



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

Audit of PBS's Lease Award and Administration for the Bureau of Land Management Field Office in Baker City, Oregon

Report Number A230021/P/9/R24001
December 8, 2023

Executive Summary

Audit of PBS's Lease Award and Administration for the Bureau of Land Management Field Office in Baker City, Oregon

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Why We Performed This Audit

This audit was included in our *Fiscal Year 2023 Audit Plan*. We performed this audit in response to a hotline complaint regarding indoor air quality (IAQ) issues at the U.S. Department of the Interior's Bureau of Land Management (BLM) field office in Baker City, Oregon. Our objectives were to determine whether GSA's Public Buildings Service (PBS) investigated the IAQ issues in a timely manner and enforced lease terms to prevent or resolve health, safety, and security incidents.

What We Found

In total, it took PBS 6 years to fully resolve the IAQ issues at the BLM field office in Baker City, Oregon. We also found that PBS did not provide effective oversight of long-standing building maintenance deficiencies, resulting in safety and security risks.

What We Recommend

We recommend that the PBS Regional Commissioner for the PBS Northwest/Arctic Region:

1. Assess the actions taken in response to the IAQ issues at the BLM field office in Baker City, Oregon. Based on this assessment, the PBS Regional Commissioner should:
 - a. Develop and implement a management control process that promptly responds to IAQ complaints; and
 - b. Establish clear lines of communication between lease administration managers and Building Services and Safety Branch personnel to promptly address IAQ issues.
2. Improve lease administration manager communication with tenants during the annual lease inspection to ensure that PBS is aware of all tenant staff concerns, particularly those related to safety and security issues, and that all issues are documented in the GSA 500, *Lease Inspection Form*.

3. Ensure lease administration managers take proactive actions to resolve long-standing issues by issuing Deficiency Identified Letters in a timely manner and holding lessors accountable for noncompliance.
4. Enforce the BLM field office lease terms requiring onsite or locally available maintenance personnel, and recover rent paid to the lessor equivalent to the period that the maintenance personnel were not provided since November 2019.

The PBS Regional Commissioner for the PBS Northwest/Arctic Region agreed with our recommendations. PBS's written comments are included in their entirety in **Appendix B**.

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Introduction

We performed an audit of GSA’s Public Buildings Service (PBS) Northwest/Arctic Region’s award and administration of the U.S. Department of the Interior’s Bureau of Land Management (BLM) field office lease in Baker City, Oregon.

Purpose

This audit was included in our *Fiscal Year 2023 Audit Plan*. We performed this audit in response to a hotline complaint regarding indoor air quality (IAQ) issues at the BLM field office in Baker City, Oregon.

Objectives

Our objectives were to determine whether PBS investigated the IAQ issues in a timely manner and enforced lease terms to prevent or resolve health, safety, and security incidents.

See **Appendix A** – Objectives, Scope, and Methodology for additional details.

Background

One of PBS’s missions is to assist federal agencies by providing lease acquisition services. In September 2013, the PBS Northwest/Arctic Region awarded a lease for a BLM field office in Baker City, Oregon. The lease was awarded for an initial 10-year term, with two 5-year options. The lease consisted of 7,030 rentable square feet with an initial annual rent of \$219,824. BLM took occupancy on October 7, 2014.

The leased building was originally part of the Baker Air Force Station, which was constructed between 1960 and 1962 to support a nearby radar station. Subsequently, the U.S. Air Force closed the facility, and the property changed ownership three times. To prepare the building for occupancy by BLM, the current owner remodeled and added a north wing of 2,184 square feet to the existing building. The existing building included an old gymnasium, found later to be the source of the IAQ contaminant.

Hotline Complaint

On March 10, 2022, we received a hotline complaint concerning the lease. The complainant asserted that since initial occupancy of the new leased space in 2014, BLM employees were exposed to volatile organic compounds (VOCs), causing headaches, dizziness, eye problems, and respiratory problems. The complainant also asserted that neither GSA, BLM, nor the lessor took action to address the problems from October 2014 to November 2016.

PBS's Responsibility for Lease Administration

To ensure that lessors provide the level of services required under the terms of a lease, PBS has established a lease administration program in its Office of Facilities Management. At the regional level, lease administration managers (LAMs) conduct lease oversight functions. LAMs verify that the lessor complies with lease terms and conditions, serve as the representative between the tenant agency and the lessor, and investigate tenant concerns. LAMs may oversee a variety of issues with leased space that may affect the health, safety, and security of tenants, including IAQ and building maintenance.

