

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 18-I-01JA

December 2017



## DEPARTMENT OF HUMAN SERVICES

### EVALUATION OF TWO CONTRACTS FOR HOTEL ACCOMMODATIONS FOR HOMELESS FAMILIES



### *Guiding Principles*

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Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

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- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## **Vision**

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\* Leadership





### **Why the OIG Did This Evaluation**

This evaluation was part of an ongoing initiative to conduct contract reviews in different areas of District government during FY 2017. The OIG selected these two contracts for review for two primary reasons: (1) the acute needs of homeless families living in hotels; and (2) the combined annual cost of the contracts.

### **What the OIG Recommends**

This report makes four recommendations to the Director, DHS. These recommendations are intended to improve contract administration and oversight, and clearly define the District's needs and expectations using more specific contract language.

## **DEPARTMENT OF HUMAN SERVICES**

### **Evaluation of Two DHS Contracts for Hotel Accommodations for Homeless Families**

#### **What the OIG Found**

In December 2015, the Office of Contracting and Procurement awarded indefinite delivery/indefinite quantity (IDIQ) contracts to two District hotels (Days Inn Gateway and Quality Inn and Suites) to provide accommodations for homeless families during hypothermia season and for emergency placement throughout the year. The total value of the two contracts' base periods (December 2015 to December 2016) was \$10.57 million. Both contracts are administered by the Department of Human Services (DHS), and are currently in their first option year.

The hotel contracts assign vague oversight responsibility to another contractor, The Community Partnership for the Prevention of Homelessness (TCP). TCP, however, is not a signatory to the hotel contracts, and the District's contract with TCP does not include inspection of accommodations and services provided by the two hotels. DHS personnel believe TCP is responsible for monitoring requirements defined in the hotel contracts, but do not receive inspection reports, and assume that both hotels are performing in accordance with contractual requirements.

Given this lack of oversight, the hotels may not be complying with contract terms intended to protect and support homeless families, and the District could be paying for contractually required accommodations and services that the hotels are not providing.

The OIG also found that one of the hotel contracts did not include a key insurance provision, which was a requirement enumerated in the contract's Request for Proposal. As a result of the omission, the District risks exposure to liability that should be borne by the contractor.



# GOVERNMENT OF THE DISTRICT OF COLUMBIA

## Office of the Inspector General



Inspector General

December 4, 2017

Laura Zeilinger  
Director  
Department of Human Services  
64 New York Avenue, N.E., 6<sup>th</sup> Floor  
Washington, D.C. 20002

Dear Director Zeilinger:

This letter is to inform you of the results of the Office of the Inspector General's (OIG) evaluation of contracts with two District hotels (Quality Inn and Suites and the Days Inn Gateway) through which the Department of Human Services currently provides accommodations for homeless families. This evaluation was conducted as part of an ongoing initiative described in our *Fiscal Year 2017 Audit and Inspection Plan*.<sup>1</sup>

The following sections summarize the evaluation's objectives, background, findings and recommendations.

### EVALUATION OBJECTIVES

The objectives of this evaluation were to: 1) assess the two hotel contracts to ascertain whether there are any terms or conditions that are unfavorable to the District or conflict with best practices or applicable criteria, and to identify recommendations for strengthening the effectiveness and sufficiency of the contracts; and 2) determine whether DHS maintains proper oversight of deliverables and the implementation of key contract terms.

This evaluation was conducted in accordance with standards established by the Council of the Inspectors General on Integrity and Efficiency. As a matter of standard practice, our evaluations pay particular attention to the quality of internal control.<sup>2</sup>

### BACKGROUND

The United States Department of Housing and Urban Development (HUD) defines a "Continuum of Care" (CoC) as a program that is:

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<sup>1</sup> Available at <http://oig.dc.gov>.

