



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**Audit of PBS Basic Repairs and  
Alterations Project: United States  
Court of International Trade Building  
Report Number A200976/P/2/R21004  
June 17, 2021**

Assignment Number A230076  
November 30, 2023

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## ***Table of Contents***

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<b>Introduction .....</b>	<b>1</b>
<b>Results</b>	
<i>Finding – PBS Region 2 did not effectively implement the corrective actions to address deficiencies in the award and administration of the contract to upgrade the passenger elevators at the United States Court of International Trade building. ....</i>	<b>3</b>
<b>Conclusion.....</b>	<b>5</b>
<b>Appendixes</b>	
<b>Appendix A – Corrective Action Plan for Report Number A200976/P/2/R21004 .....</b>	<b>A-1</b>
<b>Appendix B – Report Distribution .....</b>	<b>B-1</b>

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## Introduction

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We have completed an implementation review of the management actions taken in response to the recommendations contained in our June 17, 2021, audit report, *Audit of PBS Basic Repairs and Alterations Project: United States Court of International Trade Building, Report Number A200976/P/2/R21004*.

### Objective

The objective of our review was to determine whether GSA's Public Buildings Service (PBS) Northeast and Caribbean Region (PBS Region 2) has taken the actions as outlined in the corrective action plan for our report, *Audit of PBS Basic Repairs and Alterations Project: United States Court of International Trade Building* (see **Appendix A**). To accomplish our objective, we:

- Met and corresponded with PBS Region 2;
- Reviewed the original audit report to understand the recommendations and provide context for the corrective action plan; and
- Examined documentation submitted by PBS Region 2 to support the completion of the corrective action plan steps.

### Background

For Fiscal Year 2020, GSA reported a deferred maintenance and repairs cost of approximately \$2.53 billion for critical repairs and upgrades necessary to maintain its buildings in acceptable condition. PBS funds these repairs through the Federal Buildings Fund. More specifically, PBS uses Budget Activity 54 (BA54) to allocate money for repairs, remodeling, improvements, and associated design and construction services that exceed \$25,000, but are below the prospectus threshold.<sup>1</sup>

On May 10, 2018, PBS Region 2 awarded a contract for \$1,752,000 using BA54 funding to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York.<sup>2</sup> The elevators required permanent upgrades and repairs to comply with current codes; prevent additional equipment deterioration; and provide smooth, rapid, safe, and reliable elevator service for the building's tenants. The project was completed in January 2020 at a total cost of \$1,806,029. The project's period of performance was June 1, 2018, through January 31, 2020.

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<sup>1</sup> Congress exercises oversight of GSA's major construction and repairs and alterations projects through the prospectus process. Under this process, GSA is required to submit a prospectus request to Congress when a proposed project's estimated cost is anticipated to exceed GSA's annual prospectus threshold. In 2020, the prospectus threshold for "Construction – Alteration and Lease Projects" was \$3.095 million.

<sup>2</sup> Contract Number 47PC0218C0006.

On June 17, 2021, we issued an audit report, *Audit of PBS Basic Repairs and Alterations Project: United States Court of International Trade Building*. The objective of our audit was to determine whether PBS Region 2 planned, awarded, administered, and closed-out the contract for the project in accordance with the Federal Acquisition Regulation (FAR), General Services Administration Acquisition Manual (GSAM), and other applicable policies.

Our audit found that PBS Region 2:

- Did not obtain a signed, original Conflict of Interest Acknowledgment and Nondisclosure Agreement form from each member of the Source Selection Evaluation Board (SSEB);
- Allowed a project manager to act as a contracting officer's representative (COR) for over a year without the proper written delegation of authority;
- Did not maintain necessary contract file documentation; and
- Reported inaccurate contract award information in the Federal Procurement Data System-Next Generation (FPDS-NG).

