



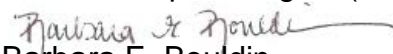
**Office of Audits
Office of Inspector General
U.S. General Services Administration**

DATE: November 7, 2013

TO: Julia E. Hudson
Regional Administrator
National Capital Region (W)

Alfonso J. Finley
Regional Commissioner, Federal Acquisition Service
National Capital Region (WQ)

Thomas E. James
Acting Regional Commissioner, Public Buildings Service
National Capital Region (WP)

FROM: 
Barbara E. Bouldin
Program Director
Acquisition Programs Audit Office (JA-A)

SUBJECT: Summary of Systemic Procurement Issues within GSA's National
Capital Region
Audit Memorandum Number A120171

This memorandum provides the results of a special project within GSA's National Capital Region, which we initiated based on recurring procurement issues in the region. Our objective was to summarize these ongoing issues, reported between fiscal years (FY) 2007 and 2012, and to examine the underlying cause(s). We focused our scope on issues reported in the Federal Acquisition Service (FAS) and the Public Buildings Service (PBS).¹

Background

GSA's National Capital Region provides support to the Federal Government in the Washington, D.C., metropolitan area through FAS and PBS. Other staff offices, such as the Office of Regional Counsel and the Human Resources Division, perform various operational functions to support the two Services.

FAS procures goods and services on behalf of other government agencies. FAS's business lines provide customer solutions for products, services, and

¹ References to FAS or PBS are specific to the National Capital Region, unless otherwise noted.

telecommunications. FAS also assists in the disposal and sale of personal property for GSA and customer agencies, as well as motor vehicle management. The National Capital Region is the largest FAS region in terms of number of customers.

PBS acquires space on behalf of the Federal Government through new construction and leasing, and acts as the landlord for federal properties. PBS divisions are responsible for the design and construction of owned properties, the establishment of lease contracts for customer agencies, and the operation and management of federal office space. The National Capital Region is the largest PBS region in terms of rentable square feet and direct revenues.

Scope and Methodology

In conducting this special project, we summarized systemic issues occurring in GSA's National Capital Region identified by various GSA components from FY 2007 through FY 2012. To examine the procurement issues, we reviewed Office of Inspector General (OIG) audit reports and memorandums, OIG investigative cases,² Procurement Management Review (PMR) reports, and FAS and PBS internal review reports related to procurements in the National Capital Region. To identify trends that may explain the potential cause(s) of recurring procurement issues, we reviewed financial, staffing, workload, and organization data for each Service.

Results in Brief

Issues have been identified throughout FAS and PBS for both large and small dollar value procurements since FY 2007. The procurement process may have been impaired by weaknesses identified within the internal control structure. As a result, the effectiveness of the National Capital Region's operations may have been diminished. Management needs to address internal control weaknesses to help prevent future procurement issues, given its responsibility for establishing and maintaining an effective internal control structure.

Summary of Procurement Issues within FAS and PBS

The reports we reviewed identified contract award, administration, funding, and documentation issues within FAS and PBS.³ These issues are not only recurring but, in many cases, significant. Further, these procurement issues are impacting the ability of the Services to effectively fulfill their missions. Below are examples of issues identified by the OIG:

- FAS awarded a \$2.6 billion information technology support task order that was protested and eventually canceled. In awarding the task order, FAS incrementally funded non-severable services, violating the *bona fide* needs rule. In addition, an

² Hotline complaints to the OIG were not included unless formal investigations were performed and the claims were substantiated.

³ All references to reports include work products from audits, investigations, and other internal reviews.

inadequate separation of duties within the procurement team compromised the contracting officer's ability to render independent determinations and ensure Federal Acquisition Regulation compliance. Lastly, the contract was missing key elements necessary to protect the Government from cost risk.

