



# INSPECTOR GENERAL

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JULY 30, 2019

**AUDIT OF THE  
ARCHITECT OF THE CAPITOL'S  
INFORMATION TECHNOLOGY  
DIVISION  
CONTRACTING SERVICES  
BLANKET PURCHASE AGREEMENT  
AOC16A3000 (REDACTED)**

*Report No. OIG-AUD-2019-03*

## MISSION

The OIG promotes efficiency and effectiveness to deter and prevent fraud, waste and mismanagement in AOC operations and programs. Through value added, transparent and independent audits, evaluations and investigations, we strive to positively affect the AOC and benefit the taxpayer while keeping the AOC and Congress fully informed.

## VISION

The OIG is a high-performing team, promoting positive change and striving for continuous improvement in AOC management and operations. We foster an environment that inspires AOC workforce trust and confidence in our work.



July 30, 2019

## Objective

To determine whether the Architect of the Capitol (AOC) awarded and monitored the Blanket Purchase Agreement (BPA) – AOC16A3000, Task Order No. 1 in accordance with laws, regulations, policies, and contract requirements. The BPA's Task Order No. 1 provided a full range of information technology services to include but were not limited to information assurance, network infrastructure management, engineering operations and maintenance services, application development and help desk.

This audit was included in the Fiscal Years 2018-2020 Office of Inspector General (OIG) Audit Plan.

## Findings

Overall, the BPA was awarded in accordance with laws and contracting requirements; however, the BPA file lacked information and contracting officials did not properly monitor the BPA. Specifically, we identified that contracting officials did not:

- Include detailed supporting documentation for the Independent Government Cost Estimate (IGCE) in the BPA file; and
- Properly monitor Task Order No. 1 to ensure adequate oversight of contractor performance. In addition, the task order did not include all performance standards and a quality assurance plan in the Statement of Work.

The Contracting Officer (CO) must ensure the contract file includes detailed documentation as evidence that award decisions meet the primary objective to acquire supplies and services from responsible sources at fair and reasonable prices. It is important for the AOC to establish effective internal controls for monitoring contractor performance. Proper contractor oversight also ensures that the AOC receives services that are timely, complete, and meet the scope of the contract requirements.

## Recommendations

We made eight recommendations to address the identified areas of improvements.

- Contracting officials ensure the IGCE is adequately supported and documented in the contract file in accordance with AOC guidance;
- The Acquisition and Material Management Division (AMMD) clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c) the requirements for Contracting Officer's regular review of the Contracting Officer's Technical Representative (COTR) records to ensure proper performance of post award administration duties;
- The AMMD clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c)(1) the usage of the COTR Review Checklist by all staff to ensure proper COTR performance of post award administration duties;
- The CO and COTR perform the duties as required in the Appointment of COTR Memorandum and Contracting Manual 34-1 – Section 13.1.2(c) COTR for the ITD BPA Task Order No.1;
- The CO and COTR document and maintain detailed records of COTR and contractor's performance;
- The AOC establish proper internal controls to ensure the performance of CO and COTR post award administration duties;
- The CO develop measurable performance standards and quality assurance plans for Task Order No. 1; and
- The CO establish proper internal controls to ensure that contracting documents include measurable performance standards and quality assurance plans.



## **Management Comments**

We requested that the AOC, AMMD and ITD provide comments in response to this report.

The AOC provided comments on July 16, 2019, see Appendix C. Overall, AOC management does not agree with the OIG's conclusion that the COTR and CO did not properly monitor Task Order No. 1 to ensure adequate oversight of contractor performance. AOC management concurred with three recommendations, did not concur with two recommendations, and concurred in part with three recommendations.

Please see the Recommendations Table following this page.

## *Recommendations Table*

MANAGEMENT	RECOMMENDATIONS UNRESOLVED	RECOMMENDATIONS RESOLVED	RECOMMENDATIONS CLOSED
Architect of the Capitol, Acquisition and Materials Management Division and Information Technology Division.	A.1, B.1, B.2, B.5, B.6 and B.7	B.3 and B.4	NONE

Please provide Management's Decision by January 30, 2020.

The following categories are used to describe agency management's comments to individual recommendations:

**UNRESOLVED** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.

**RESOLVED** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.

**CLOSED** – OIG verified that the agreed upon corrective actions were implemented.



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## MEMORANDUM

DATE: July 30, 2019

TO: Christine Merdon, P.E., CCM  
Acting Architect of the Capitol

FROM: Christopher P. Failla, CIG   
Inspector General

SUBJECT: Information Technology Division (ITD) Contracting  
Services-AOC16A3000

This memorandum transmits the final OIG Report OIG-AUD-2019-03 on ITD Contracting Services-AOC16A3000.

Overall, AOC management does not agree with the Office of Inspector General's conclusion that the Contracting Officer's Technical Representative and Contracting Officer did not properly monitor Task Order No. 1 to ensure adequate oversight of contractor performance. AOC management concurred with three recommendations, did not concur with two recommendations and concurred in part with three recommendations.

The next step in the audit resolution process is for AOC management to provide a Management Decision on how they intend to implement the recommendations no later than six months from the date of this final report, January 30, 2020. Next, a Notice of Final Action taken by AOC management to implement the agreed upon recommendations is due one year from the date of this final report.

We appreciate the courtesies extended to the staff during the audit. Please direct concerns and questions to Erica Wardley, Assistant Inspector General for Audits at 202.593.0081 or Erica.wardley@aoc.gov.

Distribution List:

Tom Carroll, Assistant to Architect of the Capitol

James O'Keefe, Acting Chief Administrative Officer

Jay Wiegmann, Chief Information Officer

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## Introduction

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### Objective

This audit report presents the results of our audit of the Architect of the Capitol’s (AOC) Information Technology Division (ITD) Contracting Services Blanket Purchase Agreement (BPA) AOC16A3000. The objective of the audit was to determine if the AOC awarded and monitored the contract in accordance with laws, regulations, policies, and contract requirements. The audit focused on the BPA and Task Order No.1, Technology Consulting, Information Assurance and Help Desk for Base Year, and Option Year 1 and 2 (January 2016 –December 2018).

We conducted this performance audit of the AOC ITD located in Washington, DC, from August 2018 through April 2019, in accordance with the 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.

See Appendix A for a discussion of the scope and methodology, review of internal controls, and prior audit coverage related to the objective.

### Background

The AOC’s Acquisition and Material Management Division (AMMD) and the ITD have distinct responsibilities for awarding, administering, and managing contracts. The AMMD is the office primarily responsible for contracting; the Chief of AMMD has the authority to appoint the Contracting Officer (CO) for contract award, execution, and administration to include monitoring within limits prescribed in the delegation of authority.

The appointed CO then selects a Contracting Officer’s Technical Representative (COTR) from within ITD for monitoring and reporting contractor compliance. The AOC Contracting Manual Order 34-1 (Contracting Manual), dated September 29, 2017, defines a COTR as an individual with expertise for the type of work performed or supplies provided under contract. In addition, Section 13.1.2 COTR specifically states that, “COTRs are responsible for monitoring performance to assure that [the contract] is in accordance with the written terms and conditions of the award. According to the Contracting Manual, “COTRs shall maintain current skills and knowledge required to

perform effective contract administration functions and ensure contractors meet their contractual obligations.”

The ITD is responsible for all Information Technology (IT)-related matters including telecommunication resources within the AOC and provides technical assistance and support to all users on the network. The division is structured into three branches: Application Development and Support Branch, Engineering and Operations Branch, and the Project Management Branch. Per the BPA, the ITD’s goal is to consistently deliver quality customer service and timely effective IT solutions that improve the AOC business processes.

### ***ITD Information Technology Support Services BPA***

The ITD executed a single award BPA for the ability to procure a variety of information services to include but not limited to information assurance, network infrastructure management, engineering operations and maintenance services; application development and help desk services to support AOC employees and the AOC IT infrastructure. The BPA allows the AOC to issue task orders for both known requirements such as help desk services and for additional requests as the need arises, such as application development or technology deployment.

The BPA was awarded using the General Service Administration (GSA) Federal Supply Schedule (FSS) 70 contract Special Identification Number 132-51, Technology Professional Services (Cooperative Purchasing Program). The GSA eLibrary Schedule List states that the FSS 70 is a general purpose commercial information technology equipment, software, and services schedule.

The BPA was awarded on November 19, 2015, with a Government estimate of \$26 million for a period of performance of a base year plus four options.

- Base year – January 3, 2016 – January 2, 2017
- Option period 1 – January 3, 2017 – January 2, 2018
- Option period 2 – January 3, 2018 – January 2, 2019
- Option period 3 – January 3, 2019 – January 2, 2020
- Option period 4 – January 3, 2020 – January 2, 2021

From January 2016 to December 2018, the CO awarded 17 individual task orders under the BPA on a firm fixed price or labor hour basis, totaling approximately \$22.8 million

(including modifications). All funds were obligated at the task order level. The table below provides cost information for each task order included in the IT Support Services BPA (AOC16A3000).

