



March 2019

ARCHITECT OF THE CAPITOL

A Formalized Process Could Improve Management of the Construction Division's Workforce and Workload

Accessible Version

GAO Highlights

Highlights of [GAO-19-343](#), a report to congressional requesters

Why GAO Did This Study

AOC is organized into 10 jurisdictions that operate and maintain the buildings and grounds of the U.S. Capitol complex. For projects such as renovations and repairs, the jurisdictions can use their own employees, a contractor, or AOC's Construction Division, which is staffed with trade workers such as electricians and plumbers. Most of the Division's staff are employed on a temporary basis and paid with funds the Division receives from the jurisdictions for projects it executes on their behalf. In March 2017, AOC laid off 30 of the Division's approximately 190 temporary employees, citing a lack of work from the jurisdictions.

GAO was asked to review the Division's operations. This report examines the jurisdictions' use of the Division and the Division's management of its workforce, among other issues. GAO analyzed information on projects the Division completed during fiscal years 2014 through 2018, reviewed AOC policies, visited the sites of six projects that are illustrative of the work the Division performs for the jurisdictions, and interviewed AOC staff, including officials from AOC's 10 jurisdictions and five of the employees AOC laid off in 2017.

What GAO Recommends

GAO recommends that AOC formalize the process the Division uses for collecting information on the jurisdictions' construction priorities each month, such as through developing written procedures. AOC concurred with GAO's recommendation.

View [GAO-19-343](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov or Chelsa Gurkin at (202) 512-7215 or gurkinc@gao.gov.

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A Formalized Process Could Improve Management of the Construction Division's Workforce and Workload

What GAO Found

The Architect of the Capitol's (AOC) Construction Division (hereafter the Division) is designed to serve as a flexible option that the 10 operational jurisdictions that comprise AOC can use to meet their facility needs. In their efforts to manage the buildings and grounds of the U.S. Capitol complex, AOC's jurisdictions have used the Division for projects that vary widely in cost, complexity, and duration (see figure). For example, over the last 5 fiscal years, the jurisdictions have used the Division for projects ranging in cost from about \$1,000 to about \$10 million and in scope from hazardous material testing to multiyear lighting-system upgrades. Jurisdiction officials cited the Division's flexibility in adjusting to scope and other changes to keep a project on schedule as one of the reasons they may decide to use the Division instead of an outside contractor. While jurisdiction officials said they were generally satisfied with the Division's services, officials from two jurisdictions suggested that the Division consider changing how it operates—for example, by transferring some positions to its parent organization in an effort to lower what it charges the jurisdictions. According to AOC officials, making changes such as this one to the Division's operations could have varying effects, such as increasing how much funding AOC would require from other sources beyond the jurisdictions.

Examples of Construction Division Projects



Work on a new child care center for the House of Representatives.



Work at the Library of Congress to reverse the swing of doors to allow for the more orderly evacuation of occupants in the event of an emergency.



Repairs to the steps of a Senate office building.

Source: GAO. | [GAO-19-343](#)

The Division has taken steps to strategically manage its workforce to help ensure that it has the right number and composition of staff to meet the jurisdictions' needs but has not formalized the process it uses for collecting information on the jurisdictions' construction priorities each month. Because the Division's workload is driven by projects the jurisdictions hire it to perform, such things as changes in projects' priorities and work to be performed make determining future workforce needs challenging. The Division's approach to managing its workforce generally aligns with practices that GAO has previously identified that help agencies strategically manage their human capital. This approach includes having strategies to address gaps if the size and composition of an agency's workforce are not aligned with its workload requirements. However, because the Division has not formalized the process it uses to collect information each month on the jurisdictions' construction priorities it may miss opportunities to obtain information that is critical to making informed decisions. The Division also cannot provide reasonable assurance to AOC management and Congress that it is taking the steps necessary to manage its workload and that it is basing its workforce projections on the most current information available.

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Abbreviations

AOC	Architect of the Capitol
CDMS	Construction Division Management System
PPM	Planning and Project Management

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March 27, 2019

The Honorable Amy Klobuchar
Ranking Member
Committee on Rules and Administration
United States Senate

The Honorable Chris Murphy
Ranking Member
Subcommittee on the Legislative Branch
Committee on Appropriations
United States Senate

The Architect of the Capitol (AOC) is responsible for the maintenance, operation, and preservation of more than 18.4-million square feet of building space and more than 570 acres of grounds in Washington, D.C., Maryland, and Virginia.¹ This responsibility includes a number of buildings that comprise the U.S. Capitol complex, including the U.S. Capitol, House and Senate office buildings, the Library of Congress, the Supreme Court, and the U.S. Botanic Garden. AOC is organized into 10 operational jurisdictions,² each of which is managed by a superintendent (or equivalent), who oversees that jurisdiction. For renovations, repairs, and new construction, the superintendents can use their own employees, a private contractor, or AOC's Construction Division (hereafter the Division). The Division is designed to be a flexible option for the jurisdictions and operates in response to their needs. It is comprised primarily of trade workers such as electricians, plumbers, and masons that it employs on a temporary basis.³ In March 2017, AOC laid off 30 of the Division's approximately 190 temporary employees, citing a lack of work from the jurisdictions. While the number and types of temporary employees within

¹ In addition to Washington, D.C., AOC is also responsible for buildings at Fort Meade and in Landover, Maryland, and in Culpeper and Manassas, Virginia.

² The term "operational jurisdiction" refers to an organization within AOC that is responsible for building operations. For example, the Senate Office Buildings jurisdiction is responsible for the buildings and grounds under control of the U.S. Senate. For the purposes of this report, we use the term "jurisdiction" to refer to those organizations.

³ Unlike permanent federal employees, temporary employees are hired for a specified period of time. For the purposes of this report, the term "temporary" refers to non-permanent federal employment status.

the Division are continually changing based on the work it is performing, the magnitude of this layoff raised questions about how AOC manages its workload and workforce.

You asked us to review the Division's role in supporting AOC's jurisdictions, as well as the circumstances surrounding the March 2017 layoff of 30 of the Division's temporary employees. This report:

- describes how the jurisdictions use the Division and the factors they reported considering when deciding whether to use the Division,
- assesses how the Division manages its workforce given the variability of its workload, and
- assesses whether AOC's appointment and subsequent March 2017 layoff of temporary employees from the Division complied with applicable policy.

To describe how the jurisdictions use the Division and the factors affecting this use, we obtained and analyzed available data on projects the Division completed for the jurisdictions during fiscal years 2014 through 2018.⁴ In addition, we visited the sites of six projects that the Division was executing at the time of our review. The projects we visited were selected to enable us to understand the nature of the work the Division performs for the jurisdictions; accordingly, the information we provide regarding those projects is not generalizable to all projects the Division performs for the jurisdictions. We also interviewed Division officials and each of the jurisdictions' superintendents. During the interviews, we asked superintendents what suggestions they had to change the Division's operations and discussed with Division officials the potential implications of those changes. We did not independently evaluate the superintendents' suggestions or the implications of implementing the superintendents' suggestions.

To assess how the Division manages its workforce, we reviewed pertinent documents, such as the Division's Organization and Operating Plan,⁵ obtained and analyzed payroll data for the Division for fiscal years 2014 through 2018, and interviewed Division officials. We compared the

⁴ Comparable data for projects where the jurisdictions used their own employees or a contractor instead of the Division were not available; as a result, a comparison of data among these options was not possible.

⁵ AOC, *Construction Division Organization and Operating Plan* (December 2017).

Division's efforts to manage its workforce to strategic-human capital management activities or practices identified in our prior work⁶ and standards for internal control in the federal government.⁷

To assess whether AOC's appointment and subsequent March 2017 layoff of 30 temporary employees from the Division followed applicable practices and policy, we reviewed relevant federal laws, AOC policy, and agency personnel documents. We also interviewed AOC's Chief Human Capital Officer and other officials within the Human Capital Management Division about AOC's appointment and layoff of the Division's temporary employees. In addition, we interviewed five of the nine laid off temporary employees, who were subsequently rehired by AOC, to obtain their perspective on AOC's processes for appointing and laying off temporary employees.⁸

We assessed the reliability of the Division's project and payroll data that we used in our analysis by reviewing available documentation and interviewing agency officials. We found these data to be sufficiently reliable for the purposes of this report, which includes describing the type and cost of projects the Division completed for the jurisdictions over the last 5 fiscal years, identifying illustrative examples of those projects and describing the size and composition of the Division's workforce. For more details on our scope and methodology, see appendix I.

We conducted this performance audit from March 2018 to March 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁶ GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003).

