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**Audit of the Department of General
Services Fiscal Year 2012 Procurement of
Snow and Ice Removal and Pretreatment
Services**

September 27, 2013

A Report by the Office of the District of Columbia Auditor
Yolanda Branche, District of Columbia Auditor

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Acknowledgements

For their time, information, insight, and cooperation during the audit process, we want to thank the staff of the Department of General Services, including: J.W. Lanum, Associate Director, Contracts and Procurement; Karen Hester, Senior Contracts Specialist; Camille Sabbakhan, General Counsel; Charles Artis, Facilities Maintenance Manager; and Lottie Morris, Paralegal. We also want to thank Thomas Bridenbaugh, Principal, Leftwich & Ludaway.

Introduction

The audit of the Department of General Services (DGS) Fiscal Year (FY) 2012 procurement of snow and ice removal and surface pretreatment services for certain District government facilities was conducted in accordance with the District of Columbia Auditor's (Auditor) discretionary authority to audit the accounts and operations of the District of Columbia government.

Background

The Department of General Services assumed the functions of the Department of Real Estate Services and the Office of Public Education Facilities Modernization on September 14, 2011. The Department of General Services is responsible for managing the capital improvement and construction program for District government facilities: acquiring real property for use by the District government; managing space in buildings and adjacent areas operated and leased by the District government; providing building services for facilities owned and occupied by the District government; administering the disposition and acquisition of District real and personal property; and managing data and information needs pertaining to real property. According to the Contracting and Procurement Division's Strategic Plan, "The mission of the Contracting and Procurement Division with the Department of General Services is to acquire goods and services according to the prescribed rules and regulations within reasonable timeframes."

The solicitation of snow and ice removal and pretreatment services (solicitation) covered 153 District government facilities that had been maintained by the former Department of Real Estate Services and did not include schools and recreation centers. The solicitation was conducted by the Department of General Services (DGS) with the assistance of a contractor, Leftwich & Ludaway (L&L). L&L answered questions from potential vendors regarding the solicitation and revised the request for proposals. L&L also provided market research in support of the solicitation, performed the price evaluation of the proposals received, and prepared the memorandum entitled Award of Proposed Contract, which supported the contract awards. The DGS Associate Director, Contracts and Procurement (DGS contracting officer), stated that L&L was involved in the solicitation because inherited Department of Real Estate Services procurement staff lacked the skill set to quickly process the solicitation.

According to the DGS contracting officer, L&L's involvement in the solicitation was supported by Task Order 1 (a contract to be addressed later in this report). Task Order 1 required L&L to:

- Provide assistance in managing procurement activities for construction and architectural engineering services by developing procurement strategies, preparing solicitation documents, and negotiating contracts that involve complex project delivery methods including, but not limited to Design/Build, Design-Bid-Build, Construction Manager at

Risk, Construction Manager with Design Assist, and Modified Design Build.

- Provide assistance to senior level Office staff in planning, managing, executing, integrating, coordinating, and documenting activities and projects related to the Office's mission.

DGS issued the Request for Proposals (RFP) for snow and ice removal services on November 10, 2011. Responses to the RFP were due by 2 p.m. on December 13, 2011. The seven proposals received in response to the solicitation were evaluated in accordance with the following criteria:

- Experience and references (25 points)
- Key personnel (10 points)
- Project management plan and deployment schedule (15 points)
- LSDBE compliance/utilization (10 points)
- Cost (40 points)

Each proposal was rated on a scale of 1 to 100 points. A proposal could be awarded up to 60 technical points (see first four bulleted items above) and up to 40 cost (price) points.

In addition, each bidder could be awarded a maximum of 12 preference points based on certifications made by the Department of Small and Local Business Development. The available preference points are listed in Figure 1.

Figure 1 Available Preference Points

Certification Category	Available Preference Points
Small Business Enterprise	3
Resident Business Ownership	5
Longtime Resident Business	5
Local Business Enterprise (LBE)	2
LBE With Main Office Located in Enterprise Zone	2
Disadvantaged Business Enterprise	2
Veteran-Owned Business Enterprise	2
Local Manufacturing Business Enterprise	2

Thus, the maximum number of points available to be awarded was 112. The 153 District government facilities covered by the solicitation were divided into four groups: A, B, C, and D. Group A included 27 facilities, Group B included 43, Group C included 39, and Group D included 44. Contracts were awarded to the bidder who received the highest number of points for each group.

