RECOVERY TRACKING HEARING #3: FOLLOWING THE DOLLARS TO THE JOBS

(111–72)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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October 26, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on the "Recovery Tracking Hearing #3: Following the Dollars to the Jobs"

PURPOSE OF THE HEARING

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Tuesday, October 27, 2009, at 2:00 p.m., in room 2167 of the Rayburn House Office Building to receive testimony from the General Services Administration (GSA), the Economic Development Administration (EDA), and the Smithsonian Institution. The panel will provide testimony on the plans of GSA, the EDA, and the Smithsonian Institution to execute projects funded by the American Recovery and Reinvestment Act (P.L. 111-5) (ARRA).

BACKGROUND

The Subcommittee has jurisdiction over all of GSA's real property activity through the Property Act of 1949 (P.L. 81-152), the Public Buildings Act of 1959 (P.L. 86-249), and the Cooperative Use Act of 1976 (P.L. 94-541). These three Acts are now codified as Title 40 of the United States Code. The Public Buildings Service (PBS) is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal Government. Additionally, PBS leases privately-owned space for Federal use. PBS, with a work force of approximately 6,000 employees, owns, operates, maintains, and repairs existing Federal buildings, and plans for the construction of new Federal buildings, including courthouses.

GSA owns over 1,600 Federal buildings totaling 181 million square feet of space, which provide office space for 470,000 Federal workers. It also provides space in Federal buildings for child-care and telecommuting. The inventory ranges from 2,500 square foot border crossing

stations along the northern border, to million square foot courthouses located in major metropolitan areas.

The American Recovery and Reinvestment Act of 2009

The ARRA appropriated $5.5 billion for GSA to construct and renovate Federal facilities and to convert existing Federal buildings to more energy efficient buildings. On March 31, 2009, GSA released a comprehensive list of capital projects it intended to move forward with for Congressional review. The project list includes projects in all 50 states, the District of Columbia, and two U.S. territories.

Projects listed include the construction of Federal buildings, U.S. courthouses, land port of entries, and converting existing Federal buildings into high performance green buildings. GSA will be constructing and renovating buildings previously authorized by Congress. Modernization projects include green roofs, photovoltaic roofs, cool membrane roofs, and insulating roofs with conventional insulation. These projects will also address lighting, water conservation, HVAC retrofitting and replacement, and building systems tune-ups. There are 17 construction projects and over 200 building modernization projects on GSA's list.

Some of the largest projects include:

A. Construction

- $450 million - Consolidation of the Department of Homeland Security headquarters, Washington, DC
- $116 million - U.S. Courthouse, Austin, TX
- $199 million – U.S. Land Port of Entry, Nogales, AZ
- $80 million – U.S. Courthouse, Billings, MT

B. Modernization

- $117 million – Internal Revenue Service Center, Andover, MA
- $146 million – Peter Rodino Federal Building, Newark, NJ
- $99 million – Degatau & Courthouse, San Juan, PR
- $121 million – A. J. Celebrezze Federal Building, Cleveland, OH
- $133 million – Edith Green-Wyndell Wyatt Federal Building, Portland, OR
- $167 million – Byron Rogers Federal Building, Denver, CO
- $161 million – GSA headquarters, Washington, DC

GSA has established a Project Management Office (PMO) to administer the ARRA funds. The PMO is expected to work in concert with the PBS to quickly obligate the funds. In addition to creating jobs, the stimulus funds have the dual purpose of addressing a backlog of capital and maintenance actions necessary to manage the GSA capital asset portfolio, and meet the energy goals of the Energy Independence and Security Act (P.L. 110-140) (EISA) for public buildings.

The purpose of the hearing is to examine the process of how GSA plans to execute the ARRA and how many of the streamlining measures that occur in the execution of ARRA can be

used in future GSA operations. We anticipate there will be significant demand on GSA personnel to implement the stimulus proposal and GSA will be operating with essentially the same amount of personnel in the agency before ARRA became public law. The Subcommittee will review GSA obligation milestones as well as progress in hiring additional personnel.

On April 22, 2009, the EDA released its ARRA spending plan detailing how it will allocate the $150 million in ARRA funds among it six regions. The Subcommittee will examine the progress of these allocations. The Subcommittee will also review the progress by the Smithsonian Institution on allocating its ARRA funds.

WITNESSES

The Honorable John R. Fernandez
Assistant Secretary of Commerce for Economic Development
Economic Development Administration

Mr. Robert Peck
Commissioner, Public Buildings Service
U.S. General Services Administration

Mr. Bruce Kendall
Director
Office of Facilities Engineering and Operations
Smithsonian Institution

Mr. Kenneth M. Grunley
President
Grunley Construction Company, Inc.

Ms. Camille Cormier
Director, Local Programs and Policy
Wider Opportunities for Women

Ms. Kathleen McKirchy
Director
Community Services Agency, Metropolitan

Mr. John P. O'Keefe
Division President, Public Division
Clark Construction Group, LLC

RECOVERY TRACKING HEARING #3: FOLLOWING THE DOLLARS TO THE JOBS

Tuesday, October 27, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:10 p.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. This recovery tracking hearing number 3 is open for business.

The American Recovery and Reinvestment Act of 2009, which we call the Recovery Act, or the stimulus, signed into law on February 17th, 2009, provided 5.5 billion for the General Services Administration, 4.5 billion of which was to convert GSA buildings into high-performance green buildings in all 50 States, the District of Columbia, and the 4 territories. In addition, GSA received $300 million for border stations and lands of entry, and an additional $750 million for repair, alteration, and construction of Federal buildings and courthouses, $450 million of which was allocated to the new Department of Homeland Security headquarters compound buildings to be located on the St. Elizabeth's campus in ward 8 of the District of Columbia.

The Smithsonian Institution received an appropriation of $25 million for facilities capital, which was to be used for repair and revitalization of its many deteriorating facilities.

The Economic Development Administration received $150 million, almost all of which was allocated for strategic grant investments in areas hard hit by the current recession.

The Recovery Act is premised on the direct spending that data from many decades has shown has the best record for simultaneously stimulating the economy, providing jobs, and meeting the ongoing and existing responsibilities of government at every level for public infrastructure. The Recovery Act's primary purpose is to stimulate economic recovery through investments that preserve and create jobs, spur technological advances to enhance energy conservation, and improve infrastructure to provide long-term economic benefits.

Our goal, though, is not only to distribute the funds quickly and to spark short-term job creation, but to ensure that these investments will lead to long-term, higher-skill, and higher-wage jobs. To

this end we will be interested in how the apprenticeship training funds I got included in our package are being implemented.

Today, nearly 8 months after the passage of the Recovery Act, we want to know specifically about results. How many jobs have been created? How much has been obligated and spent? How much is left to be spent? When will it be spent, and whether it will be spent by the September 2010 deadline. If GSA knows that 38,000 jobs will be produced by the DHS headquarters construction over a period of several years, I am also interested in its calculation of the number of jobs to be created by the total $5.5 billion.

This Subcommittee's tracking hearings will continue throughout 2010, the duration of the stimulus funding, because of our unique responsibility among the various Committees that are charged with oversight of stimulus funds. Unlike other funds in the Recovery Act, the funds under our jurisdiction are not distributed to the States. GSA, EDA, and the Smithsonian are not pass-throughs, but instead directly administer stimulus funds and contract for the work. This Subcommittee in turn bears a similar direct responsibility for the stimulus funds under our jurisdiction, and must continue to conduct especially vigorous oversight of these agencies.

Americans can find the projects in their States and localities on line, and we invite their comments and observations on job creation, efficiency, and other aspects of the work.

The stimulus has given the GSA an unparalleled opportunity to build the biggest development in its 60-year history, the Department of Homeland Security headquarters compound of three buildings and the reuse of 60 historical structures. This development may be the largest project anywhere in the United States today. This work will occur over a period beyond the initial stimulus funding, over several more years. However, based on the difficulty I encountered in securing the first funding, I know that additional funding will depend on how well and how quickly the current work proceeds. So much is at stake that we will hold special hearings on the DHS project alone from time to time. Today we want to understand what has begun there, what has been accomplished so far, who and how many have been hired, and what the timeline is on the DHS headquarters overall, among other questions.

I was able to get the first sizable funding for the DHS headquarters project only by arguing that the project would provide a clear, proven case for job creation for a vital Federal agency. I will not be able to get the necessary additional funds, totalling more than $2 billion for the DHS compound, without a showing of significant progress both in job creation and in efficiently getting the first building up, while simultaneously beginning work on making the historic structures usable.

In addition, the GSA stimulus funding also bites into the GSA backlog of repair for its vast inventory. The Subcommittee expects a quick start on much of that work in particular. Many repair and rehabilitation projects do not require extensive design work, and therefore can be implemented quickly to provide jobs of many kinds at a variety of skill levels, while meeting the purpose of stimulating the economy. The repair and alteration of GSA's existing Federal buildings will also retain space in the Federal inventory for occupancy by Federal agencies, which helps prop up the declining Fed-

eral Building Fund that in turn returns rent payments to the Federal Government to fund repairs and rescue the GSA inventory from another cycle of decline.

The Smithsonian Institution likewise has a huge backlog of repairs for facilities. Although the Recovery Act funding for the Smithsonian is small relative to the need, these funds should permit a more systematic approach to shoring up its infrastructure, while creating jobs.

For the record, I also want to comment today on highway stimulus fund spending by the District of Columbia. Though tracked through another Subcommittee of this Committee, the Committee has had oversight hearings on the Recovery Act spending by agencies and the States for all of our Subcommittees. At the last hearing of the Full Committee, I was chagrined to see the District of Columbia listed next to last among the 50 States and the District of Columbia on highway stimulus fund spending. I want to report today, however, that 70 percent of the District's highway stimulus funds have been awarded or spent.

As the stimulus bill was being considered, I took pains to see that the District was treated as a State for funding purposes. In reality, however, the District could not begin its work, like States with large departments of transportation staffs on hand, but instead must rely almost entirely on contractors. Now that most of the work is in progress, it appears that the city is using the funds as Congress most desired, for energy conservation and sustainable projects that facilitate walking, cycling, and mass transit improvements, and other projects that improve the local retail and commercial environment.

Just yesterday Chairman Jim Oberstar and I went to Murch Elementary School, where the National Center for Safe Routes to School awarded Murch Elementary the James L. Oberstar Safe Routes to School Award for being the best in the country in encouraging walking and biking to school. Murch was able to win the award because the District added $4 million from its stimulus funds to its existing infrastructure funding for the Safe Routes to School program. Without objection, I am placing a letter from the Mayor of the District of Columbia detailing this progress into the record.

[Information follows:]

ADRIAN M. FENTY
MAYOR

October 26, 2009

The Honorable James L. Oberstar
Chairman
Transportation and Infrastructure Committee
United States House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Oberstar:

This letter is written in response to your October 1, 2009 letter regarding the District of Columbia's performance related to the American Recovery and Reinvestment Act of 2009 (ARRA). In that letter you urged the District to expedite the expenditure of its ARRA highway formula funds.

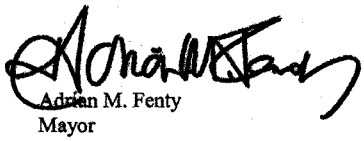
I am pleased to inform you that we have made tremendous progress expending ARRA highway funds during the month of October. As of the writing of this letter, we have awarded or spent $76.3 million of those funds, nearly 70% of the $109 million the District has been approved to spend, and we are taking the appropriate steps to ensure that the remaining 30% will be expended by the statutorily imposed deadline. While we desired to have these projects underway more quickly, the District is in full compliance with the statutory requirements of ARRA. Moreover, we are working closely with the Federal Highways Administration (FHWA) to ensure that all ARRA funds are spent as soon as possible while at the same time addressing the longstanding infrastructure improvement needs of the District.

Additionally, the District has committed ARRA funding to projects that encourage more sustainable modes of travel such as bicycling (e.g., Smart Bike program expansion), walking (e.g., Safe Routes to School) and projects that improve the local retail and commercial environment. These efforts will provide an ongoing benefit to the District in terms of job creation and economic development. However, because these projects are fairly innovative, they require more time to finalize contracts and initiate spending. Please know that the District shares your commitment to employing these funds rapidly to stimulate the economy and believes the return on the investment in these projects will align with the spirit and intent of ARRA.

The state ranking information cited in your letter is an important measure but I am fully confident in our ability to comply with ARRA and contribute to the nation's economic growth.

Thank you for your leadership on this issue and for your continued support of the District of Columbia. Should you have any questions, please do not hesitate to contact my Director of the District Department of Transportation, Gabe Klein, at (202) 671-3238 or via email at Gabe.Klein@dc.gov.

Sincerely,



Adrian M. Fenty
Mayor

Ms. NORTON. We look forward to hearing from the GSA, the EDA, and the Smithsonian Institution about what exactly has been accomplished. We are also pleased to welcome private contractors who have received Recovery Act funds.

With that, I am pleased to invite the Ranking Member to offer remarks at this time.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman. Thank you for holding this very important hearing. As you said, this is the third oversight hearing by the Subcommittee under your leadership on the Recovery Act funding to agencies within our jurisdiction.

As everybody knows, in February, Congress enacted the bill, a bill that the administration and those who were supporting it touted as necessary to create jobs and to stimulate the economy. At the time the administration asserted, both publicly and in writing, that spending that $787 billion of taxpayers' funds would create an estimated 3- to 4 million jobs. Now, doing some simple math, that works to close to $200,000 per job created or saved. That was the promise. That was the hope.

Since the Recovery Act passed in February, the national unemployment rate has unfortunately increased to almost 10 percent, to actually 9.8 percent. Unfortunately, in the State of Florida it is now above 10 percent; it is at 11 percent. Now, according to the Recovery.gov Web site, and I have it here, just over 30,000 jobs have been created or saved with $173 billion paid out so far. Simple math will tell you that that is basically $5.7 million per job. Obviously, that should give everybody serious reasons to be concerned, because we obviously must do much better than that.

Now, as I mentioned before in previous hearings, the priority under this spending bill was supposed to be creating jobs. That was its stated purpose. That was what was promised to the American people. However, I have continued raising the concerns that other issues have trumped, unfortunately, the priority of creating jobs. For example, out of the $5.5 billion for GSA's Federal Building Fund, not less than $4.5 billion was designated for converting Federal buildings to high-performance green buildings. I have brought this up a number of times. Now, look, obviously energy efficiency and conservation is an important issue. It is one that I greatly support. But the priority of that legislation and the priority of the times, I think, dictate that the priority has to be creating jobs.

With all that said, I am interested in hearing from witnesses today on their progress and how many jobs they have created so far. I do understand that the Economic Development Administration has obligated all of its funds. And we know that EDA has a track record of actually leveraging taxpayer dollars to create jobs and to spur investment by the private sector, because they leverage it with the private sector. For example, EDA investments in fiscal year 2007 created or retained American jobs at an average cost of $4,000 per job, and EDA leveraged over $26 in private sector capital investment for every dollar, taxpayer dollar, invested. That is pretty good bang for the buck. That is an example of the type of return on investment that we should insist upon for the enormous amount of money that the taxpayer, their children, and their grandchildren have been asked and have been forced to, frankly,

put forward. So I am interested in hearing whether the same job figures are holding for EDA's stimulus funds.

I hope as we move forward on those Recovery Act projects that we can see significantly more jobs created and a good return on investment for the American taxpayer. I look forward to hearing from the witnesses today on this important issue. And I once again need to thank the Chairwoman of this Subcommittee for her diligence in making sure that job creation is emphasized and that we continue to do oversight. And while I thank you, Madam Chairwoman, I would be remiss if we don't thank the Chairman of the Full Committee, who has been very adamant on trying to make sure that we continue to emphasize that as well.

Thank you, Madam Chairwoman. I look forward to the hearing.

Ms. NORTON. I thank you very much, Mr. Diaz-Balart.

Ms. NORTON. And I just want to indicate that I recall your view and the view of the Minority in the Congress that more of this money should have gone for transportation and infrastructure, and less for other matters. And I do want to caution you about calculating the expenditure of money over time by looking at obligated money compared to number of jobs. The obligated money is an amount of money obligated, still going out into the economy, and does not reflect the number of jobs that are created over time. And that is the only way to see—when we see what money has been spent, that is the only way to know the number of jobs.

But I understand your concern, and that is why we are holding these hearings. And I very much appreciate your active and cooperative participation in all of these hearings.

Are there remarks from the other Members? Mr. Walz, do you have any remarks? Mr. Walz of Minnesota?

Mr. WALZ. Well, thank you, Madam Chairwoman and the Ranking Member, for holding this hearing. I will just go ahead, with no objections, I will put my statement in the record so we can hear our witnesses.

Ms. NORTON. Thank you very much, Mr. Walz. I appreciate you being here.

Mr. Carnahan of Missouri.

Mr. CARNAHAN. Thank you, Madam Chair. I did have some brief remarks.

I want to thank you and the Ranking Member for really leading this hearing to examine the execution of projects by GSA, EDA, and the Smithsonian funded by the American Recovery and Reinvestment Act.

Part of the Recovery Act that I am particularly interested in is the 5.5 billion apportioned to GSA to upgrade its facilities. Specifically, the Recovery Act directs 750 million to renovate and construct Federal buildings and courthouses, 300 million to renovate and construct land ports of entry, and 4.5 billion to convert Federal buildings to high-performance buildings. Among the many projects funded will be the Robert A. Young Federal Building in St. Louis to make high-performance green building modernizations. Through this investment, the Federal Government will be one step closer to meeting the energy goals of the Energy Independence and Security Act.

I believe it is important for the Federal Government to lead by example by making our buildings more energy efficient. One concern I do have is that as we invest in high-performance buildings is that GSA have the necessary tools to not only retrofit our existing government building stock to high-performance buildings, but also to ensure that these buildings are properly maintained and operated at their high-performance standards. We cannot and should not invest in high-performance buildings if we are not training those facility managers to run those buildings and keep them maintained and operating efficiently.

In closing, I want to thank our witnesses for joining us today, and look forward to hearing their testimony.

I yield back.

Ms. NORTON. Thank you very much, Mr. Carnahan.

Now we will go to the first panel of today's witnesses: John Fernandez, Assistant Secretary of Commerce for Economic Development at the Economic Development Administration; Robert Peck, Commissioner of Public Buildings Service, GSA; and Bruce Kendall, Director, Office of Facilities Engineering and Operations at the Smithsonian Institution.

You may proceed in the order in which you are sitting. Mr. Fernandez.

TESTIMONY OF JOHN R. FERNANDEZ, ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT, ECONOMIC DEVELOPMENT ADMINISTRATION; ROBERT PECK, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION; AND BRUCE KENDALL, DIRECTOR, OFFICE OF FACILITIES ENGINEERING AND OPERATIONS, SMITHSONIAN INSTITUTION

Mr. FERNANDEZ. Thank you very much.

Ms. NORTON. Please put your microphone as close as you can. This room has difficulty hearing.

Mr. FERNANDEZ. Madam Chair, Ranking Member Diaz-Balart, Members Walz and Carnahan, thank you for this opportunity to testify on behalf of the Economic Development Administration. Through our investments in local initiatives developed to create jobs and leverage private investment, EDA continues to seed communities for sustainable economic growth.

As part of the American Recovery and Reinvestment Act of 2009, EDA received $150 million to respond to areas in the Nation that had experienced sudden and severe economic dislocation. At the outset EDA determined that our implementation strategy would give preferences to projects that had the potential to quickly stimulate job creation and leverage private capital investment, while advancing regional economic development strategies.

EDA responded with the appropriate sense of urgency, while not sacrificing the important. Less than a month after ARRA's enactment, EDA published a Federal Funding Opportunity notice and distributed the funds to each of our six regional offices. EDA established a stretch goal to have all of our ARRA funding obligated by the end of fiscal year 2009, and I am pleased to report that we met that goal. And as of September 25th, 2009, we had obligated the entire $147 million for program allocation. The balance of $3 mil-

lion is available for salary and expense funding, which we will continue to use as part of the administration and oversight of EDA's ARRA awards.

With its ARRA appropriation, EDA funded 68 projects in 37 States, ranging in size from $184,000 to $6.4 million. The vast majority of our investments, in fact 96 percent of our investments, are funding construction projects, projects including traditional infrastructure as well as business incubators. These investments support a diverse mix of economic development activities linked to the recipient's regional economic development strategy.

For example, EDA invested $4.7 million in the City of Santa Cruz, California, to help create the Digital Media Center @ the Tannery. This is a business incubator for digital media companies. EDA invested $800,000 in the Delaware Technical Community College to construct a Green Building Technology and Alternative Energy Systems Training Center. In Savannah, Georgia, EDA invested $2 million in the Georgia Ports Authority to enhance the port's service capacity.

The Recovery and Reinvestment Act also required new measures for unprecedented accountability and transparency. We have directed our regional office to develop specific outreach initiatives to assist our recipient partners in meeting these additional reporting requirements. And I am pleased to report that as of today, 98 percent, really all but one of our grant recipients has successfully reported.

Throughout this process, EDA staff here in Washington as well as in our field offices has been untiring in their efforts. Their dedication and commitment has been outstanding. I wish to congratulate them on their accomplishments to date.

Madam Chair, EDA has a long and very successful relationship working with you and this Committee. I look forward to working with you as we strive to strengthen EDA, but, more importantly, strengthen the American economy. And I thank you for your time today, for inviting me to give an update on EDA's use of stimulus funds, and I look forward to answering any questions you might have.

Ms. NORTON. Thank you, Mr. Fernandez.

Mr. Peck.

Mr. PECK. Thank you, Madam Chair. Good afternoon. And Ranking Member Diaz-Balart, Mr. Walz and Mr. Carnahan. I have a statement that I would like to submit for the record, and I will make brief remarks. Thank you for inviting me to appear before you today to discuss GSA's contribution to the Nation's recovery through the green modernization of our building inventory.

The ARRA, the American Recovery and Reinvestment Act, gave us an unprecedented and exciting opportunity to contribute to the Nation's recovery. As of today, GSA has obligated more than $1.4 billion for Federal building construction projects funded by the Recovery Act, and we have expended over $57 million. We exceeded our goal of obligating $1 billion by August 1st, and we are well on our way to obligating another billion dollars by the end of the calendar year, for a total of $2 billion by December 31st.

We project that 60,200-some jobs will be created from the $5.5 billion in Recovery Act funding allocated to GSA. This projection is

based on the Council of Economic Advisers' estimates of job creation. Initial reports indicate that as of October 23rd, 2009, our Recovery Act funding recipients have created or retained 773 jobs as a direct result of the $57 million in spending, and I would emphasize that that is direct spending to date. It does not include the multiplier effect of other jobs. And it refers to the direct work that is being done today out of the $1.4 billion.

While contract award is the catalyst for money flowing through the economy, it is important to note that Recovery Act funds do not flow immediately following a contract award. Rather, payments to contractors for progress made as they do the work provides steady support for the economy over an extended period; not a jolt that lasts for a few months, but a longtime recovery. These are positive preliminary indications of GSA's contributions to the economic recovery.

We are leveraging our Recovery Act investments to begin to turn our large, varied, and stable inventory of buildings into a proving ground for green building technologies, materials, and operating practices. We are also moving forward with several leases required to move Federal employees out of buildings, and that will provide a $25 million stimulus through rent payments, including Recovery Act-funded relocation leases for the Lafayette Building renovation in Washington, D.C., and the Bishop Whipple Building in Fort Snelling, Minnesota.

We have set interim target dates for project awards in each quarter to ensure that we obligate the $5 billion of the 5.5 billion that we are supposed to obligate by our target date of the end of fiscal year 2010; that is, September 30th, 2010. The projects we have funded are varied in scope, type and region, and cover our entire portfolio. For example, we are building a new courthouse in Austin, Texas, that incorporates many innovative green features, such as high-efficiency heating, ventilating and air conditioning systems, and extensive use of natural light. I attended the groundbreaking ceremony for that on September 2nd. I am excited that we are building this courthouse to achieve a LEED Silver certification. The excavation has begun on that courthouse and is already 80 percent complete. Building piers will be sunk beginning in mid-November.

Our progress toward consolidating the Department of Homeland Security, as you noted, Madam Chair, at St. Elizabeth's is on schedule. As we committed we would, we awarded a $435 million contract in August, of which 162 million was funded by the Recovery Act, for the design of a new energy-efficient, 1.18-million-square-foot Coast Guard headquarters. The award went to Clark Design Build, LLC, a local contractor in this area. As you are aware, as you noted, St. E's will be the Washington metro area's largest Federal construction project since the Pentagon, and will revitalize and spur economic development in Anacostia, and will feature green roofs, landscaped courtyards, and provisions to reuse surface water runoff.

In addition to new project starts, we are enhancing projects already under way by adding new high-performance green features, and that is one important way in which we will reduce some of the backlog of needed repairs to our Federal buildings and also make our inventory more green.

The Recovery Act requires recipients of funds from GSA to submit quarterly reports. For this initial reporting period that will be completed October 31st, we utilized multiple media to help recipients with the reporting process. Our recipients have provided a lot of positive feedback about our call center, for example, and have expressed gratitude for our staff's assistance. I am proud to report that 99 percent of PBS' prime recipients have reported, and I can't emphasize enough how much the White House Recovery Office is emphasizing on-the-ground, real-time reporting of actual jobs that are created as they are created.

We are also excited that apprenticeship and preapprenticeship programs are an integral part of our Recovery Act programs. We launched the preapprenticeship programs with two contract awards worth $1.8 million. These programs will enroll more than 400 unemployed people. We have initiated a process for additional candidate organizations to apply for the preapprenticeship training programs. We issued a solicitation on October 14th, and proposals are due back to us on November 13th.

Finally, we have identified 10 large Recovery Act projects representing about a billion and a quarter dollars in Recovery Act spending where project labor agreements may be used, and we are researching markets in several of those areas to make sure we do the PLA work right.

We are also managing real estate in RWA-reimbursable work authorization projects to the tune of about $1 billion from other Federal agencies, most notably Social Security, State Department, NOAA, and DHS, and DHS Customs and Border Protection. We will also report on those as we do work. And to date I can tell you that we have authorizations from those agencies totalling $293 million in spending.

In conclusion, I have just reported briefly on our accomplishments. You have in my written statement a list of all of the projects that have received at least partial funding to date, and I look forward to answering your questions.

Ms. NORTON. Thank you for that report, Mr. Peck.

Mr. Kendall.

Mr. KENDALL. Chairwoman Norton and other distinguished Members, good afternoon. I am Bruce Kendall, Director of Facilities Engineering and Operations for the Smithsonian Institution. On behalf of the Institution, let me express my appreciation to you for this opportunity to testify on the tracking of Recovery Act dollars.

The Smithsonian is extremely pleased to have received $25 million of stimulus funds from the American Recovery and Reinvestment Act of 2009. We are grateful for the support of the Administration and the Congress for the essential work now under way here in the District of Columbia on the National Mall, and at the National Zoo in Rock Creek Park, at the zoo's Conservation Resource Center in Front Royal, Virginia, and at the Smithsonian's Environmental Research Center on the Chesapeake Bay in Edgewater, Maryland. We have applied these funds expeditiously to 16 important repair and revitalization projects at the aforementioned locations. All contracts were competed, and all but two of these contracts were let to qualifying Small Business/8a set-aside firms in the local area, for a total of $16.5 million. This is an up-

date to what we have previously provided in written testimony. With the exception of a small retainage, about $3 million, for unforeseen contingencies, the funds are completely obligated, and work is in progress.

In the spirit of the Recovery Act, we anticipate substantial completion of the work by the end of 2010. Valuable work is being accomplished under this program and will make significant improvements to the safety and reliability of many of the Smithsonian's buildings and systems. We are managing this work carefully to ensure the highest quality and safe delivery of products, while fully complying with the requirements for complete transparency and accurate reporting. The Smithsonian is gaining a great benefit from these funds while we create jobs for local craftsmen and laborers.

Work on most of our contracts is under way, while reports on jobs created or retained are just starting to arrive. We anticipate that we will have created or assisted employers in retaining well over 100 jobs once the final reports are received.

Thank you for this opportunity to provide an accounting of our Recovery Act dollars. I look forward to answering any questions.

Ms. NORTON. Thank you, Mr. Kendall.

Before I proceed with questions from the Members, I want to ask Chairman Oberstar and Mr. Perriello if they have any opening remarks.

Mr. Oberstar.

Mr. OBERSTAR. Madam Chair, it is very important for us to continue this process of hearings on the Recovery Act and holding Federal and State agencies accountable for the Recovery Act funds that we crafted into the recovery program. And in the end, it was an appropriations bill, but we did all the programmatic portion of it.

And we expected the highway and highway safety, bridge, and transit accounts to move out quickly, and they did. Those funds were allocated within 13 days of the President signing the bill into law on February 17th. Thirteen days after that, we had States notified of their amounts for their respective DOTs under the allocation formula in Federal law, which the Recovery Act followed. And we now have some 70 percent of the funds either out for bid, under contract, or on construction site, over 6,000 highway projects.

And when our next report—our next hearing will be held and our next report is received, we will be in the range of 185,000 direct construction jobs. There will be another 120,000 jobs in the supply chain supplying Redi-Mix, asphalt, sand and gravel, rebar, fencing, guard rails, and all that goes into highway construction. There is already a documented $6.5 billion payroll for those 180,000 construction jobs, and $900 million paid or being paid in Federal taxes alone.

The public is getting its money back, it is getting permanent improvements, jobs are being created, and we are 130-some days—we are well past the halfway point. The work of other government agencies and programs has lagged behind the performance of the Federal Highway Administration.

And what I want to understand from the GSA is that we had a December 2008 list that we requested of GSA and of a whole host of other government agencies. You gave us courthouses and ports of entry. But in the response that we got to questions asked was

that, quote, GSA did not expect Congress to authorize Recovery Act funds for modernization projects, and, in GSA's view, that only a billion, a little over a billion dollars, was allocated in the appropriations process for courthouses and ports of entry. The first question I want you to respond to is how did that dichotomy occur? And I know that the language change occurred in the House-Senate conference and also with the intervention of OMB.

But the second beef that I have, frankly, is that questions that we have submitted to GSA have taken up to 2 months to get answers. That is unacceptable. We expect you to respond. You took over 45 days to develop the final list of projects. There are people out there hungry for these jobs. And I don't know what has taken so long, and I am unhappy with that.

Further, on May 6th I sent a letter to GSA asking for a specific response to the renovation of the Federal building at United Nations Plaza in San Francisco. Five months later we got a response. That is not acceptable.

Maybe GSA needs some stimulus to get enough people on board to answer our inquiries. We don't have time to be bird-dogging; we expect you to respond. And I expect better response in the future.

So let us go back to the first one. What was the problem that you had design-ready projects in December of 2008, but then didn't proceed with those after the bill was enacted?

Mr. PECK. Mr. Chairman, first may I say that—may I go back to the letter just for a moment? That is an unacceptable time period to respond to a letter. I arrived at GSA 2 months ago. I wasn't aware that that letter had taken that long. But I can tell you that the question of responding to correspondence both from the Congress, from vendors and others is a matter of great attention to us at the moment, and I assure you you will get much faster answers, and I apologize.

Mr. OBERSTAR. I accept that, and I will look forward to a quick response in the future.

Mr. PECK. Yes, sir.

