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PBS's Northeast and Caribbean Region is Not Effectively Overseeing its Operations and Maintenance Contracts

Report Number A201046/P/2/R21007
September 24, 2021

Executive Summary

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Why We Performed This Audit

On May 17, 2020, we received an anonymous hotline complaint alleging that the GSA Public Buildings Service's Northeast and Caribbean Region (PBS Region 2) was not effectively managing its operations and maintenance (O&M) contracts. The complaint specifically identified mismanagement of O&M contracts in northern New Jersey and Manhattan, New York.

The hotline complaint alleged that preventative maintenance records were not accurate, and that the contracting officers and contracting officer's representatives (CORs) were not performing quality control inspections or following preventative maintenance guidance. After assessing the validity of the complaint, we performed this audit to determine whether PBS Region 2 is administering O&M contracts in accordance with contract specifications and applicable policies and regulations.

What We Found

PBS Region 2 is not effectively overseeing contractor performance on its O&M contracts. As a result, PBS Region 2 does not have assurance that O&M contractors are providing the services required under their contracts. Inspections are required to oversee O&M contractors and ensure they are performing their responsibilities under the contract. However, we found that PBS Region 2 contracting personnel either did not inspect the contractors' work or did not perform the inspections properly. Further, we also found that PBS Region 2 preventative maintenance records did not always include required information necessary to oversee the O&M contractors' performance.

What We Recommend

We recommend the PBS Region 2 Commissioner take appropriate action to ensure that:

1. PBS contracting officials are performing and documenting contract oversight activities, such as monthly Quality Assurance Surveillance Plan inspections that the contractor signs.

2. PBS contracting officials thoroughly understand:
 - a. The services and documentation required in the O&M contracts, and
 - b. Their roles and responsibilities in contract administration and monitoring.
3. O&M contractors submit the contractually required preventative maintenance schedules and logs.
4. PBS contracting officials hold O&M contractors accountable for insufficient services and remediating identified deficiencies by taking appropriate measures, including, but not limited to, withholding payment when the contractor does not provide required services.
5. COR coverage is sufficient to administer all regional O&M contracts properly.

The PBS Commissioner and PBS Region 2 Commissioner agreed with our recommendations. GSA's comments are included in their entirety in **Appendix F**.

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Introduction

We performed an audit of the GSA Public Buildings Service's Northeast and Caribbean Region (PBS Region 2) to assess its administration of operations and maintenance (O&M) contracts.

Purpose

On May 17, 2020, we received an anonymous hotline complaint alleging that PBS Region 2 was not effectively managing its O&M contracts. The complaint specifically identified the mismanagement of O&M contracts in northern New Jersey and Manhattan, New York.

The hotline complaint alleged that preventative maintenance records were not accurate, and that the contracting officers and contracting officer's representatives (CORs) were not performing quality control inspections or following preventative maintenance guidance. After assessing the validity of the complaint, we performed this audit to assess PBS Region 2's administration of its O&M contracts.

Objective

Our objective was to determine whether PBS Region 2 is administering its O&M contracts in accordance with contract specifications and applicable policies and regulations.

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

Background

PBS Region 2 manages the real estate needs of tenant federal agencies located in New York, northern New Jersey, Puerto Rico, and the U.S. Virgin Islands. Its current real estate portfolio consists of 86 federally owned buildings containing 13 million rentable square feet of space. PBS is responsible for managing federally owned buildings and providing suitable conditions for building tenants. This responsibility includes the O&M of federally controlled spaces.

To satisfy this responsibility, PBS Region 2 awards contracts to vendors that specialize in building O&M. O&M contracts are often awarded to one contractor that covers multiple buildings. O&M contracts cover services including, but not limited to:

- Electrical systems and equipment;
- Mechanical equipment;
- Plumbing;
- Heating, ventilation, and air conditioning systems; and
- Fire protection and life safety systems and equipment.

As of April 20, 2021, PBS Region 2 has 21 active O&M contracts with a total obligated value of approximately \$400 million. O&M contracts in northern New Jersey and Manhattan, New York, account for approximately \$330 million, or 83 percent, of that total.

O&M contracts are typically firm-fixed price contracts. A firm-fixed price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This type of contract provides maximum incentive for the contractor to control costs, as the contractor bears maximum risk and full responsibility for all costs and resulting profit or loss. The monthly fixed amount the government pays to the contractor assumes that the contractor performed all contract services.

