

Statement of Michael Kaiser
President, The John F. Kennedy Center for the Performing Arts
Washington, DC 20566 (202) 416-8721
Before the House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings
and Emergency Management
March 6, 2008

Good morning, my name is Michael Kaiser and I have the honor of serving as the President of the John F. Kennedy Center for the Performing Arts.

For the benefit of all subcommittee members, I would like to take a minute to describe briefly the breadth of the Center's activities. The Kennedy Center is unique in that it serves the dual purpose of being the national cultural center *and* the memorial to President John F. Kennedy. Each year, the Kennedy Center reaches over two million people with more than 2,000 performances in all performing arts disciplines. Every season, our focus is on developing programming that achieves national and international acclaim as is befitting our role as the national cultural center.

The Center is committed to making arts accessible to everyone and presents free performances every day of the year on its Millennium Stage. These performances are available free to every American via live Internet broadcasts. The Kennedy Center is also committed to arts education and has created one of the most extensive arts education programs in the world spending \$125 million over five years on this effort and serving 11 million people nationwide.

The Center's extensive programming is supported by a mix of private contributions, government grants, and earned income from ticket sales, parking fees and food service. As a presidential memorial, however, the Center receives an annual federal appropriation of approximately \$35 million for the operation, maintenance, and capital repair of the building, consisting of 1.5 million square feet of useable floor space on 17 acres of land.

We appreciate the committee's interest in the promotion of small businesses and I hereby provide you with an overview of the Center's efforts to promote the use of small, minority and disadvantaged businesses in its contracting processes. In Fiscal Year 2007, the Center received direct federal funding of \$17.5 million for the operations and maintenance of the presidential monument and \$12.8 million for capital repair. While our contracting activities are quite small in comparison to the agencies appearing with me this morning, the Center is committed to awarding a fair portion of its Government purchases to small, minority and disadvantaged business enterprises.

The Center continually looks for opportunities to offer contracts to small businesses. Given the Center's relatively small budget, the opportunities for such awards are limited; however, each contracting action is evaluated as to its suitability for a small,

minority and disadvantaged business opportunity. In general, the Center's Chief of Contracting serves as our small business advocate; in addition, project managers and other Contracting Officer's Representatives are also advocates for this program due to our track record of successful work with small businesses.

Many basic services and minor repair contracts are awarded to small, minority and disadvantaged firms. These operations and maintenance contracts range in size from around \$2,000 for power lift repair services, to just under \$2 million for housekeeping services. On an ongoing basis, the Center utilizes small businesses for services as varied as fire extinguisher maintenance, elevator inspections, door repair, asbestos abatement, chiller and other equipment inspection, repair and maintenance, pest control, moving services and brass and bronze maintenance. Additionally, supplies such as carpet and flooring, lighting fixtures, safety shoes, uniforms and condenser pumps are regularly purchased from small businesses.

For construction projects, from capital projects to major maintenance, the Center utilizes small businesses for both consulting and contracted services. In the realm of professional services, the Center has contracted with small businesses for architectural and engineering services, cost estimating, and construction scheduling review.

For general construction work, the Center has awarded a number of mid-sized contracts to small businesses. These have included the recently completed Roof Terrace Doors replacement project and the Motor Lobby Life Safety Upgrades project. Both of these projects were successfully completed within budget and on schedule. Most recently, the Center awarded its Roof Terrace Life Safety project to a small business. This contract award was just under \$3 million. In fact, in August 2005, the Center established a prequalified bidders list that includes six small businesses for general construction services. The Center solicited proposals exclusively from small businesses to form this list.

Beyond this arrangement, which typically provides a contracting vehicle for mid-size projects that are often over a million dollars, the Center also has established open contracts with small disadvantaged general contracting businesses participating in the 8(a) program. These contracts are utilized for minor repair and significant maintenance projects that typically cost less than \$250,000. The Center has worked with 8(a) firms for many years, and currently has four 8(a) firms under Indefinite Delivery Indefinite Quantity contracts, with one set to graduate from the program after working with the Center for their entire 8-year tenure in the 8(a) program.

The Center has achieved success in working within the 8(a) program by actively pursuing opportunities to promote the use of small, minority and disadvantaged businesses, including annual meetings with a marketing firm representing 8(a) firms. This allows us to remain current on the breadth of companies participating in the program and their capabilities.

Based on the size and scope of the contract to be awarded, the contracting office will avail itself of the option to go directly to the Small Business Administration for a set aside or may limit competition to only small, minority and disadvantaged businesses. This method proved successful in the award of our housekeeping contract, which is in the third year of a four-year contract.

While not every contract can be awarded utilizing these small business vehicles, many of the capital projects outlined in the Center's five-year comprehensive building plan will be of a size and complexity that will fit with the services we obtain through our small business relationships. In fact, with the majority of our large construction projects completed and the focus of the Center's capital plan shifting to relatively smaller infrastructure projects, the Center expects to be able to further award contracts to small businesses in the future.

In summary, our experiences with small, minority and disadvantaged businesses have proven to deliver a successful outcome in a variety of areas, including services, supplies, consulting, and construction. As a result, we are proactive in seeking out opportunities for the appropriate award of small business contracts.

We appreciate the subcommittee's interest in this program and for including the Kennedy Center in this discussion this morning. Thank you.