

**CONSOLIDATING DHS: AN UPDATE ON THE ST.
ELIZABETHS PROJECT**

HEARING

BEFORE THE

**SUBCOMMITTEE ON MANAGEMENT,
INVESTIGATIONS, AND OVERSIGHT**

OF THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

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CONSOLIDATING DHS: AN UPDATE ON THE ST. ELIZABETHS PROJECT

Thursday, March 26, 2009

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS,
AND OVERSIGHT,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:03 a.m., in Room 311, Cannon House Office Building, Hon. Christopher Carney [chairman of the subcommittee] presiding.

Present: Representatives Carney, Thompson, Green, Bilirakis, and Cao.

Also present: Representative Norton.

Mr. CARNEY. [Presiding.] The subcommittee is meeting today to receive testimony on consolidating DHS, an update on the St. Elizabeth project.

I would like to thank everyone for joining us, and I would like to offer a warm welcome to Chairwoman Norton. Given her chair of the Economic Development, Public Buildings and Emergency Management Subcommittee on the T&I Committee and her seat on the Homeland Security Committee, she brings unique expertise to this hearing.

Today, we will receive an update from the Department of Homeland Security and the General Services Administration on the effort to locate DHS headquarters at the St. Elizabeths site.

Work on the DHS consolidation at the St. Elizabeths West Campus began in 2004 and has finally reached the point where construction can begin. The plan to bring all components to one facility and create the much-needed space and infrastructure to effectively carry out DHS's mission should have a positive impact on the department's effectiveness and morale.

The subcommittee is interested in the steps that have been taken to ensure a seamless transition occurs when moving the disparate components of the department to the St. Elizabeths site.

Last week, I toured the St. E's site. And as I walked the grounds, the scale of the project truly sunk in: This project is a massive undertaking that will take years to complete, and it is of utmost importance that it be completed on time and within budget.

To begin phase one construction on the new facility, Congress has so far appropriated over \$200 million to DHS and \$795 million to GSA.

Based on 4.5 million square feet of office space, plus parking, GSA and DHS originally estimated the overall headquarters consolidation on the St. E's West Campus would cost at least \$3.26 billion, but preliminary estimates have already increased. The current estimate is \$3.4 billion. It is imperative that this upward trend does not continue.

During a March 2007 hearing in this subcommittee, former DHS Undersecretary for Management Paul Schneider testified that the consolidation of 4.5 million square feet of offices at St. E's would save DHS roughly \$1 billion over 30 years when compared to an alternative involving renewing existing leases during that same period.

A revised GSA analysis, assuming a lower rental rate for parking space than office space, estimates the cost savings at \$743 million. As a result, the Government Accountability Office has raised concerns that the estimated funding may not be adequate and the savings to the government might be somewhat overstated.

Additionally, DHS currently faces a number of challenges involving the protection of its facilities. Surprisingly, it does not possess a physical security plan.

In the past, both GAO and Congress have been critical of DHS's failure to develop a physical security plan, despite the requirement that all executive agencies are mandated under HSPD-7 to have such a plan in place.

According to DHS, many of the issues regarding the physical security of DHS facilities will be resolved within the development of the headquarters at the St. E's location. I hope that the witnesses here today will elaborate on DHS's plans for facility security.

As the committee continues to conduct its oversight, particular attention will be paid to whether the final product meets the department's needs and whether the project is staying within the estimated budget and the timeframe. The committee will continue to hold hearings, schedule site visits, and oversee the department's activities.

I thank the witnesses for their participation today. I look forward to hearing from Mr. Bathurst and Mr. Guerin.

The chair now recognizes the gentleman from Florida.

Mr. BILIRAKIS. Thank you very much. I join you in welcoming our witnesses today.

I am pleased to have had the chance to meet with both Mr. Bathurst and Mr. Guerin when we went on the tour of St. Elizabeths West Campus earlier this week. I appreciated the opportunity to visit St. Elizabeths and see the department and GSA's plan firsthand. And I thank our witnesses for taking this time to show it to me.

I agree that the consolidation plan will provide measurable benefits to the department in terms of coordination and efficiency. And I think that St. Elizabeths is an ideal location for the department's headquarters.

I do hope, however, that as the department and GSA move forward with this project that we do not lose sight of its—project's cost. The St. Elizabeths project is projected to cost \$3.4 billion, and nearly \$1.2 billion has been appropriated to date.

As with projects of this magnitude, there are frequently unforeseen expenses. I hope that both the department and GSA have some mechanisms in place to prevent cost overruns and delays on this project.

We in Congress are familiar with such overruns and delays, unfortunately. The Capitol Visitors Center opened 4 years ago behind schedule, and—excuse me—4 years ago, it opened—it was 4 years behind schedule and \$356 million over—overrunning the original budget, I understand. I hope we can avoid a similar outcome with the St. Elizabeths project.

I would also like to note that, as the department's consolidating its headquarters, Congress has its own consolidating to do, namely the consolidation of congressional jurisdiction over the Department of Homeland Security. Consolidation of the department's headquarters on the St. Elizabeths campus will help the department meet its vital mission, but the department will not be able to work in the most efficient manner possible until Congress consolidates oversight jurisdiction.

The most recent statistics provided by the department indicate that there are currently 108 congressional committees and subcommittees exercising oversight over the department. This is simply unacceptable, in my opinion. The fractured congressional oversight often provides conflicting guidance and distracts from the department's vital mission.

I believe—and I am sure the two chairmen over here—and they will speak for themselves—that the Committee on Homeland Security should be the principal point of oversight for homeland security. I hope that the members of this committee will work together in a bipartisan manner to accomplish this goal.

That said, I support the plan to consolidate the department's headquarters at St. Elizabeths, and I will look forward to hearing from our witnesses.

Thank you, Mr. Chairman. I yield back the balance of my time. Mr. CARNEY. I thank you.

The chair now recognizes the chairman of the full committee, the gentleman from Mississippi, Mr. Thompson, for an opening statement.

Mr. THOMPSON. Thank you very much, Chairman Carney. And I really appreciate you holding this oversight hearing. I think it is very important for us to do the committee's work on this, which will be one of the larger construction projects going on in this area. And it is nice to start from the beginning.

Let me welcome our two witnesses to this hearing this morning, also.

And since the Department of Homeland Security was created in 2002, the department has had 7 of its core components spread out among 85 buildings in 53 separate locations. As one would assume, this separation has adversely affected the need for cohesive communication, coordination and cooperation across department component agencies as the department seeks to fulfill its mission.

It has also had an impact on the department's ability to create the "One DHS" culture that Secretary Napolitano referred to in her testimony last month before this full committee. Moreover, 55 percent of the department's square footage is federally owned and

under the control of the department; however, 41 percent is leased through GSA.

Excluding the Coast Guard, department components lease approximately 71 percent of its real property, a rate that is higher than any other rate government-wide. The majority of these leases will expire over the next 10 years. According to GAO, building ownership, rather than leases, saves money in the long run.

It is for these basic reasons that there is a great need for the department to consolidate its physical infrastructure into one central location. A single unified headquarters that houses the secretary, senior department leadership, component heads, and program managers will significantly aid the department in fulfilling its mission.

With 176 acres and over 60 available buildings, the West Campus of the St. Elizabeths Hospital appears to be the most logical place to house the department's vast headquarters operations. The federal government already owns the space; the buildings are sitting empty; and the site is strategically located less than three miles from the U.S. Capitol and downtown D.C.

While I agree that the consolidation plan and the location are excellent, I do, however, have some concerns about the cost. It is estimated that this will be \$3.4 billion undertaking. Unfortunately, the department has not always carried out large-scale procurement projects in a cost-effective and timely manner.

Staffing shortages, overspending, and overdependence on contractors has led to numerous examples of waste, fraud and abuse. Moreover, small and disadvantaged businesses have all too often been left out of the process.

Hopefully, as the department and GSA moves forward on this joint effort, I commend you on how well you have worked together thus far, these past shortcomings should not materialize.

I look forward to receiving today's testimony, Mr. Chairman, and to being a part of this consolidation process.

[Statement of Mr. Thompson follows:]

PREPARED STATEMENT OF THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN,
COMMITTEE ON HOMELAND SECURITY

I would first like to thank Chairman Carney for holding this important hearing and for being at the forefront of an issue that I am sure will require this Committee's rigorous oversight. Since the Department of Homeland Security was created in 2002, the Department has had 7 of its core components spread out among 85 buildings in 53 separate locations. As one would assume, this separation has adversely affected the need for cohesive communication, coordination, and cooperation across Department component agencies as the Department seeks to fulfill its mission. It has also had an impact on the Department's ability to create the "One DHS" culture that Secretary Napolitano referred to in her testimony last month before the full committee.

Moreover, fifty-five percent of the Department's square footage is federally owned and under the control of the Department; however, 41 percent is leased through GSA. Excluding the Coast Guard, Department components lease approximately 71 percent of its real property, a rate that is higher than any other rate government-wide. The majority of these leases will expire over the next ten years.

According to GAO, building ownership—rather than leases—saves money in the long run. It is for these basic reasons, that there is a great need for the Department to consolidate its physical infrastructure into one central location. A single unified headquarters that houses the Secretary, senior Department leadership, component heads, and program managers, will significantly aid the Department in fulfilling its mission. With 176 acres and over 60 available buildings, the West Campus of the St. Elizabeths Hospital appears to be the most logical place to house the Department's vast headquarters operations. The federal government already owns the

space, the buildings are sitting empty, and the site is strategically located less than three miles from the U.S. Capitol and downtown DC.

While I agree that the consolidation plan and the location are excellent, I do however have some concern about the cost. It is estimated that this will be \$3.4 billion undertaking. Unfortunately, the Department has not always carried out large scale procurement projects in a cost effective and timely manner. Staffing shortages, overspending, and overdependence on contractors has led to numerous examples of waste, fraud and abuse.

Moreover, small and disadvantaged business have all too often but left out of the process. Hopefully, as the Department and GSA move forward in this joint effort, and I commend you on how well you have worked together thus far, these past shortcomings will not materialize.

I look forward to receiving today's testimony and to being a part of the consolidation process.

Mr. CARNEY. Thank you, Mr. Chairman.

Other members of the subcommittee are reminded that, under committee rules, opening statements may be submitted for the record.

I would now like to welcome both the witnesses. Our first witness is Mr. Donald Bathurst. Mr. Bathurst currently serves as the chief administrative officer of the Department of Homeland Security. In that capacity, he is responsible for delivery of administrative services to the Department of Homeland Security, including facilities acquisition, facilities management, inventory management, records management, health and safety programs, environmental compliance, mail room, motor pool, fleet management, and customer service center.

Really?

Most recently, he served as the director of the Office of Asset Management at DHS, responsible for planning development acquisition, management, protection, and disposal of all tangible assets of the Department of Homeland Security, including land, buildings, motor fleet, aircraft, and all other personal property.

Mr. Bathurst has served within FEMA as the director of the National Dam Safety Program, coordinating the activities of 24 federal agencies and the 50 states, as director of building sciences and public education programs in the mitigation directorate and as the deputy U.S. fire administrator, where he was instrumental in establishing counterterrorism training, coordinating anti-arson efforts, and putting facility management plans in place for the National Emergency Training Center.

Mr. Bathurst is a member of the federal government's Senior Executive Service, holds a bachelor's of science in fire protection engineering from the University of Maryland, and a master's of public administration from the American University, where his practicum project explored relationships between the executive and legislative branches of the federal government.

Our second witness is Mr. Bill Guerin. Mr. Guerin currently serves as the assistant commissioner for construction in the GSA's Public Buildings Service. In his position, Mr. Guerin is responsible for the delivery of GSA's more than \$1 billion annual capital investment program focused on the design and construction of federal buildings, land ports of entry, port houses, and other construction projects for the nation's landlord.

Prior to his current post, Bill was the director of asset management at the Department of Homeland Security. He shares that dis-

inction with Mr. Bathurst. In that position, Bill was responsible for the development, implementation, administration, evaluation of and monitoring the compliance of Department of Homeland Security policies and programs for real property, personal property, fleet, mail, and other administrative services.

Mr. Guerin hails from California with a B.A. in architecture from the University of California at Berkeley and an MBA from the Golden State University in San Francisco.

Without objection, the witnesses' full statements will be inserted in the record. I now ask that each witness to summarize his or her statement for 5 minutes, beginning with Mr. Bathurst.

STATEMENT OF DONALD BATHURST, CHIEF ADMINISTRATIVE OFFICER, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. BATHURST. Thank you, Mr. Chairman.

Chairman Carney, Ranking Member Bilirakis, Chairman Thompson, and members of the committee, good morning. I would like to thank the committee for your support in consolidating the department's headquarters.

I am Don Bathurst, the chief administrative officer for the Department of Homeland Security. I am here to update you on the DHS headquarters consolidation efforts.

As you know, DHS and our components are currently occupying over 7 million square feet of office space scattered in more than 40 locations and 70 buildings throughout the National Capital Region. These numbers will increase through 2010.

Given the need and the lack of a site within the National Capital Region capable of housing the entire department, we carefully analyzed the critical mission functions and determined that a minimum of 4.5 million square feet of office space on a secure campus is necessary to support the DHS operations and integration.

Our housing plan reduces the number of locations, provides for the anticipated growth, and maintains our center of gravity for critical core functions of the department at St. Elizabeths.

Realigning our headquarters to enhance mission execution is cost-beneficial from a total ownership perspective. GSA estimates that the St. Elizabeths development will result in a 30-year present value cost advantage of more than \$600 million.

Additionally, through the sharing of common services on the campus and reductions in administrative overhead due to fewer occupied locations, we will extract additional efficiencies through the implementation of our headquarters consolidation effort.

