



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**PBS's National Capital Region is  
Failing to Adequately Manage and  
Oversee the Building Services  
Contracts at the FDA's White Oak  
Campus  
Report Number A190021/P/5/R21003  
May 17, 2021**

Assignment Number A230047  
August 24, 2023

---

## ***Table of Contents***

---

<b>Introduction .....</b>	<b>1</b>
---------------------------	----------

### **Results**

<i>Finding 1 – PBS NCR did not implement the appropriate personnel actions needed to address deficiencies in the contracting officer’s management of contracts for the FDA’s White Oak campus. ....</i>	<i>5</i>
---	----------

<i>Finding 2 – PBS NCR has not recovered the overpayment for after-hours O&amp;M services from the contractor and has not reimbursed the FDA for the overpayment. ....</i>	<i>6</i>
--	----------

<b>Conclusion.....</b>	<b>8</b>
------------------------	----------

### **Appendixes**

<b>Appendix A – Corrective Action Plan for Report Number A190021/P/5/R21003 .....</b>	<b>A-1</b>
---	------------

<b>Appendix B – GSA Comments .....</b>	<b>B-1</b>
--	------------

<b>Appendix C – Report Distribution.....</b>	<b>C-1</b>
--	------------

---

## Introduction

---

We have completed an implementation review of the management actions taken in response to the recommendations contained in our May 17, 2021, audit report, *PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus*, Report Number A190021/P/5/R21003.

### Objective

The objective of our review was to determine whether the GSA Public Buildings Service's (PBS's) National Capital Region (NCR) has taken the actions as outlined in the corrective action plan for our report, *PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus* (see **Appendix A**). To accomplish our objective, we:

- Met and corresponded with PBS NCR;
- Reviewed the original audit report to understand the recommendations and provide context for the corrective action plan; and
- Examined documentation submitted by PBS NCR to support the completion of the corrective action plan steps.

### Background

In 1990, U.S. Food and Drug Administration (FDA) personnel were located in 23 different buildings at seven different sites in the Washington, D.C., area. In November 1990, Congress passed the FDA Revitalization Act, with the primary goal to consolidate the FDA into one facility. In 1995, the White Oak campus in Silver Spring, Maryland, was selected as the FDA consolidation project site after the Base Realignment and Closure Commission decided to close the Naval Surface Warfare Center at White Oak.

The FDA consolidation at White Oak was completed in multiple phases. In July 2002, PBS NCR awarded phase one to Honeywell, Inc. (Honeywell) under a U.S. Department of Energy (DOE) contract for the design and implementation of one Central Utility Plant, which was intended to provide off-grid, dedicated utilities to the White Oak campus. In May 2005, PBS NCR awarded phase two to Honeywell using the same DOE contract to expand the Central Utility Plant.

In December 2010, PBS NCR awarded phase three to Honeywell using a DOE Super Energy Savings Performance Contract (ESPC). Under an ESPC, a government agency enters into a long-term performance contract with an energy savings company that privately finances and installs energy-efficiency improvements. DOE's Super ESPCs are umbrella contracts with pre-qualified energy savings companies that comply with Federal Acquisition Regulation (FAR) requirements.

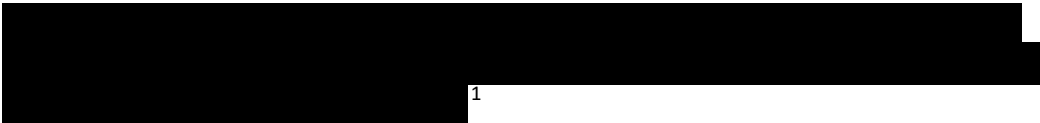
On May 17, 2021, we issued an audit report, *PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus*. The objective of the audit was to determine whether PBS NCR administered and managed the building services contracts at the FDA's White Oak campus in accordance with applicable regulations and policies.

Our audit found that:

1. PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility.
2. Due to mismanagement and lack of oversight of the after-hours operations and management (O&M) services, PBS NCR is charging the FDA for overpriced services that are not being provided.
3. Security at the White Oak campus is impaired because PBS NCR does not ensure that security protocols are followed.
4. PBS NCR mismanaged fire, life, and safety services for the White Oak campus, placing the facilities and personnel at risk.
5. PBS NCR allowed employees to perform contracting officer's representative (COR) duties although they lacked the required certification.
6. PBS NCR improperly provides Honeywell with the "right of first refusal" for all O&M work on the campus, undermining competition and pricing.
7. PBS NCR improperly destroyed contract file documentation, violating the Federal Records Act, the FAR, and GSA policy.
8. PBS NCR is not providing a clean, sanitary, safe, and healthy space at the child care center due to unresolved performance issues with the custodial contractor.

To address the findings identified in our report, we recommended that the PBS Regional Commissioner for the NCR:

1. Take appropriate action to address the deficiencies in Honeywell's performance. At a minimum, PBS NCR should:
  - a. Enforce contract provisions to ensure GSA is achieving the guaranteed cost savings and withhold future payment until Honeywell is able to provide evidence of cost savings in accordance with contract requirements.
  - b. Develop a comprehensive plan to address GSA's oversight of the quality assurance plan for preventative maintenance and service tickets.
  - c. Issue a cure notice to Honeywell to enforce O&M repair or replace requirements for the actuators.

- d. Determine and implement the appropriate personnel action needed to address the contracting officer's failure to enforce Honeywell's contractual obligation to repair or replace the actuators.
2. Improve oversight of the White Oak ESPC with coordinated involvement of PBS NCR and the ESPC National Program Management Office (PMO) to develop policies that establish: (1) clear roles and responsibilities for the contracting officers and CORs to review and approve measurement and verification (M&V) reports before making payments; and (2) training for contracting officers, CORs, and building managers on the ESPC contract requirements.
3. Take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should:
  - a. Ensure that the "After-Hours Labor Estimate" contains valid, reliable data and that it reflects actual cost and schedule conditions; require Honeywell to provide an updated estimate based on actual performance and renegotiate the contract; and perform a procurement contract review to evaluate the effectiveness of its policies and make improvements.
  - b. Conduct an assessment to: (1) identify staff required to be present during the after-hours shift, (2) enforce the statement of work, and (3) monitor staffing of the after-hours shift.
  - c. Perform a comprehensive review of the after-hours staffing from August 2015 to the present, determine the total amount of overpayment for shifts that were understaffed and inadequately staffed, recover the overpayment from Honeywell, and return any overpayment to the FDA.
4. Take corrective action against all parties involved in allowing unescorted after-hours staff to enter utility buildings at any time and enforce current procedures to restrict unescorted access.
5. Take appropriate action to address building security vulnerability concerns. At a minimum, PBS NCR should:
  - a. Conduct a risk assessment of the security vulnerabilities at the White Oak campus.
  - b. 

<sup>1</sup>

---

<sup>1</sup> Redactions in this report represent sensitive information related to federal building security.

