

**GENERAL SERVICES ADMINISTRATION
OFFICE OF INSPECTOR GENERAL**

**Review of the PBS
Environment Program
Management**

Report Number A050040/P/4/R06003

March 28, 2006



REVIEW OF THE PBS ENVIRONMENT PROGRAM MANAGMENT

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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

Date: March 28, 2006

Reply to
Attn of: James Duerre
Regional Inspector General for Auditing
Southeast Sunbelt Region (JA-4)

Subject: Review of the PBS Environment Program Management
Report Number A050040/P/4/R06003

To: David Winstead
Commissioner, Public Buildings Service (P)

This report presents the results of the Review of the PBS Environment Program Management conducted by the Office of Inspector General (OIG). The audit was included in the OIG's Fiscal Year 2005 Annual Audit Plan.

The objective of this review was to determine whether Public Buildings Service (PBS) implemented effective measures following the prior audit, Audit of PBS' Environmental Management Program; specifically, the effectiveness of PBS' environmental management system (EMS), environmental risk index (ERI), environmental liability reporting, and safeguards for tenant management of hazardous materials in PBS-controlled space.

The review determined that management has to play a stronger role in ensuring that program initiatives are carried out, regional efforts are coordinated, and the national EMS is implemented effectively in the regions; and that improvements should be made to strengthen the identification and management of environmental risk in the program.

We discussed the report contents with the Deputy PBS Commissioner and other members of your staff, provided a draft of this report to you on January 18, 2006, and included your response as an appendix of this report.

Sincerely,

JAMES D. DUERRE
Regional Inspector General for Auditing
Southeast Sunbelt Region (JA-4)

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EXECUTIVE SUMMARY

Purpose

The objective of this review was to determine whether Public Buildings Service (PBS) implemented effective measures following the prior audit, Audit of PBS' Environmental Management Program; specifically, the effectiveness of PBS' environmental management system (EMS), environmental risk index (ERI), environmental liability reporting, and safeguards for tenant management of hazardous materials in PBS-controlled space. This audit was scheduled in the OIG Fiscal Year 2005 Annual Audit Plan.

Background

The PBS Environment Program helps General Services Administration (GSA) to be a responsible steward of our nation's resources, and ensures GSA carries out its social, environment, and other responsibilities as a federal agency. PBS is responsible for design, construction, repair and alteration, lease acquisition, operation and maintenance, and real property disposal for nearly 10,000 owned and leased facilities. Each of these activities has potential environmental and health impacts and one goal of the PBS Environment Program is to eliminate all damage to the environment resulting from PBS operations.

Results-in-Brief

For the system to be fully effective, the National Office needs to play a stronger role in ensuring that program initiatives are carried out, regional efforts are coordinated, and the national EMS is implemented effectively in the regions. In addition, to strengthen the national EMS, improvements should be made to the environmental policies and procedures.

To facilitate better identification and management of environmental risk, the scope of ERI completion needs to be expanded to formally include leased and delegated facilities. In addition, the ERI tool needs several application controls to increase the reliability of the scores it generates. Also, the agency's environmental liability reporting requires additional oversight to ensure the report is accurate and complete. Finally, PBS should apply a risk-based approach to identify and manage those tenants whose activities pose a greater risk to the environment and execute a written agreement to ensure tenants clearly understand their responsibilities regarding environmental hazards.

Recommendations

We recommend that PBS implement a national EMS by 1) ensuring management in the PBS Environment Program's National Office continues to make progress in environment program initiatives, 2) developing and implementing a regional implementation strategy to ensure that every region is committed to the national EMS, 3) incorporating the recommendations of the EPA EMS review into the Denver Federal Center EMS, national EMS, and each regional EMS, as appropriate, 4) requesting that an independent, third party conduct a comprehensive EMS audit of the national EMS (instead of an environmental management review). We also recommend that PBS improve the ERI by 1) expanding the scope of ERI completion to include leased facilities where the term of the

lease exceeds an appropriate number of years, 2) ensuring that all PBS regional environment officials know to include delegated buildings in the scope of ERI completion, 3) enhancing the ERI database (both spreadsheet and web-based versions) controls. In addition, we recommend that PBS strengthen environmental liability reporting by ensuring management in the PBS Environment Program's National Office supervises the regional updates of the environmental liability report and requiring action plans from each region with listed environmental liabilities. Finally, we recommend PBS apply a risk-based approach to identify those tenants whose activities pose a greater risk to the environment and execute a written agreement that will ensure PBS tenants clearly understand their responsibilities regarding environmental hazards.

INTRODUCTION

Background

The Public Buildings Service (PBS), a service organization of the U.S. General Services Administration (GSA), is responsible for design, construction, repair and alteration, lease acquisition, operation and maintenance, and real property disposal for nearly 10,000 owned and leased facilities. Each of these activities has potential environmental and health impacts and one goal of the PBS Environment Program, carried out by the Office of Applied Science, Research & Expert Services Division for Environment, is to eliminate all damage to the environment resulting from PBS operations. The PBS Environment Program helps GSA to be a responsible steward of our nation's resources, and ensures GSA carries out its social, environment, and other responsibilities as a federal agency.

In February 2000, GSA's Office of Inspector General (OIG) issued an audit report on the PBS Environment Program.¹ The audit's objective was to determine if PBS was prudently managing the environment program to identify and address environmental conditions in GSA-controlled space and properties. As a result of OIG audit recommendations and requirements set forth in Executive Order 13148, PBS planned its development of a national environmental management system (EMS).

Executive Order 13148, "Greening the Government Through Leadership in Environmental Management," was issued in April 2000. A major goal of the order includes the development of an EMS. The order requires "each agency to implement an EMS at all appropriate agency facilities based on facility size, complexity, and the environmental aspects of facility operations by December 31, 2005 based on the Code of Environmental Management Principles (CEMP) for Federal Agencies and/or another appropriate EMS framework."

The PBS EMS was initially planned based on the framework provided by CEMP, but PBS later adopted the International Organization for Standardization's (ISO) 14001 standard, which is another EMS framework based on a series of voluntary international environmental management standards. The two frameworks are similar in their intention and implementation of an effective EMS. The core principles of an EMS under ISO 14001 include: 1) *Environmental Policy*, 2) *Planning* (environmental aspects/impacts, requirements, objectives and targets, environmental management programs), 3) *Implementation and Operation* (roles and responsibilities, training, communication, EMS document control, emergency preparedness and response), 4) *Checking and Corrective Action* (measurement and monitoring, EMS nonconformance and corrective action, records/reports, EMS audits), and 5) *Management Review*.

