
Audit of PBS Basic Repairs and Alterations Project: William Augustus Bootle Federal Building and U.S. Courthouse

Why We Performed This Audit

Since Fiscal Year 2020, we have performed audits of the GSA Public Buildings Service’s (PBS’s) basic repairs and alterations projects. For Fiscal Year 2022, Congress authorized PBS to spend approximately $389 million for its basic repairs and alterations projects, which are designed to keep federal buildings reliably safe and in good repair. With a deferred maintenance and repairs backlog of approximately $3.13 billion, PBS faces challenges in maximizing the use of these funds to address the needs of its aging real property inventory. Accordingly, the proper execution of PBS’s selected projects is critical.

We performed an audit of the PBS Southeast Sunbelt Region’s (PBS Region 4’s) $3.345 million sole-source basic repairs and alterations contract to modernize the heating, ventilation, and air conditioning (HVAC modernization) at the William Augustus Bootle Federal Building and U.S. Courthouse (Bootle Building) in Macon, Georgia. PBS awarded the sole-source contract to a participant in the U.S. Small Business Administration’s 8(a) Business Development program (8(a) program).

Our audit objective was to determine whether PBS Region 4 planned, awarded, administered, and closed out the Bootle Building HVAC modernization contract in accordance with the Federal Acquisition Regulation, General Services Administration Acquisition Manual, and other applicable policies.

What We Found

PBS did not award and administer the Bootle Building HVAC modernization contract in accordance with applicable regulations and GSA policies. As a result, PBS Region 4 overpaid the contractor, providing it with excessive profits; circumvented congressional oversight; did not enforce building security requirements; and enabled subcontractors to underpay employees.

Based on our audit, we found that PBS:

- Awarded the Bootle Building HVAC modernization contract at significantly inflated prices without justification;
- Paid the contractor at least $73,400 for work that was not performed when the contracting officer’s representative inappropriately authorized changes to the scope of work for the project;
- Circumvented congressional oversight by awarding two concurrent contracts to the same contractor for related HVAC projects;
- Did not enforce building security requirements, allowing contract workers without required security clearances to access the Bootle Building; and
- Did not enforce Construction Wage Rate Requirements, which enabled subcontractors to underpay employees.

PBS’s actions disregarded the intent of the congressional prospectus process and caused the government to incur significantly inflated costs.
What We Recommend

Based on our audit findings, we made several recommendations to the PBS Region 4 Regional Commissioner. These include recommendations to ensure that 8(a) program contractors provide applicable cost or pricing data, and PBS Region 4 contract officials properly justify pricing and incorporate design changes into contracts. Additionally, PBS Region 4 should ensure that PBS personnel do not circumvent the prospectus process by splitting related projects. Finally, PBS should ensure that contractor and subcontractor employees possess appropriate security clearances, and subcontractor employees are paid in accordance with Construction Wage Rate Requirements.

See the report Conclusion section for a full list of recommendations.

The PBS Region 4 Regional Commissioner agreed with our recommendations and acknowledged the problems that occurred with the contract after award. However, PBS Region 4 maintains that it did not disregard the intent of the congressional prospectus process. PBS Region 4’s written comments are included in their entirety in Appendix B.