



UNITED STATES DEPARTMENT OF STATE
AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

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Office of Inspections

June 2013

**Inspection of the
Regional Procurement Support Offices,
Frankfurt, Germany, and
Fort Lauderdale, United States**

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PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE AND SCOPE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability, and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel". The signature is fluid and cursive, with a large loop at the end.

Harold W. Geisel
Deputy Inspector General

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Key Judgments

- The Regional Procurement Support Office (RPSO) in Frankfurt provides responsive service to global customers, but locally employed (LE) staff salaries are among the highest in the world. The Bureau of Administration is reviewing the viability of relocating RPSO to lower-cost locations.
- Too many of RPSO Frankfurt's resources are dedicated to low dollar-value procurement actions, which can be executed at missions using purchase cards. An evaluation of RPSO's workload is needed to determine whether their activities should be restricted to contract actions above \$25,000.
- The Bureau of Administration needs to carry out a workload study for RPSO Fort Lauderdale to assess the staffing needs.
- In light of the difficulties encountered by many narcotics affairs sections in the development of contract specifications, it is important that RPSO Fort Lauderdale contracting specialists travel to posts to advise them prior to awarding large contracts.
- The bureaus and agencies that use both RPSOs have not coordinated with the offices regarding their annual acquisition plans, creating significant inefficiencies.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where the Office of Inspector General (OIG) team did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between December 15, 2012, and February 1, 2013; in Frankfurt, Germany, between February 5 and 22, 2013; and in Fort Lauderdale, Florida, between February 25 and March 8, 2013. [Redacted] (b) (6)

conducted the inspection.

Regional Procurement Support Office Frankfurt

Context

The Bureau of Administration, Office of Acquisitions Management (A/LM/AQM), has RPSOs in Frankfurt and Fort Lauderdale. Both are funded by the Bureau of Administration’s working capital fund.

In 2012, RPSO Frankfurt processed 1,669 procurement actions totaling \$178 million. While the number of transactions processed has decreased from 2,020 in FY 2010 to 1,669 in FY 2012, the dollar value has increased 12 percent per annum for the past 4 years, totaling \$178 million in FY 2012. RPSO Frankfurt’s biggest customers are the Bureau of Overseas Buildings Operations, the Bureau of International Narcotics and Law Enforcement Affairs (INL), and the Centers for Disease Control and Prevention in Europe, the Middle East, and Africa.

RPSO Frankfurt’s staff includes 2 Civil Service employees, 1 Foreign Service officer, 23 LE staff members, and 4 U.S. local hires. Its FY 2012 budget was \$4.5 million.

	Foreign Service Direct Hire	Civil Service	LE Staff	U.S. Local Hire	Total Staff	Total Funding FY 2012*
RPSO Frankfurt	1	2	23	4	30	\$4,497,782*

Table 1: RPSO Frankfurt Staffing Chart
Source: RPSO Frankfurt

*Excludes U.S. direct-hire salaries.

OIG customer service questionnaires for RPSO Frankfurt were favorable. Employee surveys reflected positive morale and job satisfaction. Executive directors in the Department of State’s (Department) regional bureaus also gave the office positive ratings.

Executive Direction

RPSO Frankfurt, established in 1998, is an integral part of A/LM/AQM. Both RPSO Frankfurt and RPSO Fort Lauderdale are supervised directly by A/LM/AQM’s director. RPSO Frankfurt’s mandate is to provide contracting and procurement services, on request, for 19 government agencies and all geographic bureaus in the Department. The director and deputy director are experienced contracting officers with unlimited warrants. A Foreign Service officer acts as the executive officer. The LE staff is organized into three units—two for high-dollar contracts and one for small procurement actions.

For the past year, RPSO Frankfurt has operated without a deputy director, leaving the director to review and certify all contracting and procurement actions. This decision has placed a severe burden on the director and undermined the office’s operational effectiveness. The deputy

position was left vacant as a result of an A/LM/AQM review, which is ongoing, regarding the future of RPSO Frankfurt, but A/LM/AQM has decided to fill both the director and deputy director slots in 2013.

