

U.S. Equal Employment Opportunity Commission  
Office of the Inspector General  
Evaluations Program

# Evaluation of EEOC's Contracts Administration Activities

*OIG Report Number: 2019-001-EOIG*

*March 11, 2020*



# TABLE OF CONTENTS

<b>Executive Summary</b> .....	<b>ii</b>
<b>Introduction</b> .....	<b>1</b>
Background .....	1
Methodology .....	3
<b>Results</b> .....	<b>7</b>
<i>Finding 1:</i> ASD’s contract filing system may hinder their ability to maintain and retrieve contract documentation. Furthermore, ASD’s contract file checklist is outdated. ....	7
<i>Finding 2:</i> Insufficient oversight of CORs and internal guidance may contribute to incomplete COR documentation and uncertainty among CORs about how to perform their duties.....	8
<i>Finding 3:</i> OCFO usually pays contractor invoices on time; however, the COR review and approval process causes significant delays. ....	12
<b>Appendices</b> .....	<b>15</b>
Appendix I FY 2018 Contracts in Sample Population .....	15
Appendix II COR Acceptance Page .....	17
Appendix III Contract Invoice Receipts Reviewed.....	18
Appendix IV OCFO Response to OIG Recommendations.....	19

## OFFICE ABBREVIATIONS

OCFO	Office of the Chief Financial Officer
OCH	Office of the Chair
OCHCO	Office of the Chief Human Capital Officer
OEDA	Office of Enterprise Data Analytics
OEO	Office of Equal Opportunity
OFO	Office of Federal Operations
OFFP	Office of Field Programs
OGC	Office of General Counsel
OIT	Office of Information Technology

# EXECUTIVE SUMMARY



## ***WHY WE DID THIS EVALUATION***

In fiscal year 2017, federal agencies obligated more than \$500 billion to acquire products and services. A Government Accountability Office report on federal acquisitions found challenges in several phases of the contracting process. Some areas identified for improvement include defining contract requirements, competition and pricing, and contractor oversight. EEOC awards approximately \$55-60 million in contracts annually through its Acquisition Services Division (ASD). The purpose of this evaluation is to determine whether ASD is efficiently managing agency contracts.

## ***Evaluation of EEOC's Contracts Administration Activities (2019-001-EOIG)***

### **WHAT WE FOUND**

We reviewed 45 fiscal year 2018 contract files at the Equal Employment Opportunity Commission (EEOC). We found that some contract files had incomplete contract orders and were missing the Contracting Officer Representative (COR) acceptance page. In addition, progress reports were not found in any of the contract files. Although the files usually contained sub dividers and were organized, it was cumbersome to find contract administration documents in many of the folders.

We interviewed nine CORs and reviewed 20 COR contract files. We found that insufficient oversight of CORs and internal guidance contribute to incomplete COR documentation and uncertainty among CORs about how to perform their duties. We found 29 documents were missing from the files, including COR appointment letters, invoices, and progress reports. Five CORs expressed a need for more consistency among the Contracting Officers and three said they would benefit from more procedural guidance on how to perform their duties.

Lastly, we found that the Office of the Chief Financial Officer (OCFO) usually pays contractor invoices on time; however, the COR review and approval process causes significant delays. Of the 268 invoices in our sample, 56 (21 percent) were overdue. On average, OCFO paid the invoices within 9 days of the CORs approval. However, contract invoices were in the system an average of 64 days prior to the CORs approval. CORs stated that the invoice system does not notify them when vendors submit invoices, which may contribute to the payment delays. We issued five recommendations to improve EEOC's contracts administration activities.

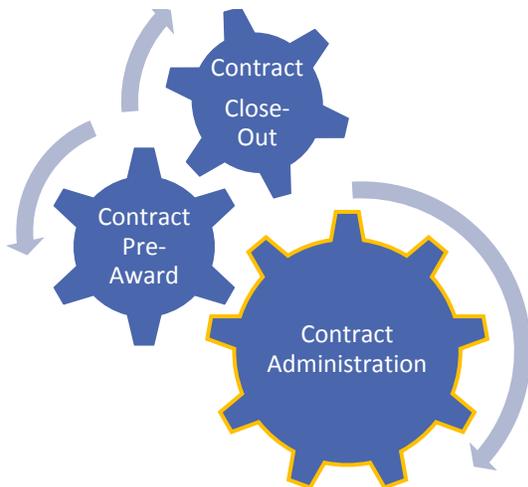
# INTRODUCTION

The Equal Employment Opportunity Commission (EEOC) is the federal agency responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information. The EEOC is a bipartisan commission composed of five presidentially appointed members, which include a Chair, a Vice Chair, and three Commissioners. The Chair is responsible for the administration and implementation of policy and the EEOC's financial management and organizational development. The Vice Chair and the Commissioners equally participate in developing and approving EEOC policies, issuing charges of discrimination where appropriate, and authorizing the filing of lawsuits. Also, the President appoints a General Counsel to support the Commission and provide direction, coordination, and supervision to the EEOC's litigation program.