- PBS awarded over \$194 million in modifications for services with several procurement irregularities and a significant breakdown in management controls. Specifically, PBS reimbursed the contractor in excess of \$10.6 million for services already included in the fixed price portion of the contract. In addition, work added to the contract was highly favorable to the contractor and contrary to the Federal Acquisition Regulation. Further, a lack of oversight and enforcement of contract terms resulted in the contractor occupying 15,170 of unauthorized rentable square feet valued at \$650,000, annually.
- PBS improperly awarded a not-to-exceed \$500,000 contract for pre-design services. PBS did not award this contract competitively and did not provide adequate justification or obtain proper approval for the contract type used. In addition, the contract was awarded before a financial responsibility determination of the contractor was completed. Lastly, the proposed cost of the total architect/engineering services work, \$14.5 million, risked violating the fee limitation for architect/engineer services and exceeding the project's funding.
- FAS awarded the base year of two American Recovery and Reinvestment Act of 2009 task orders, for approximately \$1.5 million each. In both cases, these obligations violated the *bona fide* needs rule and the Antideficiency Act.⁴ In addition, FAS did not ensure that the Government received the best price for these task orders because it: (1) hindered competition by accepting funds late in the fiscal year; (2) relied solely on a flawed Independent Government Cost Estimate to evaluate pricing; and (3) shared the task order's not-to-exceed amount with the contractor.

See **Appendix A** and **Appendix B** for additional detail on FAS and PBS procurement issues, respectively.

Internal Control Weaknesses are a Key Factor in the Procurement Issues

Internal control weaknesses played a significant role in a majority of the National Capital Region's procurement issues. Internal control is an integral component of an organization's management and includes the plans, methods, and procedures used by an organization to meet its missions, goals, and objectives. It provides an organization with reasonable assurance that operations are effective and efficient, financial reporting is reliable, and the organization is compliant with applicable laws and regulations.⁵

⁴ In the formal response to these audits, National Capital Region management did not agree with our findings that these were Antideficiency Act violations or that they were noncurable. In accordance with our recommendation, GSA requested an opinion from the Department of Justice's Office of Legal Counsel (OLC). OLC issued a final opinion on October 22, 2013. On October 31, 2013, GSA advised us that they accepted OIG and OLC's position that GSA had committed noncurable Antideficiency Act violations, and were in the process of preparing the required reports in accordance with 31 U.S.C. § 1351.

⁵ See **Appendix C** for more information on Standards for Internal Control.

However, internal control weaknesses can impair an organization's ability to meet its mission, objectives, and goals. Weaknesses in internal control may have impaired the National Capital Region's procurement process and the effectiveness of operations, as discussed below:

FAS leadership has been in a constant state of flux. Management informed us that seven different individuals have served as the division director of one division from December 2006 to September 2012, an average tenure of approximately 10 months. Four of these individuals served in an acting capacity. In addition, management experienced difficulty filling other key acquisition leadership vacancies at the branch chief level. Recognizing these key roles needed to be filled; FAS began to address this issue in FY 2012. However, there have been challenges outside of the National Capital Region's control that have precluded them from resolving the lack of permanent leadership.

FAS has a shortage of experienced acquisition personnel. Since FY 2009, a shortage in the acquisition workforce has made workload difficult to manage. For example, between FY 2008 and FY 2009, one division lost 63 percent of its experienced acquisition personnel. In addition, a national organizational realignment directed the transfer of acquisition personnel experienced in simple acquisitions to a division that handles complex, high-dollar acquisitions. Ultimately, due to the burden of managing its workload, FAS began transferring work to other FAS regions via a facilitation model. In some cases, FAS has turned away customers if other regions could not accept the work.

PBS has experienced a number of reorganizations since FY 2007. Between FY 2007 and FY 2012, there were nine GSA Orders that affected the PBS organization. Six of these orders transferred responsibilities and/or changed lines of reporting. The workforce's ability to effectively perform acquisition responsibilities may be disrupted, as their focus is frequently shifted to learning to operate in different organizational structures.

Based on the structure of PBS's organization, acquisition is not the focus. Within PBS, acquisition personnel may report to non-acquisition supervisors as the acquisition function is not separate from service delivery. The prevalence of non-acquisition personnel supervising the acquisition function may compromise the contracting officer's role when conflicting priorities arise.

Data integrity issues exist within FAS and PBS. We encountered issues with the reliability of information provided by both FAS and PBS which impeded our ability to perform meaningful analyses. In analyzing FAS staffing data, we found that several employees were coded to the wrong office. In performing a PBS workload analysis, we could not use staffing data as the number of reorganizations made it unreliable and the workload data does not accurately reflect who performed the work.

