



U.S. General Services Administration

ADMINISTRATOR'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS

REPORT NO. 59
APRIL 1, 2018 – SEPTEMBER 30, 2018



U.S. General Services Administration

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Message from the Administrator

I am pleased to submit this *Semiannual Report to Congress* summarizing audit-related actions and accomplishments of the U.S. General Services Administration (GSA) for the 6-month period ending September 30, 2018.

GSA's responsibility for delivering value and savings in real estate, acquisition, technology, and other mission-support services across Government requires that GSA be highly effective and efficient in managing agency work. The more effectively we manage the programs and risks that this work comprises, the better able we are to help other agencies meet their mission needs on behalf of the American public.

Our accomplishments during this 6-month period reflect the high priority placed on audit oversight processes that 1) hold GSA managers and supervisors accountable for ensuring timely development and implementation of corrective actions and 2) improved tracking and data analysis tools. This dual focus has enhanced GSA's internal control framework and improved audit issue analysis and audit resolution monitoring.

As measures of the progress made during this reporting period, GSA took final action on 36 contract audits, both pre-award and post-award, and took final action on 48 Office of Inspector General (OIG) audits, a closure rate that is 23 percent higher than the previous reporting period. GSA's actions represent the recovery of \$7,098,740 in Government funds, a more than fivefold increase over the previous reporting period. Additionally, GSA resolved several important management audits, of which the below are key:

- Strengthened the training and warranting program for Contracting Officers.
- Ensured appropriate enforcement of security clearance requirements at the Keating Federal Building.
- Expanded process, review, and system controls to ensure effective administration of the Computers for Learning program.
- Resolved security configuration issues for GSA's Enterprise Acquisition System Integrated (known as EASI).
- Addressed software and technical security control issues for the Federal Acquisition System Sales Reporting Portal.

GSA is committed to providing customer agencies with maximum value on behalf of the American taxpayer. We value the work and insights of the GSA OIG in helping accomplish this goal, and look forward to continued work with the GSA OIG and Congress to help Government be more responsive for the American taxpayer.



Overview

This report, GSA's 59th report to Congress since the implementation of the reporting requirement, presents management's perspective on audit resolution and follow-up activity for the semiannual reporting period, in addition to general statistical summaries. The data in the report indicates that GSA's audit monitoring and management activities continue to play a significant and effective role in the efficient management of GSA operations, the accomplishment of the agency mission, and the effective use of taxpayer dollars.

U.S. General Services Administration Organization

GSA's Public Buildings Service and Federal Acquisition Service provide Government-wide delivery of real estate, acquisition, and technology services. GSA's Office of Government-wide Policy manages the development of certain Government-wide policies and regulations. GSA's 11 regions provide local support to Federal agencies nationwide, while GSA's several staff offices provide support to other GSA organizations and to other Federal agencies and the public.

The Administrator of General Services directs the execution of all GSA functions. Members of the Administrator's office, as well as Regional Administrators and Heads of Services and Staff Offices, advise and make recommendations on policy or operational issues of national scope. Heads of Services and Staff Offices are also responsible for execution of programs and services within their offices, under the leadership of the Administrator.

Organization of Audit Follow-up Program

GSA has effective systems in place for tracking and managing audit recommendations, and enhancement and modification of these systems is ongoing. In addition, GSA's management, which is held accountable for ensuring that appropriate corrective action, is taken in a timely manner, works with supervisors and program managers who develop remedies to identified vulnerabilities and report progress in implementing solutions. Agency managers have the responsibility to act on the auditor's recommendations, with the audit resolution process being overseen by the agency's audit follow-up official. The responsibilities of GSA officials involved in the audit follow-up process are described below.

Agency Audit Follow-up Official

The Deputy Administrator is the Agency Audit Follow-up Official responsible for the audit follow-up program. This position has overall responsibility for ensuring the adequacy of the agency's follow-up system, monitoring the resolution of audit recommendations, and ensuring the prompt implementation of corrective actions. The incumbent in this position also makes final decisions to resolve differences between agency management and the GSA OIG.

