



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**Audit of the Public Buildings
Service's Effectiveness in
Managing Deferred Maintenance
Report Number
A190066/P/2/R21009
September 30, 2021**

Assignment Number A240026
February 21, 2024

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Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our September 30, 2021, audit report, *Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance, Report Number A190066/P/2/R21009*.

Objective

The objective of our review was to determine whether GSA's Public Buildings Service (PBS) has taken the actions as outlined in the corrective action plan for our report, *Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance* (see **Appendix A**). To accomplish our objective, we:

- Reviewed the original audit report to understand the recommendations and provide context for the corrective action plan;
- Examined documentation submitted by PBS to support completion of the corrective action plan steps; and
- Met and corresponded with the Office of Portfolio Management & Customer Engagement.

Background

PBS oversees maintenance and repairs for more than 8,800 federally owned or leased properties across the country. When our original audit report was issued in September 2021, the average age of GSA buildings was 49 years old. Maintenance and repair activities are considered to be deferred when they are not performed when scheduled or are delayed to a future period. PBS is required under federal accounting standards to publicly report a realistic estimate of all costs of deferred maintenance related to its building inventory.

PBS uses the Building Assessment Tool (BAT), a web-based module within PBS's Inventory Reporting Information System, to survey each building it manages. PBS performs these surveys at least once every 2 years to develop a cost estimate to repair or replace any identified building deficiencies. For each building deficiency identified, PBS assigns one of the building liability priority levels described in *Figure 1* on the next page.

Figure 1 – BAT Building Liability Priority Levels

Priority Level	Description
Immediate	The issue is critical and requires immediate investment to restore the system to normal operation, stop accelerated deterioration, or correct a life safety hazard. If the issue is not restored immediately, it is considered deferred for the purpose of deferred maintenance and repair reporting.
Within 1–2 Years	The issue is anticipated to be critical within the next 2 fiscal years but does not represent an immediate funding priority.
Within the Next 3–5 Years	The issue is anticipated to become critical within 3–5 years. An investment need is evident, but it has not caused any downtime or posed a life safety hazard.
Within the Next 6 or More Years	Systems need to be repaired or replaced at some point in the future, but it is not deemed a problem at the time of survey completion.

PBS reports its deferred maintenance in GSA’s Agency Financial Report. GSA reported the following in its Fiscal Year (FY) 2019 Agency Financial Report:

At the end of FYs 2019 and 2018, based on the analysis of the BAT results, GSA estimates the total cost of [deferred maintenance] to be approximately \$1.93 billion and \$1.455 billion respectively, for activities categorized as work needing to be performed immediately to restore or maintain acceptable condition [sic] of the building inventory.

GSA’s reported deferred maintenance rose from \$1.23 billion in FY 2014 to \$1.93 billion in FY 2019—an increase of 57 percent.

On September 30, 2021, we issued an audit report, *Audit of the Public Buildings Service’s Effectiveness in Managing Deferred Maintenance* to PBS. The objectives of the audit were to determine whether PBS: (1) accurately reports deferred maintenance estimates for its building inventory in GSA’s fiscal year Agency Financial Report and (2) has information systems in place to accurately plan and track the remediation of immediate building liabilities from year to year.

Our audit found that:

1. The accuracy of GSA’s reported deferred maintenance cost estimate is affected by data shortcomings and errors, including over \$280 million in duplicative costs.
2. PBS’s national maintenance strategy has not been effective to reduce its deferred maintenance backlog.

To address the findings identified in our report, we recommended that the PBS Commissioner develop a comprehensive plan to ensure that PBS:

1. Establishes a national policy and training program that provides personnel with guidance on how to conduct building surveys, accurately enter results into the BAT system, and account for interim remediation of building liabilities.
2. Updates the BAT pricing module to generate estimates more closely aligned to external and regional cost estimates.
3. Corrects the duplicate entries identified in our audit and reviews its deferred maintenance reports to identify and correct any additional errors.
4. Improves its national maintenance strategy to place greater emphasis on its growing list of immediate liabilities by prioritizing projects to reduce them.

The PBS Commissioner agreed with *Recommendations 1–3* and partially agreed with *Recommendation 4*. PBS also provided technical comments to *Findings 1 and 2*. We made certain revisions to the report in response to PBS’s comments; however, those revisions did not change the findings and conclusions reached in our report.

Results

Our implementation review determined that PBS has taken appropriate corrective actions to address the recommendations. We determined that no further action is necessary.

