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June 6, 2003

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# Acquisition

Service Contracts at the National  
Imagery and Mapping Agency  
(D-2003-099)

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Department of Defense  
Office of the Inspector General

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### **Acronyms**

DCADS	Defense Contract Action Data System
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
NIMA	National Imagery and Mapping Agency
PRISM	Procurement Request Information System



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
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June 6, 2003

MEMORANDUM FOR DIRECTOR, NATIONAL IMAGERY AND MAPPING  
AGENCY

SUBJECT: Report on Service Contracts at the National Imagery and Mapping Agency  
(Report No. D-2003-099)

We are providing this report for review and comment. The Director, National Imagery and Mapping Agency did not respond to the draft report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. We request the Director, National Imagery and Mapping Agency provide comments on all recommendations by July 7, 2003.

If possible, please send management comments in electronic format (Adobe Acrobat file only) to [Audam@dodig.osd.mil](mailto:Audam@dodig.osd.mil). Copies of the management comments must contain the actual signature of the authorizing official. We cannot accept the / Signed / symbol in place of the actual signature. If you arrange to send classified comments electronically, they must be sent over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Questions should be directed to Mr. Bruce A. Burton at (703) 604-9071 (DSN 664-9071) or Ms. Eleanor A. Wills at (703) 604-9016 (DSN 664-9016). See Appendix D for the report distribution. The team members are listed on the back cover.

*David K. Steensma*

David K. Steensma  
Deputy Assistant Inspector General  
for Auditing

# Office of the Inspector General of the Department of Defense

Report No. D-2003-099

June 6, 2003

(Project No. D2001AD-0159)

## Service Contracts at the National Imagery and Mapping Agency

### Executive Summary

**Who Should Read This Report and Why?** DoD procurement and contracting personnel involved in service contracting should read this report. The report discusses the need for adequately trained contracting personnel to award and administer service contracts.

**Background.** The National Imagery and Mapping Agency is responsible for providing timely, relevant, and accurate analysis and visual representation of security-related activities on the Earth, which include imagery, imagery intelligence, and geospatial data and information. From FY 2000 through FY 2002, the National Imagery and Mapping Agency awarded 1,962 service contract actions, with a total dollar value of more than \$1.3 billion dollars, which support agency operations. In awarding those contracts, the National Imagery and Mapping Agency staff should follow service contracting policies and procedures provided in the Federal Acquisition Regulation and the National Imagery and Mapping Agency Acquisition Regulation Implementation.

**Objectives.** The audit objective was to determine whether the National Imagery and Mapping Agency followed appropriate contracting policies and procedures in awarding professional and technical service contracts. We also reviewed the management control program as it related to the audit objective.

**Results.** Contracting officials did not adequately support decisions or include all relevant documentation in contract files. Further, the acquisition and procurement community needed to implement effective management controls.

- We reviewed 86 contract actions, valued at \$247.3 million, and 85 contract actions had one or more of the following problems:
  - 77 of 86 technical evaluations were missing or inadequate,
  - 55 of 86 price negotiation memorandums were missing or inadequate,
  - 85 of 86 independent government cost estimates were missing or inadequate, and
  - 50 of 54 justifications and approvals were missing or inadequate (where applicable).

Contract officials for the National Imagery and Mapping Agency did not comply with appropriate contracting policies and procedures in awarding professional and technical service contracts. Specifically, documentation required by the Federal Acquisition Regulation was missing. Further, task orders were awarded without considering competition and historical data. As a result, service contracts were not awarded in the most efficient and effective manner, and may have cost the Department more money. Developing training, management oversight strategies, and reviewing assignment of contract surveillance will improve the awarding of service contracts (finding A).

- The National Imagery and Mapping Agency did not tailor assessable units to address known problems in contracting operations and did not include tests to determine if actions were taken to improve those operations and reduce risk. Also, the self-evaluations were not meaningful and did not focus on actual contract operations. As a result, the National Imagery and Mapping Agency's contracting operations were not adequately safeguarded and known problems continued to occur. Revising assessable units and focusing self-evaluations on actual contract operations will improve controls and reduce risk (finding B).
- The accuracy of the National Imagery and Mapping Agency's procurement information reporting systems was questionable. For example, 156 contract actions entered in the Procurement Request Information System were not in the Defense Contract Action Data System and 410 actions that were entered in the Defense Contract Action Data System were not in the Procurement Request Information System. As a result, internal and external reports generated by both procurement information reporting systems were not reliable. Providing training to contracting personnel, conducting quarterly reviews, and developing a process to monitor the procurement information systems will help improve the accuracy of internal and external reports (finding C).

**Management Comments.** We provided a draft of this report on April 4, 2003. No written response was received from the Director, National Imagery and Mapping Agency. We request that the Director, National Imagery and Mapping Agency, comment on this report by July 7, 2003.

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## Background

**National Imagery and Mapping Agency (NIMA).** NIMA is responsible for providing timely, relevant, and accurate geospatial intelligence in support of national security. Geospatial intelligence is the analysis and visual representation of security-related activities on the Earth, including imagery, imagery intelligence, and geospatial data and information. DoD policy makers, military decision makers, warfighters, civilian federal agencies, and international organizations rely on information received from NIMA as a foundation for planning decisions and actions.

**Service Contracts at NIMA.** A service contract is a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. NIMA uses the Procurement Request Information System (PRISM) as an automated tool for tracking and recording contracting actions. From FY 2000 through FY 2002, NIMA awarded 1,962 service contract actions, with a total dollar value of more than \$1.3 billion dollars, which support agency operations.

**Policy for Use of Service Contracting.** NIMA staff are required to follow service contracting policy provided in the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and the NIMA Acquisition Regulation Implementation.

**FAR.** FAR provides uniform procurement policies and procedures that acquisition planners, procurement officers, and contracting officers use to acquire supplies or services.

**NIMA Acquisition Regulation Implementation.** NIMA Acquisition Regulation Implementation implements FAR and the Defense supplement in NIMA procurement activities. NIMA Acquisition Regulation Implementation states that NIMA will satisfy internal and external customer needs by maximizing use of commercial services and promoting competition. It applies to all NIMA organizations involved in or supporting procurement activities.

## Objectives

The audit objective was to determine whether NIMA followed appropriate contracting policies and procedures in awarding professional and technical service contracts. We also reviewed the management control program as it related to the audit objective. See Appendix A for a discussion of the scope and methodology, our review of the management control program, and prior coverage related to the objectives.

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## **A. Awarding Professional and Technical Service Contracts**

NIMA contracting officials did not fully comply with appropriate contracting policies and procedures in awarding professional and technical service contracts. Of the 86 contract actions that we reviewed, the contract file documentation required by FAR was missing or inadequate for 85 of those contract actions. In addition, task orders were awarded without considering competition or historical data. Those conditions occurred because:

- contracting personnel did not have adequate training to develop and maintain required documents,
- senior management did not provide adequate management oversight for contract actions of less than \$30 million, and
- staff turnover created an absence of corporate knowledge for ongoing contracts.

