



INSPECTOR GENERAL

June 12, 2024

Evaluation of Architect of the Capitol's Contracting Officer and Contracting Officer's Representative Oversight

Report No. 2023-0002-IE-P

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.



Results in Brief

Evaluation of the Architect of the Capitol's Contracting Officer and Contracting Officer's Representative Oversight

June 12, 2024

Objective

The objective of this evaluation was to determine if Contracting Officers (COs) and Contracting Officer's Representatives (CORs) are performing their duties in accordance with Architect of the Capitol (AOC) policies, procedures, and contractual requirements, while assessing any limitations that might hinder opportunities for efficiency in the CO and COR work process. This evaluation was consistent with our 2022 and 2023 agency Management Challenges that listed Waste and Accountability as a Management Opportunity and Performance Challenge.

Findings

Based on our evaluation we found that the AOC's organizational structure hinders COs and CORs ability to provide proper oversight of contracts. Specifically, we found:

- The AOC's organizational reporting structure for acquisition limits COs authority and independence
- Independent government estimates (IGEs) are accessible to non-AOC personnel
- The AOC lacks formal policies and procedures for COR selection/nomination
- The AOC's tracking of COR certifications and training, and the COR certification process needs improvement
- Appropriations law training is not required for CORs

Findings (Cont'd)

- Some CORs do not consistently or adequately maintain oversight documentation
- The AOC lacks detailed guidance for COR file audits and CO accountability

Recommendations

We made thirteen recommendations to address the identified areas of improvement. We recommend the AOC perform the following:

1. Review Government Accountability Office's (GAO's) Framework for Assessing the Acquisition Function at Federal Agencies and make necessary adjustments to AOC's current hierarchical reporting structure to provide sufficient independence and support for COs.
2. Provide CORs in each Jurisdiction access to the data, tools, and training necessary to prepare IGEs.
3. Review the contracting manual to determine whether the language restricting access to IGE information solely to AOC personnel who require knowledge of the estimate is appropriate. If the AOC determines the language is appropriate as written, it should enforce this requirement. If the AOC determines that it is appropriate to use non-AOC personnel in the IGE process, it should update its contracting manual to reflect that decision and implement appropriate safeguards to ensure the process remains both independent and confidential.



Results in Brief

Evaluation of the Architect of the Capitol's Contracting Officer and Contracting Officer's Representative Oversight

4. Analyze Cost Estimating Group's (CEG's) capacity to assist in the IGE process and determine whether CEG has the necessary placement within OCE and resources to assist with the IGE process.
5. Document its policies and procedures for selecting individuals to serve as CORs in line with the contracting manual and the CO's discretion. At a minimum, these policies and procedures should identify the criteria that Jurisdictions must consider when determining who to select for the COR position.
6. Identify or develop COR training courses more closely related to the AOC's acquisitions policies and procedures.
7. Develop and implement a master COR file to track the status of CORs' training and certifications across the Agency.
8. Require an appropriations law training course for all CORs.
9. Update the requirements prescribed in the contracting manual for serving as a CO and/or include a reference to AOC Order 30-1, Funds Control Administration.
10. Implement compliance monitoring and enforcement standards for the current policies and procedures requiring CORs to document their roles and responsibilities.
11. Develop and implement guidance that directs the format and manner that CORs maintain documentation. This guidance should require that COR files be maintained in a readily accessible and uniform manner.
12. Develop and implement guidance that requires COs to document the procedures they undertook to complete their audit of COR files, explain how any deficiencies were resolved, and report the results to their management.
13. Design and Construction Acquisition (DCA) Division and Supplies, Services, and Material Management Division (SSMMD) require COs to complete the number of COR file audits specified in their performance plan.

Management Comments

The AOC provided comments on May 28, 2024, see Appendix E. In its management Comments, the AOC concurred with all thirteen recommendations.

Please see the Recommendations Table on the following page.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Require Comment
Architect of the Capitol	None	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13	None

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



INSPECTOR GENERAL

DATE: June 12, 2024

TO: Joseph R. DiPietro, P.E.
Acting Architect of the Capitol

FROM: Christopher P. Failla, CIG, CFE 
Inspector General

SUBJECT: Evaluation of the Architect of the Capitol's Contracting
Officer and Contracting Officer's Representative Oversight
(Report No. 2023-0002-IE-P)

The AOC Office of Inspector General (OIG) is transmitting Sikich's¹ final report for its evaluation of the AOC's Contracting Officers (COs) and Contracting Officer's Representatives (CORs) oversight (2023-0002-IE-P). Under contract AOCSSB22A0007 monitored by my officer, Sikich, an independent public accounting firm, performed the evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) Quality Standards for Inspection and Evaluation (Blue Book), December 2020.

Our report concluded that the AOC should enhance its policies and procedures related to CO and COR oversight. Furthermore, we determined that the organizational reporting structure of the AOC's acquisition function impacts the independence of COs and directly inhibits CO oversight. This report contains seven findings and thirteen recommendations to improve the oversight provided by COs and CORs.

In response to our official draft report (Appendix E), you concurred with our findings and recommendations. We feel the proposed corrective actions address our recommendations. However, the status of the recommendation will remain open until final corrective action is taken. We will contact you within 90 days to follow up on the progress of your proposed management decision.

We appreciate the assistance you and your staff provided throughout the evaluation. Please direct questions to Senior Evaluator Joshua Rowell, at 410.443.5015 or Joshua.Rowell@aoc.gov.

Distribution List:

¹ Effective December 14, 2023, we amended our legal name from "Cotton & Company Assurance and Advisory, LLC" to "Sikich CPA LLC" (herein referred to as "Sikich").

Patrick Briggs, Chief of Staff
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Chere Rexroat, Chief Engineer
Jerrod Whittington, Chief, Design and Construction Acquisition Division
Stephen Titus, Project Executive
Telora Dean, Chief Administrative Officer
Harold Honegger, Chief, Supplies, Services, and Material Management Division
Angela Freeman, General Counsel
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Stephanie Jones, Supervisory Engineer, Senate Office Buildings
Joseph Campbell, Facilities Manager, Supreme Court Buildings and Grounds

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INTRODUCTION

Objective

This report presents the results of Sikich’s evaluation of the Architect of the Capitol’s (AOC’s) Contracting Officers (COs) and Contracting Officer’s Representatives (CORs) oversight. The objective of this evaluation was to determine if the COs and CORs perform their duties in accordance with AOC policies, procedures, and contract requirements, while also assessing the limitations that might hinder opportunities for efficiency in CO and COR processes. To accomplish the objective of this evaluation, we selected a judgmental sample of eight contracts, including the Construction Manager as Constructor (CMc), Architect/Engineering (A/E) Services, and Construction Manager as Agent (CMA) contracts for the Cannon House Office Building Renewal (CHOBr) Project. We reviewed the sampled contracts to determine whether the COs and CORs were compliant with the obligations specified in their contract. Additionally, we reviewed the AOC’s policies and procedures related to contract oversight and administration.² We verified whether the COs and CORs completed their required trainings and certifications prior to being assigned to the sampled contract. We also reviewed documentation maintained by COs and CORs to determine whether they fulfilled their contract oversight and administration obligations. Finally, we developed and distributed a questionnaire to all COs and CORs to gain a better understanding of issues encountered in their roles.

We conducted this evaluation in Washington, D.C., from July 2023 through February 2024, in accordance with the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE’s) *Quality Standards for Inspection and Evaluation* (Blue Book), December 2020. Those standards require that we sufficiently and appropriately support evaluation findings and provide a reasonable basis for our conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our evaluation objective.

Refer to [Appendix A](#) for a discussion of our scope and methodology and review of internal controls.

² This report also contains references to the Federal Acquisition Regulation (FAR), we understand that the AOC is not required to follow provisions prescribed under FAR, however, certain provisions cover topics that may not be fully covered by AOC’s policies and/or regulations.

Background

The AOC's contracting manual prescribes uniform policies for the acquisition of supplies, services, construction, and related services and provides guidance to personnel applying those policies and procedures. COs are individuals authorized by the Head Contracting Authority (HCA) to enter into and administer contracts within the limits prescribed in the CO delegation of authority (warrant) on behalf of the AOC. When selecting individuals to serve as COs, the contracting manual requires that consideration be given to the individual's experience, training, education, business acumen, judgment, character, reputation, and ethics. Additionally, the individual should hold a Federal Acquisition Certification (FAC).³

The contracting manual gives COs the ability to appoint an AOC employee as a COR on a designated contract. The contracting manual requires the CO to determine whether the individual selected to serve as the COR has the required experience, training, and qualifications. Once a CO ensures that the individual is qualified to serve as the COR, the CO issues a COR appointment letter, which outlines the COR's responsibilities for the contract, such as reviewing and approving invoices and maintaining detailed documentation for contractor performance. The COR acts as the CO's eyes and ears on the project and is responsible for monitoring contractor performance. CORs are to be an extension of the acquisition team, working with both the program office and contractors to ensure that contractors meet their contractual obligations.

