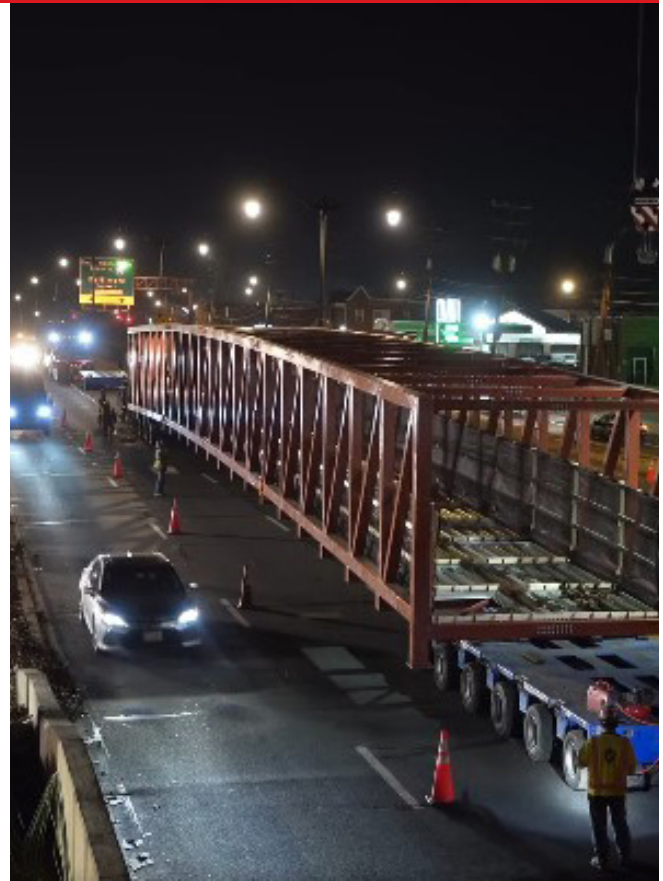
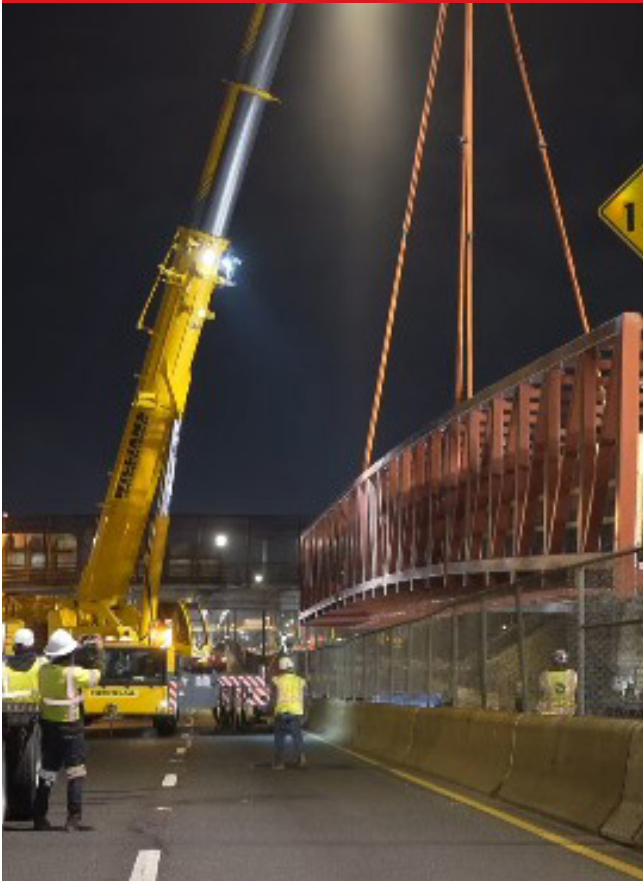


# Healthcare, Construction Top District's Contract Spending

June 18, 2026

A report by the Office of the District of Columbia Auditor



# Healthcare, Construction Top District's Contract Spending

In Fiscal Years 2020-2022 the District paid \$6.46 billion to its top 10 vendors awarded contracts through the traditional procurement process. These vendors included Medicaid Managed Care Organizations (MMCOs), healthcare, construction firms, and a homelessness service provider. Using a sample of 13 contracts with four of the top 10 vendors, excluding MCCOs, we found that the Office of Contracting and Procurement (OCP) and the Department of General Services (DGS) properly solicited their procurements, to include 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.

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**The top 20 vendors represent less than 1% of all vendors and 18% of the total District spend.**

**95%** of payments among the top 10 vendors was for MMCOs, healthcare, and construction.

**5** of the top 20 vendors in FYs 20-22 were CBEs.

**In ODCA's 3-year review (FYs 2020–2022):**

**\$6.46 BILLION:** Amount paid to top 10 vendors.

**\$4.6 BILLION:** Amount paid to five MMCOs.

**In ODCA's contract sample:**

**40%** of OCP contracts provided required end-of-contract performance reviews.

**Zero:** How many DGS contracts received performance reviews 90 days after contract execution.

**\$35.4 MILLION:** Amount final contract award values exceeded estimates on a cumulative basis.



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# Executive Summary

## Why ODCA Did This Audit

ODCA conducted this discretionary audit to determine which vendors received the largest amount of District funds, the level of competition obtained by the District during the procurement process and whether contractor performance is monitored according to District law, regulation, and policy.

## What ODCA Found

In Fiscal Years 2020-2022 the District paid \$6.46 billion to its top 10 vendors awarded contracts through the traditional procurement process. These vendors included Medicaid Managed Care Organizations (MMCOs), healthcare, construction firms, and a homelessness service provider.

Using a sample of 13 contracts with four of the top 10 vendors, excluding MCCOs, we found that the Office of Contracting and Procurement (OCP) and the Department of General Services (DGS) properly solicited their procurements, to include 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.

Only 40% of OCP contracts in our 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.

The contract award values in the sampled contracts showed a marked departure from the Independent Government Estimates (IGEs) which raises questions about the accuracy of the estimates and the possibility of the District overpaying for the goods or services.

## What ODCA Recommends

- OCP should ensure that all required contract award documents, for all contracts awarded under the CPO's authority over \$100,000, are posted within seven days of award to OCP's Transparency Portal.
- DGS should establish procedures for transmitting information to the CPO for each contract executed for an amount equal to or greater than \$100,000 to comply with D.C. Code § 2-361.04(c).
- OCP should develop a process to monitor contract administrators to ensure contractor evaluations are completed in a timely manner.
- OCP and DGS should undertake a study of IGEs compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.

# Background

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District procurement is a complex process, requiring adherence to law, regulations and procedures, timeliness in meeting the complex requirements of each agency, and doing so within budgetary authority. District procurement, as detailed in OCP’s Policies and Procedures, includes six phases: Requirements, Procurement Planning, Solicitation, Review and Evaluation, Award, and Contract Administration.<sup>1</sup>

From a historical perspective, procurement and contract administration have been the subject of many audits and risk assessments including ODCA’s audit of the District’s management contract with The Community Partnership for the Prevention of Homelessness, the Fiscal Year (FY) 2022 Procurement Risk Assessment by the District of Columbia Office of the Inspector General (OIG), and the Annual Comprehensive Financial Report (ACFR) Management Recommendations identified by the District’s financial statement auditors for the last four fiscal years –2022, 2023, 2024 and 2025. These audits and assessments have found multiple issues with District procurement.<sup>2</sup>

The OIG noted the persistence of issues in its FY 2022 Procurement Risk Assessment, stating:

“Since 2017, little has improved regarding the procurement climate in the District. While the OIG has conducted six audits and six inspections over procurement activities since the 2017 assessment, our data routines, survey responses, and site visits indicated that previously identified risks have not been addressed or mitigated.”<sup>3</sup>

In the FY 2020 ACFR, Finding 2020-11 noted that controls over emergency procurement were not operating effectively. The FY 2022 ACFR Management Recommendations, Finding 2022-9 noted that controls over regular procurement are not operating effectively. Management findings on procurement continued in the recent FY 2025 ACFR with independent auditors citing internal control deficiencies in sole source procurement, emergency procurement, and procurement documentation.<sup>4</sup>

## Procurement process in the District

The District adopted the Procurement Practices Act (PPA)<sup>5</sup> in 1985 as the first comprehensive revision of the laws governing procurement in the District of Columbia. Recognizing the need for additional reform, the Council of the District of Columbia’s (Council) Committee on Government Operations convened a task force to examine the state of District procurement in 1995.<sup>6</sup> The task force advocated for increased centralization. At the time, procurement was managed by the Department of Administrative Services.

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1 OCP Procurement Procedures Manual – Introduction, Overview of the Procurement Process page 11.

2 ODCA Report Issued March 9, 2016, *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*, OIG Final Report No. 21-1-29MA – Fiscal Year 2022 Procurement Risk Assessment issued August 2022, and OIG Final Report No. 22-1-26MA(a) *Management Recommendations For the Year Ended September 30, 2022* issued January 2023.

3 OIG Final Report No. 21-1-29MA – Fiscal Year 2022 Procurement Risk Assessment issued August 2022.

4 OIG Report No. 25-1-01MA(a) *Management Recommendations Fiscal Year 2025* issued January 30, 2026.

5 D.C. Law 6-85. Effective February 21, 1986.

6 See Committee on Government Operations and the Environment Committee report on Bill 18-610, the “Procurement Practices Reform Act of 2010.” October 21, 2010.

In 1997, in response to the task force’s recommendations, the Council approved amendments to the PPA that established the Office of Contracting and Procurement (OCP), an independent agency to be administered by the Chief Procurement Officer (CPO) to centralize the District’s procurement operations.<sup>7</sup>

Almost a decade later, in response to ongoing problems, a new task force was convened by the Council Committee on Government Operations.<sup>8</sup> Just after the task force issued its report, the federal Government Accountability Office (GAO) released a report that detailed the need for significant procurement reform in the District.<sup>9</sup>

Subsequently, the Council passed the Omnibus Procurement Practices Reform Amendment Act of 2010 (PPRA).<sup>10</sup>

OCP manages the purchase of goods, services, and construction on behalf of 79 District agencies. In its authority under the D.C. Code, OCP is responsible for both establishing procurement processing standards that conform to regulations, and monitoring the effectiveness of procurement service delivery.<sup>11</sup> Certain District government agencies do not fall under the requirements of the PPRA with the exception of multiyear contracts or contracts in excess of \$1 million during a 12-month period all of which must be approved by the Council. Other agencies are not subject to the authority of the CPO but are required to conduct procurements in accordance with the provisions of the D.C. Code Government Procurement chapter.<sup>12</sup>

Title 27 of the District of Columbia Municipal Regulations provides further details to implement the provisions of the Procurement Practices Reform Act (PPRA).

OCP’s electronic system of record for purchasing in the District is the Procurement Automated Support System (PASS). The system includes several modules including Buyer, Sourcing, Contracts, and Analysis to facilitate purchasing. The Contracts and Procurement Transparency Portal is the public clearinghouse for all information related to the District government’s contracting and procurement efforts, including contracts, purchase orders, payments, solicitations, and forecasts.

Procurement functions within the District are also carried out internally by a number of agencies that have been given authority independent of the CPO, including the Department of General Services (DGS), the Office of the Chief Financial Officer (OCFO), District of Columbia Public Schools (DCPS), and others, including ODCA.

DGS has independent procurement authority.<sup>13</sup> DGS’s Contracts and Procurement Division Procedures Manual mission statement notes:

“The Contracts and Procurement Division (C&P) manages contract solicitations, procurements,

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7 D.C. Law 11-259, the “Procurement Reform Amendment Act of 1996”. Effective April 15, 1997.

8 See Committee on Government Operations and the Environment Committee report on Bill 18-610, the “Procurement Practices Reform Act of 2010”. October 21, 2010.

9 GAO, GAO-07-159, *District Government Procurement System Needs Major Reform* (2007).

10 D.C. Law 18-371, the “Omnibus Procurement Reform Amendment Act of 2010”. Effective April 8, 2011.

11 See generally D.C. Code § 2-352.04.

12 D.C. Code § 2-352.01(b).

13 See D.C. Code § 2-352.01(b)(11). DGS is not subject to the authority of the CPO but is required to conduct procurements in accordance with all procurement code requirements.

and contract administration for the Department of General Services (the “Department”) and is committed to advancing transparent, accountable, and efficient procurement practices. C&P partners with vendors and District agencies to purchase quality goods and services in a timely manner, and at a reasonable cost, while ensuring that all purchasing actions are conducted fairly and impartially.”<sup>14</sup>

DGS’s Capital Construction Services Division (CCSD) plans, designs and builds the District’s educational, public safety, municipal and recreation facilities totaling more than \$2 billion in capital projects.

The Division implements and manages public building needs through the DGS Capital Improvements Plan for most District government agencies, including:

- Rehabilitation of existing properties and construction of new facilities.
- Ensuring the timely and cost-effective delivery of quality engineering and design.
- Providing technical services to support D.C. government agencies planning for facility needs.

### The largest recipients of District procurement dollars

ODCA identified the top 20 District vendors using cash disbursements data for non-personal services, provided by the OCFO for three fiscal years — 2020, 2021 and 2022. ODCA excluded vendors such as Washington Metropolitan Area Transit Authority (WMATA), Water and Sewer Authority (WASA), and certain other public utilities and financial obligations that are not awarded through the traditional procurement process.

As shown in Figure 1, OCFO data from FYs 2020-2022 show that the top 10 vendors received \$6,463,178,773.85, or 14% of total District expenditures in that time period.

Figure 1: Top 20 Vendors of FY 2020–2022

Vendor Name	Subtotal By Vendor	Business Sector	CBE
AmeriHealth Caritas District of Columbia	2,068,291,375.40	Healthcare/MMCO	
Thrive Health Plans, Inc.	918,343,824.48	Healthcare/MMCO	
Helix Family Choice**	763,390,350.20	Healthcare/MMCO	
Health Services for Children with Special Needs	544,901,659.97	Healthcare/MMCO	
Howard University (including hospital)*	446,821,513.97	Healthcare/Medicaid/ Other	
Fort Myer Construction Corporation*	426,315,227.20	Construction	CBE
MCN Build Inc.	414,399,825.04	School Construction	CBE

14 DGS Contracts and Procurement Division Procedures Manual, Version III: March 2021 – Chapter 1: Mission, Vision and C&P Branches.

Vendor Name	Subtotal By Vendor	Business Sector	CBE
The Community Partnership for the Prevention of Homelessness	351,347,976.58	Homelessness Services	
Washington Hospital Center**	271,978,271.89	Healthcare/Medicaid	
Consumer Direct of District of Columbia	257,388,749.12	Healthcare/MMCO	
<b>Top 10 Vendors Subtotal</b>	<b>\$ 6,463,178,773.85</b>		
Capitol Paving of D.C., Inc.	230,345,586.98	Construction	CBE
Archer Western Construction LLC	209,188,341.79	Construction	
Unity Health Care, Inc.*	198,293,806.21	Healthcare/Medicaid	
Computer Aid, Inc.	194,579,820.40	I/T Support Services	
MBI Health Services, LLC*	190,498,365.41	Healthcare/Medicaid	CBE
Security Assurance Management, Inc.	188,203,818.91	DC Govt. Bldg. Security	CBE
Amerigroup District of Columbia, Inc.	179,604,490.52	Healthcare/MMCO	
The George Washington University (including hospital)*	165,126,427.82	Healthcare/Medicaid/ Other	
Maxim Healthcare Services	132,620,342.27	Healthcare/Medicaid	
Turner Construction Company	128,576,638.25	Construction	
<b>Top 11-20 Vendors Subtotal</b>	<b>1,817,037,638.56</b>		
<b>Top 20 Vendors Total</b>	<b>\$ 8,280,216,412.41</b>		

Source: OCFO provided SOAR data for Fiscal Years 2020-2022.

\*Vendor was recorded in SOAR under more than one Vendor name; for the purposes of this report the expenditures were combined.

\*\*MedStar Health company listed in SOAR by subsidiary name

District contract spending is heavily concentrated in healthcare and construction. The top 10 vendors represent .043% of the vendors in SOAR by number, but account for 14% of total spend.

Healthcare/MMCOs, and construction and services for the homeless account for 95% of the spending by the top 20, and 100% of the spending by the top 10 vendors.

