Weaknesses in DOT’s ITSS Award and Invoice Processes Increase the Risk of Inefficiencies During Acquisitions of Critical IT Products and Services
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Self-Initiated
Office of the Secretary | ZA2022039 | September 20, 2022

What We Looked At
The Department of Transportation (DOT) leverages information technology (IT) to achieve its mission of a safe, efficient, accessible, and convenient transportation system. Historically, IT systems were decentralized DOT-wide, but that resulted in high costs and other inefficiencies and risks. Thus, in May 2017, the Office of the Chief Information Officer (OCIO) launched an IT shared services (ITSS) initiative to centralize IT decision making and transition to DOT-wide acquisition vehicles where possible. Given the high-dollar amounts associated with DOT’s IT acquisition spending—$3.5 billion in fiscal year 2021—and the ongoing ITSS transition, our objectives for this audit were to assess the Department’s processes for (1) awarding its IT shared services contracts and (2) reviewing contractor charges.

What We Found
Counter to Federal procurement requirements, DOT’s contracting officers (CO) awarded multiple noncompetitive actions to ITSS contract vehicles without proper justifications, beyond contract term limits, and despite prolonged contractor performance issues. For example, DOT awarded a 1-year, no options, $950,000 ITSS vehicle noncompetitively, then extended it 16 times, increasing its period of performance to over 7 years and its value to $15.2 million. In addition, COs did not always award such actions in a timely manner due partially to a lack of guidance. As a result, we found 10 lapses in 5 ITSS contract vehicles with a total value of $582.1 million during which DOT continued to receive and pay for IT services. Further, while DOT’s ITSS award documentation complied with most key procurement requirements, there were a few notable exceptions. For example, officials could not locate most of the award documentation for an over 11-year, $525 million ITSS contract, raising questions about whether DOT obtained the best pricing. Finally, the OCIO’s practices for verifying ITSS contractor charges are not always reliable in part because it lacks adequate controls. Thus, the Department cannot give reasonable assurance that ITSS payments are proper, leaving them at risk for waste, fraud, and abuse.

Our Recommendations
DOT concurred or partially concurred with six of our nine recommendations to improve its ITSS contract vehicles award and invoice review processes. DOT did not concur with the remaining three recommendations, which remain open and unresolved.

All OIG audit reports are available on our website at www.oig.dot.gov.

For inquiries about this report, please contact our Office of Government and Public Affairs at (202) 366-8751.
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Information technology (IT) is one of the top categories of contract spending in the Federal Government. IT spending across the Government has steadily increased since 2017 to a total of $76 billion in fiscal year 2021.\(^1\) Since approximately 2015, the Office of Management and Budget (OMB) has issued a number of initiatives to encourage agencies to improve their IT acquisitions, including making smarter use of common contract solutions and practices.\(^2\) These include using Government- or agency-wide contracts for procuring IT goods and services to increase efficiency, eliminate duplicative contract actions, and deliver more acquisition value and savings.

The Department of Transportation (DOT) leverages IT on a daily basis to achieve its mission of a safe, efficient, accessible, and convenient transportation system that meets our vital national interests and enhances the quality of life. Historically, DOT’s IT systems were decentralized across its nine Operating Administrations (OA) and the Office of the Secretary (OST). According to senior Department officials, this decentralized model inhibited collaboration and resulted in high costs, a lack of standards and consistent processes, and other inefficiencies and

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\(^1\) Federal Government IT Spending Dashboard.

risks, including weakened cybersecurity. Further, past reviews of DOT's IT management practices raised concerns that the Office of the Chief Information Officer (OCIO) had delegated decision-making authority for IT spending, budget, and contracts without sufficient oversight.³

As such, in May 2017, the OCIO—with support of DOT leadership—issued a plan for an IT shared services (ITSS) initiative based on OMB and other Federal requirements.⁴ This ongoing initiative is intended to centralize IT decision making and management under the OCIO and streamline duplicative and wasteful contract actions by transitioning to Departmentwide IT acquisition vehicles wherever possible. Along with the effort to centralize IT services, DOT leadership also saw the need for an acquisition office focused on IT purchases throughout the Department. Accordingly, they established DOT’s Information Technology Acquisition Center of Excellence (IT ACE), which is located within the Federal Highway Administration (FHWA).

DOT had 18 ITSS contract vehicles⁵ active at any point between fiscal year 2018 and May 2021, when we initiated this audit. These 18 ITSS vehicles represent a total value of approximately $1.9 billion.⁶ The Department’s overall IT spending in fiscal year 2021 was $3.5 billion.⁷ Given the high-dollar amounts associated with the Department’s IT acquisition spending and ongoing ITSS transition, our objectives for this audit were to assess the Department’s processes for (1) awarding its IT shared services contracts and (2) reviewing contractor charges.

We conducted this audit in accordance with generally accepted Government auditing standards. Exhibit A details our scope and methodology, exhibit B lists the organizations we visited or contacted, and exhibit C lists the acronyms used in this report.

cc: The Secretary
DOT Audit Liaison, M-1

³ These reviews were conducted by our office, the Government Accountability Office (GAO), OMB, and Congress. Decentralized IT management was also an issue in audits of DOT’s Federal Information Security Modernization Act and Privacy Act programs.
⁴ Other IT reform legislation and Executive Order requirements include the Federal Information Technology Acquisition Reform Act (FITARA), December 19, 2014; Executive Order 13833, Enhancing the Effectiveness of Agency Chief Information Officers, May 15, 2018; Executive Order 13800, Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure, May 11, 2017; and Executive Order 13781, Comprehensive Plan for Reorganizing the Executive Branch, March 13, 2017.
⁵ See exhibit D for the list of all 18 ITSS contract vehicles.
⁶ Throughout this report, the total values reported are as of April 2022. Total value is defined as total potential value (base plus all options) or maximum contract ceiling for ongoing ITSS vehicles and total amount expended (including final payment) for ITSS vehicles that ended prior to the end of our audit field work.
⁷ Federal Government IT Spending Dashboard.
Results in Brief

**Vulnerabilities in DOT’s award practices for its ITSS contract vehicles limit best value acquisition outcomes.**

Federal and DOT procurement rules and guidance require Government agencies to achieve as much competition as possible for all types of contract awards and to plan in advance for those acquisitions—in order to deliver the best value solution on time and within budget. Agencies must provide sound and rational justifications for noncompetitive actions, which are never justifiable due to a lack of advance planning. However, DOT’s contracting officers (CO) awarded multiple noncompetitive actions to ITSS contract vehicles in order to sustain certain IT services beyond both the initial base and option periods. Further, the COs awarded these actions without proper or any justifications, beyond the contract term limits, and despite prolonged contractor performance issues. For example, DOT awarded a 1-year, no options, $950,000 ITSS vehicle noncompetitively, then extended it 16 times, increasing its period of performance to over 7 years and its value to $15.2 million. Overall, the Department’s extensions of four ITSS vehicles represented a cumulative increase of $47.8 million in value and added approximately 12 years in performance periods. Also, the COs did not always award actions in a timely manner. We found 10 lapses, spanning 70 days on average, in 5 ITSS contract vehicles with a total value of $582.1 million. DOT continued to receive and pay for IT services although it lacked an active contract vehicle. As such, we identified approximately $3.9 million in technically improper payments.\(^8\) These issues occurred in part because the OCIO lacks a standard operating procedure to help its staff make timely ITSS awards. As a result, DOT risks paying more than it should and receiving less than the best-quality results. We also found that the Department’s ITSS award documentation supports compliance with most key procurement requirements—with a few notable exceptions. For example, the required cost estimates for three ITSS vehicles valued at $28.9 million did not provide sufficient detail on how the estimate was developed or used a methodology that was unsuitable for the anticipated volume of work. Furthermore, DOT officials could not locate most of the award documentation—including the required cost estimate—for its over 11-year, $525 million IT Infrastructure Support Services ITSS contract vehicle. Based on this finding, it is unclear whether the Department obtained the best pricing for this

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\(^8\) According to OMB’s Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, March 5, 2021, a technically improper payment occurs when an agency pays the right recipient for the right amount, but the payment process fails to follow all applicable statutes and regulations. This is a “non-monetary loss improper payment,” i.e., no funds need to be recovered.
contract and could have expended potentially up to $525 million more efficiently, putting these Federal funds at risk.

**Weaknesses in DOT’s processes for verifying ITSS contractor charges puts Federal funds at risk.**

Departmental policy requires contracting officials to conduct in-depth reviews and approvals of contractor invoices. The invoice review should be based on the terms of the contract and ensure that the billed charges are reasonable and allowable. However, our review of 192 invoices totaling $25.9 million in ITSS contractor charges revealed that the Department’s review and approval process is not always adequate to verify contractor charges. Specifically, we found issues with $4.3 million in contractor charges on 50 invoices, all related to time and material (T&M) contract type charges. This high-risk contract type puts the onus on the Government to ensure that contractors use efficient methods and have effective cost controls. However, we found that OCIO contracting officer’s representatives’ (COR) practices for verifying contractor charges are not always reliable. For example, the OCIO lacks a standard operating procedure or guidance to help ensure the ITSS invoice review process is sufficient, particularly given the risks associated with ITSS contract vehicles, such as scope and contract type. Moreover, given that some OCIO CORs are overseeing multiple contracts and orders at the same time, and the COR role is a collateral duty, it is unclear how adequately they review each invoice. Without adequate controls to guide the ITSS invoice review and approval process, the Department cannot give reasonable assurance that previous or future ITSS payments are proper, leaving them at risk for waste, fraud, and abuse of Federal funds. To that end, our testing of $25.9 million in ITSS contractor charges identified $4.3 million that was unsupported or questionable.