To address the findings identified in our report, we recommended that the PBS Region 2 Regional Commissioner take appropriate corrective action to ensure that:

1. The personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York, understand their responsibilities with respect to:
  - a. Obtaining a signed, original Conflict of Interest Acknowledgment and Nondisclosure Agreement form from each member of the SSEB before starting the evaluation of technical proposals;
  - b. Properly designating CORs prior to being assigned contract oversight responsibilities;
  - c. Maintaining complete and accurate contract documentation in accordance with applicable FAR, GSAM, and GSA policies; and
  - d. Entering accurate and complete contract information in the FPDS-NG.
2. The inaccurate base award contract period of performance start date is corrected to June 1, 2018, in FPDS-NG.

The PBS Region 2 Regional Commissioner agreed with our report recommendations.

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## Results

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Our implementation review found that PBS Region 2 did not fully implement the corrective actions to address deficiencies in the award and administration of the contract to upgrade the passenger elevators at the United States Court of International Trade building (Recommendation 1).

**Finding – PBS Region 2 did not effectively implement the corrective actions to address deficiencies in the award and administration of the contract to upgrade the passenger elevators at the United States Court of International Trade building.**

During our audit, we found that PBS Region 2 did not award and administer the contract to upgrade the passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies. Specifically, we found deficiencies in the following areas:

- **Conflict of Interest Acknowledgment and Nondisclosure Agreement** – Conflict of Interest Acknowledgement and Nondisclosure Agreement forms are required by federal regulations to prevent undocumented impairments that compromise the security of sensitive source selection information and the integrity of the procurement’s evaluation and award. However, the contracting officer did not obtain completed Conflict of Interest Acknowledgement and Nondisclosure Agreement forms from SSEB members.
- **COR Delegation of Authority** – A COR plays a pivotal role in the effective management and oversight of contracts. Before serving in this role, the contracting officer must authorize the COR to carry out their responsibilities through a written delegation of authority. This provides the COR with the specific contractual authority to act on behalf of the contracting officer, and defines the COR’s responsibilities and limitations. However, PBS Region 2 allowed a project manager to act as a COR for over a year without the proper written delegation of authority.
- **Contract File Documents** – Maintaining accurate contract file documentation is essential for administering the contract and ensuring compliance with contract requirements. Without accurate and complete contract documents, there is no proof that necessary contract actions were properly taken. However, eight key contract documents were missing, inaccurate, and/or incomplete.
- **FPDS-NG Contract Information** – The base award contract period start date is a key data field for FPDS-NG. It is used to measure and assess the economic impact of federal procurements, as a basis for reports to the president and Congress, and to populate USAspending.gov in accordance with the Federal Funding Accountability and Transparency Act. Inaccurate data entered into FPDS-NG could potentially misinform

federal government decision makers and the American public. However, the base award contract period start date was misreported in the FPDS-NG.

In response, PBS Region 2's corrective action plan provided that it would train the regional acquisition workforce to remediate the contracting deficiencies identified in our report.<sup>3</sup> However, PBS Region 2 could not demonstrate that all regional acquisition personnel—including the contracting personnel responsible for the contract that was the subject of our audit report—received the training.

The Policy and Compliance Branch Chief in PBS Region 2's Acquisition Management Division (Branch Chief) told us that to ensure wide dissemination of the training and policy information, it was available through:

- Live training sessions,
- On-demand access to the training materials via the PBS Region 2 Acquisition Portal, and
- Email distribution of the training presentation to the acquisition workforce.

PBS Region 2 held three live training sessions and provided the attendance sheets and PowerPoint presentations to demonstrate that these training sessions were completed. We compared the training attendance sheets to the list of PBS Region 2's contracting officers who were active during 2021 and found that only 13 of 77 regional contracting officers (17 percent) completed all three live training sessions. Additionally, the Branch Chief stated that PBS Region 2 did not track whether its contracting personnel either accessed the on-demand training materials or reviewed the emailed training presentation. As a result, PBS Region 2 could not demonstrate that its regional acquisition workforce completed the training outlined in its corrective action plan.

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<sup>3</sup> See **Appendix A**, Recommendation 1a – Action Step 001, Recommendation 1b – Action Step 002, Recommendation 1c – Action Step 001, and Recommendation 1d – Action Step 001.

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## **Conclusion**

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Our implementation review determined that PBS Region 2 did not fully implement the corrective actions for Recommendation 1 because it did not ensure that its acquisition workforce completed the training outlined in its corrective action plan.

