



United States Department of Agriculture
Office of Inspector General





Procurement Oversight Audit of South Building Modernization Project

Audit Report 50703-0001-12

What Were OIG's Objectives

Our objectives were to ensure that the transparency and accountability requirements of the Recovery Act are met by assessing whether USDA's Departmental Management's Recovery Act procurement activities are compliant. Also, the audit reviewed corrective actions taken to address previous audit findings.

What OIG Reviewed

The audit obtained and reviewed organizational documents relating to Departmental Management's contracting functions, performed a site visit to the project, and conducted interviews with procurement personnel responsible for contract monitoring.

What OIG Recommends

Departmental Management should revise its invoicing procedures to ensure it processes invoices timely in the absence of assigned personnel. Departmental Management should also clarify reporting procedures for projects with multiple funding sources, review reported Recovery Act data for accuracy, and reconcile identified inaccuracies.

OIG audited USDA's Departmental Management to determine if its Recovery Act procurement activities met requirements.

What OIG Found

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provided the Department of Agriculture's (USDA) Departmental Management with approximately \$17 million to modernize a wing of USDA's South Building in Washington, DC. To ensure that the transparency and accountability requirements of the Recovery Act are met, the Office of Inspector General (OIG) contracted with Regis & Associates, PC, to assist in ensuring that Departmental Management performed Recovery Act procurement activities are in accordance with Federal Acquisition Regulations, Office of Management and Budget guidance, and Recovery Act requirements.

The audit found Departmental Management's contracting staff were experienced and qualified to monitor the contract. However, we identified a chronic invoice payment issue and Recovery Act reporting issues. Specifically, we found that Departmental Management did not pay 16 of 17 invoices in a timely manner. Because Departmental Management did not effectively ensure that staff with sufficient warrant authority was available to approve invoices if, for instance, personnel assigned to the contract were on leave or transferred, USDA incurred late payment interest penalties of over \$18,000. We also found that information reported on Recovery.gov for the project contained inaccuracies. As a result of a previous audit, Departmental Management issued procedures for Recovery Act contracting. However, because the procedures do not clarify reporting for projects with multiple funding sources, staff reported the project's funding on Recovery.gov inaccurately. Departmental Management generally agreed with our recommendations, and we accepted management decision on all recommendations.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: March 25, 2013

AUDIT
NUMBER: 50703-0001-12

TO: Lisa Wilusz
Director
Office of Procurement and Property Management
Departmental Management

Curtis Wilburn
Director
Office of Operations

ATTN: Lennetta Elias
Audit Liaison Officer
Office of the Chief Financial Officer

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: Recovery Act Procurement Oversight Audit of the South Building Modernization Project

This report presents the results of the subject audit. Your written response to the official draft, dated March 5, 2013, is included in its entirety at the end of the report. Based on your response, we were able to reach management decision on all recommendations in the report. Therefore, no further response to this office is necessary.

Regis & Associates, PC, was engaged to conduct the audit to ensure that the transparency and accountability requirements of the Recovery Act are met and to ensure that Departmental Management's (DM) Recovery Act procurement activities are performed in accordance with the Federal Acquisition Regulations, Office of Management and Budget guidance, and Recovery Act requirements. During our oversight of the contract, we reviewed Regis & Associates, PC's report and related documentation. Our review, as differentiated from an audit, in accordance with *Government Auditing Standards* (issued by the Comptroller General of the United States), disclosed no instances where Regis & Associates, PC's audit did not comply, in all material respects, with *Government Auditing Standards*.

In accordance with Departmental Regulation 1720-1, final action must be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your agency's internal procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions.

DATE: March 11, 2013

REPLY TO
ATTN OF: 50703-0001-12

TO: Jane A. Bannon
Director
IT Audit Operations
Office of Inspector General
Department of Agriculture

FROM: Regis & Associates, PC /s/

SUBJECT: Procurement Oversight Audit of South Building Modernization Project
(Phase 4a, Wing 5)

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provided the Department of Agriculture's (USDA) Departmental Management with funds for the modernization of Wing 5 in the South Building, located at 1400 Independence Avenue, SW., Washington, DC. The project was designed to provide a modern and safe working environment for employees to support USDA's programs, while preserving and restoring the historic features of the building. Departmental Management's Management Services performed all the procurement activities, including issuance of the solicitation, contract award, contract management, contractor payment processing, and Recovery Act reporting. The project was substantially completed by May 2011. Management Services reported obligations and disbursements of Recovery Act funds on Recovery.gov via SharePoint.¹ Departmental Management's Office of Operations provided the technical, day-to-day oversight of the construction phase as the contracting officer's representative for this contract.

