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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2008

FRIDAY, MARCH 2, 2007

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Mary L. Landrieu (chairman) presiding.

Present: Senators Landrieu and Allard.

ARCHITECT OF THE CAPITOL

STATEMENT OF STEPHEN AYERS, ACTING ARCHITECT OF THE CAPITOL

OPENING STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Good morning. Thank you all for attending this morning's hearing. I'm pleased to be chairing my first Legislative Branch Subcommittee meeting and happy to have the good support of the staff behind me to prepare for the meeting and to, hopefully, get us off on the right foot.

I look forward to working with Senator Allard, who will be here in just a minute. As you all know, we had two votes this morning, which is why the meeting had to be delayed.

We meet today to take testimony on the fiscal year 2008 budget request for the Architect of the Capitol (AOC). I want to welcome Stephen Ayers, Acting Architect of the Capitol.

Mr. AYERS. Good morning.

Senator LANDRIEU. Thank you for the great tour that you provided for me, my staff and members of my family last week at the new visitor center, which is still under construction. As we all know, there are many decisions still pending on this project but it is really a magnificent space.

CAPITOL VISITOR CENTER TOUR

I appreciate your commitment to this organization and wish you good luck in this endeavor, as the members of the selection commission search for a candidate to serve as the next Architect of the Capitol.

I want to start again by also thanking Tom Fontana and Shalley Kim of your staff for joining us on that tour. It was my first time down to the visitor center and I must say, I was more than impressed. I had heard a lot of wonderful things about the project and

some critical things, of course, but I for one was not prepared for the grandeur and magnificence of the center. I think it will be an excellent addition to this historical Capitol Building, a symbol of democracy and an expression of the importance that we put on the work of the people, which is what this Capitol is about, not just for those of us that work here every day, but this Capitol expresses both in its architecture and in the work that goes on in this Capitol and its surrounding buildings, the great aspirations of the greatest democracy in the world.

I'm looking forward to sharing this building with my other colleagues. I have no doubt that once this facility opens, it will be a tremendous source of pride to all who visit here and will increase the numbers of people who visit here and more importantly than the numbers, the quality of the visits of the people, both adults and children, who tromp through this Capitol regularly in all 12 months.

BUDGET INCREASES AND PROJECT DELAYS

The Architect's budget request is $482 million, an increase of $82 million or 20 percent. There are a number of rather large items in your request, such as an additional $20 million for the visitor center, $25 million for repairs of the utility tunnels, and $87 million for various repairs to the Senate Office Building.

When you testified last month, you announced that the schedule had slipped again so I hope you will let this subcommittee know how this might affect, either positively or negatively, your budget submission.

Finally, before you begin your statement, I want to thank your entire staff for their hard work in maintaining the Capitol complex on a daily basis. It's a job larger than most people understand and I particularly want to thank Marvin Simpson of your staff for the assistance he has provided to me over many years since I came to Capitol Hill. He and the others on your staff are true professionals and I really appreciate their help.

When Senator Allard gets here, I will ask him for his opening statement but why don't you go ahead and proceed, Stephen.

OPENING STATEMENT OF STEPHEN AYERS

Mr. AYERS. Thank you, Madame Chairman and thank you for this opportunity to testify today regarding our fiscal year 2008 budget request.

Since 1793, the AOC has been responsible for construction, maintenance, and preservation of the Capitol Building and the growing and evolving Capitol complex. The AOC has evolved as well. We have become more strategic in our thinking, more transparent in our processes, and more accountable to our clients.

PERFORMANCE MANAGEMENT

As you know, I recently assumed the duties of Acting Architect of the Capitol following the retirement of Alan Hantman. I've been working closely with the AOC team to ensure a smooth transition over the past few months. We have a new senior leadership team in place, made up of experienced, senior-level managers. We also

have a number of new tools at our disposal to help set goals, manage projects, and plan for the long-term needs of the Capitol complex.

Our most important tool is our strategic plan. In January, we launched our strategic plan for fiscal years 2007 through 2011, a performance-based plan, which will help us continually enhance the effectiveness in carrying out our mission.

As a result of these tools, we've had a number of successes in recent years. For example, we recently closed out 67 percent of the Government Accountability Office's (GAO) general management recommendations. We've improved our cost accounting procedures and internal controls and we received our third annual clean financial audit opinion from an independent auditing firm.

Last year, we reduced energy consumption by nearly 6 percent over the 2003 baseline, representing a 3.8-percent increase over our goal. Most importantly, we've improved our delivery of services to our clients, as demonstrated by our annual building services customer satisfaction survey. Since our 2002 baseline survey was conducted, we've steadily received high marks from our clients in areas such as maintenance, services provided by our AOC shops, and overall responsiveness.

ANNUAL OPERATING BUDGET REQUEST

Madam Chairman, we've developed this budget through a deliberate planning process. We've reviewed many operating and capital project requests and made some difficult choices in our effort to be good stewards of the Capitol complex and to practice fiscal responsibility.

Our 2008 annual operating budget request for $341 million is in support of our ongoing efforts to be more strategic and accountable, as well as other necessary support programs including implementation of an emergency preparedness program, purchasing utilities, procuring, operating and maintaining relevant information technology systems to support them, continuing to provide advanced training opportunities for our employees, and anticipating the operating costs of the Capitol Visitor Center (CVC).

The second component of our budget for fiscal year 2008 is $131 million for capital projects. Chief among our responsibilities is maintaining, preserving, and upgrading the national treasures entrusted to our care. These include the facilities, grounds, artwork, and other assets, determining which work is done first and where our limited resources are best used involves a deliberate and multiyear planning approach.

A vital tool we rely on during this process is our facility condition assessments. They help us prioritize our projects based on an objective set of criteria that allow us to evaluate the relative merits of each of these projects. Once a condition assessment is complete, this information is rolled into a 5-year capital improvement plan. This plan is used to evaluate projects based on a set of pre-established criteria, including fire and life safety, code compliance, historic preservation, economics, life cycle cost considerations, physical security, and energy efficiency.

These projects are further evaluated based on the condition of the facilities and their components and the urgency in correcting the identified deficiencies.

CAPITOL COMPLEX MASTER PLAN

Looking further down the road, we're also developing a Capitol complex master plan, which requires executing necessary deferred maintenance and renewal work to keep existing facilities functioning while planning for major building renewals in the future. The master plan and individual jurisdiction plans seek to address these growing problems through a flexible investment strategy incorporating re-investment and new construction.

Key capital projects in our 2008 request include utility tunnel repairs, a Dirksen infrastructure project, and smoke detector upgrades in the John Adams Building. In addition to these new capital projects, we are committed to completing some long-term projects, specifically the Capitol Visitor Center and the utility tunnel repairs.

Madam Chairman, we appreciate the interest you've taken in the CVC project and we appreciate your participation on the tour we conducted last week. Our 2008 request includes $20 million for the CVC to cover potential sequence 2 to delay costs, CVC administration costs, construction management fees, and potential change order funding. The latest billing statements show that we are now 91 percent complete and major construction activities will begin to wind down in the next few months. The tasks left to do largely involve aesthetics and functionality of the space.

SCHEDULE ADJUSTMENTS

Although we are continuing to make progress, the contractor continues to miss milestones developed by the contractor to prioritize the work needing to be done. The fact that a significant number of milestones were missed, in my mind, indicates that the overall schedule is not realistic, given the risks and uncertainties associated with the integration of fire and security systems and the building systems in general. The project team has been working aggressively to mitigate risks but it would be prudent to factor these risks and contingencies into the schedule.

