



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

TO: Reporters and Editors  
FR: Jill Kozeny, 202/224-1308  
RE: GAO report on contract management  
by the National Oceanic and Atmospheric Administration  
DA: July 11, 2006

U.S. Sen Chuck Grassley made the comment below about a report issued today by the Government Accountability Office (GAO) which reviewed the National Oceanic and Atmospheric Administration's (NOAA) acquisition function. This federal agency is responsible for making accurate and timely forecasts to protect life, property and natural resources, and for protecting America's ocean, coastal and living marine resources while promoting sustainable economic development.

In recent years, NOAA experienced instances of poor contract management. In fiscal year 2005, NOAA contracted for over \$851 million in goods and services to support the agency's mission. Sen. Grassley asked the GAO to assess NOAA's oversight of the acquisition process and the extent to which NOAA has focused on succession planning to address impending contracting workforce challenges.

The GAO found that while NOAA reorganized a major portion of its acquisition divisions in 2005, NOAA's acquisition director still lacks direct line authority over an organizational unit which is responsible for contracts worth up to half a billion dollars. Some NOAA field staff manage millions of dollars in contracts without appropriate oversight. Further, these NOAA staff are not contracting officers but rather perform that function as a collateral responsibility. GAO reported that NOAA adheres to the Department of Commerce's acquisition policies which lack a knowledge-based process to ensure contracts meet cost, schedule, and performance targets. Finally, while NOAA established a human capital plan, it does not address gaps in the agency's contracting workforce. GAO recommended that the Department of Commerce incorporate a knowledge-based approach in its acquisition policies and processes, take necessary action to provide oversight of NOAA field acquisition staff and activities, and conduct an assessment to determine NOAA's contracting workforce needs.

The GAO report - GAO-06-594 – is available at [www.gao.gov](http://www.gao.gov).

Grassley comment -

“It's good that steps have been taken to fix problems in the acquisition process, but the agency still has a ways to go before its process prevents further waste of tax dollars. The

Department of Commerce needs to implement new policies and procedures to establish appropriate oversight of contracts and staff responsible for acquisitions and contracts. One important component is having skilled, knowledgeable staff to administer contracts from start to finish. The fact that NOAA developed a strategic human capital plan that failed to address the gaps in its contracting workforce defies logic. After all, these people are responsible for hundreds of millions of taxpayer dollars.”