



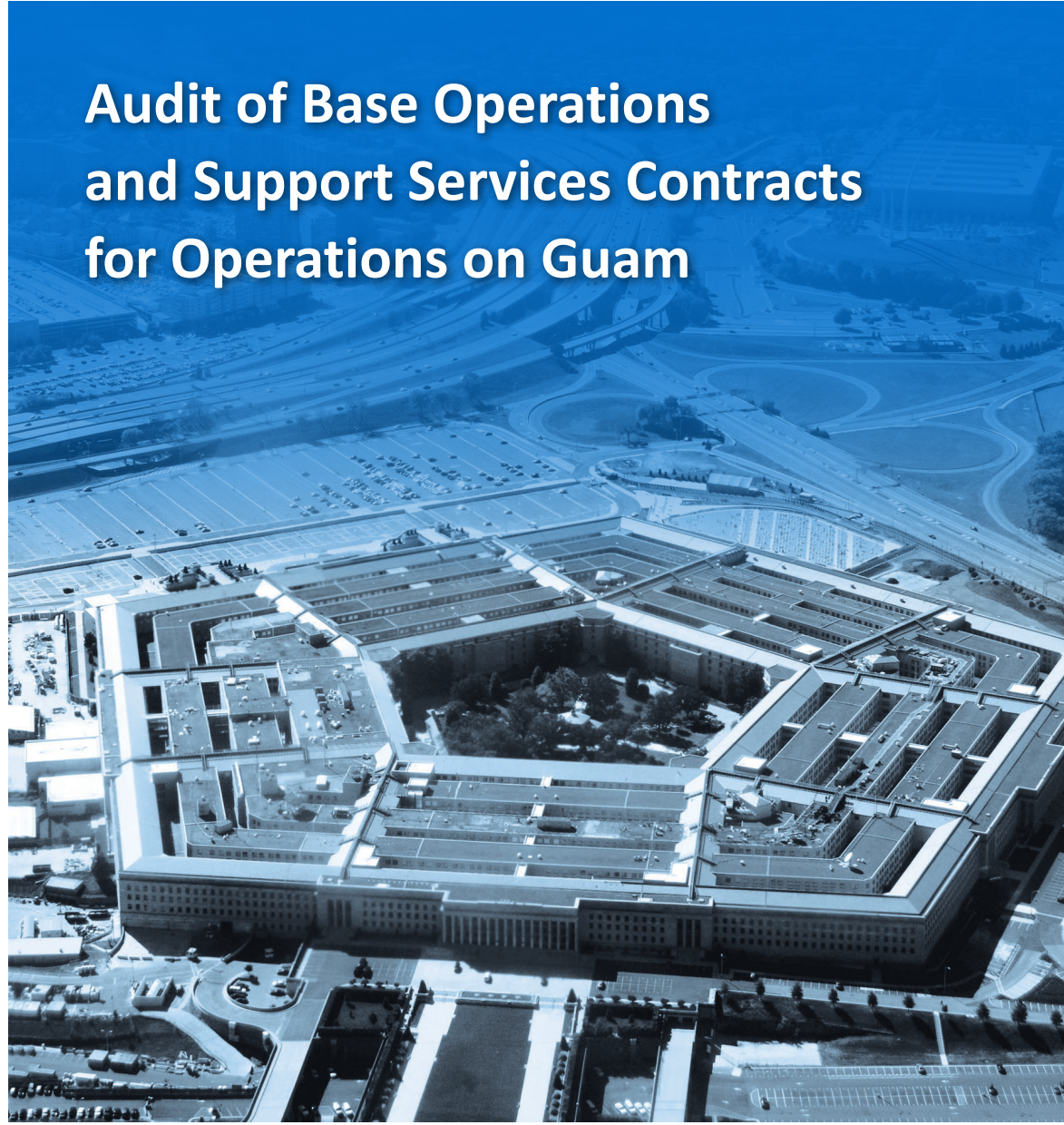
INSPECTOR GENERAL

U.S. Department of Defense

JUNE 13, 2025



Audit of Base Operations and Support Services Contracts for Operations on Guam



INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





Results in Brief

Audit of Base Operations and Support Services Contracts for Operations on Guam

June 13, 2025

Objective

The objective of this audit was to determine whether the Naval Facilities Engineering Systems Command (NAVFAC) Pacific and Pacific Air Forces performed administration and oversight of Guam base operations and support services contracts in accordance with Federal and DoD policies.

Background

The DoD uses contracts to provide a wide range of services required to operate and maintain military installations and facilities on Guam. We identified seven contracts with a total not-to-exceed value of \$212.3 million and 664 vouchers totaling \$75.5 million. We nonstatistically selected 50 vouchers with a value of \$21.2 million.

Findings

NAVFAC Marianas (MAR) and Navy installation technical personnel complied with applicable requirements to create oversight plans for each of the seven facility support contracts on Guam. However, technical personnel did not assess or document contractor performance in accordance with the assessment requirements outlined in the contracts' Performance Assessment Plans (PAPs) and Functional Assessment Plans (FAPs). This occurred for various reasons, including NAVFAC MAR technical personnel misinterpreting the PAPs and FAPs and the requirement for Navy installation technical personnel to conduct multiple assessments for the same contracted service. In addition, NAVFAC performance assessment representatives were unable

Findings (cont'd)

to access locations during COVID-19 and NAVFAC databases had size limitations and technical issues that impacted NAVFAC MAR technical personnel's ability to retain assessment documentation. As a result, NAVFAC could have missed indications of fraud, waste, or abuse or received services that did not conform to contract requirements, which could negatively affect the health and wellness of Service members and their families. Furthermore, the DoD could pay for nonconforming services or services not received.

In addition, NAVFAC MAR and Navy installation contracting personnel met invoice review and voucher submission requirements for 46 (92 percent) of 50 nonstatistically sampled vouchers. However, NAVFAC contracting personnel did not include the correct line of accounting for 4 (8 percent) of 50 sampled vouchers. Additionally, 20 (40 percent) of 50 sampled vouchers were not processed in accordance with invoice review and voucher submission requirements because DoD fund managers did not allocate sufficient funds on the line of accounting or funding points of contact did not validate obligations against non-Navy lines of accounting. As a result, NAVFAC incurred unnecessary interest payments of \$3,774 on 12 sampled vouchers.

Recommendations

We made eight recommendations related to the training and staffing of technical personnel, compliance with assessment requirements, and contract communications.

Management Comments and Our Response

The Commander, NAVFAC, responding for the Commanders, NAVFAC Pacific and MAR agreed or partially agreed with the recommendations. Three recommendations are closed, and five are resolved but remain open until we verify that the agreed-upon corrective actions were taken.

Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, Naval Facilities Engineering Systems Command Pacific	None	A.2	None
Commander, Naval Facilities Engineering Systems Command Marianas	None	A.1.b, A.1.c, A.1.d, A.1.e	A.1.a, A.1.f, B.1

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.



OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

June 13, 2025

MEMORANDUM FOR COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND PACIFIC
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND MARIANAS
AUDITOR GENERAL, DEPARTMENT OF THE NAVY

SUBJECT: Audit of Base Operations and Support Services Contracts for Operations on Guam
(Report No. DODIG-2025-111)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

Of the eight recommendations in this report, we consider three recommendations closed because management took action sufficient to address the recommendations.

Of the five remaining recommendations, the Commander, Naval Facilities Engineering Command, responding for the Commander, Naval Facilities Engineering Command Pacific, and the Commander, Naval Facilities Engineering Command Marianas, agreed to address the recommendations presented in the report; therefore, we considered the recommendations resolved and open. We will close the recommendations when you provide us documentation and we verify that all agreed-upon actions to implement the recommendations are completed.

For the resolved recommendations, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either [REDACTED] if unclassified or [REDACTED] if classified SECRET.

If you have any questions, please contact me at [REDACTED].

A handwritten signature in black ink, reading "Richard B. Vasquez".

Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

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Introduction

Objective

The objective of this audit was to determine whether the Naval Facilities Engineering Systems Command (NAVFAC) Pacific and Pacific Air Forces performed administration and oversight of Guam base operations and support services contracts in accordance with Federal and DoD policies. See Appendix A for the scope and methodology and for prior audit coverage related to the audit objective.

The objective included Pacific Air Forces; however, Pacific Air Forces no longer provided administration or oversight of the Guam base operations and support services contracts in the scope of our audit. Therefore, we focused our audit on the facility support contracts administered and overseen by NAVFAC Pacific and its subordinate command, NAVFAC Marianas (NAVFAC MAR), located on Guam.¹

Background

NAVFAC Pacific provides engineering and acquisition expertise to the U.S. Pacific Fleet by serving as the Navy's facilities, installation, and contingency engineers in the Pacific Area of Operations. The NAVFAC Pacific contracting office provides contractual services such as acquisition planning, preparation of solicitations, negotiation, and award of service contracts. These contracts include engineering, construction, environmental, repair, renovation, maintenance, equipment rental, and leasing services. NAVFAC Pacific negotiates and awards contracts that are administered by subordinate NAVFAC offices, such as NAVFAC MAR. NAVFAC MAR is the naval shore facilities, base operations support, and expeditionary engineering systems command that delivers life cycle and acquisition solutions for Joint Region Marianas.

In 2009, the DoD established the Joint Region Marianas base command, comprised of Naval Base Guam (NBG), Andersen Air Force Base, and Marine Corps Base Camp Blaz (MCBCB) on Guam. The NBG mission is to provide Pacific Fleet logistics, operations, and maintenance in a safe and secure environment. The NBG supports all U.S. Indo-Pacific Command and Military Sealift Command ships and aircraft, as well as 56 DoD tenant commands and 8 non-DoD activities operating in and around Guam. Andersen Air Force Base hosts 6 support missions, supports 12 DoD activities, has 6 tenant activities, and receives installation support from 9 commands.

¹ Facility support contracts are a subset of the base operations and support services contract on Guam.

On January 26, 2023, the Marine Corps formally activated MCBCB as the newest Joint Region Marianas component. The DoD established MCBCB as part of the realignment of forces based on an international agreement with the Government of Japan. MCBCB's mission is to provide the Fleet Marine Forces with operational functionality to enhance warfighting capabilities, facilitate the strengthening of coalition partnerships and joint region relationships, and provide a forward presence.

Facility Support Contracts on Guam

The DoD uses various contracts to provide a wide range of services required to operate and maintain military installations and facilities on Guam. We identified seven firm-fixed-price facility support contracts with a not-to-exceed (NTE) value of \$212.3 million. The following contracts provide either recurring or non-recurring services on NBG, Andersen Air Force Base, and MCBCB. Recurring services are those that are contracted for and occur on a regular basis, such as providing weekly lawn service. Non-recurring services, such as removing or pruning trees, are contracted for on an individual basis with the goal of obtaining a final completed product.

- Janitorial services – awarded December 7, 2017, with an NTE value of \$9.5 million over a 4-year period ending on December 28, 2021.
- Pest control services – awarded April 1, 2018, with an NTE value of \$5.3 million over a 5-year period ending on March 31, 2023.
- Water blasting services – awarded April 3, 2020, with an NTE value of \$3.5 million over a 5-year period ending on July 19, 2025.
- Collection, disposal, and recycling services of tires and vegetative waste – awarded September 17, 2020, with an NTE value of \$5.9 million for a 5.5-year period ending on April 30, 2026.²
- Grounds maintenance services – awarded November 16, 2019, with an NTE value of \$48.5 million over a 5-year period ending on November 30, 2024.³
- Integrated solid waste management (ISWM) – awarded August 17, 2021, with an NTE value of \$26.5 million over a 5.5-year period ending on February 28, 2027.⁴
- Family housing operations, maintenance, repair, and pest control services – awarded June 29, 2022, with an NTE value of \$113.1 million over a 2.5-year period ending on December 31, 2024.⁵

² Throughout this report, when referring to this contract, we will use the phrase “contract for tires and vegetative waste services.”

