



The Library of Congress  
*Office of the Inspector General*



**Office of the Librarian  
Office of Contracts**

*Service Remains Less Than Satisfactory  
Despite Steps Taken Toward Improvement*

Audit Report No. 2007-PA-102  
September 2007



UNITED STATES GOVERNMENT

LIBRARY OF CONGRESS

**Memorandum**

*Office of the Inspector General*

**TO:** James H. Billington  
Librarian of Congress

September 20, 2007

**FROM:** Karl W. Schornagel  
Inspector General

A handwritten signature in black ink, appearing to read "Karl W. Schornagel".

**SUBJECT:** Office of Contracts  
Service Remains Less Than Satisfactory  
Despite Steps Taken Toward Improvement

Audit Report No. 2007-PA-102

This transmits our final audit report on the Office of Contracts' operations. The Executive Summary begins on page *i* and complete findings and recommendations appear on pages 9 to 19.

The Chief Operating Officer and the Chief of the Office of Contracts provided written comments to our draft report. Their response is briefly summarized in the Executive Summary and in more detail after individual recommendations appearing in the body of the report. The complete response is included as an appendix to the report.

Based on the written comments to the draft report, we consider all of the recommendations resolved. Please provide within 30 calendar days, an action plan addressing implementation of the recommendations, including implementation dates, in accordance with LCR 211-6, Section 11.A.

We appreciate the cooperation and courtesies extended by the Chief of the Office of Contracts, the Supervisor of the Operations Section, and the Contracting Office staff during the audit.

cc: Chief Operating Officer

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## ▶▶ EXECUTIVE SUMMARY

The Library of Congress is charged with a wide range of responsibilities – acquiring items to add to its unique and priceless collections, providing research and analysis for Congress, and processing copyright claims, among many others. Using contracts to acquire goods and services is a principal way the Library fulfills its mission. On average over the last couple of years, the Library’s Office of Contracts awarded contracts valued at \$189 million annually.

Near the close of fiscal year (FY) 2004, the Office of the Inspector General (OIG) reported that several Library organizations were not satisfied with the quality and timeliness of the Office of Contracts’ performance. This unfavorable opinion was consistent with the findings of a 2003 Library-wide survey also conducted by OIG. The 2004 report cited vacancies in two critical management positions, understaffing at the contract specialist level, and inadequate staff training as prominent factors adversely affecting the Library’s contracting operations.

This report provides the results of the first part of a two-part OIG assessment. For the first part, we sought to determine whether the quality of the Office of Contracts’ operations have improved since our 2004 report. To gauge current operational quality, we identified and assessed Library actions taken since the end of FY 2004 to address the office’s deficiencies; surveyed service and infrastructure units to collect their current views on the office’s service; and took a sample of recent contracting activity to assess the timeliness with which contracting actions are addressed and completed. The second part of our assessment will focus on the Library’s technical compliance with the Federal Acquisition Regulation.

The Library has taken some notable steps since the end of FY 2004 to address the contracting function. Most significantly, it hired two experienced contracting professionals; one to fill the Chief of Contracts position – one of the two critical management vacancies previously cited by OIG – and one to fill the Supervisor of Operations position. Respondents to our survey indicated that these officers are having a positive influence on the Library’s contracting operations.

Additionally, the Library approved a 2006 request submitted by the Office Chief to increase by three the number of contract specialist full-time equivalent (FTE) positions and is seeking FY 2008 funds to staff them.

While the steps taken are commendable, they have not changed the Library's organizations' collective opinion of the office's service. Overall, our current survey shows that service and infrastructure units continue to be less than satisfied with the contracting service they receive. Furthermore, work for a substantial portion of Library contracting transactions is not being completed within the office's established timeframes, repeating another significant issue of our 2004 report.

Considering the absence of tangible progress since 2004, additional actions should be taken to improve the Library's contracting operations. Most importantly, the Library should

- Fund the three additional contract specialist FTEs that it approved in 2006 for contracting operations (see page 11);
- Establish policies and procedures that clearly explain the Library's contracting process and the roles and responsibilities of those who participate in it (see page 13);
- Determine the automated data that the Office of Contracts needs to evaluate the Library's contract spending and manage the Library's contracting workload (see page 15); and
- Recruit for and select a qualified person to serve as the Director of the Office of Contracts and Grants Management to ensure full accountability is provided for the Library's contracting function (see page 19).

