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

Review of Public Buildings Service's Procurement of Public Relations Services at the Bannister Federal Complex Task Order GS-P-06-10-GX-0012

Report Number A110119/P/6/R12001
January 10, 2012

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

REPORT ABSTRACT

OBJECTIVE

The audit objective was to evaluate the work received under a Public Building Service (PBS) task order awarded to Jane Mobley Associates, Inc. (JMA)

Kansas City Audit Office
1500 E. Bannister Road
Room 2075 (JA-6)
Kansas City, MO 64131
816-926-7052

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WHAT WE FOUND

Based on our review of the work PBS received under the task order, we had two findings:

Finding 1 – Task Order Value Was Limited

The Region received limited value for the work performed under the task order because (1) the statement of work (SOW) was written by the contractor and did not include measurable deliverables, and (2) regional management directed the award of the task order to a sole source in a single day.

Finding 2 – JMA Overcharged GSA

JMA incorrectly invoiced the Government under the task order extension; as a result, JMA owes a refund in excess of $32,000.

WHAT WE RECOMMEND

We recommend the Regional Commissioner, Public Buildings Service, Heartland Region:

1. Implement controls to ensure that PBS contracting actions contain measurable deliverables in accordance with the FAR and that PBS associates prepare SOWs for contracting actions.
2. Instruct the contracting officer to issue a demand letter to JMA for the total amount that JMA overbilled the government under the subject task order.

MANAGEMENT COMMENTS

Although PBS regional management did not agree with some of the language in the report, PBS concurred with the report findings and recommendations. Management's response is included in its entirety as Appendix F.

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

DATE: January 10, 2012

TO: Mary Ruwwe
Regional Commissioner, PBS (6P)

FROM: John F. Walsh
Regional Inspector General for Auditing (JA-6)

SUBJECT: Review of Public Buildings Service's Procurement of Public Relations Services at the Bannister Federal Complex, Task Order GS-P-06-10-GX-0012, Report Number A110119/P/6/R12001

This report presents the results of our review of Public Buildings Service's procurement of public relations services at the Bannister Federal Complex under Task Order GS-P-06-10-GX-0012. Our findings and recommendations are summarized in the Report Abstract. Instructions regarding the audit resolution process can be found in the email that transmitted this report.

Your written comments to the draft report are included in Appendix F of this report.

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

John Walsh	RIGA	Johnf.walsh@gsaig.gov	816-926-8615
John Pollock	Auditor	John.pollock@gsaig.gov	816-926-8616
Katina Beach	Management Analyst	Katina.beach@gsaig.gov	816-926-8613

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

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Introduction

Media reports in late 2009 and early 2010 raised questions regarding toxic substance health risks at the Bannister Federal Complex (Complex) in Kansas City, Missouri. In response to these reports, the Heartland Region's (Region) Public Buildings Service (PBS) awarded task order GS-P-06-10-GX-0012 to Jane Mobley Associates, Inc. (JMA). This task order was awarded on February 5, 2010, for $99,940.25 and required JMA to provide communications consultant services for the period February 5 to March 8, 2010. The task order was extended to May 10, 2010, for an additional cost not to exceed $134,400.00, based on JMA's actual labor hours expended during the extension period. The cost of the task order (base period plus extension) totaled $234,338.08.

In addition, a blanket purchase agreement (BPA) was awarded to JMA for the period June 1, 2010, through May 31, 2011. This BPA included four one-year option periods, however, no orders were placed under the BPA, and the option for the second year of the BPA was not exercised.

On February 18, 2011, the General Services Administration's (GSA) Office of Inspector General (OIG) issued an interim audit memorandum concerning the award and administration of the subject task order (see Appendix B). In that memorandum, we noted that GSA did not: (1) properly justify the use of a sole source in making this award; (2) properly justify extending the task order; (3) adequately define the scope of work; and (4) include measurable deliverables for the task order work.

On March 1, 2011, the GSA Inspector General (IG) and other GSA officials provided testimony regarding this task order to the U.S. Senate Committee on Homeland Security and Governmental Affairs, Ad Hoc Subcommittee on Contracting Oversight (Subcommittee). During this hearing, the Subcommittee Chair expressed concern regarding GSA's failure to take responsibility for its actions. Specifically, the Chair stated, "And finally, I would just say, accountability. If we now acknowledge at the end of the hearing that mistakes were made, then I have yet to see where anyone was held accountable for those mistakes."

On April 20, 2011, the IG provided a supplemental statement to the Subcommittee (see Appendix C). In this statement, the IG noted that some of the information provided by GSA officials during the hearing contained misstatements of fact. The Subcommittee requested additional information from the GSA Administrator by letter dated May 9, 2011 (see Appendix D). The GSA Administrator provided the Subcommittee a May 20, 2011, letter containing additional information (see Appendix E). However, some of the details in this letter were incorrect and the letter did not change the OIG's previous position regarding the JMA task order and the information provided by GSA officials.

The objective of this audit was to evaluate the work received under the JMA task order. See Appendix A – Purpose, Scope, and Methodology for additional details.

Results

The Region received limited value for the work performed under the task order because (1) the statement of work (SOW) was written by the contractor and did not include measurable deliverables and (2) regional management directed the award of the task order to a sole source in a single day.

In addition, the contractor overbilled the government. The hours submitted for payment under the task order extension period were incorrect, inflating the price GSA paid by over $32,000.

We recommend that PBS take action to prevent the award of contracts in this manner. We also recommend that the Region pursue recovery of the overpayment.

Finding 1 – Task Order Value Was Limited

In our February 2011 interim audit memorandum (see Appendix B), we concluded that the task order did not comply with the Federal Acquisition Regulation (FAR) in that it contained only general descriptions of tasks and lacked measurable deliverables. The combination of non-specific deliverables with the expedited award process led us to question the value of the work obtained under the $234,338.08 task order.

Agency management asserted that the task order was required because the Region did not have the needed level of communication expertise in-house. However, most of the JMA task order work consisted of performing research (i.e., the history of the Complex, its tenants, and government agencies), participating in and recording meetings, and other activities such as reading and cataloging news reports. JMA did provide some work products under the task order. The primary work products provided were a media kit and briefing notebook, a draft knowledge management plan, a research report, and a draft risk communication plan.

The media kit and briefing notebook were provided to the government on or about March 12, 2010, 35 days after the initial task order award and 4 days after the expiration of the original task order period. The media kit contained fact sheets with basic background information (i.e., “What is GSA?” “What is the Superfund?”). It also included brief descriptions of environmental regulatory authorities, along with background information about the Complex. The briefing notebook contained the contents of the media kit, and additional information such as copies of news articles and e-mails sent to the Complex’s tenants.

JMA provided the research report, draft knowledge management plan, and draft risk communication plan in May 2010 during the final days of the task order. The plans were not issued in final and were incomplete. More importantly, PBS did not use these documents, and could not locate the plans when we requested them. We also noted

that the Region could not locate a $3,878.58 training video used to coach the Regional Commissioner to respond to the media.

In addition, JMA's file documentation indicates that much of its research was performed through publicly available sources (i.e., the internet) and from communications with GSA employees. For example, a February 4, 2010, JMA e-mail discussed the start of work on the project and stated, "Let's make a workplan based on what we know about crisis communication -- plus what we can see on the web. There are some good plans near the surface on Google."

We concluded that the work performed under the task order provided little value for the $234,338.08 expended. The primary reason for this was that PBS did not adequately define the scope of work or include measurable deliverables in the task order requirements. In awarding the initial task order, the Region sought the assistance of a U.S. Environmental Protection Agency (EPA) official. The EPA official had no background in contracting and allowed JMA to prepare the SOW. GSA officials then used JMA's SOW and stated that they were unaware that it had come from JMA. The SOW lacked specific deliverables and performance measures. According to JMA e-mails, the company wanted the SOW to be generic in nature. The SOW for the extension of the task order also came from JMA, but it is the Region's position that they worked with the contractor in preparing this SOW. However, the SOW provided by the contractor remained generally unchanged.

In the rush to award the task order, PBS abdicated its responsibilities as a contracting agency. The result was that the services and products obtained were not well defined and of limited value. Even the contractor expressed frustration at the lack of usefulness its work had been to the Region and how the Region disregarded some of its work.

Recommendation 1

We recommend the Regional Commissioner, Public Buildings Service, Heartland Region:

Implement controls to ensure that PBS contracting actions contain measurable deliverables in accordance with the FAR and that PBS associates prepare SOWs for contracting actions.

Finding 2 – JMA Overcharged GSA

During the extension period, JMA overbilled GSA by more than $32,000. The JMA overbillings are primarily related to hours it incurred in February 2010 under the original firm-fixed-price task order and then billed during the extension period. In addition, there were discrepancies on JMA employee timesheets and JMA omitted prompt pay discounts on task order invoices. The total refund amount was computed as follows:

Figure 1 – Overbilling Calculation

Overbilled Item	Amount	Notes
Labor Hours for Invoice Number 306	$23,941.92	(1)
Labor Hours for Invoice Number 405	16,163.77	(1)
Prompt Payment Terms	971.16	(2)
Allowed Subcontract Costs	(8,241.08)	(3)
Total	**$32,835.77**	

Notes:

(1) The refund amount represents the difference between JMA's billed and actual labor hours incurred by labor category during the task order extension period multiplied by the applicable task order labor rate.