Specifically, these risks include commissioning of building systems and the overall acceptance and testing of the fire and life safety systems. After carefully evaluating past contractor performance schedules and the nature of the issues that remain, I have directed the project team to evaluate these potential risks into the current schedule to determine an adjusted completion date, since these risks are not in the current schedule.

When we finish that assessment, we will notify the subcommittee as to our conclusions and recommendations. At this time, due to these outstanding factors, in my opinion, a certificate of occupancy for the Capitol Visitor Center will likely occur in the spring of 2008.

CAPITOL VISITOR CENTER OPERATIONS

Madam Chairman, at this time, I would like to briefly update you and the subcommittee on the CVC construction progress made over the last few months. Finishes are now being put in place in both the visitor center and House and Senate expansion spaces. In the great hall, all of the floor and wall stone is complete. Masons are finishing their last remaining stonework on the water features at the base of the two grand staircases. In the two orientation theatres, carpet and chair installation is complete. Workers are now completing the detailing on the millwork and fabric wall panels.

EXHIBITION HALL

Work continues in the exhibition hall as workers continue to install glass floor panels around the wall of aspirations. All four escalator units have been set in place in the east front transition zone. With the escalators now in place, masons have resumed floor stone installation in the upper level lobby.

EAST FRONT ROTUNDA LEVEL

At the Rotunda level of the east front, in the past week, the contractor has tasked five crews with setting sandstone blocks to the interior walls. These teams are now setting 80 stones per day, exceeding our daily goal of 70 stones per day on the east front.

Outside, all of the stone is complete along the curving walls, along the main entrance ramps and the foundations for light poles are now being installed. As the weather gets warmer, landscaping activities will begin in earnest, to include the planting of 53 new trees.

CAPITOL VISITOR CENTER MANAGEMENT TEAM

In conclusion, Madam Chairman, the AOC has a rich history since the cornerstone of the Capitol was laid in 1793. We have become more strategic, transparent, and accountable. We've developed our 2008 budget request through a deliberate planning process. We've reviewed our priority list and made some difficult choices to be good stewards. We've accomplished much and experienced numerous successes in the last year, and these achievements are directly attributed to the dedicated, professional individuals that make up the AOC team.

PREPARED STATEMENT

In my role as Acting Architect, I'm honored and privileged to work along side them. Because of their efforts and commitment to excellence, we will continue to provide exceptional service to the Congress and the visiting public. We greatly appreciate the subcommittee's support and will continually work to achieve our goals to transform the agency to be more strategic and accountable.

That concludes my statement. I'm happy to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF STEPHEN T. AYERS

Madam Chairman, Senator Allard, and members of the subcommittee, thank you for this opportunity to testify today regarding the fiscal year 2008 budget request for the Office of the Architect of the Capitol (AOC).

Since 1793, the Office of the Architect of the Capitol has been responsible for the construction, maintenance, and preservation of the Capitol Building and the growing and evolving Capitol complex. The AOC has grown and evolved as well, particularly over the past several years. We have become more strategic in our thinking, more transparent in our processes, and more accountable to our clients.

As you know, I recently assumed the duties of Acting Architect of the Capitol following the retirement of Alan Hantman on February 4. I have been working closely with Mr. Hantman and the rest of the AOC team to ensure a smooth transition over the past few months.

In addition to my taking on the role of Acting Architect, we have a new senior leadership team in place made up of experienced, senior-level managers with diverse skill sets, including the Chief Administrative Officer; Chief Financial Officer; Director of Congressional and External Relations; the Director of Planning and Project Management; and several others. They have brought new ideas and practices to the table and are committed to the continued transformation of the agency. In addition to these new ideas, we have a number of new tools at our disposal to use to help set goals, manage projects, and plan for the long-term needs of the Capitol complex and our clients.

Our first and most important tool is our Strategic and Performance Plan. In 2003, we implemented our first Strategic Plan to become more strategic, transparent, and accountable. It was the blueprint we used in our efforts to deliver exceptional services to Congress and the visiting public. Throughout 2006, as one of my responsibilities as chief operating officer, our team worked to revise our Strategic Plan to reflect our priorities and goals for the next 5 years. In January, we launched our second, updated Strategic Plan for fiscal years 2007–2011—a performance-based plan—which will help us to continually enhance our effectiveness in carrying out our mission. By setting goals, objectives, and measurable milestones we can better focus our efforts, set priorities, allocate resources, and facilitate decisionmaking throughout our organization.

As a result of these new tools and processes, we have achieved a number of successes over the past year. For example, we recently closed out 67 percent of the Government Accountability Office's general management recommendations and we are on our way to closing out others over the next few months. We have improved our cost accounting procedures and internal controls and have seen our efforts pay off when we recently received our third-consecutive clean financial audit opinion from independent auditors. Last winter, we increased our efforts to improve energy efficiency Capitol Hill-wide. Following the passage of the Energy Policy Act of 2005, and thanks to the continued cooperation of congressional offices and hard work of AOC staff, last year we reduced energy consumption by nearly 6 percent over the 2003 baseline, exceeding the fiscal year 2006 goal by 3.8 percent.

Internally, we have been working to foster a results-oriented workplace and encourage communication and teamwork throughout the agency. This involves holding regular staff or shop meetings, conducting annual town hall meetings with all AOC employees to encourage open dialogues and feedback, and providing a variety of training opportunities. These efforts have also borne fruit, for example, our injury and illness rate decreased for the sixth year in a row. We dropped to 4.88 cases per 100 employees in fiscal year 2006 from a high of 17.9 in fiscal year 2000.

To establish greater accountability throughout the organization, we created a "dashboard" that summarizes AOC's performance. It contains a series of tactical or operational indicators that are tracked on a monthly basis and are for use by the chief operating officer and architect as well as superintendents and division heads to monitor the AOC's performance in several key areas. The dashboard also includes performance measures for each strategic goal area.

In addition, 2 years ago we re-organized and established the Planning and Project Management Division to align project management staff and resources with our mission-critical goals and to consolidate project and construction management functions. This created a single point of responsibility for every project and provides "cradle-to-grave" oversight. We implemented new processes designed to improve project tracking and reporting, including developing written procedures and manuals to follow throughout every step of the design, engineering, and construction stages of a project. We have modeled our work on industry's best practices and have joined a variety of professional organizations to keep up to date on the latest information and practices. Today, our design and construction teams interact daily by

holding a variety of briefings and meetings to share experiences and increase communication to ensure that projects are done well, are done on time, and done within budget.

Most importantly, we have improved our delivery of services to our clients as demonstrated by our annual Building Services Customer Satisfaction surveys. Since our baseline survey was conducted in 2002, we have steadily received high marks from our clients on areas such as maintenance, services provided by AOC shops, and overall responsiveness to their needs.

We have developed this budget through a deliberate planning process. We reviewed many operating and capital project requests and made some difficult choices in our efforts to be good stewards of the Capitol complex and practice fiscal responsibility.

The AOC's total budget request for fiscal year 2008 is $481.7 million ($431 million without items specific to the House). A good portion of the fiscal year 2008 increase is the result of using fiscal year 2006 levels as the baseline in this budget request. For example, 2 years worth of pay raises for our employees are included, as well as 2 years of inflation on the other goods and services we procure. In addition, most of the increase in utilities is the result of using the fiscal year 2006 appropriation value for the Capitol Power Plant, before the impact of the 2006 reprogramming and the adjustment made by the House and Senate appropriators in our fiscal year 2007 continuing resolution levels.

Annual Operating Budget Request

Our fiscal year 2008 annual operating budget request for $341.6 million is to support our on-going efforts to be a strategic and accountable organization as well as support other necessary programs including the implementation of a new emergency preparedness program; purchasing utilities; procuring, operating, and maintaining relevant information technologies and the systems to support them; continuing to provide advanced training opportunities for employees, and anticipating operating costs of the Capitol Visitor Center (CVC) until the governance issue is determined.

