



Report to the Ranking Member,
Committee on Rules and Administration,
U. S. Senate

ARCHITECT OF THE CAPITOL

Contracting Function Generally Follows Key Practices, but Certain Improvements Are Needed

Accessible Version

GAO Highlights

Highlights of [GAO-16-348](#), a report to the Ranking Member, Committee on Rules and Administration, U.S. Senate.

Why GAO Did This Study

The AOC is responsible for the maintenance, operation, and preservation of the buildings and grounds of the U.S. Capitol complex, which covers more than 17.4 million square feet in buildings and 587 acres of grounds. In fiscal year 2015, Congress appropriated \$600.3 million to fund AOC's operations, over half of which was used to procure various goods and services ranging from large projects like the restoration of the Capitol Dome, to routine custodial services.

GAO was asked to review the AOC's contracting practices. This report examines (1) the extent to which the AOC has developed and implemented acquisition policies and processes to guide its contracting function, and (2) the tools used by the AOC to monitor and address contractor performance. GAO reviewed the AOC's acquisition policies, interviewed contracting officials, and reviewed a non-generalizable sample of 21 contracts and task or delivery orders with dollars obligated in fiscal years 2013 through 2015. The sample consists of a mix of high-value contracts for goods and services.

What GAO Recommends

GAO recommends that AOC explore options for developing a more robust analysis of its competition levels and establish a suspension and debarment process suitable to its mission and structure. AOC agreed with GAO's findings and concurred with the two recommendations and noted it is taking steps to implement them.

View [GAO-16-348](#). For more information, contact William T. Woods at (202) 512-4841 or woodsw@gao.gov.

April 2016

ARCHITECT OF THE CAPITOL

Contracting Function Generally Follows Key Practices, but Certain Improvements Are Needed

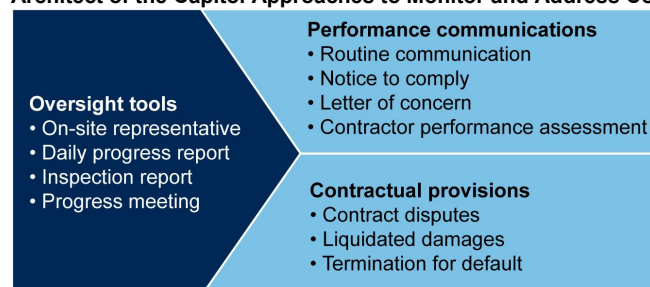
What GAO Found

The Architect of the Capitol (AOC) recently implemented a contracting manual that centralizes current law and regulations applicable to the AOC, as well as policies, orders and procedures. As a legislative branch agency, the AOC is not subject to the Federal Acquisition Regulation (FAR) which governs executive branch agencies; however, its manual draws on the FAR and covers topics central to the AOC's day-to-day contracting functions, such as acquisition planning, market research, and competition, all of which are key aspects of a sound acquisition process. In the 21 contracts and task orders GAO reviewed, AOC officials generally followed the policies in the contracting manual related to these critical functions—such as documenting justifications for the use of noncompetitive procedures.

The AOC began to collect competition data in fiscal year 2012, but the agency only conducts a limited assessment of its efforts to achieve competition. The AOC manual states it is agency policy to promote competition, and federal internal control standards state that agencies should establish mechanisms to track and assess performance against their objectives. While the AOC monitors data to track the number of sole-source contracts awarded, other analyses are limited. GAO's analysis of the AOC's data found that the agency competed approximately 50 percent of its contract obligations for the past 3 fiscal years—compared to 65 percent for the overall federal government. By examining the factors driving the number of sole-source awards or level of competition across different product types, AOC may be better positioned to identify where additional management attention may be needed to maximize competition.

The AOC uses a variety of approaches to monitor contractor performance on its projects, with contracting officers and their technical representatives being the primary officials responsible for providing oversight. The AOC uses a number of methods to address contractor performance problems, as shown in the figure below.

Architect of the Capitol Approaches to Monitor and Address Contractor Performance



Source: GAO presentation of Architect of the Capitol (AOC) information. | GAO-16-348

While the AOC has tools for addressing poor performance on specific contracts, it does not have a suspension and debarment process in place that could bar irresponsible contractors from working for the AOC or provide notice to other government agencies. Past GAO work has shown that having suspension and debarment procedures is critical to ensuring that the government only does business with responsible contractors.

Contents

Letter	1	
	Background	3
	AOC Has Implemented Contracting Guidelines, but Efforts to Assess Competition Could Be Enhanced	7
	AOC Uses a Variety of Approaches to Monitor Contractor Performance, but Does Not Have Suspension and Debarment Procedures	13
	Conclusions	20
	Recommendations for Executive Action	21
	Agency Comments and Our Evaluation	21
<hr/>		
Appendix I: Objectives, Scope, and Methodology		23
Appendix II: Comments from the Architect of the Capitol		27
Appendix III: GAO Contact and Staff Acknowledgments		28
	GAO Contact	28
	Staff Acknowledgments	28
<hr/>		
Appendix IV: Accessible Data	29	
	Agency Comment Letter	29
	Data Tables	30
<hr/>		
Tables		
	Table 1: Acquisition Planning Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR)	8
	Table 2: Market Research Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR)	9
	Table 3: Competition Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR) ¹⁰	
	Table 4: Architect of the Capitol (AOC) Contract Oversight Tools	15
	Table 5: Description of Contracts and Orders Reviewed	23
	Data Table for Figure 1: AOC Contract and Order Obligations and Contract Actions for Fiscal Years 2011 through 2015	30
	Data Table for Figure 2: AOC Jurisdiction Contract and Order Obligations for Fiscal Year 2015	30

Accessible Text for Highlights Figure and Figure 3: Architect of the Capitol Approaches to Monitoring and Addressing Contractor Performance	31
---	----

Figures

Figure 1: AOC Contract and Order Obligations and Contract Actions for Fiscal Years 2011 through 2015	4
Figure 2: AOC Jurisdiction Contract and Order Obligations for Fiscal Year 2015	5
Figure 3: Architect of the Capitol Approaches to Monitoring and Addressing Contractor Performance	14

Abbreviations

AMMD	Acquisition and Material Management Division
AOC	Architect of the Capitol
CAO	Chief Administrative Officer
COTR	Contracting officer's technical representative
FAR	Federal Acquisition Regulation
GAO	Government Accountability Office
SAM	System for Award Management

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



April 7, 2016

The Honorable Charles E. Schumer
Ranking Member
Committee on Rules and Administration
United States Senate

Dear Mr. Schumer:

The Architect of the Capitol (AOC) is responsible for the maintenance, operation, and preservation of the buildings and grounds that make up the U.S. Capitol complex. The entire complex consists of more than 17.4 million square feet of building space and more than 587 acres of grounds and includes the U.S. Capitol, the House and Senate Office Buildings, the Library of Congress, the Supreme Court, and U.S. Botanic Garden, among other facilities. Contracting plays a central role in helping AOC achieve its mission. In fiscal year 2015, AOC received \$600.3 million to fund its operations and over half of that was used to procure goods and services to meet various needs. These procurements range from large renovation projects like the restoration of the U.S. Capitol Dome and Cannon House Office Building to meeting more routine needs, such as maintenance and custodial services. As a legislative branch agency, the AOC is not subject to the full array of acquisition laws and regulations applicable to executive branch agencies such as the Federal Acquisition Regulation (FAR). You asked us to review AOC's contracting procedures and oversight of contractor performance. This report examines (1) the extent to which AOC has developed and implemented acquisition policies and processes to guide its contracting function, and (2) the tools used by AOC to monitor and address contractor performance.