O&M contractors are responsible for services to ensure the efficient, effective, economical, and satisfactory operation of the equipment and systems located within a building's property line. Therefore, O&M contractors are typically responsible for all management, supervision, labor, materials, equipment, and supplies to provide those services.

As described below, the Building Services Branch and Service Center Division are responsible for administering and overseeing PBS Region 2's O&M contracts to ensure the contractors are meeting contract requirements:

- **Building Services Branch.** The Building Services Branch, within the Acquisition Management Division, awards O&M contracts in PBS Region 2. The contracting officer has the responsibility of awarding the O&M contract and the overall responsibility for administering it. Contracting officers may delegate certain responsibilities to authorized government representatives, including CORs. If a contracting officer chooses not to delegate these responsibilities, he or she would be responsible for completing them.
- **Service Center Division.** The Service Center Divisions are responsible for the operations, maintenance, and technical support of a region's facilities. There are two Service Center Divisions in PBS Region 2: (1) the Manhattan Service Center and (2) the Everything but Manhattan Service Center.

Service Center Divisions nominate individuals to serve as CORs on O&M contracts. When a contracting officer designates a COR, they work in unison to administer the O&M contract. The Federal Acquisition Regulation (FAR) requires that the contracting officer issue a delegation of authority letter that outlines the COR's duties and responsibilities. This authority cannot be re-delegated.¹ COR responsibilities include determining the adequacy of contractor performance against the terms and conditions of the O&M contract and ensuring compliance with contract requirements. CORs inspect and evaluate the O&M contractor's work through Quality Assurance Surveillance Plan (QASP) inspections and testing of preventative maintenance.

¹ FAR 1.602-2(d)(7)(iv), *Responsibilities*.

CORs are typically building managers for buildings covered under the O&M contract, and can be responsible for multiple buildings. In addition to COR duties, building managers are tasked with their regular duties, which include, among other things:

- Managing building operations, maintenance, repair, and alteration programs;
- Coordinating design and construction projects, preparing specifications, reviewing contract submissions, and supervising all onsite construction activity;
- Performing daily tours of the building to review safety and cleanliness;
- Reviewing service calls and tracking issues to ensure they are resolved; and
- Developing, implementing, and monitoring programs related to tenant safety and comfort.

See **Appendix C** for a complete list of building manager and COR duties.

Results

PBS Region 2 is not effectively overseeing contractor performance on its O&M contracts. As a result, PBS Region 2 does not have assurance that O&M contractors are providing the services required under their contracts. Inspections are required to oversee O&M contractors and ensure they are performing their responsibilities under the contract. However, we found that PBS Region 2 contracting personnel either did not inspect the contractors' work or did not perform the inspections properly. Further, we also found that PBS Region 2 preventative maintenance records did not always include required information necessary to oversee the O&M contractors' performance.

Finding 1 – PBS Region 2 is not effectively overseeing contractor performance on its O&M contracts.

PBS performs inspections of O&M contractors to ensure they are meeting the requirements of the contract. The failure to conduct these inspections properly leaves PBS vulnerable to paying for services that are not being performed.

For example, we found that the O&M contractor for the Alexander Hamilton U.S. Custom House in New York, New York, had failed to perform preventive maintenance required under the contract. According to the preventative maintenance schedule, the O&M contractor was required to perform preventative maintenance on the building switchgear in June 2019.² The contractor later rescheduled the preventative maintenance to July 2019. While the contractor was paid for the work as part of its monthly billing cycle, the contractor did not perform the preventive maintenance. Further, while inspections were performed, PBS Region 2 failed to assess whether preventive maintenance for the switchgear was actually completed.

During audit fieldwork, we found that the preventative maintenance records did not show that the work was performed. When we interviewed the COR in February 2021, the preventative maintenance for the switchgear had still not been completed. After the interview, the preventative maintenance was finally completed on April 30, 2021—670 days after it was originally scheduled. Prior to the audit fieldwork, PBS Region 2 did not take any action to have the contractor perform the maintenance or recover the payment for the preventive maintenance from the O&M contractor.

Our audit fieldwork has found that PBS Region 2 is vulnerable to paying for O&M services that are not being performed. We found that PBS Region 2 contracting personnel failed to perform inspections of O&M contractors as scheduled in contract oversight plans. In our sample, only 52 of 192 scheduled inspections were performed.

² Switchgear devices are used to control high-voltage and high-current electrical equipment. Switchgear is used to open and close the high-voltage circuit breakers, low-voltage circuit breakers, and other associated equipment that isolates the electrical circuits throughout the building for maintenance and safety purposes.

