

This report is NOT FOR PUBLIC DISSEMINATION; however, the following is a summary of the report.

BACKGROUND

For approximately ten years, the Office of Energy Efficiency and Renewable Energy (EERE) hosted an event known as the Clean Cities Conference to highlight the capabilities of alternative fuel vehicles. In March 2004, during the planning process for the 2005 Clean Cities Conference (Conference), EERE initiated action to transition the Conference to private industry. Subsequently, a private company was chosen to assume all responsibilities for managing the 2005 Conference, including liabilities incurred by the National Renewable Energy Laboratory (NREL) during the planning process.

On April 27, 2005, the Office of Inspector General received a complaint raising several concerns about the transition of the Conference to the private sector. Based on these allegations, we initiated this review to determine whether the Clean Cities Conference was appropriately transferred to private industry and whether the Department's subsequent involvement was properly handled.

RESULTS OF REVIEW

The Department's actions to transfer the 2005 Conference to private industry were not in accordance with a Departmental guideline and did not comply with sound business practices. Specifically, we found that EERE:

- Approved the selection of a private-sector entity to manage the Conference without requiring competitive offers from other potentially interested parties;
- Committed to provide transition support to the private-sector entity, including direct funding, without the benefit of a formal, written agreement;
- Authorized the use of the Department's Clean Cities name and logo without executing a formal, written agreement establishing terms and conditions regarding its use; and,
- Inappropriately administered an unsolicited proposal to manage the 2006 Conference.

We determined that these issues were caused by lack of Departmental guidance pertaining to transitioning events to private-sector organizations and the failure to adequately consider guidance related to the conduct of Federal business. While we were unable to quantify the impact on taxpayers and/or other entities, weaknesses in program management such as these have the potential to harm the integrity of the procurement process and raise questions about the judgment of persons involved. Furthermore, permitting the use of the Clean Cities name and logo potentially puts the Department at risk for endorsing inappropriate activities.

We made suggestions to the Assistant Secretary for Energy Efficiency and Renewable Energy designed to strengthen conference management requirements and reinforce existing Department guidelines for accepting and responding to unsolicited proposals.