Under invoice number 306, JMA billed 620.25 labor hours during the period March 9 – April 8, 2010. However, JMA's time records show a total of 345.50 labor hours charged to the GSA task order for the same period (a difference of 274.75 hours). Under invoice number 405, the company billed 451.00 labor hours during the period April 9 – May 10, 2010. However, its time records show a total of 358.25 labor hours charged to the GSA task order during the same period (a difference of 92.75 hours).

JMA's explanation for the overbilling was that its actual costs during the initial invoice period (February 5 – March 8) were $126,636.29, which exceeded the firm-fixed-price amount by $26,696.04. JMA stated that it carried these excess labor costs over from the initial firm-fixed-price period to the extension period (its second and third invoices). However, both the contract and FAR provisions prohibit this type of billing. Per FAR 16.202-1, "A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties."

There were other problems with the supporting documentation as well. For example, JMA billed 91.75 hours for a "graphic designer" at an hourly rate of $123.17. However, JMA timesheets reflected JMA's "graphic designer" charged only 5.5 hours to the GSA project during the extension period which we allowed for in our overbilling calculation. In addition, JMA payroll records show that this individual was paid [redacted] per hour; therefore, in determining the overpayment, the agency may want to examine the reasonableness of this rate.

Also, we noted that in October 2011 the company provided a timesheet for the principal that indicated the principal worked 59.25 hours on the GSA task order in May 2010. Timesheets for the principal had been previously provided to the OIG

in response to a subpoena. This new timesheet does not match those previously submitted to our office. It is in a different format and only includes time charged to the GSA task order while the other JMA timesheets include time for all projects worked by the JMA staff. In addition, this new timesheet shows that the principal was working with other JMA employees but, based on the company's timesheets, these employees did not charge time to the GSA task order on the same days and did not appear to even be working on some of these days. We did not allow any hours for this timesheet.

(2) JMA failed to include the required 0.5 percent prompt payment discount terms on its invoices. The refund amount represents the prompt payment discount due GSA.

(3) This upward adjustment represents costs for subcontractors JMA documented as having worked on the GSA task order during the extension period. Although the task order indicated that no other direct costs would be needed, we allowed these expenses to ensure that our refund calculation was not overstated.

JMA billed the agency $134,397.83 or 99.998 percent of the not to exceed amount for the extension period. However, neither its supporting documents nor its explanation of the discrepancies, support this amount. These overbillings occurred because JMA failed to comply with the terms of its Multiple Award Schedule contract and task order.

Recommendation 2

We recommend the Regional Commissioner, Public Buildings Service, Heartland Region:

Instruct the contracting officer to issue a demand letter to JMA for the total amount that JMA overbilled the government under the subject task order.

Conclusion

The government received limited value for the $234,338.08 expended on task order GS-P-06-10-GX-0012 primarily because the SOW was not well defined and the task order did not include measurable deliverables. The PBS Regional Commissioner should implement controls to ensure that all contracting actions contain measurable deliverables in accordance with the FAR and that PBS associates prepare SOWs. In addition, based on our review of JMA timesheets and other documentation, we determined that JMA overbilled GSA by over $32,000. Accordingly, the PBS Regional Commissioner should take steps to recoup the overbilled amounts under this task order.

Other Matters

Our review uncovered two potential issues related to the retention and maintenance of e-mail messages. First, we found that the PBS Regional Commissioner does not electronically archive e-mails and retained very few e-mail messages. Second, the PBS Regional Commissioner directed that some names and e-mail addresses on selected hard copy e-mail records be redacted using white out. The original hard copy e-mails with white out were belatedly provided to our office after the Subcommittee hearing. However, (1) most of the PBS Regional Commissioner's e-mails may constitute official government records that must be maintained and (2) if a record exists only in hard copy, this documentation must be maintained and produced in its original unaltered form.

Accordingly, the PBS Regional Commissioner should obtain formal guidance regarding requirements for the maintenance and retention of official government records and in particular, e-mail correspondence. In addition, GSA may want to consider providing guidance to all agency management concerning this matter.

Management Comments

Although PBS regional management did not agree with some of the language in the report, PBS concurred with the report findings and recommendations. Management's response is included in its entirety as Appendix F.

Appendix A – Purpose, Scope, and Methodology

Report Number A110119/P/6/R12001

Purpose

This audit was performed because during our review of health and safety conditions at the Bannister Federal Complex[1] (Complex) in Kansas City, Missouri, we identified problems related to the award and administration of task order GS-P-06-10-GX-0012 with Jane Mobley Associates, Inc. (JMA).

Scope

This report presents the results of our audit of the GSA and JMA file documentation and administration of this task order for communications consultant services at the Complex.

Methodology

To accomplish our objective, we:

- Reviewed documents from the subject task order file awarded under JMA's Multiple Award Schedule contract number GS-23F-0354P. The task order was effective February 5, 2010, to May 10, 2010.
- Interviewed PBS Heartland Region personnel.
- Reviewed JMA timesheets and file documentation for the task order.
- Held discussions with and corresponded with JMA representatives.

We conducted the audit between February and June 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We obtained additional information from JMA in October 2011. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

The examination of internal controls was limited to those necessary to achieve the specific objective and scope of the audit. Our results are identified in the body of this report.

[1] Review of Health and Safety Conditions at the Bannister Federal Complex, Kansas City, Missouri, Report Number A100116/P/6/R11001, dated November 8, 2010.

U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

February 18, 2011

MEMORANDUM FOR JASON KLUMB
HEARTLAND REGIONAL ADMINISTRATOR (6A)

FROM: JOHN F. WALSH
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-6)

SUBJECT: Task Order for Environmental Communications Services at the Bannister Federal Complex: GS-P-06-10-GX-0012 Awarded to Jane Mobley Associates, Inc.

The purpose of this memorandum is to inform you of problems related to the award and administration of the subject task order[1] that we discovered during our review of the health and safety conditions at the Bannister Federal Complex. The objective of our review was to determine if decisions associated with this contracting action were adequately documented and supported.

Specifically, we noted that the procurement was directed to a single vendor without adequate justification for limiting competition. In addition, the scope of work and amount of services ordered were not adequately supported. Further, while the task order was classified as fixed-price, it had no specific deliverables and an extension was awarded on a time-and-materials basis.

These actions did not comply with the requirements of the Federal Acquisition Regulation (FAR). Contracting actions should always be properly supported in terms of need, including any source restrictions, and cost.

Task Order Background

After consulting with General Services Administration (GSA) Central Office personnel[2], the PBS Regional Commissioner informed regional contracting staff on February 4, 2010, that, due to unusual and compelling circumstances, environmental communications services were needed for the Bannister Federal Complex. According to the task order file, media reports and "multiple Government agency investigations" of the health conditions at the Bannister Federal Complex created an "impending crisis event for the Government to address citizen concerns and media reports." The Regional

[1] The total value of the task order and its modification was $234,338.
[2] According to the Public Buildings Service (PBS) Commissioner, discussions with the Region had been on-going for months to hire a public relations contractor.

1500 East Bannister Road, Room 2075, Kansas City, MO 64131-3088

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Commissioner instructed PBS contracting officials to award a task order to Jane Mobley Associates, Inc. (JMA), under JMA's existing GSA multiple award schedule contract number GS-23F-0354P.

One day later, on February 5, 2010, the contracting officer awarded a $99,940.25 "firm fixed price" task order to JMA. The performance period for the task was February 5 through March 8, 2010.

The statement of work (SOW) for the project called for "Public Relations Services" and required that:

> The contractor shall provide expertise and technical support, equipment, materials and supplies necessary to support the government in responding to complaints against government officials about handling of notice by current and former government employees indicating health concerns caused by toxic substances at the site of the Bannister Federal Complex.

The SOW listed the following four general tasks and related deliverables:

1. Meetings
   a. Neutral facilitator
   b. Notes and reporting
   c. Logistics arrangements
2. Message Development
   a. Media
   b. Government officials
   c. Bannister Federal Complex employees
3. Materials Development
   a. Leadership preparation materials
   b. Media materials (press releases, press kits)
   c. Information management across multiple agencies
   d. On-going report documents
4. Stakeholder Identification and Communication
   a. Most immediate area surrounding the complex
   b. Secondary/tertiary stakeholders

A March 8, 2010, modification extended the task order on a time-and-material basis through May 10, 2010, at a proposed cost of $134,400.

Task Order Analysis

Our analysis of the task order was limited to a review of the task order file and related documentation and discussions with the contracting officer and other PBS personnel. There are several problems related to this award. First, the award inappropriately cited

"an unusual and compelling need" for restricting competition. Second, the file documentation did not adequately explain why JMA was selected to perform these services. Third, the scope of work was not adequately defined or priced, and fourth, there was no independent government cost estimate upon which to base a decision that the task order price was reasonable.

We also noted that the task order file included no indication that the Regional Commissioner consulted legal counsel, the competition advocate, or other regional offices for assistance with this procurement.

Task Order Award. FAR 8.405-6 states that consideration of sources may be restricted if an urgent and compelling need exists and following the ordering procedures would result in an unacceptable delay.

PBS personnel informed us that they contracted for this task because PBS did not have in-house expertise to address the media reports. However, they were unable to demonstrate how soliciting other sources would have resulted in an unacceptable delay. Media reports began in November 2009 but the Regional Commissioner did not direct the award of the task order until February 4, 2010[3].