In Fiscal Year (FY) 2021, as part of its effort to develop a governance structure that would increase accountability, clarify roles and responsibilities, and better support jurisdictions and stakeholders, the AOC realigned its organizational structure. The reorganization split the Acquisition & Material Management Division (AMMD) into two divisions placed under two separate offices. Specifically, the reorganization resulted in the division of procurement responsibilities among the Design and Construction Acquisition (DCA) Division and the Supplies, Services, and Material Management Division (SSMMD). The DCA operates under the Office of Chief Engineer (OCE) and is responsible for stand-alone projects for architect-engineering, construction, and construction support services in excess of \$250,000. In addition, the DCA may award task orders of any value on Indefinite Delivery Contracts managed within the Division. The SSMMD operates under the Office of the Chief Administrative Officer (OCAO) and is responsible for the government purchase card (GPC) program, small business program, simplified acquisitions, supplies and

³ The FAC Program is for contracting professionals in the federal government who perform contract and procurement activities and functions.

services (excluding architect-engineering and construction management support services). See Appendix C for Organization Chart.

The AOC's procurement and contract administration functions are split amongst two entities; however, all COs receive appointments for their position and operate on behalf of the HCA, which is responsible for the acquisition policy for the entirety of the AOC. The HCA also holds the AOC's only unlimited warrant, which provides the authority to enter into and administer contracts of any amount on behalf of the AOC. The Chief of DCA currently holds the HCA position and reports to the Deputy Chief Engineer. The Acquisition Policy Branch (APB) reports to the HCA, responsible for awarding contracts, and assists in providing oversight of the annual self-inspection program, acquisition career management guidelines, updates to the contracting manual, implementation of standard operating procedures, and other acquisition policy initiatives.

Internal Controls

We evaluated the AOC's internal controls related to the oversight of COs and CORs and determined that the AOC could enhance these controls to improve the oversight provided by COs and CORs. Specifically, we found that:

1. The AOC's organizational reporting structure for acquisition limits COs authority and independence.
2. Independent government estimates (IGEs) are accessible to non-AOC personnel providing construction management services.
3. The AOC lacks formal policies and procedures for COR selection/nomination.
4. The AOC's tracking of COR certifications and training and the COR certification process needs improvement.
5. Appropriations law training is not required for CORs.
6. Some CORs do not consistently or adequately maintain oversight documentation.
7. The AOC lacks detailed guidance for COR file audits.

Criteria

In order to determine whether the COs and CORs perform their duties in accordance with AOC policies, procedures, and contract requirements, we relied upon the following sources (see Appendix B for Criteria excerpts):

- AOC Order 34-1, Contracting Manual, effective July 14, 2022.
- COR Appointment Letter.
- Government Accountability Office (GAO) Framework for Assessing the Acquisition Function at Federal Agencies – GAO-05-218G.

EVALUATION RESULTS

We found that the oversight provided by COs and CORs can be enhanced by improving the policies and procedures related to oversight and providing COs and CORs with the necessary resources to successfully fulfill their responsibilities. Furthermore, we determined that the organizational reporting structure of the AOC’s acquisition function impacts the independence of COs and directly inhibits CO oversight. If the acquisition function is not properly aligned within an agency, the function will not have the independence, support, and visibility needed to ensure that it can carry out its responsibilities. Specifically, we concluded that:

- (1) The AOC’s organizational reporting structure for acquisition limits COs’ authority and independence.
- (2) IGEs are accessible to non-AOC personnel providing construction management services.
- (3) The AOC lacks formal policies and procedures for COR selection/nomination.
- (4) The AOC’s tracking of COR certifications and training and the COR certification process needs improvement.
- (5) Appropriations law training is not required for CORs.
- (6) Some CORs do not consistently or adequately maintain oversight documentation.
- (7) The AOC lacks detailed guidance for COR file audits.

The AOC provided a listing of 848 contracts active as of August 2023 with 186 from DCA and 662 from SSMMD. To determine whether the COs and CORs performed their duties in accordance with AOC policies, procedures, and contract requirements and to assess the limitations that might hinder opportunities for efficiency in CO and COR processes, we sampled the following eight contracts for review:

Division	Contract Name	Contract Title
DCA	AOC13C2002	CMc for the CHOBr Project
DCA	AOC10C00090-T003	A/E Services for the CHOBr Project
DCA	AOC13C1000	CMa for the CHOBr Project
SSMMD	AOC19C4028	Capitol Police Building and Grounds (CPBG) and Alternate Computer Facility

Division	Contract Name	Contract Title
		(ACF), Consolidated Facility Management (CFM)
DCA	AOC16C2007	Construction Services for Exterior Envelope Repair & Restoration (RSOC) Russell Senate Office Building
DCA	AOCACB23C0003	Design Build Services for 15 historically significant interior doors, 4 historically significant external doors 3 non-historically significant interior doors.
SSMMD	AOC08C0069	Food Service Contract
DCA	AOCACB21D0002-F001	Interior Courtyard and Fountain Restoration, Supreme Court

We reviewed the sampled contracts and the AOC’s policies and procedures related to both contract oversight and the administration responsibilities of COs and CORs. We interviewed the COs and CORs for the sampled contracts to get a better understanding of the actions undertaken and hinderances encountered in their positions as COs and CORs. We reviewed documentation maintained by COs and CORs and determined whether the COs and CORs fulfilled their contract oversight and administration obligations. Based on our evaluation, we determined that the AOC should enhance its policies and procedures related to CO and COR oversight.

As such, we made 13 recommendations to improve the AOC’s policies and procedures related to CO and COR oversight.

Finding 1

The AOC's Organizational Reporting Structure for Acquisition Limits COs Authority and Independence

As a result of the AOC's current organizational reporting structure, COs lack the authority and independence needed to carry out their duties. We determined that Jurisdiction personnel have overruled COs and continually revised scopes of work, contrary to the CO's recommendations. We identified several situations in which COs stated that they were unable to perform their duties.

Security-Related Project

One of our sample contracts was for a security-related project. We determined that the DCA was unable to fully perform their contracting duties for this project. We found that the Jurisdiction withheld several documents that were required for the CO to carry out their duties, citing security concerns. For example, DCA leadership requested market research—a process used for identifying vendors—for the vendor selected; however, after several requests, the Jurisdiction did not provide the information. This information is not classified, and the assigned CO was covered under a Non-Disclosure Agreement (NDA), thus it was unclear why the information was withheld.

DCA ultimately awarded the vendor a Letter Contract⁴ or "Undefinitized Contract Action," on the day requested by the Jurisdiction. AOC contracting personnel informed us that the Jurisdiction placed pressure on them to execute the project without receiving required project documents. We interviewed the CO and COR for this project and learned that the AOC contracted the awarded vendor as the general contractor for the project despite the vendor having no prior experience as a general contractor, which led to subsequent issues. Without CO involvement, the AOC further risks inaccuracies with contract type, inappropriate spending levels, appropriations law violations, and waste.

Furthermore, we found the Jurisdiction personnel would overrule CO decisions and continually revise the scope of the project, even when advised that such revisions were not in the best interest of the AOC. The Jurisdiction ultimately replaced the DCA CO assigned to the project with a newly hired CO who worked within the

⁴ A legal, preliminary, negotiated contract that authorizes the contractor to start work pending negotiation of a definitized contract, which may be any type, or combination of types. This contract vehicle is usually reserved for emergencies only, when an immediate binding agreement is required so that performance can start (Department of Energy, General Guide to Contract Types for Requirements Officials). Additionally, FAR 16.603 states "A Letter Contract is a written preliminary contractual instrument that authorizes the contractor to begin immediately manufacturing supplies or performing services."

Jurisdiction. This CO did not report to the head of acquisition, but to the COR assigned to the same project. This results in a clear conflict of interest, as the COR had undue influence over the CO, whose authority is delegated to the COR. Additionally, this structure removes the segregation of duties inherent in having the acquisition function separate from the program function.

Year-end Procurement

A CO received a procurement and override request for a year-end award amounting to \$4.6 million. The request was submitted by the Jurisdiction on September 27, 2023, noting the procurement deadline for such action was July 28, 2023. The CO had a concern that there was not a bona fide need for the procurement; however, despite the CO's concern, the Jurisdiction's override request received approval, and the contract modification was awarded.