In enacting the Recovery Act, Congress emphasized the need for the Recovery Act to provide for unprecedented levels of transparency and accountability, so that taxpayers know how, when, and where tax dollars are being spent. To accomplish this objective, the Office of Management and Budget (OMB) issued various implementing guidelines that require Federal agencies receiving Recovery Act funds to post key information on Recovery.gov.² In addition, agencies must submit weekly updates, monthly financial status reports, award transaction data feeds, and an agency Recovery Act plan to OMB and to the Recovery page on the agency's website.

The Recovery Act also provided USDA's Office of Inspector General (OIG) funding for oversight and audits of USDA programs, grants, and activities funded by the Recovery Act. OMB guidance states that OIGs will perform audits and inspections of their respective agencies' processes for awarding, disbursing, and monitoring Recovery Act funds to determine whether safeguards exist for ensuring funds are used for their intended purposes.

¹ SharePoint is an electronic database for USDA's Recovery Act data collection.

² Recovery.gov is the Government-wide data repository for all Recovery Act recipient reports. Recovery Act information is made available to the public via this website.

To ensure that the transparency and accountability requirements of the Recovery Act are met, USDA/OIG contracted with Regis & Associates, PC, to assist in ensuring that Recovery Act procurement activities are performed in accordance with Federal Acquisition Regulations (FAR), OMB guidance, and Recovery Act requirements. This audit was performed in accordance with generally accepted government auditing standards and standards established by the American Institute of Certified Public Accountants.

During this audit, which is the second in a two-phased audit approach, we reviewed applicable laws and regulations pertaining to contract oversight, contract modification, and Recovery Act reporting. We also obtained and reviewed Departmental Management's organizational documents relating to management controls, policies, and procedures for the contracting functions, and other processes that would ensure compliance with the Recovery Act.

In the first phase of the audit of the South Building Modernization Project,³ we reviewed the contract solicitation and award through the acceptance of the first invoice. In the first phase audit report, we recommended that Departmental Management: a) standardize a process for reviewing and validating data reported on Recovery.gov with information in USDA's core financial accounting systems; b) formalize its Recovery Act reporting processes and procedures to ensure consistency in reporting throughout the life of Recovery Act-funded contracts; c) standardize a process for reviewing the completeness and accuracy of Prime Recipient data; any noted errors should be communicated to the recipient in a timely manner and tracked for correction; and d) formalize procedures to ensure recipient data are reviewed prior to their being reported on Recovery.gov to ensure accuracy and consistency in reporting throughout the life of Recovery Act-funded contracts. In response to our recommendations, we found that Departmental Management issued Acquisition Operating Procedure (AOP) #9, *American Recovery and Reinvestment Act Contracting*, to address the issues raised in the audit report.

The scope of this audit included a review of the corrective actions taken by Departmental Management to address the phase one audit findings: contract modifications, performance monitoring, and invoice processing and payments to determine whether Departmental Management followed departmental and agency policies and procedures, FAR, and Recovery Act requirements. We performed procedures, as necessary, to determine whether contract modifications were based on fair and reasonable price estimates, and that processes were in place to ensure that the contractor provided services/products in accordance with contract terms. We also performed a project site visit to assess the project stage of completion, verify the appropriate use of Recovery Act funds, and conduct interviews with the procurement personnel at the project location who were responsible for contract monitoring. We found Departmental Management's contracting staff, including the contracting officer, contract specialist, and contracting officer's representative, were experienced and qualified to monitor the contract.

³ Audit 50703-0001-HQ, *General Procurement Oversight Audit of Departmental Management's South Building Modernization Project* (June 2010).

However, we identified three issues that warrant reporting; a chronic invoice payment issue and two Recovery Act reporting issues. In the first finding, we noted that Departmental Management did not pay contractor invoices in a timely manner. In the second finding, we reported that the information reported on Recovery.gov by Departmental Management and the Prime Recipient contained inaccuracies.