As a result, service contracts for professional and technical services were not awarded in the most efficient and effective manner, and may have cost the Department more money.

### **Selecting Contracts for Review**

We judgmentally selected 86 contract actions valued at \$247.3 million to determine whether NIMA followed appropriate contracting policies and procedures in awarding professional and technical service contracts. If the contract action reviewed was a modification to a basic contract or task order, the information for the basic contract or task order was reviewed for adequacy. Specifically, we reviewed contract actions for adequacy of documentation (the technical evaluation, price negotiation memorandum, independent government cost estimate, and the justification and approval) in accordance with FAR guidelines. In addition, five of the actions valued at \$46.2 million were reviewed to determine the adequacy of the acquisition plan.

### **Contract File Documentation**

NIMA's contracting personnel did not adequately maintain contract documentation as required by FAR 4.801, "General." FAR requires that documentation in contract files be sufficient to constitute a complete background of the acquisition process, support contract actions, provide information for reviews and investigations, and furnish essential facts in the events of litigation or congressional inquiries. FAR also requires that contracting officers must purchase supplies at fair and reasonable prices. Of the 86 contracting actions

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selected for review, 4 contract files could not be located and 57 did not contain all the required contract documentation. Specifically, the contract files were missing one or more of the following contract file elements:

- 35 of 86 or 40.7 percent\* of technical evaluations,
- 13 of 86 or 15.1 percent\* of price negotiation memorandums,
- 37 of 86 or 43.0 percent\* of independent government cost estimates, and
- 22 of 54 or 40.7 percent\* of justifications and approvals (where applicable).

We reviewed above documentation for adequacy in accordance with the FAR 6.304, “Approval of the Justification,” and FAR 15.4, “Contract Pricing” guidelines.

## Adequacy of Contract Documentation

Contract documentation required by FAR was missing or inadequate. Contract files did not contain all the necessary documents and supporting data. When supporting data was included, it was often inadequate. We reviewed the technical evaluation, price negotiation memorandum, independent government cost estimate, and the justification and approval (where applicable) for 86 contract actions to determine adequacy of the documents. We also reviewed the adequacy of acquisition plans for five of the contract actions each valued over \$5 million.

**Technical Evaluation.** NIMA did not follow FAR guidelines when developing or preparing technical evaluations. Besides the 35 contracting actions that were missing technical evaluations, 9 were adequate, and 42 others were inadequate because they lacked specific detail as required by FAR. FAR 15.404-1, “Proposal Analysis Techniques,” states that the contracting officer is responsible for evaluating the reasonableness of the offered prices and that analytic techniques and procedures may be used to ensure that the final price is fair and reasonable. FAR 15.404-1 also states that at a minimum, the technical analysis should examine the types of material proposed and the need for the types and quantities of labor hours and the labor mix. For example, the technical evaluation in contract action NMA301-99-D-0015, task order 5010, was a series of e-mails between two individuals and did not evaluate the proposed types and quantities of labor hours and proposed labor mix. On contract action NMA301-99-D-0015, task order 5013, the technical evaluation was not provided, instead, notes were included in the pre-negotiation memorandum as a summary and labeled as the technical evaluation.

**Price Negotiation Memorandum.** NIMA contracting officers did not ensure the contract files contained adequate price negotiation memorandums. Of

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\* Judgment sample percentage does not generalize to universe.

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the 86 contract actions reviewed, 31 were adequate, 13 were missing, and 42 were inadequate because they lacked sufficient detail as required by FAR.

FAR 15.406-3, "Documenting the Negotiation," states that the contracting officer shall document in the contract file the principal elements of the negotiated agreement. The documentation should include the purpose of the negotiation, a description of the acquisition, identify the contractor and the representative from the government, the current status of any contractor systems, whether or not cost or pricing data were required, and a summary of the contractor proposal. It should also include the most significant facts or considerations controlling the establishment of the pre-negotiation objectives and the negotiated agreement including an explanation of any significant differences between the two positions. For contract action NMA202-97-D-1033, task order 0033, there was no documented negotiation objective other than the funded amount and no pre-negotiation fee amount or any additional detail to support general statements.

**Independent Government Cost Estimate.** NIMA contracting officers did not ensure contract files contained adequate independent government cost estimates. One of the 86 contract actions was adequate, 37 were missing, and 48 were inadequate due to a lack of detail that is required by NIMA Instruction, "Preparation of Purchase Requests." NIMA Instruction, "Preparation of Purchase Requests," Appendix 4, "Detailed Government Cost Estimate," states a detailed cost estimate is required for all construction and architecture-engineer work estimated at \$100,000 or greater, including anticipated modifications. Cost estimates that were prepared were often unsigned, and included no explanation supporting the estimate. For example, contract action NMA202-97-D-1033, task order 0033, the independent cost estimate provided was a purchase request that was prepared after the contractor's proposal. That purchase request contained no additional details to support the estimate. Contract action NMA301-99-D-0008, task order 13, modification 1, only contained a chart with no explanation of cost or labor hours.

**Sole Source Justification and Approval.** NIMA's contracting officers did not ensure justifications and approvals for sole source awards were adequate. Of the 54 sole source contracting actions requiring justifications and approvals, 4 were adequate, 22 were missing, and 28 were inadequate. Far 6.303-2, "Content," requires that each justification demonstrate that the acquisition required use of the authority cited and a description of the market research conducted. NIMA's Supplemental Policy on Other than Full and Open Competition, "NIMA Instruction for NIMA Acquisition Regulation Implementation," January 10, 2000, mirrors FAR Part 6.3. For example, on contract action NMA301-01-D-0003, task order 0001, the justification stated that a delay could adversely impact the U.S., but it did not indicate what type of impact a delay would cause nor did it provide additional support or a description of the market research conducted. The justification claimed the work was needed within 30 days; however, the modification indicated that the contractor was working on this task order approximately 90 days after the justified time period.

**Acquisition Plan.** Of the 86 contract actions that were selected, we reviewed 5 acquisition plans for those contract actions with values over \$5 million to determine content adequacy. Four of the five contract files contained adequate acquisition plans based on FAR guidelines but one plan was

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missing. FAR Part 7.105, “Contents of Written Acquisition Plans,” states that acquisition plans for service contracts describe the strategies for implementing performance-based contracting methods or provide rationale for not using those methods. Also, the acquisition plan must address all technical, business, management, and other significant considerations that will control the acquisition. Plan contents should include the background and objectives, a statement of need, life-cycle costs, and risks. The acquisition plan should also include a plan of action discussing source, competition, source selection procedures, budget and funding information, and product or service descriptions. The acquisition plan ensures that the Government meets its needs in the most effective, economical, and timely manner.

## **Contract Personnel Training**

**Background.** NIMA, in its role as an acquisition agency, recently reorganized. The Acquisition Directorate is now responsible for all acquisition training, including acquisition training for “non-systems” personnel. The Acquisition Directorate has been challenged to develop and provide a standardized and disciplined process across the NIMA community.