Moreover, our plan for St. Elizabeths is a successful integration of historic preservation and the federal agency mission need. The plan benefits from extensive public involvement that improved the final product. As a result, the St. Elizabeths master plan was approved by the U.S. Commission of Fine Arts and the National Capital Planning Commission.

These planning and design authorities recognize the significant improvements made to the master plan during the consultation process. The final approved master plan to reuse and preserve this national historic landmark minimizes harm to the maximum extent possible, while creating a functional campus supporting our mission.

The fiscal year 2009 DHS Appropriations Act combined with GSA's appropriation provides the funds necessary to begin construction of the new Coast Guard headquarters this year. This is the first phase of our consolidation effort.

I would like to thank the committee for your support of this project in the American Recovery and Reinvestment Act of 2009, which provides additional funding of \$200 million for DHS and \$450 million for GSA to continue with phase one construction and the design of the following phases.

I would like to note that the entire project will create direct employment opportunities for more than 32,000 people in the region from construction and related activities. And that doesn't include the 14,000 employees that will relocate and be housed at the St. Elizabeths campus upon its completion.

The St. Elizabeths campus offers a tremendous opportunity to create a secure, state-of-the-art headquarters focused on achieving our core mission: protecting our homeland.

We look forward to joining the Ward 8 community and the opportunity to redevelop and preserve St. Elizabeths for generations to come.

I would be pleased to answer any questions the committee may have.

[The statement of Mr. Bathurst follows:]

PREPARED STATEMENT OF DONALD G. BATHURST

Chairman Carney, Ranking Member Bilirakis, and Members of the Committee, good morning. Thank you for the opportunity to appear before this Committee and for the support and efforts in consolidating the Department's headquarters operations.

I am Donald Bathurst, Chief Administrative Officer of the Department of Homeland Security (DHS). In this position, I serve as the Department's Senior Real Property Officer and the Senior Policy Official for historic preservation matters. I am here today to update you on the DHS National Capital Region (NCR) Housing Master Plan and our progress toward the establishment of a DHS Consolidated Headquarters Campus at St. Elizabeths.

DHS and component headquarters employees currently occupy more than seven million gross square feet (GSF) of office space, in nearly 70 buildings throughout 40 locations in the NCR. These numbers will increase, as we have more than 25 space requests pending with the U.S. General Services Administration (GSA) to meet the demands of the Department and component headquarters. This extreme dispersion of the DHS workforce imposes inefficiencies in our daily operations.

The centerpiece of our Housing Master Plan is a Consolidated Headquarters at St. Elizabeths that will support operations and integration. Given the magnitude of our space requirements, and the lack of a NCR site capable of housing the entire Department, DHS carefully analyzed the critical core mission execution functions and determined that a minimum critical mass of 4.5 million GSF of office space plus parking must be collocated on a secure campus for effective and efficient management across all business lines. The housing plan is structured to manage the anticipated growth through the off-campus housing while maintaining a stable 4.5 million GSF occupancy for the critical core functions of leadership, operations coordination, program management and policy at the consolidated campus.

Realigning our Headquarters (HQ) facilities to enhance mission execution also provides benefits from a total ownership cost perspective. GSA estimates through The Automated Prospectus System (TAPS) that the St. Elizabeths development will result in a 30 year present value cost advantage of approximately \$631 million over the cost of individually replacing leases as they expire without the benefit of consolidation or federal construction. In addition, through the sharing of common services on the campus, and reductions in administrative overhead due to fewer occupied locations in the NCR, we will extract additional efficiencies through the implementation of the DHS NCR Housing Master Plan.

The Department is very pleased with the close cooperation and support we have received from Congress, and particularly the Homeland Security Committees, and the District of Columbia Government on this project. The breakthrough in the Master Plan development was the opportunity to synchronize the East Campus and West Campus developments for the benefit of both Homeland Security and the District of Columbia. The National Capital Planning Commission played an important role in our development of a plan that spans both campuses to reduce impacts on the West Campus historic resources. DHS believes that this minimizes harm to this National Historic Landmark. We relocated a portion of our program to the East Campus that will allow DHS to obtain a consolidated 4.5 million square feet of office space, address density concerns on the West Campus, and still provide a campus that can function as a single unified headquarters. It will also further enhance our interaction with the community and serve as a catalyst for retail and commercial development on the East Campus.

The St. Elizabeths Master Plan for development of the DHS Consolidated Headquarters is a successful integration of historic preservation with agency requirements and has benefited from an extensive public involvement process to improve the final product. The Master Plan was approved by the U.S. Commission of Fine Arts on November 20, 2008. The National Capital Planning Commission approved the Master Plan for the West Campus at its January 2009 meeting contingent on GSA's ability to construct the west access road connecting Firth Sterling Avenue, SE to the modified Malcolm X Avenue, SE / I-295 Interchange, through the Shepherd Parkway. NCPC commented favorably on the East Campus plan, but required that GSA submit an Amendment to the Final Master Plan for NCPC review and approval of both the East Campus plan and the access road improvements. Both of these Federal planning and design authorities recognized the significant improvements to the final Master Plan that were made during the consultation process that will preserve this National Historic Landmark (NHL). The final West Campus Master Plan minimizes harm to the landmark to the maximum extent possible, while creating a functional campus supporting our mission.

The DHS Consolidated Headquarters at St. Elizabeths will adaptively reuse 52 of the 62 buildings that contribute to the NHL on the West Campus; representing approximately 99 percent of the square footage relating to the landmark status. Eight of the 10 buildings to be demolished are severely degraded greenhouses that do not lend themselves to adaptive reuse. New construction is placed in areas of previous historic development that has since been demolished to preserve the important view sheds to, from and within the campus. Parking is placed at the perimeter to retain the historic walking nature of the campus and is consistent with NCPC guidance on employee parking ratios for day workers and 24/7 functions.

GSA selected award winning architects to ensure that new building designs are compatible with the existing historic fabric of the campus. The concept for the new U.S. Coast Guard Headquarters Building is a prime example of the successful integration of preservation goals and programmatic requirements through innovative design. The consulted stakeholders have reacted very favorably to the concept presentations for the Coast Guard building, and GSA expects to award a Design-Build Bridging Contract for this new facility by the fourth quarter of FY 2009.

The DHS Consolidated Headquarters at St. Elizabeths will provide significant benefits to the community. The project will create direct employment opportunities for more than 32,000 persons in the region for construction and construction-related activities (not including the 14,000 Federal employees who will work at St. Elizabeths). As a result of these jobs, the economy will gain payroll earnings of approximately \$1.2 billion through the planned completion in FY 2016. GSA and DHS continue to work closely with District of Columbia Government officials and community leaders to synchronize the East Campus Small Area Plan in order to help ensure that neighborhood residents are positioned to take advantage of the opportunities associated with the project. Recently, GSA and Congresswoman Eleanor Holmes Norton co-sponsored a U.S. Small Business Administration 8(a) Certification Seminar attended by more than 30 local business owners. The DHS Chief Human Capital Office has already started outreach on future employment opportunities at the campus with a briefing to the Ward 8 Business Council.

While the campus will be designated an Interagency Security Committee Level 5 secure facility, the department is committed to working with the community and the consulting parties to provide scheduled public access to the area known as the Point, as well as the auditorium. We believe we can accommodate this access while still preserving our security and operational requirements. The Final Master Plan also provides for the West Campus Cemetery to be situated outside the DHS security perimeter, maximizing public access to this previously secluded and interesting asset.

Historically, the campus has been physically separated from the community. The wall along Martin Luther King, Jr. Avenue protected patients' privacy and provided a physical barrier between the public and the patients. Although the wall will remain because of its historic significance, the interaction that once existed between the community and the hospital will be restored and enhanced with DHS Headquarters. Our Components, such as the U.S. Coast Guard, have a rich tradition of being located in, and integral parts of, the communities they serve. We intend to continue and expand those efforts and look forward to being a good neighbor and a valued member of the Ward 8 Community.

I want to thank the Committee for their support for the project, specifically Chairman Thompson, Ranking Member King, Chairman Carney, Ranking Member Bilirakis and Congresswoman Norton for their leadership in urging funding as shown in the FY 2009 DHS Appropriations Act. This law provides \$97.58 million for tenant requirements to begin construction of the new Coast Guard Headquarters on the West Campus, which is the first phase of our Consolidated Headquarters effort. Now that GSA has received their FY 2009 appropriation for the project, jointly we look forward to starting the building construction in earnest this fiscal year.

Further, the American Recovery and Reinvestment Act of 2009 provides an additional \$200 million for DHS and \$450 million for GSA to continue with the Phase 1 and Infrastructure construction and design for the following phases of the St. Elizabeths project. Again, the Department is very appreciative of Chairman Thompson and Ranking Member King's support and the coordination with Chairman Lieberman and Ranking Member Collins of the Senate, in obtaining this funding. We are working close with GSA on the timely execution of these funds.

While St. Elizabeths is the center of gravity for our HQ portfolio realignment, I want to touch briefly on the mission support consolidation effort as we characterize both of these initiatives as "two sides of the same coin". As functions move to St. Elizabeths, our plan is to simultaneously address our growth requirements while consolidating the remaining occupancies and minimizing vacancy risk. We envision an end state portfolio of about eight to nine locations in the NCR including Federally-owned space at St. Elizabeths, the Nebraska Avenue Complex, the Ronald Reagan Building, and the U.S. Secret Service's Headquarters. We also plan to retain the long term lease locations currently housing the Transportation Security Administration and Immigration and Customs Enforcement. We plan to then consolidate the remaining functions at a small number of locations dependent upon market conditions.

The St. Elizabeths Campus offers a tremendous opportunity to create a secure, state-of-the-art Headquarters that will foster the Department's ability to focus on achieving our core mission—to protect the homeland. We look forward to the opportunity to redevelop and preserve the St. Elizabeths National Historic Landmark for generations to come. I would be pleased to answer any questions the Committee may have.

Mr. CARNEY. Thank you, Mr. Bathurst.
Mr. Guerin for 5 minutes, please?

**STATEMENT WILLIAM GUERIN, ASSISTANT COMMISSIONER
FOR CONSTRUCTION PROGRAMS, PUBLIC BUILDINGS
SERVICE, GENERAL SERVICES ADMINISTRATION**

Mr. GUERIN. Good morning, Chairman Carney, Ranking Member Bilirakis, Chairman Thompson, and Congresswoman Norton, and other members of the subcommittee.

My name is William Guerin, and I now the recovery executive in the newly estimated Recovery Program Management Office in the U.S. General Services Administration's Public Buildings Service. I appreciate the opportunity to speak on behalf of GSA to support the establishment of a consolidated headquarters for the U.S. Department of Homeland Security.

GSA, in partnership with DHS, is now undertaking one of the largest, most complex projects in our history. We are creating a headquarters campus for DHS on the site of the former St. Elizabeths Hospital in southeast Washington, D.C. This project will create 4.5 million square feet of space for DHS and include structured

parking, as well. It will combine the key components of DHS into its headquarters facility.

The development costs of this project are expected to be \$3.4 billion; \$1.4 billion will come from the Department of Homeland Security, and GSA will provide an additional \$2 billion, assuming Congress appropriates it.

The construction of the first phase for the project of this new U.S. Coast Guard headquarters has been funded in the fiscal year 2009 omnibus appropriations act. Design work on this 1-million-square-foot Coast Guard building is already underway.

The site for this project is truly fitting. It is only two miles from our nation's Capitol. It is located on a hill with a commanding view of Washington. The site is a national historic landmark, and most of the historic buildings and landscapes will be integrated into the new facility.

St. Elizabeths is the only federally owned site in Washington that is large enough to accommodate this plan. The creation of this complex presents the best opportunity for preserving, reusing, and revitalizing a national historic landmark.

Additionally, housing DHS on a federally owned site will save the American taxpayer more than \$600 million in present value terms. Compared with the cost of leasing the same amount of space for the next 3 decades, this is significant savings. It is truly a win-win situation for DHS, the city, the site, and the American taxpayer.

The master plan for the consolidation was approved by the National Capital Planning Commission on January 8, 2009. The consolidation will rehabilitate and reuse 52 of the 62 historic buildings and preserve the historically significant landscapes and views. This plan meshes with GSA's strong track record and commitment to historic preservation.

The master plan strikes a measured balance between meeting the extraordinary housing needs of DHS, while preserving the exceptional historic character of this landmark. There has also been extensive consultations, as well as continuous coordination with the Federal Highway Administration, the National Park Service, and the District of Columbia.

We believe the project will bring substantial economic benefits to the community. Opportunities will arrive from direct employment in construction and the multiplier effect that construction activities and its payroll generates.

The new DHS headquarters operations will over the longer term provide a tremendous economic boost to the Anacostia and Congress Heights neighborhoods, as well.

Construction contractors will be encouraged to establish pre-apprenticeship and apprenticeship programs, thereby providing job training for local residents. Employees on site will patronize local merchants, thereby creating additional jobs in the area. In addition, DHS contractors may opt to locate their offices nearby, as contractors have done for other large federal government facilities, creating even more jobs in the community.

We look forward to developing this important site for the DHS. That concludes my testimony, and I would be happy to answer any questions you may have.

[The statement of Mr. Guerein follows:]

PREPARED STATEMENT OF WILLIAM (BILL) GRUEN

Good morning, Chairman Carney, Ranking Member Bilirakis and members of the subcommittee. My name is William Guerin and I am the Recovery Executive in our newly established Recovery Program Management Office in the U.S. General Services Administration (GSA), Public Buildings Service. I appreciate this opportunity to speak on behalf of GSA to support the establishment of a consolidated headquarters for the U.S. Department of Homeland Security (DHS).

GSA, in partnership with DHS, is now undertaking one of the largest, most complex projects in our history. We are creating a headquarters campus for DHS on the site of the former St. Elizabeths Hospital in Southeast Washington, DC. This project will create 4.5 million square feet of space with 1.5 million square feet of structured parking, to bring together the mission components DHS requires in its headquarters facility.

