

**STATEMENT OF
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ACTING COMMISSIONER
PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE
COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES
JULY 31, 2009**



Good Morning Chairman Oberstar, Ranking Member Mica, and members of this Committee. My name is Tony Costa and I am the Acting Commissioner of the General Services Administration's Public Buildings Service. Thank you for inviting me to appear before you today to discuss GSA's contribution to our nation's economic recovery through the green modernization and construction of our buildings.

GSA's Public Buildings Service (PBS) is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 owned and leased assets with nearly 354 million square feet of space across all 50 states, 6 territories, and the District of Columbia. Our portfolio is composed primarily of office buildings and courthouses, land ports of entry, and warehouses. GSA's goal is to manage these assets responsibly while delivering and maintaining superior workplaces at best value to our client agencies and the American taxpayer.

The American Recovery and Reinvestment Act of 2009 (the Recovery Act) gave us an unprecedented and exciting opportunity to contribute to our nation's economic recovery. The investments we make in our public buildings will help stimulate job growth and retention in the construction and real estate sectors, help us reduce energy consumption in our buildings, improve the environmental performance of our real estate inventory, and help us reduce our backlog of repair and alteration needs, increasing the overall value of our assets. In addition, our investments in our buildings are helping to further the development of energy efficient technologies, alternative energy solutions and green building technologies.

Progress

On April 29, 2009, GSA had the opportunity to describe our strategy for investing these funds in our public buildings. As of this afternoon, we met our goal of obligating \$ 1 billion of Recovery Act funds by August 1, 2009. Our goal is to obligate another \$1 billion by the end of the calendar year. We have set interim target dates for project awards in each quarter to ensure we obligate \$5 billion of the \$5.5 billion we received in Recovery Act funds by the end of fiscal year 2010.

We will provide you with a list of all obligations we have made as of today. Major projects awarded as of July 22 include:

CA	Bakersfield	New Courthouse
CA	Los Angeles	300 North LA Federal Building-
CA	Otay Mesa	Land Port of Entry
CO	Boulder	David Skaggs Research Center
CO	Denver	Byron Rogers Federal Building-
CO	Denver	Custom House Federal Building and Courthouse
CO	Denver	Chavez Federal Building

CO	Denver	Federal Center Infrastructure-
CO	Denver	Byron White U.S. Courthouse-
CO	Fort Collins	Federal Building Post Office-
CO	Lakewood	Denver Federal Center
DC	Washington	Lafayette (Phase I)
DC	Washington	St. Elizabeths West Campus Infrastructure
DC	Washington	Mary Switzer (Phase II)
DE	Wilmington	J. Caleb Boggs Courthouse Federal Building
FL	Tampa	Sam M. Gibbons U.S. Courthouse (escalation)
GA	Atlanta	Peachtree Summitt Federal Building
HI	Honolulu	Prince Kuhio Kalaniana'ole Federal Building-Courthouse
IL	Chicago	Federal Center
IN	Indianapolis	Minton-Capehart Federal Building
IN	Indianapolis	Birch Bayh U.S. Courthouse
IN	Indianapolis	Major General Emmett J. Bean
KS	Kansas City	Robert J. Dole U.S. Courthouse
KS	Wichita	U.S. Courthouse
MA	Andover	IRS Service Center
MA	Boston	JFK Federal Building
MA	Boston	Thomas P. O'Neill Jr. Federal Building
MD	Woodlawn	CMS Headquarters Complex
ME	Bangor	Margaret Chase Smith U.S. Post Office Courthouse
ME	Calais	U.S. Land Port of Entry
ME	Van Buren	U.S. Land Port of Entry
MI	Detroit	McNamara Federal Building Complex
MN	Fort Snelling	Whipple Federal Building
MO	Kansas City	8930 Ward Parkway
MO	St Louis	Thomas Eagleton U.S. Courthouse
MO	St. Louis	Robert Young Federal Building
MS	Jackson	U.S. Courthouse (escalation)
MT	Billings	U.S. Courthouse
NE	North Platte	Federal Building
NE	Omaha	Hruska Courthouse
NE	Omaha	Edward Zorinsky Federal Building
NJ	Newark	Peter Rodino Federal Building
NY	Brooklyn	Emanuel Celler U.S. Courthouse
NY	New York	Thurgood Marshall Building
OR	Portland	Edith Green-Wendell Wyatt Federal Building
PA	Philadelphia	US Customs House
PA	Philadelphia	Veterans Administration Center
TX	Galveston	U.S. Post Office and Courthouse
TX	Houston	G.T. Leland Federal Building
TX	San Antonio	Hippolito Garcia U.S. Courthouse
VA	Richmond	Robert Merhige U.S. Courthouse
WA	Blaine	Peace Arch Port of Entry
WA	Seattle	Federal Center South
WV	Charleston	Robert C. Byrd Federal Building and Courthouse
WV	Huntington	Federal Building

