

CASE CLOSING AUTHORIZATION		
ADMINISTRATIVE ACTIONS	INITIAL IF APPLICABLE or "NA."	
1. VERIFICATION OF DOCUMENTS FORWARDED TO CENTRAL OFFICE	Agent	ASAC/SAC
Agent's Notes prepared in compliance with OIG Manual 904.01L	N/A	na
Disposition of evidence documented in accordance with OIG Manual 906.04E and 906.04F	N/A	na
Disposition of FGJ material consistent with Rule 6 (e) of the FRCP	N/A	na
2. ROIs AND DISPOSITION REPORTS RECOVERED	N/A	na
3. FBI NOTIFICATION LETTER DOCUMENTED IN CASE FILE	NO	(b) (6), (b) (7)(C)
4. AUDITS NOTIFIED OF RESULTS REGARDING SOI	N/A	na
5. MANAGEMENT DEFICIENCY REPORTED	N/A	na
6. SUSP/DEBARMENT CASE PREPARED	N/A	na
COMMENTS	(b) (6), (b) (7)(C), (b) (7)(F)	
AUTHORIZED BY ASAC		DATE: 05/21/2010"

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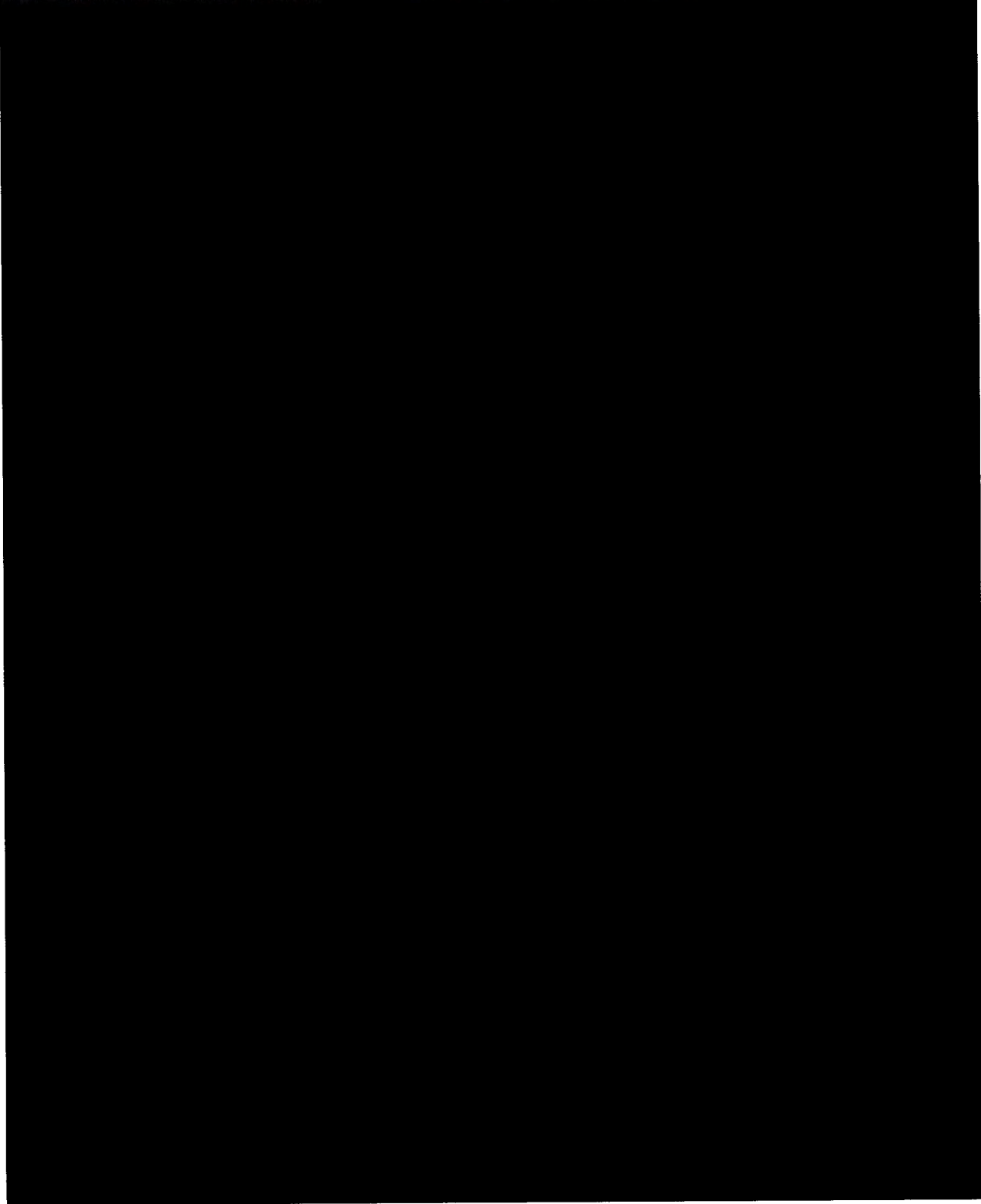
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U.S. General Services Administration
Office of Inspector General