The top 20 shown in Figure 1 include five Certified Business Enterprises (CBEs). CBE's account for approximately \$1.45 billion, 17.5% of the spending by the top 20.

# Objective, Scope, and Methodology

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## Objectives

The objectives of this audit were to:

- Determine which vendors receive the largest amount of District funds, and the level of competition obtained by the District during the procurement process.
- Determine if the contractor's performance is monitored in accordance with D.C. Law, regulations, and policies.

## Scope

The scope of this audit includes Fiscal Years 2020, 2021, and 2022.

## Methodology

To conduct this review, we:

- Obtained and reviewed D.C. Code, District of Columbia Municipal Regulations (DCMR), and agencies' policies and procedures.
- Conducted interviews with appropriate agency personnel from the Office of Contracting and Procurement (OCP), the Department of General Services (DGS) and the Department of Healthcare Finance (DHCF) to form an understanding of their processes, systems, and internal control environment with respect to their procurement operations.
- Obtained and reviewed OCP's past audit reports and agency performance accountability reports to obtain an understanding of the agency's operations.
- Obtained and analyzed cash expenditures data for fiscal years 2020-2022 provided by the OCFO.
- Selected a random sample of contracts from among four of the top vendors. In selecting its audit sample ODCA bypassed the Medicaid Managed Care Organizations (MMCOs) because these vendors have undergone significant scrutiny through contract appeals and legislative oversight. Our sample included contracts from vendors in the construction, healthcare (non-MMCO), and human services sectors.
- Obtained and analyzed relevant procurement and contract documentation for our audit sample of 13 contracts. We tested these contracts across all phases of the procurement lifecycle within our audit scope including Requirements, Procurement Planning, Solicitation, Review and Evaluation, Award, and Contract Administration. See Appendix A for detailed Sampling Methodology.
- Examined and analyzed the documents obtained to determine the extent to which the contract requirements were properly planned and solicited, that bids and proposals were accurately evaluated and awarded in accordance with District laws, regulations and agency policies and procedures.
- Evaluated whether contractors' performance was evaluated as specified in agency regulations, policies and procedures.

- Obtained contract documentation through outreach to individual contracting personnel, queries of the OCP, DGS, and the District Department of Transportation (DDOT) websites, and research in PASS.
- Developed purchase order and payment reports using data available through the OCP Transparency Portal to identify those vendors with the largest dollar volume.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To provide additional information beyond the audit itself, we profiled each of the 13 contracts in our sample and those contract descriptions are included in Appendix B. The summaries extend beyond the audit scope to include the total amount of spending associated with the contract.

# Audit Results

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Our audit sample included 13 contracts awarded during Fiscal Years 2020-2022 to four vendors: Ft. Myer Construction, MCN Build, The Community Partnership for the Prevention of Homelessness, and Howard University. The contracts were awarded to these vendors by OCP and DGS on behalf of four agencies: DDOT, the Department of Human Services, the Department of Health, and DGS. The contracts in ODCA's audit sample had a cumulative value of \$420,620,862.

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## **OCP and DGS properly solicited their procurements which included posting their solicitations to a public-facing website, resulting in multiple bids or offers.**

Two key purposes of District Government procurement is:

“[t]o foster effective and equitably broad-based competition in the District by supporting the free enterprise system and the certified business enterprise program...” and “[t]o obtain full and open competition by providing that contractors are given adequate opportunities to bid.”<sup>15</sup>

D.C. Code requires the CPO to establish and maintain a website containing publicly available information regarding District procurement, including a webpage with links to each District government website containing active solicitations for goods or services in an amount in excess of \$100,000, including websites maintained by District agencies exempt from the authority of the CPO.<sup>16</sup>

The DCMR provision that applies to solicitations greater than \$250,000, states that “the contracting officer shall publish each proposed solicitation on the OCP’s Internet site *and* in a newspaper of general circulation *and* in trade publications considered by the Director”<sup>17</sup> to be appropriate to give adequate public notice.<sup>18</sup> The requirements for advertisement of solicitations does not apply to certain procurement, including emergency procurements and procurement of medical and human care services.<sup>19</sup>

The D.C. Code sets forth publication requirements for all active solicitations for goods and services in amounts in excess of \$100,000. The DCMR outlines publication requirements for each proposed solicitation over \$250,000. While D.C. Code requires posting to “[a] webpage with links to each District government website containing active solicitations ... including websites maintained by District agencies exempt from the authority of the CPO,”<sup>20</sup> the DCMR requires the following:

- For solicitations over \$100,000 and up to \$250,000: proposed solicitations shall be posted on OCP’s “internet site” and may be published using any other methods reasonably available, such as newspapers or trade publications.

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15 D.C. Code § 2-351.01 (b)(2) and (3).

16 D.C. Code § 2-361.04 (b)(2)(A).

17 The DCMR defines Director as the Director of the Office of Contracting and Procurement or the District of Columbia Chief Procurement Officer.

18 DCMR § 27-1301.3.

19 DCMR §27-1301.5.

20 D.C. Code § 2-361.04(b)(2)(A).

- For solicitations over \$250,000: proposed solicitations shall be published on the OCP “internet site” and in a newspaper of general circulation and in trade publications considered appropriate to give adequate public notice.<sup>21</sup>

Our audit found that 12 out of 13 solicitations reviewed were posted to OCP’s or DGS’s websites. The one solicitation that was not posted was not required to be posted because it was an emergency procurement.<sup>22</sup>

Of the 11 solicitations that were required by regulation to be solicited in the newspaper (six OCP solicitations and five DGS solicitations), only five were posted to a newspaper by OCP.<sup>23</sup> Six solicitations were not posted to a newspaper, including all five of the solicitations posted by DGS and one solicitation posted by OCP. There is no evidence that either OCP or DGS advertised their solicitations in a trade journal.

OCP and DGS were aware and complied with the requirement to post solicitations to their respective public-facing websites. The public posting of the District’s procurement solicitations on District websites likely contributed to competition for large-dollar contracts. DGS received an average of six bids or offers from five solicitations while OCP received an average of three bids or offers from the seven solicitations reviewed.

DGS’s Deputy Chief Procurement Officer stated that they did not know if DGS posts their solicitations in a newspaper. OCP and DGS should review their policy to determine if advertising in the newspaper and trade journals would generate additional bids or offers.

## Recommendations

1. OCP and DGS should either advertise their procurement needs in a newspaper and trade journals or seek to revise D.C. regulations so that advertising requirements are more aligned with their practices.

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### **OCP did not meet D.C. Code requirements to post contract award documentation on the publicly available OCP website.**

D.C. Code states that the “CPO shall establish and maintain on the Internet a website containing publicly available information regarding District procurement.”<sup>24</sup> Among other things, the website established shall contain... “a database containing information regarding each contract executed by the District for an amount equal to or greater than \$100,000, including each such contract made by a District agency

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21 DCMR § 27-1301.

22 Although not required, OCP advertised the human care agreement to OCP’s website. Therefore, the requirement only applied to 11 solicitations, but 12 were posted to OCP or DGS websites.

23 Per the DCMR, the requirement to solicit in the newspaper does not apply to emergency procurements and procurements of medical and human care services. Therefore only 11 of the 12 solicitations that were posted online were required to be advertised in the newspaper.

24 D.C. Code § 2-361.04(a).

exempt from the authority of the CPO...<sup>25</sup> The code further states that “[a]gencies not subject to the authority of the CPO shall transmit the information required by this section to the CPO for posting on the Internet.”<sup>26</sup>

District regulations further specify that the following documents related to each contract award over \$100,000 shall be published on the OCP “Internet site” within seven days of award:

- The solicitation and all amendments.
- The contract and all modifications.
- Determinations and findings.
- Change orders.<sup>27</sup>

Our audit found that only three out of 13 (23%) contract awards were posted to OCP’s Transparency Portal. Five out of the 13 contracts awards, all which were awarded by DGS, were posted to DGS’s website but not to OCP’s Transparency Portal as required by D.C. Regulations.

The eight contract records posted to agency websites were incomplete with respect to the requirements in D.C. Code:

- None of the eight contracts posted to either OCP’s or DGS’s websites included the date the contract award was posted to their respective websites, so compliance with the requirement that contracts be posted within seven days of the award could not be verified.
- None of the eight contract awards posted to OCP’s or DGS’s websites included solicitations and amendments.
- Two of the three contracts posted to OCP’s website lacked copies of the actual contracts and modifications and there was no evidence of change orders.
- All eight contracts posted to OCP’s or DGS’s websites lacked one or more determinations and findings (D&Fs).

The number of contracts published or posted and OCP’s response indicate a lack of quality control and oversight of contract award postings during the scope of this audit. For multiple contracts documentation requested by ODCA either was not posted or was not provided. Contract documentation and contractor performance information often remained with the Contracting Officer (CO) who awarded the contract, or the Contract Administrator (CA) to whom the CO delegates the responsibility for monitoring and evaluating the contractor’s performance. This becomes particularly problematic when there is a change in the CO or CA during the life of the contract.

A contract workspace is a centralized digital location within a procurement information system. OCP stated that “OCP audits contract workspaces to identify those that need to be fully published with all required documents posted to the transparency portal. The agency continues to work with the procurement teams to verify that all contracts over \$100,000 have a corresponding CW [contract

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25 D.C. Code § 2-361.04 (b)(3).

26 D.C. Code § 2-361.04 (c).

27 DCMR § 27-1305.1.

workspace] in PASS and to address any challenges preventing publishing. The findings from these audits inform OCP leadership and support OCP's Procurement Training Institute in developing targeted training to help teams ensure their CWs are properly published and posted".<sup>28</sup>

DGS disagreed with the requirement that they post their contract awards to OCP's website, as required under D.C. Code, insisting that as an agency independent of OCP, they are not required to post their contracts to OCP's website. While DGS is not subject to the authority of the CPO, they are required to follow the procurement law which requires them to transmit the information required by D.C. Code to the CPO for posting.<sup>29</sup>

Missing or incomplete postings of District contract awards limits the transparency of vital and costly government operations to the public and interested stakeholders.

## Recommendations

2. OCP should ensure that all required contract award documents, for all contracts awarded under the CPO's authority over \$100,000, are posted within seven days of award to OCP's Transparency Portal.
3. DGS should establish procedures for transmitting information to the CPO for each contract executed for an amount equal to or greater than \$100,000 to comply with D.C. Code § 2-361.04(c).
4. OCP and DGS should update relevant policies and procedures to mandate that contract files include paper and digital files from the beginning of the procurement cycle to contract closeout and require contract files to be stored in a centralized location.

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### **Contractor performance evaluation needs significant improvement, as only 40% of OCP contracts in our 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.**

D.C. regulations require that the "contracting officer shall ensure that each contractor's performance is evaluated in accordance with the rules established by the Director."<sup>30</sup>

OCP's Procurement Policy and Procedures Directive establishes that the CA is responsible for monitoring their contracts on a regular basis consistent with the requirements of the contract, completing contractor performance evaluations in a timely manner, and notifying the CO of any issues which might impact the successful performance of the contract.<sup>31</sup>

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28 In its FY 2022 Key Performance Indicators (KPIs) OCP reported unmet for their Key Performance Indicator, percent of awarded contracts over \$100,000 publicly posted.

29 D.C. Code § 2-361.04 (c).

30 DCMR § 27-1214.

31 OCP Procurement Policy and Procedure Directive No. 2002.00 Sections 4.2.2

The policy further states that “all contracts including task orders and purchase orders that are over \$100,000 and published in the OCP Contract Workspace (CW) shall be evaluated by the CA.

Evaluation intervals are as follows:

- after the contract mid-point (usually after the first six months) of contract award
- at the end of each contract year
- at the end of the contract”<sup>32</sup>

The Contract Performance Evaluation System automatically generates and emails notices to the CA to complete contractor evaluations.

Of the eight contracts in our sample awarded by agencies under OCP’s authority, we found that none of the contractors were evaluated at the midpoint of the contract, four of eight contracts were not reviewed at the end of each contract year, and three of five contracts were not reviewed at the end of the contract.<sup>33</sup>

Of the eight contracts awarded six contracts included a provision for option years. Of these six, the CO exercised one or more option years for four contracts. Within these four, two contractors were not evaluated prior to awarding the option year.

OCP relies on the CA receiving a system generated e-mail prompting them to prepare and submit contractor performance evaluations when they are due.

Our audit found that of the eight contracts in our audit sample from OCP and its affiliated agencies, seven had contract workspaces, and only three of them were published.<sup>34, 35</sup> Therefore, for the five contracts that were not published the CA would not have received the system-generated email reminding the CA to prepare and submit a performance evaluation.

Another factor is that DDOT, an agency under OCP’s authority, follows the practice of evaluating a contractor’s performance only at the end of the project. This practice is inconsistent with the OCP policy they are required to follow.

DGS’s policies for evaluating contractor performance require that fixed construction contractors’ performances be evaluated “upon completion of the contract.” The policy also requires an “automated electronic vendor performance evaluation” within ninety (90) days after the execution of each active contract valued at \$100,000 and above.<sup>36</sup>

For the five contracts awarded by DGS, all five were evaluated at the end of the project. These DGS contracts span an average of five years and were required to be evaluated at the end of the project. DGS did not provide evidence that they evaluated contractors’ performances 90 days after the execution of the contracts as required.

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32 OCP Procurement Policy and Procedure Directive No. 2002.00 Section 5.1 and Section F 5.3

33 As of the end of our audit period, three of the eight contracts remained in progress. Therefore, an end of contract evaluation was only required for five of the eight OCP contracts awarded.

34 A Contract Workspace (CW) is virtual contract file, within the Contracts Module of Procurement Automated Support System (PASS).

35 There were no contracts awarded by DGS in Procurement Automated Support System (PASS) or posted to OCPs Transparency Portal.

36 DGS Contracts and Procurement Division Procedures Manual – Chapter 7: Contract Closeout – Evaluating Vendor Performance.

Timely and effective performance evaluations help ensure that a contractor's performance is in accordance with the terms and conditions of the contract and informs the decision to award additional District government contracts to the contractor. Inadequate monitoring of the receipt and quality of goods and services provided to the District may result in inefficient use of resources, a need for rework, or program delay due to the award of District contracts to poorly performing contractors.

## Recommendations

5. OCP should formally communicate to DGS and other independent agencies subject to the Procurement Practices Reform Act (PPRA) the requirement that CAs conduct contractor evaluations in accordance with Policy and Procedure Directive No. 2002.00 Sections 4.2.2 and 5.1.
6. OCP should develop a process to monitor CAs to ensure contractor evaluations are completed in a timely manner.
7. DGS should adopt policy and/or practice to ensure that CAs complete their 90-day contractor performance evaluations as specified in DGS's procedures.

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## DGS and OCP selected appropriate procurement methods to solicit vendors.

The CO is responsible for selecting the appropriate procurement method.<sup>37</sup> District procurement law requires competitive sealed bidding for soliciting contracts exceeding \$100,000. Other methods are allowable only when the CPO issues a D&F that the use of competitive sealed bidding is not practicable or not in the best interests of the District.<sup>38</sup>

The competitive sealed proposal procurement method may be used when competitive sealed bidding is not practicable or not advantageous to the District.<sup>39</sup>

The sampled District agencies selected the appropriate procurement methods and solicited the District's requirements transparently.

Our audit sample included six competitive sealed bids responding to invitations for bids, five competitive sealed proposals responding to requests for proposals (RFPs), one Human Care Agreement (HCA), and one emergency task order. The invitations for bid did not require a D&F.

The remaining seven contracts — five RFPs, one Emergency Task Order, and one HCA — required a D&F justifying the procurement method chosen by the CO. We were not provided with a D&F for one of the RFPs and the Emergency Task Order. However, based on our review of the requirements in these two solicitations it was determined that the procurement method selected by the CO was appropriate.

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<sup>37</sup> OCP Procurement Procedures Manual – Chapter 1.2.1 and DGS Contracts and Procurement Division Procedures Manual – Chapter 2: Acquisition Planning – Contracting Staff Responsibilities.

<sup>38</sup> D.C. Code § 2-354.02(a).

<sup>39</sup> D.C. Code § 2-354.03(a).