6. Improve the oversight of the fire services contract and preventative maintenance of backflow preventers by:
  - a. Providing training to the PBS NCR building managers, CORs, and the contracting officer to ensure adherence to contract provisions. Communicate these requirements throughout the organization.
  - b. Establishing procedures to ensure compliance with National Fire Protection Association standards.
  - c. Developing a comprehensive plan to address the preventative maintenance of the backflow preventers.
7. Determine and implement the appropriate personnel action needed to address the contracting officer's failure to secure a replacement fire services contract.
8. Restrict non-COR-certified officials from signing inspection reports. Provide training to PBS NCR staff on COR requirements for signing inspection reports.
9. Ensure future task orders do not contain the "right of first refusal" in the statement of work.
10. Improve oversight of contract document destruction in accordance with the FAR.
11. Address the improper destruction of contract file documentation identified in *Finding 7* by:
  - a. Conducting a review to identify all missing contract file documentation and replace, at a minimum, contract file documents necessary for providing oversight of contract performance.
  - b. Investigating the circumstances behind the improper destruction of the contract file documentation and take appropriate administrative action.
12. Perform a comprehensive assessment to identify contractors that can meet the clinical cleaning requirements needed at the child care center and expedite action to hire a new contractor that is able to handle the requirements of the contract.

PBS NCR acknowledged that "the [Office of Inspector General] has raised several significant issues requiring immediate attention," but did not agree with the report in its entirety.

---

## Results

---

Our implementation review determined that PBS NCR did not fully implement the corrective actions for our recommendations to:

1. Implement the appropriate personnel actions needed to address deficiencies in the contracting officer's management of contracts for the White Oak campus (Recommendations 1 and 7); and
2. Recover overpayment for after-hours O&M services from the contractor and reimburse the FDA for the overpayment (Recommendation 3).

**Finding 1 – PBS NCR did not implement the appropriate personnel actions needed to address deficiencies in the contracting officer's management of contracts for the FDA's White Oak campus.**

During our audit, we found that the contracting officer did not properly manage contracts for O&M and fire services at the FDA's White Oak campus.

- **O&M Services** – Although the contractor was required to maintain, repair, and replace actuators, which control the flow of air and smoke in buildings on the campus, the contracting officer was not enforcing the requirement. As a result, the actuators were in disrepair and PBS NCR was preparing to repair and replace them in a planned \$2.2 million project.
- **Fire Services** – The contracting officer allowed the fire services contract for the White Oak campus to lapse for almost a year before awarding a replacement contract. As a result, occupants of the White Oak campus were at risk of potentially inoperable or malfunctioning fire protection equipment in the event of a fire emergency.

Based on our findings, we recommended that PBS NCR should determine and implement the appropriate personnel actions needed to address the deficiencies in the contracting officer's management of the contracts.<sup>2</sup>

PBS NCR's corrective action plan provided that it would partner with human resources and the Office of General Counsel to determine and issue appropriate disciplinary actions in accordance with GSA policy.<sup>3</sup> To demonstrate that corrective action was taken, PBS NCR provided a memorandum dated August 31, 2021, stating that "all appropriate actions have been taken."

---

<sup>2</sup> Recommendations 1.d. and 7.

<sup>3</sup> See **Appendix A**, Recommendation 1.d., Action Step 1; and Recommendation 7, Action Step 1.

Because of the limited information provided in the memorandum, we asked PBS NCR to describe the specific actions they took to address the contracting officer's performance. In response, PBS NCR provided a disciplinary action memorandum dated May 12, 2023. According to the memorandum, PBS NCR "discovered on May 5, 2023 that due to a procedural administrative error" the contracting officer "did not receive the decision notice" from August 2021 "or serve the suspension" recommended in that notice. Therefore, the corrective action steps to address the contracting officer's performance were not completed and the action steps should not have been marked as completed.

Subsequently, PBS NCR, in coordination with the Office of General Counsel, agreed to "mitigate the original proposed suspension to an Official Reprimand." On May 26, 2023, PBS NCR issued the letter of reprimand to the contracting officer for misconduct and neglect of duty. While PBS NCR did not complete the personnel action on the date noted in the corrective action plan, it has since been completed; therefore, we consider these recommendations closed.

**Finding 2 – PBS NCR has not recovered the overpayment for after-hours O&M services from the contractor and has not reimbursed the FDA for the overpayment.**

During our audit, we found that the FDA was paying PBS NCR for overpriced after-hours O&M services that were not being provided. As a result, GSA overpaid the contractor by approximately \$5.6 million as of the date of our report and would continue to overpay the contractor \$18.2 million over the remaining 14 years of the contract. Accordingly, we recommended that PBS NCR "perform a comprehensive review of the after-hours staffing from August 2015 to the present, determine the total amount of overpayment for shifts that were understaffed and inadequately staffed, recover the overpayment from the contractor, and return any overpayment to the FDA."<sup>4</sup>

PBS NCR's corrective action plan provided that it would request documentation from the contractor and perform an analysis to determine the amount of the overpayment.<sup>5</sup> If an overpayment was identified, PBS NCR would recover the overpayment and refund it to the FDA.<sup>6</sup> All action steps were marked as completed as of April 29, 2022.

In accordance with the action plan, PBS NCR requested the necessary documentation and conducted its analysis. The analysis confirmed that an overpayment occurred, and PBS NCR subsequently issued a letter informing the contractor that the overpayment would be withheld from payments to the contractor starting April 2023. The contractor subsequently challenged

---

<sup>4</sup> Recommendation 3.c.

<sup>5</sup> See **Appendix A**, Recommendation 3.c, Action Steps 1 and 2.

<sup>6</sup> See **Appendix A**, Recommendation 3.c, Action Steps 3 and 4.

PBS NCR's determination by filing an appeal to the U.S. Civilian Board of Contract Appeals on July 28, 2022. The matter has not yet been resolved. As a result, PBS NCR has neither recovered the overpayment from the contractor nor refunded it to the FDA. Therefore, these action steps should not have been marked as completed.

GSA should re-open these action steps until a settlement is reached or a decision on the overpayment is rendered by the U.S. Civilian Board of Contract Appeals and any overpayment is refunded to the FDA.

---

## **Conclusion**

---

Our implementation review determined that PBS NCR did not fully implement the corrective actions for our recommendations to:

1. Implement the appropriate personnel actions needed to address deficiencies in the contracting officer's management of contracts for the White Oak campus (Recommendations 1 and 7). During our implementation review, PBS NCR completed personnel actions to address these recommendations. Therefore, we consider these recommendations closed. No further action is required.
2. Recover overpayment for after-hours O&M services from the contractor and reimburse the FDA for the overpayment (Recommendation 3). As a result, a revised corrective action plan addressing the corrective actions associated with this recommendation must be submitted by September 25, 2023 to this office and the Office of Audit Management and Accountability (BA).

### **Audit Team**

This review was managed out of the Real Property Audit Office and conducted by the individuals listed below:

Byron Bustos	Associate Deputy Assistant Inspector General for Auditing
Jonathan Lee	Audit Manager
Nicole Day	Auditor-In-Charge

# Appendix A – Corrective Action Plan for Report Number A190021/P/5/R21003

Revised 5/4/22

## A190021 NCR PBS Corrective Action Plan

**Designated Responding Official:** Darren J. Blue

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Contact Person:** Elaina Walker, Alan Zawatsky

**Telephone Number:** 202-573-0968, 202-437-8613

**Date:** 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 001A	<b>Proposed Recommendation Completion Date:</b> December 31, 2021
---	---------------------------------------	--

### Finding for 1A (for internal use only):

- PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility. PBS NCR has not enforced the ESPC task order requirements for Honeywell to perform preventative maintenance and quality control reviews.

