



U.S. GOVERNMENT PRINTING OFFICE
OFFICE OF INSPECTOR GENERAL

**AUDIT REPORT
REPORT NUMBER 14-08**

**Information Technology Professional Services—
Oracle Software
March 25, 2014**

Date

March 25, 2014

To

Chief Information Officer
Director, Acquisition Services

From

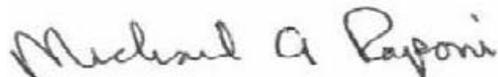
Inspector General

Subject

Final Report – Information Technology Professional Services—Oracle Software
Report Number 14-08

Enclosed please find the subject final report. Please refer to the “Results in Brief” for the overall audit results. Our evaluation of your response has been incorporated into the body of the report and the response is included in its entirety at Appendix B. We consider management’s comments responsive to all of the recommendations. The recommendations are resolved and will remain open pending our verification of the completion of the agreed upon actions.

We appreciate the courtesies extended to the audit staff during our review. If you have any questions or comments about this report, please do not hesitate to contact Mr. Jeffrey C. Womack, Assistant Inspector General for Audits and Inspections at (202) 512-2009 or me at (202) 512-0039.



MICHAEL A. RAPONI
Inspector General

Attachment

cc:

Public Printer
Deputy Public Printer
General Counsel
Chief of Staff
Chief Administrative Officer

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Office of Inspector General

Report Number 14-08

March 25, 2014

Information Technology Professional Services—Oracle Software

Introduction

Enterprise architecture is a key element of GPO's transformation from a print-centric to a content-centric organization. In Fiscal Year (FY) 2012, OIG reported that GPO's architecture maturity level had not yet evolved to fully support transformation or optimization.

This audit is one of a series of follow-on audits related to risks associated with the current maturity level of GPO's enterprise architecture. Our objective was to identify any major instances of potential duplication and overlap of Oracle Information Technology (IT) support services, and, if any existed, determine which controls could be strengthened to mitigate the condition. GPO uses Oracle, in large part, to support Business Units such as Finance and Administration, Plant Operations, Library Services and Content Management, Security and Intelligent Documents, and Customer Services.

While administering Oracle IT service contracts is interdependent on various GPO Business Units, acquisition authority is centralized and GPO's policy requires that the Chief Acquisition Officer ensure that contracts are made in accordance with applicable laws, regulations, and directives. However, the Chief Information Officer is responsible for maintenance of the GPO enterprise architecture and establishes the IT governance process to ensure alignment of IT investments with the Agency's strategic goals. In FY 2013, GPO executed 13 purchase orders associated with 3 General Services Administration (GSA) contracts under the Federal Supply Schedule Numbers 70 and 874.

This report is not intended to represent the full universe of Oracle IT support service contracts. However, we conducted an examination across GPO to identify major Oracle IT support service contracts in effect for FY 2013 and those contracts were included in our audit. To address our objective, we assessed relevant policies and procedures in place as of December 2013. We reviewed 3 contracts and the 13 purchase orders associated with those contracts for FY 2013. We analyzed contract files, purchase orders, statements of work, financial records, and weekly status reports. We also interviewed select GPO officials from business units responsible for establishing and monitoring the acquisitions process as well as reviewing and approving acquisitions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Our objective, scope, methodology, and criteria are detailed in Appendix A.

Results in Brief

The audit revealed that GPO made progress with addressing a long-standing challenge associated with developing fully mature enterprise architecture and it continues to work toward modernizing information systems in which Oracle products play a key role.

While GPO made progress in such a key area, additional management attention may be needed to ensure that the Agency's needs are met. For example, our audit disclosed that purchase orders and statements of work did not always provide a clear description of the required work and in many instances we could not associate a statement of work with a purchase order. In addition, GPO could not always produce contractor weekly status reports for contractor employees working on the various projects from October 2012 through May 2013. We did not review other periods related to weekly status reports. Of the 35 weeks reviewed, approximately 40 percent of the status reports were missing. Our audit revealed that GPO's contract files did not contain key planning documents that would support an overall strategy for managing the acquisition such as addressing the technical, business, management, and other significant considerations that will control the acquisition. The Materials Management Acquisition Regulation (MMAR) requires this information.