The Defense Acquisition Workforce Improvement Act, passed in 1990, was enacted to improve the overall effectiveness and professionalism of military and civilian personnel charged with management and administration of Defense acquisition programs. DoD established a process through which the acquisition workforce could achieve a professional certification level. The certification process requires that an individual meet minimum mandatory education, training, and work experience requirements for the contracting certification level and position. The DoD Director of Acquisition Management and NIMA Instruction, NI 5000.3R2, “Acquisition Career Management,” regulates NIMA’s contracting personnel training and certification process.

NIMA’s database for required certification levels and interviews with key personnel showed that, NIMA currently has 98 contracting personnel, of which 71 (72 percent) hold warrants that obligate the Government. The contracting personnel included the following: the Deputy Director of Acquisitions (Procurement and Contracts), 9 Supervisory Contract Specialists, 2 Supervisory Procurement Analysts, 2 Contract Data Specialists, 76 contract specialists, 7 procurement analysts, and 1 Cartographer. Of the 98 contracting staff: 66 personnel completed Level III Certification, 14 completed Level II Certification, and 5 completed Level I Certification. The remaining 13 were either missing documentation that verified that training occurred or they did not have the training.

**Service Contract Training.** Personnel lacked adequate training for documenting and supporting the award of contract actions for services. Despite the level of training and certifications held by NIMA contracting personnel, they lacked the necessary contracting skills to prepare and maintain adequate documentation for independent Government cost estimates, price negotiation memorandums, and justification and approvals for the service contracts reviewed. Although the

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technical evaluator is responsible for preparing the technical evaluation, it is the contracting officer's responsibility to ensure its adequacy as well as provide support for negotiations and award. Specifically, contracting personnel did not adequately develop and maintain the necessary documentation as required by FAR even though more than half of the contracting personnel are contract specialists. A discussion with NIMA personnel disclosed that although NIMA has a power point presentation, "Contract Files and Documentation," which refers to FAR 4.803, "Contents of Contract Files," and lists examples of records contained in contract files, it has no formal training class specifically for development of adequate documents and maintenance of contract files.

The presentation is available for those requesting assistance in this area; however, it is not mandatory. We reviewed NIMA's Acquisition Career Management and the Acquisition Workforce Certification program requirements to determine whether specific courses existed for service and performance-based contracting; and determined that the basic courses only contained elements of service contracting. NIMA should develop training on maintaining adequate and complete contract files for services.

## Senior Management Oversight

Senior management did not provide adequate management oversight for contract actions of less than \$30 million. Specifically, senior officials did not implement oversight strategies to improve service contract actions under \$30 million.

**NIMA Acquisition Review Board.** On April 13, 1998, the NIMA Acquisition Review Board signed a memorandum of agreement with the National Reconnaissance Office to use the Acquisition Center for Excellence existing infrastructure with respect to the joint support and use of facilities for acquisition support services, and training of NIMA programs and personnel. The NIMA Acquisition Review Board reviews, oversees, and approves acquisition strategies for all acquisitions over \$30 million, or any acquisition under \$30 million that is of special interest to the agency. The NIMA Acquisition Review Board process includes review of the acquisition plan, statement of work, source selection plan, and justification and approval when required.

The NIMA acquisition review process for acquisitions over \$30 million is an excellent process to ensure that service acquisitions provide a high quality of support. However, those acquisitions only accounted for a portion of the service acquisitions at NIMA. During the audit, all of the contract actions reviewed were under \$30 million, yet the total value of those actions exceeded \$247 million. NIMA lacks an adequate oversight process to monitor the performance of all service contracts within their agency.

**NIMA Service Contracts Oversight Process.** On May 31, 2002, the Under Secretary of Defense for Acquisition, Technology, and Logistics issued the memorandum, "Acquisition of Services," requiring each of the Military Components to propose a Services Contracts Oversight Process within 60 days of the memorandum. The oversight policy for the acquisition of services is intended

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to ensure that service acquisitions provide the highest quality support, enhance the DoD warfighting capabilities, ensure that required outcomes are identified and measurable, and that the acquisitions are properly planned and administered to achieve the intended results. NIMA did not meet the 60-day deadline, but eventually developed a Services Contract Oversight Process plan, dated September 13, 2002. The plan established an acquisition review and approval process and addressed the need to revise and update the acquisition plan for services between \$25,000 and \$2 billion.

The process may improve the oversight of acquisition plans for contracts under \$30 million; however, the oversight of acquisition plans is only a portion of the acquisition process. The Services Contract Oversight Process plan did not address the additional pre-award documentation we reviewed, such as the technical evaluation, price negotiation memorandum, independent government cost estimate, and justification and approval for other than full and open competition. NIMA should implement oversight strategies for service contracts of less than \$30 million that will improve service contract planning, performance, and administration.

## **Contracting Staff Turnover**

Staff turnover resulted in loss of corporate knowledge related to ongoing contracts. Contracting staff were unfamiliar with contracting folders and could not answer basic questions or explain why required information was missing. For example, when contracting personnel were contacted for documentation, they stated the original contracting officer had retired and the contracts were split between two people, and neither could locate the contract file. Also, NIMA identified regularly scheduled performance reviews that were not accomplished in a timely manner because of limited staffing. Surveillance and other program duties were impacted by staff limitations.

## **Task Orders Awarded Under Multiple Award Contracts**

Contracting officials awarded task orders without providing all multiple award contractors a fair opportunity to be considered. FAR 16.505, "Ordering," states that awardees will have a fair opportunity to be considered for orders worth more than \$2,500 unless certain exceptions apply. However, NIMA did not use FAR 16.505 procedures to award task orders under multiple award contracts. NIMA officials awarded 21 task orders, valued at \$26 million, using FAR 36.6, "Architect-Engineer Services," procedures. Those task orders were directed to specific contractors and the justification provided no exception to support a sole source award. FAR does not provide exclusive language granting NIMA the authority to use architecture and engineering procedures for mapping and surveying contracts. By not using FAR 16.505 procedures, NIMA did not provide all multiple award contractors the fair opportunity to compete.

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## **Use of Historical Data**

Contracting officials did not use available history from prior contracts to help define costs and reduce risk by awarding firm-fixed-price contracts. In 13 of 31 cost type contracts actions, there was no evidence that prior experience was considered by contracting officials when deciding on the contract type. For example, NMA201-00-D-0002, task order 0004, defined technical and management risks as low because of the contractor's extensive experience and familiarity with program objectives. Instead of using this history to award at least a portion of the contract on a firm-fixed-price basis, contracting officials chose to award a cost-plus-fixed-fee contract. Since approximately half of the contract actions we reviewed were awarded as cost-type contracts, the importance of technical evaluations, independent government estimates, and price negotiation memorandums was magnified. However, in 80 of 86 (93 percent) contract actions, those documents lacked detail and were inadequate.

