

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

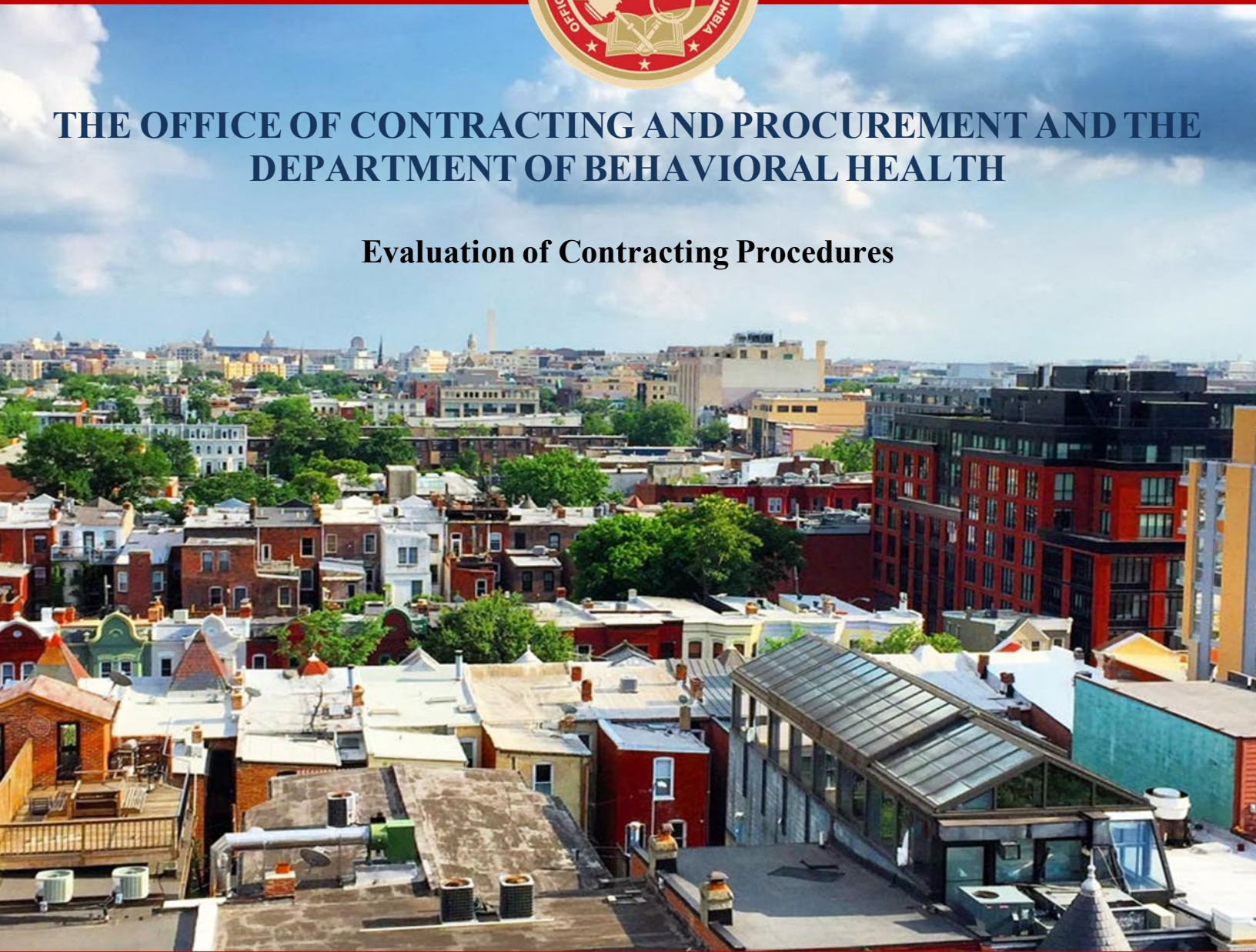
OIG Project No. 21-1-02RM

July 2021



THE OFFICE OF CONTRACTING AND PROCUREMENT AND THE DEPARTMENT OF BEHAVIORAL HEALTH

Evaluation of Contracting Procedures



Guiding Principles

*Workforce Engagement * Stakeholders Engagement * Process-oriented * Innovation
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Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

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Excellence * Integrity * Respect * Creativity * Ownership
* Transparency * Empowerment * Courage * Passion
* Leadership



EXECUTIVE SUMMARY

WHY WE DID THIS EVALUATION

The Office of the Inspector General (OIG) identified this evaluation in its *Fiscal Year 2020 Audit and Inspection Plan* because of concerns with Office of Contracting and Procurement (OCP) and Department of Behavioral Health (DBH) contracting practices and vendor oversight, and the resulting potential for diminished levels of care afforded to vulnerable District residents.



OBJECTIVES

The OIG conducted this evaluation to: 1) review selected contracts for vulnerabilities to corruption, fraud, mismanagement, waste, and abuse; and 2) assess whether the parties to each contract have effectively operationalized key contract terms and conditions to ensure that the District is receiving maximum benefits and expected goods and services.

WHAT WE FOUND

DBH and OCP work together to provide health services to District residents with mental illness and/or substance use disorders. DBH determines the District's needs for health services, while OCP contracts with the vendors who provide those services. We found deficiencies in contracting practices, such as executing contract documentation that contained flawed or missing information and not designating contract administrators timely. Also, DBH did not have adequate internal controls to monitor contract compliance or vendor performance, which at times led to payment issues including overpayments to vendors. Finally, OCP did not have a consistent method for resolving vendors' payment disputes.

WHAT WE RECOMMEND

To correct the deficiencies identified in this report, the OIG makes 12 recommendations to DBH and OCP. Once implemented, these recommendations will strengthen the control environment to better monitor contract compliance and vendor performance. By clarifying duties and responsibilities both within and between their agencies, DBH and OCP will be able to more efficiently and effectively provide contracted health services to vulnerable District residents diagnosed with mental illness and/or substance use disorders.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



July 8, 2021

George A. Schutter
Chief Procurement Officer
Office of Contracting and Procurement
441 4th Street, N.W., Suite 430
Washington, D.C., 20001

Barbara J. Bazron, PhD
Director
Department of Behavioral Health
64 New York Avenue, N.E.
Washington, D.C., 20002

Dear Director Schutter and Dr. Bazron:

Enclosed is our final report, *District of Columbia Office of Contracting and Procurement and Department of Behavioral Health: Evaluation of Contracting Procedures* (OIG Project No. 21-I-02RM). The objectives for this evaluation were to: (1) review selected contracts for vulnerabilities to corruption, fraud, mismanagement, waste, and abuse; and (2) assess whether the parties to each contract have effectively operationalized key contract terms and conditions to ensure that the District is receiving maximum benefits and expected goods and services. We conducted this evaluation under standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and assessed internal controls using the Government Accountability Office's (GAO) Standards for Internal Control in the Federal Government.¹


On May 24, 2021, the OIG sent a draft report to DBH and OCP for comments. We received a joint response from DBH and OCP on June 24, 2021. The comments from this joint response are quoted within the final report and presented in their entirety in Appendix E. We made a total of 6 recommendations to DBH (Recommendations 5, 6, 7, 8, 9, and 10). DBH agreed with four recommendations, disagreed with one recommendation, and did not comment or indicate whether it agreed or disagreed with Recommendation 5. We made six additional recommendations to OCP (Recommendations 1, 2, 3, 4, 11, and 12). OCP agreed with five recommendations and disagreed with one. The OIG included responses to your comments when necessary.

¹ U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-14-704G, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT (Sept. 2014), <https://www.gao.gov/products/GAO-14-704G> (last visited Jan. 8, 2019).

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If you have any questions concerning this report, please contact me or Edward Farley, Assistant Inspector General for Inspections and Evaluations, at 202-727-9249 or edward.farley@dc.gov. The OIG will follow up on the implementation status of each recommendation next fiscal year.