Acquisition Survey

We sent surveys to all the COs and CORs across the AOC. We identified responses to two of the multiple-choice questions from this survey that could support a lack of authority related to acquisition personnel.

- *Have your decisions on a project ever been overruled by your supervisor or other project personnel?*

A total of 55 COs and CORs (30.56 percent)⁵ responded that they had been on a project where their decisions were overruled by their supervisor or project personnel.

- *Have you ever been on a project where project personnel hindered your ability to carry out your duties on a project?*

A total of 55 COs and CORs (30.39 percent)⁶ responded that they had worked on a project where project personnel hindered their ability to carry out their duties.

These survey responses do not distinguish whether the responder was a CO or a COR. It should be noted that if a CO was overruled by a supervisor in the DCA Division or SSMMD, the decision to overrule may have been appropriate, as that individual would be an authority on the acquisition process; however, a COR being overruled by a supervisor within their Jurisdiction or project personnel as it related to their COR duties would be a risk to the CORs authority and independence. Similarly, project personnel hindering either a CO or COR from performing their duties related to a contract would be an issue. Additionally, the acquisition leadership stated in interviews with our team that the new alignment that separated the DCA Division and SSMMD was not working.

⁵ We received 180 responses to this question.

⁶ We received 181 responses to this question.

Office of Inspector General’s 2023 Organizational Risk Assessment

The Office of Inspector General’s (OIG’s) 2023 Organizational Risk Assessment noted that key leadership found the “split of contracting offices under the AOC reorganization had resulted in increased operational and communication challenges, further compounded by a lack of clarity in the current AOC policies and procedures.”

GAO’s *Framework for Assessing the Acquisition Function at Federal Agencies* identifies organizational alignment and leadership as a cornerstone to promote an efficient, effective, and accountable acquisition function. Organizational alignment is the appropriate placement of the acquisition function in an agency. The framework notes that there is no single, optimal way to organize an agency’s acquisition function but does provide guidance on how to assess an agency’s structure to determine whether it meets its organizational goals.

The organizational reporting structure of the AOC—specifically, where the procurement officials align in that structure—can reduce a CO’s independence, which impacts the CO’s ability to carry out their duties.⁷ Specifically, the head of AOC’s Acquisitions and Acquisition Policy reports to functional chiefs, who are also customers. The GAO framework cautions that disconnects between the acquisition division’s placement within an agency’s hierarchy and acquisition’s role in achieving the agency’s missions or operations can be detrimental to the acquisition process.

Additionally, many of the findings in this report can be linked to this organizational structure:

- Finding No. 3 notes that Jurisdictions are responsible for identifying and nominating CORs on projects. Although the CO officially appoints the COR, there is no documented process that gives the CO insight into a Jurisdiction’s selection process. As a result, although the COR is officially the CO’s representative, they are effectively put in place by the Jurisdiction and therefore can be influenced by Jurisdiction personnel on the project team, thereby limiting the CO’s ability to properly manage the contract.
- Finding No. 4 notes the acquisition team’s need to determine what training should be required of Jurisdiction personnel serving as CORs.

⁷ Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions. FAR 3.101-1 General.

- Finding No. 6 details the documentation CORs are required to maintain on each engagement.
- Finding No. 7 highlights the requirement—and need—for COs to audit the COR’s documentation.

The findings noted above are examples of members of the acquisition team interacting with supervisory Jurisdiction personnel, which may cause undue influence as the acquisition team performs their duties. Without the proper level of authority and independence, the acquisition team’s ability to provide the proper level of oversight in these roles is diminished.

Conclusion

The GAO framework states that the end goal of organizational alignment is to ensure that the acquisition function enables the Agency to meet its overall mission and needs. The acquisition function requires proper management support and visibility within the organization to meet that goal.

COs within the acquisition function are responsible for ensuring performance of all necessary actions for effective contracting, thus ensuring compliance with the terms of the contract, and safeguarding the interests of both the Agency and the United States. To perform this vital task, the acquisition function must have sufficient independence to perform its duties.

At the AOC, Jurisdictions identify needs that necessitate the use of contractors. They then engage with the acquisition function to procure a contract. In other words, the Jurisdiction is the acquisition function’s customer; however, under the current structure, the DCA reports to the Deputy Chief Engineer of OCE, who is the DCA’s customer, and SSMMMD reports to the Chief Administrative Officer of OCAO, who is the SSMMMD’s customer (See Appendix C for [Organization Chart](#)). When disputes inevitably arise between the Jurisdiction project team, whose primary focus is on the completion of the work, and the acquisition team, who is focused on ensuring compliance with the contract, the Jurisdiction head holds significant authority and can rule against the acquisition team’s decisions. This increases the risk of improper payments and weakens contract oversight.

If the acquisition function is not properly aligned within an Agency, the function will not have the independence, support, and visibility needed to ensure that it can carry out its responsibilities.

Recommendation

Recommendation 1

We recommend that the Architect of the Capitol (AOC) review the Government Accountability Office's Framework for Assessing the Acquisition Function at Federal Agencies and make necessary adjustments to AOC's current hierarchical reporting structure to provide sufficient independence and support for Contracting Officers.

Recommendation 1 – AOC Comment

We concur. The AOC will develop a team of key stakeholders, led by the AOC Chief of Staff, that will collectively assess the GAO Framework and make recommendations to agency leadership for decision and implementation. As this is a potentially significant organizational structure change, the decision and implementation may await approval of the next Architect.

Anticipated Completion: May 2025

Recommendation 1 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 2

Independent Government Estimates (IGEs) Are Accessible to Non-AOC Personnel

An IGE is an estimate of the expected cost of a contract or task order.

According to Planning and Project Management (PPM) Memorandum 20-4, *PPM Construction Change Order Process*,⁸ IGEs should be developed prior to soliciting contractor proposals or making contract awards. Once prepared, the CO uses the IGE to assist with evaluating the reasonableness and completeness of proposals submitted by third-party contractors.

The AOC regularly relies on IGEs in its procurement process. For example, the AOC contracting manual requires that an IGE be completed for all construction-related contracts, as well as any modification on a construction contract that exceeds \$25,000.

We determined that the AOC routinely outsources the preparation of IGEs to non-AOC personnel (e.g., Construction Manager Services, CMA), especially for large construction contracts.

The AOC's contracting manual requires that information related to IGEs be limited to AOC personnel. Specifically, contracting manual Section 8.4.2, *Procedures, (b) Independent Government Estimate*, states that "access to information concerning the IGE will be limited to AOC personnel whose official duties require the knowledge of the estimate."

An IGE is an important part of the acquisition process and serves as a key indicator of what the scope of work to be procured should cost; therefore, the accuracy of the IGEs is critical. IGE accuracy requires that the individual or individuals involved in creating the IGE have the necessary subject matter expertise to accurately estimate the cost and be truly independent of the contractor or contractors that will be bidding on the work. It also highlights the importance of keeping the IGE data confidential. Should a third-party contractor bidding on work gain access to an IGE, they can increase their bids, which can result in the government paying more for services than they otherwise would have. Maintaining the secrecy of this information is why the AOC contracting manual restricts access to IGE information only to AOC personnel whose official duties require knowledge of the estimate.

Five of the eight sampled contracts included a total of 14 contract modifications that required the preparation of an IGE. We interviewed the CORs for each contract and reviewed the documentation they maintained in support of these contract

⁸ See FAR 36.203 Government estimate of construction costs and FAR 15.404-1 Proposal analysis techniques.

modifications. We determined that eight of the 14 IGEs (or 57 percent) were prepared by non-AOC personnel:

- Five IGEs prepared by a CMA (i.e., non-AOC personnel).
- Three IGEs prepared by a Construction Management Contractor (i.e., non-AOC personnel).
- Five IGEs prepared by CORs.
- One IGE prepared by the AOC's Cost Estimating Group (CEG).

The AOC and/or CORs rely on contractors to perform IGEs for two reasons:

- (1) Cost estimation on certain types of contracts—specifically large construction projects—requires significant expertise related to the construction industry. The AOC CEG has this skill set, and so CORs use the group to develop IGEs; however, CEG does not always have the capacity to perform these services in a timely manner.
- (2) CORs do not always have access to the required information to complete IGEs. For example, RSMeans⁹ is a database used for cost estimating; however, access to RSMeans is controlled by only a few Jurisdictions and with a limited number of licenses. CORs in some Jurisdictions have access to RSMeans, while others do not. This lack of access limits some CORs from creating their own IGEs.