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SEPTEMBER 23, 2009

MEMORANDUM FOR

(b) (6), (b) (7)(C), (b) (7)(F)

SPECIAL AGENT IN CHARGE
NATIONAL CAPITAL REGIONAL OFFICE (JI-W)

FROM:

(b) (6), (b) (7)(C)

ACTING DIRECTOR, OFFICE OF FORENSIC AUDITING
OFFICE OF INTERNAL EVALUATION AND ANALYSIS (JE)

SUBJECT:

Executive Washroom, Department of Interior – Main Building
Design Concept, Contract Number GS-11P-08-YT-C-0011
Design Build, Contract Number GS-11P-08-MA-C-0161
JI Case Number I09W0621

The Office of Forensic Auditing has completed a limited review of both the design concept services, and design-build services contracts for the renovation of the executive washroom in the Secretary of the Interior's Suite, room 6151, of the Department of Interior (DOI) Main Building, located at 1849 C Street, NW, Washington, DC.

As a result of a Washington Post blog¹ posting, concerns regarding the costs associated with the renovation were brought to the public's attention in January 2009. The renovation was accomplished under two small business 8(a) sole source contracts awarded to Company X, a Rockville, Maryland firm with prior historic renovation experience. Because the renovation was approved and awarded by GSA, the OIG assisted the investigation initiated by DOI. The Office of Forensic Auditing was requested to provide technical support in the determination of price reasonableness for the overall renovation project.

The purpose of the review was to determine whether or not the pricing awarded under the two contracts, GS-11P-08-YT-C-0011 and GS-11P-08-MA-C-0161, was appropriate based on the scope of work and the services and materials received.

We found that for the entirety of the executive washroom renovation project, from design through construction completion, the price paid for the services and materials received was favorable to the government. Our findings are qualified to the extent that we were unable to independently verify the costs incurred for the design concept contract, GS-11P-08-YT-C-0011. As an alternative, we utilized a recent research study, published architectural articles, and GSA's

¹ http://voices.washingtonpost.com/washingtonpostinvestigations/2009/01/interiors_bathroomgate_still_g.html?wprss=washingtonpostinvestigations

“P-120 Project Estimating Requirements for the Public Building Service”² (P-120) to determine that the *design concept* contract may have exceeded industry expectations by \$15,754. However, with regard to the design-build services contract, Company X provided invoices for materials, equipment, and subcontractors determined to be sufficient documentation to support the costs incurred for labor and materials required to complete the construction, including all change orders. When these design build costs were evaluated along with applicable overhead and administrative, profit, and bond rate burdens, we found that Company X incurred *design-build* costs that were \$31,350 in excess of the contract award. As a result, our pricing analysis indicates that the value of the services and materials received exceeded the combined award value of the contracts.