PBS's *Lease Management Desk Guide* (LMDG) is intended to establish national consistency within PBS's lease management program and sets minimum requirements for LAMs. The LMDG requires LAMs to conduct a minimum of one annual inspection. The annual inspection process is described in the LMDG. During annual inspections, the LMDG requires LAMs to use GSA 500, *Lease Inspection Form*, to document identified deficiencies. LAMs resolve deficiencies using the following process:

- **No deficiencies identified.** If no deficiencies are identified, the LAM issues a copy of the GSA 500, *Lease Inspection Form*, with a No Apparent Deficiencies Letter to the lessor with no response required.
- **Deficiencies identified.** If deficiencies are identified, the LAM issues a copy of the GSA 500, *Lease Inspection Form*, with a Deficiency Identified Letter (deficiency letter) to the lessor. The letter includes a completion due date to resolve the deficiencies, at the discretion of the LAM, depending on the urgency of the deficiencies.
- **Re-inspection and close-out.** Once the lessor provides notification that the deficiencies have been corrected, the LAM must verify completion by re-inspection. If deficiencies were corrected, the LAM issues the Inspection Close-Out Letter to the lessor.
- **Cure process.** If the deficiencies have not been corrected, the LAM begins what the LMDG refers to as the "cure process," for further follow-up with the lessor. After consulting with the lease contracting officer, the LAM issues a Notice of Non-Compliance Letter to the lessor, with a time frame for corrective action. The LAM is required to perform another inspection and, if the deficiencies are corrected, the LAM issues the Inspection Close-Out Letter to the lessor. If the deficiencies are not corrected, the cure process continues, with the possibility that PBS will contract to perform the work to remedy the deficiencies and deduct the amount paid for the work from the rent it pays the lessor.

Indoor Air Quality

IAQ refers to a broad range of workplace conditions that can adversely affect the actual or perceived health and productivity of workplace occupants or visitors. Typical conditions that can affect the IAQ in GSA-leased space are air temperature and humidity, carbon dioxide, mold, asbestos, radon, and VOCs.

VOCs are a broad class of pollutants affecting IAQ. They are emitted as gases from commercial products, building materials, furniture, and occupant activities. VOCs can have short- and long-term health effects.

PBS Policies Governing Indoor Air Quality

PBS Indoor Air Quality Management Policy (IAQ Policy), issued October 3, 2016, establishes PBS requirements for the management of IAQ in GSA-controlled (leased and owned) spaces. The IAQ Policy requires GSA to promptly investigate all IAQ complaints in GSA-controlled facilities and initiate corrective action to remediate the source of the problem.

The IAQ Policy has a companion *PBS Desk Guide for Indoor Air Quality Management (IAQ Desk Guide)* that identifies the processes, roles, responsibilities, and best practices to support execution and compliance with the IAQ Policy. The IAQ Desk Guide notes that each party involved in a leased facility plays a role when responding to an IAQ concern:

- The occupant agency is responsible for providing a safe and healthful workplace for its employees and the impact of its operations on IAQ.
- The lessor, as property owner, is responsible for the overall operations of the facility. The lessor is responsible for the initial investigation of any occupant agency IAQ concern to determine if the concern may be caused by conditions within the lessor's responsibilities.
- GSA, as lease contract administrator, is responsible for supporting the mission of the occupant agency and enforcing the lease requirements. LAMs are responsible for ensuring lessors comply with the lease contract's IAQ requirements.

The IAQ Desk Guide notes that GSA regions have environmental, health, and safety staff to support LAMs with technical assistance when addressing IAQ concerns. The IAQ Desk Guide states that the roles of the support staff include:

- Assisting in the evaluation of IAQ conditions (including IAQ testing);
- Assisting as needed to ensure IAQ assessments (including IAQ testing) are performed; and
- Providing review and input on mitigation and corrective action efforts in buildings where sources of poor IAQ are identified.

