



CORAS Bulletin

USEPA West Building
Headquarters Repository
1301 Constitution Avenue N.W.
Room 3340 - Mailcode 3404T
Washington, DC 20004

Office of Emergency and Remedial Response
Office of Program Management OS - 240

Intermittent Bulletin
Volume 1 Number 7

IG Completes Audit Report on Superfund Cost Plus Award Fee Contracts

The Office of the Inspector General has completed an audit on Superfund's Cost Plus Award Fee contracts and has issued Audit Report Number E1SFFP-03-0144-0100222 dated March 28, 1990. The draft of this report generated considerable discussion within PCMD and OSWER. Numerous meetings were held between the offices affected to clarify issues and to communicate our concerns.

The following article provides a brief summary of 1) major findings, 2) recommendations and 3) OARM and OSWER responses to the draft report. It should be noted that OARM and OSWER will be providing a formal response within 90 days.

Finding No. 1 - Award Fees Often Fail to Achieve Excellence.

Based upon review of the TES, ESAT and FIT contractors, the OIG concluded that award fees were not used to effectively motivate the contractors. A major criticism cited was the payment of award fees for less than satisfactory performance and payment of base fees for seriously deficient performance.

Recommendations to OARM:

- Restrict the payment of base fees in accordance with the FAR if services performed under any Agency contract fail to conform with contract requirements.

Response:

OARM feels the need to consider such withholdings on a selective basis after examination of the facts and circumstances surrounding each instance of poor performance. Payment would be denied in situations where the contractor did not provide diligent efforts.

- Restructure all Agency CPAF contracts to preclude payment of any award fees for less than satisfactory work, and allow reduced amounts for work that is considered no higher than satisfactory.

Response:

OARM does not agree that all CPAF contracts need restructuring. They generally agree to preclude payment

of award fees, but only when the overall performance for an evaluation category is determined to be unsatisfactory. PCMD will be working to coordinate and implement such a policy.

- Monitor future ESAT Zone I award fee evaluations, and terminate the contract if future evaluations indicate any widespread return to the deficient performance situations that the Agency experienced in the first three performance periods.

Response:

OARM generally agreed with this recommendation and pointed out that a proactive position taken in October 1988 has resulted in improved performance.

- Determine and recoup the actual costs and base fees inappropriately charged against the FIT Zone II contract for:
 - The Management Information System.
 - FIT staff excess to authorized Region VI levels.
 - E&E corporate staff.

Response:

Although OARM is exploring FIT charges for the MIS, it appears the costs incurred are legitimate expenses. With regard to excess FIT staff in Region VI, OARM maintains that overstaffing is permissible and within the zone program management office purview when a short-fall in level of effort hours has occurred. OARM believes the recommendation on FIT corporate staff charges may have merit and is reviewing these costs.

- Determine and recoup any costs and base fees charged against the TAT contract for Weston corporate staff in Region VII.

Response:

OARM maintains that charges for TAT corporate staff were appropriate, necessary and reasonable.

**Finding No. 2 -
EPA Performance Evaluation Procedures Varied by Contract**

The OIG found that because evaluation procedures for various contracts differed, the Agency does not provide award fees in a uniform manner. Moreover, the administrative effort used for evaluations was not always justified and consistent with the amount of award fees provided.

Recommendations to OARM:

- Require PCMD to establish consistent procedures for cost-plus-award-fee contracts to provide award fees in a uniform manner. To accomplish this, each contract should have the same number of rating categories and the percentage of the award fees available for each category should be consistent.

Response:

OARM pointed out that each class of contracts (i.e., ARCS) has virtually identical award fee plans. They do not agree that all Superfund award fee contracts should contain identical award fee plans. Each class of contracts supports a different program and needs an award fee plan independently tailored to the evaluation of that program.

- Modify future contracts to eliminate the award fee aspect when the contract value is small or when expenditures do not materialize.