Chief Administrative Services Officer (CASO)

The CASO provides direction and oversight to the officials in the Office of Administrative Services (OAS) who manage the GSA's Audit Resolution and Follow-up System. Their responsibilities are as follows:

- Liaison with the GSA OIG and the U.S. Government Accountability Office (GAO) for the coordination of OIG and GAO audits in progress within GSA, and coordinate preparation of responses and reports for the signature of the Administrator on GAO recommendations as required by law;
- Ensure timely resolution and implementation of internal and external audit recommendations made by the GSA OIG and GAO;
- Oversee the collection and proper accounting of monetary amounts determined due to the Government as the result of audit-related claims;
- Analyze GSA's programs, upon request from the Administrator, particularly as related to past or present audit recommendations; and
- Maintain an automated control system for internal and external audits that provides an accurate means for monitoring, analyzing, tracking, and documenting actions taken to implement audit recommendations.

Heads of Services and Staff Offices, Regional Administrators

Heads of Services and Staff Offices and Regional Administrators to whom audit recommendations pertain have primary responsibility for resolving and implementing recommendations promptly, and for the following:

- Ensure controls are implemented to provide timely, accurate, and complete responses to audit reports;
- Develop, advocate, and document agency positions on audit recommendations;
- Prepare responses for GSA OIG and GAO draft and final reports;
- Provide comments on audit decision papers prepared by the GSA OIG to ensure that management's position on unresolved audit recommendations is properly stated.

Synopsis of Audit Activity

The Inspector General Act of 1978, as amended, requires the Administrator of General Services to report directly to Congress on management decisions and final actions taken on audit recommendations made by the GSA OIG.

This report covers the period of April 1, 2018, through September 30, 2018. Included in the report are summaries of GSA audit activities concerning the following:

- GSA implementation of GSA OIG audit report recommendations.
- Final actions not taken on audits 1 year after the date of the management decision.
- Audit reports and audit actions involving financial recommendations, including disallowed costs, funds to be put to better use (better use funds), or both.

On April 1, 2018, GSA had 113 contract and internal audit reports pending final action. These reports contained financial recommendations totaling \$903,758,768 (section A, pages 7 and 8).

- Financial recommendations for 100 contract audits totaled \$903,758,768.
- Financial recommendations for 13 internal audits totaled \$0.

Between April 1, 2018, and September 30, 2018, GSA finalized management decisions on 36 audit reports concerning nationwide GSA programs and operations.

- In 30 of the 36 audits, a total of \$2,419,053 in pre-award contracts, post-award contracts, and internal program spending was found to have been incorrectly charged to the Government and determined to be disallowed costs.
- In 29 of the 36 audits, it was recommended that \$59,527,176 could be used more effectively (better use funds) if management took action to implement and complete the GSA OIG recommendations (see Appendix).

During this 6-month reporting period, GSA successfully took final action on 48 audits. These audits represent the recovery of \$7,098,740 (section C, page 8) in Government funds and the identification of \$173,598,431 in potential future savings (section C, page 8).

As of September 30, 2018, GSA had 103 open audit reports. Nine of these audits involve claims under appeal or in litigation.

Audits with Disallowed Costs

Final action for the six-month period Ending <u>SEPTEMBER 30, 2018</u>	Number of Audit <u>Reports</u>	Disallowed <u>Costs</u>
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	113	\$59,845,477
B. Audit reports on which GSA/OIG management decisions were made during the reporting period.	36	\$2,419,053
C. Audit reports on which final action was taken during the reporting period.	48	\$9,782,598
<i>(i) the dollar value of disallowed costs</i>		\$7,098,740
- collections.....	\$4,625,602	
- offset	\$225,096	
- property in lieu of cash...	\$0	
- surplus	\$1,373,915	
- other	\$874,127	
<i>(ii) the dollar value of disallowed costs that were written off by management.</i>		\$2,683,858
D. Audit reports for which no final action has been taken by the end of the reporting period and audit reports issued during this reporting period.	103	\$51,331,586

Audits with Better Use Funds (Potential Cost Savings)

