

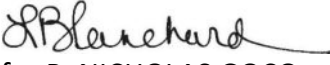


**Office of Audits
Office of Inspector General
U.S. General Services Administration**

5/16/2022

MEMORANDUM FOR NINA ALBERT
COMMISSIONER
PUBLIC BUILDINGS SERVICE (P)

DAN R. BROWN
REGIONAL COMMISSIONER
PUBLIC BUILDINGS SERVICE (9P)

FROM: 
for R. NICHOLAS GOCO
ASSISTANT INSPECTOR GENERAL
FOR AUDITING (JA)

SUBJECT: Audit of PBS's Management of Asbestos at the Chet Holifield
Federal Building in Laguna Niguel, California
Report Number A190043/P/4/R22002

In accordance with the provisions of GSA Order ADM P 2030.2D, please be advised that we have reviewed the corrective action plan for the subject audit and consider its proposed action steps to be responsive to the recommendations therein. By this letter, you are notified that resolution has been accomplished.

Implementation is the responsibility of the program office, and the Office of Audit Management and Accountability (BA). As such, we have reviewed only the proposed corrective action steps in relation to our recommendations. The Office of Audits, as considered appropriate, conducts implementation reviews to ensure that the proposed corrective actions have been taken and documented appropriately. The subject report may be selected for such a review.

If you have any questions, please direct your inquiries to Melanie Mochizuki, Audit Manager, on (510) 285-1099.

Decision Record for Performance or Financial Audit (Internal Audit)

(For additional information see GSA Order ADM P 2030.2D)

This Decision Record (DR) is used to reach resolution of audit report recommendations between the GSA OIG and GSA management. While the OIG does not participate in management functions, GSA management is encouraged to achieve a decision collaboratively with the audit team and in accordance with procedures established in GSA Order ADM P 2030.2D, Chapter 3. The DR is due no later than April 4, 2022.

A. Audit Report Data:

Report Number: A190043/P/4/R22002 Report Date: 02-03-2022 Region: JA-4

Report Title: Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California

Total Number of Recommendations: 2 Number of Non-Monetary Recommendations: 2 Number of Monetary Recommendations: 0

Dollars Audited: \$0

Total Funds Be Put to Better Use (Cost Savings):¹ \$0

Total Questioned Costs (Recoveries):² \$0

B. GSA Management Decision:

DS


If you fully agree with the report recommendations,³ check here: _____

If you fully disagree with the report recommendations,⁴ check here: _____

If you partially disagree,⁴ check below to indicate whether you disagree with the Non-Monetary Recommendations, Funds Be Put to Better Use, and/or Questioned Costs.

Non-Monetary Recommendations _____ Funds Be Put to Better Use _____ Questioned Costs _____

Sign, date, and email the DR with a corrective action plan to the audit manager and the Office of Audit Management and Accountability (BA). If applicable, attach the basis for any disagreements noted above and provide supporting documentation.

Regional Management Signature,⁵ (if applicable):

DocuSigned by:

D36B00143698477...

Date: 4/4/2022

HSSO Management Signature: _____

Date: 4/4/2022

Date: _____

C. Office of Inspector General's Response:

If you agree with the response in Section B, sign, date, and email the DR to JAO. If agreement cannot be reached, please contact JAO to discuss.

OIG Signature⁶: _____

NICHOLAS PAINTER
Digitally signed by NICHOLAS PAINTER
Date: 2022.05.12 14:15:24 -04'00'

Date: May 12, 2022

Footnotes:

