



Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management



Library of Congress Office of the Inspector General

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OFFICE OF THE INSPECTOR GENERAL

LIBRARY OF CONGRESS

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February 1, 2018

MEMORANDUM FOR: Dr. Carla Hayden
Librarian of Congress

FROM: Kurt W. Hyde
Inspector General

SUBJECT: Report No. 2016-PA-101, *Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management*

This transmits our report of the Office of the Inspector General's (OIG) follow-up of the Library of Congress' (Library) progress in addressing the findings and recommendations previously reported in OIG Special Report No. 2011-SP-106, dated March 2012, on the Library's procurement function. OIG engaged an independent public accounting firm (IPA) to conduct a performance audit of the Office of Contracts and Grants Management (OCGM).

The executive summary begins on page *i*, and the results of the IPA's audit appear on pages 1 to 18.

Based on management's written responses to the draft report, we consider all of the recommendations resolved along with corrective action plans addressing implementation of the recommendations, in accordance with LCR 9-160, *Rights and Responsibilities of Employees to the Inspector General*, §6.A.

We appreciate the cooperation and courtesies extended by the OCGM and other units within the Library during this audit.

cc: Acting Deputy Librarian
Chief Operating Officer
Chief Financial Officer
General Counsel
Director, Office of Strategic Planning and Performance Management

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Summary

The Office of the Inspector General (OIG) engaged an independent public accounting firm (IPA) to conduct a performance audit of the Library of Congress' (Library) procurement¹ function. The objective of the performance audit was to evaluate the actions taken by Library management to remedy deficiencies identified in OIG Special Report No. 2011-SP-106, *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution*, March 2012 (2012 Audit Report).

The original audit reported 51 recommendations in three areas (management of the contracting function, technical issues, and customer service and communication). At that time, the audit found longstanding systemic breakdowns throughout the management of the procurement function.

What the Audit Found

In response to OIG's March 2012 report, the Library hired a Director of Contracts and Grants Management (Director) to develop corrective measures. After an initial period of review and consultation, the Director presented a plan (known as the Concept of Operations)² that would serve as the basis for improving the procurement function's performance, and address the audit's findings and recommendations. The Concept of Operations presented a good start as the first significant written plan to define and remedy the major longstanding weaknesses plaguing the Library's procurement function.

The IPA identified several areas in which progress has been made, and OIG concluded that progress overall has been incremental. The IPA identified during its audit the following areas that the executive team addressed:

- Restructured the office and removed employees that were not performing;

¹ The Library generally uses the term "procurement" for obtaining goods and services and uses "acquisitions" for obtaining collections material

² *Library of Congress, Acquisition Function, Concept of Operations*, October 2013.

- Rewrote the Contracting Operating Instructions and incorporated them into the Library of Congress Federal Acquisitions Regulation Supplement;
- Reduced significantly sole source contracts;
- Resolved fully 30 issues from the March 2012 Report, partially resolved 10 (11 were unaddressed); and
- Improved training to better focus on the needs of the Library.

The OIG concluded that while making incremental progress, Library management still needed to take further steps to attain the full benefits of a truly modernized procurement operation. Overall, it found that the procurement function continues to pose ongoing systemic risks to Library programs and its mission. Those risks exist because it had difficulty implementing a strategic, integrated, and agency-wide vision for the procurement function; lacked a sustainable workforce plan; and, needed improvements in the management of procurement data.

More Library Senior Leadership Involvement Needed to Implement a Cross-cutting Strategic Plan

GAO's procurement *Framework*³ states that senior leadership must articulate a strategic, integrated, and agency-wide vision for the procurement function and hold managers accountable for their contributions to the procurement process. The IPA found that the agency leadership did not adequately promote integration and coordination among the agency's human capital, procurement, and financial management functions, nor track progress to ensure successful results.

³ The Government Accountability Office's (GAO) *Framework for Assessing the Acquisition Function at Federal Agencies (Framework)* helped to guide the analysis. GAO developed the framework to enable high-level, qualitative assessments of the strengths and weaknesses of procurement functions at federal agencies. Using the *Framework*, the IPA identified areas requiring follow-up work, such as in the areas of organizational alignment and leadership, human capital, and knowledge and information management.

Also, senior executives did not have a clear, concise plan that established milestones, measured progress, and interfaced procurement activities with other critical cross-cutting efforts. It also did not employ reliable data to adjust resources in response to performance variances.

Under the current format, the Library's top executives cannot determine whether progress made to date meets expectations since the Library's senior leadership did not establish quantifiable expectations related to cost, performance, and completion. To address the need for a strategic approach to improving the Library-wide procurement function, the Librarian should require the Chief Operating Officer (COO) to articulate a strategic, integrated, and agency-wide vision for the procurement function that holds managers accountable for their contributions to the procurement process. In developing the procurement strategic plan, the COO should collaborate with other key stakeholders to define strategic goals and obtain Librarian and Executive Committee buy-in.

A Sustainable Strategic Workforce Plan is Essential to Improve Performance

GAO's *Framework* states that an agency must have a strategic workforce plan that reflects the needs of the procurement function, including strategies for recruiting, retaining, and developing procurement personnel, and creating performance measures to evaluate the contribution these strategies make in supporting the agency's procurement function and achieving its mission and goals. The IPA found that OCGM and Human Resources Services (HRS) had not prepared, documented, and employed a sustainable strategic human capital plan with comprehensive strategies for recruiting, developing, and retaining OCGM employees.

It found that OCGM operated with key positions unfilled for extensive periods and that the Director was consumed with managing daily operations having little time to invest in strategic solutions. The IPA found that four of the eight key leadership positions in the procurement function were vacant.

The IPA noted particular weaknesses in managing Contract Officer's Representatives (CORs). CORs perform vital functions in the procurement cycle including leading or participating in the technical evaluation team that assists in awarding a contract,

overseeing the Library's interests and ensuring contractor compliance with contract terms during the active phase of the contract, approving payments, and evaluating the contractor's performance. The IPA found that the Library does not adequately select, manage, and evaluate CORs. OCGM does not properly track CORs, and the Library's current management of CORs results in exposure to unnecessary costs.

On a positive note, IPA interviews of CORs found that COR training noticeably improved in content and availability over the last two years.

Improvements Needed in the Management and Quality of Procurement Data

Generating meaningful data requires good data stewardship. Data stewardship ensures that data captured and reported are accurate, accessible, timely, and usable for procurement decision making and activity monitoring. When financial data are not useful, relevant, timely, or reliable, the acquisition function—as well as other functions across an organization—are at risk of inefficient or wasteful business practices.

The IPA determined that OCGM is not properly leveraging existing capabilities, controls, and reporting mechanisms available in the subsystem to effectively and efficiently manage contracts. It found that OCGM staff relies on off-line spreadsheets, manual calculations, and ad hoc processing to oversee and administer procurement actions. OCGM also needed to better manage and store contract files in their entirety, as contract files were not easily tracked and located. Retrieving hard copy files for research, reference, and responding to contract claims is a critical operating need.

Recommendations

The IPA made 20 recommendations for long-term improvement to the procurement function. Generally, the Librarian should require the COO to articulate a strategic, integrated, and agency-wide vision for the procurement function where he holds managers accountable for their assigned roles for improving the procurement process. This vision should define short-, mid-, and long-term goals. He should report regularly to the Librarian and Executive Committee on its progress.

The COO should also engage his Director and HRS to place a priority on developing an effective human capital plan with an emphasis on diminishing average vacancy terms, reducing attrition, and emphasizing position longevity. In light of the IPA's finding of differences between system data and hard copy file data, it is an imperative that the COO implement critical quality assurance and control processes.

Without a strategic approach that establishes goals, accountability, and specific definitions of what success looks like, Library management will not have the ability to assess in the future whether it has accomplished its desired level of operating effectiveness and efficiency.

Management Comments

The Library generally concurred with the report's findings and recommendations. The Library recognizes the importance of continued improvement and the COO is leading the effort to develop forward-looking strategies and outcomes that will define success for the procurement function. Critical activities, information, and milestones required to formalize the new procurement strategy have been specified with a completion date of June 2018 in order to finalize a plan prior to fiscal year 2019.

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Background

In March 2012, the Office of the Inspector General (OIG) issued an audit report on the Library's procurement function⁴ and in July 2012, the then-Inspector General testified before the Committee on House Administration Subcommittee on Oversight that the Library had a well-documented history of problems in this area. The report had multiple findings and 51 recommendations that addressed management of the contracting function, technical issues, and customer service and communication.

During fiscal year (FY) 2017, OIG contracted with an independent public accounting firm (IPA) to conduct a follow-up audit to evaluate the Office of Contracts and Grants Management's (OCGM) progress in addressing the findings and recommendations reported in OIG's March 2012 report. The IPA conducted its fieldwork from September 2016 through April 2017.

The Government Accountability Office's (GAO) *Framework for Assessing the Acquisition Function at Federal Agencies (Framework)* helped to guide the analysis.⁵ GAO developed the *Framework* to enable high-level, qualitative assessments of the strengths and weaknesses of procurement functions at federal agencies. Using the *Framework*, the IPA identified areas requiring follow-up work, such as in the areas of organizational alignment and leadership, human capital, and knowledge and information management.

Organizationally, OCGM reports to the Office of the Chief Operating Officer (OCOO) who reports to the Librarian. The OCOO supports the Deputy Librarian by managing and administering the Library's infrastructure functions and daily operations, including oversight of OCGM, Human Resources Services (HRS), the Office of the Chief Financial Officer (OCFO), Integrated Support Services, and the Office of Security and Emergency Preparedness.

OCGM is headed by the Director and, as of the time of the IPA review, was staffed by 27 full-time equivalents (FTE), including 21 General Schedule (GS)-1102 Series Contracting personnel. OCGM is responsible for ensuring that the procurement of products and services is executed in accordance with applicable laws, regulations, and Library policy; establishing procurement policies and procedures; ensuring that the Library has a trained procurement workforce; and ensuring that internal controls sufficient to protect the Government's interests are in effect. OCGM processed 2,435 procurement actions in FY 2016, for a total contract value of approximately \$230,535,000.

⁴ *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution*, Special Report No. 2011-SP-106, March 2012.

⁵ GAO, *Framework for Assessing the Acquisition Function at Federal Agencies*, GAO-05-218G, September 2005.

The Library procurement process typically requires synchronization between multiple stakeholders and the OCGM division. While OCGM is the focal point of the procurement process, numerous groups either support the process or have key roles in process execution, such as service and business units, Office of General Counsel, and OCFO.