As a result, a revised corrective action plan addressing the corrective actions associated with this open recommendation must be submitted by December 30, 2023, to this office and the Office of Audit Management and Accountability (BA).

### **Audit Team**

This review was managed out of the Northeast and Caribbean Region Audit Office and conducted by the individuals listed below:

Arthur F. Maisano	Regional Inspector General for Auditing
Yajaira Torres	Audit Manager
Michael Vaccarelli	Auditor-In-Charge

## Appendix A – Corrective Action Plan for Report Number A200976/P/2/R21004

### Acquisition Management Division - 2PQX - Corrective Action Plan

Designated Responding Official: Michael Gelber,  
Regional Commissioner, Public Buildings Service

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: James Smith  
Deputy Director, Acquisition Management Division  
Telephone Number: 212-264-8533  
Date: 7/21/2021

Report number: A200976/P/2/R21004, PBS Basic Repairs and Alterations Project: United States Court of International Trade Building	Recommendation number: 001A	Proposed Recommendation Completion Date November 30, 2021
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Finding:

PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

The incorporation of new supervisors and staff due to attrition in the responsible business lines led to a breakdown in normal administrative processes.

Recommendation 001A:

Take appropriate corrective action to ensure that the personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York, understand their responsibilities with respect to obtaining a signed, original Conflict of Interest Acknowledgment and Nondisclosure Agreement form from each member of the Source Selection Evaluation Board before starting the evaluation of technical proposals.

Version Date: 4/15/2021

1



<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
001 - PBS Region 2's Acquisition Programs and Quality Assurance Branch (Policy) of the Acquisition Management Division will develop and provide training to the regional acquisition workforce on the proper protocols to be followed when procuring construction and services using Source Selection Procedures.	A copy of the PowerPoint presentation that will be developed for this training along with the attendance sheet.	11/30/2021
002 - PBS Region 2's Acquisition Programs and Quality Assurance Branch (Policy) of the Acquisition Management Division will modify its Source Selection Plan review process to require that copies of the signed Nondisclosure Agreements and conflict of interest acknowledgements be included with the final version of the source selection plan when it is routed for approval along with a cover sheet specifying the additional documents to be routed along with the plan for approval.	A copy of the updated source selection plan routing cover sheet.	11/30/2021

Version Date: 4/15/2021

Acquisition Management Division - 2PQX - Corrective Action Plan

Designated Responding Official: Michael Gelber,  
Regional Commissioner, Public Buildings Service

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: James Smith  
Deputy Director, Acquisition Management Division  
Telephone Number: 212-264-8533  
Date: 7/21/2021

Report number: A200976/P/2/R21004, PBS Basic Repairs and Alterations Project: United States Court of International Trade Building	Recommendation number: 001B	Proposed Recommendation Completion Date August 31, 2021
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Finding:

PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

The incorporation of new supervisors and staff due to attrition in the responsible business lines led to a breakdown in normal administrative processes.

Recommendation 001B:

Take appropriate corrective action to ensure that the personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York, understand their responsibilities with respect to properly designating contracting officer's representatives prior to being assigned contract oversight responsibilities.

Version Date: 4/15/2021

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
<p>001 - PBS issued procurement Instructional Bulletin (PIB) 21-05 Public Buildings Service Contracting Officer's Representative (COR) Policy on May 12, 2021. The purpose of PIB 21-05 is to establish uniform procedures and internal controls to ensure CORs are identified and perform consistently throughout PBS.</p>	<p>A copy of PIB 21-05 Public Buildings Service Contracting Officer's Representative (COR) Policy</p>	<p>Completed – May 2021</p>
<p>002 - PBS Region 2 will develop a regional training session for the entire regional acquisition workforce to: review the background and objectives of PIB 21-05; review the requirements for COR assignment; and review the required templates.</p>	<p>A copy of the PowerPoint presentation that will be developed for this action along with the attendance sheet.</p>	<p>08/31/2021</p>

Version Date: 4/15/2021

Acquisition Management Division - 2PQX - Corrective Action Plan

Designated Responding Official: Michael Gelber,  
Regional Commissioner, Public Buildings Service

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: James Smith  
Deputy Director, Acquisition Management Division  
Telephone Number: 212-264-8533  
Date: 7/21/2021

Report number: A200976/P/2/R21004, PBS Basic Repairs and Alterations Project: United States Court of International Trade Building	Recommendation number: 001C	Proposed Recommendation Completion Date October 31, 2021
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Finding:

PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

The incorporation of new supervisors and staff due to attrition in the responsible business lines led to a breakdown in normal administrative processes.