The site for this project is truly fitting for such an important Cabinet level agency. It is only two miles from our Capitol located on a hill with a commanding view of Washington and Northern Virginia. The site is also a National Historic Landmark, with historic buildings and landscapes, many of which will be preserved, reused, and incorporated into the Department of Homeland Security's new headquarters facility.

St. Elizabeths is the only federally owned site in Washington that is large enough to accommodate the DHS headquarters. Concomitantly, the creation of this headquarters complex presents the best opportunity available for preserving, reusing, and revitalizing this National Historic Landmark. Additionally, housing DHS on a federally owned site will save the American taxpayer up to over \$600 million (in present value terms) compared with the cost of leasing the same amount of space for the next three decades. This is truly a win-win solution for the agency, for the City, the site, and the American taxpayer.

The National Capital Planning Commission (NCP) approved the Master Plan for the West Campus at its January 2009 meeting contingent on GSA ability to construct the west access road connecting Firth Sterling Avenue, SE to the modified Malcolm X Avenue, SE/I-295 Interchange, through the Shepherd Parkway. NCP commented favorably on the East Campus plan, but required that GSA submit an Amendment to the Final Master Plan for NCP review and approval of both the East Campus plan and the access road improvements. The U.S. Commission of Fine Arts approved the Master Plan on November 20, 2008. Both of these Federal planning and design authorities recognized the significant improvements to the final Master Plan that were made during the consultation process to help preserve this National Historic Landmark. The Master Plan provides for the rehabilitation and reuse of 52 of a total of 62 historic buildings and the preservation of historically significant landscapes and views. This is emblematic of our agency's strong track record and commitment to historic preservation. To date, we have funded \$28 million for the stabilization, evaluation and assessment of historic buildings, landscapes and archaeological features on the West Campus in anticipation of its redevelopment. GSA believes that the Master Plan strikes a measured balance between meeting the extraordinary housing needs of DHS while preserving the exceptional historic character of the National Historic Landmark.

The development costs of the DHS headquarters complex are expected to be \$3.4 billion. Of this, \$1.4 billion will be provided by DHS. GSA is studying how the project may provide substantial economic benefits for the community. These opportunities arise from direct employment in construction and the multiplier effect that construction activity and its payroll generate.

The new DHS headquarters will provide a tremendous economic boost to the Anacostia and Congress Heights neighborhoods, which are already experiencing a significant level of investment, thanks to the efforts of the District of Columbia Government. Construction contractors will be encouraged to establish apprenticeship programs, thereby providing job training for local residents. GSA expects that employees on site will patronize local merchants and additional jobs should be available to provide various vendor services to the site. In addition, DHS contractors may opt to locate their offices nearby, as contractors have done for other large government facilities.

The design for the U.S. Coast Guard headquarters on the St. Elizabeths Campus is underway with ongoing Section 106 consultations and there is continuous coordination with Federal Highway Administration (FHWA), National Park Service (NPS) and the District of Columbia Department of Transportation (DDOT) concerning Shepherd Parkway, a portion of which we propose to use to provide an access road

off of I-295 that will accommodate 70% of the people working on site. GSA anticipates that FHWA will issue a Record of Decision (ROD) for transfer and interchange issues in July 2009.

While most of the new campus that is owned by the Federal Government will be located west of Martin Luther King, Jr. Avenue, 750,000 square feet plus structured parking will be placed on the East Campus, which is now owned by the District. The commencement of a Master Plan amendment containing a detailed analysis of the East Campus is targeted for contract award in April 2009 with a NEPA Notice of Intent (NOI) planned for May 2009. Phase

Phase 1a construction for the DHS headquarters consolidation project, the new U.S. Coast Guard headquarters building, which GSA may commence only after complying with a set of NCPC conditions, has been funded in the FY 2009 Omnibus Appropriations Act. Design work on the one million square foot building is already under way. GSA will meet with NCPC in May 2009 to review the concept design.

This development represents an important prospect of preserving many of the historic buildings and landscapes that make St. Elizabeths a National Historic Landmark and we look forward to developing this important site for the DHS.

Lastly, we would like to acknowledge the help and assistance of many people and organizations, to which we owe a debt of gratitude. The Congressional support for the project, specifically that of Delegate Eleanor Holmes Norton, the Department of Homeland Security, the staffs of the National Capital Planning Commission, the Commission of Fine Arts, the DC Historic Preservation Office, and the Advisory Council on Historic Preservation, who coordinated so closely with GSA throughout the planning process; all the Consulting Parties, whose time, attention, input, and dedication improved the plan, and whose efforts on the successfully concluded Programmatic Agreement were invaluable; the Ward 8 community and finally the District of Columbia Office of Planning and Office of the Deputy Mayor for Planning and Economic Development, without whose cooperation, the East Campus portion of the final Master Plan and ultimate development would not have been feasible.

Mr. CARNEY. Thank you, Mr. Guerin.

Without objection, the gentlewoman from the District of Columbia, Ms. Norton, is authorized to sit on the dias for the purpose of questioning the witnesses during the hearing today. And hearing no objections, so ordered.

I would like to thank each of the witnesses for the testimony.

I will remind each member that he or she will have up to 5 minutes to question the panel.

And I now recognize myself for questions for 5 minutes.

Mr. Bathurst, you know, in my opening comments, I discussed sort of a delta now between what the estimated cost savings would be. Could you discuss that? Why the change? Why the cost savings seem to be reducing, coming down, and—

Mr. BATHURST. Well, I think most of the present value cost advantage is based on a calculation model that GSA uses. Most of the change—and I will defer to Mr. Guerin for more of the detail—but it is related to some of the assumptions on the cost of parking in some of the leased spaces and also some of the time movement of money and that we have not received appropriations to get things started in the last 2 budget years.

But I think Mr. Guerin may have more information on the actual model that is used to do that calculation.

Mr. CARNEY. Okay.

Mr. Guerin, is the GAO's estimate—is their model incorrect that they are using?

Mr. GUERIN. We use a model internal to GSA that calculates the cost based on hard costs associated with the construction and the value of the site as it relates to that.

GAO's model, I think, takes more factors into account, in terms of what the cost savings might be, including some intangible fac-

tors that don't factor in to the construction costs, but are directly related to DHS's cost savings associated with the move to St. Elizabeths.

Mr. CARNEY. For example?

Mr. GUERIN. For example, they have a series of shuttle buses moving back and forth. I think Don might be able to answer this one. I don't want to pass it back and forth. But they have significant costs, in terms of transporting people around the city, now that would be consolidated into the headquarters.

There are other things similar to that that are affected by the additional security requirements. The campus will be consolidated so there will be one security perimeter around the campus. Right now, they have those kinds of expenses that are associated with having their forces distributed throughout the city.

So it is examples like that that are not direct construction costs, but are real costs associated with the consolidation.

Mr. CARNEY. Okay. They are costs that taxpayers will have to absorb?

Mr. GUERIN. Exactly.

Mr. CARNEY. All right. Okay.

Mr. Bathurst, of the—I think you said there is—14,000 employees will be relocated to St. E's site, at least initially? Is that correct?

Mr. BATHURST. That is correct.

Mr. CARNEY. Okay. How many locations other than St. E's will the department continue to have?

Mr. BATHURST. Right now, we are estimating that we will be in eight to nine total locations.

Mr. CARNEY. How many buildings?

Mr. BATHURST. I don't have an answer on the number of buildings. I have to get back to you, because there will be several buildings—there is going to be 65 or 70 buildings at St. E's because of the nature of the buildings, with most of those being four or five—

Mr. CARNEY. I am sorry. Okay. I will just be a little more clear here. Of the other sites other than St. E's, how many more buildings?

Mr. BATHURST. About eight or nine total.

Mr. CARNEY. Total?

Mr. BATHURST. Total.

Mr. CARNEY. Okay. All right. So who is actually coming to St. E's then?

Mr. BATHURST. St. E's is going to be a slice through the department. It is going to be the executive leadership, the leadership of the components, of the program managers, and the operations activities.

And, again, one of the—the core pieces of St. E's is going to be the National Operations Center, which will be a co-location of not just the National Operations Center as it exists now at the Nebraska Avenue complex, but it will be co-located with the operations centers of our operating components.

Mr. CARNEY. Okay. You know, of course, we were together last week, and I toured the site, and, you know, I am impressed by the site. It is a beautiful area. The vistas are amazing.

But the historic nature of the buildings, you know, I really do have questions on, are we going to be able to maintain the integrity, the historic integrity of those buildings while retrofitting them to meet the needs of the department? Is that—

Mr. BATHURST. Well, the current buildings make up about 900,000 square feet, and our total requirement is four-and-a-half. So the majority of the space that we will have at the St. Elizabeths site will be new construction, which will be on sites that were—had other development in years past.

The retrofitted buildings or the adaptively reused buildings, GSA is going through the studies, the historic building studies to determine and document what portions of those buildings are significant in how they need to be restored, but we—from the preliminary reviews, we believe that we will be able to adaptively reuse those for appropriate uses, a lot of our common and shared activities.

You may recall the auditorium. We would use that as an auditorium. We also have areas for food service. And, again, we are looking for—to make some of these areas available to the community, also.

Mr. CARNEY. Okay. My time is up.

I now recognize the gentleman from Florida for 5 minutes.

Mr. BILIRAKIS. Thank you very much.

I want to follow up on, actually, the chairman's question. Mr. Bathurst, your written testimony also highlighted the fact that at some point in the future DHS may consolidate remaining components that will not be located at St. E's. How would such an effort compare to the St. Elizabeths project, in terms of size, scope and cost?

Mr. BATHURST. Right now, we are looking—we have in our more than 40 locations—it is growing in the metro area. Most of these are very small blocks of space, anywhere from 5,000 square feet to 30,000 or 40,000 square feet.

And as we have said, it adds to the inefficiency that we have just in the day-to-day administrative overhead: transportation, mail delivery, and the time it takes to get back and forth to these locations that people have to do.

So we are looking to consolidate those in larger market blocks of space. And we estimate that right now we are looking at a project that is probably about a total of 1.1 million to 1.2 million square feet of space. And this is, for the most part, space that we are already in that will be leases that will be expiring. And I believe it is much more efficient to have the overhead to manage one acquisition and a smaller number of new leases than to try to go out and renew all of those individually.

These will be more of our administrative admission support activities. They don't require quite the same level of security as those that would go to St. Elizabeths, so we believe that it is appropriate that those be leased or be acquired on the open market, which also gives us some flexibility for future growth or contraction, as we may need to do.

Mr. BILIRAKIS. Okay, thank you.

Are there warning signs, important milestones, or decision points at which we should look to ensure that this project doesn't turn

into another Capitol Visitors Center by going over budget and beyond the projected timeline for completion?

And are there controls in place to guard against cost overruns? The Capitol Visitors Center, as you know, ending up costing more than twice what we originally promised. If that happens with this project, then the consolidation of St. E's could end up at \$7 billion. So can you elaborate a little bit on—

Mr. GUERIN. Yes. This is one of the things, as an engineer, that, you know, we are most concerned with. One of the—the way that we are going to do this—and we have put together an executive steering group between GSA and DHS that we manage and oversee at a high level those critical milestones, the decision points that need to be done. That is how we got the master plan completed on time, to get this—to be able to move this project forward.

But most critically is we will ruthlessly manage the requirements of the department. Requirements creep is probably the biggest problem in the cost overruns in any project. And we have done a meticulous job of analyzing the requirements of the department. And absent some new issue being put on the department that would change those requirements, we believe that we can hold the requirements for the project steady.

The other thing we are going to do is we are standardizing our space. We are standardizing the layouts, the amount of space for certain types of positions and activities. And, again, that drives right back to the requirements.

And then from that, that will then drive the cost and the schedule. And as we manage working with GSA in partnership to look at those critical milestones and decision points, we believe we can keep this project on or ahead of schedule and on budget.

Mr. BILIRAKIS. Mr. Guerin?

Mr. GUERIN. Yes, I was just going to add that the accomplishment of the funds coming through the recovery act is going to go a long way towards helping us stay on budget.

The biggest problem we have is projects that extend over time because of GSA's inability to fund our projects as timely as we would like that to happen. And the fact that we have an additional \$450 million coming to this project in an accelerated way is going to help us ensure that the project does stay on budget.

Mr. BILIRAKIS. Okay. Well, I think I am almost finished, so I will allow somebody else. Thank you.

Mr. CARNEY. Thank you, Mr. Bilirakis.

The chair now recognizes the gentleman from Mississippi for 5 minutes.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

And I think there is no question that this committee fully supports the concept of a centralized headquarters. If you have ever gone to the wrong building looking for a particular DHS department, you understand. So we are excited about it.

Some of the issues that I would like a little discussion speaks to what steps we have gone through as a department, both DHS and GSA, to make sure that the community around this site is informed, will have an opportunity to participate in aspects of employment, aspects of contracting opportunities.

It is a historic area. And to the extent that we can preserve that area while getting us a headquarters, have we—Mr. Bathurst, we will start with you and kind of go to GSA later—have we kind of taken that under serious consideration?

Mr. BATHURST. Chairman Thompson, I would like to start by thanking you for your personal support for the department and this project specifically. We would not be where we are without the support of you and the committee.

And in answer to your question, it is a resounding yes. Both GSA and DHS, especially with the Coast Guard being our first component phase of the project, have long histories with community involvement.

There have been a series of public meetings—many have been hosted by Delegate Norton—to bring the community together with the federal partners. And I do see us as federal partners or partners with the community.

This is not like any kind of development in the federal enclave, downtown or along K Street or anywhere else. We are going to be in a neighborhood. And we have to be a good neighbor in that neighborhood.

