



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

**THE NATIONAL PARK SERVICE  
COMPLIED WITH THE TERMS OF  
THREE CONTRACTS FOR THE GRAND  
CANYON RIVER LOGISTICS PROGRAM**



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INSPECTOR GENERAL  
U.S. DEPARTMENT OF THE INTERIOR**

Memorandum

OCT 30 2018

To: Kate Hammond  
Acting Deputy Regional Director, National Park Service

From: Chris Stubbs *Chris Stubbs*  
Director, Office of Financial and Contract Audits

Subject: Final Report – *The National Park Service Complied With the Terms of Three Contracts for the Grand Canyon River Logistics Program*  
Report No. 2018-FIN-032

This report presents the results of our audit of three National Park Service (NPS) contracts (Nos. P17PC00513, P17PC00515, and P17PC00516) issued in support of the Grand Canyon River Logistics Program, which funds logistical services for NPS river missions along the Colorado River in the Grand Canyon National Park.

For our audit, we reviewed 13 task orders, with a value of \$203,616, that the NPS competed under the contracts. We determined that the NPS complied with Federal Acquisition Regulation (FAR) preaward requirements, awarded task orders in accordance with FAR subpart 16.5, monitored and oversaw the contracts during their period of performance, and implemented an administrative measure to comply with requirements for drug screening and criminal background checks on contractors.

## Background

The NPS completes numerous river missions along the Colorado River corridor each year. These missions, which may last from a few days to several weeks, are undertaken for various purposes, including resource monitoring and surveying, maintenance of trails and campsites, and interpretive and law enforcement patrol functions.

The NPS uses contract employees on its river missions to provide services such as logistics, planning, equipment, meal preparation, and boat operation. To fund these services, the NPS awarded three multiple-award indefinite delivery/indefinite quantity (IDIQ) contracts from Contract Solicitation No. P17PS01274. The base contract had a period of performance from September 1, 2017, to August 31, 2018, and included 4 optional years, ending on August 31, 2022.

Multiple-award IDIQ contracts do not specify a firm quantity of services (other than a minimum or maximum quantity), and they allow agencies to issue task orders during the contract's performance period and to establish prequalified contractors to compete for task orders

under streamlined procedures. Multiple-award IDIQ contracts are awarded to two or more contractors under a single solicitation.

A bureau can also issue a task order under a contract to obligate funds and authorize work when a specific need arises. The NPS issued 13 task orders for river missions under the three contracts; the task orders were competed as firm fixed price agreements and each was awarded to the lowest bidding contractor.

## **Audit Objectives**

We initiated our audit of the Grand Canyon River Logistics Program after receiving allegations of contractors colluding to inflate prices, contractors receiving unequal access to information from the NPS, and the NPS failing to monitor whether contractors were performing the required drug screening and criminal background checks on their employees. We reviewed those alleged issues as well as the NPS' compliance with the FAR and the terms of the contracts. Our audit objectives were to determine whether the NPS:

1. Complied with the FAR's preaward requirements for the three contracts issued for the Grand Canyon River Logistics Program
2. Awarded the contracts' task orders in accordance with the terms of the contracts and FAR subpart 16.5
3. Monitored and oversaw the contracts during their period of performance, including monitoring contractor compliance with drug screening and criminal background checks

## **Audit Results**

We found that NPS complied with the applicable Federal regulations and contract provisions during the contracts' preaward periods and when awarding the 13 task orders, and that the NPS monitored contractors' compliance with drug screening and background check policies. We found no evidence that contractors colluded to inflate prices or that they received unequal access to information.

The NPS prepared and documented the required activities and forms, such as the pre-mission meetings and river mission reports<sup>1</sup> as well as the *Acknowledgment of Policies* form<sup>2</sup> for each task order awarded. The NPS also instituted requirements for the contractors and NPS

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<sup>1</sup> A pre-mission meeting is required before every river mission to ensure that all of the parties involved are informed about the schedule, logistics, required equipment, and food. The meeting must include all NPS and contractor mission participants, whom the NPS needs to approve 7 days before the mission begins. This meeting is documented on the *River Mission Participant Manifest* form. The post-mission evaluation is to be prepared by a supervisor on the mission and be submitted to the NPS contracting officer's representative and the relevant contractor 14 days after the mission ends. This meeting is documented on the *River Mission Report*.

