

BRIEFLY...

Highlights of Report Number: 26-13-004-03-370, issued to the Assistant Secretary for Employment and Training and to the Assistant Secretary for Administration and Management.

WHY READ THE REPORT

During 2006, the Job Corps program and its acquisition authority was transferred from the Employment and Training Administration (ETA) to the Office of the Assistant Secretary for Administration and Management (OASAM), but was subsequently transferred back to ETA in 2010. These transfers resulted in Job Corps' national contracts having been awarded in some cases by ETA and in other cases by OASAM.

Twenty-four national contracts totaling more than \$506 million were awarded for Job Corps during the 5-year period ending December 31, 2012. We found that adequate sole source justification was not provided for contracts totaling \$353 million, key contracting documentation was not maintained for contracts totaling \$38 million, and claimed costs were not validated as required for contracts totaling \$335 million.

WHY OIG CONDUCTED THE AUDIT

We conducted this audit to address the following question:

Were Job Corps' national contracts awarded and costs claimed in accordance with Federal Acquisition Regulation (FAR) requirements?

Our scope covered 16 of 24 Job Corps national contracts that were awarded during the period January 1, 2008, through December 31, 2012. We also reviewed costs claimed for those 16 Job Corps national contracts.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2013/26-13-004-03-370.pdf>.

September 2013

JOB CORPS NATIONAL CONTRACTING NEEDS IMPROVEMENT TO ENSURE BEST VALUE

WHAT OIG FOUND

ETA and OASAM did not comply with the FAR when awarding 13 of the 16 contracts we reviewed. In addition, claimed costs for Job Corps national contracts were not always reviewed and supported as required. Those 13 Job Corps national contracts were awarded without adequate sole source justifications or were missing key contracting documentation.

ETA and OASAM improperly awarded 10 sole source contracts, totaling \$353 million, and cited "one responsible source" as justification for the award, despite procurement records indicating the availability of more sources that could potentially have performed the services. In addition, ETA and OASAM could not demonstrate they complied with the FAR when competitively awarding 3 Job Corps' national contracts, totaling \$38 million, because key award documentation, including evidence that bids were evaluated and costs considered, was missing from the contract files.

We also found that Job Corps paid \$335 million for 8 sole source Job Corps national training contracts without requesting invoices or reviewing adequate supporting documentation. However, for the 8 other contracts we audited, claimed costs were generally reviewed and supported.

WHAT OIG RECOMMENDED

The OIG recommended that ETA provide training and oversight to ensure compliance with the FAR and DOL requirements, develop standard operating procedures for requesting documentation before making payments, and adhere to internal control standards of the Federal Government.

In response to our report, ETA management agreed that contractors had not provided proper evidence that costs claimed and paid were valid. However, ETA and OASAM disagreed that sole source justifications were inadequate and key documentation was missing from the contract files. ETA and OASAM did not provide additional information that changed our conclusions. Despite the disagreements, ETA management accepted all four of our recommendations.