

#### National Science Foundation • Office of Inspector General

4201 Wilson Boulevard, Suite I-1135, Arlington, Virginia 22230

#### **MEMORANDUM**

**DATE:** January 13, 2016

**TO:** Jeffrey M. Lupis

Director, Division of Acquisition and Cooperative Support (DACS)

**FROM:** Dr. Brett M. Baker

Assistant Inspector General for Audit

**SUBJECT: NSF OIG Audit Report No. OIG-16-1-001,** *Audit of CH2M HILL Constructors* 

Inc.'s (CCI) Proposed Amounts on Unsettled Flexibly Priced Contracts for FY

2008

We contracted with the Defense Contract Audit Agency (DCAA) to participate in an incurred cost audit of CH2M HILL Constructors, Inc. (CCI) for FY 2008 that included NSF's U.S. Arctic Program contract (ARC-0520837). This audit questioned \$373,815 of the proposed direct and indirect costs for the NSF contract.

Therefore, we recommend that the NSF Director of the Division of Acquisition and Cooperative Support:

- 1) Resolve the \$373,815 of NSF questioned contract costs, and
- 2) Work with the DoD cognizant audit resolution officials to assure that any additional corrective actions applicable to NSF are taken.

See also OIG Audit Report No. OIG-16-6-002 for additional information we obtained from DCAA affecting this NSF contract and timeframe.

To fulfill our monitoring responsibilities, the Office of Inspector General:

- Reviewed the approach and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings with DCAA and NSF officials as necessary to discuss audit progress, findings and recommendations;
- Reviewed the report prepared by DCAA; and

• Coordinated issuance of the report.

DCAA is responsible for the attached report and the resulting conclusions.

Please coordinate with our office during the six month resolution period, as specified by OMB Circular A-50, to develop a mutually agreeable resolution of the audit findings. Also, the findings should not be closed until NSF determines that all recommendations have been adequately addressed and the proposed corrections actions have been satisfactorily implemented.

We thank you and your staff for the assistance extended to us during the audit. If you have any questions about this report, please contact Sherrye McGregor at (703) 292-5003 or Jannifer Jenkins at (703) 292-4996.

Attachment: DCAA Audit Report No. 3151-2008E10100945; Independent Audit Report on

CH2M HILL Constructors Inc.'s (CCI) Proposed Amounts on Unsettled Flexibly

Priced Contracts for FY 2008, dated March 17, 2015

cc: Richard Buckius

Kelly Falkner

Mary Rouse

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# Audit Report No. – 3151-2008E10100945 Rocky Mountain Branch Office 10375 Park Meadows Drive, Suite 580 Littleton, CO 80124-6791 March 17, 2015

Independent Audit Report on CH2M HILL Constructors Inc.'s (CCI) Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2008





# **Audit Report No. 3151-2008E101000945**

# March 17, 2015

## **CONTENTS**

	<u>Page</u>
Executive Summary	1
Report on Proposed Contract Amounts	2
Management's Responsibility	2
Auditor's Responsibility	2
Basis for Qualified Opinion	3
Qualified Opinion	6
DCAA Personnel and Report Authorization	7
Audit Report Distribution and Restrictions	8
Exhibits	17
Appendix	78



Audit Report No. 3151-2008E10100945

March 17, 2015

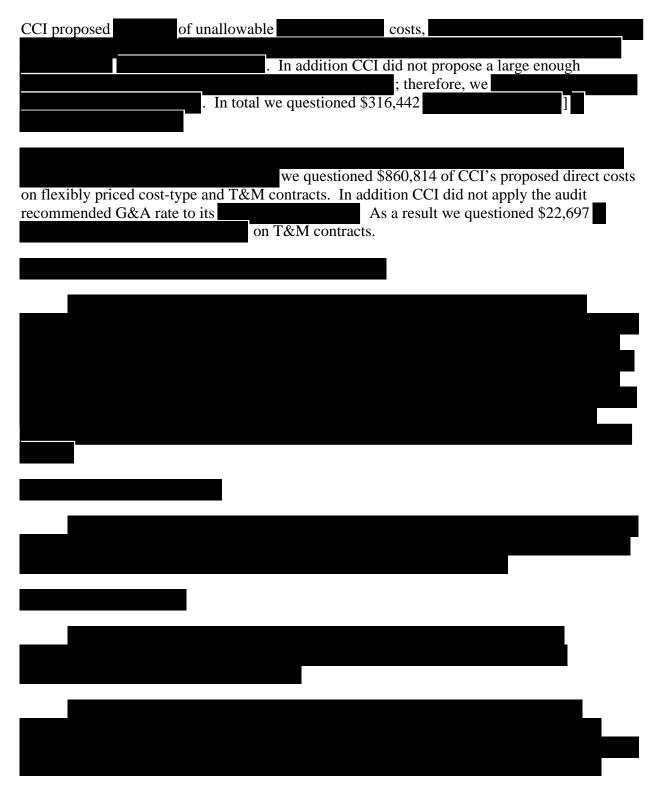
### **EXECUTIVE SUMMARY**

# ABOUT CH2M HILL CONSTRUCTORS, INC. (CCI)

CH2M HILL Constructors, Inc. (CCI) is a remediation and design build company. CCI is a
subsidiary of CH2M HILL Companies, Ltd. (LTD) and employed approximately
nationwide as of its fiscal year ended December 31, 2008. CCI's 2008 sales were approximatel
with approximately of CCI's sales on Government flexibly priced
contracts. CCI has offices located throughout the world however; its main location is 9191 S.
Jamaica St. Englewood, CO 80112. CCI uses the following CAGE codes:

### **ABOUT THIS AUDIT**

# WHAT WE FOUND



The remainder of this report contains non-public material and is not posted.