In addition, the task order file contains very little information as to why JMA was selected. PBS officials told us that the decision was made to award to JMA based on a recommendation to the Regional Commissioner by an EPA[4] employee. However, the task order file does not contain documentation to indicate what this contractor's unique qualifications were for performing this work.

Also, the task order file does not adequately support the SOW. The FAR requires a detailed description supporting both the need for the services and the amount of the task order in order to fully support the basis for the award. Because the task order file does not include this information, it is not possible to determine what specific work was purchased or how the task order was to be evaluated. There were also indications that JMA drafted the SOW.

Further, the task order file contained only general descriptions of tasks and deliverables. For example, a deliverable under the task order was for a neutral facilitator; however, the file does not document the qualifications needed for this labor category, the number of times the category would be used, or the associated costs. FAR 37.6 specifically requires that all performance based awards will, "Enable assessment of work performance against measurable performance standards."

Lastly, we could find no evidence supporting the basis for a price reasonableness determination. JMA initially proposed the equivalent of five people working full time for the period February 5 through March 8, 2010. The proposed hourly rates, which were the company's multiple award schedule contract rates, ranged from $61.41/hour to

[3] The FAR does not consider a lack of advance planning to be a basis for limiting competition.
[4] Environmental Protection Agency

$270.41/hour but these labor rates are not linked to individual tasks or deliverables. The task order file shows a lump sum award of $99,940 and merely included an e-mail from an EPA employee that stated the proposed price was "reasonable for the quality of work I expect from this firm." The file did not document why an EPA employee was involved with the task order.

Task Order Modification. The task order file does not include documentation to support the need to extend JMA's task order. As with the initial award, the modification was ordered at the direction of the Regional Commissioner. The task order file did not contain any documentation supporting why the task order was extended without soliciting additional sources.

The extension called for the equivalent of three full time staff for an additional two months. However, the file included no information as to why these additional services were needed. In addition, task order file documents show that JMA prepared the SOW for the modification because the Government's SOW was considered too broad.

Task Order Type. The task order file states that the initial $99,940 task order was fixed-price but does not document exactly what work was to be done for this fixed price or how the work would be evaluated to ensure that the Government received the appropriate value for the amount paid. A lump sum payment of $99,940 was made for the initial period of the task order but the file did not include any detailed breakdown of work items performed or deliverables received. Payment was authorized solely on an e-mail from an EPA employee stating, "I approve this invoice for payment." and an e-mail from a GSA employee stating, "I approve."

However, for the extension, GSA required,

> Jane Mobley shall provide documentation upon invoicing showing the hours invoiced for during that monthly period. Jane Mobley will be paid based on the hours documented and verified for each labor category and task during that month. Monthly payment shall not exceed documented hours. If at any time services are no longer needed, the Government reserves the right to cancel services and reimburse Jane Mobley for any direct labor costs incurred prior to the cancellation. Any over-committed funds shall be de-obligated from the task order.

This changed the task order to a time-and-material type contract. The two payments made under the modification were approved after PBS compared JMA's billed hours and rates to labor information provided by JMA.

In addition, we noted that the task order file did not contain any JMA work product. The JMA work product that PBS eventually provided to us generally consisted of information that is available on the internet. The work product showed no particular expertise and included some incorrect information.

Conclusion

PBS awarded this task order in one day without adequate competition or support for the "unusual and compelling need" for this work. Therefore, the use of a sole source was not justified. Further, because the scope of work was not appropriately defined, the Government cannot support the need for these services or that the Government received value for the monies expended. Finally, this procurement created a situation that could have allowed the contractor to overcharge the Government because the award did not contain measurable deliverables.

This memorandum is provided to make management aware of the problems with this procurement and to assist the region in ensuring that these problems are not repeated on future procurements.

Management Response

On February 11, 2011, regional PBS management provided a response to a draft copy of this memorandum which is included in its entirety as an attachment. Management's response reaffirms their position that the contract did meet the criteria for urgent and compelling need and that the contractor was the only local firm and had knowledge of the issues. Further, management's contention is that the contract was properly awarded and the contractor performed 1885 labor hours for work related to the Bannister Federal Complex.

Nothing in management's response caused us to change our position. This memorandum is part of an on-going review. At the conclusion of the review we plan to prepare a formal audit report. Therefore a corrective action plan is not required at this time. In addition, because this memorandum is not a report nor does it contain formal recommendations, it is not subject to the audit resolution process.

If you have any questions about this memorandum, please contact me at (816) 926-8615.

Attachment

5

GSA

GSA, Office of the Regional Administrator
Heartland Region, Kansas City

February 11, 2011

MEMORANDUM FOR JOHN F. WALSH
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-6)

FROM: JASON KLUMB
REGIONAL ADMINISTRATOR (6A)

SUBJECT: Task Order GS-P-10-GX-0012 (under GSA Contract Number GS-23F-0354P) for environmental communications services regarding the Bannister Federal Complex

Thank you for your Memorandum dated January 28, 2011 and referenced above. I appreciate your making me aware of problems you see with the procurement, in order to assist the region in ensuring that any problems are not repeated.

Attached hereto are comments that were provided to me today. I pass them along for your consideration.

U.S. General Services Administration
1500 E. Bannister Road
Kansas City, MO 64131
jason.klumb@gsa.gov

MEMORANDUM FOR: JOHN F. WALSH
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-6)

THRU: JASON KLUMB
REGIONAL ADMINISTRATOR (6A)

FROM: MARY RUWWE
REGIONAL COMMISSIONER
PUBLIC BUILDINGS SERVICE (6P)

SUBJECT: TASK ORDER GS-P-06-10-GX-0012 FOR
ENVIRONMENTAL COMMUNICATION SERVICES

We appreciate the memorandum from the Office of the Inspector General on the JMA contract award and take seriously recommendations for additional supporting documentation. Please be assured that we have already acted on our internal audit, as well as many of your recommendations, and are discussing your remaining recommendations and will take action as appropriate. The purpose of this letter is to provide the reasoning behind decisions made in February 2010.

Beginning in November 2009, GSA's Heartland Region (Region 6) began receiving reports and media inquiries about health and safety issues at Bannister Federal Complex. These requests were handled in house, and the Region's goal was (and continues to be) to convey to tenants, employees, the media, and stakeholders that Bannister Federal Complex is a safe, viable workplace despite media reports to the contrary. By January 2010, GSA had received inquiries about Bannister from the Missouri Department of Natural Resources, the Missouri Department of Health, and the Kansas City Health Department in addition to a growing number of media requests for information. There were protests at the childcare center in early January amidst reports that it was unsafe. By late January, media inquiries and rumors had increased twofold, causing unprecedented tenant and employee concerns about the safety of Bannister Federal Complex. The quantity and complex nature of these inquiries and reports highlighted the need for a higher level of communications expertise than Region 6 could provide in house. Widespread fear about the safety of both the workspace and childcare center at Bannister Federal Complex and discussions among employees about moving out of the facility added urgency to the Region's need to seek outside assistance with communications.

At the urging of GSA Central Office, Region 6 consulted the Environmental Protection Agency due to EPA's experience with environmental communications. The EPA Associate Regional Administrator for Media and Intergovernmental Relations

recommended that Region 6 contact Jane Mobley Associates (JMA), a local small business with which the EPA staffer had prior experience. JMA was knowledgeable of crisis management, experienced at digesting, evaluating, and translating technical data, and had previously worked with a broad spectrum of government agencies at multiple levels of government. Additionally, JMA was the only local firm on schedule that had knowledge, skills and abilities appropriate to address the issues facing the region related to the Bannister Federal Complex.

Region 6 requested the EPA representative to draft a Statement of Work and assume the role of contracting officer representative due to the representative's extensive experience with this type of work. The SOW requested strategic communications support, which is more than traditional press relations service. Region 6 described the support as, "environmental communications consulting by a professional communications firm that had extensive experience working with environmental situations."

Upon receipt of the SOW, Region 6 expedited bringing JMA on board and developed a Limited Source Justification utilizing the "urgent and compelling" classification. According to FAR 6.302-2, a requirement is classified as "unusual and compelling" when the government would be seriously injured unless the agency is permitted to limit the number of sources from which bids or proposals are solicited. Region 6 utilized "urgent and compelling" under the Limited Source Justification because the concerns of employees and tenants were severe enough to impair their ability to work as normal. Additionally, Region 6 was compelled to communicate quickly and decisively to prevent irreparable damage to the viability of Bannister Federal Complex and to counter perceptions of unsafe working conditions at both the childcare center and offices at Bannister.

JMA's prices were evaluated for fairness and reasonableness prior to the award. As stated in FAR 13.106-3, price reasonableness may be based on market research, comparison of the proposed prices with prices found reasonable on previous purchases, current price lists, catalogs or advertisements, comparison with similar items in the related industry, the contracting officer's personal knowledge, comparison to an IGE, or any other reasonable basis. The contracting officer determined price reasonableness by comparing JMA's proposed prices with the prices of two other Federal Supply Schedule holders' contract prices. GSA has already determined the prices under schedule contracts to be fair and reasonable. Therefore, in order to evaluate pricing further and ensure price reasonableness, Region 6 utilized a comparison with the two schedule contractors' published, fair, and reasonable, contract prices. In a February 5, 2010, email, EPA deemed the prices to be fair and reasonable as well.

