Audit of PBS's Oversight of Lease Periodic Services

Why We Performed This Audit

We included this audit in our *Fiscal Year 2022 Audit Plan* based on prior audit reports issued by our office that identified deficiencies in the GSA Public Buildings Service's (PBS's) lease administration practices. Our audit objective was to determine if lease administration managers (LAMs) are properly verifying and documenting the lessors' completion of periodic services in accordance with PBS and federal requirements.

What We Found

PBS leases can require lessors to provide a wide range of periodic services. Depending on the lease, these periodic services can vary from basic cleaning and maintenance to repainting, window washing, and carpet replacement.

However, PBS is not managing periodic services in leases effectively. We found that PBS LAMs did not consistently verify the timely completion of periodic services. LAMs also did not comply with PBS's requirement to coordinate with tenant agencies and the lease contracting officer to negotiate cost savings when the tenant agency waives substantial periodic services. In addition, LAMs did not always maintain required documentation showing the schedule of periodic services. Overall, we found that PBS is not providing effective oversight of the lease management program to ensure tenant agencies are receiving the periodic services they are paying for.

What We Recommend

We recommend that the PBS Commissioner:

1. Require LAMs' supervisors to routinely ensure that LAMs are verifying that lessors complete all periodic services.

2. Require that newly hired or assigned LAMs receive sufficient training on lease management requirements within a timely manner after starting in their position and routinely thereafter.

3. Ensure regional offices conduct the required Management Analysis Review System reviews to ensure that LAMs maintain all required records in the Lease Management Tool, including the annual schedule of periodic services.

4. Require that upon assignment and on a regular basis, LAMs communicate with the lessor and tenant agency to obtain and verify the updated schedule of periodic services.

The PBS Commissioner agreed with the report recommendations and described actions PBS has taken or will take to address them. PBS's response can be found in its entirety in ***Appendix D***.

Business Line
Public Buildings Service

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