

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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

PBS Needs to Strengthen Its Training and Warranting Programs for Contracting Officers Report Number A210053/P/2/R23002 December 30, 2022

Assignment Number A240068 October 29, 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 December 30, 2022, audit report, *PBS Needs to Strengthen Its Training and Warranting Programs for Contracting Officers*, Report Number A210053/P/2/R23002.

### 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 *PBS Needs to Strengthen Its Training and Warranting Programs for Contracting Officers* (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;
- Corresponded with PBS personnel;
- Examined documentation submitted by PBS personnel for addressing the corrective action plan steps;
- Reviewed data from GSA's Internal Control Audit Tracking System, indicating when the corrective action plan steps were marked complete; and
- Reviewed PBS's implementation of the guidance and procedures contained in these supporting documents.

### Background

During Fiscal Year 2021, PBS employed 634 contracting officers, 566 of whom held a warrant.<sup>1</sup> Collectively, these contracting officers awarded contracts totaling more than \$4.8 billion. Because these contracting officers have the authority to obligate significant amounts of taxpayer dollars, they must possess a demonstrated understanding of federal and GSA acquisition regulations and policies. They must also possess knowledge and competencies across the broad spectrum of contracting in PBS, including contracts for construction, repairs and alterations, and operations and maintenance.

GSA's Contracting Officer Warrant Program is meant to ensure that GSA organizations have qualified individuals as contracting officers who meet the organizations' needs for contracting authority. The needs of GSA dictate the types and levels of warrants issued. All PBS warrant candidates, regardless of job series or warrant level, must meet experience, education, and any additional training requirements.

<sup>&</sup>lt;sup>1</sup> PBS contracting officers who hold a warrant have the authority to negotiate on behalf of the U.S. government and may bind the government only to the extent of the authority delegated to them.

On December 30, 2022, we issued an audit report, *PBS Needs to Strengthen Its Training and Warranting Programs for Contracting Officers*, to PBS. The objective of the audit was to determine if PBS's method and oversight of training and warranting contracting officers are effective in developing a qualified acquisition workforce that meets GSA's contracting needs, policy, and mission.

Our audit found that:

- PBS contracting officers were not receiving adequate specialized training;
- PBS lacked a standardized process for qualifying and appointing contracting officers;
- PBS was not effectively managing warrant authority risk;
- Warranting records were missing; and
- PBS acquisition career managers did not have official delegation appointment memos.

We recommended that the PBS Commissioner take appropriate action to address the deficiencies identified in our report by:

- 1. Ensuring that the training and development needs of contracting officers at the GS-12 level and above are adequately addressed to foster PBS's operational success in achieving GSA's mission.
- 2. Implementing a national policy to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants.
- 3. Implementing controls to mitigate warrant authority risks created by the limitations of the Federal Acquisition Institute Cornerstone OnDemand (FAI CSOD) system.
- 4. Ensuring that:
  - Key warranting records for the PBS acquisition workforce are properly maintained; and
  - b. Heads of Contracting Activity formally appoint acquisition career managers via delegation appointment memos and communicate their duties and responsibilities.

The PBS Commissioner agreed with our report recommendations.

## Results

Our implementation review determined that PBS did not fully implement the corrective actions to improve the effectiveness of its acquisition training. Specifically, we found that PBS did not complete corrective actions to:

- Adequately address the training and development needs of its contracting officers at the GS-12 level and above (Recommendation 1);
- Implement a national policy to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants (Recommendation 2); and
- Mitigate warrant authority risks created by the limitations of the FAI CSOD system (Recommendation 3).

# Finding 1 – PBS did not fully implement the corrective actions to ensure contracting officers receive adequate specialized training.

During our original audit, we found that PBS contracting officers were not receiving adequate training and development necessary to perform their jobs. As part of this finding, we reported that PBS had not developed individual development plans (IDPs) for its contracting staff at the GS-12 level and above. Contracting staff at these levels collectively make up the largest portion of PBS's contracting workforce and are responsible for the most complex contracting actions associated with PBS's unique real property activities.