Second, I am probably not the person with the right knowledge to respond to you, because, again, when I arrived at GSA, I asked for a briefing. I am aware of the projects that we have to date. I do not, but can provide you with some quick answers for the record on what happened between December 2008 and the list that was finally approved and that we have been working on. But as you note, it certainly does include a good number of full building modernizations and as well as some smaller-scale projects, which we believe we can get under way much faster. There are some projects that have broken ground. Many of them were fairly well into design by the time the stimulus money came in, and we were able to use it. And then other projects are very close to being awarded.

I think that one of the problems we have, I will just make the note, is we are—obviously, these are directly funded Federal projects. We are not sending the money to anyone else to spend it. It is our money, your money, the taxpayers' dollars that we are spending directly. And I believe that we have moved out very quickly on some of the large projects to put them in shape. To put the contracts out, I think you will find in the next two quarters that we will have most of our $5.5 billion out on the street in con-

tract awards. There is just a—in heavy building construction like this, there is a time lag that sometimes you don't see as much in——

Mr. OBERSTAR. You had a billion obligated and committed to specific projects by the beginning of August, and you anticipate, according to our Committee investigative staff report, a billion by the end of this calendar year; is that correct?

Mr. PECK. That is correct. That is correct. Yes, sir.

Mr. OBERSTAR. And do you have a detailed list submitted that you can submit to the Committee of those specific projects?

Mr. PECK. Mr. Chairman, we have given you—in my statement we have a list of projects, but they don't have the dollar amounts with them, which I will provide for the record. We do have that. We are up to a little over $1.4 billion as of today.

Mr. PECK. One thing I will note and you should know about the numbers is that because of the slowdown in the economy, we are seeing construction bids coming back to us lower than we anticipated. So we have actually, for the $1.4 billion, awarded contracts that had earlier in the year we thought would be about $1.8 billion. So we are moving projects up on the list as we go.

Mr. OBERSTAR. We have seen that in the Federal Highway Program with the States getting bids back 25 percent on average lower than final design estimates, final design and engineering estimates. So we are getting more dollars for the investment and more projects and more jobs created.

Mr. PECK. That is also correct. If you take a look at our cost per jobs on the money spent, which is nowhere near the $1.4 billion, but the $57 million and 773 jobs—I hope I got that number right—we are down around 70-some-thousand dollars per job.

Mr. OBERSTAR. Thank you.

Mr. Fernandez, the EDA had moved out very efficiently and very effectively, had the best record of any of the agencies under our jurisdiction getting money out early to projects that had long been awaiting funding and that are specifically directed to job creation, industrial parks, and water and wastewater service, to industrial job growth and business development. I want to thank you and your staff throughout the country of staying on top of things.

Mr. FERNANDEZ. Thank you, Mr. Chairman. I wish I could take credit for it, but seeing how I have been here for——

Mr. OBERSTAR. Put your mike on.

Mr. FERNANDEZ. It is on.

Mr. OBERSTAR. Get closer.

Mr. FERNANDEZ. Mr. Chairman, I have been here for 6 weeks now. I wish I could take credit for the great work our agency did, but as you know, we have got a wonderful number of folks throughout the country in our regional offices that are very good at putting together these types of applications. They are in the field constantly evaluating opportunities to fund economic development projects, and they have got a wonderful track record. So they deserve all the credit for that.

Mr. OBERSTAR. They do. They have been through Accelerated Public Works in 1963, Accelerated Public Works II in 1965, 1966, and then Local Public Works I, Local Public Works II in the last year of Carter, first year of the Reagan administration. So EDA

has learned how to do these projects and has grass-roots support. All these projects are initiated by the local development district boards, and they turn out to be very effective not only in immediate job creation, but long-term job establishment and business development.

Mr. Kendall, I appreciate the Smithsonian, relatively small slice of the stimulus, but there are many good initiatives that the Smithsonian has undertaken. And thank you for your presentation.

Madam Chair, I will withhold at this point.

Ms. NORTON. Thank you, Mr. Chairman.

Now, after asking Mr. Perriello if he has any comments, I am going to see if the Ranking Member has any questions, and then we will proceed.

Mr. Perriello?

Mr. PERRIELLO. I just want to briefly thank Chairman Oberstar and Chairwoman Norton for their leadership on this.

You know, we have made a major push here in Congress to try to prevent us from falling off a cliff into a depression. I come from a district that has over 20 percent unemployment in some areas, and the seriousness with which the people in my district are struggling just to get by day to day, week to week looking for job creation, I think it is incumbent upon all of us to dig deep 24/7 and see this as more than just a job right now, this is a calling to try to turn this economy around. And I know many people in your agencies and organizations are doing that sort of work.

We just need to be sure to hold ourselves to the highest possible standard of everything we can possibly do for economic recovery and remember that behind each of those statistics that we talk about is a person looking for a job, there is a family trying to get by. So I hope we will just keep that in mind. And I really appreciate the Chairman keeping our feet to the fire on all of this, and look forward to hearing more from you during the questions.

Thank you.

Ms. NORTON. Thank you, Mr. Perriello, for being here, and for those comments.

Mr. Diaz-Balart, have you any questions?

Mr. DIAZ-BALART. Madam Chairman, I was going to withhold, but actually I do want to add to what Mr. Perriello said now that the Chairman is here.

I mentioned before to you, Madam Chairwoman, and to the Chairman before, early on in this process, the Chairman was very emphatic about stating that he was not going to just sit back and hope that things happened; that he was going to have hearings and keep people's feet to the fire. Mr. Chairman, and I have told you this multiple times, I can agree or disagree with you, but you said that that is what you were going to do, you have continued to do it, and I want to thank you for that, add to the words of Mr. Perriello.

A lot of words are spoken in this process. People do need to understand that when Chairman Oberstar—and I know in a very partisan process that we have here, it may sound weird for somebody to hear this from a Republican saying this about a Democrat—but when the Chairman said he was going to do that, he has done so. He has been emphatic, he has been aggressive, and yet always very

inclusive. And as Mr. Perriello said, this has to be the priority, job creation.

And I want to thank you for your efforts to get a transportation bill out, to make sure that the stimulus—we all wanted that stimulus to have more transportation money, and now to continue this struggle and this fight to make sure that we do the best job that we can with the cards that we were dealt. So thank you, Mr. Chairman, and also the Chairwoman of the Subcommittee, who, Mr. Chairman, you might want to know, I know she has a reputation, and rightfully so, of being really tough, but who has been nothing but wonderful to work with. So thank you, sir.

Ms. NORTON. I thank the gentleman for his kindness. We enjoy the greatest collegiality, he and I, and for that matter this Subcommittee, and it is why we get things done.

And I just want to say, before I ask the first question, and then I am going to ask a question and go on to other Members before coming back to questions, you see a Chairman—well, the Subcommittee is used to my taking names and writing down numbers. But you see there is a better name taker and number cruncher than I am at the head of the Committee. And the fact that the Chairman, who has oversight over more Subcommittees than I think any Chairman in the House, makes his way to this hearing says everything about the accountability expected of us, especially in light of our direct responsibility, because except for EDA, you are not pass-throughs, you are accountable directly for the contracting. We have to show we can do it.

And I want to associate myself, Mr. Diaz-Balart, with your remarks concerning a new transportation bill, which the Chairman is strenuously trying to get through here. We are not going to get another large stimulus package, but that is no excuse for letting the transportation bill lie fallow while jobs, not to mention highways, and transit, and improvements in great need, go by the way.

We have a huge deficit problem, but no one can doubt, with unemployment as a lagging indicator, that something is going to have to be done. The best thing to do to stir jobs and the economy at the same time is get as much of the reauthorization of the highway bill out as possible.

That said, I want to ask the same question to all of you. Notwithstanding my good friend's concern about outlays and jobs, I think we can come to some kind of agreement on that at a later time, but I do think both he and I would want to know precisely how many—well, not precisely, it is an organic process, but approximately how many jobs have been created on the projects under your agency, and how much of the total amount of funds has been obligated? Let me start with that before I go to the rest of the bottom line. All three of you. How many jobs? How much obligated of the total amount? What percentage of the total amount obligated?

Mr. Fernandez.

Mr. FERNANDEZ. Madam Chairman, as I noted earlier, we have obligated 100 percent of our ARRA funds. In terms of the job numbers, we are in the final—you know, as part of the reporting mechanisms, numbers have been submitted to reporting.gov, and now we are in the final review of those numbers. We should have the—

we should be able to give you the specific number in a matter of days.

I can tell you the approach we took to the review of projects was traditional to the extent that EDA has been doing this for a long time. So we would anticipate very similar results in terms of the number of jobs based on the amount of investment or the investment per job.

Ms. NORTON. Now, you indicated in your testimony that you have a recipient reporting requirement and a kind of almost checklist. Does that include the number of jobs? Is that something new? Is that useful? Could perhaps we use it with other agencies?

Mr. FERNANDEZ. Well, as I understand it, we are looking at the direct construction jobs related to the investment.

Ms. NORTON. Now, this is an important distinction. The direct construction jobs is, of course, the only question I can ask. The reason we are doing stimulus funding is because of the multiplier effect that Mr. Peck spoke of, which is many times those jobs down the line and, interestingly, in various job categories across the spectrum of the entire economy. So go ahead, Mr. Fernandez.

Mr. FERNANDEZ. Yes. Absolutely, Madam Chairman. The numbers that are being reported through recovery—or reporting.gov are the recipient numbers that go to that particular investment. We review those numbers, and then there is a final checkoff before the numbers are released.

Ms. NORTON. So how often do you do that, Mr. Fernandez?

Mr. FERNANDEZ. It is a quarterly requirement. So we are coming to the end of the first reporting period at the end of this month. So those numbers will be——

Ms. NORTON. Well, that is fair. It does take some time to get a fair sense of whether you have people who are permanently on the ground for this period. Thirty days, would you get us your first report on jobs created?

Mr. FERNANDEZ. Absolutely.

Ms. NORTON. Mr. Peck, same question for you. How many jobs? What percentage of total funds, 5.5 billion obligated?

Mr. PECK. Of the 5.5 billion we have obligated 1.4 billion, or 25 percent.

Ms. NORTON. Now, is that on target for something or how do you arrive at——

Mr. PECK. It is.

Ms. NORTON. How do you know whether you are going to finish on time without looking at integrals?

Mr. PECK. Well, as you know, on construction projects you have milestones for when you are going to acquire the site, when you are going to begin design. "When you end design, when you award the construction contract," end design or work the construction contract. You make progress payments along the way and you have a target date for the date it is going to be done. And we have all of those.

So what we did, and I have to say again, there is a project management office in GSA that manages this superbly. We for each project know the project schedules, we aggregate them and have a——

Ms. NORTON. Are you on target, is 25 percent where you expected to be at this hearing?

Mr. PECK. Yes, ma'am, that is correct, and we expect to be at $2 billion by December 31st of this year.

Ms. NORTON. Okay. You have given us a very hopeful calculation for the number of jobs that will be created at the Department of Homeland Security site, maybe over 7 or 8 years, 38,000. How many jobs have you created thus far at the various GSA sites?

Mr. PECK. At the various sites so far our recipient reporting indicates 773, because again the spending to date is 57 million.

Ms. NORTON. Okay. I am going to ask questions about spending in a moment. Mr. Kendall, same question, obligation and number of hires.

Mr. KENDALL. Madam Chair, we have obligated 86-1/2 percent of our funds for construction projects, which is approximately $21 million. The reporting that was established has just recently begun, October 20th I believe is the cut-off date for the reporting, and we had 51 new jobs retained or created reported by our prime contractors. We expect, as I stated in my testimony, that number to be well over 100 as our jobs get underway. Many of our construction jobs are just getting underway and will run from 7 to 15 months for construction. So we do expect those numbers to increase.

Ms. NORTON. Thank you, Mr. Kendall.

Now at our tracking hearing for the entire overall Committee, great dispute arose because of the difference between obligation outlays and real spending. So let me ask you about spending. How many money has been spent so far and what does that indicate about your contracting process? Mr. Fernandez.

Mr. FERNANDEZ. Well, to date, Madam Chairman, we have spent about 8 percent of the obligated funds, or a little over $12 million. We anticipate by the end of this calendar year that—these are the start dates of the projects so that the money is not just allocated to the recipient, but they are actually in the field doing the work and the money is being spent. We anticipate getting up to 30 percent or almost $32 million by the end of this calendar year. Not to go quarter by quarter, but by the end of September 2010, which will be the target date for us, we will be at 98 percent of all of our ARRA spending.

Ms. NORTON. Now, I understand what this means, a worker goes on the job and you pay that worker every 2 weeks, or whatever is the amount of time. So those expenditures of course go up the longer the worker stays employed. What about expenditures, Mr. Peck, in terms of outlays or actual spending?

Mr. PECK. Actual spending, as I noted, is about $57 million. That is about 5 percent of the obligations to date. And let me note two things. I am not surprised there was a debate before, because these numbers are part science and part art. The job numbers are a science, because I think you have to give the administration a lot of credit for setting up a centralized reporting mechanism that says we want to know exactly direct——

Ms. NORTON. So there is the transparency, anybody can find out.

Mr. PECK. Absolutely. There is no fudging. That is not a multiplier effect, just is just jobs that people say they have created. The other thing to note here is that those numbers will really—in a

construction project, as long as we are at a point where we are paying for design up front, architects, some demolition, environmental testing, we are not spending money in great big gobs. When we are award construction contracts, we will see a lot of workers put on. That is one.

The second point to remember is that we pay in arrears, which means that people are being paid in advance of the Federal funding going out. People apply for progress payments when they have made progress. That is number two.

Number three , it is important to note that even awarding a construction contract before—when we indicate that we are going to go forward with a project and we start hiring architects and then we make a construction award, the contractors, and you can ask the contractors who are here, can mobilize their subcontractors and tell them that there is going to be a job in 2 months. That makes a difference in how much people feel confident about the economy and what they do, and I think that is one of those lagging indicators that you just don't quite see.

Ms. NORTON. Thank you, Mr. Peck. Mr. Kendall, expenditures?

Mr. KENDALL. Madam Chair, a little over $4 million has been billed by our contractors of the obligated amount of $21 million.

Ms. NORTON. Yes.

I am going to go now to I think it was Mr. Walz would have been next. Mr. Walz of Minnesota, do you have any questions?

Mr. WALZ. No, ma'am.

Ms. NORTON. Mr. Carnahan.

Mr. CARNAHAN. Thank you, Madam Chair. And I want to thank the panel and start with Mr. Peck, and I want to specifically focus on the GSA's capabilities in terms of having enough Federal facilities, managers and operators who are properly trained and certified. Where does that stand today? If it is not where you think it needs to be, what plans are in place to really bring that up as the sophistication of these buildings increases with these investments? How are we keeping our personnel up with that.

Mr. PECK. I am glad you asked that because one of the things that gets lost sometimes with all of us who do construction and real estate is we love the new buildings and love to build them, and then sometimes we walk away a little bit once they are up. And particularly on green technology there is, as you note, a learning curve for our building managers. We have—I think we have sufficient building managers, facilities managers to run our projects well currently, in part because what we do is our facilities managers really contract a lot with private sector services for cleaning and maintenance on our buildings.

But you have put your finger on a problem that we have both in the public and private sector at the moment, which is that to some extent our green practices and technologies are running a little bit ahead of the people who have to maintain them. We are working with the International Facilities Management Association, the Building Owners and Managers Association. We are all talking about the same kinds of issues, and we are putting in place training programs for our managers to train them in some of the new green practices.

It requires different ways. If you install certain kinds of water conserving devices in your buildings, people have to learn a different way to maintain them. And that means not just the Federal facilities managers, but also the contractors. I can tell you tell you one of the choke points that we have experienced in previous years, and I think it is getting better, is finding private sector contractors who know how to clean a building or maintain a building using green practices.

Because the industry as a whole is starting to embrace green practices, it is becoming a little bit easier, but it is something that we are talking about. We are contracting, we are sending people to training all the time.

Mr. CARNAHAN. Is that specific training for your employees in the public building service or is this also in partnership with the private sector?

Mr. PECK. It is both. It is training our people and also changing the specifications we have in the contracts we put out for the people we hire to do some of the detailed maintenance and cleaning work.

Mr. CARNAHAN. The other thing I want to ask about is energy performance contracts and the ability to leverage some of this funding with those type of companies where they can come in and provide the up front capital costs for some of these renovations with the energy saving gains that are passed along to the government.

Mr. PECK. We have made use of those in a number of previous years, and we have looked at them for some of the Recovery Act projects as well. There is a—in some cases the time it takes to get those contracts in place has made us decide not to use them on some of the Recovery Act projects. But can I also say that we believe we are in this for the long term. We think we need to green our inventory not just with the $5-1/2 billion we have, but as we go forward we are taking up how we can use those contracts best. Some of it may require some streamlining of some of our processes, but it is a great opportunity to leverage our funding.

Mr. CARNAHAN. Thank you, gentlemen.

Ms. NORTON. Mr. Diaz-Balart, do you have any additional questions?

Mr. DIAZ-BALART. I will hold.

Ms. NORTON. Thank you. He is holding for the moment.

The President has spoken out on the failure of small businesses to feel the—for example, the 10,000 Dow last week. I guess they must have shook their heads, wow, 10,000 Dow. The reason they shook their heads is we only reached that for the first time I think in 1999, and zip, these folks are back, thanks to our money. And yet, you will find that my constituents and I are still not feeling it. Do you feel me? No.

I want to know what each of you have done to make sure small business contracting is included in the stimulus funding so they at least feel it from us, if not from Wall Street loans.

Mr. Fernandez.

Mr. FERNANDEZ. That is a very good question, Madam Chairman. In fact, I will have to commit to coming back to you with a response as far as any specific elements of our funding opportunity notice that may have included those elements.

Ms. NORTON. Mr. Fernandez, you are the only one of the three here who is in effect the pass-through to the States.

Mr. FERNANDEZ. Right.

Ms. NORTON. Now, this is very important.

Mr. FERNANDEZ. Absolutely.

Ms. NORTON. EDA is highly effective in spending funds, which is why we were able to get funding for you in the first place. You should have and we need to know in 30 days whether or not there is a small business plan for the spending of these stimulus dollars, these dollars. Your dollars for sure are going to those with the highest unemployment rates where small business is down, if not out. We need to see your small business plan within 30 days to know how it is communicated to the States and to see what the reporting requirement is, not only with job creation, but with stimulus. If this money does not reach a small business contract, then the funds over which we have oversight will have been a partial failure.

Mr. Peck, small business incorporation into your work, how is that occurring?

Mr. PECK. Well, it is part of our normal procedure as any construction contract for a million dollars or more has to come with a small business subcontracting plan. It is a little bit unfortunate in Federal small business contract reporting that we don't get credit for subcontracts.

Ms. NORTON. Could you explain why—please make me understand. I know there must be a reason why whenever you hear something like that, the first thing you should not think is how stupid. Somebody had a reason for doing that and you shouldn't try to undo it until you get all the facts on the table. So what is the reason why since most of the small business contracting, for example, would go on——

Mr. PECK. Right.

Ms. NORTON. —through these subcontractors. Why does the government not count it?

Mr. PECK. I think—I believe, I guess we should ask others who know better, but I believe that the good intention here is not to let agencies off the hook by hiring big contractors for things and then they will just sort of pass it down—you know, they will pretend they have a subcontractor doing the work and get credit for it.

In our case, in the construction industry, I have to say, I think that is a generic view of Federal contracting. In the construction industry, though, where you know when you hire a general contractor, often so much of what they do is done through small business subcontractors—I don't want to get into trouble with any of my friends here who are contractors here, but I don't know what the percentage is of their own full-time employees versus their subs who really don't work full time for them. All I am saying in the construction industry it is somewhat different. But we monitor very closely the subcontracting plans that people give us and find out if they are actually following them.

Can I just say——

Ms. NORTON. At least in the construction industry, so long as you kept records, and I hate to even talk about keeping records, but as long as you knew who it was, whether the sub or the general con-

tractor who obviously doesn't have as many opportunities to engage in small business contracting, as long as you knew, there wouldn't be any problem at least in construction work, with getting credit, for that matter putting some pressure on your subcontractors to engage in small business contracting?

Mr. PECK. That is correct, and we do track how much of the subcontracting is going to small businesses.

Ms. NORTON. So in construction, Mr. Peck, if we gave credit for the subs hiring or, excuse me, engaging in small business contracting, wouldn't that be an incentive for them in letting their own subcontracting hold those subcontractors accountable, and since they are also going to get some credit? I don't see why at least in contracting it wouldn't make sense to do.

Mr. PECK. Well, I don't have a good answer for you about why is wouldn't make good sense.

Ms. NORTON. I accept your answer that generically perhaps in some other areas of the economy it wouldn't work as well.

Mr. PECK. That would probably make sense, but we do have subcontracting goals, as I said, for small businesses, we hold our contractors to them. In addition to that, we hold, have held and are going to hold more fairs for small business contractors and we have put things on websites and through contractors association, because not everybody is still so computer savvy, to let people know where there are opportunities. Sometimes with small businesses I have to say it is a matter of leading them to the large businesses that have some of our contracts.

Ms. NORTON. Of course. There was a very large and impressive fair held just yesterday at the Ronald Reagan Building where all these small businesses and large businesses alike set up booths, so that the industry itself, we didn't do this, or GSA didn't do this. The industry brought every which a way of small business and other mid-sized and larger businesses in the same large atrium and they could network among themselves, find themselves, find the contractor, find the subs.

A contractor, a very successful subcontractor who was working on a GSA project, told me that a large contractor saw what he had already done and came to him and invited him to participate in his work.

Well, I want that. That was a large sub contract. I want him to get credit for seeking out the small business who is going to now be doing some subcontracting. I am going to ask staff to help me figure out whether there is a way to give an incentive for larger contractors to enable or encourage their subs to engage in small businesses contracting, particularly in light of the fact that the greatest problem, as I see it, with the stimulus in the business sector has to do with the small business sector, which provides jobs more quickly than other sections of the economy.

Mr. Kendall.

Mr. KENDALL. Madam Chair, specifically to the Recovery Act projects that we have awarded, we are proud that 100 percent of our projects were awarded competitively, and we are also very proud that small business 8(a) firms were significant partners in this effort. That is, those small businesses and 8(a) firms were recipients of 68 percent of the value of the funds that we received.

And this goes to the very proactive program that we have with small business at the Smithsonian and it was leveraged here in the case of the ARRA funds.

Ms. NORTON. Thank you, Mr. Kendall. And would each of you, Mr. Fernandez and Mr. Peck, break down the small business to get within 30 days how many of those have been 8(a) small businesses or disadvantaged businesses of any kind. And could I see, Mr. Peck, could we see within 30 days your small business plan, how it operates since you do this almost automatically? Mr. Kendall has already done it and Mr. Fernandez is getting us such a plan.

Let me ask you, Mr. Peck, in May when we had—first let me say we note—I should ask you another question, as it turns out, on small business plans. Are small business involved or small business plans also a part of the national broker contract?

Mr. PECK. Yes, ma'am.

Ms. NORTON. Would you get us a copy of your small business plan that is a part of the national broker contract within 30 days?

Mr. PECK. Yes, ma'am.

Ms. NORTON. That is obviously an enormous opportunity, particularly today, for smaller firms. We have these huge firms that have the broker contract for leasing and who are real hungry, smaller firms who also do leasing and may be a whole lot better and quicker at it than the larger firm which may serve an entire region of the country.

I note, and we are very pleased to see, that GSA is available to help our agencies, because you are the agency with the most direct—did I say the NRC—you are the agency with the most direct—yes, it is the NRC, the Nuclear Regulatory Commission is what I am talking about. You are the agency with the direct building and construction expertise.

Now we have got to find out. Well, first, let me see if you helped the—this is the Washington Post, October 27th, this very day. NRC design, build office tower. Didn't go through this Committee, real no-no. Somebody lobbied, probably the agency itself, and got the money put in an appropriation bill. I want to know if GSA has assisted the NRC in this unauthorized project to build—design-build no less, in a specific location without competitive contracting, the mortal sin in this area. Whether or not the GSA has assisted the NRC to in this 14-story design-build project, across the street from where it is, where at taxpayers expense they go to downtown Bethesda, one of the most expensive parts of the region or of the United States of America without allowing the taxpayers to see if that is the best place for it to be spent. Where did they get the authority? What is the cost per square foot? Did you help them at all in how far they have gone with respect to this unauthorized construction?

Mr. PECK. Madam Chair, the NRC lease is in fact a GSA lease. I don't——

Ms. NORTON. The design, build, and construction.

Mr. PECK. It is actually not what is known as a lease construction per se, but it was a—it is a 15-year lease. There was a——

Ms. NORTON. A 15-year lease of a private——

Mr. PECK. Of a privately owned brand new building.

Ms. NORTON. Understand, everybody what we are hearing. Some developer somewhere has been able to get the government to plop down money to rent his building for 15 years and he did not have to compete anywhere else in the region. Is that so, Mr. Peck?

Mr. PECK. Well, there was—we did issue a competitive—what was supposed to be a competitive solicitation for offers. However——

Ms. NORTON. Oh, it is interesting on what say-so. We don't have any record of that before this Committee.

Mr. PECK. Well, I think because there was a direct reference to the lease in an appropriations act. The Consolidated Appropriations Act for 2008, Public Law 110-161, included a provision requiring that the lease for an expansion lease for the NRC be ″as close to reasonably possible to the Commission's headquarters location in Rockville, Maryland.″

Ms. NORTON. Well, of course we never use language like that. Because we are the authorizers and the taxpayers tell us that wherever it is, it has to be the best deal for the taxpayers. If it is across town or if it is across the street, fine. But after competition. Did you tell those who superseded the leasing language of this Subcommittee what the law requires and question that at all or did you just go ahead and do unauthorized work without consulting even with this Subcommittee.

Mr. PECK. Madam Chair, I rarely duck a question, but it was before my time and, to be honest, I saw the newspaper this morning and saw that this lease was announced and it is—I don't have any more information than what I just gave you. I have asked this morning to find out what I can about it. I don't know quite how this lease started. I do know that NRC was working for expansion space, they have other leases. There has—there was in the previous administration a push for more nuclear energy. Interest may be in this one too for all I know. NRC I know had asked for more staff and this was an expansion lease. How the language got in the appropriations bill, I unfortunately don't know.

Ms. NORTON. I can't hold you responsible. I do want your commitment that on your watch you will never simply supercede language from this Committee without informing this Committee so that we can have a little talk with the appropriators of the Senate.

Mr. PECK. You know I used to work on an authorizing Committee on the Senate side. I know this issue and you have my assurance.

Ms. NORTON. Well, let me tell you, this is very serious. We have seen some executive redlining by GSA in this Committee where people try to go to K Street at hugely inflated rents to the taxpayers. Inflated only because there are so many, that is where the highest prices are, when right down the street, just close to the Senate; for example, in NOMA, they could get the space much cheaper.

We saw an extraordinary case of redlining where HHS indeed altered without consulting this Committee a prospectus, even though language says you can't offer a prospectus. They did it by amendment and said that wasn't alteration, whereby the new amendment said that HHS had to lease space close to hairdressers, barber shops, churches, violation of church and state, hardware stores. It

was a complete and total outrage. It was such an outrage that GSA had to withdraw the prospectus. It so flew in the face of the law, and GSA was going to have its pants sued off of it. I only came to know about it because a competing developer wrote me a 3-page letter.

So we take very seriously unauthorized matters. And as long as you assure us that that will not happen on your watch. I can't hold you responsible for what didn't happen on your watch. But I have to tell you that it is a combination of overriding the authorizers and redlining, because these people say I like my neighborhood. I don't care what it costs the taxpayer. It is totally unacceptable and where we find it, we have to stop it and call the agency to account.

I accept your response. Be on notice.

However, Mr. Fernandez, one of the goals you name is what attracts us to the EDA. By the way the EDA, I think he authorized this too when he was a staffer as one of the favorites of the Chairman and of mine, but it has to do with something stated on page 1 about your goal to attract private capital investment. Unlike other infrastructure building, you are charged not only with building, but with building so that, as we are seen from our hearings, much more often private capital investment is attracted simply because of what you do.

I wonder if would tell us how you decided on the projects? You say, for example, they are not in all 50 States. So you must have had some kind of—indeed, you had a competitive process, but you must have had some goals, and we are interested in this goal of attracting private sector based on what you do in the public sector.

Mr. FERNANDEZ. As I mentioned in one of my earlier answers, Madam Chairman, that for us the Stimulus Act was not a new process or totally different extension of the Agency's work. So we were able to pretty quickly adopt a hybrid approach to our grant process in terms of the criteria we used for allocating the total funds across the regions. But as part of the review process, our regional offices and their internal investment review committees approach these grants the same way that they approach our ongoing program funds, and that is to look at the capacity of the recipient or the applicant to administer the fund, the amount of projected jobs, the amounts of private investment that they project, the leverage.

Ms. NORTON. Could you give us an example of a project, how you would, unlike the way we would do a highways project, or maybe in fact some highways projects are done this way, too, of perhaps an ongoing project that has been selected and has or you expect to leverage several times the amount you are putting in with private investment?

Mr. FERNANDEZ. Yeah, as you I am sure were aware, Madam Chair, when we look it the applicants, we provide guidelines or guidance to the regional offices, and the vast majority of decisions are made at the regional office. They are the folks that have people on the ground, they understand what is important within their States and within the sub districts within their State in terms of the economic development priorities of those communities. So they have guidance from us on the private investment side. We try and shoot for a return north of maybe 25, $26 return for every Federal

dollar invested. Historically EDA has been very good at receiving that kind of return on investment.

As I noted earlier, we are going through the recipient responses as part of the transparency in reporting requirements. We should be able to give you projections, but I feel very confident since our staff was using a very similar evaluation methodology that we should meet or exceed those leveraged numbers as well for the stimulus projects as we do for our other ongoing funding.

Ms. NORTON. Mr. Fernandez, to the extent you can get us those projections for projects, that would be very helpful and very useful to us, because we are in the process of reauthorizing the EDA as I speak and there will be a bill coming forward.

Mr. Carnahan, do you have further questions?

Mr. CARNAHAN. No, Madam Chair.

Ms. NORTON. I have a question for Mr. Peck. Mr. Peck, you know and I am sure you have the same concern as our concern with the declining Federal Building Fund. One of the things your stimulus package is going to do is maintain our inventory so we don't have to lease as much. So we have a hard time understanding how any agency could get away with paying no rent. But I want to shout it from the hilltops so that all the agencies who are paying rent to the Federal Building Fund knows. One of the largest agencies, the USDA, the Department of Agriculture, is paying no rent. Even the smallest agencies who occupy Federal office space pay the going rate. That way we circulate the money and we fix up the buildings so that they don't go into decline.

Now, we have asked this question in the past, indeed for 5 years. The USDA, GSA tells us is trying to get the USDA to pay rent. What a scofflaw. Now I have to tell you we have been discussing, my good friend went to the floor, I went to caucus to discuss health care today. It hasn't taken us 5 years to discuss health care, which is going to shortly come to the floor.

So I am going to have to ask you, Mr. Peck, what amount of back rent has thus far been paid into the Federal Building Fund by the USDA pursuant to your negotiations with the Agency? Imagine negotiating with a scofflaw. Maybe you can't put them out, but you do have real authority. And so I want to know how much in arrears, how much you have gotten so far, and what you are doing to get the rest. Let's hear it, sir.