<sup>2</sup> "Internal control" is defined by the U.S. Government Accountability Office (GAO) as comprising "the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity" and is not one event, but a series of actions that occur throughout an entity's operations. Furthermore, internal control is a process that provides reasonable assurance that the objectives of an entity will be achieved, serves as the first line of defense in safeguarding assets, and is an integral part of the operational processes management uses to guide its operations. U.S. GOVERNMENT ACCOUNTABILITY OFFICE, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT 5-6, GAO-14-704G (Sept. 2014).

designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.<sup>3</sup>

Since 1994, the District has partnered with The Community Partnership for the Prevention of Homelessness (TCP), an independent, non-profit corporation, to administer the District's CoC.<sup>4</sup>

On January 31, 2012, the Office of Contracting and Procurement (OCP) signed two contracts with TCP:

- [Contract Number DCPO-2012-R-0177](#), for "management oversight for specific services and programs under the Homeless Services Program . . . Continuum of Care," was a sole-source, firm fixed price contract consisting of a base year plus four option years, totaling \$74,740,678 over the 5-year period of performance.<sup>5</sup>
- [Contract Number DCPO-2012-C-0154](#) also consisted of a base year plus four option years. This contract's total price for the 5-year period of performance was \$342,553,184. Under this contract, TCP was to "provide management/administrative oversight of a network of service providers who provide services to approximately 13,800 homeless individuals and families in the District of Columbia. The continuum of care services consists [sic] of street outreach services, emergency shelters, transitional housing units, and permanent housing supportive services. The [] contract is to provide the critical funding to the network of providers who in turn will provide emergency shelters, transitional housing units, food, clothing, transportation, and childcare services...."<sup>6</sup>

In December 2015, OCP awarded multiple indefinite delivery/indefinite quantity (IDIQ) contracts to hotels in order to provide shelter for homeless families during hypothermia season<sup>7</sup> and for emergency placement<sup>8</sup> throughout the year.

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<sup>3</sup> [Hud Exchange, https://www.hudexchange.info/programs/coc/](https://www.hudexchange.info/programs/coc/) (last visited Jul. 19, 2017).

<sup>4</sup> [Council of the District of Columbia, Legislative Information Management System, http://lms.dccouncil.us/Download/36377/CA21-0510-Introduction.pdf](http://lms.dccouncil.us/Download/36377/CA21-0510-Introduction.pdf), page 4.

<sup>5</sup> COUNCIL OF THE DISTRICT OF COLUMBIA, COUNCIL CONTRACT SUMMARY, PROPOSED CONTRACT WITH THE COMMUNITY PARTNERSHIP FOR THE PREVENTION OF HOMELESS (CA 19-269) (2012). This summary identifies the goods and services to be provided under the contract as follows: "The Contractor shall provide specific hypothermia shelters, low-barrier shelters, temporary shelters, transitional housing, housing for homeless youth, supportive services for permanent supportive housing and specialty programs/services for homeless single adults and families in the District." *Id.* at 1.

<sup>6</sup> COUNCIL OF THE DISTRICT OF COLUMBIA, COUNCIL CONTRACT SUMMARY, PROPOSED CONTRACT WITH THE COMMUNITY PARTNERSHIP FOR THE PREVENTION OF HOMELESS (CA 19-266) (2012).

<sup>7</sup> DHS defines hypothermia season as the period of November 1 to March 31. A Hypothermia Alert is called when the temperature falls to 32° Fahrenheit. <https://dhs.dc.gov/service/hypothermia-and-cold-emergency-season> (last visited Jul. 18, 2017).



Subsequent to the award of IDIQ contracts to the hotels, the District entered into a new contract with TCP in early 2017. The new contract, effective February 1, 2017, requires TCP to provide “emergency shelter, transitional housing, and permanent housing with supportive services for homeless individuals and families in the District.”<sup>9</sup> The contract, valued at \$421,586,378 over its 5-year period of performance, identifies 24 specific locations where TCP is to provide accommodations and services.

## EVALUATION METHODOLOGY

The OIG reviewed the District’s January 2012 contracts with TCP, the hotel contracts, and the District’s current contract with TCP. Table 1, below, summarizes the fundamental terms of the two hotel contracts.

