requirements and Agency Review of Recipient Reporting. This SOP briefly explains the actions that should be taken by the Acquisition Department in issuing contracts involving Recovery Act funds.

IBWC has a document that includes policies and procedures for soliciting, awarding, and administering all contracts issued. The policies and procedures cover the assignment of a purchase request number, completion of an Independent Government Estimate, determination of small and disadvantaged business use, the FAR, review of solicitations and amendments, evaluation of bids/offers, determination of responsibility for the successful bidder/offeree, review of contract documents, contract award, publication on Federal Business Opportunities and Federal Procurement Data System, review of contract modifications, review of weekly and monthly monitoring reports, and contract completion. In addition, IBWC does have adequate SOPs in place over the acquisition procedures related specifically to Recovery Act funds. While IBWC does have policies and procedures in place, we noted several issues that IBWC must address to ensure compliance with OMB guidance and the FAR. The issues and the specific findings and associated recommendations are as described.

Finding 1 – Contractor Eligibility/Qualifications Are Not Always Able To Be Determined

IBWC was not able to properly analyze and determine the qualifications of a future awardee because requisite documentation was not available in the contract files or required searches were not completed within an acceptable timeframe. Specifically, we noted the following:

- For one of 11 contracts awarded, or for one of 16 task orders, the mandatory pre-bid/site inspection meeting contract attachment was not provided. Upon further inquiry, IBWC was able to provide a sign-in sheet evidencing that the contractor had attended the meeting. However, the documentation referenced in the contract was not available.
- For one of 11 contracts awarded, or for six of 16 task orders, the Excluded Parties List System (EPLS) search was dated after the date of contract award.
- For two of 11 contracts awarded, or for two of 16 task orders, the D&B (formerly Dun & Bradstreet) report was not provided.
- For one of 11 contracts awarded, or for one of 16 task orders, the EPLS search was dated prior to the solicitation date.
- For two of 11 contracts awarded, or for two of 16 task orders, the evidence of IBWC's review of the contractor's responsibility prior to award was not provided. Upon further inquiry, IBWC provided other documentation to support contractor responsibility. However, this information was dated after contract award.

Without stronger vetting of contractors, the potential to involve the Government in a contract with an unqualified party exists. In addition, contract requirements may not be adequately satisfied without a qualified contractor.

Because of the highly technical nature of the work required under the contract, IBWC requires all bidders to attend a mandatory site visit and pre-bid conference prior to submitting a bid. This

requirement is included in the solicitation of contract under Section L, “Instructions, Conditions and Notices to Bidders.” In addition, Section M.2, “Mandatory Pre-Bid Conference and Site Visit,” states: “Offerors must attend the mandatory site visit and pre-bid conference at the time designated in Section L, Items L.7 and L.8, respectively. Offers will not be accepted from firms that do not do so.”

The FAR (subpt. 9.4, “Debarment, Suspension, and Ineligibility,” sec.9.404(a)(3)) states, “Each agency must—(7) Establish procedures to ensure that the agency does not solicit offers from, award contracts to, or consent to subcontracts with contractors whose names are in the EPLS, except as otherwise provided in this subpart.” IBWC considers searches made between the time the solicitation is issued to the time of award to be a proper timeframe to meet this requirement. This length of time can vary significantly, at times up to 9 months.

The Dun and Bradstreet report is commonly used by Government agencies, including IBWC, as part of the review of the responsibility of prospective contractors for compliance with the FAR. The FAR (subpt. 9.1, “Responsible Prospective Contractors,” sec. 9.104-1, “General Standards”) states, “To be determined responsible, a prospective contract must (a) have adequate financial resources to perform the contract or the ability to obtain them . . . [and] (e) have the necessary organization, experience, accounting and operation controls, and technical skills, or the ability to obtain them.”

Recommendation 1

We recommend that International Boundary and Water Commission (IBWC) contracting officers ensure that contracts are not awarded until all required vetting actions are executed, documented, and properly filed. Implementation of a peer review by a fellow contracting officer before a contract is awarded should be required to ensure that all contracting officers maintain the required documentation prior to award. This review should be documented and dated before the contract is awarded. IBWC should also implement a restriction on the time that search results, such as Excluded Party List Systems, are valid (for example, 6 months). The time between solicitation and contract award can be substantial, and a new search may result in different results.

