



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

Oversight and Safety Issues at the PBS Michigan Service Center

*Report Number A140024/P/5/R15009
September 30, 2015*



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

REPORT ABSTRACT

OBJECTIVE

The objective of our audit was to determine whether the Michigan Service Center is providing clean, safe, secure, maintained, and comfortable work space for its building occupants.

**Great Lakes Region
Audit Office
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Oversight and Safety Issues at the PBS Michigan Service Center

Report Number A140024/P/5/R15009

September 30, 2015

WHAT WE FOUND

We identified the following during our audit:

Finding 1 – Inadequate inspections of leased properties result in safety and fire protection issues.

Finding 2 – Operations and maintenance contractors make inadequate or no repairs due to insufficient oversight.

Finding 3 – Unaddressed code violations pose safety hazards for building occupants.

WHAT WE RECOMMEND

Based on our audit findings, we recommend that the Great Lakes Region PBS Commissioner:

- 1a. Ensure that lease property managers' inspections comply with the PBS desk guide and lease inspection form, and assess all aspects of lease performance including safety, fire protection, and security.
- 1b. Remediate the safety, fire, and security issues identified during the audit;
- 2a. Institute management controls necessary to ensure that repairs and maintenance performed under operations and maintenance contracts are performed as required;
- 2b. Remediate the inadequate repairs identified during the audit;
- 3a. Ensure that PBS identifies electrical, mechanical, and plumbing deficiencies in its buildings which could impact the safety of building occupants;
- 3b. Remediate the electrical, mechanical, and plumbing issues identified during the audit.

MANAGEMENT COMMENTS

PBS management generally agreed with our findings and recommendations. Management comments are included in their entirety as **Appendix B**.



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

DATE: September 30, 2015

TO: John Cooke
PBS Regional Commissioner (5P)
Great Lakes Region

FROM: Michael Lamonica 
Audit Manager
Great Lakes Region Audit Office (JA-5)

SUBJECT: Oversight and Safety Issues at the Michigan Service Center
Report Number A140024/P/5/R15009

This report presents the results of our audit of the GSA's Michigan Service Center. Our findings and recommendations are summarized in the Report Abstract. Instructions regarding the audit resolution process can be found in the email that transmitted this report.

Your written comments to the draft report are included in **Appendix B** of this report.

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

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On behalf of the audit team, I would like to thank you and your staff for your assistance during this audit.

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Introduction

PBS in the Great Lakes Region organizes its property management function into the Northern, Southern, and Chicagoland service center operations divisions. The Michigan Service Center is part of the Northern service center operations division. The Michigan Service Center, with its five field offices, managed around 7.8 million gross square feet of work space and the delivery of over \$29 million in goods and services during fiscal year 2013.

The Michigan Service Center's responsibilities include property management, financial management, maintenance and repairs, building operations, security assistance to the Department of Homeland Security's Federal Protective Service, lease administration, energy conservation, out-leasing, environmental initiative monitoring, vacant space utilization, and minor repair and alteration program management.

Lease administration is an important function of the service centers. Typically, leases are fully-serviced, with the lessor providing janitorial services, building operations, maintenance, and utilities. The lease property manager's role is to ensure these services and other provisions of the lease contract are provided. The lease property manager also interacts with building occupants and assists in the on-going operation of the lease.

Maintenance and repairs and building operations in federally-owned facilities are also fundamental functions of the service centers. Typically, preventive maintenance, routine repairs, building operations (including fire protection), janitorial services, and elevator repair are performed by contractors. One of the service centers' primary missions is to administer these contracts and ensure that contractors' performance is satisfactory.

Objective

The objective of our audit was to determine whether PBS's Michigan Service Center is providing clean, safe, secure, maintained, and comfortable work space for its tenants.

See **Appendix A** – Purpose, Scope, and Methodology for additional details.

Results

Finding 1 – Inadequate inspections of leased properties result in safety and fire protection issues.

The Detroit Leasing Office, a field office of the Michigan Service Center, manages over 100 unique leased properties in the Detroit metropolitan area. The lease property managers are responsible for performing day-to-day management of the leased premises, conducting timely and reasonable inspections, monitoring the lessors' performance, and ensuring compliance with the leases' terms and conditions.¹ When inspecting lease properties, the office did not rely on written operational guidance and did not emphasize safety or fire protection. Consequently, the lease property managers failed to identify fire protection, life safety, and physical security deficiencies in their property inspections. As a result, some building occupants are in space that does not meet the fire and life safety requirements of the lease and may be exposed to potentially unsafe work environments.