Specifically, the annual operating request would provide funding for minimal operational start-up costs, exhibits, gift shops, telecommunications, and information technology infrastructure support. It also covers the increased payroll costs resulting from the opening of the CVC and the need to hire additional full-time staff to support operations and maintenance functions.

This request also would provide funding for the purchasing of supplies required for installation, conservation, and maintenance of the exhibits, rotation and preparation of documents, and conservation and artifact insurance required for those exhibits on loan to the CVC.

We are also looking to increase our investment in information technology (IT) in fiscal year 2008 to re-establish base resources that have been reallocated to cover other budget shortfalls in past years. With today's ever-changing technologies, we are looking to protect our IT systems by installing the latest technology security programs, prepare for future technological needs, and install automated systems to include the Financial Management System, Human Resources Management System, and Computer-Aided Facility Management System.

Capital Project Budget Request

The second component of our fiscal year 2008 budget request is $131.1 million for capital projects. Chief among our responsibilities is maintaining, preserving, and upgrading the national treasures entrusted to our care by Congress. This includes the facilities, grounds, art work, and other assets. Determining which work is done first and where our limited resources are best used involves a deliberate approach and multi-year project planning.

A vital tool that we rely on during this process is our Facility Condition Assessments (FCAs). An independent contractor, using common industry standards, has been conducting FCAs throughout the Capitol complex since 2004. The FCAs help us to prioritize our projects based on a set of objective criteria that allow us to evaluate the relative merits of each of these projects. FCAs provide us with a method for measuring the current condition of all facilities in a uniform way to assess how much work is necessary to maintain or upgrade their conditions to acceptable levels to support organizational missions and help to determine when this work should occur.

It is important to try to meet the infrastructure needs for these facilities within appropriate timeframes in order to prevent their conditions from deteriorating further, resulting in the costs to correct these deficiencies to rise. Therefore, it is key to look at a multi-year, fiscally-responsible, holistic plan to attend to these issues. Once an FCA is completed on all the facilities, this information is rolled into a 5-

year Capital Improvement Plan (CIP). The CIP is used to evaluate projects based on a set of pre-established criteria. These criteria include whether the work addresses fire and life-safety issues; code compliance; preservation of historic or legacy elements; economics and life cycle cost considerations, physical security and other considerations, such as environmental and energy efficiency. The projects are further evaluated based on the conditions of the facilities and their components, and the urgency in correcting the deficiencies.

Looking even farther down the road, we are also developing the Capitol Complex Master Plan (CCMP) which requires executing necessary deferred maintenance and renewal work to keep existing facilities functioning while planning for major renewal projects. The CCMP and individual Jurisdiction Plans seek to address these growing problems through a flexible investment strategy incorporating reinvestment and new construction. Each Jurisdiction Plan is being evaluated to ensure sequencing of short- and long-term priority work is properly expedited and aligned to ensure successful execution and avoid duplication of efforts. Ultimately, the CCMP will establish a framework that will help the AOC to prioritize the maintenance, renovation, and construction of facilities over the next 5, 10, and 20 years while allowing for prudent budgeting of the costs for necessary upkeep and construction.

Using the CIP process, we are able to comparatively vet the projects to ensure that the most urgent get addressed most quickly. Setting these priorities and setting limits resulted in some projects not rising to the top of the list based on the objective criteria used as part of the CIP process. It is not that these projects are not important. They are all needed and are mission critical, but the fiscally responsible thing to do is address the urgent needs first. This multi-step methodology was used to produce the project priority list included in our fiscal year 2008 budget request submitted for the subcommittee's consideration.

As in previous budgets, our focus is on ensuring that fire and life-safety deficiencies are corrected and that significant resources are devoted to protecting the people who work and visit the Capitol complex. Safety is one of the AOC's top priorities.

Key capital projects included in the AOC's fiscal year 2008 budget request are:

—utility tunnel repairs and improvements ($24.8 million). The multi-year project addresses safety issues in the utility tunnels and improves conditions relating to egress, ventilation, communications, and asbestos.

—Infrastructure improvements in the Dirksen Senate Office Building ($8 million). Second phase of a three-phase project to replace aged and deteriorated air handling units to maintain ventilation and occupant comfort.

—Emergency lighting upgrades ($4.4 million). Correct emergency lighting deficiencies in the Rayburn House Office Building by modernizing existing systems.

—Smoke detector upgrades ($6.5 million). Upgrade the LOC's John Adams Building to current code requirements for smoke detection systems.

In addition to these new capital projects, we are committed to completing some long-term projects, specifically the Capitol Visitor Center (CVC) and repairing the utility tunnels.

Capitol Visitor Center Budget Request and Project Update

Our fiscal year 2008 budget request for the CVC includes $20 million to cover potential Sequence 2 delay costs, CVC administration costs, construction management fees, and potential additional change orders.

The latest billing statements and schedule show that the project is 91 percent complete. Major construction activities will begin to wind down over the next few months. The tasks now left to do largely involve the aesthetics and functionality of the space such as painting and installation of carpet, lighting fixtures, hand railings, decorative woodwork, as well as the tie-in of building systems.

Although we are continuing to make progress, the contractor continues to miss scheduled activities or "milestones"—interim target dates from the schedule developed by the contractor to prioritize work needing to be done to complete the project. The fact that a significant number of milestones were missed, in my mind, serves as an indicator that the overall schedule is not realistic given the risks and uncertainty associated with the integration of the fire and security systems and the building systems. The project team has been working aggressively to mitigate several risks, but it would be prudent to factor these risks and contingencies into the schedule. Specifically, they are (1) commissioning of building systems, and (2) acceptance testing of fire, security, and life-safety systems to include testing to ensure the building systems and fire and life-safety systems are integrated and work together properly.

After carefully evaluating past contractor performance, schedules, and the nature of issues that remain, I directed the project team to evaluate the potential risks to

the current schedule to determine an adjusted completion date since the two risks I discussed were not built into the current schedule or into the fire and life-safety acceptance testing plan. When we finish this assessment, we will notify the subcommittee as to our conclusions and our recommendations. At this time, due to the outstanding factors we are dealing with, in my opinion the certificate of occupancy will likely occur in spring 2008.

Madam Chairman, at this time, I would like to briefly update the subcommittee on the construction progress that we have made over the past few months on the CVC.

Work is ongoing to put the finishes in place in both the Visitor Center and House and Senate expansion spaces. In the Great Hall, all of the floor and wall stone is complete. Masons are finishing the last remaining stonework in the water fountains at the base of the staircases.

In the two orientation theaters, carpet and chair installation is complete. Workers are completing the detailing on the millwork and fabric wall panels. Many of the wall lighting and speaker elements have been installed and crews are now putting in the bronze railings. Work continues in the Exhibition Hall as workers continue to install glass floor panels around the Wall of Aspirations.

In the East Front transition zone, all four escalator units have been set into place alongside the central stair connecting the CVC to the Capitol. The escalators had occupied floor space in the upper level lobby between the two orientation theaters. With this space now clear, masons have resumed floor stone installation at this location and will soon complete this last remaining major block of floor space in the CVC.

At the Rotunda level of the East Front, in the past week, the contractor has tasked five crews with setting the sandstone blocks to the interior walls. The teams are setting approximately 80 stones per day, exceeding the daily goal of setting 70 stones in the East Front.

Outside, almost all of the stone is complete along the curving walls along the main entrance ramps and the foundations for light poles are being installed. As the weather gets warmer, landscaping activities will begin in earnest, including the planting of 53 new trees.