Figure 1. Task Order Cost Summary

TASK ORDER COST SUMMARY				
Task Order	CY 16	CY 17	CY 18	Total
1-PM & FFP Services	██████████	██████████	██████████	██████████
2-Application Development	██████████	██████████	██████████	██████████
3-Network Operations	██████████	██████████	██████████	██████████
4-Device Refresh (Install Support)	██████████	██████████	██████████	██████████
5-Compass Redesign	██████████	██████████	██████████	██████████
6-AOC Order 8-4 Support	██████████	██████████	██████████	██████████
7-SharePoint Records	██████████	██████████	██████████	██████████
8-Device Refresh (Install)	██████████	██████████	██████████	██████████
9-Microsoft Bus Intelligence	██████████	██████████	██████████	██████████
10-Cable Installation	██████████	██████████	██████████	██████████
11-SharePoint 2016 Upgrade	██████████	██████████	██████████	██████████
12-Continuous Audit Readiness	██████████	██████████	██████████	██████████
13-Power Plant Support	██████████	██████████	██████████	██████████
14-Conference Travel	██████████	██████████	██████████	██████████
15-PPM BASNet	██████████	██████████	██████████	██████████
16-Senate Suites	██████████	██████████	██████████	██████████
17-Microsoft Business Intelligence Support Services	██████████	██████████	██████████	██████████
Total Cost	██████████	██████████	██████████	22,785,684.59

Source: Task Order Statement of Work/Performance Work Statement and Modifications as of December 2018.

**Task Order No. One (1), Technology Consulting, Information Assurance and Help Desk** (referred as PM & FFP Services in Figure 1. Task Order Cost Summary)

Task Order No.1 is a firm fixed price task order under the BPA. The purpose of this task order is to provide the ITD with information technology services to support AOC employees and the IT infrastructure. Task Order No.1 consists of the following requirements:

- Subtask 1 - Technology Consulting Support
  - Subtask 1.1 - IT Strategy and Standards Selection
- Subtask 2 - Information Assurance
  - Subtask 2.1 – Security Incident Response
  - Subtask 2.2 – Vulnerability Scanning and Management

- Subtask 2.3 – Policies and Compliance
- Subtask 2.4 – Information Assurance System Administration and Management
- Subtask 2.5 – Assessment and Authorization Activities
- Subtask 2.6 – Continuity of Operations and Backup
- Subtask 2.7 – Data Security
- Subtask 3 - Help Desk/Call Center Support
  - Subtask 3.1 – Tier 1, 2, 3, and 4 Support
  - Subtask 3.2 – Desk Side Support
  - Subtask 3.3 - Video Teleconferencing [subsequently removed under Modification 3]
  - Subtask 3.4 - Telecommunications Support
  - Subtask 3.5 – IT Asset Inventory Management

## Criteria

The Contracting Manual prescribes uniform policies for the acquisition of supplies, service, construction and related services; and guidance to personnel in applying those policies and procedures. The manual outlines the following:

- Section 7.5 BPA - conditions for use, preparing limitations and reviews of BPAs.
- Section 8.2.5 Performance Based Contracting - requirements for performance based contracting and task order contracts, the Statement of Work (SOW), and quality assurance.
- Section 12.1 Cost and Price Analysis - requirements for determining a fair and reasonable price.
- Section 13.1.2 COTR – designation and responsibilities of Contracting Officer’s Technical Representative.

The Appointment of COTR Memorandum (“COTR memorandum”) also issued by the CO, sets forth the authority and limitations applicable to the assigned COTR, see Appendix D. The memorandum designates COTR responsibilities for monitoring contractor performance by specifically outlining information about the designation, administrative duties, responsibilities, limitations, modifications and authority.

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## Audit Results

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We determined that the AOC awarded the BPA AOC16A3000 and Task Order No.1, Technology Consulting, Information Assurance and Help Desk overall in accordance with the Contracting Manual; however, we found the BPA file lacked the required detailed supporting documentation for how the Independent Government Cost Estimate (IGCE) was calculated. In addition, we found that as awarded, Task Order No.1 required the contractor to submit a Quality Control Plan; however, in fulfilling the task order, the contractor did not include all the AOC's required performance standards within the SOW and lacked the quality assurance plan.

Although we determined that the BPA and task order were awarded in accordance with the overall requirements, we determined that the COTR and CO (also referred to as "contracting officials") did not properly monitor the task order to ensure adequate oversight of the contractor performance. Specifically, we found the following:

- the COTR did not adequately perform and document the post-award administration duties,
- the CO did not review the COTR records for Task Order No.1 in accordance with the contracting manual and COTR memorandum, and
- the AMMD management provided supplemental instructions on post award administration duties that do not align with the contracting manual and the COTR memorandum.

Additionally, the task order did not include all required performance standards within the SOW, lacked a quality assurance plan, and the contractor's quality control plan submitted was not monitored by contracting officials to ensure compliance. These standards and plans are used to ensure contract performance is adequately monitored and measured.

The CO must ensure the contract file includes detailed documentation as evidence that award decisions meet the primary objective to acquire supplies and services from responsible sources at fair and reasonable prices. It is important for the AOC to establish effective internal controls for monitoring contractor performance. Proper contractor oversight also ensures that the AOC receives services that are timely, complete, and meet the scope of the contract requirements.

We made eight recommendations to address the identified areas of improvements.

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## Finding A

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### **ITD BPA File Missing IGCE Supporting Documentation**

Overall, the AOC awarded the BPA AOC16A3000 and Task Order No.1, Technology Consulting, Information Assurance and Help Desk in accordance with the Contracting Manual. However, the BPA file lacked the required detailed documentation to support how the IGCE was calculated, as well as, all of the performance standards and the quality assurance plan, discussed further under Finding B for contract monitoring.

#### ***Independent Government Cost Estimate (IGCE)***

The BPA file did not include required documentation to support how contracting officials calculated the IGCE used for the procurement. The IGCE included in the BPA file entailed a chart with a Base Year amount of \$5 million and three percent increase for each of the four following option years.

The IGCE is one component used in the AOC's price analysis process; it is the government's estimate of costs that a contractor may incur in performing services and/or providing supplies to achieve the Government's objectives. IGCE costs typically include direct costs such as labor, supplies, equipment, or transportation; and indirect costs such as labor overhead, material overhead, general and administrative expenses, and profit or fee. There was no supporting documentation to detail how the \$5 million was calculated.

However, the Contracting Manual Section 12.1 Cost and Price Analysis states the CO must document the price analysis rationale in the contract file with appropriate supporting information provided by the COTR, and/or other specialists. Due to the missing supporting documentation, we asked the CO to explain how the IGCE was calculated and where the supporting information was located in the BPA file. Initially, we were informed that the CO was not aware of how the IGCE was developed due to the lack of detailed supporting documentation from the COTR; however, it was later revealed that the CO was aware that the IGCE was developed using the AOC budget.

The COTR provided the requested IGCE supporting documentation and in an email explained that a cost analysis was performed using four vendors and the GSA Schedule 70 rates for various labor categories. The COTR explained that the resulting IGCE was over the amount budgeted for the fiscal year so a 'budget' based cost estimate was used for the base year (\$5 million) with a three percent increase applied to each subsequent

option year. The COTR then took the necessary steps to perform the cost analysis; however, it was determined by the CO that this information should not be included in the BPA file to prevent confusion about the decision to use the budget-based cost estimate.

The IGCE serves as the basis for reserving funds during acquisition planning and provides the basis for comparing costs or prices on contractor proposals. When IGCE documentation is inadequate or missing from the contract file, it is difficult to determine whether the CO came to the appropriate conclusion regarding price reasonableness.

## **Recommendation**

### ***Recommendation A.1***

We recommend that the contracting officials ensure the Independent Government Cost Estimate (IGCE) is adequately supported and documented in the contract file in accordance with AOC guidance.

### ***AOC Comment***

Concur. The AOC concurs with the finding that the BPA file lacked the required detailed documentation to support how the Independent Government Cost Estimate (IGCE) was calculated.

### ***OIG Comment***

We recognize AOC's concurrence with the recommendation. We suggest that AOC propose actions that are responsive to the recommendation.

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## Finding B

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### **AOC Did Not Properly Monitor Task Order No. 1**

The contracting officials did not properly monitor Task Order No.1 under the BPA. We determined that the post-award administration duties for the task order costing approximately \$8.7 million were not adequately performed and documented in accordance with the Contracting Manual and COTR memorandum. In addition, supplemental instructions provided by the AMMD management to AOC senior management significantly reduced the COs oversight of COTR performance, and did not align with the requirements in the contracting manual and the COTR memorandum. Lastly, the task order lacked all of the required performance standards and a quality assurance plan required by the Contracting Manual and the contractor's Quality Control Plan was not monitored by contracting officials to ensure contractor compliance.

