

GAO

Testimony



139782

For Release on
Delivery
Tuesday
June 20, 1989

Repair and Alteration of the General Accounting Office
Building

Statement of
Milton J. Socolar
Special Assistant to the Comptroller General

Before the
Subcommittee on Public Buildings and Grounds
Committee on Public Works and Transportation
House of Representatives



046780 / 139782

Mr. Chairman and Members of the Committee:

We appreciate the opportunity to appear here today to discuss the General Accounting Office (GAO) Prospectus for repairs and alteration of the GAO building. Public Law 100-545 transferred custody and control of the GAO building from the General Services Administration (GSA) to GAO.

Our prospectus covers completing renovation of the heating, ventilating and air-conditioning (HVAC) system; the associated replacement of ceilings, lights, partitions, finish flooring, electrical repairs; removal of asbestos-contaminated building components; and installation of upgraded electrical and telecommunication equipment and cabling systems.

Background

The GAO building, which was constructed in 1951, provides a gross area of 1,952,568 square feet, occupiable office space of 1,128,000 square feet, and 202,000 square feet of indoor parking. It is potentially eligible for the National Register of Historic Places. The building is primarily occupied by the GAO and currently houses 4,462 employees.

Renovation of the GAO building was first authorized under GSA prospectus 080041-2 in 1974, and reauthorized under GSA prospectus

PDC-00413 in 1984. We need to continue the work begun by GSA. In addition, our prospectus addresses several major changes that have caused significant increases in the scope and the cost of accomplishing the work.

The cost of removing asbestos from the building has escalated dramatically and is far higher than it was 15 years ago. Virtually all the horizontal ducts in the several-mile long GAO building ductwork system are composed of nearly 100% asbestos. Concentrations of asbestos in ceilings, insulation and acoustic materials are also very high. Because the HVAC system requires renovation, the asbestos ductwork must be replaced. Also, the placement of new electrical and telecommunication cables above the ceilings will disturb other materials with high asbestos concentrations thereby necessitating removal of all asbestos products. Essentially, GAO cannot perform any renovation or normal maintenance work above the drop-ceiling without encountering asbestos building components needing the application of expensive protective measures. We cannot properly heat and air condition the building because of the asbestos ductwork.

We need to modify our physical space beyond what was planned in 1974 to accommodate emerging office technology. This requires additional air-conditioning capacity due to increased office equipment heat loads.

In addition to increased air-conditioning capacity, the electrical system must be upgraded to accommodate the new technology with more independent electrical branch circuits. Cable management systems have to be installed to accommodate new and expanded electrical and telecommunications services.

Also, a new automated sprinkler system is to be installed throughout.

The construction process will be facilitated by moving two agencies now housed in the GAO building. The Department of Treasury will move to Hyattsville, Maryland. The Agency has vacated 27,000 square feet in May, 1989 and will be vacating another 55,000 square feet by December, 1990. In 1992, the Bureau of Labor Statistics will vacate 180,000 square feet by relocating to a new facility. As these moves occur, GAO will consolidate about 1,100 audit site staff into the GAO Building. These staff are currently housed in leased space and space assigned by host agencies. Leased space will be released as consolidation takes place and leases expire. This will add to GAO's operating efficiency by bringing staff closer to their supervisors and to essential services such as publishing, editing, and training.

In summary, the upgrading and modernization of building systems and features will provide high quality work space, meet modern

office needs, and renew the life expectancy of building components and elements.

Rationale and Alternatives

We needed to decide whether to lease a new building, repair and alter the current building or construct a new one. Using the economic model prescribed in OMB Circular A-104, we determined that repair and alteration of our current building was the least costly alternative over a 30 year period. We determined that if the proposed repairs or alterations are not made, the building eventually would be untenable and an equivalent amount of leased or newly constructed space would be required. At some time in the future, the asbestos products in the building would probably become friable and present a clearly unacceptable health hazard.

The 30 year present value life cycle cost to construct a new building is estimated at \$379.4 million.

The 30 year, present value life cycle cost of the repair and alteration option is \$333.6 million, some \$45 million less than new construction, and considerably less than a leasing cost of \$537.4 million.

Our prospectus recommends the repair and alteration alternative. This alternative is estimated to cost about \$76.4 million over a six year period. This is the only practical solution.