Findings

In FY 2013, the Library hired a senior-level Director of Contracts and Grants Management (Director) with extensive experience to remediate the issues within the procurement⁶ function. During his initial time at the Library, the new Director observed OCGM operations in light of OIG's audit report, consulted with Library senior management, and documented a "Concept of Operations" that served as the basis for the Director's remediation activities. The Director conducted the Concept of Operations analysis within the context of GAO's *Framework*.

Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management

The IPA identified several areas in which progress was made and the OIG concluded that progress overall has been incremental. The Library still has some significant lift to attain the full benefits of a truly modernized procurement operation. Given the importance of an effective organization-wide procurement function, the Library should consider whether progress has been satisfactory over the intervening five years since the issuance of OIG's March 2012 report, and whether it should strive for significantly more and timely progress as explained in the subsequent sections of this report.

Generally, the following are examples of the progress that has been made over the last five years:

- OCGM has been restructured and under-performing employees were removed.
- Contracting Operating Instructions were rewritten and incorporated into the Library of Congress' procurement regulations.
- Training for Contract Officer's Representatives (CORs) was updated, made more relevant to address procurement within the Library, and provided more extensively.
- Sole source contracts⁷ were significantly reduced and all were fully justified and properly documented.

⁶ The Library generally uses the term "procurement" for obtaining goods and services and uses "acquisitions" for obtaining collections material.

⁷ A sole source contract is one where the solicitation did not involve a full and open competition. Such contracts require additional approvals and justifications.

- Thirty recommendations made in OIG's March 2012 report were fully resolved and 10 were partially resolved.⁸
- Certain advanced planning steps were implemented, such as requiring service and business units to detail their planned procurement actions well in advance.

There are several fundamental causes for the Library not attaining greater results in modernizing its procurement function, as outlined in the sections below. The Library has had difficulty implementing a strategic, integrated, and agency-wide vision for the procurement function; developing and implementing a strategic workforce plan that reflects the needs of the procurement function; and utilizing technologies and tools effectively to make well-informed procurement decisions.

More Library Senior Leadership Involvement is Needed to Implement a Cross-cutting Strategic Plan

The Director's creation of a Concept of Operations was commendable in that it provided for the first time, in a single document, the Library's plan for addressing and improving the Library's procurement function, but the Concept of Operations did not provide an integrated framework for measuring progress and enforcing accountability. The Concept of Operations included important elements, such as an assessment of the current state of the Library's procurement function, a vision for a desired future state, and discreet initiatives to achieve the vision for the future state. It also had specific recommendations or objectives for improving OCGM in the following areas: Organizational Structure, Policies and Guidance, Operations, Client Relations, and Acquisition Systems.

GAO's *Framework*⁹ states that senior leadership must articulate a strategic, integrated, and agency-wide vision for the procurement function and hold managers accountable for their contributions to the procurement process. The OIG identified issues with the Concept of Operations that prevent Library senior leadership and OIG from determining whether progress made to date on OCGM's modernization has met Library expectations. The Concept of Operations did not identify the resources required to accomplish its recommendations. It did not provide the budgetary resources and associated priorities, organizational assignments, or stakeholder assignments needed to accomplish the recommendations. The Concept of Operations did not contain quantifiable expectations related to performance, such as milestones to be met,

⁸ The IPA also determined that eight issues were not addressed and three were closed without action. See Appendix B for the detail assessment of progress on the March 2012 recommendations.

⁹ GAO-05-218G, September 2005, pages 7-8.

and therefore the Library has no clear plan in the short-, mid-, and long-term to develop a sustainable and scalable procurement function that meets the Library's goals and overall mission. The Concept of Operations also does not address other important topics, such as how the modernization effort would interface with other critical cross-cutting efforts at the Library or how valid and reliable data would be used to adjust resources in response to performance variances.

Interviews with service units indicate that procurement planning has been uneven, thus its improvement should become a key element of OCGM's overall strategic approach. One business unit head lauds the Director's efforts that have resulted in unit managers now initiating procurement plans 18 months in advance of the solicitation period. However, other unit heads remain critical regarding a lack of OCGM planning, communicating, understanding, and timely executing their contracting needs. For example, a business head indicated there was not a concentrated effort on the part of OCGM to discuss contract planning and execution despite the business unit having a large procurement portfolio. In this case, due to the technical requirements of its contracts, management voiced concerns that contracting officers and specialists did not possess the required technical expertise to provide meaningful advice on their business. Management maintained that the absence of expertise in OCGM resulted in extra costs and lost time for the unit. The same unit noted inadequacies with the acquisition pipeline report and was not clear about Momentum's capacity to deliver meaningful contract metrics. Its management believed that the lack of OCGM planning created difficulties with the timely delivery of awards. A third unit noted that in spite of advance planning discussions, OCGM did not understand the nature of its operations and found the PALT¹⁰ was not helpful to delivering its needs.

As a result of Library senior leadership not being more actively involved in developing and implementing the Concept of Operations, OCGM will function in a reactive posture and be continuously facing high risks, such as inadequate operating systems, unreliable performance metrics, ongoing human capital deficiencies, insufficient delivery of mission necessary goods and services, and poor internal control.

The Chief Operating Officer (COO) oversees the Director and OCGM, and therefore is best positioned among Library senior management to oversee the development of a strategic, integrated, and agency-wide vision for the procurement function and to hold managers accountable for their contributions to the procurement process. This would help to demonstrate the kind of committed senior leadership referenced in GAO's *Framework* as being needed. Further, because OCFO and HRS also report to the COO, the

¹⁰ Procurement Action Lead Time (PALT) is the approximate number of calendar days from the time the contracting officer accepts a complete acquisition package to the time of award.

COO oversees the units with the subject matter expertise needed to develop and implement major elements of the procurement strategic plan.

OIG found as part of this audit that senior management needs to better promote integration and coordination among the agency's procurement, financial management, and human capital functions. There was an organizational restructuring in FY 2015 and OCGM was moved from reporting directly to the Deputy Librarian to report to the COO, and at that time no plans, timeframes, or measures were designed for achieving the Concept of Operations. According to GAO's *Framework*, leading organizations engage multiple stakeholders to identify procurement needs, assess procurement alternatives, develop cost-effective procurement approaches, and help ensure financial accountability. Additionally, as a key member of the Executive Committee, the COO has the opportunity to work with the Librarian and fellow committee members to obtain their meaningful contributions to the procurement strategic plan. The COO also has the ability to report quarterly to the Librarian and the Executive Committee on progress toward annual strategic and performance goals for the procurement function.

In developing and implementing the procurement strategic plan, the COO should ensure use of a Project Management Body of Knowledge (PMBOK)¹¹ approach, which outlines project management best practices. This approach would involve developing a project plan (including a plan of action and milestones), defining the critical path to achieving the approved goals, determining the work breakdown structures,¹² assigning leadership responsibility for each work breakdown structure, identifying performance targets and metrics, and developing the methods for tracking and reporting on strategic plan progress.

The critical path also should incorporate activities to address the 18 recommendations OIG made in the March 2012 report that remain outstanding. As shown in Appendix B, OIG made 51 recommendations and 30 of them have been resolved. The outstanding 21 recommendations include 10 that were partially resolved, three that were closed without action, and eight in which no progress has been made. The Director should submit an action plan to Library management with steps and target dates for completing the resolution of the recommendations. The COO should make the development of the plan an element in the Director's FY 2018 performance plan.

¹¹ *Guide to the Project Management Body of Knowledge (PMBOK® Guide)* (6th Edition)

¹² A work breakdown structure, in project management and systems engineering, is a deliverable-oriented decomposition of a project into smaller components. A key project deliverable organizes the team's work into manageable sections.

In conjunction with constructing the critical path and determining the key interrelationships among the work breakdown structure, the COO, with Library senior management approval, should define the target state of the procurement function for the short-term (one year), mid-term (three years), and long-term (five years) along with valid annual performance goals and valid and reliable performance measures. The Librarian and her executive leadership team can then evaluate the success of the COO and project manager's efforts against those targets while adjusting the strategic plan at the three-year Library-wide revision stage for all strategic plans to maintain enterprise-wide balance.

In our interviews, Library senior management defined success for the procurement function as simply awarding, at the procurement cut-off date, all recorded orders, thereby avoiding material amounts of expired funds. This measure of success is not enough to create a lasting well-operating function. Agency leadership should have a Library-wide, procurement-focused plan with key milestones that includes:

- Developing a flexible human capital plan that will change as the procurement function improves;
- Establishing a procurement technology “to be” state that will improve procurement planning, workflows, internal control, electronic audit trails, COR/Contracting Officer communication, performance metrics, contract administration, and contract closeout;
- Installing a more current, functional system for filing contract files/families of files, establishing file accountability, and providing for mandatory retrieval;
- Developing improved systems of internal control along with installing measures to assure controls operate as designed and to periodically measure compliance;
- Establishing mandatory performance measures and evaluations for CORs and developing effective approaches to upgrade COR subject matter expertise, performance, and communication with contracting officers;
- Providing valid and reliable performance metrics; and
- Delivering better and measurable customer service.

Realigning the accountability for planning and executing the procurement plan to cure the issues that continue to plague the Library's procurement function is necessary. At the same time it is critical that senior management agree on what the status of the procurement modernization should look like in the short-, mid-, and long-term. With such a vision, the Library can make

informed investments in human capital, information technology, policy, and contract support operations that will assure that OCGM has the capability and capacity to provide maximum return on the Library's procurement funding.

Recommendations

We recommend:

1. The Librarian require the COO to articulate a strategic, integrated, and agency-wide vision for the procurement function where the COO holds managers accountable for their contributions to the procurement process.

In that capacity, we recommend that the COO:

2. Institute successful strategic planning practices as outlined by the Office of Strategic Planning and Performance Management, with heads of OCGM, OCFO, HRS, and other key stakeholders (project team), produce agreed upon strategic goals with short-term (one year), mid-term (three years), and long-term (five years) goals. The COO should have the plan ready by the end of the second quarter of FY 2018.
3. Develop strategies and tactics (as part of 2 above) to accomplish the target state of the procurement function for the short-, mid-, and long-term strategic goals along with valid annual performance goals and valid and reliable performance measures.
4. Use PMBOK best practices to develop and implement a project plan with a critical path for achieving the procurement strategic plan that includes all components (e.g., work breakdown structures, milestones, performance targets and metrics, and methods for tracking and reporting progress).
5. Include in the critical path activities to address the 18 recommendations OIG made in the March 2012 report that remain outstanding. The Director should submit an action plan to the COO with planned steps and target dates for fully resolving all of the recommendations. The COO should make the development of the plan an element in the Director's FY 2018 performance plan.
6. Report quarterly to the Executive Committee and Librarian the COO's progress toward annual strategic and performance goals for the procurement function.

