



Results in Brief

OIG-20-01
September 19, 2019

Audit of WMATA's Contracting Officer's Technical Representatives

Why We Did This Review

The Contracting Officer Technical Representative (COTR) is the authorized representative of the contracting officer.

A COTR performs contract administration functions, such as approving the delivery of goods and services, specifically delegated in the letter of appointment from the Contracting Officer.

In essence, a COTR serves as the "eyes and ears" of the contracting officer and plays a key role in the procurement process.

As of June 15, 2018, WMATA had 468 COTRS, of which 79 COTRS were assigned to active contracts valued at approximately \$701 million.

The audit objective was to determine whether WMATA's COTRS are performing adequate oversight of contract activities.

What We Found

Oversight and internal controls over the COTR program require improvement. Specifically, WMATA:

- Lacks comprehensive and cohesive program management;
- Does not provide an adequate training program for COTRS assigned to high risk contracts; and
- Does not require COTRS to follow policies and procedures.

COTRS were heavily involved throughout the contract lifecycle from initiation to close out. COTRS determine whether the outcome of the contract is successful or not. However, inadequate program management, inadequate training regimens for COTRS, and inadequate and inconsistent application of internal controls leaves WMATA at a high risk of not receiving the goods and services for which it has contracted and making improper payments to contractors. For the sample of 38 contracts tested, every contract had at least one internal control issue.

Management's Response

OIG received WMATA's comments on September 19, 2019 (Appendix C). The Executive Vice President for Internal Business Operations concurred with the findings and recommendations and has initiated actions to correct the deficiencies identified in this report. Final action on Recommendation 1 is complete.

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ABBREVIATIONS AND ACRONYMS

ABBREVIATION	DESCRIPTION
COR	Contracting Officer's Representative
FAC	Federal Acquisition Certification
FAI	Federal Acquisition Institute
PPM	Procurement Procedures Manual
PRMT	Office of Procurement and Materials
WMATA	Washington Metropolitan Area Transit Authority

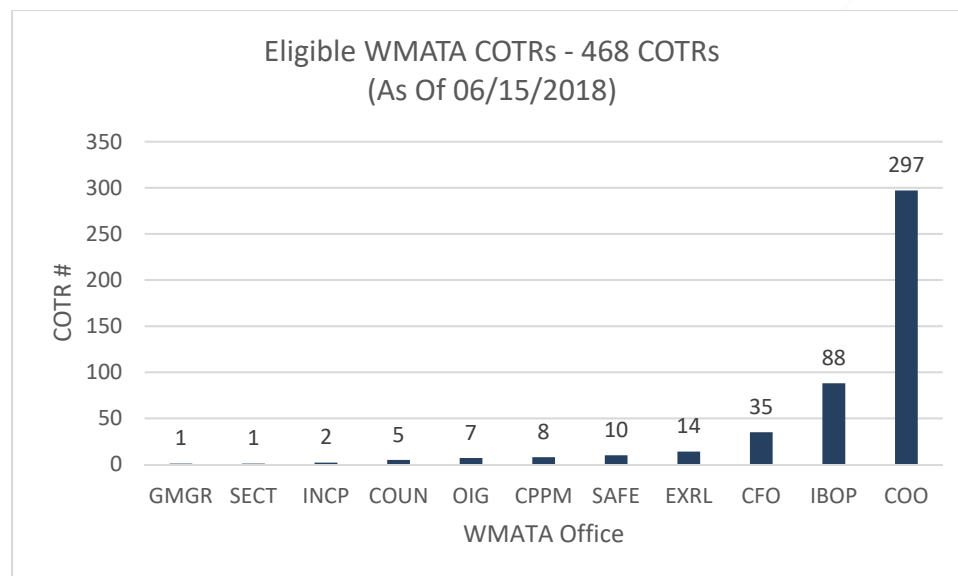
BACKGROUND

What is a COTR?

The Contracting Officer's Technical Representative (COTR) is the authorized representative of the contracting officer¹. A COTR performs contract administration functions, such as approving the delivery of goods and services, specifically delegated in the letter of appointment from the Chief of Procurement. A COTR serves as the “eyes and ears” of the contracting officer and plays a key role in the procurement process.

WMATA COTR and Contract Population

As of June 15, 2018, WMATA had 468 COTRs, of which 79 COTRs were assigned to active contracts valued at approximately \$701 million.



Office	Office Name
GMGR	General Manager/Chief Executive Officer
SECT	Office of the Board Secretary
INCP	Office of Internal Compliance
COUN	General Counsel
OIG	Office of Inspector General
CPPM	Capital Planning & Program Management
SAFE	Department of Safety & Environmental Management
EXRL	Chief External Relations
CFO	Department of Chief Financial Officer
IBOP	Internal Business Operations
COO	Office of Chief Operating Officer

¹CORs have the same function as a COTR, but also can enter into contractual agreements consistent with the extent of the authority delegated. OIG audited the functions they have in common and for this report, COTR also refers to those functions CORs and COTRs have in common.

AUDIT OBJECTIVE AND RESULTS

Audit Objective

Determine whether WMATA's COTRs are performing adequate oversight of contract activities.

Audit Results

Oversight and internal controls over the COTR program require improvement. Specifically, WMATA:

- Lacks comprehensive and cohesive program management;
- Does not provide an adequate training program for COTRs assigned to high risk contracts; and
- Does not require COTRs to follow policies and procedures.

COTRs are heavily involved throughout the contract lifecycle from initiation to close out. COTRs determine whether the outcome of the contract is successful or not. However, inadequate program management, inadequate training regimens for COTRs, and inadequate and inconsistent application of internal controls leaves WMATA at a high risk of not receiving the goods and services for which it has contracted and improper payment to contractors. For the sample of 38 contracts tested, every contract had at least one internal control issue.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Program Management

WMATA does not effectively oversee the COTR program, as evidenced by OIG analysis of COTR involvement on 38 contracts. Specifically, OIG found:

- Missing or incomplete appointment letters;
- Lack of alternate COTRs;
- Lack of succession planning;
- Multiple sources of guidance; and
- Missing COTR training.

These issues were caused by a lack of a comprehensive and cohesive COTR program with someone in authority to set and enforce policies and procedures.

