



## Office of Inspector General

July 10, 2023

TO: Alice Maroni  
Chief Management Officer

FROM: John Seger  
Assistant Inspector General for Audits, Evaluations, and Inspections

SUBJECT: Evaluation of PBGC's Contract Type Justifications (Project EV-23-175)

The Office of the Inspector General is initiating an engagement on PBGC's justifications for contract types, when awarding other than firm-fixed-price contracts. Please see the enclosure for more specific details on the engagement and for topics we plan to discuss at the entrance conference. We will begin work on this engagement immediately, so we would appreciate your notifying the appropriate staff.

The next step will be to conduct an entrance conference which we will coordinate with the Corporate Controls and Reviews Department. At the entrance conference, we request PBGC provide any feedback on the planned engagement.

Thank you in advance for your time and consideration.

cc: Karen Morris, General Counsel  
Frank Pace, Director, CCRD  
Latrece Wade, Risk Management Officer  
Kristin Chapman, Chief of Staff  
David Foley, Chief of Benefits Administration  
Patricia Kelly, Chief Financial Officer  
Robert Scherer, Chief Information Officer  
John Hanley, Chief of Negotiations and Restructuring  
Ann Orr, Chief Policy Officer

Overview of Evaluation of PBGC's Contract Type Justifications (EV-23-175)

Subject: Evaluation of PBGC's Contract Type Justifications

Source for the Work: Self-initiated

Issue(s) Under Review/Objective(s)/Key Question(s):

1. Objective: To determine if PBGC complied with federal acquisition requirements to justify contract types, when awarding other than firm-fixed price contracts.
  - Given the objective of the evaluation, we will select contracts to review from all PBGC departments (OBA, CFO, OPEA, OMA, ONR, OGC and OIT).
2. To help answer this objective, the OIG will also examine whether contracts labeled as firm-fixed-price include other contract price types.

Entrance Conference Discussion Topics:

1. Overview of typical process for selecting contract pricing type, including roles of the program office, Procurement Department (PD), and the Office of General Counsel.

Documentation Requested for the Entrance Conference:

1. Most recent versions of the following (or confirmation that the COR Resources page has the most recent versions): PBGC FAR Supplement, PD Customer Handbook, PD Desk Reference Guide, and PD Organization Chart
2. FY 2023 Cycle Memorandum for Procurement, Accounts Payable and Related Expenses
3. Most recent Expiring Contracts Chart

Points of Contact Requested:

1. Procurement Department (note that after we have identified contracts to review, we will contact relevant Contracting Officers and program office points of contact)

Estimated Report Issuance: March 2024

OIG Contacts:

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