Sincerely,


Daniel W. Lucas
Inspector General

DWL/ef

Enclosure

cc: See Distribution List

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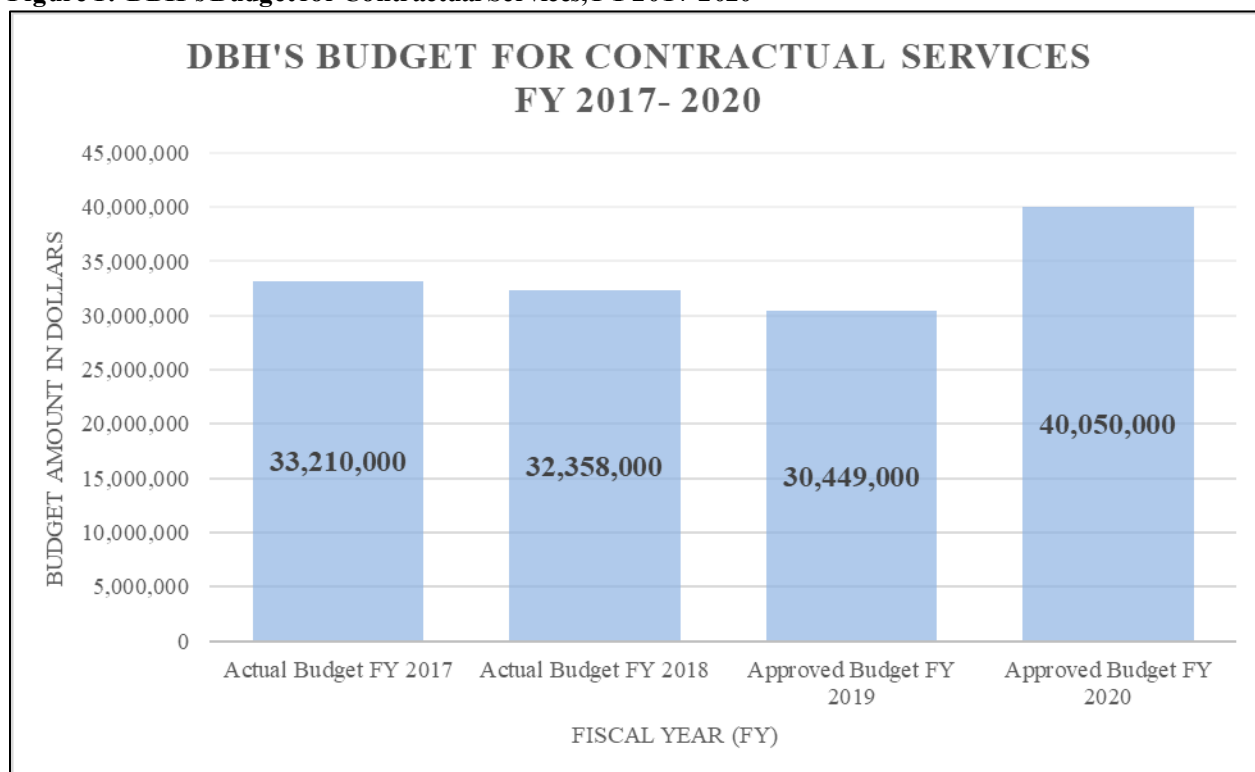
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BACKGROUND

The Department of Behavioral Health (DBH) “provides prevention, intervention, and treatment services and supports for children, youth, and adults with mental and/or substance use disorders including emergency psychiatric care and community-based outpatient and residential services.”² In fiscal year (FY) 2020, DBH received approximately \$40 million to spend on contractual services³ in the furtherance of its mission to deliver high-quality, integrated services that support District residents diagnosed with mental health and substance use disorders.⁴ DBH’s budget for contractual services in FY 2020 increased by nearly 32% from the previous year. See Figure 1 below.

Figure 1: DBH’s Budget for Contractual Services, FY 2017-2020



Source: D.C. FY 2020 Approved Budget and Financial Plan, *A Fair Shot*, DBH (2019)

² DBH website, <https://dbh.dc.gov/page/about-dbh-01> (last visited May 19, 2021).

³ Contractual Services is “a budget classification of nonpersonal services that includes funds for contractual services.” GOV’T OF THE DISTRICT OF COLUMBIA FY 2020 APPROVED BUDGET AND FINANCIAL PLAN CONGRESSIONAL SUBMISSION, VOL. 1 EXECUTIVE SUMMARY, app K-1 (July 25, 2019), https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC_OCFO_2020_Budget_Vol_1_0.pdf (last visited Dec. 18, 2020).

⁴ GOV’T OF THE DISTRICT OF COLUMBIA FY 2020 APPROVED BUDGET AND FINANCIAL PLAN CONGRESSIONAL SUBMISSION, VOL. 4 AGENCY BUDGET CHAPTERS PART III E-35 and E-37 (July 25, 2019), https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC_2020_OCFO_Budget_Vol_4.pdf (last visited Dec. 30, 2020).

Evolution of Contracting Practices at DBH

DBH experienced several transformative events in recent years. DBH was previously known as the Department of Mental Health (DMH) and operated with independent authority to administer contracting and procurement internally. To treat the concurrence between mental health and substance abuse disorders, DMH merged with the Department of Health's (DOH) Addiction Prevention and Recovery Administration (APRA) and formed DBH in 2013. In 2014, DBH became subject to the authority of the D.C. Office of Contracting and Procurement (OCP).⁵ DBH and OCP now share contracting responsibilities: DBH determines the goods and services needed to meet its clients' needs and provides contract administration, while OCP is responsible for acquisition of the goods and services. Three different directors have led DBH in the past 5 years, and there was an effort to reorganize agency departments and functions in January 2019.⁶

OCP has a Health & Human Services Cluster Chief Contracting Officer (CCO)⁷ who supervises nine staff members, which include Contracting Officers (COs) and Contract Specialists (CSs). These 10 OCP employees are assigned to service DBH procurements exclusively and are co-located at DBH's office. DBH selects employees to serve as Contract Administrators (CAs). Once the CA is identified, the CO issues the CA an appointment letter officially delegating specific duties to carry out, such as monitoring invoices and contract compliance, and evaluating vendor performance. The CA's duties and responsibilities are set forth in the appointment letter, in the D.C. Code, and in District of Columbia Municipal Regulations (DCMR).

Evaluation Approach

The OIG conducted this evaluation in response to concerns with deficiencies in contract oversight and the potential for diminished levels of care afforded to District residents. We conducted an initial inventory and review of roughly 200 contracts, for approximately \$95 million⁸ of goods and services, with over 100 vendors. From this universe of contracts, we selected three contracts to review more thoroughly. Table 1 on the next page outlines each contract selected for more thorough review.

⁵ OCP procures goods and services for DBH in accordance with the Procurement Practices Reform Act of 2010 (PPRA) (*see* D.C. Code § 2-352.01(a) Lexis current through Dec. 2, 2020) and as further defined in Title 27 of the District of Columbia Municipal Regulations (DCMR).

⁶ Audiotape: Performance Oversight hearing Before the D.C. Council Committee on Health (Feb. 12, 2019) (Department of Behavioral Health, Dr. Nesbitt (then-Acting Director)), http://dc.granicus.com/MediaPlayer.php?view_id=&clip_id=4843&caption_id=10290633 at 5:38. (last visited Dec. 30, 2020).

⁷ OCP groups the agencies under its authority into clusters organized by subject matter. Each cluster has a CCO. DBH falls under OCP's Health & Human Services Cluster.

⁸ This number approximates the FY19 amounts for the active contracts reviewed and does not include option years. The amount is based on actual payments DBH made to all vendors.

Table 1: Summaries of Contracts Selected for More Thorough Review

Contract No.	Vendor	Contract Value	Contracted Service
CW64741	Bread for the City	\$4,685,889 ⁹	Administer the Representative Payee Program for DBH consumers deemed not capable of managing their financial affairs.
CW55513	Evidence Based Associates, LLC (EBA)	\$865,903 ¹⁰	Provide specialized subject matter experts in the sustainability of DBH approved evidence-based practice models, training and program management.
RM-17-HCA-SATSR-009-SII-BY4-CPS	Samaritan Inns, Inc.	\$12,500,000 ¹¹	Provide substance use disorder treatment services to clients in the drug treatment choice program.

Source: OIG On-Site Review of Contract Files

The objectives, scope, and methodology for this evaluation are provided in Appendix A. The OIG assessed contracting procedures using the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (GAO-14-704G, the Green Book).¹² The Green Book sets internal control standards for federal entities and may be adopted by state and local entities as a framework for an internal control system.¹³ Internal controls serve as "the first line of defense in safeguarding assets" and include "plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of [an] entity."¹⁴

Several factors impeded the OIG's evaluation. First, OCP could not provide the full universe of contracts we requested. OCP provided the OIG with four lists of contracts that it believed met the scope and parameters of our request for documentation, each list differing from the others. The last list we received contained details for 151 contracts, and OCP allowed the OIG access to a room that contained the hard copy contract files. However, the OIG found at least 25 additional contracts in the public record, including OCP's Transparency Portal.¹⁵ We also found contracts that OCP had not provided in the Procurement Automated Support System (PASS).¹⁶

Second, the OIG also learned that an OCP employee did not maintain hard copy contract files (see page 6 for additional discussion of this topic). The OCP employee maintained 73 electronic copies of contract files, and 29 of the 73 were relevant to this evaluation, but OCP did not

⁹ This figure includes the contract's base year and the four subsequent option years.

¹⁰ This figure only reflects the contract's base year amount, as the option year prices were undefined in the contract.

¹¹ The contract stated a not-to-exceed (NTE) amount of \$2,500,000 for the base year and for each of the 4 subsequent option years.

¹² U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-14-704G, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT (Sept. 2014), <https://www.gao.gov/products/GAO-14-704G> (last visited Jan. 8, 2019).

¹³ *Id.* Overview at 1.

¹⁴ *Id.* § OV1.03 at 5.