Although the design build costs incurred under GS-11P-08-MA-C-0161 were fully supported, we question the government’s need for the customized and special order items incorporated into the final project. In addition, we noted several procurement irregularities on the part of both DOI and GSA that we will refer to the Office of Audits for their consideration for future audit.

If you have any questions or concerns regarding this review, or require additional information or support, please contact me at (b) (6), (b) (7)(C)

cc: Robert Erickson, J
Gregory Rowe, JI
Theodore Stehney, JA
(b) (6), (b) (7)(C), (b) (7)(D) JI-W

² P-120 Project Estimating Requirements for the Public Building Service, US General Services Administration, Office of the Chief Architect, January 2007.

Purpose

The purpose of the review was to evaluate the price reasonableness of the contracts awarded for the renovation of the executive washroom in the Secretary of the Interior's Suite, room 6151, of the Department of Interior (DOI) Main Building, located at 1849 C Street, NW, Washington, DC.

Background

Ongoing modernization renovations of the Department of Interior Main Building required that the Secretary's existing private bathroom, with full shower and tub, be replaced by a new emergency exit staircase. This design left the Secretary without a private restroom. The modernization effort required the removal of the original bathroom in the Secretary's suite and taking an area that had been converted to a powder room and adding a shower, cabinetry and upgraded fixtures.³ The entire renovation project was accomplished under two separate contract actions issued by GSA's Potomac Service Center contracts team in Washington, DC. It is an acceptable PBS practice to divide a project into two phases when it involves extensive design and/or specification development; one for the design and specification development, and the other for construction.⁴

The design concept contract, GS-11P-08-YT-C-0011, was awarded to Company X on October 26, 2007 in the amount of \$60,960.45. The scope of work provided for a design concept for the Secretary's private restroom in the DOI main building, including the relocation or replacement of the existing fixtures and the addition of a new shower facility and storage, upgrading the existing bathroom to a bathroom with shower. Upgrades and improvements were to be kept in compliance with Historic Preservation Guidelines. The design was to include, but not limited to, all surveys, documentation, research, presentations, contract drawings, specifications, cost estimates, and calculations necessary to complete the project. The services required under the contract were to assist GSA with designing a new layout for the room to allow for the addition of a shower and appropriate storage, and provide concept drawings as required to complete the recommended design modifications that the GSA project manager and the GSA Historic Review Board approved.

A follow on contract for renovation design build services, GS-11P-08-MA-C-0161, was awarded to Company X on July 3, 2008 in the amount of \$132,810. The scope of work included full renovation of the historic bathroom, including demolishing the existing finishes and providing new tall cabinets, new floor tile, new tile wainscot, painting, a new opening in the wood paneling wall, new toilet, new sound proof wall, marble threshold, new marble slab wall, new marble shower stall, new period faucet, new recessed lighting, new wall sconce, new Sub-Zero refrigerator/freezer, domestic hot/cold water piping, exhaust fan, finish hardware, and drainage

³ Email from (b) (6), (b) (7)(C) to Tom (b) (6), (b) (7)(C) both of GSA, dated June 26, 2007.

⁴ RWA National Policy Document, May 4, 2005, section 3.2.2.1

pipng. The historic shower was to be constructed to historic preservation requirements. The design build contract later encompassed additional criteria. Change order PC01 added a travel storage cabinet with marble top, new lavatory and base cabinet, and black marble shower bench. The amount of this modification was \$18,460.00. Change order PC02 was for unforeseen conditions, and included an x-ray of the floor slab, asbestos pipe insulation removal, and a change to the terracotta elevator wall to four inches wide with a two-hour fire rated partition. The amount of this modification was \$10,180.00.

The renovation start date was scheduled for August 4, 2008 and completion of work was scheduled to end on September 1, 2008. The renovation was commenced timely, and substantial completion was documented on September 8, 2008.

