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Healthcare, Construction Lead District Procurement Spending *Report finds contract performance needs stronger oversight*

June 18, 2026 (WASHINGTON) In a three-year period the District of Columbia spent \$6.46 billion with its top 10 vendors using the traditional procurement process, including Medicaid Managed Care Organizations (MMCOs), other healthcare providers, construction firms, and a homelessness service provider, according to a new report by the Office of the DC Auditor.

In addition to the District's five MMCOs in FY 2020-2022, the top 10 were Howard University including the hospital, Fort Myer Construction Corporation, MCN Build, the Community Partnership for the Prevention of Homelessness and Washington Hospital Center.

Using a sample of 13 contracts with four of the top 10 — excluding MMCOs — ODCA found that procurements by the Office of Contracting and Procurement (OCP) and Department of General Services (DGS) generally followed law and regulation but lacked proof of required evaluation of contractor performance.

“Our contracting agencies clearly need to up their game when it comes to ensuring we’re getting value for the dollars spent,” D.C. Auditor Kathy Pattersons said. “Agency leaders committed to doing exactly that, and that’s good news. At the same time according to our sample, the front end of procurement — awarding contracts — appears to be working well.”

In fiscal years 2020, 2021 and 2022, the District spent a total of \$4.3 billion for Medicaid managed care, the largest amount (\$2 billion) with AmeriHealth Caritas District of Columbia. The ODCA audit did not review those contracts given extensive oversight by the D.C. Council and the Contract Appeals Board. The review also excluded expenditures outside of the procurement process including payments to the Washington Metropolitan Area Transit Authority and Water and Sewer Authority, financial institutions and state and federal government.

Summaries of the contracts in ODCA’s sample are included as Appendix B on page 36.

Findings include:

- Only 40% of OCP contracts in the sample had proof of a completed performance evaluation at the end of the contract and none of the DGS contracts had proof of the performance evaluation required 90 days after contract execution, indicating contractor performance evaluation needs significant improvement.
- OCP and DGS properly solicited their procurements, including posting their solicitations to a public-facing website, which resulted in multiple bids or offers.
- OCP did not meet D.C. Code requirements to post contract award documentation on the publicly available OCP website thereby limiting transparency to the public.

- The contract award values in the sampled contracts showed a marked departure from the Independent Government Estimates, raising questions about the accuracy of the estimates and the possibility of the District overpaying for the goods or services.

The report recommends that OCP develop a process to monitor contract administrators to ensure that evaluations of contractor performance are completed timely and that OCP and DGS should study differences between Independent Government Estimates and final contract values to improve estimates and preclude over or underpaying.

Procurement has been a persistent challenge for the District government based on earlier reports by ODCA, the Office of the Inspector General, and the District's Annual Comprehensive Financial Report (ACFR). The FY 2020 ACFR noted that controls over emergency procurement were not operating effectively; the FY 2022 ACFR found controls over regular procurement were not operating effectively. This year the management letter from independent auditors for the FY 2025 ACFR cited internal control deficiencies in sole source procurement, emergency procurement, and procurement documentation.

In their written responses to the audit OCP and DGS concurred with all or part of a majority of the recommendations. On the recommendation that DGS strengthen contractor evaluation, a memorandum from DGS Director Hunter said, "DGS agrees and will continue to reinforce compliance...For two most recently completed fiscal years, FY24 and FY25, DGS has completed 100% of vendor evaluations." Similarly, Chief Procurement Officer Nancy Hapeman wrote that, "OCP will evaluate additional monitoring and reporting mechanisms to strengthen oversight of contractor performance evaluations and improve timely completion rates."

In the three-year period, the top 20 vendors represented less than 1% of total vendors, and 18% of total District spend. Also in the top 20, healthcare including MMCOs and construction made up 91% of the total amount spent. Of those 20 vendors, a quarter (five) were Certified Business Enterprises.

As noted, the audit was based on expenditures by contractors over three years, FY 2020, 2021 and 2022. An ODCA review of data from the District Integrated Financial System for FY 2025 expenditures – the most recent full year for which totals are available – found that the same vendors including MMCOs and the four contractors included in the ODCA sample were among with top 30 vendors last year.

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