Objectives, Scope and Methodology

The objective of this review was to determine whether PBS implemented effective measures following the prior audit, Audit of PBS' Environmental Management Program; specifically, the effectiveness of PBS' environmental management system (EMS), environmental risk index

¹ Audit of PBS' Environmental Management Program, Report Number A995196/P/H/R00008, February 16, 2000.

(ERI), environmental liability reporting, and safeguards for tenant management of hazardous materials in PBS-controlled space. Our work was conducted in the Southeast Sunbelt, Heartland, Greater Southwest, and Pacific Rim regions.

To gain an understanding of PBS' Environment Program, we reviewed prior audit reports issued by the OIG and the Government Accountability Office; familiarized ourselves with PBS Environment Program guidance, organizational structure and staffing; held discussions with the Environment Program Director about EMS, ERI, environmental liability reporting, and tenant responsibilities for the management of hazardous materials; familiarized ourselves with the Federal environmental laws and regulations; and reviewed the federal accounting standards that govern environmental liability reporting.

To accomplish the objectives of our audit, we held discussions with regional environment officials; reviewed reports, guidance, and presentations on EMS in Federal and private organizations; reviewed the Environmental Protection Agency's Environmental Management System Review of the Denver Federal Center in the Rocky Mountain Region; reviewed a judgmental sample of ERIs completed during the first iteration (2004) for accuracy, completion, and management usage; reviewed the Environmental Risk Index database (ERIN); reviewed Occupancy Agreements (OA); discussed with regional Environment Program officials and regional Portfolio Management representatives how tenant's environmental responsibilities are addressed to safeguard PBS; reviewed environmental liability packages for sites listed on the FY 2004 liability report and regional environmental liability records and assessed the validity and completeness of the environmental liability report; met with a regional GSA General Counsel representative to discuss the environmental liability reporting process; and compared PBS guidance on accounting for environmental liabilities to other agencies and federal regulations.

The audit was conducted during the period December 2004 through July 2005 in accordance with generally accepted government auditing standards.

RESULTS OF AUDIT

The Public Buildings Service (PBS) is making progress towards the development of a national environmental management system (EMS) as the framework to manage environmental issues and concerns. However, more needs to be done. For the system to be fully effective, the National Office needs to play a stronger role in ensuring that program initiatives are carried out, regional efforts are coordinated, and the national EMS is implemented effectively in the regions. In addition, to strengthen the national EMS, improvements should be made to the environmental policies and procedures.

PBS recently developed the Environmental Risk Index (ERI) to facilitate the identification and management of environmental risk. The scope of ERI completion needs to be expanded to formally include leased and delegated facilities. In addition, the ERI tool needs several application controls to increase the reliability of the scores it generates. Environmental liability reporting, another component of the identification and management of environmental risk, requires additional oversight to ensure the report is accurate and complete. Finally, PBS should apply a risk-based approach to identify and manage those tenants whose activities pose a greater risk to the environment and execute a written agreement to ensure tenants clearly understand their responsibilities regarding environmental hazards.

Environmental Management System

According to the International Organization for Standardization's (ISO) 14001 standard, an EMS is "the part of the overall management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy." The essential purpose of the EMS is to help the agency identify its environmental aspects and impacts; establish goals to address those impacts; operate to meet the established goals; monitor and track performance; correct any identified problems; and review progress with the goal of continual improvement.

Prior to EMS development, PBS had many different environment programs (e.g. asbestos management, recycling, etc.), most of which addressed a specific legal or regulatory requirement. One goal of the EMS is to put all of these various programs under one system, which should allow PBS to ensure that these programs are all functioning properly and consistently. According to PBS, the EMS should improve inventory and business by helping the agency to:

- Make better-informed management decisions regarding building inventory;
- Prioritize actions based on environmental risks;
- Reduce environmental setbacks that reduce human and financial resources needed for other missions; and
- Build credibility for the agency as an environmental steward.

EMS Progress Has Been Slow Since 2000 Audit

PBS made plans to implement an EMS in 2000 in response to GSA's Office of Inspector General (OIG) audit report recommendation and Executive Order (EO) 13148. The OIG audit of the environmental management program conducted in 2000 recommended the agency develop reporting procedures, performance measures, or other methodologies to ensure the Environment Program is effectively implemented in the regions. The agency's response to the recommendation was that a national EMS was being developed that would incorporate each of the suggested components and would be completed in 2000. This was not done; however, in 2003 the Denver Federal Center (DFC) EMS pilot project was initiated and was used as the basis for the development of the national framework. The EMS was not completed until five years after it was originally planned. We are concerned with the minimal progress achieved in EMS implementation since our 2000 audit.

In addition to minimal progress, we found varied regional EMS plans and activities in the absence of the national EMS framework. Two regional environment programs that we visited have initiated EMS plans separate from the DFC pilot and national EMS. One region is in the process of conducting a gap analysis, which is a comparison of the current program to an accepted EMS framework to determine what variances exist. Another region has been developing an EMS with the focus of a region-wide EMS that filters to its property management centers. Both region's environment officials stated that communication and coordination between their offices and the DFC and National Office regarding the EMS projects had been minimal. Environment officials of the two other regions we visited stated that they have not initiated EMS plans and are waiting to receive guidance from National Office. While we acknowledge that the EMS projects regional PBS environmental groups have initiated will strengthen their regional environment program, we are concerned with the lack of coordination or communication between them and National Office.

We recognize the progress the National Office Environment Program has made since its change in leadership in 2004 and in order to continue meeting the program's mission of ensuring effectiveness and consistency in the execution of environment programs and services for all PBS properties and customers, program management must ensure that initiatives are carried out. To ensure that the EMS is effective and reaches the primary executors of the Environment Program, the National Office should develop a regional implementation strategy that will guarantee that every region is fully committed to the national EMS.

DFC EMS Pilot Needs Improvement

The U.S. Environmental Protection Agency (EPA) conducted an environmental management review (EMR²) of the DFC EMS in February 2005. The resulting observations and recommendations from the review fit into two general areas: policy issues and process issues. The policy issues related to observed policies, plans, or statements that hadn't been finalized or

² An EMR "is a review of an individual facility's program and management systems to determine the extent to which a facility has developed and implemented specific environmental protection programs and plans which, if properly managed, should ensure compliance and progress towards environmental excellence."

formalized at the time of the review. For instance, the report noted that neither the environmental policy nor the environmental excellence statement had been finalized yet. Since the environmental policy is the driver behind and basis of many aspects of the EMS, it is important to ensure that it is adopted and reinforced throughout the agency as soon as possible. The observations and recommendations relating to process issues related to incomplete activities, scope limitations, lack of progress, and missed targets and objectives. For example, the report noted that PBS at the DFC had not identified shortfalls in environmental compliance, especially among contractors, as significant aspects/impacts. The EPA report included several observations and made many recommendations for improvement, the details of which are included in **Appendix B**.