### Root Cause of Finding(s) (for internal use only):

- The Contract Administration team was not enforcing the 5% Quality Control Inspection Report (QCIR) requirement that was included in Honeywell's ESPC III proposal submitted in 2010. Over the years it appears that this was an inadvertent oversight due to the fact that the 5% QCIR requirement was included in the 2010 ESPC III Honeywell proposal and not included in the quality control plans moving forward. The contract administration team has been operating with an updated Operations and Maintenance specification developed in the scope normalization contract modification from 2014. In 2016, Honeywell submitted, and GSA accepted a quality control plan that has a different methodology for enforcing Honeywell's performance. The updated quality control plan has been in place since being accepted in 2016. It appears that all of the COs and CORs that have been assigned to this contract did not go back to the original contractor proposal and review it to see if anything was missed. It also appears that the CO accepted the proposal in 2010, but the 5% QCIR requirement was not included in the QCP. The CO that signed the 2010 contract award left the agency on June 11, 2021. The two CORs at the time are still with the agency and have moved to different positions.
- The IG's completion analysis included Fire Alarm PMs that were not the responsibility of Honeywell. Once the fire alarm PM's were removed

1

Version Date: 7/8/2021

Revised 5/4/22

from the NCMMS preventative maintenance report, the 90% requirement was met.

- The IG identified the damper actuators in buildings 21 and 22 as items that should have been replaced by Honeywell. When the actuators began to fail at a systemic rate, the CO asked her subject matter technical experts to evaluate the failures in order to determine responsibility. The CO's subject matter experts were unable to determine that Honeywell was responsible for the failures; therefore, the CO was unable to hold Honeywell responsible for the repairs.

### Recommendation 1A:

001A: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the deficiencies in Honeywell's performance. At a minimum, PBS NCR should enforce contract provisions to ensure GSA is achieving the guaranteed cost savings and withhold future payment until Honeywell is able to provide evidence of cost savings in accordance with contract requirements.

Action to be Taken Step by Step:	Supporting Documentation to be Sent:	Documentation Will be sent Last Day of:
001. CO issued a letter to Honeywell on the 5% Quality Control Inspection Requirement (QCIR).	001. Copy of Letter issued to Honeywell.	001. April, 2021- Completed
002. Review response from Honeywell in regards to the 5% QCIR and issue a cure notice, if needed.	002. Provide Honeywell Response and copy of Cure Notice, if issued.	002. July 30, 2021
003. COR to institute a deliverable review process and utilize the National Computerized Maintenance Management System (NCMMS) "Operations and Maintenance (O&M) Contract Evaluation" function, that went live January 2021, to document delivery of daily, weekly, and monthly deliverables and completion of monthly preventive maintenance (PM) in accordance with contract provisions before approving monthly invoices. Deductions for non-performance of O&M activities will be taken on the monthly performance period payments. Deductions for shortfalls will be taken from the next annual payment per the contract.	003. Copy of the NCMMS Maximo Contract Evaluation Report.	003. June 30, 2021 - Completed
004. PBS NCR will provide additional operational guidance and training to the program and acquisition staff. This will include reviewing contract documents prior to executing	004. Copies of the operational guidance and training attendance list with training slides.	004. December 31, 2021

2

Version Date: 7/8/2021

contract actions. This will also cover taking deductions and/or withholding payments as appropriate for non-performance or shortfalls that are the responsibility of the Energy Savings Contractor (ESCO) (Honeywell).		
005. The CO will issue a new COR designation letter to each of the ESPC CORs. Following issuance of the designation letters, a meeting will be conducted by the CO with the CORs and the CORs' supervisors to clarify expectations, roles and responsibilities.	005. Copies of the new COR designation letters; Agenda and attendance list from the meeting.	005. July 30, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Alan Zawatsky

Telephone Number: 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 001B	<b>Proposed Recommendation Completion Date:</b> September 30, 2021
---	---------------------------------------	---

## Finding for 1B (for internal use only):

- PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility. PBS NCR has not enforced the ESPC task order requirements for Honeywell to perform preventative maintenance and quality control reviews.

## Root Cause of Finding(s) (for internal use only):

- The Contract Administration team was not enforcing the 5% Quality Control Inspection Report (QCIR) requirement that was included in Honeywell's ESPC III proposal submitted in 2010. Over the years it appears that this was an inadvertent oversight due to the fact that the 5% QCIR requirement was included in the 2010 ESPC III Honeywell proposal and not included in the quality control plans moving forward. The contract administration team has been operating with an updated Operations and Maintenance specification developed in the scope normalization contract modification from 2014. In 2016, Honeywell submitted, and GSA accepted a quality control plan that has a different methodology for enforcing Honeywell's performance. The updated quality control plan has been in place since being accepted in 2016. It appears that all of the COs and CORs that have been assigned to this contract did not go back to the original contractor proposal and review it to see if anything was missed. It also appears that the CO accepted the proposal in 2010, but the 5% QCIR requirement was not included in the QCP. The CO that signed the 2010 contract award left the agency on June 11, 2021. The two CORs at the time are still with the

agency and have moved to different positions.

- The IG's completion analysis included Fire Alarm PMs that were not the responsibility of Honeywell. Once the fire alarm PM's were removed from the NCMMS preventative maintenance report, the 90% requirement was met.
- The IG identified the damper actuators in buildings 21 and 22 as items that should have been replaced by Honeywell. When the actuators began to fail at a systemic rate, the CO asked her subject matter technical experts to evaluate the failures in order to determine responsibility. The CO's subject matter experts were unable to determine that Honeywell was responsible for the failures; therefore, the CO was unable to hold Honeywell responsible for the repairs unable to determine that Honeywell was responsible for the failures; therefore, the CO was unable to hold Honeywell responsible for the repairs.

#### **Recommendation 1B:**

001B: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the deficiencies in Honeywell's performance. At a minimum, PBS NCR should develop a comprehensive plan to address GSA's oversight of the quality assurance plan for preventative maintenance and service tickets.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. Request a more detailed method of documentation for Honeywell's existing Quality Control Plan (QCP) to ensure that it meets contract requirements.	001. Copy of updated Honeywell QCP.	001. July 30, 2021
002. PBS NCR will require weekly Quality Control (QC) summary data in the weekly dashboard provided by Honeywell that reflects status of level 1-4 inspections. Per the Honeywell QCP, level 1 is a review of all service and PM tickets, level 2 is field service supervisor observations, level 3 is a visual inspection of applicable preventative maintenance documentation by foreman and team supervisors, and level 4 is random PM/Repair inspection with full report and checklist.	002. Copy of updated weekly dashboard with summary of QC.	002. July 30, 2021
003. PBS NCR will require the monthly progress reports from Honeywell to include the expanded documentation of the Level 1-3 QC inspections as outlined in their QCP.	003. Copy of revised Monthly report with additional QC data.	003. July 30, 2021

5

Version Date: 7/8/2021

Revised 5/4/22

The current report only shows documentation for Level 4 inspections.		
004. PBS NCR will require Honeywell to document all QC efforts monthly in the National Computerized Maintenance Management System (NCMMS) beginning May 2021.	004. Copy revised of a Maximo QC summary report.	004. July 30, 2021
005. PBS NCR will update the Quality Assurance Surveillance Plan (QASP) that the contract administration team develops and uses to track the contractor's overall performance.	005. Updated GSA QASP.	005. July 30, 2021
006. Train the GSA White Oak Building Managers and Mechanical Engineer Technicians to properly inspect service calls and preventative maintenance tickets as outlined in the QASP for the O&M contract. This training will be offered virtually and in person, concurrently.	006. Training attendance sheet, and training materials.	006. September 30, 2021

6

Version Date: 7/8/2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 001C	<b>Proposed Recommendation Completion Date:</b> December 31, 2021
---	---------------------------------------	--

## Finding for 1C (for internal use only):

- PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility. PBS NCR has not enforced the ESPC task order requirements for Honeywell to perform preventative maintenance and quality control reviews.