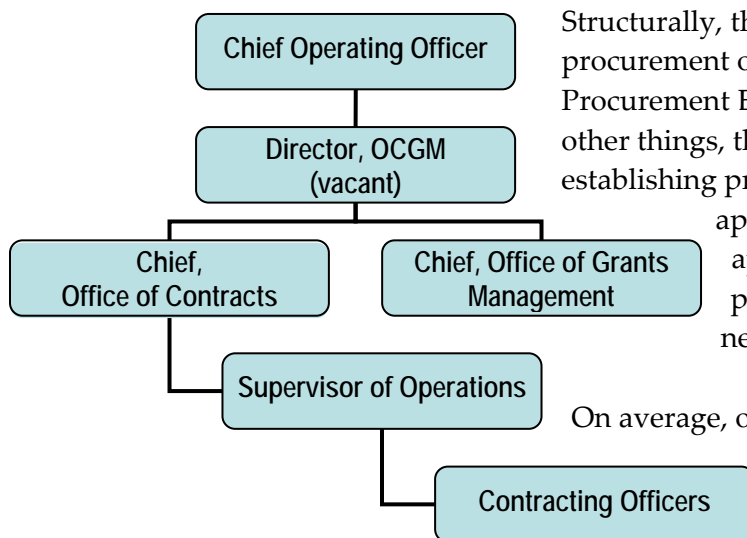
Weaknesses in the acquisition function could threaten the Library's ability to timely obtain quality goods and services at a fair price. Given the fiscal challenges we are likely to face, it is critical that the Library have a highly efficient and effective contracting operation to ensure its procurement dollars are well spent.

Management concurred with our recommendations, and, in most cases, actions to implement the recommendations are in progress.

## ▶▶ INTRODUCTION

The Librarian, as agency head, is authorized to enter into contracts to carry out the mission of the Library. Further, he is responsible for delegating procurement authority through appointments of contracting officers and other contracting officials. It is the Library’s policy to follow the Federal Acquisition Regulation (FAR) in the procurement of goods and services under Library of Congress Regulation (LCR) 2110<sup>1</sup> unless a deviation from the FAR is determined to be in the Library’s best interest.

Under a 2003 realignment of Library responsibilities, the Office of Contracts and Grants Management (OCGM) was established within the Office of the Librarian, as an enabling infrastructure unit that reports to the Chief Operating Officer. Through the realignment, the Office of Contracts was transferred from the Integrated Support Services (ISS) Directorate and made a component of OCGM.



Structurally, the OCGM Director is the Library’s senior procurement officer and performs the functions of the “Senior Procurement Executive” as specified in the FAR. Among other things, the Director’s responsibilities include establishing procurement policies and procedures, issuing appropriate procurement directives, and approving all deviations from the FAR for procurements under LCR 2110. This position has never been filled.

On average, over the last couple of years, contracting officers (COs) awarded contracts valued at \$189 million annually to acquire supplies, services, and equipment. Organizationally, COs work under the direction of the OCGM Director, the Contracting Office Chief, and the Supervisor of the Operations Section.

<sup>1</sup> LCR 2110 defines the authority, policy, and responsibilities for the procurement of goods and services in the Library. It also specifies Library officials to whom authority has been delegated to award contracts for the procurement of goods and services. LCR 2110 does not govern the Congressional Research Service to the extent of its separate authority under 2 U.S.C. § 166(h) or cover the procurement of goods and services for which other delegations of procurement authority have been made or are established by law or regulation.

The Library's contracting function is a collaborative process primarily involving contracting officers, program offices, and contracting officer's technical representatives (COTRs). Each party has separate duties and responsibilities as specified in LCR 2110. The Office of the General Counsel (OGC) is responsible for providing legal assistance to those involved in Library contracting activities, and for reviewing and approving all procurement actions or award recommendations that exceed \$100,000. The Contracting Office Chief, OCGM Director, General Counsel, Chief Operating Officer, and/or the Librarian are responsible for reviewing and approving contracting actions based on various dollar thresholds.

## ▶▶ BACKGROUND

### Previous OIG Work

Our surveys during the 2002 - 2004 timeframe showed that Library organizational components were collectively less than satisfied with the service they were receiving from the Office of Contracts. Moreover, the organizations were frustrated with the length of time it took to process a contracting purchase request.

We issued our last report on the Office of Contracts' operations on August 19, 2004. In that report, we concluded that the office was not fully meeting the Library's needs. Our conclusion was based on our surveys' results and the following information.

- The office lacked adequate staffing – the number of permanent contract specialists had declined from 12 in 2000 to 7 in 2004.
- Some of the office's contract specialists lacked experience and training in critical contracting areas.
- Some Library organizations were acquiring contracting services from external sources and paying premium costs to do so.
- The office faced leadership issues including vacancies in the OCGM Director and the Contracting Office Chief positions. The Inspector General had brought these critical vacancies to the Librarian's attention in March 2003.