GSA lacks an integrated acquisition system. During this project, we were informed that data requests are often a resource drain due to inefficiencies in obtaining and communicating information across the Agency. This is likely due to divisions within each service maintaining multiple systems to track similar information. For example, we were informed that PBS offices develop their own methods to track transactions since a fully integrated system does not exist and data is maintained by multiple systems. FAS also explained that, due to the current information technology infrastructure, communicating information within the Service is difficult. Although the absence of integrated information systems points to a larger issue that GSA is responsible for addressing, the Region ultimately suffers as it is responsible for communicating effectively throughout the organization.

FAS and PBS do not frequently conduct risk assessments. From FY 2007 to FY 2012, we found evidence of only one entity-level internal risk assessment for each Service, indicating that they are not a part of normal operations. Based on the absence of internal risk assessments, FAS and PBS management may be relying on external reviews, such as OIG audits and PMRs, to identify risks. However, the OIG and PMR offices do not review all divisions, which results in some divisions not being assessed.⁶

Monitoring efforts by FAS and PBS are not sufficient. Monitoring efforts should ensure review results are promptly resolved. However, OIG audit reports identified continuous procurement issues in both FAS and PBS from FY 2007 to FY 2012. In addition, since 2007, the PMR Division has reviewed FAS four times and PBS five times.⁷ The reviews found similar procurement issues each time indicating that the corrective actions taken by FAS and PBS have not addressed these issues long term.

Management Comments

Although this memo contains no recommendations and no response was required, NCR management provided comments, acknowledging our observations. Their response, included in its entirety as **Appendix D**, provides ongoing or planned actions to address the conditions outlined in this memo. We did not test these actions as many occurred outside the scope of this review and were recently implemented, thus it would be premature to assess their effectiveness at this time.

Conclusion

Developing and maintaining an effective system of internal control is a fundamental responsibility of management. Recurring procurement issues within the National Capital Region demonstrate the need for management to fulfill this responsibility. Internal control is a means to ensure compliance with applicable laws and regulations and the efficient and effective use of resources to meet Agency missions. Although it is

⁶ The PMR Division reviews procurement practices and procedures of GSA contracting activities.

⁷ The PMR Division conducts reviews on a rotating basis with lower performing contracting activities being reviewed more frequently than higher performing contracting activities. FAS was scheduled to have a FY 2012 PMR; however, due to FAS resource constraints, the review was delayed to FY 2013.

not an absolute solution, internal control can be used to manage risks associated with programs and operations. In strengthening its internal control structure, management should establish an environment with integrated control activities that are continually monitored and periodically assessed. While strengthening the internal control structure may not fully address all procurement issues, it may assist in preventing future occurrences and detecting other potential causes.

I would like to thank you and your staff for your assistance during this project. If you have any questions regarding this audit memorandum, please contact me or any member of the audit team at the following:

| | | | |
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Appendix A – Federal Acquisition Service Procurement Issues

This appendix presents a summary of FAS procurement issues within the National Capital Region. We reviewed 12 reports focused on FAS,⁸ issued during the period FY 2007 through FY 2012. We summarized report issues into four categories: award, administration, funding, and documentation. Specific issues identified in at least 25 percent of reports, within each category, are included below.

FAS Procurement Issues

Ten reports identified issues with the award of the base contract, which include but are not limited to the following:

- Pricing (*i.e.*, compromised price reasonableness determination due to poorly developed Independent Government Cost Estimates, ceiling prices for time and material contracts not always established, and/or an insufficient or missing justification for fair and reasonable pricing);
- Contract type (*i.e.*, non-advantageous contract type chosen and/or inadequate rationale for contract type chosen);
- Competition (*i.e.*, inadequate time to solicit competition, and/or inadequate justification for restricting competition); and
- Acquisition planning (*i.e.*, missing or not finalized acquisition plans, acquisition plans not updated when major changes occurred, and/or a lack of proper approval).

Five reports identified issues with contract administration, which include but are not limited to the following:

- Contract clauses (*i.e.*, modifications not citing an authority or citing inappropriate authority); and
- Execution of contract modifications (*i.e.*, discrepancies with contract close-out and/or inappropriate use of unilateral modifications).