## Root Cause of Finding(s) (for internal use only):

- The Contract Administration team was not enforcing the 5% Quality Control Inspection Report (QCIR) requirement that was included in Honeywell's ESPC III proposal submitted in 2010. Over the years it appears that this was an inadvertent oversight due to the fact that the 5% QCIR requirement was included in the 2010 ESPC III Honeywell proposal and not included in the quality control plans moving forward. The contract administration team has been operating with an updated Operations and Maintenance specification developed in the scope normalization contract modification from 2014. In 2016, Honeywell submitted, and GSA accepted a quality control plan that has a different methodology for enforcing Honeywell's performance. The updated quality control plan has been in place since being accepted in 2016. It appears that all of the COs and CORs that have been assigned to this contract did not go back to the original contractor proposal and review it to see if anything was missed. It also appears that the CO accepted the proposal in 2010, but the 5% QCIR requirement was not included in the QCP. The CO that signed the 2010 contract award left the agency on June 11, 2021. The two CORs at the time are still with the agency and have moved to different positions.

- The IG's completion analysis included Fire Alarm PMs that were not the responsibility of Honeywell. Once the fire alarm PM's were removed from the NCMMS preventative maintenance report, the 90% requirement was met.
- The IG identified the damper actuators in buildings 21 and 22 as items that should have been replaced by Honeywell. When the actuators began to fail at a systemic rate, the CO asked her subject matter technical experts to evaluate the failures in order to determine responsibility. The CO's subject matter experts were unable to determine that Honeywell was responsible for the failures; therefore, the CO was unable to hold Honeywell responsible for the repairs.

**Recommendation 1C:**

001C: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the deficiencies in Honeywell's performance. At a minimum, PBS NCR should issue a cure notice to Honeywell to enforce O&M repair or replace requirements for the actuators.]

Action to be Taken Step by Step:	Supporting Documentation to be Sent:	Documentation Will be sent Last Day of:
001. PBS NCR will contract with a third party engineering firm to provide a Failure Analysis of the actuators to the COR and CO. This report will be used to finalize the CO decision for repair.	001. SOW for Failure Analysis; Results of Analysis; Final CO decision.	001. November 30, 2021
002. Depending upon the findings in the Failure Analysis, upon receipt of the COR's recommendation, the CO, in coordination with Legal, will issue a cure notice or directive to Honeywell to replace the failed actuators.	002. Copy of cure notice or letter directive, if issued, sent to Honeywell.	002. December 31, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 001D	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	---------------------------------------	--

## Finding for 1D (for internal use only):

- PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility. PBS NCR has not enforced the ESPC task order requirements for Honeywell to perform preventative maintenance and quality control reviews.

## Root Cause of Finding(s) (for internal use only):

- The Contract Administration team was not enforcing the 5% Quality Control Inspection Report (QCIR) requirement that was included in Honeywell's ESPC III proposal submitted in 2010. Over the years it appears that this was an inadvertent oversight due to the fact that the 5% QCIR requirement was included in the 2010 ESPC III Honeywell proposal and not included in the quality control plans moving forward. The contract administration team has been operating with an updated Operations and Maintenance specification developed in the scope normalization contract modification from 2014. In 2016, Honeywell submitted, and GSA accepted a quality control plan that has a different methodology for enforcing Honeywell's performance. The updated quality control plan has been in place since being accepted in 2016. It appears that all of the COs and CORs that have been assigned to this contract did not go back to the original contractor proposal and review it to see if anything was missed. It also appears that the CO accepted the proposal in 2010, but the 5% QCIR requirement was not included in the QCP. The CO that signed the 2010 contract award left the agency on June 11, 2021. The two CORs at the time are still with the agency and have moved to different positions.
- The IG's completion analysis included Fire Alarm PMs that were not the responsibility of Honeywell. Once the fire alarm PM's were removed

9

Version Date: 7/8/2021

Revised 5/4/22

from the NCMMS preventative maintenance report, the 90% requirement was met.

- The IG identified the damper actuators in buildings 21 and 22 as items that should have been replaced by Honeywell. When the actuators began to fail at a systemic rate, the CO asked her subject matter technical experts to evaluate the failures in order to determine responsibility. The CO's subject matter experts were unable to determine that Honeywell was responsible for the failures; therefore, the CO was unable to hold Honeywell responsible for the repairs.

**Recommendation 1D:**

001D: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the deficiencies in Honeywell's performance. At a minimum, PBS NCR should determine and implement the appropriate personnel action needed to address the contracting officer's failure to enforce Honeywell's contractual obligation to repair or replace the actuators.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. Partner with HR (Sr. Employee Relations Specialist) and OGC to determine and issue appropriate disciplinary action, if any, in accordance with GSA Maintaining Discipline order (CPO 9751.1).	001. Memo indicating that the matter has been resolved.	001. August 31, 2021

10

Version Date: 7/8/2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker

Telephone Number: 202-573-0968

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 002	<b>Proposed Recommendation Completion Date:</b> October 29, 2021
---	--------------------------------------	---

## Finding for 2 (for internal use only):

- PBS NCR is not enforcing requirements of the ESPC task order. As a result, PBS NCR has no assurance that the contract is achieving the guaranteed cost savings needed to fund the \$1.2 billion contract and is planning to pay for repairs that are the contractor's responsibility.
- PBS NCR has not enforced the ESPC task order requirements for Honeywell to perform preventative maintenance and quality control reviews.

## Root Cause of Finding (for internal use only):

- Internal roles and responsibilities for measurement and verification (M&V) review were not clearly stated/shared with the team. In regards to the findings on the preventative maintenance and the quality control inspection reports, please see the root cause of the finding for 1A.

**Recommendation 2:**

002: OIG recommends that the PBS Regional Commissioner for the National Capital Region improve oversight of the White Oak ESPC with coordinated involvement of PBS NCR and the PMO to develop policies that establish: (1) clear roles and responsibilities for the contracting officers and CORs to review and approve M&V reports before making payments; and (2) training for contracting officers, CORs, and building managers on the ESPC contract requirements.

