

**PROGRESS ON JOBS AND SMALL
BUSINESS OPPORTUNITIES AS THE
DEPARTMENT OF HOMELAND
SECURITY CONSTRUCTION BEGINS IN
WARD 8**

(111-119)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

June 15, 2010

Printed for the use of the
Committee on Transportation and Infrastructure



U.S. GOVERNMENT PRINTING OFFICE

57-128 PDF

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JAMES L. OBERSTAR, Minnesota, *Chairman*

NICK J. RAHALL, II, West Virginia, *Vice Chair*
PETER A. DeFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
ELIJAH E. CUMMINGS, Maryland
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
RUSS CARNAHAN, Missouri
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
MAZIE K. HIRONO, Hawaii
JASON ALTMIRE, Pennsylvania
TIMOTHY J. WALZ, Minnesota
HEATH SHULER, North Carolina
MICHAEL A. ARCURI, New York
HARRY E. MITCHELL, Arizona
CHRISTOPHER P. CARNEY, Pennsylvania
JOHN J. HALL, New York
STEVE KAGEN, Wisconsin
STEVE COHEN, Tennessee
LAURA A. RICHARDSON, California
ALBIO SIRES, New Jersey
DONNA F. EDWARDS, Maryland
SOLOMON P. ORTIZ, Texas
PHIL HARE, Illinois
JOHN A. BOCCIERI, Ohio
MARK H. SCHAUER, Michigan
BETSY MARKEY, Colorado
MICHAEL E. McMAHON, New York
THOMAS S. P. PERRIELLO, Virginia
DINA TITUS, Nevada
HARRY TEAGUE, New Mexico
JOHN GARAMENDI, California
HANK JOHNSON, Georgia
JOHN L. MICA, Florida
DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, Jr., Tennessee
VERNON J. EHLERS, Michigan
FRANK A. LoBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
HENRY E. BROWN, Jr., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
SHELLEY MOORE CAPITO, West Virginia
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
CONNIE MACK, Florida
LYNN A WESTMORELAND, Georgia
JEAN SCHMIDT, Ohio
CANDICE S. MILLER, Michigan
MARY FALLIN, Oklahoma
VERN BUCHANAN, Florida
BRETT GUTHRIE, Kentucky
ANH "JOSEPH" CAO, Louisiana
AARON SCHOCK, Illinois
PETE OLSON, Texas
VACANCY

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY
MANAGEMENT

ELEANOR HOLMES NORTON, District of Columbia, *Chair*

BETSY MARKEY, Colorado	MARIO DIAZ-BALART, Florida
MICHAEL H. MICHAUD, Maine	TIMOTHY V. JOHNSON, Illinois
HEATH SHULER, North Carolina	SAM GRAVES, Missouri
RUSS CARNAHAN, Missouri	SHELLEY MOORE CAPITO, West Virginia
TIMOTHY J. WALZ, Minnesota	MARY FALLIN, Oklahoma
MICHAEL A. ARCURI, New York	BRETT GUTHRIE, Kentucky
CHRISTOPHER P. CARNEY, Pennsylvania,	ANH "JOSEPH" CAO, Louisiana
	VACANCY

Vice Chair

DONNA F. EDWARDS, Maryland
THOMAS S. P. PERRIELLO, Virginia
HANK JOHNSON, Georgia
JAMES L. OBERSTAR, Minnesota
(Ex Officio)

CONTENTS

	Page
Summary of Subject Matter	vi
TESTIMONY	
Bennett, Cecil, Operator, Clark Foundations	22
Bunn, James, Executive Director, Ward 8 Business Council	22
Ebadi, Shapour, Project Executive, St. Elizabeths DHS Consolidation, General Services Administration	4
Hardie, Yanic, President and Chief Executive Officer, Hardie Industries	22
Lawrence, Lincoln, Vice President, Public Division, Clark Construction Group, LLC	4
McKirchy, Kathleen, Director Community Services Agency, Metropolitan Washington, Council, AFL-CIO	22
Stewart, Gabriel, Laborer, Clark Foundations	22
Thomas, Beverly L., President, Regional Contracting Services, LLC	22
PREPARED STATEMENTS SUBMITTED BY MEMBERS OF CONGRESS	
Norton, Hon. Eleanor Holmes, of the District of Columbia	45
Oberstar, James L., of Minnesota	47
PREPARED STATEMENTS SUBMITTED BY WITNESSES	
Bennett, Cecil and Stewart, Gabriel	49
Bunn, James	50
Ebadi, Shapour	53
Hardie, Yanic	61
Lawrence, Lincoln	63
McKirchy, Kathleen	74
Thomas, Beverly L.	77
SUBMISSIONS FOR THE RECORD	
Ebadi, Shapour, Project Executive, St. Elizabeths DHS Consolidation, General Services Administration, response to request for information from the Sub- committee	60
Lawrence, Lincoln, Vice President, Public Division, Clark Construction Group, LLC, response to request for information from the Subcommittee	70



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

James L. Oberstar
Chairman

John L. Mica
Ranking Republican Member

David Heynsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

June 14, 2010

James W. Coon II, Republican Chief of Staff

SUMMARY OF SUBJECT MATTER

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

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

SUBJECT: Hearing on "Progress on Jobs and Small Business Opportunities as the Department of Homeland Security Construction Begins in Ward 8."

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Tuesday, June 15, 2010, at 5:30 p.m., at the Russell Hall Exhibition Area of Matthews Memorial Baptist Church at 2616 Martin Luther King, Jr. Ave, SE, Washington, D.C., to receive testimony on the progression of contracting and job opportunities associated with the redevelopment of the St. Elizabeths campus for the headquarters for the Department of Homeland Security (DHS). The General Services Administration (GSA) is responsible for the redevelopment of the campus in order to provide a consolidated headquarters for the DHS. The purpose of the hearing is to examine GSA's practices and policies regarding jobs and contracting opportunities at St. Elizabeths and assess GSA's plan to incorporate DHS into the southeast Washington, D.C., neighborhoods of Congress Heights, Barry Farms, and Anacostia.

BACKGROUND

St. Elizabeths Hospital was established in 1855 in Southeast Washington, D.C., as a government hospital for people with mental disabilities. Its early mission was also to provide mental health facilities for the Army, the Navy, and the District of Columbia. However, during the Civil War, it was also used to house wounded soldiers. In 1916, Congress renamed the government hospital St. Elizabeths. St. Elizabeths is bisected into two campuses by Martin Luther King, Jr. Avenue, SE. The East Campus was transferred to the District of Columbia in 1987. The East Campus is comprised of 154 acres and houses the D.C. Unified Communications Center and a

mental health facility. In 2001, the Department of Health and Human Services determined that the West Campus was excess to its needs and the property was later transferred to GSA. The West Campus consists of 183 acres of land and 61 buildings with approximately 1.1 million square feet and is owned by the Federal Government. Located in the Anacostia and Congress Heights communities, the West Campus is bounded by Martin Luther King, Jr. Avenue to the East, Interstate 295 to the West, Barry Farm Dwellings to the North, and Shepherd Park/Congress Heights to the South. It occupies a bluff overlooking the Anacostia River and is approximately three miles from the U.S. Capitol. The entire West Campus, including buildings and landscaping, was designated a National Historic Landmark in 1990.

I. Campus of St. Elizabeths

The major driving factors for the redevelopment of St. Elizabeths West Campus are: the need for the consolidation of DHS, the lack of large Federal land sites remaining to be developed in the District of Columbia, and the high level security requirements of DHS. DHS was created by the Homeland Security Act of 2002 (P.L. 107-296) in response to the 9/11 terrorist attacks. To improve management of the 22 disparate agencies within DHS that is located in 40 different locations, the Administration has pursued a program to house the critical elements of DHS on the St. Elizabeths campus. The components identified for consolidation are the Office of the Secretary of DHS, the Transportation Security Administration, Customs and Border Protection, Immigration and Customs Enforcement, the Federal Emergency Management Agency (FEMA), the U.S. Coast Guard, and liaisons from agencies that are not being relocated to the St. Elizabeths Campus. GSA is responsible for the redevelopment of the West Campus to provide a consolidated headquarters for DHS. St. Elizabeths West Campus is one of the only significant pieces of Federal property in the District of Columbia controlled by GSA remaining available for development.

GSA also has the mission of maintaining and preserving St. Elizabeths as a National Historic Landmark. On January 8, 2009, GSA received final approval of the Master Plan by the National Capital Planning Commission. The primary objective of the Master Plan is to achieve maximum build-out of the property to accommodate the mission of the DHS, which includes consolidating as many agencies of DHS as possible in one location. A secondary goal is to relocate Federal tenants currently in leased space to Federally-owned space.