Further, we found that in some instances when inspections were performed, PBS did not perform the inspections properly. For example, we found that PBS staff other than the contracting officer or designated COR completed the inspections in violation of the FAR. For the inspections that PBS Region 2 contracting personnel did complete, the inspection reports did not always include necessary information, were not signed by the contractor, and were not completed using the correct forms.

PBS Region 2 Contracting Officials Did Not Always Perform Scheduled Inspections

Inspections of O&M contractors should be performed in accordance with the FAR and PBS's inspection plans. FAR 46.102(c), *Policy*, requires agencies to conduct inspections to ensure the work performed by the contractor meets the requirements of the contract. To fulfill this requirement, PBS uses QASPs as the basis for inspections of the work performed by the contractor. The QASP is incorporated into the contract and outlines the roles of contracting officers and CORs, the services to be inspected, and the methods to be used for these inspections.³

To assess PBS's inspections of its O&M contractors, we sampled five O&M contracts covering 12 buildings in northern New Jersey and Manhattan, New York, from June 2019 through September 2020. The total obligated value of these contracts was approximately \$179 million, or 54 percent of the total O&M contract value for these two areas. See **Appendix B** for a detailed listing of our sample.

For the contracts we sampled, PBS Region 2 contracting officers and CORs should have conducted 192 QASP inspections during our audit period.⁴ However, we found that PBS Region 2 only completed 52 QASP inspections (27 percent) during that time. The lack of inspections leaves PBS Region 2 vulnerable to paying for services that it is not receiving.

Through discussions with PBS Region 2 personnel, we identified three primary reasons why inspections were not being performed:

- **COR Workload and Turnover** – The PBS Region 2 Building Services Branch chief told us that “CORs are too busy with their duties as Building Managers/Building Management Specialists to be able to always complete their COR duties.” The Branch Chief's assertion was confirmed by multiple CORs we interviewed for the audit. For example, a COR for one O&M contract told us that he is too busy with his responsibilities as the building manager for the Peter W. Rodino Federal Building to be able to consistently perform the QASP inspections at the other three buildings covered under his assigned O&M contract.

³ FAR 37.604, *Quality assurance surveillance plans*, establishes that the government may either prepare the QASP or use an offeror's proposed QASP to develop its plan.

⁴ Monthly inspections for the 12 buildings we sampled during our 16-month audit period, June 2019 through September 2020, would equate to a total of 192 inspections (12 buildings multiplied by 16 months).

The Building Services Branch Chief and Director of the Manhattan Service Center told us that PBS Region 2 has had difficulties retaining Building Managers, who often serve as CORs. This has resulted in staffing shortages, which have also contributed to missed inspections.

- **Failure to Delegate Oversight Responsibilities** – PBS Region 2 contracting officers did not always delegate their contract oversight responsibilities to CORs, as required by the FAR, in a timely manner.⁵ For example, the contracting officer and the Building Services Branch chief for the Manhattan Service Center, which is responsible for an O&M contract in Manhattan, New York, told us that they did not designate a COR for the period of June 2019 through April 2020. As a result, there was no one specifically delegated with the responsibility of completing the required inspections during that time, which resulted in 28 missed inspections (out of a potential 33) for that period.

The contracting officer did not provide a specific reason to explain why a COR was not delegated. However, he told us that the Manhattan Service Center has struggled to maintain adequate staffing. In accordance with the FAR, the contracting officer should have completed the inspections; however, he failed to do so.

- **Lack of Communication** – In some cases, a lack of communication between the contracting officer and the COR, combined with a general lack of understanding of contract requirements, resulted in CORs being unaware of their responsibility to complete the QASP inspections and which form to use. For example, the COR for another O&M contract in Manhattan, New York, did not complete any inspections for two of the three buildings covered under the contract between June 2019 and September 2020. The COR told us that they were not specifically told to perform the inspections and assumed that it was the building managers' responsibility to do so.

When Inspections Were Performed, Many Were Not Performed Properly

PBS Region 2 completed 52 of the 192 QASP inspections that had been scheduled. However, even though the inspections were performed, many were not performed properly. We found that inspections were performed by unauthorized personnel, inspection reports did not include necessary data, inspection reports were not signed by contractors, and the incorrect form was used. The issues related to the completed QASP inspections are presented by contract and building in **Appendix D** and are discussed below:

- **Inspections Performed by Unauthorized Personnel** – Only contracting officers and CORs are authorized to perform inspections of the O&M contractors. However, we found that of the 52 inspections completed, only 22 (42 percent) were conducted by either the contracting officers or CORs. The remaining inspections were improperly performed by other PBS staff, who were not authorized by the contracting officer to perform them.

