U.S. CENSUS BUREAU
Awarding of U.S. Census Bureau Noncompetitive Contracts Did Not Consistently Follow Federal Acquisition Regulations and Commerce Acquisition Policies
OIG-17-031-A

WHAT WE FOUND
Overall, we found that the Bureau's contracting personnel did not properly award 25 of the 28 noncompetitive contracts reviewed because they did not comply with at least one or more of the key Federal Acquisition Regulations, Commerce Acquisition Manual, and Bureau's pre-award requirements. Based on our review, we estimate the Bureau could have potentially saved 20 percent in acquisition costs, approximately $9.3 million, which we consider to be questioned costs (see appendix C). Specifically, we found the following:

I. Sole source contracts were awarded without proper support documents and approval.
   A. Statutory authorities were incorrectly used to justify awarding noncompetitive contracts.
   B. Market research was not sufficient to support noncompetitive justification.
   C. Price reasonableness determination documentation was missing or lacked rationale.
   D. Sole source justifications were missing required content.
   E. Justifications did not have proper approval authority.
   F. There was insufficient evidence of contract review board decisions.

II. Contract files were not properly maintained.

WHAT WE RECOMMEND
We recommend that the Bureau's Chief, Acquisition Division

1. strengthen controls to enforce FAR and CAM documentation policies and procedures for planning and justifying other than full and open competition acquisitions;
2. reemphasize to contracting officers the requirement to adequately justify sole source procurements when using the only one responsible source and unusual and compelling urgency statutory authorities in accordance with FAR requirements;
3. require contracting officers to maintain supporting documentation in the contract file describing the specific steps taken during market research and the results of the market research conducted;
4. require contracting officers to retain, as part of the contract file, all supporting documentation used to establish price reasonableness determinations;
5. require contracting officers to ensure that sole source justification documents are approved at the appropriate level and that the justification documents include all elements as required by the FAR;
6. enforce current policies and procedures regarding the Contract Review Board process to include maintaining evidence of board meetings, decisions and outcomes;
7. clarify how contracting officers should address and document Office of General Counsel's comments on non-competitive contracts;
8. improve controls to properly maintain and safeguard contract files; and
9. ensure training is provided for contracting personnel to correct identified deficiencies.