Response:

OARM indicated that award fee amounts are proposed by successful contractors, and that, clearly, no firm would voluntarily propose or negotiate a fee structure which they find unacceptable. Accordingly, OARM concluded that these contracts do motivate contractor performance. In addition, OARM has found that the award fee process mandates an ever vigilant contract management initiative that would be continued in the Superfund program.

**Finding No. 3 -
Late Appraisals Hinder the Award Fee Process**

The OIG found that the Agency did not effectively use award fee performance evaluations to provide the contractors timely feedback on their performance. In some cases, the contractor did not receive feedback concerning their performance for more than a year.

Recommendations to OSWER:

- Emphasize to all personnel involved with the award fee evaluation process that completing evaluations in a timely manner is essential.

Response:

OSWER agrees that timely completion of award fee evaluations is important. However, they did note that the OIG's statement that delays nullify the purpose of the award fee process may be based on incorrect information. It was also pointed out that regular feedback is provided in routine meetings, and copies of award fee evaluations are provided immediately or even before the Performance Evaluation Board convenes.

- Require that performance agreements, for all EPA employees participating in the award fee evaluation process, include the requirement to complete award fee evaluations in a timely manner.

Response:

OSWER agrees with this recommendation and will develop a work plan to ensure implementation of OSWER Directives to that effect.

- Require that appropriate personnel not process any work assignments for managers who are late in completing their award fee evaluations.

Response:

OSWER agreed with the objective of improving timeliness but did not agree with the specific recommendation. Instead, they proposed the establishment of an OSWER/OARM workgroup to study contracting issues including evaluation timeliness.

We would like to emphasize that OARM and OSWER will be preparing formal responses within 90 days. The responses provided in this article reflect comments on the draft report. Complete copies of the audit report can be obtained by contacting the OIG at 382-4175.

CONTRACT RELATED MEETINGS, CONFERENCES AND TRAINING

Title	Date	Location	Contact
Removal Managers OSC Meeting	May 22-25, 1990	Avalon, NJ	Bruce Engelbert, FTS 382-2188
ARCs / ERCS Project Officer / Contract Officer Meeting	June 11-14, 1990	Washington, DC	Lisa Guarneiri, FTS 475-8110 Sue Anderson, FTS 475-8243 Scott Fredericks, FTS 382-2348 Ika Joiner, FTS 382-7966 Doretha Vaughn, FTS 475-8233

CORAS BULLETIN BOARD

Procurement and Contracts Management Division

ARCS CONTRACT TRACKING SYSTEM

Pre-implementation of the ARCS Contract Tracking (ACT) System has begun in Regions I, II, and III. Dennis Cunningham (PCMD) and Glenda Cherry (Network Management, Inc.) met with personnel in each of these regions to discuss system requirements and to review the data gathering process which must occur prior to implementation. The regions also received a demonstration of the system. Pre-implementation visits to Regions VII and X took place in April.

Though the schedule for system installation in each region remains flexible, ACT will be running in each of the regions prior to the end of FY 1990. Concurrent with regional implementation, PCMD will also run a requirements analysis for installing ACT at Headquarters.

Any questions concerning the system's capabilities or the implementation process should be directed to Dennis Cunningham at FTS 475-9479.

JOINT SUPERFUND CONTRACT / PROGRAM MEETING

The next trimester meeting of Alternative Remedial Contracting Strategy (ARCS) and Emergency Response Cleanup Services (ERCS) is planned for the week of June 11, at the Crowne Holiday Inn at Crystal City, VA (300 Army-Navy Drive). Attendees will include Project Officers, Contracting Officers and HQ personnel for both programs. On June 12 and 13, separate ARCS and ERCS sessions will be held specific to the two contracting programs. On June 14, a joint ARCS/ERCS discussion will be held to exchange information on common issues.