<u>Final action for the six-month Ending SEPTEMBER 30, 2018</u>	<u>Number of Audit Reports</u>	<u>No budget Impact (Actual and Estimated)</u>	<u>Budget Impact</u>
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	113	\$843,913,291	\$0
B. Audit reports on which management decisions were made during the reporting period.	36	\$59,527,176	\$0
C. Audit reports on which final action was taken during the reporting period.	48	\$173,598,431	\$0
<i>(i) the actual dollar value of recommendations that were actually completed.</i>		\$0	
<i>(ii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed.</i>		\$0	
<i>(iii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be determined (calculated).</i>		\$0	
<i>(iv) the estimated dollar value of "funds to be put to better use" as agreed to by GSA management and the OIG.</i>		\$173,598,431	
D. Audit reports for which no final action has been taken by the end of the reporting period and audit reports issued during this reporting period.	103	\$708,725,665	\$0

Audits under Appeal/Litigation

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS	
		Disallowed Costs	Better Use Funds
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0	
A140116P4X15016 City Lights Electrical Company, Inc.	01/30/2015	\$0	
A140074Q6X15037 Engility Corporation	06/10/2015	\$1,886,901	
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0	
A160104P5X17028 M. A. Mortenson Company	02/22/2017	\$0	
A160106P2X17052 RK Mechanical, Inc.	09/13/2017	\$0	
A170066P4X18001 Piedmont-Independence Square, LLC	10/17/2017	\$0	
A170108P3X18011 RK Mechanical, Incorporated	12/21/2017	\$0	
A160105P4X18017 NCES-Nuprecon JV	02/22/2018	\$0	