<sup>2</sup> The *Acknowledgment of Policies* form must be signed by all participants acknowledging that they understand and will follow applicable NPS policies, such as Director's Order 16D: "Equal Employment Opportunity and Zero Tolerance of Discrimination," Director's Order 16E: "Sexual Harassment Policy," Director's Order 16F: "National Park Service Anti-Harassment Policy," and Personnel Bulletin No. 12-10: "Drug Free and Alcohol-Free Workplace and Drug Testing Procedures."

employees, including reviewing and signing a code of conduct as well as complying with NPS policies prohibiting drug and alcohol use and sexual harassment in the workplace. We found that the contractors reviewed and agreed to these policies for all of the task orders awarded.

While we found no evidence of contractor collusion, we noted that NPS employees did tasks—such as unloading boats, cooking, and camp setup—that contract personnel were required to do. Not only did the NPS assume avoidable and unnecessary liability by allowing its employees to complete tasks the contractor was responsible for, but contractors also submitted lower proposals because they assumed the NPS employees would help them with their work during the missions. This led to an abnormal bidding pattern and a large price variance among competing contractors.

As a result, the NPS' estimate for each task order proposal was substantially different from the winning contractor's bid amount. As an example, the winning bid for Task Order 140P1518F0003 exceeded the estimate by \$11,866, and the estimate for Task Order 140P1518F0038 exceeded the winning bid by \$4,903.

The NPS has recognized the need to clarify the responsibilities of contract staff during river missions. The contracting officer provided us with a document titled *GRCA [Grand Canyon National Park] River Mission Contractor and Government Clarification of Tasks* to clarify which tasks contractors would be responsible for on future missions. The contracting officer informed us that this document was sent to all contractors. We noted that after the NPS issued this document, the difference between the estimates and the winning contract quotes decreased for the two most recent task orders awarded.

We appreciate the NPS' cooperation during our audit. Because we are not offering recommendations, we do not require a response to this report.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued. If you have any questions, please contact me at 202-208-5745.

Attachment

## Scope and Methodology

### Scope

We focused our audit on the National Park Service's (NPS') three multiple-award indefinite delivery/indefinite quantity contracts and the 13 task orders issued for these contracts between November 4, 2017, and June 19, 2018. We reviewed compliance with applicable Federal regulations, contract terms and conditions, and NPS policies and procedures. We conducted our audit fieldwork from April 17 through July 23, 2018.

### Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We determined that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To accomplish our objectives, we:

- Interviewed the NPS awarding contracting officer (CO) and the contracting officer's representative
- Reviewed the CO's price analysis and preaward documentation showing how the CO selected the contractors and determined that the price was fair and reasonable
- Reviewed the task orders awarded to the contractors
- Reviewed and researched FAR subpart 16.504 ("Indefinite Delivery Contracts"), FAR part 10 ("Market Research"), and FAR subpart 9.1 ("Responsible Prospective Contractors")
- Reviewed contractors' compliance with reporting (such as pre-mission meetings, post-mission evaluations, and the *Acknowledgement of Policies* form) for each task order
- Visited the NPS Major Acquisition Buying Office in Flagstaff, AZ
- Reviewed the NPS Arizona Major Acquisition Buying Office's internal controls for contract monitoring by interviewing multiple contracting personnel
- Evaluated the internal controls over transactions recorded by verifying information from the contract files and computer-processed information derived from the Department's Financial and Business Management System

We reviewed the NPS' internal controls for the contract monitoring by interviewing the contracting officers and Grand Canyon River Logistics program officers. We also reviewed the organizational structure as part of the control environment. In addition, we relied on relevant

computer-generated data provided by the NPS Arizona Acquisition Buying Office. To evaluate the accuracy of the data, we compared the information from contract files with the information obtained from the financial management system.

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