⁵ FAR 1.602-2(d), *Responsibilities*.

For example, multiple inspections of the O&M contractor for the Alexander Hamilton U.S. Custom House were performed by an “Equipment Specialist” who was not authorized by the contracting officer under the contract.

- **Lack of Detail on Contractor Performance** – We found that 8 of the 52 (15 percent) completed inspection reports did not include key details necessary to assess the contractor’s performance. Among other things, we found that work items were not marked as satisfactory or unsatisfactory and the inspections did not include remarks describing the specific items inspected.
- **Lack of Contractor Signature** – Contractors did not sign 50 of the 52 (96 percent) completed inspection reports. The contractor is required to sign the completed inspection form to confirm that they have been informed of any deficiencies documented during the inspection. Contracting officials provided us with varying reasons why contractors did not sign the inspection forms. Three CORs we interviewed told us that they only verbally reviewed the inspections with the contractor to inform them of any issues. Another COR told us that they did not routinely require contractors to sign the inspection reports.
- **Use of Incorrect Form** – According to the *COR Handbook for Building Services Contracts* (COR Handbook), CORs should document their inspections using form GSA 3423, *Mechanical Contract Inspection Report*. However, we found that PBS Region 2 contracting officials incorrectly documented some QASP inspections using form GSA 220, *Inspection Report on Work Under Contract*.

The form GSA 3423 provides a number of fields necessary for documenting critical aspects of the O&M contractor’s performance. For example, the form includes a section to document the equipment location, number, and type; the condition (satisfactory, unsatisfactory, or out of service); inspection remarks; and whether corrective actions are necessary.

When we asked PBS Region 2 contracting officials about the use of form GSA 220 over the GSA 3423, one COR stated that he was told to use form GSA 220. He said that he did not know the importance of form GSA 3423 or that it was the correct form for the inspections. In addition, a Building Services Branch chief told us that the use of form GSA 220 arose out of a request from the finance office to receive an inspection form prior to making payment to the contractor. However, he told us that form GSA 220 is not required for service contracts, and it should not be completed anymore.

In sum, PBS Region 2 did not always complete and document inspections of the O&M contractors’ services as required. To address this deficiency, PBS Region 2 should improve its oversight of O&M contractor performance.

Finding 2 – PBS Region 2 preventative maintenance records did not always include required information necessary to oversee the O&M contractors’ performance.

PBS Region 2 did not always maintain complete records to ensure that its O&M contractors complied with applicable preventative maintenance standards and contract requirements. We reviewed 176 preventative maintenance records covering 11 of the 12 buildings in our sample and found that 170 (97 percent) records did not consistently include required information. As a result, PBS Region 2 did not have critical information necessary to oversee the performance of its O&M contractors. See **Appendix E** for a summary of preventative maintenance records for each building in our sample.

In accordance with PBS’s O&M contracts, the contractor is required to establish and submit a schedule describing an effective system for scheduling and performing preventative maintenance on all building equipment and systems. The preventative maintenance schedule is required to include the applicable maintenance standard number from the GSA PBS *Preventative Maintenance Guide*, which describes the specific preventative maintenance procedure and frequency of maintenance to be applied to each piece of equipment serviced by the O&M contractor.⁶ The specific preventative maintenance and frequency of maintenance proposed by the contractor must be based on the equipment manufacturer’s recommended maintenance or PBS maintenance standards. O&M contractors are also required to maintain logs detailing the preventative maintenance work performed.

Although it is critical to ensure that the schedules and logs that make up the preventative maintenance records are complete, in most cases, PBS Region 2 contracting personnel failed to ensure that the O&M contractors provided all required information. For example, the preventative maintenance records for the Silvio J. Mollo Federal Building did not specify the maintenance procedure that the O&M contractor applied when working on the equipment. The asset numbers for the equipment listed on the preventative maintenance schedule were also inconsistent with the asset number listed on the logs, making it difficult to verify that the work was actually performed.

In another example, the preventative maintenance records for the U.S. Mission to the United Nations building did not always contain asset numbers for the equipment listed, making it impossible to trace the preventative maintenance shown on work orders to the particular equipment listed on the schedule.

The CORs we spoke with were generally unaware of what information should be included in the preventative maintenance records. For example, the COR for one O&M contract provided us with schedules that did not include the applicable preventative procedure or frequency for the equipment the contractor was responsible for servicing. The COR told us that he had been using the inadequate preventative maintenance schedules he provided to us for the last 12 years.

