



DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

September 10, 2024

Tiffany Crowe  
Director  
Department of Licensing and Consumer Protection  
1100 4th Street SW  
Washington, DC 20024

Subject: **Compliance with Procurement and Contract Administration Requirements for The Robert Bobb Group Contract DCSS-CW56402** | **OIG No. 23-E-08-CRO**

Dear Director Crowe,

The Office of the Inspector General (OIG) has concluded its evaluation of the Department of Licensing and Consumer Protection's (DLCP) compliance with procurement and contract administration requirements for The Robert Bobb Group (RBG) Contract DCSS-CW56402. This letter officially closes our evaluation and provides our observations, which highlight opportunities for your agency to strengthen procurement-related internal controls. You are not required to respond to this report.

## BACKGROUND

The District government provides its residents with various contracted education, safety, and health services and programs. Each year, and as included in [OIG's FY 2024 Audit and Inspection Plan](#), we evaluate one or more select contracts. The goals of these evaluations are to:

- identify control weaknesses,
- provide recommendations to improve control deficiencies, and
- deliver information to decision-makers about ongoing and future contract performance.

This year, OIG evaluated Contract DCSS-CW56402 (contract). Under this contract administered by the Office of Contracting and Procurement (OCP), DLCP hired temporary staff through RBG, a consulting firm that provided consulting services aimed at improving the efficiency and effectiveness of DLCP's operations. While our evaluation identified several

areas for improvement, we also recognize that DLCP has already taken some positive steps to address certain issues.

## Applicable Standards

We evaluated this contract in the context of the following standards:

1. [DC Law 18-371](#), the Procurement Practices Reform Act of 2010 (PPRA), describes the terms and conditions for procuring goods, services, and construction by the District government;
2. [DC Code §§ 2-351.01\(b\)\(1\)-\(12\)](#), establishes the purposes and policies for government procurement; and
3. [Title 27 of the DC Municipal Regulations](#) – Contracts and Procurement

## Agencies Evaluated

OCP partners with District agencies and vendors to purchase quality goods and services promptly and at a reasonable cost while ensuring that all purchasing actions are conducted fairly and impartially.<sup>1</sup>

DLCP protects the economic interests of residents, businesses, and visitors in the District of Columbia by licensing and regulating businesses and investigating and enforcing the Consumer Protection Procedures Act.<sup>2</sup>

The Office of the Chief Financial Officer (OCFO) oversees and supervises the District government's financial and budgetary functions.

## Evaluation Objective and Methodology

Our objective for this evaluation was to determine whether DLCP adhered to applicable federal and District contracting, acquisition, and procurement laws and policies in the solicitation, award, and administration of the contract. Our efforts focused on Task Order CW106438 (task order) awarded under the contract. We reviewed applicable procurement laws, regulations, policies, and procedures, including the District of Columbia Code, DC Municipal Regulations, and the OCP Procurement Procedures Manual. We conducted interviews with DLCP, OCP, and OCFO staff involved in the administration and execution of the contract and task order. Further, we analyzed contract-related documents that DLCP, OCP, and OCFO provided.

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<sup>1</sup> OCP website, <https://ocp.dc.gov/page/about-ocp> (last visited Aug. 5, 2024).

<sup>2</sup> D.C. Code §§ 28-3901 – 3913 (Lexis current through Apr. 4, 2024).

We conducted this evaluation consistent with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) [Quality Standards for Inspection and Evaluation](#)<sup>3</sup> and evaluated DLCP's internal controls in accordance with the Government Accountability Office's (GAO) [Standards for Internal Controls in the Federal Government](#) (GAO Green Book).<sup>4</sup>

## THE CONTRACT

On March 12, 2018, OCP issued Contract DCSS-CW56402 as an indefinite delivery-indefinite quantity (IDIQ) contract (not to exceed 5 years) with RBG. On March 9, 2023, under the contract, OCP issued Task Order CW106438 on behalf of DLCP to obtain RBG's consulting services.<sup>5</sup> The task order was issued to procure services categorized as "Mission Oriented Business Integrated Services (MOBIS)," under the DC Supply Schedule, which includes business process reengineering, process improvements, individual and organizational assessments and evaluations, performance measurement, organizational design, and quality management.<sup>6</sup> Per the task order, as amended on July 25, 2023, RBG was to provide temporary personnel to:

- Review DLCP's program processes and procedures to make recommendations to improve operational excellence and strengthen internal controls and compliance;
- Assist with the implementation of identified recommendations; and
- Review, develop, or revise DLCP's Standard Operating Procedures (SOPs).

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<sup>3</sup> CIGIE, *QUALITY STANDARDS FOR INSPECTION AND EVALUATION* (Dec. 2020), <https://www.ignet.gov/sites/default/files/files/QualityStandardsforInspectionandEvaluation-2020.pdf> (last visited May 28, 2024).

<sup>4</sup> U.S. GOV'T ACCOUNTABILITY OFFICE, *STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOV'T*, GAO-14-704G (Sept. 2014), <https://www.gao.gov/products/GAO-14-704G> (last visited May 28, 2024). The GAO Green Book sets the internal control standards for federal entities and may be adopted by state and local governments as the framework for an internal control system.

<sup>5</sup> The task order expired on September 30, 2023.

<sup>6</sup> OCP, *Mission Oriented Business Integrated Services (DCSS Schedule Category)*, <https://ocp.dc.gov/publication/mission-oriented-business-integrated-services-dcss-schedule-category> (last visited June 6, 2024).