Once an organization has established its EMS, assessing the implementation of the system is critical. This initial assessment is best achieved through an EMS audit. According to EPA, an EMS audit “would provide a thorough, systematic evaluation of all elements of a facility’s implementation of an environmental management system.” It was also noted that an EMR is not an EMS audit. An EMS audit is a system, or process audit, whereas an EMR looks at parts of the system or looks at the system from a very broad perspective. PBS should adopt the recommendations provided by the EPA EMR team to improve the quality and strength of the EMS at the DFC. However, since the national EMS is the prevailing management system, PBS should have a comprehensive EMS audit completed (instead of an EMR) of the national EMS to assess the implementation of the system.

Identification and Management of Environmental Risk

One of the central components of an effective environment program is the identification and management of environmental risks. While PBS has made great progress in developing an environmental risk index (ERI) and reporting environmental liability for the financial statements, more needs to be done. More specifically, the current ERI scope does not include portions of the inventory that may constitute risk for PBS. Further, some enhancement to the ERI database would make the results more accurate and reliable. Next, while most of the environmental liability reporting seemed well managed, one region’s report was both inaccurate and incomplete. Lastly, since PBS can share some responsibility for environmental issues caused by tenant agencies, it could be more proactive by defining tenant responsibilities for environmental risk in the occupancy agreements of tenants that pose a high risk.

Environmental Risk Index Needs Improvement

The ERI was developed to measure environmental, health, and safety risks in 13 areas (hazardous waste, asbestos, indoor air quality, hazardous materials, subsurface contamination, lead, PCB, storage tanks, Clean Air Act compliance, drinking water, wastewater, radon, and stormwater) for all government-owned buildings. The ERI consists of a series of multiple-choice questions covering each of the risk categories. Each multiple-choice response has a corresponding numeric value that results in a risk measure for that category after the questions have been answered. The ERI offers PBS the ability to proactively manage and mitigate environmental risk in PBS-controlled space.

ERI Universe Needs to Be Expanded

The current scope of the ERI initiative only includes government-owned assets. PBS focused on owned assets initially because they have direct ownership and responsibility for these buildings. However, in most instances PBS is also formally accountable for leased facilities. For annual financial statement reporting, PBS includes owned and leased inventory with known or potential environmental liabilities. Also, many executive orders pertaining to real property asset management or environmental issues define Federal facilities as owned and leased properties.

In addition to the exclusion of leased buildings, we found an inconsistency in ERI completion for delegated buildings. We found one region that did not complete an ERI for several buildings because the facilities were delegated to another agency. While PBS has the authority to delegate many of its functions to other agencies, PBS still has some responsibility for the facility. This shared responsibility is evident in Executive Order 13123³, which states “GSA is responsible for working with agencies to meet the requirements of this order for those facilities for which GSA has delegated operations and maintenance authority.”

The Environment Program hopes to include leased buildings in the ERI scope sometime in the future, but has no specific plans. While we found one PBS region that has already begun to include leased facilities in its ERI iteration, PBS needs to formally expand the scope of the ERI initiative to include leased and delegated properties as well as government-owned properties in *all* regions because 1) PBS is ultimately responsible for its building inventory and 2) the consistent diligence of management practices nationwide increases the reliability, relevance, and effectiveness of the program.

ERI Needs Additional Controls

The ERI is a tool developed to help PBS manage and mitigate its environmental risk. We found many instances where the tool had identified issues and the agency had responded by updating information, correcting issues, or planning future needs. However, we also found the need for better controls. Our initial ERI assessment was based on the 2004 ERI worksheet (an Excel spreadsheet). We found that 62 percent of the 129 ERIs we reviewed⁴ had errors or omissions (see Figure 1) that affected the

	A	B
1	Clean Air Act Compliance	
2	Primary Control (please check one)	<input type="checkbox"/> Tenant <input checked="" type="checkbox"/> PBS
3	A. Does the facility require a CAA permit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4		Skip Question B Please Answer Questions #1-2
5	B. Does the facility use any ozone depleting substances (ODS)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6		Section is Not Applicable STOP HERE
7	1 Facility meets CAA permit requirements (if required)*	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not required
8		
9	2 Facility has a plan to reduce the use of ozone depleting substances (ODS) and/or utilizes ODSs that are less harmful to the ozone layer.*	<input type="checkbox"/> Yes <input type="checkbox"/> No
10		
11		
12	Clean Air Act Compliance ERI Rating (Range = 2.02 - 4.72)	0.00
13		

Figure 1. ERI extract with errors and omissions
 (Respondent should have skipped B and answered #2).

³ Executive Order 13123, “Greening the Government through Efficient Energy Management,” Section 308, signed by President Clinton, June 3, 1999.

⁴ The agency didn’t have 33 of the requested ERI sample for various reasons, including delegated buildings, buildings in disposal, and facility types considered inapplicable (e.g. parking garages or a storage facility).

overall ERI score. In addition to the errors and omissions, we found several instances where questions were answered incorrectly as a result of misinterpretation of the question or selection of the wrong response; conflicts between ERI responses and responses to our follow-up survey; basic data entry errors; and intentional omissions for questions considered not applicable due to a lack of risk. The 2005 ERI worksheet has resolved the issue of intentional omissions for questions considered not applicable by adding a question regarding the risk of this category at the facility, but the other deficiencies in controls still exist in the 2005 version of the worksheet.

PBS also has a web-based version of the ERI database, ERIN. This version of the ERI has corrected many of the issues identified in the 2004 and 2005 ERI worksheets. ERIN offers more concise questions and limited response choices, which allows the user to better respond to questions instead of answering them incorrectly or leaving them blank (both affect the overall score). However, ERIN still permits the respondent to skip questions (see Figure 2), which creates the same completion control issue observed on the spreadsheet version.

