



October 25, 2010

MEMORANDUM FOR: Helen Hurcombe
Senior Procurement Executive and Director, Office of Acquisition
Management

FROM: Ann Eilers 
Principal Assistant Inspector General for Audit and Evaluation

SUBJECT: Notification Regarding Audit of the Department of Commerce's
Implementation of Acquisition Savings Initiatives

In July 2009, the Office of Management and Budget's (OMB's) Office of Federal Procurement Policy directed each federal agency to review its existing contract and acquisition practices and develop a plan to save 7 percent of baseline contract spending by the end of FY 2011, and also to reduce by 10 percent the share of dollars obligated in FY 2010 under new contract actions that are awarded with high-risk contracting authorities. In November 2009, agencies were required to submit their acquisition savings plans to OMB.

We are initiating an audit of the Department of Commerce's implementation of OMB's key acquisition savings initiatives. This audit is part of our risk-based oversight strategy developed to help the Department address management challenges in its acquisition function. Our audit objectives are to assess (1) the validity of the savings estimated to result from implementing the initiatives, (2) the Department's progress in implementing the savings initiatives, and (3) the extent that cost reductions have resulted from the implementation of the savings initiatives.

We will contact the audit liaison to arrange an entrance conference. If you have any questions regarding this audit, please contact me at (202) 482-2754 or Mark Zabarsky at (202) 482-3884.

cc: Trudy Gallic, Audit Liaison, Office of Secretary
Virna L. Evans, Director, Acquisition Workforce and Policy Division