Management Response

Library management generally concurs with the above findings and recommendations.

A Sustainable Strategic Workforce Plan is Essential to Improve Procurement Function Performance

GAO's *Framework* states that an agency must have a strategic workforce plan that reflects the needs of the procurement function, including strategies for recruiting, retaining, and developing procurement personnel, and creating performance measures to evaluate the contribution these strategies make in supporting the agency's procurement function and achieving its mission and goals. GAO provides the following specific guidance:

- Data on the agency's procurement workforce are reflected in strategic workforce-planning documents. This includes size and shape of the workforce; skills inventory; attrition rates; projected retirement rates and eligibility; deployment of temporary employee/contract workers; dispersion of performance appraisal ratings; average period to fill vacancies; data on the use of incentives; employee feedback surveys; and feedback from exit interviews, grievances, or acceptance rates of job candidates.
- Data are available on staff development, including number of people receiving training; money spent on training; and measures to determine the real impact on the agency's goals and objectives (such as increased productivity, enhanced customer satisfaction, increase quality, and reduced costs and errors).
- The agency uses data to evaluate and continuously improve the effectiveness of training and development programs.

The Office of Contracts and Grants Management Needs Greater Involvement of Human Resources Services to Create a Workforce Plan

The procurement function has not been staffed to operate strategically; Library senior leadership should identify the development of a strategic workforce plan as an immediate goal. OCGM and HRS has not prepared, documented, and employed a sustainable strategic workforce plan with comprehensive tactics for recruiting, developing, and retaining OCGM employees. OCGM has also operated with key positions unfilled for extensive periods and the Director, who was consumed with managing daily operations, has little time to invest in strategic solutions. These conditions put OCGM and its personnel at risk of operating fatigue, poor morale, and strategic neglect.

OIG's March 2012 report identified various human capital-related issues, such as vacancies in key management positions. This included the lack of a Director, which we concluded sent a negative message about the role of the procurement function. Since the issuance of our report, Library management has revamped the procurement workforce by removing employees who were not performing under their standards. Management identified 17 employees having performance issues, and those employees subsequently left the Library.

We commend the then-Director and HRS for their efforts in dealing with performance issues, but OCGM continues to experience numerous vacancies and OCGM personnel expressed concern about numerous workforce-related issues. The eight senior-level positions that are key to managing the procurement function and executing strategic initiatives include the

- Chief Acquisition Officer (Chief Operating Officer);
- Director;
- Contracts Chief;
- Policy Analyst; and
- four Supervisory Senior Contracting Officer positions.

Of the eight positions, four were vacant, including the Contracts Chief, Policy Analyst, and two Supervisory Senior Contracting Officer positions. The Policy Analyst position has been vacant since our March 2012 report; OIG recommended that OCGM establish the position in the report. There were another eight vacancies in staff-level positions, bringing the total number of vacancies to 12; this was about one-third of all of OCGM's positions. The Director explained that demand for experienced contract personnel in the federal marketplace has been strong, making it difficult for OCGM to recruit and retain qualified people and preventing OCGM from reaching the staffing targets set in the Concept of Operations. The prolonged position vacancies have forced the Director to continually operate at the operational level with little time to plan, direct, and execute strategically. Such an environment exposes the procurement function to increasing risks, growing turnover, and declining customer service.

The current condition has not met the future state that was delineated in the Concept of Operations where OCGM's target staffing involves a balanced mix of operational-to-administrative staff, and a balanced supervisor-to-staff ratio. The Concept of Operations articulated the idea of reducing the then-current ratio of one contracting officer to six-to-eight contract specialists to an average contracting officer-to-specialist ratio of one-to-four, comprised of one senior specialist, two journeymen, and one apprentice staff member. The lower contracting officer-to-specialist ratio was intended to enable contracting officers to apply more focus to fiduciary oversight responsibilities, expand the

opportunities for OCGM staff career development, and provide additional back-up for critical procurement functions.¹³

OIG noted that OCGM employees were struggling as a result of these vacancies and other workforce-related problems. Of the 11 senior- and staff-level OCGM employees interviewed (including two grants employees), nine expressed concern about OCGM being understaffed and the length of time taken to fill vacancies, about high staff turnover, and about heavy workload. Most of the employees also rated morale as low.

The COO should engage the Director and HRS to immediately prioritize the development of a strategic workforce plan for the procurement function that has metrics focused on reducing average vacancy terms, reducing attrition, and emphasizing position longevity. The plan should be developed using a PMBOK approach, include comprehensive tactics for recruiting, retaining, and developing procurement personnel, and include performance measures to evaluate the plan's progress in addressing human capital goals. As indicated by the plan, the COO should also expedite HRS' efforts to fill key senior- and staff-level vacancies and update the Director's performance expectations to include performance metrics and timeframes for filling key positions. The COO should also oversee the development of a mechanism for evaluating and predicting procurement staff levels to anticipate trends and hiring needs in order to initiate the hiring process in a timely manner when positions need to be filled.

[The Office of Contracts and Grants Management Needs to Strengthen its Oversight of Contracting Officer's Representatives](#)

CORs perform many important activities in relation to contractors, and are therefore an important component of the Library's procurement workforce at large. However, the IPA determined that COR performance is not adequately overseen. CORs often lead, or play a significant role, in the deliberations of technical evaluation teams that result in contract awards and/or task orders. During the active phase of a contract, CORs oversee the Library's interests and ensure contractor compliance with performance requirements. CORs identify contractor performance issues, communicate such issues to OCGM contracting officers, and participate in resolving issues. CORs also approve final payments to contractors based on an evaluation of contractor compliance with performance requirements and participate in actions to close out contracts.

As outlined in Library of Congress Federal Acquisition Regulation Supplement (LCFARS), service units select a COR based on technical, professional, and administrative qualifications, and an OCGM contracting

¹³ *Library of Congress, Acquisition Function, Concept of Operations*, October 2013, page 43.

officer must review the proposed COR's qualifications. However, there were no policies, procedures, or other forms of guidance for monitoring and evaluating COR performance, and for holding CORs accountable for their internal control responsibilities. Although COR duties may comprise significant portions of an employee's time, there was no requirement for the service unit and/or contracting officer to evaluate COR performance, such as on an annual basis as part of the employee performance appraisal process.

The Director has made a significant amount of guidance available for use by CORs on OCGM's website, but in the absence of a compliance-monitoring regimen, the Library was at risk of inconsistent COR practices and uneven compliance and performance. For example, if a COR has not properly documented a contractor's work during the performance stage of the contract, it would be difficult for the Library to refute a contractor's request for an equitable adjustment. Alternatively, the absence of appropriate COR monitoring and documentation would endanger the Library's ability to prevail in rejecting a deliverable that does not conform to contract requirements. However, in many cases the 14 CORs interviewed for this audit spoke positively about the training, in which they found noticeable improvements in content and availability over the last two years. OIG commends the Director for the quality and availability of the COR training.

The Library must change the current paradigm and develop a process where OCGM participates in holding employees accountable for their COR responsibilities. The Director, with assistance from HRS and service unit management as appropriate, should develop and implement policies and procedures for OCGM management, and the relevant contracting officer, to participate in evaluating COR performance as part of the annual employee performance appraisal process. The policies and procedures should outline performance expectations for COR performance, including COR internal control-related responsibilities.

OCGM could improve its oversight of CORs by maintaining accurate data on COR workload, which would enable OCGM and service units to better distribute workload and potentially save on COR training costs. The OIG was not able to obtain a current, comprehensive list of CORs. OCGM provided two separate listings of employees it stated were actively serving as CORs. In reviewing the lists, OIG identified 31 occurrences in which names on one list were not on the second list and 17 occurrences in which names did not appear in the Library's directory of current employees. Of all the Library's 380 CORs, OIG also determined that the CORs workload varied—each active COR administered between one and 73 procurement actions and that there were 33 inactive CORs. The Director should develop and maintain an accurate roster of active CORs and the contracts they manage. The Director, HRS, and service unit management should evaluate COR workload in an effort to distribute COR assignments to be more efficient. A closer analysis of

workload data could also facilitate the elimination of unnecessary CORs, which would reduce the costs associated with CORs.

Recommendations

We recommend that the COO:

7. Engage the Director and HRS to immediately prioritize the development of a strategic workforce plan for the procurement function that has metrics focused on reducing average vacancy terms, reducing attrition, and emphasizing position longevity. The plan should be developed using a PMBOK approach, include comprehensive strategies for recruiting, retaining, and developing procurement personnel, and include performance measures to evaluate the plan's progress in addressing human capital goals.
8. As indicated by the strategic workforce plan, expedite HRS' efforts to fill key senior- and staff-level vacancies, including the following as appropriate:
 - Contracts Chief,
 - Policy Analyst,
 - two Supervisory Senior Contracting Officers,
 - two GS-13s,
 - three GS-12s,
 - two GS-9s, and
 - one GS-7.
9. Update the Director's performance expectations to include performance metrics and timeframes for filling key positions as indicated by the strategic workforce plan.
10. Develop a mechanism for evaluating and predicting procurement staff levels to anticipate trends and hiring needs in order to initiate the hiring process in a timely manner when positions need to be filled.

We recommend that the Director, with assistance from HRS and service unit management as appropriate:

11. Develop and implement policies and procedures for OCGM management, and the relevant contracting officer, to participate in evaluating COR performance as part of the annual employee performance appraisal process. The policies and procedures should outline performance expectations for COR performance, including COR internal control-related responsibilities.

We recommend that the Director:

12. Develop and maintain an accurate roster of active CORs and the contracts they manage.

We recommend that the Director, HRS, and service unit management:

13. Evaluate COR workload in an effort to distribute COR assignments more evenly, which should facilitate the elimination of unnecessary CORs and the reduction of costs associated with training CORs.

Management Response

Library management generally concurs with the above findings and recommendations.

Improvements Needed in the Management of Procurement Data

OCGM needs a more comprehensive system of internal control for ensuring the accuracy and completeness of its procurement data, as prescribed by GAO's *Framework*, in the Library's financial management system, Momentum, and its acquisition module. According to GAO's *Framework*, effective stewardship of procurement data provides assurance that data can be accurately translated into meaningful information about organizational activities. GAO notes that throughout the procurement process, financial information should be tracked and communicated in a way that enables effective evaluation and assessment of acquisition activities. Procurement data need to be accurate, accessible, timely, and usable for decision making and activity monitoring to be effective. When data are not useful, relevant, timely, or reliable, the procurement function is at risk of inefficient or wasteful business practices.¹⁴ Leading organizations gather and analyze procurement data to identify opportunities to reduce costs, improve service levels, and measure compliance.¹⁵ Procurement data-related controls were limited and OCGM's filing system was not adequate.