Madam Chairman, the Office of the Architect has had a rich history since the cornerstone of the Capitol was laid in 1793. Over the years, the AOC has grown and evolved much like the complex which we maintain and preserve. As I noted previously, we have become more strategic in our thinking, more transparent in our processes, and more accountable to our clients.

We have developed our fiscal year 2008 budget request through a deliberate planning process. We reviewed our priority list and made some difficult choices in our efforts to be good stewards of the Capitol complex and practice fiscal responsibility. Using tools we developed based on industry's best practices, we have determined which projects are done first and where our resources are best used.

As I discussed earlier, as a result of putting plans into place, creating new and innovative tools and processes, and setting priorities, we have accomplished much and experienced numerous successes. These achievements can be directly attributed to the dedicated, professional individuals that make up the AOC team. In my role as Acting Architect, I am honored and privileged to work along side them. Because of their efforts and commitment to excellence, we continue to provide exceptional service to Congress and the visiting public.

We greatly appreciate this subcommittee's support as we continually work to achieve our goals and transform our Agency into a results-oriented workplace. Madam Chairman, once again, thank you for this opportunity to testify today. I'd be happy to answer any questions you might have.

ADDITIONAL FUNDING

Senator LANDRIEU. Thank you for that excellent although brief statement. Can you be as specific as possible about any additional funding that your office may need in 2007 or 2008, based on the completion estimates of the visitor center? Have you submitted that in your testimony this morning any additional funding that might be necessary?

Mr. AYERS. We don't believe that additional funding is necessary in 2007. I think the continuing resolution, the way it was structured, gave us the necessary flexibility to carry us through 2007.

In addition, we've requested $20 million in our 2008 request. We believe that's sufficient to carry us through 2008.

CAPITOL VISITOR CENTER GOVERNANCE

Senator LANDRIEU. Thank you. I understand that Bob Hixon, the Project Executive, is planning to retire at the end of the month. Do you have plans to provide comparable leadership at this critical stage or could you talk for a moment about that?

Mr. AYERS. Yes, ma'am. Mr. Hixon is retiring. We do continue to twist his arm but he is holding steady at the moment. We developed a transition plan several months ago and we'll be moving Doug Jacobs, our current Project Design Manager, into the Project Executive role. Doug has been on the project for nearly 7 years and is well respected throughout the Congress and is well versed in the in's and out's of the project. We're comfortable and confident that his leadership skills will bring it to conclusion.

FIRE ALARMS AND HVAC SYSTEMS

Senator LANDRIEU. I understand that GAO has expressed concerns about the fire alarms and heating, ventilation and air-conditioning systems and I understand there will be several months of actually testing these systems, which is contributing to the extension of the opening. And you mentioned it briefly in your opening statement but could you add a few thoughts about where we are in terms of the progress we are making on this particular aspect of the building?

Mr. AYERS. Yes, ma'am. We believe most of the delay for the fire alarm systems are behind us now, with essentially all of our submittals for the fire alarm system approved or in the approval process. So work is ongoing on the installation of the fire alarm system in earnest. It has contributed to significant delay thus far. There is risk that remains as, once it's installed, we have to pretest it and then go through an extensive acceptance testing process to ensure it works as it is designed. There is risk remaining in that and we're working now to accommodate that risk in the construction schedule.

FIRE ALARMS SYSTEM DIFFERENTIATION

Senator LANDRIEU. For the lay people among us, can you explain the difference between the fire alarm system in the visitor center and the current fire alarm system in the Capitol Building itself? Are we trying to have the same system or is this one far superior to what is in the current building?

Mr. AYERS. This system is far more superior and more sophisticated than the current system in the Capitol Building, absolutely, because the CVC is a below-ground, assembly facility. It involves a significant matrix that includes the control of doors and operating equipment and various other security features are all tied into the fire alarm system that makes it a little more unique than the system we currently have in the Capitol Building.

Senator LANDRIEU. And there will be ways, as we're testing this, to make sure that at the end, it will actually work? So you can see, stage by stage, if something needs to be fixed? Because I've seen

these design systems in other aspects of our Government and the theory of the design is terrific but when you get down to actually making it work, you end up producing something that actually fails to work appropriately. We would not want that to happen in this center.

Mr. AYERS. Yes, ma'am, you're absolutely right. The critical phase of that is the final acceptance testing of all of these fire alarm systems. That is where it is put through its paces and all of these individual systems are tested together in that final stage, to be sure that it does work. We expect that process to take at least 6 months, so it's a very extensive testing program to validate that it works as designed.

LIBRARY OF CONGRESS TUNNEL

Senator LANDRIEU. Okay. So while we're anxious to get things done, we don't want to short circuit this testing period, which I think is important for the complexity of the system. The Library of Congress—the status of the work on the Library of Congress tunnel and the associated connection of the Jefferson Building—have delays been encountered? If so, why and what steps have been taken to ensure the cost of all the work will not exceed the statutory $10 million limit?

Mr. AYERS. We're comfortable with that at the moment. We believe we'll be $200,000 or $300,000 below that requirement. I think the work is now 65 or 68 percent complete, so the unforeseen site conditions are out of the way. We have a clear understanding of the work that remains and that work is behind schedule by a number of months. We do believe it will be finished in the May or early June timeframe. We're watching that very closely. You may have heard us talk about our action plan. The work that is going on in the tunnel as well as the space in the Jefferson Building are all part of the action plan. We look at that schedule very carefully in a separate schedule meeting on that particular piece of the work alone so we understand that there is some risk there, but we're steadily focused on it and we're comfortable that we'll be able to complete it under the $10 million cap.

VISITOR TRAFFIC FLOW

Senator LANDRIEU. Well, one of the exciting things about the expansion, when I made the tour, was thinking about the improvement in the quality of the tour for our visitors and our citizens. To be able to move freely between the Capitol and the Library of Congress, which I think is one of the most beautiful buildings in the whole complex and actually under visited because there is no system for visitors to access it easily. So I'm very excited about this. And, I think the way that you indicated how people will flow from one part of the Capitol, through the visitor center, and to the Library of Congress, I think it will help encourage visitors to the Library of Congress. Not that it does not have a very high profile among visitors generally, but this will really raise its profile, because it's truly an extraordinary building on its own.

FORT MEADE LOGISTICS CENTER

The Library of Congress is requesting $44 million in the 2008 budget for a logistics center at Fort Meade. I understand that that is not included in your priority of requests at this time. Could you comment about that? In your view, it is a high, medium, or low priority and what are your views about the needs for additional storage?

Mr. AYERS. I am very familiar with that project, as I was previously the superintendent for the Library buildings and grounds, so I was intimately involved in its development. There is no question it is an important project, one that the Library of Congress thinks is an immediate need. From our perspective, when it shook out in the overall priorities, throughout the Capitol complex, it did not make what we thought was a reasonable budget request.

CAPITOL POLICE CONSTRUCTION REQUEST

Senator LANDRIEU. I'm looking forward to hearing a bit more from the Capitol Police about this and I understand that you have to prioritize and make those decisions. Do you support the Capitol Police request for construction that is included in this budget? Could you comment about the Capitol Police construction request?

Mr. AYERS. Yes, ma'am. We have a couple of initiatives on the capital side for the Capitol Police. One is the vehicle barriers on Independence Avenue. They have expressed that that's an important matter and we do have that in our budget. In addition, we have our standard Capitol buildings and grounds request, including a minor construction component that we believe will meet the needs of the Capitol Police. We do work and partner with them very closely in our budget development.

CAPITOL COMPLEX MASTER PLAN REVIEW PROCESS

Senator LANDRIEU. Who approves the Architect's master plan and could you review, from your perspective, the role of this subcommittee and the Senate Rules Committee, relative to your master planning process?

