



Executive Summary:

CFPB Contract Solicitation and Selection Processes Facilitate FAR Compliance, but Opportunities Exist to Strengthen Internal Controls

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March 28, 2013

Purpose

The Office of Inspector General conducted an evaluation of certain Consumer Financial Protection Bureau (CFPB) procurement activities to assess the internal controls of the CFPB's Office of Procurement. Our objective was to determine whether the CFPB established contract solicitation and selection processes that facilitated compliance with applicable rules established by the Federal Acquisition Regulation (FAR).

Background

The CFPB's Office of Procurement, which enters into contracts for goods and services on behalf of the CFPB, started contracting activities in October 2010. An Assistant Director for Procurement, who started at the CFPB in December 2010, leads the agency's procurement activities. The CFPB initially used the Department of the Treasury's Administrative Resource Center to award contracts and plans to continue using these services for routine procurements. The CFPB follows the FAR.

Findings

The CFPB established internal processes and procedures to facilitate FAR compliance related to contract solicitation and selection activities; however, opportunities exist to strengthen internal controls. We found that the CFPB's processes and practices were compliant with particular FAR requirements, such as performing acquisition planning and market research, providing opportunities for companies to compete for CFPB contracts, and conducting documented evaluations of contractor selections. Nonetheless, at the time of our review, we could not determine from CFPB documentation that was provided to us whether the CFPB's competition advocate was fulfilling each of the responsibilities required by the FAR. Further, at the time of our review we found that the CFPB had not yet finalized certain CFPB policies and procedures that facilitate FAR compliance in solicitation and selection activities.

We also found that the CFPB had expedited contracts in some instances, based on urgent requests from program officials; however, we could not determine the reason for the urgency in each case we reviewed. Accordingly, opportunities exist to strengthen contract file documentation when the CFPB expedites the procurement process in response to urgent requests.

After we communicated our initial observations to the CFPB, the Office of Procurement issued a final revised *Procurement Review Threshold Policy*, dated October 23, 2012, and a finalized *Policy for Acquisition Planning*, dated October 25, 2012.

Recommendations

We recommend that the Assistant Director for Procurement develop an internal policy describing how the CFPB implements the FAR requirements pertaining to the agency's competition advocate; finalize, disseminate, and implement its Small Business Review Form to facilitate FAR compliance related to small business participation; and enhance CFPB procedures related to the documentation of urgent procurement requests. The Assistant Director for Procurement concurred with our recommendations.

Access the full report: http://www.federalreserve.gov/oig/files/CFPB_Contract_Solicitation_Selection_full_Mar2013.pdf

For more information, contact the OIG at 202-973-5000 or visit <http://www.consumerfinance.gov/oig>.