³ Throughout this report, when referring to this contract, we will use the phrase “contract for grounds maintenance services.”

⁴ Throughout this report, when referring to this contract, we will use the phrase “contract for ISWM services.”

⁵ Throughout this report, when referring to this contract, we will use the phrase “contract for family housing services.”

Roles and Responsibilities for Administration and Oversight of Facility Support Contracts

In accordance with Federal and DoD regulations, personnel are formally assigned various roles to administer and oversee facility support contracts. We identified the contracting officer (KO), contracting officer's representative (COR), and performance assessment representatives (PARs) as the key positions responsible for the administration and oversight of facility support contracts.

- KO
 - A Government representative responsible for the administration and oversight of facility support contracts.
 - Confirms the accuracy of invoices and vouchers.⁶
- COR
 - A Government representative responsible for monitoring a contractor's technical compliance and progress based on the contract requirements.
 - Prepares a quality assurance surveillance plan (QASP) to assess contractor performance and determine whether the supplies or services conform to contract requirements.
 - Required to perform a variety of contract administration duties, including overseeing performance assessment, documenting and rating contractor performance, reviewing invoices, and accepting the work from contractors.
- PAR
 - A Government representative responsible for assessing contractor performance.
 - Observes contractor performance and ensures the contractor takes corrective actions to resolve deficiencies.
 - Required to use the Performance Assessment Plan (PAP) and Functional Assessment Plan (FAP) to conduct their assessment.⁷
 - Required to document the results of their assessment in Performance Assessment Worksheets (PAWs).
 - Multiple PARs are assigned to a contract in some instances, with a senior PAR assigned and responsible for coordinating all PAR efforts.

⁶ Throughout the report, the use of "invoice" refers to the billing and supporting documentation submitted by a contractor. Also, the use of "voucher" refers to the payment process and ultimately payment made by the Government to a contractor.

⁷ NAVFAC created PAPs that describe the methodology for assessing contractor performance. The PAP includes the FAP and the PAWs.

Facility Support Contracts Administration and Oversight Guidance

The Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) provide administration and oversight guidance on DoD contracts. In addition, DoD and NAVFAC policies provide guidance to KOs and CORs in executing their delegated authority by implementing and supplementing the FAR and DFARS.

Federal Acquisition Regulation

FAR Part 42 prescribes policies and procedures for assigning and performing contract administration and contract audit services.⁸ Contract administration functions include determining the adequacy of the contractor's accounting system and internal controls, ensuring contractor compliance with quality assurance requirements, and reviewing and approving or disapproving contractor requests for payment.

FAR Part 46 prescribes policies and procedures to ensure that supplies and services provided under Government contract conform to the contract's quality and quantity requirements.⁹ Additionally, FAR Subpart 46.4 requires Government personnel to perform quality assurance assessments to determine if the supplies or services conform to contract requirements.¹⁰ According to FAR Subpart 46.4, to determine the time and place to conduct quality assurance assessments, Government personnel should prepare a QASP while preparing the contractor's statement of work. If the contractor's work is in progress or does not conform to the contract requirements, the KO should withhold payments to cover the estimated cost and related profit to correct deficiencies and complete unfinished work.

FAR Part 32 requires the KO to receive, approve, and transmit all performance-based payment requests to the appropriate payment office.¹¹ According to FAR Part 32, the approval documentation should specify the payment amount, necessary contractual information, and the appropriation account for the payment. The KO is responsible for determining whether to conduct pre-payment or post-payment reviews to administer performance-based payments. Additionally, according to FAR Part 32, the due date for contract financing payments is the 30th day after the designated billing office received the proper contract financing request.

⁸ FAR Part 42, "Contract Administration and Audit Services."

⁹ FAR Part 46, "Quality Assurance."

¹⁰ FAR Part 46, "Quality Assurance," Subpart 46.4, "Government Contract Quality Assurance."

¹¹ FAR Part 32, "Contract Financing."

Defense Federal Acquisition Regulation Supplement

As required by DFARS Part 246, departments and agencies must develop and maintain a systematic, cost-effective contract quality assurance program.¹²

The quality assurance program ensures:

- contract performance conforms to specified requirements;
- execution of audits to ensure the quality of products and services meet contractual requirements; and
- agencies provide contractors with maximum flexibility in establishing efficient and effective quality assurance programs to meet contractual requirements.

In addition, the requirement for a QASP must be addressed and documented in the contract file for each contract except for those awarded using simplified acquisition procedures. For service contracts, the KO should prepare a QASP to facilitate assessment of contractor performance.

- DFARS Subpart 232.70 requires payment requests and receiving reports to be submitted in electronic form, unless an exception is noted in the contract.¹³ The official system of record for contractor payment requests and receiving reports is Wide Area Workflow (WAWF).¹⁴ The WAWF system provides the method to electronically process payment requests and receiving reports.

DoD Policies for Contracting Officer's Representatives

DoD Instruction 5000.72 establishes policies and standards, assigns responsibilities, and provides procedures to certify CORs.¹⁵ The KO determines the need for a COR or multiple or alternate CORs to assist in monitoring and contract oversight. According to the DoD CORs Guidebook, COR post-award duties include conducting contract surveillance, conducting inspection/acceptance reviews, and evaluating contractor performance.¹⁶

¹² DFARS Part 246, "Quality Assurance."

¹³ DFARS Part 232, "Contract Financing," Subpart 232.70, "Electronic Submission and Processing of Payment Requests and Receiving Reports."

¹⁴ WAWF was officially renamed the Invoice, Receipt, Acceptance, Property Transfer system on November 3, 2014. However, the Procurement Integrated Enterprise Environment still refers to the system as WAWF. In addition, NAVFAC personnel provided documentation exported from the system marked "WAWF." Therefore, we use WAWF throughout the report rather than Invoice, Receipt, Acceptance, Property Transfer.

¹⁵ DoD Instruction 5000.72, "DoD Standard for Contracting Officer's Representative Certification," March 26, 2015 (Incorporating Change 2, November 6, 2020).

¹⁶ DoD Contracting Officer's Representatives Guidebook, May 2021 (Updated October 2022).

NAVFAC Procedures, Guidance, and Information

The NAVFAC Procedures, Guidance, and Information provides guidance to KOs in the execution of delegated authorities.¹⁷ The Standards implement the FAR and DFARS and apply to all NAVFAC activities. CORs are designated to assist KOs in monitoring and administering a contract. In addition, the Standards describe COR training and qualification requirements. See Appendix B for all NAVFAC MAR and Navy installation contracting and technical personnel training and qualification requirements.

What We Reviewed

This audit focused on the administration and oversight for seven facility support contracts on Guam. NAVFAC Pacific personnel awarded the seven facility support contracts, and NAVFAC MAR and Navy installation contracting and technical personnel performed the administration and oversight.¹⁸ We reviewed contract documentation for all seven facility support contracts to determine whether technical personnel implemented a PAP and whether technical personnel followed PAP and FAP requirements. In addition, we nonstatistically selected 50 out of 664 vouchers issued for payment from January 1, 2020, through June 30, 2023, on the seven facility support contracts.¹⁹

See Table 4 in Appendix A for additional information on the universe of vouchers and number of vouchers selected for review for each contract. We reviewed the contractors' invoices and supporting documentation for the 50 vouchers to determine whether NAVFAC MAR and Navy installation contracting personnel conducted proper and complete reviews before payment approval.²⁰

¹⁷ NAVFAC Procedures, Guidance, and Information," May 18, 2021, (Change 21-01 issued June 17, 2021).

¹⁸ When using the term, "contracting personnel," we are referring to KOs. When using the term, "technical personnel," we are referring to CORs and PARs.

¹⁹ Of the 50 sampled vouchers, 25 sampled vouchers were for non-recurring services and 25 sampled vouchers were for recurring services.

²⁰ Throughout the report, the use of "invoice" refers to the billing and supporting documentation submitted by a contractor. Also, the use of "voucher" refers to the payment process and ultimately payment made by the Government to a contractor.

Finding A

NAVFAC MAR and Navy Installation Technical Personnel Created Oversight Plans but Did Not Follow Plan Requirements

NAVFAC MAR and Navy installation technical personnel complied with FAR and DFARS requirements to create oversight plans for each of the seven facility support contracts on Guam.²¹ However, NAVFAC MAR and Navy installation technical personnel did not assess or document contractor performance in accordance with the assessment requirements outlined in the contracts' PAPs and FAPs.²² We determined that NAVFAC MAR and Navy installation technical personnel were required for three contracts to conduct and document at least 6,448 assessments.²³ However, technical personnel reported completing 2,621 assessments (41 percent) and provided supporting documentation for only 353 assessments (13 percent of reported assessments) for recurring services.

In addition, NAVFAC MAR and Navy installation technical personnel could not provide documentation to support that they conducted assessments for all non-recurring services. Technical personnel did not complete all the required assessments because NAVFAC MAR technical personnel misinterpreted the assessment requirements outlined in the PAPs and FAPs. Further, according to NAVFAC MAR and Navy installation technical personnel, they did not assess or document contractor performance in accordance with the PAPs and FAPs because:

- NAVFAC MAR PARs were unable to access all required contract performance locations during COVID-19;
- NAVFAC MAR technical personnel resigned from their positions, leaving fewer technical personnel to provide administration and oversight of contracts;

²¹ NAVFAC MAR KOs, CORs, and PARs administered and oversaw six of the seven contracts in the audit scope. Navy installation personnel assigned to NBG and Andersen Air Force Base support NAVFAC and are responsible for the COR and PAR duties associated with the contract for family housing services.

²² While NAVFAC created PAPs and FAPs to outline assessment and documentation requirements, not all FAPs included the required information for all specification items.

²³ For three of seven contracts (two NAVFAC, one Navy), we determined the minimum required assessments because the FAPs included minimum assessment requirements. For two of the four other NAVFAC contracts with recurring services, the FAPs did not include the required information. The remaining two NAVFAC contracts have non-recurring services only and therefore assessment of recurring services is not applicable.

- NAVFAC MAR databases had size limitations and technical issues impacting NAVFAC MAR technical personnel's ability to retain assessment documentation; and
- Navy installation technical personnel were required to conduct multiple assessments for the same contracted service, increasing the workload for Navy installation technical personnel.

As a result, since NAVFAC MAR and Navy installation technical personnel did not conduct at least 3,827 of the required assessments for the three contracts, NAVFAC could have missed indications of fraud, waste, or abuse or received services that did not conform to contract requirements. For example, the DoD OIG observed a "not met" assessment related to quantities of equipment, such as lawn mowers, on the Family Housing FAP. The PAR stated that the inventory of equipment on-hand and available for use was less than the required amount. Because such equipment was unavailable and unaccounted for, Service members and their families are unable to maintain their homes. In addition, based on the type of services provided through the seven different contracts, such as trash removal and facilities maintenance, not receiving services or receiving nonconforming services could negatively affect the health and wellness of Service members and their families. In addition, the DoD could pay for nonconforming services or services not received.

NAVFAC MAR and Navy Installation Technical Personnel Created PAPs

NAVFAC MAR and Navy installation technical personnel created a PAP for each of the seven facility support contracts in accordance with FAR and DFARS requirements. FAR Subpart 46.4 requires Government personnel to prepare a QASP that outlines the services that require oversight, and the time and place to conduct quality assurance assessments to ensure services provided by the contractor conform to contract requirements.²⁴ In addition, DFARS Part 246 requires departments and agencies to develop and maintain a contract quality assurance program to ensure contract performance conforms to specified requirements.