To examine AOC's policies that guide its acquisition function, we reviewed its contracting policies and procedures and compared them to what is outlined in the FAR. While the FAR does not apply to AOC, it reflects practices widely used throughout the executive branch of the federal government. We focused our review on competition, acquisition planning, and market research because our prior work has shown that these activities are critical to building a strong foundation for successful

acquisition outcomes.¹ To gain insight into the extent to which AOC is awarding and implementing its contracts and task or delivery orders consistent with its own internal policies and procedures, we used data from AOC's financial management system to select a non-generalizable sample of 21 contracts and orders with obligations during fiscal years 2013 through 2015.² We chose contracts and orders from this timeframe to allow us to gain insights into AOC's recent contracting practices including any changes or trends. The sample represents a mix of goods and services including construction, engineering, and custodial services for AOC projects of varying sizes. To assess the reliability of the data from the AOC's financial management system, we (1) reviewed information about the data and the system that produced them, and (2) compared certain data elements to information from the contract files we sampled. Based on these steps, we determined that the data from AOC's financial management system were sufficiently reliable for the purposes of this review. For the sample of 21 contracts and orders, we reviewed applicable market research reports, acquisition plans, justifications and approvals for sole-source awards to determine the extent to which AOC's practices were consistent with its guidance. We also met with contracting officials responsible for these contracts to confirm our understanding of information in the contract files. In addition, we interviewed AOC officials from the Acquisition and Material Management Division (AMMD), who are responsible for developing, implementing, and ensuring compliance with AOC's contracting policies and procedures. We also interviewed officials from the Planning and Project Management division, which oversees AOC capital planning and improvement efforts.

We used the same sample of 21 contracts and orders to determine how AOC oversees contractor performance and resolves any disagreements that may arise. We reviewed documentation in the contract files such as

¹ GAO, Acquisition Planning: Opportunities to Build Strong Foundations for Better Services Contracts, [GAO-11-672](#) (Washington, D.C.: Aug. 9, 2011); Defense Contracting: Actions Needed to Increase Competition, [GAO-13-325](#) (Washington, D.C.: Mar. 28, 2013); National Science Foundation: Steps Taken to Improve Contracting Practices, but Opportunities Exist to Do More, [GAO-13-292](#) (Washington, D.C.: Mar. 28, 2013.); Market Research: Better Documentation Needed to Inform Future Procurements at Selected Agencies, [GAO-15-8](#) (Washington, D.C.: Oct. 9, 2014).

² According to the AOC Contracting Manual, a task order is a written order for services made within the terms and conditions of an existing contract, and a delivery order is a written order for supplies made within the terms and conditions of an existing contract. For the purposes of this report, we refer to both as "orders."

relevant clauses, notices to comply, letters of concern, contractor performance reports, and other key documents. We also reviewed AOC contracting policies and project management guidance concerning contractor performance. We interviewed officials from the Planning and Project Management division, contracting officers, and contracting officer technical representatives (COTR) to understand how they ensure compliance with the terms of contracts and resolve disagreements that may arise.³ In addition, we spoke with representatives from the AOC's operational units to obtain their views on the acquisition function. A more detailed description of our scope and methodology is presented in appendix I.

We conducted this performance audit from April 2015 to April 2016 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.

Background

The AOC's authority to contract for goods and services is vested by statute in the agency head who has delegated this responsibility to the Chief Administrative Officer (CAO).⁴ The CAO has responsibility to, among other things, administer the procurement function on behalf of AOC. AMMD, which falls under the CAO, is authorized to enter into contracts on behalf of the agency. AMMD is the primary office responsible for developing contracting policies and procedures, appointing contracting officers, and awarding and overseeing contracts. Requirements for goods and services are identified by AOC's operational units, which consist of various jurisdictions and offices that handle the day-to-day operations including the support, maintenance, and operations of buildings as well as construction and renovation projects.⁵ While AMMD has the primary

³ The AOC contracting officer technical representative is an individual with expertise in the type of work performed or supplies provided under contract, who is issued a letter of appointment by the Contracting Officer as being responsible for monitoring and reporting contractor compliance with contract terms and conditions.

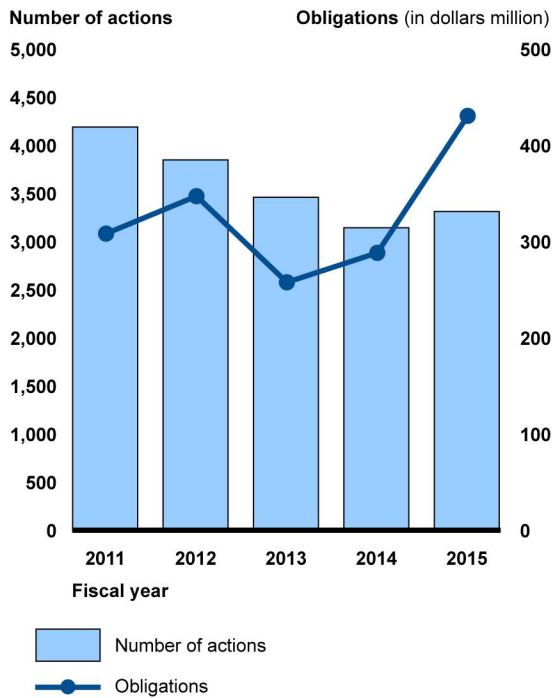
⁴ See, e.g., 41 U.S.C. § 6102(e), 41 U.S.C. § 3904(g), and 2 U.S.C. Chapter 28 (Architect of the Capitol).

⁵ The AOC is organized into 10 primary jurisdictions. Each AOC jurisdiction is funded by separate appropriations.

responsibility of awarding and administering contracts, AMMD often works with the AOC's jurisdictions and offices to assist in monitoring the progress of contracts awarded to support AOC's various projects, such as the restoration of the Capitol Dome.

From fiscal years 2011 through 2015, AOC obligated, on average, \$326 million annually to procure goods and services. During the 5-year period, as figure 1 shows, the level of contracting actions has generally declined while obligations on contracts and orders varied. There was a substantial increase in obligations between fiscal years 2014 and 2015 when AOC awarded a contract to begin construction for the Cannon building renewal project.

Figure 1: AOC Contract and Order Obligations and Contract Actions for Fiscal Years 2011 through 2015



