



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

A GSA Employee Has an Impartiality Impairment Regarding an Operations and Maintenance Contract for the Greater Southwest Region

Interim Memorandum Number A190054-2
September 11, 2019



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TO: GIANCARLO BRIZZI
REGIONAL COMMISSIONER
PUBLIC BUILDINGS SERVICE, GREATER SOUTHWEST REGION (7P)

FROM: NICHOLAS PAINTER *Nicholas J. Painter*
REGIONAL INSPECTOR GENERAL FOR AUDITING
SOUTHEAST SUNBELT REGION AUDIT OFFICE (JA-4)

SUBJECT: A GSA Employee Has an Impartiality Impairment Regarding an Operations and Maintenance Contract for the Greater Southwest Region
Interim Memorandum Number A190054-2

The purpose of this interim memorandum is to notify you that a GSA employee has an impartiality impairment regarding an operations and maintenance contract with a former employer. We identified the issue during our ongoing audit of the Public Buildings Service (PBS) Greater Southwest Region (Region 7).

We found that [REDACTED], a PBS Region 7 [REDACTED] participated in the award of task orders to his former employer's active GSA contract and did not take the appropriate steps necessary to avoid an appearance of loss of impartiality in the performance of his official duties.¹ Accordingly, PBS should take immediate action to address this matter.

Background

[REDACTED] is an [REDACTED] for PBS Region 7. [REDACTED] started as a GSA employee on February 17, 2019, and supports operations and maintenance services in three Fort Worth, Texas, federal buildings: the Eldon B. Mahon United States Courthouse, the Fritz G. Lanham Federal Building, and the Fort Worth Federal Parking Garage. Before he joined GSA, [REDACTED] was a Project Manager for Northern Management Services, Inc. (Northern). Northern is the current operations and maintenance contract holder for these three buildings under GSA Contract Number 47PH0219D0003. PBS awarded this contract on November 2, 2018, and it remains in effect until October 31, 2019.

¹ Personally identifiable information has been redacted from this memorandum.

While working for Northern from November 2018 to February 2019, ██████████ told us he assisted with the development of the Existing Deficiency Lists (EDLs) for each of the three buildings. The EDLs are contract deliverables that Northern developed to identify building equipment and systems deficiencies that existed at the start of its contract. ██████████ also told us he assisted with the cost proposals to correct items on the EDLs.

Since contract award, PBS has awarded several task orders to repair items on the EDLs. As a PBS employee, ██████████ performed pre-award tasks for these task orders, such as creating independent government estimates and scopes of work, and analyzing the technical and cost components of Northern’s proposals. As detailed in *Figure 1* below, we found that ██████████ performed this work on four task orders, totaling \$143,803.06.

Figure 1 – Northern Task Orders Assessed by ██████████

Task Order Number	Description	Award Date	Amount
47PH0219F0101	Replacement of bench stock items	March 2019	\$10,392.14
47PH0219F0124	Replacement of air conditioning unit for the elevator equipment room	April 2019	\$35,878.16
47PH0219F0198	Replacement of variable frequency drives	June 2019	\$24,504.97
47PH0219F0186	Replacement of entrance and exit crash gates at the basement parking deck	June 2019	\$73,027.79

██████████ confirmed that he has evaluated Northern’s proposals and stated that he expects to continue to do so.

Covered Relationship with Former Employer

The *Standards of Ethical Conduct for Employees of the Executive Branch* (Standards) require that employees take appropriate steps to avoid an appearance of loss of impartiality in the performance of their official duties. To do this, the Standards require that an employee should not participate in a particular matter involving specific parties with whom the employee has a covered relationship without prior authorization from the agency designee.² ██████████ involvement with task orders awarded to his former employer violates these Standards.

A “particular matter” is defined as, among other things, a “[c]ontract... or other particular matter involving a specific party or parties in which the United States is a party or has a direct

² Code of Federal Regulations, Title 5, Section 2635.502.

and substantial interest.”³ In this case, the particular matter is a series of task orders on Northern’s contract with GSA. For these task orders, [REDACTED] performed pre-award analysis that the contracting officer relied upon in making award decisions.

An employee is considered to have a covered relationship with any person for whom the employee has, within the last year, served as an employee. [REDACTED] ended his employment with Northern in February 2019, and began working with GSA that same month. As a result, he has a covered relationship with the contractor and should not be involved with decisions for Northern’s contract. Therefore, [REDACTED] review of proposals that he was directly responsible for preparing as a Northern employee creates the appearance that he lacks impartiality in the performance of his official duties.

A representative from GSA’s Office of General Counsel told us that the “agency designee” for determining impartiality in the performance of official duties is generally the employee’s supervisor. It is GSA’s practice that the supervisor, in consultation with legal counsel, can make a determination that the employee’s participation in the matter is appropriate under the Standards.⁴ Accordingly, [REDACTED] should have notified his supervisor of the potential impartiality impairment and received the supervisor’s authorization prior to performing his duties on Northern’s contract. However, [REDACTED] told us that he did not discuss the potential impairment with his supervisor until after we notified him of the matter. Furthermore, [REDACTED] supervisor told us that after this discussion he neither consulted with GSA’s legal counsel nor made a determination that it was appropriate for [REDACTED] to continue to work in support of Northern’s contract.

Taken together, these matters give the appearance that [REDACTED] lacks impartiality in the performance of his official duties.

Conclusion

PBS should take immediate action to address [REDACTED] impartiality impairment resulting from his involvement with Northern’s operations and maintenance contract.

Audit Team

This assignment was managed out of the Southeast Sunbelt Region Audit Office and conducted by the individuals listed below:

Nicholas V. Painter	Regional Inspector General for Auditing
Valerie R. Smith	Audit Manager
Wesley C. Zehms	Auditor-In-Charge

³ Code of Federal Regulations, Title 5, Section 2637.102(a)(7).

⁴ Code of Federal Regulations, Title 5, Section 2635.502(a).

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