



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**THE NATIONAL PARK SERVICE AND
CITY CONSTRUCTION, LLC,
COMPLIED WITH THE TERMS OF
CONTRACT No. PI6PC00558**



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

AUG 23 2018

To: P. Daniel Smith
Deputy Director, Exercising the Authority of Director of the National Park Service

From: Chris Stubbs *Chris Stubbs*
Director, Office of Financial and Contract Audits

Subject: Final Report – The National Park Service and City Construction, LLC, Complied with the Terms of Contract No. P16PC00558
Report No. 2017-FIN-031

This report presents the results of our audit of a contract between City Construction, LLC, and the National Park Service (NPS). On August 29, 2016, the NPS issued a \$9,369,601 firm-fixed-price contract (Contract No. P16PC00558), which later included four modifications for a total of \$9,809,991 for City Construction—a small commercial construction company located in Washington, DC—to build a new law enforcement facility at the NPS' National Capital Region Headquarters in Washington, DC. The planned facility included office space, an armory, and a temporary holding facility. The four modifications, which were awarded for various planning and construction changes, extended the planned completion of construction to September 19, 2018.

Objective

We sought to determine whether City Construction and the NPS complied with the applicable Federal regulations and contract provisions from August 29, 2016, through March 21, 2018. Contract performance is still ongoing and is expected to be completed by September 19, 2018.

Audit Results

We found that City Construction and the NPS both complied with the applicable Federal regulations and contract provisions under Contract No. P16PC00558.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented. We appreciate City Construction's and the NPS' cooperation during this audit. We do not require a response to this report. If you have any questions during your review, please contact me at 202-208-5745.

Attachment

Background

The Disaster Relief Appropriations Act of 2013 provided \$829.2 million (\$786.7 million post-sequester) for the U.S. Department of the Interior to address impacts of Hurricane Sandy. Using a portion of these funds, on November 13, 2015, the NPS issued a \$9,369,601 firm-fixed-price contract, with four modifications for a total of \$9,809,991, to City Construction for the construction of a new law enforcement facility at the National Capital Region Headquarters in Washington, DC. City Construction is a small, commercial construction company located in Washington, DC.

Scope

We focused our audit on City Construction's and the National Park Service's (NPS') compliance with the terms of Contract No. P16PC00558 from September 13, 2016, to March 21, 2018. We reviewed compliance with applicable Federal regulations, contract terms and conditions, and NPS policies and procedures. We conducted our audit fieldwork from August 2017 through March 2018.

Methodology

We conducted this 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 determined that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we—

- interviewed the NPS contract personnel, City Construction personnel, subcontractor personnel, and other appropriate individuals
- reviewed the contract for compliance requirements
- reviewed the terms of the contract
- reviewed the support related to City Construction's and NPS' contract compliance
- reviewed the Federal Acquisition Regulation and U.S. Department of the Interior guidance related to contract compliance
- reviewed City Construction's internal controls for monitoring the contract
- reviewed computer-generated documentation
- conducted several site visits to City Construction's job site for the new NPS law enforcement facility at Hains Point in Washington, DC.

We reviewed City Construction's internal controls for contract monitoring by interviewing the office manager and owner. We also reviewed the organizational structure as part of the control environment.

City Construction provided us with a general ledger. To test the accuracy and completeness of the computer-generated documentation provided, we obtained and analyzed expenditures in the general ledger and reconciled the data with appropriate supporting documentation.