	Criteria Question	Response
1.	Does the facility contain any items with hazardous waste components such as electronic equipment, dry cell batteries, or mercury containing products?	<input checked="" type="radio"/> Yes <input type="radio"/> No
2.	Does the facility contain asbestos?	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown and facility constructed after 1980 <input type="radio"/> Unknown and facility constructed in or before 1980
3.	Is the facility occupied by any person or animal (e.g. dogs) on a regular basis or does the facility have any 'indoor' component?	<input checked="" type="radio"/> Yes <input type="radio"/> No
4.	Did the facility's Environmental Pre-Screening Questionnaire indicate that subsurface contamination was "Not Likely"?	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown
5.	Has a lead risk assessment been conducted at the facility AND the facility been found to be lead free?	<input type="radio"/> Yes <input type="radio"/> No lead risk assessment conducted <input type="radio"/> Facility contains lead <input type="radio"/> Unknown
6.	Does the facility contain any PCBs (regardless of who owns the PCB)?	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown
7.	Does the facility have any asbestos tests (AST or UST) that have...	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown

Figure 2. ERIN extract with omission (Question 5).

ERIN eliminates many of the deficiencies found in the Excel version, however many regions continue to use the Excel version because it is easier to use. Since the regions are using both versions of the ERI (spreadsheet and web-based), PBS needs to add better controls to both versions to increase the reliability and consistency of ERI scores.

The ERI is one of PBS' newest performance metrics. The agency has established thresholds for each risk category to separate acceptable and unacceptable risk. In order for the ERI to be an effective performance measure, the scores derived from it must be reliable for management decision-making. The following controls would increase the reliability of the data:

- *Data capture controls* – to ensure that an ERI is completed for all facilities in PBS inventory, which increases the completeness of the database;
- *Data validation controls* – to increase the accuracy of the information captured in the ERI, which increases the validity of the database and becomes very important when non-PBS personnel complete the ERI; and
- *Error controls* – to ensure that the ERI is clear of obvious mistakes (e.g. questions answered that should not be and questions omitted that should be answered).

Environmental Liability Reporting Needs National Office Supervision

The Federal government spends approximately \$9 billion per year on environmental cleanups, and is projected to spend an additional \$234 to \$389 billion over the next 75 years. GSA environmental liability reporting requires the agency to identify and report its portion of these costs. This includes all sites, both government-owned and leased, where there is a possibility of an actual and/or threatened release of chemicals and/or hazardous materials to the environment that will require future GSA response activities (i.e. perform or satisfy claims for the performance of cleanup of hazardous substances, pollutants and contaminants released into the environment). In 2004, GSA recognized \$103 million in cleanup costs, an increase of \$23 million from the prior year. The report includes “reasonably possible” and “probable” liabilities, which is determined by regional GSA legal counsel based on information provided by the regional environment office.

We did not identify any errors or omissions in the environmental liability reporting in most of the regions we visited. However, the environmental liability report for one region was incomplete and inaccurate. The regional report *excluded* liabilities that met the requisite conditions for environmental liabilities (i.e. an actual and/or threatened release of chemicals or hazardous materials to the environment that requires a future GSA response). For example, one building that has an emergency generator with built-in 200-gallon diesel above ground storage tank and an observed leak around the piping and tank is listed on regional documents as an environmental liability, but is not listed on the GSA environmental liability report. Regional representatives could not explain why these liabilities were excluded from the report. In addition, the regional report *included* several sites where environmental remediation had been completed but the appropriate documentation to support the region’s actions could not be found. In spite of the future action required by GSA (i.e. obtaining the appropriate documentation), these sites are not significant liabilities to GSA and should not be listed on the report as “probable” liabilities. In addition, all of the inaccuracies found in the regional report had been included in the GSA environmental liability report since 2001 with the same initial cost estimates. Although we found only one region with environmental liability reporting issues, the oversight calls attention to the lack of National Office management over the reporting process.

The environmental liability report is tied directly to GSA’s financial statements and inaccuracies in the report reduce the creditability of the agency’s internal control structure. PBS’ Environment Program management in National Office should review the environmental liability report periodically to uncover environmental issues that are not being managed by the regional program and require action plans from the regions to ensure liabilities are being addressed.

PBS Should Address Tenant Responsibility

PBS owns, operates and manages over 330 million square feet of space across the country. PBS’s building inventory includes border stations, courthouses, office buildings, laboratories and data processing centers. The majority of PBS’s inventory is office space, but there are certain tenant agency activities that pose a greater risk to the environment (e.g. laboratories, firing ranges, vehicle maintenance, and light industrial activities). Effective treatment of PBS’s tenant

agency activities would offer PBS the ability to manage and mitigate its environmental risk in PBS-controlled space.

The 2000 OIG audit report noted that PBS tenants should be required to inform PBS of potential hazards and to clearly understand their responsibilities for these activities since PBS can be held liable for contamination they cause. Some tenant agency activities pose a greater risk to the environment and may cause property contamination or require special maintenance and management. However, PBS has no written agreement that requires tenant agencies to provide information on hazardous materials and clearly defines tenant responsibilities for the management of high-risk environmental activities.

PBS needs to apply a risk-based approach to the identification and treatment of tenant environmental activities. PBS should identify those tenants whose activities pose a greater risk to the environment and then execute a written agreement that ensures PBS tenants clearly understand their responsibilities regarding environmental hazards.

Conclusion

PBS has completed a national environmental management system (EMS) as the framework to manage PBS environmental issues and concerns. PBS also has a facility-level EMS pilot at the Denver Federal Center (DFC). In addition to these efforts, PBS must ensure that the regional environment programs are committed to and involved with every aspect of the EMS, because the regional programs are the primary administrators of the environment program. A regional implementation strategy would allow the National Office to ensure that the national EMS is effectively implemented in every region. To ensure that the Environment Program is administered effectively and consistently, the National Office must ensure that initiatives are carried out, specifically in the implementation of a national EMS. In addition, PBS can improve the quality and strength of the EMS at all levels by addressing observations and adopting recommendations identified in the Environmental Protection Agency's DFC EMR and ensure that a comprehensive EMS audit is completed (instead of an EMR) of the national EMS to assess the implementation of the system.

The PBS Environmental Risk Index (ERI) tool is a good tool to assist the agency with the identification and management of environmental risk. However, the tool's scope of completion needs to be formally expanded to include leased and delegated facilities because 1) PBS is ultimately responsible for its building inventory and 2) the consistent diligence of management practices nationwide increases the reliability, relevance, and effectiveness of the program. In addition to scope expansion, the ERI database needs additional controls to increase the reliability of the scores that it generates.

PBS environmental liability reporting overall seems to be well managed. However, based on results found in one region, the National Office needs to review the environmental liability report periodically to uncover issues that are not being managed by the regional offices and require action plans from the regions to ensure liabilities are being addressed. Finally, PBS should formally address the issue of tenant responsibilities as they relate to environmental hazards. This can be accomplished through a risk-based approach that allows PBS to 1) identify those tenants

whose activities pose a greater risk to the environment and 2) execute a written agreement that ensures PBS tenants understand their responsibilities regarding environmental hazards.

