

US GENERAL SERVICES ADMINISTRATION—PUBLIC BUILDINGS SERVICE
AMERICAN RECOVERY AND REINVESTMENT ACT PROGRAM PLAN
FEDERAL BUILDINGS FUND

This document is a summary of the projects both underway and planned for implementation by GSA's Public Buildings Service (PBS) with funds provided to the Federal Buildings Fund by the American Recovery and Reinvestment Act (Recovery Act). GSA is helping to create jobs in the construction and real estate sectors by investing in the backlog of needed infrastructure projects. GSA's building projects will also stimulate long-term growth in energy-efficient technologies, alternative energy solutions, and green buildings.

The American Recovery and Reinvestment Act provided the Federal Buildings Fund with \$5.546 billion. Of that amount, \$750 million was made available to construct Federal buildings and courthouses, \$300 million was made available to construct land ports of entry, and \$4.5 billion was made available to convert Federal buildings into high-performance green buildings.

a. Objectives:

Program Purpose: The purpose of the Recovery Act funding (\$5.546B) provided to the Federal Buildings Fund is to invest in America's Federal building inventory in order to create jobs, construct new facilities, and transform Federal buildings into high- performance green buildings while decreasing energy consumption and improving the condition of valuable aging assets. GSA's Public Buildings Service is carefully managing the execution of hundreds of infrastructure projects located in all 50 states, the District of Columbia, and two United States territories. Transparency and accountability are paramount throughout the execution of the program.

Public Benefit: The Public Buildings Service is helping to stimulate the U.S. economy by getting money flowing to the building industries – to construction workers, electricians, plumbers, air conditioning mechanics, carpenters, architects, and engineers. Job creation in these areas will subsequently have a multiplying effect on suppliers and manufacturers of building materials in industries such as the steel industry, thereby creating even more jobs and economic improvement. At the same time, GSA's investment in sustainable energy and green buildings will help to stimulate President Obama's vision of moving the U.S. away from carbon based fuels and will help GSA to achieve the goals of the EISA legislation that requires a reduction in the carbon footprint of Federal Buildings over the next several years. Investing in the government's real estate infrastructure will also provide a significant return on investment for the American taxpayer. GSA construction projects across the country will serve to decrease energy consumption and increase the value of the nationwide portfolio of Federal Buildings, thus saving valuable tax payer dollars in the long-term.

b. Activities:

The primary activities stemming from the \$5.546 billion appropriated to the Federal Buildings Fund include new building construction, repair & alteration, and modernization to green buildings. The scope of these projects includes construction of new Federal buildings (including Courthouses and Land Ports of Entry), full and partial building modernizations, limited scope projects such as re-commissioning of existing systems, replacement of existing mechanical equipment with significantly more efficient systems, integrated photovoltaic roof membrane installations, and smaller building projects for energy conservation. Of the funding appropriated, \$108 million has been allocated for costs associated with renting space in situations where “swing space” is needed for agencies currently occupying buildings selected for Recovery Act projects. In addition, \$127 million of the funding is available to cover the administrative costs of completing the hundreds of identified projects, and \$3 million was provided for on-the-job pre-apprenticeship and apprenticeship training programs registered with the Department of Labor. (For a fully detailed list of this Program’s projects visit www.gsa.gov/recovery and click on “Public Buildings Service Project Plan”.)

c. Characteristics:

Project Selection: From a universe of over 1,500 owned facilities, GSA selected projects in more than 250 buildings that best met the intent of the American Recovery and Reinvestment Act based on two over-arching criteria: Ability of the project to put people back to work quickly, and transforming Federal buildings into high-performance green buildings. The complete list of selection criteria, in descending order of weight is:

- High-performance features concentrating on energy conservation and renewable energy generation.
- Speed of construction start (creating jobs), with an emphasis on those projects that could begin within 120 days.
- Execution Risk (ensuring that the projects will not fail due to unforeseen conditions)
- Facility Condition. The Facility Condition Index is a standard real estate industry index that reflects the cost of the repair and alteration backlog of a particular building relative to the building's replacement value.
- Improving Asset Utilization
- Return on Investment
- Avoiding Lease Costs
- Historic Significance

GSA makes periodic adjustments to the Recovery project list based on availability of additional funds realized through project savings.

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Recipients of Funding: The majority of the funding provided to the Federal Buildings Fund will flow to the private sector through competitively awarded, fixed-price construction contracts. Targeted recipients of the funding include small, minority, and service disabled veteran owned businesses, and other private sector U.S. companies. In addition, \$3 million will be available for pre-apprenticeship and apprenticeship programs. A small portion (approximately 2.4%) of the overall funding will flow to the Federal sector to fund the administrative costs of project execution.