Succession Planning

A/LM/AQM is conducting a relocation review to determine whether to relocate all or a portion of RPSO Frankfurt based on cost and other criteria. One option under consideration is a move of all or some of the RPSO Frankfurt functions to a lower-cost overseas location. A/LM/AQM and RPSO Frankfurt see significant value in having an office overseas and in the same time zone as their customers. Typical LE procurement agent salaries in Frankfurt are \$74,700, among the highest in the world; LE procurement agent salaries in Sofia are \$26,438 and in Bangkok, \$25,218. Locating all 21 procurement agent positions to Sofia rather than Frankfurt, for example, could save the Department \$1 million annually. Separation costs in Western Europe are also very high, often exceeding 2.5 years of salary for long-term employees. Since 8 of the 25 LE staff are due to retire in the next 5 years, such a review is timely. The OIG team supports this review. Any review of alternative locations should also incorporate relocating this function back to the United States.

Recommendation 1: The Bureau of Administration should freeze hiring of Regional Procurement Support Office Frankfurt locally employed staff until the relocation review is completed. (Action: A)

Policy and Program Implementation

RPSO Frankfurt provides procurement and contracting services to embassies or agencies on request. It also supports small embassies when their contracting and procurement officers are absent from post. Increases in the complexity of these contracts and their dollar value can be attributed primarily to construction contracts for treatment facilities in Africa funded by the President's Emergency Plan for AIDS Relief (PEPFAR) and INL procurements marked for Iraq, Afghanistan, and Pakistan. The table below highlights RPSO Frankfurt procurements for various bureaus and agencies.

~~SENSITIVE BUT UNCLASSIFIED~~

Source of Funding	Bureau of European and Eurasian Affairs	Bureau of African Affairs	Bureaus of South & Central Asian Affairs and Near Eastern Affairs	Other Agencies	Total
Department-funded	\$62,883,469	\$6,977,209	\$56,625,327	\$7,385,503	\$133,871,508
INL	\$6,318,396	-	\$26,832,671	\$49,854	\$33,200,921
Bureau of Overseas Buildings Operations	\$18,635,619	\$2,762,887	\$7,568,982	\$3,034,660	\$32,002,148
Bureau of Diplomatic Security	\$19,282,220	\$2,469,190	\$8,947,890	-	\$30,699,300
Working Capital Fund ¹	\$10,986,326	-	-	-	\$10,986,326
Other Sources	\$1,759,345	\$1,745,133	\$2,830,610	\$4,300,990	\$10,636,078
Bureaus of South & Central Asian Affairs and Near Eastern Affairs	\$38,004	-	\$10,445,173	-	\$10,483,177
Bureau of European and Eurasian Affairs	\$5,863,558	-	-	-	\$5,863,558
PEPFAR-funded	0	\$42,947,882	0	0	\$42,947,882
Other Agency-funded	\$3,068,411	\$430,385	\$725,414	-	\$4,224,210
Totals	\$65,951,880	\$50,355,476	\$57,350,741	\$7,385,503	\$181,043,600

Table 2: Procurement and Contracting Transactions for FY 2012
Source: RPSO Frankfurt

At the end of every fiscal year, RPSO Frankfurt is faced with the challenge of processing a flood of last-minute requests for large procurement actions and contracts as funds that have been held back by the Department are released to embassies and bureaus. As embassies and

¹ Working Capital Fund (for Expendable supplies for European Logistical Support Office).

bureaus do not provide RPSO Frankfurt with their acquisition plans, the office often is unaware of proposed procurements until they receive the actual requests. Proper coordination among RPSO Frankfurt, bureaus, and agencies would maximize the efficiency of RPSO Frankfurt's response to these last minute demands.

Recommendation 2: The Bureau of Administration should require all bureaus using Regional Procurement Support Office Frankfurt to share their acquisition plans with Regional Procurement Support Office Frankfurt. (Action: A)

Sixty-four percent of RPSO Frankfurt's Department-funded procurement actions in 2012 were under \$25,000. Many of these actions can be performed at embassies and other agencies using their own authorities or purchase cards. RPSO Frankfurt also supports Consulate General Frankfurt procurements, most of which are also under \$25,000. Five LE staff members manage procurements under \$25,000. Since no cost-benefit study has been performed it is unclear whether it is more cost effective for RPSO or the embassies to handle these small procurements. Without analysis, A/LM/AQM risks wasting RPSO Frankfurt resources.