We are making recommendations to improve the Department’s ITSS contract vehicles award and invoice review processes.

**Background**

As the head of the OCIO, the Chief Information Officer (CIO) is responsible for all IT planning, budgeting, acquisition, implementation, and operations, with a focus on standardizing IT across the Department. Located in OST, the OCIO does not include COs on staff, so other DOT offices must award the ITSS contract vehicles on its behalf. Over the years, these awarding offices have included the Office of the Senior Procurement Executive (OSPE), John A. Volpe National Transportation Systems Center (Volpe), Federal Aviation Administration (FAA), and IT ACE—the OCIO’s current awarding office. While the OCIO does not have COs, it does
include CORs, who are responsible for monitoring and overseeing the ITSS contract vehicles.

Three Department sources fund the ITSS contract vehicles: the Working Capital Fund (WCF), OCIO Salaries and Expenses appropriations, and Cybersecurity Initiative appropriations. Most of this audit’s ITSS contract vehicle universe represents WCF funding. OAs can also order from select ITSS vehicles directly using their own appropriated funds. The OCIO CORs are responsible for reviewing ITSS invoices funded by the Department’s sources, while OA staff are responsible for reviewing ITSS invoices funded directly by their agencies. The OCIO’s only role for the OA-funded invoices is ensuring the ITSS contract vehicle cost ceilings are not exceeded, but it is not involved in the actual invoice review for payment approval.

The 18 ITSS contract vehicles in our audit universe include a number of different vehicle types. Specifically, they include four direct contracts, nine awards off General Services Administration (GSA) schedules, two awards off GSA Governmentwide acquisition contracts (GWAC), and three awards off National Aeronautics and Space Administration (NASA) GWACs. The Department awarded these vehicles as either firm-fixed price (FFP) or a combination of FFP, fixed price (FP), labor hour (LH), T&M, and cost reimbursement (CR). The Federal Acquisition Regulation (FAR) and DOT’s Transportation Acquisition Manual (TAM) govern the award and management of the ITSS contract vehicles, except for one awarded by FAA, which falls under the Agency’s unique procurement authority, the Acquisition Management System (AMS). FAA uses 4 of the 18 ITSS contract vehicles in our universe. However, the Agency generally relies on its own IT contract vehicles, which align with its unique mission domains and technical work complexities. Nonetheless, according to FAA’s Deputy Director of Acquisition Policy and Oversight, the Agency has increased its collaboration with DOT as it is more cost beneficial to be part of the Department’s ITSS contract vehicles for common IT needs.

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9 DOT’s WCF finances common administrative services that are centrally performed in the interest of economy and efficiency. The fund is a fee-for-service operation that is financed through agreements with the OAs and other customers. The two OST offices providing WCF services are the Office of the Assistant Secretary for Administration and the OCIO. The latter manages and administers the ITSS portion of the WCF organization, including the infrastructure. WCF-planned IT services for fiscal year 2021 totaled $106.3 million.

10 Schedules are indefinite delivery contracts that make similar groupings of supplies and services available to all Government agencies at fair and reasonable prices. GWACs are indefinite-delivery contracts for IT supplies and services that one agency negotiates, awards, and administers and makes available to other agencies. Both vehicles are intended to streamline the Federal acquisition process.

11 In DOT’s fiscal year 1996 Appropriations Act, Congress gave FAA broad authority to develop its own acquisition system, which relieved the Agency from having to comply with the FAR. FAA established AMS, which became effective on April 1, 1996.
Table 1 provides a summary of the award details for the 18 ITSS contract vehicles; for the full list of the 18 vehicles and their award types, see exhibit D.

Table 1. Award Details for Universe of 18 ITSS Contract Vehicles

<table>
<thead>
<tr>
<th>Awarding Office</th>
<th>No. and Type of Contract Vehicle Awarded</th>
<th>Total Value</th>
<th>Applicable Rules and Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSPE</td>
<td>3 Direct Contracts</td>
<td>$1,237,898,024</td>
<td>FAR and TAM</td>
</tr>
<tr>
<td>Volpe</td>
<td>2 GSA Schedule Blanket Purchase Agreements (BPA)</td>
<td>$24,000,000</td>
<td>FAR and TAM</td>
</tr>
<tr>
<td>FAA&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1 GSA GWAC Order</td>
<td>$175,643,239</td>
<td>AMS</td>
</tr>
<tr>
<td>IT ACE</td>
<td>3 GSA Schedule and GWAC Orders</td>
<td>$446,044,482&lt;sup&gt;b&lt;/sup&gt;</td>
<td>FAR and TAM</td>
</tr>
<tr>
<td></td>
<td>5 GSA Schedule BPAs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 NASA GWAC Orders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 Direct Contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>18</strong></td>
<td><strong>$1,883,585,745</strong></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> While FAA initiated this ITSS contract vehicle for telecommunications services, it agreed to make this a DOT-wide vehicle since the services were applicable to the entire Department.

<sup>b</sup> For the Cybersecurity Information and Program Services (CSIPS) initiative, DOT planned six separate ITSS contract vehicles awarded off one solicitation, each for a different task area. Contracting officials estimated a combined ceiling value of $46.2 million for all six CSIPS vehicles rather than a specific estimate for each. Volpe awarded the first CSIPS, and IT ACE would award the remaining five. Five of the six vehicles fell within the scope of our audit; the last CSIPS vehicle was pending award when our review began. For the purpose of this analysis, we allocated the full $46.2 million under IT ACE.

Source: OIG analysis

Vulnerabilities in DOT’s Award Practices for Its ITSS Contract Vehicles Limit Best Value Acquisition Outcomes

The FAR<sup>12</sup> and DOT<sup>13</sup> procurement rules and guidance direct the Department to acquire best value goods and services in a timely manner and with integrity, fairness, and openness. However, our audit revealed vulnerabilities in DOT’s management of its ITSS contract vehicles that impede competition and lead to lapses throughout the IT service life. In addition, while the Department’s award

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<sup>12</sup> FAR 1.102.
<sup>13</sup> TAM 1201.1 and AMS 3.1.1 and 3.1.3.
documentation generally supports compliance with key procurement requirements, we found a few notable exceptions, particularly regarding determination of fair and reasonable pricing.

Gaps in DOT’s ITSS Contract Vehicle Management Impede Competition and Lead to Lapses Throughout the IT Service Life

Congress enacted the Competition in Contracting Act (CICA) of 1984 as a foundation for the FAR.\textsuperscript{14} The law’s overarching goal is to achieve as much competition as possible for all types of Government contract awards, as lower, more competitive pricing increases savings. CICA also imposed restrictions on the award of noncompetitive contracts. More recently, in July 2021, the President issued an Executive Order on promoting competition, stating a fair, open, and competitive marketplace has long been a cornerstone of the American economy and leads to more choices, better service, and lower prices.\textsuperscript{15} As predicated in CICA and the FAR, advanced planning is the foundation of effective competition. Specifically, CICA and the FAR require agencies to plan in advance for acquisitions.\textsuperscript{16} This planning helps establish the approach they will follow to promote and provide for full and open competition (or justify the use of noncompetitive procedures) and deliver the best value solution on time and within budget.

At times, an agency may find that a need for services still exists after a contract’s base performance period expires. In such cases, COs can use the authority of the Option To Extend the Term of Contract clause\textsuperscript{17} or the Option to Extend Services clause\textsuperscript{18} to extend the performance period without competition. Both option types must have been evaluated and priced prior to award of the contract vehicle or—in the case of the Option to Extend Services clause—must be reasonably determinable from the terms of the basic contract. Otherwise, the agency must compete the need unless it can provide a sound and rational justification\textsuperscript{19} for

\textsuperscript{14} Title 41, U.S. Code (U.S.C.) Part 253 and FAR 6.1.
\textsuperscript{16} FAR 7.104, TAM 1207, and AMS 3.2.1.
\textsuperscript{17} FAR 17.208(g) and 52.217-9.
\textsuperscript{18} FAR 52.217-8. Under this clause, an agency may require continued performance of any services within the limits and at the rates specified in the contract for a total of no more than 6 months. This clause is not self-executing.
\textsuperscript{19} FAR 6.3; AMS 3.2.2.4, and T3.2.2.4.
award

However, we found instances where Department COs repeatedly awarded noncompetitive actions for ITSS contract vehicles to sustain certain IT services beyond the initial performance period. Specifically, two of the ITSS contract vehicles in our universe—as well as two predecessor vehicles—were noncompetitively bridged or extended multiple times after the initial performance periods expired. Further, the COs awarded these actions without proper justifications, beyond the contract term limits, and despite prolonged contractor performance issues. The extensions represented a cumulative increase of $47.8 million in total value to $558.1 million and approximately 144 months (12 years) in performance periods for the four vehicles.