Hazardous Site Control Division

INTEGRATION OF ACTs SYSTEM WITH ARCS RPOs

Members of the Design and Construction Management Branch (DCMB), HSCD, met with Dennis Cunningham of PCMD in early April to discuss the use of PCMD's ARCS Cost Tracking System (ACT) by Regional Project Officers (POs) as well as the Contracting Officers (COs). Although the system is set up in such a manner that the COs are responsible for the data input. This system was intended to fulfill the PO needs for tracking program management and remedial costs. We are recommending that the ARCS POs attend PCMD's ACTs demonstrations. We are interested in your feedback and opinions of the ACT system (e.g., will it gather information pertinent to your needs?, do you have a similar tracking system and how will the ACT system affect your tracking efforts?, etc.). Please contact Chris Watling of DCMB at FTS 382-3901.

BID TAB COMPILATION FOR POST-SARA RA START SITES

The DCMB is compiling all available bid tabulations (bid tabs) from post-SARA Remedial Action (RA) fund-lead sites. The purpose of this compilation is to provide EPA's Regional and Headquarter's Superfund staffs a tool with which to determine the validity of future RA bids. We have compiled about half of the available bid tabs (35 of 70) and plan to have the project done by May 1990. We would greatly appreciate your input concerning the final format of the compilation, any analyses of the data you would find useful, and any general comments you have about this project. Please contact Chris Watling of DCMB at FTS 382-3901.

Hazardous Site Evaluation Division

AUDIT SURVEY OF THE ZONE II FIT CONTRACT

During February, following an initial audit survey of the Zone II FIT contract, it was announced that the Office of Inspector General (OIG) was indefinitely postponing an audit of the EPA's utilization of the Zone II FIT. This decision was reached by the OIG primarily because of the Agency's follow up actions in Zone II which address the recommendations of the OIG'S audit of the management of the Zone I FIT contract. Since 1988, many new contract management procedures have been implemented in both Zones which ensure more closely managed FIT contracts. Actions taken to enhance FIT contract management include:

- Revising the FIT Zone Contracts Management Guide.
- Headquarters program office biannually conducts regional FIT contracts management reviews of FIT contract operations.
- Quarterly Regional Project Officer meetings are held to discuss relevant issues and to increase nationally consistent use of the FIT by the regions.

INVESTIGATION DERIVED WASTES

The Site Assessment Branch plans on distributing for review, a Field Investigation Team (FIT) guidance for IDW management. Anyone interested in commenting on this document should contact John Hollister, FTS 475-9748.

PROCUREMENT REQUEST (PR) TRACKING

The Analytical Operations Branch (AOB) has developed a PR tracking system that helps manage the large volume of PRs associated with the CLP and ESAT contracts (over 150 per quarter). A data base that supports the system requires only a contract number and incremental funding dollars to generate a PR. The system subsequently updates the Branch's budget file and tracks the PR through the approval chain.

Emergency Response Division

ZONE I AND II TECHNICAL ASSISTANCE TEAM (TAT) CONTRACTS

The Zone I and Zone II TAT Contracts are scheduled to expire on September 30, 1990. The Emergency Response Division is in the process of recompeting both contracts. Zone I TAT will be comprised of Regions I through IV. Zone II TAT will be comprised of Regions V through X. The Request for Proposals was issued on January 19, 1990. The Zone I and II TAT Technical Evaluation Panels (TEP) convened on March 1, 1990 to evaluate the proposals. The contracts are scheduled to be awarded in August, 1990.

ZONE I AND II TECHNICAL ASSISTANCE TEAM (TAT) 8(a) CONTRACTS

As a result of a request from the Office of Small and Disadvantaged Business Utilization, the Emergency Response Division will be procuring the services of 8(a) firms for technical assistance. The Zone I TAT 8(a) contract will be comprised of Regions I through IV. The Zone II TAT 8(a) contract will be comprised of Regions V through X. The scope of work for these contracts will include such tasks as SPCC inspections, contingency planning, training, and chemical safety audits. These contracts will supplement the main TAT contracts. A pre-solicitation conference was held in Dallas, TX on February 14, 1990.