For 10 of the 25 leased properties in our sample, we found safety, fire protection, and security deficiencies that should have been detected by the lease property managers in their inspections. Below is a sample of the issues we identified. A complete list of issues identified during our audit will be provided under separate cover.

44200 Garfield Road, Clinton Township, Michigan

PBS leased the space at 44200 Garfield Road;² however, the space did not have fire protection equipment, including an automatic sprinkler system, building-wide fire alarm system, or emergency power to support a fire alarm system. The fire protection equipment was included in the solicitation for offers and was incorporated into the lease. Although the property manager should have been aware of the requirements, his space acceptance inspection of the leased property did not question the absence of the equipment or note the absence of the fire protection devices. In response to our questions, we were told that the building was not required to have sprinklers according to the 2003 edition of the Michigan building code; however, the property manager did not explain the absence of the fire protection equipment included in the solicitation.

¹ PBS's Great Lakes Region Leasing Division guidance, *Contracting Officer Representative's Duties and Responsibilities*, dated March 20, 2012.

² PBS leases approximately 8,600 square feet on the second floor of this 2-story office building. The replacement lease was dated February 10, 2010.

1009 Cass Avenue, Detroit, Michigan

PBS originally leased the 1009 Cass Avenue garage on May 1, 2003, on the written condition that the lessor prepare the building for government occupancy and complete all items contained in the *Pre-lease Fire/Life Safety Report*, dated October 11, 2001.³ The pre-lease report, which noted several fire and safety issues, became part of the lease. We inspected the property on April 24, 2014, and found that in the 10-year period preceding our review, the lessor had either failed to comply with the pre-lease report's recommendations or had allowed any responsive repairs made to become neglected. For example, a section of the fire escape had no structural integrity: the stairs were bent, broken, or missing (see *Figure 1*). We concluded that PBS' inspections of the property did not determine if the lessor complied with the pre-lease report and did not emphasize fire or life safety issues. Further, the Detroit Leasing Office did not have the entire lease contract file, which would inhibit its ability to perform additional inspections of the property against the requirements of the lease.

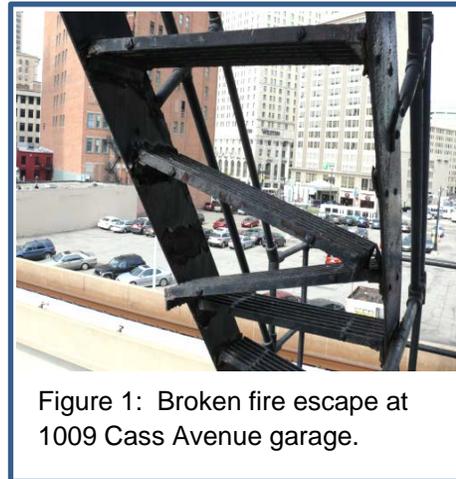


Figure 1: Broken fire escape at 1009 Cass Avenue garage.

11411 E. Jefferson Avenue, Detroit, Michigan

PBS leased the building and external parking garage at 11411 E. Jefferson Avenue for the Department of Homeland Security's U.S. Citizenship and Immigration Services.⁴ We found multiple fire and safety hazards including fire extinguishers which were out of compliance or inaccessible. We also encountered the improper use of an extension cord with heat tape affixed to the garage's sprinkler system (presumably to keep the pipes from freezing). We notified PBS technicians and fire protection engineers who stated that the installation "...poses a risk to employees by providing and (sic) unprotected electrical wire in a location that may be easily grasped by someone walking under it and cause harm to that individual" and recommended its removal, as well as an inspection of the system by a certified sprinkler contractor. The items were subsequently removed, and the system was tested. The most recent periodic inspections of this property did not identify any fire or safety issues.

³ The property is a ten-story parking garage with spaces for approximately 400 vehicles. Currently, the garage is leased entirely to the government, which rents around 310 spaces at an annual cost of approximately \$800,000. The garage has been, and is, in poor condition. The government recently awarded a 10-year succeeding lease for the property which began on April 19, 2014.

⁴ The lease at 11411 E. Jefferson Avenue is for a 3-story, 47,000 square foot property and includes an external parking garage to accommodate the tenant's public visitors.