By the contracting officials not (1) monitoring the task order in accordance with the contracting manual and COTR memorandum and (2) developing contractor performance measures for all subtasks of Task Order No. 1 and quality assurance plans, it is unclear on how the contracting officials were able to adequately determine that the task order requirements were met. Proper contractor oversight ensures that the AOC receives services that are timely, complete, and meet the scope of the task order requirements.

#### ***Post-Award Administration Duties not Adequately Performed and Documented***

Contracting officials did not properly monitor and document Task Order No.1 to ensure adequate oversight of contractor performance. Specifically, we determined that the post-award administration duties for Task Order No. 1 were not conducted and completed in accordance with the Contracting Manual 34-1, dated September 29, 2017, and the Appointment of COTR Memorandum. The Contracting Manual states that contract administration is the management of a contract from the time of award through its expiration and close out. The types of activities included in contract administration are issuing contract modifications; monitoring contract deliverables and performance; reviewing the contractor's invoices for payment; and closing out the contract. The Contracting Manual outlines the monitoring of the contract deliverables and performance as post-award administration duties.

We reviewed the Contracting Manual Section 8.2.5 Performance Based Contracting, and conducted interviews with the assigned contracting officials to gain an understanding of the AOC's post-award administration duties. The contracting officials did not completely conduct the duties outlined in the Contracting Manual and COTR memorandum, to include the CO not reviewing COTR records and staff not using the COTR Review

Checklist. The COTR memorandum and the COTR Review Checklist provides a detailed description of the COTR's tasks to ensure proper performance of post-award administration duties.

We also requested additional documentation from the contracting officials to support any efforts of post-award administration duties, which include status reports, meeting minutes, calendar invitations, agendas, and any other documents deemed suitable. We were provided the contractual bi-weekly and monthly status reports, a detailed listing of meetings held and reports reviewed, approved and rejected invoices, calendar invites, and other correspondence approving status reports and staffing. However, the documentation provided was limited and not sufficient to determine whether the post-award administration duties were adequately performed for Task Order No. 1. Specifically, the documentation was not comprehensive for the complete three-year period of performance under review for Task Order No. 1 and all of its subtasks. In addition, we determined the information provided lacked specific details on meetings or communications regarding project topics, any incidents of faulty or nonconforming work, potential issues, delays, performance problems, and recommendations/corrective actions taken. The COTR stated that page-by-page reviews of the Monthly Status Reports were performed and validation was provided upon request; however, no documentation of this detailed review was provided when requested. The COTR also stated that most monitoring occurred through daily interaction and undocumented discussions or meetings between the ITD and contractor.

The Contracting Manual Section 13.1.2 COTR states, "A COTR appointment will be made in writing and designated by name and title of position." Each appointment letter will set forth the authority and limitations applicable to the COTR. The COTR is not empowered to issue, authorize, agree to, or sign any contract or modification or in any way obligate the payment of funds by the AOC.

The Appointment of COTR Memorandum, specifically provides for the designation as a COTR whose authorized duties and responsibilities are to monitor contract performance to assure that it is in accordance with the written terms, conditions, and specifications of the contract. Some of the COTR duties include:

- Monitor performance under the contract and notify the contractor in writing of any deficiencies observed directing action in accordance with the contract requirements. Provide a copy of any written deficiency notice to the CO;
- Record and report to the CO any incidents of faulty or nonconforming work, and any delays or other performance problems;

- Keep detailed records of the contractor's performance to include documenting major cost categories such as direct labor hours, overtime, travel, etc.;
- Document meetings or communications regarding project topics, noncompliance, potential problems and recommendations/corrective actions taken; and
- Establish and maintain a contract file that contains, at a minimum, the following information:
  - A copy of the COTR designation letter;
  - A copy of the complete contract and any modifications thereto;
  - Copies of all correspondence between the COTR, CO, and the contractor; and
  - Copies of any inspection records, receiving/acceptance reports, approved invoices and payment logs.

In addition, Contract Manual Section 13.1.2 COTR states that COTR records are reviewed regularly by the CO to ensure performance of post-award administration duties. The following is required:

- The COTR Review Checklist shall be used by all staff to ensure proper COTR performance of post-award administration duties.
- Complete the COTR Review Checklist in accordance with the information on the form.
- The completed COTR Review Checklist shall be placed in the contract file.

On September 28, 2012, we issued a report<sup>1</sup> on contractors' compliance with the SOW and made several recommendations to improve COTR performance. One specific recommendation requested the AOC to develop and implement an internal AMMD review process for monitoring COTR performance. The AMMD developed and issued Standard Operating Procedure (SOP) 42-3 "Contracting Officer Review of Contracting Officer's Technical Representative Performance" which established an internal AMMD review process for monitoring COTR performance and includes a COTR Review Checklist to be used by all division staff to ensure proper performance of post award administration duties.

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<sup>1</sup> Report A-2012-05, "Contractors' Compliance with Statements of Work for Contracts Valued Between \$100,001 to \$1 Million," dated September 28, 2012.

On March 12, 2013<sup>2</sup>, we issued a second report that evaluated COTR performance and made additional recommendations to improve COTR performance. To close the recommendation that required the CO to provide feedback on COTR performance to selecting officials, the AMMD referred to SOP 42-3 which required: 1) all COs to review COTR records on a regular basis; 2) prepare a COTR Review Checklist to ensure proper COTR performance of post award administration duties; and 3) share the results of the review with the COTR and their management. SOP 42-3 was subsequently incorporated into the Contracting Manual.

At the conclusion of our current fieldwork, we were informed by AOC management that the AMMD provided supplemental instructions to COTRs regarding the requirements outlined in the Contracting Manual Section 13.1.2 COTR. As previously stated above, the AMMD required all COs to review COTR records, prepare a COTR Review Checklist, and share the results. However, the AMMD branch managers provided comments to AOC senior management that AMMD resources were insufficient to provide feedback on every contract. Therefore, the following internal clarification was provided by the AMMD:

- The COs would provide feedback on COTR performance annually, within each performance evaluation cycle, and “as needed,” when the COs are asked, a COTR appointment is rescinded for cause, and problems are discovered while monitoring COTR performance during the contract period.
- The COs’ performance plans require COs to conduct COTR audits regularly using the COTR Review Checklist (“regularly” defined as “in the course of a performance evaluation cycle”).

Per discussions with the AMMD, the word “regularly” was meant to maintain broad discretion due to a lack of available resources. The AMMD Supplies/Services Branch COs are required to review and complete the COTR Review Checklist for one to two contract files a year as part of their annual performance appraisal. Under this supplemental instruction, the AMMD conducts randomly selected internal audits of COTR files. Audits may also be performed if problems are discovered during the contract period. Task Order No.1 was not selected for an audit.

It is our conclusion that the supplemental instructions and practices of contracting officials do not align with the contracting manual and the COTR memorandum. It is

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<sup>2</sup> Report No. A-2013-02, “Evaluation of Contracting Officer's Technical Representative (COTR) Performance for Contracts Valued Between \$100,001 to \$1 Million,” dated March 12, 2013.

unclear on how the requirements in Contracting Manual section 13.1.2 COTR translate into (1) only providing feedback on COTR performance as needed, when requested, when a COTR appointment is rescinded for cause, or if problems are discovered while monitoring COTR performance during the contract period; and (2) annual COTR audits on a limited number of selected contracts. The supplemental instructions and practices of the COs and COTRs do not support adequate oversight and execution of proper post award administration duties. The lack of CO review of COTR records and supplemental instructions limiting the performance of reviews results in inadequate oversight of the COTRs' post award administration duties.

Therefore, we determined that the COTR did not adequately perform and document the post award administration duties and lacked CO oversight as prescribed by the contracting manual and COTR memorandum. Without proper monitoring and documenting of Task Order No.1 to ensure adequate oversight of contractor performance, it is unclear on how the contracting officials were able to adequately determine that the contract requirements for this \$8.7 million task order were met. Also, AOC management may not have the necessary information to make well-informed business decisions in the best interest of the AOC needs.

### ***AOC Comment***

The AOC does not concur that the COTR and CO did not properly monitor the task order to ensure adequate oversight of the contract's performance in accordance with the contracting manual (AOC Order 34-1) and supplemental instructions. The AOC employed a variety of contract management tools suitable for a contract of this nature to carry out post-award administrative duties and ITD staff (to include the COTR and ITD program officials) worked alongside, or near to, the contractor daily and had firsthand knowledge of the contract's performance. The AOC provided the following documentary and testimonial evidence of daily, monthly, and annual monitoring of contractor performance by CO and COTRs to the OIG:

- a) Formal contract performance evaluation reports
- b) Evidence of contractor monitoring
- c) Properly documented and executed modifications
- d) Electronic data covering all three years of the contract

The AOC partially concurs with the statement that supplemental instructions did not align with AOC Order 34-1. A third-party workforce analysis revealed a need for an additional 15 personnel for AMMD to fulfill its mission and the AOC subsequently requested five additional COs in its FY 2020 budget request. This lack of resources

necessitated the supplemental instructions, which did reduce the frequency of CO reviews to a level that can be achieved with currently available resources.