Audit Team

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

Arthur Maisano	Regional Inspector General for Auditing
Yajaira Torres	Audit Manager
Michael Vaccarelli	Auditor-In-Charge

Appendix A – Corrective Action Plan for Report Number A190066/P/2/R21009

Office of Portfolio Management and Customer Engagement Corrective Action Plan

Designated Responding Official: **Stuart Burns**

Signature _____ Date _____

Contact Person: **Christian Hazen**

Telephone Number: **(202) 208-2089**

Date: **10/19/2021**

Report number: A190066/P/2/R21009, Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	Recommendation number 001	Proposed Recommendation Completion Date (Month/Year) April 30, 2022
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Finding(s): Only one per page. Findings are for GSA internal use only.

The OIG concluded that inadequate guidance and training likely contributed to errors in the Building Assessment Tool surveys. PBS regional staff provided inconsistent responses regarding the existence of formalized national training and policies on: (1) carrying out the physical inspection, (2) documenting the inspection results in the BAT survey, and (3) monitoring identified liabilities in the 2 years between surveys to ensure data reflects any interim remediation.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

Lack of training of reference materials

Recommendation:

Develop a comprehensive plan to ensure that PBS establishes a national policy and training program that provides personnel with guidance on how to conduct building surveys, accurately enter results into the Building Assessment Tool system, and account for interim remediation of building liabilities.

Action to be Taken Step by Step 001 - PBS is developing a series of six on-demand online training modules. These training modules are created for all users and team members responsible for filling out a survey, reviewing and approving, and BAT program	Supporting Documentation to be sent to the OCFO BA or BG office 001 - Provide training materials.	Documentation will be sent Last Duty Day of the month 001 – Three of the six modules are currently in testing. All of the training modules are expected to be complete by April 30, 2022.
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<p>administration. These classes will be made available indefinitely or until replaced/updated in the future.</p> <ol style="list-style-type: none"> 1) How to access BAT Module 2) What are the roles and capabilities of each role in the BAT module 3) How are BAT surveys performed 4) What are the frequently asked questions for BAT 5) How to approve BAT surveys 6) Importance of BAT surveys in driving our asset strategy <p>002 - Conducted Nationwide training to BAT users in all 11 Regions including the uses and importance of BAT; how to best identify, quantify, and prioritize liabilities that do not have a specific survey question; how to build a successful survey team; best practices on executing a BAT survey; quality control; how BAT estimates costs and how to adjust them; an overview of the new BAT website; and planned improvements to the BAT system. This training was mandatory for all PBS Asset Managers and optional for all other BAT users. Follow-on training will be given annually but the specific dates are TBD.</p> <p>003 - PBS developed and published a new internal BAT website to centralize information sharing. The website includes</p>	<p>002 – Provide training materials and provide a list of individuals who were required to attend the training and those who requested continuing education credits.</p> <p>003 - Provide link to website</p>	<p>002 – Completed on April 29, 2021 and July 14, 2021</p> <p>003 – June 25, 2021</p>
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<ul style="list-style-type: none">• Links to the new methodology and FAQ documents• Links to training materials and videos• Additional tools and resources for surveyors and regional managers• National contact information• Future BAT improvement plans		
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Report number: A190066/P/2/R21009, Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	Recommendation number 002	Proposed Recommendation Completion Date (Month/Year) September 30, 2022
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Finding(s): Only one per page. Findings are for GSA internal use only.

The OIG concluded that the BAT generated estimates used as the basis for reporting the deferred maintenance costs may not accurately represent the cost of deferred maintenance projects.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

Outdated cost estimates within the BAT

Recommendation: Only one per page

Develop a comprehensive plan to ensure that PBS updates the Building Assessment Tool pricing module to generate estimates more closely aligned to external and regional cost estimates.

Action to be Taken Step by Step	Supporting Documentation to be sent to the OCFO BA or BG office	Documentation will be sent Last Duty Day of the month
001 - BAT IT enhancement to update and improve the accuracy of the costs of the liabilities identified in BAT. This enhancement will include expanding the survey to <u>more easily identify liabilities</u> , improved cost estimating, improved user experience, and additional validation and outlier reports.	001 - Provide copy of IRIS BAT Enhancement task order scope of work; Provide screenshots reflecting enhancements.	001 – September 30, <u>2022</u>

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Report number: A190066/P/2/R21009, Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	Recommendation number 003	Proposed Recommendation Completion Date (Month/Year) April 30, 2022
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Finding(s): Only one per page. Findings are for GSA internal use only.