Five reports identified funding issues, which include but are not limited to the following:

- Violations of the *bona fide* needs rule;
- Violations of the Antideficiency Act; and
- Improper obligation of funds.

⁸ We reviewed 4 OIG audit reports, 3 OIG investigative cases, 4 PMR reports, and 1 FAS internal report.

Appendix A – Federal Acquisition Service Procurement Issues (cont.)

Seven reports identified issues with the documentation of the contract file, which include but are not limited to the following:

- Missing documentation (*i.e.*, Memorandums of Understanding/Interagency Agreements, Quality Assurance Surveillance Plans, Contracting Officer's Representative delegations, and/or Determinations and Findings);
- Lack of adequate support in the contract file (*i.e.*, lack of detail in Price Negotiation Memorandum, inadequate documentation to support the exercise of options, and/or memorandum to file supporting the modification was missing some key elements to explain the purpose of the modification);
- Documents containing erroneous information and/or discrepancies;
- Documents missing pertinent information (*i.e.*, statements of work, Determination and Findings, and/or award documents); and
- Untimely preparation of documents (*i.e.*, Price Negotiation Memorandums and/or award documents).

Appendix B – Public Buildings Service Procurement Issues

This appendix presents a summary of PBS procurement issues within the National Capital Region. We reviewed 34 reports focused on PBS,⁹ issued during the period FY 2007 through FY 2012. We summarized report issues into four categories: award, administration, funding, and documentation. Specific issues identified in at least 25 percent of reports, within each category, are included below.

PBS Procurement Issues

Twenty-two reports identified issues with the award of the base contract, which include but are not limited to the following:

- Pricing (*i.e.*, lack of or deficient price reasonableness determination and/or award amounts being significantly different than the Independent Government Cost Estimates);
- Competition (*i.e.*, inadequate justification for or inappropriate use of other than full and open competition, fair opportunity violations and/or significant reductions in scope without revising the solicitation);
- Acquisition planning (*i.e.*, acquisition plan requirements were not met, were missing proper approvals, and/or were missing); and
- Contracts clauses (*i.e.*, did not include appropriate contract clauses).

Twelve reports identified issues with contract administration, which include but are not limited to the following:

- Contracting Officer's Representatives (CORs) designations (*i.e.*, no COR designation, the COR appointed after work began, and/or COR memorandums included contradictory information regarding authority);
- Davis-Bacon Act compliance;
- Execution of contract modifications (*i.e.*, inappropriate use of unilateral modifications, inappropriate exercise of options, and/or modifications awarded without a Price Negotiation Memorandum);
- Contract clauses (*i.e.*, missing clauses, inappropriate clauses incorporated into contract, changes to clauses without appropriate modification, and lack of enforcement resulted in \$6.5 million in lost rent);
- Improper payments (*i.e.*, additional payments for services already covered in the contract and/or payments for invoices prior to the period of performance); and
- Scope (*i.e.*, undefined scope of work).

⁹ We reviewed 25 OIG audit reports, 3 OIG investigative cases, 5 PMR reports, and 1 PBS internal report. Due to increased OIG oversight associated with the American Recovery and Reinvestment Act of 2009, PBS was audited more frequently during the scope period than FAS.

Appendix B – Public Buildings Service Procurement Issues (cont.)

Ten reports identified funding issues, which include but are not limited to the following:

- Improper obligation of funds (*i.e.*, PBS borrowed funds from another task order, improperly used the building operations fund, and/or obligations did not meet the requirements of the Recording Statute);
- Actions exceeded funding; and
- Funding documents (*i.e.*, wrong document type was used and/or no approval of funding increases).

Fourteen reports identified issues with the documentation of the contract file, which include but are not limited to the following:

- Missing documentation (*i.e.*, technical evaluation board reports, Reimbursable Work Authorizations, and/or approved invoice payments);
- Lack of adequate support in the contract file (*i.e.*, no support for paying a lessor's funding costs, contract actions, and/or award decisions);
- Documents containing erroneous information and/or discrepancies; and
- Documentation without signatures (*i.e.*, Independent Government Cost Estimate, Reimbursable Work Authorization, and/or Price Negotiation Memorandum).