Mr. AYERS. Yes, ma'am. We believe ultimately that the Capitol complex master plan should be approved by the leadership of the Congress. Certainly this subcommittee and the Rules Committee need to play an integral part in the development of that plan but from our perspective, the plan will be much more significant once it is finally approved by the leadership of the Congress.

Senator LANDRIEU. I have been joined by Senator Allard, who served as chair of this committee for many years. So I would like to turn to him right now and I will come back to my questions. I'll ask Senator Allard if he has an opening statement and I thank you for your leadership and your guidance through the expansion of—one of the largest expansions of the Capitol in the Capitol's history, if not the largest.

OPENING STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Well, thank you, Senator Landrieu and I look forward to working with you over the next couple years. We're

going to continue to have some challenges, I can see that already and I think you'll be a very able chairperson.

Also, before we make an opening statement, I would like to recognize Bob Hixon. You know, Bob Hixon has graciously been showing up at my hearings for 2 years. We've kept him busy. He has testified many times before this subcommittee and it's my understanding that this could be his last Senate subcommittee hearing. I hear a sigh of relief when I mention that.

I understand Bob is retiring March 31 and so I wanted to recognize him in a public way. He has been a driving force on the CVC project. As Project Executive, he has tackled many of the challenges in making it a reality. Bob has regularly juggled thousands of tasks associated with the project and he's done it very well and he has provided exceptional service, I think, to the Architect of the Capitol and to the Congress. He's had a long, successful Government career with the majority of his career spent at the General Services Administration, where he served for several years as Director for the Center for Construction Project Management. So we appreciate Bob's commitment to the CVC project and his leadership. He's been a consummate professional, in my view, through his service. So thank you, Bob.

Senator LANDRIEU. Bob, why don't you stand up and we'll give you a round of applause?

Senator ALLARD. Well, thank you, Madam Chairman and congratulations again on your chairmanship for this subcommittee. Some members of our committee view this as the least desirable post but I believe it is one of the most important, frankly and I think we need to take care of our backyard. You and I have that responsibility, ensuring that the legislative branch is positioned, through adequate funding, to fulfill its constitutional duties. I think it is very critical and I look forward to working with you.

Mr. Ayers, it's good to see you here. This is your first hearing before this subcommittee as the Acting Architect. You're wearing two hats, I understand, right now and I don't know how you keep up with that kind of a schedule because those two positions are demanding.

Last year, you came before us as the Acting Chief Operating Officer. You've held many positions at AOC just within the past several years. Superintendent of the Library buildings and grounds, Deputy Superintendent of the Senate office buildings, before becoming the Chief Operating Officer. I believe you've done a good job and I wish you the best as the Acting Architect.

Mr. AYERS. Thank you, sir.

LEGISLATIVE BRANCH COMPLIANCE

Senator ALLARD. Madam Chairman, one of the initiatives I pursued as chairman of this subcommittee was to bring the legislative branch into compliance with the spirit and intent of the Government Performance and Result Act. This act encourages greater effectiveness, efficiency, and accountability in the Federal Government. It requires agencies to set goals and use meaningful measures for management and budgeting. While the legislative branch is not statutorily required to do so, we require that of all other branches outside the legislative branch. I believe the legislative

branch should be held to the same standards. We shouldn't have two sets of standards. I feel strongly about that so you can expect me to bring up how it is that we're managing and are we setting goals and objectives and are we meeting those, to be held accountable for our actions.

And I will lend my support to programs that have proven to be effective by meeting or exceeding those performance goals.

OPERATIONS MANAGEMENT

I was pleased to see in your written testimony, Mr. Ayers, the discussion about the importance of setting goals, objectives, and measurable milestones and the need to establish greater accountability within the agency. There is more work that needs to be done in this area. The AOC has made progress over the past several years in using performance measures and developing budgets based on objective criteria, particularly through the capital improvement plan.

Finally, I'd like to thank the AOC and GAO for providing the Lessons Learned report on the Capitol Visitor Center construction project on time and with jointly agreed upon recommendations from the two agencies. I believe this was a very useful exercise. It should keep the Architect of the Capitol from repeating problems it has experienced on the Capitol Visitor Center project in future construction projects. From what I saw from the wish list that came out of the House side, there is going to be major construction going on around here for some time and I hope we can implement those lessons learned.

This report points out the need for better methods for incentives for contractor performance, improved coordination and communication, maintaining a solid project schedule, and clarifying the role of the construction management contractor.

Madam Chairman, this concludes my statement. What time would you like to wind up? I have a lot of questions. We may not have time to address of all them and I would submit some of those but I have them prioritized and I'll ask them in their order, depending on how much time I may have.

Senator LANDRIEU. I think we have sufficient time, you may take 15 minutes for questions if that is good. If not, I will be happy to have you submit those for the record.

Senator ALLARD. Very good.

Senator LANDRIEU. Would you like to ask a few now? Go right ahead.

Senator ALLARD. Let me take a few. I will, Madam Chairman, if you don't mind.

UTILITY TUNNELS

I want to first discuss the utility tunnels. It has been over 1 year since the Office of Compliance filed a complaint for the AOC's failure to remedy safety concerns in the utility tunnels. Congress approved $27.6 million in emergency supplemental funding last year to begin to remediate these problems. What has been accomplished in the last year on the remediation of the tunnel problems? I believe some of the tunnels that we thought were the greatest risk perhaps aren't as great as a risk and some of the tunnels we

thought were relatively safe aren't as safe as we assumed. So I think there has been some readjustment on priorities and I wish you would address that.

Mr. AYERS. Yes, sir. Thank you. In terms of the emergency supplemental that the subcommittee was able to provide, we have now obligated nearly $25 million to make headway on the repairs to the utility tunnels. We have completed, as of the end of December, I think, December 29, the comprehensive facility condition assessment of all of the walkable tunnels. That's the document that outlines exactly what the problems are and exactly what needs to be completed. As the result of that, we were able to award much of that emergency supplemental money.

TUNNEL CONDITION ASSESSMENT

There are some things that have changed since our initial look in April 2006. Chief among them are the condition of the "Y" tunnel versus the condition of the "R" tunnel. Clearly, the condition assessment noted that the "R" tunnel is in worse structural condition than the "Y" tunnel. In addition, one of the things we learned recently in the "R" tunnel is that not only does the roof of the "R" tunnel need to be replaced, much of the walls along that tunnel also need to be replaced. That's something that we had not anticipated.

Similarly, the condition assessment noted some deterioration in the "G" tunnel that we had not anticipated as well.

In terms of what has been accomplished, we have abated asbestos in the "B" tunnel and in the "V" tunnel. We've found the presence of mold in the "B" tunnel and we have abated that. Currently under construction is one new egress point in the "Y" tunnel and we have recently awarded a contract for a second egress portion on the "Y" tunnel. As I noted, we completed the condition assessments and we're currently in the "Y" tunnel, cleaning the dust and debris out of that tunnel.

SCHEDULING DELAYS

Senator ALLARD. Thank you, Mr. Ayers. I'd like to move to the CVC.

I understand that you are reassessing the schedule and plan to get that done by early April. Is the project continuing to miss 2 weeks in the project schedule every month and is this a problem we're going to continue to see under your leadership?

Mr. AYERS. Well, there's no question if you look back at the history of the project, in the last year, we've lost 2 weeks in every month. Clearly to me, that indicates that our schedule is not realistic. So what we're doing now is we're going back and re-evaluating that schedule to ensure it is realistic and re-baseline that so that we don't continue to slip 2 weeks every month.