The IAQ Desk Guide states that LAMs are responsible for notifying the GSA regional office about any IAQ concern that requires GSA investigation or technical interpretation. Further, the IAQ Desk Guide states that “when needed, the office is responsible for providing their IAQ expertise in support of communication, interpretation, and recommendations on any IAQ concern.” In the PBS Northwest/Arctic Region, this support staff is provided by the Building Services and Safety Branch within the Facilities Management Division, which has an industrial hygienist on staff.

Prior Office of Inspector General Reports

Our office has previously identified deficiencies in PBS’s management of environmental programs, IAQ, and lease oversight and administration. Examples include:

- In March 2019, we issued an audit report, *Audit of the Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri*.¹ In that audit, we found that PBS did not take adequate action to protect tenants, contractors, and visitors from hazards at the Goodfellow complex due to ineffective environmental management programs, policies, and guidance.
- In February 2020, we issued an audit report, *GSA’s PBS Northwest/Arctic Region Service Center Does Not Effectively Administer Lease and Service Contracts*.² In that audit, we found that LAMs were not conducting annual lease inspections and maintaining complete lease file documentation.
- In September 2021, we issued an audit report, *Audit of PBS Lease Administration*.³ In that audit, we found that PBS did not properly document and resolve deficiencies identified in annual lease inspections, determine price reasonableness for alteration projects, or create responsive tenant satisfaction plans.
- In June 2023, we issued an audit report, *Audit of GSA’s Response to COVID-19: PBS Faces Challenges to Meet the Ventilation and Acceptable Indoor Air Quality Standard in GSA-Owned Buildings*.⁴ In that audit, we found that PBS did not meet or did not have complete information to determine if it is meeting the American Society of Heating, Refrigerating, and Air-Conditioning Engineers ventilation standard for the majority of GSA-owned buildings. We also found that PBS has not consistently implemented Centers for Disease Control and Prevention and Occupational Safety and Health Administration recommendations to improve ventilation in GSA-owned buildings.

¹ Report Number A170027/P/6/R19002, March 15, 2019.

² Report Number A180053/P/4/R20002, February 20, 2020.

³ Report Number A201011/P/R/R21006, September 21, 2021.

⁴ Report Number A201018/P/4/R23008, June 5, 2023.

Results

In total, it took PBS 6 years to fully resolve the IAQ issues at the BLM field office in Baker City, Oregon. We also found that PBS did not provide effective oversight of long-standing building maintenance deficiencies, resulting in safety and security risks.

Finding 1 – IAQ issues were not promptly resolved, risking the health of BLM staff.

From initial occupancy of the BLM field office in Baker City, Oregon, BLM staff reported IAQ concerns caused by a chemical odor. Although PBS, BLM, and the lessor attempted to identify and address the problem, it was not completely remediated until the source contaminant was removed in November 2020—more than 6 years after BLM staff first reported their concerns. Because the problems were not promptly resolved, PBS should assess its actions to identify opportunities to resolve similar issues more promptly in the future.

Indoor Air Quality Deficiencies at the BLM Lease Were Not Promptly Resolved

In October 2014, BLM took occupancy of the field office in Baker City, Oregon. By December 2014, BLM staff began to report a strong chemical odor in the building. This was followed by reports of headaches, dizziness, and fatigue.

Under the terms of the lease, the lessor is required to address IAQ concerns. Specifically, the lease provides that:

The Lessor shall promptly investigate [IAQ] complaints and shall implement the necessary controls to address the complaint.

In accordance with the LMDG process, the PBS LAM issued a deficiency letter to the lessor in March 2015, instructing the lessor to address the problem. In response, the lessor assessed IAQ concerns reported by BLM staff and concluded that the likely source of the problem was “off-gassing” from the new carpeting and furniture. In March and April 2015, the lessor replaced portions of the carpeting and had other parts of the carpeting cleaned, which appeared to successfully abate the chemical odor reported by BLM staff. On October 5, 2015, the PBS LAM issued a Close-Out Letter, notifying the lessor that the problem was resolved.

However, by March 2016, BLM staff reported that the odor had returned. Subsequently, PBS, BLM, and the lessor determined that further investigation was necessary to identify the source of the odor. PBS and BLM decided that this required the removal of some furniture in the BLM field office. Email correspondence shows that, starting in March 2016, the PBS LAM made seven attempts to coordinate the furniture removal with BLM. However, BLM was reluctant to move the furniture because of concerns that the warranty could be voided if the furniture was damaged during disassembly and removal.