An open and public procurement process ensures that anyone interested in conducting business with the District has the opportunity to submit a bid or offer. Such openness can increase the pool of potential offerors, generating greater competition.

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**The contract award values in the sampled contracts showed a marked departure from the independent government estimates (IGE) which raises questions about the accuracy of the estimates and the possibility of the District overpaying for the goods or service.**

D.C. Code states that an “estimate of costs shall be prepared by the contracting officer for each proposed contract, contract modification, or change order to be issued in connection with a construction project and anticipated to exceed \$100,000. The estimate shall be prepared in detail...[and] made available to the contracting officer for use in preparation of the contract solicitation and in the determination of price reasonableness in awarding a contract.”<sup>40</sup>

Per District regulations, for construction contracts, an estimate of construction costs shall be prepared for each proposed contract and for each proposed contract modification estimated to exceed ten thousand dollars (\$10,000).<sup>41</sup> The estimate is to be prepared by the agency requesting the proposed contract or contract modification, or by a contractor or District employee under the direction of the contracting officer at the request of that agency.<sup>42</sup>

OCP and DGS procurement procedure manuals do not distinguish between construction and non-construction contracts regarding the preparation of the IGE.

OCP and DGS Procurement Procedures Manuals place the primary responsibility for preparing an independent government estimate (IGE) on agency staff.<sup>43</sup>

Out of the 13 sampled items, two did not require an IGE.<sup>44</sup> The remaining 11 had an IGE prepared as required. The difference between the contract award value and the IGE was 9.2%. On a cumulative basis, contract award values exceeded their estimates by \$35.4 million; see Figure 2 for details.

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40 D.C. Code § 2-356.05. The “estimate of costs prepared by the contracting officer” is hereinafter be referred to as the Independent Government Estimate. This term is used by OCP and DGS in their policy procedure manuals.

41 27 DCMR § 2602.1.

42 27 DCMR § 2602.2.

43 OCP Procurement Procedures Manual – Chapter 1.1 and DGS Contracts and Procurement Division Procedures Manual – Chapter 2: Acquisition Planning Phase: Stakeholder Roles and Responsibilities.

44 A Human Care Agreement and Emergency Task Order does not meet the requirement for an IGE per D.C. Code § 2-356.05 because this requirement applies to construction contracts.

Figure 2: Independent Government Estimate Compared to Contract Award Amount

Award Date	Agency	Procurement Method	Contract Number	Supplier	Ige Amt. (\$)	Contract Amount (\$)	Diff (\$)	Diff (%)
5/8/2020	DDOT	IFB	DCKA-2020-C-0095	Fort Myer Construction Corporation	4,307,884.25	5,681,834.00	1,373,949.75	31.90%
9/18/2020	DDOT	IFB	DCKA-2020-C-0011	Fort Myer Construction Corporation	15,885,522.25	14,928,038.10	-957,484.15	-6.00%
10/18/2021	DDOT	IFB	DCKA-2021-C-0050	Fort Myer Construction Corporation	13,051,120.67	9,143,751.70	-3,907,368.97	-29.90%
10/29/2021	DDOT	IFB	CW114877/ DCKA-2021-C-0022	Fort Myer Construction Corporation	4,909,560.00	4,174,776.82	-734,783.18	-15.00%
1/10/2022	DDOT	IFB	DCKA-2021-C-0020	Fort Myer Construction Corporation	93,830,074.00	73,227,890.29	-20,602,183.71	-22.00%
2/9/2022	DDOT	RFP	DCKA-2021-C-0031	Howard University The Learning Academy	291,831.36	301,203.69	9,372.33	3.20%
10/15/2020	DGS	RFP	DCAM-20-CS-RFP-0016	MCN Build Inc.	63,747,363.00	81,890,593.92	18,143,230.92	28.50%
2/10/2021	DGS	RFP	DCAM-20-CS-RFP-0018	MCN Build Inc.	50,614,986.72	61,993,501.78	11,378,515.06	22.50%
4/8/2021	DGS	IFB	DCAM-21-CS-IFB-0001	Fort Myer Construction Corporation	10,620,245.76	9,976,694.65	-643,551.11	-6.10%
12/30/2021	DGS	RFP	DCAM-21-CS-RFP-0013	MCN Build Inc.	48,071,400.00	60,568,624.08	12,497,224.08	26.00%
2/24/2022	DGS	RFP	DCAM-21-CS-RFP-0019	MCN Build Inc.	78,500,000.00	97,330,825.00	18,830,825.00	24.00%
<b>Total</b>					<b>383,829,988.01</b>	<b>419,922,065.48</b>	<b>35,387,746.02</b>	<b>9.22%</b>

Five out of the six contracts awarded by the District of Columbia Department of Transportation (DDOT) for road construction and improvements were nearly 19% less than their respective IGEs, while the four contracts awarded by DGS to MCN for school construction exceeded their respective estimates by 25%.

Incomplete or nonexistent market research can result in inaccurate IGEs. For the 11 IGEs prepared there were only six where market research was provided and of these six submissions of market research, only one evidenced actual pre-solicitation research.

In addition, the provisions of the D.C. Code, the implementing regulations, and OCP and DGS policies and procedures are inconsistent as to who is responsible for preparing the IGE (agency staff or the CO) and the types of projects for which an IGE is required. D.C. Code requires an IGE for construction contracts while OCP and DGS policies and procedures state they are required for all contracts. There is also an inconsistency between the D.C. Code and regulations as to the anticipated dollar threshold of a construction contract that requires an IGE: \$100,000 in the code and \$10,000 in the regulation.

A well-researched and prepared IGE, based on effective market research, is essential for accurate project budgeting and allocation of resources and helps to facilitate a good solicitation process from the outset, by first identifying qualified suppliers who are interested in the District's business and having a well-researched, independently-prepared government estimate with which to evaluate the bids and proposals received.<sup>45</sup>

It follows that poor or non-existent market research, combined with inaccurate government estimates, may result in limited responses to District solicitations and reduced competition, with underfunded contracts requiring the agency to allocate more financial resources than initially forecast.

There is also no requirement in the guidance that the name of the preparer, their title and the date of the IGE be clearly disclosed.

We found that seven of the 11 IGEs did not include the name and position of the preparer, so it is unknown who completed the required estimate. Also, five of the 11 IGEs did not include the date the IGE was prepared.

Without clear guidance on when, how, and by whom an estimate should be prepared, it is difficult to evaluate the effectiveness, timeliness, or independence of the preparer.

## Recommendations

8. OCP and DGS should undertake a study of IGEs compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.
9. OCP and DGS should revise their policies and procedures to ensure that all IGEs clearly identify the name and title of the individual who prepared the estimate and the date of preparation.

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<sup>45</sup> U.S. Department of Defense Independent Government Cost Estimate Handbook for Services Acquisition, Last updated: February 2018; Market Research.

10. OCP should update procurement regulations and policies and procedures to require COs to address significant differences between the IGE and offered or bid prices in writing.

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**When bids or offers were received, they were evaluated accurately and in accordance with agencies' policies and procedures. However, when a technical evaluation panel was used there was no documentation to support conversations between the CO and the technical panel chairperson.**

When a bidder or offeror responds to a solicitation, whether in response to a competitive sealed bid or competitive sealed proposal, the offer must be evaluated in accordance with the D.C. Code: "The Invitation for Bids shall state whether an award shall be made on the basis of the lowest bid price or the lowest evaluated bid price. If the lowest evaluated bid price basis is used, the objective measurable criteria to be utilized shall be set forth in the Invitation for Bids."<sup>46,47</sup>

Competitive sealed proposals are to be solicited through a request for proposal (RFP). Upon receiving the responses to an RFP, the CO evaluates the proposals received using only the criteria stated in the RFP and in accordance with weightings that have been provided in the RFP; and rank the prospective contractors from most advantageous to least advantageous to the District.<sup>48</sup>

According to D.C. Code, "If any technical evaluation is necessary beyond ensuring that the proposal meets the minimum requirements in the solicitation, the contracting officer shall forward the proposals to the appropriate technical official for technical evaluation."<sup>49</sup>

The OCP Procurement Procedures Manual and DGS Contracts and Procurement Division Procedures Manual state that the CO must conduct an independent assessment of the proposals and cannot simply adopt the findings of the evaluation panel. According to the OCP publication the elements of a sound independent assessment include:

- An independent review of technical proposals.
- Conversations with the technical panel's chairperson regarding the panel's initial evaluation and findings.
- Reviewing the panel's final evaluation report.
- Comparing the final evaluation report against the CO's own review of the technical proposals.

The CO must provide contemporaneous documentation of the independent assessment.

For all 13 contracts reviewed we found that the CO properly solicited the District's requirements, developed IGEs when required, evaluated the bids or offers received, tabulated the bids or proposal accurately and adequately documented their award decision.

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46 D.C. Code § 2-354.02 (d).

47 The lowest evaluated bid price is defined as the bid price after considering all price related factors.

48 D.C. Code 2-354.03 (c) and (g).

49 27 DCMR § 1630.3.

For five of 13 contracts in the audit sample, the CO appointed a technical evaluation panel (TEP). In three cases, the CO did not award the contract to the vendor who received the TEP's highest score. For all three of these contracts, the CO's award, while justified, differed from the TEP's recommendation.

All the Business Clearance Memoranda and Award Memoranda we examined included the CO's independent assessment<sup>50</sup> designed to demonstrate that COs considered the TEP's scores in making their award decision, independently evaluated and scored the proposals submitted, awarded the contract to the offeror who received the highest combined (technical and price) scores, and documented their rationale for doing so. However, the memoranda we examined did not indicate whether the CO held conversations with the technical panel's chairperson regarding the panel's initial evaluation and findings.

The use of a TEP is not required by D.C. Code, and OCP and DGS policies and procedures do not require the CO to award the contract to the vendor with the highest TEP score. The CO has wide latitude to exercise business judgment.<sup>51</sup>

If the CO overrides the recommendation of the TEP without having a discussion with the technical panel's chairperson regarding the panel's initial evaluation and findings the CO might not have a full understanding of the TEP's recommendation and the District may not have sufficient information to award the contract to the best contractor.

## Recommendations

11. OCP and DGS should ensure that when a technical evaluation panel is used the CO discusses the panel's initial evaluation and findings with the technical panel's chairperson and documents the results of that discussion in the Business Clearance Memorandum or Award Memorandum.

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50 Within OCP a Contract Specialist or Contracting Officer shall use the Business Clearance Memorandum to document the history or relevant phases of a proposed contract action or activity; to reflect the business decision process; and to illustrate that a proposed contract action represents good business judgment, conforms to District procurement laws and regulations, and establishes a fair and reasonable price for the action. Within DGS an Award Memorandum is used to detail the history of the solicitation process, list all contractors submitting an offer, and an overall technical rating for each contractor. It also summarizes and negotiations with the offerors and suggest which contractor should receive the award.

51 27 DCMR § 1004.

# Conclusion

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For the contracts reviewed, the Office of Contracting and Procurement and the Department of General Services followed policy and best practice in soliciting their largest contracts, in terms of financial impact, generating competition, fairly and accurately evaluating the bids or proposals they receive, and awarding their contracts. But our audit shows that the pool of qualified contractors responding to its largest requirements is narrow.

Despite statutory requirements, there remains no single, complete and comprehensive source for District contract information. OCP's Transparency Portal is unreliable as District contracts required to be recorded in it are too often missing altogether or incomplete with respect to their content.

DGS posted its solicitations and awarded contracts to its own website — not the OCP Transparency Portal as the law requires — but some contracts' content is incomplete. Critical contract documents continue to remain in the possession of individual contracting personnel, rather than accessible to all stakeholders.

In addition, and consistent with earlier audits on D.C. procurement, evidence of effective oversight of contractor performance remains limited.

# Summary of Report Recommendations

Our audit identified eleven (11) recommendations that could improve operations at agencies.

Findings	Recommendations
<p>OCP and DGS properly solicited their procurements which included posting their solicitations to a public-facing website resulting in multiple bids or offers.</p>	<p><b>1.</b> OCP and DGS should either advertise their procurement needs in a newspaper and trade journals or seek to revise D.C. regulations so that advertising requirements are more aligned with their practices.</p>
<p>OCP did not meet D.C. Code requirements to post contract award documentation on the publicly available OCP website.</p>	<p><b>2.</b> OCP should ensure that all required contract award documents, for all contracts awarded under the CPO’s authority over \$100,000, are posted within seven (7) days of award to OCP’s Transparency Portal.</p> <p><b>3.</b> DGS should establish procedures for transmitting information to the CPO for each contract executed for an amount equal to or greater than \$100,000 to comply with D.C. Code § 2-361.04(c).</p> <p><b>4.</b> OCP and DGS should update relevant policies and procedures to mandate that contract files include paper and digital files from the beginning of the procurement cycle to contract close-out and require contract files to be stored in a centralized location.</p>
<p>Contractor performance evaluation needs significant improvement, as only 40% of OCP contracts in our 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.</p>	<p><b>5.</b> OCP should formally communicate to DGS and other independent agencies subject to the Procurement Practices Reform Act (PPRA), the requirement that CAs conduct contractor evaluations in accordance with Policy and Procedure Directive No. 2002.00 Sections 4.2.2 and 5.1.</p> <p><b>6.</b> OCP should develop a process to monitor CAs to ensure contractor evaluations are completed in a timely manner.</p> <p><b>7.</b> DGS should adopt policy and/or practice to ensure that CAs complete their 90-day contractor performance evaluations – as specified in DGS’s procedures.</p>
<p>DGS and OCP selected appropriate procurement methods to solicit vendors.</p>	<p>No recommendations.</p>

## Findings

The contract award values in the sampled contracts showed a marked departure from the independent government estimates (IGEs) which raises questions about the accuracy of the estimates and the possibility of the District overpaying for the goods or service.

When bids or offers were received, they were evaluated accurately and in accordance with agencies' policies and procedures. However, when a Technical Evaluation Panel (TEP) was used there was no documentation to support conversations between the CO and the technical panel chairperson.

## Recommendations

**8.** OCP and DGS should undertake a study of IGEs compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.

**9.** OCP and DGS should revise their policies and procedures to ensure that all IGEs clearly identify the name and title of the individual who prepared the estimate and the date of preparation.

**10.** OCP should update procurement regulations and policies and procedures to require COs to address significant differences between the IGE and offered or bid prices in writing.

**11.** OCP and DGS should ensure that when a TEP is used the CO discusses the panel's initial evaluation and findings with the technical panel's chairperson and documents the results of that discussion in the Business Clearance Memorandum or Award Memorandum.

## Agency Comments

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On May 14, 2026, ODCA sent a draft copy of this report to the Office of Contracting and Procurement (OCP) and the Department of General Services (DGS) for their review and written comments. DGS responded with comments on May 26, 2026, and OCP responded on May 27, 2026. Agency comments are included here in their entirety. We appreciate each agency's comments.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES



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**MEMORANDUM**

**TO:** Kathleen Patterson  
District of Columbia Auditor

**FROM:** Delano Hunter  
Director

Dr. Jacque McDonald *JM*  
Associate Director and Chief Procurement Officer

**DATE:** May 26, 2026

**SUBJECT:** Agency Response to the Office of the District of Columbia Auditor Healthcare,  
Construction Top District’s Contract Spending Draft report

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The Department of General Services (DGS) recognizes the importance of the Office of the District of Columbia Auditor’s (ODCA) oversight role and welcomes the opportunity to engage in a thorough review of the agency’s procurement operations. This audit provides valuable insight into areas where processes can be clarified, strengthened, or further aligned with DGS’s mission and statutory responsibilities. The responses that follow reflect DGS’s careful consideration of each recommendation and provides updates on actions completed, initiatives underway, and planned steps to ensure sustainable continued improvement across its procurement functions.

**Recommendation 1**

“OCP and DGS should either advertise their procurement needs in a newspaper and trade journals or seek to revise D.C. regulations so that advertising requirements are more aligned with their practices.”

**DGS Response: Disagree**

DGS posts all solicitations on its public-facing procurement website, which ODCA acknowledges was done consistently in the sampled procurements. Additionally, as of July 1, 2024, DGS’ procurements are posted on Open.gov, a digital platform. Online posting provides far broader, more equitable, and more timely access to procurement opportunities than traditional print publications, which reach a limited technical audience and are no longer standard sources of procurement information for Architecture/Engineering/Construction firms. There is no evidence in the draft report that newspaper or trade journal advertising would have increased competition or changed any procurement outcome.