Recommendation 001C:

Take appropriate corrective action to ensure that the personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York, understand their responsibilities with respect to maintaining complete and accurate contract documentation in accordance with applicable Federal Acquisition Regulation, General Services Administration Acquisition Manual, and GSA policies.

Version Date: 4/15/2021

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
<p>001 - Refresher training will be given related to PIB 18-02 - PBS File Content and Organization. This PIB applies to PBS employees responsible for contract file documentation and outlines all required documentation and the related tabs for each contract action including modifications.</p>	<p>1.) A copy of PIB 18-02 - PBS File Content and Organization, including:</p> <p>Attachment 1: PBS Contract/Order File Content Checklist</p> <p>Attachment 2: PBS Modification File Content Checklist</p> <p>Attachment 3: PBS Supplemental Information Checklist</p> <p>Attachment 4: PBS Bond Checklist</p> <p>Attachment 5: SAM Review Memorandum</p> <p>Attachment 6: PBS EASi/EDM File Naming Requirements</p> <p>2) A copy of the PowerPoint presentation that will be developed for this action along with a copy of the attendance sheet.</p>	<p>10/31/2021</p>

Acquisition Management Division - 2PQX - Corrective Action Plan

Designated Responding Official: Michael Gelber,  
Regional Commissioner, Public Buildings Service

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: James Smith  
Deputy Director, Acquisition Management Division  
Telephone Number: 212-264-8533  
Date: 7/21/2021

Report number: A200976/P/2/R21004, PBS Basic Repairs and Alterations Project: United States Court of International Trade Building	Recommendation number: 001D	Proposed Recommendation Completion Date December 31, 2021
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Finding:

PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

Human error due to the requirement for manual input of data in the FPDS-NG system.

Recommendation 001D:

Take appropriate corrective action to ensure that the personnel responsible for the award and administration of the contract to upgrade three passenger elevators at the United States Court of International Trade building in New York, New York, understand their responsibilities with respect to entering accurate and complete contract information in the Federal Procurement Data System-Next Generation (FPDS-NG).

Version Date: 4/15/2021

7

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
001 - A refresher training session will be held for PBS Region 2 Acquisition Management Division related to completing the FPDS-NG report through the EASi system.	A copy of the PowerPoint presentation that will be developed for this action along with the attendance sheet.	12/31/2021

Acquisition Management Division - 2PQX - Corrective Action Plan

Designated Responding Official: Michael Gelber,  
Regional Commissioner, Public Buildings Service

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: James Smith  
Deputy Director, Acquisition Management Division  
Telephone Number: 212-264-8533  
Date: 7/21/2021

Report number: A200976/P/2/R21004, PBS Basic Repairs and Alterations Project: United States Court of International Trade Building	Recommendation number: 002	Proposed Recommendation Completion Date Completed - May 2021
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Finding:

PBS Region 2 did not award and administer the contract to upgrade three passenger elevators at the United States Court of International Trade building in accordance with applicable regulations and GSA policies.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

Human error due to the requirement for manual input of data in the FPDS-NG system.

Recommendation 002:

Take appropriate corrective action to ensure that the inaccurate base award contract period of performance start date is corrected to June 1, 2018, in the Federal Procurement Data System-Next Generation (FPDS-NG).

<u>Action to be Taken Step by Step</u>  001 - The base award contract period of performance start date was corrected from May 15, 2018, to June 1, 2018, in FPDS-NG.	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>  Print out of the corrected date in FPDS-NG	<u>Documentation will be sent Last Duty Day of the month</u>  Completed - May 2021
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Version Date: 4/15/2021



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## ***Appendix B – Report Distribution***

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GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

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