Finding 1: Contractor Invoices Were Not Paid Timely

As of September 30, 2011, Departmental Management had processed 17 contractor invoices for payments totaling \$16,750,763. However, we noted that 16 of the 17 invoices, totaling \$15,385,084, were paid 5 to 90 days after the due date. USDA incurred late payment interest penalties of over \$18,000 for the 16 invoices that were not processed and paid in a timely manner. We found that only 1 of the 17 invoices was received and reviewed by the contracting officer's representative and the contracting officer, and paid timely – within 6 days.

FAR Part 32.904(d)(i) states that, for construction contracts, the due date for progress payments is 14 days after the designated billing office receives a proper payment request, based on contracting officer's approval of the estimated amount and value of work or services performed, including payments for reaching milestones in any project.

Based on our analysis of the invoice receipt and processing, we determined the time lag for each of the 17 invoices in the contracting, budget, and payment offices. As such, based on discussions with the contracting and budget and finance staff, we noted the following reasons for the delays in processing invoices. Departmental Management did not effectively ensure that staff with sufficient warrant authority was available to approve the invoices for this contract in the absence of the assigned contracting officer and the contracting officer's representative. It was noted during the course of the audit that the contracting officer's representative was on leave longer than anticipated for emergency health reasons, and the contracting officer transferred to a different office. Delays were also caused by the reorganization of personnel and work between the Procurement Operations and Financial Management Divisions. In addition, one invoice contained a budget authority coding error that was not detected until it was sent to the National Finance Center for payment.

To improve the timeliness of invoice processing and payment, on May 30, 2011, the Office of Procurement and Property Management issued a memorandum, *Invoice Payment Process*, to document the procedures for processing invoices within Departmental Management and the staff offices. However, we note that this guidance did not specify procedures whereby, in the absence of the designated contracting officer and/or contracting officer's representative, other personnel with adequate authority and qualifications would be able to review and approve invoices in a timely manner to avoid late payments.

As a result of not paying the vendor in a timely manner, USDA incurred and paid late payment interest penalties of \$18,569.

We noted that Departmental Management is addressing this issue. According to Departmental Management, four invoice technicians have been added to the contracting office⁴ and a new invoice process⁵ is being implemented to help mitigate the late processing of invoices.

Recommendation 1:

Revise invoicing procedures to ensure that contract invoices are processed in a timely manner during the absence of the assigned contracting officer and/or contracting office's representative.

Finding 2: Inaccurate Agency and Prime Recipient Recovery Act Reporting

We noted that Departmental Management reported incorrect agency information on Recovery.gov and that the prime recipient (the contractor) information on Recovery.gov was inaccurate. This occurred because Departmental Management's guidance for Recovery Act reporting was not clear about which funds to report to Recovery.gov when both Recovery Act and non-Recovery Act funds were used to fund the contract. The guidance should have stated that only Recovery Act funds were to be reported to Recovery.gov. Based on Departmental Management's unclear guidance, the contract specialist instructed the contractor to report both Recovery Act and non-Recovery Act funds on Recovery.gov. Inaccurate Recovery Act information reporting had been noted in a previous contract review,⁶ resulting in Departmental Management issuing Acquisition Operating Procedures, AOP #9, *American Recovery and Reinvestment Act Contracting*, to correct the condition. However, we determined the procedure needs further clarification.

Departmental Management Reporting Errors

OMB's *Updated Implementing Guidance for the Recovery Act (M-09-15)* states that the guiding principle of Recovery Act reporting is timely and accurate information dissemination by the Federal agencies to provide both Congress and taxpayers an ability to track and monitor all Recovery funds with the level of transparency and accountability envisioned in the Act. It further requires that the weekly Financial and Activity Reporting be designed to capture data elements (i.e., obligations and disbursements) available in the agency's core financial systems and mirror what is reported in the agency's financial statements.

During our audit, we verified that Departmental Management reported obligations and disbursements of Recovery Act funds to Recovery.gov via SharePoint. However, we noted that Departmental Management did not report information accurately. This occurred because the contract specialist stated that he was unable to validate when specific invoices were paid. For instance, the Recovery.gov weekly Financial and Activity Report, as of March 31, August 12, and September 2, 2011, did not accurately reflect gross outlays. The Financial and Activity Reports incorrectly showed gross outlays were \$10,566,546, as of March 31 and August 12,

⁴ The Procurement Operations Division within Departmental Management.