11

Version Date: 7/8/2021

Revised 5/4/22

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. PBS NCR will issue a memo rescinding the existing regional ESPC Guidance, and reinforcing use of the National M&V training program and ESPC Guidance to ensure that NCR employees assigned to ESPC Contract Administration Teams follow the national PMO guidance establishing clear roles and responsibilities of the CO and CORs to review and approve M&V reports.	001. Memo rescinding the regional bulletin and issue memo to reinforce National ESPC Guidelines; Provide training slides for the National M&V training program	001. June 30, 2021 - Completed
002. Ensure all current and new ESPC Contract Administration Team members complete Measurement & Verification Training.	002. Provide training completion records for all attendees.	002. October 29, 2021

12

Version Date: 7/8/2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 003A	<b>Proposed Recommendation Completion Date:</b> February 28, 2022
---	---------------------------------------	--

## Finding for 3 (for internal use only):

- Due to mismanagement and lack of oversight of the after-hours O&M services, PBS NCR is charging the FDA for overpriced services that are not being provided.
- PBS NCR overcharged FDA by \$5.6 million for overpriced after-hours O&M services that are included in the base contract.
- PBS NCR did not verify that Honeywell was charging the correct hours and paid Honeywell over \$1.2 million for services it did not provide.

## Root Cause of Finding (for internal use only):

- An error was made in the 2015 Honeywell After Hours proposal and also on the corresponding Independent Government Estimate (IGE). The estimate was poorly developed and even though it was signed off by management, the error was missed. It appears that the IGE followed the flawed methodology of the contractor's proposal.

**Recommendation 3A:**

003A: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should ensure that the "After-Hours Labor Estimate" contains valid, reliable data and that it reflects actual cost and schedule conditions; require Honeywell to provide an updated estimate based on actual performance and renegotiate the contract; and perform a procurement contract review to evaluate the effectiveness of its policies and make improvements.

Action to be Taken Step by Step:	Supporting Documentation to be Sent:	Documentation Will be sent Last Day of:
001. CO requested that Honeywell review their 2015 24/7 afterhours estimate for errors and an updated price proposal for correct hours for April 1, 2021 to March 31, 2022 contract term.	001. Letter to Honeywell requesting price review and updated proposal for after-hours services.	001. February 19, 2021 - Completed
002. Review Honeywell updated price proposal reflecting the correct hours for the April 1, 2021 to March 31, 2022 contract term.	002. Updated Honeywell proposal for April 1, 2021 to March 31, 2022 for after-hours services.	002. July 31, 2021
003. Revise the original 2015 IGE for the after-hours services.	003. Revised GSA IGE for after-hours Services (2015-Present).	003. June 30, 2021 - Completed
004. CO will negotiate & modify the contract reflecting the correct updated pricing and staffing hours.	004. Copy of the new contract modification for the after-hours services; Copy of CO's Fair and Reasonable determination.	004. August 30, 2021
005. PBS NCR Contracting Officer will take action, if needed, to recover the potential overpayment.	005. Copy of plan to recover overpayment along with any associated contract actions needed as a result.	005. October 30, 2021
006. Develop and conduct IGE Training across the region with mandatory participation from the White Oak team.	006. IGE training agenda and sign in sheets.	006. December 30, 2021

007. Assign an ESPC Contract Administration Review Officer to the campus on a temporary basis for an independent procurement contract review to evaluate the effectiveness of its policies and make improvements.	007. Copy of position description for the ESPC Contract Administration Review Officer.	007. July 31, 2021
008. Develop a plan to address findings of the contract review	008. Copy of contract review findings and plan to address findings	008. February 28, 2022

### A190021 NCR PBS Corrective Action Plan

**Designated Responding Official:** Darren J. Blue

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Contact Person:** Elaina Walker, Alan Zawatsky

**Telephone Number:** 202-573-0968, 202-437- 8613

**Date:** 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 003B	<b>Proposed Recommendation Completion Date:</b> November 30, 2021
---	---------------------------------------	--

**Finding for 3B (for internal use only):**

- PBS NCR failed to ensure that Honeywell provided the required number of after-hours technicians.
- On May 23, 2019 an after-hours inspection found Honeywell CUP employees sleeping during their shift.

**Root Cause of Finding (for internal use only):**

- PBS NCR did not have staff on site during weekends and evenings to inspect performance.

**Recommendation 3B:**

003B: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should conduct an assessment to: (1) identify staff required to be present during the afterhours shift, (2) enforce the statement of work, and (3) monitor staffing of the afterhours shift.

Action to be Taken Step by Step:	Supporting Documentation to be Sent:	Documentation Will be sent Last Day of:
001. PBS NCR hired a Night Building Manager (BM) for the White Oak Campus in July 2020. This BM conducts reviews of the night staffing and records the inspection on a spreadsheet. The BM reports deficiencies directly to the COR.	001. Assigned duties for the night building manager.	001. June 2, 2021 - Completed
002. PBS NCR facilities staff has also been performing spot checks during random after hours shifts. These spot checks will continue to fill weekend gaps not covered by the night building manager. This effort started on September 14, 2019.	002. Spot check spreadsheet for Honeywell after hours staff.	002. June 2, 2021 - Completed
003. Honeywell will implement a new RFID tagging system for the after-hours services. This is in response to the PBS COR requesting better controls on the service. This system has been implemented for the central utility plant (CUP) operators and has provided clear and concise accountability.	003. Sample of Monthly RFID tour report and Standard Operating Procedure for tours.	003. July 30, 2021
004. PBS NCR COR will review daily the after-hours reports from Honeywell that includes the shift staff list and any reported incidents from that shift.	004. Sample of after-hours report.	004. June 4, 2021 - Completed
005. PBS NCR will revise the after-hours services to be performance based as opposed to prescriptive. This will allow for better contract administration of a firm fixed price, performance based contract action. A revised SOW with a focus on performance is currently being developed.	005. Revised scope of work for after-hours services with associated modification.	005. November 30, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 003C	<b>Proposed Recommendation Completion Date:</b> February 28, 2022
---	---------------------------------------	--

## Finding for 3C (for internal use only):

- PBS NCR did not verify that Honeywell was charging the correct hours and paid Honeywell over \$1.2 million for services it did not provide.

## Root Cause of Finding (for internal use only):

- PBS did not verify reported shift attendance against timesheets. PBS did not have regular after-hours coverage to verify actual presence of listed contractor staff.

Recommendation 3C:

003C: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should perform a comprehensive review of the after-hours staffing from August 2015 to the present; determine the total amount of overpayment for shifts that were understaffed and inadequately staffed; recover the overpayment from Honeywell; and return any overpayment to FDA.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be Sent:</u>	<u>Documentation Will be sent Last Day of:</u>
001. CO requested supporting documents to include payrolls, timesheets, and afterhours tour reports for all afterhours staff since August 2015. This documentation was received in separate submissions and the final submission was April 15, 2021.	001. Letter from CO requesting timesheets, payroll data, and after-hours reports.	001. February 19, 2021 - Completed
002. PBS NCR will analyze the documentation provided and determine if and how much of an overpayment occurred and the best option for handling the reimbursement to the FDA.	002. Copy of report regarding after hours services and overpayment.	002. December 31, 2021
003. PBS NCR will recover the overpayment, if any, from Honeywell.	003. Documentation of the recovery of funds from Honeywell.	003. February 28, 2022
004. Reimburse the FDA for the overpayment, if recovered from Honeywell.	004. Documentation of FDA reimbursement.	004. February 28, 2022

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437- 8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 004	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	--------------------------------------	--

## Finding for 4 (for internal use only):

- Security at the White Oak campus is impaired because PBS NCR does not ensure that security protocols are followed. A Honeywell employee without a security clearance was able to bypass security protocols to enter FDA buildings unescorted.