## Background

The federal government's contracting process has many components. However, contracting activities can be grouped into three general categories: pre-award, administration, and closeout (Figure 1). The pre-award process involves acquisition planning to include gathering contract requirements, preparing a cost estimate, issuing a request for proposals, evaluating proposals and

Figure 1. Federal Contracting Process



awarding the contract. Contract administration involves activities performed by government officials after a contract is awarded to determine how well the government and the contractor performed to meet the requirements of the contract. It encompasses all dealings between the Government and the contractor from the time the contract is awarded until the work is completed and accepted. The contract closeout process ensures that the contractor has met all terms and conditions of the contract, unexpended funds are recovered, and any discrepancies are settled between the Government and the contractor.

EEOC awards approximately \$55-60 million in contracts annually, which includes \$30 million to State and Local Programs, also known as Fair

Employment Practices Agencies (FEPAs).<sup>1</sup> The average contract award amount in FY 2018 was approximately \$67,833, with 65 percent funded under \$10,000. The contract funding amounts ranged from approximately \$200 for consultant or training services to \$6.7 million for security equipment. According to the Director of EEOC's Acquisition Services, over 90 percent of the contracts are simplified acquisitions and fixed-priced contracts.<sup>2</sup> Fixed-price contracts set a price that is not subject to adjustment and places the full responsibility for all costs and resulting profit or loss on the contractor. The Federal Acquisition Regulations (FAR), Part 13, authorizes simplified acquisitions to give contracting officers additional discretion and flexibility, so that commercial item acquisitions between \$3,500 and \$150,000 may be solicited, offered, evaluated, and awarded in a manner that maximizes efficiency and economy and minimizes burden and administrative costs for both the government and industry.

### ***Acquisition Services Division***

EEOC's Office of the Chief Financial Officer (OCFO) provides direction, coordination, and leadership to several divisions, including the Acquisition Services Division (ASD). ASD solicits, awards, administers, and closes out all contracts and other acquisition vehicles for the Agency to include the field offices. The division also develops and implements the agency's acquisition policies and procedures and procurement performance measures, administers the agency's purchase card program, and prepares internal and external reports for the Office of Management and Budget (OMB).

To manage the agency's contract portfolio, ASD has six contracting staff consisting of three Contracting Officers (CO) and three Contract Specialists. The ASD Director serves as an additional CO. According to FAR 1.602-2, Contracting Officers are responsible for ensuring the performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. In ASD, the CO is the only person who can submit a performance evaluation for contractors in the Contractor Performance Reporting System (CPARS).<sup>3</sup> Contract Specialists assume the responsibility for day-to-day award and administration of contracts. They work with the COs to execute contract actions and prepare the required documentation.

According to the ASD Director, Contracting Officer Representatives (CORs) are designated for most, but not all, EEOC contracts. ASD does not generally designate a COR for simplified acquisitions under \$25,000 unless the contract has very unique requirements or has high

---

<sup>1</sup> The EEOC works with the Fair Employment Practice Agencies (FEPAs) and the Tribal Employment Rights Offices to manage charges of discrimination and the protection of the employment rights. The EEOC contracts with approximately 90 FEPAs nationwide to process more than 48,000 discrimination charges annually.

<sup>2</sup> Simplified acquisitions are for supplies or services that have an anticipated dollar value exceeding \$3,500 (\$20,000 for acquisitions as described in FAR Subpart 13.201(g)(1)) but not exceeding \$150,000 (\$750,000 for acquisitions described in paragraph (1)(i) of the simplified acquisition threshold definition at 2.101) are reserved exclusively for small business concerns and shall be set aside (see FAR Subpart 19.000, 19.203, and subpart 19.5).

<sup>3</sup> The FAR requires CPARS evaluations for services contracts that are over \$150,000. (FAR Subpart 42.1502). Most of EEOC's contracts do not require the submission of a CPARS evaluation because they do not meet this threshold.

visibility. The CO sends an Appointment Letter, also known as a COR Designation Letter, to notify CORs of their duties. Each COR must acknowledge receipt and acceptance of their appointment by signing and returning the COR acceptance page to the CO. CORs are required to monitor contract performance and costs, initiate contract modifications if needed, inspect contract deliverables, and maintain contract documentation.

ASD is responsible for all phases of the contract process in-house, except invoice payments. EEOC fully implemented the use of the Invoice Processing Platform (IPP) for contract invoices in the beginning of fiscal year 2019. IPP is a government-wide, secure web-based payment information service offered free of charge to government agencies and their suppliers by the U.S. Department of Treasury's Bureau of the Fiscal Service. CORs, District Resource Managers (DRM), or Administrative Officers (AO) typically serve as disbursers and must be set up in IPP to research invoices and approve payments for awards. Per the IPP clause added to most contracts, vendors must submit invoices through IPP and to the COR at the same time.