NAVFAC MAR and Navy installation technical personnel implemented PAPs that defined the methodology to assess contractor performance and established performance assessment provisions for each contract. For example, the PAP identified the key roles and responsibilities for assessing contractor performance. In addition, the PAP

²⁴ Throughout this report, when referring to NAVFAC's QASP, we will use the term PAP or FAP depending on the subject matter discussed.

included the FAP and outlined the requirements to document the results in PAWs. While the FAP should detail the sample size, assessment level, and frequency for PARs to assess contractor performance, FAPs for two of seven contracts did not include minimum assessment requirements.²⁵

NAVFAC MAR and Navy Installation Technical Personnel Did Not Comply with PAP and FAP Requirements

Although NAVFAC MAR and Navy installation technical personnel created PAPs and FAPs for all seven contracts, they did not provide contractor oversight for recurring or non-recurring services, as required. Specifically, CORs and PARs did not assess or document contractor performance in accordance with PAP and FAP requirements.

According to the PAPs, the COR must maintain a file until the end of performance for each contract to document contractor performance. The file should include:

- a record of each individual assessment conducted including the results and any actions taken or disputes;
- a record of assessments witnessed by the COR under the contract, including when and how the assessments were accomplished and the results;
- documentation (such as remarks in quality control reports, quality assurance reports, and non-compliance notices) of deficiencies observed, performance failures, late deliveries, non-conforming items or work; and
- a copy of any other significant documentation necessary to provide a contract history; this documentation may include contractor-submitted progress reports and review briefings.

In addition, NAVFAC MAR and Navy installation technical personnel are required to develop a schedule to assess contractor performance based on factors, such as the selected method of assessments, contractor's recurring performance schedule, population of work, and local priorities and conditions. Certain services, such as services that are mission critical or have life and safety impacts, may require increased assessment based on performance risk considerations.

PARs are responsible for developing an assessment schedule to observe contractor performance and implement corrective actions, if necessary. Each FAP should outline the requirement to assess contractor performance through periodic sampling, validated customer complaints, unscheduled visits, or customer

²⁵ NAVFAC contract FAPs for janitorial and ISWM services did not include minimum assessment requirements. Therefore, we could not determine the total minimum required assessments for recurring services for these two contracts.

evaluations. PARs are required to assess recurring services based on the defined sample size and frequency in the FAP, while non-recurring services require 100-percent assessment.

Furthermore, PARs are required to document the assessments in a PAW. PARs must include detailed information of the observed work and state whether the service provided by the contractor was satisfactory, above standard, or substandard in the worksheet. The PAR must provide all completed PAWs to the COR. Although NAVFAC MAR and Navy installation technical personnel provided documentation to support some of the completed assessments, technical personnel did not document contractor performance in accordance with PAP requirements.²⁶ Furthermore, NAVFAC MAR and Navy installation technical personnel did not conduct the required 6,448 assessments in accordance with the three contract FAPs which included such information.

NAVFAC MAR and Navy Installation Technical Personnel Did Not Comply with Oversight Requirements for Recurring Services

NAVFAC MAR and Navy installation PARs did not assess or document contractor performance as required in the PAPs and FAPs. For three contracts, NAVFAC MAR and Navy installation technical personnel were required to conduct and document at least 6,448 assessments for recurring services. However, technical personnel reported completing 2,621 assessments (41 percent) and provided supporting documentation for only 353 assessments (13 percent of reported assessments).²⁷

Table 1 shows the minimum number of required assessments, the number of assessments reported as completed by NAVFAC MAR and Navy installation technical personnel, and the number of supporting documents (PAWs) provided.

²⁶ See Appendix C for examples of NAVFAC MAR and Navy installation technical personnel PAWs.

²⁷ For the two other NAVFAC contracts that included recurring services for janitorial and ISWM services, contract FAPs did not include the minimum assessment requirements for all specification items. Therefore, we could not determine the minimum required assessments for these two contracts.

NAVFAC contracts for water blasting services and tires and vegetative waste services have non-recurring services only and therefore assessments of recurring services were not applicable.

Table 1. Number of Assessments Required, Assessments Reported, and Associated PAWs for Recurring Services from January 1, 2020, Through June 30, 2023

Contract	Required Assessments	Reported Assessments	Number of PAWs Documenting Assessments
NAVFAC MAR overseen contract for pest control services	1,560	907 (58% of required assessments)	9 (1% of reported assessments)
NAVFAC MAR overseen contract for janitorial services	Requirements Not Established*	2,495	154 (6% of reported assessments)
NAVFAC MAR overseen contract for grounds maintenance services	1,596	1,280 (80% of required assessments)	6 (0% of reported assessments)
NAVFAC MAR overseen contract for ISWM services	Requirements Not Established*	334	11 (3% of reported assessments)
Navy overseen contract for family housing operations, maintenance, repair, and pest control services	3,292	434 (13% of required assessments)	338 (78% of reported assessments)
Total	6,448	5,450	518 (10% of reported assessments)

*For two of four contracts, the FAPs did not include the minimum assessment requirements for all specification items. Therefore, we could not determine the minimum assessments required for these two contracts. As a result, we did not include these two contracts when determining the number of reported assessments and the number of PAWs documenting the assessments.

Source: The DoD OIG.

NAVFAC MAR and Navy Installation Technical Personnel Did Not Comply with Oversight Requirements for Non-Recurring Services

NAVFAC MAR and Navy installation technical personnel did not comply with oversight requirements for non-recurring services for the seven contracts. In accordance with the PAPs, PARs must verify that all non-recurring services provided by the contractor are satisfactory before payment. However, NAVFAC MAR and Navy installation technical personnel were unable to provide documentation to support they conducted assessments for all non-recurring services. We reviewed the PAWs for the 25 sampled vouchers for non-recurring services included within our overall sample of 50 vouchers for all seven contracts to determine whether NAVFAC MAR and Navy installation technical personnel complied with the PAP and FAP requirements for non-recurring services.²⁸

²⁸ We only observed the non-recurring services associated with the 50 sampled vouchers composing the voucher sample drawn from the contracts in the project scope. NAVFAC MAR technical personnel were required to assess and document contractor performance before issuing payment for 18 of 25 sample vouchers for non-recurring services and Navy installation technical personnel were required to assess and document contractor performance before issuing payment for 7 of 25 sample vouchers for non-recurring services.

The FAPs require 100 percent assessment of all non-recurring services, therefore PARs should have prepared at least one PAW for each voucher submitted for non-recurring services. However, NAVFAC MAR technical personnel provided us only 5 PAWs for the 18 sampled vouchers for non-recurring services and Navy installation technical personnel provided us 93 PAWs for the 7 sampled vouchers for non-recurring services. Although Navy installation technical personnel provided 93 PAWs, the seven vouchers for the contract for family housing services included 341 work orders associated with the non-recurring services. Navy installation technical personnel were required to assess each non-recurring service and document the assessment for each non-recurring service provided by the contractor. Therefore, Navy installation technical personnel should have provided at least 341 PAWs for the 7 sampled vouchers for non-recurring services.²⁹ Table 2 shows the number of sampled vouchers for non-recurring services and the number of PAWs received per contract for the seven contracts we reviewed.

Table 2. Number of Sample Vouchers for Non-Recurring Services and Number of Associated PAWs

Contract	Vouchers for Non-Recurring Services	Number of PAWs for Non-Recurring Services
Contract for pest control services	3	3 ¹
Contract for janitorial services	2	1
Contract for water blasting services	3	0
Contract for grounds maintenance services	4	0
Contract for tires and vegetative waste services	5	1
Contract for ISWM services	1	0
Contract for family housing services	7	93 ²
Total	25	98

¹ Although we identified three sampled vouchers for non-recurring services and NAVFAC MAR technical personnel provided three PAWs for the contract for pest control services, we determined that NAVFAC MAR technical personnel did not comply with the PAP requirement because two of the PAWs were associated with the same sampled voucher for non-recurring services. Therefore, of the three PAWs received, they applied to only two of the three sampled vouchers for this contract.

² Navy installation technical personnel provided more PAWs than vouchers for non-recurring services. However, Navy PARs should have completed at least 341 PAWs to account for all non-recurring services associated with the seven sampled vouchers for non-recurring services.

Source: The DoD OIG.

²⁹ The contract for family housing services was written in a manner which required the contractor to submit work orders and other supporting documentation for all non-recurring services, regardless of the dollar amounts involved. Navy installation technical personnel were required to review and approve all work orders before the contractor commencing work.

While NAVFAC MAR and Navy installation technical personnel stated that assessments were conducted and documented in PAWs, they also acknowledged that documentation was unavailable to support that the assessments were conducted for all seven contracts.

Various Factors Impacted Contractor Oversight

NAVFAC MAR and Navy installation technical personnel did not assess or document contractor performance as required for the following reasons.

- NAVFAC MAR technical personnel misinterpreted the PAPs and FAPs.
- NAVFAC PARs were unable to access contract performance locations during COVID-19.
- NAVFAC MAR technical personnel resigned from NAVFAC contracting positions, leaving fewer technical personnel to provide administration and oversight of contracts.
- NAVFAC databases had size limitations and technical issues impacting NAVFAC MAR technical personnel's ability to retain assessment documentation.
- Navy installation technical personnel were required to conduct multiple assessments for the same service, increasing the workload for contracting personnel.

NAVFAC MAR Technical Personnel Misinterpreted the PAP and FAP Requirements

NAVFAC MAR technical personnel misinterpreted the assessment requirements outlined in the FAPs and PAPs for recurring services. The FAP is designed to define the unit of measure, frequency of assessments, sample size, and assessment level for each specification item.³⁰ NAVFAC MAR technical personnel must review each specification item outlined in the contract FAPs to determine the minimum number of required assessments. For example, according to the FAP for the contract for grounds maintenance services, the minimum required assessments for specification item 3.1, Improved Grounds, is a normal sample size of 27 parcels or 10 percent of the unit of measure (270 parcels of land) with an assessment frequency of monthly. Therefore, the PAR must conduct no less than 27 assessments and document 27 PAWs monthly for that specification item.

³⁰ Specification items outline the expectations of performance and contract requirement standards for the goods or services a contractor is expected to provide.

According to the PAP, PARs must assess specification items at Assessment Level 1 in accordance with the frequency of assessments and sample size indicated in the FAP. However, if the contractor does not meet the performance standards during Assessment Level 1, the PARs must conduct additional assessments at Assessment Levels 2 or 3 for the subordinate specification item. For example, Assessment Level 1 would require the PAR to assess specification item 3.1, Improved Grounds. If the contractor does not meet the performance standards for specification item 3.1, Improved Grounds, the PAR must assess specification item 3.1.1, Lawn Care (Assessment Level 2).

Figure 1 shows a portion of the contract for grounds maintenance's FAP, including the unit of measure, frequency of assessments, sample size, and assessment level for each specification item. Figure 2 shows the required flow of the performance assessment process to observe, assess, and document contractor performance starting at Assessment Level 1.

Figure 1. Example of the FAP for the Contract for Grounds Maintenance Services

GROUNDS MAINTENANCE FAP										
<u>Assessment Levels (AL)</u>			<u>Assessment Frequency (Freq)</u>			<u>Method of Assessment (MOA)</u>				
AL1	Start assessment at this Level		A – Annually Q – Quarterly M – Once per month BW – Once every 13-16 days W – Once per week R – As required			PS – Periodic Sampling VCC – Validated Customer Comments UV – Unscheduled Visits CE – Customer's Evaluation				
AL2	Add this Level if Contractor performance for AL1 is Unsatisfactory									
AL3	Add this Level if Contractor performance at AL1 or AL2 is Unsatisfactory									
Note: Return to appropriate Assessment Level when performance improves.			Note: The first method listed in the MOA column below is the primary assessment method.							