DGS staff performed the technical evaluation of the proposals. Three DGS employees were appointed to the technical evaluation panel, with one DGS employee designated as Chairperson. A DGS contract specialist provided panel members detailed written instructions on preparing their evaluations in accordance with the evaluation criteria stated in the Request for Proposals. The instructions packet included technical evaluation sheets to be used by each panel member to rate each proposal. As previously indicated, the criteria for the technical evaluations were as follows, with bidders eligible to receive a maximum of 60 technical points:

- Experience and references (25 points)
- Key personnel (10 points)
- Project management plan and deployment schedule (15 points)
- LSDBE compliance/utilization (10 points)

In accordance with their instructions, the technical evaluation panel members individually rated each proposal, assigning points not exceeding the maximum available for each of the four criteria listed above. The technical evaluation panel then met as a group to reach a consensus on their ratings.

L&L performed the price (cost) evaluation of the proposals, as seen in Figure 2, for each group of District government facilities (A, B, C, and D), interested vendors were required to list a per storm price for pretreatment service, ice removal, storm with total accumulation 0 inches (") to 3", over 3" to 6", over 6" to 9", and over 9" to 12". In addition, interested vendors were required to list a come-back price per facility, per storm. The come-back price applied if DGS requested additional cleaning or if a storm extended beyond 24 hours.

Figure 2 Available Price Points

Service	Maximum Available Price Points
Pretreatment Service	8
Ice Removal	4
Storm With Total Accumulation 0" to 3"	8
Storm With Total Accumulation Over 3" to 6"	4
Storm With Total Accumulation Over 6" to 9"	4
Storm With Total Accumulation Over 9" to 12"	2
Come-Back	10
Maximum Available Price Points	40

To calculate the total price points to be awarded to each bidder per group, L&L first prepared tables showing each bidder's price per storm for the seven categories depicted in Figure 2. The formula for computing the price points awarded to each bidder for each category was as follows: (highest of the submitted bid prices minus offerer bid price) divided by the range of bid prices (highest bid price minus lowest bid price) times the maximum points allowed. The points awarded to each bidder for the seven categories were then combined, resulting in the total price points awarded to each bidder for each group; calculations A, B, C, and D.

The technical points, price points, and preference points were then combined, resulting in a total score for each bidder in each group, with contracts awarded to the bidder with the highest total score in each group. DGS awarded contracts to three vendors: Motir Services, Inc. (Groups A and C) for \$93,957; Community Bridge, Inc. (Group D) for \$65,520; and Horton & Barber Construction (Group B) for \$58,270. The contract awards covered a base year (FY 2012), option year 1 (FY 2013), and option year 2 (FY 2014). All three contracts were effective January 12, 2012.

Objectives, Scope and Methodology

Objectives

The objectives of this audit were to determine whether the Department of General Services (DGS):

- Awarded the contract for Snow and Ice Removal and Pretreatment Services (solicitation number DCAM-12-NC-0023) in accordance with applicable District government procurement laws, regulations, policies, and procedures; and
- Established adequate internal controls to provide assurance of compliance with District government procurement laws, regulations, policies, and procedures.

Scope

The scope of the audit was the snow and ice removal and related procurements during FY 2012 (October 1, 2011 through September 30, 2012).

Methodology

To accomplish our objectives we reviewed: (1) DGS snow and ice removal solicitation and contract files; (2) District government contract award for snow and ice removal and pretreatment services for FY 2012, issued prior to the establishment of DGS; and (3) applicable procurement laws, regulations, policies, and procedures. We also interviewed the DGS Associate Director, Contracts and Procurement; DGS Senior Contracts Specialist; DGS Facilities Maintenance Manager; and a principal of DGS contractor Leftwich & Ludaway. In addition, we reviewed a report entitled, *Audit of the Procurement Activities at the Office of Public Education Facilities Modernization*, issued by the Office of the Inspector General on June 29, 2011.

We conducted this audit 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.

Audit Results

1. Revisions in Individual Technical Evaluation Ratings Were Not Documented

Technical evaluation panel members met as a group to reach a consensus on their individual evaluations. According to the technical evaluation panel instructions, during the consensus meeting, "... the Chairperson will review all individual evaluation sheets and conduct a group discussion on any wide deviations in scores and ratings for each evaluation factor and sub-factor. All the team members must be present during the meeting and will be given an opportunity, but not pressured into, to revise any of their initial scores. All such changes will be recorded by the individual member on the Evaluation Revision Worksheet and it shall include a brief written justification for each change... The Chairperson shall prepare the Consensus Report and attach all individual evaluation sheets and any back-up documents."