On December 8, 2016, the furniture was removed. Immediately upon removal, the chemical odor became so severe that BLM staff evacuated the building, and the field office was closed. The odor was most intense in an office area built over an old, wooden gymnasium floor. The next day, BLM staff in the affected area were given the option to take leave or work from home. Subsequently, PBS's regional industrial hygienist was brought in to assist the LAM. The industrial hygienist suggested that removal of the wood floor would be necessary to investigate the source of the odor. He also recommended bringing in a specialist to conduct IAQ testing.

On December 16, 2016, the lessor installed an exhaust system to improve the ventilation in the affected space by drawing indoor air through the attic and dispersing it outside the building. While the exhaust system appeared to improve air flow and significantly alleviate the odor, BLM procured professional IAQ testing starting in January 2017.⁵ This testing showed the presence of VOCs, in particular methylated naphthalene (naphtha).⁶ VOCs are known to cause a chemical odor and symptoms like those reported by BLM staff. The IAQ test report stated that the old gymnasium floor was the likely source of the VOCs because the wood appeared to have been treated with naphtha. The testing showed naphtha concentration levels below the permissible exposure limits established by the Occupational Safety and Health Administration. However, the test report noted these exposure limits were established for industrial settings, not office settings, and that it is unacceptable to have this level of air contaminant present at all. In March 2017, the lessor installed a second exhaust fan and increased the air exchange, which further reduced the naphtha concentration levels.

Based on the IAQ testing results and the newly installed exhaust system, PBS asserted that there were no health hazards present in the building. In December 2017, PBS denied BLM's request for an emergency replacement lease. In denying BLM's request, PBS stated that "the data to date has not provided information identifying the building as containing any health hazards." Notwithstanding PBS's assertion, IAQ tests conducted from 2017 to 2020 continued to show the presence of VOCs. Furthermore, a January 2018 letter from BLM to PBS reported that BLM staff continued to complain to their management about air quality. The letter noted that some BLM staff continued to report symptoms, such as headaches, fatigue, and lightheadedness.

In June 2020, an environmental consultant hired by BLM performed a study of the field office to address persistent employee complaints and recommended that the lessor remove portions of the naphtha-treated wood and encapsulate others. The lessor completed these corrective actions in November 2020.

⁵ IAQ testing was procured at the expense of BLM, and not the lessor, because PBS concluded that the lessor had complied with the lease by installing the exhaust system in the affected space in December 2016.

⁶ Naphtha is a flammable liquid hydrocarbon mixture. According to IAQ evaluation and air sampling for chemical air contaminants, the chemical vapors were complex, generally consisting of a large number of semi-volatile, methylated naphthalene compounds, defined by boiling point, and likely best described as naphtha (coal tar).

PBS Should Assess the Resolution of the IAQ Issues at the BLM Field Office to Improve Future Remediation Efforts

The IAQ Policy requires GSA to promptly investigate all IAQ complaints. However, as described above, it took 6 years to fully remediate the source of IAQ issues at the BLM field office. Accordingly, PBS should assess the resolution of the IAQ issues at the BLM field office to identify improvements to its IAQ policies and procedures to ensure future IAQ issues are promptly resolved.

In conducting its assessment, PBS should determine the most appropriate point to consult with an industrial hygienist. For the BLM field office lease, the regional industrial hygienist was not consulted until the evacuation of the field office in December 2016—2 years after the issue was first reported. During an IAQ assessment, industrial hygienists interview affected personnel and may conduct air quality testing to identify the source of the problem. Consulting an industrial hygienist earlier in the process to resolve IAQ complaints can provide PBS, the tenant, and the lessor with critical information that can be used to inform decisions. These consultations can also expedite the resolution of any identified problems so that tenants are not subjected to prolonged exposure to airborne contaminants.

PBS should also consider if it should specify the amount of time to respond to IAQ complaints in leased space. PBS's IAQ Policy and its companion IAQ Desk Guide require that IAQ issues be promptly investigated and addressed, without specifically defining when PBS must act. While each situation may be unique, more specificity may improve the timeliness of PBS's actions to resolve IAQ issues.

Finding 2 – PBS did not resolve outstanding maintenance issues in a timely manner, risking the safety and security of BLM staff.