The IG memorandum suggests that Region 6 should have consulted legal counsel before moving forward with this contract, however, it is not standard practice to consult legal counsel for assistance with a procurement of this size. Nevertheless, Region 6 has subsequently discussed the contract with legal counsel and is implementing best practices received from the IG and internal audit staff.

Region 6 began working with JMA the day of the award. Together, Region 6 and JMA developed a contingency plan for an alternate site for the child care center, discussed the results of testing, and started communication planning. By the end of February, significant progress had been made understanding past environmental conditions and current concerns. Nevertheless, the Region still felt uncomfortable with its capacity to respond to the multiple queries from the media, current and former employees, various federal agencies, and the public.

On March 8, 2010, Region 6 issued a firm-fixed price modification to extend the services under the original agreement. The goal of negotiating and awarding a modification to extend services was to keep the long term costs as low as possible and build GSA's skills and in-house capacity to do the work. JMA was requested to provide a breakdown of the hours expended under the modification extension period in order to verify receipt of services in the amount JMA proposed. This action did not change the contract type from a firm-fixed price to a time and materials contract. The SOW for the extension period was a result of negotiations and mutual agreement of the parties.GSA provided JMA with a scope of work for the extension period, but JMA stated that the scope needed more specificity. Through the negotiation process, changes were discussed, and JMA presented the negotiated SOW to the contracting officer. At that time, the negotiated modification to extend services for an additional two months was awarded in accordance with FAR 52.212-4, as a supplemental/bilateral agreement. The scope of the work and discussions with JMA made clear that the last two months were to serve as a transition period, during which GSA's skills would be honed so future communications, strategic planning, and leadership counseling could be managed in-house.

JMA performed 1,885 labor hours for work related to the Bannister Federal Complex. JMA assisted GSA in providing clarity on the issues and counsel to senior PBS leadership to determine the best next steps to address the concerns of the various stakeholders, provided extensive meeting facilitation and mediation between EPA, GSA and DOE, helping to build a long-term partnership; performed extensive research from learning about the 68-year history of Bannister Complex to the potential health implications of exposure to various contaminants, (PCB's, TCE's, Uranium, Beryllium) to understanding the federal and local environmental laws and regulations impacting the facility. JMA also helped develop the skills and knowledge of in-house staff in

preparation of them taking the communications role. Additionally, JMA provided consultation and identification of GSA resources for ongoing risk communication and management, helped build the framework for a community panel and interagency leadership panel, and provided support to GSA in planning and implementing communications outreach strategy. For your reference, a high-level summary of JMA deliverables under the contract is attached.

At the beginning of 2010, GSA faced a complex situation at Bannister Federal Complex that was amplified by media reports and employee fears of unsafe conditions. Because the health, safety, and peace of mind of GSA employees is our primary concern, Region 6 needed assistance to fully understand and characterize the developing situation. Region 6 acted swiftly and decisively to address employee and community concerns and prevent irreparable harm to the agency.

Attachments:

High-level summary of JMA deliverables under the contract

Summary of Professional Services and Knowledge Work for GSA Heartland
(Feb. 5, 2010 – May 10,2010)

Contractor assigned tasks included facilitating interagency operability and develop a set of operational agreements and support GSA communication and public outreach efforts.

Knowledge work and professional services provided included:

1. Contractor provided facilitation and documentation of two initial teleconference meetings, which included 20 leadership, scientist and communication professionals from GSA Region 6 and Environmental Protection Agency Region 7
    a. Friday, Feb. 5, 2010 – agenda included contingency planning for alternative site for child care center; schedule for further sampling at buildings 50 and 52; comparison of Missouri Department of Natural Resources and EPA sampling at buildings 50 and 52
    b. Saturday, Feb. 6, 2010 – discussed relocation plan and contingency locations for child care center; mitigation system for buildings 50 and 52; schedule for results of January and February sampling

    Outcome: Contractor drafted for government approval a communication to parents of all children in the on-site child care center and employee and tenant update for immediate distribution.
2. Contractor provided facilitation of a meeting with GSA and EPA (Feb. 9, 2010). Participants included GSA Region 6 Regional Commissioner for Public Building Service, GSA Region 6 Public Affairs Officer, EPA Associate Regional Administrator for Media & Intergovernmental Relations and EPA Director of Environmental Services Division.
    Outcome: The contractor facilitated the consensus on preliminary roles and responsibilities for communication around recent EPA sampling and analysis of samples at the Bannister Federal Complex in February, in addition to communication about the 2008 comprehensive sampling conducted by Missouri Department of Natural Resources.
3. Over the course of the contract, contractor participated in regularly scheduled GSA PBS team conference calls to provide updates on environmental sampling, media coverage, upcoming meetings and tasks and assignments (calls were held daily for several weeks and transitioned into weekly calls). As a participant on these calls, contractor staff contributed observations, actively engaged GSA staff with questions, and encouraged GSA staff to test and explore options for action.
    Outcome: GSA identified and operationalized its own capacity to work effectively within the agency, as well as with its external agency partners and maximized the use of all internal communication and environmental staff resources.
4. Contractor facilitated a joint GSA/EPA meeting on Feb. 9, 2010, regarding appropriate spokespersons for both organizations during the time period leading up to the appointment of a new Regional Administrator for GSA Region 6 and assisted in the development of orientation and briefing for the newly appointed Regional Administrator for EPA Region 7.

JMA GSA Heartland Service Deliverables - Document provided by JMA 1
Contract # GS-23-F–354P

5. Contractor prepared for, facilitated/moderated a meeting between GSA and EPA leadership on Feb. 18, 2010, to discuss Superfund and the relationship between EPA and Missouri DNR as it relates to the monitoring and sampling at the Bannister Federal Complex, particularly the GSA portion of the complex.
   Outcome: This meeting clarified roles among the various agencies and identified next steps for testing.
6. Contractor provided on an as-needed-basis, support and consultation to GSA and EPA to assist in the development of meeting agendas, correspondence and publicly available information regarding the most recent sampling at the complex and release of the results of that sampling and other issues. Contractor worked closely with GSA staff to assure accuracy and clear writing in PowerPoint presentations it developed in conjunction with NNSA for briefing local officials; for media releases; and other publicly available material that communicated environmental testing and results at the complex.
7. Contractor assisted in planning and attended the EPA-hosted Public Availability Session (25 FEB) on EPA sampling results for GSA buildings 50 and 52.
8. Upon the nomination and approval of the new Regional Administrator for GSA Region 6 on Feb. 23, 2010, contractor supported GSA in providing nominee information and background documents to multiple agencies and entities.
9. Contractor participated in and provided facilitation and documentation as requested for inter-agency meetings
   a. March 2, 2010: Joint meeting between GSA and EPA to discuss inter-agency responsibilities.
      Outcome: Contractor wrote the working draft, incorporated negotiated changes and edits then revised.
   b. March 3, 2010: Joint meeting between GSA and NNSA to share information
   c. March 5, 2010: Joint meetings (two) between GSA and NIOSH to discuss the health evaluation process and handling of health evaluation requests.
      Outcome: Contractor wrote clear language for distribution to all GSA employees, tenants and the public to explain the NIOSH investigation process and the anticipated timeline for this process to be carried out at the Bannister Federal Complex.
   d. March 24, 2010: Joint meeting between GSA and EPA to reach agreement on the structure and initial operating guidelines for a Community Advisory Panel.
   e. March 29, 2010: Joint meeting between GSA and EPA to further refine the community advisory panel.
      Outcome: Contractor's draft of the Community Advisory Panel framework; became the foundation for the final document describing the role and functions of the CAP.

- Contractor prepared targeted NIOSH press releases, placed with *Kansas City Star*, interfaced with NIOSH Public Affairs Officer and prepared a Frequently Asked Questions document communicating the health evaluation process and requests.
- Consultation to GSA staff on multiple media requests associated with GSA Central Office staff visit to Kansas City for Jason Klumb's swearing-in ceremony.

JMA GSA Heartland Service Deliverables - Document provided by JMA
Contract # GS-23-F–354P

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- At the request of the Regional Administrator, contractor worked with Region 6 PAO and Jason Klumb to prepare talking points for Regional Administrator swearing-in ceremony.
- Worked with PAO to prepare RA for media interview with *Kansas City Business Journal*.
- Strategized media interface (invited and responsive) for RA.
- Strategized on direct contact events (presentations, meetings) for RA and began research into schedule opportunities.
- Conducted environmental scan of media and other published reports related to the Bannister Complex since 1940s.
- Conducted research and analyzed information related to other contamination situations in U.S., e.g., all Superfund sites.
- Conducted research and analysis of similar risk/crisis communication practices for benchmarking purposes and identification of best practices.
- Conducted research and analysis on GSA national history and policies; GSA Region 6 history, processes and terminology.
- Conducted research on contaminants and their effects on humans for development of message maps and other materials prepared for public forums, parent meetings, congressional leadership meetings, and leadership meetings.
- Conducted research on EPA Clean Water and Clean Air Acts, national environmental policies and standards, Missouri Department of Natural Resources policies and standards.
- Edited materials (fact sheets, tenant updates, newsletters, press releases, histories, etc.) prepared by GSA staff for internal and public release.
- Proof-read materials (talking points, press releases, fact sheets, tenant updates, employee newsletters, letters to parents, etc.) prepared for internal and public release.
- Worked with GSA staff to secure and identify photos, architectural drawings and other site illustrations for collateral materials.
- Conducted on-site research at non-GSA-sponsored public/media forums on workers reporting illnesses.
- Tracked media reports on GSA Region 6, KC Plant, appointment of Jason Klumb, new GSA buildings, etc.
- Conducted research on current state of knowledge management activities at GSA Region 6 offices and most recent publications on knowledge management practices.