## OBSERVATIONS

### Task Order Administration and Execution

Our review of the task order and interviews revealed that DLCP did not provide adequate oversight to ensure the contractor executed the terms of the contract. Per contract administrator training and delegation letter, and the task order, the contract administrator was required to observe, document, communicate, monitor, provide guidance and direction to the contractor, inspect, and accept deliverables, and evaluate vendor performance. The contract administrator exhibited poor internal and external communication and did not appropriately engage DLCP subject-matter experts, such as the contract liaison specialist, and end-users; and there was a lack of internal controls to include the appropriate technical experts in the planning and administration of this task order.

Additionally, the contracting officer issued this task order against a contract that was soon to expire. The contract term was March 12, 2018, through March 11, 2023. The task order was executed two days before the contract's expiration, on March 9, 2023. While this last-minute execution of the task order allowed DLCP to use the contract to fulfill an agency need, the timeline may have resulted in discrepancies and vagueness in the services required, statement of work, and contractor deliverables and circumvention of prescribed responsibilities.

The OCP Procurement Procedures Manual states that a DCSS procurement must include a DCSS solicitation procurement package.<sup>7</sup> The determination and findings letter stated that the "[a]ward was based upon the responsive, responsible, and bidder capable of meeting all the specification[s] outlined in the solicitation." Additionally, the task order solicitation number field contained "N/A" and the Business Clearance Memorandum, and other documentation showed that there was no solicitation number and no record of solicitation for this task order. Not only did we find no evidence that a solicitation occurred, but it is also improbable that OCP conducted all the required steps for solicitation and evaluation and awarded the task order within the two days prior to the contract's expiration.

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<sup>7</sup> OCP Procurement Procedures Manual § 2.3.1 DCSS Solicitation Process

## Required Services and Supplies

Per the DCMR, the contracting office shall ensure that goods and services procured under a District contract conform to quantity and quality requirements; and is further responsible for ensuring:

- contracts include quality requirements,
- quality assurance is conducted before acceptance of the goods and services, and
- solicitations and contracts include the necessary requirements for the contractor's control of quality for the goods and services to be procured.<sup>8</sup>

Likewise, DCMR states that the using agency or contract administrator shall perform "actions necessary to verify whether the goods, services, or construction conform to contract quality requirements[,]"<sup>9</sup> and maintain records regarding quality assurance activities and any decisions regarding the acceptability of contractor products or actions to correct defects.<sup>10</sup>

DLCP and OCP did not clearly establish expectations or deliverables for this contract valued at \$495,360.00. The contracting officer and contract administrator did not fulfill their duties as prescribed by 27 DCMR §§ 4000 and 4001. Specifically, interviews and document reviews revealed the contracting officer and contract administrator did not ensure:

- a clear and concise statement of work,
- proper solicitation and record of solicitation,
- conduct of surveillance to assess compliance with contractual terms for technical performance of production,
- monitoring of contractor compliance with contract requirements, and
- preparation of evaluations of the contractor's performance.

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<sup>8</sup> 27 DCMR § 4000.

<sup>9</sup> 27 DCMR § 4001.1(b).

<sup>10</sup> 27 DCMR § 4001.2.

The original contract and task order contained conflicting descriptions of RBG's expected services to DLCP. The contract specified MOBIS, while the task order, effective March 9, 2023, mistakenly requested "Branding Materials and Uniforms." During this period, RBG invoiced for services rendered but did not provide branding materials or uniforms. On July 25, 2023, the task order was modified to align with the contract, stating DLCP required "temporary personnel services" in support of MOBIS.

The contract and task order specified only two deliverables: quarterly sales reports and weekly timesheets. We identified no other deliverables in the contract, task order, or any documentation obtained by the OIG. Interviews suggested that the District may have wasted \$69,940 by paying the vendor for services that were not explicitly stated in the contract or the initial task order (before modification). This potential waste occurred because DLCP and OCP contracting personnel failed to clearly stipulate the expected deliverables. Consequently, RBG may not have provided the services that DLCP intended to receive from this contract.<sup>11</sup>

### Schedule Pricing

Per the DCSS contract, Contracting Officers are encouraged to seek price reductions when orders exceed the maximum ceiling.<sup>12</sup> While DLCP issued a Determination and Findings for Price Reasonableness stating the contractor's rates were "fair and reasonable," our review found neither evidence of negotiations with the vendor nor evidence of solicitation.

Although paying above the contract's ceiling rate is not a violation of any known rules, the Contracting Officer appears to have accepted the vendor's price schedule without negotiation, despite it exceeding the contract's published rates. This practice does not align with the expected stewardship of District resources by procurement employees.

## CONCLUSIONS

Our evaluation found that DLCP did not fully comply with District contracting laws in soliciting, awarding, and administering this task order. Since we began our review, DLCP has taken some steps to address deficiencies in administering this contract. However, DLCP must further improve internal controls to ensure that its contract administrators are aware of and fulfill their responsibilities per the DCMR.

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<sup>11</sup> DLCP paid RBG a total of \$69,940 split between two invoices, Voucher Numbers [VOM44343](#) and [VOM44339](#) (source: OCP Transparency Portal). These invoices were submitted by RBG in June 2023 for services rendered between March 1, 2023, and May 31, 2023. The payments were made on August 1, 2023, after the task order was modified.

<sup>12</sup> *Id* at § 3.4b, Maximum Contract Ceiling

DLCP's contracting personnel should employ diligence in reviewing contract documents; contract administrators must verify that contracts sufficiently detail agency requirements and perform monitoring activities that result in the agency receiving the expected goods/services. Additionally, DLCP must strengthen controls to ensure that needed good/services are defined adequately and consistently across all contracting documents and ensure communications with staff and OCP's contracting officers to confirm that the contractor's fulfillment of the contract meets the intent and value for which the District paid. DLCP and OCP should maintain effective communication to adhere to the PPRA and procedures established in the OCP Procurement Procedures Manual to effectively, efficiently, and economically carry out purchasing functions.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/YG

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