	Quality Inn and Suites	Days Inn Gateway
<b>Contractor</b>	AXAR Management dba Quality Inn and Suites <sup>10</sup>	T&L Hospitality dba Days Inn Gateway <sup>11</sup>
<b>Effective Date</b>	December 29, 2015	December 16, 2015
<b>Base Period</b>	12 months	12 months
<b>Maximum # of Accommodations</b>	136 rooms	170 rooms
<b>Total Price – Base Year “Not To Exceed”<sup>12</sup></b>	\$4,975,111	\$5,599,800
<b>Total Price – Option Year 1</b>	\$5,109,942	\$5,584,500
<b>Total Price – Option Year 2</b>	\$5,262,833	\$5,584,500
<b>Total Price – Option Year 3</b>	\$5,420,688	\$5,584,500
<b>Total Price – Option Year 4</b>	\$5,583,010	\$5,584,500
<b>Total Price – Base Year plus Option Years</b>	<b>\$26,351,584</b>	<b>\$27,937,800</b>

Table 1: Overview of Contracts Reviewed

Between April and August 2017, the OIG team reviewed and analyzed contract documentation, as well as additional information and documentation provided by DHS, and interviewed DHS employees.

<sup>8</sup> DHS’s contract with the hotels defines an emergency as “a situation in which a family literally has no safe place to stay for the night or for the foreseeable future.” Emergency placement is “[p]lacement to be utilized when all other shelter capacity is full.”

<sup>9</sup> The [contract](#) consists of a one-year base period and four option years, and contains several types of contract components: a firm-fixed price for monthly service; a firm-fixed unit price component for case management, moving services, furniture purchases, hypothermia sites, food, and additional security services; and a cost reimbursable component for specialized supplies and facility renovations.

<sup>10</sup> Contract CW40679.

<sup>11</sup> Contract CW40387.

<sup>12</sup> The total price for each contract year is calculated based on the maximum number of accommodations.

This special evaluation was conducted in accordance with standards established by the Council of the Inspectors General on Integrity and Efficiency. As a matter of standard practice, an OIG special evaluation pays particular attention to the quality of internal control.

## EVALUATION FINDINGS

### **DHS' CONTRACTS WITH THE HOTELS ASSIGN UNENFORCEABLE OVERSIGHT RESPONSIBILITY TO TCP; AND ONE OF THE HOTEL CONTRACTS LACKS A KEY INSURANCE PROVISION**

DHS's contracts with Quality Inn and Suites and Days Inn Gateway are nearly identical except for a slight variation in the numbering of the terms in the "Contractor Requirements" sections, and the omission of a key insurance provision. Both contracts contain specific requirements for billing the District, reporting, and the accommodations and services to be provided by the contractor.

*The hotel contracts assign inspection responsibility to TCP, but TCP is not a signatory.* Both hotel contracts state "TCP shall coordinate inspection of the Accommodations and common areas on a weekly basis in conjunction with the contractor, officials [Department of Human Services Family Services Administration], and the non-profit service provider overseeing the project with DHS." However, TCP is not a signatory on either of the hotel contracts and cannot be contractually obligated to meet this inspection requirement.

Separate from the hotel contracts, TCP's current contract with DHS to administer the CoC does not reference either of the hotels within the scope of work. Section B.3 of TCP's contract (the price schedule) enumerates the names and addresses of 24 facilities where TCP is responsible for providing accommodations and services. Neither the Quality Inn and Suites nor the Days Inn Gateway is specified. DHS' contract with TCP does not define any service or performance requirements that TCP must meet at the hotels.

As a result of not clearly assigning inspection responsibilities, hotel accommodation inspections could go unfulfilled and result in conditions that jeopardize the health, safety, and well-being of families living at the hotels.

Based on the above observations, we recommend that the Director, DHS

- (1) Amend the Quality Inn and Suites contract, the Days Inn Gateway contract, and TCP's Continuum of Care contract, to ensure inspection responsibilities and requirements at the two hotels are clearly defined.

Agree       X       Disagree                     

*Excerpt from DHS's October 2017 Response, As Received:<sup>13</sup> DHS agrees in part with this finding and recommendation. DHS agrees that The Community Partnership for the Prevention of Homelessness (TCP's) Continuum of Care Management contract (TCP*

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<sup>13</sup> The full text of DHS' response to the draft report is Appendix A.

