



# Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

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## Why We Did This Audit

We conducted an audit of the U.S. Environmental Protection Agency's use of blanket purchase agreements to determine whether:

- The EPA's blanket purchase agreements comply with applicable laws, regulations, contract provisions, and other requirements.
- The EPA maximizes its use of current blanket purchase agreements to achieve savings and whether other blanket purchase agreement opportunities exist.

Government agencies use blanket purchase agreements to pay for supplies and services that they purchase from approved sources on a repetitive basis. The EPA uses two types:

- U.S. General Services Administration Schedule blanket purchase agreements.
- EPA-specific blanket purchase agreements.

The Agency's blanket purchase agreement expenses in 2019 totaled \$36 million.

### **This audit supports an EPA mission-related effort:**

- *Operating efficiently and effectively.*

### **This audit addresses a top EPA management challenge:**

- *Complying with key internal control requirements (policies and procedures).*

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## ***EPA Should Improve Compliance with Blanket Purchase Agreement Requirements***

### **What We Found**

Of the six blanket purchase agreement, or BPA, orders that we reviewed, which accounted for \$16.9 million in annual obligations, none fully complied with all applicable Federal Acquisition Regulation requirements, EPA Acquisition Guide requirements, and Office of Management and Budget BPA recommendations. Specifically, the EPA did not:

- Maintain electronic records to provide a complete history of acquisitions under the BPAs.
- Perform adequate acquisition planning, such as documenting Advanced Procurement Plans and determining contract types.
- Document approvals for decisions to use noncommon contract solutions.
- Perform required annual reviews.
- Maximize competition; ensure price reasonableness; or negotiate lower prices, when appropriate.

We could not determine compliance for some requirements because of a lack of access to hard-copy Agency documentation, as EPA employees were working remotely because of the coronavirus pandemic. However, EPA policy requires that all records be maintained electronically.

The deficiencies listed above occurred because Office of Mission Support management did not verify contracting officers' compliance with federal requirements and recommendations. Noncompliance with Federal Acquisition Regulation requirements, EPA Acquisition Guide requirements, and Office of Management and Budget recommendations hinders effective and sound EPA contract management of BPAs and may decrease potential cost savings. For example, the Agency did not negotiate lower prices with vendors for individual orders issued, as recommended by the Office of Management and Budget. Just a 1 percent discount on all 2019 BPA orders would have resulted in cost savings of \$364,000.

### **Recommendations and Planned Agency Corrective Actions**

We recommend that the assistant administrator for Mission Support verify that contracting officers perform and document annual reviews; request vendor price discounts on all BPA orders; and determine whether a single-award BPA is appropriate for new agreements. All recommendations are resolved with corrective actions pending.

**The EPA could achieve cost savings and potentially put Agency funds to better use by improving compliance with BPA requirements.**