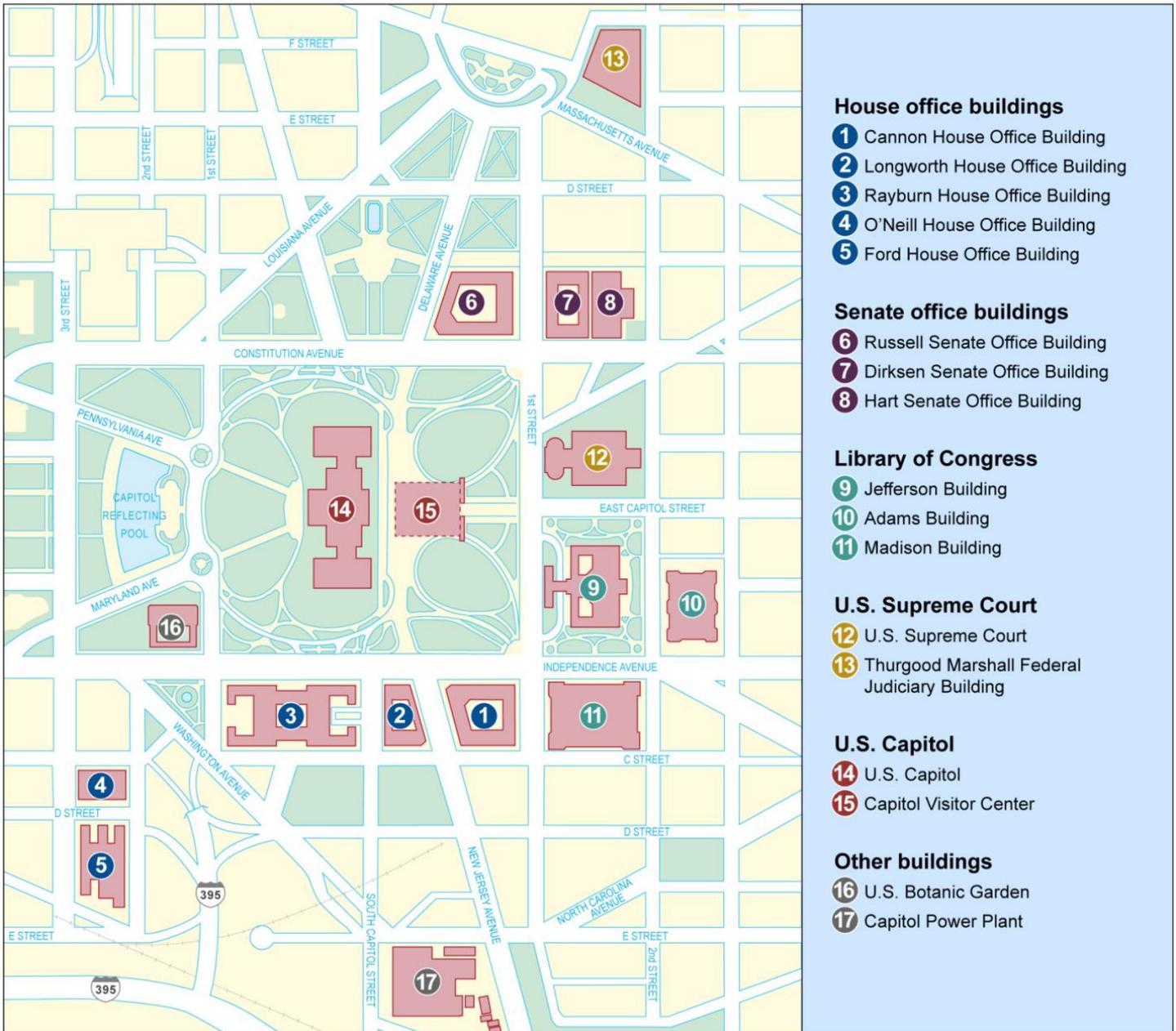
⁷ GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

⁸ We contacted nine individuals and five agreed to meet with us.

Background

AOC is responsible for the maintenance, operation, and preservation of the buildings that comprise the U.S. Capitol complex, as shown in figure 1.

Figure 1: The U.S. Capitol Complex in Washington, D.C.



Sources: National Park Service and GAO. | GAO-19-343

Note: The Architect of the Capitol is responsible for additional buildings not included in this map. AOC is organized into the following 10 jurisdictions, each of which is funded by a separate appropriation:

- (1) Capitol Building,
- (2) Capitol Grounds and Arboretum (hereafter the Capitol Grounds),
- (3) Capitol Police Buildings, Grounds, and Security (hereafter the Capitol Police),
- (4) Capitol Power Plant,
- (5) House Office Buildings (hereafter the House),
- (6) Library Buildings and Grounds (hereafter the Library),
- (7) Planning and Project Management (PPM),⁹
- (8) Senate Office Buildings (hereafter the Senate),
- (9) Supreme Court Building and Grounds, and
- (10) U.S. Botanic Garden (hereafter the Botanic Garden).

PPM provides consolidated services to all of AOC's jurisdictions, such as long-range facility planning, historic preservation, and architectural and engineering design services. In addition, PPM manages systems that span jurisdictions including electrical distribution and emergency generators. PPM is also the parent organization of the Division, which provides construction and facility management support to all of AOC's jurisdictions.

Established in the 1970s, the Division's mission is to "support AOC jurisdictions serving their Congressional and Supreme Court clients by providing high quality construction and craftsmanship with seamless flexibility, best value, and extraordinary customer service, while protecting our national treasures." The Division's operations are funded through a mix of appropriations and project funding from the jurisdictions. Specifically, according to AOC officials, the agency's appropriation for

⁹ PPM is funded through AOC's appropriation for Capital Construction and Operations, which provides for certain centrally managed, mission-oriented construction and utility functions, such as the maintenance of emergency generators. That appropriation also covers common operational and mission-support services, such as safety, environment, procurement, and legal support serving all of the jurisdictions.

Capital Construction and Operations provides the salaries and expenses of up to 13 permanent staff. The salaries and expenses of the remaining staff, as well as other costs (such as materials) are covered by the project funding the Division receives from the jurisdictions. According to AOC officials, essentially, the jurisdictions hire the Division to execute work on their behalf, and the Division charges the jurisdictions for its expenses.¹⁰

As a result, the number and type of temporary employees the Division employs at any given time is directly related to the projects it is performing for the jurisdictions. As of October 2018, of the Division's 162 employees, 12 were permanent employees responsible for executive management and administrative functions. The remaining 150 were temporary employees—124 trade workers and 26 construction support employees—that it hired under temporary (e.g., 13- or 24-month) appointments. The trade workers include electricians, plumbers, masons, woodcrafters and carpenters, cement finishers, sheet metal mechanics, painters and plasterers, hazardous material abaters and insulators, laborers, and warehouse and material handlers. The construction support employees include personnel who perform activities such as construction management, purchasing, and timekeeping.

The Division's temporary employees are eligible for benefits. By law, AOC is generally required to provide all temporary employees with "the same eligibility for life insurance, health insurance and other benefits" to temporary employees who are hired for periods exceeding one year.¹¹ The benefits AOC's temporary employees receive may differ from what other federal temporary employees in the executive branch receive since these benefits vary depending on the type of temporary appointment and the employing agency, among other things. For example, employees serving under an appointment limited to 1 year or less are generally not eligible for the Federal Employees' Group Life Insurance program.

¹⁰ The jurisdictions use appropriations made available to them for construction to fund their projects. These appropriations have varying periods of availability (e.g., 1-year, multiple years, or an indefinite period), depending upon the specific language of each appropriation.

¹¹ See the Congressional Operations Appropriations Act, 2002, Pub. L. No. 107-68, § 133, 115 Stat. 560, 581-82 (2001), as amended by the Legislative Branch Appropriations Act, 2004, Pub. L. No. 108-83, § 1101, 117 Stat. 1007, 1027 (2003) (codified at 2 U.S.C. § 1831 note).

As previously stated, the Division pays for the salaries and expenses of its temporary employees with project funding from the jurisdictions. That project funding covers both the Division’s direct and indirect costs. Direct costs are those directly attributed to and expended on a project, such as labor (i.e., trade workers) and materials. In contrast, indirect costs are necessary costs that are not directly attributable to a specific project, such as employee leave and training, as well as salaries for construction support employees, such as supervisors and purchasing agents. To pay for its indirect costs, the Division charges the jurisdictions what it calls an “indirect rate.” As of October 2018, the Division’s indirect rate was 0.85. The Division applies this rate to every direct labor-hour associated with a project it executes for the jurisdictions. For example, for a trade worker with a hypothetical hourly cost of \$45, the Division charges the jurisdictions about \$83, as shown in figure 2.

Figure 2: Calculating the Hourly Rate the Construction Division Charges Jurisdictions for a Trade Worker



Source: GAO presentation of Architect of the Capitol information. | GAO-19-343

Note: This figure depicts how the total hourly rate of a trade worker that hypothetically costs the Construction Division \$45 an hour is calculated.

For more information on the Division’s direct and indirect costs, see appendix II.

Jurisdictions Used the Division for a Wide Range of Projects, Citing Flexibility and Capacity as Key Factors, and Were Generally Satisfied with the Division's Services

Jurisdictions Used the Division for a Wide Range of Projects

Based on our analysis of the Division's data for projects completed during fiscal years 2014 through 2018, the jurisdictions used the Division to varying degrees for projects that ranged widely in terms of cost, complexity, and duration.

- **Cost:** There was a wide range in the nominal cost of individual projects the Division completed during fiscal years 2014 through 2018. The smallest individual project cost about \$1,100 in 2017 dollars to perform hazardous materials testing in the Ford Office Building for the House jurisdiction in fiscal year 2016. Larger projects may be done in phases and when combined can cost millions of dollars. For example, in 2015 the Division completed a lighting project at the James Madison Building for the Library jurisdiction in two phases at a total cost of about \$9.8 million in 2017 dollars.
- **Complexity:** During this period, the Division's projects ranged from work involving one type of activity or trade to work involving several phases or many trades. For example, the Capitol Power Plant jurisdiction used the Division for paint projects and a door replacement. Other projects included the construction of a lactation suite at the Ford House Office Building. For this 4-month project, the Division performed carpentry, electrical work, hazardous materials abatement, and other tasks in order to demolish an existing women's restroom and build a lactation suite with an adjacent, smaller women's restroom (see fig. 3).