Social Security Administration District Offices

During our inspection of leased properties occupied by the Social Security Administration, we found several conditions that should have been identified during inspections of the properties. For example, our review revealed several instances of tangled wires, cabling, and power strips in the agency's automated data processing or local area network rooms, as shown in *Figure 2*. The property managers were unaware of the situation and acknowledged that they usually do not enter automated data processing rooms as part of their inspections. Once notified, the property managers agreed the situation presented a potential hazard.



Conclusion

When the audit fieldwork was initiated, the Detroit Leasing Office failed to provide written operational guidance instructing property managers on how to properly perform inspections. In addition, the inspections performed by the Detroit Lease Office predominantly focused on cosmetic and janitorial issues. Several property managers stated they were not trained to emphasize issues similar to those noted in this report.

However, while the audit was in process, new lease inspection guidance was issued. PBS issued the *Lease Management Desk Guide* in November 2013 and the *Lease Inspection Form* in January 2014. If the inspections had been performed using the new guidance and checklist, the safety and security issues should have been identified and addressed. For example, the desk guide requires the property managers review safety, fire protection, and environmental survey reports for any open deficiencies. The guide also states that property managers are to serve as a liaison between subject matter experts and the lessor on facility safety, fire protection, and environmental issues. Most importantly, the desk guide states that it is essential that the property manager knows the lease – an adequate inspection cannot be performed without knowledge of the terms and conditions of the lease.

Recommendation 1

We recommend that the PBS Commissioner, Great Lakes Region:

- 1a. Ensure that lease property managers' inspections comply with the PBS desk guide and lease inspection form, and assess all aspects of lease performance including safety, fire protection, and security.
- 1b. Remediate the safety, fire, and security issues identified during the audit.

Management Comments

PBS management generally agreed with our finding and recommendations. In its response, PBS stated that the requirement for the fire protection equipment in the 44200 Garfield Road lease was a discrepancy. However, we reaffirm our position. Although not required by building code, the fire protection equipment was based on tenant special requirements that were incorporated into the lease and used as a basis for lease award. As such, it should be enforced and PBS should address the absence of the fire protection equipment. Management comments are included in their entirety as **Appendix B**.

Finding 2 – Operations and maintenance contractors make inadequate or no repairs due to insufficient oversight.

PBS property managers need to provide additional oversight of operations and maintenance contractors. The operations and maintenance contractors at the Hart-Dole-Inouye Federal Center (Federal Center)⁵ and the Theodore Levin United States Courthouse (Levin Courthouse)⁶ have been making inadequate repairs. The inadequate repairs resulted in multiple call-backs or were only temporary fixes instead of quality, permanent repairs.

The operations and maintenance contracts' scope of work require that the contractors perform repairs. Repairs are defined as restoring inoperable, dysfunctional, or deteriorated equipment, systems, or material to a fully functional, non-deteriorated state. The contracts mandate the use of the highest quality parts and supplies appropriate to a given repair. The operations and maintenance contracts require contractors to respond to service requests, identify repair requirements, and initiate corrective action. In addition, PBS property managers, acting as the contracting officer's representatives, are required to inspect and evaluate the work performed under the operations and maintenance contracts - which includes inspecting the timeliness and adequacy of repairs performed by the contractor.

We reviewed 34 service requests performed between April and June 2014 at the Federal Center and found that 13 resulted in unsatisfactory repairs. We also reviewed 25 service requests placed between November 2013 and February 2014 at the Levin Courthouse and found that 7 repairs were not adequately performed.

⁵ The Federal Center, located in Battle Creek, Michigan, is managed by the Michigan Service Center's Grand Rapids field office. The Federal Center provides over 925,000 square feet of work space spread over 22 buildings. Contract Number GS-05P-13-SVD-0009, effective September 1, 2013, through August 31, 2014, provided operations and maintenance services for 21 buildings for approximately \$53,000 a month.

⁶ The Levin Courthouse is a 10-story, 772,000 square foot building constructed in 1934. It is managed by the Michigan Service Center's Levin Courthouse field office. Contract Number GS-P-05-10-SV-0015, dated May 17, 2010, provided for 5 years of operations and maintenance services for the Levin Courthouse for approximately \$4.5 million, or roughly \$75,000 a month.

For example, a service request from June 2014 involved a broken interior door lock at the daycare center at the Federal Center. The service request log stated that a new lock was installed on July 6, 2014. On July 21, 2014, we found a broken key in the door lock. Daycare center personnel confirmed that the requested repair had not been made.