Moreover, the COs did not always award actions like these (e.g., option periods, extensions, bridges, or competitive follow-on contracts) to sustain certain ITSS services in a timely manner. This resulted in a number of lapses in the ITSS contract vehicles. Specifically, we found a total of 10 lapses in 5 ITSS vehicles, including the 4 vehicles with multiple noncompetitive extension actions identified above. The total value of the 5 ITSS vehicles was $582.1 million, and the 10 lapses spanned anywhere from 9 to 309 days—with an average of 70 days. During these lapses, DOT continued to receive and pay for the IT services, although agencies can only use obligated funds to continue contractual work when it is supported by documentation of a written binding agreement. Because these lapses represent an unauthorized commitment, contracting officials should have received approval from the head of the contracting activity to process a ratification to cover each one. Department COs eventually awarded extension

A bridge is a short-term noncompetitive contract or contract extension to an existing contractor to avoid a lapse in service—it “bridges” the time between the end of the original performance period and the competitive award of a follow-on contract. A bridge requires a formal justification to explain, among other things, why and how the subsequent contract could not be competed in a timely manner. For example, Defense Logistics Acquisition Directive 16.191 states COs are limited in their use of bridge contracts, which impede competition, and must demonstrate circumstances other than a lack of advance planning or inadequate procurement execution delayed a competitive solicitation or award.

We define “initial performance period” to include the base and any option periods that were evaluated as part of the initial solicitation.

We conducted a limited review of these predecessor contracts to obtain a complete and accurate understanding of the vehicles in the audit universe.

TAM 1201.602-3 defines an unauthorized commitment as including (1) any action by a person other than the CO that results in continued performance by a contractor beyond the expiration date established in the procurement vehicle or (2) the commencement of performance of work in advance of issuance of a properly awarded procurement vehicle.
actions with retroactive effective dates, but no ratification was processed to cover the lapsed periods.

For details on specific ITSS contract vehicles with lapses and noncompetitive actions extending the IT service life beyond the initial performance periods, see table 2.

Table 2. ITSS Contract Vehicles With Lapses and Noncompetitive Actions To Extend IT Services Beyond the Initial Performance Periods

<table>
<thead>
<tr>
<th>ITSS Contract Vehicle</th>
<th>Noncompetitive Action</th>
<th>Initial Performance Period End Date</th>
<th>Performance Period End Date After All Extensions</th>
<th>Initial Total Value</th>
<th>Total Value After All Extensions</th>
<th>Total Days Lapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Telecommunications (predecessor)</td>
<td>Bridge and Extension</td>
<td>3/31/2015</td>
<td>4/30/2021</td>
<td>$950,000</td>
<td>$15,223,574</td>
<td>127</td>
</tr>
<tr>
<td>IT Infrastructure Support Services</td>
<td>Extension</td>
<td>9/30/2019</td>
<td>7/29/2020</td>
<td>$500,000,000</td>
<td>$525,000,000</td>
<td>23</td>
</tr>
<tr>
<td>Non-Core Telecommunications (predecessor)</td>
<td>Extension</td>
<td>3/31/2015</td>
<td>4/15/2018</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td>224</td>
</tr>
<tr>
<td>Non-Core Telecommunications</td>
<td>Bridge and Extension</td>
<td>4/14/2020</td>
<td>4/14/2022</td>
<td>$4,416,108</td>
<td>$12,898,024</td>
<td>13</td>
</tr>
<tr>
<td>Drupal Web Services</td>
<td>N/A</td>
<td>10/30/2022</td>
<td>N/A</td>
<td>$24,000,000</td>
<td>N/A</td>
<td>309</td>
</tr>
</tbody>
</table>

Source: OIG analysis

Below are specific examples listed in table 2:

- **Non-Core Telecommunications (predecessor contract).** On March 31, 2014, the Department awarded a 1-year (base, no option periods), $5 million indefinite delivery/indefinite quantity (IDIQ) contract for non-core telecommunications services. After the 1-year contract expired, the CO awarded six different modifications to extend the contract a total of 36 months to April 15, 2018. The first extension was properly awarded under the vehicle’s Option to Extend Services clause for the maximum 6 months. However, the remaining five extensions were modifications that did not cite an extension authority or any justification to extend the

25 Non-core telecommunications services under this contract provide operations and maintenance support for DOT telecommunications cabling, connectivity, and related infrastructure.
contract an additional 30 months. Department officials told us that the extensions were needed to maintain these critical services and there was a competitive follow-on process underway, which started in February 2015.

Further, during the cumulative 36-month extension periods, the contract lapsed three different times—for a total of 224 days—because the Department did not award actions to sustain the services in a timely manner. For example, although this contract expired on October 1, 2017, the contractor continued providing services, and the Department continued to pay for the services until the follow-on contractor took over on April 15, 2018 (see next example). Subsequently, on May 14, 2018, the CO awarded a retroactive modification to cover the over 6-month lapse, extending the contract to April 15, 2018, and without citing any authority or justification to do so. Further, no ratification was processed to legitimate payments during this lapse. The Department ultimately paid $939,406 for services during the 224 total lapsed days under this contract.

• **Non-Core Telecommunications (current contract).** DOT started a competitive follow-on process for these services in February 2015. However, no competitive award was made in 2016 or 2017, while the predecessor contractor received multiple extensions. In 2018, despite its claim that it had been pursuing competition, the Department noncompetitively awarded a 2-year (1 base year and 1 option year), $4.4 million bridge contract to the predecessor’s subcontractor to provide these services. Although the subcontractor started performing the work on April 15, 2018, the CO did not award the actual bridge contract until June 19, 2018—over 2 months later. The CO sent an email on April 27, 2018, as a Notice to Proceed (NTP), citing an effective date of April 15, 2018. Yet no ratification was processed to cover the 12-day lapse. The Department paid $36,640 for contract services during this lapse period.

Department contracting officials cited “unusual and compelling urgency” to justify this noncompetitive bridge award. However, according to the FAR, such justification is only authorized when the Government would be seriously injured if the agency could not limit the number of sources from which it solicits proposals. In this case, the Department did not award a competitive follow-on contract vehicle in a timely manner and, by default, had to make a noncompetitive award. Further, when an agency uses its “unusual and compelling urgency” authority, the contract may not exceed 1 year (including all options) unless the head of the agency

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26 During this lapse period, the contractor requested a 35-percent price increase to which the Department did not agree.
27 FAR 6.302-2.
determines that exceptional circumstances apply.\textsuperscript{28} Yet the Department awarded this bridge for 2 years without documenting any such determination.

Moreover, upon the expiration of the noncompetitive bridge contract’s initial performance period, the Department awarded four separate extensions for a total of 24 months. Like the predecessor contract extensions, the first extension was properly awarded for the maximum 6 months under the vehicle’s Option to Extend Services clause. The remaining three extensions were awarded via modifications that did not cite an extension authority or any justification to extend the contract an additional 18 months. Then, the day before the fourth extension expired, the CO awarded a task order to extend the contract services through October 13, 2022. This was because the recompete process, which started in 2015, was not yet complete. The decision to extend the contract via a task order instead of an extension modification occurred after we shared our audit findings with the Department. Thus, while a bridge award justified by unusual and compelling urgency is intended to be a short-term fix and not exceed a year, this one will last for at least 4.5 years.\textsuperscript{29} As a result of these extensions, the total contract price tripled to $12.9 million. See figure 1 for a summary of the ITSS vehicle lapses and noncompetitive extension actions beyond the initial performance periods for non-core telecommunications services.

\textsuperscript{28} FAR 6.302-2(d)(1)(ii).
\textsuperscript{29} The Department posted the solicitation for the competitive follow-on contract on February 22, 2022, with proposals due March 24, 2022. It remains to be seen whether the competitive follow-on will be awarded by the time the current task order contract expires on October 13, 2022.
• **Core Telecommunications (predecessor contract).** On March 31, 2014, the Department awarded a 1-year (base, no options), $950,000 bridge contract for core telecommunication services.\textsuperscript{30} The Department subsequently extended the performance end date 16 separate times for a total of 6 years, 1 month. The contract’s ultimate expiration date was April 30, 2021. The total value of the contract also increased 1,503 percent to $15.2 million. The CO cited the contract’s Option to Extend Services clause authority on two different extensions totaling 11 months—5 months over the maximum 6 months allowed. In addition, the CO awarded two other noncompetitive extensions for a total of 17 months, citing the Option to Extend the Term of the Contract clause. However, the Department had not priced any option periods as part of this vehicle’s initial period of performance or evaluated them during the initial competition. Therefore, the CO should not have awarded the extensions noncompetitively. The other 12 extensions were awarded via modifications that did not cite an extension authority or properly justify the extension. Eleven did not provide any justification, while the twelfth cited FAR 6.302-1, which justifies limiting competition when the required supplies or services are available from only one responsible source. However, Department officials explained the existing contractor was the only source that could provide the services without interruption until the

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\textsuperscript{30} Core telecommunications services under this contract meet the Department’s operations and maintenance requirements—such as hardware, software, and direct interconnectivity support.
competitive follow-on process could be completed—which resulted in two responsive bidders.

Finally, this contract vehicle lapsed four separate times due to contracting officials’ untimely awards of the extensions. The Department paid $868,384 for the contractor’s continued services during these lapse periods. See figure 2 for a summary of the ITSS vehicle lapses and noncompetitive extension actions beyond the initial performance period for core telecommunications services.

