

July 24, 2019

**Response to DoD IG Research Project on DoD Office of Net Assessment Contract Management (Project No. D2019-D000AX-0104.000) Dated June 27, 2019**

On June 27, 2019, the Department of Defense (DoD) Office of Inspector General (OIG) provided the Office of Net Assessment (ONA) with its recommendations for consideration in response to the OIG's audit of four ONA contracts. ONA's response to those recommendations and corrective action plan are outlined below.

ONA takes seriously its mission and its obligation to secure proper contracts to support that mission. ONA will develop a Standard Operating Procedure (SOP) to address its procurement responsibilities. ONA anticipates completion of its SOP by October 31, 2019. The SOP will provide a checklist for preparing requirements, establishing evaluation criteria, and setting performance and quality standards for which to evaluate deliverables. ONA is working with the Washington Headquarters Services (WHS) Acquisition Directorate contracting office on development of this SOP. ONA has already implemented some of the actions below for the last four contract actions in FY19.

**DoD OIG Recommendations:**

**DoD OIG Recommendation #1:** *"Require that the contracting file constitute a complete record and include documentation required in Federal Acquisition Regulation, Subpart 4.8, such as signed copies of the contract and COR Nomination Letters."*

- o Concur. The Contracting Officer Representative (COR) will develop a COR Folder Checklist for all ONA contracts with the assistance of the contracting officer.

**DoD OIG Recommendation #2:** *"Require the COR to maintain a record of all communication with the contractor throughout the life of the contract(s)."*

- o Concur. The COR review of travel is documented and included in the COR file. Email correspondence between the COR and contractors will be saved to the COR file. The COR has already implemented this action. Notes from significant telephone calls and meetings also will be recorded in the COR file. The requirement will be formalized in the COR Folder Checklist.

**DoD OIG Recommendation #3:** *"Require COR oversight to validate the contractor performed their work in accordance with the statement of work by implementing measures of support for people interviewed and that the interview related to the contracted research effort; and justification of travel and that travel related to the contracted effort."*

- o Concur. ONA concurs that the COR should validate contractor performance in accordance with the contract and statement of work. However, ONA does not agree that every contract



requires exhaustive or significant verification of the methods used to derive analytic content. ONA quality control measures will be dictated by ONA requirements and the statement of work. Deliverables are reviewed and accepted based on the quality of the work and in accordance with the terms of the contract. Consistent with this practice, deliverables were reviewed and assessed for the four contracts audited by the DoD OIG. The Government received deliverables that were high quality and conformed to the requirements set forth in the contract. The Government determined that the contractor performed satisfactorily.

The ONA evaluation team will continue to review proposals submitted by contractors in accordance with the instructions listed in the BAA. As appropriate, ONA will identify areas of the proposed Statement of Work that may need to be negotiated if a contract is to be awarded for the contracting officer to address with the contractor. For instance, ONA will ensure there are discreet and measurable tasks, and add achievable and clear quality standards for deliverables (such as clarity, validity, and timeliness, as appropriate to the requirement). ONA will provide a recommendation to the contracting officer for the contracting officer to make an award determination.

Each requirement will establish quality standards based on ONA's minimum needs. These quality control measures will be developed on a case-by-case basis and will dictate the minimum quality standard for performance of the contract. Once developed the, quality standards will be included in the contract and used as acceptance criteria for deliverables.

- o Concur. ONA concurs travel must be justified and related to the contract effort. The COR already follows FAR 31.205-46, Travel Costs, to determine allowable expenses. As a practice, ONA requires similar substantiating documentation as required for Defense Travel System (DTS) travelers. Contractor travel locations sometimes change or deviate from the initial proposal due to availability of participants. These travel changes are approved on a case-by-case basis, assuming costs are within contractual limits and it is beneficial to the Government. As part of its SOP, ONA will develop a checklist to document that travel is paid and justified consistent with FAR 31.205-46, Travel Costs. Further, the COR will ensure that changes to the travel locations identified in the contract are coordinated with the contracting officer and consistent with terms of the contract.

DoD OIG Recommendation #4: *"Implement a process to verify that the COR completed all requirements outlined in the COR nomination letter."*

- o Concur. ONA will add a COR Folder Checklist to its contract files and request an updated COR Appointment Letter from the designated contracting officer. Additionally, after discussions between ONA and WHS Acquisition Directorate beginning in July 2018, the contracting officer received an upgraded clearance as of June 2019, which will allow the contracting officer to better review files and participate in meetings, as appropriate. Further, ONA added additional acquisition support to further assist the COR.

DoD OIG Recommendation #5: *"Require the contractor to submit required travel receipts before approving travel related invoices."*

Disclosure Authorized by the Chairman

- Concur. Contract language will be inserted in all ONA contracts that requires the contractor to provide travel receipts in order for the contractor to be reimbursed for allowable, allocable, and reasonable travel costs incurred during the performance of the contract. Costs for travel shall be billed in accordance with FAR 31.205-46, Travel Costs. This is an ongoing effort.

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