GOVERNMENT ACCOUNTABILITY OFFICE TESTIMONY

Senator ALLARD. Well, Madam Chairman, I've had the Government Accountability Office sitting here in prior hearings, giving us a report and how they feel about CVC progress. They have been our eyes and ears and I'm not saying that we necessarily have to

have them at this particular point in time but it does bring to my attention our tunnel problem. I might suggest to you, in considering on the tunnel issue, where I think we're going to perhaps run into similar delay problems that we ran into with the CVC that we have the GAO to monitor the project. They act as our watchdog.

Senator LANDRIEU. I most certainly will consider that because I know this tunnel issue has been something that has taken a great deal of time of Senator Allard in the past and we want to make sure the issues, from health issues to construction issues to safety issues are properly addressed. So I'll consider that.

PROJECT MANAGEMENT

Senator ALLARD. Mr. Ayers, will the recent slip in schedule require you to amend your budget request for CVC operations since opening will be 6 months later than was assumed in your budget?

Mr. AYERS. Yes, sir. We are doing that re-evaluation now. We have a team that is looking at all of the operational costs that we had projected, based upon a February completion date. We are re-evaluating those costs now to determine if there are impacts to that.

Senator ALLARD. Now, what will you do to institutionalize the lessons learned from the CVC project so as to improve project management in future construction projects because I can see us using those lessons learned when we get to the tunnel construction.

Mr. AYERS. Yes, sir. That's a great point and in order to institutionalize them, we will take them and we will hold a series of training seminars with all of our project managers. We have to communicate what those lessons were. We've already begun that process. In recent months, we've started an Architect's briefing, where we pull out one of our independent or one of our ongoing construction projects, and brief that to our senior leadership team. We've had people like Bob Hixon come as well and offer some advice on current projects, lessons learned on projects, and how this issue on the CVC has been handled and how we could better handle the issue on a different project. So that cross pollerization is already underway.

Senator ALLARD. I appreciate you keeping that in the forefront because there definitely are lessons to be learned there, things that we can correct in future projects.

PERFORMANCE-BASED BUDGET

Last year, we were told that the fiscal year 2008 budget would be the Architect of the Capitol's first performance-based budget. Could you tell us how the 2008 budget is different from previous budgets in this regard?

Mr. AYERS. Well, our 2008 budget is not necessarily a performance-based budget. I think that is planned for fiscal year 2009. In 2008, our budget is currently based on our strategic plan but it doesn't ultimately get to a complete performance-based budget yet. We have to roll out and complete our cost accounting system before we are able to achieve that goal. We've had some slowdowns in that process over the last year. The continuing resolution is affecting us right now with our ability to retain consultants to help us with that, but we have developed a strategic plan. The budget does

follow the strategic plan but ultimately, the costs that are associated with each of the individual elements in the strategic plan are not quite in our budget yet. So we anticipate that will happen in the 2009 budget request.

Senator ALLARD. I felt all along that we've been more than agreeable as far as meeting your budget needs that you've requested and so you're saying that you need more money for this? Or is it the cost accounting problem that is delaying this?

Mr. AYERS. No, I don't think we need more money for the cost accounting system. It's the fact that we have a continuing resolution this year that affects our ability to spend that money this year. So it is—I guess it is a money problem this year, which is slowing down the implementation of our cost accounting system.

Senator ALLARD. All along, we've made sure you had the money and kept the project going. We didn't want any money tied up that wasn't available so I do hope that we can get the cost accounting lined up quickly so that we can begin to apply some logical approach to your budget. So I'd encourage you to get that put together without delay. If you can do this in the next budgeting cycle, that would be good. I'd be very pleased.

CAPITOL POWER PLANT

Madam Chairman, let me go to one other issue that's been a problem we've had to deal with, again on meeting timelines and budget, and that's the west refrigeration plant project. Last year, we were told that the $100 million west refrigeration plant expansion would be finished by last summer. I understand you are now projecting completion for this summer. Why do we have continued delays there?

Mr. AYERS. Yes, sir. The west refrigeration plant—it's really two projects in one. First is the west refrigeration plant that we are expecting completion in June of this year. We have taken beneficial occupancy of the chillers. They've been running for several weeks now effectively, so we're comfortable with the construction. We're going through the final checks and balances and the closeout process over the next month. It has been delayed through significant problems found during the commissioning process. Contractors have had to go back and redo some work and retune the systems.

Similarly, we found significant differing site conditions and underground utilities. An 8-inch gas line has caused several months delay in that project so similarly, it's delayed until June.

The second portion of that is the digital control system on our boilers. That project we expected, similarly, to have done this fall. But, an outage on one of our boilers through most of last year, from January through October, delayed the implementation of the control system on those boilers. So as soon as the winter months are past us, we'll begin the implementation of that control system on the boilers and expect that to be done in December.

GOVERNMENT ACCOUNTABILITY OFFICE RECOMMENDATIONS

Senator ALLARD. The GAO recommended the Architect of the Capitol develop a staffing plan for significantly reducing and then retooling the staffing at the Power Plant. What has been done to meet those recommendations?

Mr. AYERS. We do have a staffing plan in place. With the delays that are present in the west refrigeration plant as well as the digital control system of the boilers, we believe it's important not to implement those staffing reductions until those automated control systems are in place and employees are ready to use them. Doing so now, we think would be premature. It's unfortunate we faced the delays and the breakdown in one of our major boilers but we think it would be premature to do it now until we have those automated controls. I think those staffing reductions were based on the automated controls.

PERFORMANCE STANDARDS

Senator ALLARD. Madam Chairman, as you can tell from our line of questioning, we've got three major projects out here: the tunnels, the Capitol Visitor Center and the Power Plant that have been plagued with delays. I don't envy you in the position that you're in right now because I think you have some real challenges. I think this subcommittee has some real challenges ahead of us to oversee these, to make sure we can keep these delays to a minimum at the very least. So thank you, Madam Chairman.

Senator LANDRIEU. Thank you, Senator Allard, for your knowledge and interest in this subject and I really appreciate your assistance as I get started on this subcommittee.

POWER PLANT OPERATIONS EXPENSES

Let me follow up on the Capitol Power Plant for a minute. What is the estimate for the reduction of operating expenses when the new Power Plant is operational as opposed to the last Power Plant? Are we going to reduce the workforce, be able to reduce the workforce by 40 percent or 50 percent or more, in terms of operating staff?

Mr. AYERS. Madam Chairman, I'll have to respond to that for the record. We do expect to be able to achieve some reductions in staff. The new chiller plant is significantly more energy efficient than the old plant so there will be some operating reductions there as well. I'll have to research those and pull those percentages together for you.

COMMUNITY GROUP RELATIONSHIPS

Senator LANDRIEU. Okay, if you would. And as a resident of Capitol Hill myself, as some of you may know, I understand that there are several civic organizations on Capitol Hill, including Moms on the Hill, CHAMPS, which is the Capitol Hill Association of Merchants and Professionals, that are concerned about the environmental impacts of the Power Plant and also the aesthetics of the plant, relative to the neighbors and neighborhood. Can you comment about what your relationship is with those community groups? How do you interface with them and would you define that relationship as open and cordial or in another way?

Mr. AYERS. Yes, ma'am. I do believe the relationship with the Moms group is open and cordial. We have met with them as recently as this December and understand their concerns and we are responsive to their concerns. Unfortunately, I'm not familiar with

the CHAMPS group. I don't know if we've met with them or not—I'll have to research that and let you know that for the record.

We've communicated to these groups that the Power Plant is in compliance with its title 5 permit. So we do maintain open relationships, we do occasionally get phone calls that we respond to immediately and we do think that relationship is open and communicative.

