U.S. International Trade Commission

Management Letter: Offsite Storage

OIG-ML-16-16

September 19, 2016

Office of Inspector General

The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. USITC analysts and economists investigate and publish reports on U.S. industries and the global trends that affect them. The agency also maintains and publishes the Harmonized Tariff Schedule of the United States.

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UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

September 19, 2016

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Chairman Williamson:

The purpose of this Management Letter is to report an unresolved procurement issue we identified during an audit of the Commission's off-site storage facilities.

In 2009, the Commission acquired two units from a self-storage facility to temporarily store books from the main library during a renovation project. Due to subsequent reductions in library space, the Commission did not have the space to bring the books back to the library. As a result, the acquisition of a temporary storage solution became a long term off-site storage acquisition.

The Federal Acquisition Regulations require agencies to compete acquisitions that exceed the micro-purchase dollar threshold. In 2009, the micro-purchase dollar threshold was $3,000. The estimated cost for six months of temporary storage in 2009 was $2,150, which was beneath the micro-purchase threshold and paid for using a government purchase card. When the temporary solution became a long-term storage acquisition, the acquisition amount increased to over $3,000 per year, which required the Commission to compete the acquisition. The Commission did not compete the acquisition and has continued paying for the storage units with a government purchase card. To date, the cost of this acquisition has exceeded $40,000.

In July of 2013, the Director of Procurement informed management of this issue and the need to contract for the storage space in the proper manner. On September 12, 2013, the Director of Procurement confirmed receipt of the acquisition package, stating the office would begin the procurement process with a goal of award in early fiscal year 2014. In October 2013, the Director of Procurement retired and no further action was taken.

Recommendation: The Commission contract for the off-site library space in a manner that complies with the Federal Acquisition Regulations.

Philip M. Heneghan
Inspector General

"Thacher's Calculating Instrument" developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.

To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission

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