Recommendation 3: The Bureau of Administration should determine whether Regional Procurement Support Office Frankfurt should continue to support requests for procurement actions under \$25,000. (Action: A)

Warrants

Four Americans at RPSO Frankfurt have contracting warrants. A 2011 procurement review by the Bureau of Administration, Office of the Procurement Executive, recommended that RPSO Frankfurt consider delegating procurement authority to LE staff to reduce the workload on the director and deputy director. Senior RPSO LE staff members meet Department requirements to receive warrants for up to \$25,000. If RPSO Frankfurt continues small procurements, it will need to analyze the need for additional warrants.

RPSO Frankfurt staff has extensive contracting experience, and they advise and mentor American and LE staff when they visit embassies on contract-related business. Since many embassy personnel lack experience and training in contracting, this support is well received. While RPSO Frankfurt does not have a training mandate, the LE staff is well qualified to provide mentoring of this nature. This requirement could be factored into RPSO contract negotiation trips.

Informal Recommendation 1: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to schedule sufficient time for locally employed staff to mentor embassy staff while on contract-related visits.

Resource Management

A/LM/AQM monitors the workload of the RPSOs and can shift workload between them or to other offices within the bureau as necessary. Despite the absence of a deputy, the RPSO Frankfurt director and her staff have performed well. In 2012, the director reallocated staff resources from two into three units to improve efficiency. This was done without full buy-in of

the staff, resulting in needless friction. The LE staff is professional and experienced. Not consulting them about work procedures risks reducing productivity.

Informal Recommendation 2: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt involve locally employed staff in organizational decisions.

Training

RPSO Frankfurt does not have an orientation program for new employees. LE staff indicated disappointment with the lack of a professional orientation program and expressed a desire for improved coordination between units. New employees told inspectors that they did not understand their roles and responsibilities within the office.

Informal Recommendation 3: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop an orientation program for new employees.

Employees recruited to RPSO are required to complete a series of procurement and contracting courses before they are certified as procurement agents. However, RPSO Frankfurt does not have a training coordinator to ensure that employees receive the appropriate training, both for their current position and to prepare them to take on added duties and responsibilities in the future. With so many senior LE staff preparing for retirement in the next 5 years, it is important that RPSO Frankfurt prepare for this turnover by training replacements.

Informal Recommendation 4: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt designate a training coordinator to track required training for all locally employed procurement agents.

Human Resources

A new general services specialist position is scheduled to be filled in January 2014. As outlined in 12 State 96173, National Security Decision Directive 38 Case Number DOS-ST-0009-2012,² the position was initiated by the Bureau of Human Resources and the Bureau of Administration, Office of Logistics Management, as a training position to “bring greater supply chain management and contracting expertise among the general services officer specialist corps.” RPSO Frankfurt was not consulted. While the OIG team supports the Department’s efforts to professionalize the general services officer specialty, it is questionable whether placing such a position overseas is consistent with the tenants of the National Security Decision Directive 38 process, which discourages placement of positions overseas if those functions can be performed domestically or through temporary duty travel. A/LM/AQM offices in Rosslyn, Virginia, and Fort Lauderdale, Florida, provide acquisition services to overseas missions worldwide. Additionally, the Bureau of Administration has yet to identify the position’s supervisory chain or work requirements. After discussing this issue with A/LM/AQM and RPSO Frankfurt, OIG inspectors were unable to identify a valid requirement for this position. Embassy Berlin notes that government-owned housing at Consulate General Frankfurt is fully occupied, so the new

² The Bureau of Human Resources identified this as FS-04 position number 52397048.

position will incur leasing costs. According to the Department's new position cost model, the average cost of a new American position overseas is \$585,189 (including leasing costs).