The required Consensus Report was not in the DGS solicitation files for snow and ice removal services. However, the files contained a document titled Team Consensus Scores Worksheet (TCSW). We determined that the individual and consensus evaluation scores, listed on the TCSW, matched the technical scores used to make the snow and ice removal services contract awards.

In comparing the initial individual panel member evaluation scores to the scores listed on the TCSW, we found four scores on the individual evaluation sheets that did not match the scores listed on the TCSW. Since the four scores on the individual evaluation sheets did not match the scores on the TCSW, we determined that the initial scores had been revised. While the technical evaluation panel instructions required all changes to be recorded by the individual member on the Evaluation Revision Worksheet, there was no Evaluation Revision Worksheet in the DGS solicitation files to justify the four changes in the initial scores.

The Chairperson advised the Auditor that he did not prepare the Consensus Report. According to the technical evaluation panel instructions, "Incomplete or incorrect evaluation reports which fail to adhere to both the evaluation criteria in the request for proposals and the guidelines provided herein will be returned for additional information or corrections as necessary."

Despite the failure to adhere to the evaluation guidelines by preparing the Consensus Report and including the Evaluation Revision Worksheet, the evaluation reports were not returned for additional information or corrections. Due to the Chairperson's failure to adhere to the prescribed instructions and the DGS contract specialist's failure to ensure that the instructions were adhered to, the four changes in scores were not documented. Therefore, we could not determine whether, in the four instances where the scores on the individual evaluation sheets did not match the scores shown on the TCSW, the changes were made by the evaluation panel members.

The DGS contracting officer did not respond to the following key questions:

- Who prepared the Team Consensus Scores Worksheet?
- Who made changes in the individual ratings that were then reflected in the TCSW?
- Why weren't the changes documented on the Evaluation Revision Worksheet?

We determined that the four changes did not alter the procurement awards. However, DGS must take steps to comply with procurement rules and procedures. The failure to document changes between individual panel member ratings and the TCSW undermined the integrity of the technical evaluation process.

Recommendation:

We recommend that the DGS Director:

1. Take action to ensure that all agency personnel assigned to technical evaluation panels adhere to prescribed technical evaluation procedures.

2. Department of General Services (DGS) Procurement Files Lacked Required Documentation

DGS procurement files lacked required documentation of the snow and ice removal solicitation's price evaluations, discussions with bidders, and award of preference points. Of the maximum 112 points available to be awarded to each bidder's proposal, in addition to the 60 technical points, up to 40 price and 12 preference points could be awarded.

Price Evaluations

Title 27 DCMR 4730.2(d) requires the DGS contract files to include "any other documentation that may be necessary to memorialize important decisions or events relating to the procurement or the contract," documentation of price evaluations was not available in the DGS procurement files. When we requested the information from DGS, DGS had the documentation (spreadsheets) forwarded by email from contractor L&L.

The failure of DGS to include the price evaluations in the agency procurement files also represents a violation of Title 27 DCMR 4704.2(d), which states that the Contracting Officer shall be responsible for "maintaining the contract file, which serves as the repository for all required documentation concerning the procurement and any resulting contracts..."

The DGS Associate Director, Contracts and Procurement, who served as the contracting officer on the solicitation, was responsible for ensuring that all relevant documentation in the possession of the contractor was timely included in the DGS contract files. Aside from the requirements of the law, required documentation of procurement activity should be available in the event of external reviews and in the event that a protest is filed by a bidder.

Evaluation Team Documentation

Our review of the price documentation provided by DGS contractor L&L identified a number of irregularities regarding the solicitation's price evaluations.

Although the RFP required offerers to submit prices covering the base year and 2 option years and bid forms covering the base year plus option years 1 and 2 were included in the RFP and its addenda, contract winner Motir provided price quotes for option year 2 only. L&L subsequently counted the option year 2 price quotes as covering the base year plus option years 1 and 2 in its price evaluation spreadsheet. Come-back prices applied if DGS requested that a site be cleaned more frequently than would otherwise be required or if a

storm extended beyond 24 hours. The come-back prices, recorded by L&L, were substantially lower than those submitted in CBI's proposal. In addition, Horton & Barber failed to quote the required come-back prices in its proposal. In its price evaluation spreadsheet, L&L noted that Horton & Barber had "no comeback rates."

