



**Office of Audits
Office of Inspector General
U.S. General Services Administration**

IMPLEMENTATION REVIEW OF ACTION PLAN

**PBS Did Not Follow Internal Guidance for
Congressional Notification and Violated
Competition Requirements When
Supplementing Funding of
Recovery Act Projects
Report Number A120111/P/R/R14001
March 17, 2014**

*Assignment Number A150038
September 25, 2015*



**Office of Audits
Office of Inspector General
U.S. General Services Administration**

DATE: September 25, 2015

TO: Norman S. Dong
Commissioner
Public Buildings Service (P)



FROM: Gregory Ventola
Audit Manager
Northeast and Caribbean Region Audit Office (JA-2)

SUBJECT: Implementation Review of Action Plan
PBS Did Not Follow Internal Guidance for Congressional Notification
and Violated Competition Requirements When Supplementing
Funding of Recovery Act Projects
Report Number A120111/P/R/R14001
March 17, 2014
Assignment Number A150038

We have completed an implementation review of the management actions taken in response to the recommendations contained in the subject audit report (see **Appendix A**). The objective of our review was to determine whether PBS has taken the corrective actions as outlined in the Action Plan for *PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects*. To accomplish our objective we:

- Reviewed the audit report recommendations and approved corrective action plan;
- Reviewed documentation submitted by the PBS Office of Design and Construction to the GAO/IG Audit Response Division to resolve action plan items;
- Held discussions with PBS officials; and
- Obtained additional documentation to support PBS's response to the audit.

Our implementation review found that PBS addressed the audit recommendations in the action plan, dated May 20, 2014.

If you have any questions regarding this report, please contact me or any member of the audit team at the following:

Gregory Ventola Audit Manager gregory.ventola@gsaig.gov (212) 266-3361
Marcia Raghubar Auditor-In-Charge marcia.raghubar@gsaig.gov (212) 266-3363

On behalf of the audit team, I would like to thank you and your staff for your assistance during this review.

Background

On March 17, 2014, we issued an audit report, *PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects* to the Commissioner of PBS. The objective of our audit was to determine whether PBS supplemented the funding of Recovery Act projects with non-Recovery Act funds. If so, determine if the funds were used in compliance with applicable laws, regulations, and policies.

Our audit found that PBS:

- Supplemented Recovery Act projects with non-Recovery Act funds without notifying Congress; and
- Awarded Recovery Act contract modifications in violation of competition requirements.

To address the issues identified in the report, we recommended that the Commissioner of PBS:

- Notify Congress of the use of Minor Repairs and Alterations funds to supplement Recovery Act projects.
- Perform an internal review to identify Recovery Act projects that were supplemented with non-Recovery Act funds without Congressional notification. Notify Congress of any additional project with supplemental funding.
- Ensure that changes outside the scope of the contract are handled in accordance with Federal Acquisition Regulation Part 6.

The Commissioner of PBS agreed with our recommendations.

Results

Our implementation review found that PBS has taken appropriate corrective actions to address the recommendations. We determined that no further action is necessary to address our recommendations.

Appendix A – Action Plan for Report Number A120111/P/R/R14001

PBS Action Plan

Designated Responding Official: [REDACTED]
 Contact Person: [REDACTED]
 Telephone Number: [REDACTED]
 Date: May 2014

Action Report Number/Title	Recommendation Number	Proposed Recommendation Completion Date
A120111/P/R/R14001 PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects	1	

Recommendation

Notify Congress of the use of Minor Repairs and Alterations funds to supplement Recovery Act projects.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Documentation will be Sent Last Day of:
1. The Public Buildings Service (PBS) will include the Minor Repairs and Alterations funds that supplemented Recovery Act projects in the next American Recovery and Reinvestment Act Spending Plan.	American Recovery and Reinvestment Act Spending Plan #11	July 31, 2014

Appendix A – Action Plan for Report Number A120111/P/R/R14001 (cont.)

PBS Action Plan

Designated Responding Official: [REDACTED]
 Contact Person: [REDACTED]
 Telephone Number: [REDACTED]
 Date: May 2014

Action Report Number/Title	Recommendation Number	Proposed Recommendation Completion Date
A120111/P/R/R14001 PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects	2	

Recommendation

Perform an internal review to identify Recovery Act projects that were supplemented with non-Recovery Act funds without Congressional notification. Notify Congress of any additional projects with supplemental funding.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Documentation will be Sent Last Day of:
1. The Public Buildings Service (PBS) will include the Minor Repairs and Alterations funds that supplemented Recovery Act projects in the next American Recovery and Reinvestment Act Spending Plan.	American Recovery and Reinvestment Act Spending Plan #11	July 31, 2014

Appendix A – Action Plan for Report Number A120111/P/R/R14001 (cont.)

PBS Action Plan

Designated Responding Official: [REDACTED]
 Contact Person: [REDACTED]
 Telephone Number: [REDACTED]
 Date: May 2014

Action Report Number/Title	Recommendation Number	Proposed Recommendation Completion Date
A120111/P/R/R14001 PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects	3	

Recommendation

Ensure that changes outside the scope of the contract are handled in accordance with Federal Acquisition Regulation Part 6.

PBS Action Plan

Action to be Taken Step-by-Step:	Supporting Documentation:	Documentation will be Sent Last Day of:
1. Deputy Assistant Commissioner for Acquisition will send e-mail to all PBS 1102s concerning their responsibilities on assessing out of scope changes and the documentation required under FAR part 6.	Copy of e-mail.	May 30, 2014

Appendix B – Report Distribution

PBS Commissioner (P)

PBS Deputy Commissioner (PD)

PBS Chief of Staff (P)

Regional Recovery Executive (2PC, 3PR, 5PN, 8PC, 9P2PT)

National Program Office ARRA Executive (PCB)

Senior Accountable Official for Recovery Act Reports (PCBJ)

Chief of Staff, PBS Office of Construction Programs (PCB)

Regional Administrator (2A, 3A, 5A, 8A, 9A)

Regional Commissioner (2P, 3P, 5P, 8P, 9P)

Regional Counsel (LD2, LD3, LD5, LD8, LD9)

Director, Management and Oversight Division (H1C)

Strategic Program Manager, PBS Program Mgmt. & Support Div. (PCBF)

Analyst, PBS Program Mgmt. & Support Div. (PCBF)

Audit Liaison (BCP)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)

Deputy Assistant Inspector General for Investigations (JID)

Director, Office of Internal Operations (JI-I)