



U.S. House of Representatives
Committee on Transportation and Infrastructure

Washington, DC 20515

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June 4, 2008

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SUMMARY OF SUBJECT MATTER

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

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

SUBJECT: Hearing on "Making the GSA Lease and Construction Process Efficient, Transparent, and User-friendly"

PURPOSE OF HEARING

The Subcommittee will meet on Friday, June 6, 2008, at 10:00 a.m., in 2167 Rayburn House Office Building to receive testimony on "Making the GSA Lease and Construction Process Efficient, Transparent, and User-friendly." The witnesses will provide testimony on the intersection of the General Services Administration (GSA) and the private sector in procuring space for the Federal Government by construction or leasing, and suggestions for making the procurement process more efficient.

BACKGROUND

The Subcommittee on Economic Development, Public Buildings, and Emergency Management has jurisdiction over the General Service Administration's real property activity through the Federal Property and Administrative Services Act of 1949, the Public Buildings Act of 1959, and the Cooperative Use Act of 1976. These three Acts are now codified as Title 40 of the United States Code. Within GSA, the Public Buildings Service (PBS) is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal Government. Additionally, PBS leases privately owned space for Federal use. PBS, with a work force of approximately 6,000 employees, owns, operates, maintains, and repairs existing Federal buildings, and plans for the construction of new Federal buildings, including courthouses.

GSA owns over 1,600 Federal buildings totaling 175.5 million square feet of space, which provide office space for 640,000 Federal workers. GSA also leases approximately 176.3 million square feet of space in over 7,100 buildings and houses approximately 700,000 federal employees. In 2007 the functional replacement value of GSA owned buildings was \$41.7 billion. The agency also provides space in federal buildings for child-care and telecommuting. The inventory ranges from 2,500 square foot border crossing stations along the U.S.-Canadian border, to million square foot courthouses located in major metropolitan areas.

The Public Buildings Act of 1959 requires that GSA projects for construction, repair, alteration, and alteration in leased or owned space above prospectus level be submitted to Congress for approval. In fiscal year 2009, GSA prospectus level for construction, repairs, alterations, and leases is \$2,600,000 and the prospectus level for alterations in lease space is \$1,330,000. The Public Buildings Act of 1959 prospectus level projects are required to be submitted to the House Committee on Transportation and Infrastructure and the Senate Environment and Public Works Committee for approval. In fiscal year 2009, GSA submitted six construction prospectuses and three leases while in fiscal year 2008, the Committee on Transportation and Infrastructure approved fifteen leases and two alterations in leased space by resolution.

Once the Committee approves a prospectus with a resolution authorizing appropriations, GSA has the authority to issue a solicitation for a lease and a request for proposals for a construction, repair, or alteration project. The private sector responds to these solicitations in a full and open bid competition. GSA evaluates the proposals, ensures the submissions meet various federal requirements, and makes a best value award based on a combination of price and quality factors.

The purpose of the hearing is to examine the construction and leasing procurement process and how GSA can promote greater savings throughout the process by working collaboratively with the private sector in reducing costs and/or eliminating costly provisions in the process.

WITNESSES

Panel 1

Mr. David Winstead
Public Buildings Service Commission
General Services Administration

Panel 2

Mr. Art Turowski
Senior Leasing official
Jones Lang LaSalle

Ms. Gail Seekins
Senior Property Manager
Akridge Company
Member of the Building Owners and Managers Association (BOMA) International

Mr. Ken Grunley
President
Grunley Construction