## **Conclusion**

NIMA did not fully comply with appropriate policies and procedures when awarding service contracts. Service contracts for professional and technical services were not awarded in the most efficient and effective manner, despite the fact that 85 of the 98 contracting personnel had some level of contract certifications. Contract files did not contain essential documents or the documents were not adequately prepared in accordance with FAR guidelines. The lack of management oversight for contract actions under \$30 million did not ensure that essential documents were adequately prepared and maintained as part of the contract file. Also, the lack of continuity of contracting personnel because of promotions, rotation, and retirement of senior management contributed to poor contract administration. To ensure the Government receives the best value for service contracts, senior management must provide the necessary oversight to ensure that essential documents are prepared prior to negotiations and maintained in the appropriate contract file.

## **Recommendations**

A. We recommend that the Director, National Imagery and Mapping Agency:

1. Develop criteria and training on how to maintain adequate and complete contract files in coordination with the National Reconnaissance Office Center of Excellence and periodically review a sample of contracts as part of the internal control process.

2. Develop mandatory comprehensive acquisition training for all contract personnel that is specific to the preparation and maintenance of detailed technical evaluations, price negotiation memorandums, independent government cost

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estimates, and justifications and approvals as required by Federal Acquisition Requirements.

3. Implement management oversight strategies for service contracts under the \$30 million threshold to ensure that contracts are awarded and administered to enhance warfighters capabilities and achieve intended results.

4. Review the assignment of contract surveillance and adjust workload and staffing to resolve any imbalance.

## **Management Comments Required**

The National Imagery and Mapping Agency did not comment on a draft of this report. We request that the National Imagery and Mapping Agency provide comments on the final report.

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## B. Management Controls in Contract Operations

NIMA contracting and procurement officials did not tailor assessable units to address known problems in contracting operations, and did not include tests to determine if actions were taken to improve those operations and reduce risk. In addition, self-evaluations were not meaningful because they did little more than provide responses to nonspecific questions and did not focus on actual contract operations. Those conditions occurred because senior officials did not ensure that procurement and contracting officials were adequately trained, or that the control program was flexible enough to evaluate ongoing operations and adjust control approaches to mitigate risk. As a result, contracting operations were not adequately safeguarded, and known problems continued to occur.

### Management Control Definitions

**Management Controls.** Management controls are a system of guidance, instructions, regulations, and procedures intended to provide reasonable assurance that programs achieve intended results. Management controls are employed by managers to support the effectiveness and integrity of every step of a process, provide feedback to management, and ensure what should occur in daily operations does occur on a continuous basis.

**Assessable Unit.** An assessable unit is any organizational; functional (research, development, test and evaluation, procurement, contract administration, personnel, or organization management, or any combination there of); programmatic; or other applicable subdivision capable of being evaluated through management control assessment procedures.

### Management Control Policies

**DoD Directive 5010.38.** DoD Directive 5010.38, "Management Control Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that program assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Directive 5010.38 also states that the management control process address all significant operations and mission responsibilities and not limit evaluation to operations applicable to the financial management community. Whenever existing data does not provide for adequate review of management controls, organizations should plan and provide appropriate reviews that will enable management to make reasonable judgments about the effectiveness of the management controls.

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**OMB Circular No. A-123.** OMB Circular No. A-123, “Management Accountability and Control,” June 21, 1995, requires that Federal employees design management structures that help ensure accountability for results, and include appropriate, cost-effective controls. Agencies must also assess the adequacy of management controls in Federal programs and operations, identify needed improvements, take corresponding corrective action, and report annually on management controls.

**NIMA Instruction No. 7410.5R3.** NIMA Instruction No. 7410.5R3, “NIMA Instruction for Management Control,” July 16, 2002, mirrors the General Accounting Office, “Standards for Internal Control in the Federal Government,” November 1999, DoD Directive 5010.38, and the OMB Circular No. A-123 and provides guidance and procedures governing the responsibility of all levels of management to ensure accountability and effectiveness of agency programs and operations by establishing, assessing, correcting, and reporting on management controls. NIMA Instruction No. 7410.5R3 states that the Financial Management Directorate serves as the senior management office responsible for establishing and implementing the management control program.

## **Adequacy of Management Controls**

NIMA contracting and procurement officials did not tailor assessable units to address known problems in contracting operations, and did not include tests to determine if actions were taken to improve those operations and reduce risk. In addition, self-evaluations were not meaningful because they did little more than provide responses to nonspecific questions and did not focus on actual contract operations. We reviewed the Statements of Assurance from FY 1999 through FY 2002. NIMA reported no material management control weakness in contract acquisitions. However, NIMA’s self-evaluations did not address known problem areas, and provide a true assessment to reflect the adequacy and effectiveness of contract operations.

**Assessable Units of Known Problem Areas.** NIMA did not tailor assessable units to address known problems in contracting operations. NIMA identified Contracts Program, Acquisition Automation Program, Purchase Card Procurement Program, and Socio-Economic Program as the assessable units for contract operations. The assessable units did not address the functional areas of contracting such as, procurement and contract administration, which would have addressed the problems identified. For instance, one contract related assessable unit “Contracts Program” only measured contract actions awarded over the \$30 million dollar threshold that required reviews by secondary contracting officers, the General Council, and the NIMA Acquisition Review Board. However, all of the contract actions we reviewed were less than \$30 million and represented \$247.3 million of NIMA’s business, yet were not addressed under the assessable unit, “Contract Program.”

NIMA conducted an Acquisition Management Review on June 24, 1999, that stated a contracting officer obligated the Government over the authorized warrant limit, and did not following proper contracting procedures, as required by

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FAR 1.101, "Purpose." Tailoring the assessable unit to include contract administration, would cover aspects of contractual requirements including acquisition tracking system, contract file organization, billing and payment controls, performance and delivery, justification for contractual amendment, contract closeout, and actions to protect the best interest of the Government. Without measurable criteria for assessable units, self-evaluations cannot provide reasonable assurance that resources are safeguarded.

**Risk Assessment of Contract Operations.** NIMA did not include tests to determine if actions were taken to improve contract operations and reduce risk. The General Accounting Office, "Standards for Internal Control in the Federal Government," November 1999, defines risk assessment as the analysis of relevant risk associated with achieving the objectives, and forming a basis for determining how risk should be managed. It also states that risk assessment is one of five standards that provide the basis against which internal control is to be evaluated. However, NIMA did not address contracting problems previously identified during external and internal reviews.

NIMA did not address known problem areas identified during external and internal reviews. NIMA Inspector General Report IG02-01 "Review of Procurement and Contracts Management," December 17, 2001, found that the acquisition tracking system, PRISM, was incomplete and not fully utilized to manage contract actions and made a recommendation that NIMA periodically review the accuracy of data in PRISM. To date, no action has been taken to ensure the accuracy of PRISM (finding C).

NIMA conducted an Acquisition Management Review of the Procurement and Contracts Directorate during November and December of FY 1998 that found problems similar to our results in finding A. The review disclosed failure to properly document and support contract actions. It further stated that files were disorganized, making it difficult for anyone not familiar with the file to establish a cohesive chronology of the contract actions. In addition, the review stated that contract administration was inadequate. NIMA did not implement control measures to correct known problems and did not perform tests to measure improvements. As a result, over 4 years later, the same problems continue to exist.