As such, in these meetings, there have been meetings with the Ward 8 Business Council, that we have had presentations by our security office and our human capital office, as well as several presentations and discussions with the community with our small and disadvantaged business office, to take away any kind of—or to ensure the understanding of hiring processes, the security process, you know, the fact that to work for homeland security doesn't mean you have to have a security clearance. There are all kinds of people that work for DHS.

And GSA has worked with Small Business Administration on training and registration for businesses in the Ward 8 area to get them ready to contract for work.

Mr. THOMPSON. Thank you. Now, a couple of other questions I want to get before I lose my time.

With respect to the whole issue of the historic nature of the buildings, have we taken into consideration from a technology standpoint, security standpoint, that we will limit as much of the destruction in the name of technology? Or do we plan to follow existing historic preservation guidelines with respect to this?

Mr. GUERIN. Yes, of course, Congressman. We are intending to follow the guidelines of national preservation. We have had people during the master plan process on the team throughout keep making sure that we are on track, in terms of preserving the buildings.

The center building is the most historic building on the campus. It was the original hospital, that that will be the headquarters of—DHS headquarters. The secretary will be in that building.

We are going through each of the buildings now, identifying the very significant spaces that we need to save, and we will continue to do so. GSA has a tremendous track record of preservation, and we expect to continue to exhibit it here on the campus.

Mr. THOMPSON. Have any professional contracts been let to date on this undertaking?

Mr. GUERIN. Yes. We had a contractor on board in the master planning phase, Mary Oehrlein and Associates, very well-known

preservationists, that helped us guide us through that process with the master planning. And as we move forward into the design of the Coast Guard building and the design of the additional phases of the project, there are going to be professionals with us every step of the way.

Mr. THOMPSON. So only one professional contract so far, to your knowledge?

Mr. GUERIN. The master plan, yes. And then we are moving forward with additional contracts now.

Mr. THOMPSON. When you say moving forward, what do you mean?

Mr. GUERIN. We have a series of contracts associated with this project, the first the design of the Coast Guard headquarters, and that is ongoing. The design work is being done now. As we move into the historic buildings on the campus—

Mr. THOMPSON. Excuse me. I am just trying to make sure, when you said being done now, does that mean you have hired a contractor?

Mr. GUERIN. Yes. Yes.

Mr. THOMPSON. So it has another contract—

Mr. GUERIN. For the Coast Guard headquarters, which is a new building, we have a contractor onboard. We just hired two additional firms. One is Goody, Clancy and Associates, which is a well-known preservation designer firm, and they will have consultants with them that are specifically focused on preservation.

Mr. THOMPSON. All right. Now we burrow down—now, are there any small business opportunities within this?

Mr. GUERIN. Yes, in both—yes, in both design and construction, there will be multiple opportunities for small business.

Mr. THOMPSON. Minority business?

Mr. GUERIN. Yes, of course.

Mr. THOMPSON. Well, can you provide the committee with a detailed breakdown of all those professional services and then the breakdown of small and breakdown of minority business opportunities on a professional service side?

Mr. GUERIN. Okay. Yes, Congressman, we have on the design-build contract and the construction management contracts, there is a requirement for 40 percent small business and 8(a) requirement in both of those contracts, but we will provide you with more details.

Mr. THOMPSON. Okay. Now, you said 40 percent small. Are you saying—

Mr. GUERIN. Small and disadvantage contracts.

Mr. THOMPSON. Okay. All right, so—okay, well, just provide me that information.

Mr. GUERIN. Will do.

Mr. THOMPSON. Thank you very much, Mr. Chair.

Mr. CARNEY. Thank you, Mr. Chairman.

And we will now recognize the gentlewoman from the District of Columbia, Ms. Norton, for 5 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman, for your courtesy. I am a member of the full committee, but not of this subcommittee, and I appreciate the opportunity to ask questions today.

The ranking member asked an important question about cost. I am not sure that you described the design-build nature of the requests that has gone out. Is not a design-build contract one that is for fixed costs? And was the contractor agreeing to provide it for upfront fixed costs and then with certain sanctions if the contractor does not?

Mr. GUERIN. Yes. Yes, the design-build process really is advantageous in that regard, because it allows us to establish a maximum price for the project, which would obviously be set within the parameters we have. And the design builder has the opportunity to make changes to the contract that are obviously acceptable to DHS and to GSA in order to ensure that the project remains on budget.

So, Congresswoman, you are absolutely—

Ms. NORTON. And what happens if it goes over budget, over the budget that the contractor has agreed to where you have not agreed to changes that cause the increase?

Mr. GUERIN. The contractor would be expected to propose changes that would bring the project back into budget.

Ms. NORTON. Let me ask you about the process of proceeding. You are building the Coast Guard building first, as I understand. Then you are considering going to build another building.

You will meet some resistance from employees to move to this new location, because employees won't always remain where they are or have fixed notions about where they believe they are going.

I am puzzled. By leaving these employees, probably the largest number, in a building without simultaneously beginning the work that I think you should be commended for on reusing the many buildings that will be on the campus—I understand something like two-thirds of the buildings will be reused.

But I don't understand the planning that would leave one set of employees there without any of the shared space done, and nor do I understand why that couldn't be done simultaneously with any other building that is going on, including the building of the Coast Guard building.

I don't understand why that wouldn't even get more jobs, particularly since the contractors have a certain set of skills—sorry, the construction workers have a certain set of skills, and then there are another set of skills that another whole set of workers would have who could then begin to work on the buildings to be reused.

So I don't understand that there is human capital planning here. I can understand some people who have said, "Hey, I like to build buildings."

The reason I ask this question, Mr. Chairman, is because, as you and I know and the full committee chairman knows, as well, it was very hard to get money for this one building. And we—I do not sit here and guarantee you that, while you may have some money for design of another building, I have a vested interest in that building going up.

I am not here sitting and telling you there is going to be another billion dollars rolling down the pike, as much as I want that to happen. We have got this out by bits and pennies. And even this part came out by bits and pennies.

Meanwhile, I need to understand whether the planning is being done, keeping in mind that there will be real people there, sitting there in the midst of a building with nothing happening, having have been left there for, what, months, years, with no work on the reuse? And if there is going to be work done on the reusing of the building, why hasn't that been included in your testimony this morning?

Mr. GUERIN. Congresswoman, thank you for the question. The fact is, the additional funding that we received through the recovery act will start us down that road.

We proposed the initial project, the Coast Guard headquarters. That was new construction. But our intention was always to follow on with shared-use spaces, which the Coast Guard has identified—

Ms. NORTON. You have not testified that you could either—begin to do that simultaneously or that you would even begin to do it afterwards. We are trying to understand the sequence of what you are doing. And I am trying to understand why you would leave these employees without the shared space.

If they could look around them and see the shared space and the space for other employees, some of the concern you will surely find about coming to the new location in the first place might well be alleviated.

Mr. GUERIN. You are absolutely right. The phase 1-B, which is the funding that was received recently, will go towards getting the shared-use spaces built that the Coast Guard has identified as their needs. Those buildings will be—those needs will be put into some of the existing historic buildings.

And as we move through the future phases of the projects and we phased it in a way that construction can happen, we want to build the Coast Guard first and move kind of through the site. So we are doing this in a very systematic way.

Ms. NORTON. Well, so but phase two does not involve building another building, but it involves—

Mr. GUERIN. But it also includes the headquarters, which is the most historic building on the campus.

Ms. NORTON. Will the reuse of those many other buildings be going on simultaneously, the work to reuse them be going on simultaneously with the work to build the big headquarters building? And have you any plans and has anyone seen what they will look like?

Mr. GUERIN. The work will begin with the Coast Guard, but the other projects will follow on, so they will be simultaneously starting some time in 2010.

Ms. NORTON. I ask you about that, because I am trying to find if there are any economies of scale going on. Here we are going to have this big project over at St. Elizabeths.

Any big developer doing it would say, "Wait a minute. I have to have a grid for all these places, for example. I am not going to do grid here for one contract and then, 2 years later, say, 'Well, we need another grid.' And, of course, the cost is going up, so let's have what you will pay us with the other grid."

How are you assuring that, since we are doing the biggest project since the Pentagon, that, in fact, all that infrastructure will be

done at one time, not one piece at a time, that you will, in fact, take advantage of the fact that you are building all these buildings and reusing all these buildings, and you know exactly what you are doing, and that you won't be doing it piecemeal by piecemeal, thereby costing the government a great deal more money?

Mr. GUERIN. The infrastructure costs were included in the \$450 million that Congress provided to GSA. So that will go a long way towards—

Ms. NORTON. So the grid, for example, which is separately in the budget of the Homeland Security Department, that grid will be the grid for the entire St. Elizabeths campus, including the parts that are being reused and the rest of it, so there is one contract, somebody has to build on that, build on it with design build, saying he can do that whole thing for one contract?

Mr. GUERIN. Yes, we are in the process of hiring a construction management company that will help us to do exactly what you are suggesting, Congresswoman, which is to lay out the entire construction phasing for the project and make sure that we are doing things in a logical and cost-effective manner.

Ms. NORTON. The access—and here you have one part of government saying no to another part of the government. Thank you, sir.

Mr. CARNEY. The chair now recognizes the gentleman from Louisiana, Mr. Cao, for 5 minutes.

Mr. CAO. Thank you very much, Mr. Chairman.

With respect to these cost overruns that Councilwoman Norton was alluding to, I think this is very much a recurring situation in other areas. Can you explain to me how these cost overruns may occur?

Mr. GUERIN. Yes. The recent history has shown a tremendous increase in material costs and labor costs for the General Services Administration's projects, where we are doing federal construction, and it is across the industry.

Material costs skyrocketed in the last 5 years. As we budget our projects, we come to Congress, obviously, and you appropriate funds for our projects, we try to predict the escalation associated with our construction projects, but, in fact, in recent years, we had a very hard time predicting the 10 percent and 15 percent increases every year. So that is one way that that happens.

In addition, when we propose a project, we put a timeline associated with that, where GSA isn't able to get these funds that it needs to accomplish our projects when they become available for construction and a project gets delayed, for instance, for a year or more than that in many cases, that also has an impact, because those tremendous inflation factors are then pressing against a project that is being stretched out over time.

So it is quite common and was in recent years that our projects had some tremendous overruns, but, in fact, we have delivered 85 percent of our projects within the budget, even with those constraints. So we have a good track record. The ones that obviously come to Congress and get heard of are the ones that we aren't able to deliver with in the budget, so we have to come back looking for additional funds.

Mr. CAO. In your process of contracting, drawing up the contracts, do you somehow accommodate for this increase cost, so

there might be a share of the risk between the federal government versus the private contractors who are building these facilities?

Mr. GUERIN. Again, we have guaranteed maximum prices, where we establish and negotiate a position with our contractors with the goal of ensuring that we are capping the construction costs where they are.

We do have some incentive projects, but we have not used that significantly in the past.

Mr. CAO. Thank you. Those are all the questions I have.

Mr. CARNEY. Thank you.

I think we have questions for at least another round. And I will begin with myself.

A couple of questions, first, on the Coast Guard building. Why was the Coast Guard building chosen as the first building to be built?

Mr. BATHURST. It is a bit of a chicken-and-egg situation. The Coast Guard is in a leased facility in southwest Washington, the Buzzards Point area. And that lease, they have been there for about 20 years, and the lease was coming due. And this was before the department was created.

So the Coast Guard had actually started work on consolidating their requirements to replace their building that was in GSA's inventory. And they started working that through the process.

In the meantime, the department was created, and I actually was involved with discussions with the Coast Guard and with GSA and with OMB about what they needed to do to do that. There was a lot of concern. It was a very, very large requirement.

And we looked and said, you know, it makes sense that we look—put the Coast Guard in federal construction. They have been in leased buildings for quite a while. And that was agreed. And in the development of the 2004 budget, GSA was directed by the administration to pursue federal construction for the Coast Guard building and was directed to look at that at the St. Elizabeths campus, which the GSA was just starting to become—take custody and control of.

About that same time, we were realizing that the Nebraska Avenue complex was not going to meet our requirements as a cabinet—as a new cabinet-level agency, and we started to develop the overall headquarters plan. And it coalesced with the Coast Guard project.

So that said, the Coast Guard project was moving forward and it was authorized and the design was funded. So that got started out of the gate first. So rather than try to stop and re-wicker that, we kept that moving, and that is why they are first.

Mr. CARNEY. All right. Thanks.

So that is right. The administration said we are going to do the Coast Guard first in the new headquarters. Now, when the design of the building was done, was that given to competitive bid or was a contractor just appointed to do this—the initial design of the headquarters, of the Coast Guard headquarters?

Mr. BATHURST. Everything with this project, as I know, is competitive—very aggressively competitively bid. The GSA can go more into the process.

Mr. GUERIN. The design is actually governed by the Brooks Act, which requires that we select based on merit, so it is not—the price is not competed, but the actual design firms compete with each other to be awarded the contract.

Mr. CARNEY. Do you have an estimate of how many firms actually competed for that?

Mr. GUERIN. Oh, boy, no. Typically—I can get that number for you.

Mr. CARNEY. Yes, we would—sure.

Mr. GUERIN. Typically, we get 20 to 40 proposals, and then we reduce it down, and eventually settle on a design team that will—to get the contract.

Mr. CARNEY. Okay. Very good.

I will pass on to my ranking member, Mr. Bilirakis. Thank you.

Mr. BILIRAKIS. Thank you very much.

Are there specific non-funding challenges remaining on this project that may require congressional intervention? And how can Congress help achieve your goals, completion goals?

Mr. GUERIN. We have several challenges ongoing that we are continuing to work out. We have not decided to go to seek your assistances yet, but the National Park Service land on the Shepherd Parkway continues to be challenging. And we are working with them to apply that property for an access road to the site.

Other challenges include the five buildings that are owned by the District of Columbia on the campus that we need to negotiate with them. And there is a tripartite agreement associated with that, including the architect of the Capitol and the District of Columbia.