The combined contractual award price for the bathroom project was as follows:

Design concept		
GS-11P-08-YT-C-0011		\$60,960.45
Design-Build		
GS-11P-08-MA-C-0161	\$132,810.00	
Change Order PC01	18,460.00	
Change Order PC02	<u>10,180.00</u>	
Subtotal		<u>161,450.00</u>
Total Contract Award for Bathroom Renovation		\$222,410.45

Objectives, Scope and Methodology

The objective of the review was to determine whether or not the pricing awarded under the two contracts was appropriate based on the scope of the services and materials received. In order to accomplish the objectives, we:

- Reviewed applicable Federal Acquisition Regulations (FAR), the GSA Acquisition Manual (GSAM) and local procurement guidance;
- Obtained and reviewed the contracting officer's procurement files for compliance with applicable policies and procedures;
- Obtained and reviewed the project manager's files for compliance with applicable policies and procedures;
- Participated in interviews of key procurement personnel;
- Received and reviewed subpoenaed contract related documents from the contractor;
- Evaluated the contractor's invoices for materials and subcontractor work;
- Established timeline of procurement events, and;
- Researched architect design fees and established a benchmark for comparison

Results of Review

Design Concept Fees Exceed Industry Expectations - (GS-11P-08-YT-C-0011)

Company X failed to provide any documentation supporting the costs incurred for the design concept contract, GS-11P-08-YT-C-0011, thus precluding a direct analysis of both the costs incurred and the appropriateness of the design concept contract award value. Although Company X was required to provide contract related documents under a subpoena issued by GSA on July 10, 2009, the company did not provide sufficient detail relating to our request for documentation under this contract. As an alternative, we considered recent research, published architectural articles, and GSA publication P-120 to determine that the design concept fees paid theoretically exceeded industry expectations by as much as 9.76 percent.

Although we found that there is no definitive method for pricing architectural design concept services, we found that fees are typically identified as a percentage of total construction costs and vary in range as a result of project complexity. We also found that fees for smaller, complex jobs that must be tailored to existing conditions were consistently cited at the highest fee percentage per construction cost.

In establishing a benchmark from which to compare design concept fees, we referred to both institutional and private sources. These sources, to include articles published in the American Society of Civil Engineers (ASCE) Research Library, the State of Delaware website, and various articles posted by private architectural firms, cited design fees as low as eight percent, and were most often in the 10 to 15 percent range. One source, an online Washington Post article dated June 27, 2008⁵, cited architect fees as high as 18 percent in the Washington, DC area. We also researched GSA Public Building Services (PBS) guidance for design cost estimating. In publication P-120, PBS establishes that the Government is to incorporate a percentage allowance for construction cost estimates with design contingencies starting at 10 percent. We did not find specific references to design service fees involving historic preservation elements; the complexity of which we would consider to have some influence over pricing.

Taking into consideration the many factors influencing architect's fees, we calculated our benchmark pricing at the highest rate found for design services in Washington, DC, 18 percent, and added the 10 percent contingency allowed by GSA. As a result, we estimate a ballpark design concept fee of \$45,206 for the bathroom renovation project. We calculated this number as shown below, and compared it to the design concept contract award value:

⁵ <http://www.washingtonpost.com/wp-dyn/content/article/2008/06/27/AR2008062701655.html>

Total award GS-11P-08-MA-C-0161	\$161,450	
18% Washington, DC based architect fee		\$29,061
10% P-120 design contingency		<u>16,145</u>
Total Benchmark Design Fee		\$45,206
GS-11P-08-YT-C-0011 ⁶		<u>60,960</u>
Overage		\$15,754

This analysis indicates that the design concept contract, valued at 37.8 percent of construction costs ($\$60,960/\$161,450 = 0.378$), exceeded the combined fee and contingency industry expectation by 9.76 percent ($\$15,754/\$161,450 = 0.0976$).