The AOC noted that it is a standard practice across the federal government to use contractors to assist in the preparation of the IGEs, and that in many cases, the AOC does not have the in-house expertise to prepare the IGEs. In these instances, AOC personnel are still responsible for the final review and approval of all IGEs.

Conclusion

Providing access to IGE information to non-AOC personnel increases the risk that the IGE information could be obtained by third-party contractors prior to submitting a proposal. This can result in increased costs to the AOC. For example, in a competitive bidding situation, it could result in one contractor having an unfair advantage. Additionally, using non-AOC personnel to create the IGEs increases the risk that the individuals involved in preparing the IGE are not independent of the third-party contractors bidding on the work. This can also result in increased costs to the AOC.

⁹ <https://www.rsmeans.com/>

Finally, CORs not having access to information needed to complete IGEs (e.g., RSMMeans) can result in the following issues for the AOC:

- Inaccurate IGEs.
- The need to involve non-AOC personnel in the IGE process.
- The need to use the AOC CEG in the IGE process.

Each of these issues could result in increased costs to the AOC or place additional workload on the AOC's CEG.

Recommendations

Recommendation 2

We recommend that the Architect of the Capitol (AOC) provide Contracting Officer's Representatives in each Jurisdiction access to the data, tools, and training necessary to prepare Independent Government Estimates.

Recommendation 2 – AOC Comment

We concur. The AOC will assess the level of access to data, tools, and training that CORs currently have to prepare IGEs and identify any gaps. At the conclusion of the assessment, a corrective action plan will be developed and implemented.

Anticipated Completion: May 2025

Recommendation 2 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 3

We recommend that the Architect of the Capitol (AOC) review the contracting manual to determine whether the language restricting access to Independent Government Estimate (IGE) information solely to AOC personnel who require knowledge of the estimate is appropriate. If the AOC determines the language is appropriate as written, it should enforce this requirement. If the AOC determines that it is appropriate to use non-AOC personnel in the IGE process, it should update its contracting manual to reflect that decision and implement appropriate safeguards to ensure the process remains both independent and confidential.

Recommendation 3 – AOC Comment

We concur. The AOC will review the Contracting Manual rules restricting access to IGEs. If appropriate, the manual will be updated to include access and rules for non-AOC personnel.

Anticipated Completion: May 2025

Recommendation 3 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 4

We recommend that the Architect of the Capitol analyze Cost Estimating Group's (CEG) capacity to assist in the Independent Government Estimate (IGE) process and determine whether CEG has the necessary placement within the Office of the Chief Engineer and resources to assist with the IGE process.

Recommendation 4 – AOC Comment

We concur. The Office of the Chief Engineer is in the process of reviewing CEG's ability to support the CORs development of IGEs.

Anticipated Completion: December 2024

Recommendation 4 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 3

The AOC Lacks Formal Policies and Procedures for COR Selection/Nomination

The AOC does not have any formal policies or procedures for COR selection/nomination. According to the AOC's contracting manual, a CO may appoint an AOC employee as a COR on a designated contract. Additionally, the contracting manual requires the CO to determine whether the individual selected to serve as the COR has the required experience, training, and qualifications necessary to perform their duties. Once a CO ensures that the individual is qualified to serve as the COR, the CO issues a COR appointment letter, which outlines the COR's responsibilities for the contract.

For each of the sampled contracts, we confirmed that the CO issued a COR appointment letter and ensured that the nominated COR had the required training and certifications prior to issuing the appointment letter; however, based on our interviews with personnel from the DCA Division and the SSMMD, we determined the COs did not have insight into the COR selection and/or nomination process. Instead, the program office/jurisdiction procuring the contract selects or nominates the CORs and notifies the COs to whom to issue the delegation letter. This means that the determination of whether an individual has the required qualifications and experience is performed by personnel at the jurisdiction level, not the COs.

We requested that the program offices/jurisdictions explain their COR nomination process; however, we learned that the program offices/jurisdictions do not have a defined process for evaluating an individual's qualifications or experience. Instead, the selection process is dependent on availability and workload. Once an individual receives a nomination from the program office/jurisdiction, prior to appointing the individual as the COR through an appointment letter, COs only validate whether the individual has completed the required training and holds the certification required to be a COR.

The AOC has not developed any requirements or guidance that program offices/jurisdictions must follow or that requires a formalized COR nomination process.

Conclusion

The lack of formal policies or procedures for COR selection/nomination could result in an inconsistent approach to selecting CORs across the agency. This lack of consistency can result in underqualified individuals receiving nominations and appointments to the COR position. For example, an individual may be certified as a COR but be new to the Jurisdiction or Agency or limited contracting experience. This could impact the COR's ability to be an effective representative of the CO. These items should be considered in the COR selection process.

Additionally, without any documented procedures for nominating a COR, the COs have little insight into the selection process for the individual they appoint to the COR position. Beyond confirming that the individual has the required training and certifications, the COs may not fully understand the COR's experience or their ability to properly execute their duties and responsibilities.

Recommendation

Recommendation 5

We recommend that the Architect of the Capitol (AOC) document its policies and procedures for selecting individuals to serve as Contracting Officer's Representatives (CORs) in line with the contracting manual and the Contracting Officer's discretion. At a minimum, these policies and procedures should identify the criteria that Jurisdictions must consider when determining who to select for the COR position.

Recommendation 5 – AOC Comment

We concur. The AOC will review current policies and procedures for selecting individuals to serve as CORs in line with the Contracting Manual and the Contracting Officer's discretion. At the conclusion of the review, the AOC will make any necessary updates to the Contracting Manual with agencywide criteria.

Anticipated Completion: May 2025

Recommendation 5 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 4

The AOC's Tracking of COR Certifications and Training and the COR Certification Process Needs Improvement

The AOC currently lacks the ability to accurately track COR certifications and training status across the Agency. Additionally, the current COR certification process could be improved to better prepare CORs for their daily roles and responsibilities at the AOC and/or legislative agencies. Training and certifications obtained by the AOC's CORs provide a general overview of the roles and responsibilities expected of CORs in the federal environment; however, they are not specific to the AOC or legislative agencies.

The AOC's contracting manual prescribes the training and certification requirements for CORs. Currently, to be eligible to be a COR, employees must complete an initial 40-hour training course and an 8-hour refresher course every five years;¹⁰ however, the AOC's training and certification requirements for CORs do not align with the requirements issued by the Federal Acquisition Institute (FAI) or the Defense Acquisition University (DAU). These entities were established to centralize the management of certification and training for military, federal civilian and contractor acquisition personnel. As a legislative agency, the AOC is not required to follow rules and regulations for civilian federal agencies or Department of Defense agencies; however, the AOC's CORs can obtain their training and certification through the FAI, DAU, or Management Concepts Inc. Additionally, the contracting manual requires that a copy of the COR's training certificate must be maintained in the contracting office's master COR file.

The AOC has not compiled the data necessary to maintain a master COR file, which would provide insight into the status of CORs' training and certifications across the Agency. During the interviews we conducted for our evaluation, we learned that the APB within the OCE is currently working on gathering data for CORs at the Agency, which it plans to use to track the status of CORs' trainings and certifications. The AOC stated that this new policy is currently being ratified through the formal AOC policy review process.

As noted earlier, the AOC adjusted the amount of training and certification hours required for its CORs in its contracting manual; however, the contracting manual was not adjusted to require CORs to complete training courses more applicable to the AOC or legislative agencies.

¹⁰ This requirement is based on the Contracting Manual effective as of July 14, 2022. On August 18, 2022, the HCA issued Directive 22-01, which allows acceptance of an equivalent 32-hour initial COR training course.

Conclusion

The AOC's CORs spend significant effort on training courses that are not directly applicable to their responsibilities as a COR at a legislative agency. CORs may also not be familiar with courses available that might be more applicable to performing their jobs as COR at the AOC. The AOC should consider identifying, building and requiring relevant courses.

Additionally, not maintaining a master list tracking CORs' training and certifications across the Agency could impact the AOC's ability to use its resources effectively, as well as its ability to ensure the Agency has sufficiently trained resources available to properly manage AOC contracts.

Recommendations

Recommendation 6

We recommend that the Architect of the Capitol (AOC) identify or develop Contracting Officer's Representative training courses more closely related to the AOC's acquisitions policies and procedures.

Recommendation 6 – AOC Comment

We concur. The AOC has already initiated an update to COR training requirements and intends to issue new guidance in Fiscal Year 2024.

Anticipated Completion: September 2024

Recommendation 6 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 7

We recommend that the Architect of the Capitol (AOC) develop and implement a master Contracting Officer's Representative (COR) file to track the status of CORs' training and certifications across the Agency.