GSA has received several appropriations to consolidate DHS, including:

- \$24.9 million for the United States Coast Guard Headquarters at St. Elizabeths West Campus (P.L. 109-115);
- \$13.1 million for infrastructure work on St. Elizabeths West Campus (P.L. 109-115);
- \$6.4 million for infrastructure work on St. Elizabeths West Campus (P.L. 110-5);
- \$450 million for construction and development to consolidate the Department of Homeland Security headquarters in Washington, DC (P.L. 111-5); and
- \$346.6 million for construction and development to consolidate the Department of Homeland Security headquarters in Washington, DC (P.L. 111-8).

In addition, in fiscal year (FY) 2011, the President requested funds for new construction for GSA, including funds for site work and construction services for the following:

viii

- \$267.7 million for the St. Elizabeths DHS Consolidation and Development;
- \$99.2 million for the St. Elizabeths West Campus Infrastructure;
- \$5 million for St. Elizabeths Historic Preservation Mitigation; and
- \$8.4 million for St. Elizabeths Highway Interchange.

These FY 2011 requests remain pending in the appropriation process. The total cost of the development of the St. Elizabeths campus is expected to be approximately \$3.4 billion, including costs apportioned to GSA and DHS.

The master plan for the West Campus of St. Elizabeths includes 4.5 million gross square feet of office space and 1.8 million gross square feet of parking to house approximately 14,000 of the 26,000 DHS employees in the National Capital Region. The pending amendment to the master plan includes plans to build an additional one million gross square feet of office space and parking on the East Campus of St. Elizabeths for the FEMA headquarters building. GSA plans to provide the West Campus with Level IV security, which includes 100-foot setbacks. The terrain of St. Elizabeths also offers natural buffer zones for security barriers.

The first office building planned for the new St. Elizabeths campus is the U.S. Coast Guard headquarters and is currently under construction. The U.S. Coast Guard Headquarters will be a 1.2 million gross square foot building that is expected to house 3,860 Federal employees. The U.S. Coast Guard headquarters is expected to be substantially completed by 2013.

GSA has engaged local community leaders in the master planning process. GSA has periodically made presentations on the master plan to each of the Ward 8 Advisory Neighborhood Commissions (locally elected residents) and the Anacostia Coordinating Council, and has participated in several local town hall meetings. At meetings of these locally-based groups, GSA has presented project specific information and updates and has distributed project fact sheet brochures and maps. GSA has also held several Business Opportunity Forums to educate local residents and businesses on how to participate in business opportunities during the redevelopment of St. Elizabeths Campus. In addition, GSA has opened an opportunities trailer along with the general contractor for the U.S. Coast Guard Headquarters building, to provide a clearinghouse of information for job opportunities during the development of St. Elizabeths.

District of Columbia Comprehensive Plan for Anacostia and Congress Heights

The District of Columbia Comprehensive Plan, revised in 2006, calls for development in the immediate area surrounding the West Campus of St. Elizabeths. The city of Washington, D.C. currently owns the 154-acre East Campus of St. Elizabeths. The Comprehensive Plan calls for a phased development of the East Campus, which would include the development of one million square feet for the FEMA headquarters. This planned development would include housing, office and retail space, new academic and cultural space, and new city parks. The development would be structured to take maximum advantage of the Congress Heights Metro Station, adjacent to the East Campus, and to integrate the Congress Heights neighborhood into the development. The plan also indicates that D.C. officials plan to work collaboratively with GSA on redevelopment of the West Campus of St. Elizabeths.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

On June 11, 2007, the Subcommittee on Economic Development, Public Buildings and Emergency Management held a hearing entitled, “The New DHS Headquarters at St. Elizabeth’s: Local Business Opportunities”.

On October 27, 2009, the Subcommittee on Economic Development, Public Buildings and Emergency Management will held a hearing on the “Recovery Tracking Hearing #3: Following the Dollars to the Jobs?”. This hearing focused on American Recovery and Reinvestment Act funds used for the consolidation of the DHS Headquarters at the St. Elizabeths campus.

In the 109th Congress, the Committee approved two resolutions for design, construction, and management and inspection of the U.S. Coast Guard Headquarters. In the 110th Congress, the Committee approved two resolutions for the construction and development of the DHS Headquarters at the St. Elizabeths campus. In the 111th Congress, the Committee approved one resolution for the construction and development of the DHS Headquarters at the St. Elizabeths campus.

WITNESSES

PANEL I

Mr. Shapour Ebadi
Project Executive
St. Elizabeths – DHS consolidation
General Services Administration

Mr. John O'Keefe
Division President, Public Division
Clark Construction Group, LLC

PANEL II

Mr. James Bunn
Executive Director
Ward 8 Business Council

Mrs. Beverly L. Thomas
President
Regional Contracting Services, LLC

Ms. Kathleen McKirchey
Director
Community Services Agency, Metropolitan Washington Council, AFL-CIO

Mr. Cecil Bennett
Operator
Clark Foundations

Mr. Gabriel Stewart
Laborer
Clark Foundations

Ms. Yanic Hardie
President, CEO
Hardie Industries

**FIELD HEARING ON THE PROGRESS ON JOBS
AND SMALL BUSINESS OPPORTUNITIES AS
THE DEPARTMENT OF HOMELAND SECURITY
CONSTRUCTION BEGINS IN WARD 8**

Wednesday, June 15, 2010

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS, AND EMERGENCY MANAGEMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Washington, DC.

The Subcommittee met, pursuant to call, at 5:30 p.m., in St. Matthews Memorial Baptist Church, 2616 Martin Luther King Jr., Avenue, S.E., Washington, D.C., Hon. Eleanor Holmes Norton [Chairwoman of the Subcommittee] presiding.

Present: Representatives Norton and Diaz-Balart.

Ms. NORTON. The hearing will come to order. The Ranking Member of our Subcommittee has a privilege I do not have. And he is exercising that privilege now. Votes were called as I left the House. And Mr. Diaz-Balart is anxious to be here but has indicated that he would have no issue with our starting this hearing. We expect him to come when the vote is over. The vote will be on for D.C. at some point. Don't give up on him.

That said, welcome to today's hearing entitled "Progress on Jobs and Small Business Opportunities as the Department of Homeland Security Construction in Ward 8."

We are examining a large and unprecedented Federal development on the federally owned West Campus of St. Elizabeths Hospital in the Anacostia neighborhood of Southeast Washington.

The U.S. Department of Homeland Security headquarters construction project marked the first time the Federal Government will locate a Federal agency east of the Anacostia. And what an historic time it is because the Department of Homeland Security is not just any agency. It is a signature agency of the Federal Government.

The St. Elizabeths West Campus has been an unoccupied eyesore for decades, bringing down Martin Luther King Avenue and the community around it. The Federal Government has held onto the West Campus because of the scarcity of land in the District because there is too little remaining space in the nation's capital to meet the Federal Government office space needs and because of the need for consolidation of agencies to improve their efficiency.

By building on its own land, the St. Elizabeths campus, the site, brings savings to the Federal Government. And it meets other re-

quirements, such as the presence of Metro stations and there are two stations near St. Elizabeths—and other public transportation as well and accessibility and proximity to other Federal agencies in the District.

This is the second congressional hearing on the effects of the Department of Homeland Security headquarters development on employment and small businesses in the District of Columbia, in addition to our authorization and appropriation hearings. This hearing is devoted to the important local implications and benefits of this large Federal project.

Later this week, as part of the annual congressional hearing before my Subcommittee on General Services Administration's Capital Investment and Leasing Program, we will address some of the macro issues related to the overall planning and construction of the DHS project.

The Federal Government is crossing the Anacostia River with one of its most prestigious and important agencies at a time when wards 7 and 8 are seeking to become destination points, like many other areas in the District of Columbia.

Although this construction will benefit the entire city and region, its potential effects on wards 7 and 8, in particular, are important. At the end of last year, ward 8 had a nearly 30 percent unemployment rate and a poverty rate of 40 percent according to the Washington Post. I do not intend to bring a nearly \$3.4 billion development to the District without ensuring that residents near the site benefit in the competitive search for jobs and small business opportunities.

Last December, at my request, the GSA and Clark Construction generously constructed an Opportunity Center on the West Campus of St. Elizabeths. The Opportunity Center features job search assistance, small business and training sessions pre-apprenticeship, apprenticeship, and other job training information, a computer lab, a conference room, and information kiosk. It's a brand new quite fine facility.

In addition, I introduced and Congress enacted an amendment that authorized \$3 million for apprenticeship and pre-apprenticeship training programs in the American Recovery and Reinvestment Act that we call the stimulus bill.

At least one group, the Community Services Agency of the Metropolitan Washington Council, AFL-CIO, competed successfully for this funding and has graduated 161 adults, 105 of whom are District residents.

We also anticipate opportunities for D.C. residents to participate in the building of the DHS headquarters through an apprenticeship program we previously negotiated with GSA, which requires apprenticeship training programs to be part of the competitive bidding process on all GSA building projects in the National Capital Region. That is to say, in order to win one of these lucrative contracts, they get points for training. And you can bet that we are going to make sure that all who have those contracts and sub-contracts are indeed fulfilling that requirement.