Based on our finding, we recommended that the PBS Commissioner ensure that the training and development needs of contracting officers at the GS-12 level and above are adequately addressed to foster PBS's operational success in achieving GSA's mission.

In response, PBS's corrective action plan provided that it would create a schedule for development of an IDP for contracting officers at the GS-12 level and above that aligns with the updated Federal Acquisition Certification in Contracting (Professional) requirements and GSA Acquisition Manual (GSAM) changes.<sup>2</sup> As evidence of completion, PBS provided a schedule, dated November 2023, noting that the IDP for contracting officers at the GS-12 level and above would be ready for use by July 1, 2024. This corrective action was marked as complete on November 30, 2023.

However, during our review, PBS noted that its implementation of this corrective action is still in progress. In addition, PBS provided a revised schedule, dated July 2024, and stated that the IDP for contracting officers at the GS-12 level will be ready for use by February 25, 2025. The revised schedule also noted that after completing the IDP for the GS-12 level, additional gradelevel milestones will be created. PBS stated that due to staffing constraints and other workforce

<sup>&</sup>lt;sup>2</sup> See *Appendix A*, Recommendation 1 – Action Step 002a.

initiatives, it has been updating the IDPs sequentially and has not yet created a milestone schedule for the GS-13 level and above.

PBS should expedite its IDP development efforts for its contracting officers at the GS-12 level and above. An IDP will help these contracting officers, who play a critical role in PBS's mission and its effect on successful acquisition outcomes for other federal government agencies.

# Finding 2 – PBS did not fully implement the corrective actions to establish a standardized process for qualifying and appointing contracting officers.

During our original audit, we found that PBS did not have a standardized process for qualifying and appointing contracting officers in accordance with GSAM 501.601(a), *Definitions*.

Based on our finding, we recommended that the PBS Commissioner implement a national policy to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants.

In response, PBS's corrective action plan provided that it would amend or consolidate existing procurement instructional bulletins (PIBs) with PBS-specific policy, as necessary, to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants.<sup>3</sup> As evidence of completion, PBS provided PIB 24-01, *PBS Contracting Officer Warrant Program Requirements*, dated December 22, 2023. PBS issued PIB 24-01 to strengthen the PBS Contracting Officer Warrant Program by increasing consistency, standardization, and the sharing of best practices.

PIB 24-01 noted that implementation of the PBS Contracting Officer Warrant Program requirements would follow a two-phased approach:

- Phase I PBS is to ensure that all applicable staff are aware of the new procedures for the Contracting Officer Warrant Board (COWB) as outlined in GSAM Change 172, effective January 1, 2024.<sup>4</sup> In addition, local policies should describe any risk mitigation controls (e.g., controls to mitigate warrant authority risks caused by limitations to the FAI CSOD system).
- Phase II PBS is to establish a new standardized process for the COWB to increase consistency and standardization for evaluating the experience and qualifications of warrant applicants across the regions. PBS planned the Phase II amendment to go into effect in June 2024, 6 months from the effective date of PIB 24-01.

<sup>&</sup>lt;sup>3</sup> See *Appendix A*, Recommendation 2 – Action Step 002a.

<sup>&</sup>lt;sup>4</sup> GSA Order ADM 2800.12B, Change 172, General Services Administration Acquisition Manual; GSAM Case 2023-G505, COWB Updates.

This corrective action was marked as complete on December 22, 2023. However, during our review, PBS noted that Phase II is still in progress. Therefore, this corrective action remains outstanding.

A PBS procurement analyst told us the delay is attributable to PBS's efforts to expand the standardization of the warrant process to non-acquisition warrants. Non-acquisition warrants include those for leasing, disposal, and site acquisition. PBS asserted that the expanded warrant process will be included in an amendment to PIB 24-01, which is anticipated for release in December 2024.

Until these actions are completed, PBS remains vulnerable to inconsistent warranting processes implemented by each of its regional offices. As noted in our original report, the regional differences in the evaluation process create the appearance of inequity among warrant candidates, as some may be subject to a more rigorous approval process than others. Therefore, PBS should expedite efforts to complete this action step.