*Management Contract) needs to be modified to reference the Quality Inn and Days Inn sites, since those serve as emergency shelter sites in addition to the DC Government owned and leased facilities that are referenced in the contract. DHS emphasizes that TCP is on-site at the hotels performing monitoring (daily truancy checks, nightly curfew checks and weekly room inspections) as well as case management, security and providing meals. These services are included and paid for in the TCP Management Contract as part of the emergency shelter services for families. The modification to the TCP Management Contract should be completed by the end of October.*

*However, the evaluation also states that "TCP is not a signatory on either hotel contract and cannot be contractually obligated to meet this inspection requirement." DHS does not agree that the signatures on the hotel contracts should be amended in order to have TCP serve a signatory on the hotel contracts. The Office of Contracting and Procurement (OCP) contracting officer and DHS contract administrator are responsible for ensuring the hotels are meeting their contractual requirements in terms of hotel accommodations. TCP is not serving in this capacity; TCP staff provide services on hotel premises on behalf of the District.*

**OIG Comment:** DHS's planned modification to the TCP Management Contract was not completed as of November 22, 2017.

***Days Inn Gateway contract lacks key insurance clause.*** DHS's contract with Days Inn Gateway does not require the contractor to provide Sexual/Physical Abuse & Molestation coverage.

According to Title 27, Section 2710.1 of the DCMR, "The District shall require each contractor to obtain insurance, by purchase, for the risks to which the contractor is exposed, except when the contract specifically relieves the contractor of liability for loss of or damage to District property."

The insurance requirements under section I.8 of the hotel contracts differ. Section A.8. of the Quality Inn contract designates a requirement for Sexual/Physical Abuse & Molestation insurance that reads, "[t]he Contractor shall provide evidence satisfactory to the Contracting Officer with respect to the services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate. The policy coverage shall include the District of Columbia as an additional insured. This insurance requirement will be considered met if the general liability insurance includes sexual abuse and molestation coverage for the required amounts."

According to OCP, the omission of this insurance requirement is an error, and contracts that provide services to children should require this type of insurance. This insurance requirement included in the request for proposal issued by OCP. As a result of this omission, the District could be exposed to liability that should be borne by the contractor.

Therefore, we recommend that the Director, DHS:



- (2) Review the hotel contracts to ensure each enumerates all requisite insurance coverages and promptly amend the contract terms, if necessary, to correct any identified deficiencies.

Agree       X       Disagree                     

- (3) Confirm that each hotel's current insurance coverages satisfy all contractual requirements.

Agree       X       Disagree                     

*Excerpt from DHS's October 2017 Response, As Received: The second and third recommendations are tied to a missing insurance clause in the Days Inn Gateway contract. Although the solicitation did include the required Sexual/Physical Abuse and Molestation insurance, the policy coverage was not provided to the District at the time of the award. Specifically, OIG recommends a review of hotel contracts to ensure requisite coverages are included and a confirmation that each hotel's current insurance coverages satisfy all contract requirements. DHS agrees with both recommendations. DHS OCP has already reached out to the Office of Risk Management to ensure the requested insurance coverages are complete and followed up accordingly, requesting any missing coverage. Days Inn has agreed to submit the missing certificate of insurance identified by October 6, 2017.*

**OIG Comment:** On November 15, 2017, DHS informed the OIG that Days Inn submitted a new insurance certificate that references sexual misconduct and molestation coverage.

## **DHS IS NOT MONITORING THE HOTELS' COMPLIANCE WITH CONTRACT REQUIREMENTS PERTAINING TO ACCOMMODATIONS**

DHS's contract administration and oversight is limited to a review of room occupancy information provided by TCP and the hotels, and contractor invoices; however, there is no indication that DHS is monitoring the condition of the hotels.

DHS's contracts with the hotels include the following "Contractor Requirements" (Section C.4 of both contracts) pertaining to space, furnishings, and services the hotels should provide:

- One working, dormitory-size refrigerator in each Accommodation<sup>14</sup> of at least 4.4 cubic feet in size.
- One working residential microwave oven in each Accommodation of at least 0.9 cubic feet in size.
- Daily replenishment of the usual and customary personal care supplies provided by hotels such as soap, shampoo, toilet paper, and other products.