Appendix C – Standards for Internal Control

In evaluating internal control, we applied the Government Accountability Office's *Standards for Internal Control in the Federal Government*. It outlines five standards for internal control: control environment, control activities, information and communications, risk assessment, and monitoring. These standards provide the basis for evaluating internal control and establishing a general framework for developing internal control.

Control Environment

The control environment is the foundation for other internal control standards. Management should set a supportive attitude toward internal control, while providing appropriate supervision and guidance on proper behavior. Additionally, management should ensure the organizational structure clearly defines areas of responsibility and establishes appropriate lines of reporting.

Control Activities

Control activities are an integral part of supporting management directives. Control activities occur throughout an organization to safeguard and ensure stewardship of government resources. These activities are typically policies, procedures, and techniques. Specific activities include human capital management, proper execution of contract actions, and workforce accountability.

Information and Communications

Relevant, reliable, and timely communications are necessary for an organization to manage and control its operations. In order to provide accountability for resources and make decisions, program managers need operational and financial information that is both accurate and useable. Effective information technology management is critical in easily communicating this information throughout the organization.

Risk Assessment

Management should perform risk assessments to identify potential challenges to meeting objectives. These assessments should consider risks from both internal and external sources. Risks can be identified using several methods, including consideration of findings from audits and other reviews. If risks are identified, analysis is required to determine significance, likelihood of occurrence, and potential mitigating actions. Due to constant changes in the operational environment, risk assessment activities should be continuous.

Monitoring


Monitoring should assess the quality of performance over time and ensure that audit and review findings are promptly resolved.


Appendix D – Management Comments




GSA National Capital Region

MEMORANDUM FOR: LINDSAY S. MOUGH
AUDIT MANAGER
ACQUISITION PROGRAMS AUDIT OFFICE (JA-A)

FROM: JULIA E. HUDSON 
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NATIONAL CAPITAL REGION (WA)

THOMAS JAMES 
ACTING REGIONAL COMMISSIONER
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ALFONSO FINLEY 
REGIONAL COMMISSIONER
FEDERAL ACQUISITION SERVICE (WQ)

SUBJECT: Response to Draft Audit Memorandum Number A120171

The National Capital Region (NCR) appreciates the opportunity to review and comment on the Office of Inspector General (OIG) Draft Report, entitled "Summary of Systemic Procurement Issues within GSA's National Capital Region" (the "Audit Memorandum"), Memorandum Number A120171, dated September 18, 2013.

The Draft Audit Memorandum is a summary review of earlier OIG audit reports, OIG investigative cases, Procurement Management Review (PMR) reports, and FAS and PBS internal review reports from FY2007 through FY2012. The Region's response hereby incorporates our responses to all the earlier reports relied upon. Below is a summary of actions implemented by the Region:

Public Building Service (PBS):

During the period FY2007 through FY2012 covered in this Memorandum, NCR PBS has shown improvement in operational, policy and procedural functions. The FY13 PMR report noted an improvement in the quality of contracting, which we believe is in part a product of actions taken by NCR over the last few years, some of which are described below.

Appendix D – Management Comments (cont.)

During November 2011, in order to strengthen and improve internal management controls, the Regional Administrator signed an order that consolidated acquisition functions from Service Centers within the Office of Facilities Management to create a new Facilities Program Support Division. This consolidation significantly improved the management of the acquisition program by ensuring that junior contract specialists report directly to contracting officers in a structure that was not directed by the program office.

NCR PBS has also developed internal regional management reports. For example, our regional Small Business Report has allowed us to adjust acquisition activities in order to gauge our success in meeting small business goals on a weekly basis. Additionally, the Acquisition Administrative Report tracks our Contractor Performance Assessment Reporting (CPARS) compliance, contract closeout progress, FPDS-NG accuracy, and most importantly, contract expirations that track our 30, 60, 90, 120 day outlook. Using data from these reports, the Region can better monitor the state of acquisition activities.

