




General Services Administration  
Office of Inspector General  
819 Taylor Street  
Fort Worth, TX 76102



December 01, 2005

MEMORANDUM FOR SCOTT ARMEY  
REGIONAL ADMINISTRATOR (7A)

ATTN: JAMES S. WELLER  
ASSISTANT REGIONAL ADMINISTRATOR  
PUBLIC BUILDINGS SERVICE (7P)

FROM: RODNEY J. HANSEN   
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-7)

SUBJECT: Review of Public Buildings Service's  
Procurements for Contract Services  
With Contract Consultants, Inc.  
Using Corps Of Engineers'  
Contract W9126G-04-D-0004  
Report Number A050186/P/7/R06002

Attached are three copies of the subject audit report prepared by the Fort Worth Field Audit Office. You previously received a draft report for review and comments. Public Buildings Service management comments were considered in preparing this final report.

You are also advised of legislation that affects this audit. Section 810, Prompt Resolution of Audit Recommendations, of the National Defense Authorization Act (Public Law 104-106), effective on February 10, 1996, directs that management decisions are required within 6 months of the audit report issue date. Nevertheless, as required by GSA Order ADM P 2030.2C, a time-phased plan of action addressing the report recommendations and the Management Decision Record for Internal Audit form (MDR) should still be submitted within 60 days of the report date. Your office should complete Section B and submit your action plan and the completed MDR through the Office of the Commissioner, Public Buildings Service within 40 days of the report date.

The Office of the Commissioner, Public Buildings Service has an additional 20 days to review your action plan before submitting it and the MDR to the Assistant Inspector General for Auditing (JA), with a copy to the Chief, Audit Follow-up and Evaluation Branch (BECA).

Section 810 of the Act also requires that final actions on all management decisions must be completed within 12 months of the audit report issue date; otherwise, the Office of Inspector General must report in its Semiannual Reports to Congress matters on which final actions have not been completed within 12 months of the report issue date. Therefore, it would be most beneficial if, to the extent possible, your time-phased action plan schedule actions to be completed within 12 months of the report issue date.

In an effort to develop ways to improve our audit products and services, we ask that the primary user of each audit report complete a Customer Satisfaction Questionnaire to indicate your satisfaction with key aspects of the report and related audit services. Please complete the attached questionnaire and send it to the Director, Audit Planning, Policy, and Operations Staff (JAO).

If you have any questions, please direct your inquiries to Grace McIver or me on (817) 978-2571.

Attachments

REVIEW OF PUBLIC BUILDINGS SERVICE'S  
PROCUREMENTS FOR CONTRACT SERVICES  
WITH CONTRACT CONSULTANTS, INC.  
USING CORPS OF ENGINEERS'  
CONTRACT W9126G-04-D-0004  
REPORT NUMBER A050186/P/7/R06002

DECEMBER 1, 2005

Notice

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**Date:** December 1, 2005

**Reply to**

**Attn Of:** Regional Inspector General for Auditing (JA-7)

**Subject:** Review of Public Buildings Service's  
Procurements for Contract Services  
With Contract Consultants, Inc.  
Using Corps of Engineers'  
Contract W9126G-04-D-0004  
Report Number A050186/P/7/R06002

**To:** Scott Arme  
Regional Administrator (7A)

**Attn:** James S. Weller  
Assistant Regional Administrator  
Public Buildings Service (7P)

This report presents the results of the Office of Inspector General's review of two Public Buildings Service (PBS) procurements, valued at \$75,105 and \$43,625, for temporary professional and administrative services with Contract Consultants, Inc. (CCI). PBS ordered the services using the Corps of Engineers' (COE) Indefinite Delivery Indefinite Quantity (IDIQ) contract, W9126G-04-D-0004, with CCI, a Section 8(a) vendor. The scope of the COE contract was to provide Temporary Professional and Administrative Services within the Southwestern Division Boundaries. The contract was awarded for a base year and four option years. The value of the contract was \$600,000 per year and \$3,000,000 for the 5 years.

**Objective, Scope, and Methodology**

The objective of the review was to determine if PBS's procurements for temporary professional and administrative services from CCI obtained through the COE contract were acquired in accordance with Federal Acquisition Regulations (FAR) and in the best interest of the Government.

To accomplish the objective, we:

- Reviewed the COE solicitation to CCI for an IDIQ contract for professional and administrative services.
- Reviewed CCI's proposal in response to COE's solicitation.
- Reviewed the IDIQ contract that was awarded to CCI by the COE to obtain an understanding of the contract scope.
- Reviewed applicable FAR relating to interagency procurements.
- Interviewed COE and General Services Administration (GSA) PBS officials to obtain an understanding of the procurement process for the two procurements.
- Reviewed other pertinent documentation relating to the IDIQ contract and the two procurements.

The review was conducted between May and August 2005, in accordance with generally accepted Government auditing standards.

### **Results of Audit**

PBS did not prepare a Determination and Finding (D&F) statement, as required by FAR 17.503 and 17.504, for the two orders acquiring temporary professional and administrative services through an interagency acquisition with the COE. As a result, PBS may have used a contract vehicle that was not in the best interest of the Government.

PBS entered into two Support Agreements with the COE to obtain a Design Quality Assurance Consultant and a Program Analyst. In September 2004, PBS formalized the first Support Agreement with the COE, retroactively effective to August 8, 2004, to obtain a Design Quality Assurance Consultant. The COE placed the order against their IDIQ contract with CCI on August 23, 2004. On November 2, 2004, PBS entered into the second Support Agreement with the COE to obtain a Program Analyst. The COE subsequently issued an order against CCI's IDIQ contract for the Program Analyst. According to the PBS project managers and contracting officer, they were not aware of the FAR requirement that a D&F statement was required for services obtained through an interagency acquisition.

FAR 17.502 in part states:

“The Economy Act authorizes agencies to enter into mutual agreements to obtain supplies or services by interagency acquisition.”

Furthermore, FAR 17.503(a) states:

“Each Economy Act order shall be supported by a Determination and Finding (D&F). The D&F shall state that – (1) Use of an interagency acquisition is in the best interest of the Government; and (2) The supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source.”

In addition, FAR 17.504(a) states:

“Before placing an Economy Act order for supplies and services with another Government agency, the requesting agency shall make the D&F required in 17.503. The servicing agency may require a copy of the D&F to be furnished with the order.”

### **Recommendation**

We recommend the Assistant Regional Administrator, Public Buildings Service, ensure that before placing future interagency acquisitions for supplies and services, a D&F statement is prepared to support the order as required by FAR 17.503 and 17.504.

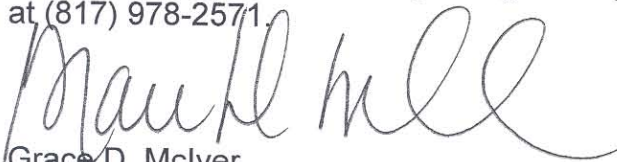
### **Management Response**

The Assistant Regional Administrator, Public Buildings Service, informed us via email that they had no comments and will prepare appropriate D&F statements in the future.

### **Internal Controls**

The review did not include an assessment of internal controls.

If you have any questions regarding this report, please contact Marlyn Stern or me at (817) 978-2571.



Grace D. McIver  
Audit Manager  
Fort Worth Field Audit Office (JA-7)

REVIEW OF PUBLIC BUILDINGS SERVICE'S  
PROCUREMENTS FOR CONTRACT SERVICES  
WITH CONTRACT CONSULTANTS, INC.  
USING CORPS OF ENGINEERS'  
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