

BRIEFLY...

Highlights of Report Number: 18-10-005-07-001, *Recovery Act: OASAM Needs to Ensure that Job Corps Contract Modifications Meet Recovery Act Requirements* to the Assistant Secretary for Administration and Management.

WHY READ THE REPORT

The American Recovery and Reinvestment Act (Recovery Act) signed into law February 17, 2009, provided Job Corps \$250 million for construction, operations and administrative costs. Job Corps plans to award \$211.6 million (85 percent) of the funds for the construction, rehabilitation, and acquisition of Job Corps Centers; award \$35.9 million (14 percent) to enhance and develop green-collar job training for careers in the automotive, construction, and manufacturing industries, and to further the incorporation of energy-efficient practices in Job Corps Centers; and spend the remaining \$2.5 million (1 percent) for administration of Recovery Act funds. As of September 30, 2009, Job Corps awarded 10 contracts totaling \$54.2 million, awarded a lease for \$82 million, and made modifications to 72 existing contracts totaling \$14.4 million.

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Did OASAM award Job Corps Recovery Act contracts, leases, and modifications based on merit?
2. Did OASAM meet Recovery Act-specific contracting requirements?
3. Does Job Corps have plans in place to ensure Recovery Act funds are awarded and distributed by the June 30, 2010 deadline?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2010/18-10-005-07-001.pdf>.

March 2010

RECOVERY ACT: OASAM NEEDS TO ENSURE THAT JOB CORPS CONTRACT MODIFICATIONS MEET RECOVERY ACT REQUIREMENTS

WHAT OIG FOUND

The OIG found that OASAM awarded the Job Corps lease and 10 Job Corps contracts in our sample based on merit; however, OASAM could not demonstrate that one of the 33 sampled modifications totaling \$122,103 was merit based.

While OASAM met Recovery Act-specific contracting requirements when awarding the sampled lease, we noted that two modifications obligated \$122,523 for projects not eligible for Recovery Act funding. In addition, 11 modifications and 4 contracts did not include one or more of the following required clauses: Buy American Act, Recovery Act Reporting, GAO/IG Access or Whistleblower Protection.

Job Corps has plans in place to ensure Recovery Act funds are awarded and distributed by June 30, 2010.

WHAT OIG RECOMMENDED

We made four recommendations to the Senior Accountable Official to issue a modification or re-compete the work for the modification totaling \$122,103 that OASAM could not demonstrate was issued based on merit; provide documentation that \$122,523 of Recovery Act funds were de-obligated for the two ineligible projects; modify the contracting actions that did not properly include Recovery Act required clauses; and re-communicate and monitor the Department's policy for using the pre-award checklist.

The Senior Accountable Official for the American Recovery and Reinvestment Act of 2009 agreed with the findings and recommendations, and has either planned or taken actions to address the recommendations to ensure compliance with contracting requirements under the Recovery Act.