The AOC does not concur with the statement that Task Order No. 1 lack(s) performance standards and quality assurance plan. The SOW for the subject report does contain measurable performance standards for the tasks for which such standards were practicable. The contractor updated its quality control plan annually, as required, and included information on quality control in its monthly reports. The COTR and ITD program officials reviewed these reports and discussed issues as appropriate. In addition, the AOC added quality control steps such as checks on help desk customer satisfaction and, in response to COTR requests, the contractor implemented daily notifications on tickets over three days old.

The AOC's response in its entirety is available in Appendix C-Management Comments. In addition, the Appointment of COTR Memorandum and Checklist are available in Appendix D and E, respectively.

### ***OIG Comment***

The Appointment of COTR Memorandum (see Appendix D), specifically provides for the designation as a COTR whose authorized duties and responsibilities are to monitor contract performance to assure that it is in accordance with the written terms, conditions, and specifications of the contract. COTR duties include:

- Monitor performance under the contract and notify the contractor in writing of any deficiencies observed directing action in accordance with the contract requirements. Provide a copy of any written deficiency notice to the CO;
- Keep detailed records of the contractor's performance to include documenting major cost categories such as direct labor hours, overtime, travel, etc.;
- Document meetings or communications regarding project topics, noncompliance, potential problems and recommendations/corrective actions taken; and
- Establishing and maintaining a contract file that contains, at a minimum, the following information:
  - A copy of the COTR designation letter;
  - A copy of the complete contract and any modifications thereto;

- Copies of all correspondence between the COTR, CO, and the contractor; and
- Copies of any inspection records, receiving/acceptance reports, approved invoices and payment logs.

In addition, the Contracting Manual 34-1 – Section 13.1.2 COTR(c), provides COTR oversight to ensure COTR performance of post award administration duties, it states;

(c) COs shall review COTR records regularly to ensure proper performance of post award administration duties;

- (1) The COTR Review Checklist (see Appendix E) shall be used by all staff to ensure proper COTR performance of post award administration duties.
- (2) Complete the COTR Review Checklist in accordance with the information in the form.
  - (i) In the blocks provided, check off items as applicable.
  - (ii) Staff shall complete an entry for each row of the checklist noting not applicable (n/a) where appropriate.
  - (iii) Staff shall add rows to the checklist as needed to capture tasks relevant to specific COTR post award administrative duties applicable to the procurement.
- (3) The completed COTR Review Checklist shall be placed in the contract file.

The COTR Memorandum and Contract Manual prescribes more than adequate procedures for performing and documenting post-award administration duties. The COTR Memorandum outlines 22 COTR duties to properly monitor contractor performance. The Contract Manual directs the oversight of COTR performance and prescribes a tool, the COTR Review Checklist which aligns with the duties outlined in the COTR Memorandum, to use to ensure proper performance of post-award administration duties. The Contract Manual requires the CO to review the COTR records regularly; however, the CO did not perform this requirement.

We requested the documentation outlined in the COTR Review Checklist, and were informed that the CO and COTR did not use the checklist for the contract. We made several requests for any and all documents used to support any efforts of post award administration duties. The COTR was unclear on what documentation to provide that would support the duties performed to monitor contract performance. It was consistently stated that most monitoring occurred through daily interaction and undocumented discussions or meetings. We were asked to provide examples of what

documentation or the type of documentation would support monitoring. After several meetings and discussions, we ultimately received numerous documents for review. After reviewing the documentation, we concluded that the documentation provided was limited and not sufficient to determine whether the post award administration duties were adequately performed. As discussed with AOC management, volumes of information prepared by the contractor, an extensive list of meetings held, unsupported high-level performance evaluations reports, and assorted email correspondences, does not support adequate contract monitoring.

In addition, we held interviews with the CO and COTRs to gain an understanding on their duties performed and the documentation maintained to monitor contract performance. The responses on the duties performed to monitor the contract performance were limited, inconsistent amongst the COTRs, and did not align with the AOC guidance, noting most of the COTRs were unaware of the COTR Review Checklist. We also learned the COTR did not review and track the documentation required by the contractor's Quality Control Plan. The Quality Control Plan documentation was required to be stored on AOC's SharePoint. After reviewing the documentation, we found the information to be limited. Most of the required documentation (Service Level Agreements, performance metrics, meeting minutes, etc.) was either missing or needed updating. Lastly, the COTR stated the customer survey data was not reviewed.

AOC management's discretion to clarify and define terms used in the Contract Manual should be incorporated into the manual to ensure standardized and consistent application and review for all stakeholders. As noted, the Contract Manual states "COs shall review COTR records regularly to ensure proper performance of post award administration duties;...the COTR Review Checklist shall be used by all staff to ensure proper COTR performance of post award administration duties." AOC management internally clarified the term "regularly" and defined it as "in the course of a performance evaluation cycle" for the COs, and "all staff" is only applicable to COs and not the COTRs. These clarifications are not obvious to all stakeholders, and the effect of these clarifications place a risk of continuous inadequate oversight of the COTR's post award administration duties.

It is our conclusion that the current AOC guidance is sufficient to ensure proper COTR performance of post award administration duties. The regular review of COTR records and the use of the COTR Review Checklist by all staff, to include the CO, COTR, and any staff person assisting with monitoring contracts, would aid in a structured and consistent process to ensure proper performance of post award

administration duties. Our conclusion remains that the post award administration duties were not adequately performed and documented.

## **Recommendations**

### ***Recommendation B.1***

We recommend that the Acquisition and Material Management Division (AMMD) clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c) the requirements for Contracting Officer's (CO) regular review of the Contracting Officer's Technical Representative (COTR) records to ensure proper performance of post award administration duties.

### ***AOC Comment***

The AOC does not concur. AMMD provides clear guidance to COs regarding the regular review of COTR records. This requirement is contained in each CO's annual performance plan, and managers track this in the CO's mid-year and end-of-year reviews as an internal control.

### ***OIG Comment***

We recognize that the AOC does not concur with the recommendation. While we understand that the AMMD provides clear guidance to CO's regarding the regular review of COTR records, and this requirement is contained in each CO's annual performance plan, and managers track this in the CO's mid-year and end-of-year reviews as an internal control, the intent of this recommendation, as outlined in our response to the AOC's comments to the finding, is for the AOC to provide clarification of the requirements in the Contracting Manual in order to provide the necessary instruction and procedural steps that reflect current practices and ensure proper COTR performance of post award administration duties. AOC management does not propose any action that is responsive to the recommendation.

### ***Recommendation B.2***

We recommend that the Acquisition and Material Management Division clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c)(1) the usage of the COTR Review Checklist by all staff to ensure proper COTR performance of post award administration duties.

### ***AOC Comment***

The AOC does not concur. AMMD provides clear guidance to COs regarding the regular usage of the COTR Review Checklist in the Contracting Manual and supplemental instructions.

### ***OIG Comment***

We recognize that the AOC does not concur with the recommendation. While we understand that the AMMD provides clear guidance to CO's regarding the regular usage of the COTR Review Checklist by all staff to ensure proper COTR performance of post award administration duties, the intent of this recommendation, as outlined in our response to the AOC's comments to the finding, is for the AOC to provide clarification of the requirements in the Contracting Manual in order to provide the necessary instruction and procedural steps that reflect current practices and ensure proper COTR performance of post award administration duties. AOC management does not propose any action that is responsive to the recommendation.

### ***Recommendation B.3***

We recommend that the Contracting Officer (CO) and Contracting Officer Technical Representative (COTR) perform the duties as required in the Appointment of COTR Memorandum and Contracting Manual 34-1 – Section 13.1.2(c) COTR for the ITD BPA Task Order No.1.

### ***AOC Comment***

The AOC concurs in part. Although most of the post-award duties of the CO and COTR were performed in accordance with AOC Order 34-1 – Section 13.1.2(c) COTR for the ITD BPA Task Order No. 1 and the COTR Appointment Letter, better documentation could have been provided to support duties performed. AMMD will review existing policies and procedures relative to documentation requirements to ensure they are up to date and the COTR's file for the task order to ensure that it contains all required documentation.

