

## Report in Brief

Date: July 2024

Report No. A-03-20-03003

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Audit

A previous OIG investigation found that the Administration for Strategic Preparedness and Response (ASPR) was unable to demonstrate that funds to support advanced research and development by the Biomedical Advanced Research and Development Authority (BARDA) were used for appropriated purposes.

Our objective was to determine whether ASPR complied with Federal requirements in awarding research and development contracts from fiscal year (FY) 2017 through FY 2020. Specifically, we determined whether ASPR: (1) awarded these contracts using BARDA appropriations in accordance with the Federal Acquisition Regulation (FAR) and (2) used the ASPR Next and BARDA DRIVE programs to award contracts in accordance with the FAR and established policies and procedures.

### How OIG Did This Audit

We reviewed a judgmental sample of 28 research and development contracts (out of 235 unique contracts): 26 contracts were awarded by ASPR with contract actions from FYs 2017 through 2020 and 2 contracts were awarded through the ASPR Next program. We reviewed the 28 contracts to identify the award type and determine whether awards were made in accordance with the FAR and other legal requirements.

## ASPR Did Not Consistently Comply With Federal Requirements for Awarding Research and Development Contracts

### What OIG Found

ASPR did not always award research and development contracts, including those awarded using the BARDA DRIVE and ASPR Next programs, in accordance with FAR and HHS Acquisition Regulation requirements. Specifically, the contracting officers did not: (1) complete novation procedures timely upon the contractor's sale of its business and (2) properly finalize one contract before authorizing work to begin. Further, ASPR did not properly document all key administrative matters, including contracting decisions or activities for nine contracts.

These errors occurred because ASPR did not have an established process for reviewing or monitoring contract files for completeness and accuracy, and ASPR's contractor failed to comply with the terms of its contract. Further, ASPR failed to adequately maintain oversight, did not finalize and obligate funds for another contract, and, while ASPR's internal contract administration policies specified the documentation that should be maintained within a contract file, ASPR's policies did not address the organization and maintenance of electronic records.

### What OIG Recommends and ASPR Response

We made several recommendations, including that ASPR: (1) implement a review process to verify that Federal acquisition awarding procedures and contract funding are fully completed before contract performance begins; (2) correct the Recording Statute violation for the contract that was not properly finalized by ratifying the original contract and properly recording an obligation; (3) correct the time violation for the improperly created purchase order by using no-year funds or multi-year funds available for obligation and report an Antideficiency Act violation if the time violation cannot be corrected; (4) create policies and procedures for the maintenance and organization of electronic contract files; and (5) implement a periodic documentation review process to assess completeness of contract files and provide training to address deficiencies identified from the review. The full recommendations are in the report.

In written comments on our draft report, ASPR concurred with all of our recommendations and described the actions it had taken and planned to take in response to those recommendations. For example, ASPR has implemented an agency-wide process to ensure all required reviews and approvals occur prior to contract award to ensure compliance with acquisition requirements.