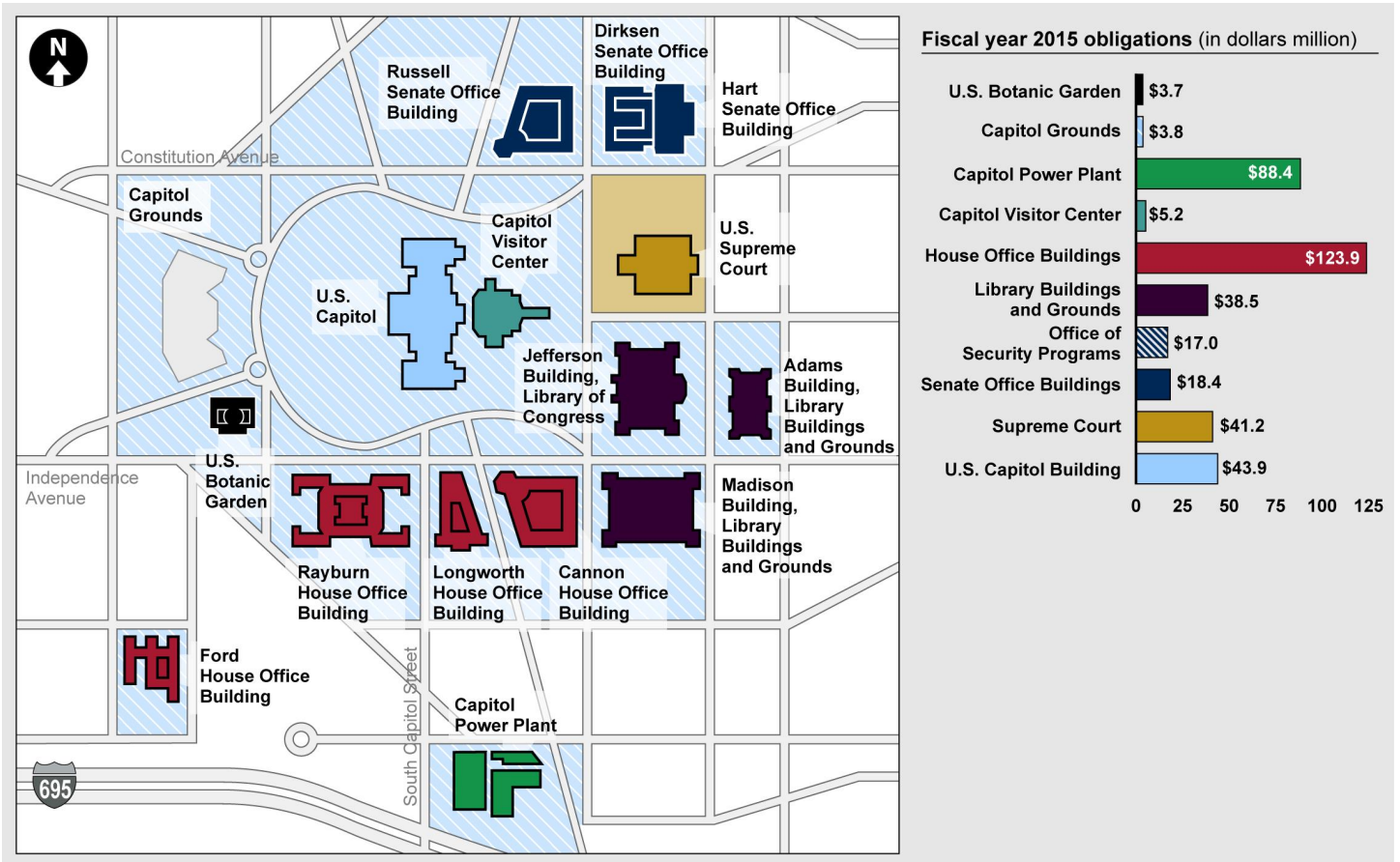
Source: GAO analysis of Architect of the Capitol (AOC) contract data. | GAO-16-348

Note: Obligations in figure are adjusted for inflation and presented in constant 2015 dollars.

The vast majority of AOC's spending to procure goods and services stems from the agency's jurisdictions listed below in figure 2. Among the jurisdictions, the Capitol Power Plant and the House Office Buildings

collectively accounted for 55 percent of AOC's fiscal year 2015 contract obligations.

Figure 2: AOC Jurisdiction Contract and Order Obligations for Fiscal Year 2015



Source: GAO presentation of Architect of the Capitol (AOC) information. | GAO-16-348

Note: The AOC is responsible for additional facilities not included in this map.

As a legislative branch agency, AOC is subject to some but not all of the procurement laws applicable to government agencies. For example, both AOC and executive branch agencies are subject to the Buy American Act

and the Contracts Disputes Act of 1978.⁶ Additionally, in some instances AOC has adopted certain procurement policies and regulations it would not otherwise be subject to. For example, although not subject to the Small Business Act, AOC worked with the Small Business Administration to establish a small business subcontracting and set-aside program to help the AOC more fully utilize small businesses. In addition, AOC has adopted certain characteristics and clauses of the FAR. For example, AOC incorporates FAR clauses related to contract changes, inspections, differing site conditions, availability of funds, and terminations. According to AOC officials, incorporating FAR clauses into AOC contracts offers significant benefits because the contract clauses have been drafted and reviewed by subject matter experts across the government and are familiar to government contractors. According to AOC officials, federal case law is usually available to address any contract interpretation issues.

Key Building Blocks for Successful Acquisition Outcomes

Our previous work has shown that acquisition planning, market research, and competition are key foundations for successful acquisition outcomes.⁷ Acquisition planning is the process by which agencies establish requirements and develop a plan to meet those requirements.⁸ Generally, project and contracting officials share responsibility for acquisition planning activities intended to produce a comprehensive plan for fulfilling the agency's needs in a timely manner and at a reasonable cost. Our past work has found that acquisition planning is strengthened by documenting decisions to guide existing acquisitions and capturing important lessons and other considerations that can be used to inform future procurements. Market research is the process of collecting and analyzing data about capabilities in the market that could satisfy an agency's needs. It is a critical step in informing decisions about how best to acquire goods and services. Effective market research can help agencies determine the availability of vendors to satisfy requirements and improve the government's ability to negotiate fair and reasonable prices. Competition is the cornerstone of a sound acquisition process and a critical tool for achieving the best return on investment for taxpayers. Using full and open competitive procedures

⁶ 41 U.S.C. §§ 7101-7109. The Contract Disputes Act does not apply to legislative branch agencies. However, the legislation creating the Contract Appeals Board explicitly applies the majority of the sections of the Contracts Disputes Act to the AOC. See Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 1501 (2007).

⁷ [GAO-11-672](#), [GAO-13-325](#), [GAO-13-292](#), and [GAO-15-8](#).

⁸ See FAR Part 7.

to award contracts means that all responsible contractors are permitted to submit offers. The benefits of competition in acquiring goods and services from the private sector are well established. Competitive contracts can help save taxpayer money, conserve scarce resources, improve contractor performance, curb fraud, and promote accountability for results.

AOC Has Implemented Contracting Guidelines, but Efforts to Assess Competition Could Be Enhanced

AOC developed a contracting manual to provide guidance for agency officials responsible for purchasing goods and services. The manual was implemented in April 2014 and includes guidelines on topics similar to those included in the FAR. AOC's contracting manual outlines procedures and guidance for acquisition planning, market research, and competition. In general, for the 21 contracts and orders we reviewed, AOC officials implemented procedures related to these critical functions, such as documenting justifications for the use of noncompetitive procedures, in a manner consistent with the manual. AOC has identified competition as a key objective, and the agency tracks the number of sole-source awards and percentage of dollars obligated under sole-source awards. However, the agency conducts limited analysis of the factors driving the number of sole-source awards or the level of competition achieved across different product types. Such analysis could help identify where additional management attention may be needed to maximize competition to the fullest extent.

AOC Has Developed Contracting Practices

In 2014, AOC issued a contracting manual that incorporates statutes and federal regulations applicable to the AOC, as well as internal policies in order to provide uniform policies across the agency and guidance to personnel. The AOC Inspector General had previously found that while AOC had developed procurement policies, orders, and procedures, they were not consolidated in one location, which made it difficult for AOC staff to access.⁹ The manual covers topics central to AOC day-to-day contracting functions, such as acquisition planning, market research, and competition, all of which we have previously found to be key aspects of a sound acquisition process.

⁹ Carol M. Bates to Stephen T. Ayers, Sept. 28, 2012 memorandum, in Fiscal Year 2012 Performance and Accountability Report (Washington, DC: Architect of the Capitol, Dec. 4, 2012), 110-123.