Additionally, NIMA contracting personnel identified potential risk areas where no separation of duties existed between personnel able to make purchases for NIMA (purchase cardholders), and personnel responsible for accounting for property (hand receipt holders). NIMA has many individuals who can obligate the government and are also responsible for accounting for property. The potential risk exists that cardholders are purchasing items with a government purchase card for personal reasons and not accounting for items. NIMA should revise the purchase card policy and procedures to ensure a separation of duties.

**Self-Evaluations of Assessable Units.** NIMA's self-evaluations were not meaningful because they did little more than provide responses to nonspecific questions and did not focus on actual contract operations. Self-evaluations did not address problem areas identified and other aspects of contracting; also project manager responses were limited to five responses ranging from strongly agree to

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strongly disagree. Based on the four self-evaluations reviewed, there was no evidence that evaluation questions provided a true assessment to reflect the adequacy and effectiveness of contract operations. During the audit, we interviewed NIMA contracting personnel to determine whether self-evaluations provided a true assessment. When asked to provide support for their responses on the self-evaluation questionnaires, managers stated that they were confused by the self-evaluation questionnaire, and were unable to provide detailed procedures used to arrive at their responses.

NIMA Instruction 7410.5R3 requires that mid-year assessments of assessable units should determine their susceptibility to fraud, waste, abuse or mismanagement. In FY 2002, NIMA did not include identification of risk areas because the senior management control official, stated that NIMA managers did not understand how to evaluate risk, even though NIMA's training slides provided guidelines on how to assess risk. Senior management officials did not develop an adequate self-evaluation questionnaire that would provide a true assessment of deficiencies in contract operations and provide proper training. Although NIMA had a general presentation on management controls, managers lacked adequate formal training and management oversight to ensure self-evaluation questionnaires identified problem areas and represented a true assessment of contract operations.

## **Formal Training and Management Oversight**

Senior officials did not ensure that procurement and contracting officials were adequately trained or that the control program was flexible enough to evaluate ongoing operations and adjust control approaches to mitigate risk. DoD Directive 5010.38 requires training for managers to be consistent with their management control responsibilities. Adequate formal training is needed to identify assessable units and associated risk factors and to develop a self-evaluation process that addresses critical phases of contract operations. NIMA provided an on-line overview presentation on management control training. The training presentation provided guidelines on how to assess risk and perform self-evaluations; however, it did not ensure that managers understood how to effectively incorporate basic management controls into their strategies and plans for establishing and evaluating assessable units. Interviews with NIMA contracting personnel showed that they lacked an understanding of procedures for identifying assessable units and completing self-evaluation forms. Adequate formal training will allow managers to interact with other peers to ensure comprehension of management controls as it applies to their program. NIMA should develop formal training specific to developing assessable units with associated risk, and preparing self-evaluations that would identify deficient areas in the contracting operations so that corrective actions may be implemented in a timely manner.

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## **Conclusion**

NIMA did not tailor assessable units to address known problems in contracting operations, and did not include tests to determine if actions were taken to improve those operations and reduce risk. Self-evaluations were not meaningful, and did not focus on actual contract operations. Adequate training was not provided. Risk remained higher because no corrective actions were taken to improve known problems in contract operations or to evaluate ongoing operations and adjust control approaches. As a result, contracting operations were not adequately safeguarded against fraud, waste or loss, and known problems continued to occur in contract operations.

## **Recommendations**

B. We recommend that the Director, National Imagery and Mapping Agency:

1. Require formal training for contract operations that will specifically address how to develop assessable units, assess risk, and perform adequate self-evaluations, to ensure that managers understand how to effectively incorporate basic management controls into their strategies and plans.
2. Revise assessable units to address contracting practices within each of the acquisition program management offices.
3. Revise the self-evaluation form to provide a meaningful assessment in the adequacy and effectiveness of contract operations.
4. Revise the purchase card policy and procedures to ensure separation of duties.

## **Management Comments Required**

The National Imagery and Mapping Agency did not comment on a draft of this report. We request that the National Imagery and Mapping Agency provide comments on the final report.

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## C. Accuracy of the Procurement Information Reporting Systems

The accuracy of NIMA's procurement information reporting systems was questionable. This occurred because NIMA did not establish processes to:

- ensure that procurement and contract officials entered all applicable contract actions, and
- monitor the accuracy of the data in the PRISM and the Defense Contract Action Data System (DCADS).

As a result, internal and external reports generated by both procurement information reporting systems were not reliable.

### Procurement Information Reporting Systems Background, Policy and Regulations

**Background.** NIMA uses the PRISM, which is a comprehensive acquisition tracking system that automates each step of the procurement process. PRISM provides information for comprehensive management of all aspects of procurement and assists in streamlining the procurement process. Requisitions, solicitations, bid evaluation, automatic milestone plan updates, status notifications, and file routing for approval are all available on-line through PRISM and are used to answer internal and external data calls, as well as compiling award and workload statistics. The PRISM administrator at NIMA electronically transmits certain contractual information stored in PRISM to the Defense Finance and Accounting Service and the Office of the Secretary of Defense.

In addition to reporting procurement information into PRISM, NIMA also enters procurement information into the DCADS, which is the DoD reporting system that supports the requirements for the DD Form 350 (DD350), "Individual Contracting Action Report." Contracting officers are required by FAR and DFARS to submit a DD350 to the departmental data collection point to report selected contract action information that obligates or de-obligates more than \$25,000. The departmental data collection point for NIMA is the Department of the Army. The Department of the Army will electronically record the data and submit a monthly report to the Directorate for Information, Operation, and Reports of the Washington Headquarters Service, which transmits the information to the Federal Procurement Data System.

**NIMA Policy Letter 99-18, "Essential Procurement Information Data."** NIMA Policy Letter 99-18, "Essential Procurement Information Data," states it is critical that PRISM data accurately reflect Procurement and Contracts workload and contractual documents, as Procurement and Contracts officials rely on PRISM to generate internal and external reports. All procurement actions

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(obligation, de-obligation, or zero dollars) except for classified acquisition and procurement documents, purchase card buys, grants, cooperative agreements and other transactions will be entered into PRISM and reported in the Federal Procurement Data System by completing a DD350. The DD350 should create a true picture of the award and modifications to the contract. Policy Letter 99-18 was superseded by Policy Letter 02-12, which reinforced the requirements of Policy Letter 99-18, and added additional guidance.

**DFARS Subpart 204.6, “Contract Reporting.”** DFARS 204.670-2, “Reportable Contracting Actions,” states a DD350 must be completed for the following types of contracting actions:

- that obligate or de-obligate more than \$25,000,
- that obligate or de-obligate less than \$25,000 and are awarded under small business set-asides, requires DoD processes for a non-DoD Federal agency, multiple reports to separate foreign military sales from non-foreign military sales, or actions in a designated industry group under the Small Business Competitiveness Demonstration Program,
- that establish an indefinite-delivery contract, and
- of any dollar amount that the contracting officer chooses to report on a DD350.