Mr. PECK. Okay. I don't have an answer for you today, although I am afraid I can guess at the answer. I can tell you that I have already had, I think you made me aware of this at a previous hearing, I have already had a meeting with officials at the Department of Agriculture. I do understand they have heard this from GSA before and——

Ms. NORTON. Heard what from GSA?

Mr. PECK. Heard from GSA before that GSA would like them to pay rent.

Ms. NORTON. They are well aware of it, and I don't see why they should pay unless GSA does—what should GSA be doing?

Mr. PECK. This is one of those things that I think we need to talk to inside the executive branch at a higher level than between me and the people at GSA.

Ms. NORTON. Mr. Peck, within 30 days we need to see, because I believe we could get a response, we need to see a letter from you before we send our letter. We need to see a letter from you to the head of OMB, indicating that the agencies of the Federal Government are subsidizing the USDA, because everybody else pays rent or virtually everybody else. By the way, I would like to see in 30 days a list of agencies who do not pay rent because everybody who does is therefore subsidizing all of them, but surely this is the largest of them. We know who can get this done and we know how little GSA gets done when they are in this kind of fix.

So first of all, we need not your whispering to OMB, why don't you all do something about this, we need to see in writing a letter indicating what the back rent is, your inability or the inability before you came to get USDA to move, how this becomes an incentive for other agencies also to stop paying, the state of the Federal Building Fund today, which is declining because we must lease more, given the state of our own inventory, laying it out and requesting and indicating that the Subcommittee and the Full Committee have asked you to make this request, you do so on our behalf and on behalf of the Agency itself.

Do you have any problem with sending a letter within 30 days to the head of OMB to that effect?

Mr. PECK. Madam Chair, of all the questions you have ever asked me, that is the one I am probably happiest to answer, yes. I am happy to do it.

Ms. NORTON. Because I have not put on your shoulders more than—what is the old spiritual—give you strength to bear. But I think that if you called to the attention of this White House that there is a scofflaw among them, that they will feel some obligation to do what it seems to me they can do best, and send a cc to us, because that means the White House will send a cc to us. We will back you up. We hope never to have to ask this question again.

I must say to you that just we are looking for you to use all the leverage you have, and you have indicated in your own testimony you are doing so. It seems to me well enough with respect to the stimulus funds, but we note that we went to great lengths to get the Old Post Office project out here. Like the USDA, which you have the authority to make pay the rent, you on your own, if you are an agency that stands up to a peer agency. You also had the authority, you before you were there, to in fact do the Old Post Office, a slum of a great historic building right across from the White House. In July the GSA testified that it was hosting the Urban Land Institute to talk with the private sector about financing opportunities. You should have done this 5 years ago when the economy was hard, now you have to do it now.

What is the status of the Old Post Office project?

Mr. PECK. That Urban Land Institute panel is meeting here in Washington in early December. As you indicated, the right question to ask at the moment is whether a private sector partner could find the financing today to do the kind of project that government is contemplating.

Ms. NORTON. Just a moment, this is easier than some projects would be, first of all because it is a historic project and the GSA itself would be involved in the funding. This is like the Tariff

Building. This shows the return to the government. This administration understands return to the government. That is why it bought a building that it had been renting with this year's appropriations. So I need to know how you intend to move on the Old Post Office building, even though the economy may not come back this year or next year.

Mr. PECK. I can tell you in brief that the purpose of having the Urban Land Institute panel is to test the market's response to a potential solicitation for offers on the building, because that is what we would like to do. That is what we did with the Tariff Building, now the Hotel Monaco, although, as you note, we were able to do that in a better economic period and that is one of the things we need to do. What we want don't want to do is go to the market and find out there is no response. So this is just a marketing, a test marketing that we are going to do with the ULI people.

Ms. NORTON. Before I go on with more questions, I know that the Ranking Member and Mr. Carnahan have to go to the floor on a motion to instruct conferees. And I am hoping to go to the floor very soon when the D.C. voting rights bill gets through, but if I could ask if either of you have any questions before you have to leave so I can proceed with this panel, finish with this panel, go on to the next, and hope you will be able to return.

Mr. Diaz-Balart. Mr. Carnahan.

Thank you very much. Let me ask just a couple more questions. What is the state of the Federal Building Fund, Mr. Peck?

Mr. PECK. If by that you mean this year how much do we anticipate coming——

Ms. NORTON. Well, actually I don't expect you to have off the top of your head what I want to know. What I want to know is this: How much was in the Federal Building Fund over the past 5 years? And I am trying to figure out how much trouble we are in as we lease more and more space, which means ad abnitio it doesn't go into the Federal Building Fund.

Mr. PECK. I will provide you with—we have some pretty good charts on that. I can tell you that the disturbing news is that at the rate we are going, and this is based on our guesses about rental rates in the coming years, that we anticipate that somewhere around 2015 or 2016 the Federal Building Fund will no longer be profitable. And as you know——

Ms. NORTON. What does it mean by profitable?

Mr. PECK. Well, we charge rent so have revenues and then we have expenses, a large chunk of which are payments to lessors for rent. We have building expenses, and the difference between our revenues and expenses is in essence, because we can't borrow our capital, the capital funds we have, to make significant repairs to Federal buildings and keep them up and in some cases build new buildings. Because we are leasing so much more and we do anticipate that rent rates are coming down some, it looks like somewhere around 6 years from now we will just be maintaining. We won't be in deficit, but—we will bring in enough revenue to meet our lease obligations and our operating expenses and minor repairs, but not capital expenditures.

Ms. NORTON. On straight out leasing we are doing more and more of that, so we are hastening the moment you just described where your expenses outgrow your obligations—your obligations outgrow any growth in the fund.

Mr. Costa testified before us in July or he testified concerning a meeting in July between the Real Property Council and the OMB to discuss 412 authority. And that authority would of course allow us to do some construction of Federal space for Federal use.

Given the urgency that you have just described for the Federal Building Fund, I must ask you, what was the outcome of that July meeting and what is the status of your request to use 412 authority, which this Congress gave, I think under 110th Congress, gave to GSA and where Mr. Costa testified you hadn't even asked the OMB to help you use that authority the last time he was here.

What is the status of 412 authority and of your discussions to use it, especially in light of your testimony that the Federal Building Fund is going defunct?

Mr. PECK. We have—I have had—in the time I have been at GSA, I have already had a conversation with OMB about the possibility of using 412 authority just generically, and we have rehashed some of the issues which have arisen before because you know I asked for something similar when I was here in the Clinton administration, and we do have one major project coming up on which we are going to ask the Office of Management and Budget for the permission to use the—at least for their go ahead, which we need in various ways to go ahead with the project. I have to tell you I don't know a lot about that.

Ms. NORTON. What is that project?

Mr. PECK. It is a project in Denver, and I have to tell you, I don't—I am not allowed to know too much about it, because my former firm worked on the feasibility studies. So I am recused from talking about it. I just know that the——

Ms. NORTON. What made the Agency believe that that would be a good 412 authority?

Mr. PECK. I am not quite sure. Again, I don't know.

Ms. NORTON. You know—let me try again. Let me make sure I get who gives permission in the United States of America. The permission was granted by the Congress of the United States for the GSA to use 412 authority. And now you say you have to got permission from the OMB. Who gave them permission, once we have given permission for you to proceed? Who gave them permission to get in between us and an agency we have told to use 412 authority?

Mr. PECK. Well, I think you know the procedure under the OMB——

Ms. NORTON. And the procedure for the Agency is to say I have in my hot little hands something that this Committee has not only now put in law, but which I am going to be called account for at every hearing that they have, and what do you want me to say? If the Agency doesn't press back, there is not going to be any change in the status quo. That is the GSA I have known ever since I have been in Congress.

Mr. PECK. Well, that is not the GSA when I am there. But I can tell you that I have argued strenuously for the authority. But as

you know, before we can submit testimony or other proposals to the Congress, they have to go through an OMB review. And I probably shouldn't say more than that, but——

Ms. NORTON. This isn't testimony. Testimony has to do with agency policy. This is a policy of the Congress of the United States, and therefore I am asking you how any agency, OMB included, can countermand what Federal law has said do in light of the urgency with the Federal Building Fund. You are making us lease over and over again. You are making us bleed other agencies because you don't use authority that we demanded that you use at least a few years ago.

Mr. PECK. Well, Madam Chair, I think part of it is the way that the legislative language is written, again as you noted, authorizes us to use the authority, but doesn't direct us to use the authority.

Ms. NORTON. Oh, would you like to be directed, because that is what you are going to get?

Mr. PECK. I would get in trouble if I suggested that.

Ms. NORTON. You need not answer, you need not give an incriminating answer. But you ought to tell OMB that we know how to operate when an agency doesn't do what we urgently believe must be done. We didn't think this would be a nice thing to do, after all it would be good to see that happen. We see an untenable situation that you have just described: 2012, hey, no Federal Building Fund and all that we have now done goes down the drain because you get a huge rise in deteriorating buildings again, all because the OMB for some—and tell us the reason that you think that the OMB has not moved besides the fact that you never asked them to move at least since you have been here this time. Why would they oppose this?

Mr. PECK. Well, you know, Madam Chair, if I knew—well, I could give you their reasons for opposing. They have existed for a long time. They are concerned about abuse of what is essentially public-private financing. They believe that federal financing, that since the Federal government finances at a lower rate than the private sector, that by definition anything that you finance with the private sector is going to be more costly. They believe that this might encourage agencies to buy properties or put up buildings that are not necessary. I could give you their reasons, but I would be giving somebody else's argument, not my own. I can tell you that there is new management at OMB, we have talked to them initially about some potential and, as I suggested, we are thinking that if we go to them with specific projects perhaps we will get a different outcome.

I should also note we have also made the point that some other agencies have similar authorities and have used them.

Ms. NORTON. Yeah, we have seen the problem over and over again. We have done the calculations of the cost of money and the use of the 412 authority. We know for sure that today we could drive the cost of capital debt down to benefit the taxpayers. And you are, I have drawn this to the attention of the administration in my own report to them or my own transition memo to them, that they are caged in a budgeting notion of real estate. Real estate is finance, it ain't budget. And thus we have some people from the 19th century in there that are budget examiners that are wasting

the taxpayers' money. I hope to be able to break through that with this administration, in part by getting some people in the OMB who understand real estate and how it is financed and how much money we are wasting, not only with respect to 412 authority, non-use of 412 authority, but generally with respect to real estate.

But I have to tell you, particularly since you have also been in the private sector, you have got to help the Subcommittee as well. We have got an administration that I think would understand what we are talking about, particularly since we are prepared to provide. And I know you are in an even better position to provide evidence of savings to the Federal Government through use of 412 authority, and this administration, given the circumstances that have forced it into raising sky high deficit, needs to be leveraging every authority it can to drive down the deficit. What you are doing now drives it up.

Mr. PECK. Well, I certainly agree with you and I hope that we can work together to make a change in this.

Ms. NORTON. I thank you for that. Let me ask one final question based on again the testimony of the Agency at prior stimulus hearings, and indeed our tracking hearings in May. The Subcommittee indicated its concern about trained personnel. Mr. Carnahan asked about trained personnel in doing some of the work. We were talking about threshold trained personnel that was necessary to get the work on board and done. GSA witnesses at the time mentioned that they were beginning to hire annuitants temporarily in order to have trained people who could get this done and out into the streets. This agency had been so bled by the last administration you didn't exactly have a lot of people to bring from the region or elsewhere.

Have you used annuitants? We were shocked to see that we had to virtually order the process to actually use annuitants. Have you used them? What has been the progress? How many are on board? How many are helping you in the effort now underway with stimulus funding? How many contracting officers, for example?

Mr. PECK. We have—hold on a second. I have actually just seen those numbers and I would like to provide them for the record, but the short answer is that we have hired a number of retired annuitants. I believe we have hired either—we have had extensive discussions on this. We have hired either 9 or 11 retired annuitants who are contracting officers, who are warranted contracting officers. And this is total number of——

Ms. NORTON. How about program managers?

Mr. PECK. Program managers, we have hired so far related to the Recovery Act program 80 Full-Time-Equivalent employees.

Ms. NORTON. These would be annuitants, retired annuitants?

Mr. PECK. Not just—we have hired 9, that number was in my head. We have hired 9 retired annuitants who are in one function or another, but I believe most of them are retired contracting officers, because we needed them back because you have to have a warranted contracting officer to issue contracts. We have hired 28 permanent employees, 23 of whom are contracting officers, and 52 temporary or term employees. And the retired annuitants all come in that latter category of temporary of term employees. But again

I believe that most of them are contracting officers, retired contracting officers.

Ms. NORTON. Well, we leave it to the agency the best way you can find trained personnel who can quickly do the work. The only reason we had fastened on annuitants is they had done it before. So I am pleased to see that you have been able to hire temporary employees. You have enough to keep on track and on record? You see the Chairman takes names, too.

Mr. PECK. Right. You know what we have done to make the Recovery Act projects move is we have moved a lot of our—and the reason there hasn't been more hiring, I was wondering why we hadn't hired more people, is we have moved a lot of our experienced people into the Recovery Act projects because we needed people on board on those projects. It was a big workload that we hadn't anticipated before. So we moved mostly experienced people into the Recovery Act program, and in some cases our hiring is backfilling for the regular program, which——

Ms. NORTON. Wait a minute. For the Recovery Act, I mean, I thought these annuitants were for the Recovery Act.

Mr. PECK. The annuitants are on the Recovery Act program.

Ms. NORTON. The temporary employees, what are they on?

Mr. PECK. Most of the temporary employees are also Recovery Act program because it is a temporary program.

Ms. NORTON. But you just said you had moved——

Mr. PECK. We have moved some permanent employees into the Recovery Act program as well, and so you don't see them in our new hiring figures. You don't see the kind of new hiring that some of us—that I think you may have heard as a projection 6 months ago. We have been able to move permanent employees in there and backfill a smaller number of people in some of the regular programs. We have also put on board some retired annuitants and other temporary employees to work on the Recovery Act.

Ms. NORTON. Well, thank you, Mr. Peck, and thank you, Mr. Fernandez and Mr. Kendall, for very important testimony as we track the progress of the three agencies.

Ms. NORTON. We will ask the next witnesses to come forward. They are John O'Keefe—and we will just go in this order—John P. O'Keefe, Clark Construction, Division President of Public Division; and then we will go to Kenneth Grunley, President of Grunley Construction Company; then to Kathleen McKirchy, Director of the Community Services Agency of Metropolitan Labor Council.

At this hearing we now want to hear from private sector parties, who are equally responsible for carrying out the terms of stimulus funding. This will be our final panel.

Mr. O'Keefe.

TESTIMONY OF JOHN P. O'KEEFE, DIVISION PRESIDENT, PUBLIC DIVISION, CLARK CONSTRUCTION GROUP, LLC; KENNETH M. GRUNLEY, PRESIDENT, GRUNLEY CONSTRUCTION COMPANY, INC.; KATHLEEN McKIRCHY, DIRECTOR, COMMUNITY SERVICES AGENCY, METROPOLITAN WASHINGTON COUNCIL, AFL-CIO, ACCOMPANIED BY CAMILLE CORMIER, DIRECTOR, LOCAL PROGRAMS AND POLICY, WIDER OPPORTUNITIES FOR WOMEN; AND LARRY GOLD, DIRECTOR OF COMMUNITY SERVICES, COVENANT HOUSE DC

Mr. O'KEEFE. Chairwoman Norton, Members of the Subcommittee, my name is John O'Keefe. I am the division president for the public division in the Mid-Atlantic region for Clark Construction Group, LLC. Founded in 1906, Clark Construction Group is one of the Nation's most experienced and respected providers of construction services, with over $4.5 billion in annual revenue, with major projects throughout the United States. We perform a full range of construction services, from small interior renovations to some of the most visible architectural landmarks in our country. Projects we are known for in the Washington area include the Verizon Center, the U.S. Department of Transportation headquarters, and the Largo Metrorail station.

Here in the Washington area, our home, Clark is committed to working with the community with demonstrated success in creating opportunities for small businesses. Also, last year we testified before the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia on our program to hire ex-offenders. This successful program has provided well-paying jobs with benefits and training opportunities to ex-offenders for the past 8 years.

Today I am pleased to respond to the Subcommittee request that Clark address the use of stimulus funds provided by the American Recovery and Reinvestment Act of 2009. To date we have been awarded four projects which include ARRA funding. Three of these projects are in the National Capital area. The first is the Air National Guard Readiness Center-Area D, located at the Andrews Air Force Base; the emergency repairs for the settlement at the Jefferson Memorial Seawall; and the construction of the new U.S. Coast Guard headquarters building at the St. Elizabeth's campus.

The Air National Guard Readiness Center-Area D at Andrews Air Force Base was awarded on July 30th of this year, and allowed for additional work to continue under an existing IDIQ contract. While completing needed improvements, this project has and will continue to allow for 6 Clark employees and about 25 construction workers to remain on the job daily over the entire 10- to 11-month duration of the project.

Emergency repairs for the settlement at the Jefferson Memorial Seawall was just awarded on September 11th. We expect work to begin next month, and that project will be completed in about 14 months. This effort should employ about 40 people at its peak in 6 to 7 months from now. These will be new construction jobs as a direct result of the ARRA-funded project.

The largest of our stimulus-funded projects here in the Nation's Capital is the U.S. Coast Guard headquarters at St. Elizabeth's. We continue to support GSA and the National Capital Planning Commission's efforts to ensure that all issues related to this his-

toric property and project are addressed and that construction work can begin as expediently as possible.

In the meantime, we are proceeding with our design work, and have received excavation bids and are reviewing them to select that subcontractor. Once work begins, which we expect to occur right after the new year, about 50 new jobs will be created on site in the first month. In addition, hundreds of dump truck operators will also be employed to move approximately 1.3 million cubic yards of rock and earth. By month 2, about 100 individuals will be employed directly on the site. The number of jobs created rapidly increases as the project continues, peaking at about 1,000 direct construction workers on site sometime during the second year of this 3-year-long construction project.

It should be noted that we can only project direct jobs the Coast Guard headquarters will add to the economy. I am not an economist, and I cannot tell you how many additional jobs might be saved or created due to the manufacturing, assembling, packaging, shipping of concrete, steel, wire, piping, and other building materials that are made here in the U.S. that will be shipped to this job. However, the number must be much, much larger than the estimated 1,500 direct construction jobs created at the site.

Stimulus or not, construction jobs help fuel the American economy, creating good-paying jobs and creating demand for American goods and services.

On behalf of Clark Construction Group, I want to thank you for the opportunity to testify today, and I will be happy to answer any questions you may have.

Ms. NORTON. Thank you very much, Mr. O'Keefe.

Mr. Grunley, Grunley Construction Company.

Mr. GRUNLEY. Good afternoon, Madam Chair Norton and the Members. It is a pleasure and an honor to be here today.

My name is Kenneth Grunley, president and owner of Grunley Construction Company. Grunley is a local family-owned general contractor that for over 50 years has specialized in renovations, restorations, and modernizations of large government and commercial buildings. Some of these projects include the main Treasury building, the Eisenhower Executive Office Building, National Archives Museum. And you were talking about the Old Post Office; I renovated that when I was a young man in the late 1970s.

Over the past 20 years, Grunley, due to its local reputation, has grown along with a strong national economy. There was just a few pauses in the early 1990s and early 2000s, but we grew from 30 employees to 300 employees during that 20-year period.

In the fall of 2008, we witnessed a slowdown in procurement across the industry, and a doubling of competition. In addition, the BRAC program, the majority of that work was awarded in 2005 through 2007, so we have seen a slowdown in the BRAC procurement. During the fourth quarter of 2008 and the first half of 2009, I saw our backlog at Grunley Construction drop by one-third and our revenues slow for the first time in a decade. For the first time in the company history, we were forced to lay off loyal employees due to a lack of work. We reduced our staff from a high of 300 to approximately 260, and had made a list of an additional 50 employ-

ees that we would have to let go if we didn't see things improve in the later part of 2009.

During the third quarter of 2009, thanks to the availability of stimulus funds, Grunley Construction was awarded nine projects. Three of these were for the General Services Administration, totalling $160 million. One was for the U.S. Department of Agriculture at their South Building, four for the Navy, and one for Arlington Public Schools, which was about an $8 million job.

A quick rule of thumb for our type of construction, for renovations of significant buildings, is that it takes approximately 5 manyears to put in place $1 million worth of work. Thus, the nearly $200 million worth of stimulus work awarded to our firm would employ approximately 1,000 full-time workers for 1 year. The 1,000 full-time workers are for construction crews, so that excludes supervisory and administrative staff as well as factory workers to fabricate the materials and the truck drivers. In addition, this has allowed Grunley the opportunity to continue our robust small business outreach program, our apprenticeship program, and our recent conversation with the local carpenters' apprenticeship program about the preapprentice program.

Just an observation about the industry—and we did a lot of GSA work, and some of those projects are out of town—there is still a tremendous amount of contractors chasing a very few projects, and the competition is fierce. The prices, I believe, are becoming unrealistically low. From the subcontractor community there really is no bottom. The subcontractors are willing to take jobs at whatever number they hear on the street, and it does caution me for the future on where we will end up with that.

The stimulus program has been great for Grunley Construction and, I think, for a lot of our competitors. Obviously, our concern is when the stimulus dollars run out, will we see the commercial industry lead the way in the future, or will we possibly be just avoiding a problem until 2011?

Thank you.

Ms. NORTON. Thank you very much, Mr. Grunley.

Kathleen McKirchy, Executive Director, Community Services Agency of the Metropolitan Washington Council of AFL-CIO.

Ms. MCKIRCHY. Good afternoon, Chairwoman Norton, and thank you for inviting us to this hearing. I am here on behalf of the Community Services Agency, which is the nonprofit arm of the Metro Washington AFL-CIO, which is the area labor federation, with 175 local unions and about 150,000 union members in the area.

I also would just like to pass on the regards of the president of the labor council, Josh Williams.

I want to thank you for making dollars available to help us put area residents back to work and to help them reap some of the benefits of the Federal stimulus spending, and hopefully the private sector economic development which we think will result from some of this spending. We are very honored to have won a contract from the General Services Administration to provide preapprenticeship training and placement services to 220 area low-income residents, which are including women, minorities, youth, and ex-offenders. It is very gratifying to us that this award was made to an entity that is connected with registered union apprenticeship programs, all of

which are jointly operated labor-management programs, and they are among the best in the country for the level of training, completion rates, and continuing career development for workers.

We also are honored to be partnering with Wider Opportunities for Women, who you will hear from in a moment, and also from Covenant House D.C., who you will hear from in a moment. In addition to that, we have partnerships with the Associated General Contractors of D.C., which represents over 500 area construction contractors, and we have agreements with over 30 community-based organizations who will help us recruit area residents for the project and work with us on case management for these folks.

Our contract was just awarded effective October 1 of this year, so we are just getting rolling. Our deliverables include providing preapprenticeship training to 180 individuals, and we will be including the core curriculum, which is something new from the Building and Construction Trades Department at the AFL-CIO, which includes safety and health training, CPR and first aid, blueprint reading, orientation to the construction industry, construction math, tools and materials and that sort of thing, in addition to job readiness training to make folks good candidates for employment with the area contractors.

We will also be doing some green orientation and training specifically around weatherization and some of the new building materials that will be used in construction as everybody turns green. The Associated General Contractors has a green construction curriculum, and they have offered to work with us to implement that with our students.

We are also going to be providing hands-on experience for the students at some of the area union construction apprenticeship programs. They actually work with tools. They work with materials. They weld. They start learning the different trades that are possible within this industry and start figuring out where they think they might want to end up. The classes will be divided into two groups. Those for 18- to 24-year-olds will be run at Covenant House on Mississippi Avenue in Southeast. For those 25 and older, they will be held at Cement Masons Local 891 on Kenilworth Avenue NE.

We will also—in addition to the 180 people that we will be training, we will also provide job placement and case management services to 32 young people who come through Covenant House's Artisans Program, which is a carpentry training program for young people.

Our first class is scheduled to start on Monday. We expect to have 30 people over the age of 25 who are starting that class. Of that group of 30, about 85 percent of them at the moment are D.C. residents. And it is a 6-week training program. At the end of the 6 weeks, we will do heavy-duty job placement with these folks to ensure that they get employed. We will also be following them at 30, 60, and 90 days throughout the grant period to ensure that they retain their positions.

We are very excited about all of the GSA activities that will be going on in the metro Washington area, including the Coast Guard, Homeland Security, and also the Federal Government retrofits that will be going on. We have already had conversations with GSA

about relaxing possibly their restrictions with security background checks so that we can ensure that ex-offenders are able to get some of these jobs, and they indicated that they will be somewhat flexible in this area.

Also I believe that Clark Construction will be providing a trailer, or GSA will in conjunction with Clark, at the St. E's campus once the Coast Guard project gets started, and this trailer will have training space for up to 20 people. So we hope to be able to use that space not only to expand our training, but also to recruit residents from Southeast D.C. to work on those projects. We have already been in touch with Clark Construction, and we look forward to working with them closely on helping get jobs for D.C. residents.

I would like to just conclude by thanking you for the leadership role that you have played in helping to get these funds earmarked for the metro Washington area. And we, with our partners, are very committed to running a quality program and getting local residents into good construction jobs.

Ms. NORTON. Thank you, Ms. McKirchy, but actually I didn't get them earmarked. You and the Metropolitan Council competed with all 11 regions. The regions that made the first cut had to have the highest unemployment, and then it was a straight-out competitive process. And I congratulate you on winning one of these contracts.

Ms. Cormier.

Ms. CORMIER. Thank you. Good afternoon, Chairwoman Norton and Members of the Subcommittee. I am here this afternoon representing Wider Opportunities for Women, or WOW, which is a national and local D.C. nonprofit women's organization that works to create pathways to lifelong economic security for America's women and girls.

WOW has a long history of providing such pathways to low-income women through activities promoting their employment in construction and other nontraditional occupations for women. We were actually one of the first organizations in the country in the 1970s to provide green jobs training to women through our program at the Blue Plains Wastewater Treatment Facility in Southwest Washington.

As I speak with you today, WOW is convening the first-ever Green Jobs for Women Training Institute, and has brought to D.C. for the 2-day kick-off partners from 10 States around the country who engage in construction and green workforce and economic development for women. One of these partners in attendance is, in fact, the only other contract recipient through this GSA funding stream, Oregon Tradeswomen, Inc.

We are also really pleased to be able to say that we have secured stimulus funding for women in nontraditional jobs by the Department of Labor to develop a green jobs guide for women and related on-line curriculum so that we can continue to get resources out to the field, practitioners, researchers, funders, et cetera. They can begin to focus their efforts. We are especially honored today to be partnering with the CSA and Covenant House D.C. on this new direct-training effort in DC.

As my colleague has provided an excellent program overview, I will put this training effort into the larger context of targeting low-income, high-barrier job seekers, particularly women, and how best

to serve them using Federal stimulus dollars through specific legislation and best practices.

WOW's experience working nationally and locally to prepare and place women into nontraditional jobs makes clear that targeted dollars for their recruitment, hiring, and promotion is essential if they are to be on an equal playing field with men. Even today we see that women represent basically less than 5 percent of workers in most building and construction sectors. We also know that with the targeting of funds like that in the original ISTEA and WANTO legislation, women do enter and succeed in these jobs in much greater numbers when such resources and incentives are in place. Most importantly about this is that these are the kinds of jobs where low-income women without postsecondary college degrees can earn enough money to take care of themselves and their families.

For these reasons, WOW strongly supports your proposal, Congresswoman, in the current transportation bill to make the training of underrepresented workers mandatory. Like the Transportation Equity Network, WOW would urge the Committee and the Transportation Committee and the Subcommittee to go further and increase funding for the on-the-job training and support services line items from one-half of 1 percent to 1percent of funds going out to the field for highway construction, transit, and rail projects. We also urge you to require 30 percent of the workhours on large projects be reserved for low-income people, including ex-offenders, women, and minorities. And we also endorse maximizing the use of the Registered Construction Apprenticeship System and Community Benefit Agreements.

In addition, we thank you and your colleagues in the House for the passage in June of the climate change bill and its Green Construction Careers Demonstration Project. We view this legislation, with its recruitment and hiring targets, as a foundation for more ambitious, yet essential mandates to include underrepresented workers in construction, and are actively working with our State partners around the country to help ensure passage of similar legislation, including the version that is pending in the Senate.

I would just like to close by thanking you, Madam Chairwoman, for the leadership role you have played in securing these funds for the D.C. area and going forward to increase the employment of the area's most marginalized residents. My thanks also to Members of the Subcommittee, and I am happy to answer any questions.

Ms. NORTON. Thank you, Ms. Cormier.

Let me ask the witnesses, I need to know how each of you relates to the other on the apprenticeship program. I need to know how Clark and Grunley are using the preapprenticeship program, if they are. And I need to know how Ms. McKirchy and Ms. Cormier relate to existing projects. We have a disproportionate number, for example, in this region and even in this city. You have described some of them. You have 22 sites, for example, are GSA sites alone that don't even involve the DHS.

Mr. O'Keefe, to what extent is an apprenticeship or preapprenticeship program part of what you are doing?

Mr. O'KEEFE. We do intend to integrate the activities specifically at the Coast Guard project with CSA. The project will have a num-

ber of opportunities for apprentices. And the large majority of our subcontractors will have registered apprenticeship programs.

Ms. NORTON. That is now a requirement. This started as a requirement in this region. The Registered Certified Apprenticeship Program, which we asked and negotiated with the GSA initially for this region, is now a nationwide requirement if you want to do business with the Government of the United States to ensure quality in the labor we bring to the table.

Mr. O'KEEFE. That is correct. And in general the Davis-Bacon Act requires, depending upon the trade, a required number of apprentices. But on average, if you average it out over the whole job, it is basically going to mean there is going to be an apprenticeship position for every four journeymen on average. So on a job of that size, we are talking about hundreds of apprenticeship positions on the job site.

Ms. NORTON. Now, are you prepared—I was pleased to hear you say you are prepared to deal with the community services contract that has already been awarded. You speak of apprentices, and, of course, that is important to hear, but you recognize that this work involves preapprenticeship programs as well. Are you prepared to deal with preapprenticeship programs as well as with apprentices, already qualified apprentices?

Mr. O'KEEFE. Yes. Our intention is to work closely with GSA and CSA to take those—the people that graduate from the preapprentice program, and align them with our subcontractors who have openings for apprentices on the project.

Part of the job opportunity trailer that they are talking about, we are teaming with GSA who has taken the lead on that, but we intend to have that trailer there. It is going to provide a way for residents and small business, local businesses right there in the community, to have access directly to the job site to understand what work is coming up, what are the opportunities for apprentice positions, and a schedule of when work is going to be happening on the job site and when they can participate in competing for that work.

So the trailer is going to serve multiple functions, but the idea is that we integrate with CSA and try to link up those graduates from the preapprentice program with the apprenticeship needs that we have from all of our subcontractors at the site. And we think that that is a good marriage.

Ms. NORTON. That would work. That is what we will be tracking. That would work very well.

Mr. Grunley, how about the work you are doing in preapprentice and apprenticeship programs?

Mr. GRUNLEY. Yes, ma'am. We are proud to be members of the local carpenters union since 1955, so we do employ our own carpenters and our own apprentices. A gentleman who works for me this year is the secretary of the Carpenters Training Fund—I am sorry, Carpenters Training School, and has been in conversations with the—I don't know the gentleman's name, but the gentleman who runs the school for the carpenters. Yeah, Tom Barrett. And we have talked to him about setting up a preapprenticeship program. He told me that he has not had great success in the past, but I don't believe that there was any financing behind what they had done in the past. He shared with me that if he ran 10, what he

has found in the past running 10 kids through the program, that he would probably not recommend more than 2 of them for employment. So what I am hearing today, hopefully that will change.