In another example, the contractor at Levin Courthouse apparently did not complete the repair. The service request involved a lock on the tenant's front door. The service request log showed the job as completed, stating the contractor had removed the core and re-pinned the lock. However, when we inspected the repair job, the key spun around in the lock and did not operate the door. A complete list of issues identified during our audit will be provided under separate cover.

Conclusion

For these and many other repair requests, the maintenance contractors at both the Federal Center and Levin Courthouse did not provide adequate repairs. The inexpensive repairs in response to service calls were neither the best nor most long-term solutions. Although PBS property managers perform monthly physical reviews of contractor repairs, the reviews are not comprehensive and do not identify inadequate repairs. PBS should institute additional oversight of the operations and maintenance contractors to ensure repairs are performed as required. In addition, due to low quality work in response to service requests, PBS should put additional emphasis on monitoring the preventative maintenance work performed by its operations and maintenance contractors.⁷

Recommendation 2

We recommend that the PBS Commissioner, Great Lakes Region:

- 2a. Institute management controls necessary to ensure that repairs and maintenance performed under operations and maintenance contracts are performed as required.
- 2b. Remediate the inadequate repairs identified during the audit.

Management Comments

PBS management agreed with our finding and recommendations. Management comments are included in their entirety as **Appendix B**.

⁷ Preventive maintenance work is a key component of the operations and maintenance contracts. If mechanical equipment fails due to poor preventative maintenance, GSA may incur a large expense for its repair or replacement. Due to a lack of both time and technical qualifications, we were only able to test preventive maintenance by reviewing supporting documentation.

Finding 3 – Unaddressed code violations pose safety hazards for building occupants.

PBS property managers did not identify or correct code violations present at the Federal Center and Levin Courthouse. These violations included the use of occupancy sensors in mechanical areas, leaks in mechanical areas, and lack of ground fault circuit interrupters near water supplies. A complete list of issues identified during our audit will be provided under separate cover.

Occupancy Sensors in Mechanical Rooms

Section 9.4.1.1 of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers standard 90.1-2010 allows interior building lighting to be controlled by occupancy sensors. However, automatic control devices are not required in spaces where an automatic shut-off would endanger the safety and security of occupants.

However, we found that the mechanical rooms at the Federal Center often had lighting controlled by wall-mounted occupancy sensors, which poses a potential danger for mechanical workers who are out of the sensor's range.⁸ Specifically, the lights can automatically turn off while work is being performed on moving equipment.

We tested the sensors in two mechanical rooms that were each divided by duct work. In each room, a mechanic would have to crawl under the duct work to be detected by the automatic sensor or locate the adjoining door in a darkened situation. Another mechanical room had an automatic sensor that flashed the lights on and off after sensing 3 hours of inactivity, prior to shutting off the lights. This technology represents a better alternative because the occupant is warned that the lights are going to be switched off.

Leaks in Mechanical Areas

Section 27.6.4 (Corrosion Protection) of National Fire Protection Association 30 (*Flammable and Combustible Liquids Code*) maintains that above ground piping systems that are subject to external corrosion shall be suitably protected.⁹ However, at the Levin Courthouse, we found long-term water damage including damage to key emergency and fire protection systems located in the basement of the building. Specifically, the pump and motor that supply diesel fuel to the emergency generator and the engine that runs the fire pump were noticeably corroded

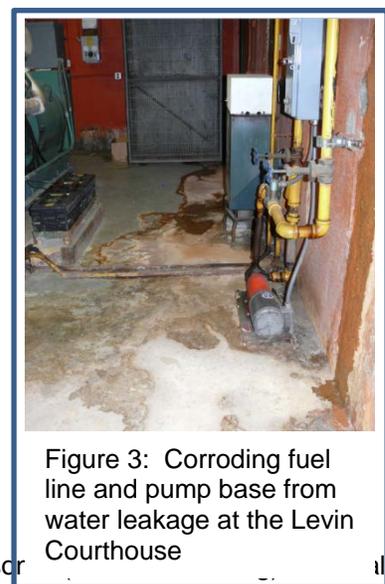


Figure 3: Corroding fuel line and pump base from water leakage at the Levin Courthouse

⁸ Occupancy sensors can be passive infra-red (heat detecting), ultrasonic technology (heat and motion detecting).