- ¹ Funds Be Put to Better Use pertain to audit report recommendations that represent cost savings/avoidance of unnecessary future expenditures.
- ² Questioned Costs pertain to audit report recommendations that represent expended funds that should be recovered.
- ³ This represents GSA management's agreement with the audit report recommendations and the calculation of Funds Be Put to Better Use and/or Questioned Costs. Agreement represents GSA management's intent to take corrective action on the audit report recommendations including the avoidance of unnecessary future expenditures and the recovery of monies owed to the government.
- ⁴ This represents GSA management's full or partial disagreement with the audit report's Non-Monetary Recommendations, Funds Be Put to Better Use, and/or Questioned Costs. For full or partial disagreements, after discussion with the audit team, GSA management shall complete and email the DR to the audit manager and BA with a written explanation of any disagreements.
- ⁵ For reports issued to Regional Management, the appropriate regional official must sign the decision record and forward the signed DR to the appropriate HSSO for approval and final signature. Both signatures represent GSA management's decision and intent to take corrective action on the audit report recommendations. See GSA Order ADM P 2030.2D, Chapter 3, Paragraph 2.
- ⁶ This signature represents the OIG's agreement with GSA management's decision and actions to be taken in the corrective action plan. It constitutes closure of the decision process.

Calculation of Funds Be Put to Better Use and/or Questioned Costs:

The calculation below is the audit team's estimate of the potential cost savings/recoveries based on the information that supported the audit report recommendations.

There are no questioned costs or funds be put to better use included in this report.

A190043 Corrective Action Plan

Designated Responding Official: Dan Brown, Regional Commissioner, Pacific Rim Region (R9) Public Buildings Service

Signature _____ Date _____

Contact Person: Samantha Shintaku, R9 Senior Property Manager, Laguna Niguel Field Office

Telephone Number:

Date: February 23, 2022

| | | |
|---|-----------------------------|--|
| Report number, A190043/P/4/R22002, dated February 3, 2022 | Recommendation number: 001a | Proposed Recommendation Completion Date (Month/Year) January 31, 2023 |
|---|-----------------------------|--|

Finding(s): Only one per page. Findings are for GSA internal use only.

PBS does not maintain a reliable ACM inventory for the CHFB.

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

PBS did not have established protocols and controls to confirm that CHFB Asbestos Containing Material (ACM) inventories were documented, maintained and used reliably to track the condition of the ACM in the building. PBS was unable to locate the source of the asbestos detected on samples taken from above the ceilings on upper floors.

Recommendation: Only one per page

PBS R9 Commissioner develop and implement internal controls to ensure compliance with federal and state regulations and PBS Policy for asbestos management. These controls should ensure that PBS: a) develops and maintains an accurate, current, and complete CHFB ACM inventory.

| <u>Action to be Taken Step by Step</u> | <u>Supporting Documentation to be sent to the OCFO BA or BG office</u> | <u>Documentation will be sent Last Duty Day of the month</u> |
|---|--|--|
| <p>001. R9 CHFB Facility Asbestos Control Manager (FACM) maintains an accurate asbestos inventory through periodic inspections using the building ACM survey and updating the local Field Office database.</p> | <p>001a. Comprehensive ACM Survey completed in 2017 001b. Screenshot of FACM google site outlining roles and responsibilities 001c. CHFB Internal database 001d. Documentation showing validity of 2017 survey: Attestation from Industrial Hygienist and Asbestos Management Plan where Millenium/Meca report is explicitly referenced</p> | <p>001. Completed - March 31, 2022</p> |
| <p>002. The Local Industrial Hygienist (IH), Regional IH and Regional Safety Specialist {Regional Team} verify that semi-annual inspections occur. The reviews for the Chet Holifield Federal building are conducted by the Facility Asbestos Control Manager. Additionally, at this location, inspections are also reviewed in tandem with the local building contracted industrial Hygienist.</p> | <p>002. Regional Semi-Annual ACM Inspection spreadsheet</p> | <p>002. Completed -March 31, 2022</p> |
| <p>003. R9 will coordinate with Central Office to determine the best solution for</p> | <p>003. Documentation of determination and proof of implementation</p> | <p>003. January 31, 2023</p> |

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| annually updating and managing IRIS entries as it pertains to ACM. | | |
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A190043 Corrective Action Plan

Designated Responding Official: Dan Brown, Regional Commissioner, Pacific Rim Region (R9) Public Buildings Service

Signature _____ Date _____

Contact Person: Samantha Shintaku, R9 Senior Property Manager, Laguna Niguel Field Office

Telephone Number:

Date: February 23, 2022

| | | |
|---|-----------------------------|--|
| Report number, A190043/P/4/R22002, dated February 3, 2022 | Recommendation number: 001b | Proposed Recommendation Completion Date (Month/Year) Completed - March 31, 2022 |
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Finding(s): Only one per page. Findings are for GSA internal use only.