Recommendations

We recommend that the Commissioner of the Public Buildings Service address the following issues:

(1) Implement a National Environmental Management System (EMS) by:

- a. Ensuring management in the PBS Environment Program's National Office continues to make progress in environment program initiatives by incorporating recommendations that arise from audits and reviews into the program in a timely manner and addressing communication and coordination needs for consistent development and implementation of the national EMS.
- b. Developing and implementing a regional implementation strategy to ensure that every region is committed to the national EMS.
- c. Incorporating the recommendations of the EPA EMS review into the Denver Federal Center EMS, national EMS, and each regional EMS, as appropriate.
- d. Requesting that an independent, third party conduct a comprehensive EMS audit of the national EMS (instead of an environmental management review).

(2) Improve the Environmental Risk Index (ERI) by:

- a. Expanding the scope of ERI completion to include leased facilities with lease terms that exceed an appropriate number of years.
- b. Ensuring that all PBS regional environment officials know to include delegated buildings in the scope of ERI completion.
- c. Enhancing the ERI database (both spreadsheet and web-based versions) with the following controls:
 - i. *Data capture controls* to ensure that an ERI is completed for all facilities in PBS inventory, which increases the completeness of the database;
 - ii. *Data validation controls* to increase the accuracy of the information captured in the ERI, which increases the validity of the database and becomes very important when non-PBS personnel complete the ERI; and
 - iii. *Error controls* to ensure that the ERI is clear of obvious mistakes (e.g. avoid questions being answered that should not be and ensure questions that should be answered are not omitted).

(3) Strengthen Environmental Liability Reporting by:

- a. Ensuring management in the PBS Environment Program's National Office supervises the regional updates of the environmental liability report.
- b. Requiring action plans from each region with listed environmental liabilities.

- (4) Apply a risk-based approach to identify those tenants whose activities pose a greater risk to the environment and execute a written agreement that will ensure PBS tenants clearly understand their responsibilities regarding environmental hazards.

Management Comments

The Commissioner of the Public Buildings Service has provided comments to this report, which have been included in its entirety as Appendix A. The Commissioner agreed with the essence of the report's conclusions and recommendations, while also noting current and planned efforts that should address our audit findings and recommendations.

Internal Controls

We evaluated the internal controls in effect over the ERI database and environmental liability reporting that were appropriate to meet the objectives of this audit. As previously discussed, discrepancies were noted and recommendations provided. We have concluded that implementing the recommendations in this report will improve the overall internal control structure in these areas.

APPENDICES

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Appendix A

Management Response to Draft Report



GSA Public Buildings Service

MAR 8 2006

MEMORANDUM FOR JAMES D. DUERRE
REGIONAL INSPECTOR GENERAL FOR AUDITING (JA-4)

FROM: DAVID L. WINSTEAD
COMMISSIONER (P) 

SUBJECT: Review of the PBS Environment Program Management
Draft Report Number: A050040/P/4/R

The Public Buildings Service (PBS) appreciates the opportunity to comment on the draft audit report. We concur with the essence of the Office of Inspector General's (OIG's) conclusions and recommendations. We are confident that the current direction of the program, driven by our Environmental Management System (EMS) and the recently signed GSA Environmental Policy, will enable us to address the issues raised not only by the OIG but by our internal reviews as well.

Program Management

We agree that the National Office should play a more strategic role than it had prior to 2004. A program plan and strategy addressing these issues was presented to the Deputy Commissioner, PBS. These have been incorporated into the PBS EMS. Our EMS was completed in December 2005. As indicated in the draft report, it is a "corporate level" EMS that applies to all PBS operations. The EMS was subject to a third party audit, and our progress will continue to be reviewed by a third party on an annual basis.

The EMS is our environmental program. It includes the environmental management programs, operational controls, objectives, targets, and action plans that drive the program. A copy of the relevant EMS documentation is available upon request.

We are currently developing a regional implementation plan for the EMS. It is critical to note that the vast majority of regional operations are covered by the national EMS, because such operations are, in fact, basic PBS operations and are not unique to a particular region.

Environmental Risk Index

The first official iteration of the Environmental Risk Index (ERI) will be completed by March 2006. For the first time, PBS will have a single source for key environmental,

U.S. General Services Administration
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health, and safety status for its owned inventory. ERI results data support the needs of PBS decision-makers in all business lines. Because ERI links environmental information to each asset's size, function (type), occupancy level, age, and tier level, the results can support the development of Asset Business Plans and support decisions such as where to increase asset investments, where to allocate environmental funds, where to apply research funds, and which properties to consider for disposal. ERI will greatly enhance the National Office's ability to determine which environmental, health, and safety issues require specific attention and allocate resources accordingly. ERI is a key strategic tool for PBS real property management.

A strategic decision was made to implement ERI in phases, beginning with PBS-owned facilities. We agree that ERI should include leased facilities, however, it is important to ensure that the ERI content, data collection process, data analysis process, data accuracy, and associated IT systems all work effectively for the 1,600 PBS-owned buildings prior to expanding the effort to cover the nearly 8,000 leased buildings. The National Office is tracking how well regions are able to administer ERI in order to identify any assistance that may be required in the future.

We agree that ERI data accuracy is critical and it remains a top priority. Our immediate attention is being directed at the numerous software glitches found within ERIN, the web-based system used to collect ERI data. These glitches have resulted in erroneous results. We are continuously working directly with Chief Information Officer ERIN administrators to resolve these issues.

Environmental Liabilities

The Environment Program shares concerns regarding PBS identification and tracking of environmental liabilities. Consequently, in February 2004, we funded an effort to adapt an existing cost estimating tool for use by all regions. This will ensure that a common basis is used for all liability estimates provided by regional offices and aid efforts to achieve more accurate estimates.

Tenant Risks and Responsibilities

We intend to use the ERI results in conjunction with Asset Business Plan data to determine which tenant operations present the greatest risk to PBS assets. Tenants are currently made aware of their environmental responsibilities via insufficient, cursory statements in a variety of documents. We aim to correct this by developing a standard Memorandum of Understanding. We are also in the process of revising the environmental, safety, and health sections of the Customer Guide to Real Property to more accurately reflect the responsibilities of tenants and clarify the environmental, health, and safety services PBS provides.

Appendix B

Results of the Environmental Protection Agency (EPA) Environmental Management Review (EMR)

Source: U.S. EPA, "Environmental Management System Review Final Report: General Services Administration Public Buildings Service Denver Federal Center," May 26, 2005.