Appendix C – OIG's April 20, 2011, Letter to Senate Subcommittee

Report Number A110119/P/6/R12001

U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

April 20, 2011

Senator Claire McCaskill
Chairman
Subcommittee on Contracting Oversight
601 Hart Senate House Office Building
U.S. Senate
Washington, DC 20510

Dear Senator McCaskill,

Please find enclosed my response to your post-hearing question for the record. You asked if I had any additional concerns regarding the General Services Administration's (GSA) management, administration, and oversight of the Jane Mobley Associates (JMA) contract. The enclosed statement responds to several of the statements made by GSA officials at the hearing and provides further information.

Please feel free to contact me at (202) 501-0450 or Sarah Breen on my staff at (202) 219-1351 if my office can be of further assistance.

Sincerely,

Brian D. Miller
Inspector General

Enclosure
Cc: Ranking Member Rob Portman

FOR OFFICIAL USE ONLY

Inspector General Brian Miller's Supplemental Statement
In Response to:
"Examination of Public Relations at the
General Services Administration's Heartland Region"
Post-Hearing Questions for the Record
March 1, 2011

We are responding to the question of whether we had any additional concerns, based on the General Services Administration's (GSA) testimony at the hearing, regarding GSA's management, administration, and oversight of the Jane Mobley Associates (JMA) contract. As explained below, the position as we stated in our testimony has not changed. GSA awarded a sole source task order without justifying why it did not consider other vendors; the scope of work was not adequately defined or priced; there were no specific measurable deliverables; and the contract extension was not justified. Below we state our position, respond to several of the statements made by GSA officials at the hearing, and provide further information.

Issue 1 - Urgent and Compelling Need/Limited Source Justification

Our interim audit memorandum (dated February 18, 2011) stated the JMA contract was directed to a single vendor "without adequate justification of limiting competition." Moreover, regional management had begun (but did not pursue) work on a competitive procurement just three days prior to the non-competitive contract award. In her written testimony, the Public Buildings Service (PBS) Regional Commissioner stated that certain events along with a surge in media attention created a "pressure cooker" environment. She went on to say that she "believed there was an urgent need to get the facts - and the truth - out to the public. I believe GSA then had a compelling need for outside communications expertise."

Federal Acquisition Regulation (FAR) 8.405-6 allows for limiting sources when "[a]n urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays." Below we provide additional information on two issues raised by the Regional Commissioner to support the GSA assertion that there was a need to award the contract in an expedited manner without competition: a protest at the child care center and lack of in-house staff. We also will discuss the fact that at the hearing GSA did not provide any specific basis to show how the FAR standard of an unacceptable delay was met.

Protest at the Child Care Facility. The Regional Commissioner stated, "Over the course of seven days, multiple events pushed us beyond our in-house communication capabilities." To support this statement, the Regional Commissioner gave the following example: "A protest was staged outside our Child Care Center Facility, featuring provocative signs and fear-inducing allegations."

1

The referenced incident consisted of two "older" individuals handing out leaflets on January 27, 2010. The event lasted approximately 10 minutes. The people did not have signs and the only "fear-inducing allegation" was made to a PBS employee who asked the people to leave because they did not have a permit. This matter was addressed the next day by a PBS employee that went to the child care center to distribute information prepared by the public affairs office and answer questions. There was no further activity on this event and there were no other protests at the child care center. A Federal Protective Service (FPS) Report (see Appendix A) was filed and did not mention signs or harassment. We interviewed PBS and child care center personnel regarding this incident. These interviews confirmed that there were no signs or harassment. However, the people we interviewed did not have any documentation of the event because they did not consider it significant.

Lack of In-house Public Affairs Staff. The Regional Commissioner's written statement noted that during an undefined time period in late 2009, "information requests began to increase to two or three inquires per week. During this time, GSA's single in-house communication staff handled this communication and outreach." PBS's oral testimony included, ". . . the single in-house communications staffer handled this outreach."

The Heartland Region PBS has a Communications and Public Affairs Branch that included 15 people in December 2009. (See Appendix B). This staff included: one Branch Chief, two Business Development Specialists, one Lead Communications Specialist, one Lead IT Project Manager, four Communications Specialists, three Program Analysts, two IT Specialists, and one Web Developer. Four of these staff were contractor employees. One of the Business Development Specialists was informally designated as the public affairs officer (PAO) for the region and was handling the Bannister Federal Complex issues.

The position descriptions (PDs) and performance plans for the communications and public relations personnel showed that the PDs included requirements for outreach to management, customers, Congress, and the media. The following are examples of responsibilities included in the position descriptions. (See Appendix C).

Business Development Specialist

- Develops presentations and programs to brief high-level PBS customers and members of Congress, high level agency officials, private sector executives and news media on the functions, programs, services provided by The Heartland Region Public Buildings Service.

- Where advantageous to the taxpayer, serves as Contracting Officer's Technical Representative (COTR) for managing the delivery of Marketing deliverables which include (but are not limited to) event management, mass mailings, targeted marketing strategies, studies, management presentations, publication preparation and publishing, and other promotional materials.

Communications Specialist

- Serve as a central researcher, writer, editor, proofreader, and production coordinator for a variety of multi-media communications deliverables. Identifies appropriate subject matter experts, interviews for key message ideas and "translates" trade-specific information into clear, concise expressions for the targeted audience/client base. Specifically, projects require the employee to develop proposals for communication – defining audiences and messages, organizing thoughts, selecting media (e.g. brochures, CD-ROM, booklets, video, PowerPoint presentations, etc.), creating distribution methods, and providing creative expertise for supporting materials.

Unacceptable Delay Basis. The standard for using FAR 8.405-6 (urgent and compelling) as a basis for non-competitively awarding a contract is that a competitive process would result in an unacceptable delay. As identified in our interim audit memorandum, the JMA task order file contained no information regarding unacceptable delays. In addition, much of the JMA work was directed toward areas such as research of the Bannister Complex, briefing packages for Congressional parties and the new Regional Commissioner, and efforts addressing a downtown federal building. At the March hearing, the Agency did not provide any specific information regarding how this standard was met. While the Regional Commissioner made statements to the effect that delays would have resulted if typical ordering procedures were followed, GSA did not identify how long a competitive procedure would have taken or define what constituted an unacceptable delay. However, PBS personnel recently produced[1] a February 1, 2010 email between the branch chief for the regional PBS contract services group and five staff members that indicated a competitive procurement was contemplated. In the email he states,

> I had [the contracting officer] downloaded a listing of firms that are on schedule who perform PR work....There are 3 firms in Missouri....Please review the listing to see if there are 3-4 firms you are interested in soliciting....From our end, once we receive the scope we will issue the scope of work to the vendors and move quickly to get a firm under contract.

Issue 2 - Contract Requirements

Our interim audit memorandum stated it was not possible to determine from the task order file what specific work was purchased or how the task order was to be evaluated, and that the task order file contained only general descriptions of tasks and deliverables. Our report also stated there were indications that JMA drafted the statement of work (SOW).

In both oral and written testimony, GSA made statements regarding the type of work required and how the contractor filled these needs. In the Regional Commissioner's written statement she said, "The situation at the Bannister Federal Complex was unique and gave rise to a compelling need for specialized expertise which JMA was able to provide. This engagement was a short-term, stop-gap measure, limited in scope and

[1] Provided to the OIG on April 19, 2011.

3

lasting only a few months. It was ended as soon as possible." Below we address GSA's statements related to measurable deliverables, creation of the SOW, the existence of a blanket purchase agreement (BPA) awarded at the conclusion of the contract, and JMA's technical qualifications and work product.

Measurable Deliverables. In our audit memorandum we explained that FAR Part 37.6 requires that all performance based awards "[e]nable assessment of work performance against measurable performance standards," but the JMA contract did not have the required measurable deliverables. In their testimony, agency officials provided a listing of the work performed by JMA, including references to a communications plan, discussions of test results in reports commissioned by the EPA and National Institute for Occupational Safety and Health, and a contingency plan for the relocation of the child care center. However, GSA did not address why the task order did not include measurable deliverables. The PBS Commissioner's response when asked about the lack of defined, measurable deliverables was, "I do not think we had no deliverables. In hindsight, I wish that deliverables probably could have been more specific."

JMA prepared the SOW. The lack of deliverables in the SOW is particularly important in light of the fact that the contractor wrote the SOW. The Agency maintained, until later in the hearing, that the contractor did not provide the SOW. In her opening statement, the Administrator stated, "Relying on EPA's superior experience with environmental crisis management and communications, GSA sought guidance on framing the statement of work from EPA. EPA appropriately provided the required assistance and GSA then negotiated a final statement of work with Jane Mobley Associates."

However, GSA did more than seek guidance from EPA; it asked EPA to provide a SOW for the contract. EPA, in turn, obtained the SOW from the contractor. In an internal JMA email dated February 4, 2010, Jane Mobley states, "[An EPA employee] needs a Statement of Work for what needs to be done -although they don't really know, so it needs to be general enough to fit in everything we could find under every rock we turn over. They are calling it Risk Communication although they are clearly in full tilt crisis already. He was hoping we had or would know where to find a 'boiler plate' SOW so they could write a contract right away."

