



Smithsonian Institution

Office of the Inspector General

Date June 28, 2012

To Dorothy Leffler, Director, Office of Contracting and Personal Property Management
(OCon&PPM)

cc Lonnie Bunch, Director, National Museum of African American History and Culture
(NMAAHC)
Bruce Kendall, Director, Office of Facilities Engineering and Operations
Curtis B. Sanchez, Associate Director for Policies and Resources, OCon&PPM

From Scott S. Dahl, Inspector General 

Subject Management Advisory Regarding Required COTR Training, M-12-03-1

During the course of our audit of NMAAHC project management, we noted some Contracting Officer's Technical Representatives (COTR) had not completed OCon&PPM's required training.

According to OCon&PPM's procurement and contracting procedures manual (PCPM), effective September 2011, COTRs assigned to contracts valued at more than \$100,000 shall attend a three-day COTR training course and attend a refresher course every three years thereafter. Prior to September 2011, the PCPM did not require the refresher course.

As part of our audit work, we examined whether the COTRs assigned to the following NMAAHC project contracts complied with OCon&PPM's requirements: architect/engineer (A/E), construction management (CM) at-risk, exhibit design, and external auditing services. We found that two of the four COTRs on these contracts had not attended COTR training in more than five years. Another COTR told us that he had attended training, but the Smithsonian did not have a record to confirm his statement.

Some of the COTRs for these contracts were not in compliance with OCon&PPM's training requirement because they did not know they were required to take refresher training. OCon&PPM has started notifying COTRs of the revised training requirement. Further, even though OCon&PPM issues delegation letters to all COTRs assigned to contracts valued at more than \$100,000, these letters do not contain information regarding the COTR training requirements.

To ensure that all COTRs assigned to contracts have received the required training, we recommend that OCon&PPM review all active contracts exceeding \$100,000 and ensure that the COTRs for these contracts meet the new training requirement. In addition, going forward for contracts valued at more than \$100,000, we recommend that OCon&PPM develop a process to ensure that the COTR meets the new training requirement before OCon&PPM issues the COTR delegation letter.

Within 30 days, please provide a written response, including a corrective action plan if you concur with these recommendations or reasons for any non-concurrence.

If you have any questions, please call Joan Mockeridge, Supervisory Auditor, at 202.633.7050.



Office of Contracting and Personal Property Management

Date July 30, 2012

To Scott S. Dahl, Inspector General

Attn Joan Mockeridge
Supervisory Auditor

cc Lonnie Bunch, Director, National Museum of African American History and Culture
Nancy Bechtol, Director, Office of Facilities Engineering and Operations
Teng Chamchumrus, Executive Officer, Office of the Under Secretary for Finance
and Administration/Chief Financial Officer
Curtis B. Sanchez, Associate Director for Policies and Resources, OCon&PPM

From Dorothy A. Leffler, ^{dal} Director, Office of Contracting and Personal Property Management

Subject Response to Management Advisory Regarding Required COTR Training, M-12-03-01

The findings and recommendations included in Management Advisory No. M-12-03-1, dated June 28, 2012, have been reviewed at the Office of Contracting and Personal Property Management (OCon&PPM). I and my management team appreciate being made aware of the findings by your staff during their examination of employees' eligibility to be serving as Contracting Officer's Technical Representative (COTR) on select National Museum of African American History & Culture (NMAAHC) project contracts. We also have reviewed the recommendations to OCon&PPM for ensuring Smithsonian Institution (SI) employees who may be needed to serve as COTR on contracts valued over \$100,000 fulfill the training requirements set forth in the Procurement and Contracting Procedures Manual (PCPM).

Findings

The following are OCon&PPM responses to the findings included in Management Advisory M-12-03-01:

1. The management advisory notes that four (4) SI employees serving as COTRs on the active NMAAHC project contracts the Office of the Inspector General (OIG) auditors examined; two (2) COTRs had last attended COTR training more than 5 years prior, and there is no record of training completed by one (1) other COTR.

Response: During July 2012, the two (2) SI employees who had not completed the COTR 2 refresher training class (OCON31) did so to continue their eligibility to serve as COTR. The one (1) employee for whom a record of completed COTR training cannot be located has opted to repeat the COTR 2 training class (OCON29) that will be conducted August 21-23 in Crystal City. Each of the four (4) employees will be up-to-date on required training on August 23, and their names have been entered the training requirements tracking system established by OCon&PPM. They will be notified in advance of future COTR 2 refresher (OCON31) training classes they may need to complete.

2. The Management Advisory notes that some of the employees serving as COTR on the NMAAHC contracts examined were not aware of the COTR refresher training requirements that were implemented at the start of fiscal year (FY) 2012.

Response: Effective October 1, 2011, OCon&PPM revised the language in our SI-wide training announcements and under the course descriptions for the COTR 2 (OCON29) and the newly added COTR 2 Refresher (OCON31) classes to advise employees of the initial and refresher COTR training classes required to be eligible for COTR appointments. OCon&PPM also began to routinely contact employees that required the COTR refresher training. Efforts to enroll targeted employees for COTR training were communicated via email and often followed up by telephone.