⁶ GSA PBS *Public Buildings Maintenance Standards Final*; December 31, 2018.

As described above, PBS Region 2's failure to ensure that the O&M contractors' preventative maintenance schedules specified the applicable maintenance procedure and frequency impeded its ability to properly monitor the O&M contractors' performance. Absent this information, PBS also lacks assurance that critical building equipment is properly maintained to avoid costly emergency repairs or equipment failures that could result in service disruptions. Accordingly, PBS Region 2 should ensure that CORs review preventative maintenance records to ensure they are accurate and include all required information.

Conclusion

PBS Region 2 is not effectively overseeing contractor performance on its O&M contracts. As a result, PBS Region 2 does not have assurance that O&M contractors are providing the services required under their contracts. Inspections are required to oversee O&M contractors and ensure they are performing their responsibilities under the contract. However, we found that PBS Region 2 contracting personnel either did not inspect the contractors' work or did not perform the inspections properly. Further, we also found that PBS Region 2 preventative maintenance records did not always include required information necessary to oversee the O&M contractors' performance.

Proper oversight of O&M contracts is critical to ensuring that the government receives all the services for which it has contracted and paid. Accordingly, it is essential that PBS contracting officials properly monitor and document contractor performance to ensure contract requirements are met. PBS Region 2 should take appropriate actions to ensure that contracting officials assess contractor performance through inspections and sampling of preventative maintenance records. PBS Region 2 should also ensure that it maintains proper preventative maintenance records.

Recommendations

We recommend the PBS Region 2 Commissioner take appropriate action to ensure that:

1. PBS contracting officials are performing and documenting contract oversight activities, such as monthly Quality Assurance Surveillance Plan inspections that the contractor signs.
2. PBS contracting officials thoroughly understand:
 - a. The services and documentation required in the O&M contracts, and
 - b. Their roles and responsibilities in contract administration and monitoring.
3. O&M contractors submit the contractually required preventative maintenance schedules and logs.
4. PBS contracting officials hold O&M contractors accountable for insufficient services and remediating identified deficiencies by taking appropriate measures, including, but not limited to, withholding payment when the contractor does not provide required services.
5. COR coverage is sufficient to administer all regional O&M contracts properly.

GSA Comments

The PBS Commissioner and PBS Region 2 Commissioner agreed with our recommendations. GSA's comments are included in their entirety in **Appendix F**.

Audit Team

This audit was managed out of the Northeast and Caribbean Region Audit Office and conducted by the individuals listed below:

Arthur Maisano	Regional Inspector General for Auditing
Gregory Ventola	Audit Manager
Blayne Einstein	Auditor-In-Charge
Michele Goldhirsch	Auditor

Appendix A – Objective, Scope, and Methodology

Objective

Our objective was to determine whether PBS Region 2 is administering its O&M contracts in accordance with contract specifications and applicable policies and regulations.

Scope and Methodology

Our audit scope included a review of O&M contracts for PBS Region 2 from June 2019 through September 2020. We selected a sample of five O&M contracts covering 12 buildings located in northern New Jersey and Manhattan, New York. Each sampled contract was for a different O&M contractor. The sampled O&M contracts have a value of approximately \$179 million, or 54 percent of the total O&M contract value for these two areas.

To accomplish our objective, we:

- Reviewed prior GSA Office of Inspector General reports relating to PBS's O&M of space within the GSA Great Lakes Region and Northwest/Arctic Region;
- Reviewed PBS's *Preventive Maintenance Guide* effective December 31, 2018;
- Reviewed PBS Region 2 organizational structure;
- Reviewed relevant criteria, including the FAR, the COR Handbook, GSA InSite, and contract files (including the solicitation, QASP, and COR delegation letters);
- Obtained and reviewed available inspection reports to ascertain compliance with the solicitation, QASP, and the COR Handbook;
- Requested and reviewed inspection reports to determine if QASP inspections were performed and properly documented;
- Compared inspection reports to supporting documentation, such as work orders and service tickets, to determine if the contractor is resolving issues;
- Examined available preventative maintenance records and schedules to determine compliance with the contract's solicitation and PBS's *Preventive Maintenance Guide* for procedures and frequency;
- Examined COR certificates to ensure COR's eligibility to serve in their role on O&M contracts; and
- Interviewed contracting officers, CORs, the Manhattan Service Center director, the Everything but Manhattan Service Center director, and the Building Services Branch chief.