When questioned about the irregularities regarding the price evaluations, L&L said they were resolved by discussions with the potential bidders. However, there was no documentation of any such discussions in the DGS procurement files.

When asked why Motir's price proposal was accepted when it contained prices for option year 2 only, L&L responded, "DGS has adopted a policy of trying to evaluate all bids rather than simply deeming a proposal as non-responsive when a bidder makes a technical mistake. Consistent with that philosophy, Motir was evaluated based on their year 2 pricing." When asked who made the decision to count the option year 2 prices as applicable and equivalent to the base year and option year 1 prices that were not submitted, L&L responded, "No such decision was made. For evaluation purposes, a decision was made to assume that Motir would – and in fact they did – agree to make their year 2 pricing applicable to the first year and they were evaluated based on that assumption.." The DGS contracting officer did not respond to our requests to confirm L&L's position. At the onset of the audit, DGS provided copies of their procurement policies and procedures and the policy referred to by L&L was not provided.

When asked to explain the source of the CBI come-back prices shown in their price evaluation spreadsheet, L&L responded, "The pricing originally submitted by CBI was obviously incorrect and appeared to be the result of a formula error in the Excel spreadsheet. They were allowed to correct the error in the spreadsheet. In all cases, their revised pricing put them at a competitive disadvantage and they were scored with a zero on this factor for 3 of the 4 groups."

We note that the DGS procurement files contained no record of revised prices submitted by CBI and L&L did not provide a copy of the source document depicting revised come-back prices submitted by CBI. Further, when CBI submitted its proposal in a hard copy, it is not clear how L&L could determine that the come-back prices by CBI were incorrect and the result of a formula error on the Excel spreadsheet.

Again, the DGS contracting officer did not respond to our requests to confirm L&L's position.

Since CBI had the highest total points and was awarded a contract for Group D, we re-computed the Group D price points using the total come-back price taken from CBI's proposal. Although CBI received

zero points for its total come-back price in the re-computation, CBI still retained the highest total points score for Group D.

In its price evaluations, L&L correctly assigned Horton & Barber zero points for failing to submit comeback prices with its proposal, meaning that Horton & Barber lost 10 of the maximum available 40 price points. While this may appear to be a fair accommodation, the award placed the District government at a disadvantage, as there was no agreed upon price in the event that Horton & Barber was asked to clean a site "more frequently than would otherwise be required or if an event extends beyond 24 hours." Such a prospect was not in the best interest of the District as it exposed the government to unknown costs, which would have to be negotiated when the prices should already have been secured under the contract.

DSLBD Certification Letters

According to the RFP for snow and ice removal services, each bidder could be awarded a maximum of 12 preference points based on certifications made by the Department of Small and Local Business Development (DSLBD). A copy of the bidder's certification acknowledgement letter from DSLBD was required to be submitted with the proposal.

During the evaluation of snow and ice removal services proposals, DSLBD preference points were awarded to five of six proposals¹ with three proposals awarded the maximum 12 preference points. However, of the five proposals awarded preference points, no DSLBD certification acknowledgement letters were included in the DGS procurement files. As previously noted, in accordance with Title 27 DCMR 4730.2(d), the DGS contract files must include "Any other documentation that may be necessary to memorialize important decisions or events relating to the procurement or the contract."

DGS failed to provide DSLBD certification letters to memorialize the award of preference points. However, the DGS procurement files contained Business Certification Information Reports which documented the award of preference points for two of the snow and ice removal services proposals. We could not however rely on the DGS files to verify that the DSLBD preference points were properly awarded to the remaining three of the five proposals.

Through our Certified Business Compliance Unit, we were able to independently verify that the DSLBD preference points were properly awarded to the remaining three proposals. However, DGS was required to maintain complete and accurate procurement files.

¹ One of the 7 proposals submitted was deemed non-responsive and the other received zero preference points.

The lack of documentation supporting actions taken by DGS and its contractor in connection with the snow and ice removal solicitation's technical and price evaluations and award of preference points undermined the integrity of the evaluation process.