## Root Cause of Finding (for internal use only):

- Prior to February 2021, the escorting requirement was not being enforced by FDA security, FPS or GSA. FDA security contract guards became complacent and apparently allowed a uniformed employee without an active PIV badge to access the buildings. Also, Honeywell did not properly onboard the individual identified in the IG's report in regards to the HSPD-12 process. Also, the PBS NCR CORs did not follow through on the badging and onboarding process for all new contract employees and therefore this individual was missed.

**Recommendation 4:**

004: OIG recommends that the PBS Regional Commissioner for the National Capital Region take corrective action against all parties involved in allowing unescorted after- hours staff to enter utility buildings at any time and enforce current procedures to restrict unescorted access.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. White Oak Campus Director will partner with HR to further investigate and enforce appropriate personnel action as determined appropriate in accordance with the GSA penalty guide.  002. Issue a cure notice to or request a corrective action plan from Honeywell on the escorting violation. Regarding their violation of the escorting policy, reference the specific Honeywell employee in that action.  003. CO issued a letter to Honeywell regarding security and escorting requirements.  004. At GSA's request, FDA security notified all guards to enforce badging and escorting requirements of all visitors, staff, and contractors on the campus.  005. The White Oak Campus Director sent a message to all on-site staff stating that the escort requirements are in full effect. The on-site staff were reminded of this during several White Oak Team staff meetings.  006. CORs and COs completed required HSPD12 Contract dashboard training.  007. Honeywell POC (Office Support Coordinator) completed required HSPD12 Training.  008. FDA will issue PIV badges for contractors who are on site for 6 months or less. This process started on May 28, 2020 and is ongoing and allows contractors	001. Memo indicating that the matter has been resolved.  002. Copy of cure notice or the request for a corrective action plan letter to Honeywell.  003. Copy of CO letter to Honeywell on security and escorting requirements.  004. Copy of Notification from FDA on escorting requirements for the campus.  005. Letter informing on-site staff of the escorting requirement on the campus.  006. Attendance sheet confirming recent COR/CO HSPD12 training with Training Slides.  007. Attendance sheet confirming Honeywell HSPD12 training with Training Slides.  008. FDA Security Representative Role Guidelines.	001. August 31, 2021  002. July 30, 2021  003. February 19, 2021 - Completed  004. January 25, 2021 - Completed  005. June 4, 2021 - Completed  006. June 4, 2021 - Completed  007. May 14, 2021 - Completed  008. June 3, 2021 - Completed

on contracts that are less than six months to be vetted and gain access to the campus.		
--	--	--

**A190021 NCR PBS Corrective Action Plan****Designated Responding Official:** Darren J. Blue**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_**Contact Person:** Elaina Walker, Alan Zawatsky**Telephone Number:** 202-573-0968, 202-437-8613**Date:** 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 005A	<b>Proposed Recommendation Completion Date:</b> May 17, 2022
---	---------------------------------------	---

**Finding for 5A (for internal use only):**

- Security at the White Oak campus is impaired because PBS NCR does not ensure that security protocols are followed.

**Root Cause of Finding (for internal use only):**

- Prior to February 2021, the escorting requirement was not being enforced by FDA security, FPS or GSA. FDA security contract guards became complacent and apparently allowed a uniformed employee without an active PIV badge to access the buildings. Also, Honeywell did not properly onboard the individual identified in the IG's report in regards to the HSPD-12 process. Also, the PBS NCR CORs did not follow through on the badging and onboarding process for all new contract employees and therefore this individual was missed.

**Recommendation 5A:**

005A: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address building security vulnerability concerns. At a minimum, PBS NCR should conduct a risk assessment of the security vulnerabilities at the White Oak campus.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. FDA Security will conduct a Facility Security Assessment following the Interagency Security Committee guidelines. This will be completed by September 30, 2021. Once complete, the campus Interagency Security Committee will review the assessment and evaluate the vulnerabilities for action.	001. Copy of the cover sheet for new FDA Security Facility Security Assessment; meeting minutes from Interagency Security Committee's review of the assessment	001. October 29, 2021
002. The Interagency Security Committee (also known as the Facility Security Committee) will continue to meet and discuss the mitigation steps for the listed vulnerabilities from the existing Facility Security Assessment conducted by the Federal Protective Service (FPS) dated January 10, 2020. Recent meetings were held on February 23, 2021 and June 2, 2021.	002. Copy of the cover sheet for the 2020 FPS Facility Security Assessment; Copy of the minutes from the Interagency Security Committee for the White Oak Campus held on February 23 and June 2, 2021.	002. June 2, 2021 - Completed
003. [REDACTED]	003. Contract award for the construction of the Dahlgren Road lanes and the design awards for the Michelson Lane lanes and the SW Loop Road lanes.	003. May 17, 2022

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Alan Zawatsky

Telephone Number: 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 005B	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	---------------------------------------	--

## Finding for 5B (for internal use only):

- PBS NCR is not ensuring that security for the [REDACTED] is maintained.

## Root Cause of Finding (for internal use only):

- Adequate controls were not in place to prevent [REDACTED].

**Recommendation 5B:**

005B: OIG recommends that the PBS Regional Commissioner for the National Capital Region take appropriate action to address building security vulnerability concerns. At a minimum, PBS NCR should implement additional security measures to protect [REDACTED]

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. PBS NCR COR Issued Honeywell notice that all staff must have fully updated HSPD12 and FDA binding of PIV cards.	001. Notice to Honeywell	001. December 28, 2020 - Completed
002. CO issued a letter to Honeywell requesting sign in/sign out security logs for the [REDACTED] to be submitted beginning March 2021.	002. Copy of CO letter on security requirements from February 19, 2021; Copy of a security log for the CUPs.	002. June 3, 2021 - Completed
003. The Federal Protective Service will post a guard at each [REDACTED]. This will begin the morning of June 11, 2021.	003. Email confirmation of FPS guards at CUP	003. June 15, 2021 - Completed
004. PBS NCR will work with Honeywell and FDA Security to enable [REDACTED].	004. Notice to Honeywell that card readers have been activated.	004. August 31, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 006A	<b>Proposed Recommendation Completion Date:</b> May 30, 2022
---	---------------------------------------	---

## Finding for 6A (for internal use only):

- PBS NCR mismanaged fire, life, and safety services for the White Oak campus, placing the facilities and personnel at risk.

## Root Cause of Finding (for internal use only):

- The root cause for the fire alarm contract lapse in 2016 was lack of adequate planning and communication between the inspection, testing and maintenance contract regional COR, the Contracting Officer, and the White Oak facilities staff.

Recommendation 6A:

006A: OIG recommends that the PBS Regional Commissioner for the National Capital Region improve the oversight of the fire services contract and preventative maintenance of backflow preventers by providing training to the PBS NCR building managers, CORs, and the contracting officer to ensure adherence to contract provisions. Communicate these requirements throughout the organization.