Recommendation 7 – AOC Comment

We concur. The AOC will include guidance in the update to its COR training requirements (discussed in our response to Recommendation 6).

Anticipated Completion: January 2025

Recommendation 7 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 5

Appropriations Law Training Is Not Required for CORs

Appropriations law¹¹ training is not part of the required training to be eligible to serve as a CO or COR, despite being directly relevant to their duties and responsibilities.

The contracting manual specifies the requirements to be eligible to serve as a CO or COR. The trainings required to serve as a CO or COR do not include a course on appropriations law; however, the AOC does offer a course that covers this topic internally through AOC Learn: “Appropriations Law Refresher.” According to the course description, it is required training for all individuals at the AOC who are responsible for funds administration and allocation. COs and CORs are directly responsible for the administration and allocation of funds; however, the contracting manual currently does not list this course as a requirement for either position.

Additionally, although appropriations law is not a requirement for either position under the contracting manual, we learned that COs complete the course to comply with AOC Order 30-1, *Funds Control Administration*. AOC Order 30-1 requires fund managers to attend the course prior to receipt of funding allocation and if the fund managers are unable to fulfill this requirement prior to receiving the allocation, they must complete it within 120 days of receipt. However, the only reference to appropriations law training in the contracting manual relates to training requirements for purchase card holders. The training requirements prescribed in the contracting manual for COs and CORs do not align with the internal training offered and required by the AOC under a different policy order.

We interviewed the COs and CORs assigned to each of the eight contracts included in our sample. Two CORs stated that they took an appropriations law course, despite it not being required as part of their COR training. They also stated that of all the courses they had taken, this was the most applicable to their roles and responsibilities as a COR. They felt that it would have been beneficial if they had been required to take this training to become a COR.

We also sent surveys to all the COs and CORs across the AOC. In addition to the multiple-choice questions on the survey, respondents had the opportunity to provide written responses to address anything that they felt was not adequately covered in our survey questions. Of the 30 written responses we received addressing additional areas

¹¹ Principles of Appropriations Law (PAL) course acquaints participants with the purposes and principles of federal fiscal law which is essential to understanding how funds are allocated and handled in the federal government. See <https://www.gao.gov/legal/appropriations-law/appropriations-law-training>.

of concern, seven addressed the topic of the required CO and COR training courses not aligning with the roles and responsibilities of their positions.

Conclusion

It is vital that everyone serving as a CO or COR for AOC has been properly trained to execute the responsibilities of that position. This can be achieved by requiring individuals serving in these capacities to obtain specific certifications, as well as mandating that they complete required training courses which encompass the complete knowledge base needed to effectively safeguard the resources of the federal government.

There is an increased risk to the AOC of violating appropriations law if the individuals serving in these roles do not take the appropriate training. While COs are required to take appropriations law under a different AOC order, CORs are not. The roles and responsibilities of CORs include the responsibility for funds administration and allocation; however, the AOC's CORs do not currently require applicable training.

Recommendations

Recommendation 8

We recommend that the Architect of the Capitol (AOC) require an appropriations law training course for all Contracting Officer's Representatives.

Recommendation 8 – AOC Comment

We concur. The AOC will coordinate with the Office of the Chief Financial Officer, the Office of the General Counsel and AOC University for implementation of this recommendation.

Anticipated Completion: December 2024

Recommendation 8 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 9

We recommend that the Architect of the Capitol (AOC) update the requirements prescribed in the contracting manual for serving as a Contracting Officer and/or include a reference to AOC Order 30-1.

Recommendation 9 – AOC Comment

We concur. The AOC will review the Contracting Manual and update the requirements for serving as a CO and/or include a reference to AOC Order 30-1.

Anticipated Completion: May 2025

Recommendation 9 – OIG Comment

We recognize the AOC’s concurrence with the recommendation. The AOC’s actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 6

Some CORs Do Not Consistently or Adequately Maintain Oversight Documentation

CORs maintained documentation in an inconsistent manner; in some cases, CORs were unable to provide adequate documentation to demonstrate oversight.

The COR appointment letter lists the COR's responsibilities for a contract, including keeping detailed records of contractor performance. These records should include documenting major cost categories (e.g., direct labor hours, overtime, travel), recording inspection and acceptance/rejection of supplies and/or services, and processing of contractor invoices. CORs must ensure that each invoice accurately reflects work/items/amounts as identified in the contract, confirm invoice submissions are in accordance with all provisions of the applicable payment clause, and verify that each invoice does not constitute payment in advance of actual work performed and accepted. To test whether CORs maintained adequate documentation for contracts sampled for our evaluation, we requested access to COR files; however, the AOC informed us that the format and content of COR files varied by COR, making the provision of access to such files a cumbersome and time-consuming task. Therefore, to achieve our evaluation objectives, we made the determination to focus our requests on documentation related to contract modifications and invoice review/approval.

To determine whether CORs performed their duties in accordance with the AOC's policies, procedures, and contractual requirements, we requested the AOC provide documentation maintained by the CORs that demonstrated the required review and approval of invoices for each of the sampled contracts. The AOC noted that the documentation maintained as evidence of this review varied by project and by COR.

CORs for four of the eight sampled contracts provided a copy of the approved invoices and documentation they used to review these invoices. Based on the documentation provided, we validated that the CORs reviewed contractor invoices before approving them. Additionally, CORs for two of the sampled contracts provided copies of the approved invoices; however, they informed us that they conduct their invoice reviews informally and do not maintain documentation of their review. Finally, we did not receive any documentation for two of the sampled contracts. Due to the lack of documentation, we were unable to validate whether the CORs conducted a formal or informal review of contractor invoices for four of the eight contracts (50 percent) prior to approving them.

Although the COR appointment letter directs CORs to maintain specific documentation, the AOC neither directs nor provides guidance to CORs regarding how such files should be maintained.

Policies and procedures provided to CORs note the need to document various aspects related to contractor performance; however, these policies and procedures do not provide guidance regarding actions to be documented or the need for maintaining documentation in a readily accessible and uniform manner.

Conclusion

The lack of guidance regarding the actions that need to be documented can result in CORs not documenting actions they perform, understanding what actions require documentation, or simply not performing actions since they are not documented.

Additionally, maintaining documentation in a manner that is not readily accessible prohibits a third party from independently evaluating whether a COR performs the duties outlined in their appointment letter.

Finally, failing to properly document the invoice review process increases the risk that the invoices do not receive proper reviews, if at all. A lack of proper documentation can also put the AOC at risk in the event of contract disputes with a contractor or at risk of improper payment. Failure to review invoices can result in increased costs as well as improper payments for items not delivered or those that are defective.

Recommendations

Recommendation 10

We recommend that the Architect of the Capitol (AOC) implement compliance monitoring and enforcement standards for the current policies and procedures requiring Contracting Officer's Representatives to document their roles and responsibilities.

Recommendation 10 – AOC Comment

We concur. The AOC will review the Contracting Manual and develop guidelines for compliance monitoring and enforcement standards for current policies and procedures related to COR roles and responsibilities.

Anticipated Completion: May 2025

Recommendation 10 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 11

We recommend that the Architect of the Capitol (AOC) develop and implement guidance that directs the format and manner that Contracting Officer's Representatives (CORs) maintain documentation. This guidance should require that COR files be maintained in a readily accessible and uniform manner.

Recommendation 11 – AOC Comment

We concur. The AOC will review the Contracting Manual and develop guidelines for the consistent format, maintenance and accessibility of COR files.

Anticipated Completion: May 2025

Recommendation 11 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Finding 7

The AOC Contracting Manual Lacks Detailed Guidance for COR File Audits and CO Accountability

The AOC lacks detailed guidance on how to conduct a COR file audit. The contracting manual requires COs to audit COR files annually; however, the contracting manual does not provide detailed guidance on how the CO should conduct and document the audits.

Specifically, Section 13.1.2, *COR*, (c), of the contracting manual requires COs to conduct an annual audit of COR files to determine whether the COR records and assesses the performance of post-award administration duties. According to the contracting manual, management determines the number of contracts audited annually by a CO. Thus, the number of audits to be performed by COs each year are incorporated by DCA and SSMMD into each CO's performance plan. Since 2019, DCA and SSMMD have maintained the number at two audits per year; however, based on our review of audit documentation, we determined that COs did not always complete the required two audits per year.