We also considered the “A/E Design Fee” incorporated in the Design-Build contract, GS-11P-08-MA-C-0161. Our research noted that design fees for consultation during the construction phase are generally between one and two percent of the construction cost. We calculated a benchmark estimate for consultation design fees at \$3,229. We arrived at this number as follows:

Total award GS-11P-08-MA-C-0161	\$161,450	
Benchmark 2% design consultation fee		\$3,229
A/E Design Fee per GS-11P-08-MA-C-0161		<u>3,900</u>
Overage		\$ 671

We find the overage for construction design consultation fees to be negligible at 0.42 percent of the total construction contract ($\$671/\$161,450 = 0.00416$).

We must also mention that the GSA project manager prepared an independent government estimate (IGE) on December, 14, 2006 for the design concept contract in the amount of \$60,960.45. We note that this IGE *preceded* the associated actual contract “Scope of Work” document, dated on September 12, 2007, which was included as an attachment to this award. Furthermore, per the “Potomac Service Center, Procurement Reference Desk Guide”, Procurement Request Checklist, if the estimated value of the contract is less than \$100,000 for construction or A/E services, a fair and reasonable memo will be provided when the price is known. We noted no fair and reasonable memo for the design concept contract documented in the contracting officer’s files to establish the IGE as relevant. As a result, we are not assured that this estimate reflects current market pricing⁷ and have disregarded it in our analysis.

⁶ GS-11P-08-YT-C-0011 award of \$60,960.45 has been rounded to \$60,960 for simplicity.

⁷ Per FAR 2.101, “Market prices” means current prices that are established in the course of ordinary trade between buyer’s sellers free to bargain and that can be substantiated through competition or from sources independent of the offerors.

Design-Build Costs Expended and Accounted for - (GS-11P-08-MA-C-0161)

The review found that Company X provided sufficient documentation to support the costs expended under the design-build contract, including the value of the two change orders. The contractor provided numerous invoices for materials and subcontractors totaling \$154,697. Under the terms of contract GS-11P-08-MA-C-0161, Company X was awarded an overhead and administrative (O&A) burden of (b) (4) percent on the combined costs of materials and labor. In addition, to this subtotal a profit of (b) (4) percent and bond rate of (b) (4) were awarded.

In order to more accurately compare the costs expended by Company X under the design-build contract to the contract award amount, we added the O&A burden to the materials and subcontractor costs presented, and then added the profit and bond rates:

Materials and Subcontractor Costs	\$154,697
O&A (b) (4))	(b) (4)
Subtotal	\$ (b) (4)
Profit (b) (4))	(b) (4)
Subtotal	\$ (b) (4)
Bond (b) (4))	(b) (4)
Total per Review	\$192,800

As the combined direct costs and indirect burden rates exceed the contract award plus change orders, we find that the price was fully supported.

Per Award	Per Review	Excess Costs
\$161,450	\$192,800	\$31,350

Questionable Government Need for Select Renovation Materials

The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives.⁸

Contracting officials must follow published acquisition requirements and exercise a standard of reasonable care in acquiring goods and services that is necessary and reasonable (i.e., not extravagant or excessive) for the proper operation of an agency.

Although a balance must be struck with regard to protecting taxpayer resources and appointments appropriate for a cabinet level executive, a number of the items incorporated into the renovation project call into question the need for luxurious⁹ materials and products for a 100

⁸ 48CFR Chapter 1, 1.102(a)

⁹ A material object, service, etc., conducive to sumptuous living, usually a delicacy, elegance, or refinement of living rather than a necessity. Source: dictionary.com, based on the Random House Dictionary, Random House 2009.

square foot bathroom renovation project. (See Appendix for photos) We question the reasonableness of select costs, inclusive of the following:

Vendor	Item	Amount
Christiana Custom Cabinetry	Custom cabinetry	\$26,122.00
Atlantic Refinishing & Restoration	Granite fabrication and install	\$6,800.00
Bray and Scarff	Sub-zero refrigerator/freezer	\$3,590.35
Annapolis Marble and Granite	Granite	\$2,244.00
Working Walls, Inc.	Wall panels w/Designtex fabric	\$1,523.00
W.T. Weaver & Sons	Cabinet pulls	\$740.18
Ferguson Enterprises	Kohler lavatory faucet	\$689.36
H&B Products, Inc.	Lattice grill (33.25x16)	\$524.70
Ferguson	Kohler commode	\$523.99
Chevy Chase Plating & Polishing	Custom chroming of 34x16 grill	\$500.00
Urban Archaeology	Soap dish	\$140.83
Ferguson Enterprises	Kohler shower faucet	\$118.37
Homeannex.com	Soap/Lotion Dispenser	\$84.21
Restoration Hardware	Vintage Tissue Holder	\$65.00

Procurement Irregularities

We noted several procurement irregularities related to the design concept contract. These irregularities reveal a pattern of absent or overridden internal controls by Potomac Service Center acquisition officials that include knowledge of unauthorized commitments¹⁰, failure to ratify unauthorized commitments, failure to follow policy with regard to reimbursable work authorization (RWA) acceptance, and failure to fully document sole source award justification.

Unauthorized Commitments

First, documentation indicates that work was performed for the DOI bathroom design concept by Company X before a contract was ever awarded. Documents in the project manager's files, as well as those provided by Company X, demonstrate that a quote was received from Company X on September 12, 2006 in direct violation of procedural requirements that specifically state:

If the Request is for a requirement that exceeds the micro purchase threshold of \$3,000, the Requesting Office must not request a quote/bid/offer from the recommended vendor.¹¹

¹⁰ An unauthorized commitment is an agreement that is not binding because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government (FAR 1.602-3(a)).

¹¹ Potomac Service Center, Procurement Reference Desk Guide, Procurement Process.

Other irregularities include design concept renderings provided by Company X to DOI as early as September 12, 2006, at least 13 months prior to contract award on October 26, 2007.¹² A meeting brief prepared by Company X noted that (b) (6), (b) (7)(C), GSA's project manager, (b) (6), (b) (7)(C) GSA Historic Preservation Specialist, DOI Secretary Kempthorne, and (b) (6), (b) (7)(C) DOI Chief, Facilities Management Services Division, were present at a May 15, 2007 meeting at the DOI Main Building where the design services and renderings already produced by Company X were discussed. At the conclusion of the same meeting, Company X was requested to prepare updated concept sketches and additional 11x17 design development detail sketches. On September 7, 2007, Company X submitted a memo to the GSA project manager for "...up-to-date efforts/costs for the project" with an amount totaling \$67,658.00. Also, the project manager's files contained "Program Planning Concept" drawings by Company X, dated September 9, 2005, and pictures of bathroom products and design specifications dated September 8, 2006.

These activities should have resulted in a submission to the contracting officer of all documentation surrounding the action and a statement of facts responding to why normal acquisition procedures were not followed, why the contractor was selected, other sources that were considered, description of work or products, estimated or agreed upon contract price, funding source, and status of contract performance. Based on the contracting officer's review, a recommendation for ratification is prepared for the division director, regional counsel, procurement management division, and the regional administrator. There is also a requirement for a recommended corrective action to prevent recurrence, which may include training for the individual(s), and/or disciplinary action to include, verbal or written counseling, official reprimand, suspension, demotion, or removal.

RWA without sufficient scope

To be accepted by GSA, a reimbursable work authorization (RWA) must contain a sufficiently detailed scope of work, including the location, type of work, amount of work, requested completion date and all required signatures. If plans, drawings, or other material that define the scope of work are referenced, they must accompany the RWA. The RWA must not be accepted unless these requirements have been met (RWA National Policy Document, 4.2 Scope of Work).