Figure 3: New Lactation Suite in the Ford House Office Building

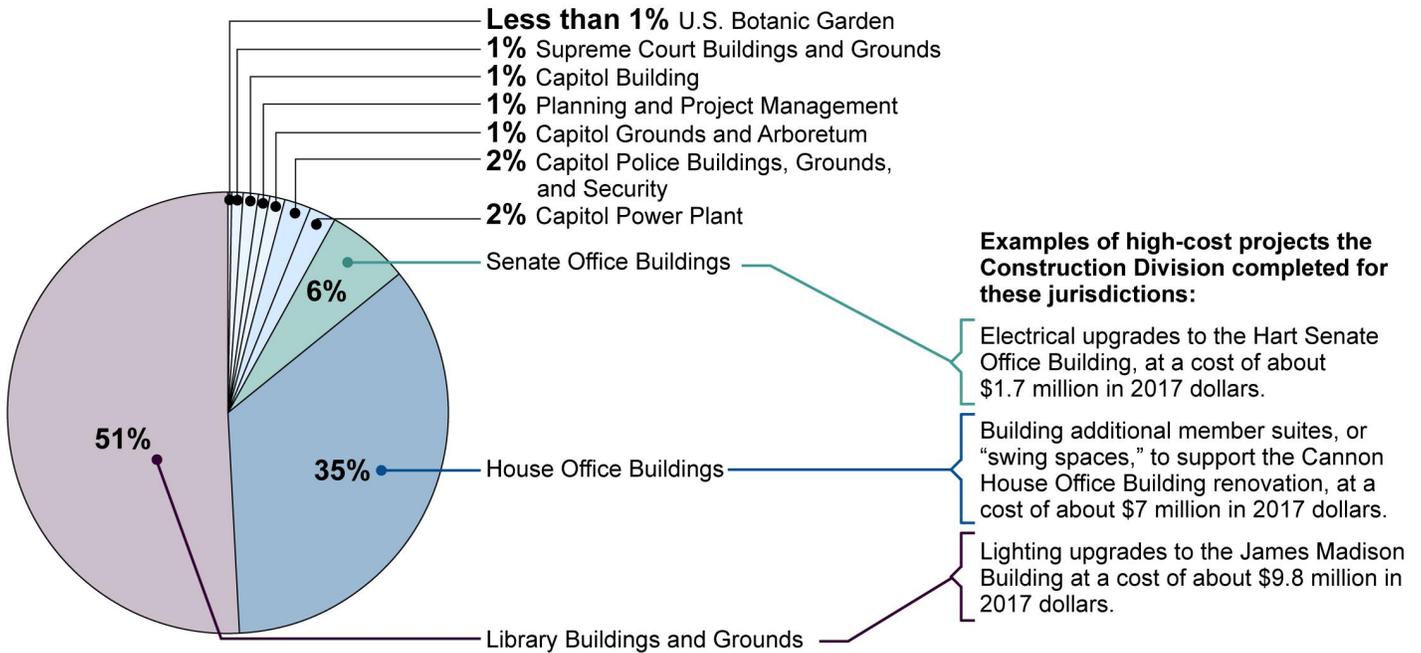


Source: Architect of the Capitol. | GAO-19-343

- Duration:** During this period, the jurisdictions used the Division for projects that varied from quick turnaround projects that took a few days to complete to longer, multi-year projects. Most (about 88 percent) of the projects were completed within one year, while about 4 percent were completed between 1 and 2 years, and about 8 percent took 2 or more years to complete. For example, the Senate jurisdiction used the Division for an elevator repair project in 2016 at the Russell Office Building that took one day to complete while smoke detector upgrades in the James Madison Building for the Library jurisdiction took over 5 years and were completed in 2014. We also identified several examples of projects that the Division did for jurisdictions in phases. Sometimes the duration of the phases were less than one year but when combined the work spanned multiple years. For example, the Division built additional office spaces for staff displaced by the House jurisdiction's renovation of the Cannon Office Building. Each phase of the work was completed within one year, but the work spanned almost 2 years from November 2014 to August 2016.

The extent to which each of the jurisdictions used the Division also varied. Based on our analysis of the Division's data and discussions with the jurisdictions, the Library, House, and Senate jurisdictions were the primary users of the Division during fiscal years 2014 through 2018, comprising more than 90 percent of the total work by cost for completed projects, as shown in figure 4. The Division completed projects exceeding \$1 million for each of these jurisdictions.

Figure 4: Construction Division’s Workload by Jurisdiction Based on the Cost of Projects, Fiscal Years 2014 to 2018



Source: GAO analysis of Architect of the Capitol data. | GAO-19-343

Note: This figure shows the percentages of the total cost of projects the Construction Division completed for the jurisdictions over fiscal years 2014 and 2018 and does not include the cost of projects that were ongoing as of October 1, 2018. Values represented in the figure have been adjusted for inflation to reflect fiscal year 2017 dollars. Percentages may not add to 100 due to rounding.

Jurisdiction Officials Cited the Division’s Flexibility and Capacity as Factors That Influence Decisions to Use the Division

While jurisdictions have the option to use their own staff or a contractor for projects, jurisdiction officials said they consider a range of factors when determining whether to use the Division. They most frequently cited the Division’s flexibility in responding to scheduling and scoping changes and the jurisdictions’ own internal capacity to execute a project. They less frequently cited other factors, such as the availability of appropriations.

Flexibility

Schedule: Jurisdiction officials said the Division provided scheduling flexibility at no extra charge compared to using outside contractors.

According to jurisdiction officials, when projects require a great deal of flexibility, the jurisdictions may be more likely to choose the Division over a contractor because the Division can start and stop work as needed and can work nights or on weekends if necessary to keep a project on schedule without charging extra fees. For example, work on projects may need to be stopped or delayed for a variety of reasons, such as for security purposes if there is a protest near the worksite, or during a presidential visit.

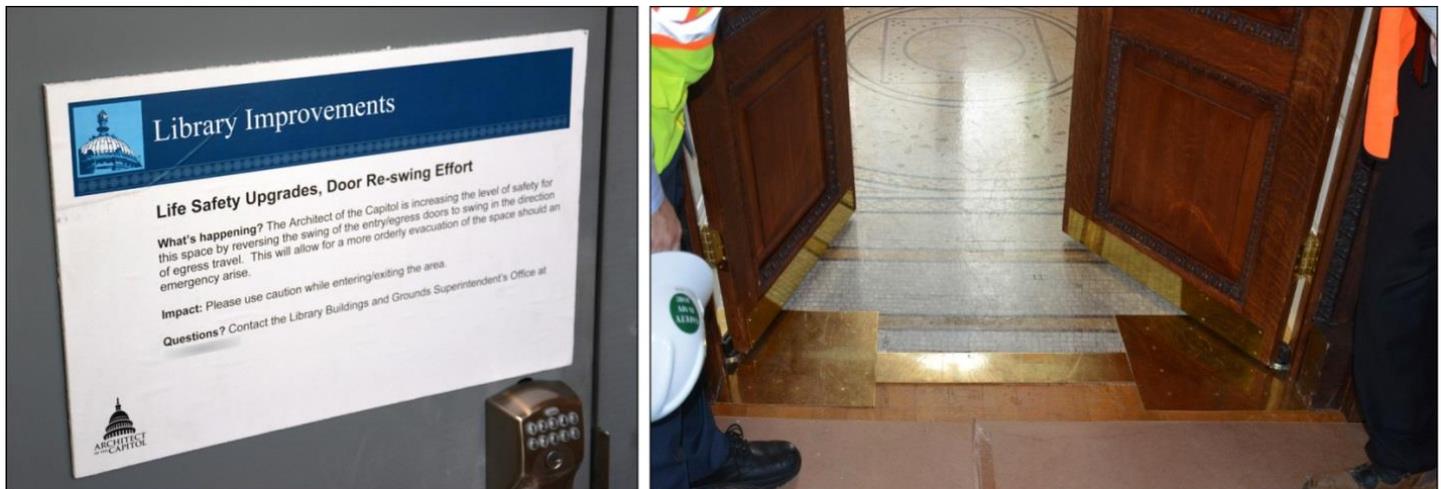
Jurisdiction officials also noted that the Division can typically mobilize faster than a contractor, a consideration that can be an important factor in determining whether to use the Division. For example, jurisdiction officials noted that the Division's employees can begin work faster than an outside contractor because they have employee identification badges that authorize access to most buildings across the Capitol complex without an escort. Contractors must obtain a badge prior to accessing a work site and require escorts in instances when they do not have an AOC or site-specific badge, and the process of obtaining a badge adds time to when a contractor can begin work. As another example, jurisdiction officials also told us that using a contractor requires that AOC develop full design specifications for a project, a process that takes time and resources. In contrast, the Division can execute work without full design specifications. For example, Capitol Power Plant officials told us they used the Division for renovations to their Administration Building because, according to the officials, the Division started the work sooner, without design specifications and thereby completed the project faster than a contractor likely could have. Capitol Power Plant officials explained that the work—which included new carpet and painting—was agreed upon with the Division without spending time developing detailed design specifications that would have been required to obtain a contractor for the work.