Recommendation 4: The Bureau of Administration should, in coordination with the Bureau of Human Resources, eliminate the new general services specialist position at Regional Procurement Support Office Frankfurt. (Action: A, in coordination with DGHR)

Embassy Berlin's human resources records for the past several years indicate that a majority of the LE staff evaluations in RPSO Frankfurt have been delinquent, some in excess of 12 months. Promotions and salary increases are tied to the completion of these evaluations, and delays result in loss of pay for the affected employees.

Recommendation 5: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop a tracking mechanism for all locally employed staff evaluations in order to identify supervisors who do not complete them on time. (Action: A)

Over the past year, due to the lack of a deputy director, RPSO Frankfurt leadership has reduced the number of staff meetings, which has resulted in insufficient coordination and difficulty in obtaining timely decisions on issues. A lack of communication diminishes organizational effectiveness and coordination within the office.

Informal Recommendation 5: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt hold regular staff meetings.

Germany has a generous leave program. The LE staff gets 6 weeks of leave and 19 days off for official holidays each year, totaling approximately 20 percent of the work year. Sick leave is also generous, and several RPSO Frankfurt LE staff members have been on sick leave in excess of 6 months at a time. Not managing leave schedules effectively undermines the ability of the office to meet its requirements.

Informal Recommendation 6: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop an annual leave plan.

Contracts

The Office of the Procurement Executive and A/LM/AQM conducted a joint procurement review of RPSO Frankfurt in 2011.³ OIG's Office of Audits also reviewed a sample of RPSO Frankfurt-awarded PEPFAR construction contracts in 2012.⁴ Not all RPSO Frankfurt staff were briefed on the results of these reviews, and RPSO Frankfurt has yet to address all the recommendations. This inspection team performed a spot review based on the findings of the two previous audit reports and confirmed that the following areas have not been addressed: trafficking in persons contract provisions; contracting officer's representative (COR) required training; and the use of government technical monitors.

³ Joint Procurement Management Review of RPSO Frankfurt, Germany, and Antwerp, Belgium, January 2012.

⁴ *Improved Contract Documentation and Monitoring by the Regional Procurement Support Office Are Needed for Construction Projects Associated With the President's Emergency Plan for AIDS Relief (PEPFAR)*, AUD-IP-12-03, November 2011.

Recommendation 6: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to complete all recommendations from previous Office of the Procurement Executive and Office of Inspector General, Office of Audits, reviews. (Action: A)

Informal Recommendation 7: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to brief all staff on the results of the Office of the Procurement Executive and Office of Inspector General, Office of Audits, reviews and compliance with their recommendations.

The OIG team noted a “Buy Afghanistan” clause in some contracts. The clause is not specific enough to ensure that materials purchased from Afghan vendors are equal or equivalent in quality to materials available from other sources. The clause appears to give preference to Afghan suppliers regardless of the quality of the goods.

Recommendation 7: The Bureau of Administration should request that the Office of the Legal Adviser determine whether the “Buy Afghanistan” clause can be clarified for Regional Procurement Support Office Frankfurt contracts. (Action: A)

Regional Procurement Support Office Fort Lauderdale

Context

RPSO Fort Lauderdale was established in 1987 to support embassies and consulates in the Bureau of Western Hemisphere Affairs with their complicated procurement and contracting needs. INL is the primary customer for RPSO Fort Lauderdale’s contracting services. RPSO Fort Lauderdale has seven Civil Service personnel; all are experienced and technically qualified procurement and contracting experts.

	Foreign Service Direct Hire	Civil Service	Contract	U.S. Local Hire	Total Staff	Total Funding FY 2012*
RPSO Fort Lauderdale		7		0	7	(\$2,711,411) *

Table 3: RPSO Fort Lauderdale Staffing Chart
Source: RPSO Fort Lauderdale

* Excludes American salaries.

In the past 5 years, the value of contracting actions executed by RPSO Fort Lauderdale varied considerably, reaching a high of \$219.7 million in 2011. In 2012, RPSO Fort Lauderdale executed actions valued at \$71 million. Workload spiked in 2010 and 2011 as a result of the Merida Initiative, a security cooperation agreement with Mexico and the countries of Central America to combat drug trafficking, transnational crime, and terrorism. The initiative ended in 2011.