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A090042Q9X09019 Computer Sciences Corporation	12/29/2008	\$14,951,923		Investigation in process - An investigation has been opened by either the OIG or the Justice Department regarding actions taken by the contractor
A100119Q6X11081 Noble Sales Co., Inc.	08/03/2011	\$0		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A130136Q3X14026 Fisher Scientific Company LLC	04/14/2014	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A110139Q9X14028 Alaska Structures, Incorporated	04/24/2014	\$1,999,255		Investigation in process - An investigation has been opened by either the OIG or the Justice Department regarding actions taken by the contractor
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A140116P4X15016 City Lights Electrical Company, Inc.	01/30/2015	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A140149P4X15027 Donaldson Interiors, Inc.	03/27/2015	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A140039Q4X15029 High Performance Technologies Innovations, LLC	03/31/2015	\$539,872		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A140074Q6X15037 Engility Corporation	06/10/2015	\$1,886,901		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A150083QAX16004 LCG Systems, LLC	11/10/2015	\$149,663		In the process of collection - GSA is in the process of collecting funds owed the Government from the contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A150113P4X16008 Matsuo Engineering Centerre Construction, A Joint Venture	11/20/2015	\$0		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute.
A140146P4X16017 Caldwell Wingate Company, LLC	12/21/2015	\$0		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A140145P4X16018 Pace Plumbing Corporation	12/28/2015	\$0		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A140148P4X16022 Five Star Electric Corporation	01/29/2016	\$0		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A150104Q7X16026 Kipper Tool Company	02/23/2016	\$57,177		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A140147P2X16030 ASM Mechanical Systems, Inc.	03/30/2016	\$1,120,928		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A160026Q7X16039 Skyline Unlimited, Inc.	05/12/2016	\$35,373		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150085Q9X16043 Mathematica Policy Research, Inc.	06/24/2016	\$172,827		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A150087Q5X16050 LC Industries	07/21/2016	\$83,268		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150080Q2X16052 Connecticut Container Corporation	07/27/2016	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150107Q6X16056 Radiance Technologies, Inc.	08/04/2016	\$529,097		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A160046Q6X16057 Franconia Real Estate Services, Inc.	08/05/2016	\$1,387		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A160039Q3X16055 Carahsoft Technology Corporation	08/08/2016	\$0		Unresolved - Agreement has not been reached between OIG and Contracting Officer on the Decision Record
A150050Q5X16060 Trane U.S. Inc.	08/19/2016	\$2,137		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160061Q5X16067 SkillSoft Corporation	09/08/2016	\$71,274		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A160027Q7X16068 Agilent Technologies, Inc.	09/08/2016	\$3,352		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160049Q7X16071 Parsons Government Services, Inc.	09/14/2016	\$49,989		In the process of collection - GSA is in the process of collecting funds owed the Government from the contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A160068Q3X16072 Knight Point Systems, LLC	09/15/2016	\$23,009		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A160093Q7X16074 United Liquid Gas Company	09/19/2016	\$3,321,947		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A140053Q2X16076 EMCOR Government Services, Inc.	09/29/2016	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150083QAX17005 LCG Systems, LLC	10/13/2016	\$832,697		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150094Q6X17006 KeyPoint Government Solutions, Inc.	10/17/2016	\$370,955		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A140133Q9X17007 ARES Corporation	10/27/2016	\$2,524,644		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150059P4X17013 PDS MICCO JV2, LLC	11/29/2016	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A120149Q4X17015 Lockheed Martin Integrated Systems, Incorporated	12/29/2016	\$12,221,921		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute
A160095Q9X17022 Ogilvy Public Relations Worldwide	01/24/2017	\$29,766		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150102Q2X17024 Riverside Research Institute	01/25/2017	\$4,217		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160074P4X17023 ARRIBA Corporation	01/26/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160104P5X17028 M. A. Mortenson Company	02/22/2017	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A160111Q3X17029 Ambit Group, LLC	03/03/2017	\$1,075		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A150001Q2X17033 Noble Sales Co., Inc.	03/30/2017	\$285,906		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160069Q2X17034 Security Engineered Machinery Company, Inc.	04/05/2017	\$9,940		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160082QAX17038 Advanced Language Systems International, Inc.	04/28/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160088QAX17039 CSRA, Inc.	05/17/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160092Q5X17040 Armag Corporation	05/19/2017	\$254		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160117Q6X17043 StrategicHealthSolutions, LLC	06/20/2017	\$169,269		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to September 30, 2017, but with Final Action not taken as of September 30, 2018.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A160106P2X17052 RK Mechanical, Inc.	09/13/2017	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A170067Q3X17051 Catapult Technology, Ltd.	09/20/2017	\$45,680		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160056QAX17053 Omniplex World Services Corporation	09/28/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160129Q6X17054 Galls, LLC	09/28/2017	\$117,900		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170065Q6X17055 National Government Services, Inc.	09/28/2017	\$0		Unresolved - Agreement has not been reached between OIG and Contracting Officer on the Decision Record
A170078Q7X17056 ADTRAV Corporation	09/28/2017	\$20,723		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Internal Audits

Audits with Management Decisions Made Prior to September 30, 2017, but with Final Action not Taken as of September 30, 2018

Financial recommendations are not included for internal audits or actions that are not completed.

REPORT NUMBER TITLE OF REPORT	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION	PROJECTED COMPLETION DATE
		Disallowed Costs	Better Use Funds		
A130003P2R17002 Procurement and Internal Control Issues Exist within PBS's Brooklyn/Queens/Long Island Service Center	01/20/2017	\$0		Audit is in the Implementation Stage	10/31/2018
A170016P6R17005 The Robert A. Young Federal Building Needs Vehicle Collision Prevention Controls	05/10/2017	\$0		Audit is in the Implementation Stage	01/31/2019
A150009P5R17006 PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	\$0		Audit is in the Working Stage	No established date at this time.

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A130003P2R17002 - Procurement and Internal Control Issues Exist within PBS's Brooklyn/Queens/Long Island Service Center	01/20/2017	006	Determine the corrective actions needed to remediate the missing and incorrect documents that were identified by the audit team's review of the contract files.	09/11/2017	10/31/2018
A170016P6R17005 - Robert A. Young Federal Building Needs Vehicle Collision Prevention Controls	05/10/2017	002	Assess the overall building site to ensure it is adequately protected from vehicular threats.	02/28/2018	01/31/2019
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	001	Take immediate action to expedite the procurement of a new O&M contract that adheres to competition requirements specified in the Competition in Contracting Act of 1984 and the Federal Acquisition Regulation.	GSA and OIG are working to achieve agreement on the recommendations for implementation plans.	
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	002	Determine and implement the appropriate corrective action needed for PBS NCR personnel's non-compliance with competition requirements.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	003	Institute the necessary management controls to ensure that procurements for the campus comply with the Competition in Contracting Act of 1984 and Federal Acquisition Regulation 6.3.		