Acquisition Planning

AOC started requiring written acquisition plans in August 2012, approximately 18 months prior to the publication of the contracting manual. Though AOC staff engaged in acquisition planning to inform procurement decisions before August 2012, plans were not consistently documented, according to contracting officers. Further, AMMD officials stated that another reason they started requiring acquisition plans was to help enforce acquisition timeframes agreed upon by the office that needed the acquisition and contracting officers. According to officials, the requiring offices consistently missed important deadlines, oftentimes resulting in lengthy acquisition cycles. As a result, AMMD implemented the requirement for written acquisition plans to help alleviate this problem. AMMD officials believe that requiring written acquisition plans has helped shorten acquisition timeframes. AOC developed a template to assist staff in preparing written acquisition plans which, in turn, helps to ensure key information is considered and captured for each acquisition. AMMD officials are considering options to revise the template staff use to document acquisition plans so that it is more adaptable to the specific circumstances of a procurement. As shown in table 1, the AOC manual shares some common acquisition planning principles with the FAR.

Table 1: Acquisition Planning Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR)

Acquisition Planning	AOC	FAR
Acquisition planning shall be performed to promote and provide for full and open competition and to ensure selection of the appropriate contract type.	Yes	Yes ^a
Planning should include all personnel that are responsible for significant aspects of the acquisition.	Yes	Yes
Planning should begin early in the acquisition process.	Yes	Yes
Written acquisition plans required under certain circumstances.	Yes ^b	Yes ^c

Source: GAO analysis of the AOC contracting policies and Federal Acquisition Regulation. | GAO-16-348

^aThe FAR lists additional considerations acquisition planning should provide for, including for example, the use of commercial items.

^b Unless an exception applies, a written plan must be completed if any acquisition is expected to exceed \$1,000,000 (including options), for any negotiated procurement over \$500,000, and for other acquisitions as desired.

^c The FAR requires agency heads to establish criteria and thresholds at which increasingly greater detail and formality in the planning process is required.

On all the contracts and orders we reviewed, we found that the AOC conducted acquisition planning. AOC’s practices generally met the agency’s requirements for acquisition planning, including preparing written acquisition plans, addressing the prospects for competition, and

involving the appropriate stakeholders in the planning process, among other things. Of the 21 contracts and orders that we reviewed, seven files required written acquisition plans, based on the dollar threshold outlined in the contracting manual, as well as timing of the requirement, and five of those seven files had written acquisition plans. For the remaining two files that required acquisition plans, AMMD officials cited an administrative oversight and a requirement to use a mandatory service provider as the reasons for not preparing a written acquisition plan. In addition, we found that two other files contained written acquisition plans even though they were not required. The contracting officer on one of those projects, the Refrigeration Plant Revitalization project, stated that while not required, a written acquisition plan was completed due to the cost, complexity, and visibility of the project. The AOC’s contracting manual requires that a written plan be completed well in advance of when an acquisition is needed but does not establish timeframes for how far in advance acquisition plans should be completed. AMMD officials noted that the nature and complexity of the acquisition—such as a new or recurring requirement—determines the extent of advance preparation needed to develop the acquisition plan. As a result, AOC did not establish specific timeframes in the contracting manual.

Market Research

As shown in table 2, AOC has implemented market research policies in its manual that shares some common principles with the FAR.

Table 2: Market Research Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR)

Market Research	AOC	FAR
Required in specific circumstances, such as solicitations above certain dollar thresholds ^a	Yes	Yes
Used, in part, to determine if commercial items are available to meet the agencies’ needs	Yes	Yes
Techniques/Sources include contacting knowledgeable people within government and industry, publishing requests for information	Yes	Yes

Source: GAO analysis of the AOC contracting policies and Federal Acquisition Regulation. | GAO-16-348

^aThe threshold is generally \$150,000 for FAR agencies and \$100,000 for the AOC.

In our review of AOC practices, we found that they generally met the requirements to conduct and document market research activity. We found that AOC employs a number of different ways of conducting market research that reflect what is in the contracting manual. For instance, AOC will often invite vendors to a potential construction worksite before publicizing a solicitation. This helps AOC identify potential qualified

vendors and also allows vendors an opportunity to learn more about the requirement and determine if they want to make an offer on a project. We found that AOC held industry days for 5 of the 21 contracts and orders we reviewed for projects such as the Cannon Renewal project, the Dome Restoration project and the replacement of the skylight in the Hart Building, among others. Another example of market research that AOC performed was the use of a “sources sought” notification to determine the capabilities of the marketplace. For the 21 contracts and orders in our sample, we found that market research was documented in different ways. For instance, if a contract had an acquisition plan associated with it, the market research performed for that requirement would be documented in the acquisition plan. Additionally, we found contracting officers would document what research was performed and the results of those searches in memoranda contained in the contract files.

AMMD officials stated that they are taking action to improve the quality of market research conducted, which is typically performed by the requiring office. AMMD plans to provide market research training in 2016 to enhance staff’s knowledge of how to conduct and document effective market research. AOC’s market research training is expected to focus on documenting market research, using a standardized template to capture the steps taken, and results of market research efforts.

Competition

AOC’s contracting manual promotes full and open competition in the procurement process. Under full and open competition all responsible suppliers are provided an opportunity to compete for the agency’s contracts. AOC’s manual shares some common competition principles with the FAR as highlighted in table 3.

Table 3: Competition Requirements: Similarities between the Architect of the Capitol (AOC) and Federal Acquisition Regulation (FAR)

Competition Policy and Requirements	AOC	FAR
Promote full and open competition, including after exclusion of sources	Yes	Yes
Generally compete orders under multiple award contracts among all awardees	Yes	Yes ^a
Exceptions to full and open competition	Yes ^b	Yes ^c

Source: GAO analysis of the AOC contracting policies and Federal Acquisition Regulation. | GAO-16-348

^aApplicable to orders exceeding \$3,500, unless an exception applies. In addition, above certain dollar thresholds, a justification and approval document is required.

^bThere are four exceptions to full and open competition under the AOC Contracting manual: public exigency, only one-source available, technical and professional services, and security related projects.

^cThere are seven exceptions to full and open competition under the FAR.

Within our sample of contracts and orders, we found that AOC generally met its competition requirements as provided for in the agency's contracting manual. Ten of the 21 contracts and orders we reviewed were competed and received more than one offer. In our previous work, we have reported that competitions that yield only one offer in response to a solicitation deprive agencies of the ability to consider alternative solutions in a reasoned and structured manner.¹⁰ All 11 of the non-competed contracts and orders we reviewed were awarded using non-competitive procedures based on exceptions cited in the AOC contracting manual. Specifically,

- Two contracts for janitorial services were awarded without full and open competition because of statutory provisions requiring that agencies use a list of specified providers for these services.
- Three task orders were awarded under base contracts that had originally been competed. In these three cases, since the original base contracts were awarded to only one vendor, any task order awarded under the base contracts is not required to be competed.¹¹
- Four contracts were awarded non-competitively because only one supplier was available. For example, when AOC was seeking to award a contract for the audio listening systems used as part of guided tours at the Capitol Visitor Center, AOC evaluated three vendors and determined that it was more cost effective and a better value to the government to maintain and replace the existing brand of listening devices instead of purchasing a new system.
- One contract was awarded non-competitively to develop continuity of operations plans in case of emergencies. The justification stated that open competition would publicly reveal sensitive information that could pose a security risk. As a result, AOC awarded the contract to a firm that had been used previously in order to limit the number of individuals with access to information on security risks and vulnerabilities.

¹⁰ GAO, Federal Contracting: Opportunities Exist to Increase Competition and Assess Reasons When Only One Offer Is Received, [GAO-10-833](#) (Washington, D.C.: July 26, 2010).

¹¹ AOC classifies orders derived from a competed single award contract as not competed. For the three task orders that we reviewed, we adopted AOC's classification of these orders as noncompetitive.