### ***Guidance***

EEOC Order 360.001, *EEOC Acquisition Policies and Procedures*, dated April 19, 2016, establishes the policies and procedures for the acquisition of supplies and non-personal services for headquarters and field office employees involved in the acquisition process. The FAR, Chapter 1 of Title 48 of the Code of Federal Regulations, also sets forth uniform policies and procedures applicable to federal agencies in the acquisition of supplies and non-personal services. The Prompt Payment Act, found in 31 U.S.C. Section 3901, requires that valid and proper invoices submitted by vendors be paid within 30 calendar days. FAR Subpart 32.9 contains regulations to implement the Act.

### **Methodology**

We conducted this evaluation from June 2019 through October 2019 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (Blue Book, January 2012). The standards require that we plan and perform the evaluation to obtain sufficient evidence to provide a reasonable basis for our findings and recommendations.

### ***Objectives***

The purpose of this evaluation is to determine whether ASD is efficiently managing agency contracts. Specifically, we sought to:

1. Assess the efficiency of EEOC's contract administration policies, procedures, roles and responsibilities, documentation, and systems.

2. Identify opportunities for improvement, including practices or technology that could be leveraged across contracts both at headquarters and in the field offices.
3. Research other federal offices or private sector organizations to identify practices that may improve the operations of EEOC’s contracts administration process.

***Scope***

We examined EEOC contract administration activities for contracts still open at any time during FY 2018. EEOC’s State and Local Program contracts (FEPAs) and Interagency Agreements were excluded from this evaluation because their structure and processes differ from other contracts. This evaluation did not assess contract performance or any associated contract costs. Finally, we defined contract administration as actions that occurred post-award and before contract closeout.

***Data Collection and Analysis***

We requested a list of FY 2018 contracts, and ASD provided an Excel document identifying 225 contracts. The contract data was used to examine EEOC’s contract portfolio, including the types of contracts awarded and average award amount. Contracts with award amounts greater than \$25,000 and/or contracts that included labor hours were more likely to be included in the sample. We selected a judgmental sample of 45 contracts (20 percent), valued at approximately \$11.6 million from the program offices listed in Table 1.<sup>4</sup>

**Table 1. Number of Contracts Reviewed for Each Program Office**

<b>EEOC Program Office</b>	<b>Number of Contracts Reviewed</b>
OIT	13
OEDA	9
OCFO	7
OCH	5
OGC	4
OFO	2
OCHCO	2
OEO	2
OFFP	1
<b>Total</b>	<b>45</b>

Over 80 percent (37) of the contracts were fixed-price for goods and services such as retirement training, conferences, online subscriptions, and information technology equipment. The

<sup>4</sup> Judgmental sampling occurs when units are selected for inclusion in a study based on the professional judgment of the researcher (Sage Encyclopedia of Educational Research, Measurement, and Evaluation, 2018) .

remaining eight contracts were labor-hour contracts that provide support or litigation services for EEOC. See Appendix I for the complete list of contracts included in our sample.

We also requested contract modifications and invoice payment data. ASD pulled the data for contract modifications from EEOC's Oracle Federal Financial System. This data was used to compare documents found in the contract files to electronic records and to determine if modifications were processed according to established procedures. Data on contract invoice payments were obtained from the IPP to determine if EEOC complied with the Prompt Payment Act.

### ***Interviews***

We interviewed seven OCFO staff, including the ASD Director, to discuss roles and responsibilities and the contract administration process. We met with three COs and two Contract Specialists to understand the process for contract modifications, invoice payments, their interactions with CORs, and the challenges encountered while performing their duties. OCFO's Director of Finance and Systems Services Division provided information about the process for paying contract invoices.

We interviewed nine CORs who managed multiple contracts, multi-year contracts, or contracts with awards that were larger than EEOC's average dollar amount (\$67,833). These interviews provided insight into their experiences as a COR and the challenges encountered while performing their duties.

### ***Contracting Policies and Guidance***

We reviewed EEOC Order 360.001 and applicable sections of the FAR. Other relevant documents reviewed included the Contract File Checklist, COR Appointment Letter, IPP Contract Invoice Payment Process, and internal correspondence regarding changes in contract administration business processes.

### ***File and Document Review***

We conducted a review of ASD and COR contract files. We reviewed ASD's contract files for all 45 contracts in our sample to determine whether documentation was maintained in accordance with internal guidance and the FAR. We reviewed 20 contract files managed by the nine CORs we interviewed.