Recommendations:

We recommend that the DGS Director:

2. Develop and implement procedures to ensure that all required documentation is maintained in agency contract files.
3. When contracting out procurement activity, include contractual language requiring contractors to submit all relevant procurement documentation to DGS for inclusion in the contract files.

3. DGS Did Not Obtain Required Written Quotations

L&L was awarded a D.C. Supply Schedule (DCSS) contract² by the Office of Contracting and Procurement (OCP) for Mission Oriented Business Integrated Services (MOBIS) on March 4, 2011. The DCSS contract award covered the base year and four one-year option periods.

According to the OCP website, the D.C. Supply Schedule is the city's multiple award schedule procurement program for providing commercial products and services to District government agencies.

The DCSS 2011 Program Overview communicated, once a contractor is awarded a DCSS contract, procurement personnel are able to competitively place task orders or delivery orders against the base DCSS contract. OCP maintains that by using the DCSS, products and services can be acquired in less than half the time it takes for a full and open procurement. Government procurement personnel using the DCSS are required to adhere to DCSS procedures in awarding task or delivery orders to DCSS contractors. During the period of the task orders awarded to L&L (May 2011 through October 2012), there were numerous other DCSS MOBIS contractors available in which to obtain the required three quotations.

Against the D.C. Supply Schedule contract, L&L has been awarded four task orders. Task Orders 1, 3, and 4 each required L&L to provide assistance in managing procurement activities for construction and architectural engineering services and to provide assistance to DGS staff in planning, managing, executing, integrating, coordinating, and documenting activities and projects related to the mission of DGS. The services provided by L&L under Task Order 2 were outside the scope of this audit.

The services provided to DGS by L&L in connection with the procurement of snow and ice removal services were performed under Task Order 1. Task Order 1 was issued to L&L by the Office of Public Facilities Modernization (OPEFM) effective May 16, 2011. The initial period of performance under Task Order 1 was May 16, 2011, through September 30, 2011, and the cost was not to exceed \$340,000. Task Order 1 was amended twice by DGS³, extending the period of performance to January 13, 2012, at an additional cost not to exceed \$170,000.

Task Order 3, dated January 13, 2012, was awarded to L&L by DGS with an original performance period of January 14, 2012 through

² Contract Number DCSS-2011-D-918-152S

³ Pursuant to D.C. Law 19-0021, "Fiscal Year 2012 Budget Support Act of 2011," the Department of General Services assumed the functions of the Office of Public Education Facilities Modernization and the Department of Real Estate Services.

July 13, 2012, and the cost was not to exceed \$385,725. Task Order 3 was amended twice, extending the period of performance through September 30, 2012, with a total cost not to exceed \$758,550. DGS subsequently awarded L&L Task Order 4, dated October 1, 2012, covering the period, October 1, 2012 through September 30, 2013, at a cost not to exceed \$840,000.

DCSS procedures required the DGS contracting officer to obtain at least three written quotations from DCSS contractors for procurements greater than \$25,000. We found that DGS did not obtain any written quotations before awarding Task Orders 3 and 4. The cost of Task Orders 3 and 4 exceeded the \$25,000 threshold for obtaining written quotations. The total cost for Task Order 3 was not to exceed \$758,550 and the total cost for Task Order 4 was not to exceed \$840,000. Figure 3 presents the total not to exceed cost, including amendments, for Task Orders 3 and 4.

Figure 3 Total Not to Exceed Cost for Task Orders 3 and 4

Task Orders	Initial Award	Amendments	Total
Task Order 3	\$385,725	\$373,025	\$758,550
Task Order 4	\$840,000	0	\$840,000
Grand Total			\$1,598,550

Although other DCSS MOBIS contractors could have been considered by DGS to perform Task Orders 3 and 4, the DGS contracting officer acknowledged that DGS only requested proposals from L&L. The DGS Contracting Officer indicated that based on previous business, he knew that L&L could do the procurement work. However, it is important to note that DCSS procedures do not include previous experience with a contractor as an exception to the requirement to solicit at least three written quotations from DCSS contractors for procurements greater than \$25,000.

