

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



November 9, 2017

George A. Schutter  
Chief Procurement Officer  
Office of Contracting and Procurement  
441 4th Street, N.W., Suite 700S  
Washington, D.C. 20001

Dear Chief Procurement Officer Schutter:

The Office of the Inspector General (OIG) Inspections and Evaluations Unit (I&E) will soon start an inspection of the Office of Contracting and Procurement (OCP) Surplus Property Disposal Program (Program). I&E projects are conducted in accordance with *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency.

This inspection, which is part of the OIG's *FY18 Audit and Inspection Plan*,<sup>1</sup> resulted from the *2017 Procurement Practices Risk Assessment* that was commissioned by the OIG and completed by KPMG LLP. With regard to the Program, KPMG wrote:

The program ... is relatively new, and the policy and procedures around the program have not been subject to detailed review. Additionally, the existence and details of the program do not appear to have been effectively communicated to all agencies. These factors, combined with the program's limited assigned staff, increase the risk that appropriate items are not identified for auction each year. In addition, the auction itself is managed by external third parties, which requires OCP oversight of the vendor's IT and financial controls....

Resolution of issues related to the Program's design and execution as well as participation for agencies subject to the [Procurement Practices Reform Act] should be the OCP's responsibility.

The OIG's goal for this inspection is to collaborate with OCP to improve the economy, efficiency, and administration of the Program. In general, the OIG's objectives will be to assess: (1) OCP's controls and procedures for safeguarding, marketing, selling, and disposing of surplus District government property; and (2) District agencies' use of the Program.

Before refining the objectives for this inspection, the OIG team would like to solicit OCP's input and suggestions for how the OIG could assist OCP with resolving issues identified by the KPMG

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<sup>1</sup> Available at [oig.dc.gov](http://oig.dc.gov)

assessment. Additionally, the OIG would like to obtain the following information by November 27, 2017, in order to refine this inspection's fieldwork, methodology, and plan:

- policies and procedures regarding OCP's administration of the Program;
- policies, procedures, and other written guidance provided by OCP to District entities participating in the Program;
- an electronic copy (i.e., PDF) of the current contract with GovDeals, Inc., including all amendments, and any other contracts pertaining to Program vendors;
- the District of Columbia State Plan of Operations;
- a list of current OCP employees responsible for administering or monitoring the Program, to include each person's name, title, email address, telephone number; and a brief description of their duties;
- a list of all District entities that participate in the Program, to include a contact name, title, email address, and telephone number for each;
- any internal or external audits or reviews (conducted within the past 2 years) of OCP's administration and monitoring and District entities' use and administration of the Program; and
- any other documentation or information you believe would assist the review team.

Please have your point of contact reach out to Edward Farley, Assistant Inspector General for Inspections and Evaluations. Mr. Farley can be reached at 202-727-9249 or [edward.farley@dc.gov](mailto:edward.farley@dc.gov). Thank you in advance for your cooperation, and I look forward to working with OCP in our joint efforts to improve the quality of services provided to District government agencies.

Sincerely,

  
Daniel W. Lucas  
Inspector General

DWL

cc: The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish  
Mr. Rashad Young, City Administrator  
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia  
The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor, Attention: Cathy Patten