IBWC Response: IBWC “generally concurs” with the recommendation, stating that IBWC contracting officers “will ensure that contracts are not awarded until all required vetting actions are executed, documented, and properly filed.” IBWC further stated that the action will be accomplished by implementing “an ‘awards checklist,’ which incorporates the pre-award qualification requirements, coupled with IBWC’s established peer review process” contained in IBWC’s Policy and Procedures Manual, dated May 6, 2010. According to IBWC, the reviews will be “documented and dated before the contract is awarded,” and the requirement for the awards checklist to be in place before contract award “is being incorporated into IBWC Acquisitions ARRA SOP.”

OIG Analysis: OIG considers the recommendation resolved, pending receipt and review of documentation showing that IBWC has incorporated the “awards checklist” into its IBWC Acquisitions ARRA SOP.

Finding 2 – Documentation of Contract Negotiations Needs To Be Improved

IBWC issued an indefinite-delivery, indefinite-quantity architect-engineer services contract in 2005 in which subsequent tasks were issued and funded with Recovery Act funds. Under the requirements in the FAR for this contract, the contractor, when a task order is issued, is requested to prepare a proposal to include the price. IBWC then analyzes the price proposal and documents the results and the price suggestion. Price negotiation will then occur between IBWC and the contractor to result in a final agreement on price, and this process is then documented. We noted that for one of 11 contracts, or for five of 16 task orders sampled, evidence of price negotiation was not documented and maintained in the contract files. On March 18, 2010, IBWC noted that memorandums documenting the price negotiations “will be accomplished within the next 90 calendar days.” With this timeframe, documentation may not be completed until a year after the task order has been issued, since all five task orders had been issued since May 2009.

The process IBWC used did not provide evidentiary support that the Government provided sufficient opportunity to determine whether it received the best value, including the best price.

The FAR (sec. 15.406-3, “Documenting the Negotiation”) states:

- (a) The contracting officer shall document in the contract file the principal elements of the negotiated agreement. The documentation (*e.g.*, price negotiation memorandum (PNM)) shall include the following:
 - (2) A description of the acquisition, including appropriate identifying numbers.
 - (7) A summary of the contractor’s proposal, any field pricing assistance recommendations, including the reasons for any pertinent variances from them, the Government’s negotiation objective, and the negotiated position. Where the determination of price reasonableness is based on cost analysis, the summary shall address each major cost element. When determination of price reasonableness is based on price analysis, the summary shall include the source and type of data used to support the determination.
 - (8) The most significant facts or considerations controlling the establishment of the pre-negotiation objectives and the negotiated agreement including an explanation of any significant differences between the two positions.
 - (9) To the extent such direction has a significant effect on the action, a discussion and quantification of the impact of direction given by Congress, other agencies, and higher-level officials
 - (10) The basis for the profit or fee pre-negotiation objective and the profit or fee negotiated.
 - (11) Documentation of fair and reasonable pricing.

Recommendation 2

We recommend that the International Boundary and Water Commission contracting officers ensure that all task orders subject to price negotiations are properly documented to determine that the Government has obtained the best value in compliance with the Federal Acquisition Regulation.

IBWC Response: IBWC “generally concurs” with the recommendation, stating that the “awards checklist” referred to in Finding 1 of this report also requires “documented price negotiations prior to award of the contract action consistent with” IBWC’s Policy and Procedures Manual “to ensure that the Government has obtained the best value in compliance with the Federal Acquisition Regulation.”

OIG Analysis: OIG considers the recommendation resolved, pending receipt and review of documentation showing that IBWC has incorporated the “awards checklist” into its IBWC Acquisitions ARRA SOP, which requires that price negotiations be documented before a contract is awarded.

Finding 3 – Contract Monitoring Is Not in Compliance With Current System

IBWC has implemented a quality assurance system requiring proper monitoring procedures to ensure that contracts comply with applicable Recovery Act and other Federal laws and regulations. This system requires that contracting officer’s representatives complete weekly and monthly monitoring reports. We noted instances where documentation was not in compliance with this system as follows:

- For one of 11 contracts, or for five of 16 task orders, an invoice was not paid within 30 days of the invoice date.
- For two of 11 contracts, or for seven of 16 task orders, adequate monitoring documentation was not received. In particular, for four of the seven task orders, a draft monitoring memorandum was completed as of March 17, 2010 (2 days after a follow-up request for monitoring documentation was made). This report encompasses 6 months of activity for the four task orders. Upon further inquiry, IBWC provided contracting officer reports for three of the four task orders. In addition, for three of the seven task orders, no monitoring documentation was received. Follow-up responses by IBWC indicated that documentation was attached or was forthcoming; however, no documentation was provided. Upon further inquiry, IBWC was able to provide contracting officer reports for two of the three task orders. However, contracting officer’s representatives’ reports or monthly meeting minutes were not able to be provided for all seven task orders for the month selected for testing.