We also reviewed the following reports and documents issued by other federal agencies:

**Table 2. Documents Reviewed from Federal Agencies**

<b>Document Title</b>	<b>Date Issued and Report Number</b>
Audit of Securities and Exchange Commission’s Contracting Officers Representative Program	September 2015 530
Management Assistance Report: Dispersal of Contracting Officers Representative Creates Oversight Challenges	August 2018 ISP-I-18-33
Farm Credit Administration Contracting Activities	May 2017 A-17-02
Audit of National Archives and Record Administration’s Procurement Program	November 2016 17-AUD-06
Audit of National Credit Union Administration’s Procurement Program	June 2017 OIG-17-07
Assessment of U.S. Department of Agriculture’s Contracting Officer’s Representatives	March 2015 50099-0002-12
Defense Intelligence Agency COR Administration and Oversight	April 2012 Briefing Document
Department of Justice COR Files SharePoint Management System	Not applicable Briefing Document

## RESULTS

---

### **FINDING 1. ASD's contract filing system may hinder their ability to maintain and retrieve contract documentation. Furthermore, ASD's contract file checklist is outdated.**

We reviewed 45 contract files. ASD's Contract File Content Checklist indicates which documents should be maintained in the files. For contracts administration, the checklist has several categories: general administration, a record of debriefings, records of protests after award, backup documentation for modifications, performance evaluation data (progress reports), and invoices. We found that some contract files had incomplete contract orders and were missing the COR acceptance page. Other documents on ASD's checklist, such as progress reports, were not found in any of the files. However, ASD maintained other required documentation in their contract files, including purchase requests, contract modifications, and correspondence with the contractor and the COR.

Of the 45 contracts in our sample, we found issues with the contract award documentation in three contract files. The original contract award was not in one of ASD's contract files and information on the cover page for the other two contracts was incomplete. Neither contract included the CO's signature and additional missing data included the period of performance and solicitation information. The contract award document serves as an official document for awarding contracts; therefore, the award information should be accurate and complete.

We did not find any progress reports or invoices in the contract files we reviewed, which according to the contract file checklist, should be maintained in the file. Since many of the contracts we reviewed were for a specific one-time service (i.e., retirement training) or an online subscription, we determined that progress reports are not needed. We found 13 contracts that did not have a designated COR and are managed by the CO. Therefore, ASD's files should include all the required contract documentation, including invoices.

For the remaining 32 contracts, 29 included a COR Appointment Letter. This letter is significant because it communicates the duties assigned by the CO to the COR. Without a current appointment letter, signed by the CO and acknowledged by the COR, no individual other than the CO can give technical direction to the contractor, receive goods and services, or approve invoices. However, we found that 23 contract files did not include a COR acceptance page (See Appendix II), which acknowledges that the COR understands and accepts responsibility for each of their assigned contracts. As stated above, if the COR does not formally accept responsibility for the contract, then the responsibility falls solely on the CO.

ASD maintains a paper filing system in a centralized location and the COs and Contract Specialists update the files as contract actions occur. Thirty of the 45 contract files were stored in multiple folders. Eight contract files were maintained in six or more separate file folders. Although the files usually contained sub dividers and were organized, it was cumbersome to find contract administration documents in many of the folders. The volume of paper documents in these folders would make retrieval of any specific document challenging and likely time-consuming.

We asked the ASD Director about the challenges associated with maintaining paper files. He stated that in terms of contract administration, “it is customary for acquisition offices to review COR delegations, COR files, improper payments made, unauthorized commitments, claims arising under disputes over contract oversight and interpretation, cost over-runs, constructive changes and/or cardinal changes.” He further stated that “during the past 10 years, we have received one claim which resulted from budget constraints and not contracts administration oversight issues. However, to strengthen contract oversight procedures appropriate for contract types used at EEOC, moving from a paper-driven process to a paperless contracting process would enhance the overall accountability to include contracts administration.” ASD submitted their fiscal year 2020-2021 budget request to procure a contract writing system that would modernize the EEOC procurement process and, at a minimum, would have an electronic paperless module strictly for contracts administration input and oversight. This module would be available for review and use by the contracting officers, contract specialists, and CORs.

### ***Recommendations***

1. OCFO should review and update the Contract File Content Checklist to reflect current documents maintained in the file.

### **FINDING 2. Insufficient oversight of CORs and internal guidance contribute to incomplete COR documentation and uncertainty among CORs about how to perform their duties.**

According to the ASD Director, he does not have the resources to perform COR oversight. CORs receive an appointment letter and are expected to adhere to the contract conditions and initiate contract actions, such as modifications, when appropriate. We found that CORs had incomplete contract files and expressed a need for more guidance to aid in performing their duties.

#### **CORs do not consistently maintain required documentation in their contract files.**

The COR’s contract files serve as documentation of their interaction with the contractor, which is critical to the transfer of responsibility when a COR is changed during the term of the contract and in the event of litigation. The COR Appointment Letter requires CORs to “establish and

maintain an organized contract administration file to record all contractor and Government actions pertaining to the contract.” CORs are directed to organize their files as follows:

- File 1 - The contract instrument (i.e., contract modifications, task orders, delivery orders, and the contractor's proposals applicable to these documents).
- File 2 - The COR's delegation letter, and all correspondence between the contractor and the contracting officer, filed in chronological order.
- File 3 - A copy of the contractor's invoices/vouchers and any correspondence pertaining to the payments.
- File 4 - The COR's trip reports and written memoranda to the file on telephone conversations or other meetings with the contractor.
- File 5 - A copy of the contractor's progress reports and other contract deliverables, and all correspondence pertaining to these documents.

