

Job Order Contracting Policies and Procedures

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Introduction

Job Order Contracts (JOC) are an important tool for maintenance of City of New Orleans (City) properties. Developed by the Army Corps of Engineers, JOC is an alternative procurement mechanism which incorporates streamlined construction principles to increase efficiency and speed in completing repairs. JOCs differ from traditional procurement models as they require less documentation for approval and do not receive the same level of oversight by the Bureau of Purchasing. City departments must recognize these differences in order to reap the benefits of the JOC design. However, departments must also have effective policies and procedures to prevent abuse and ensure the program operates as intended.

What the OIG Found

In reviewing the policies and procedures used by the Department of Property Management (DPM) when issuing JOCs, evaluators found the department did not fully comply with the requirements of CAO Policy Memorandum No. 113(R) due to contradictory guidance from the Bureau of Purchasing and the Law Department, as well as policy provisions which were not applicable to this unique procurement mechanism. Evaluators also found the department did not follow its own internal procedures for approval of jobs. Instead, the DPM adopted an expedited approval process for most jobs, one intended for use when an urgent response was needed. Employees and management stated the expedited approval process was necessary due to the overburdening of the current contractor as the sole provider of JOC services. However, the department had no process in place to differentiate between urgent and non-urgent jobs. Finally, the DPM failed to keep accurate data and did not monitor and use readily available data to evaluate and continuously improve the efficiency of the JOC program.

What the OIG Recommended

To improve the efficiency and effectiveness of the program, evaluators recommended the DPM work with the Bureau of Purchasing and the Law Department to develop policies that are consistent with the law, jurisprudence and best practices. These procedures should include mechanisms for periodic review and oversight by the Bureau of Purchasing. The DPM should also develop internal controls to ensure the department only uses expedited approvals for jobs requiring an urgent response. Finally, the DPM should improve data integrity by conducting quality assurance checks, developing employee performance measures related to data accuracy, and creating a plan for program evaluation and continuous improvement.

Purpose of This Report

The purpose of the OIG's review was to determine whether departments within the City of New Orleans were utilizing the JOC process effectively, efficiently, and in accordance with City policies and state law. Evaluators also sought to determine whether City departments applied adequate internal and external controls to safeguard the procurement process.