Scope Changes: According to jurisdiction officials, the Division is typically more flexible than a contractor when dealing with issues that arise from unforeseen site conditions or changes to a project's scope. For example, during the construction of the lactation suite discussed above, the Division uncovered lead paint in the walls, requiring the work to stop until the lead paint was removed. According to officials, contractors typically charge for making changes to a project's scope, such as removing hazardous materials uncovered during construction or associated delays. The Division does not charge for making changes or associated delays. This flexibility is because the Division charges based on direct labor hours spent on a project, meaning its expenses are charged as they are incurred. Accordingly, while a project's costs may

increase if more labor is charged to a project, the Division also has the option of having its employees work on other projects if work on a particular project has to stop.

Jurisdiction officials told us that the Division also works with the jurisdictions to save money on projects. According to officials, such savings were the case during a 2-year project that the Division completed at the Library jurisdiction's Jefferson Building in 2018 with a cost of \$3.5 million in 2017 dollars. The project involved reversing the direction of doors in high-occupancy areas to allow for more orderly evacuation of occupants in the event of an emergency, as shown in figure 5. It also involved replacing some of the building's historic doors and associated hardware with replicas that meet modern safety standards. Officials told us the Division helped the jurisdiction save about \$1.2 million (in current dollars) during the course of the project by identifying less expensive materials for the project than originally planned for.

Figure 5: Safety Improvements at the Library of Congress



Signage at the Jefferson Building identifying the scope of work of a project.

Source: GAO. | GAO-19-343

Architect of the Capitol employees demonstrating the nature of safety improvements the Construction Division executed for the Library of Congress.

Capacity

Internal staff: Jurisdiction officials also told us that they use the Division for projects when they lack the internal capacity to do so. Most of the jurisdictions have some trade workers, such as electricians and plumbers, on staff to handle their daily operations and maintenance needs. Jurisdictions may execute smaller projects with their own employees but

may use the Division for projects beyond routine maintenance work that their own employees cannot fit into their schedules. For example, officials with the Senate jurisdiction told us that they have staff capable of performing cabinetry work but have used the Division in the past for cabinetry work so that their staff could focus on more routine maintenance work. Senate jurisdiction officials also told us that they primarily use their own staff for construction work, but will use the Division as an option to supplement their staff when the volume of the Senate jurisdiction's own workload is higher than what can be handled internally.

Skill and equipment: Jurisdictions may use the Division if they lack the skills or equipment to execute a particular project. Officials from five of the jurisdictions told us that they have staff within their jurisdiction who can execute small projects involving hazardous materials, such as lead paint abatement under 2 square feet in size. Larger projects have additional abatement requirements, and the jurisdictions have used the Division for these projects. As another example, the Capitol Grounds jurisdiction used the Division in 2016 to install the annual Christmas tree on the Capitol lawn because the jurisdiction lacked the necessary equipment to do so. The Botanic Garden jurisdiction, which does not employ any masons, used the Division for a project at its Conservatory in 2016 because of the Division's masonry expertise. Officials with the Senate jurisdiction also cited the Division's masonry expertise among other factors, such as the Division's familiarity with the jurisdiction's buildings, in selecting the Division to repair the steps at the Russell Senate Office Building in 2017, as shown in figure 6.

Figure 6: Repairs to the Steps of the Russell Senate Office Building



In 2017, the Construction Division began executing a project at the Russell Senate Office Building that involves dismantling, cleaning, and reinstalling exterior steps and a terrace.

Source: GAO. | GAO-19-343

Additional Considerations

Availability of appropriations: Jurisdiction officials told us that they might not use the Division if the work cannot be completed by the time the jurisdiction's appropriations expire. Specifically, because the jurisdictions pay for the Division's services as work is executed rather than upfront when the work is initiated, the jurisdictions must ensure that work by the Division can be completed before their appropriations expire. Jurisdiction officials told us that as a result, the Division may not be a realistic option when using 1-year appropriations near the end of the fiscal year.¹² In contrast, when using a contractor, jurisdictions may obligate fixed period appropriations prior to the end of the fiscal year for work that will continue into the following fiscal year.

¹² As previously stated, the jurisdictions use appropriations made available to them for construction to fund their projects. These appropriations have varying periods of availability (e.g., 1-year, multiple years, or an indefinite period), depending upon the specific language of each appropriation.

Cost: Most jurisdiction officials said that a project's cost was not a key factor they considered when determining whether to use the Division for a project. When the jurisdictions are considering using a contractor they are not required to obtain cost estimates from the Division first and generally do not do so. As a result, comprehensive information on the relative costs of using the Division compared to a contractor was not available. However, in cases where the jurisdictions told us they did obtain estimates from both the Division and a contractor, they said the cost to use the Division was sometimes more expensive than a contractor and sometimes less expensive, as illustrated in the following examples.

- Officials with the Supreme Court Building and Grounds jurisdiction told us they used the Division to install a new heating, ventilation, and air-conditioning system in one of its buildings after it obtained an estimate from a contractor. According to officials, the project required specialized skills that the Division's trade workers did not have. However, once they received the contractor's estimate, the jurisdiction officials determined it was cheaper to pay for the Division's employees to get trained to do the project than using a contractor.
- Officials with the Senate jurisdiction told us they obtained cost estimates for lead abatement work from both the Division and a contractor several years ago. According to officials, the contractor's estimate was less than that of the Division because the contractor proposed using different equipment for the project than the Division, and the jurisdiction used the contractor for the abatement.

Jurisdiction Officials Reported They Were Generally Satisfied with the Division's Services; A Few Suggested Making Changes to Its Operations

The jurisdiction officials we interviewed said they were generally satisfied with the Division's services, including the quality of its work, and were particularly satisfied with the flexibility the Division offers. Officials from seven of the nine jurisdictions we interviewed also told us they would not suggest making changes to how the Division currently operates.¹³

Officials from two of the jurisdictions suggested the organizational and cost-allocation changes discussed below. According to Division officials,

¹³ As part of our review, we asked 9 of AOC's 10 jurisdictions whether they would suggest changing anything to their current arrangement with the Division or to its operations. We did not ask PPM because the Division is a component of PPM.

implementing those suggestions would have implications for its operations and structure, and would require additional research and evaluation to determine if they are feasible.

- **Transfer positions from the Division to its parent organization, PPM:** Officials from one jurisdiction suggested that the Division could lower its indirect rate by transferring payroll responsibility for some supervisory positions, such as its construction or safety managers, from the Division to PPM. As discussed above, because the Division does not receive an appropriation for the salaries and expenses of its temporary construction support employees, it pays for those costs by charging the jurisdictions for direct labor hours and also an “indirect rate.”

Division officials told us that payroll responsibility for some construction support positions could be transferred to PPM and that this transfer would reduce the Division’s indirect rate because that rate increases by about 1.1 percent for each employee captured in the rate. Because PPM is the parent organization of the Division, this step would not reduce the total costs of projects to AOC as an organization; rather, it would transfer the responsibility for paying certain costs from the jurisdictions to PPM. According to AOC officials, this could have several effects. First, PPM would need to find a way to fund those positions, which would likely require an increase in its appropriations to cover additional positions. Second, transferring supervisory positions to PPM could mean those personnel could be tasked to support other AOC-wide efforts, rather than supervising and managing the day-to-day execution of the Division’s projects. Similarly, Division officials told us that transferring supervisory positions or support personnel such as purchasing agents to PPM could reduce the Division’s flexibility, such as its ability to hire additional supervisors or support personnel if its workload increases in the future.

- **Make the Division’s indirect rate variable:** Officials with that same jurisdiction suggested that the Division consider making its indirect rate (which as of October 2018 was a fixed rate of 0.85) a variable rate. Under a variable rate approach, projects would have different rates depending on their needs. For example, a project requiring only labor would be charged one rate, but a project requiring labor and additional services, such as the purchasing of materials, would be charged a higher rate. According to Division officials, charging the jurisdictions varying rates depending on the extent to which a project utilizes the Division’s resources could reduce the cost for some jurisdictions but increase it for others since the Division must charge

enough to recover all of its costs. Division officials told us AOC evaluated this option in 2017 but decided against it. AOC determined that making the Division's indirect rate variable would result in increased administrative burden because the Division would have to determine which projects and workhours would be variable and which would not. It would then need to track and assess them differently for each project.

- **Provide additional on-site supervisors for complex multi-trade projects:** For most projects, the Division provides supervisors who manage the day-to-day execution of multiple projects. However, jurisdictions have the option to pay, as a direct cost, for dedicated, on-site supervisors to oversee and manage their projects exclusively. Officials with one jurisdiction suggested that the Division make it standard practice for complex, multi-trade projects to have a dedicated, on-site supervisor. Division officials told us that having a dedicated, on-site supervisor works best for complex, multi-trade projects such as the East Phase of the House jurisdiction's 13-month, \$15 million child care center project that the Division completed in December 2018 (see fig. 7).¹⁴

Figure 7: New Child Care Center for the House of Representatives



The project included demolition and construction activities associated with new classrooms, as well as supporting infrastructure and utilities.