Beneficiaries: Aside from the impacted Federal agencies that occupy GSA space, the ultimate beneficiary of this funding will be the American public, as these investments will mitigate future costs. The public will also be better served by government agencies that will operate more efficiently and with a smaller environmental footprint. In addition, local communities and jurisdictions with planned construction and renovation projects in their vicinity will benefit from job creation. Small businesses will also be a significant beneficiary as a recipient of Federal contracts and as a sub-contractor or tradesman working for the prime contractor. GSA has a long history of supporting small business and plans to continue that support throughout implementation of its Recovery Act program.

d. Delivery Schedule:

Program	Major Project Phases	Milestones	Planned Delivery Date	Target Achieved
Federal Buildings Fund – Recovery Act	Project Awards (cumulative)	Not less than \$1.0 Billion awarded by August 1, 2009	8/1/2009	yes
		Not less than \$5.0 B awarded by the end of Fiscal Year 2010.	9/30/2010	on track to achieve target
		Not less than \$5.546B (the full ARRA funding amount) awarded by the end of Fiscal Year 2011.	9/30/2011	on track to achieve target

e. Environmental Review Compliance:

PBS is following its CEQ-approved National Environmental Policy Act (NEPA) implementing regulations for all Recovery Act funded projects. Projects are reviewed to determine the level of NEPA analysis to be conducted i.e. Categorical Exclusion, Environmental Assessment, or Environmental Impact Statement. New construction projects are those most likely to require extensive NEPA review. Projects not subject to NEPA review will be monitored to ensure compliance with regulations designed to protect air, water, and reduce solid and hazardous wastes. Compliance monitoring, review, and reporting are managed by the PBS Environment Division and eleven regional environmental offices nationwide.

GSA is also following the requirements of the National Historic Preservation Act to meet its obligations under Sections 110 and 106. Section 106 compliance for new construction and major modernization projects follows the regulations established by the Advisory Council on Historic Preservation (Council) under 36 CFR part 800.

Section 106 consultation is complete or substantially underway for most of the projects, with signed Memorandums of Agreement in hand for shovel ready (design complete) projects. GSA has developed technical guidance on historic windows, lighting, HVAC and roofing to streamline 106 compliance for no-to-low impact, no adverse effect projects. GSA worked with the Council to develop an alternative compliance process to expedite Section 106 review of limited scope projects that improve energy performance in accordance with the technical guides. Section 106 consultation is on-going for these energy projects. Compliance monitoring, review, and reporting is managed by the PBS Historic Buildings Division and eleven Regional Historic Preservation Officers nationwide.

f. Measures:

PBS continues to refine its performance measures for projects funded by the American Recovery and Reinvestment Act while also using measures currently used by the Federal Buildings Fund new construction and asset management programs as presented in GSA's Annual Performance Report. Noted below are two measures PBS plans to use to track the budget and schedule performance of the Recovery Act program:

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Measure	Target / Actual			
	2009	2010	2011	2012
Percent of Recovery Act construction projects within budget	n/a / n/a	90%/ tbd	90%/ tbd	90%/ tbd
Percent of Recovery Act construction projects on schedule	n/a / n/a	90%/ tbd	90%/ tbd	90%/ tbd

* Target and actuals are not available for 2009 because the program was just being developed.

The first measure tracks the financial performance of construction and renovation and modernization projects to determine if projects will be completed within planned budget.

The second measure tracks the actual value of work in place on projects against projected schedule performance by comparing the planned schedule of spending for construction projects with the actual value of the work in place (funds paid to the contractor).

g. Monitoring/Evaluation:

GSA as a whole leverages the Commission of Sponsoring Organizations of the Treadway Commission (COSO), Enterprise Risk Management (ERM) Framework, Federal Managers Financial Integrity Act (FMFIA), and Office of Management Budget (OMB) Circular A-123 to define a process which identifies, monitors, and manages the potential risks to successful Recovery Act implementation. This process includes critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting and leverages existing A-123 risk management and internal control review processes.

The PBS Recovery risk management program is executed by the PBS National Recovery Program Management Office (PMO) in coordination with GSA’s Office of the Chief Financial Officer and the PBS Internal Controls Division. The PMO identifies, prioritizes, and assesses risks in accordance with processes outlined in the PBS Recovery Risk Mitigation Plan. The controls associated with key risks are monitored through the A-123 internal review process with significant residual risks/control weaknesses identified to the GSA Senior Assessment Team (SAT). The results of the SAT’s assessment of risks/controls are provided to the GSA Management Control and Oversight Council (MCOC) and distributed to management in support of the annual FMFIA Assurance Statement Process. Recovery Act risks are managed through activities defined in the PBS Recovery Risk Mitigation Plan and monitored through the A-123

internal control assessment process.