Spec Item	Performance Objective	Performance Standard	MOA	Assessment Level			Sample Size			Freq
				AL1	AL2	AL3	UOM (total)	Normal	Reduced	
3.1	Improved Grounds The Contractor shall maintain improved grounds to ensure a slightly appearance.	Appearance of Improved Grounds is consistent with the specified COLS.	PS		N/A	N/A	270 Parcels	27 10%	14 5%	M
3.1.1	Lawn Care The Contactor shall maintain lawns to ensure a slightly appearance.	Lawns are healthy and present a uniform appearance and a rich natural color consistent with the specified COLS. <i>Note: Some parcel have multiple COLS (323 Total).</i>	PS	N/A		N/A	270 Parcels	27 10%	N/A	M
3.1.1.1	Mowing and Trimming The Contractor shall maintain lawns to ensure a uniform grass height.	Grass is uniform in appearance. Services are performed as specified by COLS listed in J-	PS	N/A	N/A		270 Parcels	27 10%	N/A	M

LEGEND

AL Assessment Level

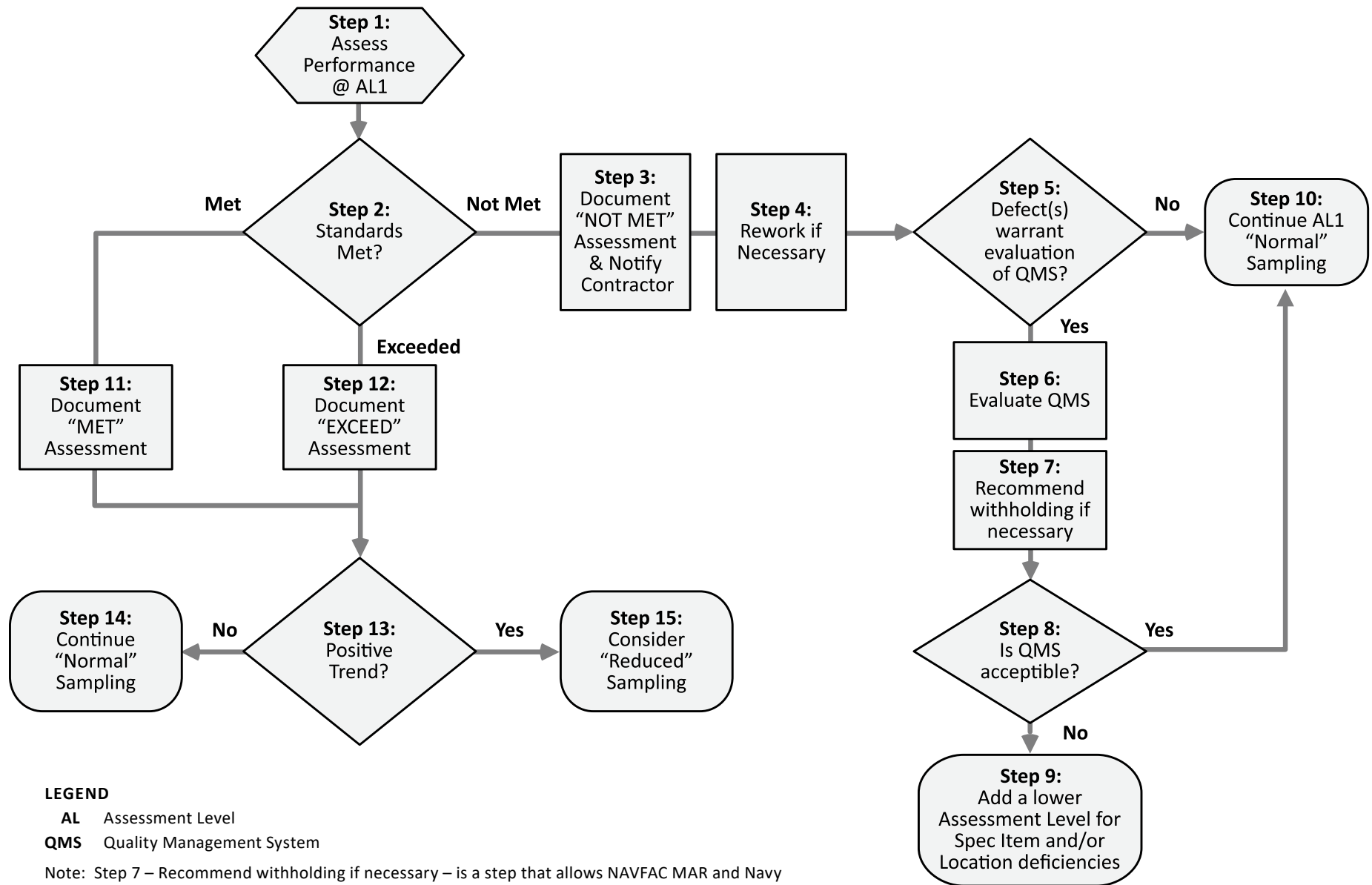
COLS Common Output Level Standards

UOM Unit of Measure

Note: The red text note within Figure 1 is original to the FAP.

Source: NAVFAC MAR, FAP for Grounds Maintenance and Landscaping.

Figure 2. Flow Chart of the Process to Observe, Assess, and Document Contractor Performance from NAVFAC Performance Assessment Plans



However, NAVFAC MAR technical personnel misinterpreted the PAP and FAP requirements. NAVFAC MAR technical personnel stated that PARs assessed contractor performance monthly for recurring services by sampling 10 percent of the total number of specification items within the contract for each geographic area.³¹ For example, the contract for grounds maintenance services has 38 specification items included within the contract's FAP. Using NAVFAC MAR technical personnel's interpretation of the FAP, the PAR would conduct four assessments and prepare four PAWs each month at each location. According to NAVFAC MAR technical personnel, if the PAR conducted four assessments and prepared four PAWs each month for 10 months, the PAR would have assessed each specification item at least once, regardless of the number of services provided by the contractor.

In addition, the methodology used by NAVFAC MAR technical personnel did not differentiate the specification items required for Assessment Level 1, Assessment Level 2, or Assessment Level 3. NAVFAC MAR technical personnel stated that PARs assessed all specification items using the Assessment Level 1 requirements. Based on the interpretation provided by NAVFAC MAR technical personnel, for the contract for grounds maintenance services, PARs were only required to conduct 160 assessments and document 160 PAWs from January 1, 2020, through June 30, 2023, for recurring services for each location. However, that did not align with the FAP requirements, which requires the PARs to conduct 1,596 assessments and document 1,596 PAWs from January 1, 2020, through June 30, 2023.

As a result of not conducting the minimum required assessments, NAVFAC MAR technical personnel could have missed indications of fraud, waste, or abuse or received services that do not conform to contract requirements. The facility support contracts overseen by NAVFAC MAR technical personnel provide services, such as trash removal and pest and vegetation control. If these services are not provided or do not conform to contract requirements, it could negatively affect the health and wellness of Service members and their families. Therefore, the Commander, NAVFAC MAR, should provide training to NAVFAC MAR technical personnel to ensure that they are aware of the PAP and FAP requirements and develop and implement a process for technical personnel to seek clarification and to establish minimum assessment requirements if FAPs do not include all required information. The Commander, NAVFAC MAR, should also review the number and frequency of assessments that PARs are required to conduct and document. The review should ensure assessment requirements provide sufficient contract oversight and are reasonable and obtainable. Based on the review, make appropriate adjustments to either the staffing or the assessment requirements, as deemed necessary.

³¹ NAVFAC, depending on the period, divided its territory into no more than three geographic areas to assist PARs with their work. At most, PARs split NAVFAC geographic areas into three distinct regions: North, South, and Central.

Limited Access to Locations During the COVID-19 Pandemic

NAVFAC MAR technical personnel stated that PARs were unable to assess contractor performance, as required, during the National Emergency for COVID-19, which was in effect from March 2020 until May 2023. During the COVID-19 pandemic, NAVFAC MAR technical personnel stated that PARs were unable to access all required office spaces to assess the services provided by the contractors; therefore, NAVFAC contractor oversight was limited. However, NAVFAC MAR technical personnel specified that they assessed outdoor services, such as lawn care. NAVFAC MAR technical personnel stated that contractor oversight gradually increased as COVID-19 restrictions were lifted, but NAVFAC MAR technical personnel were unable to provide information on specific periods and changes in access that affected contractor oversight as COVID-19 restrictions eased.

Based on the PAR schedules and PAWs provided, NAVFAC MAR technical personnel conducted the lowest number of assessments in 2020. Therefore, the Commander, NAVFAC MAR, should assess the risk of not conducting contractor oversight during future National Emergencies and develop and implement contingency plans, as necessary. For the contingency plans deemed necessary, technical personnel should include the contingency plans in the PAPs and the requirement to document the approval to implement the alternate method.

NAVFAC MAR Technical Personnel Accepted Positions Outside of NAVFAC

According to NAVFAC MAR technical personnel, the CORs and PARs did not assess contractor performance as required due to the limited availability of staff. Specifically, NAVFAC MAR technical personnel accepted positions at MCBCB or other organizations outside of NAVFAC. On January 26, 2023, the Marine Corps formally activated MCBCB as the newest Joint Region Marianas component.

According to NAVFAC MAR technical personnel, MCBCB recruited trained contracting personnel from other established DoD installations, such as NAVFAC. In addition, NAVFAC MAR technical personnel stated that filling positions on Guam was always difficult and the establishment of MCBCB made recruiting and retention more challenging. According to NAVFAC MAR technical personnel, NAVFAC MAR initiated a manpower study in 2024. In June 2024, NAVFAC KOs stated that they were providing inputs to their commanding officer concerning personnel requirements and the impacts of vacancies. NAVFAC MAR technical personnel stated that this was not an official manpower study but rather the initial step to determine the need to request and conduct an official study. Therefore, the

Commander, NAVFAC MAR, should conduct a personnel staffing study to determine the need for the administration and oversight of facility support contracts. In addition, the Commander, NAVFAC MAR, should develop and implement an alternate method in PAPs and FAPs to assess contractor performance when staff availability is limited and the requirement to document the approval to implement the alternate method, as needed.

NAVFAC Systems Had Size Limitations and Technical Issues

NAVFAC databases had size limitations and technical issues impacting NAVFAC MAR technical personnel's ability to retain assessment documentation. According to the PAPs, PARs are required to assess contractor performance and document the results of the assessments in a PAW. In addition, the COR must maintain PAWs in the contract file until the end of performance for each contract. However, while NAVFAC MAR technical personnel stated that they conducted 5,016 assessments for recurring services from January 1, 2020, through June 30, 2023, they provided only 180 PAWs.

According to NAVFAC MAR technical personnel, the PAWs were not available for various reasons, such as size limitations of databases and technical issues that impacted their ability to retain assessment documentation. We observed the assessment and documentation process used by NAVFAC PARs and witnessed technical issues with NAVFAC systems that limited NAVFAC PARs ability to retrieve assessment documentation. For example, NAVFAC PARs had issues logging into the Navy OneNet computing environment. Specifically, they could not log into their user profiles due to system outages or issues. In addition, the ShareDrives and SharePoint lacked sufficient storage to save additional documentation.

Based on the supporting documentation provided by NAVFAC MAR and Navy installation technical personnel, NAVFAC MAR and Navy installation technical personnel were unable to substantiate that they conducted the assessments as required. Therefore, the Commander, NAVFAC MAR, should develop a process to maintain contract documentation to prevent data loss and ensure that technical personnel store PAWs in the contract file until the end of performance for each contract.

Navy Installation Technical Personnel Were Required to Conduct Multiple Assessments for the Same Service Request

NAVFAC Pacific solicited and awarded the sole-source contract for family housing services without materials for non-recurring services, which resulted in multiple assessments of contractor performance. Upon award, NAVFAC MAR and supporting Navy installation technical personnel performed the contract administration and oversight.

According to Navy installation technical personnel, the previous contract included contract provisions that allowed the contractor to provide services below a certain dollar amount without prior approval from Navy installation technical personnel. The contract for family housing services was awarded without provisions for material costs or purchasing thresholds for the contractor to purchase material. Therefore, before purchasing material for non-recurring services, the contractor was required to submit a request to Navy installation technical personnel for approval. Navy installation technical personnel then conducted initial assessments to ensure that the material requested by the contractor was within the scope of the contract. In addition, Navy installation technical personnel were required to conduct assessments once the work was complete to ensure compliance with the contract requirements.³²

As a result, Navy installation technical personnel were required to conduct multiple assessments for non-recurring services provided by the contractor regardless of the dollar amount. The multiple assessments and approvals increased the workload of Navy installation technical personnel. Therefore, the Commander, NAVFAC Pacific, should develop and implement a process to notify NAVFAC MAR and Navy installation contracting and technical personnel before awarding contracts without provisions for material costs or purchasing thresholds to ensure that personnel are aware of the increased workload and to ensure that installations have the capacity to provide oversight as required.