WV	Martinsburg	Federal Building
WY	Cheyenne	Joseph C. O'Mahoney Federal Center

The projects we have funded are varied; they cover our entire portfolio. Examples include a key contract for utility system upgrades at the Denver Federal Center using current, more efficient technologies and built to current code requirements. At this facility, we currently have 50 year old utility infrastructure that includes 13.4 miles of underground fire lines, 11.3 miles of domestic water and drain lines, and 8.3 miles of sanitary sewer lines. Over the past 10 years, utility systems have become increasingly unreliable with the most serious failure in 2001 when the entire campus was shut down as a result of the main domestic water line break. We had previously scheduled the infrastructure repair project to be funded in fiscal year 2010 as a phased project. The Recovery Act provided the opportunity to fully fund and accelerate this project as a single project in fiscal year 2009, saving all of the extra costs associated with multiphase projects. As of July 17th, \$47 million has been awarded for the project, \$7 million ahead of schedule.

In Montana, GSA has acquired the site for the U.S. Courthouse in Billings. The demolition contract for two buildings located on the site will be awarded to a Service Disabled Veteran business.

In addition to funding new project starts, we are improving projects already underway by adding new high performance green features. In many cases, these features were not previously available on the market or may not have been possible given other constraints. For example, we are incorporating \$1.5 million in additional energy conservation measures to the existing design of the Edith Green-Wendell Wyatt Federal Building in Portland, Oregon. At the Hruska Courthouse in Omaha, Nebraska, the aging roof will be replaced with a brand new, energy efficient roof system including additional insulation; if feasible, it will include an integrated photovoltaic system. These high performing green features will help us shave our peak load, reduce our energy consumption and reduce our energy costs.

Our progress toward the consolidation of the Department of Homeland Security (DHS) at St. Elizabeths in Washington, D.C. is on track. We will build this project in 3 phases. Phase 1 includes a new headquarters for the U.S. Coast Guard and as we committed, we anticipate awarding the first design/build contract for the Coast Guard Headquarters in mid-August. This award will contain our first significant obligation of Recovery Act dollars for the DHS Headquarters consolidation. Most recently, we awarded a \$1.2 million contract for abatement and demolition services to L&M, a small business contractor located in Capitol Heights, Maryland. We are planning a groundbreaking ceremony to commemorate the DHS initiative in September and we hope you will accept our invitation to attend.

Jobs

To date, PBS has obligated \$1 billion for federal construction projects funded by the Recovery Act. The Council of Economic Advisers estimates that 10,854 direct, indirect (from manufacturing materials), and induced (from people providing goods and services to the direct and indirect workers) job-years are created for every billion in Recovery Act dollars spent.

We are excited that apprenticeship and pre-apprenticeship programs will be an integral part of our Recovery Act projects. With regard to pre-apprenticeship programs, we have identified key locations with the highest unemployment rates and with the greatest Recovery Act project opportunities. We have issued a Request for Information (RFI) – Sources Sought to identify providers of pre-apprenticeship training programs who are interested in seeking Recovery Act funds to establish, continue, enhance, or further pre-apprenticeship training opportunities. On August 1, 2009, we will then issue a Request for Proposals (RFP) to qualified organizations and associations who can most effectively leverage Recovery Act funds for pre-apprenticeship programs. These pre-apprenticeship programs may include on-the-job-training, classroom training and work-life training.

We have drafted contract provisions modeled on our National Capital Region's Apprenticeship program. These clauses have been included in the construction contract for St. Elizabeths and will be included in all our major construction contracts effective August 1, 2009.

We are working with the Department of Transportation to find ways of optimizing our resources and contract vehicles to more effectively implement apprenticeship programs. In addition, GSA and the Department of Labor signed a Memorandum of Understanding effective July 1, 2009, to promote apprenticeship and pre-apprenticeship programs in our Recovery Act projects.

Finally, we have identified 10 large Recovery Act projects, representing \$1.25 billion in Recovery Act spending, located in 7 states and the District of Columbia, where Project Labor Agreements (PLAs) may be used, as appropriate. A PLA is a collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project, promoting the efficient and expeditious completion of the project. This is consistent with the President's new executive order promoting the use of PLAs in connection with large-scale federal construction projects.