What is Required

According to the Committee of Sponsoring Organizations and the Government Accountability Office internal control frameworks, to achieve the entity's objectives, management assigns responsibility and delegates authority for key roles throughout the entity. Management determines what level of authority each key role needs to fulfill a responsibility. Management delegates authority only to the extent required to achieve the entity's objectives.

What We Found

Accountability for the COTR program is not established. A central program coordinator is not formally established for the COTR program. The coordinator would be accountable for establishing a viable program, ensuring contracts had qualified COTRs assigned, and establishing clear guidance on COTR functions and responsibilities. As seen in table 1, WMATA does not have a comprehensive and cohesive program.

Table 1 – Program Management

#	Finding Item	Number of Contracts
1.	Missing or Incomplete COTR Appointment Letters	22 of 38
2.	Lack of alternate COTRs	3 of 4 (Applicable Contracts)
3.	Lack of Transition Process	16 of 38
4.	Multiple Sources of Guidance	N/A
5.	Missing COTR Training	14 of 38

1. **Missing or Incomplete COTR Appointment Letter:** For 22 of 38 contracts, the COTR letter was missing or incomplete with no sign off. For 5 of 38 contracts, the COTR appointment letter was drafted on a date after OIG requested the COTR appointment letter. The appointment letter is the primary document that delegates the duties and responsibilities of what the COTR is allowed to perform to be in compliance with the contract and to align with WMATA policy.

Inventory Contracts:

For 3 of the 38 that were identified as inventory contracts, the COTRs in the contract listing stated there was no formal COTR designation for these contracts; however, there were "Points of Contact." Based on the COTR guide book, the COTR's role was not just to approve payments, but to play a role throughout the life of the contract from initiation to close out. For the inventory contracts, although there was an automated payment process, a COTR's role was to include more than just to approve payments. This would require a COTR to be assigned.

2. **Alternate COTRs:** For 3 of 4 contracts, no appointment letter was available for the multiple individuals who were administrating the contract and, if applicable, related task orders for those contracts. Also, see Appendix B, Chart 4 from the WMATA survey for Alternate COTRs.

Information Technology Staff Augmentation Contracts:

For the 3 staff augmentation contracts and/or task orders that were selected for testing, either the entire contract package and/or the COTR appointment letter for the base contract and task orders were missing or unsigned. However, these individuals were approving payments for the contracts.

3. **Lack of COTR Transition Process:** For 16 of 38 contracts, the COTRs listed on the contract listing was no longer the COTR and a new COTR was either not assigned or not assigned until OIG requested documentation. Also, in the COTR survey conducted for WMATA COTRs, COTRs stated they would have preferred to have a COTR mentor assigned during the transition process.
4. **Multiple Sources of Guidance:** WMATA's intranet contains three different COTR guide books, but the COTR training does not indicate whether the COTR should refer to all three guide books or one specific guide book.
5. **Missing COTR Training:** For 14 of 38 contracts, the COTRs could not provide evidence of COTR training completion. Evidence of COTR training consisted of the COTR training completion certificate. For 6 of the 13 contracts, the COTRs did not complete the COTR training until after OIG asked for evidence of COTR training completion.

Why This Occurred

While PRMT has a Policy Management Team responsible for contract compliance guidance, there is no senior level official responsible for a comprehensive COTR program that provides the oversight, coordination, policy and procedures, and training required for COTRs to provide effective oversight of their assigned contracts. No one in PRMT provided reasons why the COTR letters were not in the file or were incomplete and no one had been assigned the task of consolidating the three guide books into one.

In addition, PRMT does not have transition guidelines for COTRs. There were COTRs identified in the contract listing who stated they were no longer the COTR and that the responsibility was transferred to another employee. The new COTR stated they had to complete the COTR training before transferring to the contract. The completion of the training occurred only after OIG asked for COTR documentation.

Why This Is Important

Lack of COTR program oversight, including effective monitoring of internal controls to make sure required functions are performed, may contribute to COTRs and/or alternate COTRs not performing duties as outlined in the appointment letter or acting without authority.

Three different guidebooks lead to confusion on correct procedures to follow and an increased risk of inconsistent performance of COTR duties.

Recommendations

We recommend the GM/CEO:

1. Assign a senior level official as the COTR program coordinator responsible for COTR policies and procedures, coordination, training, and monitoring of assigned COTRs.
2. Consolidate the three COTR guide books into one and update to align with current practices.
3. Develop COTR transition guidance for long-term WMATA contracts.

Finding 2 – COTR Training

COTRs on high-risk procurements do not have sufficient training and experience to provide adequate oversight of these contracts. This is caused by inadequate training and experience requirements prior to being appointed as COTR. The current WMATA COTR program is not in alignment with the best practices espoused by the FAI. As a result, high-value contracts are at a high risk of delivery of goods and services that are not in conformance with contract terms and conditions and improper payments to contractors.

What is Required

WMATA COTR Training

WMATA's COTR Training Manual, *Understanding the COTR's Role, Duties, and Responsibilities* (June 2012), states that all candidates for COTR designation must have completed the prerequisite COTR training class and adhere to all updated training requirements. Upon completion of the training class each candidate receives a certificate and delegation number.

Every two years, a COTR must be re-trained and re-certified. It is the COTR's responsibility to assure that the appropriate re-training is acquired prior to expiration of his/her COTR designation.

According to FAI's *COR Course Participant Guide*, the following topics are required to be taught for the COR to be certified:

- Elements of a Contract;
- Understanding Sources of Funding;
- Acquisition Planning;
- Sole Source Requirements;
- Proposal Evaluation; and
- Conflict of Interest Requirements.

In addition, the FAI requires prior experience as a COR for higher risk contracts.

What We Found

Ineffective COTR Training - One day of training for low dollar/low risk contracts may be adequate, however, high dollar/high risk contracts require more intense training as noted in the below table from FAI's COR training requirements:

Table 2 –FAC² COR Requirements and WMATA Contracts Statistics for Comparison

FAC-COR Requirements			
Requirements for:	Level I	Level II	Level III
Experience*	None	1 year of previous COR experience required	2 years of previous COR experience required
Training	8 hours of training	40 hours of training	60 hours of training
Appropriate for:	This level of COR is generally appropriate for low-risk contract vehicles, such as supply contracts and orders.	This level of COR is generally appropriate for contract vehicles of moderate to high complexity, including both supply and service contracts.	Level III CORs are the most experienced CORs within an agency and should be assigned to the most complex and mission critical contracts within the agency. These CORs are often called upon to perform significant program management activities and should be trained accordingly.