The IPA identified the following conditions:

- **OCGM generally lacked the internal controls necessary to ensure that procurement data were accurate and complete –**

OCGM has not leveraged Momentum's existing capabilities, controls, and reporting mechanisms to effectively and efficiently manage

¹⁴ GAO-05-218G, September 2005, page 20.

¹⁵ Ibid, page 43.

contracts. OCGM personnel rely on off-line spreadsheets, manual calculations, and ad hoc processing to oversee and administer procurement actions. Additionally, OCGM's procurement processes have few control points to ensure data accuracy. OCGM's automated audit trail had missing and inaccurate data elements key to managing and administering contracts, which distorted the integrity and usefulness of the procurement data. For example, by comparing procurement data in Momentum vs. OCGM's hard copy files for 41 high-risk contracts and task orders, the IPA identified 22 contracts (about 54%) with differences amounting to \$13.4 million (absolute value).

OCGM personnel were also not using a key data field and were not accurately and consistently recording certain data in Momentum's acquisition module. For example, OCGM personnel were not utilizing the data field for recording the contract number. This information is important to overseeing and administering contracts and contract payments. It would facilitate the identification of all contract actions associated with the base contract, which would make contract administration more effective. Also, OCGM could not provide an accurate and consistent listing of CORs. This information is useful for tracking purposes, workload analysis, and other purposes.

- **Momentum's procurement data-related controls were limited –**

Momentum did not contain sufficiently detailed information to efficiently associate all task orders with the base contract, thus the Library will face challenges in performing effective contract administration and timely closeouts. The IPA attempted to complete a reconciliation of FY 2016 obligation and contract data and identified a difference of about \$38.6 million. OCFO was not able to provide detail of all transactions associated with a contract number, but in December 2016, OCFO demonstrated that it could reconcile to grand totals of all transactions processed, based upon the transaction document number. The regular reconciliation of systems sharing the same information is a basic internal control to assure the accuracy and completeness of system data and the reliability of financial reporting data.

The IPA also determined that Momentum's contract ceiling control was not working. According to interviews with OCGM personnel, contracting officers are reconciling individual award amounts to the contract ceiling amount if they believe the Library is close to reaching the ceiling; OIG does not consider this an adequate control. Over the years of initiating Momentum system changes, OCFO was not appropriately documenting the changes and in some cases, OCFO does

not understand how the system controls were working or whether they were in place. Thus, OCFO needs to re-baseline the system. OCFO plans to address this issue.

In November 2014, OCFO and OCGM conducted a gap analysis of the Momentum Acquisition Module to address what OCGM identified as its and the Library's procurement information needs.¹⁶ The final analysis showed 12 areas requiring remediation. The gap analysis was the right step to take. However, at the time of the audit, multiple issues remained open requiring action to remediate the gaps because critical project management artifacts, such as a critical path and milestones, were not completed to drive the execution of filling the gaps. Further, only one internal control deficiency identified by the IPA appeared in the reported gap areas and no action has occurred to effectively close that gap.

- **OCGM's filing system was not adequate –**

OCGM did not manage or store contract files in their entirety. OCGM did not provide the IPA with complete contract files because task orders and other actions were kept in various areas and not with the base contract. This was the case despite OCGM making a procedure change in 2016 that required all future task orders to be filed with the base contract. Because being able to retrieve hard copy files is a critical operating need for research, reference, and responding to contract claims, all open contract files should be inventoried, accounted for, and re-filed under a comprehensive inventory and associated file management system. This should make it easier for contracting officials to retrieve originally signed documents, which are frequently needed for legal reasons. The practice is also necessary because the IPA identified that in many cases important documents were not available in Momentum and that hard copy files were missing documents. The Director should develop a documented procedure defining system requirements and compliance along with operating practices designed to ensure the accuracy and reliability of the database.

The conditions above existed because OCGM does not have an internal control process in place to identify risks and the associated controls needed to minimize the risks and test the design and effectiveness of those controls. These activities are prescribed by GAO's *Framework* and its *Standards for Internal Control in the Federal Government*.

¹⁶ Momentum Configuration Group, *Momentum Acquisition System Gap Analysis*, November 5, 2014.

In light of the IPA's finding of differences between system data and hard copy file data, it is an imperative that the COO implement critical quality assurance and control processes. OCGM should review its current contract file workflow and review process, and develop an effective quality assurance process. The COO, CFO, and Director should take steps to ensure that data reflected in its knowledge and information management systems have the following properties:

- Sufficient internal controls to provide reasonable assurance that data are accurate, complete, timely, and reliable;
- Consistency among data definitions, sources, controls, and edit routines;
- Data grouped into logical categories and managers collect data according to commonly accepted reporting time frames;
- Data are redundant only when necessary. Inconsistencies are eliminated; and,
- Data are accessible to authorized users when needed.

The COO should ensure that the design of the procurement process across the Library, including OCGM and OCFO, provides assurance to confirm that all required steps to an award have been completed, all required documents are in the file and under proper control, and that accounting controls for Momentum and its subsidiary system are in place, such as data validity controls surrounding contract/task order number, amount, date, vendor, contracting officer, and COR. The COO should ensure that the quality assurance process becomes permanent and there is a component that assesses quality assurance activities. The COO should complete the process with collecting and reporting metrics that measure the level and types of defects found along with trend information.

Recommendations

Within the framework of the procurement function strategic plan, the COO, CFO, and the Director should establish goals to improve the Momentum Acquisition System's internal controls, contract file management, and quality assurance process. To accomplish those goals, we recommend the COO initiate the following:

14. Conduct a full evaluation of the Momentum acquisition module's internal control design to ensure the appropriate controls are

implemented for assuring the reliability and accuracy of contract and related financial data.

15. Revise OCGM's policies and procedures to require quality assurance processes for verifying that all systems are operating as designed and compliance is adequate.
16. Develop and implement an OCGM quality assurance program to assure the completeness of contract documentation and consistency between Momentum system data and hard copy contract files.
17. Obtain assistance from cataloging and systems experts within the Library to design and install an OCGM contract file management process that appropriately tracks contracts files. The system should include a full battery of reports for managing and retrieving missing files, conducting full or partial file inventories, and removing expired files.
18. Develop and install a daily automated reconciliation process for balancing contract/task order open obligations by number and amount between Momentum's acquisition and financial modules.
19. Update the November 2014, *Momentum Acquisition System Gap Analysis* by evaluating the design of system internal controls, the electronic audit trail/workflow, and data input validation.
20. Develop quality assurance program performance metrics.

Management Response

Library management generally concurs with the above findings and recommendations.

Appendix A: Basis for Report including IPA's Objectives, Scope, and Methodologies

This report presents OIG's discussion of its contractor's findings on the follow-up audit of the Library's procurement function. The Library's OIG engaged an independent public accounting firm (IPA) to conduct a performance audit of OCGM. The primary objective of that performance audit was to evaluate the Library's actions taken to remediate deficiencies and weaknesses identified in OIG Special Report No. 2011-SP-106, *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution*, March 2012 (2012 Audit Report). As part of the engagement, the IPA reviewed:

- Fiscal year (FY) 2016 Library of Congress procurement actions for compliance with the Federal Acquisition Regulation (FAR) and Library of Congress guidelines, including Library of Congress Federal Acquisition Regulation Supplement (LCFARS);
- OCGM's Customer Service Program, including OCGM's website for functionality and ease-of-use, as well as communications with Library stakeholders;
- OCGM's Human Resources (HR) functions related to the Library's procurement community; and
- The overall effectiveness of OCGM's training programs.

While performing the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), the IPA reported that it employed the following methodologies:

- Obtained and reviewed the prior audit report to identify potential areas of concerns and management control issues;
- Reviewed statutory and regulatory guidance and standard operating procedures (SOPs) pertaining to contract management. Reviewed Library policies and procedures related to accounting and procurement;
- Interviewed key accounting, contracting, and HRS management personnel;
- Obtained OCGM's FY 2016 procurement transactions from Momentum;
- Analyzed hard copy source-documents and corresponding automated data;

- Evaluated the sufficiency of internal controls over the contracts management process and execution of procurement actions; and
- Conducted sampling for attributes to evaluate contract file compliance with the FAR and Library regulations.¹⁷

The IPA also conducted interviews of Library staff and management, reviewed customer service surveys, examined employee training records, and evaluated OCGM and HRS data regarding OCGM retention rates, professional training, and hiring plans. The IPA performed its work between September 2016 and April 2017.

OIG conducted oversight of the IPA's compliance with the contract's requirements including the statement of work and related deliverables. However, we did not audit the IPA's compliance with GAGAS and we give no assurances (negative or positive) as to whether the IPA complied partially or in full with GAGAS. OIG's current report is a discussion of the IPA's findings and recommendations and includes the Library's responses to OIG's interpretation of those findings and recommendations. OIG's interpretation of the IPA's report should not be construed as a performance audit conducted in accordance with GAGAS.

¹⁷ IPA developed a methodology for identifying high-risk contracts. Those contracts were stratified between simplified acquisitions (under \$150K) and over \$150K. The IPA judgmentally selected 41 contracts from the two strata (23 over \$150K and 18 below \$150K). The IPA tested 15 attributes and judgmentally evaluated the sample results.

Appendix B: Analysis of 2012 Corrective Actions

The 2012 OIG Audit Report entitled *Ongoing Weaknesses in the Acquisition Function Require a Senior Management Solution* identified 21 findings and presented 51 recommendations to correct noted deficiencies in the Library of Congress' (LOC) acquisition process. OCGM has since reported the implementation of 50 of 51 recommendations, with one in-progress.