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	004A	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including verifying that costs of implementing energy conservation measures are paid for from the resulting cost savings.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	004B	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including witnessing and independently verifying that baselines developed by the energy company are accurate.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	004C	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including verifying that the financial Selection Memorandum from the energy company is certified as being the best value for the Government.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	005A	Implement training for PBS NCR personnel responsible for the preparation of acquisition plans.		

GSA and OIG are working to achieve agreement on the recommendations for implementation plans.

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	005B	Implement training for PBS NCR personnel responsible for price reasonableness determinations for ESPC contracting, including the development and use of independent Government estimates.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	005C	Implement training for PBS NCR personnel responsible for Contract file documentation requirements.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	005D	Implement training for PBS NCR personnel responsible for Compliance with requirements to hold a Preaward Review Board review prior to award, or if waived, a Postaward Review Board review for applicable task orders.		
A150009P5R17006 - PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	08/24/2017	006	Once the procurement of a new O&M contract is secured, as stated in Finding 1, include the Limitation of Government Obligation clause on all non-ESPC O&M services.		

GSA and OIG are working to achieve agreement on the recommendations for implementation plans.

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150150BRF18001 - Audit of the Completeness, Timeliness, Quality, and Accuracy of GSA's 2017 DATA Act Submission	11/08/2017	001	Consistently apply the DATA Act elements and definitions applicable to GSA throughout Agency procurements.	09/28/2018	12/31/2018
A160101O7F18002 - GSA Should Monitor and Track Facility Security Assessments	12/04/2017	001A	Implement policies and procedures to monitor and track facility security assessment reports. This should include developing an automated methodology to track whether PBS received the facility security assessment reports.	11/30/2018	11/30/2018
A160101O7F18002 - GSA Should Monitor and Track Facility Security Assessments	12/04/2017	002	Require training for PBS property managers on the use of facility security assessment reports.	11/30/2018	11/30/2018
A140006Q6P18001 - Audit of the GSA Federal Acquisition Service's Use of Outside Consultants	03/26/2018	001	The FAS Commissioner implement controls to ensure that all FAS contracting actions for consulting services comply with the FAR and FAS policies/procedures.	03/29/2019	03/29/2019

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170040Q5P18002 - Audit of FAS's Office of Fleet Management in the Pacific Rim Region Did Not Comply with California State Emissions Regulations, Resulting in a \$485,000 Fine	04/19/2018	001	Ensure management adheres to recently issued policy related to new or updated laws and regulations. This may include establishing action plans and consulting with legal counsel to proactively address changes in laws and regulations.	10/31/2018	10/31/2018
A170091P7R18001 - PBS's Leasing for the Eton Square Office Centre Was Not Effective or Compliant With Policies	06/07/2018	001	Necessary building improvements, as identified during market survey tours, are discussed during negotiations and incorporated into terms and conditions of future leases to ensure the lessor resolves the issues and makes those improvements prior to occupancy.	GSA and OIG are working to achieve agreement on the recommendations for implementation plans.	
A170091P7R18001 - PBS's Leasing for the Eton Square Office Centre Was Not Effective or Compliant With Policies	06/07/2018	002	PBS employees follow the PBS Leasing Desk Guide procedures pertaining to accessibility requirements for potential and selected lease properties.		