Inadequate monitoring may result in the contractor’s failing to meet contractual deadlines, perform work adequately, or perform work in accordance with contract specifications. In that regard, Memorandum M-09-15 (sec. 6, “Contracts,” subsec. 6.3) states:

Agencies must provide for appropriate oversight of contracts to ensure outcomes that are consistent with and measurable against agency plans and goals under the Act. . . . In addition, agencies should actively monitor contracts to ensure that performance, cost, and schedule goals are being met.

Recommendation 3

We recommend that International Boundary and Water Commission management implement additional procedures and requirements to ensure that the monitoring of Recovery Act contracts is fully documented. These procedures should require contracting officers to ensure that all contracts are monitored timely and consistently through the evidence of documentation that is completed by the contracting officer’s representative. Monitoring documentation should be completed before invoices are approved to ensure that invoices are not improperly approved and paid. In addition, contracting officers should sign off on the monitoring reports to indicate their review.

IBWC Response: IBWC “generally concurs with the observations and recommendations” in the report and stated that it is “in the process of modifying the existing ‘payment checklist,’ which requires the submission of monthly reports prior to submitting payment requests to ensure payments are properly reviewed prior to issuing payment.” IBWC further stated that it will document the monitoring of Recovery Act contracts and that contracting officers will sign off on the monthly progress reports “to indicate proper reviews have been conducted.” In addition, according to IBWC, “[r]evisions to existing procedures will require contracting officers to ensure that all contracts are reviewed monthly and that all required documentation is completed by the contracting officer’s representative consistent with the IBWC Policy and Procedures Manual.” IBWC also stated that the monitoring of documentation “will be completed before invoices are approved to ensure that invoices are not improperly approved and paid” and that “contracting officers should sign off on the monitoring reports to indicate their review.”

OIG Analysis: OIG considers the recommendation resolved, pending receipt and review of documentation showing that IBWC has modified its existing “payment checklist.”

Finding 4 – Other Reporting Compliance Matters Need To Be Addressed

IBWC was unable to provide a “Notice to Prime Recipient” document for one of 11 contracts, or for one of 16 task orders. This document provides the contractor formal notice of the contractor’s responsibilities prior to beginning work. The Notice is required by the IBWC Acquisition Division Administration of ARRA (Recovery Act) Requirements and Agency Review of Recipient Reporting SOP (sec. 3.1, “ACO Responsibilities”). Although the contract includes references to the additional requirements of the Recovery Act, the Notice provides additional clarity to assist contractors in meeting the reporting requirements under the Recovery Act.

Also, for three of 11 contracts, or for eight of 16 task orders sampled, the task order was not posted to the Web site FPDSNG.com timely. The IBWC Recovery Act SOP (sec. 3.1.2, “ACO Responsibilities”) states, “Submit the required FPDS report into FPDSNG.com within 48 hours of award.” The transparency emphasized in the Recovery Act and supported by the IBWC SOP was not met with timely reporting in these instances.

Recommendation 4

We recommend that International Boundary and Water Commission (IBWC) contracting officers ensure compliance with criteria contained in Office of Management and Budget Memorandum (OMB) M-09-15, other OMB guidance, the Federal Acquisition Regulation, and the IBWC Acquisition Division Administration of ARRA (Recovery Act) Requirements and Agency Review of Recipient Reporting SOP (Standard Operating Procedures). Implementing a routine review of the contract files can ensure that all contracting officers maintain all required documentation related to the award and that transparency reporting requirements are met timely.

IBWC Response: IBWC “generally concurs with the observations and recommendations,” stating that it “will continue to comply” with M-09-15 and the Federal Acquisition Regulation. IBWC stated that it will “provide monthly updates and training” to ARRA contracting officers to ensure full compliance with IBWC Acquisition Division Administration of ARRA requirements and Agency Review of Recipient Reporting SOPs. In addition, it will incorporate annual training into the employee development plans of contracting officers and contracting officers’ representatives, and it stated that acquisition staff “is required to review applicable authorities.” IBWC further stated, “Mandatory documented review of all ARRA contract files will be performed to ensure that all contracting officers maintain all required documentation related to the award and that transparency reporting requirements are met timely.”

