

SUMMARY

Identifying and Managing Significant Adverse Information During Vendor Selection at MTA Bridges and Tunnels MTA/OIG Report #07-10

B&T is generally in compliance with MTA and agency procedures for designating contractor information as “significant adverse information,” conducting additional investigation of the information as required, and obtaining approvals from the agency and/or from the MTA Executive Director before finding that the contractor is responsible despite significant adverse information.

The databases searched for information on contractor capabilities and performance, both internal to MTA and external, were not always up to date; some of the missing information was the responsibility of B&T. Some of the database searches were not as complete as required. In two instances, contractors who are required to self-report any potentially adverse information occurring after the contract is signed, failed to self-report. In two instances, approval was sought from the Board for contracts before the responsibility determination was completed; in one of these cases the Board was clearly notified of the incompleteness. B&T maintains that the responsibility determination is only required to be complete before the contract is awarded, not before approval is sought. In our opinion, the practice of seeking Board approval prior to completion of the responsibility determination should be avoided.

Procedures require assessment of financial information, required to be supplied by the bidder, to determine the capacity of the bidder to assume the financial responsibilities of the contract, including obtaining performance bonds. In some instances, the required financial information was not supplied by the bidder and this assessment was not completed.

We explored with B&T staff, the possibility of an annual search of a recognized database for all contractors found responsible despite significant adverse information. As the contract goes forward, the agency needs a means of monitoring the significant issues it noted. An annual review would permit B&T to monitor the issues and to check on the contractor’s compliance with self-disclosure requirements; B&T staff agreed.