¹⁵ OCP maintains a Transparency Portal that allows the public to search "data related to contracts, purchase orders, payments, solicitations, and forecasts." <https://ocp.dc.gov/page/ocp-contracts-and-procurement-transparency-portal> (last visited July 2, 2020).

¹⁶ PASS is the District's primary database of procurement records, including statements of work, bid evaluations, determination and findings, awards, vendor information, and invoices.

initially provide them for review or identify them on the four lists of contracts. Although OCP employees cooperated with our evaluation, the inconsistency of contract data created uncertainty about whether other contracts qualified for review under the scope of this evaluation but were not provided to us.

Finally, OCP's contract files were generally disorganized, and contract documentation contained substantive typographical errors as well as incorrect information. The files' condition significantly limited our understanding of contract lifecycles and the actions OCP employees took, and prolonged fieldwork as it often required considerable time to review and analyze the information. Contract files also appeared to be missing necessary documentation, which made it difficult to ascertain whether OCP had the documentation but did not place it in the contract file or did not execute the required documentation (contract administrator designation letters, contract modifications, etc.).

FINDINGS

The findings presented in this report concern the three contracts the OIG selected for a more thorough review and the contracts evaluated as part of our initial review. Observations relating to the three selected contracts are identified directly in the body of the report. Observations about other contracts are detailed in Appendix D.

OCP EXECUTED CONTRACT DOCUMENTS CONTAINING FLAWED AND/OR MISSING INFORMATION.

The CO position description provides that COs are responsible for managing and supervising contracting and procurement operations for the servicing agency to which they are assigned. CO responsibilities include: 1) providing advice regarding the submission of procurement documents; 2) analyzing quotes, bids, and proposals; and 3) reviewing "solicitations, contracts, justifications and approvals, determinations and findings, and other contractual documents for conformance to established statutes and regulations, in accordance with applicable regulations."¹⁷

The OIG found flawed information on the face of contract documents or within a substantive number of contract files that should have been identified and fixed had they been reviewed attentively by the employees who produced them. We present our observations supporting this finding below.

The stated Not-To-Exceed (NTE) amount for option years varied in documentation for a Fixed-Firm-Price (FFP) contract

D.C. Code refers to a NTE amount as the "negotiated maximum price of the underlying contract."¹⁸ The contract type governs the NTE amount of a contract, and section G.9 of the Bread for the City contract states it is an FFP contract. The DCMR states that an FFP

¹⁷ OCP contracting officials that provide services to District agencies in the capacity of Contracting Officers are OCP employees who are referred to as Supervisory Contract Specialists and Contracting Officers interchangeably. OCP authorizes Supervisory Contract Specialists/Contracting Officers to execute contracts on behalf of the District.

¹⁸ D.C. Code § 2-221.02(d)(4)(A).

contract “provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.”¹⁹ In FFP contracts, contractors bear the “maximum risk and full responsibility for all costs and resulting profit or loss. [FFP contracts] provide [] maximum incentive for the contractor to control cost and perform effectively.”²⁰

DBH’s contract with Bread for the City’s contained different NTE amounts for the option years. Paragraph B.5.1.2 of the contract stated the NTE amount for option years shall not exceed \$950,000. The pricing schedule set in paragraph B.5.2, however, provided the amount for option years 3 and 4 were \$964,447.20, and \$993,470.40, respectively. Additionally, modification #004 to the solicitation of this contract stated the NTE amounts for option years 1, 2, 3, and 4 were \$990,000.

NTE amounts in FFP contracts like Bread for the City must be clearly stated because contractors bear the full responsibility of meeting the terms of the contract regardless of its cost experience. Conflicting information regarding NTE amounts may lead contractors to believe they are eligible to receive more money than the District intended.

Contracts contained incorrect period of performance dates

Although “period of performance” is not defined in the D.C. Code, PPRA, or DCMR, within the contracting and procurement community of practice it is commonly considered the length of time that the contract will remain in effect. If a contract allows for option years, OCP may extend a contract’s period of performance by executing an option period before the contract expires.

The OIG identified several executed contracts that used Human Care Agreement²¹ (HCA) forms with a pre-filled performance end date of “September 30, 2017.” The period of performance start dates for these contracts varied, but all began *after* the pre-filled end date. For details regarding these HCAs, please see Table A in Appendix D.

OCP cannot extend a contract by executing option years *after* the period of performance ends because the contract already expired. Although the date of award may have been correct and it may have been assumed or commonly understood that a base year contract expires one year after the date of award, COs must review all information contained within contract documentation, including pre-filled information, for accuracy and conformance with established statutes and regulations. Otherwise, further commitment of funding may be unauthorized.

¹⁹ Title 27 DCMR § 2499.

²⁰ *Id.*

²¹ Per D.C. Code § 2-354.06, HCAs are a method for asking interested providers to submit their qualifications to perform needed services that then allow the District to issue contracts to these vendors as the need arises. The agreements allow for services that cannot be adequately estimated at the outset of the procurement process. D.C. Code § 2-351.04(37) further defines “Human care agreement” “[as] a written agreement for the procurement of education, special education, health, human, or social services, pursuant to section 406, to be provided directly to individuals who have disabilities or are disadvantaged, displaced, elderly, indigent, mentally ill, physically ill, unemployed, or minors in the custody of the District.”

Contract files referred to companies other than the awarded contractor

The OIG found a few contract files containing information about companies different than the awarded contractors. For example, a contract discussed the awarded contractor yet later referred to another company in the same contract. Identifying the correct contractor on finalized contracts makes it clear who is responsible for performing the obligations under the terms and conditions, as outlined in the agreement. Otherwise, the District may risk unnecessary disputes or contract enforcement issues. For a list of these contracts, please see Table B in Appendix D.

Contract documents and files were incomplete; hard copy documentation requirement unclear to OCP employees

We found that OCP executed some contracts without assigning contract numbers, and some contract files did not contain the original modifications to the contract award. Modifications remained in draft format, making it difficult to ascertain whether modifications were finalized and executed. For details regarding incomplete contract documents and files, please see Table C in Appendix D.

The OIG also received conflicting viewpoints as to whether OCP employees are required to maintain hard copy documentation. As noted earlier in the report, the OIG learned early in the fieldwork process that an OCP employee who had recently departed the agency stored all contract information in PASS and did not maintain hardcopy files. When asked whether contract specialists are required to maintain electronic or hard copy contract files, a supervisory contract specialist stated, “We try to do both.... The CSs are aware they are required to do both.” One CS we interviewed said it was not clear whether they should maintain files electronically or in hard copy, adding, “one contracting officer wants everything [electronic] while the other wants physical copies.” Another CS we interviewed said the “general sense” is that COs would like CSs to maintain all documents electronically but that “it would be fair to state that the upkeep and management of contract files may vary from CS to CS.”

Written guidance in OCP’s intranet “Policies and Procedures Library” does not provide definitive guidance. The “File Preparation and Contract Closeout” chapter of OCP’s Procurement Procedures Manual provides the following “General Rule:”

Any contracting officer maintaining files in PASS is not required to create a separate hard copy file. Each contract file shall include all relevant contract documents and shall be maintained for a contract exceeding the small purchase threshold. All contracts should be contained in a six-part contract file folder.²²

OCP Directive No. 1101.00, effective March 30, 2007, until rescinded, which is also in the Policies and Procedures Library, makes no mention of maintaining files in PASS and provides the following guidance:

²² Procurement Procedures Manual (2018 Update), Office of Contracting and Procurement, p.85.

This Directive shall apply to agency personnel ... responsible for maintaining a contract file within [OCP]....

All contracting personnel (Contracting Officers and Contract Specialists) have the responsibility for overall contract file maintenance and monitoring. Accuracy and completeness of contract files will be an evaluation factor in all annual contracting personnel performance evaluations.

General Rule.... Each contract file shall include all relevant contract documents and shall be maintained, for a contract exceeding the small purchase threshold, in a six-part contract file folder.

When asked, “What is OCP management’s with regard to Contract Officers and Contract Specialists maintaining hard-copy file folders?” a senior manager stated:

The Office of Contracting and Procurement expects all contracts exceeding \$100,000 to be posted and published in PASS within 30 days of the award date. If that is not possible the procurement team is required to create a hard copy contract file folder that complies with the standards set in the Procurement Procedures Manual.

Given the varying answers we received from OCP interviewees on the subject of hard copy files, we believe all OCP employees would benefit from receiving updated written guidance on this matter.

Despite the issues discussed above, COs signed and authorized contract documentation containing flawed information. The substantive number of flaws we identified during our initial review of contract files, in addition to information gleaned from interviewees, suggest a lax, “cut and paste” approach to creating and executing contract documentation without adequate proofreading or quality review. OCP contract documents and files containing flaws and missing information pose a risk to the District’s ability to enforce contract terms.