Lack of Contractor Oversight Leaves NAVFAC Susceptible to Fraud, Waste, Abuse, and Receiving Nonconforming Services

NAVFAC MAR and Navy installation technical personnel did not assess or document contractor performance as required. As a result, NAVFAC could have missed indications of fraud, waste, or abuse or received services that do not conform to contract requirements. If these services are not provided or do not conform to contract requirements, it could negatively affect the health and wellness of Service members and their families. For example, NAVFAC MAR and Navy installation technical personnel documented an instance when the contractor did not properly maintain the self-help inventory. The self-help inventory typically includes items such as lawn mowers, which are available for Service members' use. The PAR documented in a PAW that the inventory of equipment on hand was less than the required amount. When these items are not properly inventoried and

³² NAVFAC MAR and Navy installation technical personnel had to issue additional contract modifications to account for the materials required from the contractor. The materials not initially included in the contract resulted in a \$13,123,598 (12 percent) increase in the contract value from June 29, 2022, through June 28, 2023.

available, this could lead to aesthetic decline, causing the living quarters to appear neglected or unkept and possibly creating hazards. In addition, if technical personnel are not providing contractor oversight as required, the DoD could pay for nonconforming services or services not received.

Recommendations, Management Comments, and Our Response

Recommendation A.1

We recommend that the Commander, Naval Facilities Engineering Systems Command Marianas:

- a. Provide training to Naval Facilities Engineering Systems Command Marianas technical personnel to ensure that they are aware of the Performance Assessment Plan and Functional Assessment Plan requirements and develop and implement a process for technical personnel to seek clarification and to establish minimum assessment requirements if Functional Assessment Plans do not include all required information.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that the Naval Base Guam Facility Support Contracting Performance Assessment Team, which includes CORs and PARs, instituted training to support improvement and alignment with oversight responsibilities. The training topics covered PAWs, FAP development and implementation, and the performance assessment process. The Commander also stated that NAVFAC will continue to schedule and deliver training related to performance assessments.

Our Response

Comments from the Commander addressed the specifics of the recommendation. We reviewed training documentation and a list of the attendees to confirm that the training covered the recommended topics and that the recommended attendees were present. Therefore, we consider the recommendation closed.

- b. **Review the number and frequency of assessments that performance assessment representatives are required to conduct and document. The review should ensure assessment requirements provide sufficient contract oversight and are reasonable and obtainable. Based on the review, make appropriate adjustments to either the staffing or the assessment requirements, as deemed necessary.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that the performance assessment team is conducting a comprehensive review of all applicable contracts to determine the appropriate sample sizes and assessment frequencies within the FAPs. In addition, the Commander stated that this effort will ensure that the FAP requirements are achievable, sustainable, and reflective of current staffing and workloads. The Commander plans to complete this effort by March 31, 2026.

Our Response

Comments from the Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive documentation and verify that NAVFAC MAR completed the review on the number and frequency of assessments that the PARs are required to conduct and document.

- c. **Assess the risk of not conducting contractor oversight during future National Emergencies and develop and implement contingency plans, as necessary. For the contingency plans deemed necessary, technical personnel should include the contingency plans in the Performance Assessment Plans and the requirement to document the approval to implement the alternate method.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that if contract requirements are modified in the event of a national emergency, technical personnel will implement alternate oversight methods in the PAPs.

Our Response

Comments from the Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive documentation and verify that NAVFAC MAR developed and implemented a policy that addresses contractor oversight when contract requirements are modified during National Emergencies.

- d. Conduct a personnel staffing study to determine the need for the administration and oversight of facility support contracts.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that a staffing analysis is underway to evaluate the number of personnel required to support administration and oversight of facility support contracts. In addition, the Commander stated that the Facility Support Contract Program Manager is coordinating with NAVFAC MAR leadership to identify potential solutions and recruitment strategies. The Commander plans to complete these efforts by March 31, 2026.

Our Response

Comments from the Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive documentation and verify that NAVFAC MAR completed the staffing analysis.

- e. Develop and implement an alternate method in Performance Assessment Plans and Functional Assessment Plans to assess contractor performance when staff availability is limited and the requirement to document the approval to implement the alternate method, as needed.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that NAVFAC MAR technical personnel are reviewing and updating FAPs to reflect realistic staffing levels. The Commander stated that when availability of staffing is limited, personnel will modify the sample sizes and frequencies of assessments to maintain oversight while ensuring compliance remains achievable. The Commander plans to complete these efforts by March 31, 2026.

Our Response

Comments from the Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive documentation and verify that NAVFAC MAR completed the FAP review and modified the FAPs, as needed.

- f. **Develop a process to maintain contract documentation to prevent data loss and ensure that technical personnel store Performance Assessment Worksheets in the contract file until the end of performance for each contract.**

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, agreed with the recommendation, stating that NAVFAC MAR has implemented enhancements to contract documentation and data retention practices to eliminate the use of legacy systems and ensure ease of access, document control, and historical data preservation.

Our Response

Comments from the Commander addressed the specifics of the recommendation. We reviewed the COR Filing Format procedures and the COR file template to confirm that NAVFAC MAR implemented a process to prevent data loss and storage of contract documentation. Therefore, we consider the recommendation closed.

Recommendation A.2

We recommend that the Commander, Naval Facilities Engineering Systems Command Pacific, should develop and implement a process to notify Naval Facilities Engineering Systems Command Marianas and Navy installation contracting and technical personnel before awarding contracts without provisions for material costs or purchasing thresholds to ensure that personnel are aware of the increased workload and to ensure that installations have the capacity to provide oversight as required.

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC Pacific, agreed with the recommendation, stating that NAVFAC Pacific Public Works Department will require all stakeholders sign a “Satisfactory to the Participants” form. This form is completed at the beginning of a procurement when the Performance Work Statement is developed and is used to indicate acceptance of the technical package and to ensure all stakeholders understand the expected costs of the Performance Work Statement.

Our Response

Comments from the Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive documentation and verify that NAVFAC Pacific implemented a process that requires the use of the Satisfactory to the Participants form during the procurement process.

Finding B

NAVFAC MAR and Navy Installation Contracting Personnel Generally Complied with FAR and DFARS Invoice Review and Voucher Submission Requirements

NAVFAC MAR and Navy installation contracting personnel generally complied with FAR and DFARS invoice review and voucher submission requirements for the 50 nonstatistically sampled vouchers from the seven facility support contracts.³³ Specifically, NAVFAC MAR and Navy installation contracting personnel met the invoice review and voucher submission requirements for 46 (92 percent) of the 50 sampled vouchers. However, NAVFAC MAR did not meet the invoice review and voucher submission requirements for 4 (8 percent) of the 50 sampled vouchers. Specifically, NAVFAC MAR contracting personnel did not provide the correct line of accounting for 4 (8 percent) of the 50 sampled vouchers.

In addition, 20 (40 percent) of the 50 sampled vouchers were not processed in accordance with invoice review and voucher submission requirements because DoD funding managers did not allocate sufficient funds on the line of accounting or DoD funding points of contact did not validate obligations against non-Navy lines of accounting.³⁴ As a result, NAVFAC contractors did not receive payments within the 30-day requirement for 15 vouchers in our sample and NAVFAC incurred interest payments of \$3,774 on 12 sampled vouchers.³⁵ Although NAVFAC incurred interest payments, the delays in payments were not always a result of NAVFAC MAR contracting personnel's invoice review and voucher submission policies and procedures.

³³ FAR Part 32, states the due date for contract financing payments is the 30th day after the designated billing office received the proper contract financing request.

DFARS Subpart 232.70, states DoD officials receiving payment requests must process the payment requests in electronic form.

³⁴ DoD funding managers and DoD funding points of contact were not NAVFAC MAR contracting personnel and therefore the portions of the process associated with those individuals were separate from NAVFAC MAR contracting personnel invoice review and processing policy and procedures.

³⁵ Although, 20 of 50 sampled vouchers were not processed in accordance with invoice review and processing requirements, 5 sampled vouchers were corrected within 30 days. In addition, for the 15 sampled vouchers paid after 30 days, 3 sampled vouchers did not have interest added to the final contractor payments.

NAVFAC MAR and Navy Installation Contracting Personnel Generally Processed Contractor Invoices as Required

NAVFAC MAR and Navy installation contracting personnel generally complied with FAR Part 32 and DFARS Subpart 232.70 invoice review and voucher submission requirements for the 50 sampled vouchers from the seven facility support contracts. NAVFAC MAR and Navy installation contracting personnel met the invoice review and voucher submission requirements for 46 (92 percent) of the 50 sampled vouchers. Specifically, for the 46 of 50 sampled vouchers, NAVFAC MAR and Navy installation contracting personnel reviewed the contractor’s invoice and supporting documentation.

In addition, NAVFAC MAR and Navy installation contracting personnel submitted the voucher for payment in a timely manner to ensure that the contractor received payment within the 30-day requirement. However, 20 (40 percent) of the 50 sampled vouchers were not processed in accordance with invoice review and voucher submission requirements because DoD funding managers did not allocate sufficient funds on the line of accounting or DoD funding points of contact did not validate obligations against non-Navy lines of accounting. Therefore, 20 (40 percent) of the 50 sampled vouchers were not processed in accordance with invoice review and voucher submission requirements. Table 3 shows the number of vouchers, by contract, that did not meet the invoice review and voucher submission requirements.

Table 3. Number of Vouchers That Did Not Meet the Invoice Review and Voucher Submission Requirements

Contract	Voucher Sample Size	Number of Vouchers That Did Not Meet Processing Requirements
Contract for pest control services	5	3
Contract for janitorial services	5	3
Contract for water blasting services	3	0
Contract for grounds maintenance services	13	6
Contract for tires and vegetative waste services	5	4
Contract for ISWM services	6	4
Contract for family housing services	13	0
Total	50	20

Source: The DoD OIG.

Vouchers Were Not Processed in Accordance with the Invoice Review and Voucher Submission Requirements

NAVFAC MAR contracting personnel did not process 20 of the 50 sampled vouchers (40 percent) in accordance with invoice review and voucher submission requirements. Based on the documentation reviewed, such as contractor invoices and supporting documentation, and Wide Area Workflow (WAWF) submission documentation, we determined that for:

- 4 of 50 vouchers, NAVFAC MAR contracting personnel did not provide the correct line of accounting; and
- 20 of 50 vouchers, DoD funding managers did not allocate sufficient funds on the line of accounting, or DoD funding points of contact did not validate obligations against non-Navy lines of accounting.

NAVFAC MAR Contracting Personnel Made Input Errors for the Line of Accounting

NAVFAC MAR contracting personnel did not submit the correct line of accounting during the invoice review and voucher submission process for 4 of 20 vouchers. NAVFAC MAR contracting personnel must submit each payment request with the correct payment amount, necessary contractual information, and the appropriate account for payment charges. However, for 4 of the 20 vouchers, incorrect or missing information was not identified or corrected by the NAVFAC KOs. As a result, insufficient or inaccurate information was provided to the Defense Finance Accounting Service (DFAS).³⁶

Once DFAS personnel identified the error, the voucher was suspended and returned to NAVFAC for correction. In addition, DFAS suspended the four vouchers because DoD funding points of contact did not validate obligations against non-Navy lines of accounting. Although NAVFAC MAR contracting personnel corrected the line of accounting, additional actions were needed from the DoD funding points of contact.