### ***OIG Comment***

We recognize the AOC's partial concurrence with the recommendation and agree that better documentation could have been provided to support duties performed. We continue to conclude, as outlined in our response to the AOC's comments, to the finding that post award administration duties were not in accordance with the contracting manual and Appointment of COTR Memorandum. The OIG agrees with

the recommendation to perform the duties as required by the Contracting Manual 34-1 – Section 13.1.2(c) COTR for the ITD BPA Task Order No.1 and Appointment of COTR Memorandum. However, if AOC management will review existing policies and procedures relative to documentation requirements and ensure the COTR’s file for Task Order No. 1 contains all required documentation, these actions will be responsive to this recommendation. Therefore, the recommendation is considered resolved and will be closed upon completion and verification of the proposed action.

### ***Recommendation B.4***

We recommend that the CO and COTR document and maintain detailed records of COTR and contractor’s performance.

### ***AOC Comment***

The AOC concurs that COs and COTRs must document and maintain detailed records of the COTR and contractor’s performance.

### ***OIG Comment***

We recognize the AOC’s concurrence with the recommendation. The AOC’s proposed actions noted in Recommendation B.3 that AMMD will review existing policies and procedures relative to documentation requirements to ensure they are up to date and the COTR’s file for the task order to ensure that it contains all required documentation is responsive to this recommendation. Therefore, the recommendation is considered resolved and will be closed upon completion and verification of the proposed action.

### ***Recommendation B.5***

We recommend that the AOC establish proper internal controls to ensure the performance of CO and COTR post award administration duties.

### ***AOC Comment***

The AOC concurs in part. Although AMMD has established internal controls to ensure the performance of CO and COTR post-award administration duties, we agree with the concerns about the need for more COTR reviews and the eventual need for additional clarity relative to the work “regularly” that is currently in AOC Order 34-1 to set the number of COTR reviews.

## ***OIG Comment***

We recognize the AOC's partial concurrence with the recommendation and agree with the concerns about the need for more COTR reviews and the eventual need for additional clarity relative to the word "regularly." Although the AMMD states it has established internal controls to ensure performance of post award administration duties, our conclusion is that post award administration duties were not adequately performed and documented for Task Order No.1. The intent of the recommendation is to establish internal controls to ensure the performance of post award administration duties. We suggest that the AOC propose actions that are responsive to the recommendation.

### ***Task Order Lack Performance Standards and Quality Assurance Plan***

Task Order No. 1 did not include all the required performance standards within the SOW and lacked a quality assurance plan. However, the contract did require the contractor to provide a Quality Control Plan. The Quality Control Plan stated that the contractor would retain information on a shared portal to facilitate access to current and historical information, such as certifications, service level agreements, performance assessments, peer reviews, training, and quality audits performed by the contractor. The contracting officials did not verify the contractor's compliance with its Quality Control Plan. We found that the contractor had not updated nor provided quality control information as directed in the BPA.

The Contracting Manual Section 8.2.5 Performance Based Contracting (b) Statements of Work states that: (2) when preparing SOWs, COs shall, to the maximum extent practicable (i) describe the work in terms of what is the required output rather than how the work is accomplished or the number of hours provided, (ii) provide measurable performance standards and (iii) avoid combining requirements into a single acquisition that is too broad to manage effectively." For quality assurance purposes, the Contracting Manual also states that the "COs shall develop quality assurance plans when acquiring services. The Contracting Manual Section 8.2.5(c) Quality Assurance Surveillance Plan states that the plans shall recognize the responsibility of the contractor to carry out its quality control obligations and shall contain measurable inspection and acceptance criteria corresponding to the performance standards contained in the SOW."

We determined that the CO did not fully follow the contracting manual, which requires measurable performance standards and a quality assurance plan. Without

performance standards for Task Order No.1 and all of its subtasks, a quality assurance plan, and verifying compliance with the contractor's quality control plan, the AOC would not be able to adequately monitor and measure the contractor's performance.

## **Recommendations**

### ***Recommendation B.6***

We recommend that the CO develop measurable performance standards and quality assurance plans for Task Order No. 1.

#### ***AOC Comment***

The AOC concurs in part. Although AOC Order 34-1 does not require every task or subtask in the SOW to have a measurable performance standard, the CO will review tasks not covered by such standards to determine whether any other measurable performance standards would be appropriate and practicable.

#### ***OIG Comment***

We recognize the AOC's partial concurrence with the recommendation and agree with the CO's review of the task orders not covered by such standards to determine whether any other measurable performance standards would be appropriate and practicable. The AOC's proposed actions are responsive to a portion of the recommendation. We suggest that the AOC propose actions that are responsive to developing a quality assurance plan for Task Order No. 1.

### ***Recommendation B.7***

We recommend that the CO establish proper internal controls to ensure that contracting documents include measurable performance standards and quality assurance plans.

#### ***AOC Comment***

The AOC concurs that COs must establish proper internal controls to ensure that contracting document include measurable performance standards, if appropriate and practicable, and quality assurance plans.

#### ***OIG Comment***

We recognize the AOC's concurrence with the recommendation. We suggest that AOC propose actions that are responsive to the recommendation.

## Appendix A

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### Scope and Methodology

The scope of this performance audit was the BPA and Task Order No. 1 for Base Year, and Option Year 1 and 2 (January 2016 – December 2018). We conducted this performance audit of the AOC ITD located in Washington, DC from August 2018 through April 2019 in accordance with 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.

To determine whether the AOC properly administered the ITD Services Contract, we interviewed AOC staff from the AMMD and ITD responsible for administering the BPA to understand the process for contract award and monitoring. We also reviewed the Contracting Manual 34-1, the Appointment of COTR Memorandum, BPA file, and monthly reports to understand the requirements for BPA and Task Order No.1 award and monitoring. We used a non-statistical sample to verify what supporting documentation was available for activities included in the Monthly Status Report.

This audit was included in the Fiscal Years 2018-2020 OIG Audit Plan.

### Review of Internal Controls

Government Auditing Standards requires auditors to obtain an understanding of internal control that is significant within the context of the audit objectives. For internal controls that are significant within the context of the audit objectives, auditors should assess whether the internal control has been properly designed and implemented and should perform procedures designed to obtain sufficient, appropriate evidence to support their assessment about the effectiveness of those controls. Information system controls are often an integral part of an entity's internal control. The effectiveness of significant internal controls is frequently dependent on the effectiveness of information systems controls. Thus, when obtaining an understanding of internal control significant to the audit objectives, auditors should also determine whether it is necessary to evaluate information systems controls.

We reviewed internal controls to obtain an understanding of the process for awarding the BPA and Task Order No.1 and monitoring contractor performance. We obtained our understanding by reviewing the applicable laws, regulations, AOC policies and

contractual specifications, and interviewing AOC staff to determine (i) the roles and responsibilities of contracting officials, and (ii) if controls, individually or in combination, with others controls were properly implemented and working as designed.

The Contracting Manual, documented uniform policies for the acquisition of supplies, services, construction and related services, and the Appointment of COTR Memorandum also provided additional guidance on monitoring contract performance to ensure conformity with the written terms, conditions and specifications of the contract. Although the detailed internal controls discussed in these documents were sufficient for awarding the contract and monitoring contractor performance, we determined that established controls for monitoring contractor performance were not being followed by contracting officials.

## **Use of Computer-Processed Data**

We did not use a material amount of computer-processed data to perform this audit; however, we determined the payment information data used was reliable for its intended purpose. The data was compared to source documentation.

## **Prior Coverage**

During the last seven years, the Government Accountability Office (GAO) and the AOC OIG issued reports discussing IT accountable property and/or contracting practices.

### ***GAO***

Report No. GAO-16-348, “Architect of the Capitol, Contracting Function Generally Follows Key Practices, but Certain Improvements are Needed,” dated April 7, 2016.

The GAO was asked to review the AOC’s contracting practices. The GAO found that AOC officials generally followed the policies in the Contracting Manual related to critical functions, such as documenting justification for the use of noncompetitive procedures. The AOC used the following approach to monitor and address contractor performance:

- Oversight tools
  - On-site representative
  - Daily progress report
  - Inspection report
  - Progress meeting

- Performance communication
  - Routine communication
  - Notice to comply
  - Letter of concern
  - Contractor performance assessment
  
- Contractual provisions
  - Contract disputes
  - Liquidated damages
  - Termination for default

However, the GAO recommended that the AOC explore options for developing a more robust analysis of its competition levels and establish a suspension and debarment process suitable to its mission and structure. The AOC agreed with the GAO's findings and implemented a Debarment and Suspension program that involved the System for Award Management Exclusions maintained by GSA. The Contracting Manual also explains that the AOC will not solicit offers from, award contracts to, or consent to subcontracts during the period of exclusion.

## ***AOC OIG***

Report No. A-2017-02, "Information Technology (IT) Property Accountability," dated May 8, 2017.

Despite management's claim that internal controls were maintained by conducting periodic inventory reviews and reconciliations, and assisting with asset management; we found the inventory database was inaccurate and incomplete. The OIG also found that management had not fully implemented AOC Order 8-4, Accountable IT Property, that described the process and requirements for the use of accountable IT property by the AOC personnel and those charged with performing the duties of the policy.