	Purchase Orders	Contracts
WMATA Contract Levels:	Simplified Acquisitions <=\$150,000	Contracts >= \$150,000
Purchase Order / Contract Quantity:	5,301	188
Purchase Order / Contract \$ Amount:	\$86 million	\$ 701 million

WMATA's COTR training requirements are similar to FAI's requirements for low risk contracts, as both require 8 hours of training and no previous experience. However, WMATA's COTR training is inadequate when compared to FAI's elements for contracts that are moderate to high dollar/high risk. Examples of high dollar/high risk contracts specific to WMATA would include rail inventory parts contracts (\$10,000,000) and information technology help desk services contracts (\$21,077,998).

²The FAC program is to establish general education, training, and experience requirements for contracting and procurement activities and functions. It contains three levels of certification that allow for appropriate education, training and experience for contracting professionals managing a range of contract vehicles, from low-risk contracts (such as supplies) to high-risk, complex acquisitions (such as Information technology (IT) systems).

The elements in the training course for WMATA COTRs are also inadequate. For example, FAI requires 40 hours of training and 1 year of previous COR experience for moderate risk and 60 hours of training and 2 years of previous experience for high risk contracts.

In addition to the number of hours and experience requirements, the elements of WMATA's COTR training were deficient, as can be seen in the following table:

Table 3 – WMATA COTR and FAI COR Training Course Comparison

WMATA COTR Training Course	Federal Acquisition Institute Course
-	Elements of a Contract
-	Understanding Sources of Funding
-	Acquisition Planning
-	Proposal Evaluation
-	Sole Source Requirements
Brief Overview of Monitoring Contractor Performance	Detailed Instruction for Monitoring Contractor Performance
Brief Overview of Inspection and Acceptance	Detailed Instructions for Responsibilities in Inspection and Acceptance of Supplies and Services
Brief Overview of Reviewing Invoices	Detailed Instructions for Review of Invoices

Why This Occurred

WMATA does not require training and experience that aligns with FAI best practices. In addition, the one-day WMATA COTR training was too short. According to PRMT and the program offices from the walkthroughs and survey, the one-day COTR training was not enough time to cover all the COTR topics necessary to effectively perform the COTR duties.

Why This Is Important

COTRs play a significant role in the day-to-day management and oversight of multi-million dollar WMATA contracts. Procurement officers rely on the COTR's assessment of the work performed by vendors to determine whether contractual obligations have been met, process vendor payment, and extend or discontinue contracts. If a COTR is not properly trained in the procurement process and COTR guidelines, there is no assurance the COTR will adequately administer the contract, which could increase the risk of fraud, waste and abuse.

Recommendations

We recommend the GM/CEO:

4. Develop and conduct a comprehensive COTR training program that aligns with FAI best practices.

Finding 3 – Internal Controls

WMATA does not require COTRs to follow policies and procedures designed to make sure there is adequate oversight of WMATA contracts. Specifically, OIG found internal control issues in every one of the 38 contracts in our sample. The contracts in the sample amounted to \$36.6 million. Inadequate and inconsistent application of internal controls may increase the risk of improper payments to contractors and the acceptance of goods and services that are not in compliance with the terms and conditions of the contract.

What is Required

According to internal control frameworks, management performs ongoing monitoring of the operating effectiveness of the internal control system. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Specific control requirements listed in WMATA's COTR Guidebook, WMATA's Best Practices Training Guide for COTR's (September 2015) include:

COTR Work Plan

COTRs should prepare a COTR Work Plan as well as establish and maintain appropriate record-keeping files. COTRs are responsible for developing and following a COTR Work Plan that includes the following:

- Administrative information;
- Consideration of historical factors;
- Determination of the technique to be used for monitoring the contract;
- Determination of how to document performance under the contract;
- Identification of areas of concern or conflict; and
- Preparation of the COTR Work Plan.

Monitoring of Contractor Performance

COTRs must know how to monitor contract performance. Part of the monitoring activities involve documenting a contractor's performance and preparing a technical analysis. To make sure monitoring success, three tasks have been identified:

- Respond to requests from contractors;
- Monitor contractor performance - monitoring, data collection, and performance measurements are conducted in accordance with the methods specified in contractual obligations; and
- Resolve constructive changes.

Inspection and Acceptance

The COTR is often the individual responsible for performing inspections and recommending product acceptance or rejection to the contracting officer. There are four tasks that the COTR is required to perform to make sure that acceptance/rejection of non-conformances is processed accurately:

- Inspect Products or Services;
- Recommend Acceptance;
- Recommend Rejection; and
- Help the contracting officer in evaluating the contractor's reply to rejection notification.

Payment Authorization

The COTR is often the individual responsible for helping the contracting officer with determining and authorizing payment. There are four tasks that the COTR will be required to perform to make sure that payment is processed accurately:

- Accept the payment document for processing;
- Calculate payment amount;
- Notify the contractor of final amount calculated to be paid; and
- Submit the correct invoice to paying office, Accounts Payable.

Contractor Performance Evaluations

As the official delegated by the contracting officer, the COTR may be required to document a contractor's performance in the agency's past performance file. There are three tasks a COTR must perform when documenting a contractor's performance in the past performance file:

- Document performance information;
- Notify interested parties; and
- Maintain evaluations.