Source: GAO. | GAO-19-343



The Construction Division also built custom cabinetry for the center, as shown in a seating area for activities.

¹⁴ According to AOC officials, the Division's portion of the project cost \$8.6 million in 2017 dollars.

According to Division officials, having dedicated, on-site supervisors day and night during construction enabled the project to remain on schedule and below budget because the supervisors were responsible for overseeing all construction activities and could immediately address questions or concerns that arose, thereby resulting in increased efficiency and cost savings. Division officials told us that while the project's scope increased during execution, the Division was able to work additional nights and weekends to meet the project's deadline. Even with additional scope, Division officials estimated that they have saved the House jurisdiction about \$500,000 (in current dollars) on the project through increased oversight and by identifying areas of cost savings, such as purchasing less expensive lighting fixtures than called for in the design.

The Division Has Taken Steps to Strategically Manage Its Workforce but Does Not Have a Formalized Process for Collecting Some Information

Uncertainties Make Anticipating the Division's Workforce Needs Challenging

The variability of the Division's workload makes anticipating the necessary size (number of employees) and composition (mix of trades and number of employees within each trade) of its workforce challenging. AOC has reported to Congress that the primary drivers behind the size and composition of the Division's workforce have been project demand and the availability of funding.¹⁵ As previously discussed, the Division's workload is driven by projects the jurisdictions hire it to perform. Without projects to execute for the jurisdictions, the Division does not have funding to pay the salaries and expenses of most of its employees. Accordingly, the size of the Division's workforce expands and contracts in response to the jurisdictions' demand for work. For example, over the last 5 fiscal years, the size of the Division's trade workforce has fluctuated between a high of 191 in fiscal year 2016 and a low of 121 in fiscal year 2018. During that period, the number of employees the Division employed within each trade also fluctuated.

¹⁵ AOC, *Report to Congress* (Aug. 4, 2017).

Several factors contribute to the variability of the Division's workload and make determining its future workforce needs challenging. First, officials told us that the Division has no control over whether the jurisdictions use the Division for their projects. Second, even if a jurisdiction decides to use the Division, Division officials told us that projects are notional or uncertain until that jurisdiction signs a project agreement, among other things.¹⁶ Third, even with a signed agreement, jurisdictions can reduce a project's scope or cancel it all together, a situation that can leave the Division searching to find work for the trade workers it planned to use for the project. Finally, differing project priorities also come into play, as both Division officials and representatives from three of the jurisdictions acknowledged that some projects and work for certain jurisdictions are a higher priority than others. According to officials, when priority or emergency projects arise, the timing and work for ongoing projects can be affected as trade workers are shifted to the priority or emergency. In some cases, the on-going project may continue at a slower pace with fewer workers and in other cases all work might be stopped for a period of time.

The Division Has Taken Steps to Anticipate Its Workforce Needs but Lacks a Formalized Process for Collecting Information on the Jurisdictions' Construction Priorities

Over the last several years the Division has made efforts to strategically manage its workforce to help ensure that it has the right number and composition of employees to meet the jurisdictions' needs. Our prior work has identified certain practices that, when implemented, can help federal agencies strategically manage their human capital.¹⁷ These practices include: (1) involving managers and stakeholders in decision-making, (2) basing workforce decisions on current needs and future projections, (3) having strategies to address workforce gaps, and (4) monitoring progress. As discussed below, we found that the Division has taken steps that generally align with those practices. However, it does not have a formalized process for collecting information that it uses to project future workforce needs, and we note that several of the steps it has taken date to the time of the March 2017 layoffs or more recently.

¹⁶ A project agreement defines the scope, cost, and duration of activities for a project.

¹⁷ [GAO-04-39](#).

Involve managers and stakeholders in decision-making: The Division has taken steps to involve AOC's management, including the superintendents of the jurisdictions, in managing its workforce given the variability of its workload. According to Division officials, its staff are in frequent contact with the jurisdictions and meet periodically with the jurisdictions to discuss the status of ongoing and future projects. The officials said that Division staff meet bi-weekly with the larger jurisdictions—such as the Senate, House, and Library—and monthly or as needed with others as well as with PPM on a weekly basis to discuss the status of projects and workforce needs. According to Division officials, this regular communication with the jurisdictions is their primary and most important method of identifying and addressing workload issues or concerns. Jurisdiction officials echoed the Division's comments, noting that they are in frequent contact with staff from the Division or as needed.

Base workforce decisions on current needs and future projections: Over the last several years, the Division has taken steps to improve how it collects and tracks information from the jurisdictions upon which to base its future workforce projections. Prior to 2015, the Division used a paper-based process to collect information on the jurisdictions' work requests and tracked information on a spreadsheet. In 2015, the Division implemented a software tool called the Construction Division Management System (CDMS) to streamline that process, making it easier for the jurisdictions to submit requests for work. For example, using CDMS, the Division can now electronically collect information for ongoing projects from the jurisdictions, such as change orders and schedule updates, and the jurisdictions can electronically submit requests for cost or schedule information for future projects. According to Division officials, Construction Managers, who are familiar with the resource needs of individual projects, are responsible for updating and validating the information in CDMS—typically bi-weekly—and the information in CDMS is available to the jurisdictions to review and verify.

More recently, in July 2017, the Division hired a scheduler to develop resource-loaded schedules for ongoing projects. This involves assigning labor, materials, equipment, and other resources to a project's schedule. According to Division officials, currently, the Division develops resource-loaded schedules for about 70 percent of its workload as the projects that comprise its remaining workload are too small or short-term for such schedules. In addition, in October 2017, the Division began collecting additional information on the jurisdictions' construction priorities through a monthly data call. As part of this data call, which the Division performs via email, the Division requests updated information from the jurisdictions on

their current projects, such as the expected start date or whether minor tasks remain, and the status of potential future projects. Using the information the Division collects from the jurisdictions, officials told us it then forecasts its workload and workforce needs out over the succeeding 12 months. According to officials, those projections are an “art, not a science,” because of the uncertainties surrounding the Division’s workload.

However, the Division has not formalized the process it uses to collect information about the jurisdictions’ construction priorities. Specifically, we found that the Division lacks a written set of procedures for the monthly data call discussed above to help ensure that staff understand who is responsible for collecting information, what information should be collected, and when that information should be collected. This lack of procedures led to a situation in July 2018 where, according to officials, the Division did not conduct that data call but has since set calendar reminders for key staff in an effort to help ensure they do not miss it again. While setting such reminders may have some benefit now, it does not ensure that others within AOC will execute that data call in the future. Formalized processes, such as written procedures, can help ensure that steps an agency is taking can be implemented in a predictable, repeatable, and accountable way. Such procedures are also a key component of internal control designed to provide reasonable assurance that an organization’s operations are effective and efficient.¹⁸ AOC officials agreed that a more formalized process for collecting information about the jurisdictions’ construction priorities could help ensure the data is collected consistently. It would also better position AOC management to ensure that the Division’s process will be implemented consistently and that the jurisdictions understand what information is expected of them. It could also provide reasonable assurance to AOC management and Congress that the Division is taking the steps necessary to manage its workload and basing its workforce projections on the most current information available.

Have strategies to address workforce gaps: The Division has a number of strategies it can employ if the size and composition of its workforce are not aligned with its workload requirements. For example, officials told us the Division can utilize direct-hire authority to quickly fill positions if there is a shortage of employees with specific skillsets to meet

¹⁸ [GAO-14-704G](#).

the jurisdictions' needs.¹⁹ Officials told us employees may also work overtime to meet the jurisdictions' needs if the Division's workload projections do not show a need to hire additional employees. In instances where there is a lack of work, officials told us the Division has the options of not renewing the appointments of its temporary employees; helping affected employees in finding positions in jurisdictions to the extent practicable; or, if necessary, lay off affected employees, as it did in March 2017.

Division officials told us they are also exploring additional strategies to help address potential instances where the size and composition of its workforce are not aligned with its workload requirements moving forward. One potential strategy involves using the Division to help address AOC's backlog of deferred maintenance and capital renewal, which AOC estimated in 2017 was about \$1.4 billion.²⁰ Another potential strategy involves working with the jurisdictions to establish more large projects that provide a stable amount of work over a period of time. An example of a recent such project is the East Phase of the O'Neill Child Care Center project. According to Division officials, around 25–30 trade workers worked at the site at any given time, providing stability and work for multiple trades. When work on other projects was delayed or did not materialize, the Division was able to move the trade workers to the child care project.

Monitor progress: Over the last several years the Division has taken steps to monitor the accuracy of its workload and workforce projections by discussing its projections with AOC management, including the Architect of the Capitol and the superintendents of the jurisdictions, each month. According to officials, the Division began these monthly briefings for AOC's management in December 2016, when its workload decreased due to the completion of work related to the renovation of the Cannon Office Building. During these briefings, Division staff provide the Architect of the Capitol and the superintendents with information on the Division's active, committed, and potential projects over the next several months. According to Division officials, these briefings provide an opportunity to

¹⁹ According to AOC's Career Staffing Plan, direct-hire is the authority to fill certain positions without the need for competition.

²⁰ In 2017, AOC reported that significant investments are needed for preservation and to ensure the future safety of AOC building occupants and visitors. See AOC, *Performance and Accountability Report 2017*, 2017.

discuss with AOC's management any issues or concerns they have with the Division's workload.