# Finding 3 – PBS did not fully implement controls to mitigate warrant authority risks created by limitations of the Federal Acquisition Institute Cornerstone OnDemand system.

During our original audit, we found that PBS was not effectively managing warrant authority risk. Specifically, PBS's regional Contracting Officer Warrant Program policies were not updated to reflect the changes in the warrant process and levels created by the transition to FAI CSOD. The transition to FAI CSOD imposed limitations and risk on PBS management and most PBS regions. Under the previous system, regional Heads of Contracting Activity were able to restrict a contracting officer's warrant authority within specific warrant ceiling levels based on the contracting officer's experience and regional warranting needs. However, FAI CSOD does not provide this control.

Based on our finding, we recommended that the PBS Commissioner implement controls to mitigate warrant authority risks created by the limitations of the FAI CSOD system.

In response, PBS's corrective action plan provided that it would amend or consolidate existing PIBs as necessary with PBS-specific policy to implement controls to mitigate warrant authority risks created by the limitations of the FAI CSOD system.<sup>5</sup> As evidence of completion, PBS provided the aforementioned PIB 24-01. This corrective action was marked as complete on December 26, 2023.

However, we found that PBS has not completed this action. PBS plans to continue implementing controls to manage warrant authority risk during Phase II of the implementation of PIB 24-01. As mentioned in *Finding 2* above, Phase II has not been completed. Therefore, this corrective action remains outstanding.

<sup>&</sup>lt;sup>5</sup> See *Appendix A*, Recommendation 3 – Action Step 002.

Without an effective control in place, inexperienced PBS contracting officers have the ability to award contracts outside their warrant levels. Therefore, PBS should expedite actions necessary to manage warrant authority risk.

## Conclusion

Our implementation review determined that PBS did not fully implement the corrective actions for three recommendations.

As a result, a revised corrective action plan addressing the corrective actions associated with these open recommendations must be submitted by November 29, 2024 to this office and the Office of Audit Management and Accountability (BA).

#### Audit Team

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

Arthur F. Maisano Jia Y. Li Liyi Chen Yuliya Guz Regional Inspector General for Auditing Audit Manager Auditor-In-Charge Auditor

Appendix A – Corrective Action Plan for Report Number A210053/P/2/R23002

	eeds to Strengthen Its Training and Warran		
-	nated Responding Official: Tracy Marcinow		tion Management, Nicholas West,
	g Director, Office of GSA Acquisition Policy, I		
	act Persons: Lawrence Hales / James Gregor	-	
	hone Numbers: 214.440-0489 / 202.401-84	35	
Date:	1/26/23		
ſ	Report Number A210053/P/2/R23002 PBS Needs to Strengthen Its Training and Warranting Program for Contracting	Recommendation numbers 001	Proposed Recommendation Completion Date ( <u>Month/Year</u> )
	Officers	001	July 2023
	ntracting officers are not receiving adequate	e specialized training.	
PBS co Root C		on is for GSA internal use only. ore PBS-specific training and also identifi	ied additional training areas that would
Root C Fifty co help in Recom	ntracting officers are not receiving adequate ause of Finding(s): Root cause determination potracting officers expressed a desire for mo	on is for GSA internal use only. ore PBS-specific training and also identific products. of contracting officers at the GS-12 leve	

Action to be Taken Step by Step	Supporting Documentation	Documentation will be sent Last Duty	
		Day of the month	
001a: Review updated Federal Acquisition Certification in Contracting (FAC-C) requirements and GSAM changes jointly with the Office of Governmentwide Policy (OGP) in accordance with GSAM Case 2023-G505, Contracting Officer Warrant Board (COWB) updates, prior to these	Link to GSAM Case 2023-G505.	May 31, 2023	
documents/changes being issued by OGP.	PDF of OAM Newsletter and OAM email		
001b Communicate Policy via OAM Newsletter, Director's Monthly meeting.	to PBS Procurement directors		
002a Develop a schedule for development of an individual performance plan (IDP) for contracting officers at the GS-12 level and above that aligns with the updated FAC-C requirements and GSAM changes.	Link to schedule for development of an individual development plan (IDP) for contracting officers at the GS-12 level and above. A PDF version of the IDP schedule will also be provided to the OIG as needed.	July 31, 2023	
002b Communicate Schedule via OAM	PDF of OAM Newsletter and OAM email	Version Date: 12/16/2022	