-
- One contract to provide construction administration services, such as field observations, was awarded to the company that had designed and prepared all drawings and specifications for the project. The AOC believed that this company had the requisite technical expertise and therefore was in a unique position to provide the necessary evaluations and review of the documents.

AOC Assessment of its Competition Efforts Could Be Enhanced

AOC has taken steps to gauge its effectiveness in implementing the agency's policy to promote competition in the procurement process; however, currently it conducts limited analysis in this area. AOC leadership considers competition to be a key priority for the agency. The AOC contracting manual also emphasizes the importance of competition and recognizes market research as a means to evaluate competition. Our analysis of AOC procurement data showed that the agency competed approximately 50 percent of its contract obligations for the past 3 fiscal years—compared to 65 percent for the federal government overall.¹²

Federal internal control standards call for agencies to establish mechanisms to track and assess performance against their objectives.¹³ In addition, our prior work has shown that for policies and processes to be effective, they must be accompanied by controls and incentives to ensure they are translated into practice.¹⁴ The AOC began to collect competition data in fiscal year 2012. AOC has implemented mechanisms to track data on the number of non-competed awards and dollars obligated. In addition, AOC tracks competition levels across its organizational units as well as the agency's use of allowable exceptions to competition. For example, AOC's data shows that in fiscal year 2015, the primary basis for awarding noncompetitive contracts was the only one responsible source exception to competition—meaning that only one vendor could fulfill the requirement. While this is a good first step to gaining insight into the agency's competition efforts, additional analyses could provide key

¹² GAO's determination of AOC's competition rate may be somewhat understated due to differences between how the AOC and other federal agencies classify orders derived from a competed single award contract. However, GAO and AOC agreed that any understatement is likely to be small. A more detailed explanation is provided in appendix I.

¹³ GAO, Standards for Internal Control in the Federal Government, AIMD-00-21.3.1 (Washington, D.C.: Nov. 1, 1999).

¹⁴ Framework for Assessing the Acquisition Function at Federal Agencies, GAO-05-218G (Washington, D.C.: Sept. 2005).

information that highlights trends in AOC's overall competition levels, the factors driving the use of the only one responsible source exception such as the quality of AOC's market research, the types of goods and services that AOC is most successful in competing, and areas where focused attention may be needed. AOC officials did not dispute the value of further analyzing data about the agency's competition efforts, but noted they have not previously identified the need to conduct analyses beyond their current efforts.

Tracking competition data instills accountability at all levels and ensures that AOC leadership has the information readily available to make decisions rather than rely on ad hoc means. Routinely tracking its procurements at a more granular level—such as competition across goods and services—also would provide AOC leadership with important information to identify successful competition strategies that can be replicated across the agency and help the agency focus its resources to maximize competition.

AOC Uses a Variety of Approaches to Monitor Contractor Performance, but Does Not Have Suspension and Debarment Procedures

AOC uses various approaches to monitor contractors' progress and work quality and address contractor performance, but does not have suspension and debarment procedures. AOC, like other agencies, primarily relies on contracting officers and COTRs who use oversight tools such as inspection reports and periodic progress meetings to monitor contracts. When AOC identifies contractor performance problems using these tools, AOC has a variety of approaches at its disposal to help address performance issues, such as providing written notice to the contractor highlighting the problem and seeking action to address the performance issue. If a contractor does not take action to improve performance, AOC may then invoke a number of contractual provisions including the collection of liquidated damages from the contractor.¹⁵

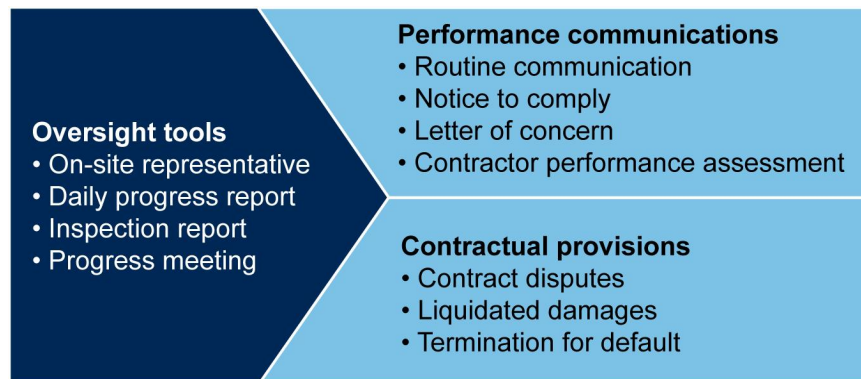
Although AOC has tools and resources at its disposal to manage and correct deficiencies on a contract-by-contract basis, AOC does not have a suspension and debarment process that allows it to exclude an individual or firm from receiving future AOC contracts.

¹⁵ The AOC contracting manual describes when various clauses should be included in contracts. The decision by the government to invoke one of these clauses is typically influenced by the specific situation as well as contract and case law interpretation.

AOC Uses a Variety of Approaches to Monitor Contractor Performance And Address Performance Issues

AOC uses a number of oversight tools to monitor contractor performance and protect the government against substandard work from the contractor. AOC’s monitoring approaches are generally applicable to all the agency’s projects. Depending on the type of project and severity of the deficiency, AOC may employ some or all approaches in any sequence it deems appropriate to seek immediate remedies or damages. As described below, across our sample of contracts and orders, we observed AOC’s use of a variety of approaches, including oversight tools, performance communications and some of the available contractual provisions to monitor and address contractor performance, as shown in figure 3.

Figure 3: Architect of the Capitol Approaches to Monitoring and Addressing Contractor Performance



Source: GAO presentation of Architect of the Capitol (AOC) information. | GAO-16-348

Oversight Tools

Tools identified by AOC officials to oversee contracts include onsite representatives, daily progress reports, inspection reports, and progress meetings, as described in table 4. These oversight tools can help AOC identify instances of poor workmanship, safety issues, or timeliness problems, among other things.

Table 4: Architect of the Capitol (AOC) Contract Oversight Tools

Approach	Description
<i>Onsite Representatives</i>	AOC project manager and/or contracting officer's technical representative (COTR) observe the work performed on a daily basis to ensure that work and materials conform to contract requirements.
<i>Daily Progress Reports</i>	AOC guidance calls for contractors to submit daily reports to the AOC project manager and/or COTR which include information such as approximate count of personnel at the site, planned outages, noise management, and delays to the work caused by the government.
<i>Inspection reports</i>	AOC inspectors are required to file daily reports with the project manager and COTR that provide information on contractor personnel onsite, weather conditions that affect the project, equipment and material deliveries, and other observations that can assist in protecting the government from claims should they arise.
<i>Progress meetings</i>	The AOC project manager and/or COTR conduct weekly progress meetings with the contractor to discuss progress, quality control, and safety issues, among other things.

Source: GAO presentation of AOC project management guidance. | GAO-16-348

Performance Communications

When AOC identifies performance concerns through its oversight tools, the agency has a number of communication methods it uses to address deficiencies and help a project get back on track to meet contract requirements. AOC's use of these methods generally escalates depending on the severity of the performance issue or the length of time that issue has occurred. AOC contracting officials noted that these methods are also a routine part of contract management and are not necessarily an indication of unsatisfactory overall performance by a contractor. These methods include:

Example of Performance Communication Methods Used by the Architect of the Capitol (AOC) on the Capitol Dome Restoration Project

Throughout the performance of the contract, AOC issued 15 notices to comply to the contractor covering various schedule delays and concerns with the contractor's management of the project. When the issue continued, AOC took a number of steps to get the contract back on track:

- **May 2014:** AOC discussed concerns with the contractor at a progress meeting and requested a recovery plan.
- **June-August 2014:** AOC issued 2 letters of concern due to continued schedule delays and overall project management concerns.
- **January 2015:** AOC gave the contractor a negative interim performance rating related to schedule and management areas to emphasize the importance of the situation.
- **Spring-Summer 2015:** Contractor's superintendent was replaced among other actions, and performance improved significantly, recovering lost time.
- **October 2015:** AOC gave the contractor a more favorable interim performance rating in these two areas in recognition of the improvement.