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A160063QTP18003 - Audit of FAS's Wireless Federal Strategic Sourcing Initiative	06/14/2018	001	Use BPA task order prices to determine if the BPAs represent best value in FAS's annual rate review and require that BPA rates are lower than Schedule 70 contract rates.	12/31/2018	12/31/2018
A160063QTP18003 - Audit of FAS's Wireless Federal Strategic Sourcing Initiative	06/14/2018	002	Use BPA task order prices to assist in determining price reasonableness for any future wireless BPAs.	11/30/2018	11/30/2018
A160063QTP18003 - Audit of FAS's Wireless Federal Strategic Sourcing Initiative	06/14/2018	003	Implement controls to ensure that contractors are billing ordering agencies in compliance with the pricing terms of the BPAs.	12/31/2018	12/31/2018
A160063QTP18003 - Audit of FAS's Wireless Federal Strategic Sourcing Initiative	06/14/2018	004	Assess the BPA deliverable requirements to determine the most appropriate recipient(s) of the deliverable information.	11/30/2018	11/30/2018
A160063QTP18003 - Audit of FAS's Wireless Federal Strategic Sourcing Initiative	06/14/2018	005	Implement controls to ensure that all BPA deliverables include required information and are provided to the required recipients.	01/31/2019	01/31/2019

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A140143QTP18004 - Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	07/25/2018	001	Revise the TDR pilot objectives to include specific statements of accomplishment to measure performance.	01/31/2019	01/31/2019
A140143QTP18004 - Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	07/25/2018	002	Establish performance targets for each pilot metric.	01/31/2019	01/31/2019
A140143QTP18004 - Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	7/25/2018	003	Ensure that TDR data is available, accurate, and reliable for use in and evaluation of the pilot.	03/29/2019	03/29/2019
A160133P6R18002 - Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	08/10/2018	001	Develop and implement a process to ensure that PBS reports and mitigates all unused space for all non-cancelable occupancy agreements in its lease portfolio.	OIG response is due to GSA on 11/7/2018.	
A160133P6R18002 - Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	08/10/2018	002	Take action to ensure that existing and future non-cancelable occupancy agreements comply with PBS's policy.		
A150026PRR18003 - Audit of PBS's American Recovery and Reinvestment Act Sustainability Results	09/21/2018	001	Ensure that senior management provides oversight of the implementation of the minimum performance criteria in future capital projects, including documenting approval to waive these criteria.	GSA's response to OIG's final report is due 11/19/2018.	

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150026PRR18003 - Audit of PBS's American Recovery and Reinvestment Act Sustainability Results	09/21/2018	002	Review Recovery Act projects and implement building improvements needed to meet the minimum performance criteria.	GSA's response to OIG's final report is due 11/19/2018.	
A150026PRR18003 - Audit of PBS's American Recovery and Reinvestment Act Sustainability Results	09/21/2018	003A	Assess results of implemented high-performance green building measures in future capital projects by: Using appropriate and consistent baselines for energy and water use.		
A150026PRR18003 - Audit of PBS's American Recovery and Reinvestment Act Sustainability Results	09/21/2018	003B	Gathering necessary data and information from contractors and delegated agencies to gauge compliance with criteria.		
A150026PRR18003 - Audit of PBS's American Recovery and Reinvestment Act Sustainability Results	09/21/2018	003C	Ensuring methods are in place to compare actual building performance against all minimum performance criteria.		
A180031ORF18005 - Audit of GSA's Fiscal Year 2017 Travel Card Program	09/25/2018	001	Specify a timeframe for distributing the Travel Card Policy Office's travel card questionable charges report to the OAS regional coordinators.	GSA's response to OIG's final report is due 11/23/2018.	

Open OIG Recommendations Not Fully Resolved as of September 30, 2018

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A180031ORF18005 - Audit of GSA's Fiscal Year 2017 Travel Card Program	09/25/2018	002A	Implement a process to ensure that OAS regional coordinators follow up on questionable charges. The process should include provisions to: Monitor resolution of the questionable charges in accordance with the required timeframe.	GSA's response to OIG's final report is due 11/23/2018.	
A180031ORF18005 - Audit of GSA's Fiscal Year 2017 Travel Card Program	09/25/2018	002B	Ensure that regional coordinators receive and review the validity of responses from cardholders' supervisors to the questionable charges reports.		
A180031ORF18005 - Audit of GSA's Fiscal Year 2017 Travel Card Program	09/25/2018	002C	Require and enforce the restriction of travel card use when cardholder supervisors are unresponsive to the travel card questionable charges reports.		