Newsletter, Director's Monthly meeting.	to PBS Procurement directors	
· · · ·		1
		Version Date: 12/16/2022

Designated Responding Official: Tracy Marcinowski, Assistant Commissioner for Acquisition Management, Nicholas West,

Acting Director, Office of GSA Acquisition Policy, Integrity & Workforce

Contact Persons: Lawrence Hales / James Gregory

Telephone Numbers: 214.440-0489 / 202.401-8435

Date: 1/26/23

Report Number A210053/P/2/R23002	Recommendation numbers	Proposed Recommendation Completion
PBS Needs to Strengthen Its Training and		Date (Month/Year)
Warranting Program for Contracting	002	
Officers		October 2023

Finding(s): (For GSA Internal Use Only):

PBS lacks a standardized process for qualifying and appointing contracting officers.

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

Lack of Written Procedures and Process Inconsistencies.

#### Recommendation: Only one per page

Implementing a national policy to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants.

Action to be Taken Step by Step	Supporting Documentation	Documentation will be sent Last Duty
		Day of the month
001a: Review GSAM changes jointly with OGP	Link to GSAM Case 2023-G505	May 31, 2023
in accordance with GSAM Case 2023-G505,		

COWB Updates, prior to the change being issued by OGP.		
	PDF of OAM Newsletter and OAM	
001b: Communicate Policy via OAM	email to PBS Procurement directors	
Newsletter, Director's Monthly meeting		
002a: Consistent with the GSAM changes in	Link to the revised PIB. A PDF version	September 30, 2023
GSAM Case 2023-G505, amend/consolidate	of the PIB will be provided to the OIG	
existing Procurement Instructional Bulletins	as needed.	
(PIBs) as necessary with PBS-specific policy to		
establish a standardized process for evaluating		
and verifying the contracting experience and		
qualifications of warrant applicants.		
002b: Communicate Policy via OAM	PDF of OAM Newsletter and OAM	October 31, 2023
		-

Designated Responding Official: Tracy Marcinowski, Assistant Commissioner for Acquisition Management, Nicholas West,

Acting Director, Office of GSA Acquisition Policy, Integrity & Workforce

Contact Persons: Lawrence Hales / James Gregory

Telephone Numbers: 214.440-0489 / 202.401-8435

Date: 1/26/23

Report Number A210053/P/2/R23002	Recommendation numbers	Proposed Recommendation Completion
PBS Needs to Strengthen Its Training and		Date (Month/Year)
Warranting Program for Contracting	003	
Officers		October 2023

Finding(s): (For GSA Internal Use Only):

PBS is not effectively managing warrant authority risk.

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

PBS regions have not updated their regional Contracting Officer Warrant Program policies to reflect the changes in the warrant process and levels resulting from the transition to the new official acquisition career management system of record (i.e., Federal Acquisition Institute Cornerstone OnDemand [FAI CSOD]).

#### Recommendation: Only one per page

Implementing controls to mitigate warrant authority risks created by the limitations of the Federal Acquisition Institute Cornerstone OnDemand system.

Action to be Taken Step by Step	Supporting Documentation	Documentation will be sent Last Duty
		Day of the month

001: Review GSAM changes jointly with	Link to GSAM Case 2023-G505	May 31, 2023
OGP in accordance with GSAM Case		
2023-G505, COWB Updates, prior to the		
change being issued by OGP.		
002: Consistent with the GSAM changes	Link to the revised PIB. A PDF version of	September 30, 2023
in GSAM Case 2023-G505,	the PIB will be provided to the OIG as	
amend/consolidate existing Procurement	needed.	
Instructional Bulletins (PIBs) as necessary		
with PBS-specific policy to implement		
controls to mitigate warrant authority		
risks created by the limitations of		
the Federal Acquisition Institute		
Cornerstone OnDemand system.		
003: Communicate Policy via OAM	PDF of OAM Newsletter and OAM email	October 31, 2023
Newsletter, Director's Monthly meeting	to PBS Procurement directors	