In a report titled, *Audit of the Procurement Activities at the Office of Public Education Facilities Modernization*, issued by the Office of the Inspector General (OIG) on June 29, 2011, OPEFM was cited for failure to obtain at least three written quotations from DCSS contractors for procurements greater than \$25,000. The OIG finding referred to MOBIS services provided by L&L. According to the OIG audit report, OPEFM officials stated that they were unaware of the requirement to obtain written quotations from three contractors. The OIG report concluded that OPEFM circumvented procurement rules aimed at ensuring full and open competition and OPEFM may not have received the best value for legal and procurement consulting services.

Despite the OIG finding, because of his comfort with the past performance of L&L, the DGS contracting officer, who was the OPEFM contracting officer when the OIG audit report was issued,

twice violated the DCSS requirement to solicit at least three written quotations from DCSS contractors for procurements greater than \$25,000. Not only was this unfair to the other available DCSS MOBIS contractors, there is no assurance that the District received the best price for the services performed.

Recommendation:

We recommend that the DGS Director:

4. Direct the DGS contracting officer to establish procedures to ensure that DGS obtains at least three written quotations from DCSS contractors for procurements greater than \$25,000.

4. Internal Controls Were Insufficient

Based on the evidence gathered during the audit, we determined that DGS did not establish adequate internal controls to provide assurance that the snow and ice removal procurement would be performed in compliance with District government procurement laws, regulations, policies, and procedures. DGS lacked written policies and procedures to ensure that required documentation was maintained in DGS procurement files and to ensure that required written quotations were obtained before issuance of task orders under the D.C. Supply Schedule. As a result, DGS could not ensure that the snow and ice removal procurement and the related DCSS procurement were conducted in a fair and impartial manner and that the District received the best value.

The DGS solicitation files contained contract checklists designed to ensure that key procurement milestones had been accomplished. The checklists were divided into six parts titled Award, Evaluation/Selection, Compliance, Review and Approval, Solicitation, and Correspondence. The contract checklist cover page contained a section that read as follows, and was to be signed and dated by the procurement specialist:

“Document Certification: I hereby certify that I have reviewed the contract file for the above action and verified that all contract documents required on Parts I – VI of this Contract checklist is included in the contract file.”

In our review of checklists for the three snow and ice removal contracts, we found that none of the document certifications had not been fully executed, dated or signed. Items such as Evaluation Documents were not checked off even when the listed documents were in the contract files and the snow and ice removal solicitation’s price evaluations were not included as an item on the contract checklists.

In our review of the Motir, CBI, and Horton & Barber contract files, we note that all three vendors submitted the required tax affidavits attesting that they were current with District tax obligations. The contract files however did not contain the tax verification documents from the Office of Tax and Revenue that would support the affidavits. In addition, throughout the life of the contracts, the snow and ice removal contractors were required to maintain commercial general public liability insurance, worker’s compensation and employer liability coverage, and automobile liability insurance. The files however contained no copies of insurance policies and there was no evidence that insurance requirements had been verified by DGS staff.

Recommendation:

We recommend that the DGS Director:

5. Develop and implement a system of internal controls designed to ensure compliance with District government procurement laws, regulations, policies, and procedures.

Conclusion

The mission of the Contracting and Procurement Division with the Department of General Services (DGS) is to acquire goods and services according to the prescribed rules and regulations within reasonable timeframes. Our audit of DGS's Fiscal Year 2012 procurement of Snow and Iced Removal and Pretreatment Services found that DGS did not maintain sufficient documentation to demonstrate that the award for the Snow and Ice Removal and Retirement Services was conducted in full compliance with applicable District government laws, regulations, policies, and procedures. We further found that internal controls to ensure compliance with District government laws, regulations, policies and procedures were insufficient with regards to this specific contract award. Specifically we found the contract files lacked evaluation team documentation, price evaluations, and required certification letters.

We are pleased to note that DGS has taken significant steps toward implementing the recommendations presented in this report.

We are hopeful that DGS will continue to implement all of the audit recommendations. In so doing, DGS will increase the efficiency of operations, and ensure compliance with District government contracting laws, regulations, policies, and procedures rules and regulations

Sincerely,

Yolanda Branche, Deputy Auditor

60: Yolanda Branche
District of Columbia Auditor

Agency Response

On September 6, 2013, the Office of the District of Columbia Auditor submitted the draft report titled, *Audit of the Department of General Services Fiscal Year 2012 Procurement of Snow and Ice Removal and Pretreatment Services* for review and comment to the Department of General Services (DGS).