**Current Service and Infrastructure Units’ Opinions**

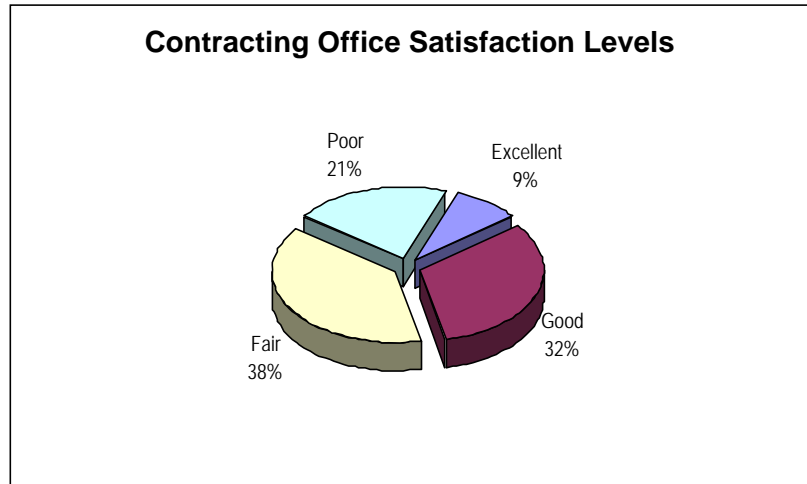
Service and infrastructure units<sup>2</sup> rated the Office of Contracts’ service a little better than “fair,” but less than “good” in response to a survey we conducted as part of this audit. This rating reflects virtually the same result expressed through our 2002 – 2004 surveys which, taken as a whole, indicated that Library organizations were only slightly satisfied with the service they were receiving.

The current survey shows that respondents believe the office’s current management team is having a positive influence on the Library’s contracting operations. However, it also shows that they are not satisfied with the timeliness with which the Office processes requests.

**Timeliness of Current Service**

Work for a substantial portion of Library contracting transactions is not being completed within the office’s established timeframes. This conclusion is based on our review of processing times for a random sample of 75 contracting purchase requests (RQs) submitted to the Office of Contracts during the first half of FY 2007.<sup>3</sup> In our review, we sought to determine the extent to which the office processed and completed actions on the RQs within Procurement Action Lead Time (PALT) timeframes.<sup>4</sup>

We determined that PALT timeframes were exceeded in 45% of the cases, and that 76% of these delays were attributable to the Contracting Office. The remaining delays (24%) were



<sup>2</sup> We received 34 responses to our current survey. The survey responders represented five service units, including the Congressional Research Service, Copyright Office, Law Library, Library Services, and the Office of Strategic Services, and four infrastructure units, including the OCFO, HRS, ISS, and the Office of Security and Emergency Preparedness. Those surveyed were asked to consider the quality of the Office of Contracts’ service since the beginning of FY 2005.

<sup>3</sup> Our sample of 75 RQs was selected from a total of 1,357 RQs, on a random basis, at the 95% confidence level, and with a precision range of 7%.

<sup>4</sup> A PALT timeframe is the lead-time, in number of days, that the Office of Contracts requires to process and complete action on a RQ. A list of current PALTs is included in the *Library of Congress Desk Guide for Requisitioners*.

attributable to program offices that provided deficient RQ submissions and prospective vendors that did not provide timely cooperation during RQ processing. Delays for sample RQs for which the Contracting Office was responsible averaged 23 workdays and in several cases extended beyond 40.

### **Notable Service and Infrastructure Unit Comments**

Some notable comments we received about the Office of Contracts' service included the following:

- The Office of Contracts notified a service unit 66 workdays after the unit submitted an RQ that a required sole source justification was not attached to the RQ (the service unit claims the document was attached when the RQ was originated in the Momentum Financial System (Momentum)).
- A "... delay of 2 ½ to 3 months had a significant negative impact on the operation of the [service unit]." The Office of Contracts "ignored" the service unit's request to give priority to a technical requirement, awarded the contract to the lowest bidder, subsequently cancelled the contract for incompetent performance, and later awarded a new contract to a technically qualified bidder.
- "From [an infrastructure unit's] standpoint, it makes our work to deliver services to the Library's service units very difficult when we are not able to count on the Contracts Office to issue a purchase order on time. We are always under a lot of pressure to complete projects. However, the Contracts Office does not seem to understand the meaning of deadlines..."
- "I have been a COTR ... since 1989. ... Over those years, I have worked closely with the Contracts Office and always found the Contracts staff to be both helpful and knowledgeable."
- "Any issues/problems that have occurred are usually handled in a very positive manner in order for [the infrastructure unit] to continue operations without any delays. The current management has greatly improved the procurement process."

## Significant Actions Taken Since OIG's 2004 Assessment

Significant Library actions taken since we issued our last report in August 2004 are as follows.

- In October 2004, the Library hired an experienced contracting professional to fill the Office of Contracts' Chief position – one of two critical management vacancies cited previously by OIG.
- The Library approved a 2006 request submitted by the Office Chief to increase by three the number of contract specialist positions in the Operations Section and is seeking FY 2008 funds to staff these positions.
- During FY 2006, the Office of Contracts began to follow key parts of a policy, issued by the Office of Management and Budget (OMB) in 2005,<sup>5</sup> establishing, among other things, hiring, experience, and training standards for the federal acquisition workforce.<sup>6</sup>
- In September 2006, the Office of Contracts' Chief established performance requirements for the office's contract specialists and began to regularize procedures for monitoring and appraising the specialists' performance on an annual basis.