Sampling

The hotline complaint specifically identified mismanagement of O&M contracts in northern New Jersey and Manhattan, New York. Therefore, we selected a judgmental sample of 5 O&M contracts out of 10 from these two areas, ensuring that we covered at least 50 percent of total

contract value. We selected the only O&M contract in northern New Jersey. For Manhattan, New York, we selected two O&M contracts with the highest contract value. For the remaining two O&M contracts, we selected one due to past issues with the contractor, and the other because we did not want to duplicate contractors. While this non-statistical sample design does not allow for projection of the results, it allowed us to address our audit objective.

Internal Controls

We assessed internal controls significant within the context of our audit objective against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment and the report findings include any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Compliance Statement

We conducted the audit between September 2020 and March 2021 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – Contracts Selected for Examination

Contract Number	Federal Buildings Covered by Contract	City, State	Contract Value
GS-02-P-17-PC-D-0001	Peter W. Rodino Federal Building, 970 Broad Street	Newark, New Jersey	\$26,117,351
	Martin L. King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street	Newark, New Jersey	
	Veterans Administration, 20 Washington Street	Newark, New Jersey	
	Robert A. Roe Federal Building, 200 Federal Plaza	Patterson, New Jersey	
GS-P-02-17-PV-0011	Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street	Manhattan, New York	43,790,224
	Silvio J. Mollo Federal Building, 1 St. Andrews Plaza	Manhattan, New York	
	Thurgood Marshall U.S. Courthouse, 40 Centre Street	Manhattan, New York	
GS-P-02-16-PV-7052	Alexander Hamilton U.S. Custom House, One Bowling Green	Manhattan, New York	18,617,589
GS-P-02-16-PV-7083	Jacob K. Javits Federal Building, 26 Federal Plaza	Manhattan, New York	85,515,687
	United States Court of International Trade and Pavilion, 1 Federal Plaza	Manhattan, New York	
	203-209 Centre Street Parking Garage	Manhattan, New York	
47PC0218F0087	U.S. Mission to the United Nations, 799 United Nations Plaza	Manhattan, New York	<u>4,814,948</u>
Total:			\$178,855,799

Appendix C – List of Building Manager and COR Duties

Building Management Series, GS-1176

TS-118 September 1992

OCCUPATIONAL INFORMATION

This series covers building managers, building management specialists, and building management staff officials. Building management specialists may specialize, in a line or staff position, in one or more program areas such as energy efficiency, custodial management, or mechanical maintenance, or in analysis of building management programs.

Building managers direct a variety of service functions to provide occupants of both Federal Government buildings and commercially leased space with adequate facilities in which to conduct agency business. In providing these services, they manage building operations, maintenance, repair, and alteration programs, and advise agency representatives on optimal use of the building's facilities.

Along with these major functions they direct a variety of other program areas which include conserving energy; eliminating environmental hazards; promoting the use of Federal facilities by the community; reviewing plans and specifications for new structures; evaluating and reporting on new material, equipment, methods, and prototype facilities; overseeing the provision of food service and concessions; and providing directory assistance to visitors.

Building managers operate office buildings and a variety of special purpose facilities, including courthouses, warehouses, laboratories, clinics, depots, libraries, border stations, and data processing installations. Along with the actual buildings, they also manage the grounds and provide snow removal and parking lot maintenance. In managing commercially owned buildings used by Federal agencies, they coordinate and evaluate operational activities to assure that occupants receive the level and kind of building services specified in lease agreements.

Building managers develop and implement overall programs to promote and monitor occupant safety and comfort, such as space utilization, energy conservation, safety, fire and security protection, and comprehensive buildings and grounds maintenance programs. They also direct activities to provide specific building services such as heating-ventilating-air conditioning (HVAC), elevator, plumbing, telephone, parking, and cafeteria services.

In accomplishing their work, building managers supervise a variety of employees specializing in space management, real estate, contracting and purchasing, engineering, concession management, planning and estimating, and other office work. In many instances, building managers direct, through contractors, the grounds and custodial work, special equipment maintenance, various kinds of service and repair work, and other trades work. They manage the contracting process and assist the contracting officer by developing statements of work, monitoring the contractor's performance, inspecting completed work against contract requirements, and by recommending progress payments, terminations, and other actions.