Further, reinstating newspaper advertising would impose administrative costs and delays without measurable benefit and is inconsistent with industry trends and practices across comparable jurisdictions.

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DGS Response: ODCA Healthcare, Construction Top District’s Contract Spending Draft report  
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Instead, DGS supports modernizing the DCMR to align advertising requirements with contemporary procurement practices and the District’s own digital transparency tools. DGS therefore does not agree that it should advertise in newspapers or trade journals pending regulatory amendment; rather, the appropriate solution is updating the regulations, not layering on an outdated procedural requirement that does not improve procurement outcomes.

**Recommendation 2**

“OCP should ensure that all required contract award documents... are posted within seven days of award to OCP’s Transparency Portal.”

**DGS Response: No Position Required**

This recommendation applies solely to OCP’s authority and processes. DGS supports OCP’s transparency efforts but is not responsible for OCP’s postings.

**Recommendation 3**

“DGS should establish procedures for transmitting information to the CPO for each contract executed for an amount equal to or greater than \$100,000 to comply with D.C. Code § 2-361.04(c).”

**DGS Response: Disagree**

DGS does not agree with this recommendation. As noted in the draft report, DGS is an agency with independent procurement authority and is not subject to the authority of the Chief Procurement Officer.

While DGS recognizes the statutory requirement that agencies not under the CPO’s authority must transmit certain contract information to the CPO for posting to the Transparency Portal, DGS maintains that its existing practices already satisfy the intent of D.C. Code § 2-361.04(c) by ensuring public access to contract information through DGS’s own public-facing website.

The draft report acknowledges that DGS consistently posts solicitations and awarded contracts to its publicly accessible platform, providing transparency into procurement activities.

Given DGS’s independent authority and the established practice of maintaining its own public procurement postings, DGS does not believe that duplicating submissions to OCP is operationally necessary or an efficient use of resources.

Moreover, DGS’s existing systems and processes already provide meaningful public transparency regarding contracts over \$100,000. DGS remains committed to transparency and compliance with procurement law; however, DGS believes that any changes to posting expectations or data-sharing mechanisms should be addressed holistically across agencies with independent procurement authority and not through unilateral procedural requirements imposed on a single agency.

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For these reasons, DGS respectfully disagrees with the recommendation.

**DGS currently provides OCP with a link to the webpage where DGS-executed contracts are posted.**

However, ODCA found that providing a link does **not** satisfy the statutory requirement to *formally transmit* contract documentation for centralized posting, and several DGS contracts reviewed were not present on OCP’s Transparency Portal.

DGS disagrees with ODCA’s conclusion that DGS’s current practice of providing OCP with a link to the webpage where DGS posts executed contracts fails to satisfy the statutory requirement under D.C. Code § 2-361.04(c).

To reiterate, as an agency with independent procurement authority, DGS maintains and operates its own public-facing contract repository consistent with its procurement responsibilities. The draft report acknowledges that DGS consistently posts solicitations and contract awards on its public website, thereby ensuring broad public access to procurement information.

DGS’s longstanding practice has been to provide OCP with access to this information through a stable, continuously updated web portal. DGS believes that making its official contract records publicly accessible through this existing platform and providing OCP with a direct link to those records, fulfills the intent of § 2-361.04(c) by ensuring transparency and availability of contract documentation.

While ODCA asserts that “providing a link does not satisfy the statutory requirement to formally transmit contract documentation,” DGS respectfully disagrees. The statute does not prescribe a particular technical method of transmission, nor does it prohibit the CPO from receiving contract information through a centralized digital repository maintained by an independent-procurement agency. DGS has implemented a consistent and reliable mechanism for OCP to access this information, and DGS remains committed to ensuring continued transparency.

For these reasons, DGS disagrees with the conclusion that its current practice is insufficient.

#### **Recommendation 4**

“OCP and DGS should update policies and procedures to mandate that contract files include paper and digital files... and be stored in a centralized location.”

#### **DGS Response: Partially Agree**

ODCA found that many contract documents were stored among individual personnel and not consistently centralized. DGS agrees that comprehensive, digital, centrally stored contract files enhance transparency and continuity. DGS partially agrees with the recommendation that agencies be required to maintain both paper and digital contract files and store them in a centralized location. As a matter of District policy, agencies were mandated to reduce paper operations several years ago under the Paperwork Reduction and Data Collection Act

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of 2018 (D.C. Law 22-264). This law directs District agencies to minimize paper-based processes and transition to modern, electronic recordkeeping systems.

In alignment with this mandate, DGS is fully compliant and already maintains complete digital contract files for its procurements. Creating or maintaining duplicative paper files would be contrary to District law, operationally inefficient, and inconsistent with the modernization efforts the District has invested in over the past several years.

For these reasons, DGS respectfully partially agrees with the recommendation.

**Corrective Action**

- DGS will expand use of its digital contract-file management system.
- DGS will revise its Contract & Procurement Division Procedures Manual to require complete digital files from planning through closeout.

**Target completion:** Q2 FY27.

**Recommendation 5**

“OCP should formally communicate to DGS and other independent agencies... the requirement that CAs conduct contractor evaluations in accordance with Directive 2002.00.”

**DGS Response:** **No Position Required**

This recommendation is directed at OCP. DGS welcomes formal guidance but is not the subject of this requirement.

**Recommendation 6**

“OCP should develop a process to monitor CAs to ensure contractor evaluations are completed in a timely manner.”

**DGS Response:** **No Position Required**

This applies only to OCP’s monitoring of CAs under its authority.

**Recommendation 7**

“DGS should adopt policy and/or practice to ensure that CAs complete their 90-day contractor performance evaluations.”

**DGS Response:** **Agree**

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The report notes that none of the sampled DGS contracts contained the required 90-day evaluations. DGS agrees and will continue to reinforce compliance. DGS prioritizes holding vendors accountable. For two most recently completed fiscal years, FY24 and FY25, DGS has completed 100% of vendor evaluations.

**Corrective Action**

- Retrain CAs on evaluation timing and requirements.
- Incorporate evaluation completion into internal KPI monitoring.

**Target completion:** Q1 FY27.

**Recommendation 8**

“OCP and DGS should undertake a study of IGEs compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.”

**DGS Response:** **Disagree**

The quoted statutory language in the Draft Report appears internally inconsistent, stating that the Contracting Officer both prepares the estimate and that the estimate should be ‘made available to’ the Contracting Officer. These requirements cannot coexist, and the implementing regulations (27 DCMR § 2602.2) instead clarify that IGEs are prepared by agency personnel, not by the Contracting Officer, to support the Contracting Officer’s independent price-reasonableness determination.

**Target completion:** N/A

**Recommendation 9**

“OCP and DGS should revise their policies to ensure all IGEs clearly identify the name and title of the individual who prepared the estimate and the date of preparation.”

**DGS Response:** **Agree**

ODCA found missing signatures, titles, and dates in several IGEs.

**Corrective Action**

- DGS will revise IGE templates to require preparer name, title, date, and reviewer.
- DGS will document this requirement in all relevant procedural guidance.

**Target completion:** Q4 FY26.

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**Recommendation 10**

“OCP should update procurement regulations and policies to require COs to address significant differences between the IGE and bid prices in writing.”

**DGS Response:** **Comment Provided (Not Required)**

Although this recommendation is directed at OCP, DGS supports the principle. DGS already documents price-variance justification in Award Memoranda and will continue that practice.

**Recommendation 11**

“OCP and DGS should ensure that when a technical evaluation panel is used, the CO discusses the panel’s initial evaluation and documents the results.”

**DGS Response:** **Agree**

ODCA found that although DGS documented its award decisions, Award Memoranda did not always record CO–TEP chair discussions.

**Corrective Action**

- DGS will revise Award Memorandum templates to require a summary of CO–TEP chair discussions.
- Procurement teams will receive refresher training.

**Target completion:** Q3 FY26.

**Conclusion**

DGS appreciates the opportunity to review the draft report and values ODCA’s work in promoting accountability and transparency in District government operations. DGS remains committed to advancing procurement excellence, strengthening internal controls, and ensuring that our contracting practices are efficient, transparent, and aligned with District law, policy, and modernization objectives.

While DGS respectfully disagrees or partially agrees with certain recommendations where they do not fully reflect statutory requirements, established agency practices, or the operational realities of DGS’s independent procurement authority, we share the DC Auditor’s overarching goals of improving procurement outcomes, enhancing public transparency, and supporting responsible stewardship of District resources.

DGS looks forward to continued collaboration with ODCA, our agency partners, and the broader procurement community as we work together to ensure a fair, efficient, and accountable procurement system that serves District residents and upholds the highest standards of public service.



# GOVERNMENT OF THE DISTRICT OF COLUMBIA

## Office of Contracting & Procurement (OCP)



To: Kathy Patterson  
District of Columbia Auditor  
Office of the District of Columbia Auditors (ODCA)

From: Nancy Hapeman *Nancy Hapeman*  
Director and Chief Procurement Officer  
Office of Contracting and Procurement  
(OCP)

Date: May 27, 2026

Subject: OCP's Response to ODCA Findings and Recommendations

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Thank you for the opportunity to provide feedback on the OCP findings and recommendations in the ODCA's draft audit report entitled *Healthcare, Construction Top District's Contract Spending*.

### **Recommendation 1:**

OCP and DGS should either advertise their procurement needs in a newspaper and trade journals or seek to revise D.C. regulations so that advertising requirements are more aligned with their practices.

### **OCP Response:**

OCP partially agrees with this recommendation. OCP currently posts solicitations to publicly accessible electronic procurement platforms and websites, which are the primary tools used by vendors to identify contracting opportunities and which have resulted in competitive responses for the procurements reviewed in the audit. The requirement to advertise procurements greater than \$250,000 in a newspaper and trade journals is a statutory requirement in DC Code 2-351.04(5). The Council is currently considering Bill 26-0621, submitted by the Mayor, which would amend that advertising requirement to remove the \$250,000 requirement for advertising in a newspaper of general circulation. Instead, Bill 26-0621 would allow for the use of methods that are reasonably available. Until passage of that legislation, the DCMR cannot be revised.

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### **Recommendation 2:**

OCP should ensure that all required contract award documents, for all contracts awarded under the CPO's authority over \$100,000, are posted within seven days of award to OCP's Transparency Portal.

### **OCP Response:**

OCP agrees with this recommendation. OCP has continued enhancing oversight of Contract Workspaces (CWs) in PASS and conducting periodic reviews to identify unpublished or incomplete files associated with awards over \$100,000. OCP will continue working with its procurement teams to improve publication timeliness, address system or workflow challenges impacting Transparency Portal postings, and reinforce requirements through targeted training and management oversight.

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### **Recommendation 4:**

OCP and DGS should update relevant policies and procedures to mandate that contract files include paper and digital files from the beginning of the procurement cycle to contract closeout and require contract files to be stored in a centralized location.



# GOVERNMENT OF THE DISTRICT OF COLUMBIA

## Office of Contracting & Procurement (OCP)



**OCP Response:**

OCP partially agrees with this recommendation. OCP currently utilizes the Procurement Automated Support System (PASS) as the District's centralized electronic procurement system and Contract Workspace repository for procurement documentation. OCP agrees that complete procurement documentation should be maintained throughout the procurement lifecycle and will evaluate whether additional policy clarification or procedural enhancements are warranted regarding file completeness, retention, and centralized storage requirements.

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**Recommendation 5:**

OCP should formally communicate to DGS and other independent agencies subject to the Procurement Practices Reform Act (PPRA) the requirement that CAs conduct contractor evaluations in accordance with Policy and Procedure Directive No. 2002.00 Sections 4.2.2 and 5.1.

**OCP Response:**

OCP partially agrees with this recommendation. OCP Policy and Procedure Directive No. 2002.00 already establishes contractor evaluation requirements applicable to agencies under the CPO's authority. OCP will evaluate opportunities to further communicate best practices and evaluation expectations to independent agencies subject to the PPRA, recognizing that agencies independent of the CPO maintain separate procurement authority and operational procedures.

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**Recommendation 6:**

OCP should develop a process to monitor CAs to ensure contractor evaluations are completed in a timely manner.

**OCP Response:**

OCP agrees with this recommendation. OCP currently utilizes the Contract Performance Evaluation System (CPES), which generates automated notifications to Contract Administrators when evaluations are due. OCP will evaluate additional monitoring and reporting mechanisms to strengthen oversight of contractor performance evaluations and improve timely completion rates.

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**Recommendation 8:**

OCP and DGS should undertake a study of IGEs compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.

**OCP Response:**

OCP partially agrees with this recommendation. OCP recognizes the importance of accurate Independent Government Estimates (IGEs) and meaningful market research in supporting procurement planning and price reasonableness determinations. However, differences between IGEs and awarded contract values do not necessarily indicate underfunding or overpayment, particularly in complex or highly competitive procurements where market conditions, scope refinement, risk allocation, and vendor pricing strategies may significantly affect final pricing. OCP will evaluate whether additional guidance or analysis related to IGE development and documentation would be beneficial.

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# GOVERNMENT OF THE DISTRICT OF COLUMBIA

## Office of Contracting & Procurement (OCP)



### **Recommendation 9:**

OCP and DGS should revise their policies and procedures to ensure that all IGEs clearly identify the name and title of the individual who prepared the estimate and the date of preparation.

### **OCP Response:**

OCP agrees with this recommendation. OCP will evaluate revisions to applicable policies, templates, and procedures to reinforce documentation requirements related to the preparation of Independent Government Estimates, including preparer identification and preparation dates.

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### **Recommendation 10:**

OCP should update procurement regulations and policies and procedures to require COs to address significant differences between the IGE and offered or bid prices in writing.

### **OCP Response:**

OCP partially agrees with this recommendation. Contracting Officers already perform price reasonableness determinations and document award decisions through existing procurement memoranda and related contract documentation. OCP will evaluate whether additional guidance addressing significant variances between IGEs and bid or proposal pricing would provide operational value and improve consistency in procurement file documentation.

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### **Recommendation 11:**

OCP and DGS should ensure that when a technical evaluation panel is used the CO discusses the panel's initial evaluation and findings with the technical panel's chairperson and documents the results of that discussion in the Business Clearance Memorandum or Award Memorandum.

### **OCP Response:**

OCP partially agrees with this recommendation. OCP policy already requires Contracting Officers to independently assess proposals and consider Technical Evaluation Panel findings as part of the source selection process. OCP will evaluate whether additional procedural guidance or documentation requirements regarding discussions between Contracting Officers and Technical Evaluation Panel chairpersons would improve consistency in procurement file documentation.

OCP appreciates the ODCA's efforts and remains committed to maintaining transparent, effective, and accountable procurement practices while continuing to evaluate opportunities for process improvements, policy enhancements, and operational efficiencies.

# ODCA Response to Agency Comments

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ODCA made 11 recommendations: two were specific to DGS, four were specific to OCP, and five were specific to OCP and DGS. A brief response to each agency follows.

## Department of General Services (DGS)

We appreciate DGS's responses and are pleased that DGS agreed or partially agreed with four out of seven recommendations, providing corresponding corrective action plans. ODCA recognizes that DGS is an independent agency, and that its practices regarding the posting of its contract awards provide meaningful transparency into its procurement activities.

But D.C. Code 2-361.04 (c) is clear: Agencies not subject to the authority of the CPO (which include DGS) *shall transmit the information required by this section to the CPO* for posting on the Internet.

ODCA agrees that this requirement applies to all independent agencies, and that OCP should work with all independent agencies to facilitate their compliance with D.C. Code 2-361.04 (c). The recommendation specifically references DGS, as it is the only independent agency in our audit sample.

ODCA agrees with DGS that D.C. Code 2-356.05 and 27 DCMR § 2602.2, the regulations with respect to Independent Government Estimates, are unclear; an issue that OCP and DGS might seek to address through the legislative process. However, DGS's response does not address the fundamental issue highlighted by this recommendation; that all too often a wide gap exists between the government's estimate and the final awarded contract value. ODCA encourages DGS to undertake a study of Independent Government Estimates compared with final contract value and propose changes to policies and procedures if warranted to address potential underfunding or overpaying.