<u>Action to be Taken Step by Step:</u>	<u>Supporting Documentation to be Sent:</u>	<u>Documentation Will be sent Last Day of:</u>
001. FMSP shall issue an instructional memo to all Service Centers regarding backflow preventer maintenance.	001. Copy of the instructional memo sent to Service Centers.	001. June 30, 2021 - Completed
002. NCR will conduct backflow preventer operational training for all building managers and facilities support staff. This training will focus on using the NCMMS to ensure proper maintenance, tracking certification, and quality assurance. These courses will be offered on an as needed basis after the initial training period ends.	002. Training slide decks and attendance sheets.	002. May 30, 2022
003. The Regional Fire Protection Branch will deliver two training sessions to NCR facilities teams and the O&M vendors responsible for the Inspection, Testing & Maintenance (ITM) of fire protection systems. The first session will focus on NFPA National Fire Codes & Standards ITM awareness training. The second session will focus on Fire Protection Systems impairment training. These training courses will continue to be offered as needed after the initial training period has concluded.	003. Training slide decks and attendance sheets.	003. May 30, 2022

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 006B	<b>Proposed Recommendation Completion Date:</b> March 31, 2022
---	---------------------------------------	---

## Finding for 6B (for internal use only):

- PBS NCR mismanaged fire, life, and safety services for the White Oak campus, placing the facilities and personnel at risk.

## Root Cause of Finding (for internal use only):

- The root cause for the fire alarm contract lapse in 2016 was lack of adequate planning and communication between the inspection, testing and maintenance contract regional COR, and the Contracting Officer, and the White Oak facilities staff.

**Recommendation 6B:**

006B: OIG recommends that the PBS Regional Commissioner for the National Capital Region improve the oversight of the fire services contract and preventative maintenance of backflow preventers by establishing procedures to ensure compliance with National Fire Protection Association standards.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. In order to ensure proper oversight of the fire prevention services and adherence to National Fire Protection Association (NFPA) standards on the White Oak Campus, NCR will establish clear operating procedures for fire alarm inspections, testing, maintenance, and repair.	001. Documentation supporting implementation of operating procedures.	001. July 30, 2021
002. NCR is in the process of procuring a new fire alarm and fire protection systems inspection, testing and maintenance service contract specifically for the White Oak campus. A dedicated COR and inspection team will be on site to administer the work performed under this contract and all parties will utilize NCMMS system.	002. Provide Performance Work Statement for new contract; Provide the award document for the new contract.	002. March 31, 2022

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 006C	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	---------------------------------------	--

## Finding for 6C (for internal use only):

- PBS NCR mismanaged fire, life, and safety services for the White Oak campus, placing the facilities and personnel at risk.

## Root Cause of Finding (for internal use only):

- The root cause for the fire alarm contract lapse in 2016 was lack of adequate planning and communication between the inspection, testing and maintenance contract regional COR, the contracting officer, and the White Oak facilities staff.

Recommendation 6C:

006C: OIG recommends that the PBS Regional Commissioner for the National Capital Region improve the oversight of the fire services contract and preventative maintenance of backflow preventers by developing a comprehensive plan to address the preventative maintenance of the backflow preventers.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001. All backflow preventers (BFP) and required maintenance schedules have been programmed into the NCMMS. All backflow preventers that require an Annual Certification will be properly tagged and those records maintained.	001. Documentation that all backflow preventer equipment has been entered into NCMMS.	001. August 31, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 007	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	--------------------------------------	--

**Finding for 7(for internal use only):**

- PBS NCR mismanaged fire, life, and safety services for the White Oak campus, placing the facilities and personnel at risk.

**Root Cause of Finding (for internal use only):**

- The root cause for the fire alarm contract lapse in 2016 was lack of adequate planning and communication between the inspection, testing and maintenance contract regional COR, and the Contracting Officer, and the White Oak facilities staff.

**Recommendation 7:**

007: OIG recommends that the PBS Regional Commissioner for the National Capital Region determine and implement the appropriate personnel action needed to address the contracting officer's failure to secure a replacement fire services contract.

<b>Action to be Taken Step by Step:</b>  001. Partner with HR (Sr. Employee Relations Specialist) and OGC to determine and issue appropriate disciplinary action in accordance with GSA Maintaining Discipline order (CPO 9751.1)	<b>Supporting Documentation to be Sent:</b>  001. Memo indicating that the matter has been resolved.	<b>Documentation Will be sent Last Day of:</b>  001. August 31, 2021
---	--	--

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 008	<b>Proposed Recommendation Completion Date:</b> December 31, 2021
---	--------------------------------------	--

## Finding for 8 (for internal use only):

- PBS NCR allowed employees to perform COR duties although they lacked the required certification.

## Root Cause of Finding (for internal use only):

- The GSA Form 220 inspection reports were being signed by a Project Team member, who was not the COR, and unaware of his responsibility.

Recommendation 8:

008: OIG recommends that the PBS Regional Commissioner for the National Capital Region restrict non-COR-certified officials from signing inspection reports. Provide training to PBS NCR staff on COR requirements for signing the report.

<u>Action to be Taken Step by Step:</u>	<u>Supporting Documentation to be Sent:</u>	<u>Documentation Will be sent Last Day of:</u>
001. The CO will issue a memorandum to all ESPC CORs and project personnel listing their inspection responsibilities, as well as their responsibility to notify the CO if their COR certification lapses.	001: Copy of issued memo; Copy of PIB 21-05 PBS COR Policy.	001: July 30, 2021
002. Develop and provide inspection training to all regional inspectors.	002: Attendee List and Training Materials.	002: December 31, 2021

**A190021 NCR PBS Corrective Action Plan****Designated Responding Official:** Darren J. Blue**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_**Contact Person:** Elaina Walker, Alan Zawatsky**Telephone Number:** 202-573-0968, 202-437-8613**Date:** 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 009	<b>Proposed Recommendation Completion Date:</b> July 30, 2021
---	--------------------------------------	--

**Finding for 9 (for internal use only):**

- PBS NCR improperly provides Honeywell with the "right of first refusal" for all O&M work on the campus, undermining competition and pricing.

**Root Cause of Finding (for internal use only):**

- There was a misperception by some Project Office and Contracting personnel that Honeywell has a right of first refusal to perform O&M work.

**Recommendation 9:**

009: OIG recommends that the PBS Regional Commissioner for the National Capital Region ensure future task orders do not contain the "right of first refusal" in the statement of work.

<b><u>Action to be Taken Step by Step:</u></b>	<b><u>Supporting Documentation to be Sent:</u></b>	<b><u>Documentation Will be sent Last Day of:</u></b>
001: Issue instructional memorandum to White Oak Project Teams and Acquisition Staff reminding them that there is no right of first refusal and to utilize the mandatory SOW Templates per the Purchase Request (PR) Checklist.	001. Provide a copy of the instructional memorandum.	001: July 30, 2021
002: Program Office to review all existing templates for "first refusal" language, and modify, as needed.	002. Memorandum for Record confirming that all templates have been reviewed and the result of the review.	002: June 30, 2021 - Completed
003: Institute policy requiring that prior to acceptance of all PR packages, a review must be conducted to verify that the latest mandatory SOW template was used in creating the Scope of Work.	003: Provide copy of PR checklist and policy document AMB 2019-05. (dated 10/21/2019).	003. July 30, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 0010	<b>Proposed Recommendation Completion Date:</b> November 30, 2021
---	---------------------------------------	--

## Finding for 10 (for internal use only):

- PBS NCR improperly destroyed contract file documentation, violating the Federal Records Act, the FAR, and GSA policy

## Root Cause of Finding (for internal use only):

- Due to a misunderstanding between the program and acquisition offices, files that were set aside for safe-keeping for another year were destroyed as part of a larger effort to clean out Room 2303B to convert from file space to an office at White Oak.