Figure 2. Details of ITSS Core Telecommunication Contract Vehicles With Lapse Periods and Noncompetitive Extension Actions

- **IT Infrastructure Support Services.** On July 2, 2009, the Department awarded a 10-year, 2.5-month (26.5-month base plus four 2-year options), $500 million IDIQ contract for IT infrastructure support services. This contract had longstanding performance issues. Specifically, the contractor did not provide key personnel to carry out the required services, assigned staff who were unable to pass security checks, and made errors that resulted in mischarges for IT equipment. Despite these performance issues, the contractor was allowed to extend the contract multiple times. On November 1, 2020, the Department awarded this same contractor the $7.5 million competitive follow-on ITSS vehicle to continue these services.

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31 On November 1, 2020, the Department awarded this same contractor the $7.5 million competitive follow-on ITSS vehicle to continue these services.
issues, the Department exercised all four option periods. Moreover, it did not exercise the fourth option on time, which resulted in a 23-day contract lapse. During this time, the contractor continued to work, and DOT eventually paid approximately $1.3 million for those services.

When the last option period expired on September 30, 2019, the Department further extended the contract under its Option to Extend Services clause authority for the maximum 6 months. While executing the extension, DOT also increased the contract value by $25 million to a total of $525 million.

On the last day of the 6-month extension, a CO issued NTPs to extend the performance periods for seven task orders to continue services another 4 months, until July 29, 2020. COs did not award the official modifications for these extensions until mid to late April 2020. The modifications did not cite an extension authority or any justification for the extensions. See figure 3 for a summary of the ITSS vehicle lapses and noncompetitive extension actions beyond the initial performance period for IT infrastructure support services.

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32 FAR 17.207(c)(7) states the CO may exercise options only after determining that the contractor’s performance was acceptable.

33 The COs that worked on this contract stated that the Department decided not to invest time and resources in addressing the performance issues because it planned to re-compete the follow-on contract to a wider vendor base. Contract documentation shows the re-competition was in process in 2017, although DOT could not confirm exactly when this effort began.

34 The NTPs stated that “The official modification cannot be issued prior to April 1, 2020, due to the unavailability of DOT’s acquisition system.”
Figure 3. Details of ITSS Contract Vehicle Providing IT Infrastructure Services

- **Drupal Web Services.** The Department awarded a 5-year (1-year base and 4 option years), $12 million BPA on October 31, 2017, for Drupal Content Management System Platform operations and maintenance services.\(^{35}\) However, the Department failed to exercise the first option year in a timely manner, resulting in a 309-day lapse from October 31, 2018, to September 4, 2019. The CO awarded a modification on September 5, 2019, to retroactively exercise the first option period effective October 31, 2018, but no ratification was processed. The Department paid $734,854 for contractor services performed during this 309-day lapse.

Overall, the Department’s untimely award of ITSS contract vehicle option years, extensions, and competitive follow-ons before performance periods expire—which resulted in a reliance on noncompetitive actions and lapses—suggests inefficiencies exist in both planning and execution. Several COs indicated that untimely award of competitive follow-on contracts often stem from delays in action at the OCIO level. In particular, they cited inadequate planning, as well as OCIO officials providing insufficient information to contracting staff involved in the award process. For example, one CO explained that OCIO staff lack the expertise to provide specific information, such as the precise contract

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\(^{35}\) The Drupal content management system platform provides a mechanism for the OCIO’s existing and new small-scale web projects within the DOT web environment, including web planning, implementation, design, content development, training, accessibility, and website development support.
requirements or a completed procurement request form. Another CO stated that OCIO staff are not very good at acquisition planning and typically come in at the last minute with their contracting requests—so it’s “like trying to put out fires.”

These issues are due in part to the fact the OCIO lacks a standard operating procedure to guide its staff on documentation requirements, steps, and timing for completing required steps and submitting required documentation to contracting staff—based on the size and scope of the procurement need—to result in an efficient ITSS award action. IT ACE officials stated they have a centralized COR site with templates and checklists to assist with the development of procurement packages and to outline the steps involved based on the procurement need. As DOT officials stated this after we completed our field work, we did not verify their assertion or review the adequacy of the COR site documents. IT ACE also uses FHWA’s Office of Acquisition and Grants Management procurement lead-time guidance to guide the timeline for ITSS awards. However, that guidance only sets a standard number of days for making ITSS awards after the CO receives a complete procurement request from the OCIO; it does not assist OCIO staff with developing their packages.

The ITSS COR responses to our questions support the need for such guidance. Specifically, when asked about the main issues in planning and awarding ITSS contracts in a timely manner, one COR cited the lack of a standard operating procedure, stating that there is “no common area with standard language answering when [to] submit a new contract request, how to submit, who to submit to, what documents to submit, etc.” Another COR stated, “Ensuring acquisition steps are identified early to ensure dates are maintained.” A third COR responded, “Coordinating with stakeholders to identify requirements in time to implement associated contract actions.”

Further, a number of CORs suggest the OCIO delays are due to staffing issues, specifically those related to workload and knowledge base. COR comments on these matters included:

- **Workload and training.** “I do not see how I will be able to effectively manage an increased workload and [keep] credentials up to date with training. Increased COR staff with ITSS experience and PPM certification will be a tremendous asset to the OCIO.”

- **Timely planning and award process.** The OCIO lacks “COR bandwidth and availability to support the COR related activity associated with planning and awarding of contract actions.”

- **Timely planning and award process.** Delays are caused by “the time and lack of support to develop the requirements and conduct the market research.”
• *Workload and training.* The OCIO still needs to fill positions, which overloads the time staff needs to fulfill training obligations or issue awards.

Competition is a critical tool in Federal Government contracting and its benefits are well established. Acquiring products and services from the private sector supports agency efforts to achieve the best possible value for taxpayers. Competitive contracts not only help save the taxpayer money, they can also improve contractor performance, curb fraud, and promote accountability. Therefore, when the Department uses noncompetitive actions to sustain certain IT services instead of recompeting those efforts, it risks paying more than it should and receiving less than the best-quality results.

Moreover, based on the lapse periods identified in our examples above—which represent unauthorized commitments without ratifications—we identified approximately $3.9 million in technically improper payments.

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**With a Few Exceptions, the Department’s ITSS Award Documentation Supports Compliance With Most Key Procurement Requirements**

Both the FAR\(^{36}\) and DOT\(^{37}\) require award files containing the records of all contractual actions to provide a full history of each transaction, including the basis for decisions made throughout the acquisition process and support for any actions taken. Overall, the Department’s award documentation for its ITSS contract vehicles demonstrates compliance with key procurement requirements, such as conducting market research\(^38\) and price analysis.\(^39\)

However, we did note a few exceptions. For example, both the FAR and the Department require an independent government cost estimate (IGCE),\(^40\) which provides the CO with an unbiased, realistic cost estimate for the proposed contract products or services. The IGCE also serves as an independent benchmark for establishing fair and reasonable pricing. Yet, based on our review, the IGCEs for three ITSS vehicles valued at $28.9 million were inadequate because they did

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36 FAR 4.801, 4.802, and 4.803.
37 TAM 1204.801 and 1201.670; AMS T3.10.1.A.7.
38 FAR 10.001; AMS 3.2.1.2.1.
39 FAR 8.405-2(d)&(f)(6); FAR 8.405-3(c)(3); FAR 15.304(c)(1); FAR 15.305(a)(1); FAR 15.404-1; AMS 3.2.3.1.2 & T3.2.3.A.1(b)&(c).
40 TAM 1215.404-70 requires an IGCE for any acquisition above the simplified acquisition threshold that includes how the estimate was derived. National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91), section 805, increased the simplified acquisition threshold to $250,000. On August 2, 2018, the Department issued Class Deviation No. CD-18-002, making the threshold increase from $150,000 to $250,000 effective for DOT.
not provide sufficient detail on how the estimate was developed or used a methodology that was unsuitable for the anticipated volume of work. For example:

- The 5-year Drupal Web Services ITSS vehicle awarded in October 2017 included a not-to-exceed value of $12 million, which was in alignment with the IGCE of $11.9 million. However, this contract vehicle reached its maximum $12 million after just the first 2 years. As a result, in September 2019, the contract was doubled in value to $24 million, although there was no increase to the scope or length of the contract. DOT's justification for this increase was that the IGCE did not accurately anticipate the volume of future work.

Furthermore, for the $525 million IT Infrastructure Support Services ITSS contract vehicle awarded in 2009—whose contractor services spanned over 11 years—the Department could not locate most of the award documentation, including the required IGCE. In addition, the price analysis did not provide evidence that the final price was fair and reasonable. Specifically, the winning bidder’s price for one level of service supporting 9,000 DOT users was 29 to 69 percent lower than the 5 other bidders’ proposed prices. For the other level of service—supporting 12,500 DOT users—the winning bidder’s price was 23 to 73 percent lower than 4 of the other 5 bidders’ proposed prices; the fifth was 7 percent higher. Despite the sizable differences, the Department did not question the reasonableness of the winning bid or conduct further analysis to support a fair and reasonable price determination. Since the award’s contract ceiling was approximately 146 percent greater than the winning bidder’s proposed price, this gives the perception the contractor may have lowballed its offer to win the award.

The awarding CO for this IT Infrastructure vehicle is no longer employed at DOT, and Department officials could not explain the bid discrepancies or insufficient price analysis. The last CO assigned to this vehicle stated that DOT could not provide an IGCE or most of the pre-award documents because Department officials may have destroyed or archived them. However, Federal policy stated contract files should not be archived for 6 years after final payments, and seven task orders under this vehicle did not end until July 29, 2020. The CO added that the Department may have based the archive requirement on the date the first task order ended in 2011.