Overall, we were pleased that DGS noted in its comments the importance of broader, more equitable and more timely access to procurement opportunities, transparency of its contract actions and documentation, and timely contractor performance evaluations.

## Office of Contracting and Procurement (OCP)

We appreciate OCP's responses to ODCA and are pleased that OCP agreed or partially agreed with all nine of the recommendations.

We are encouraged by OCP's commitment to transparency, compliance with contract posting and documentation requirements, timely contractor performance evaluations, and continual improvement in its operations.

ODCA appreciates DGS's and OCP's responses to our audit findings and recommendations and thanks them for their efforts.

# Appendix A

## Detailed Methodology

# Detailed Methodology

The purpose of this audit was to identify the Top 10 non-personnel vendors of the District Government, in terms of cash disbursements, and evaluate how effectively and lawfully the District solicits, evaluates, awards and evaluates its contract awards to these vendors.

To identify the “Top 10” District procurement vendors, ODCA sought and obtained non-personal services cash disbursements data, for Fiscal Years 2020, 2021 and 2022 from the Office of the Chief Financial Officer (OCFO).

The ODCA team reviewed the cash disbursements data provided by the OCFO and combined the cash disbursements from duplicate vendors. For example, Ft. Myer Construction, The Community Partnership to Prevent Homelessness, Howard University and George Washington University, among others, all had multiple vendor numbers within SOAR.

We then excluded non-competitive vendors such as WMATA, WASA, certain other public utilities, telecommunications and financial obligations that are not awarded through the traditional procurement process. The vendors were then sorted by total.

Using this methodology the top 20 vendors as provided by OCFO for fiscal years 2020 to 2022 were:

Vendor Name and No.	2020		2021		2022		TOTALS		Vendor Type/Business Sector
	Fiscal Year	Count of Trans	Sum of Trans Amt	Count of Trans	Sum of Trans Amt	Count of Trans	Sum of Trans Amt	Total Count of Trans	
AMERIHEALTH DISTRICT OF COLUMBIA	2	\$ 631,871,380.72	2	\$ 658,182,862.78	3	\$ 778,237,131.90	7	\$ 2,068,291,375.40	Healthcare/MMCO
THRIVE DC	6	133,392,747.69	4	392,907,991.01	6	392,043,085.78	16	918,343,824.48	Healthcare/MMCO
HELIX FAMILY CHOICE INC.	-	-	2	381,262,929.33	2	382,127,420.87	4	763,390,350.20	Healthcare/MMCO
HEALTH SERVICES FOR CHILDREN	3	178,039,697.13	4	174,962,911.20	5	191,899,051.64	12	544,901,659.97	Healthcare/MMCO
HOWARD UNIVERSITY	59	162,986,329.37	77	131,521,577.20	64	152,313,607.40	200	446,821,513.97	Healthcare/Other
FORT MYER CONSTRUCTION CORP.	21	163,551,915.18	26	146,940,347.04	14	115,822,964.98	61	426,315,227.20	Construction
MCN BUILD INC.	7	186,426,855.16	5	145,067,162.29	5	82,905,807.59	17	414,399,825.04	School Construction
THE COMMUNITY PARTNERSHIP	12	109,861,637.58	10	114,483,111.29	12	127,003,227.71	34	351,347,976.58	Homeless Services
WASHINGTON HOSPITAL CENTER	76	129,125,599.37	57	72,512,919.79	65	70,339,752.73	198	271,978,271.89	Healthcare/Other
CONSUMER DIRECT DC LLC	9	74,255,237.29	6	92,773,567.66	3	90,359,944.17	18	257,388,749.12	Healthcare/MMCO
CAPITOL PAVING OF DC INC.	11	83,383,223.46	10	75,142,439.34	24	71,819,924.18	45	230,345,586.98	Construction
ARCHER WESTERN CONSTRUCTION	2	88,160,554.25	4	63,057,456.38	2	57,970,331.16	8	209,188,341.79	Construction
UNITY HEALTH CARE, INC.	92	74,576,005	156	64,811,101.74	31	58,906,699.09	279	198,293,806.21	Healthcare/Other
COMPUTER AID, INC.	100	53,115,283.01	100	68,655,428.09	131	72,809,109.30	331	194,579,820.40	IT Pipeline
MBI HEALTH SERVICES	15	59,575,523.92	47	64,887,380.96	30	66,035,460.53	92	190,498,365.41	Healthcare/Other
SECURITY ASSURANCE MANAGEMENT	13	56,379,404.63	16	49,236,167.85	22	82,588,246.43	51	188,203,818.91	DC Govt. Building Security
AMERIGROUP	2	178,018,523.65	1	1,585,966.87	-	-	3	179,604,490.52	Healthcare/MMCO
GEORGE WASHINGTON UNIVERSITY	59	78,021,839.77	37	45,498,431.31	46	41,606,156.74	142	165,126,427.82	Healthcare/Other
MAXIM HEALTHCARE SERVICES INC.	3	5,712,312.75	10	35,081,638.66	20	91,826,390.86	33	132,620,342.27	Healthcare/Other
TURNER CONSTRUCTION COMPANY	7	85,365,068.02	8	40,562,941.98	5	2,648,628.25	20	128,576,638.25	Construction
<b>Grand Total</b>	<b>499</b>	<b>\$ 2,531,819,138.33</b>	<b>582</b>	<b>\$ 2,819,134,332.77</b>	<b>490</b>	<b>\$ 2,929,262,941.31</b>	<b>1571</b>	<b>\$ 8,280,216,412.41</b>	

From this group, and to facilitate an informative, as well as efficient audit, the audit team identified four (4) vendors for testing: Ft. Myer Construction, Howard University and Howard University Hospital, MCN Build Construction and The Community Partnership for the Prevention of Homelessness, representing each vendor type.

We determined that we would exclude the Medicaid Managed Care Organizations (MMCOs) as these contracts were already subject to an intensive degree of oversight by the Council, the OIG and the District Contract Appeals Board (CAB).

The four sampled vendors accounted for approximately 25% of the Top 10 vendors in dollars paid in FYs 2020–2022.

From this group of vendors, we asked OCP and DGS to provide us with a list of all new contracts (not contract option years or contract modifications) awarded to these vendors during Fiscal Year's 2020, 2021 and 2022. The lists provided included 23 contracts.

From the list of 23 contracts, the audit team assigned random numbers to each contract, ordered them from highest to lowest random number and selected 13 contracts to audit. The contracts in our sample were awarded by OCP (eight contracts) and the Department of General Services (five contracts).

# **Appendix B**

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## Contract Summaries

## Contract Summary #1

<b>Project Title and Number:</b>	Maintenance of the Movable Barriers System on the Theodore Roosevelt Bridge (DCKA-2020-C-0095)
<b>Contracting Agency:</b>	D.C. Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Bid/Invitation for Bid <sup>52</sup>
<b>Type of Contract:</b>	Requirements <sup>53</sup>
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Date Solicitation Open:</b>	<b>4/13/2020 - 4/24/2020 (11 days)</b>
<b>Date Contract Awarded:</b>	5/8/2020
<b>Independent Govt Cost Est.:</b>	\$4,307,884.25
<b>Contract Award Amount:</b>	\$5,681,834.00
<b>Differential:</b>	31.9% above the Independent Government Cost Estimate
<b>Actual Amount Spent:</b>	\$2,717,652.47 (FY20-FY22) <sup>54</sup>
<b>Bid Range:</b>	None. Only 1 bid submitted.
<b>Companies That Bid:</b>	Fort Myer Construction Corporation: \$5,681,834.00

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### Purpose of the Contract:

The D.C. Department of Transportation (DDOT) sought a contractor to provide the labor, materials, equipment, tools, transportation and supplies required to operate and provide preventive and corrective maintenance to the moveable barrier system located on the Theodore Roosevelt Bridge. The contract included a cost reimbursement component based on fixed unit prices set forth in a price schedule. The contract was covered by federal dollars so D.C.'s First Source<sup>55</sup> requirements did not apply. The contract also did not require a Disadvantaged Business Enterprise (DBE) subcontracting plan.<sup>56</sup>

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52 Competitive Sealed Bid (IFB) is a method of contracting that, through an "Invitation for Bids," solicits the submission of competitive bids, followed by a public opening of the bids. A contract is then awarded to the responsible bidder who submitted the lowest priced responsive bid.

53 A Requirements contract provides for the filling of all actual purchase requirements of designated District agencies for specific goods or services during a specified contract period, with deliveries to be scheduled by placing orders with the contractor as required.

54 Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city's Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

55 D.C.'s First Source law requires that companies receiving local government-assisted contracts or financial aid totaling \$300,000 or more enter into an agreement with the District of Columbia's Department of Employment Services (DOES) to hire D.C. residents for a percentage of new jobs created by the project. For contracts of \$300,000–\$5,000,000, 51% of all new hires must be D.C. residents. For contracts \$5 million or more, D.C. residents must comprise 20% of journey worker hours, 60% of apprentice hours, 51% of skilled laborer hours, and 70% of common laborer hours). Because this contract was funded entirely by federal dollars, First Source did not apply.

56 The U.S. Department of Transportation runs a DBE program which seeks to help small independent businesses owned by socially and economically disadvantaged individuals participate in certain federally funded projects.

## Factors Considered in the Selection:

The Contracting Officer determined Fort Myer Construction Corporation (FMCC), the only bidder, to be responsible, meaning that FMCC met the 10 standard requirements consistent with D.C. Code § 2-353.01, including having: adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; a satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; a satisfactory record of integrity, business ethics and compliance with the law; and, been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.

In addition, the Contracting Officer determined that FMCC was not on either the District's or the federal government's excluded parties list as a debarred, suspended, or contractor ineligible for award.<sup>57</sup>

## Unique Aspects of This Solicitation and/or Contract:

The D.C. Department of Transportation (DDOT) invited more than 65 companies to submit bids, but only Fort Myer — the company that had held the contract for the prior five years — bid.

## Background on the Company Selected:<sup>58</sup>

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the District vendor apart from health care contractors receiving the largest amount of D.C. funds<sup>59</sup>. Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue, and 16th Street bridges, GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>57</sup> Per D.C. Code § 2-359.07, the CPO may debar or suspend contractors from consideration for award of contracts or subcontracts. This Excluded Parties List categorizes parties that have been suspended or debarred by the Chief Procurement Officer. While they are debarred or suspended, the District will not solicit offers from, award contracts to, renew, or otherwise extend contracts with, or consent to subcontracts with entities or individuals that appear on the Excluded Parties List. (<https://ocp.dc.gov/page/excluded-parties-list>). The federal government maintains a similar list through SAM.gov.

<sup>58</sup> <https://www.fortmyer.com/>.

<sup>59</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #2

<b>Project Title and Number:</b>	Homeless Continuum of Care: Emergency Task Order (CW81157 against an existing contract CW46211)
<b>Contracting Agency:</b>	Department of Human Services (DHS) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Emergency <sup>60</sup>
<b>Type of Contract:</b>	Firm Fixed Price <sup>61</sup>
<b>Contract Awarded to:</b>	The Community Partnership for the Prevention of Homelessness (TCP)

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<b>Dates Solicitation Open:</b>	N/A
<b>Date Contract Awarded:</b>	3/15/2020
<b>Independent Govt Cost Est.:</b>	None <sup>62</sup>
<b>Contract Amount:</b>	\$554,331.45 for a three-month contract from 3/16/2020-6/16/2020
<b>Differential:</b>	N/A
<b>Actual Amount Spent:</b>	\$22,370,952.40 including \$554,331.45(FY20) <sup>63</sup> plus \$21,816,621 as outlined below.
<b>Bid Range:</b>	N/A
<b>Companies That Bid:</b>	N/A

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### Purpose of the Contract:

Under the D.C. Code's provision regarding emergency procurement, DHS issued a task order against an existing contract with The Community Partnership for the Prevention of Homelessness (TCP). This three-month task order approved during the COVID-19 pandemic expressly identified the "emergency need for the contractor to provide emergency management oversight of the homeless services Continuum of Care including a network of services providers to provide services to over 10,000 individuals who are homeless or at risk of becoming homeless in the District. The Contractor shall provide the following emergency services: Emergency Surge Food, Emergency Security Services, Emergency Specialized Supplies, Emergency operation and administrative services for extended shelter hours for District shelter

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60 D.C. Code § 2-354.05 delineates when emergency procurements may occur, which is either due to an imminent threat to public health, welfare, property or safety, or to prevent or minimize serious disruption in agency operations. The Chief Procurement Officer must make the determination and findings that an emergency procurement is justified. Emergency procurement procedures shall not exceed 90 days; provided that if the development time for the good or service exceeds 90 days, the contract shall not exceed 120 days.

61 A Firm Fixed Price contract is a contract where the price is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This type of contract places maximum risk and full responsibility for all costs and resulting profit or loss upon the contractor and provides maximum incentive for the contractor to control cost and perform effectively.

62 Emergency Task Order is not required to comply with the requirements for an IGE per D.C. Code § 2-356.05 because this requirement applies to construction contracts.

63 The Department of Human Services did not provide a purchase order for ODCA to search for payments made via the city's Procurement Automated Support System (PASS); instead, DHS informed ODCA that "the payment of \$554,331.45 was processed via WebEOC by the Office of Contracting and Procurement."

sites, transitional housing sites and overflow shelter site serving homeless individuals and families in the District.”

The underlying contract upon which the task order was issued included First Source and Small Business Enterprise<sup>64</sup> requirements.

### **Factors Considered in the Selection:**

DHS considered the emergency need for the supplies and services, the ease of adding requirements to its main contractor, and the Office of Contracting and Procurement’s determination that an emergency contract was justified given the public health emergency.

TCP had met the threshold responsible determination by the Contracting Officer at the time TCP was awarded a \$79 million option year contract in December of 2019.<sup>65</sup> Responsibility meant that TCP met the standard requirements consistent with D.C. Code § 2-353.01, including having adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; satisfactory performance record; a satisfactory record of integrity and business ethics; a satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and had been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.

### **Unique Aspects of This Solicitation and/or Contract:**

This emergency task order added funds for additional services and supplies above and beyond the annual \$79+ million contract for the Homeless Continuum of Services held by TCP since 2017. At the time of the task order, TCP was in its third option year spanning 2/1/2020-1/31/2021. DHS required that expenditures under this task order be made via an emergency purchase card (credit card) so the expenditures could be easily tracked.

Research on the task order included a digital contract file that showed a total of 37 contract modifications to what was originally a three-month task order, extending to the last such modification on January 31,

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64 Per D.C. Code § 2-218.32, a Small Business Enterprise is a local business enterprise that is independently owned, operated and controlled, is certified by the U.S. Small Business Administration or meets the definition of a small business concern under the Small Business Act; or has an average annualized gross receipts for the 3 years preceding certification not exceeding the limits established by rules issued pursuant to §2-218.72. An SBE is a subcategory within the Certified Business Enterprise (CBE) program. D.C.’s Department of Small and Local Business Development (DSLBD) determines eligibility based on the applicant’s averaged annualized gross receipts for the 5 years preceding certification. DSLBD uses the U.S. Small Business Administration’s size standards and DSLBD’s limits to determine eligibility.

65 The CPO determines responsibility by adopting a Contract Specialist’s certification of responsibility based on the factors in D.C. Code § 2-353.01. For this contract, the Contracting Officer signed as a Supervisory Contract Specialist on the certification line and again as the Supervisory Contract Specialist/Contracting Officer on the determination line.

2022. In combination the changes to what had been a three-month, \$554,331 task order resulted in \$21.8 million additional spent via the task order through February 28, 2022. Between October 2019 and September 2023, the District spent a total of \$310 million with TCP through the task order and the base contract, which included \$43.7 million for COVID-related services.

### **Background on the Company Selected:<sup>66</sup>**

The Community Partnership for the Prevention of Homelessness, established in 1989, is an independent, non-profit corporation that coordinates the District of Columbia's Continuum of Care on behalf of the city. Through the work of subcontracted providers, the Continuum of Care includes prevention services, street outreach efforts, emergency shelter, transitional housing, and permanent supportive housing for individuals and families. TCP has held this role since 1993, when the federal government paid TCP \$20 million for the work; since 1999, TCP has contracted with the Department of Human Services to continue its management of the Continuum of Care. During the period covered by the audit, TCP received more than \$351 million from the District. Additional information on the District's longstanding relationship with TCP can be found in ODCA's 2016 audit, [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.](#)

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<sup>66</sup> <https://community-partnership.org/>.