Operational Programs -- Managers of Government-owned buildings plan comprehensive operations, determine work force (agency or contract), money, and material needs to carry out the programs; and set priorities for accomplishing various projects. They control and evaluate the effectiveness and economy of operations through inspection programs, budget controls, and

management improvement studies. Building managers budget for custodial and mechanical workloads, contract cost escalations, utility rate increases, the cost of minor repairs and agency moves, security support, procurement of supplies and material, travel, administrative salaries, and equipment requirements.

Building managers authorize work or delivery of supplies or materials, interpret terms and conditions of contracts, authorize any deviation from contracts, levy deductions for any failure or omission, amend contracts, terminate contracts for defaults, and issue final decisions regarding contract disputes.

Building managers must have sufficient technical knowledge of building construction, modernization, modification, and maintenance requirements to establish and administer control systems and procedures for technical service operations. They identify the need for and recommend major repair or alteration projects, and monitor work done by private contractors.

Space Management -- Building managers review occupant use of space, analyze their needs, and plan alterations and space reorganizations to accommodate changing tenant requirements. They resolve problems relating to space assignment and use, determine the adequacy of building services, furnishings, and fixtures, and schedule space improvement projects.

Community Impact -- Building managers devote time to public relations with the public and governmental bodies. They develop working relationships with representatives of State and local governments, citizen groups, and the general public. Some managers deal with media representatives, municipal authorities, and professional organizations.

Building managers coordinate building operational requirements with various public services such as public utilities, police, and fire departments to resolve problems with use patterns in Federal facilities. They coordinate fire and police protection services, and emergency evacuation and relocation plans. They also initiate and maintain contacts with planning officials and private groups to analyze and discuss topics such as traffic flow, environmental pollution, and future Federal space and service needs in the area. They arrange for building security, deal with threats and protesters, and control evacuations and other emergency procedures.

Tenant-Agency Relations -- As part of the overall program, building managers develop and promote good working relationships with tenants such as those in the cabinet or at lower levels in the executive branch, judges, and Members of Congress. This includes continuing contacts to determine agency satisfaction with services and to gain cooperation with programs such as energy conservation. These contacts are involved in the analysis of moves, alterations, repairs, and plans for reorganizations.

Historic Preservation -- Some building management assignments include Federally owned structures of unique historic and architectural value. Building managers are required to preserve the original character of such structures. This requires compromise and innovation in evaluating the need for and directing repairs, replacements, and alterations. They must also adjust plans and alterations for needed modifications made by owners to leased buildings that are protected by historic preservation requirements.

Concessions -- Building managers provide space for and inspect vendor and food service facilities for compliance with applicable health, safety, and operational standards and for assurance that contract obligations are met. They provide utilities and environmental systems support and direct the performance and inspection of preventive maintenance, minor repair, and construction required by the concessionaire.

Construction, Repair, and Alterations -- Building managers plan and supervise all on-site construction activity performed by agency personnel or contractors. They coordinate design and construction projects, prepare specifications, and review contract submissions. They prepare bid solicitations for unit price agreements, negotiate bids, award contracts, inspect completed work, and approve final payment.

COR Duties

The COR assists the contracting officer in the administration of the contract and supports the contracting officer in the discharge of their responsibilities when they are unable to be directly in touch with the contract work.

The responsibilities of the COR include, but are not limited to, the following:

- (1) Determining the adequacy of performance by the contractor in accordance with the terms and conditions of this contract;
- (2) Acting as the government's representative in charge of work at the site;
- (3) Ensuring compliance with contract requirements insofar as the work is concerned;
- (4) Advising the contractor of proposed deductions for nonperformance or unsatisfactory performance;
- (5) Advising the contracting officer of any factors that may cause delay in performance of the work;
- (6) Inspecting the work to ensure compliance with the contract requirements;
- (7) Documenting, through written inspection reports, the results of all inspections conducted;
- (8) Following through to assure that all defects or omissions in performance are corrected in a timely fashion;
- (9) Recommending deductions from contract payment for nonperformance or unsatisfactory performance; and
- (10) Conferring with representatives of the contractor regarding any problems encountered in the performance of the work.

Appendix D – Summary of QASP Inspections

This appendix provides more detail regarding the number and percentage of QASP inspections, completed by PBS Region 2 and signed by the contractor, for each building in our sample for the 16-month period of June 2019 through September 2020. Sixteen inspections should have been performed and signed for each building (1 per month), totaling 192 inspections (16 x 12 buildings).