The first building will be at the warehouse, which is actually one of the five buildings owned by the district. So we are continuing to work with them, also, and have not concluded that we cannot work out those arrangements internal to our processes. So we are not yet seeking your assistance on those things.

Mr. BILIRAKIS. Okay. Let me ask you another question. As far as the location, St. E's, why is it so uniquely qualified to be the headquarters for DHS? If you can elaborate on that a little bit.

Mr. GUERIN. The St. Elizabeths campus provides a lot of advantages for the department and for GSA. It is 180 acres, first of all. This is a large campus. It does have close to a million square feet of historic buildings, and we are intending to reuse 900,000 square feet of those.

It is within two miles of the Capitol. It is a—you know, very proximate to the airports, to the transportation, to the Capitol itself, to the White House, so it has those advantages.

We have the opportunity to protect the campus with a perimeter security fence, which saves a tremendous amount of money, in terms of individual building construction costs. That by itself is a significant savings. We don't have to harden each of the buildings, and I think you are familiar with the type of work that we have to do in a downtown location, where we—we have to strengthen all the walls and the windows and everything else to make sure that they are blast-proof. We don't have that issue here.

The campus itself is accessible, so we are able to get the construction that we need there. We are able to provide a campus setting for DHS, as opposed to, you know, a single large building or

something like that or, more importantly, having them spread out over the city. So those are the advantages that come to mind immediately.

Mr. BILIRAKIS. So would you like to comment, as well?

Mr. BATHURST. No, I would just—I agree with the characterization Mr. Guerin has given. It is federally owned land, so we actually use something that taxpayers already invested in, and it is a tremendous opportunity to build the kinds of space that the department needs to function.

One of the critical things I think we have to keep in mind with the way that we are doing this headquarters co-location is it is not just putting people into space. We are actually designing the space to support the unified mission of the department and drive the “One DHS” culture.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it.

Mr. CARNEY. Thank you, Mr. Bilirakis.

Just continuing on that note, did GSA look at any other sites anywhere else?

Mr. GUERIN. We did. We did a very thorough investigation of not only sites available within the district and surrounds, but also what agencies would be most appropriate to put on the St. Elizabeths campus before we agreed with DHS that they were the most appropriate agency to put there.

Mr. CARNEY. Okay, thanks.

Mr. GUERIN. Sorry for the interruption. The basic problem is, the pure volume of space is very hard to accommodate in the district. And we would have ended up quite far out of town, if we had done something different.

Mr. CARNEY. Understood.

Okay, I now recognize Ms. Norton for another 5 minutes.

Ms. NORTON. Thank you, Mr. Chairman.

You could break ground this spring, is that not true, here?

Mr. GUERIN. Probably more like summer, Congresswoman, but, yes, this year.

Ms. NORTON. Are you changing steps to get a contract for pre-apprentice and apprenticeship program so that there could be employment of people in the community? And what steps are those?

Mr. GUERIN. The National Capital Region is taking those steps now. I will get you specifically information about that.

Ms. NORTON. I would very much appreciate that.

What direction is being provided for contracting officers to help achieve the GSA’s small and disadvantaged business goals? And what are those goals?

Mr. GUERIN. Again, the goals for the design-build contract that is coming up and the construction management contract are 40 percent small business and 8(a) from small-business, disadvantaged firms. That requirement is in those contracts moving forward, and that is—those types of numbers will continue throughout the process.

I think you are aware, Congresswoman, that the work that has been done on the campus so far was 100 percent small business opportunity—corporation very near the campus in the district.

Ms. NORTON. Yes, and what were the percentage of small and disadvantaged?

Mr. GUERIN. On that one, it was 100 percent.

Ms. NORTON. A hundred percent with the small and disadvantaged? And that is important opportunity because that was the—the work where small businesses might be best equipped to do the work.

Let me ask you about something I think that you were about to comment—or you were commented on, but not in any detail, begun to talk about how one part of the government needs to talk to the other part of the government. And the National Park Service controls a road into the property from 295.

And one of the things you have done very well is to make sure Martin Luther King Avenue doesn't become some kind of thoroughfare. And yet the National Park Service has been resistant to allowing access through this road. I don't understand why you have to acquire the property. Don't you simply have to have some sort of ability to use the property in order to get to your own part of the property?

The only reason that is "their property" is they value—and I think it is very important that they value park land. This is a road existing, isn't it?

Mr. GUERIN. It is not a road existing now, Congresswoman. It was identified as a parkway, but it is—actually, it is mature trees and landscape.

The fact is, the Federal Highway Administration has a process that they use, the 4(f) process, that allows for the taking of park land in order to create roadways. And we are working with the Federal Highway Administration now and the National Park Service to complete that, the study that is required and the record of decision associated with that, which will be happening very shortly and will allow us to then move forward with the—

Ms. NORTON. Yes, it seems to me what the Park Service should be interested in is the preservation of the park land around there and the obligation, it seems to me, of DHS, certainly in exchange for allowing access, to take some responsibility for that.

And I don't understand why that kind of exchange wouldn't be pretty easy from one part of the government to the other part of the government. For example, who is going to take care of this historic cemetery here, where the public has had no access? Are you going to provide access? Are you talking to them about how that is kept up, who keeps that up?

Mr. GUERIN. The General Services Administration keeps that up now, Congresswoman. And it is property.

Ms. NORTON. So it is on park land, but they—

Mr. GUERIN. No, no, no. The cemetery's on the St. Elizabeths campus, which is our property now, the—

Ms. NORTON. Can anyone get to that cemetery today?

Mr. GUERIN. Our intention—the design is not complete yet—our intention is to provide the security fence that goes around the cemetery with the idea that the cemetery would be available to the public.

Ms. NORTON. And open to the public?

Mr. BATHURST. At all time.

Ms. NORTON. That is the best—obviously, an advantage and a gain that seems to me negotiators should make—what good is it to

have a cemetery there that is a very historic place that nobody can even get to see? In the same way we have the so-called point, one of the highest places you say in your testimony, Mr. Guerin, I think it is, located on a hill with a commanding view of Washington and in Northern Virginia. Now, everyone has been talking about the point, and will we have access to the point?

Firstly, they don't have access to the point now. No one has been able to get on to the property to go to the point. So what I would like to know is how, given the security that is necessary at the site, how will visitors have access to this highest point in the city or one of the highest points in the city and a part that has now been closed off to visitors?

Mr. BATHURST. Yes, Ms. Norton—and, again, I would like to thank you for your personal support for this project and for the Department of Homeland Security.

Access to the point is a significant issue for us, as well as some of our other federal partners. It has a strategic overlook, but at the same time it is a spectacular point in the city.

We are committed to working with the community and to develop a plan and an ongoing plan for regular—or for periodic access to the point, as well as other locations on the campus. Some of our other buildings, for example, the auditorium we think would be a great place to have community meetings and the like.

The details of that, I think, will remain fluid. It could change as our security posture changes, and that is why we really need to be an active member of the community.

In the past, as you said, the campus right now is not accessible to the public. And ever since its beginning in 1855, it was a secure campus, more then to keep the patients' privacy and the like protected, but it was also a major employer in the area. So a lot of people that worked in the community had access and their families had access because they worked here.

We foresee at some time, hopefully in the relatively near future, should the remainder of the project be appropriated and we can move forward with the other phases, that we would also be a major employer in the community and we would see some of those same kinds of interaction, that this isn't just 14,000 employees being dropped in here that would come and go to work and not interact.

We see that we would actually be a vibrant part of the Ward 8 community with a lot of our employees coming from that area.

Mr. CARNEY. The chair now recognizes Mr. Green for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman.

And thank the witnesses for appearing, as well. My understanding is that you have the seal of approval of the congresswoman. And if you have her seal of approval, you merit my support.

I want to thank you for the prudent way that you have gone about conducting your business. My understanding is that you have had input from the community and that you have gone to great lengths, if you will, to make sure that there will be minimal disruption in the lives of people who are in the area and that you will be a good neighbor.

Now, understanding that you will be a good neighbor, let me just ask one or two questions, perhaps. I will be as pithy and concise as possible.

In being a good neighbor, have you developed some sort of model for the ingress and egress—I assume that this has been discussed, but I have been in a Financial Services hearing, and we have Secretary Geithner there—have you developed some sort of model for ingress and egress? Because we will have an unusual amount of traffic in the area, as a result.

And how would you propose to make sure that the flow of traffic is such that we don't become, in the minds of some of the people who were there before us, less than a good neighbor?

And I will give you one example. Before this life, I was the judge of a court. And we had a facility placed in an area, and the people in the community thought it was a great idea to have the courthouse come to this given location. But when we started having dockets that had 500 cases, and cars were up and down the street, and people were having difficulty negotiating into their homes, we were not the good neighbor that they thought we would be.

What I don't want to find out later is that we went in with goodwill and we at some point become persons of ill will in the eyes of some. So would you kindly respond, please?

Mr. GUERIN. Yes, Congressman, thanks.

The fact is, we have done extensive studies on traffic in order to accommodate the campus. That was a large part of our master planning effort, which has been approved by the National Capital Planning Commission in early April.

So we are moving forward with a plan that would allow us to provide most of the transportation and traffic coming off of 295 and the Suitland Parkway with a connecting road between the two. And I think someone has put up here on the screen, very simply, we don't want to have all the traffic going on Martin Luther King Avenue and Malcolm X Avenue. That is a great street, by definition one that has been recognized and is going to be improved over time, and we don't want that to be the main thoroughfare to the campus.

So we have identified alternative pathways to the campus that are very direct access off the freeways nearby. And so we have been very cognizant of that concern, and I believe we have addressed it adequately.

Mr. BATHURST. In addition, if I may, we see transportation because not only do we want to be a good neighbor, but we also want to take care of our employees. We have worked with the National Capital Planning Commission and are going to meet their parking planning guidance, which is one to four parking spaces, one parking space for every four employees, which limits the amount of parking, which should limit the amount of traffic coming in and out.

And we are working to develop carpool and ride-sharing programs and see that a majority of our staff will come and go to work with public transportation.

Mr. GREEN. Martin King and Malcolm X, Martin Luther King and Malcolm X, these streets, do they have businesses on them?

Mr. GUERIN. They do.

Mr. GREEN. What I don't want, also, is for us to become so isolated that the businesses in the area don't benefit from our presence. And I trust that this does not appear to be contradictory, but I do think that people tend to move in and about a given area where their jobs are located. Will there be a means by which persons who are in the facility or facilities, they will have the opportunity to make it to some of these small businesses in the area?

Mr. BATHURST. Yes.

Mr. GREEN. If they so choose.

Mr. BATHURST. Yes, sir. One of the features of the master plan for the site was negotiations with the historic preservation community that was concerned about the number of employees that were going to be on the West Campus and a suggestion that some of that density of building be moved to the East Campus, which is under the control of the District of Columbia.

GSA and DHS worked with the district's office of planning, both the mayor's office as well as the City Council, and the city has come forward with a plan for the East Campus which is part of our plan.

So we are going to actually have some of our buildings on the East Campus, across Martin Luther King. And the city's plan for that is to have small businesses and retail establishments along Martin Luther King around there. And the way that this is going to be laid out, it will drive that interaction of people going back and forth to their offices and through that retail activity.

Mr. GREEN. Thank you.

I thank you, Mr. Chairman.

I especially thank the congresswoman for her leadership on these issues. She is invaluable to me when it comes to issues concerning Washington, D.C.

And I thank the witnesses, as well.

I yield back, Mr. Chairman.

Mr. CARNEY. Thank you, Mr. Chairman.

I guess I have some more questions, as well. The cost of the site is what it is. Have we factored in what the cost will be to build a parkway into the site? Have we figured in the cost of shuttling folks from Anacostia Metro station up the hill? And I would love to be able to think that all the DHS employees could trek the three-quarters of a mile up the hill, but I don't think that is reasonable.

So what are those additional costs going to be? We touched upon this very early on in this hearing.

Mr. GUERIN. The cost of providing the transportation access, the road itself is factored into the total budget of \$3.4 billion. It would be in GSA's portion of that budget.

There are other costs, as well, associated with the interchange, which would be a federal highways cost, coupled with Department of Transportation in the district. So there are costs outside of the project, but those are upgrades that were expected to made anyway.

In fact, the district had a series of upgrades to try to provide access to the Anacostia area, Poplar Point, and some of the developments on the East Campus, including what they are proposing in terms of development, that they had already targeted these funds

and these improvements, so they played very well into what the federal government's trying to do on West Campus. The costs that we need to provide to the process are factored into the numbers that you have seen.

Mr. CARNEY. Okay.

Mr. BATHURST. And as far as the shuttles go, we already run a tremendous number of shuttles between our buildings, a lot of different transportation, and we believe that that amount that we are currently doing will be reduced at the St. Elizabeths campus, because we will have fewer locations and it will be a lot more direct.

Mr. CARNEY. Do you have any estimates on how many people will drive to work and how many people will Metro to work?

Mr. BATHURST. I believe that we do have those done as part of the transportation management study. We have done some surveys of the employees. Obviously, over time, you know, that is going to change, but we do have a baseline for—we could get that for the committee.

Mr. CARNEY. Yes, please do.

My last sort of train of questions here does deal with security. As we all know, the site is beautiful. It sits high on the bluff. But it overlooks, basically, where Marine One takes off and where it is based. And if you are going to allow public access to this site, I can imagine a security nightmare for those who are involved with Marine One and, indeed, for those who work at DIA, there at Bolling, you know, I can see a whole number of issues arise.

I am still very interested in how you intend to balance sort of the public access with the need for probably tightened or at least heightened the security. That, to me, is truly one of those conundrums I am not sure how you are going to quite get around. But I think Ms. Norton was very correct here in raising this issue.

