

REPORT HIGHLIGHTS



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ACF's \$529 Million Sole Source Contract Award for Unaccompanied Alien Children Services Was Based on an Unsolicited Proposal, Double the Cost Estimate, and Noncompliant With Pre-Award Requirements

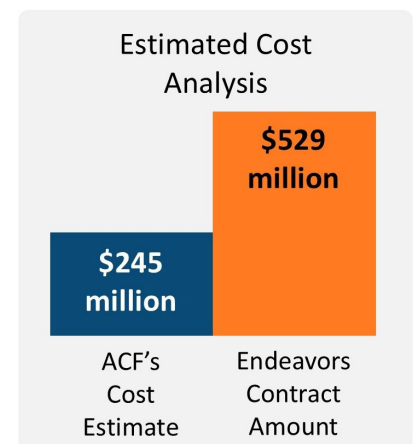
Why OIG Did This Audit

- In 2021, with an unprecedented number of unaccompanied alien children arriving at the U.S. southern border, the Administration for Children and Families (ACF) awarded a \$529 million sole source contract to Family Endeavors, Inc. (Endeavors), to operate an emergency intake site.
- Congress and the media raised concerns about ACF's sole source contract awarded to Endeavors. We previously identified issues related to ACF sole source contracting.
- This audit, one in a series focused on contracting related to unaccompanied alien children, specifically addressed the sole source contract awarded to Endeavors.

What OIG Found

ACF did not award the Endeavors 2021 sole source contract in accordance with Federal requirements. Other, more qualified contractors may have been available to perform the duties of the contract at a lower cost to the Government.

- For several months, ACF anticipated the need for additional shelter beds but failed to adequately plan to address the need. Instead, when ACF needed beds, it indicated that there was insufficient time to award a competitive contract and awarded the sole source contract 3 days after receiving an unsolicited proposal from Endeavors.
- ACF could not provide documentation that it conducted a price analysis before awarding the contract to show that Endeavors' price was fair and reasonable. ACF's price analysis, completed 3 months after ACF awarded the Endeavors contract, showed that the \$529 million contract ACF awarded to Endeavors was for more than double ACF's total estimated cost of \$245 million.
- ACF did not evaluate whether Endeavors was a responsible contractor before awarding the contract.



What OIG Recommends

ACF's awarding of the Endeavors contract was characterized by serious deficiencies that raise significant concerns. We recommend that ACF use the information in this report to promote better contract planning and efficient use of resources to ensure sufficient capacity during periods of increased need.

ACF concurred with our recommendation.