Contract Number	Federal Building (FB)	Number of QASP Inspections Completed	Percent of QASP Inspections Completed	Number of QASP Inspections Signed by the Contractor ⁷	Percent of QASP Inspections Signed by the Contractor	QASP Inspections Performed by COR
		(a)	(b) = (a / 16)	(c)	(d) = (c / a)	
GS-02-P-17-PC-D-0001	Peter W. Rodino FB	15	94%	0	0%	Yes
	Martin L. King, Jr., FB and Courthouse	2	13%	0	0%	No
	Veterans Administration	2	13%	0	0%	No
	Robert A. Roe FB	2	13%	0	0%	No
	<i>Subtotal</i>	<i>21</i>	<i>33%</i>	<i>0</i>	<i>0%</i>	
GS-P-02-17-PV-0011	Daniel Patrick Moynihan U.S. Courthouse	8	50%	1	13%	Yes (6 of 16)
	Silvio J. Mollo FB	4	25%	0	0%	No
	Thurgood Marshall U.S. Courthouse	4	25%	0	0%	Yes
	<i>Subtotal</i>	<i>16</i>	<i>33%</i>	<i>1</i>	<i>4%</i>	
GS-P-02-16-PV-7052	Alexander Hamilton U.S. Custom House	3	19%	1	33%	No
	<i>Subtotal</i>	<i>3</i>	<i>19%</i>	<i>1</i>	<i>33%</i>	
GS-P-02-16-PV-7083	Jacob K. Javits FB	11	69%	0	0%	No
	U.S. Court of International Trade and Pavilion	0	0%	N/A	N/A	N/A
	203-209 Centre Street Parking Garage	0	0%	N/A	N/A	N/A
	<i>Subtotal</i>	<i>11</i>	<i>23%</i>	<i>0</i>	<i>0%</i>	
47PC0218F0087	U.S. Mission to the United Nations	1	6%	0	0%	No
	<i>Subtotal</i>	<i>1</i>	<i>6%</i>	<i>0</i>	<i>0%</i>	
Total		52	27%	2	4%	

⁷ If a value is "N/A," it is because PBS Region 2 did not complete any inspections.

Appendix E – Summary of Preventative Maintenance Records

This appendix provides detail about specific deficiencies with the preventative maintenance records for each building in our sample for the period of June 2019 through September 2020.

Contract Number	Federal Building (FB)	Preventative Maintenance Schedule Complied With Contract Requirements	Accurate Preventative Maintenance Records
GS-02-P-17-PC-D-0001	Peter W. Rodino FB	No	No
	Martin L. King, Jr., FB and U.S. Courthouse	No	No
	Veterans Administration	No	No
	Robert A. Roe FB	No	No
GS-P-02-17-PV-0011	Daniel P. Moynihan U.S. Courthouse	Yes	Yes
	Silvio J. Mollo FB	Yes	No
	Thurgood Marshall U.S. Courthouse	No	No
GS-P-02-16-PV-7052	Alexander Hamilton U.S. Custom House	No	No
GS-P-02-16-PV-7083	Jacob K. Javits FB	No	No
	U.S. Court of International Trade and Pavilion	No	No
	203-209 Centre Street Parking Garage	No	No
47PC0218F0087	U.S. Mission to the United Nations	Yes	No
Total Percentage "Yes"⁸		25%	8.33%

⁸ These percentages represent the number of instances where PBS Region 2 did not have deficiencies in each preventative maintenance category. It is calculated by dividing the total number of "Yes" answers for each category by the total number of buildings (12).

Appendix F – GSA Comments

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Public Buildings Service

September 15, 2021

MEMORANDUM FOR ARTHUR MAISANO
REGIONAL INSPECTOR GENERAL FOR AUDITING
NORTHEAST AND CARIBBEAN REGION AUDIT OFFICE
(JA-2)

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

FROM: MICHAEL GELBER 
REGIONAL COMMISSIONER
NORTHEAST AND CARIBBEAN REGION
PUBLIC BUILDINGS SERVICE (2P)

SUBJECT: Response to the Office of Inspector General Draft Audit
Report, *PBS's Northeast and Caribbean Region is Not
Effectively Overseeing its Operations and Maintenance
Contracts* (A201046)

Thank you for the opportunity to comment on the subject draft audit report. The Public Buildings Service reviewed the report and agrees with the recommendations.

If you have any questions, please contact Michael Gelber at michael.gelber@gsa.gov.

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Appendix G – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Deputy Commissioner (P)

Regional Commissioner (2P)

Chief of Staff (PB)

Deputy Chief of Staff (PB)

Assistant Commissioner for Strategy & Engagement (PS)

Director, Manhattan Service Center (2PSM)

Director, Everything but Manhattan Service Center (2PSE)

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)