You know, when we were there last week, people—you know, there was sort of a cursory glance, ask what you are doing here, and people were just driving on when we were there. And that was concerning to me, actually, I have to admit.

And as somebody who has been around these sorts of environments for a great portion of his adult life, you know, you have to have all kinds of controls, especially if you are going to have the kinds of buildings with the kinds of sensitivities that these buildings will be handling involved.

So I would love to hear what your intent is in addressing all these issues.

Mr. BATHURST. Well, one of the aspects in the appropriation for the American Recovery and Reinvestment Act included the funding for our site security team for DHS. And we are in the process of bringing that team onboard. Those are going to be DHS employees, security professionals who will have the responsibility for—we have the overall structure for the security plan for the campus, but they are going to put the meat on that skeleton and be on site to manage security of the site during construction and lay the plan forward.

As I had said earlier, we will work with the community for periodic controlled access to certain areas. I believe that that is possible to be done. Andrews Air Force Base is open on Armed Forces Day for tours and the like. It is controlled and the like. And we

need to develop those types of plans and working with the community to try to strike that balance.

Mr. CARNEY. Have we estimated a DHS Day yet, Ms. Norton? Do you know if—okay.

Mr. BATHURST. We would welcome something like that.

Mr. CARNEY. I imagine so. But, you know, bear in mind that we will be very closely monitoring the security aspect of this, as well. You know, given the extremely important and sensitive nature of what is going to go on, on that campus, you know, we cannot be overly cautious here at all. And I think it is a very aggressive plan that you have to integrate the community, to bring all the functions of DHS to the site, to have the op center there, you know, I mean, all this is remarkable.

We will be your partner in this. We will provide the oversight as best we can in this. We want to assure that we have a very open and honest relationship going both directions, as these develop. But, you know, from my seat, I am very concerned about the security aspect of all of this.

Ms. Norton, do you have any further questions?

Ms. NORTON. Just one question. And I must say, Mr. Chairman, I appreciate your initiative in calling this hearing in particular, so that we keep our eyes on both concerns here.

I am certain that the security concerns can be addressed because we addressed them coming into this Capitol. We address them coming into every office building. And there will be people coming back and forth, Homeland Security, Justice, every other office building. We do not build enclaves often that the public can't get into, but we do preserve our security.

My concern, though, is that there are not—that we do not have central planning on how that security is done. And all too often I have found that who is in charge of security is somebody who really has no expertise and can decide to close the whole building up or be more relaxed about it. And that is the agency head.

And that is what we have to get a hold of. This, indeed, is a secure facility. But if you try to go to the Department of Homeland Security when you are a tourist from Mr. Carney's district, he will not be able to get his—a child in there, to use a you-know-what. And there is something wrong with that being a high-security building when, in fact, you could get into the House of Representatives and the Senate to allow your child to use the laboratory.

One question only, and that is about the green features. Here we have an opportunity not to talk about how to do what the President is trying to do, and that is to weatherize and green up federal buildings, but how to do it from the beginning. What are the plans, green and energy conservation features for this building?

Mr. GUERIN. We have a series of actions we are taking, Congresswoman. The fact is, this is going to be a very green facility. GSA is in the forefront of green design, and we are very proud of that, sustainable energy and those kinds of things.

The Coast Guard headquarters is the only one that is on the boards now, so I will speak to that. We have green roofs, green walls. We have a controlled—as you can imagine, there is a lot of water that hits the site. We are controlling that in a very eco-friendly way.

We have—the buildings are designed to provide natural light. The building actually has, opposed to one large building, is a series of cascading smaller appearing buildings, which not only accommodates the concerns of the preservation community and the people interested in the site, but also provides natural light to everybody that is in the building.

So we have created a series of courtyards and green spaces there, as well, in order to accommodate that. Obviously, Congress has asked that we provide significant energy savings in all of our buildings, and we will achieve those savings in this building, as well.

Mr. CARNEY. Thank you. And thank you for joining us today, Ms. Norton.

Mr. Bathurst, Mr. Guerin, I thank you for your testimony today, showing up. This is going to be quite an iterative process, I believe. I know we have probably stirred as many questions as we answered. So in that spirit, we will probably get back to you. And when we do, please respond promptly in writing to those questions.

Thank you very much. The hearing stands adjourned.

[Whereupon, at 11:27 a.m., the subcommittee was adjourned.]

A P P E N D I X

QUESTIONS AND RESPONSES

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON
HOMELAND SECURITY

RESPONSES FROM DONALD BATHURST

Question 1.: The Final Master Plan indicates that the completed site will house a daycare, a cafeteria, a training facility, and other shared services space. **Please provide to the Committee your Acquisition Plan and Acquisition Strategies for these support services contracts.**

Response: The final decisions on the types of the shared service activities that will be contracted out have not been made. As the Department gets closer to the first occupancy currently planned for Fiscal Year (FY) 2013, we will work with the Department of Homeland Security (DHS) Procurement Office, the U. S. Coast Guard (USCG) and the U.S. General Services Administration (GSA) to validate the services required on the campus, the lead agency for acquiring the services and the appropriate strategies to employ if these services require contract support. Shared Services are scheduled to be delivered in each delivery phase of the project. The current schedule anticipates delivery in fiscal year 2013, fiscal year 2014 and fiscal year 2016

In general, we anticipate campus-wide support services such as the cafeteria, lawn, landscape and building maintenance will be administered by GSA as the landlord. Other services will be evaluated on a case by case basis to determine the appropriate procurement strategy and lead procurement agency.

The USCG currently operates a federal employee managed day care center that will be relocated to St. Elizabeths. In addition, the USCG operates a Coast Guard Exchange System (CGES) retail facility that will relocate to St. Elizabeths. The USCG also has a requirement for Dry Cleaners Drop-off/Pick-up activity and a Barber/Beauty shop for military personnel. The specific acquisition strategy for these services has not been determined.

As identified in the Master Plan and Prospectus requests, training and conference facilities are also planned but the Department has not determined the extent of contract support that may be required, if any.

DHS and GSA are working with the District of Columbia Government on their plans for the East Campus to determine the types of retail and support services that could be provided in conjunction with their redevelopment efforts. DHS' expectation is the East Campus will be developed in a manner that provides a variety of amenities that could support federal employees and the Ward 8 community.

The Department would be pleased to follow-up with the Committee, in coordination with GSA, on future plans as they are developed.

Question 2.: The \$3.4 billion that the DHS Consolidation is expected to cost is a large sum of money. Unfortunately, as we have seen with previous large scale procurements, DHS has not always had the necessary number of personnel to handle these projects in a timely and cost effective manner.

What steps have the Department taken to ensure that the number of personnel assigned to this project is adequate?

If you have identified personnel shortages or staffing issues, how will your office work with the DHS Chief Human Capital Officer to ensure the project is handled in a timely and cost effective manner?

Response: The Department has taken the initiative to ensure the necessary staff is available to adequately manage the overall Department of Homeland Security (DHS) Headquarters (HQ) Consolidation Program, including the St. Elizabeths (St. E's) development. The project is being lead by four experienced engineers, who col-

lectively bring over 110 years of facilities, construction, planning, and management expertise.

DHS developed an organizational structure for a program team that includes Architects, Engineers, Interior Space Planners, Real Estate Specialists/Move Coordinators, Environmental Specialists, Security Professionals and Administrative Support to effectively manage the project in coordination with the General Services Administration (GSA), which is the lead agency for the design and construction development. In addition to the DHS staff of 27 who will provide DHS oversight, GSA will actually lead the design and construction of St. E's. GSA's St. E's program management office currently has a staff of 25 people growing to approximately 95 after the construction is started.

The DHS project team will provide a central point of contact coordinating DHS tenant requirements, and working with the GSA team to stay on target, on schedule and on budget. In the Fiscal Year (FY) 2009 DHS appropriation, the Congress provided funding and the authority to hire 21 positions (11 Full Time Equivalents [FTE]) to staff the program office. The American Recovery and Reinvestment Act (ARRA) funded six DHS site security positions (three FTE) to monitor construction personnel and on-site activities for a total of 27 positions. Currently, DHS has hired or made offers to applicants for 24 of the positions. The remaining three are posted and will make selections before the end of April. We expect to have all of the staff dedicated to the DHS HQ Consolidation program on board before August 2009.

Both DHS and GSA are committed to executing this project in a fiscally responsible manner and have assigned dedicated program staff for full-time management of the overall DHS HQ Consolidation. The staff will institute controls/systems throughout the design and construction phases to effectively manage the scope, schedule, and budget. To prevent the project from undisciplined cost growth and schedule extensions confronting other high profile projects that had schedule delays and cost overruns, DHS and GSA intend to reduce risks and uncertainties and will focus on the design and construction process to deliver a high quality product within the schedule and budget.

Design Guidelines establish standardized office sizes, furniture, furnishings, equipment, and will maximize shared use amenities. Generic office plans will allow maximum flexibility for the occupancy so changes to the program will limit impact to the design and construction contracts. GSA plans to employ a Design-Build (D-B) Bridging delivery model for Phase 1 of the St. Elizabeths development that will facilitate fast tracking of design and construction for expedited delivery. The D-B Bridging model will improve design and construction coordination. The D-B contractor is brought onto the project team early in the design to provide pre-construction phase services such as constructability reviews, coordination of long lead items, construction cost estimating, and construction market analysis to reduce the likelihood of cost overruns when the design is complete. This delivery model fosters a better team environment and cooperation between all parties avoiding contract damages and claims.

The GSA/DHS team will also implement a Configuration Management (CM) process for the St. Elizabeths development. CM is a discipline that applies technical and administrative direction and surveillance over the lifecycle of the design and construction process to control changes, record and report information needed to manage the delivery process, track the status of proposed changes, and implementation status of approved changes. CM also audits configuration items to verify conformance to specifications, drawings, and other contractual requirements.

Question 3: You stated during your testimony that the Department's Chief Human Capital Officer reached out to the Washington, D.C. Ward 8 Business Council regarding future employment opportunities at the St. Elizabeths location.

When did this outreach occur?

Response: The outreach occurred during a joint Department of Homeland Security (DHS) and General Services Administration (GSA) meeting with the Ward 8 Business Council on February 2, 2009.

What recruitment efforts, if any, will the Chief Human Capital Officer or other Department officials, make outside of Ward 8?

Response: Although not St. Elizabeths specific, the DHS Chief Human Capital Office conducts a broad based corporate recruitment and outreach effort in the Washington—Baltimore metro area and across the country. The table attached identifies the 2009 Total Department Recruiting Plan, including events and locations. The events highlighted in red in the location column indicate two or more components will participate, thus meeting the requirements for Corporate (total Department) recruiting. In addition to the Total Department Plan, the U.S. Coast Guard

and U. S. Citizenship and Immigration Services conduct additional component specific events across the country and include the DC metro area.

QUESTIONS FROM THE HONORABLE CHRISTOPHER P. CARNEY, CHAIRMAN,
SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS, AND OVERSIGHT

Question 4: It is estimated that the St. Elizabeths West Campus development will cost approximately \$3.4 billion dollars. During your testimony you discussed the additional 8 to 9 other facilities that will be needed to house Department of Homeland Security (DHS) employees throughout the National Capital Region. **What is the estimated cost for the additional office space and has the General Services Administration (GSA) and DHS made any preliminary decisions regarding where the additional sites will be located?**

Response: The Department of Homeland Security (DHS) National Capital Region (NCR) Housing Master Plan was developed to provide the strategic vision for facilities that support a unified department, organizational structure, operations and culture. The plan outlines priorities of implementation and addresses the mission fragmentation caused by the Headquarters (HQ) elements being scattered throughout the NCR. While St. Elizabeths will accommodate the main Department and Component HQ mission execution functions, it does not have the capacity to accommodate all of the DHS mission support functions. As a result, the DHS NCR Housing Master Plan proposes to consolidate and realign the remaining functions, that are currently dispersed throughout the NCR in more than 40 locations, to enhance performance across the spectrum of operations, through improved communications, coordination and cooperation among all DHS Headquarters Components. In addition, since DHS will incur occupancy costs for leases regardless of the location, consolidation will reduce risk by replacing existing leases throughout the NCR as they expire with new occupancies that meet the ISC standards. Consolidating locations will foster a “one-DHS” culture, will optimize our prevention and response capabilities.

GSA used a national real estate broker to complete a study of DHS HQ real estate requirements and to develop a migration strategy for the DHS HQ consolidation. The study determined that keeping the current federal property housing DHS HQ elements is the best course of action because it results in a lower cost versus leasing. The strategy they developed will allow DHS HQ to go from more than 40 locations down to less than ten using St. Elizabeths as the center of gravity and keeping the federally owned locations at the Nebraska Avenue Complex (NAC), the U.S. Secret Service HQ and the space at the Ronald Reagan Building. DHS has two long-term leases that will also be retained—the TSA HQ in Arlington, VA and the ICE HQ in SE Washington, DC. One short-term lease for the Office of the Inspector General (OIG) at Vermont Avenue might be retained given the OIG’s requirement to be isolated from other HQ Elements. The consolidation strategy indicated one to three additional leases for approximately 1.2 million Rentable Square Feet (RSF) of office space is needed to replace the remaining fragmented leases as they expire and a prospectus is being submitted to Congress for authority to procure this space.

The 30 year net present value (NPV) difference between continuing the status quo versus following a comprehensive strategy that retains the federally owned space and has the least amount of short-term lease extensions is \$163 million (M) cost avoidance. DHS HQ is growing and is requesting space from GSA on a fragmented basis potentially increasing the number of locations to over 100 or more. Therefore, after the DHS HQ five year growth is determined and the leased space needs are better defined, GSA will submit a prospectus, as necessary, to Congress for leased space authority.