We recommend the Chief Procurement Officer, OCP:

1. Request a review of all active DBH contracts to identify and correct any material errors.

Agree X Disagree

OCP's June 2021 Response to Recommendation 1:

OCP will review all contracts and make any necessary revisions/modification to correct flawed and missing information on all renewals and upcoming solicitations.

2. Review, reconcile, and update written guidance in OCP's Policies and Procedures Library regarding any requirements that OCP personnel maintain hard copy contract documentation files.

Agree _____ Disagree X

OCP's June 2021 Response to Recommendation 2:

OCP has implemented an electronic storage of all contracts, the digital database will serve as the only source of contract documents file storage. Hardcopy files storage will no longer be required because contract files will be stored electronically in the Ariba Systems.

OIG Comment:

As recommended, OCP's Policies and Procedures Library needs to reflect any updates in the requirements for maintaining contract documentation files, including use of the electronic management system Ariba Systems.

OCP, DBH COULD IMPROVE WRITTEN GUIDANCE, PRACTICES FOR THE DESIGNATION AND ROLE OF CONTRACT ADMINISTRATORS PRE-AWARD.

Title 27 DCMR § 1209 allows, but not does require, the CO to appoint and delegate various contract administration functions to a CA. OCP Procurement Training Institute training materials state that a CA is required for all contracts over \$100,000. Neither the DCMR nor OCP's regulations provide guidance on when the CA should be designated.

Title 27 DCMR § 1209 only provides one example of the CA's role during the pre-award phase of the contract lifecycle: preparing a clear and concise statement of work (SOW). OCP Procurement Training Institute training materials further define additional CA "key duties" that occur prior to contract award, and establish the expectation that the CA will "[w]ork with the Procurement Team" to: "[d]efine the requirement[;] [d]evelop the strategy for procuring the requirement[;] [d]evelop the written requirements package[;] [d]ecide how the requirements will be met and completed[; and] [d]etermine how much the requirement will cost."²³

OCP Procurement Training Institute materials require the CO's designation of specific duties and functions to CAs be executed in writing through appointment letters. CAs and their supervisor must sign and return the appointment letters to the CO, and they are to be maintained in relevant contract files.

There were several contracts valued at over \$100,000 each, which required the CO to designate a CA; however, contract documentation cited the CA as "TBD."²⁴ In one instance, OCP did not formally designate a CA until 9 months after the date of contract award. For further details regarding these contracts, see Table D in Appendix D.

²³ D.C. OFFICE OF CONTRACTING AND PROCUREMENT, CONTRACT ADMINISTRATOR TRAINING 18 (Undated).

²⁴ TBD stands for "to be determined."

We found numerous contract files that identified CAs but lacked signed appointment letters. In one contract, documentation revealed that DBH never formally removed a prior CA, and the new CA never received an appointment letter. DBH did not plan for the renewal of this contract but the contracted services were for a critical need and had to be filled urgently. DBH admitted they “must do a better job owning and managing its contracts.” See Table E in Appendix D.

One interviewee said the process of restructuring at DBH left roles unfilled, responsibilities unclear, and made it difficult for OCP to get the name of a CA to assign to the contract. Therefore, citing CAs as “TBD” allowed contracts to move forward without disrupting critical services to DBH’s clients. Another interviewee stated “TBD” is used to prevent vendors from contacting the CA during the contracting process and forced vendors to contact the CO instead. The potential issue with the untimely designation of CAs and the lack of appointment letters within contract files is twofold. First, it creates a gap between the unique clinical needs of DBH’s clients and OCP’s expertise in contracting and procurement. If the DBH employee who will be responsible for monitoring the vendor post-award is designated as CA early in the solicitation process and participates in the pre-award activities cited in OCP’s training materials, there is a greater likelihood that the statement of work and resulting contract will clearly define both DBH clients’ needs and effective oversight criteria.

Secondly, the failure to maintain appointment letters in contract files increases the potential for mismanagement. Appointment letters allow COs to expand the CAs' authority and responsibilities beyond general duties outlined in the DCMR and OCP policies and specify the details and expectations for the CAs' role as needed for the contract. Without a current appointment letter, signed by the CO, the CA, and the CA's supervisor, on file, the CA's authority may not be clearly communicated and/or understood between the two agencies or the contractor. As a result, the District risks mismanagement, confusion over responsibilities and authority, and an employee making an unauthorized contractual commitment.

Given DBH CAs' experience with technical and clinical requirements associated with mental health and substance use disorder treatment programs, and the expectations established in OCP's training materials, both OCP and DBH would benefit from promulgating clear written expectations regarding CAs timely participation in pre-award processes to their employees. Otherwise, OCP may be missing an opportunity to leverage and incorporate the expertise of DBH employees.

We recommend the Chief Procurement Officer, OCP:

3. Issue clarifying guidance regarding the designation of CAs in executed contracts and the use of “TBD” language.

Agree X Disagree

OCP's June 2021 Response to Recommendation 3:

Having CAs' identified in all executed contract is critical to the overall management of contracts. All OCP policies and procedures, have the same language regarding the roles

and responsibility of a CA. Moving forward OCP will ensure that all executed contracts have CA identified and CA's designation letter.

4. Take appropriate steps to reiterate to COs requirements regarding the drafting, issuance, execution, and maintenance of CA appointment letters.

Agree _____ X _____ Disagree _____

OCP's June 2021 Response to Recommendation 4:

Moving forward OCP will ensure that all executed contract have CA identified and CA's appointment letter issued and signed, as instructed in the Procurement Procedure Manual.

We recommend the Director, DBH:

5. Document a process that will ensure DBH subject matter experts are routinely designated Contract Administrators as soon as practical and beneficial to the contracting process.

Agree _____ Disagree _____

OIG Comment: DBH did not provide any comments or indicate whether it agreed or disagreed with recommendation 5. We stand by our recommendation and emphasize the value that subject matter experts can provide agencies and consumers by serving as CAs on contracts relating to their area of expertise.

DBH DID NOT ADEQUATELY MONITOR VENDORS' PERFORMANCE TO DETERMINE WHETHER THEY ARE PROVIDING SERVICES AS STIPULATED IN CONTRACTS.

CAs and the DBH Office of Accountability are both involved, in some capacity, with assessing vendors' performance. DBH did not follow the policies it implemented to serve as internal controls in monitoring vendor performance. We first present our observations regarding DBH's adherence to general vendor oversight policies, followed by an analysis of its adherence to specific terms in the three contracts selected for a more thorough review (Bread for the City; Evidence Based Associates (EBA); and Samaritan Inns).

DBH has not issued Provider Scorecards analyzing vendor performance since 2016

Provider Scorecards rate a "community based mental health provider certified by the Department of Behavioral Health to deliver mental health treatment."²⁵ DBH Policy requires the DBH Office of Accountability to "issue an annual Provider Scorecard that measures the quality of provider services and compliance with DBH rules and policies," including an assessment of whether the provider is in "good standing" with DBH.²⁶ Provider scorecards evaluate behavioral health providers in two areas, quality of services

²⁵ DBH website, <https://dbh.dc.gov/node/237752> (last visited June 26, 2020).

²⁶ DBH Policy 622.1 § 5.

and financial responsibility, and rewards providers who receive national recognition and accreditation.

The DBH Office of Accountability has not issued Provider Scorecards or other, similar vendor performance assessments since 2016. DBH employees noted a former DBH Director suspended Provider Scorecards but indicated that DBH is currently working to reinstate the program. In its FY18-19 Performance Oversight Hearing, DBH informed the D.C. Council that it had discontinued the Provider Scorecard program and was in the process of replacing the metrics from the Scorecard with separate compliance indicators and results-based accountability indicators. However, the DBH Policy requiring the Provider Scorecards appears valid and still applicable as there have been no documented changes to the policy.

Provider Scorecards could benefit DBH clients and employees and OCP. DBH's clients could review Provider Scorecards and select high-performing providers they feel comfortable with that could best meet their needs. Additionally, DBH could benefit from the information provided in Provider Scorecards because it could serve as an additional layer of oversight of vendor performance. DBH could review Provider Scorecards during its consideration to award contracts and/or exercise option years on a contract. However, DBH needs to first clarify whether the applicable policy requiring Provider Scorecards is still valid or whether new parameters should replace the Provider Scorecards.

CAs assumed the Office of Accountability is responsible for conducting vendor site visits, when applicable

The OIG found a lack of understanding among those DBH employees involved with these contracts surrounding the responsibility to conduct vendor site visits. One CA conducted site visits but did not document these trips in a detailed report. In contrast, two other CAs believed they were not responsible for conducting vendor site visits. A CA and another DBH employee in a leadership position believed the DBH Office of Accountability was responsible for conducting site visits, whereas an employee from the DBH Office of Accountability emphasized that their office is not involved with monitoring contracts or vendors.