⁵ Invoice Processing Platform.

⁶ Audit 50703-0001-HQ.

2011; and \$16,812,037, as of September 2, 2011. Based on our review of the contract file and Departmental Management's financial system records, gross outlays, as of March 31 and August 12, 2011, were under reported by \$5,646,689 and \$6,184,217 respectively; and, as of September 2, 2011, the gross outlay was over-stated by \$61,274.

We noted that Departmental Management has started addressing this issue. Departmental Management has effected a reorganization whereby the contract specialist is able to obtain information directly from the financial system pertaining to when specific invoices were approved and sent to the National Finance Center for payment.

Prime Recipient Reporting Errors

USDA's Procedure for Review of the Recovery Act, Section 1512, Recipient Reported Information,⁷ requires agencies to review recipient data in order to ensure that information reported on Recovery.gov is accurate. During our previous audit, we determined that the process for validating data reported on Recovery.gov and for ensuring its accuracy and consistency with information in USDA's core financial system was inadequate. As a result of our recommendation, Departmental Management issued an Acquisition Operating Procedure, (AOP) #9, *American Recovery and Reinvestment Act Contracting*, to prevent the condition. However, we determined the operating procedures still do not clarify what to report when both Recovery Act and non-Recovery Act funds are used to fund the same contract.

The Prime Recipient information on Recovery.gov relating to the contract award amount and total amount invoiced and received was inaccurate. We found that it was not supported by the invoices in the contract file, and did not agree with the information recorded in Departmental Management's financial system. This occurred because the contract specialist did not have an understanding of what funds to report on Recovery.gov. He instructed the contractor to report the entire amount of funds received for the project, even though a portion of the funds the contractor received were not Recovery Act funds. The project was funded in part with Recovery Act funds and another departmental appropriation. Recovery.gov, as of June 30, 2011, showed the entire amount of the contract, \$17,214,856; instead, only the \$16,909,412 funded by the Recovery Act should have been reported. The difference, \$305,444, which was funded with non-Recovery Act funds, should not have been reported on Recovery.gov. We also tested Recovery Act reporting for the prior quarter ending March 31, 2011, and noted that, of the total disbursement of \$16,383,804, only \$16,213,235 was paid with Recovery Act funds. The difference, \$170,569, was funded with non-Recovery Act funds and should not have been reported on Recovery.gov.

Recommendation 2:

Clarify the reporting requirements with actions to be taken when multiple sources of funding are being used on a project in AOP #9, *American Recovery and Reinvestment Act Contracting*.

⁷ The Office of the Chief Financial Officer issued the *USDA's Procedure for Review of American Recovery and Reinvestment Act, Section 1512, Recipient Reported Information* (October 2010).

Recommendation 3:

Review and reconcile Recovery Act data, including Prime Recipient data, for accuracy and consistency with information reported in the official financial system, prior to reporting on Recovery.gov.

**USDA'S
DEPARTMENTAL MANAGEMENT'S
RESPONSE TO AUDIT REPORT**



United States
Department of
Agriculture

Office of the
Assistant Secretary
for Administration

Office of
Procurement
and Property
Management

300 7th Street
Southwest
Room 302
Reporters Building

Washington, DC
20024-9300

DATE: March 5, 2013

TO: Gil H. Harden
Assistant Inspector General for Audit

FROM: Lisa M. Wilusz /s/
Director

SUBJECT: ARRA Contract Oversight, Departmental Management's South
Building Modernization Project, Audit Number: 50703-0001-12

The Office of Procurement and Property Management (OPPM) has reviewed the Office of Inspector General, Audit Number 50703-0001-12, American Recovery and Reinvestment Act (ARRA) Contract Oversight, Departmental Management's South Building Modernization Project memorandum dated January 28, 2013. OPPM is in general agreement with the facts and representation of the findings. However, we offer the following comments in regards to specific findings:

Finding 1: Contractor Invoices Were Not Paid Timely

Recommendation 1: Revise invoicing procedure to ensure that contract invoices are processed in a timely manner during the absence of the assigned contracting officer and/or contracting officer's representative.

Corrective Action: On December 10, 2012, the Departmental Management and staff offices of USDA implemented on a pilot basis the Invoice Processing Platform (IPP) system by the U.S. Department of Treasury's Financial Management Service. The Controller Operations Division of the Office of Chief Financial Officer (OCFO) of USDA manages and provides procedure and training instructions relating to IPP at http://cod.nfc.usda.gov/IPP/IPP_home.html.