The IPA's assessment of corrective actions taken by OCGM to resolve the 2012 findings is available below. Of 51 identified deficiencies, the IPA determined that OCGM:

- Resolved 30 issues
- Partially resolved 10 issues
- Did not resolve 8 issues
- Closed 3 issues without action

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
I.A.1-- Establish a support component to ensure effective and efficient performance of critical functions that support the Office of Contracts. The position should be staffed with a senior, experienced GS-1102, grade 14.	Implemented	As of 6/15/2014, OCGM has hired a GS-1102-14 to serve as Supervisory Contracting Officer. (Open Recommendation Schedule for Period Ending 9-30-14.XLS)	While OCGM did hire a GS-14, that employee is currently a Supervisory CO and does not fill a support component role.	Did Not Meet
I.A.2-- Rewrite the Contracts Operating Instructions (COI) manual deleting those policies that merely restate the FAR and drafting specific guidance geared toward LOC's acquisition activities. Organize the COI so that it is easily accessible.	Implemented	OCGM Directive 6-110, LOC FAR Supplement (LCFARS), which replaces COIs and maps LOC-specific contracts guidance to the FAR, was issued June 2015. (OIG Final Update to Open Audit Recs as of Sep 30 2015.XLS)	OCGM has incorporated the LCFARS, which provides supplemental guidance and deviations to the FAR. The LCFARS is designed to be read in conjunction with the FAR.	Met
I.B.1-- Fill the Director slot with a permanent, qualified, and experienced acquisition professional. This will signal the importance of the acquisition function within LOC and provide much-needed guidance and leadership to the OC.	Implemented	The position of Director of Contracts and Grants Management was filled in the third quarter of FY 2013. (OIG Recommendation Schedule for Period Ending 9-30-13.XLS)	OCGM hired Mr. Ron Backes to fill the slot of Director. After reviewing the position description and performance appraisal, the IPA concluded that the role was filled with a qualified and experienced individual.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
I.B.2-- Examine the need for both a Director and Chief of Contracts position. If retained, both roles and responsibilities should be clearly defined.	Implemented	The Office of Contracts (OCM) has reviewed best practices of similar Legislative Branch agencies and validated that a SL Director of OCGM and a Chief of Contracts are appropriate to the organization. Clearly defined position descriptions exist for both positions. (Master Rec Schedule 9-12.XLS)	The IPA noted that although the Chief of Contracts position is listed as within the organizational chart for FY 2016, the spot is still vacant and we were not able to obtain a position description of the position for review.	Did Not Meet
I.C.1-- Define and implement an organizational structure for the OC that provides a reasonable supervisory span of control. Specifically, the OC requires two experienced contract specialists, Federal Acquisition Certification in Contracting (FAC-C) Level III contract professionals, GS-1102-14s, to facilitate close supervision and mentoring of contract staff.	Implemented	OCM recruited and hired in May 2012, two additional GS-1102-14 Supervisory Contracting Specialists with Level III certification, for a total of three supervisors, establishing an appropriate span of control. (Master Rec Schedule 9-12.XLS)	Although the structure is present, the IPA notes that the current structure of OCGM includes two Supervisory Contract Specialists, one acting Supervisory Contract Specialist, and 17 staff contract specialists. The IPA believes this to be an insufficient amount of supervision to provide adequate supervision to staff personnel.	Partial
I.D.1-- Develop a balanced scorecard approach to measure the effectiveness of the contracting function. Key dashboard metrics should include: a. Percentage of Competitive Actions and Dollars; b. Number of Ratiications; c. Procurement Action Lead Time; d. Percentage of Staff FAC-C Certified; e. Staff Turnover Rate; f. Customer Satisfaction Results; and g. Contract Specialist Use of Momentum	Implemented	OCM implemented a performance dashboard Q1-FY2012 to track monthly key operational performance metrics. (Master Rec Schedule 9-12.XLS)	The IPA reviewed the proposed Key Performance Indicators (KPI) from 2014, which identified four potential KPIs: <ul style="list-style-type: none"> • Contract risk mitigation • Procurement action lead time • Federal acquisition certification • Customer satisfaction. Additionally, the 2016 CONOPS stated, “deployed [KPIs] related to timeliness, risk, and customer satisfaction.” However, no evidence was provided to verify implementation.	Did Not Meet

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
I.E.1-- Quickly develop and implement a rigorous training program.	Implemented	OCM assessed specialized training and certification requirements, Quarter (Q) 1- FY 2011. A training curriculum commensurate with OFPP requirements was developed and funded. Certification and developmental training is ongoing, with a total of 1,200 certification training hours completed as of June 15, 2012. (Master Rec Schedule 9-12.XLS)	While OCGM may have developed a training curriculum in 2012, no evidence was presented to the Audit Team. However, OCGM did create and deliver at least eight acquisition-related training courses, albeit most are COR-focused. No evidence of an ongoing, comprehensive training program was found.	Partial
I.E.2-- Develop training goals, (i.e., obtain FAC-C level I certification for all staff within 12 to 14 months).	Implemented	OCM developed training goals, which were funded in FY 2012 for 1102-series staff to achieve certification within 12-14 months. 83% of the 1102-series Contracting Specialists hired between February 2011 and May 2012 are certified as FAC-C Level I, Level II, or Level III, as appropriate to the position and grade. The 1105-series staff is also funded for certification training. (Master Rec Schedule 9-12.XLS)	While OCGM may have developed training goals in 2012, there was no evidence of goal maintenance or improvements. No formal training program forecasting documents, funding allocations, or other supporting evidence of continual focus was presented.	Did not Meet
I.E.3-- Ensure all staff members have Individual Development Plans (IDPs).	Implemented	OCM implemented a Performance Management Program, Q4- FY2011, including Individual Development Plans. Supervisors are responsible for conducting mid-year reviews and identify performance improvements as appropriate. (Master Rec Schedule 9-12.XLS)	The IPA evaluated 23 IDPs for OCGM personnel and noted that 22 did not provide sufficient direction to individuals on which courses they should take throughout the year. Twenty-one of 23 were not signed by either the individual or the supervisor	Did Not Meet

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
I.E.4-- Develop and implement an orientation/mentoring program for new employees.	Implemented	OCM developed and implemented, beginning October 1, 2011, an orientation program for new and existing Contracts staff to become more knowledgeable about their respective customer program areas through: program office visits (including Taylor Street and Culpeper), briefings about the Library's strategic goals, Momentum training, and OSO mission and vision briefings. OCM also improved the span of control and supervision with three GS-14 supervisors who have implemented mentoring opportunities. (Master Rec Schedule 9-12.XLS)	No evidence of an OCGM mentoring program from 2011 was available for review. Additionally, in a talking-point document presented by the OCGM Director, he stated, "OCGM operates an informal Mentoring and coaching program to integrate new employees into the organization and to ensure they have the resources they need to be successful." However, during interviews with OCGM, only one comment regarding this area was provided: "Make training a higher priority; [] improve the onboarding process"	Did Not Meet
I.F.1-- Strengthen the oversight process by putting a more rigorous Contract Review Board (CRB) process in place.	Implemented	A formal review process with increased authority and accountability for the Chair of the CRB has been implemented and enforced by the Acting Director. (Master Rec Schedule 3-28-13.XLS)	The IPA reviewed the SOP for CRB (dated January 31, 2015), as well as evidence presented during contract folder testing. The IPA identified additional quality assurance issues, which remain unresolved.	Partial
I.F.2-- Rewrite COI 1003 to be a more comprehensive Oversight Policy and Contract Review Process.	Implemented	OCGM Dir 6-110, LCFARS, incorporates technical guidance related to CRB. See section LC04.7203. (OIG Final Update to Open Audit Recs as of Sep 30 2015.XLS)	The IPA noted that CRB guidance is provided in the LCFARS dated June 1, 2016.	Met
I.G.1-- Institute internal controls requiring at least a peer review by a supervisor or a contracting officer with a minimum of a FAC-C Level I certification on all procurement actions over the micro-purchase threshold.	Implemented	Awards over and under the micro-purchase threshold are reviewed by a GS-14 supervisor or contracting officer. COI 1004 added peer review prior to final review and award by the warranted CO. (Master Rec Schedule 9-12.XLS)	During testing, the IPA did not identify any contracts missing supervisory approval.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.A.1 --Institute a set of controls to ensure COI 1002, Acquisition Planning Policy, is adhered to.	Implemented	The OCGM Supervisors have been directed to conduct detailed acquisition planning with their assigned Service Units when procurement requirements are identified. The Deputy Librarian has also met with and informed the senior managers in the Service Units of their responsibilities for acquisition planning. The Acting Director of OCGM is reviewing the effectiveness of these efforts and taking corrective actions when needed. (Master Rec Schedule 3-28-13.XLS)	Part LC07 of the LCFARS provides specific details for acquisition planning within LOC. Additionally; OCGM developed in-house training for service unit customers on the topic. However, during contract testing, five of 41 contract files (about 12%) did not provide evidence that OCGM personnel obtained required approvals for acquisition plans.	Partial
II.B.1 --Provide outreach training to those customers needing a better understanding of their acquisition-related duties and responsibilities.	Implemented	OCM provided weeklong FAR Immersion Training to LOC CORs during Q1-FY 2012. FAR-COR training was implemented LOC-wide in January 2012. OCM provided Market Research and Independent Government Cost Estimating training to LOC CORs and OCM staff Q3-FY 2012. OCM worked with SU program managers to validate their list of CORs and to provide guidance on latest COR certification requirements. OCM has updated its intranet site to include a Virtual Help Desk with information about the contracts process, guidance, templates, training, Frequently Asked Questions (FAQ), and other informational links. (Master Rec Schedule 9-12.XLS)	OCGM did provide a current training presentation for acquisition planning, which includes market research and independent Government cost estimate (IGCE). During contract testing, the IPA found three contract samples (of 41 tested) without evidence of market research.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
<p>II.C.1--Conduct intensive training for all in the acquisition chain regarding limits on sole source contracting, developing proper justifications, and emphasizing the benefits of competition.</p>	Implemented	<p>OCM implemented FAC-COR training January 2012, which includes instruction on sole source contracting, developing proper justifications, and the benefits of competition. OCM updated and enhanced its intranet site with a Virtual Help Desk to provide information on SOW, Sole Source justifications, and Competitive Awards. The Competition Advocate Program has been realigned to the OGC with online instructions and guidance, to all in the acquisition chain, on competitive awards and sole source justifications. (Master Rec Schedule 9-12.XLS)</p>	<p>OCGM did create training presentations regarding sole source contracts, justifications, and competition, and they have guidance documentation on the OCGM COR resources website.</p>	Met
<p>II.C.2--Create a method to track all sole source procurements and develop a plan to target a certain percentage of those procurements for conversion to a competitive track.</p>	Implemented	<p>OCM created a method and tracks competitive procurements versus sole source procurements as part of its performance metrics. Management does not agree that target percentages for conversion should be established. Instead, working with the Competition Advocate, OCM will partner with service units on those acquisitions that have been traditionally sole sourced to migrate them to competitive to the maximum extent appropriate. Data collection will be included in the Competition Advocate program restructuring. (Master Rec Schedule 9-12.XLS)</p>	<p>The IPA noted, during contract testing, that only three contracts were sole sourced out of a sample of 41. The three contracts that were sole sourced had proper justification and approval for the procurement.</p> <p>However, the IPA was not provided any evidence to support the tracking of sole source procurements and, therefore, cannot attest that a tracking mechanism exists.</p>	Partial