PBS did not resolve two outstanding maintenance issues at the BLM field office in a timely manner. Omissions and shortcomings in PBS's lease oversight indicate a lack of urgency in resolving these issues. The time taken to resolve these issues is unreasonable, especially because of the safety and security risks that the maintenance issues posed to the BLM staff.

Outstanding Maintenance Issues Were Not Resolved in a Timely Manner

When we began our audit fieldwork in March 2023, there were two maintenance issues at the BLM field office that had been outstanding for more than a year. To date, one has been resolved by the lessor and one is still outstanding. These maintenance issues are summarized below:

- **Malfunctioning parking gate.** The parking lot is secured by a security gate that requires card access. However, the gate started to malfunction in November 2018, forcing BLM staff to manually lift and move the heavy gate to access the parking lot. Although BLM staff sent 22 emails to the lessor and PBS about the problem, the LAM did not issue a

deficiency letter for the malfunctioning gate until November 2022. The gate was finally repaired in January 2023—4 years after it began to malfunction.

- **Malfunctioning front door.** BLM first notified PBS that the front door of the office was not latching in May 2021. The LAM included the front door latching issue in the June 2022 annual lease inspection; however, the LAM did not issue a deficiency letter to the lessor until March 2023—9 months later. Although BLM staff sent 19 emails (beginning in May 2021) to the lessor and LAM, requesting that the door be fixed, as of June 2023, the front door is still not latching properly.

Omissions and Shortcomings in Lease Oversight Signify a Lack of Urgency

Omissions and shortcomings in PBS's lease oversight at the BLM field office indicate a lack of urgency in resolving these maintenance issues and were caused by several factors. Specifically, we found that PBS did not identify the malfunctioning parking gate in its lease inspections. PBS also did not issue deficiency letters to the lessor for these maintenance issues when they were identified. Additionally, PBS did not ensure that the lessor provided local representatives to address maintenance issues at the BLM field office. These issues are discussed below:

- **PBS did not identify long-standing maintenance issues in its annual inspection.** In accordance with the LMDG, the LAM conducted annual lease inspections each fiscal year and documented the results on a GSA 500, *Lease Inspection Form*. However, we found that the inspection forms were incomplete. The parking gate began malfunctioning in November 2018 and was not repaired until January 2023. The LAM never included the malfunctioning parking gate on the annual lease inspection forms. In addition, the malfunctioning front door was only included on the inspection form in June 2022—1 year after BLM identified the issue.

The LAM told us that he did not meet with BLM staff during his inspection walk-throughs with BLM management. The LMDG states that it is important that the LAM maintains a strong working relationship with the tenant. A meeting with BLM staff during the site visit would have given them the opportunity to communicate the issues of most concern, such as reiterating the problems addressed on the emails about the parking gate and the front door. These issues of concern would then have been documented on the inspection form.

- **The LAM did not issue deficiency letters in a timely manner.** When deficiencies are found, the LMDG requires the LAM to issue a deficiency letter to the lessor. If the lessor fails to correct the deficiencies, the cure process is initiated by issuing the Notice of Non-Compliance Letter to the lessor. However, deficiency letters were not issued until years after the deficiencies were found. It took more than 3 years for the LAM to issue a deficiency letter for the malfunctioning parking gate, and over 2 years to issue a deficiency letter for the malfunctioning front door.

- **The lessor did not provide onsite representatives.** According to the lease, the lessor should provide “an onsite Building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.” However, the lessor has not complied with this requirement since November 2019. Records show that the LAM has been aware that the lessor has not provided any onsite or locally available maintenance personnel since February 2022.

The lease rent paid to the lessor includes the cost of a local maintenance worker to address maintenance issues at the building. Based on lease proposal documents, we estimate that BLM has been paying the lessor \$6,000 a year for this service. Therefore, as of June 2023, BLM has paid over \$22,000 for services it has not received.⁷

Outstanding Maintenance Issues Had the Potential to Affect Tenant Safety and Security

The maintenance issues discussed above were directly related to accessing either the BLM field office building or the parking lot; therefore, they had the potential to affect tenant safety and security. PBS’s delay in resolving these maintenance issues risked the safety and security of BLM staff. Accordingly, PBS should take appropriate measures to improve oversight of the lease and ensure that any outstanding maintenance issues and instances of noncompliance with lease terms are corrected.