The GSA has worked closely with me to ensure that the community and the Federal Government actively collaborate in the planning and implementation of the DHS headquarters. This coopera-

tion has been beneficial both to the local community and to the Federal Government.

The Federal Government needs local communities to buy into Federal projects so that the two can exist amicably together. And communities want Federal construction which brings construction jobs and Federal employees to an area and has unfailingly spared local, retail, and commercial development as well.

This hearing continues a process we began shortly after the Federal Government initially funded the new DHS headquarters project. In 2006, the community will remember we began by holding a town meeting where top GSA, U.S. Coast Guard, and District officials participated in a standing room only meeting where questions from residents were taken, followed by another community meeting in 2008.

In September 2007, GSA and I sponsored a small business forum on opportunities that would become available at the site. In December 2007, we held our first congressional hearing on the project.

The GSA has continued to ensure community participation in countless meetings working with ward 8 residents throughout this process and getting their feedback in order to assist GSA in making decisions. Consequently, the project has been well-received by community residents, who are hopeful that the new headquarters will help spur retail and other efforts underway to ensure increased commercial development and, of course, that there will be jobs for the community from this project.

The Federal Government broke ground on the Coast Guard building, the first building to go up, earlier this year, a 1.2 million square foot building on the West St. Elizabeths Campus.

The DHS components identified for consolidation at the headquarters include the Office of the Secretary of the Department of Homeland Security; the Transportation Security Administration; Customs and Border Protection; Immigration; and Customs Enforcement; the Federal Emergency Management Agency, or FEMA; and the Coast Guard; as well as liaisons for agencies not being currently located here because there is not enough room for all of DHS to fit into one site.

GSA also has as its mission maintaining and preserving St. Elizabeths as a national historic landmark, including leaves of most of its historic building. Currently GSA is working to complete a master plan for the consolidation of some of the most important GSA component agencies to establish its post-9/11 mission of bringing together agencies that must work jointly to prevent and respond to terrorist events and natural disasters in our country.

GSA will relocate Federal tenants currently in leased space to federally owned space, unlike lease payments. Placing Federal employees in government-owned space enhances the vitality of the Federal building fund because lease payments are directed to the building fund and then recycled to help us keep Federal buildings going up and in good repair, rather than as with leasing going to private developers. We could very much look forward to having the hearing witnesses in this, our first site hearing. We will have other site hearings as the construction proceeds.

We want to proceed now with the first of two panels and the witnesses. We will hear first from Shapour Ebadi, Project Executive,

St. Elizabeths DHS consolidation, the General Services Administration.

Mr. Ebadi, you may proceed.

TESTIMONY OF SHAPOUR EBADI, PROJECT EXECUTIVE, ST. ELIZABETHS DHS CONSOLIDATION, GENERAL SERVICES ADMINISTRATION; LINCOLN LAWRENCE, VICE PRESIDENT, PUBLIC DIVISION, CLARK CONSTRUCTION GROUP, LLC

Mr. EBADI. Good evening, Chairwoman Norton and Members of the Subcommittee. My name is Shapour Ebadi. And I am Deputy Regional Commissioner in the National Capital Region for GSA's Public Building Service.

Thank you for inviting me to appear before you to discuss the progress with the new Department of Homeland Security headquarters at the St. Elizabeths campus here in ward 8. The DHS headquarters project at St. Elizabeths is the largest Federal construction since the Pentagon. It's four and a half million square feet of workplace plus one and a half million square feet of parking spaces.

DHS compares to the Pentagon six million square feet. However, the Pentagon also has more than 60 acres of parking on surface lots. DHS parking will be a multi-story parking garage located partially or completely underground.

This project will have tremendous economic benefits for the neighborhood, the city, the region, and the nation. Construction will generate more than 30,000 jobs directly. And there are far more people working on the site and indirectly of the wages pay cycle through the economy. At the peak of the construction cycle, there will be 1,000 people working on site supported by hundreds of small businesses, subcontractors, and vendors.

Moving DHS into a single federally owned headquarters campus will save the American taxpayers over \$500 million. In net present value, when compared with continuing to locate the same components through leased space for the next 30 years.

The preliminary draft environmental impact statement is for the placement of 750,000 square feet of office space and 775 structure parking spaces on the east campus. This document is being released for public review and comment this summer. We in the District office describe it as a major boost to the District's effort to redevelop East Campus as a mixed-use community.

We are also working with the District Department of Transportation, Federal Highway Administration, and National Clark Services to provide transportation access to the headquarters campus without unduly burdening Martin Luther King, Jr. Avenue.

The key to the success of this initiative is obtaining approval from the National Park Service to utilize a small portion of the property through Malcolm X Avenue, I-295 interchange. Negotiations are still underway with the National Park Service.

GSA has made intensive efforts to reach out to the ward 8 and surrounding communities. We have held more than 50 meetings here and in training labs, with advisory neighborhood commissions will take local residents' councils and local business groups. These include six public hearings, the town hall that you represent, Ms.

Norton, Chair, and five all-day training sessions for small businesses on how to do business with GSA.

Our general contract is for 1.2 million square feet. Our Coast guard headquarters now under construction has identified \$224 million in subcontracting opportunities. Forty percent of this will go to small businesses.

While GSA cannot mandate that Clark select from a specific geographic location, we have already chosen 25 District-based small businesses to work on site. Thirteen of these are located in ward 8. Seventy subcontracts are awarded.

Clark will also establish an Opportunity Center on campus as a one-stop location for people interested in providing and procuring contracts or jobs to learn what opportunities are available and receive guidance from GSA personnel on site. This operation will continue with new general contractors participating in our program.

GSA has also contracted with AFL-CIO to provide pre-apprenticeship training. We held the first graduation ceremony in December. And we have graduated three more classes since then.

Clark has established an apprenticeship program for people interested in careers in the building trades. They have already employed 34 apprentices. At least 12 are District residents, even though construction has only been underway for five months and it's focused on excavation and foundation work.

At present, there are almost 650 employees on site. Four hundred and fifty-eight are being employed under or to Coast Guards headquarters, 250 truck drivers. Sixty percent of these truckers are owned or operated by the District residents.

GSA is going to great lengths to present the character of this national and historic landmark. They have designed the campus so that no building will be higher than the center building. All the buildings that are above ground are located away from the historic part of the campus, either behind buildings. They are part of that or cascading down the hill to the Anacostia River. We will preserve these, and we use 51 of the 62 buildings on the West Campus.

We and DHS are also working with the community to provide ongoing access to the campus. In particular, the magnificent views from the utilization of the theatre facility and the historic cemetery are the focus of our discussions. DHS has committed to making these sites available and accessible on a limited basis.

This campus would also be an environmental short case. Approximately 80 percent of the roof area of the new building will be green. It will be a cogeneration facility, which will provide 25 percent of our energy on site. New buildings will have natural footprints or their interiors will have an abundance of natural light. We will use innovative HVAC systems and materials that are locally produced and/or recycled.

The green roofs along with the extensive landscaping and underground systems will capture up to a 15-year strong event before it flows into the Anacostia River. Our goal is to achieve the go ahead in transportation from the U.S. Green Buildings Council.

The total cost for the project, including funds both from GSA and DHS, is \$3.4 billion. At present, more than one billion has been, \$1 billion has been, appropriated to both agencies. Of this total, the

American Recovery and Reinvestment Act has provided \$450 million for GSA and \$250 million for DHS.

We are currently constructing phase one of the three-phase project. This first phase consists of 1.3 million square feet of Coast Guard headquarters, a 2,000-car parking garage, perimeter security fence, and renovation of 7 historic buildings.

Occupancy for the Coast Guard will occur in 2013. Phase two will restore and modernize the center building to house the Office of the Secretary of DHS and construct the new FEMA headquarters on the East Campus, starting 2011 and finishing 2014. Phase three will provide new headquarters for TSA, CBP, and ICE starting in 2013. Occupancy for the entire project is scheduled for 2016.

In closing, I would like to thank you, Representative Norton, and your Committee for the strong support you have provided for this project. Your familiarity with all of its details is impressive. And your commitment to making it a success is strong.

Thank you for providing GSA with the opportunity to make this project possible.

Ms. NORTON. Well, thank you for that testimony, Mr. Ebadi. We will have questions for you after we hear next from Lincoln Lawrence, Vice President, Public Division, Clark Construction Group.

Ms. NORTON. Mr. Lawrence?

Mr. LAWRENCE. Thank you, Chairwoman Norton.

My name is Lincoln Lawrence, and I am a Vice President for the Public Division in the Mid-Atlantic Region for Clark Construction Group, LLC.

I would like to thank the Subcommittee for the opportunity to address our progress related to the construction of the U.S. Coast Guard headquarters building as part of the Homeland Security Construction on the St. Elizabeths campus.