The conditions occurred because GPO did not fully establish a control environment that aligned the "as-is" and "to-be" views of the changes related to Oracle with GPO's enterprise architecture. Also, because of the interrelationship between the contracting responsibilities and responsibilities for GPO's enterprise architecture, it was unclear that the agency's organizational structure clearly addresses key areas of authority and responsibility for interrelated issues.

Without strengthening oversight, management could not ensure that Agency needs were met and funds were spent in the most efficient and effective manner. In FY 2012, GPO spent approximately \$4.9 million, and in FY 2013, it spent approximately \$3 million for Oracle services. Management estimates that it will pay approximately \$2.3 million in FY 2014 for Oracle services. While our audited results were based on a review of data from FY 2013, as of February 11, 2014, policies, procedures, and practices remained constant throughout FY 2012, FY 2013, and FY 2014.

Recommendations

We recommend that the Chief Information Officer work with the Director, Acquisition Services to strengthen controls over Oracle Information Technology services contractors provide by taking the following actions:

1. Update statements of work to address the current period of performance.
2. Define requirements in clear, concise language that identifies specific work to be accomplished and results achieved.
3. Obtain, review, and document the review of weekly status reports contractors provide for compliance with GPO's requirements and expectations.

We recommend the Director, Acquisition Services work with the Chief Information Officer to strengthen acquisition planning by:

4. Preparing and documenting an acquisition plan that addresses the technical, business, management, and other significant considerations that will control the acquisition by identifying impediments that could lead to increased cost or technical risk.

Management's Response

Management concurred with the recommendations. The complete text of management's response is in Appendix B.

Background

GPO senior managers have long realized that GPO must effectively manage its portfolio of capital assets, including Oracle software, to ensure that scarce public resources are wisely invested. Asset management includes software used in support of in-house production and procurement services for Congress and Federal agencies, passport production, smart cards, the Federal Digital System (FDsys), the Federal Depository Library Program, financial management, acquisition management, and human capital management.

GPO acquired Oracle IT services using GSA's Federal Supply Schedule. Under the schedule program, GSA enters into indefinite-delivery, indefinite-quantity (IDIQ) contracts with commercial firms to provide commercial goods and services Government-wide at stated prices for given periods of time. Authorized buyers at agencies place separate orders for individual requirements that specify the quantity and delivery terms associated with each order, and the contractor delivers products or services directly to the agency.

The three contracts are detailed below.

- *GSA Contract Number GS-35F-0204S.* GSA awarded BroadPoint Technologies, Inc. a Schedule 70 contract, which is an IDIQ multiple award schedule providing general purpose commercial IT equipment, software, and services.
- *GSA Contract Number GS-10F-0105Y.* GSA awarded BroadPoint Technologies, Inc. a Schedule 874 contract, which requires that the contractor provide expert advice, assistance, guidance, or counseling in support an agency's mission-oriented business functions.
- *GSA Contract Number GS-35F-0799M.* GSA awarded Guident Technologies, Inc. a Schedule 70 contract, which is an IDIQ multiple award schedule providing general purpose commercial IT equipment, software, and services.

In FY 2013, GPO relied on BroadPoint Technologies, Inc. and Guident Technologies, Inc. to provide Oracle-related IT services to fulfill its mission. GPO paid two contractors a total of \$3 million for Oracle-related IT services. GPO executed 13 purchase orders associated with 3 GSA Federal Supply Schedule contracts.

In FY 2012, GPO relied on the same two contractors to provide Oracle-related IT services. GPO paid the two contractors a total of \$4.9 million for Oracle-related IT services. As in FY 2013, GPO executed 13 purchase orders associated with 3 GSA Federal Supply Schedule contracts.

Related Audit Work Highlights Risks

In 2012, OIG reported that without matured enterprise architecture, GPO assumes the risk that is duplicative, not well integrated, costly, not supportive of the Agency's strategic goals and mission, or not responsive to emerging technologies.

In 2013, OIG conducted an audit to identify any major instances of potential duplication and overlap of Oracle modules and licenses. We identified instances where GPO paid for both an application user license and processor license for the same Oracle products. In addition, GPO uses Oracle "on-demand" hosting for its e-Passport production to maintain standby databases, a master repository, and the NetApp Snap Mirror when a less expensive alternative may have been available. We also identified excess user licenses and processor licenses, which may have resulted in cost savings. We noted that GPO may have been paying for excess and duplicate Oracle licenses and products.