Source: GAO analysis of AOC information.

- **Routine Communication:** AOC officials told us the first step to resolve performance concerns is through routine communication with the contractor that occurs during daily onsite supervision or during recurring progress meetings.
- **Notice to Comply:** AOC officials said when concerns are not resolved through routine communication, AOC may then issue a notice to comply to the contractor, which formally notifies a contractor that it is not complying with one or more contract provisions. Based on our review, these notices are generally issued by the COTR, lay out the specific performance concern or contract compliance issue, and request corrective action by the contractor within a specified time frame. AOC may issue multiple notices on the same matter before it is fully addressed. The notice to comply does not always indicate a performance problem but could also be issued for noncompliance with administrative contract requirements, such as failure to submit progress reports. The 53 notices to comply that we reviewed from our sample of contracts and orders typically addressed safety, work quality, or administrative contract compliance concerns.
- **Letter of Concern:** If performance issues are not resolved through routine communication or notices to comply, AOC officials said the agency may then issue a letter of concern to a contractor. Based on our review, letters of concern are very similar to notices to comply, as they typically lay out a specific concern and request corrective action within a specified time frame. The main difference between a notice and letter is that letters are issued by the contracting officer instead of the COTR. The 27 AOC letters that we reviewed also addressed many of the same types of issues as notices to comply—safety, work quality, and personnel or schedule concerns.
- **Contractor Performance Assessments:** AOC routinely assesses contractor performance on an interim and final basis in government-wide contractor performance systems, and the ratings are available to other federal agencies through the Past Performance Information Retrieval System. In completing past performance evaluations, AOC officials rate the contractor on various elements such as the quality of the product or service delivered, schedule timeliness, and cost control. AOC officials said that contractor performance assessments are one of the most valuable methods available to incentivize a contractor to improve performance because a negative assessment

Contractual Provisions

could limit the contractor's ability to be awarded future contracts from AOC or other federal agencies.

AOC also has a variety of contractual provisions it can invoke if it determines that a contractor has failed to meet some or all of its contractual requirements. For example, certain provisions allow AOC to seek damages from poorly performing contractors.

- **Contract Disputes:** The Contract Disputes Act of 1978 outlines the process for resolving disputes between a contractor and the government.¹⁶ AOC policy calls for seeking an amicable resolution before invoking procedures identified in the Contract Disputes Act. When all attempts to settle the dispute amicably fail, AOC must issue a contracting officer's final decision on the matter. All of the contracts we reviewed included the relevant contract clause that sets forth this process for resolving disputes. However, none of the contracts that we reviewed involved a dispute between the contractor and the government that required invoking the processes laid out by the disputes clause.
- **Liquidated Damages:** To protect itself from construction delays, the AOC contracting manual requires that all construction contracts valued over \$50,000 include a liquidated damages clause. The liquidated damages clause provides that if the contractor fails to complete the work within the time specified in the contract, the contractor pays the government a daily fixed amount for each day of delay until the work is completed or accepted. According to its guidance, AOC generally determines the daily fixed amount based on the dollar value of the contract. For the 7 construction contracts in our sample that met the applicable threshold for liquidated damages, daily rates ranged from \$200 a day to \$28,201 a day. However, AOC had not invoked the clause for any of these contracts. Further, Congress recently enacted legislation prohibiting the AOC from using funds made available by the Consolidated Appropriations Act, 2016, to make incentive or award payments to contractors for work on contracts that are behind schedule or over budget, unless certain determinations are made.¹⁷

¹⁶ The Contract Disputes Act of 1978, the majority of which applies to the AOC, outlines procedures and requirements for asserting and resolving claims and disputes between a contractor and the government.

¹⁷ Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, § 1101 (2015).

-
- **Termination for Default:** When poor contractor performance cannot be corrected through other means, AOC may take additional steps and ultimately terminate the contract for default. AOC would start the process using either a cure notice or a show-cause notice. A cure notice provides the contractor typically at least 10 days to correct the issues identified in the notice or otherwise fulfill the requirements.¹⁸ A show-cause notice notifies the prime contractor that the AOC intends to terminate for default unless the contractor can show cause why they should not be terminated. Typically, a show-cause notice calls the contractor's attention to the contractual liabilities, if the contract is terminated for default. None of the contracts in our sample resulted in a cure notice or show-cause notice; however, AOC officials said that these have been used in a couple of instances from fiscal years 2013 through 2015. For example, AOC issued a cure notice in 2013 to a contractor due to repeated poor quality control that delayed progress on the project. The cure notice followed repeated attempts by AOC to address the issues with the contractor through other methods, including issuing five letters of concern in the 6-month period leading up to the cure notice.

AOC Does Not Have a Suspension and Debarment Process

AOC currently has no agency-wide process for suspending or debarring individuals or firms that the agency has determined lack the qualities that characterize a responsible contractor. In the absence of such a process, AOC does not have a mechanism that allows it to determine in advance of a particular procurement that an individual or firm lacks present responsibility and therefore should not receive AOC contracts.

The FAR and the AOC contracting manual provide that contracts should be awarded only to individuals or firms that are responsible prospective contractors. A responsible contractor is one that has the financing, workforce, equipment, experience and other attributes needed to perform

¹⁸ According to AOC's contracting manual, a cure notice informs the contractor that the government considers the contractor's failure a condition that is endangering contract performance. The cure notice specifies a time period for the contractor to remedy the condition. If the contractor does not correct the condition, the notice would state that the contractor may face termination of its contract for default.

the contract successfully.¹⁹ Similar to executive branch agencies, contracting officers at AOC are required to review these factors prior to the award of any contract. In addition, contracting officers must review the excluded parties list in the governmentwide System for Award Management (SAM), which is maintained by the General Services Administration, to determine whether the contractor in line for an award has been suspended, debarred, or proposed for debarment by any other agency. A suspension temporarily disqualifies a contractor from federal contracting while a debarment excludes a contractor for a fixed period, generally up to 3 years. Although AOC officials must check the list of excluded parties in SAM, and as a matter of policy AOC declines to award contracts to excluded firms or individuals, AOC has no procedure for taking its own suspension or debarment actions or adding firms to the list of excluded parties.

Our prior work has found that there are several agencies, like AOC, that lack an effective suspension and debarment process. In August 2011, we reported that six executive branch agencies had not taken any suspension or debarment actions within the past 5 years despite spending significant amounts of appropriated funds buying goods and services.²⁰ By contrast, four other agencies had active suspension and debarment programs, and we identified three factors that these agencies had in common. First, these four agencies had detailed suspension and debarment policies and procedures. Second, they had identified specific staff responsible for the function. And third, they had an active process for referring matters that might lead to a suspension or debarment to the appropriate agency official.

Consistent with the findings from our prior work, in a September 2012 management letter, the AOC Inspector General proposed that AOC develop a suspension and debarment process as a means to deal with

¹⁹ According to the AOC contracting manual, a responsible contractor is one that meets the minimum standards described therein, as applicable to a specific procurement, including such characteristics as adequate financial resources to complete the contract and a satisfactory performance record regarding both quality and timeliness on previously awarded contracts.

²⁰ GAO, Suspension and Debarment: Some Agency Programs Need Greater Attention, and Governmentwide Oversight Could Be Improved, [GAO-11-739](#) (Washington, D.C.: Aug. 31, 2011).

