


**Department of General Services**

**Response**

**Case # 24-0048-I**

FROM	NAME & TITLE	Berke Attila, Director	CITY of BALTIMORE  <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of General Services 200 N. Holliday St., Suite 800		
	SUBJECT	DGS Contractor Payment Issues Case #24-0048-I		

DATE:

TO

Office of the Inspector General  
 100 N. Holliday St., Suite 635  
 Baltimore, MD 21202

May 3<sup>rd</sup>, 2024

This correspondence will serve as the Department of General Services' (DGS) official response to the Office of the Inspector General's (OIG) Management Alert for Case #24-0048-I.

DGS appreciates the OIG's efforts to ensure that City vendors compensate their employees in a timely manner for all hours worked. DGS agrees with the OIG's investigative findings regarding [REDACTED].

On **Monday, April 15th**, [REDACTED], the owner of [REDACTED] informed the City that the company was facing financial distress due to wage garnishments from the Internal Revenue Service and would be unable to meet payroll for the prior pay period. Despite our inquiries about continuing services through the week, [REDACTED] confirmed on **Tuesday, April 16th**, via email to Chief Procurement Officer Adam Manne, that they would not be able to continue operations and had notified their employees accordingly.

Following discussions between DGS, the Bureau of Procurement, the Law Department, and the City Administrator, we took immediate action to reassign the buildings within [REDACTED] portfolio to [REDACTED], another custodial contract holder, via a walk-on item at the Board of Estimates (BOE). On **Wednesday, April 17th**, the BOE formally terminated the contract with [REDACTED] and reassigned the award solely to [REDACTED]. At DGS' request, [REDACTED] also agreed to hire [REDACTED] former employees to provide them continuity of employment.

On **Wednesday, April 24th**, DGS met with the Wage Commission and Law Department and concluded that the Wage Commission would further investigate the overtime pay and compensation concerns on behalf of the former [REDACTED] employees. This investigation is currently underway.

DGS remains committed to ensuring continuity of critical vendor services while partnering with the Law Department and Wage Commission to identify a resolution to the investigative findings outlined in the OIG's report.

Again, we thank you for your attention to this matter. Please do not hesitate to contact DGS with any further questions.

Sincerely,



Berke Attila, DGS Director