The Division employed the practices described above in the months leading up to the March 2017 layoff of the 30 temporary employees. Division officials told us that 5 to 6 months prior to March 2017, they anticipated a potential decline in the Division's workload and worked with the jurisdictions to identify potential projects that the Division could execute, but sufficient additional projects did not materialize. During this process, the Division involved PPM, the jurisdictions, and AOC's management, among others. The efforts to minimize the number of employees affected by any layoffs included identifying job openings within the jurisdictions that employees could apply for. According to officials, one employee was hired by the Senate jurisdiction, another by the Capitol Grounds jurisdiction, and a third by the Office of the Chief Administrative Officer in the House, prior to the layoff.

During the course of our review, we observed that the Division employed these strategies. Specifically, Division officials told us that they anticipated there might be a potential decline in the Division's workload in early 2019. The Division raised this potential with AOC's management during the summer of 2018, and officials told us the issue was resolved once the House and Library jurisdictions identified several projects that the Division could execute beginning in 2019.

AOC's Appointment and Subsequent Lay Off of Temporary Employees in March 2017 Followed Applicable Practices and Policy

AOC's authority to appoint and remove its employees is governed by title 2 of the U.S. Code and AOC has established various practices and policy related to their terms of employment. We found that AOC generally followed its practices when it appointed 30 temporary employees and adhered to its policy when it subsequently laid them off in March 2017.

AOC Generally Followed Its Practices in Appointing and Renewing the Terms of Employment for Temporary Employees

Our review of the appointment letters for 27 of the 30 temporary employees laid off in March 2017 found that the letters specified that the position was temporary and was for a term not-to-exceed 13-months.²¹ We also found that 10 of the 27 appointment letters included language stating that the position was dependent on the availability of work or funding. As part of our review, we met with five of the nine employees that AOC rehired following the March 2017 layoffs, all five employees told us that they were aware of the temporary nature of their positions and of the fact that they could be laid off at any time due to lack of work. Human capital officials told us that in April 2017, they developed a standard appointment letter to communicate the terms of employment for temporary employees more consistently. This letter includes language explaining that temporary appointments may be terminated at any time due to a lack of work, lack of funds, or failure to meet management's expectations. For a copy of AOC's standard appointment letter for temporary employees, see appendix III.

AOC may renew the employment of temporary employees at the end of their 13-month appointment based on project needs and the availability of funding, according to human capital officials. We found that the 13 month appointments for 26 of the 30 temporary employees were routinely renewed prior to their March 2017 layoff.²² Of the 26 temporary employees, 12 had been employed from 13 months to 5 years, 9 had been employed from 6 to 10 years, and 5 had been employed for more than 10 years. The remaining four had been employed for less than 13 months. Human capital officials told us that there is no limitation on the number of times an employee's appointment may be renewed. To ensure that employees serving under temporary appointments understand the terms of their employment, human capital officials told us that since March 2014 employees who have had their appointments renewed sign a

²¹ AOC human capital officials told us the appointment letters were unavailable for the other three employees because there was a different process in place when they were hired.

²² The other four temporary employees worked for the Division for less than 13 months prior to their layoff and did not have a Standard Form 50 (Notification of Personnel Action) showing an employment extension.

standard Extension of Temporary Appointment form. This form states the position is temporary, may be shorter or longer than 13 months, and may end at any time. For a copy of this extension form, see appendix IV.

AOC Generally Followed Applicable Policy When Laying Off the Division's Temporary Employees

AOC's layoff policy allows the Director of PPM, as delegated by the Architect of the Capitol, to lay off the Division's temporary employees for lack of work, lack of funds, or failure to meet management's expectations.²³ The policy does not specify which factors AOC should consider in selecting employees to be laid off, thereby allowing the agency discretion in this area.

Our review of the layoff letters for the 30 temporary employees laid off in March 2017 confirmed that AOC communicated to the employees that the layoff was due to a lack of work. In this particular situation, the Division officials said they determined the number of temporary employees needed to carry out its projected workload and considered two factors equally: (1) the employees' performance and skillset and (2) the employees' ability to work independently and as part of a team. Human capital officials told us that AOC's offices of Employee and Labor Relations and its General Counsel reviewed the Division's request, and found no human-capital or legal concerns. The human capital officials drafted letters notifying the 30 employees of their layoff, effective upon receipt. Division supervisors provided the letters to employees at the start of their shifts on March 21, 2017. Figure 8 provides summary information by trade on the 30 temporary employees that AOC laid off in March 2017.

²³ AOC, *Policy Memorandum 316-1, Delegation of Architect's Final Decision Making Authority—Separation of Non-Permanent Employees* (April 2016).

Figure 8: Summary Information on the Temporary Employees the Architect of the Capitol Laid Off in March 2017

Trade	Number employed in March 2017	Number laid off in March 2017		Number rehired as of June 2018	
		1 to 5	6 to 10	None	1 to 5
Laborers	30	✓		✓	
Electricians	29		✓	✓	
Carpenters/ Woodcrafters	23		✓		✓
Plumbers	20	✓			✓
Painters	12	✓			✓
Materials handlers	6 to 10	✓			✓
Woodcrafter supervisors	6 to 10	✓			✓
Cement finishers	1 to 5	✓		✓	
Electrician supervisors	1 to 5	✓			✓
Purchasing agents	1 to 5	✓		✓	

Source: GAO analysis of Architect of the Capitol personnel information. | GAO-19-343

Note: To protect individuals' privacy we have consolidated cells with 5 or fewer individuals.

At the time of the March 2017 layoff, AOC did not have a policy that required the Division to notify the Division's temporary employees of an impending layoff. Human capital officials told us that they did not provide the Division's temporary employees with advance notice of their layoff because of concerns that such advance notice could result in an unproductive and disruptive work environment. In terms of notifying relevant employee unions, human capital officials said they provided 12-hour advance notification of the layoff to one employee union, in accordance with that union's collective-bargaining agreement. The five rehired employees we interviewed told us they were caught off guard by the March 2017 layoffs. None of the 30 temporary employees filed grievances related to the layoff, according to human capital officials.

Since the layoff, human capital officials told us they recognized that AOC did not have a consistent policy for providing advance notice of layoffs to temporary employees across AOC's 10 jurisdictions. According to AOC's Chief Human Capital Officer, some jurisdictions provided advance notice of layoffs to temporary employees while others did not. To provide

consistency with such notification and in response to our inquiries, in October 2018 AOC issued guidance standardizing the notification period for temporary employees laid off due to lack of work or lack of funds across all jurisdictions. This guidance directs jurisdictions to provide all temporary employees with a notification period of 2-weeks prior to the effective date of being laid off for these reasons. It also provides jurisdictions the option to request administrative leave so that the temporary employee may stop work immediately and be paid during the two week notification period.

Conclusions

The Division was created to serve as a flexible option that the jurisdictions can use to meet the facility needs of their congressional and Supreme Court clients. By design, the Division can hire employees if there is demand for its services and lay off employees, as it did in March 2017, if there is insufficient demand or project funding to pay them. In recent years, the Division has taken steps to more strategically manage its workforce and minimize disruptions to that workforce in part by increasing its communication with the jurisdictions. However, formalizing the process the Division uses to collect information on the jurisdictions' construction priorities, such as by providing staff with a written set of procedures, which specifies what is required of staff and when, could help ensure that those staff consistently collect and use the best information to make decisions about the appropriate number of employees and the mix of trades. Formalizing that process in this manner could also help the Division provide reasonable assurance to AOC management and Congress that it is taking the steps necessary to manage its workload and basing its workforce projections on the most current information available.

Recommendation for Executive Action

The Architect of the Capitol should formalize the process the Construction Division uses to collect information on the jurisdictions' construction priorities each month, such as through developing written procedures. (Recommendation 1)

Agency Comments

We provided AOC with a draft of this report for review and comment. AOC responded with a letter in which it concurred with our recommendation and said it intended to address our recommendation later this year. AOC's letter is reprinted in appendix V. AOC also provided technical comments, which we incorporated in the report as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Architect of the Capitol. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact us at (202) 512-2834 or rectanusl@gao.gov or (202) 512-7215 or gurkinc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.



Lori Rectanus
Director, Physical Infrastructure Issues



Chelsa Gurkin
Acting Director, Education, Workforce, and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to: (1) describe how the Architect of the Capitol's (AOC) jurisdictions use the Construction Division (hereafter the Division) and the factors they reported considering when deciding whether to use the Division, (2) assess how the Division manages its workforce given the variability of its workload, and (3) assess whether AOC's appointment and subsequent March 2017 layoff of temporary employees from the Division complied with applicable policy.