These actions show that the Library is making progress to improve the quality of its contracting operations. However, the improvement process is still in its early stages. This report identifies weaknesses that currently affect the contracting area and provides recommendations to address these problems.

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<sup>5</sup> OMB Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*.

<sup>6</sup> A certification program – Federal Acquisition Certification in Contracting (FAC-C) – developed by the Federal Acquisition Institute is a core element of the 2005 OMB policy. FAC-C reflects common professional standards for contracting personnel in civilian federal agencies. The program's goal is to standardize the education, training, and experience requirements for federal contracting professionals, which is intended to improve workforce competencies and increase career opportunities.

## ►► OBJECTIVES, SCOPE, AND METHODOLOGY

This report provides the results of the first part of a two-part OIG assessment. For the first part, our objective was to determine whether the quality of the Office of Contracts' operations has improved since our 2004 review. We focused on the current status of:

- opinions of the office's operations held by Library service and infrastructure units;
- timeliness with which the office currently addresses and completes its contracting transactions;
- office staffing, including staffing of office leadership positions;
- staff qualifications, including staff training certifications;
- strategic planning for the acquisition workforce;
- available Library policy for coordinating responsibilities for and processing contract transactions; and
- information systems being used to identify Library trends in contract spending and manage the office's work activities.

The second part of our assessment will focus on the Library's technical compliance with the FAR. We expect to issue a report on this topic by March 31, 2008.

To determine a current baseline for the office's quality of service, we collected the results of a questionnaire that we issued to Library service and infrastructure units. We also collected and evaluated activity data on a sample of RQs submitted to the Office during the first half of FY 2007.

To evaluate the other audit areas, we interviewed Library staff at all levels including Office of Contracts' officials and staff, officials of the Office of the Chief Financial Officer (OCFO) and the Human Resources Services Directorate (HRS), and collected and evaluated data from these staff members that related to our objective. We also consulted with officials of

OMB's Office of Federal Procurement Policy to clarify our understanding of the policies and practices Federal agencies use to acquire goods and services, and officials of the Department of State's Office of Acquisition Management to obtain their perspective on managing a federal agency procurement activity.

We performed our audit fieldwork from October 2006 through the middle of January 2007, and from April through June 2007. Audit work was interrupted from the middle of January through March 2007 by other high priority projects.

We conducted our audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States and LCR 211-6, *Functions, Authority, and Responsibility of the Inspector General*.

## ▶▶ FINDINGS AND RECOMMENDATIONS

As indicated in the background section, Library service and infrastructure units have been and continue to be less than satisfied with the Office of Contracts’ service, including the timeliness with which the office processes RQs. This situation is attributable to a variety of factors including, among others, inadequate

- contract specialist staffing,
- policies and procedures on the Library’s contracting process, and
- accountability for contracting operations.

Although they are commendable, actions the Library has taken to address weaknesses in the contracting area since we issued our last report in August 2004 have not changed the quality of the office’s service. The following sections provide assessments of significant issues we identified during this audit and six recommendations to improve the office’s operations.

### I. Staffing Vacancies Are a Barrier to Effective Contracting Operations

The Office of Contracts’ less-than-satisfactory service is attributable in substantial part to an inadequate number of permanent contracting staff. The adjoining table shows that the total staff level at the end of June 2007 is nearly twice the size that it was in August 2004. However, contractors make up most of the size increase. Although they provide a

Category	Aug 2004	June 2007	Change
Permanent	7	10	+3
Contractor	2	7	+5
Total	9	17	+8

valuable contribution, contractors have no long-term commitment to the office’s contracting operation and are not assigned the more difficult RQs that experienced, permanent contract specialists are trained and qualified to process.

We attempted to find industry recognized guidance which would indicate staffing level requirements based on various contracting workload metrics. We could not find such guidance and therefore were unable to precisely determine whether the office’s contract specialist staffing level was

adequate at the end of June 2007.<sup>7</sup> Nevertheless, compelling reasons led us to conclude that the office's contract specialist staffing level was not sufficient at that time to address the Library's contracting workload. Therefore, we support the 2006 request submitted by the Office Chief to increase by three the number of contract specialist positions in the office's Operations Section. Principal reasons to increase the permanent staffing level are as follows:

- On average, non-supervisory contract specialists had 31 RQs in-process at the end of June 2007. This workload volume has been typical since at least October 2005, according to the Operations Section Supervisor. When a contract specialist has more than 20 RQs in process at any time, the Section Supervisor considers the specialist overloaded and believes the quality of customer service is impaired accordingly.
- The office increased its workload on October 1, 2005 by adding to it processing work for the Library's interagency agreements and corresponding modifications. That work, previously performed by OCFO, exacerbates the office's high-volume workload situation.
- Greater sophistication is presently required for the procurement process compared to the past. Contracting actions over \$100,000 and subject to full and open competition are now generally processed through complicated, time-consuming, "best value" procedures.<sup>8</sup> Previously, such actions were generally processed as "sealed bid" transactions.
- The office began following the structured OMB acquisition workforce training standard in 2006. Accordingly, contract specialists' time available for processing RQs has decreased by the amount of time the office allocates for their professional training.