Contract File and Maintenance Requirements

The COTR is required to maintain a contract file throughout the life of the contract and establish and maintain an organized contract administration file to record all contractor and Authority actions pertaining to the contract. The COTR's file is of particular importance because it documents the COTR's interaction with the contractor and may be relevant in the event of a contract dispute. In addition, an organized file facilitates an easy transition from one COTR to another if reassignment becomes necessary. The file(s) should include, at a minimum, the following:

- The contract instrument (i.e., contract modifications, task orders, delivery orders, and the contractor's proposals applicable to these documents);
- The COTR's delegation letter, and all correspondence between the contractor and the contracting officer, filed in chronological order;
- A copy of the contractor's invoices/vouchers and any correspondence pertaining to the payments;

- The COTR's trip reports and written memoranda to the file on telephone conversations or other meetings with the contractor (a) badging, Non-Disclosure Agreements, official letters to contractor staff, etc.;
- A copy of the contractor's progress reports, and other contract deliverables, and all correspondence pertaining to these documents;
- Insurance certificate (contractor); and
- Contractor performance evaluations.

What We Found

Table 4 – Internal Control Issues

#	Finding Item	Number of Contracts
1.	COTR Work Plan	28 of 38
2.	Monitoring contractor performance	36 of 38
3.	Inspection and acceptance of goods or services	17 of 38
4.	Invoice review	19 of 38
5.	Missing invoices	12 of 38
6.	Incomplete contract files	37 of 38

1. **COTR Work Plan:** For 28 of 38 contracts, the COTRs could not provide and/or was not aware of the COTR Work Plan. The COTRs could not provide evidence of the elements of the COTR Work Plan as described in the COTR Guidebook.
2. **Monitoring contractor performance:** For 36 of 38 contracts, COTRs could not provide evidence of monitoring contractor performance, such as monthly progress reporting to the contracting officer, contractor performance tracking, and compliance tracking. See Appendix B, Chart 6 from the WMATA COTR survey of evidence that communication between the COTR and contracting officer was infrequent.
3. **Inspection and acceptance of goods or services:** For 17 of 38 contracts, the COTRs could not provide the evidence of receipt of the goods or services prior to approval of the invoice for payment processing.

Revenue Vehicle Cleaning Contract:

The supporting documentation for the latest invoice on this contract could not be reconciled with the amount WMATA paid or reconciled with the contracted services.

Information Technology System Implementation Contract:

This contract was awarded to implement an information system, but the COTR could not provide evidence of receipt of the required deliverable prior to payment.

Information Technology Staff Augmentation Contracts:

- For one staff augmentation contract, at the payment approval level, evidence could not be provided that the COTR reviewed the reasonableness of the invoice and timesheet hours that were charged by the contractor. Unrealistic daily timesheet hours were approved prior to payment.
- For another staff augmentation contract, the entire contract package and related COTR documentation could not be provided. Also, OIG could not determine that payments were approved for payment prior to receipt of services.

4. **Invoice review:** For 19 of 38 contracts, the COTRs could not provide evidence of how the invoices were calculated prior to approval of the invoices for payment.

Commodity Contracts: 2 of 38 contracts tested were commodity contracts for heating oil. The COTR could not provide explanation on how to recalculate the invoice. OIG was informed that oil prices were very volatile and could change more than once a day for invoice recalculation, but the auditors could not determine if the COTR considered the contract price terms prior to approval of the invoice.

5. **Missing invoices:** For 12 of 38 contracts, the COTRs could not provide the invoice when requested.
6. **Incomplete contract file:** For 37 of 38 contracts, the COTRs could not provide the complete contract file. Example of elements that were missing included the lack of the complete conformed contract and monthly progress reporting. Also, according to the WMATA COTR survey, there were instances where the COTR was not supplied with the contract.

Why This Occurred

WMATA does not have a system in place that requires COTRs to adhere to internal controls. COTR duties are generally an additional duty for an employee and they generally are not rated on their COTR duties during their annual performance reviews. Consequently, COTRs may instead focus on their primary duties.

In our review of file maintenance, 98 of the 298 COTRs stated that they did not know of or did not use a checklist to verify completeness of the contract files. See Appendix B, Chart 7 from the WMATA COTR survey for the COTR file documentation checklist.

Why This Is Important

COTRs are heavily involved throughout the contract lifecycle process from initiation to close out. COTRs determine whether the outcome of the contract is successful or not. Internal controls help make sure the proper actions are taken at the right time to make sure the correct goods and services are delivered, and the contractor is correctly paid. However, for the 38 contracts tested, there was a least one issue identified relating to COTR internal controls.

The lack of COTR adherence to internal control requirements may increase the risk that the terms and conditions of the contract are not enforced, which could lead to unauthorized work, payments made to contractors for goods or services that were not received or not of the quality that was specified in the contract. In addition, if the invoice is not appropriately reviewed, such as verification the goods or service had been received and recalculation of the invoice, WMATA could approve an improper payment. Examples of an improper payment include a payment that was not in the right amount, for the right goods and services, or paid at the right time. A standardized storage method is necessary so that documents are available if there is a change in personnel, if there is any disagreement over contract performance, and/or if there are legal issues. Also, contract file documentation should be easily available for the contracting officer and COTR to use when considering future awards. A contract file documentation checklist would help make sure the contract files are properly maintained and complete.

Recommendations

We recommend the GM/CEO:

5. Develop a system to ensure COTRs adhere to established internal controls.
6. Establish guidelines as to the content and proper maintenance of COTR contract files including a COTR file documentation checklist.

CONSOLIDATED LIST OF RECOMMENDATIONS

1. Assign a senior level official as the COTR program coordinator responsible for COTR policies and procedures, coordination, training, and monitoring of assigned COTRs.
2. Consolidate the three COTR guide books into one and update to align with current practices.
3. Develop COTR transition guidance for long-term WMATA contracts.
4. Develop and conduct a comprehensive COTR training program that aligns with FAI best practices.
5. Develop a system to ensure COTRs adhere to established internal controls.
6. Establish guidelines as to the content and proper maintenance of COTR contract files including a COTR file documentation checklist.

SUMMARY OF MANAGEMENT'S RESPONSE

OIG received WMATA's comments on September 19, 2019 (Appendix C). WMATA Management concurred with the findings and recommendations. The Executive Vice President for Internal Business Operations concurred with the findings and recommendations and has initiated actions to correct the deficiencies identified in this report. Final action on Recommendation 1 is complete.

Appendix A

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Determine whether WMATA's COTRs are performing adequate oversight of contract activities.

Scope

Active assigned COTRs as of June 30, 2018.