Upon questioning by Senator McCaskill, the Administrator acknowledged that GSA recently learned that the statement of work was, in fact, prepared by JMA. The Administrator stated, "The Statement of Work was given to us by EPA at our request. We asked EPA to help us with this, because EPA is quite knowledgeable and experienced in communications work with the public around technical and scientific issues. They provided us with the Statement of Work. We did not understand until very recently that it was composed by JMA."

Both the PBS Commissioner and the Administrator admitted in their oral statements that GSA should have prepared the SOW for the task order. The statement of work provided by JMA was accepted and used by GSA, in contrast to the Administrator's statement that it was negotiated. Additionally, in an interview with us, the referenced EPA official

advised us that his experience was in public relations and he believed GSA was the expert in contracting.

JMA Blanket Purchase Agreement. In addition to the Regional Commissioner's statement that the contract was to be of short duration, the Administrator stated that adding two months added to the JMA task order was "to serve as a transition period, during which GSA would assume and manage these responsibilities in-house." However, PBS awarded JMA a Blanket Purchase Agreement (BPA) for communications services. The BPA award process was initiated during April 2010 (during the additional two months added to JMA's task order) and was effective on June 1, 2010. The BPA was for a period of one year with an estimated value of $1 million and included 4 one-year options. No work has been awarded under this BPA and PBS officials have informed us that the options to the BPA will not be exercised.

JMA's technical qualifications and work product. Our interim audit memorandum noted that the task order file contains very little information as to why JMA was selected and did not contain any JMA work product. Our report noted that the work product PBS eventually provided to us showed no particular expertise and included some incorrect information.

The Regional Commissioner's written and oral statements noted that JMA was "experienced at digesting, evaluating, and translating technical data . . . ." PBS did not support this statement. In addition, in explaining why JMA was needed, the PBS Commissioner stated, "and in this case we needed that kind of expertise, not just your typical press releases, Web pages, internal communications, but we needed people who were able to help us distill complex, long-running information and help teach and train and communicate that to the public."

However, Jane Mobley's own statements indicate others could also have done the work. In an internal email dated February 4, 2010, Jane Mobley stated, "Maybe check the Far -other than a Simplified Acquisition is there any way to do this? They could Sole Source but it would really be arguable that no one else could do this but us. If it is SA [simplified acquisition], it has to be under $100K. That won't carry them on as far as this should go. I told [EPA official] they might have to do phases."

Our review of the task order file and subsequent documentation did not uncover examples of JMA performing technical tasks. The file also did not include the resumes of the JMA staff that worked on the project. One of the main tasks reflected in the JMA work records[2] was the recording of meeting notes. The file included many detailed hand written notes and subsequent typed versions of these notes. Other JMA product included a history of the Bannister Complex, descriptions of Government agencies, a draft communications plan, and a knowledge management plan. Much of the information was obtained from publicly available sources. For example, a February 4,

[2] JMA files did not segregate JMA work product from that prepared by others. Some information such as frequently asked questions and tenant fact sheets were readily identifiable as not JMA product because these documents were prepared prior to the start of the task orders. However, for drafts of some press releases and other limited information after the start of the task order, the files did not indicate whether the documents originated at JMA or were edited by JMA.

2010, JMA e-mail discussed the start of work on the project and stated, "Let's make a work-plan based upon what we know about crisis communication – plus what we can see on the web. There are some good plans near the surface on Google."

In addition, the Regional Commissioner written statement includes, "The Heartland Region and Jane Mobley Associates . . . created a contingency plan for an alternate site for the child care center." In response to our request for the contingency plan, PBS provided a one-page document that was prepared by a PBS associate.

Lastly, GSA's written statements reference a "communications plan" provided by JMA. However, the task order file included no communications plan and when we requested this work product, PBS could not locate it. PBS subsequently requested a copy of the communications plan from JMA. Interviews and emails indicate that an actual JMA draft communications plan was not provided until the end of the task order (May 2010) and was not used by the Agency.

Issue 3 - Price Comparison

Our interim report stated we could find no evidence supporting the basis for a price reasonableness determination. At the hearing, the Regional Commissioner stated, "GSA conducted a comparison of the prices from three vendors including JMA. Based on this price comparison, JMA had the lowest cumulative rates for the project, and the required labor mix to accomplish the work successfully."

Our review of the contract file revealed that GSA compared JMA's MAS labor rates with two East Coast MAS vendors that generally had higher labor rates. The labor categories for the two firms were not comparable to JMA's. In addition, the contracting officer could not explain why she selected the two firms that were used in PBS's price comparison.

We located two communications firms close to Kansas City that GSA did not use in its price comparison. A communications firm near Kansas City (with a schedule contract) was not considered and had much lower labor rates than JMA. We contacted this firm and they indicated to us that they could provide crisis communications in partnership with another named local firm. In addition, we identified a firm in Omaha, Nebraska (approximately three hours from Kansas City), with an MAS schedule contract for communication services. This contract states that the company has emphases in crisis communications and environmental programs. This firm's labor rates were also substantially lower than JMA's. Moreover, as stated in the branch chief's February 1, 2010 email, the contracting officer had identified other Missouri firms that could perform public relations work.

Appendix A
Federal Protective Service Report - Protest at the Child Care Center

FEDERAL PROTECTIVE SERVICE
** FOR OFFICIAL USE ONLY **

CASE NUMBER B10001008 ☐ Follow-up Report	Occur Date Span	Occur Time Span	Report Date	Report Time
	01/27/2010 thru	08:03:00 thru	01/27/2010	10:15:00

A

Code	Type of Offense or Incident	Arrive Date	Arrive Time
1420	DEMONSTRATIONS AND DISTURBANCES - demonstration: peaceful	01/27/2010	10:07:00

Building No.	Address	Rtn to Svc Dt	Rtn to Svc Tm
MO0532AD	FED BLDG NO 4 - 1500 E BANNISTER RD KANSAS CITY MO 64131	01/27/2010	10:30:00

Incident Location	Agency Name	Agency Code
	GSA - GENERAL SERVICES ADMINISTRATION	4700

Est Num Dem ☐ 1-10 ☐ 11-50 ☐ 51-100 ☐ 101-300 ☐ 301-500 ☐ 500+ | Est Num Evc ☐ 0 ☐ 1-10 ☐ 11-50 ☐ 51-100 ☐ 101-300 ☐ 301-500 ☐ 500+

NARRATIVE
On 01/27/2010, at approx. 08:07 hours, I was dispatched to the Day Care Center on protestors on the grounds.

On my arrival, I met with [redacted], and Day Care Personnel, who advised me that two people; an older white male ([redacted]) and older white female had piggy back behind an unknown parent and/or parents into the Day Care Center.

INVOLVED PERSON ☐ Victim ☐ Witness ☒ Suspect ☐ Government Employee ☐ Government Contractor ☒ Other ☐ Missing Person

B

No.	Name (last, first, middle)	Alias	Date of Birth / Age	Sex	Race	Height	Weight	Eyes	Hair
1	[redacted]			M	W	[redacted]	[redacted]		[redacted]

Address	City	State	Zip Code	Country
[redacted]	Kansas City	MO	[redacted]	United States

Driver's License Number	State	Social Security #	Nationality	Country of Birth	Home Phone

Scars, Marks, Tattoos / Other	Arrested	Citation Number	NCIC Number	Work Phone
	☐			[redacted]

Employer	Employer City	State	Employer Zip	Employer Country
[redacted]	Kansas City	MO		[redacted]

INVOLVED PERSON ☐ Victim ☐ Witness ☐ Suspect ☐ Government Employee ☐ Government Contractor ☐ Other ☐ Missing Person

B

No.	Name (last, first, middle)	Alias	Date of Birth / Age	Sex	Race	Height	Weight	Eyes	Hair

Address	City	State	Zip Code	Country

Driver's License Number	State	Social Security #	Nationality	Country of Birth	Home Phone

Scars, Marks, Tattoos / Other	Arrested	Citation Number	NCIC Number	Work Phone
	☐			

Employer	Employer City	State	Employer Zip	Employer Country

VEHICLE ☐ Stolen ☐ Damaged ☐ Recovered ☐ Suspect ☐ Other ☐ Govt ☐ Evidence

C

No.	License No	State	Reg Yr	Make	Model	Veh Yr	Value

R/O Name (last, first, middle)	Color	VIN	NCIC Number

R/O Address	City	State	Zip Code	Country

PROPERTY ☐ Stolen ☐ Damaged ☐ Recovered ☐ Suspect ☐ Found ☐ Other ☐ Govt ☐ Evidence ☐ Weapon

D

No.	Type	Make	Model	Color

Owner Name (last, first, middle)	Serial Number	Value	NCIC Number

Address	City	State	Zip Code	Country

Officer Name/Signature / ID#	Date	Supervisor	Date Approved
[redacted]	01/27/2010		

Distribution: ☐ Investigations ☐ AUSA ☐ Local Prosecutor ☐ RO ☐ Other _____
Case Status: ☐ Open ☐ Closed ☐ Unfounded
TECSII Case Number:

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3155 Report
Page 1 of 2

A-1

FEDERAL PROTECTIVE SERVICE

** FOR OFFICIAL USE ONLY **

Narrative Continuation

2010-01-27 11:16:45.95

On 01/27/2010, at approx. 08:07 hours, I was dispatched to the Day Care Center on protestors on the grounds.