The Auditor received written comments from the Department of General Services on September 20, 2013. We are pleased to learn that DGS concurred with our findings and recommendations. The DGS response is included with this report.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



Office of the Director

September 20, 2013

Yolanda Branche
District of Columbia Auditor
717 14th Street, NW Suite 900
Washington, DC 20005

RE: Audit of the Department of General Services Fiscal Year 2012
Procurement of Snow and Ice Removal and Pretreatment Services

Dear Ms Branche:

Attached please find a the response to your draft report entitled “Audit of the Department of General Services Fiscal Year 2012 Procurement of Snow and Ice Removal and Pretreatment Services” The agency has included written comments addressing each recommendation found in the report.

Should you have any questions, please contact Camille Sabbakhan at (202) 724-4170.

Sincerely,


Scott Burrell,
Chief Operating Officer

Audit of the Department of General Services Fiscal Year 2012 Procurement of Snow and Ice Removal and Pretreatment Services

		Agency Agrees	Agency Disagrees
	Recommendation	Date Agency will Implement Recommendation	Alternate Recommendation
1	Take action to ensure that all agency personnel assigned to technical evaluation panels and to oversee the technical evaluation panels adhere to prescribed technical evaluation procedures.	<p>The agency agrees with this general recommendation to ensure that all personnel assigned to technical evaluation panels adhere to prescribed technical evaluation procedures. The agency is confident that it has controls in place to ensure compliance with evaluation procedures and the agency will ensure that staff receives on-going quarterly training to provide reminders of applicable requirements.</p> <p>Although the agency agrees with the general recommendation regarding adherence to technical evaluation procedures, the agency does not agree that the circumstances upon which the finding is based reflect the normal practice of the agency. The instance described was a unique, isolated occurrence. Ordinarily, the award memo includes a narrative to support the consensus scores of the panel members and specific documentation of changes to individual scores is neither required nor included.</p>	
2	Develop and implement procedures to ensure that all required documentation is maintained in agency contract files.	The agency agrees with the recommendation to establish procedures to ensure that all contract files are complete and contain required documentation. Since the conclusion of this audit,	

		<p>the agency has implemented or identified the following quality assurance measures:</p> <ol style="list-style-type: none"> 1. Establish contract file checklist – completed 5/3/13 2. Establish e-file of contracting officer delegations – completed 5/3/13 3. Develop contract file Standard Operating Procedures – completed 6/30/13 4. Initiate use of the Kwik Tag file management software system – completed 6/30/12 5. Conduct staff training on contract file preparation & documentation – completed 5/17/13 and repeated quarterly and on-going as needed. 6. Hire contract file Quality Control Specialist – completed 5/17/13 <p>Although the agency agrees with the above recommendation, the agency does not agree with the underlying factual representation that contract files must necessarily include DSLBD certification letters. 27 DCMR 4730.2(d) provides that files must include “<i>any other documentation that <u>may be necessary</u> to memorialize important decision or events relating to the procurement or the contract.</i>” DGS has not determined that such letters are necessary and as a matter of practice does not include such letters in its contract files.</p>	
3	<p>When contracting out procurement activity, include contractual language requiring contractors to submit all</p>	<p>The agency agrees with the recommendation to include clarification language within contracts for procurement-related services. Such language would</p>	

	relevant documentation to DGS for inclusion in contract files.	require submission of all relevant documentation as identified by DGS. The agency will implement this recommendation upon award of future contracts for procurement-related services.	
4	Direct the DGS contracting officer to establish procedures to ensure that DGS obtains at least three quotations from DCSS contractors for procurements greater than \$25,000.	The agency agrees with the recommendation to establish procedures to ensure that DGS complies with the procedures outlined in the DCSS. The agency will immediately ensure that any future use of the DCSS complies with applicable DCSS procedures.	
5	Develop and implement a system of internal controls designed to ensure compliance with District government procurement laws, regulations, policies and procedures.	The agency agrees with this recommendation, however, the agency is confident that it has implemented internal controls designed to ensure compliance with applicable procurement laws, regulations, policies and procedures. In addition to the quality assurance measures outlined above under recommendation # 2, the agency will continue to evaluate and implement additional internal quality control measures on an on-going basis, as needed.	

Auditor's Response to Agency Comments

The Auditor appreciates the comments provided by the Department of General Services. We are pleased to learn since the completion of the audit, DGS has taken positive steps towards implementing some of the findings and recommendations presented in the report.