Per the contracting manual, COs conduct a COR file audit through the use of a "COR Review Checklist," which contains 24 steps. COs may add additional steps at their discretion. During the audit, when a CO determines the COR completed a step prescribed in the COR Review Checklist, they can mark that step as completed or indicate whether a step is not applicable. We reviewed completed COR Review Checklists and noted that they contained minimal explanations regarding the procedures undertaken to complete certain steps. For example, one of the steps requires the CO to determine whether the COR "monitored delivery of supplies, materials and/or equipment in accordance with terms of the contract." Another checklist step requires the CO to determine whether the COR "monitored performance in accordance with terms of the contract." These steps were checked (to indicate completion); however, there was no explanation or additional steps added to explain how these steps were completed. Further, completed COR Review Checklists did not indicate the documentation upon which COs based their reviews or how any deficiencies were resolved.

The procedures prescribed in the contracting manual and the COR Review Checklist do not provide sufficient guidance regarding how the CO should document, report, and resolve the results of their audit.

Conclusion

Audits of individual COR files can identify deficiencies that could be an indication of a systemic issue. Such issues are harder to uncover due to the way COs currently conduct and document the audits. Additionally, the lack of guidance over how COs should conduct the audit and what documentation COs should include as support can lead to an inconsistent approach in how the COs conduct the audits.

Recommendations

Recommendation 12

We recommend that the Architect of the Capitol (AOC) develop and implement guidance that requires Contracting Officers to document the procedures they undertook to complete their audit of Contracting Officer's Representative files, explain how any deficiencies were resolved, and report the results to their management.

Recommendation 12 – AOC Comment

We concur. The AOC will review the Contracting Manual and develop guidelines for the execution of file audits.

Anticipated Completion: May 2025

Recommendation 12 – OIG Comment

We recognize the AOC's concurrence with the recommendation. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 13

We recommend that the Design and Construction Acquisition Division and Supplies, Services, and Material Management Division require Contracting Officers to complete the number of Contracting Officer's Representative file audits specified in their performance plan.

Recommendation 13 – AOC Comment

We concur. During the annual performance planning process, the AOC will emphasize with CO supervisors that the file audit is a requirement and will ensure supervisors monitor its compliance during each fiscal year.

Anticipated Completion: September 2024

Recommendation 13 – OIG Comment

We recognize the AOC’s concurrence with the recommendation. The AOC’s actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Sikich CPA LLC

June 12, 2024

Appendix A

Scope and Methodology

The scope of this evaluation was the AOC's COs and CORs oversight of contracts active as of August 2023. We conducted this evaluation in Washington, D.C., from July 2023 through February 2024, in accordance with the CIGIE *Quality Standards for Inspection and Evaluation* (Blue Book). Those standards require that we plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our evaluation objectives.

The AOC OIG self-initiated this report. Our objective for this evaluation was to determine if COs and CORs were performing their duties in accordance with AOC policies, procedures, contractual requirements, and applicable federal laws and regulations, while assessing any limitations that might hinder opportunities for efficiency in CO and COR work processes.

We reviewed the AOC's policies and procedures related to CO/COR oversight responsibilities, including the contracting manual, sampled contracts, and the COR appointment letter. We obtained a listing of the AOC's active contracts as of August 2, 2023. The contract listing contained 848 contracts, amounting to a total current contract value of \$1,954,725,477. The contract listing identified the CO, COR, contractor, period of performance, contract number, title, and amount for each contract. Due to the number of issues identified during prior engagements related to the CHOBr Project, and the cost of the CHOBr project in relation to the overall construction budget of AOC, our scope of work required us to select the three main contracts related to the CHOBr Project. We also reviewed the contract listing and judgmentally selected five additional contracts based on the contract value and description of work. We ensured that each judgmentally selected contract represented a mix of construction and services contracts and had a different contractor, CO, and COR. The contracts selected for our evaluation represented approximately one percent of the number of active contracts (eight of 848) and more than 53 percent of the total current contract value (or \$1,047,204,844 out of \$1,954,725,477). We reviewed certification and training information to ensure that the COs and CORs for our sampled contracts were up to date on their training and certifications. We also reviewed documentation maintained by the COs and CORs of our sampled contracts to determine whether they fulfilled their contract oversight and administration obligations.

We also developed a questionnaire to obtain a better understanding of challenges faced by COs and CORs. We distributed this questionnaire to all 269¹² active COs

¹² The contract listing included CORs from the OIG, however, they were not included in our distribution list.

and CORs identified in the AOC's active contract listing using software that collected responses anonymously. We used the responses to develop interview questions for sampled COs and CORs. The interviews helped us gain a better understanding of actions taken by COs and CORs to fulfill their responsibilities, as well as limitations that can hinder their performance. We also interviewed the Chiefs from the DCA Division and SSMMD to gain a better understanding of how each entity functions and the processes they use to assign COs to contracts.

Use of Computer-Processed Data

We did not use a material amount of computer-processed data to perform this audit.

Prior Coverage

Report No. OIG-AUD-2019-03, "Audit of the Architect of the Capitol's Information Technology Division Contracting Services Blanket Purchase Agreement AOC16A3000," dated July 30, 2019.

Overall, the OIG found the Blanket Purchase Agreement (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 IGCE in the BPA file or 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 OIG made eight recommendations to address the identified areas for improvements. The AOC concurred or partially concurred with six of the eight recommendations. All recommendations have been closed.

Appendix B

Detailed Criteria for Report

Source	Criteria	Finding
AOC Order 34-1, Contracting Manual	<p>1.3.1. Procurement Authority.</p> <p>(a) <i>The Chief DCA or Chief SSMMD, as applicable, has been delegated authority to enter into contracts on behalf of the AOC, with authority to appoint and terminate COs as necessary for contract award, execution and administration.</i></p> <p>(b) <i>COs are authorized to enter into and administer contracts within the limits prescribed in their CO delegation of authority (warrant).</i></p>	3
AOC Order 34-1, Contracting Manual	<p>1.3.3. Selection and Termination.</p> <p>(a) <i>Selection. In selecting individuals to serve as COs or in positions that include authority to act as COs, consideration shall be given to experience, training, education, business acumen, judgment, character, reputation and ethics. Contracting personnel certification for Federal Acquisition Certification-Contracting, Levels I, II and III shall be consistent with Federal Acquisition Institute standards as to education level, experience and training. COs' delegation of authority in the form of a CO warrant shall be commensurate with their level of certification.</i></p>	3
AOC Order 34-1, Contracting Manual	<p>Section 7.3.3. Controls.</p> <p>(c) <i>Training. Each cardholder and the AO must complete the required training before being issued a card. The APM may waive training requirements for six months during which documentation indicating the fulfillment of the required training can be provided or the card will be canceled, however, the APM does not have the authority to waive the appropriations law training required by the AOC CFO. Every five years the cardholder/AO is required to take refresher training in appropriations law. Required training is indicated</i></p>	3

Source	Criteria	Finding
	<i>on the form used to apply for a government purchase card.</i>	
AOC Order 34-1, Contracting Manual	<p>Section 8.4.2 Procedures. (b) Independent Government Estimate.</p> <p><i>(1) The requiring activity will prepare an IGE for the construction project. This estimate will be provided to the CO with the fund certification and project requirements. An IGE will also be required for each contract modification anticipated to exceed \$25,000. The CO may require an IGE when the price of the required work is anticipated to be \$25,000 or less. The estimate must contain sufficient detail to allow the CO to make a determination of price reasonableness for award.</i></p> <p><i>(2) Access to information concerning the IGE will be limited to AOC personnel whose official duties require knowledge of the estimate.</i></p>	4
AOC Order 34-1, Contracting Manual	<p>Section 8.4.2 Procedures. (e) Price Negotiation</p> <p><i>(1) The CO will evaluate proposals based on the solicitation criteria and by comparing proposals to the IGE. When a proposed price is significantly lower or higher than the estimate, the CO will ensure that both the offeror and the AOC estimator understand the scope of the work. If negotiation reveals errors in the IGE, the estimate will be corrected and the changes documented in the contract file.</i></p>	4
AOC Order 34-1, Contracting Manual	<p>Section 13.1.2. COR</p> <p><i>(a) CO may appoint an AOC employee as a COR on a designated contract. CORs are responsible for monitoring performance to assure that it is in accordance with the written terms and conditions of the award. The CO will ensure and document that the individual selected is trained and possesses the qualifications and experience necessary to perform the function. A copy of the COR training certificate must be maintained on record in the contracting office master COR file. CORs shall maintain current skills and knowledge required to perform effective contract administration functions and ensure contractors meet their contractual</i></p>	1, 2, 3