Scope: The U.S. Environmental Protection Agency (EPA) Region 8 conducted an Environmental Management Review (EMR) of the General Services Administration (GSA) Denver Federal Center (DFC) in Denver, Colorado in February 2005.

GSA DFC 4.2 Policy Strengths	
EP-1	In keeping with its "national" approach to developing an EMS, GSA PBS HQ has issued an environmental excellence statement that is intended to apply to all GSA operations. The statement includes commitments to compliance, continuous improvement, and P2. GSA PBS HQ also has issued an environmental policy that incorporates, by reference, the environmental excellence statement.
EP-2	Senior management has demonstrated a commitment to P2. For example, GSA DFC recently recycled approximately 900 tons of concrete and other "hard building materials" as part of a deconstruction project in Building 47. The facility has applied for a Closing the Circle Award from EPA's Office of the Federal Environmental Executive for this project. In September of 2004, the DFC also completed a purchase of 10 electric vehicles for use on site and in the immediate vicinity of the DFC.

GSA DFC 4.2 Policy Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.2 Environmental Policy (EP-3)	<p>Neither the GSA PBS HQ environmental policy nor the environmental excellence statement had been finalized at the time of the EMR. Discussions with representatives from GSA PBS HQ indicate that these documents need to be revised to ensure internal consistency and to reflect the recent decision by GSA PBS HQ to switch from an EMS based on the CEMP to one based on ISO 14001.</p> <p>There is no relevant facility specific environmental policy for the GSA DFC.</p>	<p>GSA PBS HQ must move quickly to finalize its ISO 14001-based agency-wide environmental policy. The policy must include commitments to compliance with all relevant environmental requirements, P2, and continuous improvement. The policy also must provide a framework for setting and reviewing objectives and targets.</p> <p>Although the environmental policy is being prepared at a national level, the DFC must ensure that the policy is officially adopted at the facility level; reinforced through training; and widely disseminated to DFC staff and contractors.</p>	<p>In process. The Environmental Policy and Commitment Statement have been drafted and are awaiting review and approval by the PBS Deputy Commissioner.</p> <p>Once the final Environmental Policy and Commitment Statement are available, the DFC will adopt these documents. They will be available as part of the EMS materials to all Region 8 personnel.</p>

GSA DFC 4.2 Policy Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.2 Environmental Policy (EP-4)	The environmental policy must be made available to the public.	PBS could post a copy on their web site or initiate a more proactive effort to share and discuss the policy with interested parties.	In keeping with existing standard procedure, once approved by the Agency's Commissioners, the policy will be posted on the PBS Insite and GSA.gov websites.

GSA DFC 4.3 Planning Strengths	
PL-1	The DFC has been designated as a pilot facility to identify specific environmental aspects and impacts of its activities, products, and services. With input from DFC staff, GSA PBS HQ has developed a list of activities, products, and services common to PBS facilities, as well as a list of potential environmental aspects.
PL-2	GSA PBS HQ has established a procedure for evaluating environmental aspects, including criteria on determining the significance of these aspects.
PL-3	GSA PBS HQ maintains an online resource (F Street News) that includes legal and regulatory interpretations of requirements applicable to GSA facilities.
PL-4	Environmental Program Group (EPG) staff periodically consults various sources (GSA and state hotlines, GSA website, inter-agency contacts) that can potentially provide updates on legal and other requirements.
PL-5	The DFC has set written objectives and targets based on the aspects it has determined to be significant (see PL-7). Some facility-specific environmental requirements (e.g., storm water permit) have been incorporated into these objectives and targets.
PL-6	The National Environmental Policy Act (NEPA) process addresses the environmental aspects associated with construction of new buildings at the DFC.
PL-7	PBS has taken positive steps to identify and clarify its environmental aspects, such as doing a camera survey to identify which floor drains go to storm water pipes and which are connected to the sewer, and metering water and energy in DFC buildings.
PL-8	There is a process in place to require tenants to remediate environmental problems before turning the space/building back to PBS.

GSA DFC 4.3 Planning Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.3.1 Environmental Aspects (PL-9)	PBS at the DFC has not identified environmental compliance shortfalls, especially among contractors, that should be considered as significant aspects/impacts.	Ensure that both O&M contractors and construction contractor activities with the potential to impact the environment (e.g. CFC management, hazardous waste accumulation, management of spent fluorescent tubes and other universal waste) are included within the scope of the EMS.	The DFC will conduct an independent Environmental Compliance Audit as part of the next cycle through the EMS process. Any issues found as a result of this audit will be addressed with additional aspects/impacts and objectives/targets.
4.3.2 Legal and Other	There is no procedure in place to identify applicable	Expand the existing informal procedures already used by DFC	GSA PBS HQ is developing a listing of all environmental regulations,

GSA DFC 4.3 Planning Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
Requirements (PL-10)	legal and other requirements. The procedure should explain the purpose and steps that PBS personnel take, identify sources of information, explain how frequently this is done, and designate the position(s) responsible.	staff into a standard procedure to identify current requirements and obtain regular updates on applicable environmental requirements, including state and local regulations.	Executive Orders, et al applicable to the Agency's business operations. HQ's Regulatory Study and Advocacy Division provides the Environment Programs with information regarding legislative changes and updates. This information is passed on to Regions via the PBS Insite website, yearly conferences, monthly environmental news updates from the agency's legal staff (available at http://ogc.elaw.gsa.gov/monthly/GSANEWSMar05.htm) and, when necessary, via e-mail. The DFC will continue to frequently monitor state and local regulations and their potential business impacts.
4.3.2 Legal and Other Requirements (PL-11)	PBS has not identified all requirements that apply to its operations, products, and services, especially those relating to contractor activities.	Consider obtaining a third-party baseline environmental compliance audit to identify applicable requirements. Audit services are available for a fee through FedCenter [www.FedCenter.gov] or from local environmental consulting firms that specialize in compliance auditing.	The DFC will conduct an independent Environmental Compliance Audit and address the concerns brought forth (see response to PL-9).
4.3 Planning (PL-12)	Although the DFC has undertaken numerous P2 initiatives, there is no formal P2 plan.	Prepare a plan that ties together the various P2 efforts. The objectives and targets in the P2 plan will be a subset of those set forth within the EMS.	The DFC will compile the various P2 documents and processes and create a formal P2 plan, which will be available through the EMS information.
4.3.4 Environmental Management Program(s) (PL-13)	Management of Change: Beyond NEPA and tenants vacating buildings, there is no procedure in place to manage change that could have environmental impacts. Changes associated with new or modified PBS or contractor activities are not currently covered by a change management process.	In addition to those generated by large-scale construction efforts, operational changes with the potential to impact the environment can occur. Because the categorical exclusions under NEPA can be interpreted as exempting most of the actions at the DFC from consideration under NEPA, the PBS should develop a "change management" process to ensure that these potential impacts are considered	Region 8 has a functional Technical Services Team. At the beginning of any project, an announcement email is distributed to personnel in charge of sustainable design, historic preservation, IH, safety, fire codes, environmental, etc. The DFC Environmental Programs Group attends meetings on regional capitol projects that could impact the environment.