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.C.3 --Develop directives on appropriate use of sole source contracting and FAR synopsis requirements.	Implemented	FAR synopsis requirements are now contained in COI 1004.3. The Competition Advocate (CA) Program was realigned and new program guidance implemented July 1, 2012, on the use and justification for sole source awards. (Master Rec Schedule 9-12.XLS)	LC04.7302 defines sole source contracts as high risk. LC12.603 discusses the combined synopsis/solicitation procedure and the use of Standard Form (SF)-1449.	Met
II.C.4 --Implement a set of controls to ensure higher-level approval (i.e., Chief of Contracting) at the acquisition planning stage is obtained for all sole source procurements above the micro-purchase threshold.	Implemented	The Competition Advocate Program was realigned to the OGC effective July 1, 2012. Program guidance, levels of approvals and justification templates are provided for sole source procurement. (Master Rec Schedule 9-12.XLS)	The IPA did not note any instance where a sole-sourced procurement above the micro-purchase threshold was not approved by a higher-level officer.	Met
II.C.5 --Ensure that performance plans contain performance standards related to obtaining competition and that staff are rated accordingly.	Implemented	OCGM staff performance plans, implemented in November 2011, require implementing all FAR standards, including full and open competition as appropriate. (Master Rec Schedule 9-12.XLS)	OCGM Contracting Specialist's performance plans contained performance standards related to obtaining competition. However, this does not relate to COR performance plans.	Met
II.C.6 --Develop a competition advocate program so that opportunities for competition are not missed.	Implemented	LOC's Competition Advocate Program was realigned to OGC effective July 1, 2012. Program requirements for competitive and sole source procurements have been communicated to Service Units. Program guidance, levels of approvals and justification templates are provided on the OGC Intranet site. (Master Rec Schedule 9-12.XLS)	Based on contracts testing performed, only three contracts reviewed were sole sourced. In addition, there is documentation of a course offered by OCGM that highlights the competitive bidding process.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.D.1 --Establish a control process to prevent inadequate Independent Government Cost Estimates (IGCE) from being used.	Implemented	OCM implemented a two pronged approach to establishing a control process by: 1) Training - Level II FAC-COR training began in January 2012; in May 2012 training was held for OCM staff and LOC CORs on conducting and preparing an adequate IGCE; providing IGCE guidance and templates via the enhanced OCM intranet site, and 2) requiring validation for sufficiency by a contracting officer. (Master Rec Schedule 9-12.XLS)	Based on contracts testing performed, there were no exceptions found in regards to not having any IGCEs performed.	Met
II.D.2 --Develop clear guidance and IGCE templates for customers.	Implemented	OCM updated and enhanced its intranet site to include IGCE templates and guidance for customers. (Master Rec Schedule 9-12.XLS)	The OCGM website does provide an IGCE "template" and "instructions	Met
II.E.1 --Provide training for all in the acquisition chain regarding the preparation of IGCEs and techniques for making fair and reasonableness judgments.	Implemented	FAR-COR training includes instruction on preparing an IGCE. IGCE-specific training was held in May 2012, for all OCM staff and service unit CORs and has been added to the procurement curriculum. (Master Rec Schedule 9-12.XLS)	Based on contracts testing performed, there were no exceptions found in regards to not having any IGCEs performed.	Met
II.E.2 --Ensure that providing fair and reasonable cost estimates/price analysis is included in performance plans for contracting officers and considered during performance review.	Implemented	OCM Performance Plans for Contract Specialists require proficiency in the solicitation, negotiation, and award process, and are factors considered during performance review. (Master Rec Schedule 9-12.XLS)	The IPA evaluated the performance descriptions for requiring knowledge of solicitation, as well as other pre-award factors. We also evaluated the appraisals to ensure performance reviews incorporate the award process to the Contract Specialist.	Met
II.F.1 --Provide training on proper use and applicability of labor hour contracts and the requirement to prepare a Determinations & Findings (D&F).	Implemented	OCM will provide in-house training on the proper use of labor hour contracts and the required documentation. (Master Rec Schedule 9-12.XLS)	OCGM stated they have migrated from labor hour contracts and are now focused on firm fixed price (FFP) contracts.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.F.2 --Develop a D&F template for contracting officers.	Implemented	OCM has developed and implemented a D&F template for contracting officers. (Master Rec Schedule 9-12.XLS)	Determinations and findings are incorporated into the LCFARS.	Met
II.G.1 --Develop directives that clearly set forth the policy and constraints for using Library of Congress Regulation (LCR) 2111.	In Progress	OGC has filmed and will make available a training webinar providing guidance on the Internal Revenue Service (IRS) factors. OGC has also drafted a directive that will be circulated to relevant stakeholders in FY 2017 Q1. (FINAL Consolidated Status Updates on OIG Open Audit Recommendations as of September 2016.XLS)	Work in progress with targeted date of FY 2017 Quarter (Q) 2.	Partial
II.G.2 --Ensure that the contracting officer and management officials approving contracts on behalf of LOC pay special attention to all contracts that fall under LCR 2111 when they are conducting their reviews.	Implemented	As currently written, LCR 2111 prescribes the levels of review and approval signatures required for awards depending on the value and the former employment status of the individual. (Master Rec Schedule 9-12.XLS)		Met
II.H.1 --Ensure all staff is trained on the different procurement vehicles and contract types available and on their appropriate use.	Implemented	OCM staff has received training on the types of procurement vehicles and their use as part of ongoing certification training. Refer to Rec. I.E.1. , OCM has implemented a training program to have 1102s (contract specialists) certified by the Federal Acquisition Institute. FAI training courses cover all areas of the FAR, including the different procurement vehicles and contract types available. (Master Rec Schedule 9-12.XLS)		Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
<p>II.H.2--Utilize performance-based acquisition methodologies as a method to promote thinking, in terms of outcomes and deliverables.</p>	Implemented	<p>Performance-based contracting methodologies have been discussed with Service Units during acquisition planning and it is being utilized when evaluated as beneficial. (Master Rec Schedule 3-28-13.XLS)</p>	<p>The IPA found no exceptions related to performance-based acquisitions during contract testing.</p>	Met
<p>II.I.1--Provide training for all in the acquisition chain regarding limits on the use of options and the level of documentation required when they are included or exercised.</p>	Implemented	<p>OCM supervisors will provide continuous team training to assure options are properly utilized, implemented, and documented. The use of options and the level of documentation required will be included as part of acquisition planning sessions with service units when applicable, beginning with FY 2013 acquisition planning.</p> <p>Refer to Rec. I.E.1., OCM has implemented a training program to have 1102s (contract specialists) certified by the Federal Acquisition Institute. FAI training courses cover all areas of the FAR including the use of options. (Master Rec Schedule 9-12.XLS)</p>	<p>The IPA noted that training has been developed for the awarding of option years.</p>	Met
<p>II.I.2--Ensure that the contracting officer and management carefully review the use and exercise of options.</p>	Implemented	<p>The number of contracting officers has been reduced to ensure the most experienced contract specialists only approve these actions. OCGM supervisors and CRB members are aware of their responsibilities to ensure these actions are done correctly. (Master Rec Schedule 3-28-13.XLS)</p>	<p>During contract testing, the IPA noted that all contracts with exercised options were evaluated prior to option execution.</p>	Met
<p>II.J.1--Ensure Momentum is properly configured to meet contracting specialists' needs.</p>	Implemented	<p>There is an ongoing effort to review the needs of contract specialists and the requested Momentum changes have been completed. (Master Rec Schedule 3-28-13.XLS)</p>	<p>The IPA noted that there is no SOP(s) for completing tasks within Momentum.</p>	Did Not Meet

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.J.2-- Modify Momentum Acquisitions to create all of the different types of contract documents used by LOC.	Implemented	This is an ongoing effort with the Blanket Purchase Agreement being the most recent example of adding a contract type in the Momentum acquisitions module (implemented February 2013). (Master Rec Schedule 3-28-13.XLS)	Discussions with the OCGM Director revealed ongoing efforts to create more templates in Momentum. (In Progress)	Partial
II.J.3-- Conduct spot check reviews that solicitations are being prepared in Momentum.	Closed	Solicitations are to be prepared in Momentum. Contracting staff inform the system owner of any challenges to preparing a solicitation in the system. Closed. (Master Rec Schedule 9-12.XLS)	OCGM disagreed with recommendation and took no action to remediate the finding; therefore, the IPA did not test this element.	N/A
II.J.4-- Develop a contracting specialist performance standard: "Creates and documents all required actions in Momentum."	Closed	CS is aware that Momentum is the only system for preparing and executing procurement actions. Contracting staff inform the system owner of any challenges to executing their work. Closed. (Master Rec Schedule 9-12.XLS)	OCGM disagreed with recommendation and took no action to remediate the finding; therefore, the IPA did not test this element.	N/A
II.J.5-- Provide necessary training on the proper use of Momentum Acquisitions to appropriate LOC users.	Implemented	While OCM is a primary user of Momentum, the system owner has responsibility for providing training on the use of Momentum via its HELP Desk or direct calls to the system administrator. The monthly Contracts Working Group meetings have also been used to identify and elevate Momentum challenges to the system owner's representative for discussion and resolution. (Master Rec Schedule 9-12.XLS)	The IPA noted, during interviews and training documentation review, that there is no standardized training provided related to Momentum. However, during the NFR process, two reference guides were provided to the Audit Team.	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
II.J.6-- Track “Contracting Specialist Use of Momentum” as a performance metric	Closed	OCM staff are trained and required to use Momentum for creating contract documents; tracking this metric would not add value. CSs inform the system owner of any system challenges to executing their work. Closed. (Master Rec Schedule 9-12.XLS)	OCGM disagreed with recommendation and took no action to remediate the finding; therefore, the IPA did not test this element.	N/A
III.A.1-- Develop a customer survey tool in order to solicit customer feedback.	Implemented	OCM has updated and enhanced its intranet site to include a customer survey tool to solicit customer feedback. (Master Rec Schedule 9-12.XLS)	There is a customer survey tool available to customers via the OCGM website, and an annual survey is conducted.	Met
III.A.2-- Revise performance plans to emphasize sound, proactive communication with customers.	Implemented	OCM performance plans include accountability for communication with customers. (Master Rec Schedule 9-12.XLS)	The IPA’s review of OCGM performance plans showed verbiage supporting the requirement for communication with customers.	Met
III.A.3-- The Chief of Contracts should develop and implement a plan to improve OC’s communication and relationships with customers.	Implemented	OCM has implemented a communications strategy that includes regularly scheduled meetings with customers, monthly meetings with the Contracts Working Group, hotline number, email, and customer survey via the OCM intranet site. The OCM intranet site has been updated and includes a Virtual Help Desk providing information about the contracts process, templates, FAQs, and other informational links. (Master Rec Schedule 9-12.XLS)	Components for a communications strategy are evident (e.g., Contract Working Group, e-mail link, customer survey).	Met