IPP is a government wide secure web-based payment information for electronic submission and tracking of contracts, invoices, and payment information to its suppliers of goods and services. IPP streamlined the approval and payment of invoices where contractors may electronically create, submit and track invoices on-line; agency employees may approve or reject invoices and return invoices to contractors; record and track invoices from associated contracts through payment notifications; enable email notifications for agencies and contractors; and provide remittance data (payment notifications) to vendors, including Treasury offset information.

IPP automates the routing of invoices for approvals through the Contracting Officer's Representatives (CORs)/Technical Invoice Approvers and the Contracting Officers. IPP automatically escalates the approval of tasks if the task is not acted

upon in a certain amount of time. The payment terms determines how quickly via a workflow an invoice is escalated. The Contracting Officers, Contract Specialists, CORs and Technical Invoice Approvers may use IPP to view payment information.

Finding 2: Inaccurate Agency and Prime Recipient Recovery Act Reporting

Recommendation 2: Clarify the reporting requirement with actions to be taken when multiple sources of funding are being used on a project in Acquisition Operating Procedure (AOP) Number 9, ARRA Contracting.

Corrective Action: Attached is the revised AOP Number 9, ARRA Contracting, dated February 6, 2013, (attached), which address the above recommendation.

Recommendation 3: Review and reconcile Recovery Act data, including Prime Recipient data, for accuracy and consistency with information reported in the official financial system, prior to reporting on Recovery.gov.

Corrective Action: Attached is the revised AOP Number 9, ARRA Contracting, dated February 6, 2013, which address the above recommendation.

If you have any questions regarding the information, you may contact Shawn E. Kerkes, Chief, Procurement Operations Division of OPPM at Shawn.Kerkes@dm.usda.gov or on (202) 690-0142.

Attachment

cc:

Curtis Wilburn, OO
Phyllis Holmes, ASA



United States
Department of
Agriculture

Office of the
Assistant
Secretary for
Administration

Departmental
Management

Office of
Procurement
and Property
Management

Procurement
Operations
Division

Reporters
Building
300 7th Street,
SW Suite 377
Washington,
DC 20024

ACQUISITION OPERATING PROCEDURE (AOP)

Feb 6, 2013

FROM: Shawn E. Kerkes /s/
Head of Contracting Activity Designee

SUBJECT: AOP No. 9: American Recovery and Reinvestment Act Contracting

-
- ◆ **PURPOSE:** The purpose of this Acquisition Operating Procedure (AOP) is to establish contracting guidance to help ensure accountability and reporting needs of proposed contract actions using funds made available by the American Recovery and Reinvestment Act (ARRA). This procedure includes, but not limited to, Notices, Solicitations, Amendments, Contracts, Modifications, Purchase Orders, Task Orders, Delivery Orders, Blanket Purchase Agreements (BPA), BPA Calls, Basic Ordering Agreements (BOA) and BOA Orders.
 - ◆ **REVISIONS:** The AOP removes outdated Authorities and References previously cited, and revises information relating to the Contract Document and Reporting information. This replaces AOP No. 9, dated July 13, 2010.
 - ◆ **AUTHORITIES:** Office of Management and Budget Memoranda, M-10-17, dated 5/4/10, Holding Recipients Accountable for Reporting Compliance under the American Recovery and Reinvestment Act; M-10-34, dated 9/24/2010, Updated Guidance on the American Recovery and Reinvestment Act; M-10-08, dated 12/16/09, Updated Guidance on the American Recovery and Reinvestment Act - Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates; M-10-05, dated 11/30/09, Improving Compliance in Recovery Act Recipient Reporting; and M-11-34, dated 9/15/2011, Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs.
 - ◆ **REFERENCES:** References includes, but not limited to, the following Federal Acquisition Regulation (FAR), Agriculture Acquisition Regulation (AGAR), and Office of Procurement and Property Management (OPPM) guidance:
 - FAR 4.605 - Contract Reporting-Procedures
 - FAR 5.704 - Publicizing Pre-Award
 - FAR 5.705 - Publicizing Post-Award
 - FAR 9.103 - Responsible Prospective Contractors-Procedures
 - FAR 9.404 - Debarment, Suspension & Ineligibility-Excluded Parties List System