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<sup>7</sup> Three significant factors prevented us from precisely determining whether the office's contract specialist staffing level was adequate at the end of June 2007: (1) OMB's Office of Federal Procurement Policy has not issued a Federal standard or guidance to make such a determination; (2) the Office of Contracts lacks current contracting workload data that is consistent with such data recorded prior to FY 2005 due to a change in Library financial systems at the beginning of FY 2005; and (3) an objective means to measure the influence of contracting experience on workload production is not available.

<sup>8</sup> Compared to a sealed bid award, an award based on best value requires a contract specialist to coordinate more closely with service and infrastructure units, exercise greater technical proficiency, and prepare more documentation to explain and substantiate the process.

Funding must be obtained for the three additional contract specialist FTEs that the Library approved in 2006 to enable the office to process the Library's contracting workload more efficiently. Moreover, other funding sources must be considered in addition to the Library's FY 2008 budget request. If the three FTEs remain not staffed, it is likely that the Office of Contracts' performance will continue to be less than satisfactory.

### **Recommendation**

We recommend that the Chief Operating Officer fund the three additional contract specialist FTEs that were approved in 2006 for the Office of Contracts.

### **Management Response**

Management supports the recommendation and is awaiting the outcome of the Library's FY 2008 budget request that has received Senate approval. Additionally, the Chief Operating Officer has conducted internal discussions regarding available FTEs and potential staffing reassignments that could be permanently transferred to the Office of Contracts.

## **II. A Strategic Planning Approach is Not Followed for the Acquisition Workforce**

Executive branch agencies are required to follow certain strategic planning requirements. These compel an agency annually to:

- assess the existing skills of its acquisition workforce;
- identify its short- and long-term acquisition needs; and
- establish or update its plans and strategies for the acquisition workforce resources and skills required to meet near-term and future agency mission needs.

The Office of Contracts provides input to the Library's strategic planning process, but its input does not identify the Library's acquisition needs or indicate whether the office's acquisition workforce has, or has a plan to obtain, the skills required to address the Library's needs. This situation exists primarily because the Library is not required to comply with



the strategic planning model discussed above. As a result, it is questionable whether the office will be able to effectively address the Library's future acquisition needs and the quality, cost, and timeliness of goods and services the office will acquire for the Library could be adversely affected.

In recent years, Congressional pressure has mounted for legislative branch agencies to follow the strategic planning requirements that have been mandated for the executive branch. Moreover, strategic acquisition workforce planning would facilitate the Library's budget-development and ensure that carefully determined strategies are in-place for addressing the Library's future acquisition needs. Therefore, it is in the Library's best interest that the Office of Contracts establishes a strategic plan for its short- and long-term acquisition workforce needs and updates the plan on an annual basis.

### **Recommendation**

We recommend that, as part of the Annual Program Performance Plan process, the Chief of the Office of Contracts annually assess the existing skills of the office's acquisition workforce; identify the Library's short- and long-term acquisition needs; and establish or update plans and strategies to obtain the acquisition workforce resources and skills required to meet the Library's mission needs.

### **Management Response**

Management agreed with the recommendation and plans to address it through the Annual Program Performance Plan (AP<sup>3</sup>) process or another process at the AP<sup>3</sup> level.

### **III. Written Procurement Policies and Procedures Are Not Sufficient**

The Office of Contracts' less-than-satisfactory service is partly attributable to insufficient policies and procedures regarding the Library's contracting activities. Unless more of this information is established and issued, service and infrastructure unit frustration with the Library's contracting process will likely continue. Conversely, if more policies and procedures are made available that clearly explain the contracting process and the roles and responsibilities of those

who participate in it, then the level of frustration associated with the process will likely diminish.

In 2006, the Contracting Office Chief took a commendable step toward improving understanding of the Library's procurement process by developing and distributing the *Library of Congress Desk Guide for Requisitioners*. By providing an overview of the Library's acquisition process and guidance for coordinating Contracting Office and program office responsibilities, the guide provides a handy source of information. However, it is short on details and does not adequately describe all of the steps that are included in the Library's methodical contracting process.

Policies and procedures applicable to Library procurement are referred to in LCR 2110. The regulation describes the material as a set of directives in the form of a manual. Notwithstanding the LCR's reference to them, such policies and procedures have not been established and issued.<sup>9</sup> The Office of Contracts informed us that it is developing these.