We are highlighting this issue because, as described above, this contract had prolonged performance issues—which may have been associated with the significantly lower bid price. Yet the Department continued to award option years and extensions to lengthen the performance period, resulting in a total

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41 FAR 4.805 Table 4-1; AMS T3.13.1(A)(7).
contractual life of just over 11 years. Given that Department officials could not account for most of the award documentation, DOT is vulnerable to the perception that the award was not made with integrity, fairness, and openness—a guiding principle of the FAR.42

Furthermore, these findings indicate the Department lacks sufficient controls to verify that (1) it has archived ITSS contract vehicle files in compliance with Federal requirements and (2) it is in compliance with DOT’s IGCE requirements for its ITSS contracts. Specific to the IT Infrastructure Support Services ITSS vehicle, it is unclear whether the Department obtained the best pricing for this contract or could have expended potentially up to $525 million more efficiently, putting these Federal funds at risk.

**Weaknesses in DOT’s Processes for Verifying ITSS Contractor Charges Puts Federal Funds at Risk**

The Department’s policy is to perform an in-depth review of all invoices submitted by contractors.43 COs are ultimately responsible for the review and approval of contractor invoices.44 However, as is the case with the ITSS contract vehicles, the CO can delegate this responsibility to the CORs. If the CORs recommend approval, the invoice will then get routed to the CO to execute payment through DOT’s electronic invoicing and payment system.45 The invoice review should be based on the terms and conditions of the contract. Tasks associated with invoice reviews include ensuring: (1) the contractor submits an invoice in accordance with the contract, (2) the billed costs are allocable and allowable, and (3) the products and services have been received and accepted. Reviews of invoices on T&M type contracts also include verifying hours worked against hours billed for the period.46 Further, the FAR47 states that payment will be based on receipt of a proper invoice that lists 10 required elements—such as a description of the product delivered or services performed—as well as satisfactory contract performance. The invoice submission process for each ITSS contract vehicle is included in the contract terms.

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42 FAR 1.102(b)(3).
43 TAM 1232.7001.
44 TAM 1232.7002.
45 Prior to getting routed to the COR, the OCIO conducts a first-line financial review to see if the funding is aligned.
46 TAM 1232.7002.
47 FAR 32.905.
Based on our review of 192 invoices totaling $25.9 million in ITSS contractor charges,\(^48\) the Department’s review and approval process is not always adequate to verify contractor charges. (These 192 invoices are associated with 7 of the ITSS contract vehicles in our universe, with a combined value of approximately $1.4 billion.) Specifically, we found issues with a total of $4.3 million in contractor charges on 50 of these invoices (representing 5 of the ITSS contract vehicles); see table 3. The invoice issues include unsupported labor hours and material charges, hours billed contrary to the contract vehicle terms, unreasonable hours charged, and hours incurred multiple months before they were billed.

Table 3. Summary of Invoice Reviews Associated With Seven ITSS Contract Vehicles

<table>
<thead>
<tr>
<th>ITSS Contract Vehicle</th>
<th>Total Value of ITSS Contract Vehicle</th>
<th>No. of Invoice Reviewed</th>
<th>Total Value of Invoices Reviewed</th>
<th>No. of Invoices With Issues</th>
<th>Total Value of Invoice Charges With Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drupal Web Services</td>
<td>$24,000,000</td>
<td>53</td>
<td>$1,036,257</td>
<td>5</td>
<td>$28,300</td>
</tr>
<tr>
<td>CSIPS Task Area 3: Cyber Security Management Support (Technical)</td>
<td>$46,200,000(^a)</td>
<td>1</td>
<td>$50,085</td>
<td>1</td>
<td>$50,085</td>
</tr>
<tr>
<td>IT Infrastructure Support Services</td>
<td>$525,000,000</td>
<td>110</td>
<td>$18,164,267</td>
<td>26</td>
<td>$4,047,349</td>
</tr>
<tr>
<td>Enterprise IT Shared Services</td>
<td>$700,000,000</td>
<td>1</td>
<td>$5,899,076</td>
<td>1</td>
<td>$104,599</td>
</tr>
<tr>
<td>Non-Core Telecommunications</td>
<td>$12,898,024</td>
<td>25</td>
<td>$582,375</td>
<td>17</td>
<td>$55,820</td>
</tr>
<tr>
<td>Amazon Web Services Cloud Consumption</td>
<td>$43,837,500</td>
<td>1</td>
<td>$31,445</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Laptop Catalogue</td>
<td>$60,000,000</td>
<td>1</td>
<td>$145,234</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Totals</td>
<td>$1,411,935,524</td>
<td>192</td>
<td>$25,908,739</td>
<td>50</td>
<td>$4,286,153</td>
</tr>
</tbody>
</table>

\(^a\) The Department awarded a CSIPS task area 3 vehicle with a $46.2 million ceiling, which represents the ceiling for all six CSIPS ITSS task area vehicles.

Source: OIG analysis

All the invoice issues we identified were related to T&M type charges (which include other direct costs\(^49\))—mostly related to billed contractor hours. T&M

\(^48\) Our invoice selection was based on Benford’s Law analysis of payments made through the Department’s WCF to the 18 ITSS contract vehicles contractors. Exhibit A provides more details on the Benford’s Law analysis.

\(^49\) FAR 16.601(a).
contracts do not provide the contractor with a positive profit incentive for cost
control or labor efficiency and, consequently, are only to be used when no other
contract type is suitable.\textsuperscript{50} A contractor operating under a T&M contract could
conceivably work less efficiently so that it could charge more hours to the
Government. Thus, the Government has the responsibility to prevent wasteful
spending by establishing appropriate controls to ensure contractors use efficient
methods and effective cost controls.

The following examples illustrate the various invoice issues we found.

**Unsupported Hours and Materials**

- Under its IT Infrastructure Support Services ITSS contract vehicle, the
  Department paid a total of $891,558 for labor hours invoiced between
  May 2018 and October 2018 without details of the work performed or any
  substantiating documentation—such as timecards\textsuperscript{51}—to support the
  charges. The invoices also did not include the number of hours worked to
  substantiate the amounts billed, time period when the work was
  performed, or performance period of the associated vehicle’s order.

- Under its Cyber Security Management Support ITSS vehicle, the
  Department paid a total of $50,085 for 506.25 labor hours invoiced in
  December 2020 without any breakout of hours, details of work performed,
  or any substantiating documentation to support the charges.\textsuperscript{52}

- Under its Non-Core Telecommunications Services ITSS vehicle, the
  Department paid a total of $15,138 for unsupported labor and non-labor
  costs invoiced between August 2018 and May 2021. For example, an
  August 2018 invoice included a $5,000 charge for “materials” but lacked
  further description or supporting documentation. In another example, the
  Department paid $19,679 for moving expenses invoiced in October 2018
  but could only provide supporting documentation for $18,522 of this
  charge—leaving an unsupported balance of $1,157.

These three examples represent unsupported costs totaling $956,781.

\textsuperscript{50} FAR 16.601(c) & (d).

\textsuperscript{51} The vehicle includes FAR Clause 52.232-7, *Payments under Time-and-Materials and Labor-Hour Contracts*, which
states that the contractor shall substantiate vouchers by evidence of actual payment and by individual daily job
timekeeping records, records that verify the employees meet the qualifications for the labor categories specified in
the contract, or other substantiation approved by the CO.

\textsuperscript{52} FAR Clause 52.232-7.
Hours Contrary to the Contract Vehicle Terms

- Under the terms of the Drupal Web Services ITSS contract vehicle, contractor personnel were prohibited from exceeding 80 hours in a 2-week pay period (or 40 hours per week) without the CO’s approval. However, the Department paid a total of $28,300 for 192 labor hours invoiced between April 2019 and May 2021 that exceeded 80 hours in a pay period. Department officials could not provide evidence that the CO approved more than the standard 80 hours of work.

- Under the terms of the Enterprise IT Shared Services ITSS vehicle, for an invoice to be considered proper for payment, it must include (among other things) the timeframe covered and the itemization of costs incurred during that timeframe. However, the Department paid $104,599 for 718 labor hours incurred outside of the stated invoice timeframe. Specifically, the invoice timeframe was January 2, 2021, to April 2, 2021; yet the 718 hours of labor charges were for services performed between August 14, 2020, and January 1, 2021. The invoice did not include an explanation or description of the services provided during the 718 hours. In addition, Department officials were unable to provide the contractor’s required monthly billing statement reports covering the months when these hours were incurred.

These two examples represent $132,899 in unsupported costs.

Unreasonable Hours

- Under its Non-Core Telecommunications Services ITSS contract vehicle, the Department paid a total of $40,682 for 625 unreasonable labor hours invoiced between August 2018 and December 2020. While the hours invoiced were supported by timesheets, the invoices did not include descriptions of what was accomplished or any evidence the hours were reasonable for the quality of services received. Specifically:

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53 According to Department officials, these charges outside the billing period occurred because of staff transitions when the contractor was bought out by another vendor. They stated that although the billings were late, they were within the scope of allowable costs.

54 Per the contract vehicle terms, the contractor is to provide these reports by the 15th day of the month immediately following the month period being billed. These reports are to include details of all labor and other costs billed, as well as cumulative to-date costs.