If you have questions on the TAT or TAT 8(a) contracts, please call Pat Hawkins on FTS 382-2458 or Susan Janowiak on FTS 382-7732.

Attached to this month's CORAS Bulletin is an article prepared by the Office of Hazardous Site Control Division at Headquarters. The article is entitled, "Debarment and Suspension". If you have questions regarding Debarment and Suspension, please refer to the "Additional Information" section of the article for a listing of contacts.

If you are interested in receiving back issues of the bulletin, please contact Jalaria Ellis, FTS 475-8533.

For any changes to the "Key Regional Personnel in Superfund Contract Management" chart, please notify Jalaria Ellis, FTS 475-8533.

Key Regional Personnel in Superfund Contract Management

Contract	Headquarters (PO, DPO if possible)	Region 1	Region 2	Region 3	Region 4	Region 5
REM	REM II - Benjamin Hamm REM III - Bob Heffernan REM I - Tracy Loy REM V - Scott Fredericks REM VI - Scott Fredericks	Nancy Barmakian U.S. EPA - HCP - CAN7 JFK Federal Building Boston, MA 02203 8-833-5797	Shaheer Alvi U.S. EPA 26 Federal Plaza New York, NY 10278 8-264-2221	James McKenzie U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-3229	Ken Myer U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 (404) 347-2930	Gail Nabasny U.S. EPA 230 South Dearborn St. Chicago, IL 60604 353-1056
ARCS	N/A	Nancy Barmakian U.S. EPA - HCP - CAN7 JFK Federal Building Boston, MA 02203 833-1797	Shaheer Alvi U.S. EPA 26 Federal Plaza New York, NY 10278 264-2221	Jerome Curtin U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-4779	Doug Thompson U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 (404) 347-2930	Steven Nathan U.S. EPA 230 South Dearborn St. Chicago, IL 60604 886-5496
ERCS	Zone 1 - David Lopez Zone 2 - Reg. 4 is PO Zone 3 - David Ouder Kirk Zone 4 - Lisa Guarneiri	John Carlson U.S. EPA 60 Westview Street Lexington, MA 02173 (617) 860-4513	Mike Polito U.S. EPA Woodbridge Avenue Edison, NJ 08837 340-6652	Rich Fetzer U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-	Fred Stroud U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 257-3931	Duane Heaton U.S. EPA 230 South Dearborn St. Chicago, IL 60604 353-1788
TAT	Zone 1 - Pat Hawkins Zone 2 - Susan Janowiak	John Carlson U.S. EPA 60 Westview Street Lexington, MA 02173 (617) 860-4613	Mike Polito U.S. EPA Woodbridge Avenue Edison, NJ 08837 340-6652	Rich Fetzer U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-	Carol Monell U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 (404) 347-2930	Duane Heaton U.S. EPA 230 South Dearborn St. Chicago, IL 60604 353-1788
FIT	Zone 1 - John Hollister Zone 2 - Dave Cook	Don Smith U.S. EPA - HSS - CAN7 JFK Federal Building Boston, MA 02203 833-1648	Amy Brochu U.S. EPA Woodbridge Avenue Edison, NJ 08837 340-6802	Greg Hamm U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-8229	Al Hanke U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 257-5065	Gail Nabasny U.S. EPA 230 South Dearborn St. Chicago, IL 60604 353-1056
TES	Zone 1 - Jack Jokian Zone 2 - Jean Wright Zone 3 - Billy Perry Zone 4 - Nancy Deck	Rick Leighton U.S. EPA - CAN7 JFK Federal Building Boston, MA 02203 833-1654	Cathy Moyik U.S. EPA 26 Federal Plaza New York, NY 10278 264-8123	Elaine Spiewak / Nancy Cippola U.S. EPA 841 Chestnut Street Philadelphia, PA 19107 597-8183	Ken Myer U.S. EPA 345 Courtland Street, NE Atlanta, GA 30365 (404) 347-2930	Lorraine Kosik U.S. EPA 230 South Dearborn St. Chicago, IL 60604 353-6431
ESAT	Lynn Beasley	Scott Clifford U.S. EPA 60 Westview Street Lexington, Ma 02173 (617) 860- 4631	Joseph Hudek U.S. EPA Woodbridge Avenue Edison, NJ 08837 340-6713	Terry Simpson U.S. EPA 839 Bestgate Road Annapolis, MD 21401 (301) 266-9180	Bobby Carroll U.S. EPA, College Station Road, ASB Athens, GA 30613 250-3309	Jay Thakkar U.S. EPA 536 S.Clark St. Chicago, IL 60605 886-1972

