

# IRS Cancels \$103 Million Contract Work Returned to Federal Employees

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## A Timeline:

- 2003** The IRS announces it plans to put out for bid the work of federal employees responsible for the receiving, filing and maintaining all tax returns and related documents.
- 2005** IRS employees win the bid, only to have a protest filed by IAP Worldwide Services, Inc. (IAP), the losing private sector company.
- 2006** The IRS re-examines the bids and ultimately awards the work to IAP under a 5-year, \$103 million contract.
- 2006** IAP is scheduled to begin work under the terms of the contract on Dec. 1.
- 2006** IAP tells the IRS it will not be able to meet its start date of Dec. 1 for taking over the operation at the seven sites called for under the agreement. Instead, the contractor will only begin to perform work at two IRS sites, leaving the IRS to manage the remaining five sites until well into 2007.
- 2007** IAP announces that full implementation of its multi-million dollar contract with the IRS would be delayed for the second time. IAP says it will assume its obligations at only one additional site, while staffing the others on a rolling basis over six months. IAP takes a full 16 months to assume all the work under the contract.
- 2007** NTEU criticizes a report from the Office of Management and Budget that claims a fiscal year savings of \$35 million from the IRS's contract with IAP Worldwide. IAP had yet to fully assume its obligations under the contract making the claims misleading.
- 2008** The IRS said it is not renewing its multi-million dollar contract with IAP and effective Oct. 1 it would resume direct management over taxpayer files at all seven agreed-upon regional processing centers. Some 700 jobs are expected to be filled in the move.