In January 2013, the Region established the NCR PBS Regional Acquisition Board (RAB). The RAB, which consists of Branch Chiefs from the region's different service centers, serves as a collaborative acquisition leadership team vehicle to address acquisition concerns in the Region and improve internal controls. As a result of the RAB, regional CPARS goals were achieved and the compliance rate increased from a June 2013 rate of 3 percent to a 88 percent compliance rate in September 2013.

Within the last three months, NCR PBS has also conducted a warrant and workload analysis to identify appropriate staffing levels and implement a human capital strategy.

NCR PBS has also implemented additional steps in order to strengthen our internal control processes. NCR's Annual Acquisition Training Day for acquisition workforce employees, addresses previously identified areas of weakness and reviews acquisition processes. The last training conducted on August 13, 2013, included National Office presenters and was attended by over 200 acquisition workforce personnel.

Additional policies and procedures have been issued that specifically address PMR and IG audit findings, such as the issuance of a Pre/Post Award Review Policy. These new procedures ensure that contract folders are submitted to the NCR Policy Branch for a sufficiency review on all awards greater than \$1M. The revised procedure assists supervisors in performing evaluations and recommendations for training.

The review process threshold for contracts being terminated for convenience has been expanded to lower the internal threshold to \$75,000 from the FAR prescribed threshold of \$100,000. Additionally, management controls have been implemented in order to incorporate higher levels of reviews, that include the contracting officer (CO), the Branch Chief or Division Director, the Acquisition Policy Branch and Legal Counsel.

Further, NCR PBS issued a policy that requires the additional review by the acquisition Competition Advocate to strengthen our regional acquisition plans for other than full or open competition valued over \$650,000.

Appendix D – Management Comments (cont.)

Going forward, NCR PBS intends to expand its pre-award contract review process to include lower dollar threshold procurements to address file sufficiency, compliance, acquisition strategy and contract provisions. In FY2011, our acquisition policy organization introduced a Scorecard to specifically target completeness and accuracy of contract documents reviewed in PMR reviews. NCR acquisition leads were trained in the utilization of the scorecard in order to self-assess transactional compliance.

NCR PBS continues to be challenged by limited resources in the area of policy compliance. We plan to recruit additional personnel in order to support workload and workforce in the Region. The PBS acquisition team continues to strive and improve on file documentation and collaboration with program offices. Furthermore, in May 2013, the Regional Administrator signed an order to establish a NCR PBS Office of Acquisition and effective November 2013, a National PBS senior level acquisition expert will be detailed to the Region to assess compliance and recommend improvements to the regional acquisition system.

Federal Acquisition Service (FAS):

NCR FAS acknowledges the 2007-2012 internal control findings and we believe the current findings show improvement in internal controls. For example, the GSA Procurement Management Review (PMR) Division provided a final report on July 30, 2013, which resulted in an overall score of low risk for the entity level review, which assessed internal controls. The transactional level assessment also showed progress with some high risk areas, with limited repeat findings from previous reviews. NCR FAS will continue its efforts to ensure future risk ratings yield greater results.

Internal controls are important to the success of the procurement programs within FAS. In addition to the formal reviews indicated above, FAS has continuously conducted informal risk assessments to address internal control weaknesses and ensure continued effectiveness, as risk management is an integral and active part of the FAS decision-making process. In order to achieve that goal, NCR FAS assessed internal controls by conducting mapping exercises with cross functional teams which included Network Services Division, NCR Resource Management Division, Regional Telecom Financial Service Center and ITS Network Services Billing Systems Division. The outcome of these sessions was to further define the validation of telecommunication invoices and the development of a tool that manages delinquencies and charge backs.

To provide more depth in leadership and internal reviews, NCR FAS upgraded existing GS-1102-14 supervisory branch chief positions to GS-1102-15. NCR FAS has continued to work with the OCPO through the Hiring Exception Request (HER) process and as of July 28, 2013, all three GS-1102-15 supervisory positions within the AAS Division have been filled. The leadership is taking the necessary steps to improve internal controls. Specific examples include ongoing training on the procurement process and procedures, performing Team Lead validation of the Contract Action Summary, including required documents in the official contract file, and performing internal reviews at the Branch Chief level. Also, NCR FAS now requires the Division Director to evaluate Interagency Agreements (Part B) prior to acceptance.