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<sup>14</sup> The contracts define "Accommodation" as "[s]eparate sleeping quarters for each family that contains a bathroom facility for use of the family.... The Accommodation must be kept in a safe and clean condition."

- Changing of sheets on a weekly basis, replenishment of towels sufficient for the number of persons in each room every other day and upon request.
- Function Spaces: designated dining room areas for daily breakfast and dinner meals for DHS families and small meeting rooms.
- Daily continental breakfast meals.
- A dining area, staff for daily meal setup, and staff for cleanup of the food and dining area. "Lunch will be provided during the summer months when schools are not in session."
- Pest control.

Based on interviews with DHS employees, we concluded that DHS is not monitoring the hotels' compliance with the above accommodation requirements. Further, DHS could not specify how or even whether, TCP monitors accommodation conditions in the two hotels.

DHS interviewees said that TCP is responsible for monitoring accommodation conditions at the hotels. DHS's contract administrator responsible for the two hotel contracts said his duties are limited to reviewing room occupancy data and each hotel's invoices prior to approving them for payment. He said that TCP is responsible for monitoring conditions at the hotels, and that he does not receive any reports from TCP. The DHS contract administrator assigned to TCP's CoC contract also said that TCP is responsible for inspecting conditions at the hotels and ensuring the hotels comply with their contractual requirements. Neither of DHS's contract administrators conducts site visits, and both "assume" that TCP would notify DHS if the hotels were not in compliance with contract requirements.

In 2016, the D.C. Auditor (ODCA) found similar issues related to DHS contractor oversight. Specifically, *The District's Management Contract with The Community Partnership for the Prevention of Homelessness was not Properly Managed in Fiscal Year 2014 to Ensure Performance Consistent with Contract Terms*, found eight issues related to DHS' lack of oversight. Duplicative systemic findings between the ODCA and OIG work include: (1) DHS was not enforcing contract deliverable requirements; and (2) neither the DHS contract administrator, nor other DHS staff, verified contractor performance prior to authorizing payments.<sup>15</sup>

The OIG found that TCP began conducting room inspections earlier this year, but those inspections are not a contract requirement. TCP room inspections address only the general cleanliness and occupants' upkeep of the accommodation, not whether the hotels were meeting the Contractor Requirements. In response to an OIG request for information during this

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<sup>15</sup> OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR, *THE DISTRICT'S MANAGEMENT CONTRACT WITH THE COMMUNITY PARTNERSHIP FOR THE PREVENTION OF HOMELESSNESS WAS NOT PROPERLY MANAGED IN FISCAL YEAR 2014 TO ENSURE PERFORMANCE CONSISTENT WITH CONTRACT TERMS 14-17 (2016)*, available at: <http://www.dcauditor.org/sites/default/files/Homelessness%20Report%281%29.pdf> (last visited Sept. 6, 2017).



evaluation, DHS's contract administrator provided the following response from TCP regarding the hotel contracts:

TCP did not conduct room inspections prior to March of [2017]. TCP initiated the room inspections at Days Inn and Quality Inn of its own initiative.... [T]he contract(s) containing the language you cited is from DHS' contract with the hotels, not an agreement with TCP. TCP conducted and documented daily curfew checks at each room on a daily basis, however curfew checks do not constitute room inspections.

As a result, key contractual requirements intended to benefit homeless families staying in the hotels may not be fulfilled by the contractor. Additionally, there is risk that the District may be paying for contractually required services that are not being provided.

Based on the above observations, we recommend that the Director, DHS:

- (4) Develop and implement a methodology by which contract administrators can monitor and ensure compliance with each "Contractor Requirement" in the Quality Inn and Suites and Days Inn Gateway contracts.

