



Office of Inspector General

FOLLOW-UP AND CLOSE-OUT OF THE REVIEW OF  
THE FEDERAL LABOR RELATIONS AUTHORITY'S  
CONTRACT FILE MANAGEMENT SYSTEM

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**Report No. MAR-24-05  
June 2024**

Federal Labor Relations Authority  
1400 K Street, N.W., Washington, D.C. 20424

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### **Acronyms**

ASD	Administrative Services Division
FAR	Federal Acquisition Regulation
FLRA	Federal Labor Relations Authority
MAR	Management Advisory Review
OIG	Office of Inspector General

# Follow-Up and Close-Out of the Review of the Federal Labor Relations Authority's Contract File Management System

Report No. MAR-24-05

June 11, 2024

Susan Tsui Grundmann, Chairman

This report presents the results of our follow-up review of the Federal Labor Relations Authority's (FLRA) implementation of agreed-upon actions from the Management Advisory Review (MAR) of the FLRA's Contract File Management System (MAR-23-06). We issued Report MAR-23-06 on September 14, 2023 and made two recommendations that FLRA concurred to address. Our work was limited to reviewing, as of May 31, 2024, the actions taken to implement these two recommendations.

## Results in Brief

The FLRA Office of Inspector General (OIG) conducted a follow-up review of *Review of the FLRA's Contract File Management System*, Report No. MAR-23-06. We determined that the FLRA has taken sufficient action to implement the two recommendations made in that report. Therefore, we are closing out these recommendations and this report. The background and details are as follows.

## Background

Good contract files are essential to a robust acquisition program. Federal Acquisition Regulation (FAR) subpart 4.8 requires contracting officers to maintain contract files. Contract files are vital in protecting the agency and the public interest. Good contract files protect the agency and public in the event of a dispute, an adverse action against the contractor, or a claim against the Government. The contract file is the support for all decisions made by the contracting officer. It demonstrates that the contracting officer has made decisions that are in the best interest of the agency and public.

FAR subpart 4.8 requires contracting officers to establish and maintain contract files. It states: "The head of each office performing *contracting*, contract administration, or paying functions *shall* establish files containing the records of all contractual actions."<sup>1</sup> Further, it states that documentation in a contract file "*shall* be sufficient to constitute a complete history" of the actions concerning the contract.<sup>2</sup> The contract files should tell the story of the acquisition including planning, negotiation, award, administration, and close-out. The contract files serve as a record to the public and other stakeholders that decisions were legal, well-informed, supported, and in the best interest of the agency and public.

<sup>1</sup> FAR 4.801(a).

<sup>2</sup> FAR 4.801(b).

## **Original Report**

On September 14, 2023, OIG issued a report (MAR-23-06) to the FLRA Chairman titled, *Review of the FLRA's Contract File Management System*. The objective of the review was to determine if the FLRA's policies, controls, and processes for maintaining contract files complied with applicable laws, regulations, and polices. We found that FLRA failed to develop and maintain policy and procedures regarding contract file management in accordance with the FAR. We made two recommendations in the report. FLRA management concurred to address both recommendations.

## **Results in Detail**

During our initial review of FLRA's contract file management system, FLRA saw the need for established policies and procedures with regards to contract files. During the initial review, FLRA provided draft policies. Our first recommendation was to finalize the draft policies and procedures. Our second recommendation was to include chronological correspondence file and close-out instructions.

Our follow-up review determined that the policies and procedures for contract file management system were adopted as final. The current version provided by FLRA is version 2, effective May 16, 2024. The Administrative Services Division (ASD) Director stated that they view the policy document as a dynamic document that they intend to regularly update. The current policy includes correspondence requirements and close-out instructions. We believe this policy adequately addresses both recommendations and we are formally closing both of these recommendations. This closes out all open recommendations for this report.

## **Conclusion**

We determined that FLRA has taken appropriate action to close-out the two open recommendations. This is the final follow-up and close-out report for OIG Report MAR-23-06.

## **Appendix 1: Objective, Scope, and Methodology**

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This follow-up review on the Management Advisory Review of the FLRA's Contract File Management System, Report No. MAR-23-06, was conducted to review the status of the implementation of the open recommendations. We made two recommendations in our original report.

The objective of this review was limited to determine whether the FLRA acceptably resolved and implemented the two open recommendations in report MAR-23-06. Our review was limited to reviewing the finalized policy and did not include any testing as to the effectiveness of the policy.

We engaged the ASD Director and obtained necessary documentation. The information requested was examined, along with management feedback, in order to analyze and draw conclusions. Our conclusions were based on this analysis. A preliminary version of the report was shared with management for their awareness.

## **Appendix 2: Report Distribution**

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### **FLRA**

The Honorable Colleen Duffy Kiko, Member  
Michael Jeffries, Executive Director  
Perschette Wakefield, Director, Administrative Services Division

# Contacting the Office of Inspector General

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