The OIG concluded that the accuracy of GSA's reported deferred maintenance cost estimate is affected by data shortcomings and errors, including over \$280 million in duplicative costs applied to the reported deferred maintenance cost estimate for FY 2019.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

Lack of training and reference materials

Recommendation: Only one per page

Develop a comprehensive plan to ensure that PBS corrects the duplicate entries identified above and reviews its deferred maintenance reports to identify and correct any additional errors.

Action to be Taken Step by Step	Supporting Documentation to be sent to the OCFO BA or BG office	Documentation will be sent Last Duty Day of the month
<p>001 - PBS is developing a series of six on-demand online training modules.</p> <ol style="list-style-type: none"> 1) How to access BAT Module 2) What are the roles and capabilities of each role in the BAT module 3) How are BAT surveys performed 4) What are the frequently asked questions for BAT 5) How to approve BAT surveys 6) Importance of BAT surveys in driving our asset strategy <p>002 - Conducted Nationwide training to BAT users in all 11 Regions including the uses and importance of BAT; how to best identify, quantify, and prioritize liabilities that do not have a specific</p>	<p>001 - Provide training materials.</p> <p>002 – Provide training materials and provide a list of individuals who were required to attend the training and those who requested continuing education credits.</p>	<p>001 – Three of the six modules are currently in testing. All of the training modules are expected to be completed by April 30, 2022</p> <p>002 – Completed on April 29, 2021 and July 14, 2021</p>

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<p>survey question; how to build a successful survey team; best practices on executing a BAT survey; quality control; how BAT estimates costs and how to adjust them; an overview of the new BAT website; and planned improvements to the BAT system.</p> <p>003 - PBS developed and published a new internal BAT website to centralize information sharing. The website includes</p> <ul style="list-style-type: none"> ● Links to the new methodology and FAQ documents ● Links to training materials and videos ● Additional tools and resources for surveyors and regional managers ● National contact information ● Future BAT improvement plans <p>004 - PBS is developing and implementing a quality control plan. The plan includes looking at year-to-year changes in each building's report and reviewing all "other observed issues" identified. The national program manager will provide feedback to the regions as necessary and assign corrective actions.</p> <p>005 - As a part of the BAT enhancement project, PBS will develop validation and</p>	<p>003 - Provide link to website</p> <p>004 - Provide quality control plan charter</p> <p>005 - Provide IRIS BAT Enhancement task order's scope of work</p>	<p>003 – June 25, 2021</p> <p>004 - August 31, 2022</p> <p>005 - December 30, 2021</p>
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outlier reports to support future quality control efforts.		
006 - Correct duplicate entries in the four identified buildings from the final report.	006 - Provide updated building surveys	006 - August 31, 2022

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Report number: A190066/P/2/R21009, Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	Recommendation number 004	Proposed Recommendation Completion Date (Month/Year) December 31, 2021
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Finding(s): Only one per page. Findings are for GSA internal use only.

PBS's national maintenance strategy has not been effective to reduce its deferred maintenance backlog.

Root Cause of Finding(s): Root cause determination is for GSA internal use only.

For the past decade, funding shortfalls have hindered PBS's ability to make timely and critical investments in Federally owned GSA-controlled facilities that would keep these facilities safer for Federal employees and in a good state of repair. Funding shortfalls have and will continue to force PBS, despite consistently considering deferred maintenance in its investment decision-making process, to address liabilities selectively that either are borne from or exacerbated by chronic underfunding by Congress. GSA believes that the most effective way to manage our vast real estate portfolio is for Congress to provide GSA with access to all revenues and collections deposited into the FBF.

Recommendation: Only one per page

Develop a comprehensive plan to ensure that PBS improves its national maintenance strategy to place greater emphasis on its growing list of immediate liabilities by prioritizing projects to reduce them.

Action to be Taken Step by Step	Supporting Documentation to be sent to the OCFO BA or BG office	Documentation will be sent Last Duty Day of the month
001 - PBS is using OIG's findings to make a more robust request for the funding needed to address, and potentially reverse, the growth in deferred maintenance that was subject of OIG's findings and recommendations. In our engagements with OMB and Congress, PBS will continue sharing OIG's findings and recommendations to advocate for the funding needed to address deferred maintenance and liabilities.	001- PBS Justification for FY 2023 Budget Request (pre-decisional / pre-deliberative)	001 – December 31, 2021

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Appendix B – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Deputy Commissioner (P1)

Deputy Commissioner for Enterprise Strategy (P2)

Chief of Staff (PB)

Deputy Chief of Staff (PB)

Assistant Commissioner, Office of Facilities Management (PM)

Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)