Agree \_\_\_\_\_ X \_\_\_\_\_ Disagree \_\_\_\_\_

*Excerpt from DHS's October 2017 Response, As Received: In terms of the fourth finding related to DHS not monitoring the hotels' compliance with contract requirements pertaining to accommodations, we offer the following clarification: The DHS contract administrator was incorrect when he stated that TCP is responsible for monitoring hotel accommodations. TCP is responsible for monitoring the homeless families residing in the hotel, and as part of that work may hear complaints from customers or observe site conditions that may need to be addressed. Those are shared with DHS, which has the responsibility to assess the complaint and address it with the hotel operator. While TCP staff are a source of information, they are not the responsible party for hotel accommodation inspections or contract compliance. The DHS Contracting Officer made site visits prior to award to confirm facility and equipment requirements were met ( e.g. refrigerator, microwave, functional spaces, dining facility) and both the contracting officer and DHS staff make ad hoc site visits to confirm the service requirements are met as well (provision of toiletries, linen replacement, breakfast and pest control). That said, DHS ultimately agrees with the recommendation that the contract administrator needs to be clearer about his scope of responsibilities and will develop a clear methodology for how this work is to be conducted.*

## CONCLUSION


The DHS contract administrator (CA) assigned to the Days Inn Gateway and Quality Inn and Suites contracts is responsible for monitoring the hotels' performance to ensure they comply with contract requirements. The CA and other DHS employees currently assume, but have no documentation to assure, that TCP monitors the hotels' compliance with contract requirements.

DHS employees acknowledged that they do not receive reports on hotel conditions from TCP, but believe the hotels are in compliance with contract terms because DHS has not received information to the contrary. Because there is a lack of clarity surrounding the roles and responsibilities for monitoring the hotels' performance to ensure compliance with contract terms, the District could be paying for services not provided under the combined \$10 million per year hotel contracts, and accommodations provided to homeless families may fall below contract standards.

DHS should act promptly to clarify its and TCP's monitoring roles and responsibilities at the Days Inn Gateway and Quality Inn and Suites; amend its contracts both with the hotels and TCP; and implement a procedure to ensure that all contract administration duties and expectations at the two hotels are clearly assigned and fulfilled.

We appreciate the cooperation and courtesies extended to our staff during this engagement. The OIG will communicate with your office periodically during FY 2018 and request updates on DHS' progress toward implementing the corrective actions cited in your response. In the interim, if you have any additional questions about this evaluation, please contact me or Edward Farley, Assistant Inspector General for Inspections and Evaluations, at (202) 727-2540.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/ef

cc: See Distribution List



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## APPENDIX A. DHS RESPONSE TO DRAFT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF HUMAN SERVICES



Office of the Director

Mr. Daniel W. Lucas  
Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, N.W., 5<sup>th</sup> Fl.  
Washington, DC 20005

**RE: OIG No. 2017-I##JA Hotel Contract Evaluation**

Dear Mr. Lucas:

This letter is in response to the District of Columbia (District) Office of the Inspector General's (OIG) September 19, 2017 letter requesting that the District Department of Human Services (DHS) review the results of the OIG evaluation of contracts with two District hotels (Quality Inn and Suites and Days Inn Gateway) that serve as overflow emergency shelter for families experiencing homelessness. We appreciate the opportunity to respond.

The original finding states: *The hotel contracts assign inspection responsibility to TCP, but TCP is not a signatory.* The subsequent recommendation states: *Amend the Quality Inn and Suites contract, the Days Inn contract, and TCP's Continuum of Care contract to ensure inspection responsibilities and requirements at the two hotels are clearly defined.*

DHS agrees in part with this finding and recommendation. DHS agrees that The Community Partnership for the Prevention of Homelessness (TCP's) Continuum of Care Management contract (TCP Management Contract) needs to be modified to reference the Quality Inn and Days Inn sites, since those serve as emergency shelter sites in addition to the DC Government owned and leased facilities that are referenced in the contract. DHS emphasizes that TCP is on-site at the hotels performing monitoring (daily truancy checks, nightly curfew checks and weekly room inspections) as well as case management, security and providing meals. These services are included and paid for in the TCP Management Contract as part of the emergency shelter services for families. The modification to the TCP Management Contract should be completed by the end of October.