At the project level, PBS Managers are using project tracking tools to ensure projects are on schedule, on budget, and that the scope is being implemented as promised. Managers use a variance tracking tool to identify project problems as quickly as possible and intervene where necessary to get projects back within tolerance.

g. Transparency:

GSA's Public Buildings Service plans to take advantage of every opportunity to keep the President, United States Congress, client Agencies, Vendors/Contractors, and especially the American taxpayers informed throughout the execution of Recovery Act projects. In keeping with President Obama's commitment to transparency in government, PBS will maintain an unprecedented level of openness and transparency in operations. Collaboration with the public and with other government agencies will remain a significant agency commitment. In order to promote efficiency, effectiveness, and openness in implementation, PBS is disclosing key financial and contractual information to the public regarding Recovery Act funds. GSA posts information about its Recovery Act projects on www.gsa.gov/recovery as well as providing links and information on www.recovery.gov

PBS has maintained a close working relationship with GSA's Office of the Inspector General (IG) who acts as a key resource in helping to ensure zero waste, fraud, and abuse throughout project execution. Since the inception of the Recovery Act program, the IG has been heavily involved and will continue to participate in frequent status meetings with the Agency's Senior Leadership.

GSA reports frequently to the Committees of the House and the Senate on what is being planned and what is being accomplished. Contract notifications are posted on the Federal Business Opportunities website (FedBizOpps.gov) for private firms to search and retrieve.

i. Accountability:

PBS established the PMO headed by the Recovery Executive who is accountable to the Commissioner of the Public Buildings Service who is accountable to the GSA Administrator. In addition, the PMO includes three zones managed by Zone Executives and Zone Managers to oversee and ensure successful implementation of the Recovery Act. These executives and program managers monitor Recovery Act project performance and systematically address issues that may pose potential risks. This includes effective delivery (optimization of risk/return), efficient delivery (deployment of assets, tangible/intangible), and

consistency of results.

j. Barriers to Effective Implementation:

PBS has not identified any statutory or regulatory requirements that will impede effective implementation of the Recovery Act. In March 2009, shortly after enactment, PBS proactively took the following steps to accelerate implementation:

- a. Established a PMO, appointed a Recovery Executive, Zone Executives and Managers, and re-assigned additional managers and subject matter experts;
- b. Identified major areas that impact business processes then developed working groups to address each area and to establish policy that will drive the business process;
- c. Enhanced financial/accounting and business systems to support unique codes, projects and reimbursable activity in order to identify and report on Recovery Act activity; and
- d. Prepared a human capital plan to staff the PMO and regional program offices with a combination of internal experts, contractors and temporary hires.

In addition, PBS is working in conjunction with GSA's Federal Acquisition Service (FAS) to ensure turnkey facilities from design through completion of the project, as well as to provide acquisition tools for other Federal agencies to use in their Recovery Act work.

k. Federal Infrastructure Investments:

GSA selected the best projects for accomplishing the goals of the American Recovery and Reinvestment Act based on two over-arching criteria: Ability of the project to put people back to work quickly, and transforming Federal buildings into high-performance green buildings. GSA's plan resulted in four groups of projects:

- New Federal construction, including Land Ports of Entry
- Full and partial building modernizations
- Limited scope projects
- Small projects

Each of these groups will achieve the goals of the Energy Independence and Security Act and the Executive Order 13514, *Leadership in Environmental, Energy, and Economic Performance*, in different ways. New Federal construction project design goals have been or are being changed to incorporate both the requirement to be 30% better than ASHRAE 90.1 (the energy code), and to consume 55% less fossil fuel energy compared to FY 2003 baseline energy consumption in similar buildings.

PBS established a process to review all projects against Minimum Performance Criteria (MPC) based on GSA's high-performance green building guiding principles. In addition, each major building modernization project will have an energy efficiency target established in accordance with federal energy requirements. We are monitoring construction to ensure energy efficient equipment and systems are being installed and our goals for energy efficiency and reduction of fossil fuel generated energy will be met. Commissioning agents are being procured for all these projects to verify performance and delivery of these systems.

Limited scope projects were selected based on those with the greatest potential to reduce energy consumption, increase performance, generate renewable energy, and improve the working environment for building occupants. These projects will be similarly verified to ensure that the performance is delivered.

PBS has engaged both the Pacific Northwest National Laboratory (PNNL) and National Renewable Energy National Laboratory (NREL) through the Department of Energy, to aid in modeling and measuring the requirements, as well as in the development of specifications designed to maximize the energy-savings and performance potential of these projects.

Lastly, advanced meters for both electricity and water are being installed in every building where PBS invests Recovery Act funds and if appropriate, PBS will install steam meters, as well. Advanced meters will be installed in some small projects, as well.

The PBS Recovery Program Management Office (PMO) is responsible for ensuring that the projects meet these goals. The PMO is staffed with subject matter experts in both energy and sustainability, and is supported by the PBS Sustainability program office (which has been administratively merged into the Office of Federal High-Performance Green Buildings), in devising effective measures for each of these goals.

For a fully detailed list of this Program's identified projects and activities visit www.gsa.gov/recovery and click on "Public Buildings Service Project Plan".