Fiscal Year	Value of Actions	Number of Actions
2007	\$50,549,085	450
2008	\$65,408,919	456
2009	\$84,646,689	356
2010	\$122,957,521	482*
2011	\$219,739,505	407*
2012	\$71,715,859	270

Table 4: RPSO Fort Lauderdale Workload, FYs 2007–12
Source: RPSO Fort Lauderdale

*Merida Initiative.

Customer service questionnaires for RPSO Fort Lauderdale were uniformly favorable. Employee surveys reflected positive morale and job satisfaction for most employees. Executive directors in the regional bureaus gave the office very positive ratings.

Executive Direction

Two RPSO Fort Lauderdale specialists have unlimited warrants, while the others range from \$150,000 to \$10 million. The logistics management specialist manages the office's purchase card with a limit of \$25,000. The director, who left in February 2013, mentored the staff, allowed them time for training, and provided assistance as needed. The OIG team's review of a sample of contracts reflects the importance of his input. However, neither he nor the Bureau of Administration designated a deputy who could act as director after his departure. This vacancy left the staff to operate in a vacuum with little sense of team orientation and a loss of coherence within the office.

Recommendation 8: The Bureau of Administration should establish a procedure for identifying an acting director when the Regional Procurement Support Office Fort Lauderdale director is absent. (Action: A)

Policy and Program Implementation

RPSO Fort Lauderdale has established an excellent working relationship with the Office of Small and Disadvantaged Business Utilization (SDBU). Partially as a result of its understanding of SDBU contracting requirements, RPSO Fort Lauderdale received only four bid protests in 2012, two of which were later dismissed or dropped. RPSO Fort Lauderdale specialists also have identified a number of opportunities to bundle procurement requirements to obtain better prices. For example, when RPSO Fort Lauderdale saw an opportunity to negotiate favorable prices on motorcycles, it reached out to a number of INL sections at embassies, bundled the resulting requests, and obtained a lower contract price. To improve RPSO Fort Lauderdale's ability to get the best prices, A/LM/AQM recently assigned a GS-14 contracting officer to Embassy Bogota to focus on strategic sourcing for INL's programs throughout the region.

Many CORs designated by missions do not have the technical knowledge to develop contract specifications or to oversee the contracts once they are awarded. These responsibilities are almost always subsidiary duties, for which the individuals may not be either experienced or technically knowledgeable. The result is frustration, lengthy email discussions, and delays in resolving contracting issues.

Informal Recommendation 8: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to develop a list of technically experienced individuals at missions throughout the region who can be called upon to assist in evaluating contract specifications.

During 2012, RPSO Fort Lauderdale contracting specialists only took five trips. A/LM/AQM told inspectors that one of the most challenging aspects of RPSO Fort Lauderdale's work was inadequate attention to contract specifications and oversight by inexperienced CORs. Given the challenges faced by the CORs at missions, RPSO Fort Lauderdale contracting specialists need to travel more frequently to assist the CORs, particularly when the CORs are developing contract specifications. Lack of timely RPSO Fort Lauderdale assistance on site weakens the contract, resulting in more costs to the U.S. Government.

Recommendation 9: The Bureau of Administration should require contracting specialists at Regional Procurement Support Office Fort Lauderdale to visit the embassies during pre-solicitation conferences and on an as needed basis after that. (Action: A)

Resource Management

	2012 Services Provided		2012	2011
	WHA Missions*	RPSO		
Department-Funded				
INL	71,422,817		71,422,817	218,785,848
WHA	288,763		288,763	953,657
Working Capital Fund		6,118	6,118	
Total	71,711,580	6,118	71,717,699	219,752,131

Table 5: Procurement and Contracting Actions 2011–12

Source: RPSO Fort Lauderdale

* Note: RPSO Fort Lauderdale did not provide services outside of the Bureau of Western Hemisphere Affairs.