⁹ Although the piping at Levin Courthouse is in the basement, it is not considered underground.

from water damage, as shown in *Figure 3*. The leaking water has also corroded the fuel lines leading to the diesel-powered emergency generator which may cause the fire system to become inoperable in the case of a fire.

Ground Fault Circuit Interrupters

National Fire Protection Association 70 (*National Electrical Code*), sections 210.8(A)(7) and 210(8)(B)(1), maintains that all receptacles installed within 6 feet of the outside edge of a sink must be ground fault circuit interrupter protected.¹⁰ A ground fault circuit interrupter is a device that shuts off an electric circuit (or portion thereof) when it detects that current is flowing along an unintended path – possibly through water or through a person. The device is used to reduce the risk of electric shock and commonly takes the form of a receptacle that electric devices are plugged into.

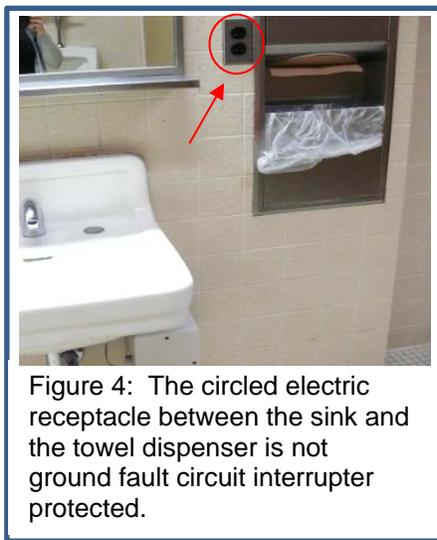


Figure 4: The circled electric receptacle between the sink and the towel dispenser is not ground fault circuit interrupter protected.

Our audit revealed many examples, in buildings managed by the Michigan Service Center, of restrooms and water coolers where the use of a ground fault circuit interrupter is appropriate but is not used. For example, *Figure 4* shows an unprotected receptacle between the sink and the paper towel dispenser in a Levin Courthouse restroom.

PBS officials' prevailing position was that they were not required to upgrade buildings to code unless a project was being performed that affected the equipment or system identified in this report. In that sense, the officials did not agree that our findings should be called code violations. Further, the officials stated that there may have been operating cost considerations attached to making some of the upgrades with GSA building

operations funds when “[they] are not required to do so.” Lastly, the regional officials assumed repairs would be made under the upcoming prospectus project at the Levin Courthouse.

We disagree. Fire and life safety deficiencies, as they are identified, should be part of the prioritization of building operations funds. It is essential that PBS assess the immediate risk to building occupants and prioritize expenditures based on that risk. PBS should not place reliance on planned or anticipated repairs and funding events with regard to potential safety issues.

Additionally, the regional officials told us they believed that many of the safety and electrical items we discussed concerning the Levin Courthouse were identified in the 2013 Management Analysis Review System.¹¹ That review identified one missing

¹⁰ The citations from the *National Electrical Code* were provided by PBS technical staff.

¹¹ The Management Analysis Review System is a comprehensive review of PBS regional practices. The review process randomly selects leased and federally owned facilities to assess the economic and

ground fault circuit interrupter and identified the water leakage in the basement (but did not point out the corroding fuel lines). The review also pointed out an instance of exposed wiring. Regardless, the conditions remained uncorrected as of our 2014 audit fieldwork.

Conclusion

We identified several deficiencies related to electrical, mechanical, and plumbing systems. These deficiencies were unaddressed by management, but pose safety risks to building occupants and mechanics. Regional officials disagreed with our findings; however, we maintain that the deficiencies were violations of applicable codes and standards and that the deficiencies should be corrected.

Recommendation 3

We recommend that the PBS Commissioner, Great Lakes Region:

- 3a. Ensure that PBS identifies electrical, mechanical, and plumbing deficiencies in its buildings which could impact the safety of building occupants.
- 3b. Remediate the electrical, mechanical, and plumbing issues identified during the audit.

Management Comments

PBS management generally agreed with our finding and recommendations. Management comments are included in their entirety as **Appendix B**.

environmental impact on PBS's real estate portfolio, examine accountability, and identify best practices to increase program efficiency.