We met with nine CORs and reviewed a total of 20 contract files from the offices listed in Table 3.

**Table 3. Number of COR Contract Files Reviewed for Each Program Office**

Program Office	Number of Contract Files
OEDA	7
OIT	6
OGC	4
OCHCO	2
OCFO	1
<b>Total</b>	<b>20</b>

We found that CORs maintained inconsistent contract documentation. Of the 20 files reviewed, eight did not contain a COR Appointment Letter, and six files did not include the COR acceptance page. Two recently appointed CORs had yet to receive an appointment letter for one of their contracts. We also found that 13 contract files did not contain progress reports because the nature of the contracts did not require them. For example, progress reports were not needed for subscription services, such as Lexis-Nexis, because users simply access the system when needed. Similarly, a contract for a single training session is not ongoing; therefore, there is no need for progress reports.

When CORs did have progress reports, they were not in their paper file folder but were maintained electronically. The same was true for correspondence and meeting notes between the COR and the contractor. Six CORs retained part of their contract file in electronic form. One

COR maintained their entire contract file electronically. The table below is a full summary of the number of contract files we reviewed that had missing documentation.

**Table 4. Number and Types of Documents Missing from CORs Contract Files**

Document Type	Number of Contracts w/Missing Documents
COR Appointment Letter	8
COR Acceptance Page	6
Contract Modifications	3
90 Day Notice of Intent to Exercise Contract Option Year	5
Invoices	3
Progress Reports	4
<b>Total</b>	<b>29</b>

Of the seven contracts with options years, we did not find the 90-day notice of intent to exercise the next option year in five of the files. Three of the 24 contract modifications that should be in the CORs files were missing. Eight contracts had only one invoice because there was a one-time payment, and three files did not contain any invoices. CORs for two of the labor-hour contracts electronically maintained supporting documentation for hours worked by the contractor.

We observed that some of the contract files were generated specifically for the OIG’s review. One COR acknowledged that the documents presented during our meeting were recently printed and put into new file folders. Another COR, who was newly assigned two contracts, had to print and forward the required documents after retrieving them from the system. We recognize the program offices efforts to correct the lack of documentation, contract files should be continually maintained per their COR Appointment Letter. However, since the federal government is moving towards a paperless record keeping environment and most contract documents are stored in electronic form, ASD’s expectations for CORs contract files, including the types of documents and how they are kept, may need revisiting.

We researched OIG reports and documentation regarding the oversight of CORs from other federal agencies to determine whether the lack of contract documentation and oversight challenges were common issues. Not only did we find three agencies that identified these issues, but they also developed a similar solution. The Department of State, Department of Justice, and Defense Intelligence Agency use SharePoint as a central repository for CORs to store contract files. This repository also serves as a mechanism to phase out the paper filing system and allows agencies to perform periodic audits of COR files to ensure they are compliant with FAR and agency policies. The knowledge that the CO can view COR files at any time provides an extra incentive to keep complete records. This process adds a critical layer of oversight of CORs and

allows COs direct access to COR files if a COR leaves the agency or a COR replacement is needed.

Internal procedures do not provide CORs with enough guidance to carry out their duties fully.

We asked the nine CORs we interviewed about their experiences with contract administration. They had varying levels of experience ranging from 10 years to as little as one year. Most were certified as Level I or Level II CORs. Of the nine CORs, four managed multiple contracts in our sample and interacted with more than one CO. When asked about improvements for the contract administration process, five of them expressed a need for more consistency among the COs. For example, one COR said, “some COs want CORs to send a formal memo of intent, but some COs only require an email.” Another COR also noted that “more standards for all CO about how contract modifications and other processes should work is needed. Each CO has a different method of doing things, and we have to accommodate each person.”

This lack of consistency may also be due to the lack of guidance provided in the EEOC Order 360.001 regarding contract modifications. We reviewed the internal guidance and noted that there are very few procedures included. While the guidance requires justification for modifications, it does not discuss the specific information needed to justify the modification. One COR stated, “there are no real procedures that tell CORs how to do their job. The current procurement procedures only recite the FAR. They do not really tell CORs what the process is at EEOC.” Other CORs mentioned needing additional guidance during the contract award phase, specifically with writing the SOW, conducting market research, and creating the Independent Government Cost Estimate. While the COR Appointment Letter provides general guidance, this information is not enough to assist CORs, especially new CORs, with fulfilling their duties. Additional internal guidance would benefit program office staff who are not full-time contracting professionals.