Each contracting specialist is responsible for at least 12 new or ongoing contracts at any one time. In 2012, RPSO Fort Lauderdale added a contracting specialist to its staff. However, the number and value of RPSO Fort Lauderdale contracts and amendments decreased over the last 2 years due to the completion of the Merida Initiative. The decrease in workload supports the need for a workload review. A/LM/AQM may find that based on the review staffing levels need to be adjusted.

Recommendation 10: The Bureau of Administration should review the workload at Regional Procurement Support Office Fort Lauderdale and eliminate or reprogram positions as appropriate. (Action: A)

The former director did not hold regular staff meetings. RPSO Fort Lauderdale staff told OIG inspectors that this resulted in a lack of coordination among the staff. Regular staff meetings would contribute to the professional development of the less experienced staff and provide an opportunity to pass critical information regarding the contracts under development.

Informal Recommendation 9: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to hold regular staff meetings.

Although some RPSO Fort Lauderdale staff receive awards, there is no formal awards program or formal recognition. The purpose of awards programs is not only to recognize individuals but to motivate others to perform. Without formal recognition of employees for a job well done, morale and office cohesiveness suffer.

Recommendation 11: The Bureau of Administration should implement a formal awards program for Regional Procurement Support Office Fort Lauderdale. (Action: A)

Training

All RPSO Fort Lauderdale procurement staff have the required training. However, as in Frankfurt, there is no formal orientation program for new employees. Employees told inspectors that upon arrival, they were unable to quickly assimilate into the office. They were also unsure how to interact with the Department and their colleagues in the region. The arrival of a new director in summer 2013 will provide an opportunity to address this need for greater clarity, especially for new employees.

Informal Recommendation 10: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to establish an orientation program for all new employees.

Human Resources

The GS-14 employee recently assigned by A/LM/AQM to Embassy Bogota has limited experience dealing with RPSO Fort Lauderdale and has not yet reached out to partner on appropriate projects. The contracting specialists in RPSO Fort Lauderdale have already identified a number of strategic procurement opportunities that save money for the U.S. Government. Both RPSO Fort Lauderdale and the INL offices in the region will benefit by allowing this officer to consult with RPSO Fort Lauderdale on contracting operations and procedures.

Recommendation 12: The Bureau of Administration should require the contracting specialist assigned to Embassy Bogota to travel to Regional Procurement Support Office Fort Lauderdale for orientation. (Action: A)

Contracts

The Office of the Procurement Executive and A/LM/AQM conducted a joint procurement review of RPSO Fort Lauderdale in January 2009.⁵ This review did not identify any systemic issues. During the OIG inspection, inspectors reviewed a random sample of the contract files. The team found that most of the recommendations from the 2009 review have been incorporated into RPSO Fort Lauderdale contracting procedures. Several, including the need for INL to provide its annual strategic procurement plan to RPSO Fort Lauderdale, inconsistent treatment of value-added tax, more consistent price analyses, and inclusion of required Trafficking in Persons contract clauses, still need to be completed.

Recommendation 13: The Bureau of Administration should require that Regional Procurement Support Office Fort Lauderdale complete all recommendations from the previous Office of the Procurement Executive and Office of Acquisitions Management review. (Action: A)

⁵ Ft. Lauderdale Regional Procurement Support Office Procurement Operations Review, January 28-February 3, 2009.

List of Recommendations

Recommendation 1: The Bureau of Administration should freeze hiring of Regional Procurement Support Office Frankfurt locally employed staff until the relocation review is completed. (Action: A)

Recommendation 2: The Bureau of Administration should require all bureaus using Regional Procurement Support Office Frankfurt to share their acquisition plans with Regional Procurement Support Office Frankfurt. (Action: A)

Recommendation 3: The Bureau of Administration should determine whether Regional Procurement Support Office Frankfurt should continue to support requests for procurement actions under \$25,000. (Action: A)

Recommendation 4: The Bureau of Administration should, in coordination with the Bureau of Human Resources, eliminate the new general services specialist position at Regional Procurement Support Office Frankfurt. (Action: A, in coordination with DGHR)

Recommendation 5: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop a tracking mechanism for all locally employed staff evaluations in order to identify supervisors who do not complete them on time. (Action: A)