CAs must also “[w]hen applicable, make site visits to the contractor's location to: (1) evaluate the contractor's performance; (2) evaluate any changes in the technical performance affecting personnel, the schedule, deliverables, and price or costs; (3) inspect and monitor the use of DC Government property, if applicable; and (4) ensure that contractor employees being charged to the contract are actually performing the work under the contract.”²⁷ Following a site visit, CAs must “prepare a trip report fully documenting all activities during the visit and provide a copy to the Contracting Officer within three working days after the visit.”²⁸

The lack of understanding regarding the responsibility of conducting vendor site visits, when deemed applicable, potentially breeds an environment where DBH employees

²⁷ *Id.* at 3.

²⁸ *Id.*

assume others are monitoring vendors when in reality, the task is never considered. These circumstances could allow vendors to falsify performance documentation and avoid oversight on the adequate adherence to the terms of the contract.

DBH did not conduct quality reviews, required by the Bread for the City contract

DBH Policy requires the CA to “monitor the representative payee vendor to ensure compliance with the scope of work”²⁹ and the DBH Office of Accountability to “monitor and review a sample of consumers during the quality review and/or recertification for provider compliance of [sic] this policy.”³⁰ Section C.5 of the Bread for the City contract lists 19 specific requirements the vendor must meet, which include submitting deliverables to DBH such as a 90-day budget, a spending plan, and protocols for ongoing communications with consumers regarding their financial status and with DBH regarding the status of consumers’ income and benefits.

The DBH Office of Accountability did not conduct quality reviews of a sample of Bread for the City’s consumers as DBH Policy 532.1A § 11b requires. A DBH interviewee believed a former DBH Director discontinued *all* quality reviews, which, according to the interviewee, included the Provider Scorecards. DBH Policy 622.1 § 5, which requires Provider Scorecards, and DBH Policy 532.1A, which is related to representative payee services, both involve quality reviews. However, these DBH Policies are independent of one another such that possibly eliminating quality reviews in one policy would not eliminate a quality review requirement in the other.

Additionally, interviewees noted Bread for the City was not a certified provider, and the Office of Accountability only works with certified providers to oversee licensing, certification, or Medicaid billing issues.³¹ In the past, certified providers acted as the representative payee for DBH’s consumers, and DBH Policy 532.1A required the Office of Accountability to conduct a quality review of a sample of these certified providers. Effective October 9, 2020, Title 22-A DCMR § 6309.8³² prohibited certified providers from acting as the representative payee for their consumers because of the potential conflict of interest—certified providers could approve payments to themselves on behalf of consumers receiving services they provide. Therefore, DBH contracted with Bread for the City, a non-certified provider, to act as DBH’s primary representative payee organization for its consumers.³³ Given the DCMR prohibition on certified providers acting as a representative payee, DBH should have updated Policy 532.1A to ensure that

²⁹ DBH Policy 532.1A § 11a.

³⁰ *Id.* § 11b.

³¹ A “certified provider” is a vendor that provides mental health rehabilitation services (MHRS), substance use disorder services, or mental health peer specialist services and must apply to DBH for a authority to provide those services in the District per 22-A DCMR Chapters 34, 63A, and 73.

³² The relevant rule was originally codified under Title 22-A DCMR § 6308.8. By Final Rulemaking on October 5, 2020 and published in the *D.C. Register* on October 9, 2020, the rule was repealed, replaced, and updated under Title 22-A DCMR § 6309.8. Despite the change in codification, the DCMR used similar language to prohibit providers from acting as representative payees for persons receiving services from a treatment or recovery program.

³³ Bread for the City is DBH’s primary representative payee organization. Community Connections is the only DBH mental health rehabilitative services (MHRS) provider and core service agency (CSA) that provides representative payee services for a small number of its consumers...

representative payee organizations would still be subject to a quality review by the Office of Accountability.

Bread for the City's consumers cannot manage their financial interests and must rely on the vendor to properly and promptly fund their financial obligations and to provide efficient and convenient access to their funds for other necessary reasons such as food. DBH's failure to conduct quality reviews of Bread for the City's consumers makes it challenging for DBH to determine whether Bread for the City is adequately safeguarding assets as required by contractual terms. DBH's lack of oversight regarding Bread of the City's performance could also lead to nefarious activity such as the fraudulent and/or unauthorized use of consumer funds.

DBH did not monitor whether EBA provided training, coaching, or certification of providers as required in the EBA contract

Section C.3 of the EBA contract requires the vendor to "ensure that providers are trained, meet all requirements for certification and/or successful completion established by the [evidence based provider] developers" and "provide oversight and management of all training, coaching, and certification activities associated with the development, implantation [sic], and sustainability of the [DBH evidence based providers]."

The CA thought the DBH Office of Accountability was responsible for ensuring providers received certifications. In contrast, the DBH Office of Accountability noted it was not responsible for the EBA contract. As a result of the confusion surrounding who is responsible for ensuring EBA performs its contractual requirement of providing oversight and management of all training, coaching, and certification activities, DBH did not monitor EBA performance in regard to Section C.3 of the contract.

DBH did not conduct a targeted compliance review of Samaritan Inns

Samaritan Inns is one of DBH's Core Service Agencies (CSAs)³⁴ and provides supported housing to District residents. The DCMR requires DBH to "conduct targeted compliance reviews of CSA supported housing assessments at least annually and report the results to each CSA under review" and "incorporate the results into [DBH's] annual quality improvement plan."³⁵

There was a lack of clarity among DBH employees regarding whether DBH conducted recent targeted compliance reviews of its CSAs, including Samaritan Inns. The CA was not aware of the applicable regulation. Another DBH employee in a management position believed the DBH Office of Accountability was responsible for conducting targeted compliance reviews, including making routine visits to the CSAs to make sure providers comply with contract terms. However, the Office of Accountability noted they were not involved with monitoring providers because none of its employees are CAs.

³⁴ Title 22-A DCMR § 3499.1 defines a Core Service Agency (CSA) as a DBH-certified, community-based mental health rehabilitative services provider that has entered into a Human Care Agreement to provide specified mental health rehabilitative or palliative services.

³⁵ 22-A DCMR § 2201.5.

Our observations revealed an overarching theme centering around the lack of clarity and understanding of the responsibility to assess and monitor vendor performance. Many DBH employees assume another person or department is responsible for monitoring contract compliance and/or vendor performance. DBH must clearly delineate who is responsible for specific tasks between the CA and the Office of Accountability to minimize the District's susceptibility to potential fraud, abuse, and/or mismanagement.

We recommend the Director, DBH:

6. Develop and document a clear delegation of duties and responsibilities between Contract Administrators and the DBH Office of Accountability.

Agree X Disagree

DBH's June 2021 Response for Recommendation 6:

The Director of DBH will ensure that the DBH Office of Accountability will work with program leaders and Contract Administrators to establish a clear delegation of duties and responsibilities. Targeted completion date: September 30, 2021.

7. Review DBH Policy 622.1 and determine whether DBH will continue to issue Provider Scorecards or implement a new mechanism to assess service providers.

Agree X Disagree

DBH's June 2021 Response for Recommendation 7:

As part of the Medicaid Managed Care transition, DBH has established multiple workgroups and engaged a consultant to evaluate the large system changes contemplated by the transition. This comprehensive review and transition will include a review of mechanisms to assess service providers. Targeted completion date: September 30, 2022.

8. Review and update DBH Policy 532.1A to direct the appropriate DBH division to review a sample of representative payee consumers without the review being dependent on a certification/licensure application or renewal.

Agree X Disagree

DBH's June 2021 Response for Recommendation 8:

DBH will review and update DBH Policy 532.1A. Target completion date: September 30, 2021.

9. Develop, document, and implement a method of communicating policy changes including updates and rescissions of policies, and post changes on the DBH website for public transparency.

Agree _____ Disagree X

DBH's June 2021 Response for Recommendation 9:

DBH already has a process for communicating policy changes and posting the updated policies on the DBH website for public transparency. The DBH Provider Relations Division sends all CEO and Clinical Directors copies of proposed policies for input and comment. Once finalized, the DBH Provider Relations Divisions e-mails the provider network the new or revised policy. The DBH Office of Policy posts the new or revised policy on the DBH website.

OIG Comment: The OIG stands by its observation and assessment of inconsistent information regarding policy changes. For example, DBH Policy 622.1 requiring Provider Scorecards was still active and still listed on the DBH website without any changes or amendments; however, employees informed us that DBH discontinued Provider Scorecards years ago. While DBH may have an established process for communicating policy changes, the OIG reiterates the importance of implementing an *effective* method that reflects accurate, consistent policy changes to provide internal clarity and to promote public transparency.

10. Develop and implement service-specific (e.g., specific to outpatient substance use disorder services, residential services, representative payee services) job aids, such as procedures and compliance checklists, to help DBH CAs provide more effective oversight of contracted service providers.

Agree _____ X _____ Disagree _____

DBH's June 2021 Response to Recommendation 10:

DBH will develop and implement job aids, including compliance checklists, to help DBH Contract Administrators provide more effective oversight. Targeted completion date: September 30, 2021.