GSA DFC 4.3 Planning Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
		under the EMS. Management of change should cover changes to activities, products and services at the DFC that could have impacts on the environment.	<p>All construction, repair, or disposal projects are required to obtain an Excavation Permit before the project begins. This permit extensively addresses environmental issues that may arise.</p> <p>The Region 8 internal website also has checklists available to all project managers (http://insite-mrpbs.gsa.gov/projectsupport/). These checklists provide contact information for service centers who are either required or available consultants for projects. Environmental contacts are an essential part of these checklists.</p>

GSA DFC 4.4 Implementation and Operations Strengths	
IM-1	Senior management at the DFC has provided personnel resources to begin implementation of the EMS. A Management Representative responsible for overseeing implementation of the EMS has been informally designated.
IM-2	The DFC EPG regularly provides dig permit training to contractors and infrastructure and project management teams.
IM-3	In 2003, GSA PBS HQ provided EMS awareness training to DFC staff. The EPG periodically provides training on various topics (e.g., OSHA, environmental awareness, storm water) to DFC personnel and contractors.
IM-4	Weekly team meetings and daily team huddles provide a venue for communicating environmental issues as they arise. Excellent training and communication tools (e.g., GSA Update, Environmental Touchpoints, INSIGHT) are used to convey environmental messages to employees. Communication protocols with external stakeholders (e.g., public meetings, DFC News) are well established due to the history of remedial action at the DFC.
IM-5	GSA DFC has installed and managed Xeriscape gardens to control animal migration (geese) and to educate the public and employees at the DFC of the benefits of Xeriscape. The facility also conducts semiannual Xeriscape seminars for staff.
IM-6	To reduce risks associated from contacting contaminated soil or groundwater, staff and contractors are required to obtain excavation permits prior to digging to any depth greater than 18 inches.
IM-7	Property managers have installed meters that enable them to monitor water use by tenants. Managers can generate detailed water usage reports and have frequently met with tenants to develop water conservation strategies. Similar capabilities exist for energy use.
IM-8	DFC has written an environmental management program on developing environmental requirements for contractors (see however PL-8 and IM-13).
IM-9	The facility has an up-to-date Emergency Response and Contingency plan and a Spill Prevention, Control, and Countermeasures plan. DFC has a Continuity of Operations plan and has tested it. The

GSA DFC 4.4 Implementation and Operations Strengths	
	facility conducts regular emergency preparedness and response exercises.
IM-10	DFC has established a hotline for major or after hour emergencies. Staff is instructed to contact the Infrastructure or Environmental Program Groups for emergencies during regular operating hours.

GSA DFC 4.4 Implementation and Operation Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.4.1 Structure and Responsibility (IM-11)	Environmental roles and responsibilities have not been clearly defined for all staff at DFC responsible for managing activities associated with significant environmental aspects/impacts.	Include specific environmental roles and responsibilities in the position descriptions and annual performance plans of all staff whose activities potentially impact the environment.	GSA is in the early stages of implementing a new performance review system. Performance measurements that include environmental indicators may be included in the future for a larger number of personnel. They currently cover only the environmental group.
4.4.1 Structure and Responsibility (IM-12)	<p>The lack of progress towards achieving established environmental objectives and targets indicates that there has been a significant loss of momentum in the implementation of the EMS at the DFC.</p> <p>Interviews with DFC staff indicated that there was some confusion as to whether GSA PBS HQ was providing the same level of support (e.g., guidance, contractor resources) pending resolution of issues associated with reorganization at headquarters and the CEMP/ISO 14001 transition.</p> <p>Departures of key EMS staff at the DFC have contributed to the loss of program momentum.</p>	<p>Progress towards achieving objectives and targets must be included as part of the management review (see MR-4).</p> <p>GSA PBS HQ must complete its ongoing evaluation of official EMS policies, procedures, and guidance and issue these documents/resources in final form.</p>	<p>The level of HQ support to the DFC EMS will be determined following a joint review of these EMR results.</p> <p>EMS procedures and guidance review is still in process. Initial reviews indicate a need for cosmetic changes, e.g. removing “CEMP” from many documents. A 2003 study funded by GSA PBS HQ found that the primary differences between CEMP and ISO are a matter of degree and extent, rather than of underlying intent. Thus, the underlying components of an EMS designed to satisfy the CEMP, should meet the requirements of ISO 14001.</p> <p>The intent is to utilize most, if not all of the forms, etc. developed for the DFC as templates for the national level EMS.</p> <p>The DFC currently has a system for management review of the EMS. Any new ISO 14001 standards will be included as EMS updates occur.</p>
4.4.1 Structure and Responsibility (IM-13)	Senior management has not officially designated a Management Representative to replace	Senior management at the DFC must officially designate a MR responsible for overseeing implementation of the EMS.	The Regional Environmental Manager position has been filled and designated the responsible party to oversee the implementation of the