Methodology

To achieve our audit objective, our audit methodology was as follows:

- Researched background information about COTR/COR process by reviewing WMATA policies and procedures, Federal Acquisition Certification guidance, and prior audits outside of WMATA.
- Attended and observed WMATA COTR training.
- Performed gap analysis of WMATA's COTR policies and procedures and Federal Acquisition Certification training guidance.
- Performed interviews and walkthroughs to gain an understanding and to document the COTR process with PRMT Contracting Officers and Program Office COTRs authority-wide.
- Identified and documented entity and process internal controls for the COTR process.
- Conducted a survey of the 468 WMATA COTRs identified in the population. The results of the COTR survey are detailed in Appendix B.
- Tested the design effectiveness of the entity and process internal controls.
- Documented COTR process narratives, flowcharts, and risk control matrices.
- Performed COTR and contract data analysis to identify contract data issues and evidence of COTR training completion.
- Tested a judgmental sample of 38 of 188 contracts from an electronic contract listing. Also, from the same sample of contracts, the latest invoice for each contract was selected for testing.
- Tested the operating effectiveness of the internal controls for the COTR related procedures sampled.
- Analyzed results of testing and provided recommendations.

GAGAS Statement:

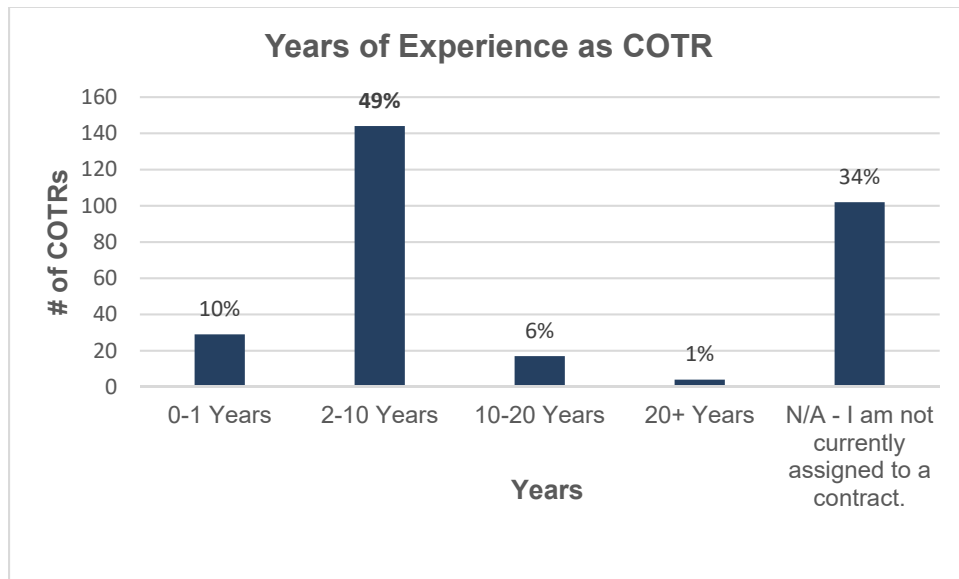
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.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

Appendix B

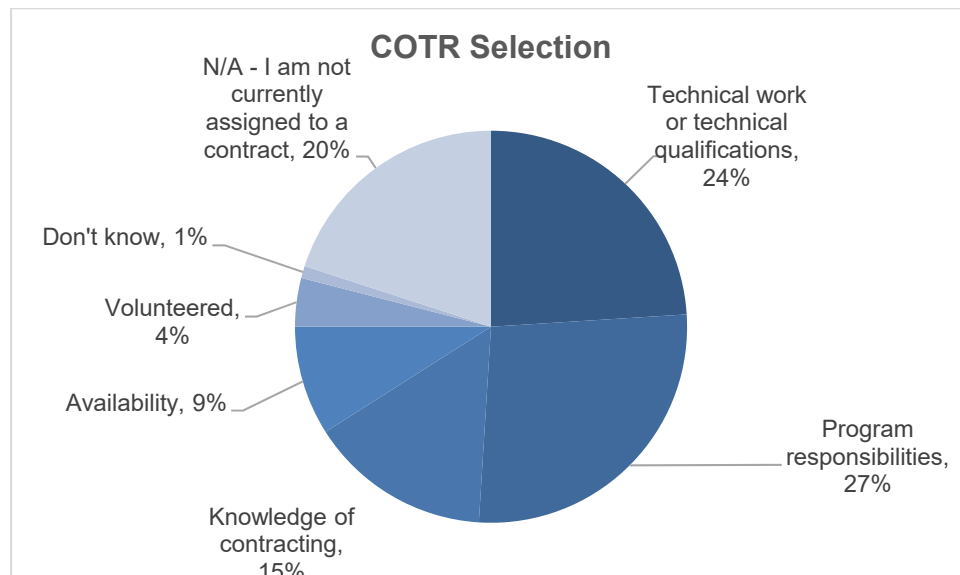
WMATA COTR SURVEY RESULTS

To accomplish the audit objective, the OIG conducted a survey of the 468 COTRs on the COTR master file listing as of June 15, 2018: 298 COTRs (64 percent) completed and submitted the survey. The results of the COTR survey showed:

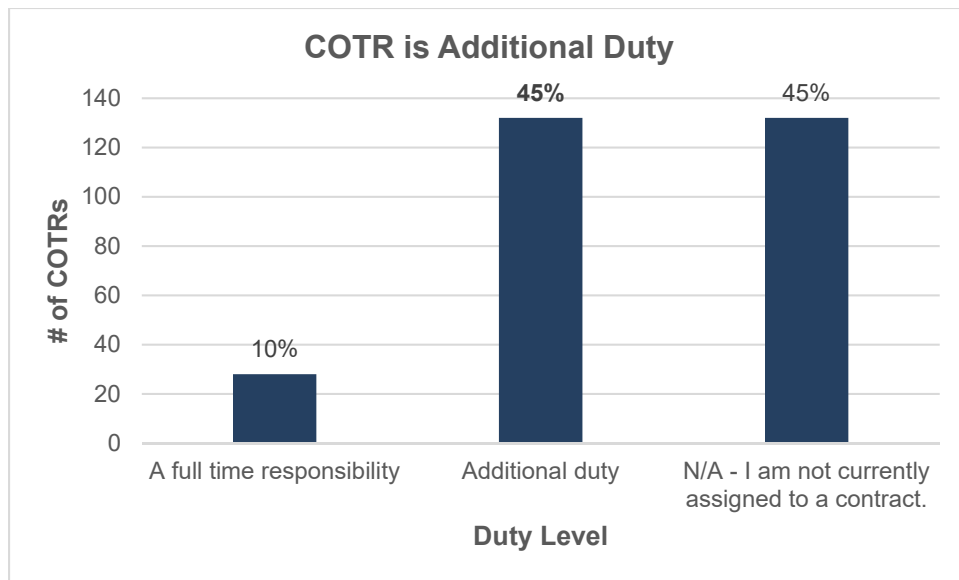
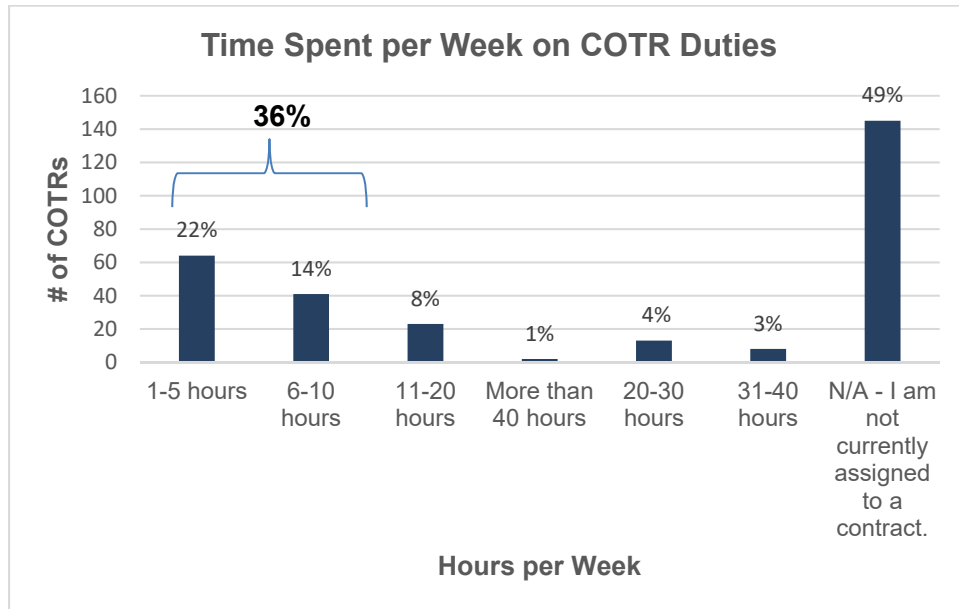
1. Majority of WMATA COTRs were experienced COTRs.



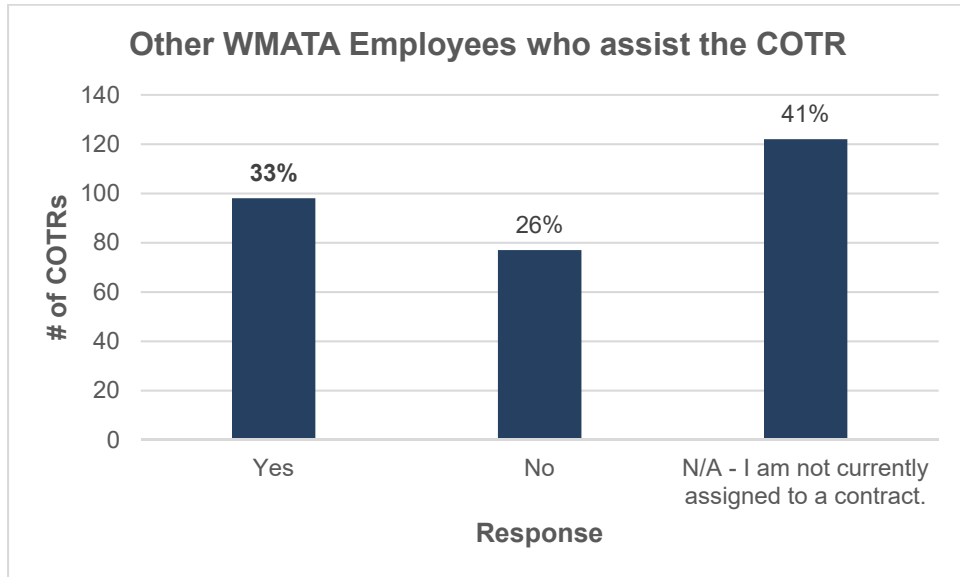
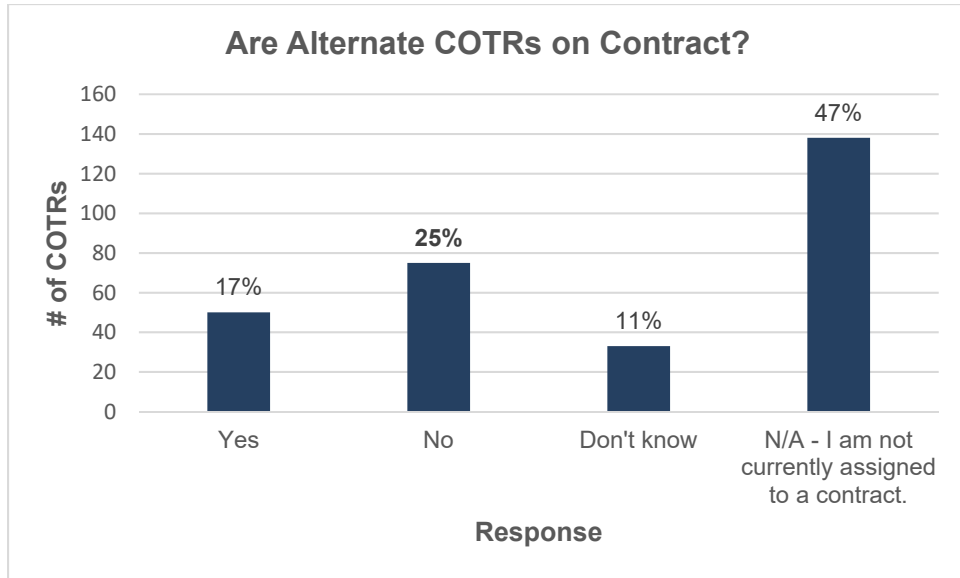
2. WMATA COTR selection was primarily based on program responsibilities and technical qualifications.