Federal procurement is a complex process that involves numerous laws, policies, documentation requirements, and procedures. A manual that lays out the Library's policies and procedures for addressing and implementing these requirements would improve assurance that those who are involved in Library procurement have a clear and consistent understanding of applicable rules and processes. It would also provide a means to establish and manage quality assurance in the Office of Contracts. Clear and consistent understanding of contracting rules and procedures would likely reduce the frustration that exists with the Library's contracting activities.

### **Recommendation**

We recommend that the Director of the Office of Contracts and Grants Management establish and issue the procurement policies and procedures referred to in LCR 2110.

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<sup>9</sup> The Library's policy is that it will follow the FAR in the procurement of goods and services. However, the Library has not established or issued the "set of directives in the form of a manual" that is referenced in LCR 2110, Section 4.

## Management Response

Management agreed with the recommendation and stated that work on the Procedures and Policy Manual is 75% complete. The Chief plans to solicit comments on a draft version of the manual in the spring of 2008.

### IV. The Systems Used to Process Contracting Data Do Not Provide Adequate Management Support

The Office of Contracts' less-than-satisfactory service is partly attributable to its automated information systems. Those systems do not provide adequate visibility into RQ-processing activities or trend information on Library contracting patterns. As a result, the office is not always able to take timely, appropriate action in managing RQ activities and cannot ensure the Library takes appropriate actions in response to undesirable contracting patterns.

#### *a. Visibility of Contracting Actions In Process*

Because it is the Library's official system for capturing and processing contracting data, the office uses Momentum in managing its work activities. However, the office also began using a separate information system it refers to as "Tracker," in addition to Momentum at the beginning of FY 2007 because Momentum alone does not provide adequate visibility into RQ processing activities. The combination of the two systems, though, still does not always provide visibility to the extent that the office needs to efficiently manage RQ activities.

Momentum does not identify the processing work that a contracting specialist has accomplished (e.g., developing a source selection plan, soliciting competitive bids, etc.) by a particular point in time as the specialist moves an RQ toward award. Tracker has the potential to address this shortcoming, but the utility of Tracker depends on the timeliness and quality of input the system receives from the specialist processing an RQ. If input to Tracker is timely and complete, the combination of the two systems can provide useful visibility into an RQ in process. However, if the specialist's input is not timely, complete, or not provided at all, then visibility into an RQ's activities will be affected accordingly. The level of visibility into an RQ's activities is crucial because it provides the basis for managing all in-process RQs efficiently office-wide.

*b. Visibility of Contracting Trends*

Neither Momentum nor Tracker is currently programmed to provide trend information to the office on Library contracting patterns. Such information would be useful for a variety of reasons. For example, because promoting competition is a fundamental principle of federal contracting, it would be useful for the Library to recognize the extent to which it awards contracts competitively. Other areas for which trend information would be useful include, for example, the extent to which the Library awards contracts to small businesses and to experts and consultants.

The office's Operations Section Supervisor has discussed with an OCFO representative the limitations of Momentum as a tool for managing contracting activities. In response to this discussion, the OCFO representative has requested the Section Supervisor to develop a list that specifies capabilities the supervisor would like Momentum to have. The OCFO representative has agreed to research the possibilities of modifying Momentum, and the costs of doing so, with the system's vendor when she receives the Section Supervisor's list. The Section Supervisor is hopeful that the system modifications she specifies will be made, but recognizes that their costs may be prohibitive.

The extent to which the Library's contracting activities can be managed effectively and efficiently depends significantly on the visibility that the Library's automated information systems provide the Contracting Office for those activities. Therefore, it is essential that the office's management continue to seek improvements for those systems.

**Recommendation**

We recommend that the Chief of the Office of Contracts continue the coordination in-progress with OCFO to identify opportunities for modifying Momentum to improve the Contracting Office's visibility of the Library's contracting activities.

**Management Response**

Management agreed with the recommendation.

## V. OMB's Workforce Training Standard Is Not Fully Implemented

Although the Office of Contracts adopted the OMB training standard in 2006, implementation of the standard is at an early stage. The standard involves successful completion of nine core courses, five electives, and, every two years, 80 hours of continuing education credits. A significant feature of the standard requires an agency official at the Senior Procurement Executive level to authorize oversight, resolve disputes, and grant certifications pertaining to the policy's training activities.

We determined that the office's policy coordinator has assessed the training that each of the permanent contract specialists has taken in the past to document the extent to which each specialist has completed the courses specified by OMB's policy. The assessments show that one office member may have past training accomplishments that fully meet the policy's core course requirement and that core courses must still be successfully completed by the nine remaining contract specialists.

Additional work is needed to implement the OMB training standard in the office. Such work would be most effectively accomplished by issuing an office policy documenting procedures for implementing the standard's details. For example, the implementing policy should establish a means through which contract specialists are periodically notified about the training they need and the amount of it they are required to complete within a given period. Individual development plans are commonly used for this purpose. The office policy should also address the manner in which the Senior Procurement Executive's role, as defined in the OMB policy, will be implemented at the Library.