“unscrupulous or ineffective contractors.”²¹ According to AOC officials, the agency declined to implement that recommendation, largely because without being subject to the FAR, AOC believed it could only debar contractors from doing business with AOC, and it was thought that the small number of actions anticipated would likely not justify the cost of developing a new process. However, we do not believe that this is a convincing reason. GAO, which is also a legislative branch agency, established a suspension and debarment process in 2012.²² For our process, we follow the policies and procedures on debarment and suspension contained in the FAR.²³ Our process identifies new roles and responsibilities for existing offices and officials within the agency. As part of our process, we would report on the list of excluded parties, the names of all contractors we have debarred, suspended, or proposed for debarment. Although debarment, suspension, or proposed debarment of a contractor taken by GAO would have mandatory application only to GAO, listing a contractor on the excluded parties list provides an indication to other federal agencies that they need to thoroughly assess whether the contractor is sufficiently responsible to be solicited or awarded a contract. In addition, one of the advantages of a suspension and debarment process is that an agency can address issues of contractor responsibility and provide the agency and contractors with a formal process to follow. When we shared our experience with them, officials at AOC did not identify any reasons why a similar approach could not be taken at their agency.

Conclusions

With more than half of AOC’s budget authority currently being spent on contracting, acquisition clearly plays a central role in achieving AOC’s mission. AOC has taken initial steps to establish an efficient and effective acquisition function by issuing the AOC contracting manual. The manual will help promote full and open competition in AOC’s procurement process. AOC is taking action to improve the quality of its market research which, in turn, can help enhance competition. The agency only recently started to collect competition data to inform its progress, but AOC is not fully using these data to determine the extent of its overall competition efforts and identify areas where additional focus is needed to

²¹ Carol M. Bates to Stephen T. Ayers, Sept. 28, 2012 memorandum, in Fiscal Year 2012 Performance and Accountability Report (Washington, DC: Architect of the Capitol, Dec. 4, 2012), 110-123.

²² 77 Fed. Reg. 7579 (Feb. 13, 2012).

²³ FAR Subpart 9.4.

ensure the agency is obtaining competition to the maximum extent possible. AOC is using several tools to provide oversight and hold contractors accountable; however, it lacks suspension and debarment processes that could help further protect the federal government's interests. Given the high-profile nature of AOC's mission, because of the congressional clients AOC serves, and the buildings it is responsible for, such a process would help to ensure that contracts are awarded only to responsible sources. Implementing policies and procedures for suspension and debarment would build upon AOC's existing accountability framework and would further foster an environment that seeks to hold the entities they deal with accountable.

Recommendations for Executive Action

To further enhance the acquisition function, we recommend that the Architect of the Capitol take the following two actions:

- Explore options for developing a more robust analysis of AOC's competition levels, including areas such as the trends in competition over time, the use of market research to enhance competition, and the types of goods and services for which competition could be increased;
- Establish a process for suspensions and debarments that is suitable for the AOC's mission and organizational structure, focusing on policies, staff responsibilities, and a referral process.

Agency Comments and Our Evaluation

We provided a draft of this report to AOC for review and comment. AOC provided written comments on the draft, which are reprinted in appendix II. AOC agreed with our findings, concurred with our recommendations and noted it is taking steps to implement them. We also received technical comments from AOC, which we incorporated throughout our report as appropriate.

We are sending copies of this report to the appropriate congressional committees and to the Architect of the Capitol. This report will also be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-4841 or by e-mail at woodsw@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Staff who made key contributions to this report are listed in appendix III.

Sincerely yours,

William T. Woods

William T. Woods
Director, Acquisition and Sourcing Management

Appendix I: Objectives, Scope, and Methodology

Our objectives were to assess (1) the extent to which AOC has developed and implemented acquisition policies and processes to guide its contracting function, and (2) the tools used by AOC to monitor and address contractor performance.

To address these objectives, we used data from AOC’s financial management system to identify contracts and orders with obligations during fiscal years 2013 through 2015. We selected a non-generalizable sample of 21 contracts and orders, during this timeframe to obtain insights into AOC’s recent contracting practices. To narrow our focus on which contracts to include in our review, we identified contract actions for AOC’s largest and most complex projects, which the AOC defines as any project estimated to cost \$50 million or more over the life of the project—the Cannon House Office Building Renewal Project, Cogeneration Plant Project, Capitol Dome Restoration Project, and the Refrigeration Plant Revitalization Project. As Table 2 below shows, the sample represents a mix of large and small dollar awards and types of products and services procured to support various projects across AOC.

Table 5: Description of Contracts and Orders Reviewed

Location	Contract Description	Contract Value
U.S. Capitol	Exterior stone and metal preservation	\$10,470,000
Hart Senate Office Building	Skylight replacement	\$8,830,000
Ford House Office Building	Custodial services	\$5,023,124
James Madison Building	Upgrade air handling units	\$1,900,000
Grant Memorial	Bronze conservation project	\$758,006
Senate Office Buildings	Cleaning services	\$648,706
John Adams Building	Upgrade air handling units to digital controls	\$634,610
Multiple Locations	Survey vehicle barrier system	\$479,107
Thurgood Marshall Building	Architecture and engineering services for roof replacement project	\$425,757
U.S. Capitol Visitor Center	Maintenance, management, and replacement of tour audio device system	\$399,972
All Locations	Develop continuity of operations plans	\$250,000
Botanic Garden	Replace fire alarm system	\$242,686
Cannon House Office Building Renewal Project	Pre-construction, design assistance, and construction services	\$458,120
	Construction consulting, management, and oversight services	\$932,451
	Architecture and engineering services	\$2,662,501
	Architecture and engineering services to complete design	\$4,815,400
Cogeneration Plant Project	Steam lines relocation and piping	\$183,044

Location	Contract Description	Contract Value
Capitol Dome Restoration Project	Professional painting, metal repair/casting, and lead abatement for the exterior Dome surfaces	\$40,750,038
Refrigeration Plant Revitalization Project	Construction of Phase 1 (Moving existing chillers, pipe work)	\$13,150,000
	Engineering services	\$4,409,014
	Camera robotic systems and support services	\$99,997

Source: GAO analysis of the Architect of the Capitol contracting data. | GAO-16-348

We excluded any transaction related to real estate rental or electric power payments. We assessed the reliability of AOC’s financial management system data by (1) reviewing existing information about the data and the system that produced them, and (2) comparing reported data to information from the contract files we sampled. Based on these steps, we determined that the data obtained from AOC’s financial management system were sufficiently reliable for the purposes of this review.

To examine AOC’s policies that guide its acquisition function, we reviewed its contracting policies and procedures and compared them to what is outlined in the Federal Acquisition Regulation (FAR). While the FAR does not apply to the AOC, it reflects practices widely used throughout the executive branch of the federal government. We focused our review on competition, acquisition planning, and market research as our prior work has shown that these activities are critical to building a strong foundation for successful acquisition outcomes. We reviewed prior GAO reports to identify generally accepted contract management practices for market research, acquisition planning, and competition. We reviewed market research reports, acquisition plans, justifications and approvals for sole-source awards, solicitations, and independent government cost estimates for the contracts and orders in the sample. We analyzed these documents to determine the extent to which acquisition planning and market research was consistent with AOC’s guidance. To supplement information obtained from contract files within our sample, we met with contracting officers and contracting officer technical representatives to confirm our understanding of information in the contract files. We also interviewed officials from the Acquisition and Material Management Division on the policies and procedures that guide the acquisition function.