***Recommendations***

2. ASD should establish a mechanism to provide oversight of CORs to ensure compliance with documentation requirements consistent with the FAR and agency policy.
3. ASD should review and update the COR Appointment Letter as needed and specifically address the maintenance of electronic contract files.
4. OCFO should revise EEOC Order 360.001 as needed to assist CORs in performing their duties and include implementation guidance for contract administration activities, such as submitting contract modifications.

**FINDING 3. OCFO usually pays contractor invoices on time; however, the COR review and approval process causes significant delays.**

ASD generated a list of 306 invoices primarily from our sample of 45 contracts, and we found that 21 percent (56) of the invoices were paid after 30 days. ASD follows the Prompt Payment Act that requires payment of contract invoices within 30 days of receipt of a proper invoice. The Government considers an invoice as paid on the day the check is dated or the date of an electronic funds transfer. If invoices are overdue, EEOC must pay an interest penalty.

According to our initial analysis of the data provided, the average number of days to pay invoices was 27. The number of days ranged from same-day payment to a maximum of 326 days. Of the 306, 212 (69 percent) invoices were paid within the 30-day requirement. However, the data shows that 94 invoices (31 percent) were paid after 30 days. The breakdown of overdue invoices is provided below in Table 5.

**Table 5. Number of Days to Pay Contract Invoices**

Number of Days	Number of Invoices	Percent of Total Invoices
30 or less	212	69
31-49	47	15
50-74	22	7
75-99	13	5
100 and over	12	4
<b>Total</b>	<b>306</b>	<b>100</b>

We asked OCFO staff about possible reasons for the overdue payments and they identified two events as the potential cause. The first is the full implementation of IPP in October 2018, which created a learning curve for EEOC staff and vendors. Of the 306 invoices, 16 invoices were submitted during the IPP implementation and were subsequently overdue. Second is the government shutdown that occurred from December 23, 2018, through January 25, 2019. Vendors submitted 22 invoices in our sample during the closure. Many federal employees were on leave in December and the shutdown occurred before they could return to work to submit invoice receipts and payment. After removing these 38 invoices (22 + 16), 268 invoices remained in our sample and 56 (21 percent) were still overdue.

We requested approved receipts for a sample of 25 overdue invoices to further examine the cause of the payment delays.<sup>5</sup> (See list in Appendix III) The COR Appointment Letter states that CORs are to “Review the contractor’s invoices/vouchers for reasonableness and applicability to the

<sup>5</sup> The receipt is also known as the Goods and Services form.

contract and recommend to the CO, either approval, conditional approval, or disapproval for payment. The COR must complete their review within five days after receipt of the invoice or voucher.” To determine how long the approval process took for invoices in our sample, we calculated the number of days between submission and the COR’s approval. On average, the invoice remained in IPP for 64 days before the COR’s approval. We also calculated the number of days from the COR’s approval of the receipt to the actual invoice payment. It only took OCFO an average of nine days to issue payment after the COR approved the receipt in the system. Table 6 shows the average approval times for each program office in our sample.

**Table 6. Average Time for CORs to Review Invoices for Each Program Office**

Program Office	Number of Invoices in Sample	Average Days for COR to Review
<b>OIT</b>	7	70
<b>OEO</b>	2	68
<b>OCFO</b>	4	57
<b>OEDA*</b>	4	51
<b>OGC**</b>	1	33
<b>OCHCO</b>	6	28
<b>Total</b>	25	N/A

\* OEDA had four invoices in the sample, but one was not used in the calculations because it was an outlier. The invoice removed was 321 days overdue.

\*\* The data for OGC does not represent averages because OGC only had one invoice in the sample.

Six program offices are represented in the sample. OIT was responsible for reviewing seven of the invoices and had the longest average review time. The review time for CORs in four program offices averaged over 50 days. While we cannot generalize this analysis throughout the agency, we found that each program office experienced delays with approving invoices.

When we interviewed CORs, we learned that the system does not notify CORs that an invoice is available for their review. At the beginning of FY 2019, OCFO began including an IPP clause to all contracts that requires contractors to notify the COR when they submit an invoice. However, that does not always occur, so some invoices are likely to sit in the system. Also, in at least two program offices, the AO or DSM, not the COR, is the person who has IPP access to approve invoices. This second step in the process could also cause a delay in payment.

**Recommendation**

5. OCFO should develop a mechanism to ensure that CORs are notified when invoices are ready for their review, including reminder notifications when invoices remain in the system longer than five days.

## **Conclusions**

Overall, EEOC is adequately implementing its contract administration processes, but improvements are needed. ASD's outdated filing system is inefficient and increases the likelihood of misplaced documentation. CORs also play a crucial role in the contracting process and must be monitored while performing their duties and held accountable for maintaining contract documentation. Accurate and thorough file maintenance helps protect EEOC from unforeseen contract disputes. Finally, CORs must begin reviewing invoices in a timely fashion. The prolonged time it takes CORs to review contractor invoices jeopardizes EEOC's ability to comply with the 30-day payment requirement.