Select IT Guidance and Legislation

Within the Federal Government, numerous rules and regulations govern development and execution of IT policy. Below is an overview of rules and regulations pertaining to this audit.

Clinger-Cohen Act

Congress enacted the IT Management Reform Act of 1996 (known as the Clinger-Cohen Act¹) to address long-standing problems related to Federal IT management. The Clinger-Cohen Act requires that the head of each Federal agency implement a process that maximizes the value of agency IT investments and assesses and manages acquisition risks. A key goal of the Act is to ensure that agencies implement IT projects at acceptable costs and within reasonable timeframes.

The Clinger-Cohen Act also requires that Government agencies improve their methodologies for defining customer requirements, improving business practices, and managing IT projects within budget and on schedule.

Office of Management and Budget Circular No. A-130

Office of Management and Budget (OMB) Circular No. A-130² (Circular A-130) requires that agencies establish and maintain a capital planning and investment control process that links mission needs, information, and IT in an effective and efficient manner. Circular A-130 divides the process into the following topics: Select, Control, and Evaluate.

¹ Public Law No. 104-106, Division E, February 10, 1996. The law, initially titled the Information Technology Management Reform Act of 1996, was subsequently renamed the Clinger-Cohen Act of 1996 in P. L. 104-208, September 30, 1996.

² OMB, Management of Federal Information Resources, Circular No.A-130, Nov. 28, 2000.

Although not subject to the Clinger-Cohen Act and Circular A-130, GPO should have a standardized process for managing IT initiatives effectively and efficiently.

GPO IT Policy

GPO Directive 705.31A, "GPO Enterprise Architecture Policy," December 16, 2013, states that the Chief Information Officer issues just one authoritative GPO enterprise architecture. Further, this program helps maximize the business value of GPO's investment in IT and minimize the amount of unnecessary redundancy resulting from disparate planning, development, and IT acquisitions.

GPO Directive 825.33B, "Information Technology Security Program Statement of Policy," May 24, 2011, establishes a set of controls for safeguarding Agency IT processes and information, and also assigns responsibilities and accountability for providing reasonable assurance for the protection of system resources against fraud, waste, abuse, disaster, mismanagement, or compromise.

GPO Directive 705.28, "GPO Information Technology System Development Life Cycle Policy," December 12, 2005, outlines a development process for facilitating execution of IT projects at GPO. The policy is intended to establish a requirement for reasonable engineering objectives and management controls when pursuing IT projects in order to ensure required functionality and minimize associated costs and risks. The policy states that the Chief Information Officer is responsible for overall management of IT resources and for establishing specific procedures and methodologies for conducting project/system development in the GPO environment.

Service Contract Acquisitions

Within GPO and under the Chief Administrative Officer, Acquisition Services is responsible for managing, overseeing, and supporting GPO acquisition operations, including service contracts, and for providing acquisition advice to program staff involved in the procurement process.

Acquisition Services is also responsible for ensuring that all acquisitions of services comply with the laws, regulations, and policies governing procurement operations and procedures. The MMAR establish uniform policies and procedures that cover all aspects of acquisitions used by GPO. In general, MMAR system must deliver on a timely basis the best value product or service, while maintaining the public's trust and fulfilling public policy objectives.

Management Control Guidelines

GPO requires³ that management controls must provide reasonable assurance and safeguards to protect assets against waste, loss, unauthorized use, and misappropriation. It requires that GPO maintain effective systems of accounting and management control. The policy states that internal controls are the organization, policies, and procedures used to reasonably ensure that:

- programs achieve intended results
- resources are used consistent with agency mission
- programs and resources are protected from waste, fraud, and mismanagement
- laws and regulations are followed
- reliable and timely information is obtained, maintained, reported, and used for decision making

The Government Accountability Office (GAO) *Standards for Internal Controls in the Federal Government*, November 1999, require ongoing monitoring in the course of normal operation. Internal controls are performed continuously and ingrained in an Agency's operations. GAO's standards include regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties.

The GAO standards require use of control activities described as the policies, procedures, techniques, and mechanisms that enforce management's directives, such as the process of adhering to requirements or budget development and execution. They help ensure that actions are taken to address risks. Control activities are an integral part of an entity's planning, implementing, reviewing, and accountability for stewardship of Government resources and achieving effective results.