We recommended actions to improve tracking and the effective management of accountable IT property to decrease the risk of asset misappropriation and theft. The AOC agreed to and provided details on the implementation of our recommendations. All recommendations have been closed.

Report No. A-2013-02, "Evaluation of Contracting Officer's Technical Representative (COTR) Performance for Contracts Valued Between \$100,001 to \$1 Million," dated March 12, 2013.

The OIG identified two areas to improve COTR performance: (i) COTR duties need to be included in the employees' performance plans and performance of those duties must be evaluate at mid-year and annually, and (ii) management officials, who select employees for appointment as COTR, need to participate in ensuring COTRs comply with AOC guidance on monitoring and documenting their work.

We recommended the following actions to improve overall COTR performance and all actions were completed and closed:

1. Provide guidance to all jurisdictions stressing the importance of including COTR duties in the performance plan of employees assigned as COTRs and evaluate their performance.

**Closed**-On December 4, 2013, the Chief Operating Officer (COO) issued a Memorandum to AOC superintendents that implemented Recommendation 1 by requiring COTR duties be included in the performance plans of employees assigned as COTRs. This Memorandum also included an attached Sample Assessment to be used by all jurisdictions when evaluating COTR performance.

2. Require that COTR supervisors provide the respective Contracting Officers an annual assessment of how well the COTR performed these duties.

**Closed**-On December 4, 2013, the COO issued a Memorandum to AOC Superintendents that implemented Recommendation 2 by including instruction to COTR supervisors requiring an annual assessment be completed by the COTR supervisor one month after contract completion and that this assessment be provided to the designated the AMMD CO. The COO Memorandum included an attached Sample Assessment to be used by all jurisdictions for completion and forwarding to the AMMD.

3. Require that selecting and jurisdictional officials monitor COTR compliance with AOC policies and guidance.

**Closed**-The Chief Administrative Officer (CAO) and Chief of the AMMD will provide an annual update to the COO on jurisdictional COTR performance and progress.

4. Have the AMMD provide selecting officials with the COTR Reference Guide and any other information needed to become familiar with the COTR quality control process.

**Closed**-The AMMD works with selecting officials during the contract period so that they are familiar with the COTR quality control process and has published documents on the SharePoint intranet site with a link in Compass to ensure compliance with the AOC COTR Reference Guide and the COTR Appointment Letter.

5. Require that COs provide feedback on COTR performance to selecting officials.

**Closed**-On April 3, 2013, the AMMD issued SOP 42-3, CO Review of COTR Performance, which has been incorporated into the draft Contracting Manual soon to be signed by the Architect of the Capitol. The AMMD requires: 1) all COs to review COTR records on a regular basis; 2) prepare a COTR Review Checklist to ensure proper COTR performance of post award administration duties; and 3) share the results of the review with the COTR and their management.

The AOC concurred with the findings and provided details on the implementation of our recommendations.

Report A-2012-05, "Contractors' Compliance with Statements of Work for Contracts Valued Between \$100,001 to \$1 Million," dated September 28, 2012.

The OIG found that the contractors were generally compliant with SOWs. However, we identified three areas that need improvement (i) SOW development, (ii) enforcement of contract terms, and (iii) contract administration.

We issued 12 recommendations to improve the pre-award and contract administrative process and all actions were completed and closed. The specific recommendations for improving enforcement of contract terms were as follows:

1. Establish procedures in the new AOC Procurement Order to ensure COs and COTR enforce contract terms.

**Closed**-The intent of this recommendation is satisfied by enforcing existing orders that describe the post award actions COs and COTRs must take to

enforce contract terms as well as the required training and instruction received by COs and COTRs.

2. Ensure COs when appointing a COTR require compliance with the AOC COTR Reference Guide and COTR Appointment Letter.

**Closed-**The AOC COs work with COTRs to ensure compliance with the AOC COTR Reference Guide and COTR Appointment Letter. In addition, as the response to Recommendation below, an internal AMMD review process for monitoring COTR performance has been developed and implemented.

3. Develop and implement an internal AMMD review process for monitoring COTR Performance.

**Closed-**AMMD developed and issued a SOP 42-3, CO Review of COTR Performance which established an internal AMMD review process for monitoring COTR performance and includes a COTR Review Checklist to be used by all division staff to ensure proper performance of post award administration duties. This SOP and Checklist can be found on the AOC Intranet and was attached.

4. Ensure monitoring COTR performance is included in COs performance plans.

**Closed-**The AMMD Contracts Branch Chief inserted language into every COs performance plan to ensure monitoring COTR performance is included.

The AOC concurred with the findings and agreed to implement the recommendations.

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## Appendix B

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### Notification Letter



Office of Inspector General  
Fairchild Bldg.  
499 S. Capitol St., SW, Suite 518  
Washington, D.C. 20515  
202.593.1948  
[www.aoc.gov](http://www.aoc.gov)

United States Government  
**MEMORANDUM**

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DATE: July 30, 2018

TO: Stephen T. Ayers, FAIA, LEED AP  
Architect of the Capitol

FROM: Christopher P. Failla   
Inspector General

SUBJECT: Audit – Information Technology Division (ITD) Contract Services  
(2018-0006-AUD-P)

This memorandum serves as notification that the Office of Inspector General plans to initiate an audit of the ITD Contract Services. Our objective is to determine if Architect of the Capitol awarded and monitored the Blanket Purchase Agreement - AOC16A3000 in accordance with laws, regulations, policies and contract requirements. The scope of our review will include contracting operations over the last three years.

We will contact you to set up an entrance conference. If you have any questions, please contact Nikki Robinson at 202.593.7478 or MaryAnn Davenport at 202.593.0081.

Distribution List:  
Christine A. Merdon, P.E., CCM, Chief Operating Officer  
Dan Cassil, Chief Administrative Officer  
Jay Wiegmann, Chief Information Officer  
Shalley Kim, Executive Officer  
Mary Jean Pajak, Senior Advisor to the Chief Operating Officer

## Appendix C

### Management Comments



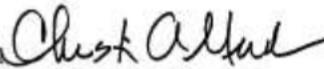
Architect of the Capitol  
U.S. Capitol, Room SB-15  
Washington, DC 20515  
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www.aoc.gov

United States Government

#### MEMORANDUM

DATE: July 12, 2019

TO: Mr. Christopher Failla  
Inspector General

FROM: Christine A. Merdon, P.E.  
Acting Architect of the Capitol 

SUBJECT: Draft Report Information Technology Division (ITD) Contracting Services-  
AOC16A3000, Project No. 2018-0006-AUD-P

Thank you for the opportunity to review and provide a response on the subject Office of Inspector General (OIG) draft report (subject report) in accordance with sections 5.2.6 and 8 of AOC Order 40-1.

We note that the stated objective of the subject report covers Task Order No. 1 of the BPA. However, the services outlined in the objective statement incorrectly include services issued under Task Orders No. 2 and 3 of the BPA (application development, network infrastructure management, engineering operations and maintenance services).

The AOC's comments concerning the report's findings and recommendations are as follows:

**OIG Finding A: ITD BPA File Missing IGCE Supporting Documentation**

**AOC Comment:** Concur. The AOC concurs with the finding that the BPA file lacked the required detailed documentation to support how the Independent Government Cost Estimate (IGCE) was calculated.

**OIG Recommendation A.1:** We recommend that the contracting officials ensure the IGCE is adequately supported and documented in the contract file in accordance with AOC guidance.

**AOC Comment:** The AOC concurs that Contracting Officers (COs) must ensure the IGCE is adequately supported and documented in the contract file in accordance with AOC guidance.

**OIG Finding B: AOC Did Not Properly Monitor Task Order No. 1**

**AOC Comment:** Non-concur. The AOC does not concur that the Contracting Officer's Technical Representative (COTR) and CO did not properly monitor the task order to ensure adequate oversight of the contractor's performance in accordance with the contracting manual (AOC Order 34-1) and supplemental instructions. The AOC employed a variety of contract management tools suitable for a contract of this nature to carry out post-award administrative

duties, including monitoring contractor performance. ITD staff (to include the COTR and ITD program officials) worked alongside, or near to, the contractor daily and had firsthand knowledge of the contractor's performance, using a variety of means to determine that contractual requirements were met. The AOC provided the following documentary and testimonial evidence of daily, monthly and annual monitoring of contractor performance by CO and COTRs to the OIG:

(a) Formal contract performance evaluation reports from the Contractor Performance Assessment Reporting System (CPARS) based on review of contractor monthly reports and daily interactions and oversight.