We were founded in 1906. Clark Construction Group is today one of the nation's most experienced and respected providers of construction services, with over 4.5 billion in annual revenue in major projects throughout the United States.

We perform a full range of construction services throughout the United States, from small interior renovations to some of the most visible architectural landmarks in the country.

Projects we are known for in the Washington area include FedEx Field, the Verizon Center, U.S. Department of Transportation headquarters, and the Largo Metro station.

The foundation of all of our construction work is a solid relationship with both public and private clients who have the confidence to rely time and again on our experience and in-house expertise to make their vision a reality and a commitment to the communities where we work.

Today I am pleased to respond to the Subcommittee's request where Clark addressed the progression of contracting and job opportunities associated with the U.S. Coast Guard headquarters building on the St. Elizabeths campus.

We are pleased that the U.S. General Services Administration selected Clark to lead the design and construction of the Coast Guard headquarters, a 1.2 million square foot facility that will feature an 11-story office building for 3,800 employees, a separate central utility plant in 2 7-story parking garages to be constructed on the West

Campus of the former St. Elizabeths Hospital site here in the city's Anacostia neighborhood. This project is the first phase of the Department of Homeland Security's consolidation and relocation to Southeast Washington, DC.

The U.S. Coast Guard headquarters project was originally planned for LEED certification. However, at our previous hearing in October before this Subcommittee, we committed to work with the GSA to seek to raise that rating to a LEED gold certification. And those efforts are on the way.

In October 2009 before this Subcommittee, let me mention two efforts to encourage and expand employment opportunities in the community. First, Clark placed an employment opportunity trailer at the project site. This trailer is the Opportunity Center. The Opportunity Center trailer, run by GSA, is a key resource to the community providing real-time workforce availability on site, not just for Clark but all the subcontractors as well.

Second, Clark provides GSA with timely procurement schedules such that any business, including those here in ward 8, can see what work is coming and decide if they want an opportunity to participate in that work.

Clark and their major subcontractors today have registered apprenticeship programs and keep in contact with Community Services Agency, who runs a pre-apprenticeship program that trains prospective employees from ward 8 on the skills needed to qualify for an apprenticeship job.

Just last Thursday, Clark hosted a current class in the tour of the Coast Guard job site and discussed upcoming opportunities and the process to apply for those jobs.

Since beginning site preparation work in February, the major item of work has been earthwork. To date, we have moved 40 percent of the approximately 1.3 million cubic yards of earth to be excavated. While the amount of dirt and rock removed daily varies, on an average day, approximately 250 trucks remove dirt and rock from the site and as many as 300 trucks may operate on any given day.

Of these trucks, more than 60 percent are either owned by District operators or subcontracted by District companies. The Opportunity Center was used to introduce interested truckers and businesses to the earthwork subcontractor, resulting in significant local participation in the earthwork.

Since the start of this project through the beginning of June, we have created a total of 23 new hires: 8 union and 15 non-union. Thirteen of the non-union individuals were hired through the Opportunity Center. Soon the next major work project starting at the site will be concrete work, which will continue through the Fall of 2011.

As with all construction efforts, concrete work will take some time before the effort significantly ramps up. This leads to a discussion of how jobs are filled for this project.

At this early stage of the project, we have approximately 200 workers on site. To date, 34 apprentices have worked on this project. Journeyman and apprenticeship jobs are filled in a number of ways. Union jobs are filled through the various trade unions' halls. Non-union jobs have been filled through the Opportunity

Center and from employees moving to this job after completing work on all the projects.

The key here is using the Opportunity Center trailer as a resource for employment opportunities and following up with the various trades to make them aware of this resource.

I want to make clear that the number of jobs in subcontracting opportunities are not unlimited. However, the Opportunity Center trailer is a vehicle for both subcontractors and job seekers to work with Clark and our subcontractors on the U.S. Coast Guard project.

On behalf of Clark Construction Group, I want to thank you for the opportunity to testify today. And I am happy to answer any questions you may have. We also have a representative from two of our major subcontractors, John J. Kingman and Diane Electric Corporation, and they are available to respond to your questions and any specific questions related to their trade.

Ms. NORTON. Thank you very much, Mr. Lawrence.

Your testimony, the testimony of both you, Mr. Lawrence, and Mr. Ebadi, is important because if we have the announcement of a construction project, people come out of the woodwork, especially in the period of the great recession, saying they want a job.

Now, I want to ask you about the phases of hiring and business opportunities. I have been calling this the pre-hiring stage because what the public usually regards as construction work, people on the ground digging and all the rest of that, is yet to occur. What precisely is occurring on this site now?

Mr. LAWRENCE. Currently we're doing the earthwork. We are actively progressing in the work. We are probably about 40 percent complete with the earthwork.

Ms. NORTON. And the "earthwork" means hauling away earth so that you begin working in the hold; that is, to the new building?

Mr. LAWRENCE. Right. Another way to look at it is excavation of the dirt that is there. We are moving it from site.

Ms. NORTON. Now, to do that work, there is basically a crane and some drivers?

Mr. LAWRENCE. There are a number of what we call earth-moving equipment, cranes. And you see a lot of dump trucks coming to take the dirt away.

Ms. NORTON. Now, Mr. Ebadi, is this what you meant when you talked about 24/7? Tell me about how that operation works.

Mr. EBADI. Yes, ma'am. As Lincoln said, we are in the excavation and hauling phase at this point. We are moving 1.3 million cubic yards of dirt from the site. And right now we are moving—we have 45 percent into our 1.3 million cubic yards. And that's it, great achievement in our schedule and our—

Ms. NORTON. That's only because you are nonstop hauling?

Mr. EBADI. Correct.

Ms. NORTON. Twenty-four hours a day they are loaded and moved?

Mr. EBADI. Correct. And that's—we're doing this so they can get to our next phase, which will as we pour concrete. Actually, as they coincidentally poured our first concrete today, this morning, for our—

Ms. NORTON. What kind of workers pour concrete?

Mr. EBADI. Basically, we will utilize rebar and contractors and concrete finishers, concrete placers, and forklift contractors. And that just for the record, Chairwoman, our concrete provider for this project is a D.C. contractor. So we actually are—

Ms. NORTON. Could you submit the name of that contractor to the Committee within 30 days?

Mr. EBADI. Yes, ma'am.

Mr. LAWRENCE. If I could just add to that? Also it's a District company that is also going to be furnishing and installing the reinforcing steel that goes in the concrete.

Ms. NORTON. A District-based company?

Mr. LAWRENCE. District.

Ms. NORTON. Is that a small business?

Mr. LAWRENCE. A small business.

Ms. NORTON. Will be providing the?

Mr. LAWRENCE. Furnishing the reinforcing steel. That is what goes inside the concrete. They will be furnishing and installing that. And we can provide that along with the concrete company in the next 30 days.

Ms. NORTON. Now, do I understand—I'm reading from Mr. Lawrence's testimony—250 trucks to remove dirt and rock from the site. So that is starting today?

Mr. EBADI. Correct.

Mr. LAWRENCE. Correct.

Ms. NORTON. And more than 60 percent are either owned by District operators or subcontracted by District companies. What is that?

Mr. LAWRENCE. Correct.

Ms. NORTON. What is that?

Mr. LAWRENCE. They are either District owners of the trucking company or in some cases a District company has subcontracted out to a number of trucks. So the number of trucks that the District company has subcontracted out plus the independent truckers to get a makeup of around 60 percent of all of the trucks being removing dirt at the site.

Mr. EBADI. In other words, this is exactly part of our goal. In achieving everything on this project, we are going to maximize about subcontracting plan and employment with the District residents, even though if there is a truck driving phase, we will have truck driver owner/operators that aren't mainly District contractors or District residents. We're going to the other activities, such as demolition.

And, just to let the Chairman know, we have three projects other than procurement as we speak. Once these procurements come to completion as we award the project, there will be a new wave of actually abatement contractors, demolition contractors, and small businesses that will be part of this procurement.

So each phase will have a significant amount of D.C. and surrounding communities' participation.

Ms. NORTON. Mr. Ebadi, this is a very important point. Usually when people think of a construction job, they think of something that goes on for a couple of years, it's up and running.

This could provide jobs, construction jobs, for upwards of almost ten years. This will mean 14,000 Federal employees who have to

come to work every day in this building. We will, of course, get to the effect that could conceivably have on ward 8 later.

How were you able to get such a high percentage of District-owned truck operators? What did you do to reach out to get this percentage? And you are going to supply the names within 30 days?

Mr. EBADI. Correct. What we basically have done is, even though—as a Federal project, geographical locations in our procurement is not mandated. However, every time we award a contract, either to Clark or to anybody else, basically Bonnie Echoles, our lead contracting officer, and myself and our other team members, one thing we emphasize to all of these contractors is basically in a real sense, understand where you are and understand what this project is about.

This project is about basically for—has it not been for the recovery funds, this project would have never happened.