### Recommendation

We recommend that the Director of the Office of Contracts and Grants Management establish and issue a policy that officially implements details of the OMB training policy in the Office of Contracts.

## Management Response

Management agreed with the recommendation. The Chief noted that OMB's training requirements are being followed in the Office of Contracts subject to the availability of training funds.

### VI. The Vacant OCGM Director Position Results in Less Than Full Accountability for Contracting Operations

The Office of Contracts' less-than-satisfactory service is significantly attributable to the continued vacancy of the OCGM Director position. As a result, less than full accountability has existed for the Library's contracting operations since at least June 30, 2003, when OCGM was established within the Office of the Librarian. Furthermore,

- implementation of the Library's internal controls for contracting operations is weaker than intended in some cases and questionable in others;
- the Library has been slow to respond to concerns expressed in previous OIG reports; and
- the management issues identified in this report regarding strategic planning (Section II) and automated information (Section IV) have not been satisfactorily addressed.

#### *a. Internal Control Deficiencies*

Leaving the OCGM Director position vacant makes implementation of the Library's internal controls for contracting operations weaker than intended in some cases. For example, LCR 2110 makes the OCGM Director responsible for ensuring that the procurement of goods and services is executed according to applicable law, regulation, and Library policy, and for establishing Library procurement policies and procedures. Although the LCR also makes the Contracting Office Chief responsible for ensuring procurement actions are conducted according to applicable legal and policy requirements, the regulation does not make the Office Chief responsible for establishing policies and procedures. Therefore, internal control weakness exists to the extent that

Library procurement policy has not been established – a consequence of the OCGM Director vacancy.

An instance of this weakness was illustrated during our 2006 review of the National Library Service’s project to convert the digital talking books program to digital technology. The principal conclusion of our review was that the Library needed an acquisition plan that conformed to the FAR for the manufacturing phase of that \$140 million project. In providing comments on this conclusion, the Contracting Office Chief acknowledged that acquisition plans are required by the FAR, but noted that, because the OCGM Director position was vacant, FAR-specified internal criteria<sup>10</sup> had not been established for the Library to address the regulation’s requirement. As a result, the acquisition plan we called for has not been prepared for the complex and costly talking books project and the Library’s best interest has not been served.<sup>11</sup>

Furthermore, implementation of other internal controls for contracting operations yields questionable results when the OCGM Director position is not staffed. For example, it is not clear who is authorized, instead of the OCGM Director, to perform the responsibilities of the “Senior Procurement Executive” for the Library, as those responsibilities are specified in the FAR, or to approve Library deviations from the FAR, as required by LCR 2110.

*b. Responsiveness to Previous OIG Concerns*

Without an OCGM Director in-place to advocate the best interests of the Office of Contracts, the Library has been slow to respond to concerns expressed in previous OIG reports. For example, it took the Library about three and a half years to respond to the Inspector General’s March 2003 memorandum to the Librarian citing the staffing shortages that existed in the

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<sup>10</sup> FAR Subpart 7.1 requires an agency head or designee to prescribe procedures for, among other things, establishing criteria and thresholds at which increasingly greater detail and formality in the planning process is required as the acquisition becomes more complex and costly, specifying those cases in which a written acquisition plan shall be prepared.

<sup>11</sup> The March 2007 Government Accountability Office report titled *Talking Books for the Blind: Alternative Approaches Need to Be Evaluated*, criticized NLS for, among other things, not adequately documenting its planning for the digital talking books conversion project.

Contracting Office. The Deputy Librarian approved a staffing increase for the office in the fall of 2006.

A qualified person should be recruited and selected to serve as the OCGM Director as soon as possible. Only then will full accountability be achievable for the Library's contracting operations.

### **Recommendation**

We recommend that the Chief Operating Officer recruit for and select a qualified person to serve as the Director of the Office of Contracts and Grants Management to ensure full accountability is provided for the Library's contracting operations.

### **Management Response**

Management informed us that the Library is committed to ensuring the accountability recommended in this audit and will conduct a review to determine the most appropriate structure.



## » CONCLUSION

Notwithstanding the passage of time and substantial staffing changes in the Office of Contracts, there has been no significant change in the office's quality of service. Overall, the Library's service and infrastructure units are still not fully satisfied with the contracting service they receive.

However, there are reasons to believe that the office's service will improve. Most significantly, Library organizations believe that the Contracting Office Chief and the Operations Section Supervisor are having a positive influence on the Library's contracting operations. Additionally, the Library increased the number of contract specialist positions in the Operations Section and is seeking FY 2008 funds to staff them.

Nevertheless, as this report explains, elements of the Library's contracting operations are weak and must be addressed to provide the Office of Contracts the maximum opportunity to achieve tangible progress. Additionally, the long-vacant OCGM Director position must be filled to ensure full accountability is provided for this critical functional area.