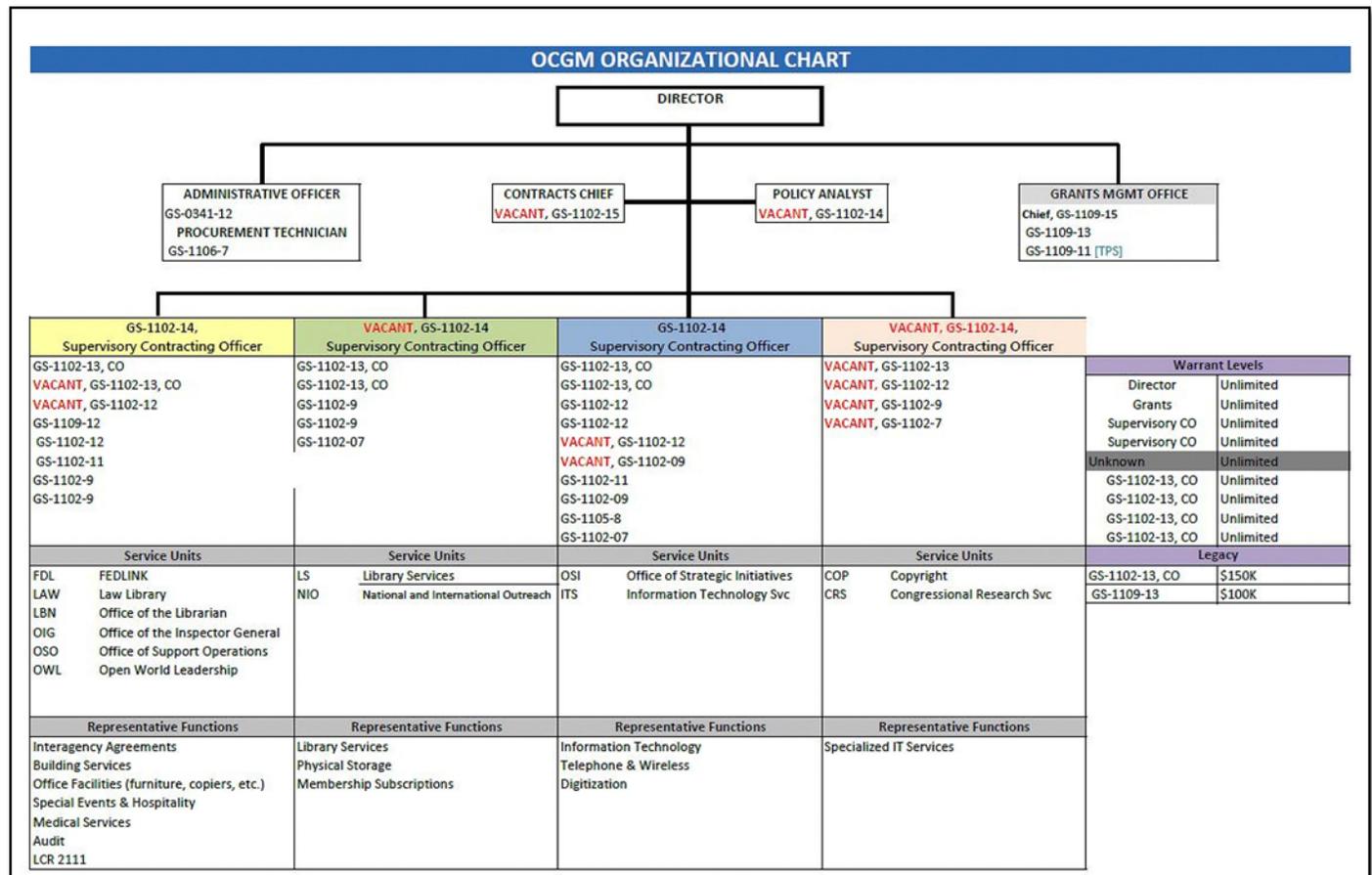
2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
<p>III.A.4--Develop an automated tool to enable customers to quickly and easily track progress of their requisitions and to further promote effective communication.</p>	Implemented	<p>The problems with teamwork and effective communications will not be solved by an automated tool. Other actions have been taken to ensure customers are informed and engaged in the procurement process. The cost of creating a new automated system is not justified with the current fiscal constraints. (Master Rec Schedule 3-28-13.XLS)</p>	<p>The IPA's interviews with customers revealed there is still a need for improved communication to/from OCGM, as well as a need for customers to quickly find the status of a procurement action. OCGM does produce recurring reports of status (Acquisition Pipeline, Active Contracts, and Contracts available for Ordering).</p>	Partial
<p>III.B.1--Restructure the Alert Handbook into a series of user-friendly, PowerPoint customer service training packages directed at two levels:</p> <p>a. Tier I-Executive leadership council for higher level executives-1 hour</p> <p>b. Tier II-Service Units who are responsible for requesting specific contract actions-3 hours</p>	Implemented	<p>A series of instruction for Contracting staff was developed and delivered during Q1 FY 2014. A program of instruction for CORs and Service Unit staff was developed and delivered during Q2 and Q3 FY 2014. The Director, OCGM implemented a project during Q4 FY 2014 to review and update OCGM websites. This project will continue through publication of the LCM (Governing Documents Initiative). (Open Recommendation Schedule for Period Ending 9-30-14.XLS)</p>	<p>OCGM did develop numerous training presentations on various topics.</p>	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
<p>III.B.2--Provide outreach training to those customers needing a better understanding of their acquisition-related duties and responsibilities.</p>	Implemented	<p>OCM provided weeklong FAR Immersion Training to LOC CORs during Q1-FY 2012. FAR-COR training was implemented LOC-wide in January 2012. OCM provided Market Research and Independent Government Cost Estimating training to LOC CORs and OCM staff Q3-FY 2012.</p> <p>OCM worked with SU program managers to validate their list of CORs and to provide guidance on latest COR certification requirements. OCM has updated its intranet site to include a Virtual Help Desk with information about the contracts process, guidance, templates, training, FAQs, and other informational links. (Master Rec Schedule 9-12.XLS)</p>	OIG reviewed and confirmed training delivered.	Met
<p>III.B.3--Require LOC senior leadership to enforce customer training/performance of acquisition-related roles.</p>	Implemented	<p>OCM distributed guidance to senior level management in January 2012, establishing new mandatory requirements for COR certification. The Chief of Contracts met with Service Unit directors, Q2-FY 2012, to discuss role and responsibilities of the COR. OCM partnered with CFO and SPO to draft Vulnerability Assessment statements related to COR responsibility for monitoring contracts, and COR certification deadlines. (Master Rec Schedule 9-12.XLS)</p>	OCGM developed a draft performance standard for CORs outlining duties and responsibilities. However, it has not been approved by LOC and, therefore, not implemented.	Partial

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
<p>III.B.4--Develop a SOP Procurement Process SOP so that customers understand that a good procurement package includes a SOW with the salient characteristics of the item or services to be purchased, market research, IGCE, and the evaluation factors used in the evaluation process. The SOP should include a Procurement Package Checklist.</p>	Implemented	<p>Training materials on statements of work, market research, independent Government cost estimate, and evaluation factors have been loaded to the OCGM website. (Open Recommendation Schedule for Period Ending 9-30-14.XLS)</p>	<p>An SOP for procurement process with details on the Statement of Work (SOW), proper market research, and IGCE was found on OCGM's training webpage for CORs.</p>	Met
<p>III.C.1--Rapidly develop a COR training program and institute a process within the Office of Contracts Management to record and monitor COR training.</p>	Implemented	<p>OCM implemented FAC-COR Level II certification training in January 2012. COR training and certification is being monitored via Library's learning management system. All CORs must have successfully completed certification training by January 1, 2014 to retain their status. (Master Rec Schedule 9-12.XLS)</p>	<p>OCGM modeled COR training from the FAC-COR program by FAI.</p>	Met
<p>III.C.2--Appoint CORs only after they have taken the requisite training.</p>	Implemented	<p>CORs will be assigned based on the latest OFPP memo on FAC-COR certification requirements. FAC-COR training was implemented in January 2012 along with guidance on requirements and deadline for certification. All CORs must have completed certification training by January 1, 2014 to retain their status. (Master Rec Schedule 9-12.XLS)</p>	<p>The IPA identified that OCGM had an informal process to appoint CORs only after training; however, in one instance, a Level 1 COR did not meet the requirements.</p>	Met

2012 Finding Number and Recommendation	Status	Corrective Action Description as Reported in OIG Semi-Annual Report	IPA Analysis of Corrective Actions	IPA Evaluation
III.C.3 --Track "Percentage of COR Certifications" as a performance metric	Implemented	Tracking of COR certifications was implemented in January FY 2012. Service Units are made aware when staff does not pass the test so that retesting or retraining may be considered. (Master Rec Schedule 9-12.XLS)	The proposed performance metrics document, dated August 26, 2014, identifies Acquisition Certification as a KPI. However, no evidence of tracking was provided to the Audit Team. Additionally, the ACM's performance plan does reflect the requirement to track COR certifications; however, the IPA's analysis revealed that CORs remain on the "certified COR list" until the service unit notifies OCGM or an e-mail from the ACM returns undeliverable.	Did Not Meet
III.D.1 --Develop a Knowledge Center (KC) in a SharePoint environment. This KC could be the homepage for the acquisition workforce, providing them with a single point of entry to websites, electronic tools, reporting, templates, policy, people, organizations, wikis, blogs, and discussion groups relevant to their mission. The site should have the ability to store a variety of documents, index those documents, and provide a seamless easy way to search for those documents.	Implemented	The OCGM website currently serves as a knowledge center for providing acquisition guidance, templates, and forms to customers. The current effort to improve performance emphasizes direct conversations rather than relying on electronic communications. (Master Rec Schedule 3-28-13.XLS)	Although the OCGM website has been implemented for storage of templates, guidance, and forms, there is still a lack of customer service. Moreover, through interviews, there is evidence to show that OCGM does not notify the CORs when changes are made to the website. Additional effort is required to fully implement the original recommendation.	Partial

Appendix C: OCGM Organizational Chart



Title: OCGM Organizational Chart

Source: Provided by OCGM during the IPA's audit fieldwork conducted between September 2016 and April 2017.