⁷ BLM pays an estimated \$6,000 per year for a local maintenance worker, or \$500 per month. There have been 44 months (from November 2019 through June 2023) with no local maintenance worker provided by the lessor, resulting in BLM paying \$22,000 for services it did not receive (44 X \$500 = \$22,000).

Conclusion

In total, it took PBS 6 years to fully resolve the IAQ issues at the BLM field office in Baker City, Oregon. We also found that PBS did not provide effective oversight of long-standing building maintenance deficiencies, resulting in safety and security risks.

PBS should assess its response to the IAQ issues at the BLM field office to help prevent exposing tenants to IAQ contaminants in its leased and owned buildings. This assessment should result in a process that proactively responds to IAQ issues and includes collaboration between the LAM and industrial hygienist. In addition, PBS should resolve maintenance issues in a timely manner by improving its annual lease inspections, issuing deficiency letters when necessary, and, if applicable, enforcing lease requirements for onsite maintenance personnel.

Recommendations

We recommend that the PBS Regional Commissioner for the PBS Northwest/Arctic Region:

1. Assess the actions taken in response to the IAQ issues at the BLM field office in Baker City, Oregon. Based on this assessment, the PBS Regional Commissioner should:
 - a. Develop and implement a management control process that promptly responds to IAQ complaints; and
 - b. Establish clear lines of communication between LAMs and Building Services and Safety Branch personnel to promptly address IAQ issues.
2. Improve LAM communication with tenants during the annual lease inspection to ensure that PBS is aware of all tenant staff concerns, particularly those related to safety and security issues, and that all issues are documented in the GSA 500, *Lease Inspection Form*.
3. Ensure LAMs take proactive actions to resolve long-standing issues by issuing Deficiency Identified Letters in a timely manner and holding lessors accountable for noncompliance.
4. Enforce the BLM field office lease terms requiring onsite or locally available maintenance personnel, and recover rent paid to the lessor equivalent to the period that the maintenance personnel were not provided since November 2019.

GSA Comments

The PBS Regional Commissioner for the PBS Northwest/Arctic Region agreed with our recommendations. PBS's written comments are included in their entirety in **Appendix B**.

Audit Team

This audit was managed out of the Pacific Rim Region Audit Office and conducted by the individuals listed below:

Hilda Garcia	Regional Inspector General for Auditing
Eric Madariaga	Audit Manager
Gary Vincent	Auditor-In-Charge
Bozena Proskurowska	Auditor

Appendix A – Objectives, Scope, and Methodology

Objectives

Our objectives were to determine whether PBS investigated the IAQ issues in a timely manner and enforced lease terms to prevent or resolve health, safety, and security incidents.

Scope and Methodology

We performed this audit in response to a hotline complaint regarding IAQ issues at the BLM field office in Baker City, Oregon. The scope of our audit included the oversight and administration of the BLM field office Lease Number GS-10P-LOR07410. We also reviewed PBS's response to IAQ complaints from initial occupancy of the BLM field office in October 2014 to the wood floor removal project in November 2020, as well as correspondence and documentation related to PBS's response to BLM field office maintenance issues. We conducted a site visit to the BLM field office in Baker City, Oregon, and the BLM district office in Vale, Oregon, in December 2022.

To accomplish our objectives, we:

- Examined PBS policies and procedures pertaining to lease award and administration, including the *Lease Management Desk Guide*, *PBS Leasing Desk Guide*, and *PBS National Environmental Policy Act Desk Guide*;
- Reviewed federal and PBS standards for air quality in 41 CFR 102-80, *Safety and Environmental Management*; GSA Order 1000.8 PBS, *Indoor Air Quality Management*; and the *PBS Desk Guide for Indoor Air Quality Management*;
- Analyzed prior GSA Office of Inspector General audit reports that were relevant to our audit objectives;
- Reviewed the results of site investigations of the decommissioned Baker Air Force Station from the Oregon Department of Environmental Quality and U.S. Army Corps of Engineers to determine site conditions known to PBS during the award phase;
- Reviewed the IAQ investigation by the BLM Safety Investigation Team and the Occupational Safety and Health Administration's response for their findings and recommendations;
- Reviewed IAQ evaluations of the BLM field office conducted for BLM by industrial hygienists in 2017, 2018, and 2021, and the results of wood and concrete floor tests performed by an environmental consultant in 2020;
- Interviewed PBS officials, BLM management and staff, and the lessor on the IAQ and maintenance issues;
- Reviewed correspondence related to the IAQ issues between PBS officials, BLM staff, the lessor, the Occupational Safety and Health Administration, and the State of Oregon;
- Reviewed the hotline complaint to understand the tenant concerns;