So we will sit down with these contractors. And basically we will tell them they have to be sensitive to District contractors in ward 8/ward 7 so they may award residents as the opportunity comes about.

Mr. LAWRENCE. If I could just add to that? Clark and our contractors are sensitive to the need to use District and ward 8 residents. And one of the specific things we did shortly after awarding the subcontractor, a subcontractor of earthwork, we had an opportunity at the Opportunity Center, where we invited a number of small businesses, mostly from ward 8 and other District wards, who had competed for the work but were not successful in being the lowest responsible subcontractor.

But we knew they had a lot of companies that had made arrangements with different truckers. So we got all of those companies to come and meet the low successful bidder. And they were able to form a relationship. And that is part of how a lot of these District companies are participating in the Coast Guard.

Ms. NORTON. Now, let's get to the qualifications for jobs. I was at the site. And I saw a homeless man, very well-spoken man, who was working on the site. And he told me a story that needs to be told.

There are various ways to apply for a job. When people hear of jobs here, we have our apprentice programs, who are, of course, going to funnel people for consideration.

Clark, as I understand it, went into the neighborhood. Now, I talked with this young man, who was living in a homeless shelter. And he told me that of the 20 or so people, that he knew of only one who had been hired.

Shapour, why? In that first round of people that simply came off the streets, why was this young man the only one hired?

Mr. EBADI. The main reason, Congresswoman, was, unfortunately, most of them failed the drug test. And so, consequently, we were able to hire a very limited amount of the interviewees.

And since then we have actually gotten together with some of the workforce groups and our contracting officers. Basically we're in the process of developing basically a community of workforce groups so they can partner with us in the Opportunity Center.

So there will be some screening and pre-apprenticeship programs and also training before we go into the application process. This way we won't have the same scenario as these failures that we faced.

Ms. NORTON. Now, this is a Federal project. So it is governed by Federal law, not just by your own regulations. What does Federal law require with respect to documentation of citizenship?

Mr. EBADI. We require what we call basically permanent residency or work permit in the United States. And also we make sure if there are any background issues, we will take that case by case. We have basically said—

Ms. NORTON. Well, let me ask you to stop right there. Suppose a person doesn't have an entirely clean record. Under what circumstances could such a person work on a Federal site? I know you are using the same procedures here that you must use nationwide. What kind of a record can a person have and still get hired?

Mr. EBADI. There is no felony and the felony is not basically three years or earlier. They have made the basic—

Ms. NORTON. So even felonies if they are not recent felonies?

Mr. EBADI. Correct.

Ms. NORTON. OK. At least it allows you to be considered for a job?

Mr. EBADI. Correct.

Ms. NORTON. On a Federal site in this country?

Mr. EBADI. Correct. We have basically established basically a mutual agreement with DHS security folks to basically take, even in a worst-case scenario, where we need to evaluate the situation. We just want—there will be no basically umbrella rejection.

Ms. NORTON. Blanket rejection.

Mr. EBADI. Blanket rejection of the issues. Everyone will be considered on a case-by-case basis.

Ms. NORTON. Now, I was able to get the money out of the Congress for this project. I had gotten the first hundred million dollars out of them. The way in which I was able to get the money for this project was through the American Recovery Act. That act aims, first and foremost, to create jobs as well as small business opportunities. But it is an anti-recession statute.

And my Subcommittee and the full Committee have been having hearings, in which we track the number of jobs and small business opportunities. Can you tell me how many jobs and small business opportunities have been provided to date?

Mr. LAWRENCE. To date roughly 70 subcontractors and suppliers, who either have or will be participating in a multi-tier basis on the project. Sixty-one of those 70 subcontractors and suppliers are small businesses. Of those 61, 25 are from the District and 13 from ward 8.

Ms. NORTON. What kind of work have small businesses been doing on this project at this time? And I would like the names of those small businesses in 30 days as well.

Mr. LAWRENCE. Sure, not a problem. I would say a number of things. The major item is the site utilities work. That work actually started probably three weeks or so ago. And even though that company, small business company, the contractor is in excess of \$2 million, they have only 7 people on the project. And I mention that be-

cause one of those seven actually came from the Opportunity Center, which I thought you might want to know.

Other than that, for the earthwork and site demolition work, one of the joint venture partners or earthwork subcontractor is a small business as well as approximately nine of the major truckers that are working with a small or joint venture, earthworks, are small businesses.

The other subcontractors or small businesses that have signed up actually have not started work as of yet, talking like for the exterior grazing work, for the mechanical, the electrical work. Those small contractors, small business contractors, that will be working with those subs have not actually started work yet on the project.

But those, the 70 I mentioned, are those that have committed or have a letter of intent to do work on the project.

Ms. NORTON. Yes, Mr. Ebadi?

Mr. EBADI. Sorry. Just to elaborate on what Mr. Lawrence is saying, this is Clark's portion. Now, we have other projects that basically are not Clark's-related. If we know we are monitoring our subcontracting plan on a weekly basis in our progress meetings, we would have—basically so we just completed our demolition abatement contract for the warehouses. That was a small business, 8(a)-certified contractor. And, actually, they posted an 8(a) competitive procurement the night before last night for abatement and demolition of the seven historic projects that I mentioned in my testimony.

So in the—that Clark is in maintaining their obligation to the subcontracting plan and small business participation, we at GSA also have our own small, set-aside contracts.

Ms. NORTON. This is very important to understand. Clark has goals for small businesses, and so does GSA. Some of the small business is not related to the major contract. And that is why GSA has it.

Much of it is—and that's why Mr. Lawrence has it, and the government does allow goals and expects goals and expects goals to be met. This is an important distinction. There are two sources for small businesses.

Now, Mr. Lawrence, let me tell you something that we're not seeing here, I hate to say, on this project. Sophisticated small businesses have said that there are times—again, this is not related to Clark, and I am obviously going to get information on Clark with respect to this allegation—that small businesses are sometimes taken on pursuant to goals and then the major contractor does the work or small business, in fact, now has an opportunity, managing opportunity, for training. It is simply used as appointment for the goals.

How would you respond to that complaint, which I have heard widely enough to have to ask you not about your company but about what you are going to do to make sure these small businesses who qualify competitively, which means they must know how to work, in fact, can work alongside the contractor and, in effect, participate in a higher level of training than might have been available to them before?

Mr. LAWRENCE. You are correct. I have heard that. A lot of people have heard that before. That is now how Clark operates. We

have a smaller business group in our company. We also have a strategic partnership program and just completed a fourth year on this and may need to come back to what you talked about about developing these small businesses, teaching them, and from things that they would not otherwise be exposed to and not have the opportunity to work with large businesses.

It is a process that we try to do, in fact, on the Coast Guard project, although we have been contacted by more than 250 such small businesses. What we do is we get their capabilities. We make sure that for the specific trade that we are dealing with, we contract with the large businesses but not as a passthrough. It is made clear that Clark is not into that. And we have too much of a relationship with a number of people in the community whom we have helped and help us to develop our strategic partnership program to avoid and minimize things like that.

Ms. NORTON. Well, Mr. Lawrence, so far you have certainly met our expectations. I raised it because apparently it is fairly widespread among subcontractors.

At the same time, I put the community on notice that this is a Federal project, and this is not just any Federal project. What I am going to say goes to all Federal projects. GSA is held to a very high-quality standard.

Now, if someone competes—and the 8(a), the small businesses do compete, those who are 8(a) compete among themselves—if at any time a small business is not meeting the quality goals the Federal Government puts on Clark, Clark had better get rid of that small business. Mr. Ebadi had better be on notice here. That is how a Federal project works. That is why the competition initially is so important.

And I assume that given the extraordinary competition for this historic construction, that once you have landed a subcontractor, you must be pretty good to begin with. So you begin with a presumption that you are good. And it is up to Clark to help go the rest of the way.

And if something happens, it is Clark whom we are going to hold responsible. So it would reflect poorly on Clark and, for that matter, poorly on Mr. Ebadi—I'm sorry—on GSA, Mr. Ebadi, not on you personally, sir.

[Laughter.]

Ms. NORTON. It would reflect poorly on GSA and poorly on Clark and their competition if after, in fact, recruiting subcontractors, they just had to toss them away or if the Congresswoman heard complaints that they had won but they are not doing anything.

Now, we are fortunate, indeed, that our Ranking Member, who was voting on the House floor, has come. And he is my good friend. He wanted to be sure to come here. And I am going to interrupt my own questions now to ask Mr. Diaz-Balart if he has any opening statement.

Mr. DIAZ-BALART. Thank you, Madam Chairwoman. Let me first ask you forgiveness for being late. You did mention why I was not able to be here.

Ms. NORTON. I will forgive you for voting.

Mr. DIAZ-BALART. That's right. That's right.

[Laughter.]

Mr. DIAZ-BALART. Yes. You know, she's never subtle and never stops working—

[Laughter.]