Several types of contracting actions are not reported on the DD350. Some of those transactions include imprest fund transactions, SF 44 purchases, micro-purchases obtained through the use of the Government-wide commercial purchase card, non-appropriated fund transactions, and orders from General Services Administration stock and the General Services Administration Consolidated Purchase Program. For all reportable contract actions, the contracting officials prepare the appropriate type of DD350 and submit all procurement information each calendar month to the departmental data collection point.

**Federal Acquisition Regulation Subpart 4.6, “Contract Reporting.”** FAR 4.601, “Record Requirements,” requires each executive agency maintain a computer file of unclassified records for all procurements exceeding \$25,000. Agencies must transmit information to the Federal Procurement Data System. The Federal Procurement Data System will organize and present contract placement data for the Federal Government. The data are used to provide special reports to the President and Congress and measure and assess the impact of Federal contracting on the Nation’s economy.

## **Accuracy of Information Reported**

The accuracy of the NIMA FY 2000 and FY 2001 procurement information reporting systems was questionable. NIMA provided a file containing 3,673 service contract actions that were reported in the NIMA PRISM database of which 1,096 were consistent with DD350 dollar value criteria and with award

dates for FY 2000 and FY 2001. A file of 1,351 NIMA service contract actions reported as DD350 inputs to the Federal Procurement Data System was obtained for the same time period, of which 1,350 were consistent with DD350 dollar value criteria. Two steps were used to match the records. The first step involved matching records between the two files using four criteria: the reported contract number, modification or order number, obligation number, and amount obligated. The results of the first step fall into one of three categories: matched, shown only in PRISM, or shown only in the DD350. Once the matches were identified, the matches were set aside and the remaining PRISM and DD350 records using only the contract number and the amount obligated were matched. In the second step, records fell into the same three categories: matched, shown only in the PRISM file or shown only in the DD350 file. The matches of both runs were added together to show the consistency between the two systems. The following table summarizes the comparison of contract actions between the two systems.

**Summary of DCADS and PRISM FY 2000 and FY 2001  
Contract Actions**

	<b>DCADS Contract Actions (DD350)</b>	<b>DCADS Dollar Value (Millions)</b>	<b>PRISM Contract Actions</b>	<b>PRISM Dollar Value (Millions)</b>
Total Contract Actions	1,350	\$907.7	1,096	\$717.2
Total Matched Contract Actions	940	606.0	940	606.0
Total Unmatched Contract Actions	410	301.7	156	111.2

Among the 1,096 PRISM records, there were 156 that did not match (14 percent); representing \$111.2 million of the \$717.2 million (16 percent). The DD350 file contained 1,350 records in the same time frame with 410 unmatched (30 percent); representing \$301.7 million of the \$907.7 million (33 percent). The files from the two systems did not fully reconcile. That raised doubt as to whether the information reported in either system accurately reflected all service contract actions for FY 2000 and FY 2001.

## **Reporting of Contract Actions**

NIMA did not establish processes to ensure that procurement and contract officials entered all applicable contract actions into PRISM and DCADS. By not entering all applicable contract actions, the procurement information reporting systems were not reliable and were not in compliance with policy letters and

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acquisition regulations. Contracting officers at NIMA are required to enter all applicable contract actions into DCADS and PRISM. However, 156 contract actions entered in PRISM were not in DCADS and 410 contract actions that were entered in DCADS were not in PRISM. Policy Letter 99-18 states that:

All actions entered into PRISM will also be reported into the Federal Procurement Data System by completing a DD350, "Individual Contracting Action Report," . . .

Therefore, the 156 actions, valued at \$111.2 million that were entered in PRISM, should have been entered in DCADS. PRISM has the capability to prevent those discrepancies. The system has an internal switch that will not allow the release of a contract action in PRISM without completing a valid DD350. However, that internal switch has been disabled because of the pending DD350 reporting requirement changes. The contracting officer is then responsible for ensuring that a DD350 is completed for those actions because there is currently no validation process to ensure the task is completed.

For the 410 contract actions that were not reported in PRISM, but reported in the DD350, a PRISM administrator speculated that some of those actions were purchase card transactions or contract actions awarded by one contracting officer that obtained a waiver for reporting contract actions into PRISM. The contracting officer buys commercial imagery and inputs those contract actions into a commercial imagery purchasing card database instead of PRISM. As a result, we were unable to validate whether all contract actions were accurately reported in PRISM. Although NIMA does offer training on reporting procurement information into PRISM, it is not a requirement that contracting officers attend this training. NIMA should require contracting officials to attend the training on reporting procurement information into PRISM.

## **Monitoring the Accuracy of Procurement Data**

NIMA officials did not establish processes to monitor the accuracy of the data in PRISM and DCADS. NIMA Inspector General Report IG02-01, "Review of Procurement and Contracts Management," December 17, 2001, found that the PRISM is incomplete and not fully utilized to manage contract actions and recommended that the Director, Procurement and Contracts Office, establish processes and mechanisms to conduct periodic reviews of the accuracy of the data in the PRISM. The Director, Procurement and Contracts Office responded to the report that acquisition management reviews would be conducted to determine the accuracy of procurement actions in PRISM. Since the issuance of the NIMA Inspector General report, the Director, Procurement and Contracts Office has yet to take any action to ensure the accuracy of PRISM and waived the requirement for data validation. The Director, Procurement and Contracts Office has a responsibility to ensure the data in PRISM is accurate and to make certain this occurs. Periodic reviews of the data should be conducted.

NIMA has taken steps to improve future accuracy of the PRISM system. NIMA is fielding a web version of the existing automated system. The web version

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contains numerous validation methods including field validation at the point of entry, workflow edits in the system, prevention of unauthorized changes to the document, notification to approvers and reviews of actions requiring their involvement, and the release of a document after all reviewers have approved it. Those validation methods will aid NIMA in monitoring the accuracy of the information in PRISM.

## **Conclusion**

The information compiled in the procurement information reporting systems is used by NIMA, DoD agencies, as well as other Federal agencies. It is essential that this information be accurate and complete to ensure the information reported in those procurement information reporting systems is reliable. NIMA officials did not enter all applicable contract actions into the two systems, which generated inaccurate internal and external reports. Unless corrective action is taken to correct the inaccuracies, PRISM and DCADS will not accurately reflect the workload and contractual documents awarded at NIMA.

## **Recommendation**

C. We recommend that the Director, National Imagery and Mapping Agency:

1. Provide mandatory training to contracting personnel on reporting procurement information to ensure all applicable contract actions are entered into the Procurement Request Information System and Defense Contract Action Data System.
2. Conduct quarterly reviews of Procurement Request Information System to ensure that the system generates accurate internal and external reports.
3. Develop a process that monitors and validates the accuracy of the contract actions entered into the Procurement Request Information System and Defense Contract Action Data System.

## **Management Comments Required**

The National Imagery and Mapping Agency did not comment on a draft of this report. We request that the National Imagery and Mapping Agency provide comments on the final report.