PBS did not update the CHFB asbestos management plan.

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

R9 did not have an updated survey, which informs the asbestos management plan. There is no regulatory requirement to conduct asbestos surveys, and full building surveys are cost prohibitive. R9 manages the asbestos through semi and annual inspections and then updating the asbestos management plan.

Recommendation: Only one per page

PBS R9 Commissioner develops and implements internal controls to ensure compliance with federal and state regulations and PBS Policy for asbestos management. These controls should ensure that PBS: b). Updates the CHFB asbestos management plan when changes are made.

| <u>Action to be Taken Step by Step</u> | <u>Supporting Documentation to be sent to the OCFO BA or BG office</u> | <u>Documentation will be sent Last Duty Day of the month</u> |
|--|--|--|
| <p>001. R9 completed a comprehensive Asbestos Survey in 2017 of the CHFB to document the condition of the material and develop the Asbestos Management Plan. Facility Asbestos Control Manager (FACM) reviews the condition of the building asbestos and updates the database when changes are made via inspections and/or post-project evaluations.</p> | <p>001a. CHFB Asbestos Management Plan 001b. SOW for surveys that includes Asbestos Management Plan as a deliverable to the contract. 001c. Copy of CHFB Internal Database spreadsheet showing results from ACM testing data specific to air samples and microvac 001d. Screenshot of FACM google site outlining responsibility to perform periodic inspections</p> | <p>001. Completed - March 31, 2022</p> |

A190043 Corrective Action Plan

Designated Responding Official: Dan Brown, Regional Commissioner, Pacific Rim Region (R9) Public Buildings Service

Signature _____ Date _____

Contact Person: Samantha Shintaku, R9 Senior Property Manager, Laguna Niguel Field Office

Telephone Number:

Date: February 23, 2022

| | | |
|---|-----------------------------|--|
| Report number, A190043/P/4/R22002, dated February 3, 2022 | Recommendation number: 001c | Proposed Recommendation Completion Date (Month/Year) Completed - March 31, 2022 |
|---|-----------------------------|--|

Finding(s): Only one per page. Findings are for GSA internal use only.

PBS failed to notify building occupants of the presence and location of asbestos containing material (ACM) in accordance with federal and state regulations and PBS policy.

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

PBS failed to provide confirmation of tenant notification for 2015, which is required annually in accordance with federal and state regulations and PBS Policy. From 2016 to 2020 annual notifications were provided to building occupants.

Recommendation: Only one per page

PBS R9 Commissioner develops and implements internal controls to ensure compliance with federal and state regulations and PBS Policy for asbestos management. These controls should ensure that PBS: c). Notifies all CHFB tenants of the ACM inventory annually.

| <u>Action to be Taken Step by Step</u> | <u>Supporting Documentation to be sent to the OCFO BA or BG office</u> | <u>Documentation will be sent Last Duty Day of the month</u> |
|--|--|---|
| <p>001. R9 CHFB Facility Asbestos Control Manager (FACM) will distribute an annual notification to the building tenant POCs (Issued no later than March 31 of the current calendar year).</p> <p>002. R9 Regional Safety Specialist will track tenant notification issuance on an annual basis through the Regional Semi Annual Notification Spreadsheet</p> | <p>001. Copy of annual notification communication with tenants and contractors (2016-2022).</p> <p>002. Regional Semi-Annual ACM Inspection spreadsheet.</p> | <p>Completed - March 31, 2022</p> <p>Completed - March 31, 2022</p> |