**OCP RESOLVED VENDOR DISPUTES, PAYMENT ISSUES
INCONSISTENTLY.**

DBH contracts address vendor contract disputes with clauses substantially similar to the following:

All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the CO for a decision. The CO shall issue a decision on a claim

within 120 calendar days after receipt of the claim, whenever possible, the CO shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor. Failure by the CO to issue a decision on a contract claim within 120 days of receipt of the claim will be deemed to be a denial of the claim and will authorize the commencement of an appeal to the Contract Appeals Board as provided in D.C. Official Code § 2-360.04.³⁶

OCP's Procurement Procedures Manual (Chapter 3)³⁷ states the following with regard to dispute decisions:

All claims by a contractor against the District government arising under or relating to a contract shall be in writing and shall be submitted to the contracting officer for a decision, which must be made in writing within 120 days of receipt of the claim. Failure to issue a decision on a contract claim within the required time period shall be deemed to be a denial of the claim. A contracting officer's written decision must do the following:

- Provide a description of the claim or dispute;
- Refer to the pertinent contract terms;
- State the factual areas of agreement and disagreement; and
- State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding.

We found no further guidance either in the manual or elsewhere in OCP's Policies and Procedures Library that COs could refer to help them resolve contractor disputes equitably and consistently.

Section OV4.06 of the Green Book emphasizes that "[d]ocumentation is a necessary part of an effective internal control system" and, at minimum, should include the documentation of "policies in the internal control responsibilities of the organization."

During our research, we found three contracts³⁸ where vendors filed disputes with OCP demanding payment for services provided; however, OCP did not issue a written decision in accordance with contract dispute requirements in each case and processed these three claims inconsistently, as discussed below:

³⁶ DBH Contracts CW55531 (Evidence Based Associates) and CW64741 (Bread for the City) contain provisions in Section I.11, Article 14 or clause 14 that address disputes and replace "clause 14. Disputes" of the D.C. Standard Contract Provisions dated July 2010 for use with District of Columbia Government Supplies and Services Contracts.

³⁷ D.C. OFFICE OF CONTRACTING AND PROCUREMENT, PROCUREMENT PROCEDURES MANUAL, § 3.4.1 (2018 revision) (2018 OCP Procurement Manual).

³⁸ OCP provided the contract file for one of the three contracts. The team identified the other two contracts by researching public records on the Contract Appeals Board (CAB) website.

- The first contract involved a vendor that DBH contracted to provide comprehensive treatment services to patients requiring 24-hour medical monitoring. When the vendor accepted involuntary patients, it exceeded the availability of funds. Here, OCP addressed the payment dispute by emailing the CA a list of questions asking for clarity surrounding why the vendor exceeded the availability of funds and why the District would be held responsible for paying the vendor. The CA explained that he/she heard that senior management discussed the matter with the DBH legal department who advised that once the vendor provided involuntary care for those patients, DBH must, “in good faith,” pay the vendor for those services, which it did in the amount of approximately \$1.3 million without the involvement of the CAB.
- In another contract, the vendor claimed it provided DBH with outpatient substance use treatment services and requested payment for outstanding services amounting to \$143,436.72. The vendor met with DBH and DBH agreed to pay the full amount after the vendor submitted a written contractor claim to the CO. The CO did not respond to the vendor’s claim by the contractual deadline of 120 calendar days and as set forth in the 2018 OCP Procurement Manual, and the vendor filed claims with the CAB.³⁹ After the vendor filed a claim with the CAB, DBH settled, and the CAB dismissed the matter.
- The remaining vendor alleged it timely submitted seven invoices amounting to \$147,868 to DBH for providing language services, but DBH failed to pay. The vendor filed a written contractor complaint with the CO, but the CO did not issue a decision within the contractual deadline of 90 days.⁴⁰ The vendor then filed an appeal with the CAB, which eventually dismissed the claim with prejudice and the vendor settled with DBH.

For more details regarding these contracts and the disputed amounts, please see Table F in Appendix D.

DBH and OCP handled three claims for payment differently: the first contract issue was resolved internally because services were rendered “in good faith;” the second payment dispute involved a meeting, a settlement, and dismissal from the CAB; and the third payment dispute also involved the CAB, but without a prior meeting with DBH. COs noted that they are not required to seek advice or consultation with other staff, the CCO, or legal counsel when reviewing vendors’ dispute claims. Although COs are vested with broad authority to make contract decisions and to decide the outcome of vendors’ dispute claims, and given that the facts and circumstances underlying the claims may differ, without precise guidelines on the process of reviewing and deciding dispute claims, this authority could be abused and lead to inconsistent determinations.

³⁹ The CAB is a statutorily created, independent agency that provides a forum for resolving contractual disputes. CAB website, <https://cab.dc.gov/page/cab-overview> (last visited July 10, 2020).

⁴⁰ The OIG acknowledges the discrepancy between the 120-day deadline cited on the previous page of this finding and the 90-day deadline referenced in this bullet. While shorter than the standard provision previously cited, the 90-day deadline in this instance is cited as “fact” in a published CAB appeal that we reviewed. The OIG does not know the reason for this apparent deviation from the standard provision.

We recommend the Chief Procurement Officer, OCP:

11. Document and disseminate the factors COs shall consider when reviewing vendor dispute claims to provide consistency and impartiality to the decision-making process.

Agree X Disagree

OCP's June 2021 Response to Recommendation 11:

The CO will continue follow the procedures that are already covered in the 27 DCMR as protocol.

12. Issue guidance that requires COs to document their rationale, actions, and decisions in response to vendors' requests for payment and other dispute claims, including a decision to not respond to vendors.

Agree X Disagree

OCP's June 2021 Response to Recommendation 12:

The CO's will continue to document their decisions, actions and rationale as governed by the 27 DCMR. OCP will ensure that issuance of the final memo is aligned with the regulations within 27 DCMR.

CONCLUSION

DBH plays a critical role in anticipating and meeting the needs of District residents who are dealing with behavioral health illnesses and substance use disorders. These residents' health, safety, and general well-being depend heavily on access to and the sustained quality of services provided by the numerous vendors with whom DBH contracts.

Contract documentation that contains errors and inconsistencies exposes the District to potential contract enforceability issues. Lack of monitoring and documentation of vendor compliance with contract terms results in uninformed decisions with regard to the exercising contract options and renegotiations with vendors, and increases the likelihood that vendors are not providing essential services that meet both clinical and contract requirements.

By clarifying duties and responsibilities both within and between their agencies, DBH and OCP will be able to more effectively deliver contractual services to vulnerable District residents.

APPENDIX A. OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The primary objectives were to:

- 1) review selected DBH contracts for vulnerabilities to corruption, fraud, mismanagement, waste, and abuse; and
- 2) assess whether the parties to each contract have effectively operationalized key contract terms and conditions to ensure that the District is receiving maximum benefits and expected goods and services.

Scope

The scope of this evaluation included a cursory review of DBH's active contracts valued at least \$100,000 provided to the OIG from OCP. The OIG team also carefully examined three select contracts:

- 1) Bread for the City – Contract No. CW64741
- 2) Evidence Based Associates – Contract No. CW55513
- 3) Samaritan Inn – Contract No. CW61565

Methodology

The OIG reviewed DBH and OCP's policies and regulations, organizational charts, and position descriptions. The OIG also researched the D.C. Code, the DCMR, the PPRA, best practices regarding behavioral health crisis care, and guidelines provided in the GAO Green Book. We also visited agency websites for mission statements, news, and other publicly available information.

We then conducted an initial inventory and review of DBH's active contracts dated up to February 2020 and valued at a minimum of \$100,000. OCP allowed the OIG access to physical copies of its contract files on-site at DBH. OCP also transferred some contract files to the OIG electronically. From that universe of contracts, we selected three contracts to analyze more thoroughly. Those contracts were with: 1) Bread for the City; 2) Evidence Based Associates; and 3) Samaritan Inns.

Lastly, we interviewed DBH employees and those employees at OCP whose servicing agency was DBH. The fieldwork for this evaluation spanned between October 2019 and May 2020.