55 The terms of this vehicle allow for overtime and state that while activities under this contract will typically be between the hours of 7:00 am and 7:00 pm, Monday through Friday, remote monitoring and support is to be provided during weekends, holidays, and off-hours. Therefore, we allowed for some atypical work hours and days when reviewing these invoices. However, we judged the contractor hours for these two examples unreasonable due to their extreme nature and the plausibility that anyone could sustain such hours to provide services at the quality expected.
o One contractor employee billed a total of 241 hours in one 2-week pay period, charging anywhere from 12 to 20 hours for 15 days straight. The invoice also charged work on up to three different projects in a single day.

o Another contractor employee billed a total of 96 hours over 7 days and 169 hours for the entire 2-week pay period. The invoice included a charge for 20 hours of work on both a Saturday and Sunday, as well as a total of 56 hours for the 5 days prior.

Our concern that these charges represent unreasonable hours is bolstered by the fact the Department noncompetitively awarded this ITSS vehicle in 2018, then extended it multiple times beyond the initial performance period—in effect, tripling the cost ceiling. During this audit, DOT recovered $412 it improperly paid under this vehicle for 5 hours of excessive contractor charges we identified. We consider the remaining $40,270 in unreasonable charges to represent questionable costs since the Department was unable to verify the hours were reasonable and used efficiently for the services rendered.

**Hours Billed Months After Incurred**

- For its IT Infrastructure Support Services ITSS vehicle, the Department paid approximately $3.2 million for labor hours invoiced between March 2017 and March 2021 for services provided anywhere from 3 months to 8 months earlier. For example, a July 2017 invoice included labor hours billed for project management services provided in January 2017. Given the performance issues throughout this contract and the significant amount of time that lapsed between the work being performed and being billed, we consider the $3.2 million to represent Federal funds at risk.

In response to our invoice review findings, the OCIO CORs stated they don’t need much supporting documentation because they meet regularly with the contractors. One COR told us they just base what they think are reasonable contractor hours on their knowledge of the contract.

However, the CORs and other contracting officials cited steps they employ when reviewing ITSS invoices for payment. For example, several CORs use weekly or monthly status reports to support invoiced time charges. Yet these reports mainly present task status by percentage of completion; they do not include the details necessary to verify contractor time charges, such as hours worked or a breakout of work performed, as well as by whom and when. One COR said they consult

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56 Department officials were unable to tell us exactly why this late billing occurred. However, their best guess was that it was due to internal staffing issues with both the contractor and the OCIO and perhaps also because employees were working under continuing resolutions.

57 This amount is included in the Federal funds at risk identified on page 19 of this report.
with technical (or team) leads\textsuperscript{58} to get a better sense of project status and quality of work. Regarding obtaining contractor timesheets to support hours charged, CORs told us the individual COR or technical/team lead determines whether to request them—even though the terms of four of the five ITSS vehicles with invoice issues require contractors’ timekeeping records for payment.\textsuperscript{59}

Specific to our concern that contractors charged unreasonable hours to multiple projects in a day, the CORs stated they do not request records of when a contractor scans in and out of DOT Headquarters for the day or cross-check the charges in each project. Instead, the CORs told us, they just know what is going on with other projects because they sit close together, and the contractors are onsite just outside their offices. However, these practices do not represent a reliable control process for verifying contractor charges, particularly given the recent shift to more remote work due to the Coronavirus Disease 2019 pandemic.

Furthermore, the Director of IT ACE—who is also the CO for several ITSS vehicles—stated that under T&M type vehicles, it is the responsibility of the contractor, not the Department, to determine how many hours are reasonable for contractor efforts. This Director stated that DOT is only responsible for ensuring task completion. Yet Congress and taxpayers hold the Department accountable for ensuring that the Federal funds paying for these ITSS contractor charges are spent efficiently and appropriately. However, the Department lacks any sampling or testing process to verify contractor charges under high-risk T&M type ITSS contract vehicles. Several of the ITSS contract vehicles do require contractors to include a self-certification statement attesting to the accuracy of each invoice. But when we asked how DOT verifies this statement, a Department contracting official told us they were not aware of this requirement and would have to “take a look” into the matter.

Overall, the Department lacks adequate controls to verify ITSS contractor charges. We agree with the Department’s acquisition policy that the extent of an invoice review should be based on the terms and conditions of the contract.\textsuperscript{60} However, there is no standard operating procedure or guidance to help ensure the ITSS invoice review process is sufficient, particularly given the risks associated with contract vehicles, such as scope and contract type. While IT ACE does use FHWA’s Invoice Processing procedural memorandum,\textsuperscript{61} this procedure is more about the general steps and flow of the invoice review process than about guidance or steps for reviewing the accuracy of invoice charges. Further, having such a

\textsuperscript{58} According to the CORs, technical/team leads are staff within the OCIO who are assigned to monitor specific orders or projects under ITSS vehicles, so they have a more intimate knowledge of the day-to-day efforts. For ITSS orders or projects with more comprehensive and complex scopes, several technical/team leads may be assigned.

\textsuperscript{59} FAR Clause 52.232-7.

\textsuperscript{60} TAM 1232.7002(a).

\textsuperscript{61} FHWA, Acquisition Procedural Memorandum 009-F: Invoice Processing, December 16, 2020.
standard operating procedure or guidance for the OAs to follow in their review and approval of ITSS orders they directly fund aligns with the CIO’s responsibility for management of all DOT IT acquisitions and the ITSS initiative.

The OCIO COR workload issue described on pages 16 and 17 may contribute to these invoice review inadequacies. For example, the COR assigned to 3 ITSS vehicles with invoice issues and the COR assigned to another ITSS vehicle with discrepancies also each oversee about another 25 contracts and orders. This increases the risk that OCIO staff may spend insufficient time reviewing each invoice for payment approval, particularly as their COR roles are a collateral duty.

Without adequate controls to guide the ITSS invoice review and approval process, the Department is at risk for waste, fraud, and abuse of Federal funds. Our limited invoice review identified $4.3 million in unsupported and questionable ITSS contractor charges. This is particularly concerning given the Department’s billion-dollar-plus investment in its ITSS initiative, which involves the award of high-risk T&M type vehicles as well as noncompetitive actions, to sustain critical IT products and services.

Conclusion

The Department’s ITSS initiative aligns with a Governmentwide focus for Federal agencies to increase efficiency, eliminate duplicative contract actions, and deliver more acquisition value and savings by using shared contracts to procure IT goods and services. However, until DOT addresses weaknesses in its ITSS award and invoice review processes, it will experience a greater risk of inefficiencies in its acquisition of critical IT services and products. The Department’s ability to address these weaknesses will help promote best value IT acquisitions DOT-wide. This is of particular importance given the magnitude of departmental funds involved in the ITSS initiative, as well as the current environment of increasing cybersecurity risks and reliance on IT infrastructure to fulfill the Department’s mission.

Recommendations

To improve DOT’s information technology shared services (ITSS) contract vehicles award and invoice review processes, we recommend that the Chief Information Officer work with the Information Technology Acquisition Center of Excellence (IT ACE), where applicable, to:
1. Provide written procedures and guidance documenting requirements and steps—based on the size and scope of the procurement need—that staff in the Office of the Chief Information Officer (OCIO) should follow when requesting a new or extension of an ITSS award. This documentation should include standard lead times for required steps and submitting complete procurement packages to the contracting staff to help prevent any lapses in contract vehicles.

2. Implement a process to verify OCIO staff comply with the written procedures and guidance provided in recommendation one.

3. Implement a process for verifying that an independent government cost estimate is completed prior to the award of an ITSS contract vehicle, in compliance with DOT requirements. Implementing this recommendation could put up to $525 million in Federal funds to better use by improving the Department’s ability to establish ITSS contract vehicle pricing that is fair, reasonable, and realistic.

4. Provide support for or recover the $956,781 the Department paid on its ITSS contract vehicles based on contractor hours and materials billed without appropriate support.

5. Provide support for or recover the $132,899 the Department paid based on contractor hours billed that did not align with the ITSS contract vehicle terms.

6. Recover the $412 improper payment for 5 hours of excessive contractor charges billed and paid under the Non-Core Telecommunications Services ITSS contract vehicle.

7. Validate the remaining $40,270 in excessive contractor charges billed and paid under the Non-Core Telecommunications Services ITSS contract vehicle, and recover the amount improperly paid.

8. Implement a process for conducting regular, risk-based reviews of a sample of ITSS vehicle time and material type invoices to verify that contractor charges are accurate and reasonable. This procedure should apply to all ITSS invoices, including those funded directly by DOT Operating Administrations (OA).

9. Establish and implement written guidance on steps and techniques for reviewing ITSS contract vehicle invoices. The suggested steps and techniques should be tailored to address specific risks associated with the vehicle, including the scope and contract type. This guidance should apply to reviews of all ITSS invoices, including those funded directly by the OAs.
Agency Comments and OIG Response

We provided DOT with our draft report on July 13, 2022, and received its formal response on August 29, 2022. That response, which is dated August 23, 2022, is included in its entirety as an appendix to this report. DOT concurred with recommendations 1, 2, 6, 8, and 9 as written. For recommendation 6, DOT has already completed the action requested; therefore, we consider this recommendation closed. For recommendations 1, 2, 8 and 9, DOT provided appropriate completion dates, and we consider these recommendations resolved but open pending completion of the planned actions.

