FDA Should Improve Its Management of Contracts for the Acquisition of Information Technology

What OIG Found
FDA contracting officers generally administered the delivery and call orders we reviewed for the acquisition of IT in accordance with Federal regulations and policies. However, we identified areas within FDA’s management of these orders that were not conducted consistent with applicable Federal acquisition regulations and HHS acquisition regulations and policies. Specifically, the contracting officers did not: (1) properly designate a contracting officer’s representative (COR), or did not complete all required duties for contracts for which there was no designated COR; (2) complete required contractor performance evaluations; (3) properly document all key contracting decisions or activities and obtain all required signatures on key documents; and (4) include the required acquisition strategy statement in the orders’ acquisition plans. Additionally, FDA did not fully comply with the HHS Competition Advocacy Directive for fiscal years 2018 and 2019.

These conditions occurred because FDA did not always: (1) follow existing FDA acquisition and procurement policies and procedures, including ensuring the completeness of contract documents, and (2) work with HHS to meet its obligation to comply with an HHS directive.

What OIG Recommends and FDA Comments
We made procedural and administrative recommendations to improve compliance with Federal acquisition requirements related to COR duties, contractor performance assessments, documentation of contracting decisions and activities, and acquisition strategies. The full recommendations are in the report.

In written comments on our draft report, FDA concurred with all of our recommendations and described actions it has taken or plans to take to address the findings. FDA stated that it has increased its reviews and audits of the acquisition files to ensure that all applicable contract documentation is properly prepared and uploaded. FDA stated that it has updated its policies and procedures to ensure that all contracting decisions made by the contracting officer will be documented and that the documentation will include the rationale for any business judgments. FDA stated that it will assess the acquisition lifecycle process to ensure that all acquisition activities align with current policies and procedures and established best practices. FDA stated that it will continue to work with HHS to ensure FDA complies with the Competition Advocacy Directive.