OMB Circular No. A-123, "Management's Responsibility for Internal Control," December 21, 2004, (Circular A-123) requires that managers develop and maintain effective internal controls. Effective internal controls provide assurance that significant weaknesses in the design or operation of internal controls that could adversely affect an agency's ability to meet its objectives would be prevented or detected in a timely manner.

As a legislative branch agency, GPO is not required to follow OMB Circulars, including Circular A-123. However, because the Circular provides a sound basis for internal controls for any organization, GPO has incorporated the major requirements of Circular A-123 in its directives.

³ GPO Instruction 825.18A, Internal Control Program, dated May 28, 1997.

Results and Recommendations

GPO has made progress with addressing a long-standing challenge associated with developing fully mature enterprise architecture. In December 2013, GPO released GPO Directive 705.31A, “GPO Enterprise Architecture Policy,” December 16, 2013. The guidance does the following: (1) sets direction for how the enterprise architecture will be developed and maintained, (2) serves as the vehicle to align GPO’s IT planning with GPO’s strategic planning, and IT planning, current business processes, and budget and capital investments with the GPO’s mission, goals, and objectives, (3) establishes how IT investments will be evaluated for compliance with the enterprise architecture, (4) supports technology changes and enhancements to the Agency’s business, as directed by the GPO management and Congress, and (5) provides direction to the Agency’s managers on the planning for all Information Management and IT decisions.

While we believe this accomplishment is important, GPO could provide additional oversight in several areas pertaining to Oracle IT services performed by contracts. The areas include: (1) defining contractor responsibilities, (2) monitoring contractor performance, and (3) planning the acquisition.

These conditions occurred because GPO did not fully establish a control environment that aligned the “as-is” and “to-be” views of the changes related to Oracle with GPO’s enterprise architecture. In addition, because of the interrelationship between the contracting responsibilities and responsibilities for GPO’s enterprise architecture, it was unclear to us that the agency’s organizational structure clearly addresses key areas of authority and responsibility for interrelated issues.

Contractor Responsibilities Not Always Clear

Our review of the 13 purchase orders executed in FY 2013 and related statements of work revealed that management did not always clearly define specific work to be accomplished. The MMAR⁴ states requirements for services must be clearly defined and appropriate performance standards developed so that Agency requirements can be understood by potential offerors and that performance in accordance with contract terms and conditions meet the Agency’s requirements.

The MMAR⁵ also states that statements of work must define requirements in clear, concise language, identifying specific work to be accomplished. Statements of work must be individually tailored to consider the period of performance, deliverable items, if any, and the desired degree of performance flexibility. When preparing statements of work, to the maximum extent practicable—(1) describe the work in

⁴ MMAR, GPO Publication 805.33, Section 37.50, agency-head responsibilities.

⁵ MMAR, GPO Publication 805.33, Section 37.602-1 Statements of Work, dated May 15, 2003.

terms of “what” the required output is rather than “how” the work is accomplished or the number of hours provided, and (2) enable assessment of work performance against measurable performance standards.

Purchase Orders Did Not Always Clearly Define Requirements

Our analysis of contractor responsibilities detailed in each purchase order disclosed that of the 13 purchase orders, 11 did not reference a statement of work or provide sufficient information to provide detailed work descriptions to the contractor. Table 1 and Table 2 below illustrate by purchase order the description of work required and reference to a statement of work by contractor.

BroadPoint Technologies, Inc. GPO executed six purchase orders for services to be provided by BroadPoint Technologies, Inc. The table below depicts key details.

Table 1. FY 2013 Service Description—BroadPoint Technologies, Inc.

Purchase Order Number	Contract Number	Purchase Order Description	Statement of Work Reference	Amount Paid in FY 2013
3015341	GS-35F-0204S	Contractor shall provide On Demand Professional Services/Program Management Support for GPO’s Business Information System (GBIS).	No Reference in Purchase Order	\$229,350
3017149	GS-10F-0105Y	Contractor shall provide services for the GBIS additional DSIMS enhancements Project in accordance with SOW dated April 25, 2013.	Yes	\$200,000
3014484	GS-35F-0204S	Provide service for the GBIS 3.0 DSMIMS Enhancements Project in accordance with Technical and Price proposal RFQ 2012 dated August 16, 2012. Modification #1 for additional expenses for enhancements to DSIMS (GBIS 3.1) identified during the implementation phase.	No Reference in Purchase Order	\$329,125
3015342	GS-35F-0204S	Contractor shall provide services for GBIS Development.	No Reference in Purchase Order	\$279,510
3015343	GS-35F-0204S	Contractor shall provide services for support assistance for Oracle.	No Reference in Purchase Order	\$272,580
3011426	GS-35F-0204S	Contractor shall provide professional services for technical assistance for Oracle.	No Reference in Purchase Order	\$73,425
Total				\$1,383,990