DOT partially concurred with recommendation 3, stating that it now has controls in place through IT ACE’s current electronic filing process guidance and required checklists to verify IGCEs are completed prior to the award of an ITSS contract vehicle. We agree this current process and the required checklists meet the intent of this recommendation. Therefore, we consider this recommendation closed.

DOT did not agree with the $525 million we identified in funds put to better use and stated our conclusion was that DOT “wasted” these Federal funds. However, we did not conclude that the Department had wasted $525 million but that the funds could have been used more efficiently. The fact remains that DOT could not provide the required IGCE to support that this amount was fair, reasonable, and realistic. It is also unclear whether Department officials completed the IGCE or simply could not locate it. Therefore, we hold to our assertion that DOT could put up to $525 million to better use.

DOT did not concur with recommendations 4, 5, and 7. Contrary to the assertion made in its response, the Department did not provide us with adequate support to verify the ITSS contract charges were reasonable and allowable. The support documents DOT provided during the audit were high-level summaries with insufficient details to adequately validate the charges. In its response to recommendations 4 and 7, DOT stated that it had determined there were no funds to recover and requested closure. However, to close these recommendations, DOT officials will need to provide us with the supporting documentation they used to reach this determination. The documentation DOT previously provided to support the $956,781 in unsupported funds and $40,270 in excessive contractor charges is insufficient for reaching such a determination. Additionally, DOT’s proposed alternative action for recommendation 5 does not meet the intent of our recommendation, which is to provide the support or recover the $132,899 in unsupported costs. Therefore, we consider these three recommendations open and unresolved and request the Agency to reconsider its position.
Actions Required

We consider recommendations 1, 2, 8, and 9 resolved but open pending completion of DOT’s planned actions. We consider recommendations 3 and 6 closed. Finally, we consider recommendations 4, 5, and 7 open and unresolved. We request DOT reconsider its position and provide us with its revised response within 30 days of the date of this report in accordance with DOT Order 8000.1C.
Exhibit A. Scope and Methodology

This performance audit was conducted between May 2021 and July 2022. We conducted this 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.

The objectives of this self-initiated audit were to assess the Department’s processes for (1) awarding its IT shared services contracts and (2) reviewing contractor charges. To address our objectives, we asked the Department to provide us with a list of all its ITSS contract vehicles that were active at any point between fiscal year 2018 and the start of our audit in May 2021. The result was a list of 19 ITSS contract vehicles. However, one of these vehicles was still in the pre-award phase, so we removed it. The remaining 18 ITSS contract vehicles represent our audit universe (see exhibit D). The total value of these 18 vehicles as of April 2022 was $1,883,585,745.

We reviewed applicable Federal and departmental procurement and IT-related regulations, policies, and guidance, including the FAR, TAM, and FAA’s AMS. We also reviewed relevant OMB and DOT memoranda. We used these criteria to develop standardized checklists of applicable procurement requirements to guide our review of the vehicles’ award documents. Department officials provided the contract award file documentation for each of the 18 vehicles in a combination of electronic and hard copy formats. In addition, we requested select award file documentation for the two ITSS contract vehicles that immediately preceded the vehicles in our universe—to gain an accurate and complete understanding of the award history for our audit analysis. Department officials also provided the warrant and certification data for the awarding and current CO and COR for each of the 18 ITSS vehicles. We followed up with various contracting officials to address any questions stemming from our review of this documentation.

OIG’s Data Analytics and Computer Crimes Unit (DACC) helped us select invoices related to our 18 ITSS contract vehicles to review. Using the purchase order numbers OST Budget Office officials provided for our 18 vehicles, a DACC analyst developed a universe of 3,191 ITSS WCF payments, valued at $164,176,445, from DOT’s accounting system. The analyst then performed an analysis of this universe using Benford’s Law. Based on the results of the Benford analysis, we selected a

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62 Benford’s Law is a mathematical theory based on a logarithm that calculates the probability of leading digits; it is used to identify potential errors, irregularities, or potential fraud in payment data.
sample of the 222 highest-risk payments—representing 196 invoices totaling $25,943,154. Department officials gave us these invoices along with their supporting documentation. We omitted four invoices from our review, as they were adjustments. As such, our final invoice sample consisted of 192 invoices totaling $25,908,739. We followed up with Department officials to address any questions stemming from these invoice reviews.

Finally, we interviewed various DOT officials responsible for planning, awarding, and managing the Department’s ITSS initiative and its contract vehicles. These officials included individuals from the OCIO, OSPE, OST Budget Office, FAA, and IT ACE. We interviewed the COs and CORs for the ITSS contract vehicles. We also sent a standardized questionnaire to 14 of the CORs assigned to the ITSS contract vehicles (previously or during the time of our audit) to learn more about their roles and responsibilities specific to awarding and reviewing invoices.
Exhibit B. Organizations Visited or Contacted

Department of Transportation

**Office of the Secretary**
- Office of the Chief Financial Officer
- Office of the Chief Information Officer
- Office of the Senior Procurement Executive

**Federal Highway Administration**
- Information Technology Acquisition Center of Excellence

**Federal Aviation Administration**
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>AMS</td>
<td>Acquisition Management System</td>
</tr>
<tr>
<td>BPA</td>
<td>Blanket Purchase Agreement</td>
</tr>
<tr>
<td>CICA</td>
<td>Competition in Contracting Act</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>CO</td>
<td>Contracting Officer</td>
</tr>
<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
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<tr>
<td>CR</td>
<td>Cost Reimbursement</td>
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<td>CSIPS</td>
<td>Cybersecurity Information and Program Services</td>
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<td>DACC</td>
<td>Data Analytics and Computer Crimes Unit</td>
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<td>DOT</td>
<td>Department of Transportation</td>
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<tr>
<td>FAA</td>
<td>Federal Aviation Administration</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulation</td>
</tr>
<tr>
<td>FFP</td>
<td>Firm-Fixed Price</td>
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<tr>
<td>FHWA</td>
<td>Federal Highway Administration</td>
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<td>FITARA</td>
<td>Federal Information Technology Acquisition Reform Act</td>
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<td>Federal Motor Carrier Safety Administration</td>
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<td>FP</td>
<td>Fixed Price</td>
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<td>Government Accountability Office</td>
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<td>GSA</td>
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<td>GWAC</td>
<td>Governmentwide Acquisition Contracts</td>
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<tr>
<td>IDIQ</td>
<td>Indefinite Delivery/Indefinite Quantity</td>
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<tr>
<td>IGCE</td>
<td>Independent Government Cost Estimate</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<td>IT ACE</td>
<td>Information Technology Acquisition Center of Excellence</td>
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<td>ITSS</td>
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<tr>
<td>LH</td>
<td>Labor Hour</td>
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<tr>
<td>NASA</td>
<td>National Aeronautics and Space Administration</td>
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<td>NHTSA</td>
<td>National Highway Traffic Safety Administration</td>
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<td>NTP</td>
<td>Notice to Proceed</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>OA</td>
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<td>OMB</td>
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<td>OSPE</td>
<td>Office of the Senior Procurement Executive</td>
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<td>OST</td>
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<tr>
<td>T&amp;M</td>
<td>Time and Material</td>
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<tr>
<td>TAM</td>
<td>Transportation Acquisition Manual</td>
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<td>Volpe</td>
<td>John A. Volpe National Transportation Systems Center</td>
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<td>VTC</td>
<td>Video Teleconference</td>
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<td>WCF</td>
<td>Working Capital Fund</td>
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### Exhibit D. ITSS Contract Vehicles in Our Audit Universe