Glossary of Terms

The following definitions, based on the Inspector General Act Amendment of 1978, apply to terms used in this Semiannual Management Report:

Questioned Costs. Costs questioned by the OIG as a result of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of an audit, such cost is not supported by adequate documentation;
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Disallowed Cost. Questioned costs that GSA management in a management decision sustained or agreed should not be charged to the Government.

Recommendation that Funds be Put to Better Use. A recommendation by the GSA OIG that funds could be used more efficiently if management took action to implement and complete the recommendations, including:

- reductions in outlays;
- de-obligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee;
- avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements;
- any other savings that are identified specifically.

Management Decision. The evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management and concurrence by the OIG concerning its response to such findings and recommendations, including planned corrective actions to remedy weaknesses identified in the report.

Final Action. The completions of all actions that GSA management concluded in its management decision were necessary with respect to the findings and recommendations included in the audit report. In the event that GSA concluded no action was necessary, final action occurred when the management decision was made.

Glossary of Terms

Management Actions - Questioned Costs. The following are the different management actions used by GSA management to resolve questioned costs in an audit report.

- **Audit reports on which management decisions were made during the period:** Data pertaining to the number of audit reports on which management decisions were made during the period and the associated amount of disallowed costs was furnished by the OIG.
- **Write-offs:** For the purposes of this report, write-offs are interpreted to represent the difference between the disallowed cost and the amount successfully recovered.

Management Actions - Better Use Funds. The following are the different management actions used by GSA management to resolve the "better use" of funds in an audit report.

- **Better Use Funds:** The figure represents amounts cited as "cost avoidance" and "funds to be put to better use," as agreed to by GSA management and the OIG. Prior to April 1990, no funds were identified by the OIG specifically as "funds to be put to better use," and no management decisions were issued based on the consideration of "better use" of funds.
- **Budget Impact Funds:** Funds identified as "budget impact" involve the obligation process. Audit-related savings of these funds, depending on the particular fund involved, may be available for reprogramming.
- **No Budget Impact Funds:** Funds identified as "no budget impact" are composed of estimated and actual amounts, and do not involve obligated monies, and, therefore, cannot be construed as having a material effect on GSA's appropriated funds.
- **Audit reports on which management decisions were made during the period:** Data pertaining to the number of audit reports on which management decisions were made during the period and the associated dollar amounts agreed to by management were furnished by the OIG.
- **Value of recommendations that management concluded should not or could not be calculable:** Management was unable to determine the award amounts and "better use funds" implemented since the amount is included in the overall award to the prime contractor and savings could not be determined.

Appendix



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

October 18, 2018

MEMORANDUM FOR THERESA OTTERY
DIRECTOR
AUDIT MANAGEMENT DIVISION (H1EB)

FROM: *Lisa Blanchard*
LISA L. BLANCHARD
DIRECTOR
AUDIT PLANNING, POLICY, AND OPERATIONS STAFF
(JAO)

SUBJECT: Semiannual Report to the Congress on the Number
of Management Decisions

This memo is intended to relate the total management decisions for the period April 1, 2018 through September 30, 2018. The totals are based on H1EB/JA Data Match Report, dated October 3, 2018 and JA's AIS database. The OIG's management decision statistics are, as follows:

Type of Audit	Number of Audits	Amount of Better Use Funds	Amount of Disallowed Cost
Preaward	29	\$ 59,527,178	\$ 1,840,318
Postaward	1	\$ 0	\$ 578,735
Internal	5	\$ 0	\$ 0
Totals	35	\$ 59,527,178	\$ 2,419,053

Please acknowledge your agreement of the statistics by signing below and returning to JAO as soon as possible.

[Signature] _____
Name

[Signature]
Title: Director, Audit Management

10/18/18
Date



U.S. General Services Administration
1800 F Street NW, Washington, DC 20405