## APPENDIX I – FY 2018 Contracts in Sample Population (45)

	<i>Vendor</i>	<i>Contract Number</i>
1.	4 STAR TECHNOLOGIES, INC.	45310018F0088
2.	ADR VANTAGE INC	45310018P0041
3.	ADVANCED COMPUTER CONCEPTS INC	45310018F0154
4.	ALAMO CITY ENGINEERING SERVICES, INC.	45310018F0163
5.	APPRIO, INC.	45310018F0028
6.	ATLANTIC MANAGEMENT CENTER, INC.	45310018F0090
7.	AUTOFLEX, INC	45310018P0010
8.	BLACK DIAMOND BGWB14 INC.	45310018C0152
9.	BUREAU OF NATIONAL AFFAIRS, INC., THE	45310018F0062
10.	CAMPION SERVICES INC	45310018C0012
11.	CARASOFT TECHNOLOGY CORPORATION	45310018F0029
12.	CENTER FOR PERSONAL PROTECTION AND SAFETY INC	45310018P0054
13.	DATABASEUSA.COM LLC	45310018F0100
14.	DISYS SOLUTIONS, INC.	45310018F0043
15.	DLT SOLUTIONS, LLC	45310018F0038
16.	DLT SOLUTIONS, LLC	45310018F0115
17.	DOHRER, SUZANNE	45310018F0073
18.	DYNAMIC SYSTEMS, INC.	45310018F0016
19.	EQUIFAX INFORMATION SERVICES LLC	45310018F0030
20.	FEDERAL MANAGEMENT SYSTEMS, INC.	45310018F0033
21.	FYI - FOR YOUR INFORMATION, INC.	45310018F0042
22.	GALLAGHER ERGONOMICS AND HUMAN FACTORS CONSULTANTS, LLC	45310018C0010
23.	GOVERNMENT MARKETING AND PROCUREMENT LLC	45310018F0111
24.	GREENBERG, KEITH D.	45310018P0005
25.	GREENBERG, KEITH D.	45310018P0013
26.	GREENBERG, KEITH D.	45310018P0034
27.	GRUBB, KITTY	45310018P0017
28.	HIRE ONE PERSONNEL SERVICES OF WASHINGTON DC	45310018F0017
29.	HPT TRS WYN INC	45310018P0037
30.	HR ANEW, INC.	45310018F0132
31.	HR SOLUTIONS & SERVICES, LLC	45310018F0040
32.	HUMAN RESOURCES SELECT SERVICES	45310018F0144
33.	MCNEAL PROFESSIONAL SERVICES, INC.	45310018F0014
34.	MEC ENERGY SERVICES LLC	45310018C0175
35.	MICROPACT, INC.	45310018F0104
36.	NATIONAL OPINION RESEARCH CENTER	45310018F0153

37.	NEW TECH SOLUTIONS, INC.	45310018P0024
38.	OPEN TEXT INC.	45310018F0008
39.	PITNEY BOWES GLOBAL FINANCIAL SERVICES, LLC	45310018F0118
40.	RELX INC.	45310018F0045
41.	RWD CONSULTING, LLC	45310018F0007
42.	STERLING COMPUTERS CORPORATION	45310018F0091
43.	STEWARD RESEARCH GROUP, INC.	45310018C0023
44.	WEST PUBLISHING CORP	45310018F0059
45.	XEROX CORPORATION	45310018F0116

---

**APPENDIX II – COR Acceptance Page**

---

**COR’S ACCEPTANCE**

I understand and accept my assignment as the Contracting Officer’s Representative (COR) under Delivery Order No. EECDO12XXX as outlined in your letter to me dated (*Insert date*).