Mr. DIAZ-BALART. —as you have just seen right now. Let me just very briefly again thank you for having this hearing. I know that it is unusual in this time of bickering and of physical tease and of partisanship to have two Members who work closely together, who tend to agree on a lot of issues. And it's I think, due in great part, to the leadership of my Chairwoman. Thank you for having this hearing here.

And, just very briefly, I had this whole spiel, but you already started, but I would be remiss if I didn't mention once again your leadership, Madam Chairwoman, in particular, in working so hard to make sure that the taxpayer doesn't continue to waste money with leasing properties whenever we can own because it saves. And this is a good example of one of the things that we are talking about today about this facility, St. Elizabeths, that we could save potentially hundreds of millions of dollars to the taxpayer. And also the Chairwoman has also been a strong advocate obviously to making sure that facilities stay here in the District.

She has been steadfast. She has been effective. To me it is a privilege to work with her, issues that she cares so deeply and shows great leadership. So I had a statement that there is ample opportunity for that, Madam Chairwoman.

I do want to, again, since the whole voting thing got extended—I may have to leave earlier than, unfortunately. But no, I mean, we're done there, but everything else that I had planned for after that has now been postponed. So I am not quite sure. Depending on how long your hearing is—obviously it's of great interest. If I leave early, it is not because I am not interested. Plus, as you all know, I will hear it anyways.

[Laughter.]

Mr. DIAZ-BALART. And I know that none of you have any doubts anyways.

Thank you all. Thank you all for being here. Thank the witnesses. And, more importantly, I want to thank the Chairwoman not only for this hearing but for her steadfast leadership and for standing up for the people that she represents so well. Thank you, Madam Chair.

Ms. NORTON. Thank you, Mr. Diaz-Balart. You haven't heard the questions. So I am inclined to ask you, do you want to ask any questions now?

Mr. DIAZ-BALART. No, not at this moment.

Ms. NORTON. All right.

Mr. DIAZ-BALART. Thank you, Madam Chair.

Ms. NORTON. And perhaps wait for the next panel.

Now, I was interested to hear that, even in this so-called pre-hiring season, when we basically are hauling away dirt and rock, that in your testimony, Mr. Lawrence, you indicated 34 apprentices have worked on the St. Elizabeths project. What have these apprentices been doing in this kind of pre-big hiring season period?

Mr. LAWRENCE. Well, actually, 17 of those apprentices were with our electrical subcontractor. They had some site electrical utility

work to do earlier in the project. And that was where 17 of those participated.

I am also listing the unskilled laborers that we have hired from the Opportunity Center as part of their apprenticeship program. Other than that, the mechanical contractor had one apprentice on the project. And our supportive excavation work had four. So that was sort of how we came up to the 34 that participated so far.

We estimated in our proposal that we anticipated approximately 375 apprentices through all trades throughout the project for the 3 years.

Ms. NORTON. Now, when does the hiring season for this project begin in earnest?

Mr. LAWRENCE. Well, as Mr. Ebadi mentioned, we are just starting with the concrete work. And I anticipate later—

Ms. NORTON. Does that mean we're still hauling away—

Mr. LAWRENCE. Oh, no. The earthwork is approximately 40 percent complete. I anticipate the continuous hauling, with night shifts included, will continue through August-September. And I would say about September-October, we will probably be about 80 percent complete with removing the dirt from the site.

The remaining 20 percent would be at a slower pace. And will continue through into the first quarter of next year because, even though we have finished for the main building, there are two garages there, which would be better at a slower pace.

Ms. NORTON. Now, Mr. Ebadi, I indicated to GSA that, particularly in light of the fact that this is a stimulus project, I didn't understand sequencing the building and the use. They're not particularly related. Are we going to be hiring people on the reuse work of the historic buildings at the same time that we are working on construction? And if so, when does that begin?

Mr. EBADI. Yes, ma'am. As I mentioned before, Clark—let me not restrict it to Clark. By the next six months, Clark will have only a small piece of this project. So we are actually moving, shifting towards modernization and actually infrastructure work and most of the abatement and demolition project. Those are the ones actually that are done heavily that concentrate on small businesses and local workforce because of the nature of the work.

Typically when you get into modernization and interior work, that is where basically you will utilize a lot of man-hours and—

Ms. NORTON. What kind of work do you do in that interior work?

Mr. EBADI. Everything from demolition, painting, basically tile work, glazing, drywall, patching, masonry, site work, landscaping, excavation, utility duct banks, and so on. These are heavily labor-intensive phases.

As Mr. Lawrence mentioned, we are actually 40 percent into our excavation, but we have set forth a construction sequence so we can start carpentry early while the other excavation in the home is going on at the same time. So we will actually be moving aggressively on the schedule so we can produce better, also have a better outlay for our committed employment and business opportunities for this project.

Ms. NORTON. Well, this proceeding as if this were indeed an organic process, rather than a sequential one, is actually very intel-

ligent to save us taxpayers' fund, to avoid the times of delays in completion of a project. That would be very important here.

You describe, Mr. Ebadi. Suppose there are here today small businesses who would like to become 8(a) businesses. How can they become 8(a) businesses?

Mr. EBADI. Yes, ma'am. And we have basically 8(a) training on parts of the small business with GSA every other week in our Opportunity Center and in response at the Small Business Office in GSA National Capital Region. They come through the Opportunity Center.

LaJuan Stevens and her team basically send out information so these folks can basically get them through the GSA process and be part of our future workforce in the subcontracting community.

Ms. NORTON. So let me see how this happens. So I want to be a small business. I understand you are having this session this week. You have these sessions every other week?

Mr. EBADI. Every other week.

Ms. NORTON. OK. I come to your session. At the end of that session, what happens, this session of 8(a) session? Am I qualified as an 8(a) business or not?

Mr. EBADI. 8(a) qualification is basically in being certified by the Small Business Administration. However, what is ironic, Congresswoman, most of the 8(a)'s that we deal with are receiving training sessions.

Very few of them know how to deal with GSA set-aside programs and also general contractors. We basically walk them through our subcontracting opportunities. And at the end of the day, they are very informed about the project, phasing different phases of the project, and the potential general contractor and subcontracting opportunities out there.

And we basically walk them through sometimes how to—what are the methods in terms of getting bonds and basically introduction to different people in Small Business Administration and also how to actually even fill out the bid form.

Ms. NORTON. So how do they become 8(a)-certified? I still don't understand that. So they go through this. It's important to learn this. How do you get on the dotted line certified you are 8(a)?

Mr. EBADI. 8(a) certification is done by the Small Business Administration.

Ms. NORTON. So I know who it is supposed to be done by. So what do they come to you for?

Mr. EBADI. They come to us basically to understand how GSA's set-aside program works.

Ms. NORTON. Then how does the Small Business Administration get involved in these people who have come through your workshop?

Mr. EBADI. Sure. Once we basically have these folks under trained in our workshop, once an opportunity comes up for an 8(a) project, our contracting officer will send a letter to the Small Business Administration to make sure these folks are certified. And they will basically get into negotiations with that firm.

Ms. NORTON. So do they take your training and march over to the Small Business Administration and say, "Certify me"?

Mr. EBADI. They are already certified before they come to—they are already an 8(a)-certified contractor before they come to our—

Ms. NORTON. So my question, Mr. Ebadi, is, how does a small business get 8(a)-certified? And what does your training workshop do to help them get 8(a)-certified?

Mr. EBADI. We basically show them the procedures on how to become and 8(a) and also how to receive 8(a) certification through the Small Business Administration.

Ms. NORTON. I still don't know how. OK. I receive the training. Do I take testing? What do I do to—

Mr. EBADI. No. The Small Business Administration basically hands out—

Ms. NORTON. Do you pass on some kind of recommendation to the SBA?

Mr. EBADI. We don't have any recommendations, but they can actually put that on their resume that they have been through the GSA workshops.

Ms. NORTON. And that will assist them in getting 8(a) certification?

Mr. EBADI. Correct.

Ms. NORTON. How many people have gotten 8(a) certifications through your workshops?

Mr. EBADI. We will get you the information.

Ms. NORTON. I need that information: names and serial numbers.

Mr. EBADI. Yes.

Ms. NORTON. Now, in your testimony, Mr. Ebadi, you say that the small business goal for the Coast Guard headquarters—that's the first building going up. It's \$225 million. How is that amount derived?

Mr. LAWRENCE. In our proposal to GSA, we have estimated the amount to be contracted. And that is how that overall—

Ms. NORTON. Say what? I'm sorry?

Mr. LAWRENCE. In our proposal to GSA last July, one of the requirements in submitting a subcontracting plan was to estimate the amount—

Ms. NORTON. I see.

Mr. LAWRENCE. —of dollars to be subcontracted.

Ms. NORTON. Well, this is what I want. You're saying that as part of competing for the project with a lot of people competing, you had to indicate how much you would devote of your work to small businesses.