- GSA Contract Number GS-35F-0204S. GSA awarded BroadPoint Technologies, Inc. a Schedule 70 contract, which is an IDIQ multiple award schedule, providing general purpose commercial IT equipment, software, and services. The contract period was from February 1, 2011, through January 31, 2016.
- GSA Contract Number GS-10F-0105Y. GSA awarded BroadPoint Technologies, Inc. a Schedule 874 contract, which requires that the contractor provide expert advice, assistance, guidance, or counseling in support of the Agency’s mission-oriented business functions. The contract period was from December 12, 2011, through December 11, 2016.

Guident Technologies, Inc. GPO executed seven purchase orders for services to be provided by Guident Technologies, Inc. The table below depicts the key details.

Table 2. FY 2013 Service Description—Guident Technologies, Inc.

Purchase Order Number	Contract Number	Purchase Order Description	Statement of Work Reference	Amount Paid in FY 2013
3015176	GS-35F-0799M	Contractor shall provide services for support assistance for oracle.	No Reference in Purchase Order	\$492,225
3015175	GS-35F-0799M	Contractor shall provide services for GPO's Business Information System (GBIS) Development.	No Reference in Purchase Order	\$184,968
3015345	GS-35F-0799M	Contractor shall provide services for oracle database support.	No Reference in Purchase Order	\$215,324
3017174	GS-35F-0799M	Contractor shall provide services for development of business objects.	No Reference in Purchase Order	\$202,762
3003701	GS-35F-0799M	BPA for professional series to be provided in accordance with GSA contract #GS-35F-0799M and attached SOW for GBIS. (5 Modifications)	Yes	\$38,980
3014718	GS-35F-0799M	Oracle DBA Professional Services to support DC and SPF Passport Operations.	No Reference in Purchase Order	\$236,508
3015588	GS-35F-0799M	Oracle database administration and support for FDsys.	No Reference in Purchase Order	\$248,106
Total				\$1,618,877

- GSA Contract Number GS-35F-0799M. GSA awarded Guident Technologies, Inc. a Schedule 70 contract, which is an IDIQ multiple award schedule, providing general purpose commercial IT equipment, software, and services. The contract period was September 20, 2002, to September 19, 2017.

Statements of Work Did Not Always Clearly Define Requirements

Although purchase orders did not always reference a statement of work, GPO was able to provide us with 5 statements of work and matched each statement of work with each of the applicable 13 purchase orders.

Of the 11 purchase order requirements reviewed, 13 were not clearly defined. The following excerpt from a Statement of Work dated September 30, 2009, illustrates the statements of work for nine purchase orders.

Statement of Work Dated: September 30, 2009

Contract Deliverables:

- Discovery and documentation of functional issues. The contractor will discover and document functional issues that occur concerning the existing GPO implemented Oracle applications.
- Document plans for resolution of any issues. The contractor will document plans for resolution of functional issues.
- Develop system resolution or modifications. The contractor will provide the necessary development work to resolve or modify the existing GPO Oracle implementation to resolve or provide for discovered functional issues.
- Test system resolutions or modifications. The contractor will test any developed resolutions or modifications in the GPO On Demand test environment to ensure compliance and correct interaction with existing installations.
- Deploy system resolutions or modifications into production. The contractor will work with the GPO and On Demand contracts to deploy the tested developed work into the On Demand Production environment.
- Comply with GPO configuration management procedures. The contractor will work with the GPO Configuration Management group to ensure that all required documentation has been delivered and recorded.

The effective date for the example was more than 4 years old. We could not determine if the statements of work were approved by the appropriate GPO official.