## Contract Summary #3

<b>Project Title and Number:</b>	Comprehensive Breast and Cervical Cancer Screening and Patient Navigation Services to Women in Project WISH (CW82115)
<b>Contracting Agency:</b>	D.C. Department of Health (DC Health) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Human Care Agreement <sup>67</sup>
<b>Type of Contract:</b>	Firm Fixed Price
<b>Contract Awarded to:</b>	Howard University

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<b>Dates Solicitation Open:</b>	<b>3/24/2020-4/13/2020 (21 days)</b>
<b>Date Contract Awarded:</b>	06/24/2020
<b>Independent Govt Cost Est.:</b>	N/A; prices were based on the Medicare Fee Schedule
<b>Contract Amount:</b>	\$150,000
<b>Differential:</b>	N/A
<b>Actual Amount Spent:</b>	\$52,077.77 (FY2021-FY2022) <sup>68</sup>
<b>Bid Range:</b>	N/A
<b>Companies That Bid:</b>	Family Medical Counseling Howard University

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### Purpose of the Contract:

DC Health sought contractor(s) to provide comprehensive breast and cervical cancer screening and patient navigation services to women in D.C. enrolled in an early cancer detection program called Women Into Staying Healthy (Project WISH). The goal of the program was to decrease breast and cervical cancer incidence, morbidity, and mortality rates of D.C. residents who meet certain income and insurance thresholds. Services sought included direct clinical services and patient navigation and included set rates of pay based on the Medicare Fee Schedule for each type of screening, diagnosis, procedure, and hourly staffing. The contract amount did not meet the threshold for a First Source requirement.

### Factors Considered in the Selection:

Since the price was determined by Medicare rates, applicants were rated solely on whether they were responsible, meaning that, per D.C. Code § 2-353.01, the Contracting Officer determined that Howard

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<sup>67</sup> A Human Care Agreement (HCA) is used for procurement of social health, human and education services directly to individuals in the District.

<sup>68</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city's Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

University had adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; satisfactory record of integrity and business ethics; a satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; satisfactory business ethics and compliance with the law; and, been deemed otherwise qualified and eligible to receive an award under applicable laws and rules.<sup>69</sup>

### **Unique Aspects of This Solicitation and/or Contract:**

The Office of Contracting and Procurement determined both Howard University and Family Medical Counseling to be qualified and awarded both entities Human Care Agreements valued at \$150,000.

### **Background on the Company Selected:<sup>70</sup>**

Over the course of its 145-year history of providing primary, secondary, and tertiary health care services, Howard University Hospital has become one of the most comprehensive health care facilities in the Washington, D.C., metropolitan area and is designated as a Level 1 Trauma Center. A private, nonprofit institution, Howard University Hospital is the nation's only teaching hospital located on the campus of a historically Black college or university (HBCU). Howard University Cancer Center is the only full-service cancer center based within an HBCU and is devoted to helping predominantly Black patients. It focuses on improving cancer care outcomes and reducing disparities for the Black community – locally, nationally, and globally. During the period covered by the audit, Howard University including the hospital received more than \$446 million from the District.

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<sup>69</sup> This contract included nine of the 10 standard assurances listed in D.C. Code § 2-353.01 to merit a designation of being responsible. The one assurance not expressly included was the determination that Howard University had the ability, or the ability to obtain, the necessary production, construction, technical equipment, and facilities to complete the work. § 2-353.01(a)(7).

<sup>70</sup> <https://www.huhealthcare.com/about-us/>.

## Contract Summary #4

<b>Project Title and Number:</b>	Construction for Safety and Geometric Improvements of I-295 (DCKA-2020-C-0011)
<b>Contracting Agency:</b>	District Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Bid/Invitation for Bid
<b>Type of Contract:</b>	Firm Fixed Price
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Dates Solicitation Open:</b>	<b>11/22/2019-2/24/2020 (95 days)</b>
<b>Date Contract Awarded:</b>	9/18/2020
<b>Independent Govt Cost Est.:</b>	\$15,885,522.25
<b>Contract Amount:</b>	\$14,928,038.10
<b>Differential:</b>	6% beneath the IGCE
<b>Actual Amount Spent:</b>	\$14,927,085.81 (FY21-FY25) <sup>71</sup>
<b>Bid Range:</b>	\$13,937,524.05–\$17,813,263.40
<b>Companies That Bid:</b>	Capital Paving of DC, Inc: \$17,813,263.40 Concrete General Incorporated: \$16,562,948.41 Fort Myer Construction Corporation: \$14,928,038.10 Metro Paving Corporation: \$13,937,524.05

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### Purpose of the Contract:

The District Department of Transportation (DDOT) sought a contractor to provide all labor, materials and equipment for the construction of multiple locations along I-295 and DC-295. Work included safety and geometric improvements for roads, intersections and ramps, as well as traffic management, soil erosion control, excavating, paving, grading, construction of drains, manholes, sidewalk restoration, landscaping, and a host of other deliverables. As a Federal Aid Project, the contractor was subject to a Disadvantaged Business Enterprise (DBE) goal, but not a First Source requirement. The DBE goal was 28% and the goal for female participation in each trade was 6.9%.<sup>72</sup>

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71 Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city's Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

72 The U.S. Department of Transportation runs a DBE program which seeks to help small businesses owned by socially and economically disadvantaged individuals participate in federally funded projects.

## **Factors Considered in the Selection:**

As the lowest responsive bidder, Fort Myer Construction Corporation (FMCC) was selected after the Contracting Officer determined that FMCC was responsible per D.C. Code § 2-353.01. Specifically, the Contracting Officer noted that Fort Myer had: adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.

In addition, the Contracting Officer noted that FMCC was not on either the District's or the federal government's excluded parties list as a debarred, suspended, or contractor ineligible for award.

## **Unique Aspects of This Solicitation and/or Contract:**

FMCC did not submit the lowest bid, but the lowest bidder, Metro Paving, was determined to be non-responsive, thus making FMCC the lowest responsive bidder.

In the "Determination and Findings For Award To Other Than The Lowest Bidder" documentation, the Deputy Chief Contracting Officer determined that awarding the contract to FMCC was justified because:

"Metro Paving's bid included mistakes in unit prices which are not clearly evident on the face of the paper bid, thus the bid did not conform in all material respects to the solicitation and is determined non-responsive....

Specifically, as Metro Paving stated in their letter for CLIN 0685, Metro Paving inserted the incorrect unit price of \$162 instead of the intended unit price of \$1.65 and for CLIN 0690 Metro Paving inserted the incorrect unit price of \$1.65 instead of the intended unit price of \$16.20. These mistakes in unit prices for CLINS 0685 and 0690 are not mistakes that can be corrected since the intended correction is not clear on the face of the paper bid. Section L.4.C.ii of the Solicitation provides that in the event of a discrepancy between the paper and electronic bid versions, the bid paper version has priority.

Further, pursuant to 27 DCMR 1536.4, the mistake and intended correct bid must be clearly evident on the face of the bid document. Thus, Metro Paving's bid is nonresponsive and not subject to further consideration."

Despite Metro Paving's bid being nearly \$1 million less than FMCC's and the bottom-line bid amount being correct despite the errors delineated above, Metro Paving was deemed non-responsive, and thus FMCC was awarded the contract.

## **Background on the Company Selected:**

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the non-health vendor receiving more District fund than any other vendor.<sup>73</sup> Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue, and 16th Street bridges, the GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>73</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #5

<b>Project Title and Number:</b>	Construction for Douglas Street Pedestrian Bridge over Kenilworth Avenue (DCKA-2021-C-0050)
<b>Contracting Agency:</b>	District Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Bid/Invitation for Bids
<b>Type of Contract:</b>	Firm Fixed Price
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Dates Solicitation Open:</b>	<b>5/21/21-7/27/21 (68 days)</b>
<b>Date Contract Awarded:</b>	10/19/2021
<b>Independent Govt Cost Est.:</b>	\$13,051,120.67
<b>Contract Amount:</b>	\$9,143,751.70
<b>Differential:</b>	29.9% beneath the IGCE
<b>Actual Amount Spent:</b>	\$8,574,760.53 (FY21-22) <sup>74</sup>
<b>Bid Range:</b>	\$9,143,751.70–\$13,115,322.80
<b>Technical Evaluation Panel:</b>	No
<b>Companies That Bid:</b>	Concrete General, Inc.: \$12,302,252.40 Fort Myer Construction Corporation: \$9,143,751.70 Kiewit Infrastructure, Co.: \$13,115,322.80 Martins Construction Corp.: \$10,996,859.00 Milani Construction, LLC.: \$10,315,561.75

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### Purpose of the Contract:

The District Department of Transportation (DDOT) sought a contractor to complete the removal and replacement of the Douglas Street Pedestrian Bridge over Kenilworth Avenue. The contractor was required to provide all labor, materials and equipment for the construction of the pedestrian bridge, including construction of deep foundation structure, engineering, fabrication, delivery and installation of the trusses for the bridge superstructure, as well as traffic control, erosion control, demolition of the existing bridge and other parcels, and other requirements.

As a Federal Aid project, the First Source requirement did not apply, but instead the Disadvantaged Business Enterprise goal applied, as well as a goal for minority participation in each trade (28%) and female participation in each trade (6.9%).

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<sup>74</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city's Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

## **Factors Considered in the Selection:**

Fort Myer Construction Corporation (FMCC) was noted as the lowest responsive bidder, however neither DDOT nor the Office of Contracting and Procurement provided ODCA with the standard documentation called the "Determination And Findings For Contractor Responsibility" signed by the Contracting Officer (CO) certifying that FMCC was responsible.

## **Unique Aspects of This Solicitation and/or Contract:**

In the Bid Opening Transmittal Memo from the CO to DDOT, the CO confirmed FMCC as the lowest apparent responsive bidder but wrote: "Please review attached detailed bids tabulation, analyze and prepare rationale, explanation and justification for recommending award. Justification to include detail [sic] engineer's analysis, rationale, reason(s), and justification for each CLIN with large delta between engineer's estimate and contractors' pricing. When recommending award, provide engineer's justification and rationale explaining how the engineer foresees contractor completing the work for the quoted by the contractor price."

The Office of Contracting and Procurement stated in its Business Clearance Memorandum that the "DDOT engineering team completed in depth detail IGE and submitted bids analysis and concluded that Fort Myer Construction is reasonable", however additional information clarifying how Fort Myer could perform the work at a price so far under the IGCE was not documented.

## **Background on the Company Selected:**

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the largest non-health District vendor.<sup>75</sup> Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue, and 16th Street bridges, the GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>75</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #6

<b>Project Title and Number:</b>	Citywide Traffic Safety Construction (CW114877/DCKA-2021-C-0022)
<b>Contracting Agency:</b>	District Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Bid/Invitation for Bids
<b>Type of Contract:</b>	Indefinite Delivery - Indefinite Quantity (IDIQ) <sup>76</sup>
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Dates Solicitation Open:</b>	<b>2/11/21-4/30/21 (79 days)</b>
<b>Date Contract Awarded:</b>	10/29/21
<b>Independent Govt Cost Est.:</b>	\$4,909,560.00
<b>Contract Amount:</b>	\$4,174,776.82
<b>Differential:</b>	15.0% beneath the IGCE
<b>Actual Amount Spent:</b>	\$14,946,879.71 (FY22-23) <sup>77</sup>
<b>Bid Range:</b>	\$4,174,776.82-\$5,156,065.00 (Base Year bids)
<b>Companies That Bid:</b>	Capital Paving of DC, Inc.: \$5,156,065.00 Fort Myer Construction Corporation: \$4,174,776.82 Metro Paving Corp.: \$5,059,329.00

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### Purpose of the Contract:

The District Department of Transportation (DDOT) sought a contractor to complete a variety of road improvements, including six corridor projects and 25 intersection projects every contract year. The contractor was tasked with managing traffic during the work, repairing curbs, gutters, sidewalks, driveway entrances, utility cuts, base pavements, as well as constructing corner cutbacks, resetting stone curb, replacing existing curb, furnishing sewer-water manhole frames and basin tops, constructing wheelchair/bicycle /pedestrian ramps, and other tasks.

As a Federal Aid contract, the First Source requirement did not apply, but instead the Disadvantaged Business Enterprise goal applied, as well as a goal for minority participation in each trade (28%) and female participation in each trade (6.9%).

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<sup>76</sup> An Indefinite-Delivery Indefinite-Quantity (IDIQ) contract is a contract that provides for an indefinite quantity, within written stated limits, of specific supplies or services to be furnished during a fixed period, with deliveries to be scheduled by placing orders with the contractor. The contract requires the District to order and the contractor to furnish at least a stated minimum of supplies or services.

<sup>77</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city's Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

## **Factors Considered in the Selection:**

As the lowest responsive bidder, Fort Myer Construction Corporation (FMCC) was selected after the Contracting Officer determined that FMCC was responsible per D.C. Code § 2-353.01. Specifically, the Contracting Officer noted that Fort Myer had: adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.

## **Unique Aspects of This Solicitation and/or Contract:**

Fort Myer Construction Company bid less than the Independent Government Contract Estimate (IGCE), and both of the other bidders also bid beneath the ICGE.<sup>78</sup> The Contracting Officer's Bid Opening Memo to DDOT stated: "Please review attached detailed bids tabulation, analyze and prepare rationale, explanation and justification for recommending award. Justification to include detail engineer's analysis, rationale, reason(s), and justification for each CLINs with large delta between engineer's estimate and contractors' pricing. When recommending award, provide engineer's justification and rationale explaining how the engineer foresees contractor completing the work for the quoted by the contractor price."

## **Background on the Company Selected:**

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the largest non-health District vendor.<sup>79</sup> Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue and 16th Street bridges, GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>78</sup> Per the Bid Opening Transmittal prepared by DDOT, the bid amount used for the analysis included the base year and four option years, which totaled \$37,687,786.92.

<sup>79</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #7

<b>Project Title and Number:</b>	Federal-Aid Pavement Restoration National Highway Performance Program Streets (DCKA-2021-C-0020)
<b>Contracting Agency:</b>	District Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Bid/Invitation for Bids
<b>Type of Contract:</b>	Indefinite Delivery - Indefinite Quantity (IDIQ)
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Dates Solicitation Open:</b>	<b>6/21/21 – 8/11/21 (52 days)</b>
<b>Date Contract Awarded:</b>	1/11/2022
<b>Independent Govt Cost Est.:</b>	\$93,830,074.00
<b>Contract Amount:</b>	\$73,227,890.29
<b>Differential:</b>	22.0% beneath the IGCE
<b>Actual Amount Spent:</b>	\$66,762,528.90 (FY22-FY26) <sup>80</sup>
<b>Bid Range:</b>	\$ 73,227,890.29–\$89,287,447.70
<b>Companies That Bid:</b>	Capital Paving of DC, Inc.: \$88,747,734.66 Fort Myer Construction Corporation: \$73,227,890.29 Metro Paving Corp.: \$89,287,447.70

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### Purpose of the Contract:

The District Department of Transportation (DDOT) sought a contractor to provide construction for Federal Aid Pavement Restoration National Highway Performance Program Streets. Work included preventive maintenance activities to rehabilitate and maintain roadway and roadside assets within the rights-of-way on the District's portion of the National Highway System. More specifically, work included: resurfacing roadways; repairing potholes, gutters and sidewalks; meeting Americans with Disabilities requirements; landscaping and fencing; installing and repairing bike lanes; and other tasks. As a Federal Aid project, the First Source requirement did not apply, but instead the Disadvantaged Business Enterprise goal applied, as well as a goal for minority participation in each trade (28%) and female participation in each trade (6.9%).

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<sup>80</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the Office of Contracting and Procurement (OCP) Contracts and Procurement Transparency Portal. ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

## **Factors Considered in the Selection:**

As the lowest responsive bidder, Fort Myer Construction Corporation (FMCC) was selected after the Contracting Officer determined that FMCC was responsible per D.C. Code § 2-353.01. Specifically, the Contracting Officer noted that Fort Myer had: adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.