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## Appendix A. Scope and Methodology

We reviewed contract documentation dated from September 1995 to December 2001. To accomplish our audit objective, we:

- Interviewed NIMA personnel responsible for program and contract management to understand the contracting operations and obtained contract documentation at NIMA offices in Bethesda, Maryland; St. Louis, Missouri; and Reston, Virginia.
- Reviewed the completeness and adequacy of contract file documentation based on FAR requirements. We also reviewed other Federal and DoD regulations and NIMA policies and procedures.
- Judgmentally selected and reviewed 86 contract actions, valued at \$247.3 million, to determine the adequacy of technical evaluations, price negotiation memorandums, independent government cost estimates, and sole source justification and approvals. The selection process for the contracts reviewed is detailed at Appendix B. In addition, we reviewed acquisition plans for 5 of the 86 contract actions, each valued over \$5 million, to determine content adequacy based on FAR Part 7.105.
- Analyzed NIMA's Procurement Request Information System and the Defense Contract Action Data System for reporting accuracy.

We performed this audit from May 2002 through March 2003 in accordance with generally accepted government auditing standards.

**Use of Computer-Processed Data.** To achieve the audit objectives, we could not rely on computer-processed data contained in PRISM and DCADS. Our review of system controls and the results of data showed that procurement and contract officials did not enter or monitor the accuracy of all applicable contract actions. The results of the data tests cast doubt on the data validity. A full discussion of the reliability of PRISM and DCADS is discussed in Finding C.

**Use of Technical Assistance.** Representatives from the Quantitative Methods Division of the Technical Assessment Division, Office of the Assistant Inspector General for Auditing of the Department of Defense assisted in a two-step analysis to match records of contract actions between NIMA's Procurement Request Information System and the DCADS.

**General Accounting Office High-Risk Area.** The General Accounting Office has identified several high-risk areas in DoD. This report provides coverage of the DoD Contract Management high-risk area.

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## Management Control Program Review

DoD Directive 5010.38, "Management Control Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

**Scope of Review of the Management Control Program.** We reviewed the adequacy of NIMA's management controls over contract management and administration. Specifically, we reviewed NIMA's management controls over maintaining contract files, adequacy of the technical evaluation, price-negotiation memorandum, independent cost estimate, sole-source justification and approval, and the acquisition plan. We also reviewed NIMA's Procurement Request Information System database. In addition, we reviewed the NIMA's assurance statements for FY 1999, FY 2000, FY 2001, and FY 2002 to determine whether management identified assessable units and performed self-evaluations.

**Adequacy of Management Controls.** We identified material management control weaknesses for NIMA as defined by DoD Instruction 5010.40, "Management Control Program Procedures." NIMA management controls for contract administration and management were not adequate to ensure that contract files were maintained properly, and contained adequately prepared documentation, and that the Procurement Request Information System database was reliable. Finding A and C discuss the deficiencies in detail. Recommendations A.1, A.2, C.2, and C.3, if implemented, will improve NIMA contract administration and management. A copy of the report will be provided to the senior official responsible for management controls in the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

**Adequacy of Management's Self-Evaluation.** NIMA officials did not identify assessable units that addressed problem areas from previous internal and external reviews; therefore, NIMA did not identify or report the material management control weaknesses identified by the audit. Finding B discusses the specifics on NIMA's self-evaluations and known problem areas.

## Prior Coverage

### Inspector General of the Department of Defense

Inspector General, DoD, Report No. D-2000-100, "Contracts for Professional, Administrative, and Management Support Services," March 10, 2000

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**Other**

Inspector General, NIMA, Report No. IG02-02, "Quick-Reaction Report on Contract Closeout," April 5, 2002

Inspector General, NIMA, Report No. IG02-01, "Review of Procurement and Contracts Management," December 17, 2001

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## **Appendix B. Statistical Sampling**

We developed a statistical random sampling plan to sample the universe of NIMA contracting actions involving the award of NIMA's population of service contracts from FY 2000 through FY 2002. NIMA used the PRISM database to provide the universe of 3,675 service contract actions. The universe included actions that were active, closed, or had zero balances or negative balances. We eliminated from the universe 1,460 contract actions with zero balances, because they were only administrative modifications. Also, we excluded 192 contracts with negative values. Additionally, we eliminated 530 contract actions that pertained to facilities and maintenance (i.e., garbage collection, grass cutting, cafeteria, etc.) because the NIMA Inspector General planned to review those contract actions.

We selected 209 sample service contracts from the population of 1,493 positive value contract actions using a sample stratified on the basis of the contract value. Of the statistical sample of 209 service contract actions, we judgmentally selected 86 contract actions awarded from FY 2000 through FY 2002 that were valued at \$247.3 million. To obtain the judgmental sample of 86 contract actions, we compared the 209 service contract actions to a list of service contract actions from the DD350 for FY 2000 and FY 2001, resulting in 81 matches. The other five contract actions, each valued over \$5 million, were selected from the statistical sample of 209.

## Appendix C. Adequacy of Contract Actions

Contract Number	Order/ Modification	Dollar Value	Adequate			
			Technical Evaluation	Price Negotiation Memorandum	Independent Government Cost Estimate	J&A
NMA401-00-D-0004	5005	\$259,207.00	N	-	N	-
NMA201-00-D-0001	0002 03	\$170,262.00	N	Y	N	N/A
NMA401-00-C-0005	P00003	\$879,100.56	N	Y	-	N/A
NMA201-00-D-0002	0008 01	\$255,488.00	N	Y	N	N/A
NMA201-01-C-0003	P00002	\$241,080.00	N	N	-	N/A
NMA301-99-D-0018	0008 01	\$131,387.97	N	N	N	N
NMA201-00-D-0001	0005 01	\$153,050.00	N	Y	N	N/A
NMA201-01-C-0005	P00003	\$439,120.00	N	N	-	N/A
NMA201-00-C-0002	P00008	\$554,519.00	N	Y	-	-
NMA202-98-C-1034	P00009	\$560,000.00	-	-	-	N/A
NMA100-97-C-5001	P00052	\$600,000.00	-	N	-	N/A
NMA201-01-C-0004		\$258,216.00	N	Y	-	N/A
NMA301-99-D-0016	5002 02	\$2,237,526.00	N	N	N	N
NMA301-99-D-0012	0039	\$592,993.00	N	Y	N	N
DMA100-96-C-5020	P00015	\$145,377.00	N	N	-	N/A
NMA201-01-C-0006		\$354,706.00	N	N	-	N/A
NMA301-99-D-0012	0027	\$355,338.00	N	Y	N	N
NMA301-00-C-0001	P00011	\$199,908.00	-	N	-	-
NMA202-97-D-1033	0030	\$523,413.00	N	N	-	N/A
NMA201-00-D-0002	0007 03	\$200,000.00	-	N	-	N/A
NMA201-00-D-0001	0008	\$258,500.00	-	N	-	N
NMA201-01-C-0001		\$399,525.00	N	N	-	N/A
NMA201-97-C-1003	P00020	\$175,822.00	Y	Y	-	-
NMA202-98-C-1034	P00008	\$2,655,000.00	-	N	-	N/A
NMA202-98-C-1021	P00056	\$3,202,360.00	Y	-	N	N/A
NMA301-99-D-0016	5008 01	\$1,300,491.00	-	N	-	N
NMA201-00-C-0011	P00003	\$2,100,000.00	-	Y	N	-
NMA301-99-D-0009	5004	\$1,115,935.15	N	N	N	N
NMA301-01-D-0003	0001	\$1,500,000.00	N	Y	-	N
NMA301-99-D-0009	5007	\$2,089,196.88	N	N	N	N
NMA202-98-C-1021	P00042	\$1,389,312.00	Y	-	N	N/A
NMA202-97-D-1033	0033	\$3,991,488.00	N	N	N	N/A
NMA201-00-C-0011	P00010	\$2,212,769.00	-	Y	N	-
NMA301-99-D-0005	0013	\$4,171,028.77	N	Y	N	N
NMA201-00-D-0001	0005	\$1,953,050.00	N	Y	N	N/A
NMA301-99-D-0009	5002	\$1,373,389.00	N	Y	Y	N
NMA302-98-D-0001	5514	\$101,189.40	-	Y	N	N/A
NMA201-00-D-0001	0004	\$499,097.00	N	N	N	N/A

