



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

RECOVERY

RECOVERY OVERSIGHT ADVISORY

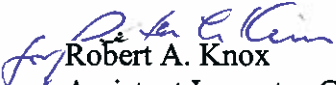
Historic Preservation Training Center ARRA Compliance



**OFFICE OF
INSPECTOR GENERAL**
U.S. DEPARTMENT OF THE INTERIOR

JUL 15 2010

To: John C. Henderson
Senior Advisor to the Secretary for Economic Recovery and Stimulus

From:  Robert A. Knox
Assistant Inspector General for Recovery Oversight

Subject: Recovery Oversight Advisory – Historic Preservation Training Center ARRA
Compliance (ROO-ROA-NPS-6003-2010)

This advisory, regarding the Historic Preservation Training Center (HPTC), is part of our ongoing efforts to oversee and ensure accountability of funding appropriated to the U.S. Department of the Interior (DOI) in the American Recovery and Reinvestment Act of 2009 (Recovery Act).

We will post this advisory on our website (www.doi.ig.gov/recovery/) and on Recovery.gov. Information contained in this advisory may also be included in our semiannual reports to Congress. Please contact me if you have any questions.

Background

HPTC is a service organization under the National Park Service (NPS) Office of Workforce Management, Training and Development Division. The center provides expertise for historic preservation, rehabilitation, and related training. HPTC employees and trainees are federal employees, either hired by HPTC or on detail from NPS parks. These employees work on various historic preservation projects located at national parks as outlined in project agreements between HPTC and specific units. Project agreements indicate whether HPTC will contract for functions, such as construction, which cannot be performed by HPTC employees.

Comingling Recovery Act Funds

On February 9, 2010, HPTC and the Chickamauga and Chattanooga National Military Park entered into an agreement to preserve five large commemorative monuments on the Orchard Knob Reservation. The agreement totaled \$289,680. The Recovery Act funds \$153,984, while the other \$135,696 is funded by the park's cultural resources cyclic maintenance fund. The project agreement does not distinguish between these two sources. According to Office of Management and Budget Guidance M-09-15 Section 4.3, to better ensure transparency of Recovery Act dollars spent, agencies cannot comingle Recovery Act and non-Recovery Act funds. When this issue was brought to the attention of HPTC, training center staff promptly drafted two separate agreements to account for the two separate sources of funds.

We found no other instances of comingling of Recovery Act funds on HPTC projects.

Davis-Bacon Act Violation

On August 31, 2009, HPTC and the Chesapeake & Ohio Canal (C&O Canal) National Historical Park entered into an agreement for masonry preservation and rebuilding of C&O Canal Lock 22. The work required contracting for a 12-ton crane and an operator from a private company for \$23,425. The HPTC contracting officer originally determined that the Davis-Bacon Act did not apply to the contract and therefore did not insert the applicable clause. We also found the contractor did not pay employees Davis-Bacon wages for the area.

Not including the Davis-Bacon Act clause in the contract violates Federal Acquisition Regulation (FAR) 22.407(a), which requires that the Davis-Bacon Act clause, FAR 52.222-6, be inserted in “solicitations and contracts in excess of \$2,000 for construction within the United States.” The HPTC contracting officer was unable to support an exemption to the Davis-Bacon Act. Consequently, a modification to the contract will be issued to incorporate the Davis-Bacon Act clause and to add the necessary funding to meet the requirement. The contractor will submit certified payrolls and compensate affected employees with the difference between the initial rate paid and the new rate.

The contracting officer indicated that no other contracts need to be evaluated for Davis-Bacon Act compliance.

cc: Deputy Secretary, Department of the Interior
Director, National Park Service
Assistant Secretary – Policy, Management, and Budget
Acting Director, Office of Financial Management
Director, Office of Acquisition and Property Management
Superintendent, Historic Preservation Training Center
Department GAO/ OIG Audit Liaison
Audit Liaison, Office of the Secretary
Audit Liaison, National Park Service
Bureau Recovery Coordinator, National Park Service
Bureau Procurement Chief, National Park Service

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