APPENDIX B. ACRONYMS AND ABBREVIATIONS

APRA	Addiction Prevention and Recovery Administration
BY	Base Year
CA	Contract Administrator, DBH
CAB	Contract Appeals Board
CCO	Chief Contracting Officer
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CO	Contracting Officer, OCP
COTR	Contracting Officer's Technical Representative
CS	Contract Specialist, OCP
D&F	Determination & Findings
DBH	Department of Behavioral Health, District of Columbia
DCMR	District of Columbia Municipal Regulations
DHCF	Department of Health Care Finance, District of Columbia
DMH	Department of Mental Health
DOH	Department of Health, District of Columbia
FAR	Federal Acquisition Regulations
FFP	Firm-Fixed-Price
FY	Fiscal Year
GAO	U.S. Government Accountability Office
HCA	Human Care Agreement
MOU	Memorandum of Understanding
MHRS	Mental Health Rehabilitative Services

APPENDIX B. ACRONYMS AND ABBREVIATIONS

NASMHPD	National Association of State Mental Health Program Directors
NASPO	National Association of State Procurement Officials
NTE	Not-to-exceed
OCFO	Office of the Chief Financial Officer
OCF	Office of Contracting and Procurement, District of Columbia
OFPP	Office of Federal Procurement Policy
OIG	Office of the Inspector General, District of Columbia
OY	Option Year
POP	Period of Performance
PPRA	Procurement Practices Reform Act of 2010
SAMHSA	Substance Abuse and Mental Health Services Administration
SOW	Statement of Work
HHS	U.S. Department of Health & Human Services

APPENDIX C. TABLE OF RECOMMENDATIONS

Responsible Agency	Recommendation	Potential Monetary Benefit	Agency Response
OCP	1. Request a review of all active DBH contracts to identify and correct any material errors.		OCP agreed with this recommendation.
OCP	2. Review, reconcile, and update written guidance in OCP's Policies and Procedures Library regarding any requirements that OCP maintain hard copy contract documentation files.		OCP disagreed with this recommendation.
OCP	3. Issue clarifying guidance regarding the designation of CAs in executed contracts and the use of "TBD" language.		OCP agreed with this recommendation.
OCP	4. Take appropriate steps to reiterate to COs requirements regarding the drafting, issuance, execution, and maintenance of CA appointment letters.		OCP agreed with this recommendation.
DBH	5. Document a process that will ensure DBH subject matter experts are routinely designated Contract Administrators as soon as practical and beneficial to the contracting process.		DBH did not indicate "agree" or "disagree."
DBH	6. Develop and document a clear delegation of duties and responsibilities between Contract Administrators and the DBH Office of Accountability.		DBH agreed with this recommendation.
DBH	7. Review DBH Policy 622.1 and determine whether DBH will continue to issue Provider Scorecards or implement a new mechanism to assess service providers.		DBH agreed with this recommendation.
DBH	8. Review and update DBH Policy 532.1A to direct the appropriate DBH division to review a sample of representative payee consumers without the review being dependent on a certification/licensure application or renewal.		DBH agreed with this recommendation.

APPENDIX C. TABLE OF RECOMMENDATIONS

DBH	9. Develop, document, and implement a method of communicating policy changes including updates and rescissions of policies, and post changes on the DBH website for public transparency.		DBH disagreed with this recommendation.
DBH	10. Develop and implement service-specific (e.g., specific to outpatient substance use disorder services, residential services, representative payee services) job aids, such as procedures and compliance checklists, to help DBH CAs provide more effective oversight of contracted service providers.		DBH agreed with this recommendation.
OCP	11. Document and disseminate the factors COs shall consider when reviewing vendor dispute claims to provide consistency and impartiality to the decision-making process.		OCP agreed with this recommendation.
OCP	12. Issue guidance that requires COs to document their rationale, actions, and decisions in response to vendors' requests for payment and other dispute claims, including a decision to not respond to vendors.		OCP agreed with this recommendation.

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



**Office of The Inspector General
Inspections and Evaluations Division**

MEMORANDUM OF OBSERVATION

Agency/Component	Department of Behavioral Health, District of Columbia (DBH) Office of Contracting and Procurement, District of Columbia (OCP)
Observation	Appendix D: OIG Observations of DBH Contracts
Observer/Inspector(s)	[REDACTED]
MOO Completion Date	July 24, 2020

OBSERVATION(S):

Table A. List of contracts containing incorrect period of performance dates:

Contract No.	Vendor	Contract Value	Observation
RM-18-HCA-MHRS-OCD-BY4-RDS	One Care DC, Inc.	\$3,700,000 ¹	<ul style="list-style-type: none"> The start date is 08/01/2018 The pre-filled end date is 09/30/2017
RM-19-HCA-MHRS-SLS-BY4-RDS	Spring Leaf Solutions, LLC	\$3,700,000 ²	<ul style="list-style-type: none"> The start date is 03/01/2019 The pre-filled end date is 09/30/2017
RM-17-HCA-MHRS-PSI-BY4-RDS	PSI Services III, Inc.	\$913,379 ³	<ul style="list-style-type: none"> The start date is 10/01/2017 The pre-filled end date is 09/30/2017
RM-17-HCA-MHRS-MC-BY4-RDS	McClendon Center	\$350,000 ⁴	<ul style="list-style-type: none"> The start date is 10/01/2017 The pre-filled end date is 09/30/2017

¹ Contract RM-18-HCA-MHRS-OCD-BY4-RDS provides that the maximum NTE amount for the base year is \$100,000, and the NTE amount for option years 1, 2, 3, and 4 are \$900,000 each.

² Contract RM-19-HCA-MHRS-SLS-BY4-RDS provides that the maximum NTE amount for the base year is \$100,000, and the NTE amount for option years 1, 2, 3, and 4 are \$900,000 each.

³ The NTE amount for the base year is \$263,379.00. The awarded amount for option year 1 is \$250,000, and the NTE amount for option year 2 is \$400,000. The NTE amounts for option years 3 and 4 are not stated in the document, although, the reimbursement rates for services are provided in the contract.

⁴ The contract's cover page contained this NTE amount of \$350,000.

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

Table B. List of contract files referring to companies other than the vendor:

Contract No.	Vendor	Contract Value	Observation
CW65614	Community Reach	\$4,750,000 ⁵	<ul style="list-style-type: none"> The Determinations and Findings for vendor's responsibility referred to another company, Regional Addiction Prevention, Inc.
RM-17-C-050-BY4-DJW	Anchor Mental Health Association, INC d/b/a Catholic Charities Archdiocese of Washington	\$11,549,047 ⁶	<ul style="list-style-type: none"> Contract file contained two purchase orders for a different contract from a different company, Motir Services, Inc.
RM-17-HCA-SATSR-007-BY4-CPS	Safe Haven Outreach Ministries	\$12,500,000 ⁷	<ul style="list-style-type: none"> Past performance evaluation documentation referenced a different company other than the vendor.

⁵ Community Reach's NTE amount for the base year and all 4 options was set at \$950,000 each.

⁶ This figure reflects the grand total, as presented on the contract, for the base year and all four subsequent option years.

⁷ Safe Haven Outreach Ministries' NTE amount for the base year and all 4 subsequent option years was \$2,500,000 each.

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

Table C. List of incomplete contracts documents:

Contract No.	Vendor	Contract Value	Observation
RM-18-HCA-MHRS-OCD-BY4-RDSt	Outreach Solutions, Inc.	\$126,080 ⁸	<ul style="list-style-type: none"> Contract awarded without a contract number and a NTE amount assigned on cover page
RM-18-HCA-MHRS-PHR-BY4-RDS	Prestige Healthcare Resources	\$3,700,000 ⁹	<ul style="list-style-type: none"> Contract awarded without a contract number assigned on cover page
RM-18-HCA-MHRS-RAP-BY4-RDS	Regional Addiction Prevention, Inc.	\$3,700,000 ¹⁰	<ul style="list-style-type: none"> Contract awarded without a contract number assigned on cover page
RM-19-HCA-MHRS-NHH-BY4-RDS	New Hope Health Services	\$3,700,000 ¹¹	<ul style="list-style-type: none"> Contract awarded without NTE amount assigned on cover page

⁸ This contract file only contained drafted and unexecuted modifications. The exact value of the contract is, therefore, unclear. There were two drafts for medication one and each presented different funding amounts for the base year. One draft indicated the funding for the base year was \$4,000 while the other version indicated funding in the amount of \$11,080. The higher amount was used to calculate the grand total of the contract value. Draft versions for modifications 2, 3, and 4 listed the NTE amount for Option Year 1 in varying amounts: \$15,000; \$10,000; and \$5,000. The highest value was calculated in the grand total of the contract value. Lastly, the draft for modification 5 presented a NTE amount for Option Year 2 of \$100,000.

⁹ The contract's NTE amount for the base year is \$100,000. The NTE amount for option years 1-4 is \$900,000 each.

¹⁰ The contract's NTE amount for the base year is \$100,000. The NTE amount for option years 1-4 is \$900,000 each.

¹¹ The contract's NTE amount for the base year is \$100,000. The NTE amount for option years 1-4 is \$900,000 each.

