

American Recovery and Reinvestment Act

AGC Building Contractors Conference

San Juan, Puerto Rico

22 January 2010



U.S. GENERAL SERVICES ADMINISTRATION

GSA'S PUBLIC BUILDINGS SERVICE (PBS)

Landlord for over 400 federal agencies, bureaus & commissions

- Portfolio of 353.9 M rentable square feet
- Space for over 1,000,000 tenants
- 8,603 owned and leased assets
- 30 LEED certified properties
- FY' 08 revenue—\$8.23 B
- \$881.2 M in project starts in FY' 08

PURPOSES:
**THE AMERICAN RECOVERY &
REINVESTMENT ACT OF 2009**



Security of the People, 1942
(Seymour Fogel)

- Creating and saving jobs
- Increasing domestic renewable energy capacity
- Investing in infrastructure with long-term economic benefits
- Stabilizing state and local government budgets
- Assisting those most impacted by the recession

RECOVERY ACT: FUNDING

- \$5.55 B Spending Plan
 - \$750 M Federal courthouses, federal buildings (\$450 M for DHS Headquarters)
 - \$300 M Land Ports of Entry (Border Stations)
 - \$4.5 B Convert existing facilities to high-performance green buildings

Other Agencies' Recovery Act \$\$ Potentially to GSA:

- \$2.0 B Potential Other Agencies' RWA Work

PBS & THE RECOVERY ACT

Projects funded in four categories:

- New Construction
- Full and partial building modernizations
- Limited scope projects
- Small projects

Projects in all 50 states, the District of Columbia and two territories

PBS Recovery Program: Description and Status

- Our infrastructure investments are projected to create or save over 60,000 job-years based on GSA's total Recovery funding. Created or retained more than 780 jobs as of October 30, 2009.
- Status of competition/ work status:
 - Competition status and contract award date varies by building project.
 - Work has started on 194 of our 254 projects.
- Issues/obstacles to achieving obligation and sustainability goals:
 - Favorable market conditions are resulting in project cost savings of 8%-10% below estimates
 - Recovery Act restricts reprogramming of funds between modernization and new construction

PROJECT SELECTION CRITERIA

Primary Drivers:

- High-Performance Features Concentrating On Energy Conservation And Renewable Energy Generation
- Speed of Construction Start (Creating Jobs)

Other Factors:

- Execution Risk
- Facility Condition
- Improving Asset Utilization
- Return on Investment
- Avoiding Lease Costs
- Historic Significance

Revisions to the Spend Plan

GSA plans to adjust the Spend Plan as we award projects and realize savings.

PBS Recovery Program: FY 2010 Obligation and Outlay Targets

Building infrastructure projects:

- Slow, steady economic growth
- Job creation occurs through the life of each project
- Project outlays typically accelerate as construction work ramps up after completion of the design phase
- Outlays are made via progress payments throughout project durations (i.e. one to four years)
 - Construction industry practice is to pay contractors in arrears
 - Our expenditures lag behind the amounts being spent by our contractors. For example, our funding recipients reported having invoiced \$68M as of 9/30/09, when our Recovery expenditures were \$47M.

Recovery Milestones

- \$2 Billion total by 12/31/09
- \$4 Billion total by 3/31/10
- \$5 Billion total by 9/30/10
- \$5.5 Billion Total by 9/30/11

As of this week...

Total obligations as of 8 January 2010:

\$2,558,274,755

Pre-apprenticeship/Apprenticeship Program

- The Recovery Act provided \$3 million to GSA for on-the-job pre-apprenticeship and apprenticeship training programs registered with the Department of Labor, for construction, repair and alteration projects funded by the Act.
- Pre-apprenticeship programs include on-the-job-training, classroom training and work-life training in the construction industry.
- Two awards have been made:
 - Oregon Trades Women, Inc. of Portland, Oregon
 - Community Services Agency of Metro Washington Council AFL-CIO of Washington, DC.
- The programs will service over 400 personnel.
 - December 2009: AFL-CIO Program graduated 20 students
 - December 2009: OTW Program graduated 23 students

C O N T R A C T I N G

- Existing procurement process provisions remain in place for Recovery Act contracts
- Existing security requirements remain applicable to Recovery Act contracts
- Contracting options include:
 - Full and open competition
 - Schedules
 - Indefinite Delivery, Indefinite Quantity (IDIQ) contracts
 - New or existing Blanket Purchase Agreements (BPAs)
 - Small business set asides (competitive \$3 M+)

Contracts Awarded

- Commissioning
- Furniture Fixtures & Equipment
- Lease / Move Management
- Land Acquisition
- Design
- Advanced Metering
- Design / Build
- Construction Manager As Agent
- Construction Manager at Risk
- Construction Contract
- Art in Architecture

A COMMITMENT TO SMALL BUSINESSES

- Recovery Act mandates the maximum number of practicable small business opportunities
- In 2008, PBS awarded 50% (\$1.2 B) of all eligible contract dollars to small businesses
- For projects awarded to large businesses, a substantial portion of the work went to small business subcontractors
- To maximize opportunities, small businesses not already part of the GSA contracting system are encouraged to partner with firms that are

Investing in the Sustainable Building Industry

- We are 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.
- Improving the environmental performance of GSA's top 200 energy-using buildings with “high-performance green building” renovations that reduce dependence on fossil fuels and usage of water.
- Invested in clean, renewable energy resources such as geothermal, photovoltaic solar electricity, solar thermal water heating, and wind power.

Thank You

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