Actions Outside of NAVFAC's Control Delayed Voucher Payments

DoD funding managers and DoD funding points of contact did not allocate sufficient funds on the line of accounting or validate obligations against non-Navy lines of accounting for all 20 vouchers. Specifically, individuals outside of NAVFAC were required to ensure that sufficient funds were on the line of accounting and validate the line of accounting before DFAS processing the vouchers and

³⁶ DFAS pays all DoD military and civilian personnel as well as major DoD contractors and vendors. DFAS regulations require contractors to submit payment requests and receiving reports in electronic form through modules within the Procurement Integrated Enterprise Environment, a web-based service managed by the Defense Logistics Agency. DFAS regulations identify the requirements for submitting a proper invoice and outline responsibilities for final review of invoices and processing of vouchers for contractors providing services to the DoD.

submitting payments to contractors. DoD funding managers did not allocate sufficient funds for 2 of 20 suspended vouchers while DoD funding points of contact did not validate obligations against non-Navy lines of accounting for 18 of 20 suspended vouchers.³⁷

Once DFAS personnel identified these errors, the vouchers were suspended and DFAS personnel coordinated with the DoD funding managers and DoD funding points of contact for correction. After the DoD funding managers and DoD funding points of contact made the correction, DFAS personnel released the payment to the contractor. Therefore, the Commander, NAVFAC MAR, should require NAVFAC MAR contracting personnel to identify the DoD funding managers and DoD funding points of contact who consistently do not allocate sufficient funds or validate obligations for non-Navy lines of accounting and provide notice to the responsible parties to enforce their responsibility to allocate sufficient funds and validate obligations in a timely manner.

NAVFAC Incurred Interest Payments

NAVFAC incurred interest payments because NAVFAC MAR contracting personnel did not provide the correct line of accounting, DoD funding managers did not allocate sufficient funds for the lines of accounting, and DoD funding points of contact did not validate obligations against non-Navy lines of accounting. Before issuing payment to the contractors, DFAS reviewed all vouchers and supporting documentation to ensure that the correct information was submitted.

DFAS personnel were unable to process the payments on 20 of 50 vouchers until the errors were corrected. Therefore, DFAS personnel returned 20 vouchers to NAVFAC MAR contracting personnel, DoD funding managers, and DoD funding points of contact for correction, which led to extended processing times.

NAVFAC MAR contracting personnel, DoD funding managers, and DoD funding points of contact corrected the errors and DFAS issued the appropriate payment to the contractors within 30 days for 5 of the 20 vouchers. However, NAVFAC contractors did not receive payments within the 30 day requirement for remaining 15 vouchers and NAVFAC incurred additional interest payments of more than \$3,774 on 12 of the 15 vouchers. Although NAVFAC incurred interest payments, the delays in payments were not always a result of NAVFAC MAR contracting personnel invoice review and voucher submission policies and procedures.

³⁷ NAVFAC does not own the non-Navy lines of accounting and DFAS requires validation and verification from the owner of the line of accounting before authorizing contractor payments. For example, if a tenant command at the installation, such as Veterans Affairs, receives janitorial or custodial services through a NAVFAC contract, Veterans Affairs is required to pay for those services. In this case, NAVFAC MAR contracting personnel use the Veterans Affairs line of accounting and DFAS requires Veterans Affairs, as the owner of the line of accounting, to validate that NAVFAC is authorized to make charges against the line of accounting.

Recommendations, Management Comments, and Our Response

Recommendation B.1

We recommend that the Commander, Naval Facilities Engineering Systems Command Marianas, require Naval Facilities Engineering Systems Marianas contracting personnel to identify the DoD funding managers and DoD funding points of contact who consistently do not allocate sufficient funds or validate obligations for non-Navy lines of accounting and provide notice to the responsible parties to enforce their responsibility to allocate sufficient funds and validate obligations in a timely manner.

Naval Facilities Engineering Systems Command Comments

The Commander, NAVFAC, responding for the Commander, NAVFAC MAR, partially agreed with the recommendation, stating that DFAS does not specify the DoD funding managers who do not allocate sufficient funds or validate obligations. However, the Commander stated that NAVFAC MAR will provide notice to the responsible parties to enforce their responsibility to allocate sufficient funds and validate obligations in a timely manner. In addition, the Commander stated that NAVFAC MAR provided guidance to contracting personnel in April 2025 to include the DoD funding point of contact and DoD funding managers in the email distribution of a contract award to ensure prompt action to obligate funds and validate requests from DFAS.

Our Response

Comments from the Commander addressed the specifics of the recommendation. We reviewed the guidance provided to contracting personnel to confirm that NAVFAC MAR implemented a process to notify all DoD funding managers and DoD funding points of contact of their responsibilities to allocate sufficient funds and validate obligations in a timely manner. Therefore, we consider the recommendation closed.

Appendix A

Scope and Methodology

We conducted this performance audit from July 2023 through March 2025 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 believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. During this audit, we focused our efforts on administration and oversight for seven facility support contracts on Guam from January 1, 2020, through June 30, 2023. Specifically, we focused on quality assurance review and surveillance, and voucher review processes and procedures.

Policies and Procedures

We reviewed the following Federal, DoD, and Navy criteria to understand the regulations that govern administration and oversight of base operations and support services contracts.

- Section 103a, title 41, United States Code
- Section 2304, title 10, United States Code
- Executive Order No. 10450, "Security Requirements for Government Employment," April 27, 1953
- Federal Acquisition Regulation, Parts 15, 16, 32, 42, and 43
- Defense Federal Acquisition Regulation Supplement, Parts 215, 216, 242, and 243
- DoD Directive 5105.36, "Defense Contract Audit Agency," December 1, 2021
- DoD Instruction 5000.72, "DoD Standard for Contracting Officer's Representative (COR) Certification," March 26, 2015 (Incorporating Change 2, November 6, 2020)
- DoD Instruction 5000.74, "Defense Acquisition of Services," January 10, 2020 (Change 1 Effective June 24, 2021)
- DoD Instruction 5000.66, "Defense Acquisition Workforce Education, Training, Experience, and Career Development Program," July 27, 2017 (Change 3 Effective March 25, 2022)
- Office of the Under Secretary of Defense, Acquisition & Sustainment, Defense Pricing, Contracting, and Acquisition Policy, "DoD Contracting Officer's Representatives Guidebook," May 2021 (Updated October 2022)
- NAVFAC Procedures, Guidance, and Information, May 18, 2021 (Change 21-01 Issued June 17, 2021)

Facility Support Contracts on Guam

We reviewed the following seven contracts to determine whether NAVFAC performed administration and oversight in accordance with Federal and DoD policies.

- Janitorial services over a 4-year period ending on December 28, 2021.
- Pest control services over a 5-year period ending on March 31, 2023.
- Water blasting services over a 5-year period ending on July 19, 2025.
- Collection, disposal, and recycling services of tires and vegetative waste for a 5.5-year period ending on April 30, 2026.
- Grounds maintenance and tree trimming services over a 5-year period ending on November 30, 2024.
- Integrated solid waste management and pavement clearance services over a 5.5-year period ending on February 28, 2027.
- Family housing operations, maintenance, repair, and pest control services over a 2.5-year period ending on December 31, 2024.

Contracting and Technical Personnel Position Designations

We reviewed the designation letters for contracting and technical personnel assigned to the seven contracts within our audit scope. We determined that all contracting and technical personnel had designation letters for the positions they held during the scope of our audit.

Quality Assurance Review and Surveillance

We reviewed the PAP for each contract to ensure that the plans were prepared in accordance with the minimum requirements of FAR Parts 42 and 46, and DFARS Part 246.³⁸ In addition, we reviewed the contract documentation for all seven facility support contracts to determine whether NAVFAC MAR and Navy installation technical personnel conducted contractor oversight as outlined in the PAP. Specifically, we reviewed each contract's PAP and FAP to determine the assessment requirements. We also reviewed the PAR schedules and the Monthly Performance Assessment Summary to determine whether technical personnel conducted oversight as required. Lastly, on multiple occasions we requested all PAWs from January 1, 2020, through June 30, 2023, to determine whether NAVFAC MAR and Navy installation technical personnel documented the assessments in PAWs as required.

³⁸ FAR Part 42, "Contract Administration and Audit Services," FAR Part 46, "Quality Assurance," and DFARS Part 246, "Quality Assurance."

Invoice Review and Voucher Submission

We selected 50 sample vouchers from a total universe of 664 vouchers across all seven facility support contracts on Guam. We selected a nonstatistical sample to determine whether NAVFAC MAR and Navy installation contracting personnel met the requirements for the invoice review and voucher submission process for vouchers included within the sample. However, because we did a nonstatistical sample, we were unable to project the results of our audit work against the entire universe. Table 4 shows the universe of vouchers and number of vouchers selected for review for each contract.

We nonstatistically selected vouchers for each contract using the following criteria.

- Submission dates from January 1, 2020, through June 30, 2023
- Highest dollar value voucher
- Small dollar amount voucher, at least one per contract
- Middle range dollar amount voucher, at least one per contract
- Voucher payments, including payments with and without interest; interest payments indicate voucher review and payment taking longer than 30 days.

Table 4. Universe of Vouchers and Vouchers Selected for Review, by Contract

Contract Services	Contract NTE Value (in Millions)	Total # of Vouchers	Total Voucher Value (in Millions)	Nonstatistically Selected Vouchers	Selected Voucher Value (in Millions)
Contract for pest control services	\$5.3	99	\$3.2	5	\$0.5
Contract for janitorial services	9.5	72	6.4	5	0.6
Contract for water blasting services	3.5	6	0.1	3	0.1
Contract for grounds maintenance services	48.5	177	30.1	13	3.8
Contract for tires and vegetative waste services	5.9	227	1.8	5	0.1
Contract for ISWM services	26.5	43	7.3	6	1.0
Contract for family housing services	113.1	40	26.6	13	15.1
Total	\$212.3	664	\$75.5	50	\$21.2

Source: The DoD OIG.

We obtained documentation from NAVFAC MAR and Navy installation contracting personnel. We reviewed the transmittal form, myInvoice documentation, and WAWF submission documentation to determine when:

- contractors submitted the invoices and supporting documentation,
- contracting personnel received and reviewed the invoices and supporting documentation,
- contracting personnel approved the invoices and supporting documentation, and
- payment was issued to the contractor.

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed client compliance issues, contractor monitoring, and the risk of contractor overbilling for services. Audit steps were designed to review the quality assurance surveillance programs implemented to assess contractor performance and evaluate policies and procedures for the review and approval of invoices and vouchers submitted for payment. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We used computer-processed data from the Procurement Integrated Enterprise Environment's Electronic Data Access, Wide Area Workflow, myInvoice, and Contractor Performance Assessment Reporting System modules to perform this audit. To determine the reliability of these systems, we validated the information across the systems using contract documentation. We determined that the data was reliable for the use of this audit.

Use of Technical Assistance

During our audit, we worked with the Quantitative Methods Division to determine the appropriate sampling approach to review contract vouchers. We determined that nonstatistical sampling was the best option for the audit.

Prior Coverage

No prior coverage has been conducted on the Guam Base Operations and Support contract during the last 5 years. However, during the last 7 years, the DoD Office of Inspector General (DoD OIG) issued three reports discussing Base Operations and Support Services contract oversight and execution.

Unrestricted DoD OIG reports can be accessed at <https://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2020-069, “Audit of the Army’s Base Life Support Contract for Camp Taji, Iraq,” March 18, 2020

The DoD OIG determined that there were weaknesses in the contract terms and performance work statement requirements. This resulted in payments for which base contracting personnel did not verify the accuracy of contractor invoices.

Report No. DODIG-2020-040, “Audit of Cost Increases and Schedule Delays for Military Construction Projects at Joint Region Marianas,” December 11, 2019

The DoD OIG determined that schedule delays and cost increases for nine projects in Guam occurred because of Guam’s unique characteristics and environment.

Report No. DODIG-2018-074, “The U.S. Navy’s Oversight and Administration of the Base Support Contracts in Bahrain,” February 13, 2018

The DoD OIG determined that the Navy did not provide effective contract oversight and relied on contracting officer representatives who were foreign national direct hires and possessed the knowledge and experience to oversee the annexes, oversee all contractual requirements, and execute all quality assurance contractor oversight.