I was planning on doing this as kind of a pilot program at Grunley with the carpenters at really no expense to the government or GSA on any of our projects and try it myself.

Ms. NORTON. Actually, I appreciate what you are saying, Mr. Grunley. We had an experience here, I will say this to Ms. McKirchy, which frankly did not commend itself to me. The District constructed the Nationals Stadium, and it had a magic opportunity that it had every intention to fulfill. It recognized that working with unions you had a better chance of getting people moved from one job to the other job. It had precisely no effect, so far as I can see, because they simply threw the kids at the work. So far as we can tell, there were nothing but about grumbling about it.

You can't say to people at Local X, Y, Z, 1,2,3, here is some preapprentices, never been exposed to the weeding out. Yes, Mr. Grunley, part of a preapprenticeship program is strict, is that I wouldn't want to work on any construction job—and let me tell you something else. The sons of those who worked those jobs don't want to work on them either. And I am sure you and Mr. O'Keefe will attest that during the period, the boom period of a few years ago, you would often find shortages of trained journeymen for the reason that journeymen are like everybody else; they are aging out, they are baby boomers, they are going to have good union retirement, and they are gone.

One of the reasons that it is absolutely imperative that we have a preapprenticeship program is, one, that we are going to have those shortages again. We need it, unless you are going to be importing workers the way we are importing every other thing in this society. And, two, it is time that people who were traditionally excluded from the construction trades, people who were black and brown and female, took advantage of this opportunity to get a foothold into construction trades which specifically excluded them.

Now you will find the construction trades are wide open. But if you go through the union, which often places trained journeymen, you can't expect the journeymen on the ground, who are referring people who themselves were trained through a measured process, to proceed with the pool that is now before us and to pick out people who, upon being slapped onto the job, simply pick up the cudgels and act as if they were apprentices. This happened too often at the ballpark. There was not in place a rigorous preapprenticeship program.

If I can be clear, actually they told me when I went to Yale Law School that they no longer said this: Look to your left and look to your right. The person you see on either side will not be here next year. Before I got there—I guess that is how I made it—they no longer threw people out that way, used the process of the first year to weed people out. Well, guess what? Because this is work, it means you got to get up, you got to be with Clark and Grunley at 7 a.m. or whatever time they say. You got to be there in 40-degree weather, at 90-degree weather.

I want people exposed to that. I want them thrown into that, and say, if you want it bad enough, and test it. And I think most people

don't want it bad enough. That is why the sons would rather sit at a computer, where they are doing low-level computer work, while we have to bring over people from Europe and India and everywhere else to do computer work at the level we need it. They would rather sit there and do that and get fat than, in fact, go out and take on that weather, take on that hard labor even for high union wages.

So I don't care if, in fact, they weed out all but a couple for Mr. Grunley. He is going to be held to produce the highest level of work for the Federal Government. We do not play. We want these people trained, but we do not play. We deal only in a competitive process with the very best in the business. The reason we want certified apprentices is because the best in the business do not take chances with fly-by-night operations that come in and say, oh, we got some apprentices, too.

So we know the quality we want. We know what you need to get it. And we know that most of the people, Ms. McKirchy, Ms. Cormier, who come through your program are not ready to make top dollar putting in this kind of hard labor in this kind of weather.

So I need to ask you what is your—what is the word you used, Ms. McKirchy, core curriculum that you mentioned on page 2? What is the completion rate? I am not looking for a top completion rate. I am looking to get some people out there like the ex-offenders. The reason that we have such a return to the ex-offenders, they have been through, excuse me, hell. They know this is their last chance, and so they are ready to do whatever it takes.

I am the first to admit that when you have been sitting there playing computer games, you may not be ready. Fine. But we need to know we have a core curriculum and a screening process that will help us know who wants to do this and who doesn't. Don't think any of the worst of you. I am right with you. I can't make it. But I need not to have on my projects people who aren't better than I am and who are ready for this. And I need to know from both of you how can you assure me that you are going to weed out the people who they don't know either until they get before you that this is not for them? And I need to know how you will use a curriculum which helps us get to those who really want to do it can do it. And what is in place now, especially since we understand from Ms. McKirchy that her first class begins on Monday?

Ms. MCKIRCHY. First, I would say that part of the success is trying to assess people at the beginning about their aptitude and attitude about doing this kind of work. There are a number of tools we used in past programs. They are not totally foolproof, but that, combined with very serious talk with people before they are accepted into the program about what construction is and is not, helps give people a realistic idea of what these jobs are.

It is a tough job to do, because I think my cohorts here would agree that if you take any random hundred people, maybe five of them would have an interest and aptitude in working in construction. Part of our job as a screening process is to make sure people are clear about what these jobs are. You have to be at the job at 6:00 or 7:00 in the morning. It is hot. It is cold. It is outside. It is inside. You know, you use the facilities that are there. And it is tough work, it is physical labor. It is hard work. But also the posi-

tive side, it is rewarding work. You get to see what you are doing. For people who have an interest in working with their hands and seeing their project develop in front of them, this is good work.

Secondly, we at this point are requiring high school diplomas or GEDs. If people are close to getting their GEDs, we will help them get them. But our experience in the 3 years we have been doing this kind of training is that those are the people most likely to succeed through this process. They also have to be at around an eighth grade reading or math level. You cannot succeed on a job site if you can't read. You can't succeed on a job site if your math skills aren't where they should be. Additionally, we drug-test people.

So that all happens before they even start the 6-week program. We then treat the 6-week program as a job. They have to be there on time. Our classes are going to be starting at 8 a.m. They have to be there on time. They have to attend. They have to participate. If they are not doing that by the end of the first week, we will start weeding people out. But hopefully we will have screened people adequately so we have got folks that are taking this seriously and want to succeed. Our plan is that we will not graduate people that aren't completing the program and aren't succeeding in the program. And we certainly don't——

Ms. NORTON. And we are going to have a test right before you, because these people won't be going off into some job in the great beyond, they are going to go straight to the work that is going on in the District and in the region.

Ms. MCKIRCHY. Exactly. And we don't want—one of our objectives, of course, is to develop good relationships with the contractors. We want to send them ready-to-work people who are going to be successful employees. And to the extent that we don't send them people like that, we aren't going to have a successful project. So that is our intent.

The curriculum that the Building Trades Department at the AFL-CIO has developed is similar to many other curricula that have already been put out there. They have tested it. They have gotten input from union contractors and from all of the 16 building trades unions, and it is intended to be a baseline curriculum that meets the needs of all the trades. It provides the basic information that people need to be able to be successful apprentices on a construction site: the basic background in math as it relates to construction, blueprint reading, OSHA 10 certification, CPR, first aid, tool ID and use, actual exposure to some job sites, exposure to the various trades and how to get into the various apprenticeship schools. And that is what the curriculum is intended to do.

Ms. NORTON. Ms. Cormier, the same question for you.

Ms. CORMIER. Sure, thanks.

Out of that 5 out of 100 who have the aptitude to be construction workers, 1 of them is a woman, and one-half of her is going to want to do it. So we certainly have our work cut out for us. The gender-focused components of this new program in partnership with CSA and Covenant House are halfway through the 6 weeks, the women who are obviously going to be making it will get paired with individual mentors, not just support groups, although that will be important, too.

Ms. NORTON. Individual what?

Ms. CORMIER. Mentors. Experienced local tradeswomen who want an individual relationship with our graduates as they are getting ready to graduate and will go out there and will follow them for at least a period of a year after graduation.

We do currently run support groups from past construction training programs. We certainly intend to ramp that up, especially with the new program. At least quarterly, if not more often than that, we want to do support groups for the women.

The case management that we will be focusing on really——

Ms. NORTON. By the way, Ms. McKirchy, are there similar support groups for many of these youngsters who will come out of circumstances where they have not been mentored even by fathers, much less others in their communities who have been journeymen? Do you have any support group——

Ms. MCKIRCHY. Yes. I guess I might ask Larry Gold, who is the community service director from Covenant House, who deals with the 18- to 24-year-old population, to also pipe up about what they have been doing.

Ms. NORTON. Ms. Cormier, we will get back to you in a moment.

Mr. Gold, will you identify yourself, please?

Mr. GOLD. My name is Larry Gold. I direct community services at Covenant House Washington. I know that you are familiar with Covenant House and the wraparound services that we provide to the young people who come through our programs.

I have actually been at Covenant House for over 7 years, mostly with the Artisans Program, which is a vocational training program in woodworking. I think that for us, a large part of the work that we have done is experiential learning with our youth, where they actually have the opportunity in a worklike setting to learn the kinds of values and skills that they are going to need.

Ms. NORTON. I want to know about the notion of Ms. Cormier says, and this is very important for the women, you know, most of them have never seen a woman on a construction job unless you take a microscope, so that the notion of having a woman who has been on the job as a journeyman or an apprentice, that can have an effect like nothing I can think of. I am asking, understanding that many of the youngsters from disadvantaged neighborhoods, and that is who you are getting. Today most of our kids—here you can get $10,000 if you live in the District of Columbia, because of a bill I have, to go to any public university in the United States. You get $2,500 straight out. All you got to do is get in it.

So who are you getting? You are getting, as Ms. McKirchy says, people who have high school or are on their way to getting GED.

Now, the youngsters from Covenant House will often be youngsters who have grown up in households with only women in communities where the men have not been trained to do construction work, where there is a great deal of crime. So they, like Ms. Cormier's women, have never been faced with a man who has been a journeyman, who has been on a job. Is it possible to encourage these youngsters so that there are some journeymen somewhere with whom on at least a periodic basis this kid could work or this young person, as is likely to be the case, could work so that he could see success is possible where this brother who also just had a high school education and is now making $20 an hour?

I am trying my best to break through what I see is a formidable barrier to people even believing that they are ever going to get to making the high union wage that journeymen, in fact, are able to take home. So I am asking you, if you don't have it, whether you could explore for the youngsters who come out of disadvantaged homes, the male youngsters, getting them somebody who makes them believe that they can do this work because they see someone—and they are all over the place. There are, for example, African American and Latino journeymen who will be hired on these jobs.

Mr. GOLD. I can only say that, again, with my experience at the Artisans Program, we had a volunteer who was there for over 3 years who had spent 20 years—an African American who had come up from the South and worked extremely hard to become a carpenter at the White House and the State Department. And he provided a mentorship opportunity. And——

Ms. NORTON. That is the kind of thing I am talking about, somebody who is kind of like them and has succeeded. Because they go out in the street, they don't see many people like them, which is one of the reasons we were able to get extra money for stimulus funding for preapprentice and apprenticeship programs.

Continue, Ms. Cormier.

Ms. CORMIER. Yes. So in addition to being paired with an experienced tradeswoman as a mentor, and attending at least quarterly support group meetings, the case management that we will be doing on this project and have done to date is really focused on the issues that a woman will experience and quite often a single head of household will experience around making sure that the barriers are cleared for you with transportation; you have got a realistic, failsafe child care plan. If you need more of our help perhaps than a guy enrolled in the program to get that learners permit and/or that driver's license, because it is kind of out of the ken of your experience, then our case managers are there to help smooth those transitions out so that the women can be adequately supported so that then they can go on and do their thing and be responsible and have a good training effort, and they get placed somewhere and be able to stay in that job.

And our follow-up support for any of the graduates with this program will be up to a year. So we will be following them as well. And, of course, with our folks here on the panel with us, we will have some very immediate feedback on how some of our graduates are doing. But we certainly intend a follow-up piece after they are placed on the job to ensure their job retention.

Ms. NORTON. I appreciate this testimony. This is not my father's generation of the Great Depression where, you know, anything that enabled you to live. These are people who don't understand why life hasn't been given to them as it was given to others immediately before them. And, frankly, we have given them to understand that, and we have got to give them the support that is necessary so that they understand that nothing gets accomplished without hard work.

Mr. Grunley, you indicated that subcontractors—I think you were indicating there might be some concern about the quality of subcontractors, because you said that people are so hungry for

work, to use subcontractors as an example, that you can get subcontractors for very low bids. Would you elaborate on that?

Mr. GRUNLEY. If I could just go back to the preapprentice for one item real quickly?

Ms. NORTON. The what?

Mr. GRUNLEY. Preapprentice program for 1 second.

I heard you talking about training ex-legal offenders. And my only concern with that is under HSPD-12, I don't believe they will get onto Federal construction projects. That is something they are going to look at very carefully.

Ms. NORTON. Ms. McKirchy?

Ms. MCKIRCHY. We have had some conversations with some of the contracting people at GSA, and they have indicated that they are prepared to be somewhat flexible, and to look at case-by-case basis for placing people——

Ms. NORTON. Federal law does not keep a contractor from looking on a case-by-case basis. For example, you will find people who have had offenses as juveniles. It is pretty hard to find some kid who grew up in the inner city who hasn't had some kind of something for which some white kid wouldn't even have come into court, and GSA knows how to tell the difference. And therefore, I ask you to look closely at anyone that has gone through their screening, because it will take a whole lot to get through their screening and get to the point where such a preapprentice is being held out for an apprenticeship program. I accept your notion that that indeed is the way in which Federal work is handled according to the nature of the site. But let me ask you about subcontracts and what you are finding, given how hungry people are to get subs, to be subs.

Mr. GRUNLEY. The local subcontracting community, most of them are family-run businesses that spent years building up a workforce and who is faced with enormous pressure to lay off these workers for a lack of work. I get calls regularly from our subs, don't you have anything to bid? We will take anything you have. And there appears to be no bottom price for the subcontracting community. When we take bids on bid day, we try to award to the low responsive bidder on bid day. And in the past, once we are awarded a job, people will call us, you know, what do we need to do to get the job? And we say, oh, we awarded it yesterday.

What we are finding now is that it doesn't matter—you could tell them any number, and they said, oh, if you had called me back, I would beat that number. The numbers are getting driven down dramatically. I am seeing projects for GSA that I think are coming in 30 percent below the budgets. I know that has occurred at the Corps of Engineers also. And there is going to be a price to pay at the end.

We used to get about one letter a quarter from some law firm looking for money for one of our subcontractors. We haven't changed the way we do business, and I say we get one a week now. So there is such an enormous pressure on the subcontracting community, their prices. They don't know how to keep their employees, so they are cutting their prices in the hope of a turnaround. I think if the stimulus funds——

Ms. NORTON. I can understand what you are saying. I wonder if Mr. O'Keefe is finding the same, and how you, therefore, given the fact everybody—you want to go that low; let me go lower is the response. How do you know, therefore, who is the quality subcontractor to take? Mr. O'Keefe?

Mr. O'KEEFE. First of all, I can certainly confirm what Mr. Grunley has just said. We are seeing the same things. We suspect that in some cases, in many cases, subcontractors are bidding numbers below their cost in an effort to keep their company alive and to keep their core employees employed. We have certainly seen, and as evidenced by the national construction unemployment rate; I think it is near 17 percent unemployment in the construction industry on a national basis. To a large extent that is the result of a much significantly reduced private sector of construction, which, you know, it has been a big part of the local construction market here, and it has shrunk significantly. So what you have is the same number of subcontractors and contractors now competing for much less work.

What happens—because similar to Grunley, Clark, most of our work, I think, is competitively bid—we compete for the work. So what happens on bid day, as these numbers are coming in, you really have to evaluate whether you think that the subcontractors can perform that work, because if you just cobble together all the low numbers, and you put that in there, you are at risk, because once we put that number in, we are committed to that number. Okay. Whether they——

Ms. NORTON. And you and Mr. Grunley, because of your expertise, will have a sense of what the costs to the sub is.

Mr. O'KEEFE. Yes. Yes. But you also have to look at what your competitors are doing, because Mr. Grunley is going to use some of these numbers. So, you know, you can't just say, well, they can't do it, so I can't take that number. If you do that, we will not be low, and we will not get the work.

So it is a fine line we are walking between trying to select the right subcontractors at what we think are the right numbers, but being right on the edge there to be competitive, to be able to be low to obtain the work.

Ms. NORTON. Let me ask you, Mr. O'Keefe, and indeed we are submitting a question because I meant to ask it of Mr. Peck, you know, we clap with one hand when we hear that a building built from the ground up by the Federal Government is only a LEED building, not a gold building or a platinum building. What would it take to make the new Coast Guard headquarters building a gold building or a platinum building?

Mr. O'KEEFE. First of all, the first level is a certified building—I guess they are going with the next level, certified silver, which the U.S. Coast Guard is a silver.

Ms. NORTON. Silver is what they are building.

Mr. O'KEEFE. That is correct. That is correct. And then there is gold and platinum.

We have constructed all levels of LEED certification buildings, and I guess the bulk of that work has to be done in the design phase. Okay. Very little of it has to do with how it is being built; it is how it is being designed.

Ms. NORTON. But that goes to cost, doesn't it?

Mr. O'KEEFE. Yes, it does. Yes, it does. The higher the level you go, the more stringent are the requirements for energy efficiency.

Ms. NORTON. So why would anybody building in 2009 for a headquarters—because the headquarters is going to be there for eternity, we are not building another headquarters for anybody—why would anybody want to build without getting the maximum in energy savings for the taxpayers by investing some more in the design in order to guarantee less in energy costs to the taxpayers down the line?

Mr. O'KEEFE. To answer that question directly, there is a tradeoff of, first, cost versus the long-term sustainability and the costs for the long term.

Ms. NORTON. But that could mean that let us say 20 years from now we are going in there trying to add something that will bring down the cost of HVAC or heat or what.

Mr. O'KEEFE. Yeah, it is very difficult to come back after the fact and make adjustments without a whole-scale redesign of systems.

Ms. NORTON. So if we don't do it now, we are just going to be paying for whatever is the cost of energy wherever it goes.

Mr. O'KEEFE. Yeah. I would like to make one note here. Although we are obligated for the silver certification, we are, in fact, attempting to get the gold certification for that project.

Ms. NORTON. Tell me how are you able to do that. What are the differences?

Mr. O'KEEFE. Okay. This is a design-build procurement. So we have control over the design and the construction of the project, and through that control, we are able to work on these elements, the mechanical systems, the water use systems, and so on. And we have made a commitment in house to ourselves that we are going to attempt to get gold on this. GSA has been working with us on this, and this is something we would like to try to do. The current design and the current program is calling for silver, but we are going to try to one up that.

Ms. NORTON. Oh, that is amazing to hear that the contractor can himself perhaps improve on the aspiration of the agency, and I would encourage you to do so. I can't tell you what it would mean to the Federal Government and what we would be able to do in the future. We believe that even in my time on the Committee when we began to look at energy savings, water savings, where it was more difficult to calculate in dollars and cents, it isn't difficult anymore. You can calculate in dollars and cents. Even the average homeowner can do that today. And there is no question that this can be done.

So for us not to maximize this once-in-a-lifetime opportunity—we are never going back, we are never going to improve on it—for us not to maximize on it—now, if more needs to be done, GSA needs to talk to me, because I am certainly willing to talk to the appropriators as we go through this prospect. The President himself is engaged now in investments that have no pay-out while he is President of the United States. All of this energy conservation that he is doing doesn't have a dime's worth of difference to him in terms of anything he is going to be able to show.

So I know that we are able to advocate for platinum when we are building the largest construction in the United States of America today and the largest in the history of the Federal Government. We know that, for example, platinum has to do in part with things that the contractor and, for that matter, GSA has done the best it can on this proximity to Metro. And this does have proximity, but it is not down the street the way many of our buildings are, which at least—let me ask you what else goes into platinum, for goodness sakes, Mr. O'Keefe? Can you think of anything, you or Mr. Grunley? I am trying to find out what platinum is so I will know whether I am just going for nothing or whether there is really something in platinum, some real difference.

Mr. O'KEEFE. I will speak to that first. I don't know all of the specifics, although that is something that—they actually have scorecards that tally up points on certain things that you have to achieve in order to get a certain rating, either a gold or a platinum or a silver. And those are all centered around use of local materials, building techniques, and the design of the energy systems in any facility, such as water usage. For example, if you can put in low-flow toilets and have a rainwater collection cistern system that reuses that rainwater, those are the sorts of things that you can incorporate into a project to reach these higher levels of certification.

Ms. NORTON. What we are going to do, I am going to ask staff to get from GSA or the comparable—or the expert organizations what the real difference is. For example, staff says, you know, a bike rack will get you that. That is almost a no-cost something. Runoff may cost a little more, but it may be well worth it, given the fact that water savings is part of what we are talking about, too.

So I am interested in finding out, particularly given your testimony that you are going to try to at least get the gold, to find out what it is that can be done.

Do you, Mr. Grunley, do you, Mr. O'Keefe, have a small business plan connected with the work you are doing in the stimulus funding for the Federal Government?

Mr. GRUNLEY. All of our Federal projects have a small business plan, whether they are in the stimulus package or not.

Ms. NORTON. Could I ask you and Mr. O'Keefe to get within 30 days to this Subcommittee a copy of your respective small business plans? Could I ask you to get to me as well within 30 days the number of apprentices you have hired and the number you intend to hire as you foresee at the moment?

Mr. GRUNLEY. You would like those apprentices for both our own workforce as well as the subcontractors on the project?

Ms. NORTON. I would. I would.

Ms. NORTON. And I am pleased that you heard my discussion, because I am certainly going to give you credit. I want to see that GSA gives you credit. And I am going to find out whether we can change this for at least construction, whatever are the reasons for other kinds of subcontracting work.

I would also like from each of you, Mr. Grunley and Mr. O'Keefe, a list of the projects you are undertaking throughout the United States that utilize stimulus funds.

Ms. NORTON. I want to thank all of these witnesses. You have very much enriched our record. You saw from the appearance of the Chairman himself that we are down to the really itsy-nitsy gritty here.

I want to say to all of you, jobs could not be more important here. If we end up getting a lot built and a lot rehabilitated, and we are not able to show a large number of jobs for it, we will all be held accountable. So bear in mind for all the other questions we have asked, we want real people employed on the job. We want you to reach out to the existing community.

And particularly you, Mr. O'Keefe, are, for example, building for the first time in the history of the United States on the other side the Anacostia in the lowest-income community in the District of Columbia. Imagine how you are going to be watched like no contractor has ever been watched before in a period such as this, and not only by me, but especially by the community. From all I understand from the GSA personnel who have been working with you, we have no dissatisfaction with what is happening now. But do understand that as we put questions before you, we feel it incumbent upon ourselves to do so because of the large difference between ourselves and other Committees, because this money is under our direct supervision, and not under the supervision of the States, and because this is the largest amount of money at one time to do work quickly that GSA has had, and we have got to be accountable for it.

Thank you very much for very important testimony today, and this hearing is adjourned.

[Whereupon, at 5:03 p.m., the Committee was adjourned.]

OPENING STATEMENT OF
THE HONOROABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

Hearing on
Recovery Tracking Hearing #3: Following the Dollars to the Jobs

Tuesday, October 27, 2009
2167 Rayburn House Office Building

Chairwoman Norton and Ranking Member Diaz-Balart, thank you very much for holding this hearing to examine the execution of projects by the General Services Administration (GSA), the Economic Development Administration (EDA), and the Smithsonian Institute funded by the American Recovery and Reinvestment Act.

Part of the Recovery Act I am particularly interested in is the $5.5 billion apportioned the GSA to upgrades its facilities. Specifically, the Recovery Act directs $750 million to renovate and construct federal buildings and courthouses, $300 million to renovate and construct land ports of entry and $4.5 billion to convert federal buildings to high-performance buildings. Among the many projects funded will be the Robert Bolling Federal Building in St. Louis, just outside my Congressional district, to make high performance green building modernizations. Through this investment the Federal government will be one step closer to meeting the energy goals of the energy Independence and security Act. I believe it is important for the Federal government to lead by example in making our buildings more energy efficient.

One concern that I do have is that as we invest in high-performance buildings is that GSA have all the tolls necessary to not only retrofit our existing government building stock to high-performance buildings, but also ensure that these buildings are properly maintained and operated at their highest performance standards. We can invest in building high-performance buildings, but if we do not have someone managing the facility that is properly trained we may end up wasting more energy than you do with a traditional building with no high-performance attributes.

In closing, I want to thank our witnesses for joining us today and I look forward to hearing your testimony.

Eleanor Holmes Norton

STATEMENT OF
THE HONORABLE ELEANOR HOLMES NORTON
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

October 27, 2009

"RECOVERY TRACKING HEARING #3: FOLLOWING THE DOLLARS TO THE JOBS"

The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act" or "stimulus"), signed into law on February 17, 2009, provided $5.55 billion for the General Services Administration (GSA), $4.5 billion of which was to convert GSA buildings into high performance green buildings in all 50 states, the District of Columbia and the four territories. In addition, GSA received $300 million for border stations and land ports of entry, and an additional $750 million for the repair, alteration and construction of federal buildings and courthouses, $450 million of which was allocated to the new Department of Homeland Security (DHS) headquarters compound of buildings to be located on the St. Elizabeths campus in Ward 8 of the District of Columbia. The Smithsonian Institution received an appropriation of $25 million for "facilities capital," which was to be used for the repair and revitalization of its many deteriorating facilities. The Economic Development Administration (EDA) received $150 million, almost all of which was allocated for strategic grant investments in areas hard hit by the current recession. The Recovery Act is premised on the direct spending that data from many decades has shown has the best record for simultaneously stimulating the economy, providing jobs, and meeting the ongoing and existing responsibilities of governments at every level for public infrastructure.

The Recovery Act's primary purpose is to stimulate economic recovery through investments that preserve and create jobs, spur technological advances to enhance energy conservation, and improve infrastructure to provide long-term economic benefits. Our goal, though, is to not only distribute the funds quickly and spark short-term job creation, but to ensure that these investments will lead to long term, higher skill and higher wage jobs. To that end, we will be interested in how the apprenticeship training funds I got included in our package are being implemented. Today, nearly eight months after the passage of the Recovery Act we want to know specifically about results – how many jobs have been created, how much has been obligated and spent, how much is left to be spent, when it will be spent, and whether it will be spent by the September 2010 deadline. If

GSA knows that 38,000 jobs will be produced by the DHS headquarters construction over a period of several years, I am also interested in its calculation of the number of jobs to be created by the total $5.5 billion.

This subcommittee's tracking hearings will continue throughout 2010, the duration of the stimulus funding, because of our unique responsibility among the various committees that are charged with oversight over stimulus funds. Unlike other funds in the Recovery Act the funds under our jurisdiction are not distributed to states. GSA, EDA, and the Smithsonian are not pass-throughs, but instead directly administer stimulus funds and contract for the work. This subcommittee, in turn, bears a similar direct responsibility for the stimulus funds under our jurisdiction and must continue to conduct especially vigorous oversight of these agencies. Americans can find the projects in their states and localities online, and we invite their comments and observations on job creation, efficiency and other aspects of the work.

The stimulus has given the GSA an unparalleled opportunity to build the biggest development in its 60-year history, the Department of Homeland Security headquarters compound of three new buildings and the reuse of 60 historic structures, may be the largest development project anywhere in the United States today. This work will occur over a period beyond the initial stimulus funding, over several more years. However, based on the difficulty I encountered in securing the first funding, I know that additional funding will depend on how well and how quickly the current work proceeds. So much is at stake that we will hold special hearings on this project alone. Today, we want to understand what has begun, what has been accomplished, who and how many have been hired, and what the timeline is on the DHS headquarters, among other questions. I was able get the first sizeable funding for the DHS headquarters project only by arguing that the project would provide a clear, proven case for job creation for a vital federal agency. I will not be able to get the necessary additional funds, totaling more than $2 billion, for the DHS compound without a showing of significant progress, both in job creation and in efficiently getting the first building up while simultaneously beginning work on making the historic structures usable.

In addition, the GSA stimulus funding also bites into the GSA backlog of repair for its vast inventory. The subcommittee expects a quick start on much of this work, in particular. Many repair and rehabilitation projects do not require extensive design work and therefore can be implemented quickly to provide jobs of many kinds at a variety of skill levels while meeting the purpose of stimulating the economy. The repair and alteration of GSA's existing federal buildings will also retain space in the federal inventory for occupancy by federal agencies, which helps prop up the declining Federal Building Fund that, in turn, returns rent payments to the federal government to fund repairs and rescue the GSA inventory from another cycle of decline.

The Smithsonian Institution likewise has a huge backlog of repairs for facilities. Although the Recovery Act funding for the Smithsonian is small relative to the need, these funds should permit a more systematic approach to shoring up its infrastructure while creating jobs.

For the record, I also want to comment today on highway stimulus spending by the District of Columbia. Though tracked through another subcommittee of this committee, the committee has also had oversight hearings on the Recovery Act spending by agencies under all of our subcommittees. At the last hearing, I was chagrined to see the District of Columbia listed next to last among the 50 states and the District of Columbia in highway stimulus fund spending. I want to report today, however, that 70 percent of the District's highway stimulus funds have been awarded or spent. As the stimulus bill was being considered, I took pains to see that the District was treated as a state for funding. In reality, however, the District could not begin its work like states with large Departments of Transportation staffs on hand, but instead must rely mostly on contractors. Now that most of the work is in progress, it appears that the city is using the funds as Congress most desired, for energy conservation and sustainable projects that facilitate walking, cycling, and mass transit improvements and other projects that improve the local retail and commercial environment. Just yesterday, Chairman Jim Oberstar and I went to Murch Elementary School, where The National Center for Safe Routes to School awarded Murch Elementary the James L. Oberstar Safe Routes to School Award for being the best in the country in encouraging walking and biking to school. Murch was able to win the award because the District added $4 million to its existing infrastructure funding for the Safe Routes to School program. Without objection, I am placing a letter from the Mayor of the District of Columbia detailing this program into the record.

We look forward to hearing from the GSA, the EDA and the Smithsonian Institution about what exactly has been accomplished. We are also pleased to welcome private contractors who have received Recovery Act funds.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
HEARING ON "RECOVERY TRACKING HEARING #3: FOLLOWING THE DOLLARS TO THE JOBS"
OCTOBER 27, 2009

The Committee on Transportation and Infrastructure has worked to ensure that infrastructure investment programs play a key role in our nation's economic recovery and lay out the case for maintaining public buildings playing an important role in creating and retaining jobs. Today's hearing is a step in that direction by identifying the role the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act) has played in today's economy by providing jobs and shoring up the nation's infrastructure.

Of the $5.55 billion in Recovery Act funds provided to the General Services Administration (GSA), the agency has awarded contracts worth $1.4 billion for 288 projects, as of October 16, 2009. This amount represents 25 percent of GSA's total apportionment. While this rate of obligation makes it likely that GSA will meet the requirement that it obligate not less than $5 billion of the funds by September 30, 2010, and the remainder not later than September 30, 2011, I would like to hear today about how GSA plans to increase its rate of obligation and beat these deadlines by months.

I am also pleased to report that the Economic Development Administration (EDA), over a month ago, reached a milestone by announcing its final Recovery Act project. In total, EDA announced 68 grants in 37 States totaling $147 million. EDA's efforts deserve applause and send a clear message to other Federal agencies implementing Recovery Act projects: you too can quickly deliver infrastructure projects, put shovels into the ground, and in doing so improve our nation's infrastructure and lift our economy out of recession.

We will also hear today from the Smithsonian Institution. Of the $25 million provided, Smithsonian has signed contracts worth $22 million for 13 projects. This represents 87 percent of the Smithsonian's total apportionment.