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

Table D. List of contracts solicited without a named CA:

Contract No.	Vendor	Contract Value	Observation
CW61886	Carnevale Associates, LLC	\$176,540.00	<ul style="list-style-type: none"> The first indication a CA was assigned to this contract was almost 9 months after execution (8/2018) Formal designation letter was not issued until 7/9/2019.
CW74477	D. Gambles & Associates	\$150,000	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"
RM-17-HCA-MHRS-BY4-RDS	Maryland Family Resources	\$3,712	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"
RM-17-HCA-MHRS-MARY-BY4-RDS	Mary's Center	\$200,000	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"
CW71696	Motir Services	\$240,250.40	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"
RM-17-HCA-MHRS-MC-BY4-RDS	McClendon Center	\$350,000	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"
RM-17 HCA-MHRS-PM-BY4-RDS	Preventative Measures of Washington DC	\$50,000	<ul style="list-style-type: none"> Section G.9.2 of solicitation states CA is "TBD"

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

Table E. List of contract files without appointment letters:

Contract No.	Vendor	Observation
CW58879	Credible Wireless	<ul style="list-style-type: none"> DBH noted in emails sent to the CO that this contract lacked a CA Designation Letter and that “DBH must do a better job owning and managing its Contracts.”
CW58879	D. Gambles & Associates	
RM-14-CO2-RFP-022-BY4-TWL	Michael Gillard, Psy. d.	
RM-17-HCA-SATSR-009-SII-BY4-CPS	Samaritan Inns, Inc.	
RM-17-HCA-SATSR-004-CSS-BY4-CPS	Clean & Sober Streets	
RM-17-HCA-SATSR-075-XXX-BY4-JR	Safe Haven Outreach Ministry	
RM-16-RFP-038-BY3-DJW	MBI Health Services	
RM-16-RFP-038-BY3-DJW	Community Connections, Inc	
RM-16-IFB-037-BY3-DJW	Community Connections of NY	
RM-15-RFP-SRR-103-DRI-BY4-SC	Deaf Reach	
CW63136	Precision Capital Partners	

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

Table F. Contracts with Vendor Disputes for Payment:

Contract No.	Vendor	Amount in Dispute	Observation
RM-14-HCA-0018-BY4-DJW	Psychiatric Institute of Washington	\$1,309,875	<ul style="list-style-type: none"> • Vendor exceeded availability of funds • CO questioned why the District was responsible for paying Vendor • CA explained that DBH Legal believes if Vendor provided services in good faith, DBH was legally obligated to pay for services • CO contacted CA over the significant amount of monies requiring review • DBH agreed to pay vendor amount in dispute
RM-15-IFB-172-BY4-DJW	Ad Astra, Inc.	\$147,868.30	<ul style="list-style-type: none"> • Vendor provided services as requested by DBH • Vendor claimed DBH did not pay seven invoices • Vendor filed written demand for services • DBH did not respond within 90 days as required in contract • Vendor filed claim with Contract Appeals Board (CAB) • CAB found DBH liable to Vendor for amount in dispute plus interest, penalties, and attorney fees

APPENDIX D. OIG OBSERVATION OF DBH CONTRACTS



Continuation of MEMORANDUM OF OBSERVATION

CW61553	United Planning Organization	\$143,436.72	<ul style="list-style-type: none"> • Vendor claimed DBH owed it amount in dispute • Vendor and DBH met several times to discuss disputed amount • During one meeting, Vendor claimed DBH agreed to pay Vendor full amount in dispute if Vendor submitted a claim • Vendor submitted claim with DBH • DBH did not respond within 120 days • Vendor filed claim with CAB • CAB dismissed the claim because Vendor and DBH settled claim
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APPENDIX E. DBH AND OCP'S JOINT RESPONSE TO DRAFT REPORT



Office of the Director

June 25, 2021

SENT VIA ELECTRONIC MAIL ONLY

Matthew Wilcoxson
Deputy Inspector General - Operations
D.C. Office of the Inspector General
717 14th Street NW
Washington, D.C. 20005

Dear Mr. Wilcoxson:

As per your request, please find attached the response to the OIG Draft Report No. 21-I-02RM -- Evaluation of DBH and OCP Contracting Procedures prepared by the Department of Behavioral Health and the Office of Contracting and Procurement

If you have additional questions, please do not hesitate to contact us at your convenience at Barbara.Bazron@dc.gov or George.Schutter@dc.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara J. Bazron".

Barbara J. Bazron, Ph.D.
Director
Department of Behavioral Health

A handwritten signature in blue ink, appearing to read "George Schutter".

George Schutter
Chief Procurement Officer
DC Government

64 New York Avenue NE Washington DC 20002

APPENDIX E. DBH AND OCP'S JOINT RESPONSE TO DRAFT REPORT

Responses to the May 2019 District of Columbia Office of the Inspector General Report

OCP EXECUTED CONTRACT DOCUMENTS CONTAINING FLAWED AND/OR MISSING INFORMATION.

OIG Recommendation:

1. Request a review of all active DBH contracts to identify and correct any material errors.

Agree _____ x _____ Disagree _____

CO Response:

OCP will review all contracts and make any necessary revisions/modification to correct flawed and missing information on all renewals and upcoming solicitations.

OIG Recommendation

2. Review, reconcile, and update written guidance in OCP's Policies and Procedures Library regarding any requirements that OCP personnel maintain hard copy contract documentation files.

Agree _____ Disagree _____ x _____

CO Response:

OCP has implemented an electronic storage of all contracts, the digital database will serve as the only source of contract documents file storage. Hardcopy files storage will no longer be required because contract files will be stored electronically in the Ariba Systems.

OIG Recommendation:

3. Issue clarifying guidance regarding the designation of CAs in executed contracts and the use of "TBD" language.

Agree _____ x _____ Disagree _____

CO Response:

Having CAs' identified in all executed contract is critical to the overall management of contracts. All OCP policies and procedures, have the same language regarding the roles and responsibility of a CA. Moving forward OCP will ensure that all executed contracts have CA identified and CA's designation letter.

OIG Recommendation:

4. Take appropriate steps to reiterate to COs requirements regarding the drafting, issuance, execution, and maintenance of CA appointment letters.

Agree _____ x _____ Disagree _____

CO Response:

Moving forward OCP will ensure that all executed contract have CA identified and CA's appointment letter issued and signed, as instructed in the Procurement Procedure Manual.

APPENDIX E. DBH AND OCP'S JOINT RESPONSE TO DRAFT REPORT

OCP RESOLVED VENDOR DISPUTES, PAYMENT ISSUES INCONSISTENTLY.

OIG Recommendation:

5. Document and disseminate the factors COs shall consider when reviewing vendor dispute claims to provide consistency and impartiality to the decision-making process.

Agree ☒ Disagree ☐

CO Response:

The CO will continue follow the procedures that are already covered in the 27 DCMR as protocol.

OIG Recommendation:

6. Issue guidance that requires COs to document their rationale, actions, and decisions in response to vendors' requests for payment and other dispute claims, including a decision to not respond to vendors.

Agree ☒ Disagree ☐

CO Response:

The CO's will continue to document their decisions, actions and rationale as governed by the 27 DCMR. OCP will ensure that issuance of the final memo is aligned with the regulations within 27 DCMR.

OIG RECOMMENDATIONS FOR DEPARTMENT OF BEHAVIORAL HEALTH (DBH)

OIG Recommendation:

6. Develop and document a clear delegation of duties and responsibilities between Contract Administrators and the DBH Office of Accountability.

Agree ☒ Disagree ☐

DBH Response:

The Director of DBH will ensure that the DBH Office of Accountability will work with program leaders and Contract Administrators to establish a clear delegation of duties and responsibilities. Targeted completion date: September 30, 2021

OIG Recommendation:

7. Review DBH Policy 622.1 and determine whether DBH will continue to issue Provider Scorecards or implement a new mechanism to assess service providers.

Agree ☒ Disagree ☐

DBH Response:

As part of the Medicaid Managed Care transition, DBH has established multiple workgroups and

APPENDIX E. DBH AND OCP'S JOINT RESPONSE TO DRAFT REPORT

engaged a consultant to evaluate the large system changes contemplated by the transition. This comprehensive review and transition will include a review of mechanisms to assess service providers. Targeted completion date: September 30, 2022.

OIG Recommendation:

8. Review and update DBH Policy 532.1A to direct the appropriate DBH division to review a sample of representative payee consumers without the review being dependent on a certification/licensure application or renewal.

Agree ☒ Disagree ☐

DBH Response:

DBH will review and update DBH Policy 532.1A. Target completion date: September 30, 2021.

OIG Recommendation:

9. Develop, document, and implement a method of communicating policy changes including updates and rescissions of policies, and post changes on the DBH website for public transparency.

Agree ☐ Disagree ☒

DBH Response:

DBH already has a process for communicating policy changes and posting the updated policies on the DBH website for public transparency. The DBH Provider Relations Division sends all CEO and Clinical Directors copies of proposed policies for input and comment. Once finalized, the DBH Provider Relations Divisions e-mails the provider network the new or revised policy. The DBH Office of Policy posts the new or revised policy on the DBH website.

OIG Recommendation:

10. Develop and implement service-specific (e.g., specific to outpatient substance use disorder services, residential services, representative payee services) job aids, such as procedures and compliance checklists, to help DBH CAs provide more effective oversight of contracted service providers.

Agree ☒ Disagree ☐

DBH Response:

DBH will develop and implement job aids, including compliance checklists, to help DBH Contract Administrators provide more effective oversight. Targeted completion date: September 30, 2021.