Conclusion

The Michigan Service Center did not always provide clean, safe, secure, maintained, and comfortable work space. During audit fieldwork, we found:

- Inadequate inspections of leased properties that resulted in safety and fire protection issues;
- Operations and maintenance contractors that made inadequate or no repairs due to insufficient oversight; and
- Unaddressed code violations that posed safety hazards for building occupants and mechanics.

Accordingly, we recommend that the Regional Commissioner, Great Lakes Region PBS Commissioner:

- 1a. Ensure that lease property managers' inspections comply with the PBS desk guide and lease inspection form, and assess all aspects of lease performance including safety, fire protection, and security.
- 1b. Remediate the safety, fire, and security issues identified during the audit;
- 2a. Institute management controls necessary to ensure that repairs and maintenance performed under operations and maintenance contracts are performed as required;
- 2b. Remediate the inadequate repairs identified during the audit;
- 3a. Ensure that PBS identifies electrical, mechanical, and plumbing deficiencies in its buildings which could impact the safety of building occupants;
- 3b. Remediate the electrical, mechanical, and plumbing issues identified during the audit.

Appendix A – Purpose, Scope, and Methodology

Purpose

This audit was included in the Office of Inspector General's Fiscal Year 2014 Annual Audit Plan.

Scope and Methodology

The scope of the audit included the Michigan Service Center's purchasing, contracting, oversight, and lease administration. Our audit focused on the service center's Federal Center, Levin Courthouse, and Detroit Leasing offices.

To accomplish our objective, we:

- Examined the administration and performance of all four active operations and maintenance contracts at the Federal Center and Levin Courthouse;
- Examined the administration and performance of all three janitorial contracts;
- Examined the administration and performance of the Levin Courthouse elevator contract;
- Examined the administration of a judgmental selection of 25 leases from the Detroit Leasing Office's active leases;
- Assessed the general condition, including safety and security items, of two federal buildings, one federal courthouse, one federal center, one cargo inspection facility, and 25 leased properties;
- Inspected the quality of work performed on our judgmental sample of six reimbursable work authorizations;
- Inspected the quality of work on one judgmentally selected repair and alteration project;
- Examined a judgmental sample of 22 micro-purchases made by Michigan Service Center personnel;
- Held discussions with PBS personnel regarding purchasing, contracting, leasing, and other various topics related to our audit of the Michigan Service Center.

We conducted the audit between November 2013 and August 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

We did not test internal controls relevant to the subject matter. We expanded substantive testing rather than relying on internal controls.

Appendix B – Management Comments



GSA Great Lakes Region

September 29, 2015

MEMORANDUM FOR: Adam Gooch
Regional Inspector General for Auditing
Great Lakes Regional Audit Office (JA-5)

FROM: John Cooke 
Regional Commissioner, Public Buildings Service
Great Lakes Region (5P)

SUBJECT: Oversight and Safety Issues at the PBS Michigan Service Center
Report Number A140024

Public Buildings Service, Region 5, appreciates the opportunity to comment on the draft audit report, Report Number A140024, dated September 4, 2015. The audit identified three audit findings and supporting recommendations. We concur in part with all three findings and offer the following comments, which include the management controls that have been developed in response to each recommendation.

Finding 1: Inadequate inspections of leased properties result in safety and fire protection issues.

1a: Ensure that lease property managers' inspections comply with the PBS desk guide and lease inspection form, and assess all aspects of lease performance including safety, fire protection, and security.

The Michigan Service Center fully implemented the requirements in the PBS Lease Management Desk Guide and the Lease Inspection Form (GSA Form 500). The implementation date was made effective in Region 5 following national Desk Guide training, which was conducted subsequent to the audit. Prior to implementation of the Desk Guide, the leasing office utilized written operational guidance in place at the time of the audit.

We concur that a discrepancy exists in the lease contract for the 44200 Garfield location. The solicitation, incorporated in the lease award, included a requirement for fire protection equipment that was not applicable to the facility. Formerly, the lease solicitation typically encompassed a broad spectrum of requirements that may not have applied to the particular building selected for lease award and had the potential to be erroneously incorporated into the lease award by the Leasing Contracting Officer in its original form. The National Office of Leasing during the Leasing Reform Initiative created a two-part request for lease proposals/lease contracts, which newly-awarded leases now follow, to avoid these types of discrepancies.

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Appendix B – Management Comments (cont.)

We concur with the findings at the 1009 Cass Avenue and 11411 E. Jefferson locations. As a result of the audit, we have changed our practice to provide full lease inspections at our parking garages.

