



# OFFICE OF THE INSPECTOR GENERAL

## U.S. Department of Justice

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### **DOJ OIG Releases Audit Report on the BOP's Contract Awarded to Sealaska Constructors, LLC to Build Facilities at the Federal Correctional Institution in Danbury, Connecticut**

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report examining the Federal Bureau of Prisons' (BOP) contract with Sealaska Constructors, LLC (SCL) to build facilities at the Federal Correctional Institution (FCI) Danbury in Danbury, Connecticut. The contract's period of performance was from June 2015 through October 2017, and had a total value of approximately \$28 million.

Today's report from the DOJ Office of the Inspector General (OIG) concludes that BOP solicited and entered into a sole-source contract with SCL in accordance with the Federal Acquisition Regulation, and that SCL constructed the facilities in accordance with BOP specifications. However, we identified weaknesses in BOP's: (1) pre-award project planning, (2) acquisition planning, (3) contractor performance evaluation, and (4) contract pricing procedures.

The specific findings in the report released today include:

- **Project Planning.** BOP did not anticipate significant problems with its plan to convert FCI Danbury's existing federal prison camp to a facility with a higher security level. By the time BOP identified problems and implemented an alternative plan, it had already paid over \$1.7 million to construct an entry building that was no longer necessary. Additionally, while BOP's pre-award planning addressed the housing of female offenders, it did not adequately evaluate other critical institutional aspects, such as programming, food services, and health services. Important BOP subject matter experts on these topics were not consulted until after the contract was awarded, and valuable feedback that identified these deficiencies during the planning stage was left unaddressed. BOP's late addition of a Programs Building to resolve these issues extended the project's ultimate completion date and compromised BOP's ability to transfer female inmates to FCI Danbury as quickly as possible.
- **Acquisition Planning.** BOP's Acquisition Plan for the FCI Danbury project lacked sufficient detail. For example, the Applicable Conditions section of the plan failed to include conditions about which the former Warden expressed concern in an August 2014 memorandum, including: (1) a lack of indoor and outdoor recreation, and medical space for inmates; (2) inadequate office, classroom, and leisure space; and (3) satellite

feeding due to a lack of food service space, which would present logistical issues.

- **Contractor Performance Evaluation.** BOP did not complete and enter SCL's interim performance results for 2016 into the government-wide electronic contractor evaluation system, as required by the Federal Acquisition Regulation. This evaluation system is used to ensure that current, complete, and accurate contractor performance information is available for use in procurement source selections.
- **Contract Pricing and Profit.** BOP generally completed contract pricing in accordance with the Federal Acquisition Regulation, but it did not use a structured approach to determine a profit or fee pre-negotiation objective or to analyze SCL's profit. As a result, BOP's contract did not provide the proper motivation for optimum contract performance.

Today's report makes eight recommendations to assist BOP in improving contract administration and oversight of its construction contracts.

**Report:** Today's report is available on the OIG's website under "Recent Reports" and at the following link: <https://oig.justice.gov/reports/2018/a1831.pdf>.

**Video:** To accompany today's report, the OIG has released a 2-minute video featuring the Inspector General discussing the report's findings. The video is available at the following link: <https://oig.justice.gov/multimedia/video-09-20-18.htm>.

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