Source	Criteria	Finding
	<p><i>obligations. Employees who are selected for appointment as CORs, or who are likely to be selected, must comply with the following training requirements:</i></p> <ol style="list-style-type: none"> <i>1) Before appointment by the CO, a COR shall complete a 40-hour COR training course.</i> <i>2) All CORs shall complete an eight-hour COR refresher course within five years of the anniversary date of completing their initial 40-hour COR training course. Upon completion of a COR refresher course, the COR shall take an additional refresher course within every five years thereafter.</i> <i>3) Any other specific training as required and determined necessary by the jurisdiction/office to meet the needs of the particular contract being administered.</i> <i>4) The Chief DCA or Chief SSMMD, as applicable, is authorized to approve equivalencies or substitutions to the COR training requirements stated above.</i> 	
AOC Order 34-1, Contracting Manual	<p>Section 13.1.2. COR</p> <p><i>(b) A COR 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 COR. The COR 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.</i></p>	1, 6
AOC Order 34-1, Contracting Manual	<p>Section 13.1.2. COR</p> <p><i>(c) COs shall perform COR file audits annually to review COR records and assess performance of post-award administration duties. The number of individual CO contracts audited will be determined by management based on a review of workload and staffing levels.</i></p>	6

Source	Criteria	Finding
	<p>(1) <i>The COR Review Checklist shall be used by all staff to ensure proper COR performance of post-award administration duties. A COR File Checklist is available for staff use and can be found on the AOC shared network.</i></p> <p>(2) <i>Complete the COR Review Checklist in accordance with the information on the form.</i></p> <p>(i) <i>In the blocks provided, check off items as applicable.</i></p> <p>(ii) <i>Staff shall complete an entry for each row of the checklist noting not applicable (n/a) where appropriate.</i></p> <p>(iii) <i>Staff shall add rows to the checklist as needed to capture tasks relevant to specific COR post-award administrative duties applicable to the procurement.</i></p> <p>(3) <i>The completed COR Review Checklist shall be placed in the contract file.</i></p>	
Appointment of Contracting Officer's Representative	<p>(c) Designation as a COR. Your authorized duties and responsibilities as COR 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:</p> <p>(8) <i>Keep detailed records of the contractor's performance to include documenting major cost categories such as direct labor hours, overtime, travel, etc.;</i></p> <p>(9) <i>Document meetings or communications regarding project topics, noncompliance, potential problems and recommendations/corrective actions taken;</i></p> <p>(10) <i>Review and approve/disapprove deliverables/submittals within 10 working</i></p>	5

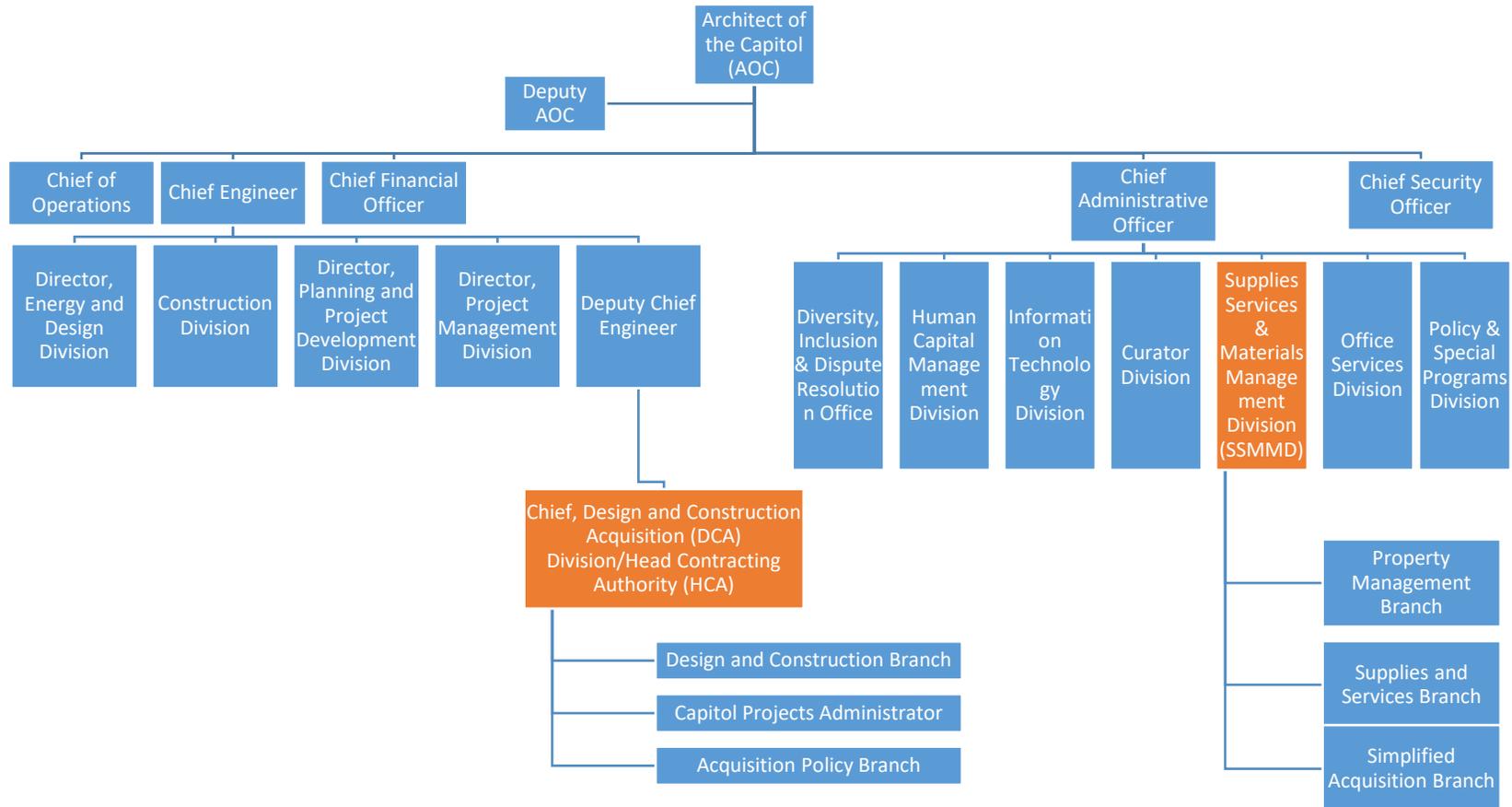
Source	Criteria	Finding
	<p><i>days of receipt, unless the contract specifies a longer or shorter government review period. Notice of approval/disapproval shall be made to the CO and the contractor citing any specific deficiencies found;</i></p> <p><i>(11) Immediately notifying the CO of events or situations which endanger contract performance;</i></p> <p><i>(12) Inspect received goods and/or services to assure compliance with contract terms, conditions and specifications;</i></p> <p><i>(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;</i></p> <p><i>(14) Review certified contractor payrolls and ensure compliance with the Construction Wage Rate Requirements Statute or Service Contract Labor Standards Act as applicable;</i></p> <p><i>(15) Process contractor invoices as follows:</i></p> <p><i>(A) Ensure that each invoice accurately reflects the work/items/amounts as identified in the contract and any schedule of values;</i></p> <p><i>(B) Confirm the invoice is submitted in accordance with all provisions of the applicable payment clause; and</i></p> <p><i>(C) Verify that each invoice does not constitute payment in advance of actual work performed and accepted:</i></p> <p><i>(i) For Construction and Architect/Engineer Services, ensure that contractor invoices are</i></p>	

Source	Criteria	Finding
	<p><i>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.</i></p> <p><i>(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.</i></p> <p><i>(D) Reject invoices that are not submitted in accordance with the terms of the contract (e.g., no release of claims form has been submitted with the final invoice) 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.</i></p>	
Appointment of Contracting Officer's Representative	<p><i>(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. If a modification is required for a Not to Exceed, (NTE) amount, as the COR you must coordinate this through your CO, complying with</i></p>	4

Source	Criteria	Finding
	<i>Standard Operating Procedure, (SOP) 16-2 to follow the policy and procedures contained therein. As a COR you must provide justification to support a determination that it is in the best interest of the Government to issue an NTE. (SOP) 16-2 requires a CO determination, but the COR is usually the individual requesting a NTE and should provide the supporting justification and mission impact if not supported, so the CO can do a written D&F. The SOP 16-2 is attached to this appointment letter.</i>	

Appendix C

FIGURE 1: ORGANIZATION CHART



Note: The AOC's procurement and contract administration functions are split amongst two entities (in orange above); however, all COs receive appointments for their position and operate on behalf of the HCA, which is responsible for the acquisition policy for the entirety of the AOC.