OIG Analysis: OIG considers the recommendation resolved, pending receipt and review of documentation showing that IBWC has implemented procedures and training to review contract files to ensure that all contracting officers and contracting officers’ representatives maintain all required documentation related to the award.

ACRONYM LIST

Acronym	Definition
Department	Department of State
EPLS	Excluded Party List System
FAR	Federal Acquisition Regulation
FEMA	Federal Emergency Management Agency
FPDS-NG	Federal Procurement Data System-Next Generation
GAGAS	generally accepted government auditing standards
IBWC	International Boundary and Water Commission
OIG	Office of Inspector General
OMB	Office of Management and Budget
Recovery Act	American Recovery and Reinvestment Act of 2009
U.S.	United States



OFFICE OF THE COMMISSIONER
UNITED STATES SECTION

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO

May 14, 2010

Mr. Harold W. Geisel
Deputy Inspector General
United States Department of State
Office of Inspector General
Washington, D.C. 20520

Dear Mr. Geisel:

Subject: International Boundary and Water Commission Contract Award and Management of Funds Provided by the American Recovery and Reinvestment Act of 2009

We acknowledge receipt of your memorandum dated May 6, 2010 along with the draft report International Boundary and Water Commissioner Contract Award and Management of Funds Provided by the American Recovery and Reinvestment act of 2009 prepared by Kearney & Company.

Attached please find written responses on actions taken or planned for the four recommendations (Nos. 1-4) as requested. The electronic file has been submitted to Mr. Richard Astor as well. Please advise if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Drusina".

Ed Drusina, P.E.
Commissioner

Attachment as stated

Finding 1 – Contractor Eligibility/Qualifications Are Not Always Able To Be Determined

Management Response to Recommendation 1

The USIBWC Management generally concurs with the observations and recommendations shown in this report. The International Boundary and Water Commission (IBWC) contracting officers will ensure that contracts are not awarded until all required vetting actions are executed, documented, and properly filed. This will be accomplished via the implementation of an “awards checklist”, which incorporates the pre-award qualification requirements, coupled by established peer review process per Policy and Procedures Manual, May 6, 2010. The reviews will be documented and dated before the contract is awarded. The requirement to require that the “awards checklist” be in place prior to award is being incorporated into the IBWC Acquisitions ARRA SOP.

Finding 2 – Documentation of Contract Negotiations Needs To Be Improved

Management Response to Recommendation 2

The USIBWC Management generally concurs with the observations and recommendations shown in this report. The “award checklist” referenced in *Finding 1* also requires documented price negotiations prior to award of the contract action consistent with IBWC Acquisitions Policy and Procedures Manual, May 6, 2010 to ensure that the Government has obtained the best value in compliance with the Federal Acquisition Regulation.

Finding 3 – Contract Monitoring Is Not in Compliance With Current System

Management Response to Recommendation 3

The USIBWC Management generally concurs with the observations and recommendations shown in this report. The International Boundary and Water Commission is in the process of modifying the existing “payment checklist”, which requires the submission of monthly reports prior to submitting payment requests to ensure payments are properly reviewed prior to issuing payment and that all monitoring of Recovery Act contracts is fully documented. The contracting officers will sign off on the monthly progress reports to indicate proper reviews have been conducted.

Revisions to existing procedures will require contracting officers to ensure that all contracts are reviewed monthly and that all required documentation is completed by the contracting officer’s representative consistent with IBWC Policy and Procedures Manual, May 6, 2010. Monitoring documentation will be completed before invoices are approved to ensure that invoices are not improperly approved and paid. In addition, contracting officers should sign off on the monitoring reports to indicate their review.

Finding 4 – Other Reporting Compliance Matters Need To Be Addressed

Management Response to Recommendation 4

The USIBWC Management generally concurs with the observations and recommendations shown in this report. The International Boundary and Water Commission (IBWC) will continue to comply with criteria contained in Office of Management and Budget Memorandum (OMB) M-09-15 and the Federal Acquisition Regulation. The IBWC will provide monthly updates and training to ARRA ACOs to ensure full compliance with the IBWC Acquisition Division Administration of ARRA Requirements and Agency Review of Recipient Reporting Standard Operating Procedures. In addition, annual training will be incorporated into the Cos and CORs employee development plans; acquisition staff is required to review applicable authorities.

Mandatory documented review of all ARRA contract files will be performed to ensure that all contracting officers maintain all required documentation related to the award and that transparency reporting requirements are met timely (see response to Recommendation 4).

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