Appendix B

Other Matters of Interest

During this audit, we determined that NAVFAC MAR and Navy installation contracting and technical personnel were all designated for the contracting or technical positions they held. However, personnel were unable to provide documentation to support completion of all training and qualification requirements for their assigned position. Federal, DoD, and NAVFAC policies and guidance outline the training and qualification requirements for contracting and technical personnel. We have outlined the applicable training and qualification requirements by position below.

Contracting Personnel Designation, Training, and Qualification Requirements

According to FAR 1.603-3, KOs require appointment letters to perform their necessary duties. In addition, in accordance with Federal, DoD, and NAVFAC policies and guidance, KOs are required to have the following training and qualifications.

Qualification requirements:

- At least 2 years' experience in a contracting position
- Baccalaureate degree

Training requirements:

- Defense Acquisition University (DAU) course, "Simplified Acquisition Procedures (SAP)"
- DAU course, "Architect-Engineer Contracting"
- DAU course, "Construction Contracting"
- DAU course, "Facilities Support Service Contracting"
- DAU course, "Basic Information Systems Acquisition"

NAVFAC MAR Contracting Personnel Did Not Always Maintain Training Documentation

Three NAVFAC MAR KOs administered the seven contracts. We requested and received appointment letters for all three KOs. Therefore, we determined that all three KOs were qualified to perform their duties. We also requested documentation to support the completion of the training and qualifications

requirements. All three KOs provided documentation to support completion of the qualification requirements. However, only two of three KOs provided supporting documentation to fully support completion of the training requirements.

NAVFAC MAR and Navy Installation Technical Personnel Designation and Training Requirements

According to NAVFACINST 4200.1, CORs require appointment letters to perform their necessary duties. In addition, in accordance with DoD and NAVFAC policies and guidance, NAVFAC MAR technical personnel are required to complete training applicable to their role and duties, while most of the training was recommended for Navy installation technical personnel. Table 5 shows the training requirements for NAVFAC and Navy installation technical personnel.

Table 5. Training Requirements for NAVFAC and Navy Installation Technical Personnel.

Training	Required for NAVFAC Technical Personnel	Required for Navy Installation Technical Personnel
Introduction to Facility Support Contract	X	
Introduction to Performance Assessment	X	
Performance Assessment Workshop	X	
DoD Initial Pest Management PAR/Quality Assurance Evaluator	X	
Contractor Safety/U.S. Army Corps of Engineers Online Test	X	
Personal Protective Equipment Job Specific Usage – On the Job Training	X	
40-Hour NAVFAC Construction Safety course	X	
DAU course, COR with a Mission Focus*	X	X
Annual Ethics*	X	X
Annual Combatting Trafficking in Persons*	X	X

*Training was required for only the CORs. The training was not applicable to NAVFAC or Navy Installation PARs.

Source: The DoD OIG.

NAVFAC MAR Technical Personnel Did Not Always Maintain Training Documentation

We received the appointment letter for the NAVFAC MAR COR who oversaw six of the seven contracts within our audit scope. Therefore, we determined that the COR was qualified to perform their duties. In addition, NAVFAC MAR technical personnel provided documentation to support that the COR met the

training requirements. However, NAVFAC MAR technical personnel did not provide documentation to support that two NAVFAC MAR PARs completed the training requirements.

Navy Installation Technical Personnel Did Not Always Maintain Training Documentation

We received appointment letters for the four Navy installation CORs who oversaw the Housing Operations and Maintenance Services and Change of Occupancy Maintenance Services contract. Therefore, we determined that Navy installation CORs were qualified to perform their duties. However, the four CORs did not provide documentation to fully support completion of all training.

In addition, Navy installation technical personnel did not provide documentation to fully support completion of all training for the 14 PARs. According to NAVFAC contracting and technical personnel, NAVFAC did not have authority to require Navy installation technical personnel to complete the training.

Improvements Needed in Maintaining Training Documentation

According to NAVFAC MAR contracting personnel, documentation to support designation and qualification requirements for the CORs were maintained in the Joint Appointment Module system. In addition, training requirements offered by Defense Acquisition University were maintained within the Defense Acquisition University database. Contracting personnel were required to maintain designation letters for each assigned contract.

During interviews with contracting and technical personnel, we discussed individual career experiences, expertise, and training. We also reviewed the processes and procedures used by NAVFAC MAR and Navy installation contracting and technical personnel to conduct administration and oversight of facility support contracts. Therefore, despite the lack of training documentation, we believe that NAVFAC MAR and Navy installation contracting and technical personnel were qualified to perform their duties. However, NAVFAC MAR and Navy installation contracting and technical personnel should ensure that they maintain training records to support their ability to perform contract administration and oversight.

Appendix C

NAVFAC Required Documentation

Performance Assessment Worksheet

PARs are responsible for observing contractor performance and documenting their observations in a PAW. Figures 3 and 4 are examples of PAWs used by NAVFAC MAR and Navy installation technical personnel PARs, respectively. Figures 5 and 6 are examples of Monthly Performance Assessment Summary report coversheets and summary per annex, respectively.

Figure 4. PAW Outlined in NAVFAC PAPs but Only Used by Navy Installation Technical Personnel

PERFORMANCE ASSESSMENT WORKSHEET				
ANNEX/SUB-ANNEX: [REDACTED]				
ASSESSMENT LEVEL	<input checked="" type="checkbox"/> AL1	<input type="checkbox"/> AL2	<input type="checkbox"/> AL3	<input type="checkbox"/> TO
CONTRACT NO: [REDACTED]		PAR NAME: [REDACTED]		
SAMPLE ID: (If applicable) [REDACTED]		MOA: <input type="checkbox"/> PS <input type="checkbox"/> UV <input type="checkbox"/> VCC <input type="checkbox"/> CE		
SAMPLE LOCATION: [REDACTED]				
SPEC ITEM / TO #: 4.1		TITLE: CHANGE OF OCCUPANCY MAINTENANCE (COM)		
Document Work Requirements Assessed: (State "where" and "what" you will be assessing)				
[REDACTED] - Housing units are clean and fully equipped, in normal working condition and habitable; Units are available within COM program completion times				
SAFETY				
SAFETY ASSESSMENT: Issues found? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A (attach Safety Assessment Checklist)				
PERFORMANCE ASSESSMENT				
<input checked="" type="checkbox"/> All work meets performance standards.				
<input type="checkbox"/> Work does not meet standards (Provide specific details of the noted defects and recommendation of withholding if applicable.)		<input type="checkbox"/> Standards Exceeded (Provide specific details of the value added service including the benefit to the Government)		
COMMENTS: (State "how" the contractor has "met", "not met" or "exceeded" the contract standards)				
Unit is clean, habitable, appliances/equipment were functional and unit is ready for occupancy. Contractor referenced COM checklist as specified in contract. Unit was returned within specified completion times with zero discrepancies noted.				
PAR (signature): [REDACTED]		DATE: [REDACTED]		
CONTRACTOR (signature): [REDACTED]		DATE: [REDACTED]		
REWORK:	<input type="checkbox"/> Acceptable	<input type="checkbox"/> Unacceptable	<input type="checkbox"/> N/A	
QMS EVALUATION				
COMMENTS: (Document effectiveness of contractor's QMS to detect/correct negative performance and reverse trends. Attach QMS review checklist.)				
QMS:	<input type="checkbox"/> Acceptable	<input type="checkbox"/> Unacceptable	<input type="checkbox"/> N/A	
RECOMMENDATIONS				
COMMENTS:				

Source: NAVFAC Performance Assessment Worksheet for the contract for family housing services, provided by Navy installation technical personnel (redacted by the DoD OIG).

Figure 5. Navy Installation Technical Personnel Monthly Performance Assessment Summary Report Coversheet

MONTHLY PERFORMANCE ASSESSMENT SUMMARY COVERSHEET

Contract #: ██████████ Month/Year: ██████████ ██████████

Attachment I: MPAS Coversheet

Annex/ Sub-annex	Title	Functional Annex/ Sub-annex Rating (mark using "X")					
		E	VG	S	M	U	N/A
1401000	Family Housing (FFP Work)			X			
	Family Housing (IDIQ Work)			X			
	Comments: SPEC 3.1 (6) Met PAW's and (2) Not met. ██████████ ██████████ SPEC 3.2 (1) Not Met - ██████████ SPEC 4 (14) MET PAWS						
1402000	Unaccompanied Housing (FFP Work)						
	Unaccompanied Housing (IDIQ Work)						
	Comments: No PAWs issued						
1502000	Facility Investment (FFP Work)						
	Facility Investment (IDIQ Work)						
	Comments: No PAWs issued						
1503010	Custodial (FFP Work)				X		
	Custodial (IDIQ Work)						
	Comments: SPEC 3.1 (5) PAWs Not Met Scheduled Services (Emptying Trash Receptacles)						
1503020	Pest Control (FFP Work)						
	Pest Control (IDIQ Work)						
	Comments: No PAWs issued						
1601000	Chiller (FFP Work)						
	Chiller (IDIQ Work)						
	Comments: No PAWs issued						
OVERALL RATING FOR FFP AND IDIQ WORK							
COR: ██████████							
Signature: _____		Date: ██████████					

Attachment I
Page 33

Source: Navy MPAS Coversheet for the contract for family housing services, provided by Navy installation technical personnel (redacted by the DoD OIG).

Figure 6. Navy Installation Technical Personnel Monthly Performance Assessment Summary Per Annex

MONTHLY PERFORMANCE ASSESSMENT SUMMARY																																			
Contract #: [REDACTED]		Installation/Site: [REDACTED]																																	
Annex/sub-annex: [REDACTED]		Month/Year: [REDACTED]																																	
Spec Item	Title	AL1 Rating					AL2/AL3 Rating		VCC	Safety																									
		E	VG	S	M	U	# Samples	A		U	# Samples	Issues	# Samples																						
3.1	Operations Management																																		
3.1.1	Occupancy Assignments and Termination																																		
3.1.3	Civilian Rent/Liability Program																																		
3.1.4	Housing Referral Services/Rental Partnership Program (HRS/RPP)																																		
3.1.5	Keys and Locking Systems Management (NBG FH)																																		
3.1.5.1	Keys and Locking Systems Management (AAFB FH)																																		
3.1.6	Abandoned Property Management																																		
3.1.7	Resident Relations																																		
3.1.8	Self Help Program																																		
3.2	Furnishings, Appliances & Equipment (FA&E) Management																																		
3.2.1	Loaner Furniture and Appliance Program Management																																		
3.2.2	Issuance of Furniture, Fixtures, & Equipment (FF&E)																																		
3.2.3	Maintenance of Furniture, Fixtures, & Equipment (FF&E)																																		
	Non-Recurring Work																																		
4	Non-Recurring Work																																		
4.1	Change of Occupancy Maintenance (COM)																																		
Comments: SPEC 3.1 (6) Met PAW's and (2) Not met. [REDACTED] SPEC 3.2 (1) Not Met - [REDACTED] SPEC 4 (14) MET PAWS																																			
Recommended Actions:																																			
<table border="1"> <thead> <tr> <th colspan="5">Technical Ratings (mark using "X")</th> </tr> <tr> <th></th> <th>E</th> <th>VG</th> <th>S</th> <th>M</th> <th>U</th> </tr> </thead> <tbody> <tr> <td>Overall Technical Rating for Recurring Work</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>Overall Technical Rating for Non-Recurring Work</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> </tbody> </table>													Technical Ratings (mark using "X")						E	VG	S	M	U	Overall Technical Rating for Recurring Work			X			Overall Technical Rating for Non-Recurring Work			X		
Technical Ratings (mark using "X")																																			
	E	VG	S	M	U																														
Overall Technical Rating for Recurring Work			X																																
Overall Technical Rating for Non-Recurring Work			X																																
COR Signature: _____ Date: _____																																			

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Source: Navy MPAS by Annex for the contract for family housing services, provided by Navy installation technical personnel (redacted by the DoD OIG).