To provide insights about the extent to which AOC competes contracts it awards, we used procurement data from AOC’s financial management system for fiscal years 2013 through 2015 to calculate its competition rate. Unlike other federal agencies, AOC does not report its procurement data to the Federal Procurement Data System-Next Generation (FPDS-

NG), which is the government's procurement database. To provide a basis of comparison, we calculated the governmentwide competition rate using data from FPDS-NG. For both AOC and governmentwide, we calculated the competition rate as the total dollars obligated annually on competitive contract actions as a percentage of total dollars obligated on all contract actions during fiscal years 2013 through 2015. This includes obligations on new contracts, orders, and modifications of existing contracts. Typically, FPDS-NG codes task and delivery orders from competitive single-award contracts as also being competed. In contrast, AOC classifies task and delivery orders derived from a competed single award contract as not competed even though the base contract was competed. In contrast, AOC classifies task and delivery orders derived from a competed single award contract as not competed because the orders are not available for competition, according to an AOC official. We adopted AOC's classification of these orders as not competed. As a result, our determination of AOC's competition rate may be understated. However, AOC and GAO officials agreed the difference is likely not substantial given the small number of single award contracts at AOC. We compared AOC's efforts to assess its competition levels against acquisition best practices and *Standards for Internal Control in the Federal Government*, which call for continually tracking spending to gain insight about how resources are being used and using the information to assess how agency's objectives are being achieved.¹

To determine how the AOC oversees contractor performance, we reviewed the same sample of 21 contracts and orders, reviewed AOC project management guidance, and interviewed relevant officials. Specifically, we used the sample to gain insight into how AOC oversees contractor performance and resolves any disagreements that may arise during the performance of the contract. We reviewed documentation in the files such as relevant clauses, notices to comply, letters of concern, contractor performance reports, and other key documents used for monitoring and compliance purposes. We also reviewed AOC contracting policies and project management guidance on how the AOC monitors contractor performance. In addition, we reviewed prior GAO work to identify tools available to agencies to monitor and take actions to address

¹ GAO, *Standards for Internal Control in the Federal Government*, AIMD-00-21.3.1 (Washington, D.C.: Nov. 1, 1999) and *Framework for Assessing the Acquisition Function at Federal Agencies* (Washington, D.C.: Sept. 2005).

or correct deficiencies regarding contractor performance.² We also interviewed AOC contracting officials and contracting officer's technical representative about their experiences in monitoring contractor performance. We interviewed officials from the Planning and Project Management division, contracting officers, and contracting officer technical representatives to understand how they ensure compliance with the terms of contracts and resolve disagreements that may arise. We reviewed AOC's contracting procedures to determine whether AOC had a process in place to address contractor performance and ensure it engages with responsible contractors and used previous GAO work on suspension and debarment as the basis for assessing AOC's efforts.³

We conducted this performance audit from April 2015 to April 2016 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.

² GAO, Federal Construction Subcontracting: Insight into Subcontractor Selection Is Limited, but Agencies Use Oversight Tools to Monitor Performance, [GAO-15-230](#) (Washington, D.C.: Jan. 2015).

³ GAO, Suspension and Debarment: Some Agency Programs Need Greater Attention, and Governmentwide Oversight Could Be Improved, [GAO-11-739](#) (Washington, D.C.: Aug. 31, 2011).

Appendix II: Comments from the Architect of the Capitol



Architect of the Capitol
U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793
www.aoc.gov

March 23, 2016

Mr. William T. Woods
Director, Acquisition and Sourcing Management
U.S. Government Accountability Office
Washington, D.C. 20548

Dear Mr. Woods:

Thank you for providing the Architect of the Capitol (AOC) with the opportunity to comment on the Government Accountability Office (GAO) draft report to the Senate Committee on Rules and Administration regarding the AOC's acquisition policies, practices and tools used to monitor and address contractor performance. The AOC concurs with GAO's findings and recommendations.

The AOC is pleased that GAO found the AOC's contracting policies and procedures to be consistent with key practices, and that the AOC followed its policies and procedures in awarding the contracts it reviewed. The GAO draft report also discusses how the AOC uses a variety of tools to monitor and address contractor performance. GAO's draft report contained two recommendations to improve our acquisition program. We concur with the recommendations and are taking steps to implement them.

The AOC would like to express its appreciation for the expertise and professionalism demonstrated by the GAO review team. Technical comments for your consideration have been provided separately. Should you need any clarifications, please don't hesitate to contact my office at 202.228.1793.

Sincerely,

Stephen T. Ayers, FAIA, LEED AP
Architect of the Capitol

Doc. No. 160308-02-02

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

William T. Woods, (202) 512-4841 or woodsw@gao.gov

Staff Acknowledgments

In addition to the contact named above, Candice Wright (Assistant Director); Emily Bond; Lorraine R. Ettaro; Victoria C. Klepacz; Julia Kennon; Katherine S. Lenane; Jose A. Ramos; Beth Reed Fritts; Roxanna Sun; and Alyssa Weir also made key contributions to this report.

Appendix IV: Accessible Data

Agency Comment Letter

Text of Appendix II:
Comments from the
Architect of the Capitol

Page 1

Architect of the Capitol
U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793
www.aoc.gov
March 23, 2016
Mr. William T. Woods
Director, Acquisition and Sourcing Management
U.S. Government Accountability Office
Washington, D.C. 20548

Dear Mr. Woods:

Thank you for providing the Architect of the Capitol (AOC) with the opportunity to comment on the Government Accountability Office (GAO) draft report to the Senate Committee on Rules and Administration regarding the AOC's acquisition policies, practices and tools used to monitor and address contractor performance. The AOC concurs with GAO's findings and recommendations.

The AOC is pleased that GAO found the AOC's contracting policies and procedures to be consistent with key practices, and that the AOC followed its policies and procedures in awarding the contracts it reviewed. The GAO draft report also discusses how the AOC uses a variety of tools to monitor and address contractor performance. GAO's draft report contained two recommendations to improve our acquisition program. We concur with the recommendations and are taking steps to implement them.

The AOC would like to express its appreciation for the expertise and professionalism demonstrated by the GAO review team. Technical comments for your consideration have been provided separately. Should you need any clarifications, please don't hesitate to contact my office at 202.228.1793.

Sincerely,

Stephen T. Ayers, FAIA, LEED AP

Architect of the Capitol

Doc. No. 160308-02-02

Data Tables

Data Table for Figure 1: AOC Contract and Order Obligations and Contract Actions for Fiscal Years 2011 through 2015

Category	Fiscal year 2015 obligations (in dollars million)
U.S. Botanic Garden	3.7
Capitol Grounds	3.77
Capitol Power Plant	88.4
Capitol Visitor Center	5.2
House Office Buildings	123.9
Library Buildings and Grounds	38.5
Office of Security Programs	17
Senate Office Buildings	18.4
Supreme Court	41.2
U.S. Capitol Building	43.9

Data Table for Figure 2: AOC Jurisdiction Contract and Order Obligations for Fiscal Year 2015

Year	Number of actions	Obligations
"2011"	4189	308.11
"2012"	3847	347.03
"2013"	3458	257.52
"2014"	3142	288.14
"2015"	3311	430.44

Accessible Text for Highlights Figure and Figure 3: Architect of the Capitol Approaches to Monitoring and Addressing Contractor Performance

Oversight tools

- On-site representative
- Daily progress report
- Inspection report
- Progress meeting

Performance communications

- Routine communication
- Notice to comply
- Letter of concern
- Contractor performance assessment

Contractual provisions

- Contract disputes
- Liquidated damages
- Termination for default

Source: GAO presentation of Architect of the Capitol (AOC) information. | GAO-16-348

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#).
Listen to our [Podcasts](#) and read [The Watchblog](#).
Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548