



# **U.S. Department of the Interior Office of Inspector General**

## **ADVISORY REPORT**

**EVALUATION OF THE PROCEDURES  
USED BY THE BUREAU OF LAND MANAGEMENT'S  
NATIONAL BUSINESS CENTER TO LEASE SPACE  
FOR THE KINGMAN, ARIZONA, FIELD OFFICE**

**December 2002**

**No. 2003-I-0007**



# United States Department of the Interior

## OFFICE OF INSPECTOR GENERAL

Central Region Audits  
134 Union Blvd, Suite 510  
Lakewood, CO 80228

December 10, 2002

### EVALUATION REPORT

#### Memorandum

To: Director, Bureau of Land Management

From: Anne L. Richards  
Regional Audit Manager

Subject: Evaluation of the Procedures Used by the Bureau of Land Management's National Business Center to Lease Space for the Kingman, Arizona, Field Office (No. 2003-I-0007)

### INTRODUCTION

This advisory report presents the results of our evaluation of the procedures used by the Bureau of Land Management's (BLM) National Business Center to lease space to house the BLM's field office in Kingman, Arizona. This evaluation was conducted at your request. Our objective was to determine whether the National Business Center's space leasing procedures (1) complied with generally accepted leasing and contracting practices to ensure full and open competition and (2) satisfied the Kingman field office space requirement needs. Since FY 2001 BLM has been attempting to lease the needed space, but for various reasons had to stop the process three times. We limited our review to the current leasing process, which was advertised on July 12, 2001. We only reviewed the current process as it superseded the previous cancelled attempts.

### DISCUSSION

We have concluded that the National Business Center's leasing procedures for this project complied with generally accepted leasing and contracting practices. Although the final award of the contract has not been made, nothing came to our attention that indicated the Kingman field office requirements would not be met in a cost conscious and free and open environment.

Based on our discussions with the Contracting Officer and our technical reviewer plus a technical review of the Solicitation for Offers, we summarized the basic requirements for procuring lease space and evaluated BLM's procedures against those general requirements. Overall, generally accepted leasing and contracting practices require that there be no limiting restrictions of the solicitation, specifications, or technical acceptability to ensure full and open competition among potential offerors. Our conclusions regarding each step of the process are as follows:

**Space Requirements.** The space requirement needs for the Kingman field office were established before being advertised, were adequately supported, and the approximate square footage of the space requirements had not been modified throughout the process.

**Advertisement.** The National Business Center properly advertised the space requirement needs for the Kingman field office.

**Market Survey.** The National Business Center's Contracting Officer conducted an adequate market survey, and we verified that the requirements were uniformly applied on all properties proposed by interested parties.

**Solicitation for Offers.** Based on the market survey results conducted by the Contracting Officer, a Solicitation for Offers was sent to offerors whose properties were determined to be acceptable to meet the Kingman field office's space needs. The Contracting Officer also communicated to the offerors any reasons for properties determined to be unacceptable.

**Negotiation.** The Contracting Officer is currently holding discussions with the offerors who, according to the Contracting Officer, are in a close competitive range, and he is evaluating the proposals made by each offeror. The Contracting Officer indicated that he would request each of the offerors to submit a best and final offer before he decides to whom to award the contract. This procedure complies with the Competition in Contracting Act that requires each agency to evaluate bids and proposals on the basis of factors specified in the solicitation and whose bid or proposal is most advantageous to the Government, considering the prices and other factors.

**Award Factors.** The Contracting Officer stated that he would award the contract based on factors established in the Solicitation for Offers, primarily best price.

## **SCOPE, METHODOLOGY, AND STANDARDS**

We conducted our evaluation from September through December 2002 at the National Business Center in Lakewood, Colorado, and at the Kingman field office in Kingman, Arizona. We obtained a technical review of the requirements and specifications of the current Solicitation for Offers; interviewed the Contracting Officer; reviewed file documents provided by the Contracting Officer; verified the results of the

market survey conducted by the Contracting Officer in Kingman, Arizona; and reviewed the requirements established in the Competition in Contracting Act. A leasing expert from another Departmental agency performed the technical review. Our evaluation was performed in accordance with the President's Council on Integrity and Efficiency Quality Standards for Inspections.

We wish to thank the BLM employees at the National Business Center and at the Kingman field office for their cooperation in this evaluation. If you have any questions regarding this matter, please feel free to contact me at (303) 236-9243. A response to this report is not required.

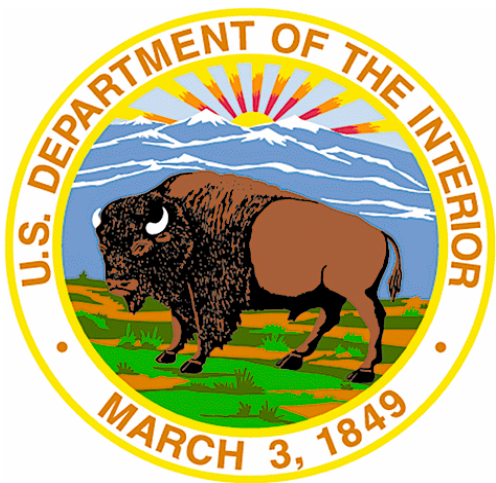
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