



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

---

November 9, 2012

MEMORANDUM FOR ALLISON AZEVEDO  
REGIONAL COMMISSIONER, PBS  
GREAT LAKES REGION (5P)

FROM ADAM R. GOOCH *Adam Gooch*  
REGIONAL INSPECTOR GENERAL FOR AUDITING  
GREAT LAKES REGION (JA-5)

SUBJECT Administration of Task Order GS-P-05-10-SI-5052 for  
Construction Services in Support of the American Recovery  
and Reinvestment Act of 2009<sup>1</sup> at the Robert A. Grant  
Federal Building in South Bend, Indiana  
Memorandum Number A090184-65

As part of our oversight of the General Services Administration's (GSA's) American Recovery and Reinvestment Act (Recovery Act) projects, we identified an issue related to construction services at the Robert A. Grant Federal Building that warrants your attention. Foreign-manufactured construction material was installed in violation of Recovery Act provisions.

On March 29, 2010, the Public Buildings Service awarded task order GS-P-05-10-SI-5052 to Graycor Construction Company (Graycor) for "perimeter heating system, air handling unit replacement, and temperature controls" in the Robert A. Grant Federal Building in South Bend, Indiana. The task order, valued at \$2,470,473, was awarded against Graycor's indefinite delivery, indefinite quantity contract number GS-05P-10-SI-D-0054.

**Foreign-manufactured construction material was installed on the project, violating the Recovery Act's Buy American requirement.**

During our review, we noted that the following foreign-manufactured construction material was installed on this project:

---

<sup>1</sup>The Recovery Act provided GSA with \$5.55 billion for the Federal Buildings Fund. In accordance with the Recovery Act, the GSA Public Buildings Service (PBS) is using the funds to convert federal buildings into High-Performance Green Buildings as well as to construct federal buildings, courthouses, and land ports of entry. The Recovery Act mandates that \$5 billion of the funds must be obligated by September 30, 2010 and that the remaining funds must be obligated by September 30, 2011. The GSA Office of Inspector General is conducting oversight of the projects funded by the Recovery Act. One objective of this oversight is to determine if PBS is awarding and administering contracts for limited scope and small construction and modernization projects in accordance with prescribed criteria and Recovery Act mandates.

Manufacturer	Description	Model Number	Serial Number <sup>1</sup>	Country of Original Manufacture
Armstrong Monitoring Corporation	Two zone gas monitor	AMC-1A22	1A2-10058	Canada
Armstrong Monitoring Corporation	Combination CO/NO2 Sensor Module	AMC1222-2	222-10230	Canada

Note: There is only one gas monitor; there are three sensor modules; only one was examined onsite, but three were ordered. The serial number is for the item examined onsite.



Figure 1: Side panel of Gas Monitor

The equipment listed above has a value of around \$3,500.

The use of foreign-manufactured construction material violated Section 1605 of the Recovery Act, which requires that, unless an exception applies, all manufactured construction material be produced in the United States. It also mandates that if the construction material consists wholly or predominantly of iron or steel, it must be produced in the United States.

In its response, PBS stated, “We concur that foreign-manufactured construction material was installed as part of the project. The shop drawings indicated that the product was made in North America but the contractor was not aware the Armstrong gas monitor unit was not made in the U.S. A series of emails on Buy American guidance were issued to staff to remind them about Section 1605 of the Recovery Act Buy American requirements and Buy

American Act (BAA) requirements. Contracting Officers were reminded to stress BAA requirements at both pre-proposal and pre-construction meetings, to ensure contractors avoid any potential conflicts with the BAA.”

We appreciate the support provided to us throughout this review. If you have any questions about this memorandum, please contact me at (312) 353-0500 or Hilda Garcia at (312) 353-6695.

## **Report Distribution**

Regional Administrator (5A)

Regional Commissioner, Public Buildings Service (5P)

Regional Recovery Executive (5P)

Senior Accountable Official for Recovery Act Activities (P)

National Program Office ARRA Executive, PBS (PCB)

Chief of Staff, PBS Office of Construction Programs (PCB)

PBS Audit Liaison (PFF)

Great Lakes Region PBS Audit Liaison

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Investigations (JID)