Question 5: It is estimated that DHS will be transferring approximately 14,000 employees to the St. Elizabeths location. During your testimony you stated that a study had been completed regarding the amount of new traffic, both pedestrian and vehicular, that will flow into the St. Elizabeths neighborhood as a result of the relocation. **According to that study, or any additional information you might have, what is the estimated number of employees that will be driving to work on the facility versus those that are expected to use public transportation; and how will DHS continue to lessen the impact of these increased traffic flow on the community?**

Response: Transportation is a critical consideration for the DHS Consolidated Headquarters and worked with the General Services Administration (GSA) to prepare a Transportation Management Program (TMP) as part of the overall St. Elizabeths Master Plan to address the challenges and opportunities in moving 14,000 employees to and from the campus every day without causing gridlock in the local community. A key component of the TMP is the establishment of Transportation Demand Management (TDM) strategies to achieve our goals to effectively move em-

ployees to and from the campus. With the planned phased occupancy of the campus, we will be able to monitor and evaluate the progress towards achieving the TDM goals and make adjustments as necessary to meet our employees' needs while minimizing the impacts on the local community and the transportation network. The table below is excerpted out of the TMP and provides a summary of our existing, projected and recommended goals to achieve the mode splits to effectively move employees to and from the campus.

Travel Mode	Existing *	Expected	Recommended Goal		
			West Campus **	East Campus ***	Overall Campus
Drive alone (SOV)	31%	36%	17%	17%	17%
Carpool with non DHS passengers (arriving-departing worksite *alone)	4%	3%	4%	4%	4%
Metrorail	30%	30%	35%	35%	35%
Carpool/Vanpool with DHS passengers	10%	10%	16%	16%	16%
Commuter Bus/Express Bus from location near home	4%	2%	4%	4%	4%
Commuter Rail (i.e. VRE/MARC)	7%	7%	7%	7%	7%
Metrobus from home to work	1%	1%	1%	1%	1%
Bicycle	1%	0%	0%	0%	0%
Drop-off	2%	1%	1%	1%	1%
Motorcycle	0%	0%	0%	0%	0%
Walk	1%	0%	0%	0%	0%
Work from home or AWS	3%	1%	5%	5%	5%
Don't know		7%			
Did not work today	1%		2%	2%	2%
Other (none of the other mode)	5%	2%			
Proposed Agency Telework Centers			4%	4%	4%
Proposed Agency Park-&-Ride Facilities (Agency Shuffles)			4%	4%	4%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
No employees / No. vehicles	2.62	2.19	3.87	4.00	3.90
Parking Ratio (1 parking space / number employees)	1: 2.62	1: 2.19	1: 3.87	1: 4.00	1: 3.90
AVO (Average Occupancy Rate of All Vehicles)	1.17	1.23	1.41	1.42	1.41
Average Occupancy Rate of Carpool/Vanpool Vehicles	2.94	2.93	3.06	3.06	3.06
Projected Employee Parking Requirement (No. of space)	5,347	6,390	2,819	775	3,594

* Existing scenario based on employee travel survey responses at current work location

* * Assuming 1,137 employees (24/7 shift) at 1:3 and 9,763 employees (regular hours) at 1:4 [both on the West Campus]

* * * Assuming 3,100 employees (regular hours) at 1:4 [on the East Campus]

The Department's plan provides a 1 to 4 parking ratio for all day working employees on the campus consistent with National Capital Planning Commission (NCP) guidance for this area. Our 24/7 operations will adopt a 1:3 ratio consistent with the District of Columbia Unified Communications Center on the East Campus and overall there will be approximately 3,594 employees parking spaces for the 14,000 employees to be housed at the campus. This equates to an overall 1:3.9 Parking Ratio. The majority of DHS employees (approximately 10,400) will be using public transportation or other means. The TMP outlines aggressive goals to reduce single occupancy vehicles and increase use of alternate modes such as car pools, express buses, alternate work schedules, telework, and metro ridership.

Shuttles will operate between the campus and the metro stations to facilitate metro use by employees. The DC Government is examining the feasibility of a new spur metro station on the East Campus near MLK as part of their redevelopment effort. We highly support this idea as it will make metro that much more convenient for our employees to use and reduce total travel time.

Lastly, The Master Plan also calls for a new access road between Firth Sterling and Malcolm X Avenue which will handle 70 percent of the employee traffic and minimize impacts to the surrounding community. The National Capital Planning Commission's January 2009 approval of the Master Plan for DHS consolidation at St. Elizabeths is contingent upon GSA's ability to construct the west access road connecting Firth Sterling Avenue, SE to the modified Malcolm X Avenue, SE/I-295 Interchange, through the Shepherd Parkway. Shepherd Parkway is currently under the jurisdiction of the National Park Service. GSA, the Federal Highway Administration, and the Department of the Interior are currently discussing the future availability of the Parkway as an access road for St. Elizabeths, but this issue has not yet been resolved.

Question 6.: The D.C. Unified Communications Center, which handles all District of Columbia emergency police and fire calls, houses the D.C. Emergency Management Agency and serves as the mayor's command center in the event of a natural or terrorist-related disaster, is currently located on St. Elizabeths East Campus.

Will the presence of this facility enhance DHS Communications operations?

Response: Yes, the D.C. Unified Communications Center is a very desirable adjacency that will enhance federal and local response coordination and integration.

Given the amount of power needed to support the present D.C. operations and the estimated DHS requirements, is there a risk of overloading the area's power supply?

Response: The U.S. General Services Administration (GSA) identified early in the Master Planning process for the St. Elizabeths Campus that the coordination of the campus power demands to support the Department of Homeland Security (DHS) operations and the capacity of the electrical grid are critical issues to be resolved with the development. GSA conducted studies and initiated an early dialogue with the electrical utilities in effort to gauge the potential impacts of our development, the East Campus development, and other planned improvements in the region, including Barry Farm Housing Redevelopment and the Poplar Point project. The Department continues to work closely with GSA on the overall infrastructure development to ensure our current and future requirements are addressed in the build-out.

GSA determined that the existing electrical grid does not perform well from a reliability perspective and although their budget for infrastructure development includes impact funding to the local utilities to expand capacity to meet the demand, we jointly agreed on the necessity to take an approach to mitigate the risks of overloading the transmission system. As a result, the full development of the St. Elizabeths Campus includes the provision of a Central Utility Plant with Cogeneration that will allow the campus to generate up to 25 percent of campus demand and provides energy efficiency with the reuse of waste heat from cogeneration for domestic hot water heating. The cogeneration plant is anticipated to come on line with the second phase of development (DHS Headquarters, Federal Emergency Management Agency and the National Operations Center) subject to future year budget requests and appropriations.

Question 7.: The Department has an Investment Review Process that is designed to promote sound capital asset decisions across the department. Based on the dollar

amount, the St. Elizabeth's consolidation should fall under the Investment Review Board's purview. **Have you, or your team worked with the Investment Review Board, to ensure that the management of this asset is closely monitored?**

Response: DHS is responsible for overseeing the St. Elizabeths consolidation project and has exercised this oversight via various mechanisms that will include the current Acquisition Review Board (ARB) process—the successor to DHS' Investment Review Board (IRB) process.

As the landlord for the United States Government, the U.S. General Services Administration (GSA) owns the St. Elizabeths property. GSA, as our agent, is responsible for developing the property as the location for consolidating the Department of Homeland Security (DHS) Headquarters. As this development completes, DHS will occupy the property as a rent paying tenant agency.

In addition to the ARB, the St. Elizabeths consolidation project was and continues to be briefed regularly to DHS Senior Leadership. Additionally, the program is reviewed monthly by the DHS Chief Administrative Officer's Council to ensure compliance with the DHS Asset Management Plan. In preparation for its Acquisition Review Board, the project will also be reviewed by the DHS Asset Review Board (DARB).

Question 8: How does the physical security of the St. Elizabeths site accommodate the high-level of security that will be needed to protect DHS employees and the information that will be contained on its premises and how will it comply with the standards set by the Interagency Security Committee and HSPD-7?

Response: Consistent with the requirements of Homeland Security Presidential Directive 7 (HSPD-7), Critical Infrastructure Identification, Prioritization, and Protection, the new Consolidated Department of Homeland Security (DHS) Headquarters Campus at St. Elizabeths will be considered critical infrastructure for essential governmental functions. Accordingly, the security measures to be deployed at St. Elizabeths will comply with the new physical security criteria of the Interagency Security Committee (ISC). The entire Headquarters site will be designated an ISC Facility Security Level V facility. This designation requires the highest level of protection for a high threat, highly symbolic U.S. Government facility.

Security measures will be deployed to secure the site perimeter, all entrances, all buildings, and critical areas within the site and within each building as necessary. Access to the campus and individual buildings by employees and authorized visitors will be controlled electronically and monitored. Access to restricted areas will have additional security measures. The security plan for the St. Elizabeths Campus includes the following:

- **Layered Security** to provide security in-depth beginning with the site perimeter with progressively more stringent security measures protecting the most sensitive and critical areas. These security measures will focus first on deterrence, then detection, and delay providing essential time to assess a security violation and initiate the appropriate response;
- **Vehicle Barriers and Setback** distances to protect critical assets;
- **Electronic access control** based on authorized identification cards/badges and, where necessary, dual identity requirements;
- **Employee and Visitor screening** as required particularly for sensitive/critical areas;
- **Video Monitoring** to secure entrances, critical areas, remote locations [perimeter barriers]; other associated measures to secure the facility and provide evidence of any security violations;
- **Security Officers and Law Enforcement** on site to control access, traffic, deliveries, and assist with VIP visits and to detain and arrest if necessary;
- **Chemical Biological, Radioactive, Nuclear, and Explosives (CBRNE) Detection and Response** plans and procedures; and
- **On-going Awareness Training** to ensure employees are continually aware of security requirements for protecting people, assets, and information.

An integral part of the facility design process will be coordination with the local community to develop an overall strategy to ensure the most cost-effective and efficient development of the facility, including security concerns. This process will integrate site development and security requirements with community concerns including future commercial growth and development in the surrounding community. In addition, physical security must be approved by the National Capital Planning Commission, which has also developed urban design and security guidelines for federal buildings in the national capital.

Consistent with ISC requirements, security requirements will be continually monitored and modified when appropriate based on periodic security assessments of the

entire campus and individual assets. This will ensure security measures are continually validated and tested based on current threat, vulnerability, and consequence information and intelligence.

Although the campus will be designated as an ISC Level 5 facility, DHS has committed to work with the community to allow periodic controlled access to certain areas of the campus such as the Point and the Auditorium for public meetings on a not to interfere basis with our operations and threat conditions. Our commitment to providing public access at St. Elizabeths is memorialized in the National Historic Preservation Act (NHPA) Section 106 Programmatic Agreement to which we are a signatory. Consulting parties to the National Historic Preservation Act Section 106 process are having ongoing consultation on whether to include the historic cemetery within the boundaries of the DHS headquarters or to exclude the cemetery from the security perimeter. The ongoing consultation is focused on balancing considerations of security, protecting the cemetery's historic integrity, and allowing public access.

Since its opening in 1855, St. Elizabeths has been in some form, a secure campus. Patients were treated here that could not function in the public domain and the historic wall along Martin Luther King Jr. Ave not only protected the patients privacy but also provided security to keep the patients from wandering off the campus.

The level of security and the threats we face today are not the same as those of the historic campus. While St. Elizabeths was not an "open" campus, it was one of the largest employers in the area and many local residents did work here and had access to the Point and other areas. The Department respects the historic connection of the campus to the community, which is why we have committed to provide periodic public access to certain areas of the campus.

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, HOUSE
COMMITTEE ON HOMELAND SECURITY:

RESPONSES FROM WILLIAM (BILL) GUERIN

Question 1: During your testimony you stated that several professional services contracts have already been awarded for both the design and construction for the Coast Guard Headquarters that present opportunities for small and minority business participation.

a. Please provide the Committee with a breakdown of all professional services contracts that have been utilized by GSA in the design-build and the construction management stages of the project, in addition to a listing of estimated professional services contracts that will also be utilized.

Response: A list of contracts that have been utilized by GSA in the design-build and the construction management stages of the project is provided in Attachment A. A list of contracts that will be utilized in the future is provided in Attachment B.

b. Please also provide a detailed breakdown of the small and minority business that have been the recipients of these opportunities and a listing of those opportunities that have not yet been awarded.

Response: See Attachment C.

You also mentioned during your testimony that 100% of the work had taken place thus far has been fulfilled by small and disadvantaged businesses. **Please provide the committee with a list of the small and disadvantaged businesses that have performed work on the site up to this point, the category each business falls in, and the type of work that they were contracted to complete.**

Response: The work completed by March 2009 at the site consists primarily of building stabilization and repairs. When GSA mentioned in testimony that "100% of work that had taken place thus far had been fulfilled by small and disadvantaged businesses", the agency was referring to the work performed by those small and disadvantaged businesses outlined in the table below. The bulk of the remaining work was done off site by consulting firms involved in the master planning process.

Firm Name	Types of Work	Amount
Nastos Construction	Security Improvements, Historic Repairs, Stabilization, Fire & Life Safety.	\$6,777,673
DESBUILD	Stabilization, Lighting Repairs	3,013,254

Firm Name	Types of Work	Amount
Monument Construction Corporation	Stabilization, Tree Care, Utility Studies.	2,246,107
CJW Contractors	Illumination of Street Lights	426,000
CLARO Communications	Historic Building Repair	583,457
Total	Renovations, Historic Building Repairs, Security Improvements	13,047,491

c. The testimony primarily focused on the West Campus as that is where the bulk of the Department will be located. **Are there plans, however, to also utilize buildings of the East Campus? If so, what are these plans?**

Response: The final master plan provides for 750,000 gsf plus parking of DHS program to be placed on the East Campus. There are no current plans to utilize existing buildings on the East Campus; DHS program will be satisfied in newly constructed facilities.

d. **How many patients are currently housed on the East Campus and what steps will be taken to secure the West Campus from East Campus activities; while still allowing for interaction and coordination between the two campuses?**

Response: According to information published by the DC Department of Mental Health, as of January 31, 2009, the Hospital was serving a total of 404 inpatients.¹

The development of the DHS facility at St Elizabeths will include secured DHS facilities on the East and West Campuses connected by a secure pathway so as to function as a single campus. This will allow employees to move freely within the secure campus perimeter without the need to go through security screening.

