



Office of Audits
Office of Inspector General
U.S. General Services Administration

ALERT MEMORANDUM: GSA's Office of Administrative Services' Award of a \$13.7 Million Task Order Is Invalid

Memorandum Number A240066-2
August 8, 2024



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TO: ROBERT STAFFORD
CHIEF ADMINISTRATIVE SERVICES OFFICER
OFFICE OF ADMINISTRATIVE SERVICES (H)

FROM: FOR THOMAS TRIPPLE
REGIONAL INSPECTOR GENERAL FOR AUDITING
MID-ATLANTIC REGION AUDIT OFFICE (JA-3)

SUBJECT: Alert Memorandum: GSA's Office of Administrative Services' Award of a
\$13.7 Million Task Order Is Invalid
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This memorandum is to notify you that GSA Task Order Number 47HAA024F0028, awarded by GSA's Office of Administrative Services (OAS), is invalid. GSA is not an authorized user of the underlying blanket purchase agreement (agreement), rendering the award improper. As a result, OAS must take immediate action to cease any further work or payments.

Background

The Department of Defense (DOD) established the Enterprise Software Initiative (ESI) to manage enterprise information technology (IT) agreements for commercial software, IT hardware, and services. The goal of the initiative is to save time and money on commercial IT purchases by establishing a unified contracting and vendor management strategy across DOD.

One ESI agreement, Agreement Number N66001-19-A-0049, is for IT research and informative services. The agreement, and its supplemental ordering guide, establishes three categories of authorized users:

1. DOD departments and agencies;¹
2. GSA or other agencies, ordering on behalf of DOD; and
3. All federal agencies, if the Office of Management and Budget has designated the agreement Best in Class.²

On February 1, 2024, OAS awarded sole-source Task Order Number 47HAA024F0028, valued at \$13.7 million, against ESI Agreement Number N66001-19-A-0049. The task order is for research membership licenses, benchmarking and consulting services, and to assist with GSA's management of government IT services. According to the awarding GSA contracting officer, the task order is used by GSA's Office of IT, Office of Government-wide Policy, Office of Human Resources Management, and the Federal Acquisition Service's Office of Information Technology Category. To date, GSA has spent nearly \$1.2 million under the task order.

We are currently conducting an audit of this task order to determine if it was awarded in accordance with the Federal Acquisition Regulation, General Services Administration Acquisition Manual, blanket purchase agreement guidelines, and other applicable internal policies.

Result

Task Order Number 47HAA024F0028 Is Invalid Because GSA Is Not an Authorized User of the Underlying ESI Agreement.

The GSA contracting officer awarded Task Order Number 47HAA024F0028 without the authority to use the underlying ESI agreement. As discussed above, the underlying ESI agreement, and its supplemental ordering guide, established three categories of authorized users. GSA does not fall into any of them. First, GSA is not a DOD department or agency. Second, GSA did not place this order on behalf of DOD. Third, this ESI agreement has not been designated Best in Class.

Since the GSA contracting officer did not have the authority to use the ESI agreement, the task order is invalid. As a result, this task order is void; no further work should be conducted, or payments made.

¹ As defined in 48 C.F.R. 202.101.

² Best in Class designations identify government-wide contracts that meet key criteria defined by the Office of Management and Budget and are recommended or required for use by memorandums or other policy.

Conclusion

OAS awarded Task Order Number 47HAA024F0028 without the authority to use the underlying ESI agreement. As a result, OAS must take immediate action to cease any further work or payments.

If the underlying services are still required, OAS should conduct a new acquisition. However, our preliminary audit work indicates potential additional deficiencies in the award of this task order, including price reasonableness, competition, and compliance with internal controls. As such, you should closely monitor a new acquisition to ensure the integrity of the procurement process.

Compliance Statement

This memorandum complies with the Council of Inspectors General on Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General. The related ongoing audit, when completed, will comply with generally accepted government auditing standards.

Audit Team

This assignment was managed out of the Mid-Atlantic Region Audit Office and conducted by the individuals listed below:

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