In addition, the Contracting Officer noted that Fort Myer is not on either the District's or the federal government's excluded parties list as a debarred, suspended, or contractor ineligible for award.

## **Unique Aspects of This Solicitation and/or Contract:**

Fort Myer Construction Corporation was deemed the lowest responsive, responsible bidder, submitting a bid more than \$2 million less than the other two responsive bidders and more than \$3.6 million beneath the IGCE. The Contracting Officer's Bid Opening Memo to DDOT stated: "Please review attached detailed bids tabulation, analyze and prepare rationale, explanation and justification for recommending award. Justification to include detail engineer's analysis, rationale, reason(s), and justification for each CLIN with large delta between engineer's estimate and contractors' pricing. When recommending award, provide engineer's justification and rationale explaining how the engineer foresees contractor completing the work for the quoted by the contractor price."

The Contracting Officer noted in the Business Clearance Memorandum that "Fort Myer Construction Corporation submitted a bid that is 22.12% below the Engineer's estimate. DDOT engineering team completed in depth detail IGE and submitted bids analysis and concluded that Fort Myer bid is reasonable. The Contracting Officer's reviewed and analyzed submitted bids and DDOT engineer's recommendations. The Contracting Officer concluded and determined that the price submitted by Fort Myer Construction Corporation is reasonable" but did not provide detailed clarification as to how Fort Myer could perform the work at a price under the IGCE.

## **Background on the Company Selected:**

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the vendor receiving more District funds in FY 2020-2022 than any other non-health District

vendor.<sup>81</sup> Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue and 16th Street bridges, the GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>81</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #8

<b>Project Title and Number:</b>	Management and Research to Support DDOT's Research Projects on Transportation-Related Topics (DCKA-2021-C-0031)
<b>Contracting Agency:</b>	District Department of Transportation (DDOT) via the Office of Contracting and Procurement (OCP)
<b>Type of Solicitation:</b>	Competitive Sealed Proposal/Request for Proposals <sup>82</sup>
<b>Type of Contract:</b>	Indefinite Delivery Indefinite Quantity (IDIQ)
<b>Contract Awarded to:</b>	Howard University

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<b>Dates Solicitation Open:</b>	<b>3/19/21 – 4/30/21 (43 days)</b>
<b>Date Contract Awarded:</b>	2/10/2022
<b>Independent Govt Cost Est.:</b>	\$291,381.36
<b>Contract Amount:</b>	\$301,203.69
<b>Differential:</b>	3.4% above the Independent Government Cost Estimate
<b>Actual Amount Spent:</b>	\$608,574.42 (FY23-FY26) <sup>83</sup>
<b>Bid Range:</b>	\$301,203.69–\$455,664.00
<b>Companies That Bid:</b>	Georgetown University: \$455,664.00 Howard University: \$301,203.69

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### Purpose of the Contract:

The District Department of Transportation (DDOT) sought a contractor to provide management support for its research program and to conduct research on projects on transportation-related topics. DDOT expressly sought to position its research arm as the nation's premier applied urban research program by engaging with a university to perform General Program Administration Support, Partner Academic Research, Research Project Lifecycle, Student Programs, Research Implementation Activities, and Applied Research. The selected university was to develop research ideas and scopes of work, conduct market scans, literature reviews, and short-term projects as needed, manage and oversee work with other subcontracted universities, and manage DDOT's internship program, among other specific tasks.

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<sup>82</sup> Competitive Sealed Proposals/Request for Proposals are method of procurement that communicates the District's requirements to prospective offerors, when the use of competitive sealed bidding is not practical, and the award will be based on both price and non-price evaluation factors specified in the solicitation.

<sup>83</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the Office of Contracting and Procurement (OCP) Contracts and Procurement Transparency Portal. ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

## Factors Considered in the Selection:

An evaluation panel comprised of three D.C. government employees assessed the two applications in the following categories:

- Project Understanding.
- Program Management Plan.
- Partner Academic Research Plan Approach.
- Research Management Experience.

The panel ranked Georgetown University (score: 57) higher than Howard University (score: 54) but noted that both universities were deemed capable of performing the work. The panel recommended that Georgetown be selected.

Despite the panel recommending Georgetown, Howard was selected and the Contracting Officer determined that Howard University had met the standard 10 factors to be deemed responsible per D.C. Code § 2-353.01.<sup>84</sup> Specifically, the Contracting Officer noted that Howard had: adequate financial resources to perform the contract or the ability to obtain those resources; the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules and the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, been otherwise deemed qualified and eligible to receive an award under applicable laws and rules.<sup>85</sup>

## Unique Aspects of This Solicitation and/or Contract:

The evaluation panel recommended that Georgetown University be selected over Howard University. There is no explanation in documents provided about why the decision was made to select Howard.

## Background on the University Selected:<sup>86</sup>

Founded in 1867, Howard University is a private research university comprised of 14 schools and colleges. With more than 12,000 students, the school offers 143 programs of study leading to undergraduate, graduate and professional degrees. Howard ranks among the highest producers of the nation's Black

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84 The CPO determines responsibility by adopting a Contract Specialist's certification of responsibility based on the factors in § 2-353.01. In this case, the Contracting Officer was the sole signatory.

85 The Determination and Findings for Contractor Responsibility signed by the Contracting Officer deemed Howard University to be responsible and the price reasonable. The document contained a typo at the end of it, however, saying that "Based on the findings certified above, I hereby determinate that Fort Myer Construction Corporation [sic] is responsible, and eligible to perform under the contract."

86 <https://howard.edu/>.

professionals in medicine, dentistry, pharmacy, engineering, nursing, architecture, religion, law, music, social work and education. Howard grew from a single-frame building in 1867 and evolved to more than 89 acres, including the six-story, 400-bed Howard University Hospital. Since 1974, it has expanded to include a 22-acre School of Law West Campus, a 22-acre School of Divinity East Campus and another three-fifths of an acre facility in northeast Washington and a 108-acre tract of land in Beltsville, Maryland. During the period covered by the audit, Howard University received more than \$446 million from the District.

## Contract Summary #9

<b>Project Title and Number:</b>	Design-Build Services for Bard High School Early College (DCAM-20-CS-RFP-0016)
<b>Contracting Agency:</b>	Department of General Services (DGS)
<b>Type of Solicitation:</b>	Competitive Sealed Proposal/Request for Proposals
<b>Type of Contract:</b>	Cost Plus Fixed Fee with a Guaranteed Maximum Price <sup>87</sup>
<b>Contract Awarded to:</b>	MCN Build Inc.

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<b>Dates Solicitation Open:</b>	<b>8/4/2020-9/8/2020 (36 days)</b>
<b>Date Contract Awarded:</b>	10/15/2020
<b>Independent Govt Cost Est.:</b>	\$63,747,363.00
<b>Contract Amount:</b>	\$81,890,593.92
<b>Differential:</b>	28.5% above the Independent Government Cost Estimate
<b>Actual Amount Spent:</b>	\$79,907,764.29 (FY21-FY25) <sup>88</sup>
<b>Bid Range:</b>	\$6,674,763.00–\$10,335,712.00 (design portion only)
<b>Companies That Bid:</b>	Chiaromonte/Coakley & Williams Joint Venture: \$9,674,893.00 GCS Sigal-Grunley Joint Venture: \$9,158,807.00 Gilbane Building Company: \$7,742,232.00 MCN Build Inc.: \$6,674,763.00 Skanska Building USA, Inc.: \$10,335,712.00 Turner Construction Company: \$8,319,282.00

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### Purpose of the Contract:

DGS sought the services of a company to complete the design-build, i.e., the entire process of designing and completing construction, of Bard High School Early College at the site of the former Malcolm X Elementary School. Work included renovating of a portion of the existing facility, demolishing a portion of the existing building, and constructing a new addition, ultimately to create approximately 115,000 gross square feet of learning space. The modernization addressed the Americans with Disabilities Act requirements and brought learning, instruction, and support technology up to cutting edge standards and capacity.

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<sup>87</sup> A Cost Plus Fixed Fee with a Guaranteed Maximum Price contract is a cost-reimbursement agreement where the contractor bills the government for all actual project costs plus a predetermined, fixed fee. The ceiling on the cost—the Guaranteed Maximum Price—is the highest amount the District government is obligated to compensate a contractor.

<sup>88</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the Office of Contracting and Procurement (OCP) Contracts and Procurement Transparency Portal. ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

The new modernized design created space for physical education and dining services along with discovery commons spaces, small group rooms, and resource rooms to support the academic program, and a black box theater space to support Bard’s performing arts program.

The Project was to incorporate, at a minimum, LEED for Schools—Gold principles and other environmental benchmarks. The contract was subject to First Source requirements.

### **Factors Considered in the Selection:**

A panel of three D.C. government employees – one from DGS, one from DCPS, and one from the Mayor’s Office of the Deputy Mayor for Planning and Economic Development (DMPED) – evaluated the applications by scoring each proposal in the categories listed below to come up with a total “technical score” for each proposal:

- Past performance, relevant experience and capabilities of the prime contractor.
- Key personnel of the prime contractor.
- Past performance, relevant experience and capabilities of the architect/engineer.
- Key personnel of the architect/engineer.
- Project management plan and schedule.

MCN earned the second highest score of 66.08 out of 80, behind another bidder that earned 68.33. The lowest score was 48.50.

The DGS Contracting Officer (CO) adopted the panel’s scores and then assigned additional scores based on:

- Price, with the lowest price proposal earning the highest available points and others earning points relative to the proposal of the lowest bidder.
- Preference points, which are awarded to companies that are Certified Business Enterprises (CBEs) per the Department of Small and Local Business Development.

MCN submitted the lowest bid and earned additional points as a CBE. Taken altogether, MCN earned the highest score, with a total of 93.08 compared with a range of 73.88-82.91 for the other bidders.

In addition to earning the highest score, the Chief Procurement Officer (CPO) adopted the Contract Specialist’s certification that MCN had met nine of the 10 standard requirements for responsibility per D.C. Code § 2-353.01. Specifically, the CPO determined that MCN had: the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, a satisfactory record of integrity, business ethics and compliance with the law; and, been otherwise deemed qualified and eligible

to receive an award under applicable laws and rules.<sup>89</sup>

### **Unique Aspects of This Solicitation and/or Contract:**

Although the ultimate cost for the design-build work totaled more than \$80 million, the applications were assessed—and the contract was awarded—based solely on the design portion of the work. MCN’s bid of \$6.7 million was by far the lowest, coming in at more than \$1 million less than the next lowest bidder of \$7.7 million and far below the highest bidder of \$10.3 million.

Ultimately, the Guaranteed Maximum Price vastly exceeded the IGCE; DGS attributed this to “[unforeseen/ additional scope... [and the fact that] Contingency and allowance were not included in the initial contract amount.”

### **Background on the Company Selected:<sup>90</sup>**

MCN Build, founded in 2007 by three developers, is a construction company that builds and renovates facilities, with a focus on mixed-use facilities, educational campuses, community centers and medical centers. It is based in Washington, D.C., but also has offices in Maryland and the U.S. Virgin Islands. The company has teams covering the full range of the construction process, from the preconstruction design phase through construction completion. They focus on sustainability, with many projects earning LEED certification or higher. MCN Build has renovated or built multiple educational campuses in D.C., including Maury Elementary School, School Without Walls, MacFarland Middle School, KIPP and others. They have also been involved in other highly publicized D.C. projects including the Ward 8 short-term family housing site built as part of the city’s decision to close D.C. General, the Fields at RFK, and the recently completed Cedar Hill Regional Medical Center. MCN is a CBE and received \$414 million from the District in FY 2020-2022.

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<sup>89</sup> The Contract Specialist did not expressly include findings per D.C. Code § 2-353.01(a)(1) that MCN had adequate financial resources to perform the contract or the ability to obtain those resources.

<sup>90</sup> <https://www.mcnbuild.com/>.

## Contract Summary #10

<b>Project Title and Number:</b>	Design-Build for Modernization of Charles W. Raymond Elementary School (DCAM-20-CS-RFP-0018)
<b>Contracting Agency:</b>	Department of General Services (DGS)
<b>Type of Solicitation:</b>	Competitive Sealed Proposal/Request for Proposals
<b>Type of Contract:</b>	Design-Build with Guaranteed Maximum Price
<b>Contract Awarded to:</b>	MCN Build Inc.

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<b>Dates Solicitation Open:</b>	<b>9/24/2020–10/26/2020 (32 days)</b>
<b>Date Contract Awarded:</b>	12/08/2021
<b>Independent Govt Cost Est.</b>	\$50,614,986.72
<b>Contract Amount:</b>	\$62,639,122.41 <sup>91</sup>
<b>Differential:</b>	22.5% above the Independent Government Cost Estimate
<b>Actual Amount Spent:</b>	\$54,335,469.06 (FY21-FY25) <sup>92</sup>
<b>Bid Range (Design Only):</b>	\$5,000,000.00–\$9,108,943.00
<b>Companies That Bid:</b>	Chiaramonte/Coakley & Williams Joint Venture: \$8,468,494.00 GCS Sigal-Grunley Joint Venture: \$7,297,398.00 Gilbane Building Company: \$6,918,171.00 MCN Build Inc.: \$5,000,000.00 Skanska Building USA, Inc.: \$7,591,863.00 Smoot Construction Company: \$7,147,323.00 Turner Construction Company: \$6,063,188.00 The Whiting-Turner Construction Company: \$9,108,943.00

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### Purpose of the Contract:

DGS sought the services of a company to complete the design-build, i.e., the entire process of designing and completing construction, for the modernization of Raymond Elementary School at 915 Spring Road NW. The work included demolition, renovations, and new construction to ultimately create 85,000 square feet of modernized learning space for the school. Also included were improvements to a temporary swing space on 11<sup>th</sup> Street NW for Raymond Elementary students and staff to occupy for two school years while the new building was under construction.

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91 At the end of the audit scope the contract value was \$61,993,501.78, contract modification 4 was issued on May 4, 2023, in the amount of \$645,620.63 increasing the contract value to \$62,639,122.41.

92 Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the Office of Contracting and Procurement (OCP) Contracts and Procurement Transparency Portal. ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

The modernization addressed Americans with Disabilities Act requirements and present-day standards for learning environments. The new design ensured multi-purpose spaces could accommodate physical education and dining services, and that common spaces, small group rooms, and resource rooms were integrated to accommodate special projects, collaborative work, and individual pullout instruction. Work included the outdoor spaces as well, such as playgrounds, gardens and parking. DGS required the project to incorporate LEED for Schools—GOLD principles. The contract was subject to First Source requirements.

### **Factors Considered in the Selection:**

A panel of three D.C. government employees evaluated the applications by scoring each proposal in the categories listed below to come up with a total “technical score” for each proposal:

- Past performance, relevant experience and capabilities of the prime contractor.
- Key personnel of the prime contractor.
- Past performance, relevant experience and capabilities of the architect/engineer.
- Key personnel of the architect/engineer.
- Project management plan and schedule.

MCN earned the highest score (65.75), compared with others ranging from 53.83-65.50 points.

The DGS Contracting Officer (CO) adopted the panel’s scores and assigned addition points based on:

- Price, with the lowest price proposal earning the highest available points and others earning points relative to the proposal of the lowest bidder.
- Preference points, which are awarded to companies that are Certified Business Enterprises (CBEs) per the D.C. Department of Small and Local Business Development

MCN submitted the lowest bid and earned additional points as a CBE. The CO summed the technical scores and the price and preference scores to compute the total. MCN Build earned the highest score (92.75), compared with others ranging from 72.98-89.95 points.

In addition to earning the highest score, the Chief Procurement Officer (CPO) adopted the Contract Specialist’s certification that MCN had met nine of the 10 standard requirements for responsibility per D.C. Code § 2-353.01. Specifically, the CPO determined that MCN had: the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification;<sup>93</sup>

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<sup>93</sup> The Contract Specialist did not expressly include findings per D.C. Code § 2-353.01(a)(1) that MCN had adequate financial resources to perform the contract or the ability to obtain those resources.

In addition, the CPO attested that MCN was not on either the District's or the federal government's excluded parties list as a debarred, suspended, or contractor ineligible for award and that MCN had completed, submitted and certified the information in the required Bidder/Offeror Certification Form.