Appendix D

Announcement Memorandum



Office of Inspector General
Fairchild Bldg.
499 S. Capitol St., SW, Suite 518
Washington, D.C. 20515
202.593.1948
www.aoc.gov

United States Government
MEMORANDUM

DATE: June 29, 2023

TO: Chere Rexroat, RA
Acting Architect of the Capitol

FROM: Christopher P. Failla, CIG 
Inspector General

SUBJECT: Announcement for Evaluation of Architect of the Capitol (AOC) Contracting Officer (CO) and Contracting Officer Representative (COR) Oversight (2023-0002-IE-P)

This is to notify you that the Office of Inspector General is initiating an Evaluation of AOC CO and COR Oversight. Our objective for this evaluation is to determine if COs and CORs are performing their duties in accordance with AOC policies, procedures, contractual requirements, and applicable federal laws and regulations, while assessing any limitations that might hinder opportunities for efficiency in CO and COR work processes.

We will contact the appropriate AOC offices to schedule an entrance conference in the upcoming weeks. If you have any questions, please contact Josh Rowell at Joshua.Rowell@aoc.gov or 410.443.5015 or Chico Bennett at Chico.Bennett@aoc.gov or 202.394.2391.

Distribution List:

Mary Jean Pajak, (POC for Chief of Staff)
Mark Reed, Acting Chief of Operations
Teresa Bailey, (POC for Chief Administrative Officer)
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Thomas Costello II, Acting Deputy Chief Engineer
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Harold Honegger, Chief, Supplies, Services and Material Management Division
Brian Kohler, Director, Business Services
Steven Titus, Project Executive, Audit and Risk
Kourtney Andrews, Staff Assistant, Office of the Architect

Appendix E

Management Comments



Architect of the Capitol
U.S. Capitol, Room 8B-16
Washington, DC 20515
202.228.1793
www.aoc.gov

United States Government

MEMORANDUM

DATE: May 24, 2024

TO: Christopher P. Failla
Inspector General

FROM: Joseph R. DiPietro, PE *J.R.D.*
Acting Architect of the Capitol

SUBJECT: Official Draft Report - Evaluation of CO-COR Oversight 2023-0002-IE-P

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) official draft of the subject evaluation report.

The Architect of the Capitol (AOC) is pleased the OIG found opportunities for improvement to the oversight of our Contracting Officer (CO) and Contracting Officer Representatives (COR).

The following comments concerning the OIG's recommendations are provided.

Recommendation 1

We recommend that the AOC review the Government Accountability Office's (GAO) Framework for Assessing the Acquisition Function at Federal Agencies and make necessary adjustments to AOC's current hierarchical reporting structure to provide sufficient independence and support for Contracting Officers.

AOC Response

We concur. The AOC will develop a team of key stakeholders, led by the AOC Chief of Staff, that will collectively assess the GAO Framework and make recommendations to agency leadership for decision and implementation. As this is a potentially significant organizational structure change, the decision and implementation may await approval of the next Architect.

Anticipated Completion: May 2025

Recommendation 2

We recommend that the AOC provide CORs in each Jurisdiction with access to the data, tools, and training necessary to prepare Independent Government Estimates (IGEs).

AOC Response

We concur. The AOC will assess the level of access to data, tools and training that CORs currently have to prepare IGEs and identify any gaps. At the conclusion of the assessment, a corrective action plan will be developed and implemented.

Anticipated Completion: May 2025

Recommendation 3

We recommend that the AOC review the Contracting Manual to determine whether the language restricting access to IGEs information solely to AOC personnel who require knowledge of the estimate is appropriate. If the AOC determines the language is appropriate as written, it should enforce this requirement. If the AOC determines that it is appropriate to use non-AOC personnel in the IGE process, it should update its contracting manual to reflect that decision and implement appropriate safeguards to ensure the process remains both independent and confidential.

AOC Response

We concur. The AOC will review the Contracting Manual rules restricting access to IGEs. If appropriate, the manual will be updated to include access and rules for non-AOC personnel.

Anticipated Completion: May 2025

Recommendation 4

We recommend that the AOC analyze Cost Estimating Group's (CEG) capacity to assist in the Independent Government Estimate (IGE) process and determine whether CEG has the necessary placement within the Office of the Chief Engineer and resources to assist with the IGE process.

AOC Response

We concur. The Office of the Chief Engineer is in the process of reviewing CEG's ability to support the CORs development of IGEs.

Anticipated Completion: December 2024

Recommendation 5

We recommend that the Architect of the Capitol document its policies and procedures for selecting individuals to serve as Contracting Officer's Representatives (CORs) in line with the Contracting Manual and the Contracting Officer's discretion. At a minimum, these policies and procedures should identify the criteria that Jurisdictions must consider when determining who to select for the COR position.

AOC Response

We concur. The AOC will review current policies and procedures for selecting individuals to serve as CORs in line with the Contracting Manual and the Contracting Officer's discretion. At the conclusion of the review, the AOC will make any necessary updates to the Contracting Manual with agencywide criteria.

Anticipated completion: May 2025

Recommendation 6

We recommend that the AOC identify or develop COR training courses more closely related to the AOC's acquisitions policies and procedures.

AOC Response

We concur. The AOC has already initiated an update to COR training requirements and intends to issue new guidance in Fiscal Year 2024.

Anticipated Completion: September 2024

Recommendation 7

We recommend that the AOC develop and implement a master COR file to track the status of CORs' training and certifications across the Agency.

AOC Response

We concur. The AOC will include guidance in the update to its COR training requirements (discussed in our response to Recommendation 6).

Anticipated Completion: January 2025

Recommendation 8

We recommend that the Architect of the Capitol require an appropriations law training course for all Contracting Officer's Representative.

AOC Response

We concur. The AOC will coordinate with the Office of the Chief Financial Officer, the Office of the General Counsel and AOC University for implementation of this recommendation.

Anticipated Completion: December 2024

Recommendation 9

We recommend that the AOC update the requirements prescribed in the Contracting Manual for serving as a CO and/or include a reference to AOC Order 30-1.

AOC Response

We concur. The AOC will review the Contracting Manual and update the requirements for serving as a CO and/or include a reference to AOC Order 30-1.

Anticipated Completion: May 2025

Recommendation 10

We recommend that the AOC implement compliance monitoring and enforcement standards for the current policies and procedures requiring CORs to document their roles and responsibilities.

AOC Response

We concur. The AOC will review the Contracting Manual and develop guidelines for compliance monitoring and enforcement standards for current policies and procedures related to COR roles and responsibilities.

Anticipated Completion: May 2025

Recommendation 11

We recommend that the AOC develop and implement guidance that directs the format and manner that CORs maintain documentation. This guidance should require that COR files be maintained in a readily accessible and uniform manner.

AOC Response

We concur. The AOC will review the Contracting Manual and develop guidelines for the consistent format, maintenance and accessibility of COR files.

Anticipated Completion: May 2025

Recommendation 12

We recommend that the AOC develop and implement guidance that requires COs to document the procedures they undertook to complete their audit of CORs representative files, explain how any deficiencies were resolved, and report the results to their management.

AOC Response

We concur. The AOC will review the Contracting Manual and develop guidelines for the execution of file audits.

Anticipated Completion: May 2025

Recommendation 13

We recommend that the DCA and SMMD require COs to complete the number of COR file audits specified in their performance plan.

AOC Response

We concur. During the annual performance planning process, the AOC will emphasize with CO supervisors that the file audit is a requirement and will ensure supervisors monitor its compliance during each fiscal year.

Anticipated Completion: September 2024

Doc. No. 240429-18-01

Acronyms and Abbreviations

A/E	Architect/Engineer
ACF	Alternative Computer Facility
AOC	Architect of the Capitol
AMMD	Acquisition & Material Management Division
APB	Acquisition Policy Branch
CEG	Cost Estimating Group
CFM	Consolidated Facility Management
CHOB _r	Cannon House Office Building Renewal
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CMA	Construction Manager as Agent
CMc	Construction Manager as Constructor
CPBG	Capitol Police Building and Grounds
DAU	Defense Acquisition University
DCA	Design and Construction Acquisition
FAC	Federal Acquisition Certification
FAI	Federal Acquisition Institute
FAR	Federal Acquisition Regulation
GAO	Government Accountability Office
GPC	Government Purchase Card
HCA	Head Contracting Authority
IGE	Independent Government Estimate
OCE	Office of the Chief Engineer
OIG	Office of Inspector General
PPM	Planning and Project Management
RSOC	Russel Senate Office Building
SSMMD	Supplies, Services and Material Management Division



OFFICE OF THE INSPECTOR GENERAL

499 South Capitol Street, SW
Suite 518
Washington, DC 20515
(202) 593-1948
hotline@aoc-oig.org