---

**(*Insert Name of COR*), COR Signature**

---

**Effective Date**

---

**(*Insert name and Title of COR’s Immediate Supervisor*)  
Immediate Supervisor Signature**

---

**Date**

---

**APPENDIX III – Contract Invoice Receipts Reviewed**

---

	<i>Vendor</i>	<i>Invoice Number</i>
1.	APPRIO, INC.	EEOC 002
2.	ATLANTIC MANAGEMENT CENTER, INC.	18-07010
3.	AUTOFLEX, INC	04646-57379-05
4.	CAMPION SERVICES INC	45310018C0012
5.	CHL BUSINESS INTERIORS, INC.	21153
6.	DISYS SOLUTIONS, INC.	IN13555
7.	DYNAMIC COMPUTER CORPORATION	105728
8.	FYI - FOR YOUR INFORMATION, INC.	10202
9.	GOVERNMENT MARKETING AND PROCUREMENT LLC	00001882
10.	HIRE ONE PERSONNEL SERVICES OF WASHINGTON DC	2359256
11.	HIRE ONE PERSONNEL SERVICES OF WASHINGTON DC	2537552
12.	MANAGEMENT CONCEPTS, INC.	MCIN000047042
13.	MARTIN-MISER ASSOCIATES INC	EEOC004
14.	MCNEAL PROFESSIONAL SERVICES, INC.	9335
15.	MEC ENERGY SERVICES LLC	EEOCJUNE2019
16.	MICROPACT, INC.	GH13-001
17.	MINITAB, INC.	STDINV0232935
18.	MORALES & ASSOCIATES LLC	M-19-9
19.	RELX INC.	1810001799
20.	RELX INC.	1903180045
21.	RELX INC.	1811181657
22.	RWD CONSULTING, LLC	EO11072018
23.	TRAVIS ADR SERVICES, LLC	18.029.2
24.	ZENCHRONISTIC ENTERPRISES, LLC	2034
25.	ZENCHRONISTIC ENTERPRISES, LLC	2037

---

## APPENDIX IV – OCFO Response to OIG Recommendations

---



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**  
Washington, D.C. 20507

Office of the Chief Financial Officer

**March 2, 2020**

**MEMORANDUM**

**TO:** Milton A. Mayo Jr.  
Inspector General

**FROM:** Grace Zhao  
Chief Financial Officer

**SUBJECT:** Comments and Responses to Draft Report: "Evaluation of EEOC's  
Contracts Administration Activities" (OIG Report Number 2019-001-EOIG)

Thank you for the opportunity to review and comment on this draft report. The Office of the Chief Financial Officer (OCFO) appreciates the work of the Office of Inspector General (OIG) in planning and conducting this evaluation and issuing this report.

The OCFO, Acquisition Services Division (ASD) is pleased that the OIG recognizes the complexity of the contract administration function and the importance of ensuring improvement of EEOC's contract administration. The OCFO, ASD collaborates with external and internal stakeholders to fulfill this critically important and complicated function.

The OCFO, ASD concurs with the findings and recommendations, and we look forward to implementing a corrective action plan and take actions to enhance our processes. Please refer to the appendix for additional comments and responses. If you have any questions, please contact Patrick Mealy at 202-663-4824, or email Mr. Mealy at [patrick.mealy@eoc.gov](mailto:patrick.mealy@eoc.gov).

**Attachment**

cc: Tabitha Jenkins  
Chief of Staff

Marty Ebel  
Chief Operating Officer

**Mona Papillon**  
**Deputy Chief Operating Officer**

**Patrick Mealy**  
**Director Acquisition Services Division**

**Emmett Whitten**  
**Acting Audit Follow Up Official**

**Appendix – Comments and Responses to the Draft Report**

**U.S. Equal Employment Opportunity Commission**

**Comments and Responses to OIG Evaluation of EEOC’s Contracts Administration Activities**

OIG Report No. 2019-001-EOIG (February 2020) DRAFT REPORT		
FINDING	RECOMMENDATION	EEOC COMMENT / RESPONSE
<p>FINDING 1. ASD’s contract filing system may hinder their ability to maintain and retrieve contract documentation. Furthermore, ASD’s contract file checklist is outdated.</p>	<p>1. OCFO should review and update the Contract File Content Checklist to reflect current documents maintained in the file.</p>	<p>a. OCFO, ASD concurs with FINDING 1 and recommendation 1.</p>
		<p>b. OCFO, ASD will review and update all contract files and ensure they reflect required documents, which match the Contract File Content Checklist.</p>
<p>FINDING 2. Insufficient oversight of CORs and internal guidance contribute to incomplete COR documentation and uncertainty among CORs about how to perform their duties.</p>	<p>2. ASD should establish a mechanism to provide oversight of CORs to ensure compliance with documentation requirements consistent with the FAR and agency policy. 3. ASD should review and update the COR Appointment Letter as needed and specifically address the maintenance of electronic contract files. 4. OCFO should revise EEOC Order 360.001 as needed to assist CORs in performing their duties. Include implementation guidance for contract administration activities, such as submitting contract modifications.</p>	<p>a. OCFO, ASD concurs with FINDING 2 and recommendations 2 - 4.</p>
		<p>b. OCFO, ASD will develop a mechanism and corrective action plan to implement recommendations 2 - 4.</p>
<p>FINDING 3. OCFO usually pays contractor invoices on time; however, the COR review and approval process causes significant delays.</p>	<p>5. OCFO should develop a mechanism to ensure that CORs are notified when invoices are ready for their review, including reminder notifications when invoices remain in the system longer than five days.</p>	<p>a. OCFO, ASD concurs with FINDING 3 and recommendation 5.</p>
		<p>b. OCFO, ASD will develop a mechanism and corrective action plan to implement recommendation 5.</p>

Note: Because of staffing shortage, OCFO, ASD has not been able to verify every evidence described/listed in OIG Report No. 2019-001-EOIG (February 2020) Draft Report; however, OCFO, ASD concurs with the findings and recommendations overall.