Assessment Date	Quality of Product/Service	Schedule	Small Business	Management of Key Personnel
11/19/2015 - 07/31/2016	VERY GOOD	VERY GOOD	VERY GOOD	VERY GOOD
08/01/2016 - 01/01/2017	VERY GOOD	VERY GOOD	VERY GOOD	VERY GOOD
01/03/2017 - 01/02/2018	VERY GOOD	EXCEPTIONAL	VERY GOOD	VERY GOOD
01/03/2018 - 01/02/2019	VERY GOOD	EXCEPTIONAL	VERY GOOD	VERY GOOD

(b) Evidence of contractor monitoring, including a detailed listing of meetings held and reports reviewed, approved and rejected invoices, ITD reviews of documentation like monthly status reports and help desk tickets, calendar invites and other correspondence approving contractual deliverables and staffing.

(c) Properly documented and executed modifications.

(d) Electronic data covering all three years of the contract (78 electronic files containing 960 pages of documents with images and spreadsheets).

This finding also states that the supplemental instructions did not align with AOC Order 34-1. The AOC partially concurs. A third-party workforce analysis revealed a need for an additional 15 personnel for AMMD to fulfill its mission and the AOC subsequently requested five additional COs in its FY 2020 budget request. This lack of resources necessitated the supplemental instructions, which did reduce the frequency of CO reviews to a level that can be achieved with currently available resources.

This finding states that Task Order No. 1 lack(s) performance standards and quality assurance plan. The AOC does not concur. Section 8.2.5(b)(2) of AOC Order 34-1 provides that COs shall provide measurable performance standards when preparing SOWs to the "maximum extent practicable." The SOW for the subject report does contain measurable performance standards for the tasks for which such standards were practicable. The contractor updated its quality control plan annually, as required, and included information on quality control in its monthly reports. The COTR and ITD program officials reviewed these reports and discussed issues as appropriate. In addition, the AOC added quality control steps such as checks on help desk customer satisfaction and, in response to COTR requests, the contractor implemented daily notifications on tickets over three days old.

**OIG Recommendation B.1:** We recommend that the Acquisition and Material Management Division clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c) the requirements for Contracting Officer’s regular review of the COTR records to ensure proper performance of post award administration duties.

**AOC Comment:** The AOC does not concur. AMMD provides clear guidance to COs regarding the regular review of COTR records. This requirement is contained in each CO’s annual performance plan, and managers track this in the CO’s mid-year and end-of-year reviews as an internal control.

**OIG Recommendation B.2:** We recommend that the Acquisition and Material Management Division clarify in the Contracting Manual 34-1 – Section 13.1.2 COTR(c)(1) the usage of the COTR Review Checklist by all staff to ensure proper COTR performance of post award administration duties.

**AOC Comment:** The AOC does not concur. AMMD provides clear guidance to COs regarding the regular usage of the COTR Review Checklist in the Contracting Manual and supplemental instructions.

**OIG Recommendation B.3:** We recommend that the CO and COTR perform the duties as required in the Appointment of COTR Memorandum and Contracting Manual 34-1 – Section 13.1.2(c) COTR for the ITD BPA Task Order No. 1.

**AOC Comment:** The AOC concurs in part. Although most of the post-award duties of the CO and COTR were performed in accordance with AOC Order 34-1 and the COTR Appointment Letter, better documentation could have been provided to support duties performed. AMMD will review existing policies and procedures relative to documentation requirements to ensure they are up to date and the COTR’s file for the task order to ensure that it contains all required documentation.

**OIG Recommendation B.4:** We recommend that the CO and COTR document and maintain detailed records of COTR and contractor’s performance.

**AOC Comment:** The AOC concurs that COs and COTRs must document and maintain detailed records of the COTR and contractor’s performance.

**OIG Recommendation B.5:** We recommend that the AOC establish proper internal controls to ensure the performance of CO and COTR post award administration duties.

**AOC Comment:** The AOC concurs in part. Although AMMD has established internal controls to ensure the performance of CO and COTR post-award administration duties, we agree with the concerns about the need for more COTR reviews and the eventual need for additional clarity relative to the word “regularly” that is currently in AOC Order 34-1 to set the number of COTR reviews.

**OIG Recommendation B.6:** We recommend that the CO develop measurable performance standards and quality assurance plans for Task Order No. 1.

**AOC Comment:** The AOC concurs in part. Although AOC Order 34-1 does not require every task or subtask in the SOW to have a measurable performance standard, the CO will review tasks not covered by such standards to determine whether any other measurable performance standards would be appropriate and practicable.

**OIG Recommendation B.7:** We recommend that the CO establish proper internal controls to ensure that contracting documents include measurable performance standards and quality assurance plans.

**AOC Comment:** The AOC concurs that COs must establish proper internal controls to ensure that contracting documents include measurable performance standards, if appropriate and practicable, and quality assurance plans.

The AOC has proactively monitored the contract using a variety of methods, and is confident the contractor has met requirements and that the AOC has received full value for the contract's cost. That said, the AOC is open to considering additional monitoring steps the OIG suggests to provide even greater assurance of contractor performance.

Thank you for the opportunity to provide comments to the draft report. Please contact James O'Keefe by telephone at 202.226.3540 or email at [jokeefe@aoc.gov](mailto:jokeefe@aoc.gov) if you have any questions.

Doc. No. 190617-02-01

## Appendix D

### The Appointment of COTR Memorandum



**ARCHITECT  
OF THE CAPITOL**

**Acquisition and Material Management Division**  
 Ford House Office Building, Room H2-265  
 Washington, DC 20515  
 202.226.2557  
[www.aoc.gov](http://www.aoc.gov)

DATE: [REDACTED]

TO: [REDACTED]

FROM: [REDACTED]  
Contracting Officer (CO)

SUBJECT: Appointment of Contracting Officer's Technical Representative (COTR) for AOC16A3000 ITD ITSS BPA

(a) You are hereby designated Contracting Officer's Technical Representative (COTR) in the administration of the subject contract. Unless terminated sooner, this appointment shall remain in effect for the life of the contract described above. You are responsible for providing immediate notification to the CO if for any reason it becomes necessary to terminate your appointment as COTR. Your authority as a COTR shall not be re-delegated.

(b) The designated duties, responsibilities and limitations of a COTR are specifically listed herein. You must thoroughly familiarize yourself with and faithfully administer the terms and conditions of the contract and all related documents. If you have any questions concerning your duties as a COTR, please contact me immediately.

(c) *Designation as a COTR.* Your authorized duties and responsibilities as COTR are to monitor contract performance to assure that it is in accordance with the written terms, conditions, and specifications of the contract. These duties include but are not limited to:

(1) Ensure the contractor completes and returns the Request for Check of Criminal History Records and Request for ID forms, with all required supporting documentation (e.g.: a copy of the E-Verify case details document evidencing "employment authorized"), for each employee who will perform work on site;

(A) Submit the completed Background Request and ID Request forms to the Human Capital Management Division, Employee Relations Branch and coordinate with that office through out the badging process;

(B) When requesting an AOC ID / badge, review the scope and duration of contract work to be performed and make a determination on the duration of badge on an individual basis. **Please note**, although some AOC established contracts are long term, and/or multi-project based agreements with open ended closeout dates that require flexibility in badge expiration, COTRs will make a determination on the duration of the requested badge on an individual basis. In some cases the end of the congressional term date may be appropriate to request.

- (2) Escort and remain with all contractor employees who are not on site on a regular basis and have not completed a Background Request and ID Request form, or arrange for another authorized AOC employee(s) to do same;
- (3) Coordinate site entry for contractor personnel;
- (4) Coordinate the issuance and return of all Government Furnished Property (GFP) as follows:
  - (A) The COTR shall record all GFP provided under the contract (including any AOC ID Badge) on AOC Form 1423, "AOC Property Issued to Contractors". A copy of this completed form shall be forwarded to the CO and the office actually providing the GFP. AOC Form 1423 can be found on the Reference Library and Forms page of the Procurement section of the AOC intranet (AOCLink) @ <http://aochome.aoc.gov/procurement/forms/index.cfm>.
  - (B) Maintain a complete and current AOC Form 1423 in the COTR=s contract file; and
  - (C) Provide originals of the following completed forms to the ITD HelpDesk: 1) Non-disclosure Agreement for Contract Employees (Conditional Access to Sensitive but Unclassified Information for The Architect of The Capitol); and 2) AOC IT System Rules of Behavior (Contractor). Copies shall be forwarded to the CO as well as copies retained in the COTR=s file. The COTR shall notify ITD when network access is no longer required.
- (5) Monitoring delivery of supplies, materials and/or equipment in accordance with the contract delivery dates and requirements;
- (6) Monitor performance under the contract and notify the contractor in writing of any deficiencies observed directing action in accordance with the contract requirements. Provide a copy of any written deficiency notice to the CO;
- (7) Record and report to the CO any incidents of faulty or nonconforming work, and any delays or other performance problems;
- (8) Keep detailed records of the contractor's performance to include documenting major cost categories such as direct labor hours, overtime, travel, etc.;
- (9) Document meetings or communications regarding project topics, noncompliance, potential problems and recommendations/corrective actions taken;
- (10) Review and approve/disapprove deliverables/submittals within 10 working days of receipt, unless the contract specifies a longer or shorter government review period. Notice of approval/disapproval shall be made to the CO and the contractor citing any specific deficiencies found;