Mr. LAWRENCE. To small business.

Ms. NORTON. And in competition with others who came up with various amounts, presumably less than yours, that was something that helped you get the contract?

Mr. LAWRENCE. Correct.

Ms. NORTON. OK. Well, that's why you are going to be on accounting.

Now, when does GSA expect the first award on that grand center building that is going to be I take it the Secretary's—

Mr. EBADI. It is part of our phase two 8(a) project, which is in design as we speak. And it is supposed to help us out in the procurement in November and December of this year.

Ms. NORTON. Now, there are 15 different—out of the stimulus from our Subcommittee was not only the DHS project but 15 other projects going on right here in the District of Columbia upgrading Federal properties. In what ways since those are located right here are residents to be involved or are involved in that work?

I'm not stopping with DHS, and I know Clark is not necessarily the contractor there. But the work that is being done and Mr. Diaz-Balart stated is to be done in all 50 states, all the territories, and the District of Columbia because this is the nation's capital and because we are talking about fixing Federal properties, there is perhaps a disproportion of those properties in the nation's capital. So how are you handling the small business and the jobs for those 15?

Mr. EBADI. I would have to defer that question to our recovery team, but basically the procurement—

Ms. NORTON. I know in one sense it is an unfair question because you are the Department of Homeland Security man, but whatever you know about it I would like to know about it.

Mr. EBADI. Sure. In general, the procurement mechanism and guidelines are the same, how we basically have competition and procurement for those projects that is anything from 25 million-plus, basically we'll have a PLA language in the procurement. And also there will be a good portion of small business focus and why.

Ms. NORTON. Now, Mr. Ebadi, one of the great and important things that this project will do and that, to your credit, GSA has been working to assure is to help restore Martin Luther King Avenue as a great thoroughfare.

Now, in every building that we construct, we the Federal Government, there are some amenities. If, however, all of the amenities go to things, dry cleaners, the kinds of things that people expect to do during work hours or going to work, coming to work, if those amenities are all located behind the wall—I understand it is an historic wall. I am not going to take down the wall.

But if those amenities are all provided within the building, then Martin Luther King Avenue will look the same way it looks today. What are you doing to make sure that amenities are offered on the outside the same way they are offered on K street in the District of Columbia?

Mr. EBADI. Actually, ma'am, we are working very closely with the District business development teams. And that is why our East Campus master plan actually is critical to be an anchor for private businesses and private developers to be alongside the North Martin Luther King Avenue because, even though 14,000 employees will be on this campus, Federal employees will—the average of Federal employees, that will eat and utilize the internal employees varies, but they will be—it may just lead to outside amenities.

So in our discussions in the District, we are actually working through to help them out on their FEMA headquarters so we can upgrade their infrastructure to bring private developers to build the amenities in commercial development.

Ms. NORTON. This is certainly an important and actual part of what you are doing. I appreciate that you are working with the prospectus. We are going to require that this be done so that there be no doubt that it will be in writing. It is not that we don't trust you. It is because we don't know who will be there during what

may be ten years of construction. We have no issues with GSA at this time I am pleased to say.

I understand that GSA wants \$10 million in this project to go to pedestrian tunnels. Why should we spend that money on pedestrian tunnels? What is wrong with DHS employees they can't cross the street if they have got to get over to the FEMA building?

Mr. EBADI. It is mainly, actually, to help more both the transportation management plan, also the security requirements. Basically we want to use the full ratio for parking space in this campus. And our goal is with parking with DHS basically once an employee walks in through a security entrance, they don't have to go back and forth and utilize other means of transportation or driving across a parking lot—

Ms. NORTON. Mr. Ebadi, as long as you have that thing on you that says that you are an employee, you are not going to have to worry about going into the entrance on the other side of the street.

Mr. EBADI. There are 22 entrances. And each one of them probably will have their own—

Ms. NORTON. They're not going to have their own because they also come under our jurisdiction. And if they are all with the Department of Homeland Security, then they do Department of Homeland Security. And if somebody wants to get in there one way or the other, they are not going to be able to find some easier way to get into the Department of Homeland Security than other ways.

We are dealing with, as you know, Mr. Ebadi—this, of course, has nothing to do with you but with the fact that differential standards for buildings resulted in the GAO being able to get bomb-making materials into a building and go in the restroom and put them together. That is how much security we have when we have each agency trying to decide.

This is not for us to decide here. If they are going to have high-level security—and they should—they are not going to have—each agency deciding different securities. And if they don't, then why was your picture on your chest? Could you not cross the street to go to another building?

Mr. EBADI. Actually, what I think by different agencies, actually, they believe in one DHS, which facilitates one security. But there are conformants within DHS that requires different classification of security clearances.

Ms. NORTON. And if you go through the tunnel, you wouldn't have any problem?

Mr. EBADI. It depends on—

Ms. NORTON. And this tunnel is going to lead to every single place that you are going to want to go to in the DHS? You all are going to have to make out. I am not going to the appropriators and saying I need \$10 million to help these people get across the street.

I am going to have to justify every penny. You are not the one who has mandated. It is probably coming from DHS. But you are the one who builds it. You would be performing a miracle if you bring it within budget.

And I don't know why we need a tunnel underground for the employees. And I also think that that carries the implication of it being closeted from the community. So I don't like the sound of it. I don't think there's a security reason for it.

It is true that in the capital, we have tunnels built long ago, when the cost of such tunnels was not very steep. You could make the case that you want—I suggest you don't, but you could make that case that you wanted to protect people from the elements, to which I would say that is not what \$10 million of Federal money should go to.

So I have not heard the case. And I know this is not your job, Mr. Ebadi.

Mr. EBADI. Yes, ma'am.

Ms. NORTON. But you can go back to your friends at the Department of Homeland Security to say that until I hear a better reason to dig a tunnel adding \$10 million to this construction, until I hear a better reason than I have heard, that is one cost saving that the administration will get.

The administration now is seeking all kinds of stretches in the budget. They have been generous to this project. But if the President were to call me in and say, "I don't know. Why do they need this \$10 million?" I would be tongue-tied. And I have to be able to articulate such expenditures. And I understand that they are of some comfort to employees.

So far as I can understand, one agency that is going to be on the other side of the street, one agency. So there is only going to be one agency on the other side of the street. I don't know why you would have a big rush of people that would require so much security or so much comfort that they couldn't just cross the street since the majority of your agency is going to be right here on the West Campus.

So put them on notice that we are already saying \$10 million.

I have only one more question that has to do with monitoring. Would you describe for the record what kind of monitoring of hiring and small business is being done on this property?

Mr. EBADI. Yes, ma'am. Basically there's two steps of monitoring. One is basically a contractual requirement. That is, as Mr. Lawrence said, every proposal that comes to us on a competitive procurement process, it will state they're a small business—

Ms. NORTON. Say it again. I'm sorry. I was distracted. I should—

Mr. EBADI. Sure. There are basically two steps of monitoring the small business opportunities. One is basically a contractual requirement. And when proposals come in, as Mr. Lincoln Lawrence mentioned, we looked at the proposed small business, basically, percentages. And then we monitor that throughout the project. Ms. Bonnie Echoles has been here with the team. And our construction agents basically have constant monitoring of payrolls and also small businesses—

Ms. NORTON. Well, you described what you're doing to report to the company.

Mr. EBADI. Yes, ma'am. The other thing is actually beside the procurement on this project, we also report to your office, ma'am. And we are—

Ms. NORTON. It is really me and Mr. Diaz-Balart. We report to the Subcommittee—

Mr. EBADI. Yes, ma'am.

Ms. NORTON. —on the number of jobs, the number of small businesses, et cetera.

Mr. EBADI. Every other week we report to the Subcommittee on both opportunities, the jobs, and the subcontracting, both awarded and opportunities throughout this, to the Subcommittee.

Ms. NORTON. I lay that out because I really do not intend to be an answering service for people calling, “I need a new job, Eleanor.” You know, I need the record here.

Mr. DIAZ-BALART. You get that as well? You get that as well?

Ms. NORTON. Yes. But, you know, we are not expected to get jobs for people. I am only equipped to make sure that the contractors and the subcontractors are fulfilling their goals. So I just need to leave the documentation so that people will know it is happening or not happening.

Mr. Diaz-Balart, do you have any questions?

Mr. DIAZ-BALART. Ms. Norton, actually, I did, but you kind of went through them already. And, you know, it shouldn’t surprise anybody you know more about this project than anybody in the country.

I want to just add to your statement about the saving of those \$10 million. It would seem to me that we should probably wait until the thing is built. And then if there is this huge need where you have hundreds of people that are constantly crossing the street and that there is this huge need, then I think we all would be willing to look at it favorably. But I think that is before the \$10 million is established, we should probably first see what the need is, what the real need is, if there is a security issue.

So I once again agree with what I think is your very wise statement about let’s just try to save the \$10 million if we can. And then we will see in the future if there is any there. We obviously ought to be—nobody wants for there to be any risk, but let’s see if we can slow that part out of it.