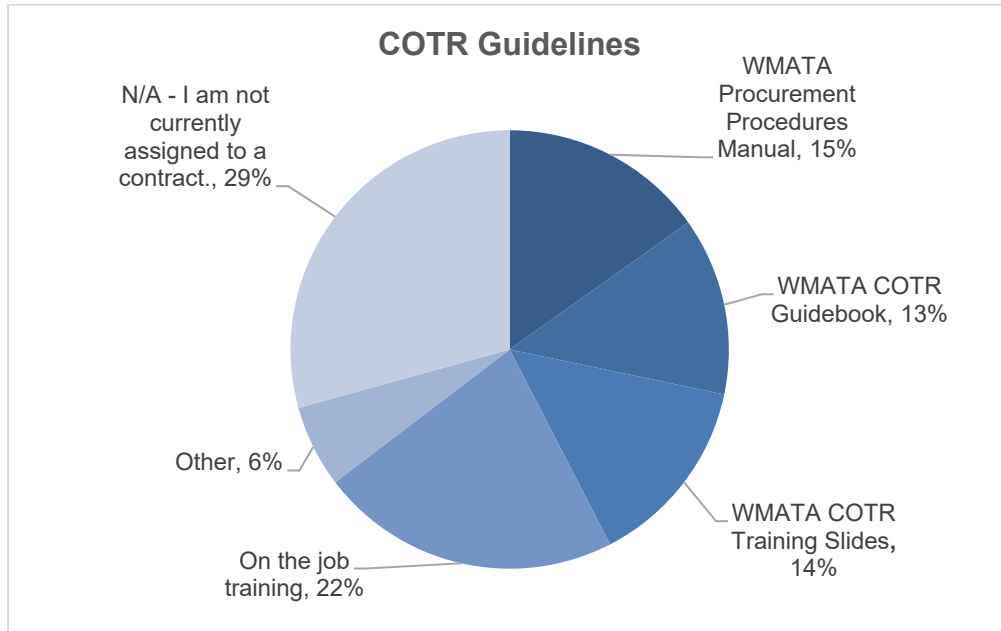
3. WMATA COTR responsibility was an additional duty.



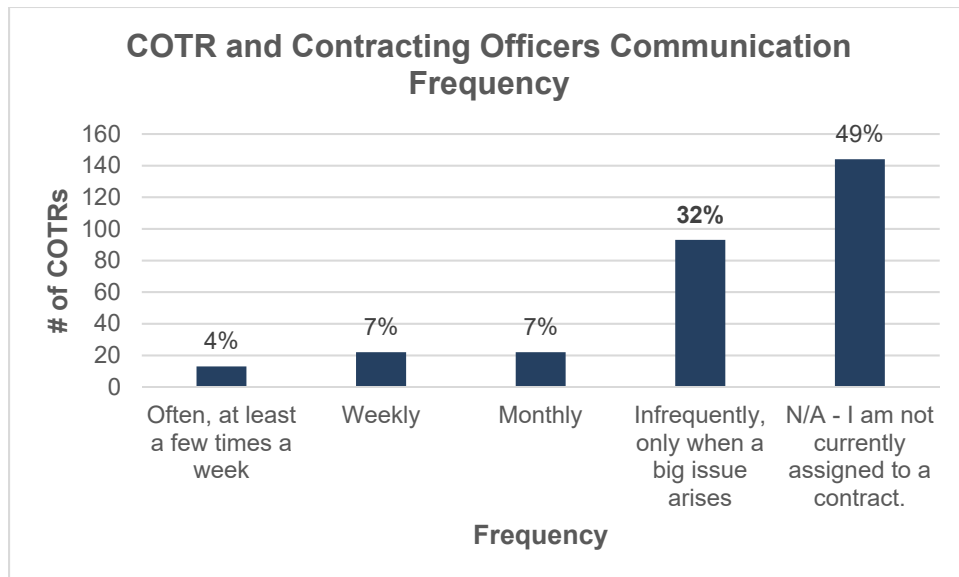
4. WMATA had an informal alternate COTR process.



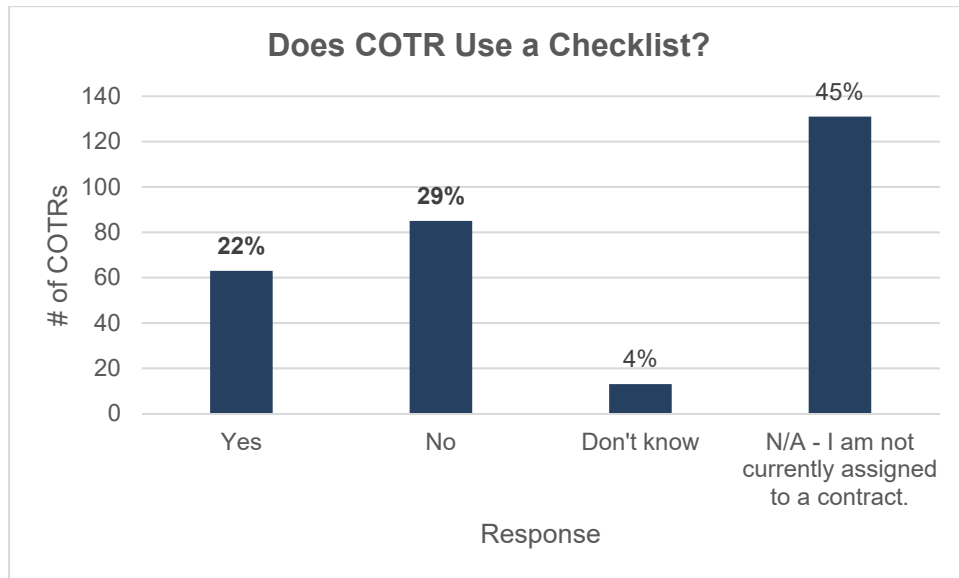
5. WMATA used the primary authority and other guidelines as resources.