We commend the management of the Office of Contracts for recognizing these weaknesses and taking steps to improve service.

### Major Contributors to This Report:

Nicholas Christopher, Assistant Inspector General for Audits  
John Kane, Senior Auditor

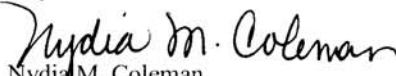
**▶▶ APPENDIX: MANAGEMENT RESPONSE**

UNITED STATES GOVERNMENT

**Memorandum***Office of Contracts and Grants Management  
The Library of Congress*

DATE: September 18, 2007

**TO:** Karl. W. Schornagel  
Inspector General

**FROM:**   
Nydia M. Coleman  
Chief, Office of Contracts

**SUBJECT:** Audit of the Office of Contracts  
Draft Audit Report No. 2007-PA-102

As requested in your memo dated August 24, 2007, subject as above, the following comments are provided in response to the audit.

1. Recommendation No. 1-Chief Operating Officer should fund the three additional contract specialist FTEs that were approved in 2006 for the Office of Contracts.

Response- It should be noted, that in 2006, the Office of Contracts in the new OCGM, was authorized a total of 13 FTEs and 3 reimbursable FTEs, dedicated to NLS(2) and OSI (1) workloads for a total capacity of 16 FTEs. The reimbursable arrangement was necessary because no funds were appropriated or available internally to support permanent hiring of the 3 approved FTEs. The COO also approved the reallocation of resources to the Office of Contracts, in 2006, to extend the period for duty of the 3 contract staff. As of last week, the COO approved the reallocation of funds to support 6 additional contract staff.

The Chief Operating Officer supports the IG's recommendation to increase the number of permanent contracting specialists. While we await the outcome of the FY 08 budget request that has received Senate approval, the COO has been conducting discussions internally regarding available FTEs and potential staffing reassignments that could be permanently transferred to the Office of Contracts.

2. Recommendation No. 2-Chief, Office of Contracts, as part of the AP3 process, should assess the existing skills of the office's acquisition workforce; identify the Library's short- and long-term acquisition needs; and establish or update plans and strategies to obtain the acquisition workforce resources and skills required to meet the Library's mission needs.

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Response-The Chief, Office of Contracts has assessed the skills of the current acquisition workforce by requiring an individual development plan from each specialist, and has located in one place (with the Procurement Analyst) a record, for each specialist, of training completed and what is still required. The Chief does agree that the assessment and a staffing plan should be address at a level equal to the Annual Program Performance Plan. However, it is not clear that the AP3 is the right venue. We will address the recommended concerns through the AP3 or through some other vehicle. We will provide feedback on how these items are handled.

3. Recommendation No. 3-The Director of the Office of Contracts and Grants Management should establish and issue the procurement policy and procedures Manual referred to in LCR 2110.

Response-We are approximately 75% complete on drafting the Procedures and Policy Manual. However, with the additional work still needed and the internal review process (including the IG), we estimate the draft will be ready for review by spring of 2008.

4. Recommendation No. 4-The Chief of the Office of Contracts should continue the coordination in-process with the OCFO to identify opportunities for modifying Momentum to improve the Contracting Office's visibility of the Library's contracting activities.

Response-The Office of Contracts will continue its relationship with OCFO to improve the quality in processing contract documents, and to substantially improve the ability to get accurate management information such as; number of contract/grant documents completed and the dollars expended for any identified period of time.

5. Recommendation No. 5-The Director of the Office of Contracts and Grants Management should establish and issue a policy that officially implements details of the OMB training policy in the Office of Contracts.

Response-We agree that the Director of the Office of Contracts and Grants Management should issue a written policy implementing the details of the OMB training policy for Contract Specialists. We note here that the Office has, in writing, implemented the training requirements and the Contract Specialists, as applicable, have been following the requirements, subject to the availability of training funds. The Chief, Office of Contracts, in the Director's absence will issue the written policy.

6. Recommendation No. 6-The Chief Operating Officer should recruit for and select a qualified person to serve as the Director of the Office of Contracts and Grants Management to ensure full accountability is provided for the Library's contracting operations.

Response-The Chief Operating Officer is committed to ensuring the accountability recommended in this audit and will conduct a review of the reporting put in place by her predecessor to determine the most appropriate structure.

General Comments

1. We believe the audit was very fair, and we appreciate the auditor's knowledge of Federal contracting.
2. Where specific negative comments were quoted by our customers, it would be helpful to have RQ and/or contract numbers. In addition, if specific negative comments are quoted, it would be even handed to quote some specific positive comments. Specifically, we don't believe the very large number of "emergencies" we handle expeditiously are reflected in our customers' comments.
3. We believe it would be helpful to research and cite what other legislative agencies are doing, as well as executive agencies.

cc: Jo Ann Jenkins  
Lucy Suddreth