◆ **PROCEDURES:**

1. All Contracts and/or Agreements awarded prior to implementation of the ARRA of 2009, that potentially utilizes ARRA funding shall be modified bilaterally to include the applicable ARRA provisions and clauses. Any contractors unwilling to execute said modification are ineligible for ARRA awards.
2. Prior to award, the Contracting Officer/Contract Specialist (CO/CS) shall ensure that all Task/Delivery Orders or Calls placed against an existing contract includes all applicable ARRA provisions and clauses.
3. The CO/CS can identify ARRA funded projects' accounting data as shown below. The ten (10) represents the fiscal year and "AA" represents the ARRA appropriation.

DA00.ZZ.ZZ.ZZZZZZ.ZZZZZZ.ZZ.ZZZZZZ.ZZ.10AA8510000.2544.ZZ.ZZZZZZZZ.ZZZZ

If the accounting for the ARRA funded project is issued by an office/agency other than Departmental Management, the CO/CS shall verify the ARRA accounting with the appropriate office/agency's budget official prior to release of any pre-solicitation documents.

4. **Pre-Award Notices:**

- a. All pre-solicitation notices shall include "**RECOVERY**" as the first word in the "Title" field shown in Federal Business Opportunities (FBO).
- b. The notice shall indicate if the requirement is being funded in Whole or in Part with ARRA funding. Example:

"THIS PROJECT IS A FULLY FUNDED ARRA PROJECT"

or

"THIS PROJECT IS A PARTIALLY FUNDED ARRA PROJECT"

- c. In FBO, the field titled "Is this a Recovery and Reinvestment Act Action," the radio button "YES" must be checked.
- d. If a requirement will be awarded against an existing contract and or agreement, the following statement shall also be included in the FBO notice:

"THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY. THIS OPPORTUNITY IS ONLY OPENED TO THOSE AWARDEE(S) UNDER AGREEMENT OR CONTRACT NUMBER (*insert the contract number*)"

5. **Contract Document:**

- a. **Standard Form:** On the first (1st) line of the description field on the Standard Form of the contract and any subsequent modifications, the CO/CS will indicate:

“NOTICE: THIS IS AN AMERICAN RECOVERY & REINVESTMENT ACT (ARRA) FUNDED PROJECT, FEDERALLY FINANCIAL ASSISTANCE –
(insert GRANT, LOAN or CONTRACT)

- b. **Line Item(s):** If multiple sources of funding are used on the contract, the CO/CS will indicate on the header of each line item:

THIS LINE ITEM IS ARRA FUNDED

or

THIS LINE ITEM IS NOT ARRA FUNDED

6. **Solicitation Provisions and Contract Clauses:**

The ARRA solicitations and awards must include the following provisions and clauses as applicable to the requirement:

- 52.203-15 - Whistleblower Protections Under The American Recovery and Reinvestment Of 2009 (June 2010)
- 52.204-11 - American Recovery and Reinvestment Act - Reporting Requirements (Mar 2009)
- 52.212-4 - Contract Terms and Conditions—Commercial Items (June 2010)
- 52.212-5 - Contract Terms and Conditions Required to Implement Statutes or Executive Orders - Commercial Items (June 2010)
- 52.214-26 - Audit and Records - Sealed Bidding (Mar 2009)
- 52.215-2 - Audit and Records—Negotiation (Mar 2009)
- 52.225-21 - Required Use of American Iron, Steel, and Manufactured Goods-Buy American Act-Construction Materials (Mar 2009)
- 52.225-22 - Notice of Required Use of American Iron, Steel, and Other Manufactured Goods - Buy American Act - Construction Materials (Mar 2009)
- 52.225-23 - Required Use of American Iron, Steel, and Other Manufactured Goods - Buy American Act - Construction Materials Under Trade Agreements (Aug 2009)
- 52.225-24 - Notice of Required Use of American Iron, Steel, and Other Manufactured Goods- Buy American Act - Construction Materials Under Trade Agreements (Mar 2009)

7. **Reporting:**

- a. **Recovery.gov:**

(1) The CO/CS shall provide ARRA contractual information of the base contract

and any subsequent modifications to the designated ARRA Coordinator in

Transparency and Accountability Reporting Division of Departmental Management/OFCO as requested. This information may be required on a daily, weekly, monthly and quarterly basis. The value reported should only include ARRA dollars. The CO/CS shall review payment information in the Invoice Processing Platform (IPP) system to ensure accurate invoice payment data is being sent to the ARRA Coordinator.