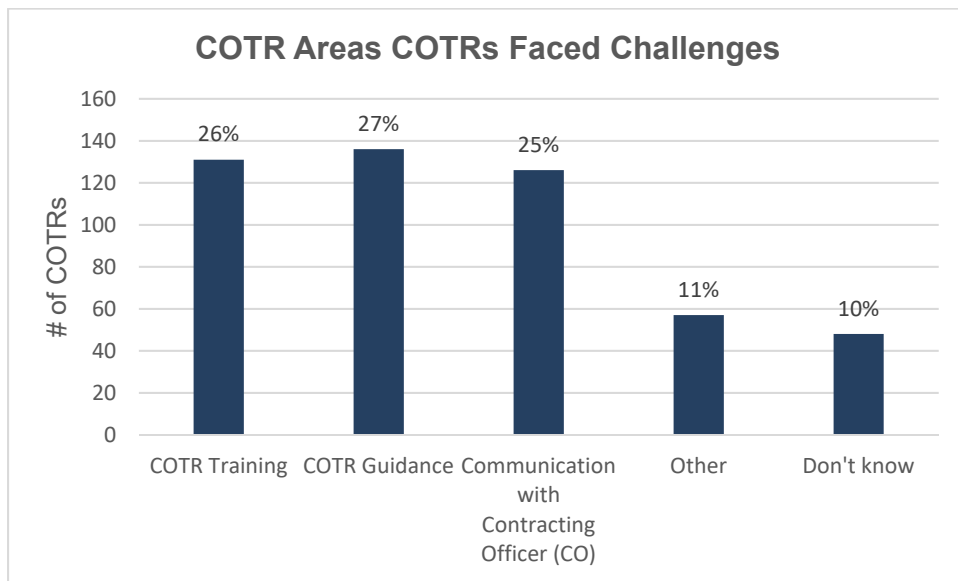
6. WMATA COTRs communicated with contracting officers on an as needed basis.



7. COTRs in general did not consistently use checklists to monitor documentation.



8. COTRs stated COTR training and policy are the two areas that could potentially be improved.



Appendix C

MANAGEMENT'S RESPONSE

M E M O R A N D U M



SUBJECT: Audit of WMATA's Contracting Officer's Technical Representatives (COTRs) DATE: September 18, 2019

FROM: IBOP – John T. Kuon [REDACTED]

THRU: GM/CEO – Paul J. Wiedefeld [REDACTED]

TO: OIG – Geoffrey A. Cherrington

Management of the Office of Procurement and Materials (PRMT) has prepared the following response to the Office of Inspector General's (OIG) draft report for the Audit of WMATA's Contracting Officer's Technical Representatives (COTRs).

PRMT has reviewed OIG's Results in Brief and has held preliminary discussions regarding the findings and recommendations. This memorandum details PRMT's initial plans to address referenced areas and to improve COTR roles, responsibilities and oversight in line with OIG's recommendations.

Although PRMT is confident in its current programs and processes, it welcomes the opportunity to improve and enhance its COTR program. PRMT concurs with all the recommendations in the report. PRMT has already started taking steps toward completing the following corresponding actions by May 29, 2020:

- Assign a senior level official as the COTR program coordinator responsible for COTR policies and procedures, coordination, training, and monitoring of assigned COTRs.
- Consolidate the three COTR guide books into one and update to align with current practices.
- Develop COTR transition guidance for long-term WMATA contracts.
- Develop and conduct a comprehensive COTR training program that aligns with FAI best practices.
- Develop a system to ensure COTRs adhere to established internal controls.
- Establish guidelines as to the content and proper maintenance of COTR contract files including a COTR file documentation checklist.

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OIG Recommendations and Management Responses:

1. Assign a senior level official as the COTR program coordinator responsible for COTR policies and procedures, coordination, training, and monitoring of assigned COTRs.

PRMT accepts this recommendation. Management agrees with the spirit of this recommendation and has already assigned the Manager, Business Operations and Compliance, hired effective October 2018, to oversee the policy management team and the process of overhauling the COTR policies and procedure, coordination, training, and monitoring of assigned COTRs. It is expected that the overhaul of the COTR program will be completed by May 29, 2020.

2. Consolidate the three COTR guide books into one and update to align with current practices.

PRMT accepts this recommendation. The policy management team started reviewing the COTR program in January 2019. The process of consolidating the three COTR guide books into a single document began in April 2019. A draft document was prepared for management review in August 2019. The expected completion date of the consolidation is December 31, 2019.

3. Develop COTR transition guidance for long-term WMATA contracts.

PRMT accepts this recommendation. In conjunction with contract staff and the Office of General Counsel (COUN), the COTR training program is currently being redeveloped by PRMT management and will be in place by December 31, 2019. PRMT will develop a standard operating procedure (SOP) for the COTR program that will include transitioning COTR duties to another responsible party. A COTR appointment memo will also be maintained in the appropriate procurement file(s).

4. Develop and conduct a comprehensive COTR training program that aligns with Federal Acquisition Institute (FAI) best practices.

PRMT accepts this recommendation. PRMT is currently redeveloping the entire COTR training program along with the training materials. PRMT has reviewed the FAI COR Blue Book and will incorporate some of FAI's best

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practices that are in line with WMATA's policies and procedures. This will be completed by May 29, 2020.

5. Develop a system to ensure COTRs adhere to established internal controls.

PRMT accepts this recommendation. The Manager of Business Operations and Compliance will be responsible for ensuring COTRs adhere to the established internal controls set forth by the new training program and the updated COTR guide. Existing COTR's will receive training materials upon completion of the updated guidelines. Retraining will occur at the time of the COTR's recertification date starting in June 2020.

6. Establish guidelines as to the content and proper maintenance of COTR contract files including a COTR file documentation checklist.

PRMT accepts this recommendation. The policy management team will develop a standard operating procedure (SOP) establishing guidelines for the content and proper maintenance of COTR contract files, as well as creating a COTR file documentation checklist. The guidelines and checklist will be completed by December 31, 2019.

cc: PRMT – T. Suzette Moore
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