<table>
<thead>
<tr>
<th>#</th>
<th>ITSS Contract Vehicle</th>
<th>Total Value</th>
<th>Period of Performance</th>
<th>Type of Vehicle</th>
<th>Contract Type</th>
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<tr>
<td>1</td>
<td>Adobe Recompete</td>
<td>$1,321,110</td>
<td>5/27/19 to 5/26/20</td>
<td>NASA GWAC Order</td>
<td>FFP</td>
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<td>2</td>
<td>Amazon Web Services Cloud Consumption</td>
<td>$43,837,500</td>
<td>5/13/19 to 5/12/24</td>
<td>NASA GWAC Order</td>
<td>FFP</td>
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<td>3</td>
<td>Core Telecommunications</td>
<td>$7,537,896</td>
<td>11/01/20 to 10/31/23</td>
<td>GSA GWAC Order</td>
<td>FFP and LH</td>
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<td>4</td>
<td>CSIPS Task Area 1: Information Assurance Program Support</td>
<td>$46,200,000</td>
<td>12/26/19 to 12/25/24</td>
<td>Multiple Award BPA</td>
<td>FFP and T&amp;M</td>
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<td>5</td>
<td>CSIPS Task Area 3: Cyber Security Management Support (Technical)</td>
<td></td>
<td></td>
<td></td>
<td>FFP and T&amp;M</td>
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<td>6</td>
<td>CSIPS Task Area 4: Information Assurance Policy and Training Support</td>
<td></td>
<td></td>
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<td>FFP and T&amp;M</td>
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<td>7</td>
<td>CSIPS Task Area 5: Information Security Assessment Services and Support</td>
<td></td>
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<td>FFP and T&amp;M</td>
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<td>8</td>
<td>CSIPS Task Area 6: Information Security System Administration and Engineering Support</td>
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<td>9</td>
<td>Department-wide Freedom of Information Act Solution</td>
<td>$2,244,610</td>
<td>9/23/20 to 6/01/24</td>
<td>GSA Schedule Order</td>
<td>FFP &amp; LH</td>
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<td>10</td>
<td>Drupal Content Management System Platform</td>
<td>$24,000,000</td>
<td>10/31/17 to 10/30/22</td>
<td>BPA</td>
<td>FFP and T&amp;M</td>
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<td>11</td>
<td>Enterprise Infrastructure Solutions</td>
<td>$175,643,239</td>
<td>9/27/20 to 7/30/32</td>
<td>GSA GWAC Order</td>
<td>FFP and T&amp;M</td>
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<td>12</td>
<td>Enterprise IT Shared Services</td>
<td>$700,000,000</td>
<td>1/08/20 to 1/08/27</td>
<td>IDIQ</td>
<td>FFP and T&amp;M</td>
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<tr>
<td>13</td>
<td>Enterprise-wide VTC Support</td>
<td>$703,405</td>
<td>9/25/20 to 9/24/21</td>
<td>GSA Schedule Order</td>
<td>FFP</td>
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<td>14</td>
<td>IT Application Software Engineering Services</td>
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<td>5/7/19 to 5/06/2024</td>
<td>Multiple Award BPA</td>
<td>FFP, LH, and T&amp;M</td>
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<td>15</td>
<td>IT Infrastructure Support Services</td>
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<td>7/15/09 to 3/31/20</td>
<td>IDIQ</td>
<td>FFP and T&amp;M</td>
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<td>16</td>
<td>Laptop Catalog</td>
<td>$60,000,000</td>
<td>7/1/20 to 6/30/25</td>
<td>NASA GWAC Order</td>
<td>FFP</td>
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<td>17</td>
<td>Non-Core Telecommunications</td>
<td>$12,898,024</td>
<td>4/15/18 to 10/13/22</td>
<td>IDIQ</td>
<td>FFP and T&amp;M</td>
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<tr>
<td>18</td>
<td>OST, NHTSA, and FMCSA Cloud Pilot</td>
<td>$4,199,960</td>
<td>8/22/18 to 8/21/20</td>
<td>8(a) Direct Contract</td>
<td>FFP, T&amp;M, and CR</td>
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</tbody>
</table>

Note: Due to rounding based on cents, our Total Value column sums to $1,883,585,744 instead of $1,883,585,745. Source: OIG analysis
### Exhibit E. Major Contributors to This Report

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
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<tbody>
<tr>
<td>JILL COTTONARO</td>
<td>PROGRAM DIRECTOR</td>
</tr>
<tr>
<td>JERRI BAILEY</td>
<td>PROJECT MANAGER</td>
</tr>
<tr>
<td>ANDREW JAMES</td>
<td>SENIOR ANALYST</td>
</tr>
<tr>
<td>STACIE SEABORNE</td>
<td>SENIOR ANALYST</td>
</tr>
<tr>
<td>DIANA RAFANELLO</td>
<td>ANALYST</td>
</tr>
<tr>
<td>JANE LUSAKA</td>
<td>SENIOR WRITER-EDITOR</td>
</tr>
<tr>
<td>SETH KAUFMAN</td>
<td>DEPUTY CHIEF COUNSEL</td>
</tr>
<tr>
<td>TIM ROBERTS</td>
<td>DATA ANALYST</td>
</tr>
</tbody>
</table>
Appendix. Agency Comments

Memorandum

From: Andrew Orndorff
Associate Chief Information Officer for Strategic Portfolio Management and Chief Information Security Officer

To: Charles A. Ward
Assistant Inspector General for Audit Operations & Special Reviews

The Department of Transportation's (DOT) information technology shared services (ITSS) initiative and the promotion of enterprise acquisition vehicles align best practices and Federal requirements to increase efficiency, eliminate duplicative contract actions, and deliver more acquisition value and savings by using shared contracts to procure Information Technology (IT) goods and services. Consistent with the effort to modernize, elevate, and centralize IT service delivery at the enterprise level, DOT determined it needed an acquisition office focused on Departmental centralized and commodity IT purchases. As a result, in 2019, the Department selected the Federal Highway Administration (FHWA) to serve as the contracting office for all centralized and commodity IT purchases because of FHWA's extensive IT acquisition policies and procedures, its established acquisition liaison function, its acquisition workforce training program, and the number of FHWA contracting staff possessing Digital IT Acquisition Professional Program (DITAP) certifications. That same year, DOT IT centralized and commodity IT acquisition activities began transitioning to FHWA's IT Acquisition Center of Excellence (IT ACE), created for these purposes. The Office of the Chief Information Officer (OCIO)- in partnership with IT ACE- has continued to enhance this program and has actions underway to implement new standard operating procedures for requesting a new ITSS award or an extension of an award. Training on the new procedures will be added to IT Contracting Officer's Representative (COR) training in FY23.

Based on our review of the draft report, we concur with recommendations I, 2, 6, 8, and 9 as written; partially concur with 3; and non-concur with 4 and 7, and non-concur with an alternative action for 5. We plan to complete actions to address recommendations I, 2, 5, 8, 9 by September 30, 2023. The request to close recommendations 3, 4, 7 is noted below. On page 23 of the draft report, OIG cited that DOT completed actions for recommendation 6; therefore, we request OIG close recommendation 6 within 30 days of the final report issuance.
For recommendation 3, we partially concur. The Federal Acquisition Regulation (FAR) provides that competition amongst vendors for Government requirements establishes reasonableness of proposed prices and OIG’s report acknowledges that there was evidence of competition for the award. DOT provided OIG with a copy of FHWA’s procedural guidance to implement electronic filing, which provides guidance on the process for electronic filing of all contract documents to include IGCEs. More specifically, this process that is governed by IT ACE requires both a procurement request checklist and contract file checklist, both of which include an IGCE as a required document in accordance with FAR and Transportation Acquisition Manual (TAM) requirements. The electronic filing process ensures that contract files and/or the documents contained within them are readily available for access and cannot be misplaced. The current IT ACE process addresses the deficiency OIG identified, which resulted from a misplaced 2009 contract file. Further, DOT disagrees with OIG's conclusion that $525 million in Federal funds were wasted or could have been put to better use, and instead believes that there was a contract file management issue, which has since been resolved. We request OIG close this recommendation within 30 days of final report issuance.

For recommendation 4, we non-concur. FAR 52.212-7(a)(5) provides that time and materials invoices may be substantiated by one of three methods: (i) Individual daily job timekeeping records; (ii) Records that verify the employees meet the qualifications for the labor categories specified in the contract; or (iii) Other substantiation approved by the Contracting Officer. In this case, the Department followed (iii), with other substantiation approved by the Contracting Officer. DOT provided OIG the approved substantiation for $956,781 in invoices for contractor hours and materials billed for the identified ITSS contract vehicles, based on the Department's invoice approval requirements. Documentation included monthly progress reports and invoices for supplies. The Department determined there are no funds to recover and requests that OIG close this recommendation within 30 days of final report issuance.

For recommendation 5, we non-concur and propose an alternative action. While DOT does not currently have documentation that the hours were substantiated due to employee turnover and a file management issue, to enhance the Department's documentation requirements, we plan to update our standard operating procedures and training modules to ensure consistent processes for overtime approvals and billing requirements. We plan to implement this process by September 30, 2023. Because the Department believes that contractor hours billed in the amount of $132,899 were in alignment with the ITSS contract vehicle terms and accordingly were properly billed and paid, DOT will not recover those funds.

For recommendation 7, we non-concur. The Department disagrees with OIG's characterization of the contractor hours as being unreasonable and that there were $40,270 in excessive contractor charges billed under the Non-Core Telecommunications Services ITSS contract vehicle. We provided OIG daily and monthly reporting of work progress to support that work was completed. DOT determined no funds were improperly paid, and requests that OIG close this recommendation within 30 days of the final report issuance.

For recommendations 8 and 9, we concur. OCIO plans to implement new SOPs to address (1) implementing a process for conducting regular, financial risk-based reviews of a sample of ITSS vehicle time and material type invoices to verify that contractor charges are accurate and
reasonable, and (2) establishing and implementing written guidance on steps and techniques for reviewing ITSS contract vehicle invoices tailored to address specific risks associated with the vehicle, including the scope and contract type. OIG stated that both recommendations should apply to all ITSS invoices, including those funded directly by DOT OAs. The SOPs will be specific to OCIO-funded acquisitions because OA acquisition offices are responsible for their own OA-level acquisition procedures consistent with the FAR, TAR, and TAM. Within the structure of the ITSS initiative, OAs have the responsibility to ensure adequate processes are implemented when utilizing their OA specific acquisition vehicles as well as utilizing DOT enterprise vehicles. However, OCIO will work with OSPE and IT ACE to ensure that there are appropriate procedures in place that will apply to all OAs utilizing ITSS vehicles.

We appreciate the opportunity to review the OIG draft report. Please contact Andrew Orndorff at andrew.omdorff@dot.gov or 202-366-9201 with any questions.
U.S. Department of Transportation
Office of Inspector General

Fraud & Safety
Hotline

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hotline@oig.dot.gov
(800) 424-9071

OUR MISSION

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