### **Unique Aspects of This Solicitation and/or Contract:**

Although the ultimate contract cost for the design-build work totaled more than \$60 million, the applications were assessed—and the contract was awarded—based solely on the design portion of the work. MCN's bid of \$5 million was by far the lowest, coming in at more than \$1 million less than the next lowest bidder of \$6.1 million and far below the highest bidder of \$9.1 million. MCN's low bid was the deciding factor earning it the best overall application score.

DGS reported that the Guaranteed Maximum Price of nearly \$62 million vastly exceeded the IGCE due to “[r]apid escalation and fluctuating material costs, supply chain issues, and scope added by DCPS” with the material costs and supply chain issues being “largely pandemic-related and [due to] global market conditions.”

### **Background on the Company Selected:**

MCN Build, founded in 2007 by three developers, is a construction company that builds and renovates facilities, with a focus on mixed-use facilities, educational campuses, community centers and medical centers. It is based in Washington, D.C., but also has offices in Maryland and the U.S. Virgin Islands. The company has teams covering the full range of the construction process, from the preconstruction design phase through construction completion. They focus on sustainability, with many projects earning LEED certification or higher. MCN Build has renovated or built multiple educational campuses in D.C., including Maury Elementary School, School Without Walls, MacFarland Middle School, KIPP and others. They have also been involved in other highly publicized D.C. projects including the Ward 8 short-term family housing site built as part of the city's decision to close D.C. General, the Fields at RFK, and the recently completed Cedar Hill Regional Medical Center. MCN is a CBE and received \$414 million from the District in FY 2020-2022.

## Contract Summary #11

<b>Project Title and Number:</b>	Redevelopment of St. Elizabeth’s East Campus: Pecan Street Infrastructure Improvements (DCAM-21-CS-IFB-0001)
<b>Contracting Agency:</b>	Department of General Services (DGS)
<b>Type of Solicitation:</b>	Competitive Sealed Proposal/Invitation for Bids
<b>Type of Contract:</b>	Firm Unit Price with a not-to-exceed amount
<b>Contract Awarded to:</b>	Fort Myer Construction Corporation

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<b>Dates Solicitation Open:</b>	02/01/21-03/10/21
<b>Date Contract Awarded:</b>	06/02/21
<b>Independent Govt Cost Est.:</b>	\$10,620,245.76
<b>Contract Amount:</b>	\$9,976,694.65
<b>Differential:</b>	6.1% beneath the IGCE
<b>Actual Amount Spent:</b>	\$12,314,152.87 (FY21-FY22) <sup>94</sup>
<b>Bid Range:</b>	\$9,976,694.65–\$11,448,220.89
<b>Companies That Bid:</b>	Capitol Paving of DC, Inc.: \$11,228,220.89 Fort Myer Construction Corp: \$9,976,694.65

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### Purpose of the Contract:

The Department of General Services (DGS) sought a contractor to provide all labor, materials, equipment, hazardous material abatement, supervision and other services for the construction of the Pecan Street Infrastructure Improvements Project as part of the redevelopment of St. Elizabeth’s Hospital grounds. Work included site and utility demolition, erosion and sediment control measures, new underground wet and dry utilities, new roadway and a new traffic light at the intersection of Pecan Street and MLK Jr. Avenue SE. In addition, the contractor was required to maintain traffic, relocate pedestrian and vehicular access routes to the existing 801 Men’s Shelter and a surface parking lot, among other tasks.

The contract was subject to First Source requirements.

### Factors Considered in the Selection:

As the lowest responsive bidder, Fort Myer Construction Corporation (FMCC) was selected after the Contracting Officer determined that FMCC was responsible per D.C. Code § 2-353.01, due to having: adequate financial resources to perform the contract or the ability to obtain those resources; ability

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<sup>94</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city’s Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

to comply with the required or proposed delivery or performance schedule; satisfactory performance record; satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules the First Source Employment Agreement Act; ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; has no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; is otherwise qualified and is eligible to receive an award under applicable laws and rules.<sup>95</sup>

In addition, the Contracting Officer determined that Fort Myer is not on either the District's or the federal government's excluded parties list as a debarred, suspended, or contractor ineligible for award and that the company had submitted and certified the information in the required Bidder/Offeror Certification Form and met the Special Standards of Responsibility contained in the IFB.

### **Unique Aspects of This Solicitation and/or Contract:**

It does not appear that an IGCE was completed prior to the award of this contract.

### **Background on the Company Selected:**

Fort Myer Construction Corporation has operated in the DMV for more than 50 years. Headquartered in D.C., the construction company offers a range of services, from street and highway construction to bridges, utility projects, paving, snow removal and emergency response. The company is a Certified Business Enterprise in the District and in FY 2020-2022 received more than \$426 million from the District making it the largest non-health District vendor.<sup>96</sup> Their impact can be seen across the region, with projects including the New York Avenue, Monroe Avenue and 16th Street bridges, GW Parkway, the Dave Thomas Circle intersection, and numerous roads and highways.

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<sup>95</sup> The CPO determines responsibility by adopting a Contract Specialist's certification of responsibility based on the factors in D.C. Code § 2-353.01. In this case, the Contracting Officer was the sole signatory.

<sup>96</sup> Determination made based on a review of FY 2020-2022 SOAR reports.

## Contract Summary #12

<b>Project Title and Number:</b>	Design-Build Services for Garfield Elementary School (DCAM-21-CS-RFP-0013)
<b>Contracting Agency:</b>	Department of General Services (DGS)
<b>Type of Solicitation:</b>	Competitive Sealed Proposal/Request for Proposals
<b>Type of Contract:</b>	Cost Plus Fixed Fee with a Guaranteed Maximum Price
<b>Contract Awarded to:</b>	MCN Build Inc.

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<b>Dates Solicitation Open:</b>	<b>9/2/2021-10/12/2021 (41 days)</b>
<b>Date Contract Awarded:</b>	07/11/2022
<b>Independent Govt Cost Est.:</b>	\$48,071,400.00
<b>Contract Amount:</b>	\$60,568,624.08
<b>Differential:</b>	26% above ICGE
<b>Actual Amount Spent:</b>	\$60,568,624.08 (FY22-FY25) <sup>97</sup>
<b>Bid Range (Design Only):</b>	\$5,820,000.00–\$8,446,346.00
<b>Companies That Bid:</b>	Chiaramonte Construction Co. and Coakley & Williams Joint Venture: \$7,354,260.00 GCS Sigal-Gunley Joint Venture: \$6,944,141.00 Gilbane Building Company: \$6,230,520.00 MCN Build Inc.: \$5,820,000.00 Turner and Keystone Joint Venture: \$6,687,575.00 Whiting-Turner Contracting Company: \$8,446,346.00

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### Purpose of the Contract:

DGS sought the services of a company to complete the design-build — i.e., the entire process of designing and completing construction—for the modernization of Garfield Elementary School. Worked entailed renovating the existing historic building, undertaking new construction and creating a space for a Child Development Center for infants and toddlers, totaling approximately 76,000 gross square feet of modernized learning space. New modernized designs included physical education and dining services along with discovery common spaces, small group rooms, and resource rooms to accommodate special projects, collaborative work, and individual pull-out instruction. The project must have met LEED for Schools—Gold principles and other environmental requirements, including becoming a net zero energy building, and achieving solar readiness. The contract was subject to First Source requirements.

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<sup>97</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the Office of Contracting and Procurement (OCP) Contracts and Procurement Transparency Portal. ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

## Factors Considered in the Selection:

A panel of three D.C. government employees—two from DGS and one from DCPS--evaluated the applications by scoring each proposal in the categories listed below to come up with a total “technical score” for each proposal:

- Past performance, relevant experience and capabilities of the primary contractor.
- Key personnel of the prime contractor.
- Past performance, relevant experience and capabilities of the architect/engineer.
- Key personnel of the architect/engineer.
- Project management and schedule.

The panel awarded MCN 54.33 points, the fifth highest score, compared with a low score of 52.67 and a high score of 62.00. The Contracting Officer (CO) adopted the panel’s scores and tabulated the price and CBE scoring. MCN had lowest price bid, earning it the highest points in the price category, and additional points for being a CBE. Together, these points moved MCN to the highest total points, receiving 84.67 compared with others ranging from 72.78-82.10.

In addition to earning the highest scores, the Chief Procurement Officer (CPO) adopted the Contract Specialist’s certification that MCN had met eight of the 10 standard requirements for responsibility per D.C. Code § 2-353.01. Specifically, the CPO determined that MCN had: the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, a satisfactory record of integrity, business ethics and compliance with the law.<sup>98</sup>

In addition, the CPO attested that MCN was not on either the District’s or the federal government’s excluded parties list as a debarred, suspended, or contractor ineligible for award and that MCN had submitted and certified the information in the required Bidder/Offeror Certification Form.

## Unique Aspects of This Solicitation and/or Contract:

Although the ultimate cost for the design-build work totaled more than \$60 million, the applications were assessed—and the contract was awarded—based solely on the design portion of the work. MCN’s bid of \$5.8 million was the lowest, and this low bid, combined with earning points for being a CBE, earned MCN the best overall application score.

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<sup>98</sup> The Contract Specialist did not expressly include findings per D.C. Code § 2-353.01(a)(1) that MCN had adequate financial resources to perform the contract or the ability to obtain those resources or in D.C. Code § 2-353.01(a)(10) that MCN is otherwise qualified and is eligible to receive an award under applicable laws and rules.

DGS reported that the GMP vastly exceeded the IGCE due to “increasing costs for the main school: (i) unforeseen condition(s); (ii) scope added by DCPS.”

### **Background on the Company Selected:**

MCN Build, founded in 2007 by three developers, is a construction company that builds and renovates facilities, with a focus on mixed-use facilities, educational campuses, community centers and medical centers. It is based in Washington, D.C. but also has offices in Maryland and the U.S. Virgin Islands. The company has teams covering the full range of the construction process, from the preconstruction design phase through construction completion. They focus on sustainability, with many projects earning LEED certification or higher. MCN Build has renovated or built multiple educational campuses in D.C., including Maury Elementary School, School Without Walls, MacFarland Middle School, KIPP and others. They have also been involved in other highly publicized D.C. projects including the Ward 8 short-term family housing site built as part of the city’s decision to close D.C. General, the Fields at RFK, and the recently completed Cedar Hill Regional Medical Center. MCN is a CBE and received \$414 million from the District in FY 2020-2022.

## Contract Summary #13

**Project Title and Number:** Design-Build for School Without Walls at Francis Stevens Education Campus (DCAM-21-CS-RFP-0019)  
**Contracting Agency:** Department of General Services (DGS)  
**Type of Solicitation:** Competitive Sealed Proposal/Request for Proposals  
**Type of Contract:** Cost Plus Firm Fixed Price with Guaranteed Maximum Price  
**Contract Awarded to:** MCN Build Inc.

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**Dates Solicitation Open:** 11/2/2021-12/10/2021 (38 days)  
**Date Contract Awarded:** 06/21/22  
**Independent Govt Cost Est.:** \$78,500,000.00  
**Contract Amount:** \$97,330,825.00  
**Differential:** 24% above Independent Government Cost Estimate  
**Actual Amount Spent:** \$7,596,017.26(FY22-FY24)<sup>99</sup>  
**Bid Range (Design Only):** \$6,599,621–\$9,098,009  
**Companies That Bid:** Chiamonte Construction Co and Coakley & Williams Joint Venture \$9,098,009.00  
GCS Sigal-Grunley Joint Venture: \$7,668,186.00  
Gilbane Building Company: \$6,599,621.00  
MCN Build Inc.: \$7,137,207.00  
Turner Construction Co + Keystone Plus Construction Joint Venture \$7,664,348.00  
Whiting-Turner Contracting Company: \$7,990,913.00

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### Purpose of the Contract:

DGS sought the services of a company to complete the design-build, i.e., the entire process of designing and completing construction, for the modernization of the School Without Walls at Francis Stevens Education Campus, located at 2425 N Street NW. Work included complete renovation of the existing historic building and a potential (“add alternate”) new construction addition. Renovations included 109,000 square feet of space and the add alternate included an additional 17,000 square feet of new construction.

The full modernization was to bring the school’s facilities in line with the DCPS educational specifications, including addressing Americans with Disabilities Act requirements throughout the building, and bringing

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<sup>99</sup> Disclaimer: The actual amount spent is derived from purchase order numbers provided to the Office of the D.C. Auditor by the contracting D.C. government agency. ODCA used these purchase orders provided by District agency staff to compile the payments posted in the city’s Procurement Automated Support System (PASS). ODCA did not independently verify that these amounts were correct or that the purchase orders provided capture all of the spending under the contracts during the period of the audit.

learning, instruction, and support technology up to cutting edge standards and capacity. In addition to classrooms, discovery commons spaces, small group rooms, and resource rooms, the modernized design allowed for dining and physical education services. Construction was to meet LEED for School–Gold principles and other environmental requirements, including becoming a net zero energy building. The contract was subject to First Source requirements.

### **Factors Considered in the Selection:**

A panel of three D.C. government employees — two from DGS and one from DCPS — evaluated the applications by scoring each proposal in the categories listed below to come up with a total technical score for each proposal:

- Past performance, relevant experience and capabilities of the prime contractor.
- Key personnel of the prime contractor.
- Past performance, relevant experience and capabilities of the architect/engineer
- Key personnel of the architect/engineer.
- Project management plan and schedule.

MCN earned the highest score, earning 66.67 out of 80 possible points.

The Contracting Officer adopted the panel’s scores and then allocated additional points to each bidder for their proposed price for the design phase (MCN had the second lowest bid) and CBE status. The additional points further distinguished MCN from the other applicants, earning the company a total score of 92.16, far above the next closest score of 80.55 on down to 71.52.

In addition to earning the highest scores, the Chief Procurement Officer (CPO) adopted the Contract Specialist’s certification that MCN had met eight of the 10 standard requirements for responsibility per D.C. Code § 2-353.01. Specifically, the CPO determined that MCN had: the ability to comply with the required or proposed delivery or performance schedule; a satisfactory performance record; a satisfactory record of integrity and business ethics; satisfactory record of compliance with the law, including labor and civil rights laws and rules the First Source Employment Agreement Act; the ability to obtain the necessary organization, experience, technical skills, accounting, and operational controls needed to perform the contract requirements; the ability to obtain the necessary production, construction, technical equipment, and facilities; not exhibited a pattern of overcharging the District; no outstanding liability with the District as indicated by the Office of Tax and Revenue Clean Hands certification; and, a satisfactory record of integrity, business ethics and compliance with the law.<sup>100</sup>

In addition, the Chief Procurement Officer attested that MCN was not on either the District’s or the federal government’s excluded parties list as a debarred, suspended, or contractor ineligible for award and that MCN had completed, submitted and certified the information in the required Bidder/Offeror Certification Form.

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<sup>100</sup>The Contract Specialist did not expressly include findings per D.C. Code § 2-353.01(a)(1) that MCN had adequate financial resources to perform the contract or the ability to obtain those resources or in D.C. Code § 2-353.01(a)(1) that MCN is otherwise qualified and is eligible to receive an award under applicable laws and rules.

### **Unique Aspects of This Solicitation and/or Contract:**

The RFP had noted the potential for the design-build to include an addition to the school, estimated to cost \$21 million more than the renovation estimate of \$57 million. In 2023, an additional \$53.5 million was added to the contract, resulting in a total cost of more than \$97 million.

DGS reported that the GMP vastly exceeded the IGCE—even with the addition--because “[d]uring the formulation of the Concept Design for the project, DCPS requested additional scope items to be included.”

### **Background on the Company Selected:**

MCN Build, founded in 2007 by three developers, is a construction company that builds and renovates facilities, with a focus on mixed-use facilities, educational campuses, community centers and medical centers. It is based in Washington, D.C., but also has offices in Maryland and the U.S. Virgin Islands. The company has teams covering the full range of the construction process, from the preconstruction design phase through construction completion. They focus on sustainability, with many projects earning LEED certification or higher. MCN Build has renovated or built multiple educational campuses in D.C., including Maury Elementary School, School Without Walls, MacFarland Middle School, KIPP and others. They have also been involved in other highly publicized D.C. projects including the Ward 8 short-term family housing site built as part of the city’s decision to close D.C. General, the Fields at RFK, and the recently completed Cedar Hill Regional Medical Center.

# About ODCA

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The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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