Appendix D – Management Comments (cont.)

It is important to explain the scope of the facilitation model as referenced in the memorandum. Recognizing that NCR has the largest federal agency base, NCR FAS' vision was to focus on the serving partners without regards to regional boundary constraints by using the national capacity of FAS. The AAS national office agreed with the facilitation model concept and, in 2011, stood up a Program Management Office (PMO) to pilot the model. This included processes, procedures, and templates centered on the facilitation of projects between customer service centers (CSCs). The pilot results were positive. For example, NCR FAS facilitated approximately \$300M in new opportunities to multiple regions. In some cases, helping them achieve financial solvency. The facilitation concept supports risk mitigation while continuing to leverage acquisition support for customers across the various FAS regions. NCR FAS agrees with the risk associated with the shortage of acquisition personnel. As noted above, recruiting and retaining acquisition workforce personnel remains a challenge across all federal agencies.

NCR FAS has worked aggressively with CPO to address critical vacancies in the AAS Division. As of this report, there is only 1 remaining 1102 Contracting Officer vacancy to fill. Pending the outcome of the formal on-boarding process we expect to close out the recruitment actions within the next 45 days. This will complete 100% of 1102 hiring activities within the AAS Division.

In addition, FAS conducted a warrant and workload analysis to identify appropriate staffing levels and implement a human capital strategy to address the shortage of acquisition personnel. In response to the results of the analysis, FAS realigned its workforce to ensure acquisition personnel reported to acquisition supervisors, specifically the 1102 workforce.

NCR FAS recognizes data integrity issues as related to employees coded to the wrong office. Between FY 2006 and FY 2012, national realignments occurred. The chart below reflects the impact of the AAS National Realignment on coding within the regional program.

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|------|------|------|------|------|------|------|
| WQFA | NA | 1 | 0 | 2 | 5 | 4 | 2 |
| WQFAA | NA | 23 | 6 | 7 | 8 | 8 | 5 |
| WQFAB | NA | 16 | 8 | 8 | 10 | 10 | 7 |
| WQFAC | NA | 3 | 2 | 4 | 2 | 1 | 7 |
| *WTOC | 13 | NA | NA | NA | NA | NA | NA |
| Total # in AAS | 13 | 43 | 16 | 21 | 25 | 23 | 21 |

*NOTE: During the beginning of FY07, the Assisted Acquisition Division (AAS) was not yet established. The existing branch functions were performed by "Acquisitions Management Center (WTOC)" until the establishment of AAS later during FY07.

Appendix D – Management Comments (cont.)

Within FAS, there was a nationwide human capital project in FY 2011 and 2012 to develop, promote, and implement the use of standardized staffing plans. This initiative was to collect, validate, and maintain all funded positions to standardize both encumbered and unencumbered—for eventual population of the GSA Workforce Management Tool (WMT) developed by CPO. Even though there was a lapse between approving staffing plans via the WMT and the HER process, all of the FAS personnel coding and organizational changes have been completed or are pending.

The National Capital Region appreciates the opportunity to comment on the draft Memorandum. NCR takes these matters seriously and as demonstrated in our reply, the Region is committed to improving the quality and effectiveness of regional operations. We thank the Inspector General for his work and are committed to working with his office to ensure that all of our work meets the highest standards of public service.

Appendix E – Memorandum Distribution

Regional Administrator, National Capital Region (WA)

Regional Commissioner, Federal Acquisition Service, National Capital Region (WQ)

Acting Regional Commissioner, Public Buildings Service, National Capital Region (WP)

Commissioner, Federal Acquisition Service (Q)

Commissioner, Public Buildings Service (P)

Deputy Commissioner, Federal Acquisition Service (Q1)

Deputy Commissioner, Public Buildings Service (PD)

Chief of Staff, Federal Acquisition Service (Q0A)

Chief of Staff, Public Buildings Service (P)

Controller, Federal Acquisition Service Financial Services (BF)

Director, Public Buildings Service Executive Communications (PDC)

Regional Counsel, National Capital Region (LDW)

Director, Management and Oversight Division (H1C)

Audit Liaison, Public Buildings Service (BCP)

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