Appendix D: Management Response



Office of the Librarian

MEMORANDUM

DATE January 16, 2018
TO Kurt Hyde, Inspector General
FROM Mark Sweeney, Acting Deputy Librarian *MS*
SUBJECT Response to OIG Audit Report No. 2016-PA-101, Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management

Thank you for the opportunity to comment on the subject draft report. We appreciate the ability to respond to the findings and to continue improvement and modernization of the Library of Congress' procurement operations. The Library generally concurs with the report's findings and recommendations. The following narrative and attached chart detail the progress made to date and the Library's anticipated actions.

The procurement functions are being performed in accordance with a detailed operating plan that supports the Library's mission and current strategic plan. In addition, the Chief Operating Officer (COO) has outlined an agency-wide vision for procurement function improvements that includes the input and approval of all service units. Development of a formal plan to support this vision is underway and will be coordinated with the Strategic Planning and Performance Management Office to align with the design and hierarchies being established for the new Library of Congress Strategic Plan and to ensure contracting considerations and resources are integrated in the final agency goals.

The current operating plan has supported mission requirements and facilitated improvements in contracting operations. This has resulted in increased throughput from 1,900 contract actions awarded in 2014 to 3,148 contract actions awarded in 2017. Service delivery also improved with 95 percent of contracts now awarded within standard cycle times. During this time the workforce was increased from five to nine contracting officers and 11 to 19 contract specialists.

The Library recognizes the importance of continued improvement and the COO is leading the effort to develop forward-looking strategies and outcomes that will define success for Library contracting. Critical activities, information, and milestones required to formalize the new procurement strategy have been specified with a completion date of June 2018 in order to finalize a plan prior to fiscal year 2019. This will be a collaborative effort to ensure support of actions that will impact business operations throughout the Library. The progress of this effort is summarized below.

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Strategies for recruiting, retaining, and developing procurement personnel are being formulated to continue to improve the effectiveness of the Office of Contracts and Grants Management workforce. The expertise of human resource specialists and contract specialists is being utilized to develop a blueprint for human capital/workforce that focuses on the unique needs of the Library's procurement workforce and, in particular, those within the contracting office. A draft Acquisition Workforce Human Capital Strategy is being developed with discrete tasks and associated measures, dates, and dependencies that must be addressed to ensure the Library recruits, develops, and maintains an expert workforce that is responsive and fulfills procurement requirements. The Library currently is recruiting a chief of contracts and a procurement analyst and creating a fourth contracting team to focus on the dynamic environment of information technology modernization.

The contracting officer representatives (CORs) in the service units are essential contributors to the success of any acquisition. The COO is leading a Library-wide assessment of COR workloads in order to distribute COR assignments more effectively, ensure an appropriate number of qualified CORs to execute contracts, and reduce costs associated with training CORs. This includes developing new training and workload standards and evaluating the right size of the COR workforce. Outside expertise has been obtained to design and provide an enhanced 17-course curriculum tailored to contracting in the Legislative Branch.

Improved information technology to support the contracting process is necessary to increase efficiency and provide better data to support business decisions and execution. Evaluating past analyses and utilizing outside expertise to conduct a full evaluation of the Momentum acquisition module, system internal controls, workflow, and data is in progress. Plans for implementing quality assurance processes are also being developed. Library expertise will be utilized to assess, design, and recommend improvements in contract file management.

Attachment

cc: Edward Jablonski, Chief Operating Officer
Ron Backes, Director, Office of Contracts and Grants Management
Elizabeth Pugh, General Counsel

Report	Service/Support Unit	#	Recommendation	Status	Target Completion Date
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	Office of the Chief Operating Officer/Office of Contracts and Grants Management	1	The Librarian require the COO to articulate a strategic, integrated, and agency-wide vision for the procurement function where the COO holds managers accountable for their contributions to the procurement process.	The COO has outlined an agency-wide vision for the procurement function that includes the input and approval of all service units. As a new Library-wide strategic plan takes shape, the procurement vision will be updated to align with the Library's goals. A formal OCGM plan to implement this vision and support the Library-wide strategies is underway.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	OCCO/OCGM	2	Institute successful strategic planning practices as outlined by the Office of Strategic Planning and Performance Management, with heads of OCGM, OCFO, HES, and other key stakeholders (project team), produce agreed upon strategic goals with short-term (one year), mid-term (three years), and long-term (five years) goals. The COO should have the plan ready by the end of the second quarter of FY 2018.	The COO has outlined an agency-wide vision for the procurement function improvements that includes the input and approval of all service units. Further OCGM strategic planning will be addressed as the Library-wide strategic plan is developed.	2Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	OCCO/OCGM	3	Develop strategies and tactics (as part of 2 above) to accomplish the target state of the procurement function for the short-, mid-, and long-term strategic goals along with valid annual performance goals and valid and reliable performance measures.	The COO has outlined an agency-wide vision for the procurement function improvements that includes the input and approval of all service units. Further OCGM strategic planning will be addressed as the Library-wide strategic plan is developed.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	OCCO/OCGM	4	Use PMBOK best practices to develop and implement a project plan with a critical path for achieving the procurement strategic plan that includes all components (e.g., work breakdown structures, milestones, performance targets and metrics, and methods for tracking and reporting progress).	In development.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	OCCO/OCGM	5	Include in the critical path activities to address the 18 recommendations OIG made in the March 2012 report that remain outstanding. The Director should submit an action plan to the COO with planned steps and target dates for fully resolving all of the recommendations. The COO should make the development of the plan an element in the Director's FY 2018 performance plan.	In development.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management	OCCO/OCGM	6	Report quarterly to the Executive Committee and Librarian the COO's progress toward annual strategic and performance goals for the procurement function	To be incorporated into the OCGM strategic planning process.	3Q FY18

Report	Service/Support Unit	#	Recommendation	Status	Target Completion Date
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	7	Engage the Director and HRS to immediately prioritize the development of a strategic workforce plan for the procurement function that has metrics focused on reducing average vacancy terms, reducing attrition, and emphasizing position longevity. The plan should be developed using a PMBOK approach, include comprehensive strategies for recruiting, retaining, and developing procurement personnel, and include performance measures to evaluate the plan's progress in addressing human capital goals.	Strategies for recruiting, retaining, and developing procurement personnel are being formulated to continue to improve the effectiveness of the acquisition workforce. The expertise of human resource specialists and contract specialists are being utilized to develop a strategic human capital/workforce plan that focuses on the unique needs of the Library's procurement workforce and in particular those within the contracting office.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	8	As indicated by the strategic workforce plan, expedite HRS' efforts to fill key senior- and staff-level vacancies, including the following as appropriate: Contracts Chief, Policy Analyst, two Supervisory Senior Contracting Officers, two GS-13s, three GS-12s, two GS-9s, and one GS-7.	The Library is currently recruiting a Chief of Contracts and Procurement Analyst to be filled by 2Q FY18. The Library is creating a fourth contracting team, has posted additional positions at the GS-12 through 14 levels, and plans to post for entry-level GS-07 through GS-11 career ladder positions for recruitment concurrent with the conclusion of the current academic year.	3Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	9	Update the Director's performance expectations to include performance metrics and timeframes for filling key positions as indicated by the strategic workforce plan.	The Director's performance plan requires recruitment and selection of candidates for the Chief of Contracts, Policy Analyst, and Supervisory Contracting Officer for IT Modernization by 3/31/2018.	Completed
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	10	Develop a mechanism for evaluating and predicting procurement staff levels to anticipate trends and hiring needs in order to initiate the hiring process in a timely manner when positions need to be filled.	A draft Acquisition Workforce Human Capital Strategy has been developed with discrete tasks and associated measures, dates, and dependencies that must be addressed to ensure the Library recruits, develops, and maintains an expert workforce that is responsive and fulfills procurement requirements.	Completed
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	11	Develop and implement policies and procedures for OCCGM management, and the relevant contracting officer, to participate in evaluating COR performance as part of the annual employee performance appraisal process. The policies and procedures should outline performance expectations for COR performance, including COR internal control-related responsibilities.	To be incorporated in plans to enhance the knowledge and skills of the Library's acquisition workforce. The OCCO will conduct a competency and needs assessment, assess and right-size the number of Library Contracting Officer Representatives, develop a Library-focused procurement training curriculum, and deliver at least ten courses to the Library's contracting community by 6/30/2018.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	12	Develop and maintain an accurate roster of active CORs and the contracts they manage.	The Active Contract List available on OCCGM website at https://staff.loc.gov/sites/ocgm/lists/current_CORs and the contracts they manage.	Completed

Report	Service/Support Unit	#	Recommendation	Status	Target Completion Date
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	13	Evaluate COR workload in an effort to distribute COR assignments more evenly, which should facilitate the elimination of unnecessary CORs and the reduction of costs associated with training CORs.	COO leading Library-wide assessment of COR workload and developing new training and workload standards.	4Q FY18
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	14	Conduct a full evaluation of the Momentum acquisition module's internal control design to ensure the appropriate controls are implemented for assuring the reliability and accuracy of contract and related financial data	As a follow-on to the Momentum Gap Analysis, COO is assessing the Momentum acquisition module and associated systems to develop business requirements for solicitation and contract generation, internal controls, information entry and retrieval, and system performance. An entity with expertise in Momentum and third-party applications is being engaged to benchmark Library versus other agencies' use of Momentum; to identify solutions to improve acquisition information, system performance, and metrics for ensuring necessary information is collected and reported correctly; and to ensure proper internal controls are in place and working as intended.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	15	Revise OCCGM's policies and procedures to require quality assurance processes for verifying that all systems are operating as designed and compliance is adequate	See response to recommendation 14. Plans under development.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	16	Develop and implement an OCCGM quality assurance program to assure the completeness of contract documentation and consistency between Momentum system data and hard copy contract files	See response to recommendation 17. Plans under development.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	17	Obtain assistance from cataloging and systems experts within the Library to design and install an OCCGM contract file management process that appropriately tracks contracts files. The system should include a full battery of reports for managing and retrieving missing files, conducting full or partial file inventories, and removing expired files	COO is engaging an individual with cataloging and digital content management expertise to review the existing contract file business process and procedures, identify opportunities to digitize and manage digital records, and recommend technologies and applications to enhance access to contract documents.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	18	Develop and install a daily automated reconciliation process for balancing contract/hask order open obligations by number and amount between Momentum's acquisition and financial modules	See response to recommendation 14. Plans under development.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	19	Update the November 2014, Momentum Acquisition System Gap Analysis by evaluating the design of system internal controls, the electronic audit trail/workflow, and data input validation	See response to recommendation 14. Plans under development.	1Q FY19
Incremental Improvement Has Been Made to the Office of Contracts and Grants Management 2016-PA-101	OCCO/OCCGM	20	Develop quality assurance program performance metrics.	See response to recommendation 14. Plans under development.	1Q FY19