Recommendation 6: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to complete all recommendations from previous Office of the Procurement Executive and Office of Inspector General, Office of Audits, reviews. (Action: A)

Recommendation 7: The Bureau of Administration should request that the Office of the Legal Adviser determine whether the “Buy Afghanistan” clause can be clarified for Regional Procurement Support Office Frankfurt contracts. (Action: A)

Recommendation 8: The Bureau of Administration should establish a procedure for identifying an acting director when the Regional Procurement Support Office Fort Lauderdale director is absent. (Action: A)

Recommendation 9: The Bureau of Administration should require contracting specialists at Regional Procurement Support Office Fort Lauderdale to visit the embassies during pre-solicitation conferences and on an as needed basis after that. (Action: A)

Recommendation 10: The Bureau of Administration should review the workload at Regional Procurement Support Office Fort Lauderdale and eliminate or reprogram positions as appropriate. (Action: A)

Recommendation 11: The Bureau of Administration should implement a formal awards program for Regional Procurement Support Office Fort Lauderdale. (Action: A)

Recommendation 12: The Bureau of Administration should require the contracting specialist assigned to Embassy Bogota to travel to Regional Procurement Support Office Fort Lauderdale for orientation. (Action: A)

Recommendation 13: The Bureau of Administration should require that Regional Procurement Support Office Fort Lauderdale complete all recommendations from the previous Office of the Procurement Executive and Office of Acquisitions Management review. (Action: A)

List of Informal Recommendations

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Informal Recommendation 1: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to schedule sufficient time for locally employed staff to mentor embassy staff while on contract-related visits.

Informal Recommendation 2: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt involve locally employed staff in organizational decisions.

Informal Recommendation 3: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop an orientation program for new employees.

Informal Recommendation 4: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt designate a training coordinator to track required training for all locally employed procurement agents.

Informal Recommendation 5: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt hold regular staff meetings.

Informal Recommendation 6: The Bureau of Administration should require that Regional Procurement Support Office Frankfurt develop an annual leave plan.

Informal Recommendation 7: The Bureau of Administration should require Regional Procurement Support Office Frankfurt to brief all staff on the results of the Office of the Procurement Executive and Office of Inspector General, Office of Audits, reviews and compliance with their recommendations.

Informal Recommendation 8: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to develop a list of technically experienced individuals at missions throughout the region who can be called upon to assist in evaluating contract specifications.

Informal Recommendation 9: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to hold regular staff meetings.

Informal Recommendation 10: The Bureau of Administration should require Regional Procurement Support Office Fort Lauderdale to establish an orientation program for all new employees.

Principal Officials

	Name	Contract Warrant	Arrival Date
RPSO Frankfurt:			
Director	Michele Hartigan	Unlimited	12/2008
Deputy Director	Vacant	Unlimited	
Executive Officer	Perry Gresham	\$250,000	08/2012
LE Staff Branch Chiefs:			
Branch A	Graham Andrews		05/1988
Branch S	Gillian Atkinson		03/1993
Branch M	Rena Makridis		12/1979
Contract Specialist	[Redacted] (b) (6)	\$100,000	11/2006
RPSO Florida:			
Director	Benita Williams	Unlimited	06/2013
Contract Specialist	[Redacted] (b) (6)	Unlimited	07/1997
Contract Specialist	[Redacted] (b) (6)	\$10 million	10/2005
Contract Specialist	[Redacted] (b) (6)	\$10 million	04/2009
Contract Specialist	[Redacted] (b) (6)	\$4 million	01/2011
Contract Specialist	[Redacted] (b) (6)	\$150,000	01/2012
Logistics Management Specialist	[Redacted] (b) (6)	\$25,000	07/2005

Abbreviations

A	Bureau of Administration
A/LM/AQM	Office of Acquisitions Management
COR	Contracting officer's representative
INL	Bureau of International Narcotics and Law Enforcement
LE	Locally employed (staff)
RPSO	Regional Procurement Support Office
SDBU	Office of Small and Disadvantaged Business Utilization



**FRAUD, WASTE, ABUSE,
OR MISMANAGEMENT
OF FEDERAL PROGRAMS
HURTS EVERYONE.**

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