Managing the Work

Staffing

The Recovery Act has dramatically increased PBS's workload. To address this increased workload, we have moved experienced existing personnel to support Recovery Act work. We have completely staffed our National Program Management Office (PMO) for Recovery Act activities with subject matter experts, oversight and program managers, zone executives and managers and regional recovery executives in each region. The nationally managed PMO tracks and monitors the regional execution of Recovery Act projects. At our GSA Regional Offices, projects are executed with speed, tempered by careful consideration of our procurement responsibilities and our ultimate accountability to the American taxpayer.

Gaps created by moving staff to Recovery Act work as well as new staffing requirements created by the burgeoning Recovery Act workload are being filled, as appropriate, with temporary/term Federal personnel or contractors. To expedite this process, we are requesting additional direct hire authority for Project Managers (1100) and Interdisciplinary Architects/Engineers (0800) in addition to existing 1102 (Contracting) and 1170 (Realty Specialist) direct hire authority. OPM has approved GSA's request for a waiver to offset the penalty for reemployed annuitants for specific occupations necessary for delivery of the Recovery Act program.

We have also established standing registers for Contracting Specialists, Project Managers, and Interdisciplinary Architect/Engineer positions and we are developing a marketing campaign that includes job fairs, newspaper advertisements, and advertising with professional organizations. Over 5,500 people have applied for and been placed on our standing registers, from which we can select candidates as positions open without the need for further advertising.

As of July 21, 2009, we had hired:

- 23 FTEs
 - 9 permanent 1102's
 - 2 annuitants
 - 1 industry hire
 - 11 – temporary/term
- 6 contractors

Accelerated Procurement

In the area of procurement, we are taking specific actions to accelerate the award and execution of contracts more quickly. For example, to streamline our procurement process and to ensure nationwide consistency, we have developed standard Statements of Work (SOW), performance specifications, technical/design guides, and contract templates. We are using standardized SOWs for Advanced Metering, Ground-Mounted and Roof-Mounted Photovoltaic;

Re-Commissioning/Retro-Commissioning, Relighting, Interior and Bi-Level Stairwell Lighting and Lighting Controls; Parking Garage and Parking Lot Lighting. In addition, we have issued Guidance on Cool and Planted Roofs; Guidance on Water Efficiency, Minimum Performance Criteria for New Construction and Modernization; and Historic Building Technical Guides for HVAC, Lighting, Roof and Window Upgrades.

We have awarded national and regional contracts to support Recovery Act reporting, tracking, and contract management. These tools were provided to our regions earlier this month. We are currently working on technical guides to assist our regional staff with relighting and photovoltaic projects.

We are also taking steps to accelerate contract execution. These include:

- Increasing project monitoring and oversight to track project milestones such as Receipt of Bonds, security clearance processing, Notice to Proceed, mobilization; and on-site preparation work; and
- Determining the feasibility of creating separate contract line items associated with mobilization, demobilization and preparatory work that are tied to the schedule of values. This would enable contractors to invoice for “early” progress payments based on meeting those early milestones.

Support to other Agencies

We also support the real estate needs of other agencies which have received Recovery Act funding, such as the Social Security Administration (SSA), the Department of State, the National Oceanic and Atmospheric Administration (NOAA), DHS, and DHS Customs and Border Protection (CBP). In total, we anticipate receiving approximately \$1.5 billion for Recovery Act projects from our customers.

- As part of the Recovery Act, SSA received a \$500 million appropriation for a new National Support Center to replace the existing National Computer Center in Woodlawn, Maryland. SSA turned to GSA for assistance in locating, designing and building this new data center, which will meet the agency’s redundancy and expansion needs for the long-term. We are committed to our partnership with SSA in defining their site, building infrastructure and space requirements. Currently, we are working with SSA to develop the facility design requirements and simultaneously conducting a search for land to house the new facility. Land purchase is scheduled for March 2010, with construction expected to start in March 2011.
- The Department of State (State) plans to use \$70 million of Recovery Act funds for a new Foreign Affairs Security Training Center. GSA is

- We are providing acquisition, project management, planning, design/build, and construction management services in support of CBP's funded Land Port of Entry (LPOE) Modernization Program. Recovery Act funds will be utilized to replace seven aging LPOEs in four states along the northern border: Morgan, Scobey and Wild Horse in Montana; Churubusco in New York; Antler and Noonan in North Dakota; and Frontier in Washington. All projects are currently out for bid under existing GSA IDIQ contracts. Bid opening and proposal evaluation occurred in mid-July. We expect projects to be awarded by mid-August.

Conclusion

Today, I have described our recent accomplishments and contributions to our nation's economic recovery through our investments in green technologies and reinvestment in our public buildings. We look forward to working with you and members of this Committee as we continue to deliver this important work.