Key Regional Personnel in Superfund Contract Management

Contract	Region 6	Region 7	Region 8	Region 9	Region 10
REM	Helen Newman U.S. EPA 1445 Ross Avenue Dallas, TX 75270 8-255-6720	Karen Flournoy U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-7782	Lisa Beasley U.S. EPA 999 18th Street Denver, CO 80202 8-330-1282	Rob Stern U.S. EPA 215 Fremont Street San Francisco 94105 454-7406	Joanne LaBaw U.S. EPA 1200 6th Street Seattle, WA 98101 8-399-2594
ARCS	Carlene Chambers U.S. EPA 1445 Ross Avenue Dallas, TX 75270 255-6720	Rebecca Thomas U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-7593	Lisa Beasley U.S. EPA 999 18th Street Denver, CO 80202 330-1282	Matt Mitgaard U.S. EPA 215 Fremont Street San Francisco 94105 454-0307	Joanne LaBaw U.S. EPA 1200 6th Street Seattle, WA 98101 399-2594
ERCS	Chris Peterson U.S. EPA 1445 Ross Avenue Dallas, TX 75270 255-2270	Ron McCutcheon U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-3881	Mike Zimmerman U.S. EPA 999 18th Street Denver, CO 80202 330-7134	Chris Weden U.S. EPA - (T-4-9) 215 Fremont Street San Francisco 94105 454-8132	William Longston U.S. EPA 1200 6th Street Seattle, WA 98101 399-1196
TAT	Chris Peterson U.S. EPA 1445 Ross Avenue Dallas, TX 75270 255-6720	Paul Doherty U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-3881	Jim Knoy U.S. EPA 999 18th Street Denver, CO 80202 330-7162	William Lewis U.S. EPA - (T-4-8) 215 Fremont Street San Francisco 94105 454-7464	Carl Kitz U.S. EPA 1200 6th Street Seattle, WA 98101 399-1263
FIT	Ed Sierra U.S. EPA 1445 Ross Avenue Dallas, TX 75270 255-6491	Peter Culver U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-7707	Gerry Snyder U.S. EPA 999 18th Street Denver, CO 80202 330-7505	Doug Frazer U.S. EPA - (T-4-8) 215 Fremont Street San Francisco 94105 454-7305	John Osborn U.S. EPA 1200 6th Street Seattle, WA 98101 399-0837
TES	Karen Witten U.S. EPA 1445 Ross Avenue Dallas, TX 75270 255-6720	Maureen Hunt U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-7722	Sam Marquez U.S. EPA 999 18th Street Denver, CO 80202 330-7151	Judy Walker U.S. EPA - (T-4-8) 215 Fremont Street San Francisco 94105 454-8550	Mike Slater U.S. EPA 1200 6th Street Seattle, WA 98101 399-0455
ESAT	Michael Daggett U.S. EPA 6608 Houston, TX 77074 526-9430	Harold Brown U.S. EPA 726 Minnesota Avenue Kansas City, KS 66101 (913) 551-3881	Eva Hoffman U.S. EPA 999 18th Street Denver, CO 80202 330-7509	Terry Stumph U.S. EPA - (P-3) 215 Fremont Street San Francisco 94105 454-7483	Gerald Muth U.S. EPA P.O. Box 549 Manchester, WA 09353 399-0370