**Recommendation 10:**

010: OIG recommends that the PBS Regional Commissioner for the National Capital Region improve oversight of contract document destruction in accordance with the FAR.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001: Issue a Records Management Bulletin for all non-electronic files that will require Supervisory approval before destruction.	001: Provide copy of records management bulletin.	001: November 30, 2021
002: Provide training to Acquisition Workforce and Business line Partners on new Records Management Bulletin.	002: Provide Attendee List and training materials.	002: November 30, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 0011A	<b>Proposed Recommendation Completion Date:</b> December 31, 2021
---	--	--

## Finding for 11A (for internal use only):

- PBS NCR improperly destroyed contract file documentation, violating the Federal Records Act, the FAR, and GSA policy

## Root Cause of Finding (for internal use only):

- Due to a misunderstanding between the program and acquisition offices, files that were set aside for safe-keeping for another year were destroyed as part of a larger effort to clean out Room 2303B to convert from file space to an office at White Oak.

**Recommendation 11A:**

011A: OIG recommends that the PBS Regional Commissioner for the National Capital Region address the improper destruction of contract file documentation identified in Finding 7 by conducting a review to identify all missing contract file documentation and replace, at a minimum, contract file documents necessary for providing oversight of contract performance.

<b>Action to be Taken Step by Step:</b>	<b>Supporting Documentation to be Sent:</b>	<b>Documentation Will be sent Last Day of:</b>
001: The CO will inventory the contract file to determine what is missing.	001: List of files inventoried at White Oak with a completed contract checklist.	001: October 29, 2021
002: Contract file documentation will be scanned and uploaded in EASI. The Policy and Compliance Division (APAC) will conduct a review of the file in accordance with AMB 2021-02, to ensure the file is complete and accurate.	002: Copy of APAC File Review Report.	002: October 29, 2021
003: Contract file documents necessary for providing oversight of contract performance will be replaced if needed.	003: Copy of documents that were replaced.	003: December 31, 2021

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 011B	<b>Proposed Recommendation Completion Date:</b> August 31, 2021
---	---------------------------------------	--

**Finding for 11B (for internal use only):**

- PBS NCR improperly destroyed contract file documentation, violating the Federal Records Act, the FAR, and GSA policy

**Root Cause of Finding (for internal use only):**

- Due to a misunderstanding between the program and acquisition offices, files that were set aside for safe-keeping for another year were destroyed as part of a larger effort to clean out Room 2303B to convert from file space to an office at White Oak.

**Recommendation 11B:**

011B: OIG recommends that the PBS Regional Commissioner for the National Capital Region address the improper destruction of contract file documentation identified in Finding 7 by investigating the circumstances behind the improper destruction of the contract file documentation and take appropriate administrative action.

<b>Action to be Taken Step by Step:</b>  001: The White Oak Campus Director and the Office of Acquisitions will partner with HR (Sr. Employee Relations Specialist) and OGC to determine and issue appropriate disciplinary action in accordance with GSA Maintaining Discipline order (CPO 9751.1).	<b>Supporting Documentation to be Sent:</b>  001: Memo indicating that the matter has been resolved.	<b>Documentation Will be sent Last Day of:</b>  001: August 31, 2021
--	--	--

## A190021 NCR PBS Corrective Action Plan

Designated Responding Official: Darren J. Blue

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: Elaina Walker, Alan Zawatsky

Telephone Number: 202-573-0968, 202-437-8613

Date: 6/10/21

<b>Audit Report Number/Title:</b> A190021/P/5/R21003 - PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	<b>Recommendation Number:</b> 012	<b>Proposed Recommendation Completion Date (Month/Date):</b> April 29, 2022
---	--------------------------------------	--

## Finding for 12 (for internal use only):

- PBS NCR is not providing a clean, sanitary, safe, and healthy space at the childcare center due to unresolved performance issues with the custodial contractor.

## Root Cause of Finding (for internal use only):

- In early 2019, Didlake's cleaning of the childcare center was determined to be substandard by GSA. This was the basis for GSA requesting a corrective action plan (CAP) for the childcare center in April 2019.

**Recommendation 12:**

OIG recommends that the PBS Regional Commissioner for the National Capital Region perform a comprehensive assessment to identify contractors that can meet the clinical cleaning requirements needed at the childcare center and expedite action to hire a new contractor that is able to handle the requirements of the contract.

<b><u>Action to be Taken Step by Step:</u></b>	<b><u>Supporting Documentation to be sent:</u></b>	<b><u>Documentation will be sent Last Duty Day of the month</u></b>
001. PBS NCR is currently soliciting for a new custodial services contract for the campus. The RFQ was posted on the GSA Federal Supply Schedule on April 12, 2021. Proposals were received on May 12, 2021 and are currently being reviewed by the source selection team.	001. RFP for new custodial services on eBay	001. June 30, 2021 - Completed
002. PBS NCR will award the new custodial contract.	002. Final Contract Award Document	002. April 29, 2022

---

## Appendix B – GSA Comments


---

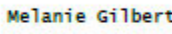


GSA National Capital Region

July 28, 2023

MEMORANDUM FOR           BYRON BUSTOS  
ASSOCIATE DEPUTY ASSISTANT INSPECTOR  
GENERAL FOR AUDITING  
REAL PROPERTY AUDIT OFFICE (JA-R)

THROUGH:               NINA M. ALBERT   
COMMISSIONER  
PUBLIC BUILDINGS SERVICE (P)

FROM:                   MELANIE F. GILBERT  Melanie Gilbert  
REGIONAL COMMISSIONER  
PUBLIC BUILDINGS SERVICE (WP)

SUBJECT:               Response to Draft OIG Report: Implementation  
Review of the Corrective Action Plan, *PBS's  
National Capital Region is Failing to Adequately  
Manage and Oversee the Building Services  
Contracts at the FDA's White Oak Campus  
(Assignment Number A230047)*

Thank you for the opportunity to comment on the subject audit report. We reviewed the report and agree with the recommendation.

If you have any questions, please contact Shauna Carter, Director, Office of Facilities Management, WPM at (202) 302-2140.

U.S. General Services Administration  
1800 F St NW  
Washington, DC 20405-0002  
[www.gsa.gov](http://www.gsa.gov)

---

## ***Appendix C - Report Distribution***

---

GSA Administrator (A)

GSA Deputy Administrator (AD)

PBS Commissioner (P)

Deputy PBS Commissioner (P)

PBS Chief of Staff (P)

PBS Deputy Chief of Staff (P)

Assistant Commissioner for Strategy Management (P)

Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)