

THOMAS R. CARPER, DELAWARE, CHAIRMAN

CARL LEVIN, MICHIGAN
MARK L. PRYOR, ARKANSAS
MARY L. LANDRIEU, LOUISIANA
CLAIRE McCASKILL, MISSOURI
JON TESTER, MONTANA
MARK BEGICH, ALASKA
TAMMY BALDWIN, WISCONSIN
HEIDI HEITKAMP, NORTH DAKOTA

TOM COBURN, OKLAHOMA
JOHN McCAIN, ARIZONA
RON JOHNSON, WISCONSIN
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
MICHAEL B. ENZI, WYOMING
KELLY AYOTTE, NEW HAMPSHIRE

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

RICHARD J. KESSLER, STAFF DIRECTOR
KEITH B. ASHDOWN, MINORITY STAFF DIRECTOR

November 22, 2013

The Honorable Gene L. Dodaro
Comptroller General of the United States
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

I am writing to request that the Government Accountability Office (GAO) review the award, management, and oversight of contracts for websites related to the new healthcare.gov platform.

I first raised concerns regarding the management and oversight of contracts awarded by the Centers for Medicare and Medicaid Services (CMS) in a 2010 Subcommittee hearing on the topic. At that hearing, the GAO reported that there were “pervasive deficiencies” with contract management and internal controls at CMS. GAO also testified that CMS’ failures included “the lack of strategic ..., reliable data for effectively carrying out contract management responsibilities, and follow-up to track, investigate, and resolve contract audit and evaluation findings for purposes of cost recovery.”¹

Recent news reports regarding the contracts to develop the healthcare.gov platform suggest that CMS has not adequately implemented GAO’s recommendations to improve the deficiencies identified at the Subcommittee’s hearing. To better understand the policies and controls used by the Department of Health and Human Services to manage these contracts, I request that GAO review the overall scope of the Department’s acquisition strategy, the key requirements, and how the Department assessed the key needs of users of the technology for healthcare.gov. I also ask that GAO review the governance structure of the websites, the provision for contractor oversight, management of resource needs and what steps the Department took to mitigate risks and challenges, including cost, requirements changes, and data quality issues. I also ask that GAO assess the Department’s estimates of total lifecycle costs for the entire website architecture.

¹ Senate Homeland Security & Governmental Affairs Committee, Subcommittee on Contracting Oversight, *Oversight of Contract Management at the Centers for Medicare and Medicaid Services* (April 28, 2010).

I also request that GAO look at all aspects of contract management and oversight for all contractors that were used either to conduct substantive technology work or to provide contract oversight, including:

- (1) The solicitation and requests for proposal issued by the Department;
- (2) The proposals, both technical and cost, received by the Department, including the final proposals that led to award;
- (3) The memoranda which documented the justification for award to the prime contractor, any trade-offs made during the source selection process, the negotiations with the prime contract, the responsibility determination, and the determination of price reasonableness;
- (4) Any analyses regarding the contract vehicle used, including whether the contract was a task order off an established indefinite-delivery, indefinite-quantity contract;
- (5) Final contracts and all modifications;
- (6) Subcontracting plans and any related requirements, and how the plans were implemented;
- (7) Performance metrics, evaluations, including justifications, required under Federal Acquisition Regulation § 41.15 regarding prime contractors' performance;
- (8) Any stop work orders, if issued;
- (9) The payment history and invoice history, including the use of any award or incentive fees for the contracts, and any related communications;
- (10) Inspection and acceptance reports, and any communications related to inspection and acceptance; and,
- (11) Plans detailing how the prime contractors' performance, and meeting of contract milestones would be monitored and communications related to performance.

Based upon the review of this information, I ask that GAO assess whether the Department followed both its own internal acquisition policies and the Federal Acquisition Regulation, and whether the Department's internal policies and controls were sufficient to manage and oversee cost and schedule. I also request that GAO assess whether there were sufficient procedures for validating milestones and performance. I also request that GAO analyze whether the Department's contract vehicle and structure allowed for sufficient oversight, and whether the Department over-relied on contractors to conduct oversight.

The Honorable Gene L. Dodaro
November XX, 2013
Page 3

Please contact Sarah Garcia or Cathy Yu with the Subcommittee staff at (202) 224-7155 with any questions. Please send any official correspondence relating to the request to the Subcommittee's clerk at kelsey_stroud@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Financial and
Contracting Oversight

cc: Ron Johnson
Ranking Member
Subcommittee on Financial and
Contracting Oversight