The West Campus DHS development will not include significant services, therefore federal employees will be encouraged, when not traversing the campuses solely for work, to leave secure program space and to take advantage of amenities the District has shown it will develop on the East Campus in its small area planning document.

QUESTIONS FROM THE HONORABLE CHRISTOPHER P. CARNEY, CHAIRMAN,
SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS AND OVERSIGHT

Question 1: During your testimony, you mentioned the award for the Coast Guard Headquarters contract was composed based on merit of the design and not strictly based on price. **Please provide to the committee the number of proposals received and the basis for the final design that was chosen.**

Response: There were 35 firms included in the procurement. The firm selected for the U.S. Coast Guard design was procured using the regulations outlined in the Brooks Act and contained in 48 CFR § 36, et seq. Brooks Act procurements allow for the Government to select firms based on professional qualifications and then to negotiate price.

Question 2. It is estimated that the St. Elizabeths West Campus development will cost approximately \$3.4 billion dollars. During your testimony you discussed the additional 8 to 9 other facilities that will be needed to house Department of Homeland Security (DHS) throughout the National Capital Region. **What is the estimated cost for the additional office space and has the General Services Administration (GSA) and DHS made any preliminary decisions regarding where the additional sites will be located?**

Response: The Department of Homeland Security (DHS) National Capital Region (NCR) Housing Master Plan was developed to provide the strategic vision for facilities that support a unified department, organizational structure, operations and culture. The plan outlines priorities of implementation and addresses the mission fragmentation caused by the Headquarters (HQ) elements being scattered throughout the NCR. While St. Elizabeths will accommodate the main Department and Component HQ mission execution functions, it does not have the capacity to accommodate all of the DHS mission support functions. As a result, the DHS NCR Housing Mas-

¹ <http://dmh.dc.gov/dmh/frames.asp?doc=/dmh/lib/dmh/pdf/sehmonthlytrendanalysisDecember2008.pdf>, 4/21/09

ter Plan proposes to consolidate and realign the remaining functions that are currently dispersed in more than 40 locations.

GSA used a national real estate broker to complete a study of DHS HQ real estate requirements and to develop a migration strategy for the DHS HQ consolidation. The study determined that keeping the current federal property housing DHS HQ elements is the best course of action because it results in a lower cost versus leasing. The strategy developed will allow DHS HQ to go from more than 40 locations down to 8 using St. Elizabeths as the agency headquarters and keeping the federally owned locations at the Nebraska Avenue Complex (NAC), the U. S. Secret Service HQ and the space at the Ronald Reagan Building. DHS has two long term leases that will also be retained—the TSA HQ in Arlington, VA and the ICE HQ in SE Washington, DC. One short term lease for the Office of the Inspector General (OIG) at Vermont Avenue might be retained given the OIG's requirement to be isolated from other HQ Elements. The consolidation strategy indicated one additional lease for approximately 1.2M Rentable Square Feet (RSF) of office space is needed to replace the remaining fragmented leases and a prospectus is being submitted to Congress for authority to procure this space within Metro proximity of St. Elizabeths.

Question 3: It is estimated that DHS will be transferring approximately 14,000 employees to the St. Elizabeths location. During your testimony you stated that a study had been completed regarding the amount of new traffic, both pedestrian and vehicular, that will flow into the St. Elizabeths neighborhood as a result of the relocation. **According to that study, or any additional information you might have, what is the estimated number of employees that will be driving to work on the facility versus those that are expected to use public transportation; and how will DHS continue to lessen the impact of this increased traffic flow on the community?**

Response: Transportation is a critical consideration for the DHS Consolidated Headquarters and we worked with DHS to prepare a Transportation Management Program (TMP) as part of the overall St. Elizabeths Master Plan to address the challenges and opportunities in moving 14,000 employees to and from the campus every day without causing gridlock in the local community. A key component of the TMP is the establishment of Transportation Demand Management (TDM) strategies to achieve our goals to effectively move our employees to and from the campus. With our planned phased occupancy of the campus we will be able to monitor and evaluate the progress towards achieving the TDM goals and make adjustments as necessary to meet our employees' needs while minimizing the impacts on the local community and the transportation network. The table below is excerpted out of the TMP and provides a summary of our existing, projected and recommended goals to achieve the mode splits to effectively move employees to and from the campus.

Travel Mode	Existing *	Expected	Recommended Goal		
			West Campus **	East Campus ***	Overall Campus
Drive alone (SOV)	31%	36%	17%	17%	17%
Carpool with non DHS passengers (arriving-departing worksite *alone)	4%	3%	4%	4%	4%
Metrorail	30%	30%	35%	35%	35%
Carpool/Vanpool with DHS passengers	10%	10%	16%	16%	16%
Commuter Bus/Express Bus from location near home	4%	2%	4%	4%	4%
Commuter Rail (i.e. VRE/MARC)	7%	7%	7%	7%	7%
Metrobus from home to work	1%	1%	1%	1%	1%
Bicycle	1%	0%	0%	0%	0%
Drop-off	2%	1%	1%	1%	1%
Motorcycle	0%	0%	0%	0%	0%

Travel Mode	Existing *	Expected	Recommended Goal		
			West Campus **	East Campus ***	Overall Campus
Walk	1%	0%	0%	0%	0%
Work from home or AWS	3%	1%	5%	5%	5%
Don't know		7%			
Did not work today	1%		2%	2%	2%
Other (none of the other mode)	5%	2%			
Proposed Agency Telework Centers			4%	4%	4%
Proposed Agency Park-&-Ride Facilities (Agency Shuffles)			4%	4%	4%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
No employees / No. vehicles	2.62	2.19	3.87	4.00	3.90
Parking Ratio (1 parking space / number employees)	1: 2.62	1: 2.19	1: 3.87	1: 4.00	1: 3.90
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Average Occupancy Rate of Carpool/Vanpool Vehicles	2.94	2.93	3.06	3.06	3.06
Projected Employee Parking Requirement (No. of space)	5,347	6,390	2,819	775	3,594

* Existing scenario based on employee travel survey responses at current work location

** Assuming 1,137 employees (24/7 shift) at 1:3 and 9,763 employees (regular hours) at 1:4 [both on the West Campus]

*** Assuming 3,100 employees (regular hours) at 1:4 [on the East Campus]

Our plan provides a 1 to 4 parking ratio for all day working employees on the campus consistent with National Capital Planning Commission guidance for this area. For the 24/7 operations of the District of Columbia Unified Communications Center on the East Campus, there will be a 1:3 ratio. Overall we will have about 3594 employee parking spaces for the 14,000 employees to be housed at the campus. This equates to an overall 1:3.9 Parking Ratio. The vast majority of our employees (approximately 10,400) will be using public transportation or other alternate means of transportation. The TMP outlines aggressive goals to reduce single occupancy vehicles and increase use of alternate modes such as car pools, express buses, alternate work schedules, telework, and metro ridership.

DHS will also operate shuttles between the campus and the Metro stations to facilitate use by our employees. The DC Government is examining the feasibility of a new spur Metro station on the East Campus near MLK as part of their redevelopment effort. We strongly support this idea as it will make Metro that much more convenient for our employees to use and reduce total travel time.

Lastly, the Master Plan also calls for a new access road which will handle 70% of the employee traffic and minimize impacts to the surrounding community. The National Capital Planning Commission's January 2009 approval of the Master Plan for DHS consolidation at St. Elizabeths is contingent upon GSA's ability to construct this access road, which will connect Firth Sterling Avenue, SE to the modified Malcolm X Avenue, SE/I-295 Interchange, through the Shepherd Parkway. Shepherd Parkway is currently under the jurisdiction of the National Park Service. GSA, the Federal Highway Administration, and the Department of the Interior are currently discussing the future availability of the Parkway as an access road for St. Elizabeths, but this issue has not yet been resolved.

ATTACHMENT A
BA 51 CONTRACT SUMMARY OF ST. ELIZABETHS

Company Name	Description	8(A) Y/N	Contract Status
AEC Info Sys— (PJ7N02916)	BIM Roadmap for St. Elizabeths	Y	Open
Bishop Environmental— (PJ8N01360)	Hazardous Waste Analysis and Disposal	Y	Closed
Cetrom—(PN6NA3670)	Cultural Landscape	Y	Closed
Chicora—(PJ7N00709)	Civil War Cemetery Study	N	Closed
CJW Contractors, Inc.— (PN8N01638)	Light Repairs	Y	Open
Claro Communications Group—(PJ7N01619)	Security Cameras	Y	Closed
Claro Communications Group—(PN7N02117)	Renovation of Bldg #40	Y	Closed
Claro Communications Group—(PN7N03477)	Repairs to Hitchcock Bldg	Y	Closed
Des Build— (PN6NA3027)	Site Lights	Y	Closed
Des Build— (PN5N02354)	Perimeter Fencing	Y	Open
ERT—(PJ6NA3012)	Ground Penetrating Radar	Y	Open
Farewell Mills Gatsch— (PJ8N01637)	WPC—Cultural Landscape Study	N	Open
Farewell Mills Gatsch— (PJ5N00364)	Basement Study	N	Open
Geoconcepts— (PJ9N01280)	Soil Boring	Y	Open
Greenhorne & O'Mara— (PJ6NA3347)	Soil Remediation—Dixon Study	N	Open
Ivory, William P. (PJ5N02724)	Building Stabilization	Y	Open
JLL—Feasibility Study— (PJ5N01109)	Master Planning	N	Open
Monument Construction Co.—(PJ6NA3009)	Enhanced Resource Conservation Study	Y	Closed
Monument Construction Co.—(PJ6NA3010)	Campus Water Supply Study	Y	Open
Monument Construction Co.—(PJ6NA3011)	Dining Hall & Kitchen Rehab Study	Y	Open
Monument Construction Co.—(PJ6NA3023)	Center Building Study	Y	Open

ATTACHMENT A—Continued
BA 51 CONTRACT SUMMARY OF ST. ELIZABETHS

Company Name	Description	8(A) Y/N	Contract Status
Monument Construction Co.—(PN6NA3605)	Utilities Study	Y	Closed
Monument Construction Co.—(PJ7N01313)	PDS for NOC	Y	Open
Monument Construction Co.—(PJ7N01314)	PDS for DHS	Y	Open
Monument Construction Co.—(PN8N01361)	Historic Tree Care	Y	Open
Nastos Construction—(PN6NA2239)	Building Stabilization	Y	Open
Nastos Construction—(PN6NA2554)	Wall Repair	Y	Closed
Nastos Construction—(PN6NA3607)	Fire Line	Y	Closed
Nastos Construction—(PN8N0102)	Wall Repair	Y	Open
Onuma and Associates—(PJ8N01241)	WPC Rapid Programming for NOC	Y	Open
Perkins + Will—(PJ6NA2036)	USCG Design	N	Open
Perkins + Will—(PJ6NA2036)	USCG Design	N	Open
Procon Consulting—(PJ6NA2778)	CQM Services	Y	Open
Procon Consulting—(PJ8N03047)	Project Support Services	Y	Open
Sempra Energy Solutions—(PJ7N00399)	Primary Electrical Service and Grid Interconnection Study	N	Open
Sempra Energy Solutions—(PJ7N00401)	Campus Heating and Cooling Requirements Study	N	Open
Singhal Company—(PJ6NA3022)	IT Infrastructure Study	Y	Open
Washington Business Group—(PJ7N00528)	Program Management + Coordination	Y	Closed
Washington Business Group—(PJ7N02339)	Master Plan Facilitator	Y	Open
MISCELLANEOUS Purchase Orders	Design Charrette/Community Outreach	N	Open
Competitive 8(a) Award	Warehouse/Annex HAZMAT Abatement & Demolition	Y	Pending

ATTACHMENT B

UPCOMING PROJECT LIST	
1	Construction Management Opportunity.
2	Historic Preservation Program Manager.
3	Historic Preservation Project Manager.
4	CQM Infrastructure.
5	Program Support Services.
6	East Campus Master Plan.
7	Phase 2 & 3 (Center Building/Admin Building Design) Subconsultants for ZGF design firm.
8	Phase 3 (Pavillion Site Design) Subconsultants for Goody Clancy design firm.
9	Cemetery Preservation Phase 1.
10	Soil Borings for Phase 2 & 3 on West Campus; Soil Borings for Shepherd Parkway Malcolm X to Firth Sterling; MLK East Side for Road Widening; East Campus DHS Site.
11	Firth Sterling Surveying.
12	Firth Sterling Intersection Concept.
13	Shepherd Parkway Archeological Study.
14	Concepts/Design MLK widening.
15	Demolition of Incinerator & Containment Area from Oil Storage Tanks.
16	"L" Building Cleanup—Contaminant removal, painting, carpet, heat, power, water.
17	Security Field Admin Office Cleanup (Contaminant Removal, painting, heat, power, water).
18	Admin Building Cleanup for tours.
19	Center Building Basement Contaminant Removal.
20	Ground Penetrating Radar Completion.
21	Existing Historic Database -Update & Connect to a Network.
22	Public Website.
23	Pump House Repair.
24	Contaminant Removal for all Existing Buildings on Site.
25	Oral Histories.
26	Transcriptionist for Consulting Party Meetings (4 years).
27	Facilitator for meetings.
28	USCG Design Build Package - Subcontract requirement included in RFP.

Any construction awards greater than \$1,000,000 and A&E awards greater than \$550,000 to a large business require submission of a small business sub-contracting plan.