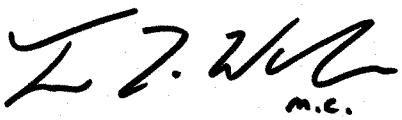
The Associated General Contractors of America has testified before this Committee that $1 billion in non-residential construction creates or sustains 28,500 jobs. Given that the Department of Labor indicated last month that the unemployment rate is 9.8 percent, the funds provided to GSA, EDA, and the Smithsonian are absolutely necessary to create jobs, maintain and grow this economy.

GSA projects carry the added bonus of being focused on energy efficiency and conservation, which provide utility cost savings over the long term. The Federal Government is the largest consumer of energy in the United States, so by making

Federal buildings more energy efficient, jobs are created and the nation's energy bill is reduced.

The Recovery Act also enables GSA to bolster its management of its capital asset portfolio. In previous hearings, I have expressed my concern with GSA leaving Federal buildings for leased office space because of the deteriorating condition of some buildings. When the Federal Government leases space, it has the dual impact of greater long-term costs in housing Federal agencies and reducing contributions to the Federal Building Fund, which is used to fund construction and repair and alteration projects within the GSA inventory.

I look forward to hearing the testimony of today's witnesses and ascertaining whether the construction funds have had the intended effect of creating good, family-wage jobs as quickly as possible, while also improving our deteriorating public buildings infrastructure and laying the foundation for our future economic growth.



OPENING STATEMENT, Congressman Tim Walz, 10-27-09 Economic Development Subcommittee Hearing

Madam Chairwoman, members of the subcommittee, witnesses and guests, thank you for the opportunity to speak. I know we have important testimony to listen to, so I'll just briefly say that this hearing is a critical opportunity to provide oversight of the execution of the American Recovery and Reinvestment Act.

We are coming out of the deepest recession since the Great Depression and while Wall Street and the stock market seem to be recovering, it is critical that we continue to find opportunities to create jobs. We know that the American Recovery and Reinvestment Act has created or saved millions of jobs and we'll find out more later this week about its impact, but we must continue to push to ensure the money is well spent and more jobs are created in the months to come. Today we'll look closely at the work that has been done on public buildings through the ARRA and the positive impact that work has had on the economy.

Together, we will continue working to create jobs and rebuild our economy, so it works for middle-class families. Thank you.

Testimony by

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before the

United States House of Representatives Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management

October 27, 2009

Introduction

Chairwoman Norton, Ranking Member Diaz-Balart, and members of the Subcommittee, thank you for this opportunity to testify on behalf of the Economic Development Administration (EDA). EDA's mission is to *lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the world-wide economy.* Through grants to local government entities and eligible non-profits to create jobs and generate private investment, EDA continues to seed our communities for success. Our investments create the conditions in which jobs are created, often in the midst of economic hardship or adjustment. At EDA, we are proud of the bureau's accomplishments and believe that we can continue our work to assist distressed American communities especially in the current economic climate.

EDA's investments have two major goals: creating higher-skill, higher-wage jobs and attracting private capital investment. EDA's achievements are a reflection of our policy priorities: to encourage collaborative regional economic development; to promote competitiveness and innovation; to cultivate entrepreneurship; and, to spur our economic development partners to take advantage of the opportunities of the global marketplace.

American Recovery and Reinvestment Act Funding

As part of the American Recovery and Reinvestment Act (ARRA) of 2009, EDA received $150 million to respond to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring. At the outset, EDA determined that our implementation strategy should give preference to projects that

had the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation while contributing to sustained economic growth.

EDA immediately began implementation of the Act. By March 10, 2009, less than a month after the Act's enactment, EDA published a Federal Funding Opportunity (FFO) notice. In order to capture the most contemporary data on unemployment that were available and best represent current economic conditions, EDA staff developed a new allocation formula to distribute funds to each of our six regional offices. Specifically, this allocation dropped lagging economic indicators in favor of a single allocation metric, 3-month unemployment figures.

Although the legislation allowed for reservation and obligation of funds through September 30, 2010, EDA established a stretch goal to have all of the ARRA funding obligated by the end of FY 2009.

I am pleased to report that we have met that goal and have obligated the entire $147 million program allocation as of September 25, 2009. I am also pleased to report that we did it wisely, funding projects that will help achieve the President's goals of spurring economic activity and creating jobs. The balance of $3 million in available salary and expense funding will continue to be used for administration and oversight of EDA's ARRA awards.

With its ARRA appropriation, EDA funded 68 projects in 37 states, ranging from $184K to $6.4M, in areas most deeply affected by the recession across the country. Of these funds, $141.3 M (96%) was awarded for construction projects.

These investments support a diverse mix of economic development activities, some of which are described below.

- **Approximately $50 million for 23 projects to promote the development of regional innovation clusters, which leverage a region's existing competitive strengths to boost job creation and economic growth.**

For example, EDA invested $4.7 million in the city of Santa Cruz, California to help create the Digital Media Center @ the Tannery, a business incubator for digital media companies. This high-tech business incubator will promote entrepreneurship and innovation and spur development of the region's media production industry cluster.

- **$37 million for 13 projects to promote business incubation.**

EDA considers business incubators to be a key ingredient in creating an environment that promotes entrepreneurship and innovation. The bureau invested $4.3 million in the city of Scottsburg, Indiana to create a Technology, Innovation and Entrepreneurship Center that will help incubate advanced manufacturing businesses. EDA has a longstanding tradition of supporting business incubators and regional innovation clusters, and will be strengthening this focus in the months and years to come. In fact, as part of his Fiscal Year 2010 budget request to Congress, President Obama called for two $50 million special EDA initiatives – one to build a nationwide network of business incubators, and

the other to help nurture regional innovation clusters across the country. We are encouraged by this focus and find it consistent with the results of recent EDA research as well as best practices in the economic development field overall.

- **$27 million for 14 projects to promote green jobs.**

EDA provided $800,000 to the Delaware Technical and Community College to construct a Green Building Technology and Alternative Energy Systems Training Center. Investments of this type further EDA's continued efforts to stimulate the green economy. At the direction of Congress, EDA established the Global Climate Change Mitigation Incentive Fund in FY 2008 to advance the connections between economic competitiveness and environmental quality. By utilizing independently developed certification processes, EDA is able to verify that each Fund-related investment effectively contributes to sustainability and mitigates associated environmental impacts.

- **$11 million for 5 projects to promote trade and help connect regional economies to the opportunities offered by the global marketplace.**

EDA funded a $2 million grant to the Georgia Ports Authority in Savannah, Georgia to enhance the Port's service capacity by increasing the number of containers that can be managed and maintained at the Garden City Terminal. This project will incorporate advanced technology and world-class best practices in the implementation of an innovative systems approach to strengthen port operations.

In addition to EDA's existing recipient reporting and performance standards, ARRA requires new measures for unprecedented accountability and transparency. We have directed our Regional Offices to develop specific outreach initiatives to assist our recipient partners in meeting these additional reporting requirements. EDA synthesized Office of Management and Budget (OMB) guidance on Recipient Reporting into clarifying guidance for both EDA Project Officers and EDA Recovery Act grantees. In addition, EDA developed Recipient Reporting check-lists for grantees to ensure that they fully comply with and verify the required information under the Act and for EDA Project Officers to ensure that they properly manage and verify all aspects of the reporting process. I am pleased to report that as we approach the end of the first recipient reporting period, 92.6% of EDA grant recipients have successfully reported.

Throughout this process, the EDA staff, both at headquarters and the field offices, have been untiring in their efforts. Their dedication and commitment has been outstanding, and I wish to congratulate them on this tremendous accomplishment.

EDA has had a long-term and very successful working relationship with you and the Committee. We remain eager to provide excellent service to the citizens of this country. As the Committee prepares for EDA reauthorization, I look forward to working with you. Your thoughtful suggestions and ideas as to how we can work together to ensure that EDA is optimally positioned to assist communities in these troubled economic times are greatly appreciated.

Conclusion

Chairwoman Norton, Ranking Member Diaz-Balart, and members of the Subcommittee, thank you for your time today and for inviting me to give an update on EDA's use of stimulus funds provided by the American Recovery and Reinvestment Act of 2009. I look forward to answering any questions you may have.

John Fernandez
Assistant Secretary of Commerce for
Economic Development Administration (EDA)
Responses to Questions for the Record
October 27, 2009

Questions from Congresswoman Eleanor Holmes Norton:

Question 1: For stimulus funds, the agency decided to try a new allocation formula based solely on 3 month unemployment figures. Why was unemployment chosen as the key criteria?

Response:

The goal of the American Reinvestment and Recovery Act, 2009 (ARRA) is to provide financial assistance to those distressed areas that have been severely impacted by the economic downturn. In support of ARRA's mandate to "give priority consideration to areas of the Nation that has experienced sudden and severe economic dislocation and job loss due to corporate restructuring," EDA focused on unemployment as the best available proxy to capture legislative intent and achieve an equitable distribution of resources across EDA's six regional offices.

Question 2: How were the funds distributed across EDA's six regions?

Response:

EDA decided to allocate funding to the regional offices using a modification of its traditional allocation formula. Instead of utilizing the lagging economic indicators, which had been the basis of EDA's traditional allocations, transitioning to the 3-month unemployment data provided by the Bureau of Labor Statistics (January 2009) as a single allocation metric enhanced EDA's ability to use the most contemporary data available and best represented current economic conditions. The allocations were distributed to EDA's regional offices as follows:

EDA Regional Office	Percentage Distribution	Funding by Regions
Philadelphia	22.38%	$32,903,866
Atlanta	20.68%	$30,392,752
Denver	6.28%	$9,237,948
Chicago	18.88%	$27,749,378
Seattle	22.77%	$33,473,004
Austin	9.01%	$13,243,052
Total *	***100.00%***	***$147,000,000***

* As provided by ARRA, EDA set aside two percent ($3 million) for salaries and expenses to administer and oversee the funds.

Question 3: The agency met its goal of fund allocation by the end of FY 2009. Please describe the types of projects that received stimulus funding. What is the job creation associated with the projects?

Response:

EDA has obligated all $147 million in ARRA program funds through 68 grants to state and local governments, universities, and eligible non-profit organizations to support the creation of higher-skill, higher-wage jobs. Projects will, among other things, advance innovation through the development of regional innovation clusters, support entrepreneurship through business incubator activities, and promote the creation of "green and blue jobs" by helping to connect environmental stewardship and economic development.

EDA estimates that funding from its ARRA grants will create and save an estimated 19,577 jobs[1/] in the long term (by 2018), and an estimated 1,700 jobs[2/] created and retained in the short term (i.e. by 2011). Since EDA's construction projects take an average of three years to complete (from date of award), it is anticipated that the number of short-term construction jobs will grow during the next two quarters, level off, and then taper off as the projects near completion.

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1. The figure on long-term jobs created and saved is projected using EDA's target calculator, which is based on findings from the Rutgers Report.
2. The figure on short-term jobs is projected using IMPLAN econometric modeling, and provides an estimate of the number of jobs (direct, indirect, induced) resulting from construction of EDA's ARRA projects.

Question 4: I think the check list idea that EDA developed regarding recipient reporting requirements. Do you think this check list has application outside of EDA or could be modified for application outside of EDA?

Response:

Yes. The attached recipient reporting requirements checklist developed by EDA follows the Office of Management and Budget and Department of Commerce guidance. It could be adapted by other agencies with appropriate modifications.

It is important to note that the checklist is only one component of an overall guidance and training effort, not a stand alone piece. To effectively communicate ARRA recipient reporting requirements, EDA has developed clarifying guidance to internal staff and grantees on key requirements and procedures; held conference calls where the requirements and process are discussed; and had assigned someone at EDA headquarters with the responsibility for oversight of recipient reporting. Oversight would include checking data quality daily as well as having frequent contact with regional project officers to ensure effective and efficient implementation of the ARRA grants.

Question 5: Within 30 days, please submit to the Subcommittee EDA's Small Business Plan set in place for stimulus funds. What projection for jobs does EDA anticipate for its stimulus funds? How has this plan been communicated? Are there any specific reporting requirements for small businesses? Please provide a list of disadvantaged (8A firms) small businesses that have benefitted from EDA ARRA funds?

Response:

Per EDA's procurement and regulatory requirements, positive efforts are to be made by grant recipients to utilize small businesses, minority-owned firms, and women's business enterprises to insure that these firms are used to their fullest extent. (15 CFR 14.44).

As addressed earlier, EDA estimates that funding from its ARRA grants will create and save an estimated 19,577 jobs[1/] in the long term (by 2018), and an estimated 1,700 jobs[2/] created and retained in the short term (i.e. by 2011). Since EDA's construction projects take an average of three years to complete (from date of award), it is anticipated that the number of short-term construction jobs will grow during the next two quarters, level off, and then taper off as the projects near completion.

To enhance this endeavor, EDA has worked closely with its sister bureau, the Minority Business Development Agency (MBDA), and has provided a list of all of our ARRA grant recipients so that MBDA can reach out to them to encourage the use of minority and disadvantaged businesses in the implementation of EDA's construction awards.

EDA's six regional offices are knowledgeable of the process associated with 15 CFR 14.44 and, therefore, are providing information that effectively assists MBDA in its outreach.

EDA works in partnership with state and local governments, regional economic development districts, public and private nonprofit organizations, and Indian Tribes. These organizations are the primary beneficiaries of EDA's allocations. These activities help communities address problems associated with long-term economic distress and therefore have not involved EDA statistically tracking the benefits associated with small and disadvantaged businesses.

Additionally, with respect to providing a list of disadvantaged (8A firms) small businesses that have benefitted from EDA ARRA funds, this information is not reported in the EDA statistical database and therefore is not available.

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1. The figure on long-term jobs created and saved is projected using EDA's target calculator, which is based on findings from the Rutgers Report.
2. The figure on short-term jobs is projected using IMPLAN econometric modeling, and provides an estimate of the number of jobs (direct, indirect, induced) resulting from construction of EDA's ARRA projects.

Question 6: How many jobs have been created by EDA's obligation of ARRA funds?

Response:

As of September 30, 2009, EDA's ARRA funds have created 25 full time employees (FTE) in the 16 projects that have begun construction of 68 total ARRA projects funded. These FTE are short-term construction jobs.[3]

Since EDA's construction projects take an average of three years to complete (from date of award), it is anticipated that the number of short-term construction jobs will grow during the next two quarters, level-off, and then taper off as the projects near completion.

Question 7: Please provide the return on investments projections anticipated on the funded projects?

Response:

EDA forecasts (based on EDA FY 2009 ARRA obligations of $147 million) that the construction-related ARRA grant investments will leverage approximately $981 million in private investment by 2015.[4]

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[3] "Jobs" are reported as FTE on Federal Reporting.gov. Elsewhere "jobs" represent actual jobs.

[4] Private Investment and job creation calculations are based only on construction-related ARRA projects. Five ARRA investments were not included as they support Revolving Loan Funds, cluster accelerator, patent center investments (technical assistance projects), and procurement of industrial equipment (no construction associated with investment). In total, EDA provided $139,043,147 in ARRA construction-related investments.

Statement of

Mr. Kenneth M. Grunley, President

Grunley Construction Company, Inc.

Rockville, Maryland

to the

Subcommittee on Economic Development,

Public Buildings and Emergency Management

Committee on Transportation and Infrastructure

U.S. House of Representatives

for a hearing on

Recovery Tracking Hearing #3:

Following the Dollars to the Jobs

October 27, 2009

GRUNLEY

Building on Tradition

INTRODUCTION

Good afternoon, Chair Norton. It is a pleasure and an honor to be here today. My name is Kenneth Grunley, President and owner of Grunley Construction Co. Grunley is a local family owned general contractor that for over 50 years has specialized in renovations, restorations and modernization of large-scale government and commercial buildings, including office, museum and educational facilities. In addition, we construct new facilities and additions to existing buildings for both public and private sector clients. Federal clients include the General Services Administration, Architect of the Capitol, NAVFAC, and the Corps of Engineers.

I am here today to present testimony to this Subcommittee on the use and the impact of the stimulus funds provided by the American Recovery and Reinvestment Act of 2009. I plan to discuss first hand how the stimulus funds have impacted my firm followed by my observations of their impact on the industry.

GRUNLEY CONSTRUCTION

Over the past 20 years Grunley Construction, due to its local reputation for quality service and pricing structure, has grown along with the strong national economy. There were a with a few minor pauses in the early 90's and early 2000's, but we grew from 30 employees in the late 1980's to just over 300 employees in the spring of 2008.

In the fall of 2008 we witnessed a slow down in procurement across the industry and the doubling of competition in just a few months time. Our commercial opportunities completely vanished! Our municipal work saw a large increase in bidders and Federal work slowed, as well. In addition, the majority of the BRAC

2005 program in the region had been procured in late 2007 and the first half of 2008.

Fortunately Grunley, as well as the majority of our competitors, had a large backlog of work to help carry us through a short down turn. However, as we all came to find out, this turned into the largest economic downturn (or recession) in most of our lifetimes.

During the 4th quarter of 2008 and the first half of 2009, I saw our backlog drop by one third and our revenues slow for the first time in a decade. For the first time in company history we were forced to layoff loyal employees due to a lack of work. We reduced our staff from a high of 300 to approximately 260 over a 4 month period and actually made a list of the next 50 people we planned on laying off during 2009 if things did not improve. That would have been a total reduction in staff of a full 30 percent.

In addition, our subcontractors – well established firms with whom we had years of experience – were calling on a daily basis complaining about a lack of work to bid. Each was telling us the same horrible story of large layoffs of their workforce.

During the 3rd quarter of 2009, thanks to the availability of stimulus funds, Grunley Construction was awarded nine (9) projects. Three (3) of these are for the General Services Administration totaling $160,000,000, one (1) for the U.S. Department of Agriculture totaling $17,000,000, four (4) for the Navy totaling $5,000,000 and one (1) for Arlington Public Schools in Arlington, VA totaling $8,000,000. All of these projects were for renovations to existing facilities that had already been planned by the Government; most of them had already been designed by architectural and engineering firms and were sitting on the shelves waiting for funding. Thus, they were considered to be "shovel ready".

With this work in hand, Grunley immediately started to recruit and hire new employees. Since July 1st I am pleased to announce that we have hired 31 employees and continue to look for a few additional folks with the expectation that we will be successful in attaining a few more projects with stimulus funding.

A quick rule of thumb for our type of construction project (i.e., renovations and modernization of significant buildings) is that it takes approximately five (5) man-years to put in place $1,000,000 worth of work. Thus, the nearly $200,000,000 worth of stimulus dollars awarded to our firm would employ approximately 1,000 fulltime workers for a full year. The 1,000 workers are only the construction crews and supervisory and administrative staff for the project and does not include all of the factory workers to fabricate the materials and equipment used on the projects or the truck drivers to delivery the materials and the supervisory and administrative staff needed to support these efforts. For Grunley Construction directly these projects have either created or saved one hundred (100) jobs.

In addition, this has allowed Grunley the opportunity to continue our robust small business outreach program; our apprentice program and our conversation with the local carpenters' apprenticeship school concerning a pre-apprentice program. On the subject of small business, I would like to add how committed we are to achieving the Government's small business subcontracting goals and how important it is to have the rules for scoring small business participation change so that second and third tier subcontractors are counted when assessing how much of the ARRA and other Federal dollars really end up in these business.

Also, it should be noted that ARRA projects contribute to our ability to continue our community service programs and support to local charities.

Lastly, the new work has allowed us to invest in construction equipment, vehicles, and upgrading our computer and training capabilities.

OTHER INDUSTRY OBSERVATIONS

I believe that the stimulus funds have helped numerous contractors around the country similar to Grunley Construction. I know that there are DOD, GSA, and other agency projects all over the country that are being funded through the recovery program. The lists of construction companies competing for this work are very long and include local and national firms. Because of the lack of commercial and institutional work presently available, many firms that have not performed work for the Federal Government in the past are submitting proposals and bids for these ARRA funded projects.

From my personally observations and assessments of the competition and the pricing being offered for these projects, I believe that there are still too many contractors chasing too few projects which can result in increased risks to the Owner. Given this situation, it is more important than ever that the Government award construction projects using a best value procurement approach and stays away from the old "low bid" method.

The subcontracting community is very desperate and this reality, coupled with the lack of familiarity with Government requirements, is not in the long-term best interests of the agencies. The present climate is one where there does not seem to be a bottom on where the subcontractors are willing to take work.

My other concern is what happens when the stimulus dollars are gone? Will the private sector commercial, institutional, and developer led sectors be active again and be able to support the stimulus initiated recovery? On the Government side, will annual appropriations continue to sufficiently support the necessary projects when the stimulus dollars dry up? These two big questions – has the private

sector started to invest in buildings again and will the Government support necessary future projects and funding for those projects in the years to come – will determine if the ARRA program actually precipitated a period of recovery or simply deferred the recession out a few years.

The ARRA program will create and or save millions of jobs. The question for all of us is what will the 2nd half of 2011 and beyond look like.

ARRA Funded Projects

Grunley Construction

Project Name	Contract Number	City	State	Apprentices
USDA South Bldg Modernization Phase 4A	AG-3142-C-09-0028	Washington	DC	Not Yet Started
Thomas Jefferson Middle School Improvement Project	BID#01FY10	Arlington	VA	Not Yet Started
Hoover - Temporary Construction Offices	57930-000	Washington	DC	3
M. Switzer (phase 2) (PS51)	GS-11P-05-MKC-0036	Washington	DC	7 Current - Anticipate 24
DOI (phase 5)	GS-11P-01-MAC-0540	Washington	DC	Not Yet Started

Gilbane Grunley JV, LLC

H. Hoover (Phase 2)	GS-11P-06-MKC-0030	Washington	DC	Not Yet Started
H. Hoover (Phase 3)	GS-11P-06-MKC-0030	Washington	DC	Not Yet Started

Grunley Goel JV, LLC

Install Ductbank Bldg 141 to 241 @ National Naval Medical Center	N40080-06-D-0004	Bethesda	MD	0 - Apprentices
Replace & Relocate Utilities Satellite Pharmacy	N40080-06-D-0004	Bethesda	MD	Not Yet Started
Restore Medical Warehouse	N40080-06-D-0004	Bethesda	MD	Not Yet Started
Repair Fire Alarm Systems @ National Naval Medical Center	N40080-06-D-0004	Bethesda	MD	Not Yet Started
HVAC System Bldg 900 @ Indian Head	N40080-06-D-0004	Indian Head	MD	Not Yet Started

SMALL BUSINESS SUBCONTRACTING PLAN*[To match description of plan in RFP]*

Date:	September 15, 2009*[Date should be due date from RFP]*
Contractor:	Grunley Construction Company, Inc.
Address:	15020 Shady Grove Road, Suite 500 Rockville, MD 20850
Solicitation No.:	XXXXXX-XX-X-XXXX
Item/Service:	Building 5100 Renovation,*[Description of Scope of Work from RFP]* Aberdeen Proving Ground, MD*[Description (or city and state) of project location from RFP]*

This Small Business Subcontracting Plan*[To match description of plan in RFP]* is being submitted in general compliance with the requirements of Public Law 95-507 as implemented by OFPP Policy Letter 80-2, FAR Subpart 19.7 - Small Business Subcontracting Program, *[To match the requirements given in the RFP]* and other Federal Acquisition Regulation clauses relevant to Small Business Subcontracting. This Individual*[Confirm we are specifying the correct type (Master, Individual, Commercial, etc.) of plan]* Plan covers the entire contract period and applies to the subject contract specifically. Large (LB), Small (SB), Small Disadvantaged (SDB), including Historically Black Colleges and Minority Institutions (HBCU/MI), Women Owned Small (WOSB), HUBZone Small (HUBZone SB), Service-Disabled Veteran-Owned Small (SDVOSB), and Veteran-Owned Small (VOSB)*[To match description in RFP]* Businesses shall have the maximum practicable opportunity to participate in contract performance.

Goals

The following goals for this project are expressed in terms of percentages of total planned subcontracting dollars, and have been established for this contract:

GOALS	
Type of Business	**Portion (%) of Total Subcontracting Dollars**
Small Businesses (SB):*[Type of Business to match description in RFP]*	%*[Include %'s per RFP]*
Small Disadvantaged Businesses (SDB), including Historically Black Colleges and Minority Institutions (HBCU/MI):	%*[Include %'s per RFP]*
Women-Owned Small Businesses (WOSB):	%*[Include %'s per RFP]*
HUBZone Small Businesses (HZSB):	%*[Include %'s per RFP]*
Service-Disabled Veteran-Owned Small Business (SDVOSB):	%*[Include %'s per RFP]*
Veteran-Owned Small Business (VOSB):	%*[Include %'s per RFP]*

Statement of Total Dollars Planned to be Subcontracted

Grunley's Small Business Subcontracting Plan,*[To match description in RFP]* expressed as both dollars and percentages of the total planned subcontracting dollars, is applicable to the subject contract:

STATEMENT OF TOTAL DOLLARS PLANNED TO BE SUBCONTRACTED		
Type of Business	**Planned $ of Total Subcontracting Dollars**	**Planned % of Total Subcontracting Dollars**
Large Businesses (LB):	$	%
Small Businesses (SB):	$	%
Total to be Subcontracted:	$	%
Small Disadvantaged Businesses (SDB), including Historically Black Colleges and Minority Institutions (HBCU/MI):*[Type of Business to match description in RFP]*	$	%
Women-Owned Small Businesses (WOSB):	$	%
HUBZone Small Businesses (HZSB):	$	%
Service-Disabled Veteran-Owned Small Business (SDVOSB):	$	%
Veteran-Owned Small Business (VOSB):	$	%

Principal Types of Products and Services to be Subcontracted

Grunley's Small Business Subcontracting Plan*[To match description in RFP]* includes the following categories of products/services and planned types of businesses supplying them:*[Titles in table below to match description in RFP]*

PRODUCTS AND SERVICES SUMMARY							
Product/ Service	**LB**	**SB**	**SDB, including HBCU/MI**	**WOSB**	**HUBZone SB**	**SDVOSB**	**VOSB**
Division 1							
Division 2							
Division 3							
Division 4							
Division 5							
Division 6							
Division 7							
Division 8							
Division 9							
Division 10							
Division 11							
Division 12							
Division 13							
Division 14							
Division 15							
Division 16							

Methods Used to Develop Subcontracting Goals

The subcontracting goals set forth in Section 1 of this plan have been established by the U.S. Army Corps of Engineers in conjunction with program goals developed with the U.S. Small Business Administration.

Methods Used to Identify Potential Sources

Grunley takes pride in its efforts to subcontract work to SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]*. Grunley maintains a subcontractor trade list to identify all prospective bidders for more than 100 different construction activities. This subcontractor list consists of firms who have bid on Grunley Construction projects in the past five years, as well as firms that have contacted Grunley by e-mail, mail or phone. In addition, subcontractors are added to the list who:

- Have responded to advertisements in local newspapers and online;*[Change or delete depending on if this project was advertised as mentioned or advertised in a different form]*
- Have contacted Grunley's Small Business Administrator by phone or via the small business section of our company website;
- Have contacted Grunley representatives or have been contacted by Grunley personnel at minority fairs; and
- Are members of minority-trade associations.

When contacted by a new subcontractor Grunley transmits a questionnaire to obtain information concerning the status of the firm (e.g., SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]*), the name of the point of contact, and the types of trades performed. In addition, the firm is invited to stop by Grunley's main office to personally introduce themselves and their company. The firm is then provided information via fax and/or email on projects we plan to bid.

Grunley routinely uses the source lists from Department of Veterans Affairs, 8(a), and Small Business Administration's Central Contractor Registration Database (CCR), the Dynamic Small Business Search, directories of Maryland Department of Transportation and Metropolitan Washington Airports Authority, and input from National Directory of Minority and Women-Owned Businesses, to further aid in soliciting bids to certified SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms.

In addition to the above, Grunley currently has two SBA approved Mentor-Protégé programs in place. Currently, we are participating in an 8(a) Navy MAC contract that continually introduces us to other opportunities for contracting with other SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms. As well as, John Greenwell, at the request of Congressman Roscoe Bartlett 5th Congressional District of Maryland, has presented to small and disadvantaged businesses at SMART PROC and locally hosted events by the Congressman. John Greenwell's presentations have discussed how small and disadvantaged businesses enter the federal market and secure contracts with large businesses.

Indirect Costs

Grunley does not include indirect costs in establishing subcontracting goals.

Subcontracting Program Administrator

NAME:	Carrie L. Carlson
TITLE:	Small Business Administrator
ADDRESS:	15020 Shady Grove Road, Suite 500, Rockville, MD 20850
TELEPHONE NO.:	(240) 399-0409

Grunley's Small Business Administrator, Carrie Carlson, acts as the administrator of our Small Business Subcontracting Plan*[To match description in RFP]* with final approvals by our Purchasing Manager, George Rusk. Carrie is responsible for monitoring Grunley's personnel and subcontractors to ensure compliance with the plan's goals, requirements, and contract stipulated regulations.

Overall duties include, but are not limited to, the following:

- Develops and promotes company-wide policy initiatives that demonstrate Grunley's support for awarding contracts and subcontracts to SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms.
- Oversees the process of assuring SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* inclusion in all solicitations for products and services that these firms are capable of providing.
- Develops and maintains lists of SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms from all available sources.
- Ensures periodic rotation of potential subcontractors on bidders list.
- Reviews procurement packages to assure they are structured to encourage SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* participation to the maximum extent possible.
- Reviews solicitations to remove restrictive or prohibitive statements, clauses, and conditions that may tend to limit or dissuade SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms from participation.
- Routinely uses the source lists from Department of Veterans Affairs, 8(a), and Small Business Administration's Central Contractors Registration Database (CCR), the Dynamic Small Business Search, directories of Maryland Department of Transportation and Metropolitan Washington Airports Authority, and input from National Directory of Minority and Women-Owned Businesses.
- Establishes procedure to document any reason(s) for not selecting a low bid submitted by a SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms.

- Assures that procedures are in place for the maintenance of records of bidding and subcontract award activity.
- Coordinates Grunley 's participation in and attends various business opportunity workshops, Minority Business Enterprise (MBE) seminars, trade fairs, and other such programs (e.g., 19th Annual Procurement OSDBU 2009 Conference, 2009 Minority Contractor Showcase, 2009 GC Expo, Washington DC Metro Expo 2009, etc.)
- Ensures SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms are made aware of subcontracting opportunities and assists firms in preparing responsive bids.
- Assists in arranging for purchasing personnel participation in motivational training as it relates to the subcontracting program.
- Monitors efforts to see that proposed goals are realized.
- Prepares and submits periodic subcontracting reports as required.
- Coordinates compliance reviews by Federal Agencies as needed.
- Coordinates with subcontractors regarding their SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* subcontracting programs.
- Facilitates the registration process of non-certified subcontractors to get their certifications.
- Coordinates with Associated Builders and Contractors, Inc. (ABC) and other General Contractors in the area, to plan outreach events to encourage involvement and broaden our small business database (breakfasts, training seminars, round tables, etc.)