- (2) The CO/CS shall refer to the “American Recovery & Investment Act of 2009 (ARRA) Funds Operating Procedures,” issued by Management Services of Departmental Management, for contractual information to be reported on Recovery.gov.
- (3) The CO/CS does not provide any direct entries into the recovery.gov database system.

b. FederalReporting.gov:

- (1) All ARRA prime recipients are required to report the awards in federalreporting.gov, pursuant to FAR 52.204-11. Failure to report precludes the Contract Recipient from participating in any future Federal government contracts.
- (2) Prime recipient (including subcontractors) are required to place an initial award entry into federalreporting.gov and update the information on a quarterly basis thereafter. The value reported should only include ARRA dollars. The prime recipient may elect to report for the subcontractor(s) or require the subcontractor(s) to report independently.
- (3) The prime recipient’s first (1st) report is due no later than the 10th day after the end of the calendar quarter in which the Contractor received the award. Thereafter, reports shall be submitted, no later than the 10th day after the end of each quarter.
- (4) The CO/CS shall monitor and review all entries, and make comments on any noted errors and/or omissions on all contracts/grants of the prime recipient’s reporting entries.
- (5) The CO/CS shall, within seven (7) calendar days after the prime recipient’s 1st and/or quarterly entries, ensure that the contractor has posted the entries.
- (6) The CO/CS shall, within 23-29 days after the end of the quarter, review and comment (provide an annotation that a review has been conducted) in federalreporting.gov. The CO/CS shall continue this monitoring until such time that the recipient reports as required or the period for entry expires.

8. **Monitoring the Recipient's Reporting Entries:**

- a. The CO/CS shall prior to the 10th day of the recipient's reporting deadline, ensure the prime recipient has submitted the report in federalreporting.gov.
- b. If the report has not been submitted, the CO/CS shall send an "Email" notification to the prime recipient to advise that the reporting requirement is required. Additionally, the notification shall inform the ARRA prime recipient that failure to submit the mandatory report is grounds for ineligibility for future federal awards.
- c. All documentation and correspondence relating to contract monitoring, reviewing and commenting shall be placed in the contract file.
- d. The CO/CS shall insert a screen print of the federalreporting.gov comments in the contract file.
- e. Reporting Timelines and Activities:
 - (1) 1-14 days after end of the quarter, prime recipients AND subcontractors enter draft reporting data OR initial submission determined by the award date.
 - (2) 15-20 days after end of the quarter, is the late submission period for prime recipients and/or subcontractors.
 - (3) 21-22 days after end of the quarter, prime recipients are able to review data submitted by their respective subcontractors AND both prime recipients and subcontractors are able to make corrections.
 - (4) 1-22 days after end of the quarter, the CO/CS will only have view capability.
 - (5) 23-29 days after end of the quarter, CO/CS review and comment period commences; AND prime recipients and subcontractors make any necessary corrections as a result of the CO/CS review comments.
 - (6) 30 days after end of the quarter, recipients' reports are published on recovery.gov.
 - (7) 33-75 days after end of quarter, agency comments on data submitted, prime recipients review data submitted by subcontractors and prime recipients and subcontractor make corrections. Reports may only be corrected during this period.

9. **Award ID Change:**

- a. Changes in the naming convention/formatting or issuing entirely new award(s) number that will not be recognized within the system, the CO/CS shall submit:
 - (1) Inform the ARRA Coordinator of DM/OCFO

(2) Send an email To: Recovery@omb.eop.gov and include:

- Subject: [Agency Name] Request to Change Award ID {*enter the award ID*}
- Email Body must contain:
 - Rational for the Request
 - Program Name
 - Recipient Type (*e.g., state/local government, Federal contractor, etc.*)
 - Number of Reports that will be Affected

b. Upon receipt of OMB's approval to the Change Request, the CO/CS shall be prepared to provide a detailed record that links awards with different ID numbers across reporting quarters.

To learn more about OIG, visit our website at
www.usda.gov/oig/index.htm

How To Report Suspected Wrongdoing in USDA Programs

Fraud, Waste and Abuse

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Bribes or Gratuities

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