Monitoring Contractor Performance

Management stated that contractors made progress under each of the projects but could not provide weekly status project reports or demonstrate they reviewed the reports. Weekly status reports are key documents that provide GPO with detailed results of the work performed by each employee during the week. Weekly project status reports include accomplishments for the reporting period, current activities, any issues or concerns, the amount of hours billed each day, and a weekly plan for the next 7 days.

We reviewed 10 contractor employee weekly status reports for October 1, 2012, through May 31, 2013. According to officials, the reports constitute all of the employees, with the exception of intermittent work performed during the year. Of the 10 employee records, weekly status reports were not maintained for 2 employees. For the remainder of contractor employees (8), approximately 29 percent of the status reports were missing. In total, GPO was missing approximately 40 percent of the reports. Officials were not aware of the missing reports. As a

result, GPO potentially incurred unnecessary costs as much as the entire contract value.

GPO policy⁶ states that management controls must provide reasonable assurance and safeguards to protect assets against waste, loss, unauthorized use, and misappropriation.

Planning the Acquisition

Management could not demonstrate that acquisition plans for Oracle IT services contracts were prepared.

GPO acquired the majority of its Oracle IT services using GSA's Federal Supply Schedule Number 70. GSA awarded Contract Number GS-35F-0204S to BroadPoint Technologies, Inc. in February 2011 and GSA awarded Contract Number GS-35F-0799M to Guident Technologies, Inc. in September 2001. GPO acquired the remainder of Oracle IT services using GSA's Federal Supply Schedule Number 874. GSA awarded Contract Number GS-10F-0105Y to BroadPoint Technologies, Inc. in December 2011.

The MMAR establishes uniform policies and procedures that cover all aspects of acquisitions by the GPO. The MMAR requires that orders placed under a Federal Supply Schedule contract are not exempt from development of acquisition plans. A key component of the contract development phase includes a written acquisition plan. Acquisition planning is the process that includes developing an overall strategy for managing an acquisition. The plan must address the technical, business, management, and other significant considerations that will control the acquisition. Acquisition planning identifies impediments that could delay the acquisition or lead to increased cost or technical risk.

Files did not always contain the records of all contractual actions and documentation that would constitute a complete history of the transaction for the purpose of—(1) providing a complete background as a basis for informed decisions at each step in the acquisition process, (2) supporting actions taken, (3) providing information for reviews and investigations, and (4) furnishing essential facts in the event of litigation or congressional inquiries is needed.

Subpart 8.4 of the MMAR states that contracts and related records or documents for contracts that exceed the simplified acquisition threshold for acquisitions must be retained for 6 years and 3 months after final payment.

⁶ GPO Instruction 825.18A, Internal Control Program, dated May 28, 1997.

Recommendations

We recommend that the Chief Information Officer work with the Director, Acquisition Services to strengthen controls over Oracle Information Technology services contractors provide by taking the following actions:

1. Update statements of work to address the current period of performance.

Management's Response. The Chief Information Officer will work with the Director, Acquisition Services to update statements of work to address the current period of performance. The complete text of management's response is in Appendix B.

2. Define requirements in clear, concise language that identifies specific work to be accomplished and results achieved.

Management's Response. The Chief Information Officer will work with the Director, Acquisition Services to ensure requirements are in clear and concise language that identified specific work to be accomplished and results achieved. The complete text of management's response is in Appendix B.

3. Obtain, review, and document the review of weekly status reports contractors provide for compliance with GPO's requirements and expectations.

Management's Response. The Chief Information Officer will work with the Director, Acquisition Services to obtain, review, and document the review of weekly status reports contractors provide for compliance with GPO's requirements and expectations. The complete text of management's response is in Appendix B.

We recommend the Director, Acquisition Services work with the Chief Information Officer to strengthen acquisition planning by:

4. Preparing and documenting an acquisition plan that addresses the technical, business, management, and other significant considerations that will control the acquisition by identifying impediments that could lead to increased cost or technical risk.

Management's Response. The Director, Acquisition Services will produce a plan. The complete text of management's response is in Appendix B.

Evaluation of Management's Response. Management's actions are responsive to the recommendation. The recommendations are resolved but will remain open for reporting purposes pending completion of the actions.

Appendix A - Objectives, Scope, and Methodology

We performed the audit from April through August 2013 at the GPO Central Office in Washington, D.C. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Objectives

Our objective was to identify any major instances of potential duplication and overlap of Oracle IT support services, and, if any existed, determine which controls could be strengthened to mitigate the condition.

