



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

DATE: March 27, 2013

TO: ALLISON H. AZEVEDO
REGIONAL COMMISSIONER, PBS
GREAT LAKES REGION (5P)

FROM: ADAM R. GOOCH *Adam Gooch*
REGIONAL INSPECTOR GENERAL FOR AUDITING
GREAT LAKES REGION (JA-5)

SUBJECT: Contract Administration of Task Order GS-P-05-10-SC-0041 for
Construction Services at the E. Ross Adair Federal Building and U.S.
Courthouse in Fort Wayne, Indiana in Support of the American
Recovery and Reinvestment Act of 2009
Audit Memorandum Number A090184-68

As part of our oversight of the General Services Administration's (GSA's) American Recovery and Reinvestment Act (Recovery Act) projects,¹ we determined that foreign-manufactured construction material was installed at the E. Ross Adair Federal Building and U.S. Courthouse in violation of Recovery Act provisions.

On March 31, 2010, the Public Buildings Service (PBS) awarded task order GS-P-05-10-SC-0041 to Havel Brothers, in care of Schneider Electric Building Americas, Inc. under Federal Supply Schedule Contract Number GS-07F-7851C for an energy management system upgrade, lighting replacement, and installation of occupancy sensors in the E. Ross Adair Federal Building and U.S. Courthouse in Fort Wayne, Indiana. The task order, including modifications, had a total value of \$1,270,742.

Foreign-manufactured construction material was installed on the project, violating the Recovery Act's Buy American requirement.

During our review, we noted that the following foreign-manufactured construction material was installed on this project:

¹The Recovery Act provided GSA with \$5.55 billion for the Federal Buildings Fund. In accordance with the Recovery Act, the GSA PBS is using the funds to convert federal buildings into High-Performance Green Buildings, as well as to construct federal buildings, courthouses, and land ports of entry. The Recovery Act mandates that \$5 billion of the funds be obligated by September 30, 2010, and that the remaining funds be obligated by September 30, 2011. The GSA Office of Inspector General is conducting oversight of the projects funded by the Recovery Act. One objective of this oversight is to determine if PBS is awarding and administering contracts for limited scope and small construction and modernization projects in accordance with prescribed criteria and Recovery Act mandates.

Manufacturer	Description	Model Number	Units Installed	Total Cost	Notes
Sylvania	Electronic ballast	QHES2X32T8UNVPSN-SC	349	\$11,967	1,3
Sylvania	Electronic ballast	QTP1X32T8UNVPSX-TC	225	\$3,915	1,3
Sylvania	Electronic ballast	QTP2X32T8UNVPSX-TC	394	\$10,244	1,3
Sylvania	Electronic ballast	QTP3X32T8UNVPSX-SC	4	\$120	1,3
Sylvania	Electronic ballast	QTP4X32T8UNVPSX-SC	35	\$1,547	1,3
Pacific Ballast	Electronic ballast	4MH70HXSC	2	N/A	1,4
WattStopper	Occupancy sensor	WT-2250	41	\$5,658	2,3
Total				\$33,451	

Notes

- (1) A ballast is “a device required by electric-discharge light sources such as fluorescent or HID (high-intensity discharge) lamps to regulate voltage and current supplied to the lamp during start and throughout operation.”
- (2) The Recovery Act certification on the company’s web site attested that the model numbers listed were in compliance with the Buy American provision of the Recovery Act. This model number was missing from the certification.
- (3) We requested costs from PBS for these items but they were not available as it was a lump sum contract. Therefore, we estimated costs based on our own research.
- (4) We were unable to find an exact match to the installed model number in our research; therefore, we could not compute an estimated cost.

As the table above shows, the total cost of the installed foreign-made materials was about \$33,451. The use of foreign-manufactured construction material violated Section 1605 of the Recovery Act, which requires that, unless an exception applies, all manufactured construction material must be produced in the United States. It also mandates that if the construction material consists wholly or predominantly of iron or steel, it must be produced in the United States.

Region 5 PBS responded to our memo as follows:

We concur that foreign-manufactured construction material was installed as part of the project, violating the Recovery Act's Buy American (BAA) requirement. The material referenced in the report, mainly lighting ballasts, were a very small component of the overall lighting system installed at the subject property.

A series of emails on Buy American guidance was issued to staff to remind them about Section 1605 of the Recovery Act Buy American requirements and Buy American Act (BAA) requirements. Contracting Officers are reminded to stress BAA requirements at both pre- proposal and pre-construction meetings, to ensure contractors avoid any potential conflicts with the BAA. We will continue to provide training on BAA to ensure BAA compliance.

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

Hilda M. Garcia	Audit Manager	hilda.garcia@gsaig.gov	312-353-6695
Dana H. Johnson	Auditor-In-Charge	dana.johnson@gsaig.gov	312-353-6618

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