The RWA dated June 28, 2006 submitted by DOI, and accepted by GSA, included the following insufficient project description: "Design & construct a shower in Ste 6151".

It was not until September 20, 2006, nearly three months after the RWA was submitted and accepted, that a scope paragraph was provided by (b) (6), (b) (7)(C) of GSA (not DOI).

¹² Email, dated August 21, 2007, from (b) (6), (b) (7)(C), GSA project manager, to (b) (6), (b) (7)(C), DOI Chief, Facilities Management Services Division, "Please refer to the original drawings dated 09/12/06, the several revision drawings, and the recent drawings dated 07/16/07, for a detailed description of why the costs have gone up."

Sole source award not justified

FAR 3.101-1 states, “Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.”

Although the design concept contract appears to have been allowable under a Partnership Agreement between the Small Business Administration (SBA) and GSA under Section 8(a) of the Small Business Act [15 U.S.C. 637(a)1] that permits direct 8(a) contracting, we find it highly irregular that this contract was not communicated publicly, competed, or documented with a justification for sole source award. In addition, we noted that the project manager went outside of [REDACTED] normal chain of command to have the contract signed and awarded.

FAR 19.805-1 states, in part, “an acquisition offered to the SBA under the 8(a) Program shall be awarded on the basis of competition limited to eligible 8(a) firms if—

- (1) There is a reasonable expectation that at least two eligible and responsible 8(a) firms will submit offers and that award can be made at a fair market price; and
- (2) The anticipated total value of the contract, including options, will exceed \$5.5 million for acquisitions assigned manufacturing North American Industry Classification System (NAICS) codes and \$3.5 million for all other acquisitions.

We found no documentation of award based on competition of eligible 8(a) firms.

Conclusion

Although we found the pricing for the renovation project to be favorable based on the scope of services and materials provided, we question the decision process by which customized materials and products were allowed. We do not find a number of these materials to be reasonable in price. Furthermore, the results of our review identified policies and procedures that were not always adhered to during key procurement phases. Of significance are the issues of unauthorized commitments, oversight pertaining to documentation of award justification, and fair and reasonable price determination.



Original bathroom



View of renovated bathroom from Secretary's conference area.



Sub-zero refrigerator/freezer: \$3,590.35



Wall panels: \$1,523.00



Kohler commode: \$523.99
Vintage tissue holder: \$65.00



Kohler shower faucet: \$118.37



Lattice grill: \$524.70
Custom chroming of grill: \$500.00



Custom cabinetry (example shown): \$26,122.00

Kohler lavatory faucet: \$689.36

~2046019

This case was initiated based on information received from the Department of Interior (DOI), Office of Inspector General (OIG), Program Integrity Division (PID), alleging that the renovation of the DOI's Secretary Bathroom cost approximately \$250,000 to \$275,000 in taxpayers' dollars. The construction of the bathroom began months prior to an actual contract being in place, which was ninety-nine percent completed. The contract was authorized by GSA's Officials. DOI's Secretary Bathroom was not included in the original GSA modernization project of the main interior building. It was allegedly the desire of DOI and GSA Officials to include the restoration project in the modernization construction documents in which GSA had initially declined but later ultimately agreed to pay.



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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

NATIONAL CAPITAL REGION
OFFICE OF INVESTIGATIONS

March 5, 2010

MEMORANDUM FOR:

(b) (6), (b) (7)(C), (b) (7)(F)
ASSISTANT SPECIAL AGENT IN CHARGE (JI-W)

FROM:

(b) (6), (b) (7)(C), (b) (7)(F)
SPECIAL AGENT (JI-W)

SUBJECT:

CASE CLOSING MEMORANDUM

**GSA OFFICIALS APPROVAL OF DEPARTMENT OF
INTERIOR'S SECRETARY BATHROOM**

Our File No.: I09-W0621

This memorandum presents the findings of my investigation. No further actions or referrals are necessary to close this matter.