			<b>Adequate</b>			
<u>Contract Number</u>	<u>Order/ Modification</u>	<u>Dollar Value</u>	<u>Technical Evaluation</u>	<u>Price Negotiation Memorandum</u>	<u>Independent Government Cost Estimate</u>	<u>J&amp;A</u>
NMA301-99-D-0008	0019 04	\$185,784.00	Y	N	N	N
NMA301-99-D-0008	0032	\$879,144.00	N	Y	N	N
NMA201-00-D-0002	0004 05	\$207,627.00	N	Y	N	N/A
NMA301-99-D-0009	0005 08	\$1,080,000.00	N	N	N	N
NMA100-97-C-5001	P00076	\$4,053,000.00	-	N	-	N/A
NMA301-99-D-0015	5010	\$1,584,791.00	N	N	N	N
NMA202-98-C-1021	P00051	\$3,673,096.00	Y	-	N	N/A
DMA800-95-C-8029	P00062	\$1,469,099.00	N	N	N	Y
NMA201-00-C-0011	P00024	\$1,519,922.00	-	Y	N	-
NMA201-97-C-1003	P00019	\$2,000,000.00	N	N	-	-
DMA800-95-C-8029	P00057	\$6,120,721.00	N	N	N	Y
DMA800-95-C-8029	P00045	\$1,700,000.00	N	N	N	Y
NMA100-97-C-5001	P00065	\$2,423,757.00	-	N	-	N/A
NMA301-99-D-0012	0020 07	\$6,398,534.00	N	N	-	N/A
NMA301-00-C-0001	P00022	\$1,200,000.00	N	Y	-	N
NMA100-97-C-5001	P00080	\$1,200,000.00	-	N	-	N/A
NMA301-99-D-0008	0015 23	\$1,956,042.00	N	-	-	-
NMA301-99-D-0015	5007	\$1,120,860.00	Y	N	N	N
NMA100-97-C-5001	P00063	\$1,003,094.00	-	N	-	N/A
NMA201-00-C-0011	P00018	\$5,439,630.00	-	Y	N	-
NMA301-99-D-0007	5017	\$1,451,622.00	N	Y	N	-
NMA301-99-D-0012	0020 27	\$2,116,873.00	-	Y	-	N
NMA201-00-C-0011	P00011	\$10,525,634.00	-	Y	N	-
NMA201-00-C-0011	P00012	\$11,518,736.00	-	Y	N	-
NMA201-00-C-0011	P00002	\$13,221,488.00	-	Y	N	-
NMA201-00-C-0011	P00017	\$14,400,828.00	-	Y	N	-
NMA201-00-C-0011	P00009	\$17,871,637.00	-	Y	N	-
NMA201-00-C-0011	P00021	\$28,438,307.00	-	Y	N	-
NMA202-98-C-1021	P00044	\$5,318,350.00	Y	-	N	N/A
NMA301-99-D-0007	5008	\$2,074,653.00	N	N	N	N
NMA301-99-D-0012	5008	\$373,492.00	-	N	N	N
NMA301-99-D-0016	5004	\$1,762,721.00	N	N	N	N
NMA301-99-D-0016	5009 09	\$799,622.25	Y	Y	-	N/A
NMA301-99-D-0018	0009	\$124,616.00	-	N	-	N/A
NMA301-99-D-0017	5005	\$997,797.00	-	N	N	N
NMA301-99-D-0005	0015	\$1,299,921.00	-	N	N	N
NMA301-99-D-0015	5012	\$301,623.00	N	-	N	N
NMA301-99-D-0008	0013 01	\$742,435.00	-	N	N	N
NMA201-00-C-0018		\$1,538,938.00	-	-	-	-
NMA201-97-C-1003	P00025	\$122,871.00	-	N	-	-

			<b><u>Adequate</u></b>			
<b><u>Contract Number</u></b>	<b><u>Order/ Modification</u></b>	<b><u>Dollar Value</u></b>	<b><u>Technical Evaluation</u></b>	<b><u>Price Negotiation Memorandum</u></b>	<b><u>Independent Government Cost Estimate</u></b>	<b><u>J&amp;A</u></b>
NMA301-99-D-0012	5022	\$464,778.00	-	-	-	N
NMA301-99-D-0015	5013	\$150,997.00	-	N	-	-
NMA301-99-D-0017	0022	\$734,809.00	-	-	-	-
NMA202-98-C-1021	P00048	\$15,597,015.00	Y	-	N	N/A
NMA301-00-C-0001	P00048	\$5,400,000.00	N	Y	-	N
NMA301-99-D-0008	0034	\$15,000,000.00	N	N	-	N
NMA401-02-F-0045	P00003	\$5,135,000.00	-	N	N	Y
NMA401-98-C-2727	P00050	\$5,050,000.00	-	-	-	-
<b>Total</b>		<b>\$247,348,708.98</b>				

<b><u>Legend</u></b>	
Adequacy	"-" = missing document
	"Y" = adequate document
	"N" = inadequate document
	"N/A" = not applicable for competed contract actions

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## **Appendix D. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense for Acquisition, Technology, and Logistics  
Director, Defense Procurement and Acquisition Policy  
Under Secretary of Defense (Comptroller)/Chief Financial Officer  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)

### **Department of the Army**

Auditor General, Department of the Army

### **Department of the Navy**

Naval Inspector General  
Auditor General, Department of the Navy

### **Department of the Air Force**

Auditor General, Department of the Air Force

### **Other Defense Organization**

Director, National Imagery and Mapping Agency

### **Non-Defense Federal Organization**

Office of Management and Budget

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## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

Senate Committee on Appropriations

Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on Defense, Committee on Appropriations

House Committee on Armed Services

House Committee on Government Reform

House Subcommittee on Government Efficiency and Financial Management, Committee on Government Reform

House Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform

House Subcommittee on Technology, Information Policy, Intergovernmental Relations, and the Census, Committee on Government Reform

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## **Team Members**

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