



OFFICE OF THE INSPECTOR GENERAL

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NEWS RELEASE

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OIG Finds DPS Spent \$2M on Abandoned Permitting System Project

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of a new Office of the Inspector General (OIG) report, [*Enterprise System Procurement at the Department of Permitting Services*](#), OIG Publication # 24-02, detailing the results of an OIG review of the Department of Permitting Services' (DPS) efforts to procure and implement a new enterprise system to replace existing permitting systems. The review was initiated in furtherance of the OIG's mission to promote efficiency and effectiveness in county programs and operations.

In May 2021, DPS used a contract bridged from another public entity to procure a single enterprise software system with a projected cost of \$4.5 million. This enterprise system was intended to replace four disparate systems DPS was using to manage and administer permits, licensing, inspections, and code enforcement activities. From the outset, implementation of the new system presented numerous challenges, including DPS's limited ability to customize the new system and the fact that staff lacked the expertise needed to migrate necessary data. After spending approximately \$2.1 million, the contract was terminated prior to implementation of the new system.

The OIG review found no instances of non-compliance with county law, regulation, or policy. However, the OIG recommended several enhancements aimed at increasing efficiencies and mitigating risks in such projects, reducing waste, and better safeguarding public funds. The OIG provided the County Administrative Officer (CAO) three recommended enhancements to county procedure and policy. The CAO detailed that the county has taken actions that align with some of the OIG's recommendations.

The full report can be found at the following location,
https://www.montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2024/OIG_24-02.pdf

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