Equitable Opportunities

The following efforts are taken to assure that SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms have an equitable opportunity to compete for subcontracts:

- Plans and specifications are available free of charge for our projects.
- Grunley periodically runs advertisements in the Washington Post*[Could add additional publications or change depending on where project is located]* and in the Small Business Resource Magazine soliciting to SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* firms.
- Bonding requirements will be waived for firms that fail to have the capital to obtain bonds, but can demonstrate they have the talent and skills to perform the work.
- Grunley makes weekly payments to numerous subcontractors who are unable to wait the normal period for requisitions.
- We work with subcontractors to identify a portion of the work that they feel comfortable performing, if they are not able to perform the full scope of work on an entire project for their trade.

Assurance Regarding Other Subcontracts

Grunley includes the clause 52.219-8 entitled "Utilization of Small Business Concerns" and 52.219-9 entitled "Small Business Subcontracting Plan*[To match description in RFP]*" in all of our subcontracts which offer further subcontracting opportunities. Grunley requires subcontractors (except small business concerns) that receive subcontracts in excess of $1,000,000 to adopt a subcontracting plan similar to the plan that complies with the requirements of FAR 52.219-9.

Other Assurances

Grunley assures that we will:

- Cooperate in any studies or surveys as may be required.
- Submit periodic reports to accommodate Government verification of our compliance with the subcontracting goals established herein.
- Submit Individual Subcontract Reports (ISR) and Summary Subcontract Reports (SSR), using the web-based Electronic Subcontracting Reporting System (eSRS) at www.esrs.gov.
- Ensure that our subcontractors with subcontracting plans agree to submit Individual Subcontract Reports and Summary Subcontract Reports, using the web-based Electronic Subcontracting Reporting System.
- Provide the prime contract number, the order number, if applicable, and the prime contractor's DUNS number to all first-tier subcontractors with subcontracting plans so that they can enter this information into eSRS with their reports.
- Ensure that that all subcontractors with subcontracting plans, at every tier, provide the prime contract number, the order number, if applicable, and their own DUNS number to all of their subcontractors with subcontracting plans.

Record Keeping

Grunley will maintain records concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of our efforts to locate SB, SDB (including HBCU/MI), WOSB, HUBZone SB, SDVOSB, and VOSB*[To match description in RFP]* certified subcontractors and award subcontracts to them. The records will include the following:

- Source lists (e.g., CCR), guides, and other data that identify certified subcontractors.
- Organizations contacted in an attempt to locate sources that are certified Subcontractors.
- Records on each subcontract solicitation resulting in an award of more than $100,000, indicating whether certified subcontractors were solicited, if not, why not, and if applicable, the reason why the award was not made to a certified subcontractor.

- Records of any outreach efforts to contact trade associations, business development organizations, conferences and trade fairs, and veterans' service organizations.
- Records of internal guidance and encouragement provided to buyers through workshops, seminars, training, and other similar programs and monitoring performance to evaluate compliance with the program's requirements.
- On a contract-by-contract basis, records to support award data submitted by Grunley to the Government, including the name, address, and business size of each subcontractor.

The efforts noted above all contribute to making Grunley's Small Business Subcontracting Plan*[To match description in RFP]* effective and successful.

Plan **Submitted** By:

_____ Date: _____

Carrie Carlson, Small Business Administrator

Plan **Accepted** By:

_____ Date: _____

Contracting Officer

House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings and Emergency Management
Smithsonian Institution
Mr. Bruce Kendall
27 October 2009

Chairman Norton and members of the subcommittee, thank you for this opportunity to testify on the Smithsonian Institution's use of stimulus funds provided by the American Recovery and Reinvestment Act (Recovery Act) of 2009. We are grateful for the support of the Administration and the Congress for the essential work that is now well underway at our Smithsonian facilities here in the District of Columbia, at Front Royal, VA (the National Zoo's Conservation Resource Center) and at Edgewater, MD (the Smithsonian Environmental Research Center).

Under the Recovery Act, the Smithsonian received an appropriation of $25,000,000 for "Facilities Capital" – that is, repair and revitalization of existing facilities. Our plan to spend this money wisely and expeditiously is progressing as originally intended. By the end of September 2009, we awarded 15 (of 16) facilities improvement projects, totaling $20.7 million (more than 83% of the funds appropriated). The one remaining contract will be let soon. All but two of the construction projects were awarded competitively to local Small Business/8a firms. Reporting of jobs created and correct expenditure of funds, required by the Act, is currently underway with the first formal report in October 2009.

Today, the Smithsonian owns or leases hundreds of buildings and structures. Some of our buildings are new; the oldest is more than 150 years old; and more than half are over 25 years old. The Smithsonian is unique in both the architectural variety and functional diversity of its buildings. Our buildings support research, education, public programs, and exhibitions for millions of visitors. But many of these buildings are in need of repair. The Arts and Industries Building is a good example of a magnificent and historic building that needs to be revitalized.

The Smithsonian is the largest museum and research complex in the world; it now has 19 museums and galleries, 20 libraries, numerous research centers, 32 education units, and the National Zoological Park. More than 30 million people from around the world visited us in fiscal year 2009 and nearly 188 million virtual visitors went to our web sites. Our museums are free and open 364 days a year. The Smithsonian has unique collections: 137 million artifacts, works of art and scientific specimens. 127 million of these are scientific specimens that are used by Smithsonian researchers and scientists from Federal agencies and from around the world to explore important issues such as climate change and endangered species. The Institution is the steward of many of our nation's treasures, and objects that speak to our nation's bold vision, creativity, and courage: Edison's light bulb, Morse's telegraph, the Wright flyer, the Apollo 11 command module *Columbia*, Lewis and Clark's compass and Mark Twain's self-portrait. It is our job to preserve these treasures in a responsible manner so future generations can learn from them also.

Well maintained, safe and efficient facilities are essential for advancing the Smithsonian's mission. Building revitalization involves making major repairs or replacing declining or failed infrastructure to avoid additional deterioration. Once completed, these projects will improve the overall condition of Smithsonian buildings and systems, and will enable the Smithsonian to ensure safe conditions in these facilities for visitors, staff, animals, and our priceless national collections.

Smithsonian Projects

Below are the projects that are being accomplished with Smithsonian Recovery Act funds:

- Arts and Industries Building (AIB) — Washington, DC ($4.6 million)
    - Repair exterior masonry
    - Demolish selected portions of interior and remove hazardous materials
- National Zoological Park ($9.7 million)
    - Install fire-protection equipment (including medium-voltage switches) at Rock Creek Park campus (Washington, DC) and Conservation and Research Center (Front Royal, Virginia)
    - Replace certain roofs at Rock Creek Park campus and Conservation and Research Center
    - Replace deteriorated animal-holding facilities at Conservation and Research Center
    - Repair bridges at Rock Creek Park campus
- Other Smithsonian Projects ($10.7 million)
    - Install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC)
    - Install sewage backflow preventers on potable water lines at multiple locations off the National Mall; biggest project is at the Museum Support Center (Suitland, Maryland)
    - Install emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland)
    - Refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC)
    - Hire temporary/contract support personnel

Smithsonian Review of Recovery Act Projects

The Institution is tracking the progress on these projects with monthly meetings and weekly updates. The weekly meetings include representatives from facilities, contracting, budget, and the Inspector General's office. These monthly meetings are held with the leadership of the Institution to review the progress on each project; identify any risks or issues; and review the actions taken to correct any deficiencies.

Details on the progress of each project can be found on the Smithsonian's Recovery Act website at: http://www.smithsonian.org/recovery. The progress chart tracks 1) the posting of pre-award notices on www.fedbizopps.gov; 2) the posting of Requests for Proposals (RFPs); 3) the RFP due dates; 4) contract award dates; 5) project obligations; 6) project expenses; and 7) percent of project complete. The Institution evaluates progress by tracking whether the project is on schedule and within the estimated cost projections. Contractors will provide periodic (generally monthly) progress reports which will be used by the Institution program managers to validate and assess the contractor's performance. In addition to tracking the above major milestones for each project, the Institution is also tracking:

- Percent of actual obligations as compared to the plan
- Percent of Recovery Act revitalization projects completed
- Manpower and Job Creation for each project

Financial, Contracting, and Environmental Information on Projects

The Smithsonian developed a detailed obligation and expense plan for each project. The Institution's financial system provides the actual expenditures (obligations and outlays) and these data are used to track the progress against the plan. Monthly updates are presented to the Institution's Recovery Act working group and to the Institution's senior leadership. The data are also posted on the Institution's website at: http://www.smithsonian.org/recovery. Below is a summary of the Institution's obligation and expense plan.

Updated American Recovery Act Obligation and Expense Plan

TAF	Appropriated ($millions)	Allocation ($millions)			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Smithsonian Facilities Capital 33-0101	$25	$25	OBLIGATIONS	2009				4	4	18	19	21	22	22	22	22
			OUTLAYS	2009						1	2	3	4	6	8	10
			OBLIGATIONS	2010	22	23	23	23	24	24	25	25	25	25	25	25
			OUTLAYS	2010	12	14	15	16	18	19	20	21	22	23	24	25

The Institution has maximized competition wherever practical for Recovery Act-funded contracts. The Smithsonian projects that 88% of anticipated Recovery Act dollars will be competitively awarded. This percentage is based on estimated costs of each Recovery Act project. The Institution has also maximized the use of fixed-priced contracts wherever practical for Recovery Fund-funded contracts.

The Smithsonian projects that 99.9% of anticipated Recovery Act dollars will be awarded as fixed-price contracts. This percentage is based on estimated costs of each Recovery Act project.

The Institution will also meet the energy efficiency and green building requirements of the Recovery Act. All of the projects on the Recovery Act list have some aspect of increased energy efficiency or other sustainability in their scope of work. For example, the Arts and Industries Building projects, although mainly exterior masonry repairs and hazardous material removal, are the precursors to the sustainability efforts of insulated roof, walls, windows, and replacement of all failing mechanical/electrical utilities with more energy-efficient equipment. Every Zoo project (e.g., work to replace deteriorated facilities and repair roads and bridges) includes some form of storm drainage, high-reflectance, or high-efficiency electrical replacement that is sustainable. The other sustainable projects will increase safety and concentrate on areas such as conserving and ensuring a clean domestic water supply, providing more energy-efficient vertical transportation, and giving the Institution access to a more efficient back-up power source at a lower cost.

In sum, the Smithsonian is using Recovery Act resources to focus on facilities revitalization projects to improve the safety and security of our buildings and the collections, and thus enhance our service to the American people.

Thank you for this opportunity to update the Subcommittee on the Smithsonian's progress in implementing Recovery Act funding.

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Smithsonian Institution
Mr. Bruce Kendall
October 27, 2009
Hearing on Recovery Act Spending
Questions for the Record

- I am pleased to see that the Smithsonian is investing some recovery funds into the historic Arts and Industries Building on the Mall. With this investment, what are the long term plans for this iconic building?

The Smithsonian would like to see this historic building re-open to visitors. Secretary Clough established a committee to look at various program options for the Arts and Industries building (AIB). That group recently reported back to the Secretary on their preliminary recommendations. Although final decisions have not been made, the vision includes creating a gateway experience for the Smithsonian visitor. In the Smithsonian's new strategic plan, we are refocusing our agenda on four great challenges: unlocking the mysteries of the universe, understanding and sustaining a biodiverse planet, valuing world cultures, and understanding the American experience. Part of the AIB vision is to introduce these challenges to our visitors and explore them in exciting ways using state of the art technologies. For the first time since the building opened as a comprehensive "National Museum," the public will be able to connect with all of our diverse programs. In addition, the AIB could serve as a center for a revitalized Smithsonian educational outreach effort focused on informal educational programming with a particular emphasis on supporting K-12. The Recovery Act has funded repairs that will protect the building by restoring the integrity of the brick and stone exterior. It has also enabled us to begin the restoration of the interior to its near-original condition with soaring exhibition halls and dramatic views through the building's open structure. While planning proceeds apace to develop the program, essential repairs to the building's basic infrastructure will continue, including the replacement of the roof and exterior windows. In addition, the terms of the Legacy Fund have now been revised to focus this federal/private matching program on the Arts & Industries Building, and we are confident that these new terms will help us attract private donations that will assist in re-opening the building.

- Have you been satisfied with use of fixed price contracts?

Yes, given the size of our ARRA appropriation, we have been able to execute this provision with a lot of good internal planning and coordination, and with a very diligent and professional contracting staff. It is our policy, whenever possible, to use fixed price contracts. As such, this ARRA requirement did very little to alter our procedures.

- Can you give some examples of the energy aspects of your projects? Have you calculated the anticipated energy savings associated with these improvements?

Given the overarching requirement to have shovels in the ground quickly, we prioritized our work toward building repairs, code compliance and safety. We may see some energy savings as a result of having made these repairs (such as new roofs at the Zoo), but they will be small. The work now underway at the Arts & Industries Building is the start of a full building revitalization that will ultimately reduce the energy consumed by the building by perhaps 30%. Our current plan is to

combine the best practices in historic preservation with the Smithsonian's commitment to sustainable design. We believe that the project will ultimately receive LEED Gold certification.

Community Services Agency
Of the Metropolitan Washington Council, AFL-CIO
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Washington, DC 20006
202 974-8221 www.dclabor.org

Testimony of Kathleen McKirchy, Executive Director,

"Recovery Tracking Hearing #3-

Following the Dollars to the Jobs"

Before the Subcommittee on Economic Development, Public Building and Emergency Management
Committee on Transportation and Infrastructure

Honorable Eleanor Holmes Norton, Chairwoman

27 October 2009

Chairwoman Norton and members of the Subcommittee, I am here representing the non-profit arm, the Community Services Agency, of the Metropolitan Washington Council, AFL-CIO which is the area labor federation representing 175 local unions and 150,000 union members in the metro area.

I am here today to thank you, Madame Chairwoman, and the members of the Subcommittee, for making dollars available to put area residents back to work, and to help them reap the benefits of federal stimulus spending and the private sector economic development which we are confident will result from that spending.

We are very honored to have won a contract from the General Services Administration to provide pre-apprenticeship training and job placement services to 220 area low-income residents, including women, minorities, youth and ex-offenders. It is gratifying that this award was made to an entity connected with the registered union apprenticeship programs, which are jointly-operated labor-management programs and are among the best in the country for level of training, completion rates, and continuing career development for workers.

We are also very honored to be partnering with Wider Opportunities for Women, represented here today by Camille Cormier, Local Programs Director and Covenant House DC, represented by Larry Gold, Director of Community Services, who are our subcontractors. We also have partnerships with the area union registered apprenticeship programs and the Associated General Contractors of DC, who will assist us with job placement, as well as agreements with over 30 area community-based organizations who will help us recruit clients for this project and coordinate case management of these clients with us.

Our contract was awarded affective October 1, 2009 and we will be providing the following deliverables:

We will provide pre-apprenticeship training to 180 individuals, which includes the Core Curriculum,a new 120-hour pre-apprenticeship curriculum developed by the national AFL-CIO Building and Construction Trades Department. The Core Curriculum consists of OSHA 10 (10

hours), CPR and First Aid (8 hours), blueprint reading (24 hours), orientation to the industry (14 hours), construction math (40 hours), careers, apprenticeships, unions, job potential etc (16 hours), tools and materials (8 hours). The trades have agreed that where jobs are available, successful graduates of the Core Curriculum are candidates for direct entry into apprenticeship schools.

In addition to the basic Core Curriculum, job readiness and adult education components, this pre-apprenticeship program will provide an overview of weatherization and energy efficiency career paths – particularly relevant given the large amount of economic stimulus training dollars to be devoted to this sector under the ARRA. Participants will be exposed to and have basic hands-on training around three principal occupations: weatherization technician, weatherization crew supervisor, and energy auditor. The Laborers' union has a curriculum from which we will draw. The program will also serve as a platform into a broader array of building maintenance, operations and retrofitting work performed to local and Federal environmental specifications. The basic program components include introduction to building systems weatherization techniques, and introduction to construction and energy-audit software.

During the course of the program, students will be given an overview of weatherization careers – team-oriented work, and weatherization career paths by individual unions/local government agencies involved in some aspect of weatherization, including laborers, cement masons, carpenters, operating engineers, heat and frost/insulation installers. The students will become familiar with weatherization tools such as blowers, infrared cameras, pressure pans, manometers, combustion analyzers, and gas leak detectors. By the conclusion of the course, students will be familiar with the energy auditing, diagnosis, and installation or retrofit cycle. The Associated General Contractors of DC will assist with materials for these green construction elements.

Finally, participants will be provided with some hands-on training at various union apprenticeship schools in the area. Experiences include building of stools, work boxes and other items our of wood and metal, learning to weld, working with hand and power tools, laying concrete and work with cement, handling of piping and electrical conduit and similar real-work exposure.

Classes for youth ages 18-24 will be conducted at the Covenant House location at 2001 Mississippi Avenue SE in Washington, DC. Classes for those over ages 24 will be conducted at Operative Plasterers and Cement Masons Local 891, 1517 Kenilworth Avenue NE, Washington, DC. The hands-on training at the union apprenticeship schools will occur at sites in Washington, DC and Prince George's County. Our first class for adults begins November 2, and we will have 30 students in this class.

Thirty-two individuals will be trained through Covenant House's "Off the Block Artisans Training Program", a challenging vocational job training program in woodworking which prepares 18-24 year olds for entry level jobs in the skilled craft trades. Trainees learn in a real work environment -- that of a small production cabinet shop. Students learn over a three month period to handle the demands, expectations and consequences of an actual job and they receive a stipend for their efforts. As youth near graduation, we will be providing job placement assistance to help them into entry level jobs.

The basic pre-apprenticeship training classes are planned for the following schedule and we will add or adjust classes as necessary to meet our commitments:

Youth (18-24 year olds) training at CH:

January 11- February 19, 2010

April 5- May 14, 2010

July 12- August 20, 2010

Adults training at OPCM Local 891

November 2- December 11, 2009

February 8- March 19, 2010

April 26- June 4, 2010

August 2- September 10, 2010

We will also be providing wrap-around case management services, job placement assistance and job retention and follow-up services, following individuals for 30, 60, and 90 days through the end of the grant period.

Excitingly, GSA is overseeing several major projects in the metro area including the new Coast Guard and Homeland Security Headquarters buildings going up on the St. Elizabeth's campus in Ward 8, as well as the federal government energy efficiency retro-fitting work which will begin soon. We have had conversations with representatives of the GSA regarding the possibilities of job placement for ex-offenders on these jobs, given the security clearances normally required for work of this type. They have indicated some flexibility in this area.

They are also providing, by February most likely, a trailer with training space located on the St. Elizabeth's campus, that we will be able to use for recruitment of SE DC residents, and training as well.

We have been in touch with Clark Construction which is the general contractor on the Coast Guard Headquarters project, and will continue to work with them closely on securing jobs for our clients.

Thank you again, Madame Chairwoman, for the leadership role you have played in securing these funds. We are committed, all of the subcontractors and partners, to operating a quality program which satisfies our deliverables and helps put our target population of local residents to work in great careers in the construction industry.

I am happy to answer any questions you may have.

Kathleen McKirchy, Executive Director

Community Services Agency of the Metropolitan Washington Council, AFL- CIO

- For your programs, generally what is the completion rate? Continuing career development rates?

  For all past programs related to pre- apprenticeship for construction which we have operated or been partners with within the last 3 years, the class completion rate has been 88%. The placement rate into jobs or apprenticeship has been 65%.

- How are the 180 individuals chosen for this pre-apprentice program?

  Individuals are recruited through our network of community-based organizations, most of which are DC-based organizations, as well as through DOES, CSOSA, and through the listservs of the DC Jobs Council and the DC Literacy Council. To be eligible, individuals must be 18 years of age or older, have high school diplomas or GED's, have valid drivers' licenses or learner's permits, test drug-free in a test administered by our program (we will accept test results from CSOSA for ex-offenders who are required to be tested regularly), and test at or around 8th grade reading and math on the TABE or CASAS tests.

- Describe the Off the Block Artisans Training Program.

This is a program of Covenant House DC.

This challenging vocational job training program in woodworking prepares 18-24 year olds for entry level jobs in the skilled craft trades. Our trainees learn in a real work environment -- that of a small production cabinet shop. With a half dozen other youth, they get the chance over a three month period to handle the demands, expectations and consequences of an actual job and they receive a stipend for their efforts. As youth near graduation, assistance is provided to place them in entry level jobs.

In our well-equipped machine shop, Artisans learn basic vocational skills with great emphasis placed on shop math, building as a sequential process, problem solving, attention to details and safety. We also impart to youth four fundamental job values: punctuality, dependability, responsibility and accountability. Taken

together, the vocational and job readiness skills youth learn as Artisans prepare them well for challenging employment.

Please see this website for more information and pictures about participants and the work they do- http://chdcartisans.blogspot.com.

Youth are selected for the Artisans Program and for the other programs offered by Covenant House DC through:

Assessment: After receiving a psychosocial assessment in Service Management, youth are directed to the Career Assessment Center. There they work with a variety of educational and career exploration materials to determine their strengths and challenges, employment and vocational experiences, skills, interests, aptitudes, and social readiness to work. A profile is compiled of the youth's achievement level in reading and math, career interests, and comprehension of potential barriers to success. This profile is shared with the youth's Service Manager and education and employment staff to ensure that all identified needs are addressed.

Education: Covenant House Washington offers instruction in Adult Basic Education (ABE), General Education Development (GED), and college and Scholastic Aptitude (SAT) skills. Education specialists are trained in the use of PLATO Learning Software. Using graphics, animation, and sound, the web-based adult literacy software allows learners to work at their own pace. Users can access instruction at any time, anywhere a computer with internet access is available. The software's interactive capabilities and immediate feedback component motivate the learner to want to succeed.

Employment Development: Based on the results of the assessment process, youth identify employment and career options. They receive guidance and encouragement as they develop new skills through training, internships, and

work-study activities. Once a youth is employed, whether full-time or part-time, a Placement and Retention Specialist helps them maintain employment.

Wider Opportunities for Women

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Testimony of Camille Cormier, Local Programs and Policy Director,

"Recovery Tracking Hearing #3-

Following the Dollars to the Jobs"

Before the Subcommittee on Economic Development, Public Building and Emergency Management
Committee on Transportation and Infrastructure

Honorable Eleanor Holmes Norton, Chairwoman

27 October 2009

Good afternoon Chairwoman Norton and members of the Subcommittee. I am here representing Wider Opportunities for Women or "WOW," a national and local DC non-profit women's organization that works to create pathways to lifelong economic security for America's women and girls. WOW has a long and diverse history of providing such pathways to low-income women through activities promoting the employment of women in the construction trades. We were one of the first organizations in the country to provide "Green Jobs" training to women through our program at the Blue Plains Wastewater Treatment Facility in Southwest Washington DC in the 1970s. More recently WOW partnered with the Community Services Agency and the YWCA of the National Capital Area to offer the Washington Area Women in the Trades Program. And today we are delighted to partner with the CSA and Covenant House DC on this new effort, the Building Futures GSA Program.

I wish to thank you, Madame Chairwoman, and the members of the Subcommittee, for making such a significant level of dollars available to put DC area jobseekers, including women, to work in construction through this funding stream.

As my colleague Ms. McKirchy of the Community Services Agency has provided an excellent overview of Building Futures GSA, I will put this training effort into the larger context of targeting low-income jobseekers, particularly, women, and how best to serve them using Federal stimulus dollars through specific legislation and best practices.

WOW's experience with placing women into non-traditional occupations makes clear that targeted dollars for the recruitment, hiring and promotion of women is essential if women are going to be on an equal playing field. Even today we see that women represent less than 5% of workers in most building and construction sectors. We also know that with targeting of funds like that in the original ISTEA and WANTO legislation, women do enter and succeed in these jobs in much greater numbers when such resources and incentives are in place. Most important is that these are the kinds of jobs where low-income women without post-secondary degrees can earn enough money to take care of themselves and their family.

For these reasons, WOW strongly supports Congresswoman Norton's proposal to make the training of underrepresented workers and jobseekers mandatory and increase funding from 0.5 % to 1.0 % of highway construction, transit and rail projects. We also urge you to require 30 % of the work hours on large projects be reserved for low-income people, ex-offenders, women, homeless people and minorities. And, like the Transportation Equity Network, we endorse maximizing the use of registered construction apprenticeships, project-labor, and community benefit agreements.

In addition, we thank you and your colleagues in the House for the development and passage in June of the Climate Change Bill and its Green Construction Careers Demonstration Project. We view this legislation with its recruitment and hiring targets as a foundation for more ambitious yet essential mandates to include underrepresented workers in construction, applaud its inclusion in pending and new legislation, and are actively working with our state partners around the country to help ensure passage of similar legislation.

I'll close by thanking you, Madame Chairwoman, for the leadership role you have played in securing these funds to increase the employment of the most marginalized DC residents through the historic opportunities offered by the economic stimulus package and the growing green economy. Thank you.

I am happy to answer any questions you may have.

TESTIMONY OF

JOHN O'KEEFE
DIVISION PRESIDENT, PUBLIC DIVISION
CLARK CONSTRUCTION GROUP, LLC

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

HEARING ENTITLED:
RECOVERY TRACKING HEARING #3:
FOLLOWING THE DOLLARS TO THE JOBS

October 27, 2009
2:00 P.M.
Room 2167 Rayburn House Office Building
Washington, DC 20515

Chairwoman Norton, Ranking Member Diaz-Balart, Members of the Subcommittee, my name is John O'Keefe and I am the Division President for the Public Division in the Mid-Atlantic Region for Clark Construction Group, LLC.

Founded in 1906, Clark Construction Group, LLC is today one of the nation's most experienced and respected providers of construction services, with over $4.5 billion in annual revenue and major projects throughout the United States. In 2008, we ranked fourteenth in the United States on the Engineering News Record Top 400 list.

We perform a full range of construction services throughout the United States from small interior renovations to some of the most visible architectural landmarks in the country. Projects we are known for in the Washington, DC, area include the Verizon Center, FedEx Field, and the United States Institute for Peace. Nationally, completed projects include McCormick Place Convention Center in Chicago, the Los Angeles County/ University of Southern California Hospital in Los Angeles, and Brooke Army Medical Center in San Antonio, Texas. The foundation of all of our construction work is a solid relationship with both public and private clients who have the confidence to rely, time and again, on our experience, and in-house expertise to make their vision a reality and a commitment to the communities where we work.

We approach each project with a cooperative mindset, working with clients, architects, subcontractors and the community toward the common goal - successful project delivery. Our diverse construction portfolio and specialized divisions and subsidiaries ensure that each project is matched with appropriate resources and expertise. Through technical skill, pre-construction

know-how and self-performance capability, we anticipate project challenges, develop solutions that meet clients' objectives and ultimately deliver award-winning projects. In this way, our work today continues to meet the stringent standards of safety, quality and integrity, which have been the Company's core values since its founding in 1906.

Here in the Washington area, our home, Clark is committed to working with the community with demonstrated success in creating opportunities for small businesses. At our own initiative, Clark developed an intensive 10-month training program - the "Small Business Strategic Partnership Program" to support the subcontracting plan for projects in the DC region. This comprehensive 10-month program supplements other Clark initiatives to build capacity in the Small Business community and to enhance Small Business participation on construction projects throughout our region.

I also would like to take just a moment to mention that last year we testified before the Committee on Oversight and Government Reform, Subcommittee on Federal Workforce, Postal Service and the District of Columbia on our eight year plus program to hire ex-offenders, primarily in Highway & Bridge construction through Shirley Contracting Company, a Clark subsidiary. This successful program provides well paying jobs with benefits and training opportunities to ex-offenders within our company, many of whom have now been employed with us beyond three years and in at least one case is a supervisor.

These two programs I have just mentioned are but a couple of the initiatives Clark has created not because of any external requirements, but because we believe that it is the right thing to do.

Today, I am pleased to respond to the Subcommittee's request that Clark address the use of stimulus funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA). Among the breath of federal agency projects receiving ARRA funding, Clark has identified approximately 42 proposed projects nationwide with an estimated contract value in excess of $5 billion. Of these, six projects worth an estimated $800 million are in the National Capital Region.

To date, we have been awarded four projects which included ARRA funding. Three of these projects are in the National Capital area: Air National Guard Readiness Center - Area D at Andrews Air Force Base, Maryland; Emergency Repairs for Settlement at the Jefferson Memorial Seawall, Washington, DC; and, construction of the new U.S. Coast Guard Headquarters Building at St. Elizabeth's, Washington, DC.

The Air National Guard Readiness Center – Area D at Andrews Air Force Base was awarded on July 30 of this year and allowed for additional work to continue under an existing IDIQ contract. While completing needed improvements, this project has and will continue to allow for six Clark employees and about 25 construction workers to remain on the job daily over the entire 10 to 11 month project duration. Because different construction trades are needed at different times during this or any construction project, the stimulus funds will keep employed approximately 150 construction workers that might not otherwise be working.

Emergency Repairs for Settlement at the Jefferson Memorial Seawall was just awarded on September 11. We expect work to begin next month and that the project will take about 14 months to complete. In month one, we anticipate five employees on site, expanding to 15 by month two and 30 by month three. This effort should employ about 40 people at its peak in six to seven months. From our perspective, these are all new construction jobs.

The crown jewel of our stimulus funded projects here in the national capital region is the U.S. Coast Guard Headquarters at St. Elisabeth's. We are pleased that the U.S. General Services Administration (GSA) selected Clark to lead the design and construction of the Coast Guard Headquarters, a 1.2 million square-foot facility to be constructed on the west campus of the former St. Elizabeth's hospital site in the city's Anacostia neighborhood. This project is the first phase of the Department of Homeland Security's consolidation and relocation to southeast Washington, DC.

The new U.S. Coast Guard Headquarters campus will feature an 11-story office building for 3,860 employees, a separate central utility plant, and two seven-story parking garages. In addition to core and shell construction, Clark will complete the headquarters building's interior fit-out, including audio/visual and telecommunications systems, and security features.

There is a 120-foot change in elevation on the 176-acre project site and the headquarters building's design takes advantage of the natural topography. Below an entry courtyard at the site's highest location, the building consists of linked, cascading quadrangles, clad in brick, stone, glass, and metal panels constructed into the hillside. The building's wings, with a red brick

skin, further break down the scale of the massive facility, as well as allow for greater penetration of natural daylight to internal areas.

The Coast Guard Headquarters building is designed with its major axis running east/west to minimize solar heat gain and maximize the opportunity for daylight harvesting. The building will feature an approximate 400,000 square-foot green roof and a vegetative wall panel system in the courtyard. High-efficiency mechanical and electrical systems will be installed, and the project team will incorporate many regional and low-emitting building materials into the new facility. Additionally, the construction of wet ponds, bioswales, step pools, and a signature water feature at the site's lowest elevation will assist with stormwater management.

The U.S. Coast Guard Headquarters project at St. Elizabeth's is being designed for LEED® Silver certification. Engineering News Record ranks Clark as one of its top 10 Green Builders in 2008. We built the world's first LEED Platinum building, the Phillip Environmental Center as well as the country's first LEED certified professional sports stadium. Clark is committed to building a sustainable future.

Before I discuss the jobs created for the U.S. Coast Guard Headquarters project at St. Elizabeth's, I want to take just a moment to mention two of the efforts we will undertake in close coordination with GSA to encourage and expand employment opportunities in the community. During mobilization to the job site, Clark will be placing an employment opportunity trailer at the project site. This job site trailer, run by GSA, will be a key resource to the community providing real time job listing of available jobs on site, not just for Clark, but all the

subcontractors as well. Additionally, Clark will update GSA with timely, accurate Bid Schedules such that any business, including those in the surrounding communities, can see what work is upcoming and decide if they want to bid on that work. Clark will also work to integrate graduates of the Pre-apprenticeship program, a 10 week program run by the Community Services Agency that trains prospective employees from the surrounding communities on the skills needed to qualify for an apprenticeship job. On this project, for every four journeyman jobs, there will be one apprenticeship job opportunity, adding up to hundreds of apprenticeship jobs.