Senator LANDRIEU. I just think it is very important. Sometimes I think that it's overlooked that this complex has major impacts on the neighborhoods surrounding the Capitol. While the neighbors are generally more than pleased and honored to live in proximity to the Capitol, we have to realize that it does impact these neighborhoods. We are a big player in a relatively small sized city. Not that Washington, DC, is by any means a small town, but it is less than 600,000 people and the Federal Government has a huge impact on the residents of the city. So I would urge you all to be as sensitive as you can be to the neighborhood groups.

CAPITOL IMPROVEMENT PRIORITIZATION

Senator Allard talked about the tunnels, which is important. I am interested to know, Mr. Ayers, are you directed by any particular law that is on the books as to prioritizing the improvements of the Capitol or are you asked to give your professional judgment about the improvements at the Capitol that are necessary? I'm not talking about operation and maintenance. I'm talking about improvements. Or is it a combination of that or is it requests from Members of Congress to consider major improvements? Could you describe that for the record, the process of beginning to consider major improvements to the complex?

Mr. AYERS. Yes, ma'am, we certainly do have a series of building codes and laws and regulations which with we comply. That certainly is part of our project planning process and our long-term process is to be in compliance with those laws. Similarly, as we've developed the Capitol complex master plan, it's been a deliberative process that we've gone out and reached out to Members and committees to get input of what the long-term vision of the Capitol complex is. So we do get input from Members and committee staff as to what the needs are.

Senator LANDRIEU. And it's all wrapped up into the 5-year planning process or a 5-year master plan?

Mr. AYERS. It's wrapped up into the 20-year master plan that we are working to budget in 5-year increments.

Senator ALLARD. Madam Chairman, may I?

Senator LANDRIEU. Yes, please. Go ahead.

CAPITOL COMPLEX MASTER PLAN FOLLOW UP

Senator ALLARD. I'd just like to follow up on that question a little bit, if I might. I just want to point to one specific example. I'm not questioning your priority setting. I just want to understand your process, like the chairman does here. This has to do with the warehouse of the Library of Congress. Last year, your budget included funds for a new warehouse at Fort Meade for the Library of Congress and I noticed that this project did not make the cut in your

budget request for 2008 and I'd like to know why. I'm not questioning your decision. I'd just like to know your process on that.

Mr. AYERS. Certainly. Last year, our project prioritization included importance, project importance, and we evaluated every project against these five pre-established criteria that noted project importance, including historic preservation and mission and economics and life safety and security elements and each project was given a relative score and that's how we prioritized the project in our budget.

We've enhanced that process in the last year to not only look at project importance but we also look at project type, such as deferred maintenance, capital renewal, capital investment, and capital construction. We generally will put deferred maintenance and capital renewal projects toward the top of our list and capital construction to the bottom, as we want to take care of what we have before we build new. That's the second element.

And the third element, project urgency, is now part of our evaluation process. As we go through with condition assessments from our independent vendor, looking at all of our buildings and systems, each of those is given an urgency rating. We determine whether it needs to be done this year, or in 5 years, or in 7 years. So those two layers of project type and project urgency had been overlaid on our budget process and prioritization process this year, which puts that particular project further down the list.

Senator ALLARD. That's because that is a new construction project and based on that, it got moved down some and it was less urgent than some of the other things that you had, is that basically what you said?

Mr. AYERS. That's exactly correct.

FORT MEADE LOGISTICS WAREHOUSE

Senator ALLARD. The Librarian has gone and requested that the warehouse be in his own budget. Do you support that approach?

Mr. AYERS. I think there may be some merit to that. In my judgment, the Architect is often placed in a very tenuous position of passing judgment on the Librarian of Congress' projects and the Chief of Police's projects and the Senate Sergeant at Arms and the Chief Administration Officer of the House, among others. We have tried to develop an objective process but certainly, we think the logistics center at Fort Meade for the Library of Congress is a very important project. I know the Librarian believes that it is absolutely critical and it needs to be done this year. So from my perspective, I think if those things were in their own individual budgets, there would be a more collaborative approach to those projects. I think those individual organizations may be more accountable for the projects that they submit and they can even do tradeoffs in their own budgets about what they may prioritize and what they push off to a different year in order to get a particular project.

Senator ALLARD. Thank you, Madam Chairman.

Senator LANDRIEU. Thank you. Senator Allard, I have completed my line of questioning. Did you have anything else that you would like to get onto the record before we close the meeting?

Senator ALLARD. Madam Chairman, I have one more issue.

Senator LANDRIEU. Go right ahead.

INFORMATION TECHNOLOGY PROJECTS

Senator ALLARD. I hope it doesn't take too long. It has to do with information technology. Your budget includes $22 million for information technology. Now, that's a 60-percent jump in resources over fiscal year 2006. It kind of catches our attention. This includes $3.7 million for your financial management system and then $1.7 million for an inventory control system. Can you explain the need for a large increase in IT projects?

Mr. AYERS. Yes, sir. We believe that increase is absolutely vital to our success, vital to our ability to close out the remaining GAO recommendations that are from our general management review. Similarly, our ability to sustain and institutionalize our financial management practices and continue our clean audit opinions, we think are based on this financial management request we've made.

Similarly, in the last 3 years, we've been underfunded in our information technology systems. It is a significant request. We understand that. But we think it is vitally important to our continued success.

Senator ALLARD. As a result of not keeping up your IT, has there been any degradation in agency services?

Mr. AYERS. Absolutely, sir. This year, for example, we planned to do our Project Information Center. It's our ability to track all of our ongoing projects in one comprehensive electronic information system. We don't have such a system now. It's a recommendation by GAO that we produce one. We have that money in our 2007 budget. We're not able to do it because of the continuing resolution and you'll now find that in our 2008 budget. So similarly, in our ability to achieve project success and manage schedules, we think it is an important part of that request.

Senator ALLARD. The GAO in their management review state that AOC made progress in improving your IT management controls and accountability but they say that work remains to fully implement an effective agencywide approach to IT management. In light of GAO's findings, are any of your 2008 budget requests for information technology projects premature?

Mr. AYERS. No, sir, I don't think so. I think the money that is in our 2008 request will enable us to achieve those recommendations.

Senator ALLARD. You haven't prioritized all your IT investments as the GAO recommended, have you? Or did you prioritize those?

Mr. AYERS. I'd have to answer that for the record.

Senator ALLARD. Would you get us a written response on that?

Mr. AYERS. Yes, sir.

[The information follows:]

MANAGEMENT CONTROLS AND ACCOUNTABILITY

Yes, the AOC is working with the GAO to reach a resolution on the IT investment management recommendations. The AOC has made significant progress and continues to work with the GAO to resolve remaining issues. The GAO recommended that the AOC develop and implement IT investment management processes. The AOC has implemented processes and assigned specific roles and responsibilities to senior-level review boards. The AOC has begun to implement portfolio-based investment decision-making processes, including developing criteria to select investments that best support AOC goals, objectives and mission. The AOC is continuing to work towards prioritizing all of the necessary IT investments.

Senator ALLARD. Madam Chairman, thank you.

DIVERSE MANAGEMENT

Senator LANDRIEU. Thank you. This has been an excellent hearing. I will close with a comment and a thank you on a lighter but important note. I understand that over one-half of your positions have been filled by women, your senior positions and I want to commend you for that. Many of our agencies within the legislative branch are trying to make sure that they are seeking diverse and professional talent in their hiring practices. And I hope that might be reflective of the tour that I took of the Capitol Visitor Center, where I was told and happy to hear that the lavatory space is doubled or tripled for the women visitors to the Capitol center. So since this is an issue in public buildings everywhere, let me say as a new chairman, I thank you for that consideration.

Mr. AYERS. You're not the only one to be concerned about that.

Senator LANDRIEU. That is correct because a lot of men do a lot of waiting as well.