On my arrival, I met with [redacted], [redacted], and Day Care Personnel, who advised me that two people; an older white male [redacted] and older white female had piggy back behind an unknown parent and/or parents into the Day Care Center.

The Day Care Center employee advised me that she had stopped the couple (SUs) and that they advised her that they wanting information about NBC's news story aired last night on trichloroethylene contamination in the area and they (SUs) also wishes to passed printed article from NBC, to the parents of the Day Care Center for they (parents) could be aware of the hazards their kids could being exposed to.

The Day Care Center employee advised me that she told the couple that they would have to respond to building 50 and first ask permission before to pass out any article on Government property.

Here the story was picked up by [redacted] who stated that the couple (SUs) then responded to the South Field Office and started asked questions about the NBC news story and handing out the news article to the parents. [redacted] say that she advised the couple (SUs) that they needed to ask [redacted] of GSA for permission about passing out anything on Government property. [redacted] said that the couple left the area.

While attending an emergency board meeting with GSA and the Day Care Center personnel, I received a telephone call from the console guard at 1500 E. Bannister Rd., that the couple (SUs) was now at Lobby 16, wishing to speak with some one from GSA.

Inspector [redacted] and I responded to Lobby 16 where we met with [redacted] and his female companion.

[redacted] advised us that he was wishing to speak with [redacted] I handed [redacted] the business card of [redacted] and advised him that he needed call him to make appointment with him. [redacted] then stated that he was tax payer and that he had the right to pass the NBC news article. I advised [redacted] the Government has rules and regulations governing their property and that he was now in violation of those rules.

[redacted] stated that the Kansas City council was en-agreement with him and that he was demanding answers, whereupon I advised [redacted] that the Kansas City Council had no powers on federal property and that he needed to leave.

[redacted] argued short while longer but finely left the property.

OFFICER [redacted]

CASE NUMBER B10001008

** FOR OFFICIAL USE ONLY **

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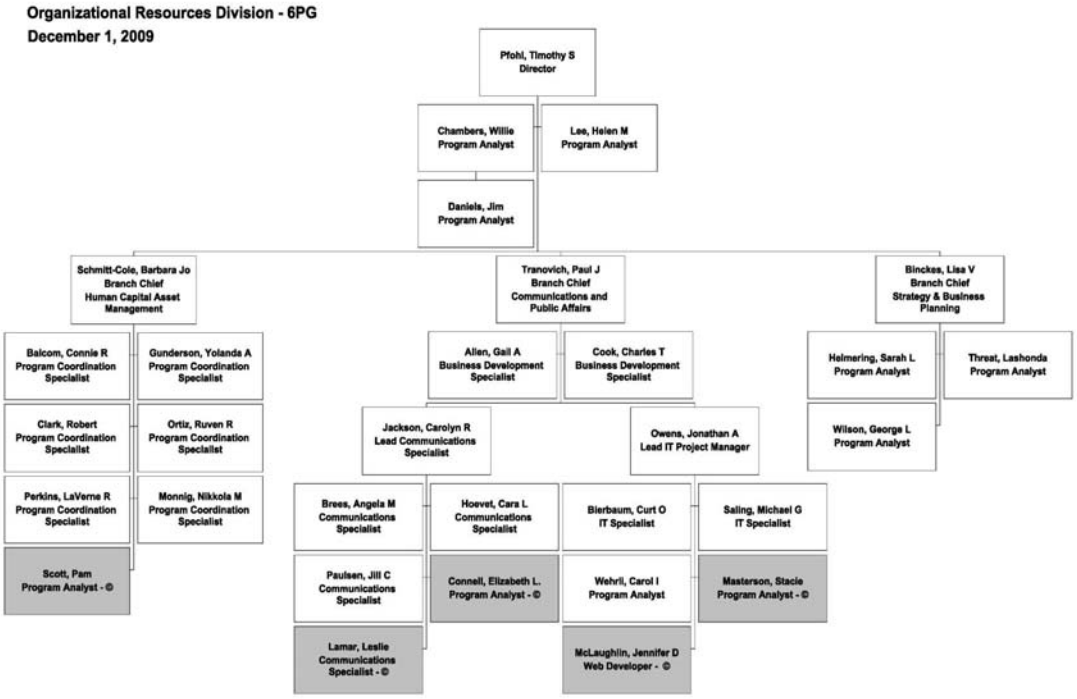
Appendix B
General Services Administration
Public Buildings Service, Heartland Region
Communications and Public Affairs Branch Organizational Chart



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Appendix C
Excerpts From Position Descriptions For
The Communications and Public Affairs Branch Staff

Position	Staff in KC	PD Requirements, in part
Business Development Specialist	2	➢ Serves as liaison between the Heartland ARA and other PBS officials and Congressional staffs, contractor representatives, state and local officials and the local media and press. ➢ Plans, develops, implements and promotes the regional PBS public information program, including the development and review of press releases, presentations to the press and local media, internal communications and establishing and maintaining effective working relationships with local media and community groups. ➢ Develops presentations and programs to brief high-level PBS customers and members of Congress, high level agency officials, private sector executives and news media on the functions, programs, services provided by The Heartland Region Public Buildings Service. ➢ Where advantageous to the taxpayer, serves as Contracting Officer's Technical Representative (COTR) for managing the delivery of Marketing deliverables which include (but are not limited to) event management, mass mailings, targeted marketing strategies, studies, management presentations, publication preparation and publishing, and other promotional materials.
Communications Specialist	4	➢ Serve as a central researcher, writer, editor, proofreader, and production coordinator for a variety of multi-media communications deliverables. Identifies appropriate subject matter experts, interviews for key message ideas and "translates" trade-specific information into clear, concise expressions for the targeted audience/client base. Specifically, projects require the employee to develop proposals for communication – defining audiences and messages, organizing thoughts, selecting media (e.g. brochures, CD-ROM, booklets, video, PowerPoint presentations, etc.), creating distribution methods, and providing creative expertise for supporting materials. ➢ Works closely and effectively with many levels of employees within the organization. Duties include coordinating speakers, logistics (location, time/date, security, etc.), photographers, media and public announcements, printed programs/schedules and a variety of collateral materials, and often require the individual to act as lead coordinator in designating support personnel and scheduling key milestones related to these events. ➢ Conducts research and prepares reports containing clearly defined findings and recommendations regarding the development of PBS regional communications programs, standards and plans.
Lead Communications Specialist	1	➢ Similar requirements to the Communications Specialist with additional managerial requirements.
Program Analyst	2	➢ Program Analyst will work independently with PBS Division Directors and top management to provide comprehensive communications support. This communications support includes, but is not limited to creating internal and external communications documents, planning and organizing special events and programs, conducting interviews and writing articles for internal and external publications, i.e. newsletter articles, press releases, brochures, programs, etc. ➢ Additionally, the person in this position will research, identify and implement communication strategies based on organizational need; advise top management officials on communications issues to include sharing ideas and methods to improve communications within an organization and the region.

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Appendix D – Senator McCaskill May 9, 2011, Letter to GSA Administrator

Report Number A110119/P/6/R12001

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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510–6250

May 9, 2011

The Honorable Martha N. Johnson
Administrator
U.S. General Services Administration
1800 F Street NW
Washington, DC 20405

Dear Madam Administrator:

On March 1, 2011, you and other officials from the General Services Administration (GSA) provided testimony at the Subcommittee's hearing entitled, "Examination of Public Relations Contracts at the General Service Administration's Heartland Region." In response to questions submitted for the record, Inspector General Brian Miller provided a supplemental statement to the Subcommittee on April 20, 2011. In his statement, Inspector General Miller raises several issues which, if true, would raise concerns regarding the accuracy and completeness of testimony provided by GSA officials at the hearing. These include the following:

- At the hearing, Regional Commissioner Mary Ruwwe stated that "multiple events" justified GSA's decision to award a public relations contract without adequate competition on the basis of urgent and compelling need. According to Regional Commissioner Ruwwe, one of these events was "[a] protest [that] was staged outside our Child Care Center Facility, featuring provocative signs and fear-inducing allegations." In his statement, Inspector General Miller provides a Federal Protective Service Report dated January 27, 2010, which describes an event where two older individuals attempted to hand out copies of a news article to parents of children at the center. The incident detailed in the report does not include information about signs and does not include references to allegations against GSA.

- In her written statement, Regional Commissioner Ruwwe stated that GSA did not have sufficient in-house staff to handle public affairs issues. According to Inspector General Miller, the Communications and Public Affairs Branch had a staff of fifteen in December 2009, including Business Development Specialists and Communications Specialists., including individuals whose position descriptions and performance plans included responding to the media and Congress.

- In her written statement, Regional Commissioner Ruwwe stated: "With the firestorm of events in 2010 coupled with our limited staff's lack of crisis management expertise, following the typical ordering procedures would have resulted in unacceptable delays."

According to Inspector General Miller, the JMA contract file contained no information regarding unacceptable delays. Inspector General Miller also noted an email dated February 1, 2010 that was produced to the Inspector General following the Subcommittee's hearing. The email, which was sent by the branch chief of the regional contracting organization, contemplates a competitive procurement and directed staff to review a list to determine if there were 3 to 4 firms staff was interested in bidding on the contract.