A190043 Corrective Action Plan

Designated Responding Official: Dan Brown, Regional Commissioner, Pacific Rim Region (R9) Public Buildings Service

Signature _____ Date _____

Contact Person: Samantha Shintaku, R9 Senior Property Manager, Laguna Niguel Field Office

Telephone Number:

Date: February 23, 2022

| | | |
|--|-----------------------------|---|
| Report number, A190043/P/4/R22002, dated February 3, 2022 | Recommendation number: 001d | Proposed Recommendation Completion Date (Month/Year) Completed - March 31, 2022 |
|--|-----------------------------|---|

Finding(s): Only one per page. Findings are for GSA internal use only.

PBS is providing inadequate oversight of the CHFB operations and maintenance (O&M) service contractor.

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

Due to a lapse of specific duty assignment, PBS staff was not made aware of the requirements to update the CHFB building operating plan in accordance with contract terms to account for asbestos. PBS did not have a QASP in place to monitor the contractor's performance in the previous contract.

Recommendation: Only one per page

PBS R9 Commissioner develop and implement internal controls to ensure compliance with federal and state and PBS Policy for asbestos management. These controls should ensure that PBS: Provides adequate O&M service contractor oversight by:

- i. Requiring contractors to update building operating plans to reflect changes in contract terms and conditions; and
- ii. Ensuring that PBS acquisition personnel comply with Federal Acquisition Regulation 46.4, *Government Contract Quality Assurance*, requirements for quality assurance surveillance plans.

| <u>Action to be Taken Step by Step</u> | <u>Supporting Documentation to be sent to the OCFO BA or BG office</u> | <u>Documentation will be sent Last Duty Day of the month</u> |
|---|--|--|
| <p>001. R9 Facilities and Contracting Teams included requirements for utilizing the facility asbestos action plan in the O&M contract for the CHFB.</p> | <p>001a. Copy of King George Contract, Exhibit J.6, which incorporates the facility asbestos action plan 001b. QASP language in GSA's O&M contract for CHFB, Section C.8.10 001c. Affirmation that previous contract modification language regarding asbestos management was incorporated into new O&M contract, as well as actual contract documents.</p> | <p>001. Completed - March 31, 2022</p> |

A190043 Corrective Action Plan

Designated Responding Official: Andrew Heller, Assistant Commissioner, Office of Facilities Management, Public Buildings Service

Signature _____ Date _____

Contact Person: Martin Gusky, Director - Risk Management Division, PBS/OFM

Telephone Number: 202-527-2149

Date: February 23, 2022

| | | |
|---|----------------------------|---|
| Report number, A190043/P/4/R22002, dated February 3, 2022 | Recommendation number: 002 | Proposed Recommendation Completion Date (Month/Year) Completed – May 3, 2022 |
|---|----------------------------|---|

Finding(s): Only one per page. Findings are for GSA internal use only.

PBS Asbestos Policy contains ambiguous and conflicting information, which can result in the inconsistent application by PBS staff and failure to comply with applicable laws and regulations.

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

Policy language was chosen to allow flexibility in PBS procedures.

Recommendation: Only one per page

PBS Commissioner update the *PBS Asbestos Policy* to ensure that it provides clear and consistent guidance. At a minimum, the PBS Commissioner should address the ambiguous and inconsistent guidance governing pre-alteration assessments, asbestos inspections, and ACM inventory as identified in the OIG's report.

| <u>Action to be Taken Step by Step</u> | <u>Supporting Documentation to be sent to the OCFO BA or BG office</u> | <u>Documentation will be sent Last Duty Day of the month</u> |
|---|---|--|
| <p>001. Revise and update of the current PBS Asbestos Policy with a focus on providing more clarity and consistency, including guidance governing pre-alteration assessments, asbestos inspections and ACM inventory. Completed policy will be disseminated to staff.</p> | <p>001a. Copy of the revised Asbestos Policy 001b. Proof of dissemination</p> | <p>Completed – May 3, 2022</p> |