To describe how the jurisdictions use the Division and the factors affecting this use, we obtained and analyzed data on projects the Division completed for the jurisdictions during fiscal years 2014 through 2018. We focused our discussion of these data to the cost, scope, and duration of projects and do not present information on the number of completed projects because of differences in how the jurisdictions identify projects. To assess the reliability of the Division's data, we reviewed available documentation and interviewed agency officials. We determined that the Division's project data were sufficiently reliable for the purposes of this report, which includes describing the type and cost of projects the Division completed for the jurisdictions over the last 5 fiscal years and identifying illustrative examples of those projects. For appropriate comparison, the costs of completed projects we present in our report have been adjusted for inflation and converted to 2017 dollars using the fiscal-year gross domestic product index, which is compiled by the U.S. Department of Commerce, Bureau of Economic Analysis. We attempted to obtain comparable data for projects where the jurisdictions used their own employees or a contractor, but these data were not readily available. With respect to the jurisdictions' use of their own employees, the Capitol Building jurisdiction attempted to obtain this data for us, but the data that were available did not include the cost of all labor spent on projects. Further, according to AOC, the jurisdictions do not capture data on employees' time spent on construction work so this data also included projects that were considered routine maintenance. With respect to the jurisdictions' use of contractors, the data that were available also included purchase card transactions, among other unrelated costs. According to AOC, identifying just the contract costs of the jurisdictions' construction

projects would require that AOC conduct significant research and review every transaction associated with its contracts.

To provide illustrative examples, we visited the sites of six projects that the Division was executing at the time of our review.¹ To select these projects, we asked the agency to provide us with projects that would enable us to understand the nature of the work the Division performs for the jurisdictions. In addition to the 4 projects the agency provided, we selected 2 additional sites based on projects that were discussed during our interviews. During our visits, we met with Division officials and representatives from the jurisdictions to discuss the projects in detail. We visited the following projects:

- an abatement and insulation project at the Russell Senate Office Building,
- repairs to the drainage system at the Russell Senate Office Building,
- the replacement of doors at the Library of Congress,
- demolition and construction activities associated with the construction of a new lactation suite at the Ford House Office Building,
- demolition and construction activities associated with the construction of a new child care center at the O'Neill House Office Building, and
- the replacement of light poles across the U.S. Capitol complex.

We also interviewed officials from the Division and AOC's 10 jurisdictions, including their respective superintendents. Except Planning and Project Management, we asked the jurisdictions if they had any suggestions for changing the Division's operations. We did not ask Planning and Project Management because the Division is a component of that jurisdiction. We then discussed with Division officials the potential implications of making those changes. We did not independently evaluate the implications of implementing the superintendents' suggestions as part of this review.

To assess how the Division manages its workforce, we reviewed pertinent documents, such as AOC's August 2017 report to Congress on the Division,² the Division's Organization and Operating Plan,³ user guides for

¹ The information we provide regarding those projects is not generalizable to all projects the Division performs for the jurisdictions.

² AOC, *Report to Congress* (Aug. 4, 2017).

³ AOC, *Construction Division Organization and Operating Plan* (December 2017).

the Construction Division Management System, and prior GAO reports. We also obtained and analyzed payroll data for the Division for fiscal years 2014 to 2018 and interviewed Division officials. To assess the reliability of the Division's data, we interviewed agency officials. We determined that the Division's payroll data were sufficiently reliable for the purposes of this report, which includes describing the size and composition of the Division's workforce over the last 5 fiscal years. We compared the Division's efforts to manage its workforce to strategic human capital-management activities or practices identified in our prior work⁴ and standards for internal control in the federal government.⁵

To assess whether AOC's layoff of temporary employees from the Division in March 2017 complied with applicable policy, we reviewed relevant federal laws and agency policy, such as the Separation of Non-Permanent Employees Policy Memorandum (AOC Order 316-1). We also reviewed pertinent personnel documents, such as appointment letters, layoff letters, and Standard Form 50 personnel documentation. We compared AOC's policy with AOC's implementation during the March 2017 layoff of 30 temporary employees. We did not independently verify AOC's application of the criteria used to determine which employees to lay off in March 2017. In addition, we interviewed officials from both AOC's Human Capital Management Division and the Division. As part of our work, we requested interviews with the nine temporary employees that AOC subsequently rehired and interviewed the five who responded in order to obtain their perspective on AOC's processes for laying off temporary employees. This information is not generalizable to all rehired temporary employees.

We conducted this performance audit from March 2018 to March 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴ GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003).

⁵ GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

Appendix II: The Construction Division's Direct and Indirect Costs

The Construction Division's (hereafter the Division) costs include both direct and indirect costs. Direct costs are costs directly attributed to and expended on a project, such as labor (i.e., trade workers) and materials. Indirect costs are costs that cannot be directly attributed to a single project, such as costs associated with employee leave and training. Table 1 shows the components of the Division's direct and indirect costs.

Table 1a: Components of the Construction Division's Costs

Direct costs—attributable to a specific project

Trade workers: project labor ^a
Equipment rental
Expended equipment
Project materials
Project-specific training
Waste disposal

Table 1b: Components of the Construction Division's Costs

Indirect costs—not attributable to a specific project or used across multiple projects

Trade workers: annual leave
Trade workers: sick leave
Trade workers: holidays
Trade workers: other leave (e.g., administrative days-off, snow days, State of the Union shutdown-time)
Trade workers: other activities (e.g., medical surveillance appointments, preconstruction activities, ^b safety and training activities, uniform-fitting activities)
Project support and all other time for inspectors, purchasing agents, supervisors, and timekeepers
Equipment purchases, maintenance, and repairs
Gas cylinder leases

Indirect costs—not attributable to a specific project or used across multiple projects

Support contracts

Tools

Vehicle leases, operating expenses, and repairs

Source: GAO analysis of Architect of the Capitol information. | GAO-19-343

^a Includes travel time to and from the jobsite and the cost of employee benefits that the agency is responsible for.

^b Includes labor expended prior to having an agreement and funding for a project.

To pay for its indirect costs, the Division charges the jurisdictions what it calls an “indirect rate” as part of the work it performs. As of October 2018, the Division’s indirect rate was 0.85. The Division applies this rate to every direct labor-hour associated with a project it performs for the jurisdictions. For example, a trade worker that the Division employs who has a hypothetical hourly cost of \$45 also has an indirect cost of about \$38. Accordingly, that trade worker’s total hourly cost, which the Division charges the jurisdictions, is about \$83.

The Division developed the methodology for its indirect rate in 2012, in consultation with the Architect of the Capitol’s (AOC) Chief Financial Officer and the jurisdictions, after it determined that its funding model at that time did not adequately recover costs that were not directly attributable to projects. According to the Division, the primary driver for developing this indirect rate was employee leave. Specifically, the Division’s employees earn about 11 hours of leave per pay period, and funds to cover that leave need to be recovered because they cannot be obligated and charged to a project at the time the leave is earned but prior to its being taken by the employee. The Division allocates its indirect costs among the jurisdictions, using statutory authorities available to the Architect of the Capitol.¹

According to AOC officials, historically, the Division’s indirect rate was determined by staff within the Division. The rate was determined by looking at historical cost and project data over the two prior fiscal years. As of fiscal year 2019, AOC established a steering committee to determine the Division’s indirect rate. This committee is comprised of five

¹ For further information on how the Division allocates the costs of construction projects for individual areas of Capitol Hill that receive separate appropriations, see GAO, *Architect of the Capitol--Proposal for Establishment of a Working Capital Fund*, [GAO B-328065](#) (Washington, D.C. Oct. 27, 2016).

members: AOC's Chief Financial Officer, the Director of the Division, the superintendent of the House Office Buildings jurisdiction, and a superintendent from another large jurisdiction and a small jurisdiction. According to AOC officials, the Division's indirect rate is now based on projected costs and projects for the current fiscal year, and this rate will be monitored and may be adjusted throughout the year to address potential gaps or overages in funding for the Division's annual indirect costs.

Appendix III: Architect of the Capitol's Standard Temporary Appointment Letter

Appendix III: Architect of the Capitol's
Standard Temporary Appointment Letter



Architect of the Capitol
U.S. Capitol, Room SB-15
Washington, DC 20515
www.aoc.gov

Date

New Employee Name
Street Address
City, State, Zip Code

Dear (Name):

Congratulations on your selection for the position of **(Position Title)** with the Architect of the Capitol (AOC). This letter confirms your acceptance of our offer of employment. Important information related to your appointment is described below.

Position Title:	XXX
Pay Plan, Series, Grade/Step:	XXX
Salary:	XXX
Location:	Architect of the Capitol, (Jurisdiction, Division, Branch)
Type of Appointment:	Temporary Appointment Not to Exceed (Date)
Effective Date:	XXX
Probationary Period Required:	No

You are required to report to the *United States Capitol Visitor Center (CVC), Room (Number)*, located at First and East Capitol Streets, N.E., Washington, D.C., for Day 1 of the AOC Welcome Experience on **(Day, Date), at 8:30 am**. Please arrive approximately 20 minutes early to allow for entry into the building. *Important information regarding access to the CVC is enclosed. Please read it carefully to avoid delays or denied entry.*

In addition to this session, you must also attend the two-day AOC Welcome Experience on (Day, Date), in Room (Number) and (Day, Date), in Room (Number) at 8:30 a.m. at the Capitol Visitor Center.

Enclosed with this letter is an information package that includes directions to the U.S. Capitol Visitor Center.

Please note that this position is temporary in nature and is not to exceed ___ months. This is strictly a temporary appointment where there is no permanent need or permanent funding available for the work involved. The duration of this temporary appointment is limited and may be shorter or longer depending on the extent of the work or project. This temporary position may also be terminated at any time without advance notice due to lack of work and/or lack of funds. As a non-permanent employee, you may also be separated without advance notice for failure to meet management's expectations.