Management Comments

Naval Facilities Engineering Systems Command



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND
1322 PATTERSON AVENUE, SE SUITE 1000
WASHINGTON NAVY YARD DC 20374-5065

7500.1
Ser 09IG/010
18 Apr 25

From: Commander, Naval Facilities Engineering Systems Command
To: Program Director for Audit Readiness and Global Operations, Department of Defense
Office of the Inspector General

Subj: NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND MANAGEMENT
RESPONSE DRAFT AUDIT REPORT D2023-D000RL-0120.000, AUDIT OF BASE
OPERATIONS AND SUPPORT SERVICES CONTRACTS FOR OPERATIONS ON
GUAM

Ref: (a) SECNAVINST 5200.34E

Encl: (1) Management Response to Draft Audit Report D2023-D000RL-0120.000
(2) Business Process Management System B-14.03 Performance Assessment
(3) Team Workshop Presentations
(4) FSC Tech Talk Functional Assessment Plans
(5) BOSC/FSC Performance Assessment Training
(6) Additional Guidance on Award Distribution and Notification

1. Per reference (a), enclosures (1) through (6) are Naval Facilities Engineering Systems Command (NAVFAC) follow-up responses to recommendations A.1, A.2, and B.1. NAVFAC established estimated completion dates for recommendations A.1 and A.2. NAVFAC is requesting closure for recommendation B.1.

2. NAVFAC point of contact is [REDACTED]. You may reach [REDACTED].

FICHTER.STEPHEN.J
OSEPH. [REDACTED]
S. J. FICHTER
By direction

Digitally signed by
FICHTER.STEPHEN.JOSEPH [REDACTED]
Date: 2025.04.18 [REDACTED]

Naval Facilities Engineering Systems Command (cont'd)

**NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND
MANAGEMENT RESPONSE TO DRAFT REPORT D2023-D000RL-0120.000
AUDIT OF BASE OPERATIONS AND SUPPORT SERVICES
CONTRACTS FOR OPERATIONS ON GUAM
DATED: 19 MAR 25**

RECOMMENDATION A.1: We recommend that the Commander, Naval Facilities Engineering Systems Command Marianas:

- a. Provide training to Naval Facilities Engineering Systems Command Marianas (NAVFAC MAR) technical personnel to ensure that they are aware of the Performance Assessment Plan and Functional Assessment Plan requirements and develop and implement a process for technical personnel to seek clarification and to establish minimum assessment requirements if Functional Assessment Plans do not include all required information.
- b. Review the number and frequency of assessments that performance assessment representatives are required to conduct and document. The review should ensure assessment requirements provide sufficient contract oversight and are reasonable and obtainable. Based on the review, make appropriate adjustments to either the staffing or the assessment requirements, as deemed necessary.
- c. Assess the risk of not conducting contractor oversight during future National Emergencies and develop and implement contingency plans, as necessary. For the contingency plans deemed necessary, technical personnel should include the contingency plans in the Performance Assessment Plans and the requirement to document the approval to implement the alternate method.
- d. Conduct a personnel staffing study to determine the need for the administration and oversight of facility support contracts.
- e. Develop and implement an alternate method in Performance Assessment Plans and Functional Assessment Plans to assess contractor performance when staff availability is limited and the requirement to document the approval to implement the alternate method, as needed.
- f. Develop a process to maintain contract documentation to prevent data loss and ensure that technical personnel store Performance Assessment Worksheets in the contract file until the end of performance for each contract.

CURRENT STATUS: Concur.

- a. NAVFAC BPMS B-14.03 (Performance Assessment) serves as the foundational guidance for all performance assessment training requirements, including the development and maintenance of Performance Assessment Plans (PAPs) and Functional Assessment Plans (FAPs). In alignment with this guidance, the Naval Base Guam Facility Support Contracting (FSC NBG) Performance Assessment Team—comprised of Contracting Officer Representatives (CORs) and Performance Assessment Representatives (PARs)—has instituted monthly team workshops to support continuous improvement and alignment with oversight responsibilities.

Enclosure (1)

Naval Facilities Engineering Systems Command (cont'd)

These workshops serve as a recurring forum for discussion on critical performance topics such as customer requirement reviews, Performance Assessment Worksheet (PAW) evaluations, tracking of Validated Customer Comments (VCC), Management Performance Assessment Summaries (MPAS), Annex 0200 Checklist compliance, and FAP development and implementation. To date, three workshops have been successfully conducted: 21 August 2024, 13 February 2025, and 13 March 2025. Corresponding agendas and documentation are maintained in the COR file repository for audit and reference purposes.

To supplement standard training, NAVFAC MAR delivered tailored internal sessions to the FSC NBG oversight team. These sessions address specific elements of the performance assessment process. The most recent session, conducted on 20 November 2024, focused on the "PA Process – From PAW to CPARs" and included instruction on the "Interim Measures for Performance Assessment Compliance Tracking (IMPACT)" under PW2. NAVFAC continues to offer technical "FSC Tech Talk" training specific to FAPs. The BOSC/FSCM Program Manager will schedule and deliver additional FAP-focused training to ensure full comprehension of FAP components and assessment expectations.

b. The performance assessment team is actively conducting a comprehensive review of all applicable contracts to establish an accurate population baseline, referred to as the "inventory", which encompasses all facilities, parcels, and service frequencies. The intent of this effort is to support the development of appropriate sample sizes and assessment frequencies. The resulting data will inform updates to FAPs to ensure they are achievable, sustainable, and reflective of current staffing and workload realities.

c. Regarding contractor oversight during future national emergencies, contingency planning will remain responsive to the nature and impact of the specific emergency event. In cases with no modified contract requirements, performance assessment frequencies will remain unchanged. Where adjustments are necessary, alternate oversight methods will be integrated into PAPs and approved accordingly. NAVFAC Pacific's global contingency services contract remains available as a scalable tool to support oversight continuity in emergent conditions.

d. Recognizing current resource constraints, a staffing analysis is underway to evaluate the personnel required to support ongoing administration and oversight of facility support contracts. NAVFAC MAR acknowledges the need for additional staffing, and the FSCM is coordinating with leadership to identify potential solutions and recruitment strategies.

e. FAPs, as living documents, are being reviewed and updated to reflect realistic staffing levels. When availability is limited, sample sizes and frequencies will be modified to maintain oversight integrity while ensuring compliance remains achievable.

f. In parallel, enhancements to contract documentation and data retention practices have been implemented. COR folder templates are now standardized, and all PAWs and supporting documents are securely stored via OneDrive. This transition eliminates the use of legacy systems, such as Microsoft Access, and ensures ease of access, document control, and historical data preservation for all team members.

DATE COMPLETED/ESTIMATED COMPLETION DATE: 31 March 2026

Naval Facilities Engineering Systems Command (cont'd)

RECOMMENDATION A.2: We recommend that the Commander, Naval Facilities Engineering Systems Command Pacific, should develop and implement a process to notify Naval Facilities Engineering Systems Command Marianas and Navy installation contracting and technical personnel before awarding contracts without provisions for material costs or purchasing thresholds to ensure that personnel are aware of the increased workload and to ensure that installations have the capacity to provide oversight as required.

CURRENT STATUS: Concur. For Base Operations Support Contracts, historical quantities are provided to contractors for use in developing their technical and cost or price proposals. The contractors are expected to deliver the performance of the service as a result and not specific quantities of materials. The contractors are responsible for procuring, storing, and managing materials that are purchased in the performance of the contract so the normal Government oversight of the contract performance should be in accordance with the Performance Assessment Plan. In the future, PAC PW will have all stakeholders sign a SAT-TO (Satisfactory to the Participants) form to indicate their technical package acceptance. Completion will take place once the contract is re-competed.

DATE COMPLETED/ESTIMATED COMPLETION DATE: 11 November 2028

RECOMMENDATION B.1: We recommend that the Commander, Naval Facilities Engineering Systems Command Marianas, require Naval Facilities Engineering Systems Marianas contracting personnel to identify the DoD funding managers and DoD funding points of contact who consistently do not allocate sufficient funds or validate obligations for non-Navy lines of accounting and provide notice to the responsible parties to enforce their responsibility to allocate sufficient funds and validate obligations in a timely manner.

CURRENT STATUS: Concur but with caveat. DFAS does not provide information of which line(s) of accounting/DOD funding manager did not allocate sufficient funds or validate obligations in the notes/remarks section of WAWF. As stated on Page 26 in the Draft Report, "Once DFAS personnel identified these errors, the vouchers were suspended and DFAS personnel coordinated with the DoD funding managers and DoD funding points of contact for correction." While DFAS coordinates with the DoD funding managers to take corrective action, DFAS does not share this information with NAVFAC MAR contracting personnel. This makes it difficult, if not impossible, to identify the DoD funding managers and DoD funding points of contact who consistently do not allocate sufficient funds or validate obligations.

NAVFAC MAR agrees to provide notice to the responsible parties to enforce their responsibility to allocate sufficient funds and validate obligations in a timely manner, but will need DFAS personnel to provide information to NAVFAC MAR on which DoD funding managers did not allocate sufficient funds or validate obligations.

Additionally, NAVFAC MAR will also incorporate into its contract award checklist to include the funding point of contact in the email distribution of the contract award action. This will ensure that the appropriate point of contact from the DoD funding manager's organization is made aware of the obligation of their funds that result from the award of a contract, and to prompt the DoD funding manager to allocate sufficient funds and validate obligations against the line of accounting that they provided.

Naval Facilities Engineering Systems Command (cont'd)

NAVFAC MAR Contracting personnel will include DoD funding managers and/or DoD funding points of contact in the email distribution of contract award actions. Notice will be provided in the email communication that DoD funding managers and DoD funding points should take prompt action to obligate funds in their financial systems to avoid invoice pre-validation errors and to take prompt action on any validation requests received from DFAS to prevent delays in payment. Guidance issued to NAVFAC MAR Contracting personnel April 2025, NAVFAC considers this action complete.

COMPLETION DATE: 9 April 2025

Acronyms and Abbreviations

COR	Contracting Officer's Representative
DFARS	Defense Federal Acquisition Regulation Supplement
DFAS	Defense Finance Accounting Service
FAP	Functional Assessment Plan
FAR	Federal Acquisition Regulation
ISWM	Integrated Solid Waste Management
KO	Contracting Officer
MCBCB	Marine Corps Base Camp Blaz
NAVFAC	Naval Facilities Engineering Systems Command
NAVFAC MAR	Naval Facilities Engineering Systems Command Marianas
NBG	Naval Base Guam
NTE	Not to Exceed
PAP	Performance Assessment Plan
PAR	Performance Assessment Representative
PAW	Performance Assessment Worksheet
QASP	Quality Assurance Surveillance Plan
WAWF	Wide Area Workflow

Glossary

Contracting Officer. A Government representative responsible for the administration and oversight of contracts.

Contracting Officer's Representative. A Government representative responsible for monitoring a contractor's technical compliance and progress based on the contract requirements. The contracting officer's representative performs a variety of contract administration duties, including overseeing the performance assessment, documenting and rating contractor performance, reviewing invoices, and accepting the work from contractors.

Defense Federal Acquisition Regulation Supplement. A supplement to the Federal Acquisition Regulation administered by the DoD.

Federal Acquisition Regulation. The primary regulation used by all executive agencies in their acquisition of supplies and services with appropriated funds.

Functional Assessment Plan. A document that outlines the approach used by the performance assessment representative to assess the contractor's work against measurable performance standards.

Performance Assessment Plan. A document prepared to describe contract-specific provisions and the methodology for assessing contractor performance.

Performance Assessment Representative. A Government representative responsible for assessing contractor performance. The performance assessment representative is responsible for observing contractor performance and ensuring the contractor takes corrective actions to resolve deficiencies.

Performance Assessment Worksheet. A document prepared by the Performance Assessment Representative to report Government observations and rate contractor performance.

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

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