- (11) Immediately notifying the CO of events or situations which endanger contract performance;
- (12) Inspect received goods and/or services to assure compliance with contract terms, conditions and specifications;
- (13) Document inspection and acceptance/rejection of supplies and/or services. Notice of acceptance/rejection shall be made to the CO and the contractor citing specific reasons for rejection by referencing applicable contract requirements;
- (14) Review certified contractor payrolls and ensure compliance with Davis-Bacon Act provisions or Service Contracting Act provisions as applicable;
- (15) Process contractor invoices as follows:
  - (A) Ensure that each invoice accurately reflects the work/items/amounts as identified in the contract and any schedule of values;
  - (B) Confirm the invoice is submitted in accordance with all provisions of the applicable payment clause; and
  - (C) Verify that each invoice does not constitute payment in advance of actual work performed and accepted:
    - (i) For Construction and Architect/Engineer Services, ensure that contractor invoices are submitted to the AOC Accounting Division in accordance with the terms of the contract, and when received from Accounting, review and recommend for payment by forwarding the invoice to the CO for approval and payment authorization.
    - (ii) For Supplies and other Services, ensure that contractor invoices are submitted to the AOC Accounting Division in accordance with the terms of the contract, and when received from Accounting, approve payment authorization. Provide a copy of the approved invoice to the CO for retention in the contract file.
  - (D) Reject invoices that are not submitted in accordance with the terms of the contract and promptly notify the contractor of your reason(s) for the rejection. Provide a copy of any rejections to the CO for retention in the contract file.
- (16) Maintain liaison and direct communication with the contractor acting as "Contracting Officer's Technical Representative (COTR)". Copies of any written communications shall be provided to the CO;
- (17) Provide written interpretations of technical requirements of government drawings, designs, and specifications to the contractor;

- (18) Submit all requests for modifications, or changes to, the contract requirements with supporting documentation to the CO;
- (19) Submit all requests for the exercise of any available option, with the a requisition and funding authorization, to the CO in a timely manner;
- (20) Immediately refer any matter outside your authority to the CO;
- (21) Establishing and maintaining a contract file that contains, at a minimum, the following information:
  - (A) A copy of the COTR designation letter;
  - (B) A copy of the complete contract and any modifications thereto;
  - (C) Copies of all correspondence between the COTR, CO, and the contractor; and
  - (D) Copies of any inspection records, receiving/acceptance reports, approved invoices and payment logs.
- (22) At the completion and closeout of the contract action:
  - (A) For construction and services contracts: initiate a performance evaluation report into the Contractor Performance Assessment System (CPARS) at <http://www.cpars.csd.disa.mil/cparstmain.htm>;
  - (B) Ensure the return of any GFP issued under the contract and document the return of such GFP on the AOC Form 1423. All GFP shall be returned by the contractor in the same condition as issued, with allowances for wear and tear that occurs with reasonable care and use. The COTR shall immediately notify the CO for any failure to return GFP, or for the return of GFP that has not been properly maintained. The COTR shall forwarded a completed AOC Form 1423 to the CO at the completion and closeout of the contract; and
  - (C) Retain the COTR file for a period of three years and then coordinate the proper disposition with the CO and AOC Records Management.
- (d) *Modifications.* Copies of all contract modification requests shall be fully documented with a government estimate and include any impact to contract price and duration. Required documents include: the request for a proposal issued to the contractor; the proposal received from the contractor; a price negotiation memorandum that states the rationale for providing the contractor less/more money/time than requested in its proposal; a determination that the price is fair and reasonable; and any other appropriate documentation.
- (e) As COTR, you are not authorized to:
  - (1) Modify or otherwise change the contract;

- (2) Take any action which contradicts contract requirements or any of its terms and conditions; and
  - (3) Authorize the provision of government furnished property, except as provided for and required under the contract.
  - (4) For services contracts; you shall ensure that your actions do not convert the contract into a "personal services" contract characterized by an employee-employer relationship involving supervision and control over contractor employees;
- (f) COTR authority is not warrant authority. As a COTR, you shall not assume any authorities of the CO or give the impression to the contractor that you have authority of the CO. Your COTR authority is specifically delegated to you in this appointment letter. Actions of the COTR which exceed authority may result in violation of the Anti-Deficiency Act and/or subject you to disciplinary remedies as set forth in AOC policy.
- (g) Your designation as COTR shall remain in effect through the life of the contract unless rescinded by the CO in writing. If your designation is rescinded for any reason before completion of the contract, you must turn your contract records over to the COTR successor or obtain disposition instructions from the CO.
- (h) It is incumbent upon you to ensure that you fully understand the authority and limitations set forth in this designation and appreciate the following:
- (1) All personnel engaged in procurement and related activities shall conduct business dealings with industry in a manner above reproach in every respect and shall protect the U.S. Government's interest, as well as maintain its reputation for fair and equal dealings with all contractors;
  - (2) Any COTR who may have direct or indirect financial interest with the contractor which would place him or her in a position where there is a conflict of interest with his or her job shall advise his or her supervisors and the CO of such so that appropriate action may be taken; and
  - (3) You shall avoid conflicts of interests, or the appearance of such conflicts, at all times.
- cc: Contract File  
Contractor  
Accounting Division  
HCMD Employee Relations  
COTR-s Supervisor

# Appendix E

## Architect of the Capitol – COTR Review Checklist



### Architect of the Capitol – COTR Review Checklist

Immediate notification provided to terminate COTR appointment	
Ensured background and ID forms were properly processed	
Reviewed scope and duration of work to be performed and determined appropriate duration of ID badge	
When necessary, escorted and remained with all contractor employees not on site on a regular basis or awaiting Background and ID clearance or arranged for another AOC employee to do same	
Coordinated issuance and return of all Government Furnished Property (GFP) maintaining a complete and current AOC Form 1423 forwarded to the CO	
Provided copies of: 1) Non-disclosure Agreement for Contract Employees (Conditional Access to Sensitive but Unclassified Information for The Architect of The Capitol); and 2) AOC IT System Rules of Behavior (Contractor) to the CO as well as retained in the COTR-s file.	
Promptly notified ITD when contractor network access was no longer required	
Monitored delivery of supplies, materials and/or equipment in accordance with terms of the award	
Monitored performance in accordance with terms of the award	
Notified the contractor in writing of any performance deficiencies providing a copy to the CO	
Kept detailed records of performance to include major cost categories such as direct labor hours, overtime, travel, etc.	
Documented meetings or communications regarding the project	
Reviewed deliverables/submittals within the terms, conditions, and time specified in the award providing notice of approval/disapproval to the CO and the contractor	
Documented inspection and acceptance of supplies and/or services providing notice to the CO and the contractor	
Reviewed certified contractor payrolls and ensure compliance with Davis-Bacon Act or Service Contracting Act provisions as applicable	
Processed contractor invoices to ensure: they were submitted in accordance with all provisions of the applicable payment clause; accurately reflect the work identified in the contract; did not constitute payment in advance of actual work performed and accepted; approved payment authorization; and for Construction and A/E awards, forwarded the invoice to the CO for approval and payment authorization	

Rejected invoices that are were not submitted in accordance with the terms of the contract and promptly notified the CO and the contractor	
Provided copies of any written communications to the CO	
Provided written interpretations of technical requirements of government drawings, designs, and specifications to the contractor	
Submitted to the CO, all requests for modifications or changes to the contract (with supporting documentation)	
Submitted to the CO, in a timely manner, requests for the exercise of any available option (with funding authorization)	
Established and maintained a contract file that contains, at a minimum: a copy of the COTR designation letter; a copy of the complete contract and any modifications thereto; copies of all correspondence between the COTR, CO, and the contractor; and, copies of any inspection records, receiving/acceptance reports, approved invoices and payment logs	
For construction and services contracts – initiated a performance evaluation report into the Contractor Performance Assessment System (CPARS)	
If COTR appointment was rescinded for any reason, files were turned over to the successor COTR or disposition instructions from the CO were provided.	

## Acronyms and Abbreviations

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AOC	Architect of the Capitol
AMMD	Acquisition and Material Management Division
BPA	Blanket Purchase Agreement
CO	Contracting Officer
COO	Chief Operating Officer
COTR	Contracting Officer's Technical Representative
FSS	Federal Supply Schedule
GAO	Government Accountability Office
GSA	General Services Administration
IT	Information Technology
ITD	Information Technology Division
OIG	Office of the Inspector General
SOW	Statement of Work



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