We continue to support GSA's and the National Capital Planning Commission's efforts to ensure that all issues related to this historic property and project are addressed and that construction work can begin as expediently as possible. In the meantime, we have received excavation bids and are reviewing them to select the subcontractor. Design work continues as well.

Once work begins, about 50 new jobs will be created on site in the first month. In addition, hundreds of dump truck operators will also be employed to move literally millions of cubic yards of rock and dirt. By month two, about 100 individuals will be employed directly on site. The number of jobs created rapidly increases as the project continues, peaking at about 1,000 direct construction workers on site sometime during the second year of this three year construction project.

It should be noted that we can only project direct jobs the Coast Guard Headquarters will add to the economy. I am not an economist and I cannot tell you how many additional jobs might be saved or created due to the manufacturing, assembling, packaging, and shipping of concrete,

steel, wire, piping, building envelop materials, roofing, and other numerous construction components that are made here in the U.S.A. and will be incorporated into this project. However, I am here to tell you that the number must be much, much larger than just the estimated 1,500 plus direct construction jobs.

Stimulus or not, construction jobs help fuel the American economy, creating good paying jobs and creating demand for American goods and materials.

On behalf of Clark Construction Group, LLC, I want to thank you for the opportunity to testify today and I will be happy to answer any questions you may have.

STATEMENT OF

ROBERT A. PECK
COMMISSIONER
PUBLIC BUILDINGS SERVICE

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

October 27, 2009

Good morning Chairwoman Norton, Ranking Member Diaz-Balart, and members of this Subcommittee. My name is Robert A. Peck and I am the Commissioner of the General Services Administration's (GSA) Public Buildings Service (PBS). 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.

We continue to follow our aggressive schedule of awarding Recovery Act funded projects and delivering a higher performing, green building inventory. As of today, GSA has obligated over $1.4 billion for Federal building construction and renovation projects funded by the Recovery Act and expended over $57 million. We exceeded our goal of obligating $1 billion of Recovery Act funds by August 1, 2009 and we are well on our way to obligate another $1 billion by the end of the calendar year.

GSA's Public Buildings Service 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 are making in our public buildings are helping to stimulate job growth and retention in the construction and real estate sectors, and are intended to reduce energy consumption in our buildings, improve the environmental performance of our real estate inventory, reduce our backlog of repair and maintenance needs, and increase the overall value of our assets.

Progress

Our infrastructure investments are stimulating the economy. We project that 60,283 jobs-years will be created from the $5.546 billion in Recovery Act funding allocated to GSA. This projection is based on the Council on Economic Advisers' May 2009 "Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009." Initial reports indicate that as of October 23, 2009, GSA's Recovery Act funding recipients have created or retained 773 jobs as a direct result of Recovery Act funding, based on outlays to date of $57 million.

While contract award is the catalyst for money flowing through economy, it is important to note that Recovery Act funds do not flow immediately following a

contract award. Rather, payments to contractors for progress made provide steady support for our economy over an extended period – not a jolt that lasts only a few months. These are positive preliminary indications of GSA's contribution to the economic recovery.

We are also leveraging our Recovery Act investments to turn our large, varied and stable inventory of buildings into a proving ground for green building technologies, materials, and operating regimes. By adopting new ideas and products, then evaluating and publicizing our results, GSA is working to become the "go to" source for data on the environmental and economic payback of new systems and procedures. Our investments in innovative technologies and alternative energy solutions are leading the transformation to a new green economy.

In addition to our construction program we are moving forward with several large leases that will also stimulate the economy by providing rental payments in excess of $25 million dollars annually. Tenants are being relocated out of our Federal buildings to expedite the renovation process.

Managing, Tracking and Reporting Building Projects

As we move forward with our infrastructure investments, 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 established tracking and reporting systems to help us meet our reporting requirements and better manage our projects. We are monitoring our project variances as "early warning" signals of project slippage.

We will provide you with a list of all obligations we have made as of today. Major projects that have received Recovery Act funding as of October 14, 2009 include:

AL	Birmingham	Robert Vance Federal Building Courthouse
AL	Montgomery	Frank Johnson Courthouse Complex
AR	Little Rock	U.S. Courthouse (escalation)
AZ	Nogales	Nogales West U.S. Land Port of Entry
CA	Otay Mesa	U.S. Land Port of Entry
CA	San Francisco	50 United Nations Plaza
CA	Los Angeles	LA 300 North LA Federal Building
CA	San Francisco	Phillip Burton Federal Building Courthouse
CA	Oakland	Ronald Dellums Federal Building
CA	Bakersfield	U.S. Courthouse
CO	Lakewood	Denver Federal Center Infrastructure
CO	Lakewood	Denver Federal Center - Multiple Buildings
CO	Boulder	David Skaggs Research Center
CO	Denver	Byron Rogers Federal Building
DC	Washington	Herbert Hoover Building (Phase II and III)
DC	Washington	DHS Consolidation and Development of St. Elizabeths Campus

DC	Washington	Department of Interior Building (Phase IV)
DC	Washington	Mary Switzer (Phase II)
DC	Washington	St. Elizabeths West Campus Infrastructure
DC	Washington	1800 F Street Building (Phase I)
DC	Washington	Truman Building
DC	Washington	Lafayette (Phase I)
FL	Orlando	Young U.S. Courthouse
FL	Tampa	Sam M. Gibbons US Courthouse (escalation)
GA	Chamblee	IRS Annex
GA	Atlanta	Richard B. Russell Federal Building Courthouse
HI	Honolulu	Prince Kuhio Kanaianaole Federal Building-Courthouse (Phase I)
HI	Hilo	Federal Building (escalation)
IA	Des Moines	Neal Smith Federal Building
IA	Sioux City	Federal Building & US Courthouse
IL	Chicago	Chicago Federal Center
IL	Chicago	Kluczynski Federal Building & U.S. Postal Service Loop Station
IL	Chicago	536 S. Clark Street Federal Building
IL	Chicago	Chicago State Street South - 10 West Jackson
IN	Indianapolis	Birch Bayh U.S. Courthouse
IN	Indianapolis	Indianapolis Minton-Capehart Federal Building
IN	Indianapolis	Major General Emmett J. Bean (Phase I - PV and Design)
KS	Wichita	U.S. Courthouse
KS	Kansas City	Robert Dole Courthouse
KY	Louisville	Romano Mazzoli Federal Building
LA	New Orleans	H Boggs Federal Building Courthouse
MA	Andover	IRS Service Center
MA	Boston	JFK Federal Building
MA	Boston	Thomas P. O'Neill Jr. Federal Building
MA	Boston	John J. Moakley Courthouse
MD	Woodlawn	CMS HQ Complex
ME	Bangor	Margaret Chase Smith U.S. Post Office Courthouse
ME	Calais	U.S. Land Port of Entry (escalation)
ME	Van Buren	U.S. Land Port of Entry
MI	Detroit	McNamara Federal Building Complex
MN	Fort Snelling	Whipple Federal Building
MN	Minneapolis	U.S Courthouse
MO	St. Louis	Goodfellow Federal Complex
MO	St. Louis	Thomas Eagleton U.S. Courthouse
MO	St. Louis	Robert Young Federal Building
MO	St. Louis	Federal Center Building 104
MS	Jackson	U.S. Courthouse (escalation)
MS	Jackson	McCoy Federal Building
MT	Billings	U.S. Courthouse
NC	Asheville	Veach-Baley Federal Complex
NC	New Bern	U.S. Post Office Courthouse
ND	Fargo	Federal Building-Post Office

NE	North Platte	Federal Building
NE	Omaha	Hruska Courthouse
NE	Lincoln	Robert Denney Federal Building Courthouse
NH	Concord	Warren B. Rudman US Courthouse
NJ	Newark	Peter Rodino Federal Building
NY	New York	Thurgood Marshall U.S. Courthouse (escalation)
NY	Brooklyn	General Post Office
NY	Brooklyn	Emanuel Celler U.S. Courthouse (escalation)
NY	New York	26 Federal Plaza (Plaza Repair)
NY	New York	Manhattan Federal Building--201 Varick St
NY	New York	Queens Joseph P. Addabbo Federal Building
NY	New York	Kings US Court House
NY	Holtsville	IRS Service Center
OH	Cincinnati	John W. Peck Federal Building
OH	Cleveland	A. J. Celebrezze Federal Building
OH	Dayton	Federal Building & US Courthouse
OH	Columbus	Kinneary U.S. Courthouse
OK	Tulsa	U.S. Courthouse
OR	Portland	Edith Green-Wendell Wyatt Federal Building
PA	Philadelphia	US Customs house
PA	Philadelphia	Veterans Administration Center
PR	San Juan	Degatau & Courthouse
PR	San Juan	FBI Field Office Consolidation
RI	Providence	Federal Building US Courthouse
SD	Pierre	Federal Building - U.S. Courthouse
TN	Memphis	Clifford Davis-Odell Horton Federal Building
TX	Austin	U.S. Courthouse
TX	San Antonio	Hippolito Garcia U.S. Courthouse
TX	Houston	G.T Leland Federal Building
TX	Galveston	U.S. Post Office and Courthouse
TX	Fort Worth	F. G. Lanham Federal Building
UT	Ogden	IRS Service Center
VA	Richmond	Robert Merhige Courthouse
VA	Roanoke	Poff Federal Building
WA	Blaine	Peace Arch Land Port of Entry
WA	Seattle	Federal Center South
WV	Charleston	Robert C. Byrd Federal Building & Courthouse
WV	Huntington	Federal Building
WV	Martinsburg	244 Needy Road

The projects we have funded vary in scope, type, and region; they cover our entire portfolio. For example, in Austin, Texas we are building a new courthouse that incorporates many innovative green features such as high-efficiency heating, ventilation and air conditioning (HVAC) systems and extensive use of natural light. I attended that groundbreaking ceremony on September 2nd, and I'm excited that we're building this courthouse to achieve Leadership in Energy and Environmental Design (LEED) Silver certification through the U.S. Green Building Council. Construction began in September and site preparation work has

commenced. Excavation for the lower level is 80% complete, and drilled piers will be installed beginning in mid-November, 2009. The project team has reviewed the design and added additional high-performance green building features to the project, including recycled interior finish materials and a highly insulated cool roof.

Our progress toward the consolidation of the Department of Homeland Security (DHS) at St. Elizabeths in Washington, D.C. is on track. As we committed, we awarded a $435 million contract, of which $162 million was funded by the Recovery Act, for the design of a new, energy efficient 1.18 million square foot Coast Guard Headquarters in August, 2009. Of this total amount, $127.7 million is from GSA and $34.5 million is from DHS. We made the award to Clark Design Build, LLC, a contractor in the Washington metro area. The St Elizabeths project is the Washington metro area's largest Federal project since construction of the Pentagon, and will help revitalize and spur additional development in Southeast Washington's Anacostia community. The DHS Headquarters will feature green roofs, landscaped courtyards to capture and reuse surface water runoff, and innovative heating, ventilation and air conditioning systems.

We held an "Industry Day" regarding the DHS Headquarters project at the Ronald Reagan Building on October 26, 2009. This event was open to interested individuals and to businesses both large and small. We discussed the project's development schedule and prospectus overview, and we detailed GSA and DHS strategies for including small businesses as prime contractors and subcontractors. The Industry Day provided premier networking opportunities for business owners, and successfully helped us to raise industry awareness of St. Elizabeths project opportunities.

We have started work on a new energy-efficient U.S. courthouse in Billings, Montana, which will also be built to achieve LEED Silver certification. We contracted with a local service disabled veteran-owned business to perform the demolition work on this Recovery Act-funded project. As part of a high-performance green building construction project, even the demolition will incorporate green practices. For example, construction waste is being recycled wherever possible, nearby trees are being protected, and concrete from the old buildings' foundations is being salvaged for use as structural fill. This new courthouse will also provide Federal office space upon completion, which is scheduled for early 2013. This U.S. Courthouse project is creating local jobs and will serve as a green landmark in downtown Billings.

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. One example, a contract for the renovation of the façade and windows of the historic Brooklyn General Post Office, was awarded for $53 million in July 2009, and is allowing us to both improve the

energy performance of the facility and complete another aspect of the renovation of this significant historic asset. At the Margaret Chase Smith Building in Bangor, Maine, we will be able to significantly reduce our energy consumption and obtain LEED certification by upgrading or replacing windows, HVAC, and electrical systems. While the building's current design reduces energy usage (BTUs/GSF) by half, reducing it significantly below the energy targets, we will further improve performance by incorporating many Smart Building features like the ones I have just described.

Recipient Reporting

The Recovery Act requires contractors and other recipients of Recovery Act funds from GSA to submit quarterly reports: The first reporting period will be complete on October 31. Recipients report information such as: Award (statistics, date, and amount); Sub-Awards; Project Status; Number and Description of Jobs Created and Retained; Project Delivery; and Highly Compensated Officers. Prime Recipients must report similar information on behalf of each Sub-Recipient.

For this initial reporting period, we planned and utilized a multimedia approach to ensure recipients were aware of the quarterly reporting requirement. We telephoned our prime recipients directing them to the FederalReporting.gov website used to register and report, we e-mailed Recipient Reporting Guidance to all recipients, we provided pre-populated report templates, and we posted guidance to the gsa.gov/recovery website. We also established a call center to assist recipients with any questions about reporting. Our recipients have provided a lot of positive feedback about GSA's call center, and have expressed gratitude to our staff for assisting with the reporting process. I am proud to report that as of October 21, 2009, 99% of PBS' Prime Recipients have reported.

Pre-apprenticeship

We are excited that apprenticeship and pre-apprenticeship programs are an integral part of our Recovery Act projects. With regard to pre-apprenticeship programs, GSA launched the program with two contract awards to Community Services Agency of the Metropolitan Washington Council, AFL-CIO in Washington, D.C.; and Oregon Tradeswomen Inc. in Portland, Ore. GSA's two initial awards, worth $1.8 million, will enroll more than 400 unemployed people, and GSA will soon expand the program to other cities. GSA will work with the Department of Labor to place the program graduates in registered apprenticeship programs at construction sites across the country, where they will receive on-the-job experience and trade certification.

GSA has initiated the process of soliciting for additional candidate organizations for pre-apprenticeship training programs in the other eight identified high unemployment areas. The pre-solicitation notice was advertised on September

28, 2009. The Solicitation was issued and released on October 14, 2009, with proposals due on November 13, 2009.

Project Labor Agreements (PLA)

Finally, we have identified 10 large Recovery Act projects, representing $1.25 billion in Recovery Act spending, located in seven states and the District of Columbia, where Project Labor Agreements (PLAs) may be used, as appropriate. For example, we are currently researching the market in San Francisco, CA, Honolulu, HI, and Portland, OR to determine the feasibility of PLAs for Recovery Act projects in those cities.

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 encouraging executive agencies to consider the use of PLAs in connection with large-scale Federal construction projects.

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). To date, we have received reimbursable work authorizations (RWAs) totaling $293 million across 24 Recovery Act RWAs. This amount is the agreed-upon cost estimate for the scopes of work, and will be obligated as awards are made to various vendors. We anticipate receiving approximately $1 billion in total funding for Recovery Act projects from our customer agencies.

- As part of the Recovery Act, GSA is expecting to receive approximately $400 million from SSA 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 system redundancy and expansion needs for the long-term. We are committed to our partnership with SSA in defining its 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. At the present, GSA has two RWAs with SSA for a total authorized and accepted amount of $2.1 million.

- The Department of State (State) plans to use $70 million of Recovery Act funds for a new Foreign Affairs Security Training Center. GSA is partnering with State for the site acquisition, design, and construction of a

new consolidated hard skills training center to support security related training for the Department and the wider foreign affairs community. We are currently working with State to develop this facility.

- We are providing acquisition, project management, planning, design/build, and construction management services in support of CBP's Land Port of Entry (LPOE) Modernization Program. CBP's Recovery Act funds will be utilized to replace eight aging LPOEs in four states along the northern border: Morgan, Scobey and Wild Horse in Montana; Churubusco in New York; Antler, Noonan and now Maida in North Dakota; and Frontier in Washington. Seven projects were awarded on August 14, 2009 using GSA's indefinite delivery indefinite quantity (IDIQ) contracts. Design kickoff meetings are currently underway and should be completed by the end of this month. The recently added Maida, ND LPOE is currently awaiting award pending 30 day DHS review. .

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 Subcommittee as we continue to deliver this important work.

"Stimulus Tracking Hearing 3: Tracking Stimulus Funds through the American Recovery and Reinvestment Act"

10/27/09

Questions for the Record

1. Please submit a list of projects using Stimulus funds and their money that has been awarded to these projects. Also, include the money that will be awarded, in total, to these projects.

The projects using Stimulus funds with the total amount obligated for each project as of September 30th is listed below. In addition, enclosed is a copy of the revised spend plan that was sent to the Committee on November 23, 2009. The revised Plan provides a full list of the projects and indicates additions, deletions, or adjustments to funding by project. The adjustments to the Plan allow GSA to reallocate savings in projects with favorable market conditions to existing projects that require additional funds or where expanded scope, consistent with the established criteria, provides significant return on taxpayer investment.

Project	Program Name	January 19th, 2010 Spend Plan - Total Allocation	Total Obligations as of 02/12/10
TOTALS		**$ 5,545,999,437.64**	**$2,108,788,506.78**
Federal Buildings and Courthouses Subtotal		**$ 750,000,000.00**	**$ 400,924,680.06**
AR, Little Rock U.S. Courthouse (escalation)	Federal Buildings and Courthouses	$ 6,950,000.00	$ 6,946,127.57
AZ, Yuma U.S. Courthouse	Federal Buildings and Courthouses	$ 27,899,000.00	$ -
CA, Bakersfield U.S. Courthouse	Federal Buildings and Courthouses	$ 28,456,000.00	$ 24,254,969.45
DC, Washington DHS Consolidation and Development of St. Elizabeths Campus	Federal Buildings and Courthouses	$ 222,547,000.00	$ 78,137,501.45
DC, Washington St. Elizabeths West Campus Infrastructure	Federal Buildings and Courthouses	$ 223,453,000.00	$ 109,729,529.55
DC, Washington St. Elizabeths West Campus Site Acquisition	Federal Buildings and Courthouses	$ 4,000,000.00	$ -
MS, Jackson U.S. Courthouse (escalation)	Federal Buildings and Courthouses	$ 3,160,000.00	$ 2,962,110.89
MT, Billings U.S. Courthouse	Federal Buildings and Courthouses	$ 76,735,000.00	$ 70,404,864.55
PR, San Juan FBI Field Office Consolidation	Federal Buildings and Courthouses	$ 42,667,000.00	$ 1,313,990.00
TX, Austin U.S. Courthouse	Federal Buildings and Courthouses	$ 112,133,000.00	$ 107,175,586.60
TX, El Paso U.S. Courthouse (escalation)	Federal Buildings and Courthouses	$ 2,000,000.00	$ -

Land Ports of Entry Subtotal		**$ 300,000,000.00**	**$ 81,795,068.60**
AZ, Nogales West US Land Port of Entry	Land Ports of Entry	$ 199,480,000.00	$ 26,108,649.65
CA, Otay Mesa U.S. Land Port of Entry	Land Ports of Entry	$18,196,000.00	$ 17,277,203.70
ME, Calais U.S. Land Port of Entry (escalation)	Land Ports of Entry	$ 6,300,000.00	$ 5,803,573.00
ME, Madawaska U.S. Land Port of Entry	Land Ports of Entry	$ 750,000.00	$ -
ME, Van Buren U.S. Land Port of Entry	Land Ports of Entry	$44,927,000.00	$ 3,930,581.83
NM, Columbus U.S. Land Port of Entry	Land Ports of Entry	$4,062,000.00	$ 2,390,352.42
WA, Blaine Peace Arch U.S. Land Port of Entry (escalation)	Land Ports of Entry	$26,285,000.00	$ 26,284,708.00
High Performance Green Buildings- Limited Scope Subtotal		**$912,173,760.74**	**$ 268,154,236.22**
AK, Anchorage Anchorage Federal Building	HPGB - Limited Scope	$ 662,850.50	$ 105,519.62
AK, Anchorage Federal Building, U.S. Courthouse	HPGB - Limited Scope	$ 2,169,713.89	$ -
AK, Fairbanks Federal Building	HPGB - Limited Scope	$ 300,909.00	$ 38,727.00
AK, Juneau Hurff Ackerman Saunders Federal Building	HPGB - Limited Scope	$ 7,877,313.50	$ 611,720.00
AL, Mobile John A. Campbell Courthouse	HPGB - Limited Scope	$ 2,597,777.00	$ 180,919.07
AL, Montgomery Frank Johnson Courthouse Annex	HPGB - Limited Scope	$ 11,328,273.00	$ 139,723.00
AR, Fayetteville J.P. Hammerschmidt Federal Building-Courthouse	HPGB - Limited Scope	$ 414,433.50	$ 18,430.44
AR, Little Rock Old Post Office Courthouse	HPGB - Limited Scope	$ 1,598,885.00	$ 23,767.57
AR, Little Rock Little Rock Federal Building	HPGB - Limited Scope	$ 2,400,190.00	$ -
CA, Fresno Federal Building & Courthouse	HPGB - Limited Scope	$ 3,647,412.00	$ 31,704.00
CA, Laguna Niguel Chet Holifield Federal Building	HPGB - Limited Scope	$ 8,287,620.00	$ 78,364.00
CA, Los Angeles 300 North LA Federal Building	HPGB - Limited Scope	$ 19,500,000.00	$ 14,118,372.74
CA, Los Angeles Edward R. Roybal Federal Building & Courthouse	HPGB - Limited Scope	$ 4,000,000.00	$ 56,998.00
CA, Los Angeles U.S. Court House	HPGB - Limited Scope	$ 5,818,098.00	$ 83,734.00
CA, Menlo Park Menlo Park Science Center	HPGB - Limited Scope	$ 6,889,212.00	$ 98,560.00
CA, Oakland Ronald Dellums Federal Building	HPGB - Limited Scope	$ 8,074,913.00	$ 5,091,435.90
CA, Pasadena Richard H. Chambers U.S. Courthouse	HPGB - Limited Scope	$ 477,161.00	$ 35,952.00
CA, Sacramento Robert T. Matsui U.S. Courthouse	HPGB - Limited Scope	$ 5,706,109.00	$ 86,000.00
CA, Sacramento Sacramento Federal Building	HPGB - Limited Scope	$ 2,218,828.00	$ 94,600.00
CA, San Diego Edward J. Schwartz Federal Office Building & Courthouse	HPGB - Limited Scope	$ 7,024,891.50	$ 34,120.00

CA, San Francisco Phillip Burton Federal Building Courthouse	HPGB - Limited Scope	$ 7,433,062.00	$ 3,692,957.99
CO, Boulder David Skaggs Research Center	HPGB - Limited Scope	$ 5,023,959.50	$ 372,834.66
CO, Denver Byron White U.S. Courthouse	HPGB - Limited Scope	$ 2,764,918.50	$ 200,901.81
CO, Denver Byron Rogers Courthouse	HPGB - Limited Scope	$ 4,850,000.00	$ 8,757.00
CO, Fort Collins Federal Building-Post Office	HPGB - Limited Scope	$ 566,442.50	$ 85,591.86
CO, Lakewood Denver Federal Center PV	HPGB - Limited Scope	$ 40,000,000.00	$ 17,321,107.96
CO, Lakewood Denver Federal Center - Multiple Buildings	HPGB - Limited Scope	$ 3,953,514.50	$ 3,501,216.09
CT, Bridgeport Brien McMahon U.S. Courthouse	HPGB - Limited Scope	$ 210,871.50	$ 30,490.85
CT, Hartford William R. Cotter Federal Building	HPGB - Limited Scope	$ 2,000,000.00	$ 1,597,358.00
CT, New Haven New Haven Courthouse	HPGB - Limited Scope	$ 800,000.00	$ 420,937.00
CT, New Haven Robert N. Giaimo Federal Building	HPGB - Limited Scope	$ 286,447.50	$ 33,374.06
DC, Washington 601 - 4th St, NW	HPGB - Limited Scope	$ 2,150,340.00	$ 189,668.62
DC, Washington Ariel Rios Federal Building	HPGB - Limited Scope	$ 1,337,368.50	$ 421,978.52
DC, Washington Elijah Barrett Prettyman Courthouse	HPGB - Limited Scope	$ 3,661,816.67	$ 65,027.00
DC, Washington EPA East and West and Connecting Wing	HPGB - Limited Scope	$ 4,564,205.00	$ 710,374.96
DC, Washington GSA-Regional Office Building	HPGB - Limited Scope	$ 2,049,615.00	$ 86,893.78
DC, Washington Howard T. Markey National Courts Building	HPGB - Limited Scope	$ 2,069,725.42	$ 118,431.17
DC, Washington IRS Building	HPGB - Limited Scope	$ 1,506,345.70	$ 37,234.00
DC, Washington Lyndon B. Johnson Federal Building	HPGB - Limited Scope	$ 4,162,158.00	$ 204,656.21
DC, Washington Reagan International Trade Center and Garage	HPGB - Limited Scope	$ 16,161,244.17	$ 1,216,124.24
DC, Washington Robert C. Weaver Building	HPGB - Limited Scope	$ 3,662,790.38	$ 70,756.86
DC, Washington Tax Court	HPGB - Limited Scope	$ 8,082,557.33	$ 347,103.70
DC, Washington Theodore Roosevelt Building	HPGB - Limited Scope	$ 23,550,845.00	$ 652,085.74
DC, Washington U.S. Secret Service Headquarters	HPGB - Limited Scope	$ 1,600,736.00	$ 349,922.77
DC, Washington Veterans Administration	HPGB - Limited Scope	$ 2,323,848.49	$ 359,699.54
DC, Washington Wilbur J. Cohen Building	HPGB - Limited Scope	$ 16,700,507.00	$ 524,621.67
DC, Washington Winder Building	HPGB - Limited Scope	$ 7,306,558.00	$ 347,236.00
DE, Wilmington J. Caleb Boggs Courthouse and Federal Building	HPGB - Limited Scope	$ 2,700,000.00	$ 92,804.50
FL, Miami Brickell Plaza Bldg	HPGB - Limited Scope	$ 916,160.64	$ 758,000.00
FL, Miami Claude Pepper Federal Building	HPGB - Limited Scope	$ 436,435.50	$ 210,153.63
FL, Miami David W. Dyer Federal Building & Courthouse	HPGB - Limited Scope	$ 908,650.55	$ 708,000.00
FL, Tampa Sam M. Gibbons U.S. Courthouse (escalation)	HPGB - Limited Scope	$ 27,175,091.00	$ 20,891,925.14
FL, West Palm Beach Paul G. Rogers Federal Building-Courthouse	HPGB - Limited Scope	$ 1,146,931.50	$ 120,947.16
GA, Athens R.G. Stephens, Jr. Federal Building	HPGB - Limited Scope	$ 1,216,171.06	$ 982,000.00
GA, Atlanta Federal Center	HPGB - Limited Scope	$ 5,089,000.00	$ -

GA, Atlanta Peachtree Summit Federal Building	HPGB - Limited Scope	$ 1,078,855.09	$ 264,117.00
GA, Atlanta Richard B. Russell US Courthouse	HPGB - Limited Scope	$ 2,778,998.00	$ 371,767.00
GA, Chamblee IRS Annex	HPGB - Limited Scope	$ 2,711,468.50	$ 380,434.49
GA, Savannah Tomochichi Federal Building-Courthouse	HPGB - Limited Scope	$ 824,539.24	$ 386,000.00
IA, Davenport U.S. Courthouse	HPGB - Limited Scope	$ 866,808.00	$ 121,109.97
IA, Des Moines Neal Smith Federal Building	HPGB - Limited Scope	$ 30,481,621.00	$ 2,436,606.60
IA, Sioux City Federal Building & U.S. Courthouse	HPGB - Limited Scope	$ 3,910,204.50	$ 1,799,795.09
ID, Boise James A McClure Federal Building & Courthouse	HPGB - Limited Scope	$ 2,618,473.50	$ 367,415.00
IL, Carbondale Senator Paul Simon Federal Building	HPGB - Limited Scope	$ 1,700,000.00	$ 1,627,039.65
IL, Chicago 536 S. Clark Street Federal Building	HPGB - Limited Scope	$ 5,755,000.00	$ 3,517,359.33
IL, Chicago Federal Center	HPGB - Limited Scope	$ 556,000.00	$ 495,528.68
IL, Chicago Customhouse	HPGB - Limited Scope	$ 946,892.00	$ 779,929.85
IL, Chicago Metcalfe Building	HPGB - Limited Scope	$ 2,308,999.00	$ 1,940,647.16
IL, Springfield Findley Federal Building	HPGB - Limited Scope	$ 208,752.00	$ 147,813.89
IL, Urbana U.S. Courthouse	HPGB - Limited Scope	$ 1,368,672.00	$ 1,227,689.95
IN, Hammond U.S. Courthouse	HPGB - Limited Scope	$ 2,344,170.00	$ 1,640,352.38
KS, Kansas City Robert J. Dole U.S. Courthouse	HPGB - Limited Scope	$ 4,661,886.00	$ 4,263,031.56
KS, Wichita U.S. Courthouse	HPGB - Limited Scope	$ 5,149,000.00	$ 4,502,939.43
KY, Covington Covington U.S. Courthouse	HPGB - Limited Scope	$ 175,378.50	$ 82,373.44
KY, Lexington Post Office and Courthouse	HPGB - Limited Scope	$ 148,831.50	$ 75,553.25
KY, London London Courthouse	HPGB - Limited Scope	$ 137,620.50	$ 44,746.15
KY, Louisville Romano Mazzoli Federal Building	HPGB - Limited Scope	$ 3,483,039.15	$ 1,627,144.15
LA, Houma Ellender Federal Building-Post Office	HPGB - Limited Scope	$ 1,582,464.00	$ 18,974.00
LA, New Orleans Hale Boggs Federal Building-Courthouse	HPGB - Limited Scope	$ 4,620,642.00	$ 123,084.95
LA, Shreveport Shreveport Courthouse	HPGB - Limited Scope	$ 386,115.00	$ 52,686.26
MA, Boston Cpt. J.F. Williams U.S. Coast Guard Building	HPGB - Limited Scope	$ 1,243,739.50	$ -
MA, Boston J.W. McCormack Post Office Courthouse	HPGB - Limited Scope	$ 3,500,000.00	$ 1,448,416.00
MA, Boston John F. Kennedy Federal Building	HPGB - Limited Scope	$ 35,000,000.00	$ 435,792.00
MA, Boston John J. Moakley Courthouse	HPGB - Limited Scope	$ 4,147,500.00	$ 244,636.38
MA, Boston Thomas P. O'Neill, Jr. Federal Building	HPGB - Limited Scope	$ 14,300,000.00	$ 1,007,889.00
MA, Boston Thomas P. O'Neill, Jr. Federal Building	HPGB - Limited Scope	$ 600,000.00	$ -
MA, Waltham Fredrick C. Murphy Federal Building	HPGB - Limited Scope	$ 390,000.00	$ 22,485.00
MA, Worcester Harold D. Donahue Federal Building-U.S. Courthouse	HPGB - Limited Scope	$ 686,406.50	$ -
MD, Lanham New Carrollton Federal Building	HPGB - Limited Scope	$ 1,646,532.00	$ 517,326.31
MD, Woodlawn, CMS Headquarters Complex	HPGB - Limited Scope	$ 23,722,999.92	$ 399,404.87