- Reviewed the lease agreement and related amendments to understand the lessor's responsibilities;
- Reviewed PBS lease administration files for the BLM field office, including Tenant Satisfaction Surveys, deficiency letters, and annual inspection results, to identify actions taken by PBS; and
- Reviewed the BLM field office lease award and project files to determine PBS's knowledge of the site conditions prior to lease award, including the Pre-Solicitation Notice, Request for Lease Proposal, Market Survey Reports, Price Negotiation Memorandum, Archeological Survey, Historical Survey, National Environmental Policy Act memorandum, and construction project meeting minutes.

Internal Controls

We assessed internal controls significant within the context of our audit objectives against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment, and the report findings include any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Compliance Statement

We conducted the audit between October 2022 and August 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – GSA Comments

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Northwest/Arctic Region

November 9, 2023

MEMORANDUM FOR HILDA M. GARCIA
REGIONAL INSPECTOR GENERAL FOR AUDITING
PACIFIC RIM REGION AUDIT OFFICE (JA-9)

THROUGH: ELLIOT DOOMES
COMMISSIONER *Elliot Doomes*
PUBLIC BUILDINGS SERVICE (P)

FROM: LISA PEARSON *Lisa K. Pearson*
REGIONAL COMMISSIONER
PUBLIC BUILDINGS SERVICE (10P)

SUBJECT: Response to the Office of Inspector General (OIG) Draft
Report, *Audit of PBS's Lease Award and Administration for
the Bureau of Land Management Field Office in Baker City,
OR (A230021)*

Thank you for the opportunity to comment on the subject audit report. We reviewed the report and agree with the recommendations to ensure Indoor Air Quality (IAQ) issues are investigated in a timely manner and ensure the enforcement of lease terms that prevent or resolve health, safety, and security incidents.

The investigated issues began in 2014. Since that time Region 10 (R10) has made significant program changes and implemented management controls and processes that address the identified issues and subsequent recommendations in the audit.

These management controls/processes are:

1. The creation of a Post Occupancy Leased Service Center that focuses specifically on GSA leased facilities and a shift to dedicated Lease Administration Managers.
2. A Leased Service Center dashboard (V3) that provides real time status of deficiencies, projects and inspections. The dashboard is tied to regional measures that set tolerances and track aging of deficiencies, project schedule risk, and completion of inspections.

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3. The creation and implementation of the R10 subject matter expert (SME) support services request form and tracker.
4. The development of a regional training course on proper escalations. The training was recently provided at the August 2023 All Hands meeting.
5. Starting in 2021, the creation of a R10 Management Analysis and Review System (MARS) dedicated to the post occupancy lease administration program. The R10 MARS review is an enhancement to the national MARS program which increases audit frequency and review areas. This program has improved quality control, consistency and identification of continued areas of training for lease administration managers.
6. R10 Post Occupancy Leasing has revisited options to recoup funds for lack of local support at leases when required in the lease. R10 has started the process to open discussions with the lessor regarding repayment of these costs and future provisions regarding local service contacts.

Additionally, PBS has an improved lease management tool that provides enhanced reporting and communication features, and has reinstated the National Tenant Satisfaction Survey and Facilities Management Score. Other factors that contributed to the challenges of managing this remote lease location, such as COVID-19 and high staffing vacancy rates, have been resolved. In addition R10 has opened discussions with the lessor regarding the repayment of costs allocated for the lack of onsite or local property management.

These significant process improvements will mitigate situations identified in the audit and improve our ability to deliver safe and functional workspaces to all of our government partners. We will continue to implement additional enhancements to regional processes and provide further training as tools improve and we continue to grow.

If you have any questions, please contact Ann Crawley, Director, Facilities Management Division, (206) 992-5097.

Appendix C – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Deputy Commissioner (PD)

Deputy Commissioner of Enterprise Strategy (PD)

Chief of Staff (PB)

Deputy Chief of Staff (PB)

Regional Commissioner (10P)

Chief of Staff (10PX)

Director, Facilities Management Division (10PM)

Chief Financial Officer (B)

Deputy Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

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