



**OFFICE OF THE INSPECTOR GENERAL  
LAUREL, MARYLAND**

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**CONTRACTS REVIEW FY 2024  
PROCUREMENT OFFICE**



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**OIG PROJECT NUMBER 24-CCR-01**

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
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**TO:** CHAIR FOSTER, VICE CHAIR SMITH  
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**THRU:** JON T. RYMER, INSPECTOR GENERAL   
OFFICE OF THE INSPECTOR GENERAL

**THRU:** DANA E. WHITING, DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDIT   
OFFICE OF THE INSPECTOR GENERAL

**FROM:** JAMES A. WALL, JR., SUPERVISORY AUDITOR   
SUGANDHA SINGH, AUDITOR   
SYDNEY BROWN, INTERN<sup>1</sup>  
OFFICE OF THE INSPECTOR GENERAL

**DATE:** NOVEMBER 25, 2024

**SUBJECT:** CONTRACTS REVIEW FY 2024

We have performed a review of the Procurement Office’s contract process. The detailed report is attached for your review. The OIG conducted the review in accordance with the Association of Inspectors General, Principles and Standards for Offices of Inspectors General, *Quality Standards for Inspections, Evaluations, and Reviews*.

We appreciate the assistance provided by management and other personnel. We hope the information presented in our report is helpful.

Attachment

cc: Corporate Secretary, (J. Montes De Oca)  
Chief of Staff, (N. Hickson)  
Performance and Accountability Director, (R. Maloney)  
Deputy General Manager, External Affairs, (C. Bickham)  
Chief Procurement Officer, (C. Poole-Williams)  
Procurement Services, Division Manager, (M. Jackson)  
Performance and Accountability, Division Manager, (H. Hagos)

<sup>1</sup> Sydney Brown was an intern with the OIG and was not available to sign the report.

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## **BACKGROUND**

In accordance with the Washington Suburban Sanitary Commission's (WSSC) Office of the Inspector General's (OIG) Fiscal Year 2024 Risk-Based Work Plan and the authority granted to it pursuant to Public Utilities Article ("PUA"), § 17-605 (a)(6) of the Annotated Code of Maryland, the OIG reviewed the Procurement Office's contract process.

The OIG performed this review pursuant to the Association of Inspectors General's, Principles and Standards for Offices of Inspectors General, Quality Standards for Inspection, Evaluations, and Reviews (May 2014). These quality standards require the OIG to plan and conduct the review and obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on the work objectives. Accordingly, we affirm that the evidence obtained and reviewed provides a reasonable basis for the review's findings and conclusions based on our scope and objectives.

The Chief Procurement Officer manages the Procurement Office, which has four separate divisions and a staff of over 30 personnel. The Procurement Office processes and oversees the contract process for goods and services and architectural and engineering projects.

The Procurement Office mainly solicits three types of contracts: invitations for bids, requests for proposals, and special procurements.<sup>1</sup> According to the WSSC Code, "invitation for bids" means all documents, whether attached or incorporated by reference, utilized for soliciting competitive sealed bids, and where a bid is awarded to the responsible bidder who submits the lowest bid price or the lowest evaluated bid price.<sup>2</sup> A "request for proposal" means all documents utilized for soliciting proposals, and where a bid is awarded to the bidder with the most responsible and responsive offer based on a set of evaluation factors.<sup>3</sup> According to the WSSC Code, a special procurement is a solicitation based on a sole source where the service needed is only provided by a single provider in, or close to, an emergency.<sup>4</sup>

In addition, the Procurement Office may initiate a change order or include options within an original contract.<sup>5</sup> A change order is a modification to an existing contract to change the contract terms related to the scope of work, contract costs, or scheduling. A contract may contain an option to execute an additional fixed term and extra funds to complete the original contract's terms.

## **OBJECTIVE**

The review's objective is to assess WSSC's compliance with the State Finance and Procurement Article, Division II of the Annotated Code of Maryland, and Chapter 6.15. of the WSSC Code of Regulations, Manual of Standards Procedures, and internal operating guidelines related to contracting and purchasing.

## **SCOPE AND METHODOLOGY**

Contracts, change orders, options, and special procurements approved by WSSC Commissioners from January 2023 to March 2024 are covered in the scope of this review.

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<sup>1</sup> WSSC Code of Regulations, §§ 6.15.070 (mmm) and 6.15.310.

<sup>2</sup> *Id.*

<sup>3</sup> WSSC Code, §§ 6.15.070 (eee), 6.15.320.

<sup>4</sup> WSSC Code, § 6.15.360.

<sup>5</sup> WSSC Code, § 6.15.070 (h).

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According to the Commission minutes, approximately 59 contracts, change orders, options, and special procurements were approved totaling over \$430 million during the review period.

To achieve our objective, OIG auditors reviewed the aforementioned laws and regulations. We made inquiries of management and evaluated information systems to validate contract-related data. In addition, OIG auditors performed the following related tasks:

- Extracted a sample of six (10%) contracts totaling over \$58 million (13%) based on the auditor's professional judgment;
- Determined if contracts were approved in accordance with WSSC procurement regulations, and applicable Delegations of Authority;
- Determined if the solicitation process was adhered to;
- Determined if background checks were performed per applicable Maryland laws and the WSSC Code;
- Assessed whether contractors complied with contractual obligations including those related to good standing in Maryland and/or as administratively required by the Maryland State Department of Assessments and Taxation;
- Evaluated whether WSSC payments to contractors were made in accordance with contract terms, as well as WSSC regulations and procedures;
- Verified whether WSSC accurately reported contractor payments in compliance with the requirements of PUA, § 17-401 of the Annotated Code of Maryland, including publication of payment data, adherence to transparency standards, and maintenance of a searchable website for public access;
- Confirmed whether prime contractors complied with the contract's minority business enterprise requirements in their agreements with subcontractors; and,
- Verified compliance with WSSC Procurement Office's rules and regulations governing change orders and the execution of contract options.

**CONCLUSION**

The review results disclosed that the Procurement Department adhered to all applicable contracting and purchasing requirements pursuant to Maryland law, and the WSSC Code, and the Manual of Standards Procedures in procuring goods and services for WSSC. Furthermore, the department demonstrated consistent compliance with internal operating guidelines, ensuring that procurement activities were conducted transparently, efficiently, and in alignment with established legal and procedural frameworks.