This case was initiated based on information received from the Department of Interior (DOI), Office of Inspector General (OIG), Program Integrity Division (PID), alleging that the renovation of the DOI's Secretary Bathroom cost approximately \$250,000 to \$275,000 in taxpayers' dollars. The construction of the bathroom began months prior to an actual contract being in place. The contract was authorized by GSA's Officials. DOI's Secretary Bathroom was not included in the original GSA modernization project of the main interior building. It was allegedly the desire of DOI and GSA Officials to include the restoration project in the modernization construction documents in which GSA had initially declined but later ultimately agreed to pay.

From December 2008 to March 2009, several DOI and GSA Officials were interviewed. OBLN Architectural Services Inc, a construction company, was subpoenaed to provide financial statements, purchase invoices, and contractual documents associated to the bathroom renovation. According to DOI and GSA Officials, ongoing modernization renovations of the Department of Interior Main Building required that the Secretary's existing private bathroom, with full shower and tub, be replaced by a new emergency exit staircase. This design left the Secretary without a private restroom. The modernization effort required the removal of the original bathroom in the Secretary's suite and taking an area that had been converted to a powder room and adding a shower, cabinetry and upgraded fixtures.

The entire renovation project was accomplished under two separate contract actions issued by GSA's Potomac Service Center contracts team in Washington, DC. It is an acceptable PBS practice to divide a project into two phases when it involves extensive design and/or

specification development; one for the design and specification development, and the other for construction

The design concept contract, GS-11P-08-YT-C-0011, was awarded to OBLN on October 26, 2007 in the amount of \$60,960.45. The scope of work provided for a design concept for the Secretary's private restroom in the DOI main building, including the relocation or replacement of the existing fixtures and the addition of a new shower facility and storage, upgrading the existing bathroom to a bathroom with shower. Upgrades and improvements were to be kept in compliance with Historic Preservation Guidelines. The design was to include, but not limited to, all surveys, documentation, research, presentations, contract drawings, specifications, cost estimates, and calculations necessary to complete the project.

A follow on contract for renovation design build services, GS-11P-08-MA-C-0161, was awarded to OBLN on July 3, 2008 in the amount of \$132,810. The scope of work included full renovation of the historic bathroom, including demolishing the existing finishes and providing new tall cabinets; floor tile; tile wainscot; painting; an opening in the wood paneling wall; toilet; sound proof wall; marble threshold; marble slab wall; marble shower stall; period faucet; recessed lighting; wall sconce; Sub-Zero refrigerator/freezer; domestic hot/cold water piping; exhaust fan, finish hardware; and drainage piping. The historic shower was to be constructed to historic preservation requirements.

On October 2009, the GSA Forensic Audit team conducted an audit of the aforementioned contracts in question and found the pricing for the renovation to be reasonable based on the scope of services and materials provided.

This matter does not require any further investigation or action.



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General
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March 5, 2010

(b) (6), (b) (7)(C)

Acting Asst. Director in Charge
FBI - WFO
601 4th St. NW
Washington, DC 20535

Dear (b) (6), (b) (7)(C)

Pursuant to the requirements of the Memorandum of Understanding with the Federal Bureau of Investigation and the Department of Justice, this is to notify you of our opening of a criminal investigation in the following matter:

Subject: GSA Officials Approval of DOI's Secretary Bathroom
Location: Washington, DC
OIG Case #: 100110601
Case Agent: (b) (6), (b) (7)(C)
Allegations: Alleged that the renovation of the DOI's secretary bathroom cost approximately \$250,000 in taxpayers' dollars.

Although we do not require your investigative assistance at this time, it is requested that you advise us if you have any pending investigations or receive any allegations relating to the subject identified above. Should you need additional information, you may contact me on telephone number (b) (6), (b) (7)(C), (b) (7)(F)

(b) (6), (b) (7)(C), (b) (7)(F)

Special Agent in Charge
Mid-Atlantic Regional Office of Investigations (JI-W)

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