However, the evaluation also states that "TCP is not a signatory on either hotel contract and cannot be contractually obligated to meet this inspection requirement." DHS does not agree that the signatures on the hotel contracts should be amended in order to have TCP serve a signatory on the hotel contracts. The Office of Contracting and Procurement (OCP) contracting officer and DHS contract administrator are responsible for ensuring the hotels are meeting their contractual requirements in terms of hotel accommodations. TCP is not serving in this capacity; TCP staff provide services on hotel premises on behalf of the District.



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The second and third recommendations are tied to a missing insurance clause in the Days Inn Gateway contract. Although the solicitation did include the required Sexual/Physical Abuse and Molestation insurance, the policy coverage was not provided to the District at the time of the award. Specifically, *OIG recommends a review of hotel contracts to ensure requisite coverages are included and a confirmation that each hotel's current insurance coverages satisfy all contract requirements.* DHS agrees with both recommendations. DHS OCP has already reached out to the Office of Risk Management to ensure the requested insurance coverages are complete and followed up accordingly, requesting any missing coverage. Days Inn has agreed to submit the missing certificate of insurance identified by October 6, 2017.

In terms of the fourth finding related to DHS not monitoring the hotels' compliance with contract requirements pertaining to accommodations, we offer the following clarification: The DHS contract administrator was incorrect when he stated that TCP is responsible for monitoring hotel accommodations. TCP is responsible for monitoring the homeless families residing in the hotel, and as part of that work may hear complaints from customers or observe site conditions that may need to be addressed. Those are shared with DHS, which has the responsibility to assess the complaint and address it with the hotel operator. While TCP staff are a source of information, they are not the responsible party for hotel accommodation inspections or contract compliance. The DHS Contracting Officer made site visits prior to award to confirm facility and equipment requirements were met (e.g. refrigerator, microwave, functional spaces, dining facility) and both the contracting officer and DHS staff make ad hoc site visits to confirm the service requirements are met as well (provision of toiletries, linen replacement, breakfast and pest control). That said, DHS ultimately agrees with the recommendation that the contract administrator needs to be clearer about his scope of responsibilities and will develop a clear methodology for how this work is to be conducted.

In reviewing the results of the OIG evaluation, DHS identified the following issues we would like to bring to OIG's attention:

1. The evaluation references Contract Number DCPA-2012-R-1077, which was a contract with TCP that funded homeless shelter and services through a number of not-for-profit providers. This contract was unrelated to the hotel contracts or services provided on those sites.
2. On page 4 there is an allegation that "as a result of not clearly assigning inspection responsibilities, hotel accommodation inspections could go unfulfilled and result in conditions that jeopardize the health, safety and well-being of families living at the hotels." This comment is overstated. As described above, the responsibility for ensuring the hotels meets their contract requirements is not with TCP but rather with the contract administrator and ultimately contracting officer. The hotel contracts assign oversight responsibilities appropriately.
3. On page 6 there is a reference the DC Auditor report related to DHS oversight of the TCP Management Contract. That report was tied to Fiscal Year 2014 activity only. Since Fiscal Year 2014, DHS has awarded a new Management Contract that is significantly different from the original contract that the Office of the DC Auditor reviewed, as well as made significant changes to how the agency monitors the contract. Even the press release from the DC Auditor's office announcing the audit acknowledged such, stating:

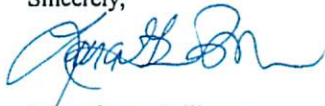
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*"D.C. Auditor, Kathy Patterson, praised the Bowser Administration's Department of Human Services for moving forward to improve oversight of homeless services including reforms recommended in a comprehensive audit released today of the District's FY 2014 management contract with The Community Partnership for the Prevention of Homelessness (TCP)...Patterson noted that in its comments DHS agreed to incorporate a number of audit recommendations and has also already addressed several of the report's findings. This includes an issue of inadequate staff assigned to managing the contract."*

The reference on page 6 of the OIG evaluation uses the audit to imply issues continue to exist that we believe have been remediated.

Thank you again for the opportunity to respond to your evaluation. If you need additional information or have questions, please contact me or [REDACTED], my Chief Operating Officer at 202-671-4332.

Sincerely,



Laura Green Zeilinger  
Director