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2019-0013-INVI-P – Suspected Wasteful Spending: Substantiated – Suspected Violations of the Architect of the Capitol (AOC) Government Purchase Card Orders and Policies: Not Substantiated

The AOC, Office of Inspector General (OIG), received a Hotline complaint from an individual who requested confidentiality. The complainant stated that in September 2017, an AOC manager used AOC funds to purchase unnecessary collection/shred containers, which sat unused for over six months. According to the complainant, the AOC had a contract for shredding services which included contractor-provided collection/shred containers; the complainant felt the purchase of additional collection/shred containers was wasteful.

On February 17, 2016, the AOC awarded a contract for shredding services with an annual cost of \$4,858.94 for the base year with four option years. The scope in the contract's statement of work stated the contractor would provide the necessary personnel, vehicles (shred trucks), collection/shred containers, and other equipment needed to secure materials to be shredded for each collection point and securely transfer the material for onsite shredding on a biweekly basis. Further, it stated additional service and collection/shred containers were available for an additional fee of \$170.00 per service, plus a fee of \$0.0725 for up to 2,286 pounds of shredding. Between May 5, 2016, and November 13, 2017, the AOC requested additional contractor shredding service and collection/shred containers on seven occasions to support as-needed services, at a cost of \$1,198.85.

In September 2017, an AOC manager purchased 12 four-wheeled collection/shred containers, totaling \$2,943.25 using end of fiscal year 2016 funds. The AOC manager stated that frequent ad hoc customer requests for collection/shred containers created an operational need for additional wheeled collection/shred containers to augment those provided by the contractor and that four-wheeled containers were generally preferred over two-wheeled containers. After receiving the AOC-purchased four-wheeled collection/shred containers, the AOC manager returned six two-wheeled collection/shred containers to the contractor, which were part of the base contract.

The investigation substantiated that the purchase of the additional four-wheeled collection/shred containers was wasteful. The purchase was duplicative, as the contractor would provide a sufficient number of collection/shred containers as part of the base contract. The purchase of additional collection/shred containers incurred a cost of \$2,943.25, 61 percent above the annual amount of \$4,858.94 paid on the AOC contract. Despite citing an operational need for purchasing additional wheeled collection/shred containers to augment the nine contractor provided two-wheeled containers, the AOC manager returned six two-wheeled collection/shred containers (part of the base contract) to the contractor. Thus, the purchase of 12 additional four-wheeled collection/shred containers was not a requirement to accomplish the mission and this purchase was wasteful spending. If more wheeled containers were needed, the AOC manager could have requested them from the contractor. Additionally, we found no justification that four-wheeled containers would more effectively accomplish the mission than the two-wheeled containers that the contractor could supply. While we acknowledge that the purchase was within the AOC manager's purchase authority and the guidelines for purchasing as detailed in AOC Orders, returning the contractor-provided collection/shred containers was wasteful.

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The investigation did not substantiate that the purchase of additional collection/shred containers was prohibited by the AOC Government Purchase Card Orders and Policies.

Final Management Action: After reviewing the report and discussing the complaint with the AOC manager, senior management took no formal disciplinary action. They determined the AOC manager's intent was to improve customer service and increase work efficiency. However, discussions were held with the AOC manager to ensure future purchases were not duplicative of existing service contracts. The management action did not address the issue of waste by either issuing a contract modification or seeking credit for the six, two-wheeled collection/shred containers returned to the contractor. This investigation has been closed.