ADDITIONAL COMMITTEE QUESTIONS

If there are any additional questions, they will be submitted to your Office for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

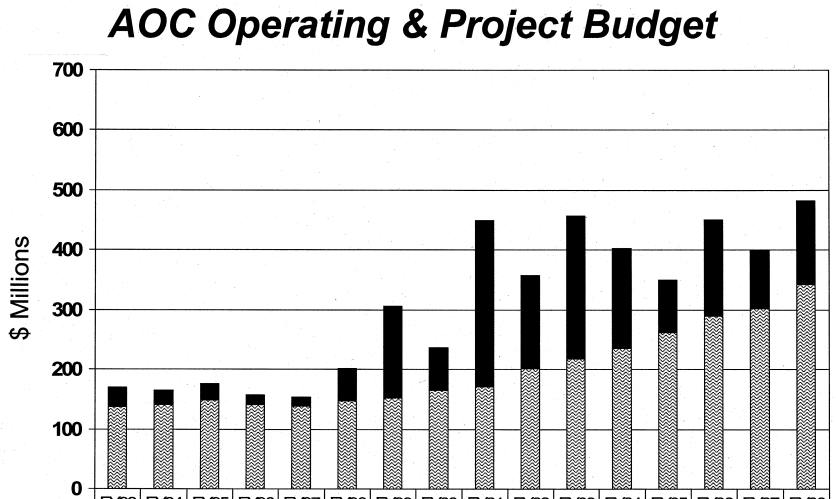
QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

OPERATION AND MAINTENANCE

Question. Please provide a graph of the percentage of AOC funds spent on operation and maintenance relative to new construction over the last 20 years.

Answer. The attached chart (Attachment 1) outlines funds for operations and maintenance relative to projects for the past 15 years and our fiscal year 2008 budget request. Over the last 20 years, the AOC's financial systems and budget process have changed several times. The information gathered from fiscal year 1993 to present provides the most concise budget numbers related to maintenance relative to new construction.

Attachment 1



	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Project	33	24	28	17	14	54	154	72	278	156	239	168	88	162	98	140
Operating	137	141	148	141	139	147	152	165	171	202	218	235	262	289	302	342
Total	170	165	176	158	153	201	306	237	449	358	457	403	350	451	400	482

WEST REFRIGERATION PLANT

Question. Please provide a detailed explanation for the West Refrigeration Plant Expansion delays, and a schedule for completing all elements including the Digital Control System.

Answer. There are three major items that adversely affected the construction schedule of the West Refrigeration Plant Expansion Project; differing site conditions, contractor technical complications and Government delays.

Differing Site Conditions.—The two most significant differing site conditions that were discovered on this project were the 8 inch high pressure Washington Gas main and the WASA sewer reconstruction.

—The 8 inch high pressure gas main was not detailed on the construction documents. Once the gas main, which exclusively serves the U.S. Capitol Power Plant boilers, was discovered, it had to be relocated so that the new WASA sewer could be constructed. The relocation of the gas line took place from May–September 2003, an approximate 5 month project delay. Washington Gas insisted that the gas line be relocated, and it had to be executed while maintaining service to the boiler house, as the U.S. Capitol Power Plant could not operate the boilers reliably without natural gas service.

—The 100 year old WASA sewer as-built details did not accurately depict all of the conditions. This differing site condition necessitated the need to redesign the sewer tie-in points. Different soil conditions in this area also caused delays.

Contractor Technical Complications.—The contractor experienced delays due to the WASA sewer work. This contributed to the contractor's inability to complete the fire sprinkler system installation and the functional testing of the mechanical equipment.

—The WASA sewer tie-in was more difficult to construct than the contractor had anticipated, resulting in an execution of a by-pass pumping solution. The by-pass pumping solution took place from March–August 2004, an approximate 6 month delay.

—The contractor did not complete the project's life safety systems; fire sprinkler, fire alarm and elevator in accordance with the negotiated milestones, which resulted in concurrent delays.

—The contractor had to repeatedly perform control function testing to document reliable chilled water systems.

Government Delays.—The delays that were caused by the Government were related to project redesigns, the inability to isolate old equipment because of faulty

valves, control integration between the new and old refrigeration plants, and additional AOC operational coordination and training.

—*Fire sprinkler/fire alarm redesign issues*.—In March 2006, the contract scope increased to install the revised sprinkler system. Several new sprinkler design criteria were added to the West Refrigeration Plant Expansion Project, resulting in additional pipe risers, changes to branch piping layouts, reclassification of the sprinkler zones, adding side wall sprinklers at the east face of the new cooling towers and increasing the pipe thickness to schedule 40 pipe for sprinkler piping inside the cooling towers.

—*Water chemical treatment system*.—The water chemical treatment system was revised to allow for compatibility with the type and quantity of chemicals for the treatment of both the existing West Refrigeration Plant and the new condenser water systems. The objective was to reconfigure the size and type of chemical storage tanks that are being provided under the West Refrigeration Plant Expansion Project. As part of this revision, the pump skids, controllers and associated fill piping for the system were revised for safety and operational reasons.

—*Control integration*.—The distributed control system control logic and sequence changes were revised in the contract, providing controls to reconfigure and automate the existing West Refrigeration Plant and tie into the new West Refrigeration Plant Expansion project.

—*AOC operational coordination*.—Piping connections between the new and existing refrigeration plants were reconfigured to ensure a reliable means of sending chilled water out to the U.S. Capitol campus. The scope of work involved short outages to the existing West Plant, and could only be performed during winter months. During the first two initial short outages, the Capitol Power Plant was unable to isolate the systems due to faulty valves, causing some of the outages to be delayed until the 2006–2007 winter period when the valves and piping could be replaced.

Boiler Plant Distributed Controls System.—This scope of work in the boiler plant is part of the base contract under bid option 1, and was originally contracted to be completed by September 1, 2005. In January 2005, the distributed control system project was significantly changed from control logic and data collection spread throughout the boiler plant to two centralized data collection and processing rooms, also called rack rooms. The distributed control system data, via hard wire control points, was also redesigned in such a way that loss of either rack room would still enable the plant to be functional and meet the heating and cooling requirements of the U.S. Capitol complex.

The complete redesign was further amended in May 2006 to match the existing burner management systems that remained in place. The redesign also integrated the existing boiler plant master control systems. Follow-on coordination between the Capitol Power Plant operations staff and the contractor to maintain operations was more difficult than anticipated and impacted the overall contract schedule. In addition, boiler repairs, boiler maintenance schedules and operational reliability limited the time frame that the boilers could be taken off-line for control integration.

Schedule.—We are currently negotiating a revised contract completion date with the contractor. The projected schedule for completing the remaining elements of the contract is depicted on the attached time line (Attachment 2). The new West Refrigeration Plant Expansion chiller systems were turned over on January 26, 2007. Between now and April 16th, the contractor will be working on piping and controls integration between the new and old refrigeration plants. The existing West Refrigeration Plant is currently off line while the contractor connects the large bore piping between the two plants. The remainder of the time will be used to complete other work such as: Transfer electric panel loads to new load centers; Commission the new fuel oil system; Correct deficiencies and; Close-out the West Refrigeration Plant Expansion Project.

We have experienced a number of design and operation delays that have impacted the completion of the distributed control system for the new boilers. To ensure Capitol Power Plant boiler plant reliability to the U.S. Capitol campus we will begin the integration of the boilers to the new Distributed Control System in July 2007, during the summer months. This integration is scheduled to be completed not later than spring 2008.

SUBCOMMITTEE RECESS

Senator LANDRIEU. The meeting is recessed. Thank you.

[Whereupon, at 11:30 a.m., Friday, March 2, the subcommittee was recessed, to reconvene subject to the call of the Chair.]