GSA DFC 4.4 Implementation and Operation Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
	the previous MR who left.		EMS.
4.4.2 Training, Awareness, and Competence (IM-14)	<p>The facility has not clearly defined training needs. Environmental training needs have not been identified for new building managers. Many staff has received environmental training but there is no training needs matrix, or other needs analysis that is based on significant impacts and regulatory requirements.</p> <p>Personnel who oversee contractor operations involving hazardous or universal waste have not had appropriate training to understand applicable requirements.</p>	<p>Prepare an environmental training needs assessment or matrix, based on functional areas, that specifies which staff should receive which training and with what frequency. Some staff will only require some form of basic environmental awareness training. The assessment must be revised as conditions change (see MR.4), and should specifically include RCRA training for staff that oversee M &O contractors with hazardous or universal waste management responsibilities.</p>	<p>The DFC is in the process of identifying training needs. This step is outlined on the Environmental Management Program Planning Form for each Action Team. Included in the assessment are individual position descriptions, appropriate frequency, and level of training required.</p> <p>The training programs will be implemented for appropriate staff as part of the EMS process.</p>
4.4.2 Training, Awareness, and Competence (IM-15)	Only one DFC staff person received annual RCRA training during 2004.	All staff that handle hazardous waste must receive annual RCRA training. Records documenting this training must be maintained.	See response to IM-14.
4.4.5 Document Control (IM-16)	<p>EMS documentation prepared by GSA PBS HQ has not been finalized.</p> <p>The DFC has not incorporated information on facility-specific aspects and impacts into this documentation. For example, procedures and checklists for conducting environmental management reviews have not been integrated into the Rocky Mountain Region/DFC document control system. In addition, existing DFC EMS documents remain in draft form (e.g., energy</p>	<p>GSA PBS HQ must issue final versions of its EMS policies, procedures, and guidance (see IM-12).</p> <p>Incorporate, where appropriate, facility-specific information into the DFC versions of EMS documents.</p>	<p>Much of what HQ develops will be based on materials developed for the DFC. A review of existing procedures is ongoing and finalization is expected no later than July 2005. This does not however preclude the DFC from continuing EMS development. As indicated earlier, areas where CEMP is referenced can be easily replaced by "ISO 14001" without ill effect. This is particularly true of the Operational Controls Procedures developed.</p> <p>As the DFC cycles through the EMS process, additional facility-specific information and requirements will be included</p>

GSA DFC 4.4 Implementation and Operation Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
	conservation procedure dated 3/3/04).		
4.4.5 Document Control (IM-17)	EMS documents stored on the shared drive can be modified by anyone with access to this drive	EMS document control procedures must address version control and revision dates. Official EMS documents stored on the shared drive should be in a read-only format (e.g., PDF).	Currently, the documents are in a modification phase. As processes and documents reach a final phase, they will be in a read-only format.

GSA DFC 4.5 Checking and Corrective Action Strengths	
CCA-1	EPG staff use standard checklists to verify, on a weekly basis, RCRA compliance at the 90-day hazardous waste storage areas (see CCA-6).
CCA-2	Property management teams conduct root cause analyses on repetitive O&M issues.
CCA-3	The water management team has several procedures in place to ensure corrective and preventive actions are assigned and completed.
CCA-4	Environmental Program checks all Indoor Air Quality work orders to verify successful completion of project.
CCA-5	Selected EMS records are stored and maintained in accordance with the ISO 14001 standard (e.g., energy and water use, administrative records related to the consent order, asbestos abatement activities).
CCA-6	Monitoring of water, electricity, and natural gas usage is largely in place and can provide the baseline data necessary to monitor performance

GSA DFC 4.5 Checking and Corrective Action Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.5.1 Monitoring and Measurement (CCA-7)	The DFC has not developed a documented procedure to assess compliance with all applicable requirements.	Adopt written procedures, similar to those used to assess compliance at RCRA hazardous waste storage areas, to support environmental compliance reviews under all applicable requirements (see PL-9).	Written compliance procedures will be created as part of the environmental audit compliance.
4.5.1 Monitoring and Measurement (CCA-8)	The EMS does not yet identify and track all equipment at the DFC that needs to be calibrated (e.g., indoor air quality monitoring devices, noise monitors, backflow prevention devices).	Conduct and maintain an inventory of all affected equipment and ensure that calibration records are maintained.	Individual teams currently have this type of inventory. A full list will be created from these inventories in order to create an overall schedule and record system regarding equipment maintenance and calibration.
4.5.1 Monitoring and	Many of the environmental objectives and targets at the DFC had	Ensure that senior management is aware of the deadlines established by the various working groups	Monthly update meetings are envisioned as a way of maintaining the schedule required for the

GSA DFC 4.5 Checking and Corrective Action Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
Measurement (CCA-9)	<p>not been achieved at the time of the EMR, and deadlines had passed.</p> <p>In some cases, work has not begun to achieve objectives and targets, despite the fact that the scheduled completion dates had passed or would soon pass.</p>	<p>(e.g., contracting, energy conservation) and that a process is in place to review and address lagging objectives and targets. [See also IM-12].</p> <p>Evaluate specific objectives and targets to identify barriers to implementation. Senior management should re-evaluate these objectives and targets as part of the management review (see MR-4).</p>	<p>Objectives and Targets. This will allow a more proactive team response for any issue that reaches a barrier. Senior management is regularly present at these meetings.</p>
4.5.4 Environmental Management System Audit (CCA-10)	<p>The EMS has not reached a point in its implementation that a comprehensive EMS audit has been conducted.</p>	<p>The EMS could be audited as it is developed. For example, an audit could be done of the Policy and Planning phases when they are complete, and another audit done of the Implementation and Checking and Corrective Action phases. This real time auditing can help maintain momentum in EMS implementation (see MR-1).</p> <p>Collaborate with GSA PBS HQ in revising the existing audit protocol to reflect ISO 14001 principles.</p>	<p>The EMR conducted by EPA in February 2005 has served as an in-progress audit. The timing of this review has had the effect of reenergizing the EMS implementation.</p> <p>In the future, ISO14001-based protocols developed by third parties, such as EPA will be used.</p>

GSA DFC 4.6 Management Review Strengths	
MR-1	GSA PBS HQ has developed a protocol based upon CEMP for conducting environmental management system audits.
MR-2	The Environmental Risk Indicator data collection system can be used as an additional tool to support a senior management level review of the EMS.

GSA DFC 4.5 Checking and Corrective Action Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
4.6 Management Review (MR-3)	<p>Top management at the DFC does not appear to have been prominently involved in the development of the EMS (policy, aspects/impacts, objectives and targets) or</p>	<p>Senior management must take a more active role in reviewing and approving of objectives and targets, as well as monitoring progress towards their achievement.</p>	<p>The Assistant Regional Administrator is both aware of and supportive of the EMS project.</p> <p>The DFC Director has been personally involved and highly</p>

GSA DFC 4.5 Checking and Corrective Action Observations, Recommendations, and GSA Response			
ISO Element	Observations/Examples	Recommendation	Response to Recommendation
	in addressing barriers to its implementation (e.g., missed milestones).		supportive of this project from its inception. He has attended and participated in most trainings and meetings in order to provide support and direction. See response to CCA-9.
4.6 Management Review (MR-4)	The EMS has not reached a point in its implementation that it has conducted management reviews.	Establish a system for management review of the EMS to determine if the DFC is meeting its environmental goals. The reviews should occur on a regular schedule to be determined by the DFC in consultation with GSA PBS HQ. The new ISO14001-2004 [January, 2005] standard has more specific guidance on topics to be considered during the management review.	The DFC currently has s system for management review of the EMS. The new ISO 14001 standards will be considered for future updates of this system.

Appendix C

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