Regarding inspections of agencies' automated data processing (ADP) or local area network (LAN) rooms, we concur with the finding that it has not been the Michigan Service Center property managers' practice to enter ADP/LAN rooms. In accordance with Section H, Safety and Environmental, of the Lease Inspection Form, we will include ADP/LAN rooms in the inspection process to identify unsafe work practices that constitute a potential safety hazard.

1b. Remediate the safety, fire, and security issues identified during the audit.

All deficiencies at the 1009 Cass Avenue and 11411 E. Jefferson locations have been corrected.

The auditor acknowledged that fire protection equipment at the 44200 Garfield Road location was not required by code.

Finding 2: Operations and maintenance contractors make inadequate or no repairs due to insufficient oversight.

2a. Institute management controls necessary to ensure that repairs and maintenance performed under operations and maintenance contracts are performed as required.

We concur with the findings identified at the Hart-Dole-Inouye Federal Center and the Theodore Levin U.S. Courthouse. Management controls implemented since the audit include ensuring our Contracting Officer's Representatives (CORs) partner with the Operations and Maintenance (O&M) local and corporate representatives to improve contractor performance on completing service calls at the appropriate quality level and to monitor preventative maintenance requirements. CORs meet frequently with the local contractors' project manager as well as conduct monthly COR meetings that include the contractors' senior corporate management. Preventative maintenance requirements and the service call log are reviewed during these meetings. Management and the CORs have also pushed the O&Ms' corporate management to evaluate their resource levels for the contracts as a whole. Because of the volume of service calls, which averages from 150 to 200 service calls per month at these facilities, a COR can only inspect a representative quality control sample of service call inspections. Additional property managers have been added to both field offices to expand the inspection capacity of the CORs. At the Federal Center, management pursued outsourcing supplemental O&M inspection support to the US Army Corps of Engineers. While this alternative proved cost prohibitive, we are reviewing the possibility of adding O&M inspection duties to a vacant Building Management Specialist position. We are confident that the management controls and the additional personnel at each location will provide a more thorough level of review of O&M service calls and will provide an overall improved level of performance in accordance with the contract specifications.

Appendix B – Management Comments (cont.)

2b. Remediate the inadequate repairs identified during the audit.

All service call deficiencies identified in the audit have been corrected.

Finding 3: Unaddressed code violations pose safety hazards for building occupants.

3a. Ensure that PBS identifies electrical, mechanical, and plumbing deficiencies in its buildings which could impact the safety of building occupants.

We concur with the safety findings regarding the use of occupancy sensors in mechanical areas. As identified in the audit, water infiltration into the basement has been an issue for several years. A design had been completed to replace the fuel tank, pump and motor, and the emergency generator prior to the audit and is incorporated in the \$140 million prospectus project that addresses extensive electrical, mechanical, plumbing and safety issues at this historic facility. Weekly testing is performed on the emergency generator as required by the O&M contract. The corroded fuel line in the Levin basement has been replaced.

The audit identified a lack of Ground Fault Circuit Interrupters (GFCIs) in several water cooler and restroom areas. While many safety and electrical items were identified in the 2013 MARS report for the Levin Courthouse, most deficiencies were due to the age of the electrical wiring and equipment, which will be addressed in a prospectus currently in design. Subsequent to the audit, management requested a survey to determine which areas do not have cloth wiring in place so that GFCIs could be installed in advance of the prospectus. The study determined that all areas within six feet of a water source had cloth wiring. Consequently, outlets that can be removed from service will be capped until the prospectus remedies this safety issue on a permanent basis, and new wiring and GFCIs will be installed where outlets must remain in use.

3b. Remediate the electrical, mechanical, and plumbing issues identified during the audit.

Lighting sensors in mechanical spaces have been removed, and analog switches have been added in their place. Outlets near water sources will either be capped or replaced with GFCIs.

Appendix C – Report Distribution

GSA Administrator (A)

PBS Regional Commissioner (5P)

Regional Administrator (5A)

PBS Commissioner (P)

PBS Deputy Commissioner (PD)

PBS Chief of Staff (P)

Regional Counsel (LD5)

Director of Operations (5P2SS3)

Chief Administrative Services Office (H)

GAO/IG Audit Response Branch (H1C)

PBS Audit Liaison (BCP)

PBS Regional Audit Liaison (BR)

Assistant Inspector General for Auditing (JA)

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