Recommendations

The following are OCon&PPM responses to the recommendations included in the Management Advisory M-12-03-01:

1. Review all active contracts exceeding \$100,000 and ensure that the COTRs for these contracts meet the new training requirement.

Actions Completed:

- Upon issuance of the PCPM on September 23, 2011, we were aware that it would take some time to achieve full compliance with the new COTR training requirements that were effective October 1, 2011.
- OCon&PPM worked closely with our contracted training provider to conduct four (4) one-day COTR 2 refresher training classes during our FY 2012 training program (February 16, May 10, June 14, July 19).
- The Policies and Resources Division, OCon&PPM, conducted an analysis whereby active contracts were compared to the number of employees who have completed COTR 2 training and are currently serving as COTR on contracts > \$100,000. The findings indicated:
 - 484 employees are recognized in our training records to have successfully completed initial COTR 2 training
 - We found that 202 of the 484 employees actively served as COTRs over the past 18 months on all contracts
 - 112 of the 202 employees currently serving as COTR on active contracts > \$100,000 required refresher training during FY 2012
 - Of the 112 employees that required COTR refresher training, 41 have met the training requirements implemented in FY 2012 (37% compliance)

Actions Planned:

- OCon&PPM will continue to distribute our quarterly SI-wide training schedule announcements that outline the COTR 2 training requirements.

- We will continue to promote the COTR 2 Refresher class (OCON31) to all employees and target employees who currently serve and may need to continue to be eligible for COTR appointments on contracts, regardless of dollar amount. This can be accomplished via auto-generated email message and reminders from ERP HRMS.

Action Completed

2. Going forward for contracts valued at more than \$100,000, we recommend that OCon&PPM develop a process to ensure that the COTR meets the new training requirement before OCon&PPM issues the COTR delegation letter.

Actions Planned:

We shall ensure adherence to the following internal procedures by all OCon&PPM staff:

- On a quarterly basis OCon&PPM will continue to run reports on training completed to assess compliance with the COTR 2 training requirements.
- The names of SI employees who successfully complete initial COTR training will be entered into ERP HRMS and the OCon&PPM contracting database.
- OCon&PPM staff will use our contracting database and ERP HRMS to annually verify that SI employees appointed COTR on all contracts, regardless of dollar value, have successfully completed required COTR refresher training.

Action Completed

Please direct any questions you may have regarding the above to Natascha Syré of my staff for a coordinated response. Natascha may be reached at telephone 202.633.7269 or via email to SyreN@si.edu.



Smithsonian Institution

Office of the Inspector General

Date August 17, 2012

To Dorothy A. Leffler, Director, Office of Contracting and Personal Property Management

cc Lonnie Bunch, Director, National Museum of African American History and Culture
Nancy Bechtol, Director, Office of Facilities Engineering and Operations
Teng Chamchumrus, Executive Officer, Office of the Under Secretary for Finance and Administration/Chief Financial Officer
Curtis B. Sanchez, Associate Director for Policies and Resources, Office of Contracting and Personal Property Management
John Clark, Office of Planning, Management and Budget
Stone Kelly, Office of Planning, Management and Budget

From Michael Sinko ^{ms}, Assistant Inspector General for Audits

Subject Request to Close Recommendations from our Management Advisory Regarding Required COTR Training, (Number M-12-03-1)

We reviewed your July 30, 2012 request to close the recommendations from our Management Advisory on Required Contracting Officer's Technical Representative (COTR) Training. We will close these recommendations effective today.

We recommended that the Office of Contracting and Personal Property Management (OCon&PPM) review all active contracts exceeding \$100,000 and ensure that the COTRs for these contracts meet the new training requirement.

According to your memo, you have conducted an analysis by comparing active contracts to the number of employees who have completed the appropriate COTR training. Your results show that only 37 percent of employees currently serving as COTRs on active contracts over \$100,000 have met the training requirement. Accordingly, you plan to continue distribution of Smithsonian-wide training announcements, and emphasize the training requirements to employees who currently serve as COTRs.

In addition, we recommended that OCon&PPM develop a process to ensure that COTRs meet the new training requirement before OCon&PPM issues the COTR designation letter.

According to your memo, you will run quarterly training reports to assess compliance with the training requirements; enter the names of employees who successfully complete the initial training into the appropriate Smithsonian databases; and verify annually that employees appointed as COTR on all contracts, regardless of dollar value, have completed the required training.

The procedures you have planned and stated as being implemented satisfy our recommendations. However, we have not verified the information in your memo, but may do so at a later time.

Please continue to address all requests to extend or close recommendations to auditrecommendations@oig.si.edu.

If you have any questions, please call me or Joan Mockridge, Supervisory Auditor on 202.633.7050.