



Report in Brief

Background

We performed this evaluation based on our annual audit plan objective to perform audits and evaluations that provide accountability and recommend improvement.

On March 29, 2013, OIG issued two reports addressing CPB's procurement processes. Report No. EPF1204-1302 addressed the award of CPB contracts and grants and Report No. ECO1208-1303 focused on the closeout of grants and contracts, including the timely deobligation of unused funds. Our objectives for this evaluation were to determine if CPB took corrective actions to: (a) competitively procure contract services or document sole source procurement decisions (including emergency procurements); (b) ensure that production grant acquisitions, to the extent practicable, were evaluated on the basis of competitive merit by a panel of outside experts; (c) document in the Concurrence Request System why a panel of outside experts was not used; and (d) closeout grants and contracts in a timely manner and deobligate any unused funds.

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Evaluation of CPB Procurement and Agreement Closeout Corrective Actions, Report No. ECO1607-1609

What We Found

CPB has effectively implemented corrective actions based on our limited testing.

Competitively-awarded contracts provided reasonable assurance that contracts were awarded to qualified entities at a reasonable cost; the justification for the sampled sole-sourced contract complied with CPB's "practicably available" criteria; external panels reviewed proposals for grants with media content as prescribed in the Communications Act; and CPB processed final payments and deobligations timely.

CPB has implemented its corrective actions but can further improve its procurement processes.

We also noted additional opportunities to further strengthen CPB's procurement processes. Those opportunities involve providing for a better separation of duties in assigning scores for competitive contract cost proposals and requiring that Project Officers better explain on the Concurrence Request Form how CPB determined that proposed costs were reasonable.

In responding to our draft report, CPB explained why it believes that its process for assigning scores for cost proposals under competitive contracts results in an objective and fair method of scoring and that it would be impractical to assign this responsibility to another employee. CPB also stated that it had asked Project Officers to provide more information on the comparable projects they used when evaluating the reasonableness of production grant costs.

What We Recommend

That CPB:

1. Transfer the responsibility for evaluating contract cost proposals and assigning scores to another official independent of the Office of Procurement Services.
2. Require that Project Officers, on the Concurrence Request Form, provide greater context for the work done to assess the reasonableness of proposed costs, e.g., cost comparisons to similar current projects; consideration of time differences between comparable projects and related cost increases; and whether comparable projects were competitively awarded or sole sourced.

CPB did not agree with the first recommendation but agreed with the second. Given CPB's limited resources, we accept its response to the first recommendation. We consider both recommendations resolved and are closing this report upon issuance.