- Regional Commissioner Ruwwe testified that "GSA conducted a comparison of the prices from three vendors including JMA." According to Inspector General Miller, a review of the contract file revealed that GSA compared JMA's labor rates with East Coast vendors as opposed to the rates for local communications firms, which had much lower rates than JMA. Inspector General Miller added that the Inspector General's "interim report stated we could find no evidence supporting the basis for a price reasonableness determination."

In an effort to ensure that the record is complete, I request that you provide a written response to these and other issues raised in Inspector General Miller's statement, which is enclosed for your convenience. To assist the Subcommittee in closing the hearing record as quickly as possible, please provide the response by May 20, 2011.

Please have your staff contact Sarah Garcia with the Subcommittee staff at (202) 224-1014 with any questions. Please send any official correspondence related to this request to Kelsey Stroud at Kelsey_Stroud@hsgac.senate.gov.

Sincerely,

Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

cc: Rob Portman
Ranking Member
Subcommittee on Contracting Oversight

Enclosure

Appendix E – GSA Administrator's May 20, 2011, Letter to Subcommittee

Report Number A110119/P/6/R12001

GSA

The Administrator

May 20, 2011

The Honorable Claire McCaskill
Chairman
Subcommittee on Contracting Oversight
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510-6250

Dear Madam Chairman:

Thank you for the opportunity to respond to the post-hearing Supplemental Statement submitted by the General Services Administration (GSA) Inspector General (IG), related to the March 1, 2011 hearing on GSA's contract with Jane Mobley Associates (JMA). Below is additional information that specifically addresses issues in your May 9, 2011 letter.

The Supplemental Statement claims the testimony of the GSA Public Building Service (PBS) Regional Commissioner mischaracterized a January 27, 2010 protest at the Bannister Child Care Center. The IG cites a post-incident report by the Federal Protective Service (FPS) which the IG interprets as being at odds with GSA officials' perception of the incident. GSA does not believe the FPS report is inconsistent with our testimony. By its own terms, the report places the incident into the category of "Demonstrations and Disturbances," and its narrative repeatedly refers to the demonstration's participants as protesters.

Regional leadership relied on an on-site individual's account of the protest, specifically the Field Office Director for Kansas City-South. The Field Office Director verbally provided a view of the event not captured in the FPS report. For example, the protesters confronted the Field Office Director, who recalls being asked if he was worried that he was killing the babies. In addition, the Director of the Child Care Center confirmed that during the protest a parent was not only confronted by a demonstrator but also told that allowing a child to stay in the Center would place the child at risk.

By way of clarification, since the hearing on March 1, GSA has learned that there were no signs at the protest, but printed articles that the protesters were handing out. As well, it is worth mentioning that this disturbing incident was just one factor among other contemporaneous developments that established an urgent and compelling need for the crisis communications contract.

U.S. General Services Administration
1275 First Street, NE
Washington, DC 20417
Telephone: (202) 501-0800
Fax: (202) 219-1243

The second subject addressed in the IG's Supplemental Statement is whether other public affairs staff could usefully have handled the agency's urgent need. There were 15 employees in the Heartland Region's Communications and Public Affairs Branch. One would reasonably think that a communications and public affairs department of this size could handle this situation. Unfortunately, this was not the case. GSA concluded those individuals did not, at that time, possess the skill set in risk and crisis management needed to immediately address the urgent and compelling need.

Of these 15 employees, seven (one part-time employee located in St. Louis) performed information technology support functions (e.g., business applications and website development); one performed event coordination functions; three were entry/low-level support positions; one had just returned from military deployment to her previous duties of internal employee communications (e.g., newsletters, business line communications); one was a team lead who had just begun to work on environmental issues and lacked the crisis management and technical skills needed; and one was the Branch Chief, Communications and Public Affairs, whose expertise and background was in the information technology field. The remaining employee handled communications and public affairs, but had very limited crisis communication experience (this is the staffer we referred to at your hearing). One result of the JMA contract is that JMA worked closely with GSA personnel, who are now trained in environmental matters and crisis management.

The third issue raised in the Supplemental Statement was that the JMA contract file contained no specific information on why a solution other than a rapid, limited sources acquisition would have meant an unacceptable delay in addressing the need. Initially, the Regional Branch Chief of Contracting was indeed following the standard procedure, which is to compete, on an open market basis, a contracting action. The IG references an e-mail from the Regional Branch Chief of Contracting asking whether or not there were multiple firms interested in bidding on the contract. In fact the Regional Branch Chief of Contracting stated later in that the same e-mail string that it would take a minimum 10 days to enter into a contract.

Accumulating events and activities, however, turned the situation into a crisis, and the Contracting Officer, appreciating the rapidly changing circumstances, approved a limited source procedure using the already competed Federal Supply Schedules program. The Limited Source Justification and Approval executed in this case described the rationale for the urgency, stating it was essential for the work to be completed by a firm that could mobilize immediately and have staff on hand within the Kansas City, Missouri area. GSA agrees with the IG that the contract file could have been more explicit with respect to the unacceptable delay. We also agree there is merit to the IG's emphasis on measurable deliverables.

Finally, the IG challenged GSA's price comparison and price reasonableness. Specifically, the IG suggested there were other available local firms. However, the firm the IG contacted did not have in-house resources to perform the work. The Contracting Officer randomly selected for examination two other Federal Supply Schedule vendors who had online price lists to determine that the JMA price was fair and reasonable. The contract file contained a pricing memorandum that followed the Federal Acquisition Regulation (FAR) procedures for determining price reasonableness. We believe these actions were in accordance with FAR 8.405, which sets the procedures for orders under the Federal Supply Schedule. JMA was the only Missouri firm with in-house crisis communication experience.

Thank you for giving GSA the opportunity to clarify the record. We continue to work closely with Federal and state regulators to assure the Bannister Federal Complex remains a healthy place to work. If you have any additional questions or concerns, please do not hesitate to contact me. Staff inquires may be directed to Mr. Rodney Emery, Associate Administrator, Office of Congressional and Intergovernmental Affairs. He can be reached at (202) 501-0563.

Sincerely,

Martha Johnson

Martha Johnson
Administrator

GSA

GSA Heartland Region

January 6, 2012

MEMORANDUM FOR JOHN F. WALSH
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-6)

THRU: JASON KLUMB
REGIONAL ADMINISTRATOR (6A)

FROM: MARY RUWWE
REGIONAL COMMISSIONER
PUBLIC BUILDINGS SERVICE (6P)

SUBJECT: TASK ORDER GS-P-06-10-GX-0012 FOR ENVIRONMENTAL COMMUNICATION SERVICES

Thank you for the opportunity to respond to the recommendations included in your evaluation of Region 6 Public Buildings Service's procurement of public relations services at the Bannister Federal Complex. I have directed our contracting staff to take action on your recommendations. We have conducted training and are updating our processes and implementing controls as follows:

Recommendation 1: "We recommend the Regional Commissioner, Public Buildings Service, Heartland Region: Implement controls to ensure that all contracting actions contain measurable deliverables in accordance with the FAR and that PBS associates prepare SOWs for contracting actions."

- We will require that all contract deliverables be housed in the primary contract file at the regional office, unless the contract is maintained and administered by a contracting officer not located at that office.
- We will require all contracting staff to review the scope of work thoroughly to ensure it has measurable deliverables.
- We will require all contracting staff to ensure that GSA/PBS associates develop the technical requirements of the statement of work.
- We will continue to limit sole-source contracting actions and will now require the Contract Services Branch Chief to review sole-source contracts for validity and seek legal counsel, if applicable.

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- Lastly, the Special Projects Lead Contracting Officer, who has specialized experience in multiple facets of the Federal Acquisition Regulation, will now be responsible for procuring all future contract actions that are unusual in nature.

In addition, we have placed a renewed emphasis on the professional development of our region's contracting personnel. To that end, the Regional Procurement Office conducted an acquisition training day in June 2011 for all PBS acquisition associates. This training included ethics in contracting and organizational conflict, presented by legal counsel, as well as a multiple award and Federal Supply Schedule contracting overview.

Recommendation 2: "We recommend the Regional Commissioner, Public Buildings Service, Heartland Region: Instruct the contracting officer to issue a demand letter to JMA for the total amount that JMA overbilled the government under the subject task order."

- Based on the results of the billing audit performed by your office, the Contract Services Branch Chief and the contracting officer have worked with legal counsel in the issuance of a demand letter to JMA. The demand letter was issued on January 6, 2012, requesting JMA reimburse the government for the overbilled amount.

Your report also recommended, in connection with "other matters," that I obtain formal guidance regarding requirements for the maintenance and retention of official government records and in particular, e-mail correspondence. I appreciate the recommendation, and will seek, along with my regional leadership team, refresher training on GSA's record retention policies.

Although I take exception to some of the language in the report regarding how PBS fulfilled its contracting responsibilities, I appreciate your office's work in bringing these matters to my attention. We take contracting matters such as these very seriously, and I hope the actions we are taking, as discussed above, are an indication of our commitment to remedy the problems that you have identified.

Again, thank you for the opportunity to respond. I will ensure that we continue to enhance the professional development of our contracting staff and implement your recommendations to further augment our internal controls and processes.

Appendix G – Distribution List

Report Number A110119/P/6/R12001

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