ME, Portland Edward T. Gignoux Courthouse	HPGB - Limited Scope	$ 193,008.00	$ 58,709.98
MI, Ann Arbor Federal Building	HPGB - Limited Scope	$ 2,399,263.32	$ 1,990,667.97
MI, Detroit Rosa Parks Federal Building	HPGB - Limited Scope	$ 410,852.91	$ 301,842.86
MI, Detroit Theodore Levin U.S. Courthouse	HPGB - Limited Scope	$ 1,157,832.00	$ 977,596.64
MI, Grand Rapids Gerald R. Ford Federal Building-Courthouse	HPGB - Limited Scope	$ 420,387.00	$ 281,181.30
MI, Lansing Charles Chamberlain	HPGB - Limited Scope	$ 284,644.50	$ 147,304.24
MI, Sault Ste. Marie U.S. Border Station	HPGB - Limited Scope	$ 3,745,825.05	$ 1,052,498.05
MN, Minneapolis U.S. Courthouse	HPGB - Limited Scope	$ 2,976,632.00	$ 2,475,373.24
MO, Kansas City 8930 Ward Parkway	HPGB - Limited Scope	$ 1,050,454.50	$ 833,312.49
MO, St. Louis Federal Center Building 104	HPGB - Limited Scope	$ 6,444,000.00	$ 5,458,609.00
MO, St. Louis Goodfellow Federal Complex	HPGB - Limited Scope	$ 10,000,000.00	$ 8,455,726.00
MO, St. Louis Thomas Eagleton U.S. Courthouse	HPGB - Limited Scope	$ 4,417,102.87	$ 3,891,634.39
MS, Greenville Federal Building-Post Office-Courthouse	HPGB - Limited Scope	$ 1,738,873.90	$ 41,430.99
MS, Vicksburg Mississippi River Commission Building	HPGB - Limited Scope	$ 131,211.00	$ -
MT, Bozeman Federal Building-Post Office Bozeman	HPGB - Limited Scope	$ 1,158,474.00	$ 48,529.00
NC, Asheville Veach-Baley Federal Complex	HPGB - Limited Scope	$ 4,440,820.00	$ 279,340.00
NC, Greensboro Federal Building	HPGB - Limited Scope	$ 142,213.50	$ 70,788.14
NC, Greensboro L.R. Preyer Federal Building Post Office Courthouse	HPGB - Limited Scope	$ 189,510.00	$ 82,603.88
NC, New Bern U.S. Post Office Courthouse	HPGB - Limited Scope	$ 3,150,000.00	$ -
NC, Raleigh Terry Sanford Federal Building	HPGB - Limited Scope	$ 4,000,000.00	$ -
ND, Bismark William L. Guy Federal Building - Post Office - Courthouse	HPGB - Limited Scope	$ 237,181.50	$ 44,684.00
ND, Fargo Federal Building-Courthouse	HPGB - Limited Scope	$ 689,227.50	$ 47,936.00
ND, Fargo Federal Building-Post Office	HPGB - Limited Scope	$ 3,778,191.50	$ 42,962.00
NE, Lincoln Robert V. Denney Federal Building-Courthouse	HPGB - Limited Scope	$ 2,935,212.00	$ 2,463,501.67
NE, North Platte Federal Building	HPGB - Limited Scope	$ 6,000,000.00	$ 5,477,821.89
NE, Omaha Edward Zorinski Federal Building	HPGB - Limited Scope	$ 1,100,000.00	$ 37,503.35
NE, Omaha Hruska Courthouse	HPGB - Limited Scope	$ 3,529,986.62	$ 2,632,882.41
NH, Concord Warren B. Rudman US Courthouse	HPGB - Limited Scope	$ 6,511,828.50	$ 58,254.10
NJ, Paterson Robert A. Roe Federal Building	HPGB - Limited Scope	$ 389,987.50	$ -
NM, Albuquerque Pete V. Domenici U.S. Courthouse	HPGB - Limited Scope	$ 521,835.00	$ 38,184.75
NM, Gallop Gallup Federal Building	HPGB - Limited Scope	$ 578,669.00	$ 21,200.75
NM, Las Cruces Runnels Federal Building	HPGB - Limited Scope	$ 443,651.00	$ 18,476.75
NM, Santa Fe Montoya Federal Building	HPGB - Limited Scope	$ 1,202,428.50	$ 31,043.75
NV, Las Vegas Lloyd D. George Courthouse	HPGB - Limited Scope	$ 3,198,277.50	$ 56,039.00

NY, Albany Leo W. O'Brien Federal Building	HPGB - Limited Scope	$ 369,381.00	$ 151,060.39
NY, Brooklyn General Post Office	HPGB - Limited Scope	$ 87,041,000.00	$ 62,687,983.25
NY, Central Islip Alfonse M. D'Amato U.S. Courthouse	HPGB - Limited Scope	$ 2,120,054.00	$ 298,348.50
NY, Holtsville IRS Service Center	HPGB - Limited Scope	$ 5,888,797.00	$ 365,451.95
NY, New York- Kings U.S. Court House	HPGB - Limited Scope	$ 4,090,131.50	$ 260,605.00
NY, New York-Manhattan Alexander Hamilton U.S. Custom House	HPGB - Limited Scope	$ 1,824,750.50	$ 143,764.67
NY, New York-Manhattan Daniel P. Moynihan U.S Courthouse	HPGB - Limited Scope	$ 1,208,842.96	$ 309,962.67
NY, New York-Manhattan Federal Building–201 Varick Street	HPGB - Limited Scope	$ 9,827,160.50	$ 334,308.67
NY, New York-Queens Joseph P. Addabbo Federal Building	HPGB - Limited Scope	$ 11,277,191.67	$ 330,602.83
NY, Rochester Kenneth B. Keating Federal Building	HPGB - Limited Scope	$ 379,456.50	$ 161,334.02
NY, Syracuse James M. Hanley Federal Building	HPGB - Limited Scope	$ 697,132.50	$ 242,661.87
NY, White Plains White Plains U.S. Courthouse	HPGB - Limited Scope	$ 2,835,838.00	$ 2,200,000.00
OH, Cincinnati Potter Stewart U.S. Courthouse	HPGB - Limited Scope	$ 813,451.50	$ 503,093.62
OH, Cleveland Carl B. Stokes U.S. Courthouse	HPGB - Limited Scope	$ 1,160,271.00	$ 933,166.05
OH, Cleveland Metzenbaum U.S. Courthouse	HPGB - Limited Scope	$ 368,181.00	$ 263,138.69
OH, Columbus Kinneary US Courthouse	HPGB - Limited Scope	$ 27,690,908.50	$ 18,070,307.16
OH, Dayton Federal Building & U.S. Courthouse	HPGB - Limited Scope	$ 4,835,710.00	$ 3,922,653.11
OH, Youngstown Nathaniel R. Jones Federal Building	HPGB - Limited Scope	$ 600,760.00	$ 486,608.53
OH, Youngstown Thomas D. Lambros Federal Office Building	HPGB - Limited Scope	$ 1,182,138.50	$ 1,088,135.09
OK, Muskogee Federal Building Courthouse	HPGB - Limited Scope	$ 208,212.00	$ 29,876.00
OK, Oklahoma City Oklahoma City Federal Building	HPGB - Limited Scope	$ 1,254,068.00	$ 34,938.00
OK, Oklahoma City Post Office Courthouse	HPGB - Limited Scope	$ 7,664,000.00	$0
OK, Tulsa U.S. Courthouse	HPGB - Limited Scope	$ 3,000,000.00	$ 2,699,903.00
OR, Baker David J. Wheeler Federal Building	HPGB - Limited Scope	$ 966,900.00	$ 116,949.91
OR, Portland BPA Building	HPGB - Limited Scope	$ 6,585,475.00	$ 234,848.54
PA, Philadelphia Byrne-Green Complex	HPGB - Limited Scope	$ 19,774,000.00	$ 597,132.32
PA, Philadelphia U.S. Customhouse	HPGB - Limited Scope	$ 33,470,000.00	$ 2,262,590.76
PA, Philadelphia Veterans Administration Center	HPGB - Limited Scope	$ 6,123,540.50	$ 5,090,630.33
PR, San Juan Jose V. Toledo Federal Building & U.S. Courthouse	HPGB - Limited Scope	$ 168,405.00	$ 97,266.04
RI, Providence Federal Building US Courthouse	HPGB - Limited Scope	$ 3,931,788.00	$ 2,266,559.10
RI, Providence J O Pastore FB US Post Office	HPGB - Limited Scope	$ 281,035.00	$ 40,694.94
SC, Charleston Hollings Judicial Center	HPGB - Limited Scope	$ 355,453.78	$ 180,331.40
SC, Columbia Matthew Perry US Courthouse	HPGB - Limited Scope	$ 1,386,476.00	$ 178,081.92
SC, Columbia Strom Thurmond Federal Building & Courthouse	HPGB - Limited Scope	$ 1,832,697.27	$ 230,000.00
SC, Greenville C.F. Haynsworth Federal Building & Courthouse	HPGB - Limited Scope	$ 114,259.50	$ 59,497.73

SC, Spartanburg Donald Stuart Russell Federal Courthouse	HPGB - Limited Scope	$ 305,198.53	$ 164,738.67
SD, Pierre Federal Building - U.S. Courthouse	HPGB - Limited Scope	$ 3,765,000.00	$ 47,553.86
SD, Rapid City Federal Building-Courthouse	HPGB - Limited Scope	$ 655,635.50	$ 52,373.00
TN, Memphis Clifford Davis-Odell Horton	HPGB - Limited Scope	$ 3,234,415.61	$ 331,698.29
TX, Austin IRS SW Service Center	HPGB - Limited Scope	$ 6,199,924.00	$ 61,809.00
TX, Austin J.J. Pickle Federal Building	HPGB - Limited Scope	$ 2,790,000.00	$ -
TX, Austin Veterans Administration Auto Center	HPGB - Limited Scope	$ 10,041,327.00	$ -
TX, Corpus Christi Corpus Christi Courthouse	HPGB - Limited Scope	$ 292,471.50	$ 57,294.00
TX, Dallas A. Maceo Smith Federal Building	HPGB - Limited Scope	$ 3,035,000.00	$ -
TX, Farmers Branch The Centre Phase 5	HPGB - Limited Scope	$ 520,500.00	$ 54,090.00
TX, Fort Worth Lanham Federal Building	HPGB - Limited Scope	$ 4,995,854.50	$ 94,445.00
TX, Forth Worth Federal Center	HPGB - Limited Scope	$ 6,757,000.00	$ -
TX, Galveston U.S. Post Office and Courthouse	HPGB - Limited Scope	$ 8,337,000.00	$ 5,728,862.72
TX, Houston Alliance Tower	HPGB - Limited Scope	$ 1,511,880.50	$ 70,153.00
TX, Houston B. Casey Courthouse	HPGB - Limited Scope	$ 807,918.00	$ 94,264.00
TX, Houston Labranch Federal Building	HPGB - Limited Scope	$ 519,506.00	$ 34,600.00
TX, Laredo Federal Building-Courthouse	HPGB - Limited Scope	$ 992,173.00	$ -
TX, Midland G. Mahon Post Office/Courthouse	HPGB - Limited Scope	$ 6,901,682.50	$ 2,096,120.00
TX, San Antonio A. Spears Judicial Training Center	HPGB - Limited Scope	$ 1,171,508.00	$ -
TX, Tyler Federal Building-Courthouse	HPGB - Limited Scope	$ 163,104.00	$ 27,505.00
TX, Victoria M.L. King, Jr. Federal Building	HPGB - Limited Scope	$ 1,846,440.50	$ 30,361.00
UT, Ogden IRS Service Center	HPGB - Limited Scope	$ 5,621,648.50	$ 134,897.60
UT, Salt Lake City Wallace F. Bennett Federal Building	HPGB - Limited Scope	$ 574,294.50	$ 125,578.92
VA, Alexandria Martin V.B. Bostetter Courthouse	HPGB - Limited Scope	$ 1,698,623.50	$ 112,664.79
VA, Reston Advanced Systems Center	HPGB - Limited Scope	$ 1,019,980.00	$ 86,893.78
VA, Richmond Robert Merhige U.S. Courthouse	HPGB - Limited Scope	$ 1,500,000.00	$ 1,012,950.20
VI, Charlotte Amalie Ron De Lugo Federal Building - St Thomas	HPGB - Limited Scope	$ 1,689,917.00	$ 188,894.93
VT, Burlington Federal Building U.S. Post Office & Courthouse	HPGB - Limited Scope	$ 297,334.00	$ 53,991.96
WA, Auburn GSA Auburn Warehouse	HPGB - Limited Scope	$ 1,137,498.50	$ 144,050.02
WA, Bothell FDA Building	HPGB - Limited Scope	$ 700,310.50	$ -
WA, Richland Federal Building U.S. Post Office & Courthouse	HPGB - Limited Scope	$ 1,029,874.50	$ 166,121.43
WA, Seattle Federal Office Building	HPGB - Limited Scope	$ 458,020.50	$ -
WA, Seattle Federal Center South Building 1201	HPGB - Limited Scope	$ 4,614,000.00	$ -
WA, Seattle U.S. Courthouse	HPGB - Limited Scope	$ 1,000,000.00	$ -
WA, Spokane Federal Building U.S. Post Office	HPGB - Limited Scope	$ 1,919,904.50	$ 129,477.21

WI, Madison U.S. Courthouse	HPGB - Limited Scope	$ 928,835.67	$ 757,062.32
WI, Milwaukee Federal Building & U.S. Courthouse	HPGB - Limited Scope	$ 1,564,068.91	$ 1,168,749.57
WV, Charleston Robert C. Byrd Federal Building & Courthouse	HPGB - Limited Scope	$ 4,696,000.00	$ 231,878.00
WV, Martinsburg 244 Needy Road	HPGB - Limited Scope	$ 9,237,423.50	$ 406,245.00
WY, Cheyenne Joseph C. O'Mahoney Federal Center	HPGB - Limited Scope	$ 1,342,926.00	$ 168,879.02
High Performance Green Buildings- Full & Partial Modernizations Subtotal		**$3,191,979,000.00**	**$ 1,291,102,495.94**
AL, Birmingham Robert Vance Federal Building - Courthouse	HPGB - Modernizations - Full & Partial	$ 42,501,000.00	$ 36,302,509.29
CA, San Francisco 50 United Nations Plaza	HPGB - Modernizations - Full & Partial	$ 121,033,000.00	$ 17,959,874.44
CO, Denver Byron Rogers Federal Building	HPGB - Modernizations - Full & Partial	$ 167,552,000.00	$ 7,192,613.00
CO, Denver Chavez Federal Building	HPGB - Modernizations - Full & Partial	$31,417,000.00	$ 856,933.98
CO, Denver Custom House Federal Building- Courthouse	HPGB - Modernizations - Full & Partial	$21,143,000.00	$ 635,621.66
CO, Grand Junction Federal Building-CTH	HPGB - Modernizations - Full & Partial	$15,000,000.00	$ -
CO, Lakewood Denver Federal Center Infrastructure	HPGB - Modernizations - Full & Partial	$ 70,186,000.00	$ 52,227,326.60
DC, Washington 1800 F Street Building (Phase 1)	HPGB - Modernizations - Full & Partial	$ 161,293,000.00	$ 2,860,283.00
DC, Washington Department of Interior Building	HPGB - Modernizations - Full & Partial	$ 61,546,000.00	$ 36,642,204.00
DC, Washington Herbert Hoover Building (Phase II and III)	HPGB - Modernizations - Full & Partial	$190,638,000.00	$ 168,255,179.00
DC, Washington Lafayette (Phase I)	HPGB - Modernizations - Full & Partial	$ 128,827,000.00	$ 8,552,342.44
DC, Washington Mary Switzer (Phase 1)	HPGB - Modernizations - Full & Partial	$ 66,194,000.00	$ 45,330,760.00
DC, Washington Truman Building	HPGB - Modernizations - Full & Partial	$ 14,735,000.00	$ 4,180,065.40
FL, Orlando, Young U.S. Courthouse	HPGB - Modernizations - Full & Partial	$ 49,433,000.00	$ 39,673,590.16
HI, Hilo Federal Building (Escalation)	HPGB - Modernizations - Full & Partial	$7,247,000.00	$ 5,712,130.89
HI, Honolulu Prince Kuhio Kanaianaole Federal Building-Courthouse (Phase I)	HPGB - Modernizations - Full & Partial	$ 121,000,000.00	$ 26,228,555.72

IL, Chicago Federal Center	HPGB - Modernizations - Full & Partial	$ 27,252,000.00	$ 21,375,366.74
IL, Chicago Kluczynski Federal Building & U.S. Postal Service Loop Station	HPGB - Modernizations - Full & Partial	$ 102,756,000.00	$ 86,213,392.65
IL, Chicago State Street South - 10 West Jackson	HPGB - Modernizations - Full & Partial	$ 25,526,000.00	$ 20,233,247.26
IN, Indianapolis Birch Bayh U.S. Courthouse	HPGB - Modernizations - Full & Partial	$ 74,730,000.00	$ 67,992,610.55
IN, Indianapolis Major General Emmett J. Bean (Phase I - PV and Design)	HPGB - Modernizations - Full & Partial	$ 36,650,000.00	$ 26,520,489.19
IN, Indianapolis Minton-Capehart Federal Building	HPGB - Modernizations - Full & Partial	$ 49,776,000.00	$ 47,705,222.96
MA, Andover IRS Service Center	HPGB - Modernizations - Full & Partial	$80,469,000.00	$ 64,257,448.00
ME, Bangor Margaret Chase Smith U.S. Post Office Courthouse	HPGB - Modernizations - Full & Partial	$ 52,820,000.00	$ 3,344,463.27
MI, Detroit McNamara Federal Building Complex	HPGB - Modernizations - Full & Partial	$57,000,000.00	$ 22,794,990.49
MN, Fort Snelling Whipple Federal Building	HPGB - Modernizations - Full & Partial	$ 120,630,000.00	$ 97,176,367.92
MO, Kansas City Richard Bolling Federal Building (Phase IV)	HPGB - Modernizations - Full & Partial	$ 103,399,000.00	$ 19,115,160.00
MO, St. Louis Federal Center Building 110	HPGB - Modernizations - Full & Partial	$13,320,000.00	$ -
MO, St. Louis Robert Young Federal Building	HPGB - Modernizations - Full & Partial	$47,218,000.00	$ 20,244,437.45
MS, Jackson McCoy Federal Building	HPGB - Modernizations - Full & Partial	$ 86,831,000.00	$ 68,472,795.69
NJ, Newark, Peter Rodino Federal Building	HPGB - Modernizations - Full & Partial	$ 146,115,000.00	$ 3,996,758.00
NY, Brooklyn Emanuel Celler U.S. Courthouse	HPGB - Modernizations - Full & Partial	$ 8,200,000.00	$ 5,628,495.64
NY, New York 26 Federal Plaza (Plaza Repair)	HPGB - Modernizations - Full & Partial	$22,207,000.00	$ 6,568,852.67
NY, New York Thurgood Marshall U.S. Courthouse (escalation)	HPGB - Modernizations - Full & Partial	$ 64,000,000.00	$ 64,000,000.00
OH, Cincinnati, John W. Peck Federal Building	HPGB - Modernizations - Full & Partial	$49,042,000.00	$ 22,023,521.32
OH, Cleveland, A. J. Celebrezze Federal Building	HPGB - Modernizations - Full & Partial	$ 121,495,000.00	$ 104,160,150.13
OR, Portland Edith Green-Wendell Wyatt Federal Building	HPGB - Modernizations - Full & Partial	$ 133,098,000.00	$ 9,565,933.50
PR, San Juan Degatau & Courthouse	HPGB - Modernizations - Full & Partial	$101,452,000.00	$ 8,673,956.50

TX, Houston G.T. Leland Federal Building	HPGB - Modernizations - Full & Partial	$ 109,053,000.00	$ 566,775.86
TX, San Antonio Hippolito Garcia U.S. Courthouse	HPGB - Modernizations - Full & Partial	$ 61,331,000.00	$ 40,462,629.70
VA, Roanoke, Poff Federal Building	HPGB - Modernizations - Full & Partial	$ 50,968,000.00	$ 3,895,651.83
WA, Seattle Federal Center South	HPGB - Modernizations - Full & Partial	$68,820,000.00	$ 277,285.00
WA, Seattle Jackson Federal Building	HPGB - Modernizations - Full & Partial	$ 42,324,000.00	$ 943,817.04
WA, Spokane Foley U.S. Courthouse	HPGB - Modernizations - Full & Partial	$ 45,000,000.00	$ 638,927.00
WV, Huntington Federal Building	HPGB - Modernizations - Full & Partial	$20,752,000.00	$ 1,643,760.00
High Performance Green Buildings- Small Projects		**$ 161,000,000.00**	**$ 32,077,945.78**
Nationwide Building Operations		**$ 127,000,000.00**	**$ 32,184,242.10**
Rental Space		**$ 100,846,000.00**	**$ 699,116.00**
Apprenticeship Program		**$ 3,000,000.00**	**$ 1,850,722.08**
Total		**$ 5,545,999,437.64**	**$2,108,788,506.78**

Note:

Does not include

Office of HPGB- to be transferred		*$ 4,000,000.00*	

2. What is GSA's small business plan for ARRA?

Each year PBS continues to increase awards to small businesses. In 2008, we awarded 50% of all eligible contract dollars, $1.2 billion, to small businesses. We are proud of our achievements, and look forward to continued success. We recognize that the influx of Recovery project funding may have an impact on our small business award goals. Therefore, PBS has adapted current small business outreach and education efforts, and increased the focus on our subcontracting program.

Goal: Educate the public, industry and key stakeholders about PBS procurement opportunities.

Initiatives:

A. Provide outreach to industry, and facilitate training and awareness of PBS procurement opportunities.

Completed or Ongoing Activities:

- Established a centralized email (industryrelations@gsa.gov) and Vendor Information Line (1-866-PBS-VEND) to respond to vendor inquiries.
- Increasing presence on the GSA.gov (www.gsa.gov/industryrelations), to provide information on relevant topics such as the American Recovery and Reinvestment Act, contracting procedures, what and how PBS buys, and appropriate PBS contacts.
- Increasing participation in conferences, tradeshows, industry days and other events that encourage vendor education, outreach and networking.
- Adopted the use of new media services such as Twitter (www.twitter.com/gsapbsIRD) and LinkedIn to engage industry, solicit feedback and enable interaction amongst vendors. Topics posted include notice of all PBS FedBizOpps solicitations, event attendance, speaking engagements, ARRA spending progress, training, job opportunities in PBS, and useful websites and contacts.
- Partnering with professional and trade organizations and associations to distribute information such as new procurement opportunities, set asides, upcoming conferences and press releases.
- Hired/assigned Subject Matter Experts (SMEs) as Industry Relations Managers to establish "knowledge centers" for all major PBS industries (ie: design and construction). These "knowledge centers" respond to industry inquiries, serve as liaisons between vendors and PBS programs, and work to expand communication, marketing, and electronic media campaigns.
- Meeting with other agencies to share and adopt successful vendor outreach and utilization techniques.
- Tracking vendor inquiries and responses to create a knowledge library and target areas for future outreach.

Planned

- Explore the possibility of hosting virtual tradeshows as a means of low cost, no-travel outreach to small businesses.
- Develop educational and informational content using Webinars, Podcasts, and other mass-learning tools and services.
- Develop a mechanism to share vendor capability information with internal stakeholders so vendors achieve greater exposure inside of PBS.

B. Increase the monitoring and enforcement of contracting procedures and subcontracting plans targeted at small and local businesses.

Completed or Underway

- Leveraging internal acquisition business intelligence, PBS is analyzing our current business practices, and identifying opportunities and activities to increase small and local business participation in procurement opportunities. Some examples include:
    a. Analyze current procurement practices within each industry PBS obtains services to determine where additional opportunities for small and local businesses may exist.
    b. Review options for reporting on the total number of procurement opportunities that are targeted to, and responded by, small or local business.
    c. Ensure forecast opportunities are posted to www.gsa.gov/smbusforecast in a timely fashion.

Planned

- Standardize processes and documents involved in the creation and posting of PBS procurement opportunities.
- Develop process/mechanism that will make it easier for our contracting officers to carry out their oversight mission, and to ensure consistency across all regions.

C. Increase the utilization and effectiveness of critical tracking and reporting mechanisms.

Completed or Underway

- Regularly follow up on vendor inquiries to determine if responses were helpful and if the vendor is successfully moving forward.

Planned

- Report on the total number of procurement opportunities that are targeted towards, and responded to, by small or local businesses.

- Develop a method of measuring, over the long term, if vendor outreach results in the vendor obtaining a GSA contract.

PBS Point of Contact

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3. What is the percentage of ARRA funding that went to § 8(a) small businesses, minority- or women-owned small businesses, or disadvantaged businesses?

See chart below:

PBS ARRA Obligations Through 2/12/10		
	$	%
Total Small Business	$ 230,000,000	10.5%
Small Disadvantaged	$ 60,000,000	2.7%
Service Disabled Veteran	$ 10,000,000	0.4%
Woman Owned	$ 53,000,000	2.4%
HUDZone	$ 29,000,000	1.3%

4. Please submit GSA's Small Business Plan for the National Broker Contract.

GSA's contract submission evaluation process assessed current National Broker Contractors based in part on their small business subcontracting plans. As of FY2009 (Sept. 30, 2009), contractors have paid small businesses $15,066,730 – or 14.6 percent of gross commissions – for the four contracts awarded in the following small business categories:

Small Business Sub-category*	Total
Small Business	$ 15,066,730
Small Disadvantaged Business (SDB)	$ 3,660,655
Women-Owned Small Business (WOSB)	$ 3,469,767
HUBZone Small Business (HUBZone SB)	$ 240,998
Veteran Owned Small Business (VOSB)	$ 6,726,371
Service Disabled Veteran-Owned Small Business (SDVOSB)	$ 4,661,926

*Small businesses can fall into more than one sub-category. Therefore, the sum of the sub-categories will be greater than the amount for small business overall.

GSA remains committed to supporting small business. As part of the follow on contracts we intend to require, at a minimum, the same small business subcontracting requirements. Once the solicitation is released, GSA can provide additional information concerning the follow on acquisition and associated small business plan approach.

5. We need a letter from the Commissioner to Orszag at OMB indicating the amount of back rent due from USDA to GSA.

A copy of the letter from GSA to OMB is enclosed.

6. Provide a list of Federal agencies that are neglecting to pay rent.

GSA currently provides space (either owned or leased) at no cost or below market cost to the following agencies in the following three categories:

National Agreements:
These Trust Fund agencies have been granted a partial rent exemption, in accordance with Congressional instruction in the conference report accompanying PL 93-1489, allowing them to pay only actual cost for their space.

Region	AB Code	Agency	Bldg #	OA #	Building Address	State	Sq. ft
Nationwide	2804	SSA	Multiple	Multiple	Nationwide locations	Multiple	28,945,292 sq. ft.
Nationwide	6000	Railroad Retirement Bd.	Multiple	Multiple	Nationwide locations	Multiple	410,005 sq. ft
Nationwide	7505	HHS, Medicare & Medicaid	Multiple	Multiple	Nationwide locations	Multiple	1,539,793 sq. ft.

Waived Rent:
These agencies were granted rent exemptions by the Administrator or the PBS Commissioner in accordance with 40 U.S.C. 586 (b)

Region	AB Code	Agency	Bldg #	OA #	Building Address	State	Sq. ft
2	3301	Smithsonian	NY0131	ANY02009	1 Bowling Green	NY	131,208
2	1800	USPS	NY0234	ANY02571	271 Cadman Plaza	NY	128,274
11	9520	National Building Museum	DC0030	NONE	5th & F Sts.	DC	74,018
11	3358	Woodrow Wilson Center	DC0459	ADC00514	1300 Penns. Ave.	DC	102,042
11	1300	Commerce -NAS (partial exemption)	DC0013	NONE	14th & Constitution Ave.	DC	19,181
11	9716	NGA (NIMA) (partial exemption)	DC0650	ADC04045	M St., SE	DC	574,576
11	9568	Broadcast Bd of Governors (partial exemption)	DC0033	ADC06074	330 C Street SW	DC	73,757

Other

Pursuant to the 1996 Appropriations Act (Public Law 104-180), USDA assumed full responsibility for all operations and maintenance, including capital improvements, for their two headquarters buildings.

Region	AB Code	Agency	Bldg #	OA #	Building Address	State	Sq. ft
11	1200	Agriculture	DC0003	NONE	12th & Jefferson Dr.	DC	324,903
11	1200	Agriculture	DC0005	NONE	14th & Independence Ave.	DC	2,014,655

7. Provide five-year snapshot of Federal Building Fund.

	FY06	FY07	FY08	FY09	FY10	FY11 Requ
Construction and Acquisition	$792,056,000	$648,302,000 (less funds transferred to NAC as required by the appropriation)	$531,448,000	$746,317,000	$894,037,000	$676,362,0
Repair and Alterations	$861,376,000	$618,241,000	$722,161,000	$692,374,000	$413,776,000	$703,467,0
Installment Acquisition	$168,180,000	$163,999,000	$155,781,000	$149,570,000	$140,525,000	$135,540,0
Rental of Space	$4,046,031,000	$4,067,881,000	4,315,534,000	$4,642,156,000	$4,804,871,000	$5,291,946,
Building Operations	$1,885,102,000	$1,999,540 (less funds transferred to NAC as required by the appropriation)	$2,105,490,000	$2,197,354,000	$2,290,376,000	$2,346,348,

8. The witness also mentioned that GSA was streamlining the design process in order to speed up major renovations and construction. What did GSA do to streamline the process? Did it speed up the contract award process?

In order to meet the accelerated schedule of American Recovery and Reinvestment Act projects, GSA has, in some cases, elected to solicit Architect-Engineer and Construction services through design-build contracts. Design-build versus separate design and construction contracts or a design-build bridging process allows the contractor to be part of design development. GSA is also asking designers to be more efficient in the development of their designs in order to accelerate overall project delivery. Our quality standards are maintained by applying the same rigorous peer review process that our projects normally undergo.

GSA's Office of Design and Construction (D&C) is working with an outside contractor to evaluate ways to streamline the design and construction process. Our streamlining initiative has completed over 500 extensive team interviews in both Regional Offices and the Central Office to further evaluate which opportunities will provide the best immediate impact on the project delivery process. The Streamlining Summit held last February produced seven priority areas where streamlining may be achieved.

Based on feedback from stakeholders and delivery process research, we continue to evaluate streamlining areas identified at the Summit and other opportunities to measure and quantify ways to improve project schedule and budget, including:

1. Project delivery methods (and overall impact to schedule and budget);

2. Effective agency relationship management and the use of the Customer Relationship Management model;

3. General team collaboration from project inception to final delivery;

4. The overall Prospectus submission process and the means in which projects are funded; and

5. Use of alternative procurement methods.

Topics that resonate across all D&C project teams throughout GSA include ensuring effective internal and external communication, Central Office's role and interaction in the project delivery process, and a capable and technically proficient project management team.

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