Designated Responding Official: Tracy Marcinowski, Assistant Commissioner for Acquisition Management, Nicholas West,

Acting Director, Office of GSA Acquisition Policy, Integrity & Workforce

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Telephone Numbers: 214.440-0489 / 202.401-8435

Date: 1/26/23

Report Number A210053/P/2/R23002	Recommendation numbers	Proposed Recommendation Completion
PBS Needs to Strengthen Its Training and		Date (Month/Year)
Warranting Program for Contracting	004a	
Officers		October 2023

#### Finding(s): (For GSA Internal Use Only):

Warranting records are missing.

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

When GSA transitioned its career management system from FAITAS to FAI CSOD in June 2021, GSA was told not to download documents due to an overload on the FAITAS system and agencies were assured that documentation would migrate. However the system was not able to migrate 100% of documents or retain all the warrant records that were housed in FAITAS.

#### Recommendation: Only one per page

Ensuring that key warranting records for the PBS acquisition workforce are properly maintained.

Action to be Taken Step by Step	Supporting Documentation	Documentation will be sent Last Duty
		Day of the month

001: Consistent with FAI CSOD procedures, amend/consolidate existing Procurement Instructional Bulletins (PIBs) as necessary with PBS-specific policy to ensure key warranting and training records for the PBS acquisition workforce are accurate and properly maintained.	Link to the revised PIB. A PDF version of the PIB will be provided to the OIG as needed.	September 30, 2023
002: Communicate Policy via OAM	PDF of OAM Newsletter and OAM	October 31, 2023
Newsletter, Director's Monthly meeting	email to PBS Procurement directors	

Designated Responding Official: Tracy Marcinowski, Assistant Commissioner for Acquisition Management, Nicholas West,

Acting Director, Office of GSA Acquisition Policy, Integrity & Workforce

Contact Persons: Lawrence Hales / James Gregory

Telephone Numbers: 214.440-0489 / 202.401-8435

Date: 1/26/23

Report Number A210053/P/2/R23002	Recommendation numbers	Proposed Recommendation Completion
PBS Needs to Strengthen Its Training and		Date (Month/Year)
Warranting Program for Contracting	004b	
Officers		October 2023

#### Finding(s): (For GSA Internal Use Only):

PBS acquisition career managers do not have official delegation appointment memos.

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

Lack of infrastructure to support acquisition career management through delegation memos.

Recommendation: Only one per page

Ensuring that Heads of Contracting Activity formally appoint acquisition career managers via delegation appointment memos and communicate their duties and responsibilities.

Action to be Taken Step by Step	Supporting Documentation	Documentation will be sent Last Duty
		Day of the month
001: Review GSAM changes jointly with	Link to GSAM Case 2023-G505	May 31, 2023
OGP in accordance with GSAM Case		

2023-G505, COWB Updates, prior to the		
change being issued by OGP.		
002: Consistent with the GSAM changes	Link to the revised PIB. A PDF version of	September 30, 2023
in GSAM Case 2023-G505,	the PIB will be provided to the OIG as	
amend/consolidate existing Procurement	needed.	
Instructional Bulletins (PIBs) as necessary		
with PBS-specific policy to ensure that		
Heads of Contracting Activity formally		
appoint acquisition career managers via		
delegation appointment memos and		
communicate their duties and		
responsibilities. A copy of the delegation		
appointment memos will be required to		
be submitted to OAM to ensure		
compliance.		
003: Communicate Policy via OAM	PDF of OAM Newsletter and OAM email	October 31, 2023
Newsletter, Director's Monthly meeting	to PBS Procurement directors	

## Appendix B – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Acting Deputy Commissioner (P1)

Deputy Commissioner of Enterprise Strategy (P2)

Acting Chief of Staff (PB)

Acting Deputy Chief of Staff (PB)

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)