Scope and Methodology

To meet our objectives we performed the following:

- We reviewed Federal and GPO policies and procedures related to Service Contracts; GAO's Standard for Internal Controls in the Federal Government; GPO directives; and applicable standard operating procedures.
- We reviewed previous audit reports.
- We analyzed contract files, purchase orders, statements of work, financial records, and weekly status reports.
- We interviewed key management officials from business units responsible for establishing and monitoring the acquisitions process; and reviewing and approving the purchases.

This report is not intended to represent the full universe of Oracle IT support service contracts. However, we conducted an examination across GPO to identify major Oracle IT support service contracts in effect for FY 2013 and those contracts are included in our audit. We also obtained financial information for FY 2012 and FY 2014.

Management Controls Reviewed

We determined that the following internal controls were relevant to our audit objective:

Program Operations – Policies and procedures management implemented to reasonably ensure that software license management program met GPO's objectives.

Compliance with Laws and Regulations – Policies and procedures management implemented to reasonably ensure that resource use is consistent with laws and regulations.

The details of our examination of management controls, the results of our examination, and noted management control deficiencies are in the report narrative. Implementing the recommendations in this report should improve those management control deficiencies.

Appendix B – Management’s Response



Date: March 20, 2014
TO: Inspector General (IG)
FROM: Chief Information Officer (CIO)  3/21/14
SUBJECT: IT&S Response on Draft OIG Report 14-08 (dated February 14, 2014):
Draft Report on Information Technology Professional Services – Oracle Software

Introduction

The Office of the Inspector General (OIG) issued Draft Report 14-08 on February 14, 2014 concerning Information Technology (IT) Professional Services for Oracle software.

This document is the official GPO Information Technology and Systems (IT&S) response to that OIG draft report in general and the recommendations contained in that Report in particular.

IT&S Response to OIG Recommendations

Recommendation #1: We recommend that the Chief Information Officer (CIO) work with the Director, Acquisition Services, to strengthen the controls over Oracle Information Technology services contractors provide by taking the following action:

Update statements of work to address the current period of performance.

IT&S Response: Concur.

Comments: New Statements of Work (SOW) are planned to be issued for FY15.

Expected Date of Disposition: 10/1/2014

Recommendation #2: We recommend that the Chief Information Officer (CIO) work with the Director, Acquisition Services, to strengthen the controls over Oracle Information Technology services contractors provide by taking the following action:

Define requirements in clear, concise language that identifies specific work to be accomplished and results achieved.

IT&S Response: Concur.

Comments: New Statements of Work (SOW) are planned to be issued for FY15.

Expected Date of Disposition: 10/1/14

Recommendation #3: We recommend that the Chief Information Officer (CIO) work with the Director, Acquisition Services, to strengthen the controls over Oracle Information Technology services contractors provide by taking the following action:

Obtain, review, and document the review of weekly status reports contractors provide for compliance with GPO's requirements and expectations.

IT&S Response: Concur.

Comments: IT&S oversight staff for these contractors will plan to review these weekly status reports provided by the contractors.

Expected Date of Disposition: 10/8/14

Recommendation #4: We recommend the Director, Acquisition Services work with the Chief Information Officer to strengthen acquisition planning by taking the following action:

Preparing and documenting an acquisition plan that addresses the technical, business, management, and other significant considerations that will control the acquisition by identifying impediments that could lead to increased cost or technical risk.

IT&S Response: Concur with recommendation (Director, Acquisition Services to produce plan).

Expected Date of Disposition: Director, Acquisition Services to provide expected date of disposition

Thank you for the opportunity to comment on the draft report. If you have any questions or comments about this response, or would like to discuss further, please do not hesitate to contact me at (202) 512-1040.

Charles E. Riddle, Jr
Chief Information Officer

cc:
Acting Public Printer
Assistant Public Printer, Operations
General Counsel

Appendix C - Status of Recommendations

Recommendation	Resolved	Unresolved	Open/ECD*	Closed
1	X		10/1/2014	
2	X		10/8/2014	
3	X		10/8/2014	
4	X		Not Determined	

*Estimated Completion Date.

Appendix D – Final Report Distribution

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Major Contributors to the Report

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