**Appendix III: Architect of the Capitol's
Standard Temporary Appointment Letter**

If you desire to have your paycheck directly deposited into a bank account, it is recommended that you bring a voided check along with you on the first day of AOC Welcome Experience. You will be completing the Direct Deposit Sign-Up Form at this time. If you do not elect direct deposit, your paycheck will be mailed to your designated address.

You will complete designation of beneficiary forms which require the name(s), address(es), and social security number(s) of those you designate as beneficiary. Please ensure that you have the required information with you.

If you are new to the Federal Government, you will be eligible to participate in the Federal Employee Health Benefits Program. There are many plans to choose from and health benefits information will be provided during orientation. However, if you have access to the internet, you can review available plans at <https://www.opm.gov/healthcare-insurance/healthcare/plan-information/guides>. Other Federal Employee Benefits for which you are eligible will be discussed during orientation.

It is AOC's policy to provide reasonable accommodation for employees with qualified disabilities. If you would like to request a reasonable accommodation for the AOC Welcome Experience, please let me know at your earliest convenience so that the necessary arrangements can be made.

In case of an unforeseen emergency, such as inclement weather, please call [REDACTED] to hear a recorded message that will give you AOC's operational status. If the status indicates that we are on a delayed arrival, closed, or unscheduled leave, the AOC Welcome Experience will be rescheduled for the next business day. Staff from the Human Capital Management Division, Employment and Classification Branch, will contact you via telephone or email to provide further instructions.

I wish you success in your new position and if you have any questions regarding your appointment, please contact me on [REDACTED]. Welcome to the Architect of the Capitol!

Sincerely,

(Specialist's Name)
Human Resources Specialist

Enclosures
Employment Package Forms

Appendix IV: Architect of the Capitol's Acknowledgement Form for the Extension of Temporary Appointment

**Appendix IV: Architect of the Capitol's
Acknowledgement Form for the Extension of
Temporary Appointment**



Architect of the Capitol
U.S. Capitol, Room SB-15
Washington, DC 20515
www.aoc.gov

**Acknowledgement Form
Extension of Temporary Appointment**

(Name: Last, First, Middle) _____

(Current Position Title, Series and Grade) _____

Name of Jurisdiction/Division _____

- I understand that my temporary appointment is being extended for another limited period of time.
- I understand that this is a strictly a temporary appointment where there is no permanent need or permanent funding available for the work involved and that the temporary appointment is limited in duration.
- I understand that the not-to-exceed date (NTE) of this temporary appointment may be shorter or longer, depending on the duration of the work.
- I understand that the temporary appointment can be terminated at any time based on the decision of Management.

Employee Signature: _____

Date: _____

Appendix V: Comments from the Architect of the Capitol

Appendix V: Comments from the Architect of the Capitol



Architect of the Capitol
U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793
www.aoc.gov

March 12, 2019

Ms. Chelsa Gurkin
Director, Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
Washington, DC 20548

Ms. Lori Rectanus
Director, Physical Infrastructure Issues
U.S. Government Accountability Office
Washington, DC 20548

Dear Ms. Gurkin and Ms. Rectanus:

Thank you for providing the Architect of the Capitol (AOC) the opportunity to comment on the Government Accountability Office (GAO) draft report entitled: *Architect of the Capitol: A Formalized Process Could Help Better Manage the Construction Division's Workforce and Workload* (GAO-19-343). The AOC concurs with GAO's findings and recommendation to formalize the process the Construction Division (CD) uses to collect information on the jurisdictions' construction priorities each month, such as, through written procedures. The director of Planning and Project Management will issue a formal written process consistent with your recommendation by May 31, 2019. Although not specifically addressed in your recommendation, for the longer term, the AOC will also evaluate the need for the development of an AOC-wide policy and/or process for further stabilizing the volatility of CD's workload.

The AOC is pleased that GAO found CD's approach to (1) managing its workforce generally aligns with practices GAO previously identified that help agencies strategically manage their human capital; and (2) the appointments and subsequent layoffs of temporary employees in March 2017 generally followed applicable practice and policy.

The AOC expresses its appreciation for the professionalism and attention to detail demonstrated by the GAO review team. Technical comments for your consideration have been provided separately. Should you need any clarification, please contact my office at 202.228.1793.

Sincerely,

Christine A. Merdon, P.E.
Acting Architect of the Capitol

Doc. No. 190305-18-01

Appendix VI: GAO Contacts and Staff Acknowledgments

GAO Contacts

Lori Rectanus, (202) 512-2834 or rectanusl@gao.gov

Chelsa Gurkin, (202) 512-7215 or gurkinc@gao.gov

Staff Acknowledgments

In addition to the contact above, key contributors to this report included Mary Crenshaw (Assistant Director); Maria Edelstein (Assistant Director); Melissa Bodeau; Sarah Cornetto; Patrick Dibattista; Camille M. Henley; Wesley A. Johnson; Efrain Magallan; Josh Ormond; Cheryl Peterson; Kelly Rubin; and Laurel Voloder.

Appendix VII: Accessible Data

Data Tables

Accessible Data for Figure 4: Construction Division's Workload by Jurisdiction Based on the Cost of Projects, Fiscal Years 2014 to 2018

Jurisdiction	Percentage of Construction Division's workload based on cost of projects
U.S. Botanic Garden	0.33
Supreme Court Buildings and Grounds	1
Capitol Building	1
Planning and Project Management	1
Capitol Grounds	1
Capitol Police Buildings, Grounds, and Security	2
Capitol Power Plant	2
Senate Office Buildings	6
House Office Buildings	35
Library Buildings and Grounds	51

Accessible Data for Figure 8: Summary Information on the Temporary Employees the Architect of the Capitol Laid Off in March 2017

Trade	Number employed in March 2017	Number laid off in March 2017	Number rehired as of June 2018
Laborers	30	1 to 5	0
Electricians	29	6 to 10	0
Carpenters/Woodcrafters	23	6 to 10	1 to 5
Plumbers	20	1 to 5	1 to 5
Painters	12	1 to 5	1 to 5
Materials Handler	6 to 10	1 to 5	1 to 5
Woodcrafter Supervisor	6 to 10	1 to 5	1 to 5
Cement Finisher	1 to 5	1 to 5	0
Electrician Supervisor	1 to 5	1 to 5	1 to 5

Trade	Number employed in March 2017	Number laid off in March 2017	Number rehired as of June 2018
Purchasing Agent	1 to 5	1 to 5	0

Standard Temporary Appointment Letter

Accessible Text for Appendix III Architect of the Capitol's Standard Temporary Appointment Letter

Page 1

Date

New Employee Name Street Address

City, State, Zip Code

Dear (Name):

Congratulations on your selection for the position of (Position Title) with the Architect of the Capitol (AOC). This letter confirms your acceptance of our offer of employment. Important information related to your appointment is described below.

Position Title: XXX

Pay Plan, Series, Grade/Step: XXX

Salary: XXX

Location: Architect of the Capitol, (Jurisdiction, Division, Branch)

Type of Appointment: Temporary Appointment Not to Exceed (Date)
Effective Date: XXX

Probationary Period Required: No

You are required to report to the United States Capitol Visitor Center (CVC), Room (Number), located at First and East Capitol Streets, N.E.,

Washington, D.C., for Day 1 of the AOC Welcome Experience on (Day, Date), at 8:30 am. Please arrive approximately 20 minutes early to allow for entry into the building. Important information regarding access to the CVC is enclosed. Please read it carefully to avoid delays or denied entry.

In addition to this session, you must also attend the two-day AOC Welcome Experience on (Day, Date), in Room (Number) and (Day, Date), in Room (Number) at 8:30 a.m. at the Capitol Visitor Center.

Enclosed with this letter is an information package that includes directions to the U.S. Capitol Visitor Center.

Please note that this position is temporary in nature and is not to exceed _____ months. This is strictly a temporary appointment where there is no permanent need or permanent funding available for the work involved. The duration of this temporary appointment is limited and may be shorter or longer depending on the extent of the work or project. This temporary position may also be terminated at any time without advance notice due to lack of work and/or lack of funds. As a non-permanent employee, you may also be separated without advance notice for failure to meet management's expectations.

Page 2

If you desire to have your paycheck directly deposited into a bank account, it is recommended that you bring a voided check along with you on the first day of AOC Welcome Experience. You will be completing the Direct Deposit Sign-Up Form at this time. If you do not elect direct deposit, your paycheck will be mailed to your designated address.

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Sincerely,

(Specialist's Name)

Human Resources Specialist

Enclosures

Employment Package Forms

Acknowledgement Form

Accessible Text for Appendix IV: Architect of the Capitol's Acknowledgement Form for the Extension of Temporary Appointment

Acknowledgement Form Extension of Temporary Appointment

(Name: Last, First, Middle) _____

(Current Position Title, Series and Grade) _____

Name of Jurisdiction/Division _____

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Employee Signature: _____

Date: _____

Agency Comment Letter

Accessible Text for Appendix V Comments from the Architect of the Capitol

March 12, 2019

Ms. Chelsa Gurkin

Director, Education, Workforce, and Income Security Issues

U.S. Government Accountability Office

Washington, DC 20548

Ms. Lori Rectanus

Director, Physical Infrastructure Issues

U.S. Government Accountability Office

Washington, DC 20548

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Sincerely,

Christine A. Merdon, P.E.

Acting Architect of the Capitol

Doc. No. 190305-18-01

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