So, again, once again we speak with one voice on that. Thank you, ma’am.

Ms. NORTON. Well, I appreciate what you just said about it, Mr. Diaz-Balart. It is a security issue. This is one of the most secure facilities in the nation’s capital, but Mr. Ebadi was talking about different strokes for different folks, different security for different parts of this. That is the opposite of a security issue.

But he, of course, is not the one who has come forward with this plan. So we will wait until the next hearing that we have on the Hill. In fact, we are having a hearing Thursday on the Hill. So we will put this question to those from headquarters who come to testify.

Mr. Lawrence and Mr. Ebadi, we not only thank you for your testimony. We note that you are providing me with names and the rest. Your figures reflect that you, in fact, are on the road to meeting the goals. They do reflect more than a good faith effort. We need to lay it out so people could see it. And we need it to be known that this is the first of a number of hearings like that.

We are going to be as transparent as we can about those projects so there won’t be questions and doubts in the community. The fact is that there is a long and sorry history of failure to employ people

in the District of Columbia. And that is a nationwide problem for people of color.

The only way to break through it is to lay it out on the table and so people see for themselves that is exactly what you have done here. Today I have no quarrel with what you have stated. I can only state keep it up, gentlemen. Thank you very much.

We go now to our final panel. And I am going to ask James Bunn, Beverly Thomas, Kathleen McKirchy, Cecil Bennett, Gabriel Stewart, and Yanic Hardie to take your seats. And, in that order, I will ask you to summarize your testimony. I am just going to go right down the line here, beginning with James Bunn, the Executive Director of the Ward 8 Business Council.

Mr. Bunn?

TESTIMONY OF JAMES BUNN, EXECUTIVE DIRECTOR, WARD 8 BUSINESS COUNCIL; BEVERLY L. THOMAS, PRESIDENT, REGIONAL CONTRACTING SERVICES, LLC; KATHLEEN MCKIRCHY, DIRECTOR COMMUNITY SERVICES AGENCY, METROPOLITAN WASHINGTON, COUNCIL, AFL-CIO; CECIL BENNETT, OPERATOR, CLARK FOUNDATIONS; GABRIEL STEWART, LABORER, CLARK FOUNDATIONS; AND YANIC HARDIE, PRESIDENT, CEO, HARDIE INDUSTRIES

Mr. BUNN. Good evening. I want to thank you, Congresswoman Eleanor Holmes Norton, the public, and distinguished guests. My name is James Bunn. I am the Executive Director of the Ward 8 Business Council.

I am delighted to be here tonight to testify before the Subcommittee on Economic Development, Public Buildings, and Emergency Management of the process on jobs and small business opportunities as the Department of Homeland Security construction begins in ward 8.

I am strongly supportive of the GSA project. Now, we are keenly aware that the St. Elizabeths project is the largest of its kind in GSA history, I think. The Ward 8 Business Council is honored to be so meaningfully engaged in this project.

In order to ensure that there is some sense of transparency, GSA, to their credit, made concerted efforts to reach out to the community very early on in this process. Over the years, we have held many, many meetings. And there were several key issues that kept resonating: jobs, minority contracting, commercial development on the north and south wall of the West Campus of St. Elizabeths on Martin Luther King, Jr. Avenue, environmental justice issues, their qualities, and unification.

Tonight I would like to address three of these issues. First of all, I would like to applaud Congresswoman Norton, GSA, and Clark Construction for opening the opportunity.

It is my understanding that over 2,000 people applied for jobs at this particular site. I clearly understand that the Federal Government cannot be persuaded to hire ward 8 residents only. However, in light of the fact that you are in our backyard, ward 8 matters. I understand today that it is reported that 500 or more D.C. ward 8 residents have secured stable, permanent employment for this very historic project.

I highly applaud the extraordinary work that has been accomplished through extraordinary community outreach by the following people, Mr. Thomas James, Mr. Chris Mills, Mr. Shapour Ebadi, Ms. Bonnie Echoles, Mr. Diude Bathman, and Ms. LaJuan Stevens, in doing a good job on this diligent outreach endeavor. The community was quite adamant that jobs are a priority. This is for our residents and our community to improve their quality of life.

We continue to meet with GSA and their partners on a monthly basis with the coordination of Councilman Barry's office and GSA. The Ward 8 Business Council has worked tirelessly to help acquire the opportunities for our local CDEs. When we learned that the Federal Government required 8(a) certification, our Federal partners were eager to step up to the plate and help them become better informed about the 8(a) process. I am happy to announce that several small and local businesses were awarded contracts from ward 8.

The GSA project is still relevant in the economic union that is generating growth in ward 8. The big contractors sometimes have a tendency to be a bit resistant to working with emerging small and local businesses. However, we have conquered that battle.

Finally, it really strikes me that this the largest development project in the GSA history and that they currently are planning for commercialization on Martin Luther King, Jr. Avenue. And the East Campus is so far behind the eight ball.

If we do not step up to the plate, the ward could lose millions of dollars in the form of disposable income. My greatest fear is that a customer base of 14,000 employees will be losing the opportunity for ward 8. Collaboration is the goal. We will not, and I repeat we will not, allow these dollars to unwillingly leave our community.

Ms. Norton, I appreciate your astute observation about the amenities. We are hoping to work with Councilmember Barry's office to look at the Members' issues to form a committee. And, quite frankly, I hope that I will be the chair of that committee when it happens.

I would like to thank Councilmember Barry and Brenda Richardson for their help to establish a valuable partnership and taking significant community building steps in this very massive undertaking and to you, Congresswoman Norton. This would not have been possible without all of your hard work and commitment to the residents of the District of Columbia.

I hope all of you in this room remember there's something great in the new ward 8. And I thank you.

Ms. NORTON. Well, thank you, Mr. Bunn.

The next witness is Beverly L. Thomas, President of Regional Contracting Services.

Now, Ms. Thomas was our small business of the year, an annual award that we made. And it turns out that she had a contract for this very project.

So would you please proceed with your testimony now, Ms. Thomas?

Ms. THOMAS. Thank you. Good afternoon, Congresswoman Norton, Members of the Subcommittee on Economic Development. My name is—

Ms. NORTON. Can everybody hear her?

Ms. THOMAS. My name is Beverly Thomas. And I am the President of Regional Contracting Services. We are a certified 8(a) firm located here in the District of Columbia. We are also a CDE firm. We have been in the business here in the District of Columbia for nine years.

At Regional, we have had the opportunity to work with Clark Construction for about seven years now as well as some other general contractors here in the community as well as some of the current contractors and subcontractors. And over the course of nine years, we have worked very, very diligently in developing good relationships with all of the general contractors as well as the Subcontracting Committee. Through that hard work, myself, my team, all the guys in the field, we are able to take those relationships further and competitively bid on the St. Elizabeths project.

We were able to secure opportunities because we have those relationships. And I think that was really the most critical thing. And having those relationships when we did get those opportunities to bid, it wasn't just a blind bid and it was just our name with so many others. It was based on the relationship, and that was critical.

Currently we are not on the project because our sort of work has not come up yet. And so our plan in dealing with recruits, specifically ward 8 people because that's really where the emphasis needs to be, we are going to use the same approach that we have always used. One, we always go to DOES, Department of Employment Services.

The other way we always recruit for the job is through the Washington Hispanic newspaper because we definitely believe in inclusion of everyone. And we definitely look for people that are bilingual because that really gives us a competitive edge. And that to us is equally important.

The additional way that we are looking at recruiting people for the project is something that we started about five years ago, which is an employee referral program. The employees that we have with us have been with us between five to six years. So obviously they are pretty happy working with us. And we actually pay a referral fee to employees to recruit other people. And they understand the requirements here in ward 8 as well as other District of Columbia people.

Lastly, what we do, which has really been, I think, critical for our success, is that while a lot of companies will look at just putting laborers on a job, we don't hire laborers. We look at people and say, "If you're going to work here, you have to go to an apprenticeship school because we are a better company when everyone can work and do everything that is required of us."

So we have an improvement apprenticeship program here in the District of Columbia, which was approved by DOES, for our scope of work within carpentry training. We had that program since 2003. So we have that training.

We pay your training to make sure everyone is trained in first aid, CPR, those things that give us a very low rate in terms of accidents and a high rate with safety because that is important. And that is one of the ways that we have a competitive edge over other small businesses because of all of the training.

For us, it doesn't stop there. What we also do, then, has helped us with Clark Construction and other contractors is that we spend a lot of money with outside agencies on what we like to call personal development training. Conflict resolution is critical. Diversity training for all of the people that work there is critical. Anger management is critical.

So all of those things we spend time and money to teach everyone how to work through conflict because if you work on a construction job, there is a lot of conflict with scheduling the general contractors and all of the other subs. You have to have a way to work through that.

So our goal for all of our employees is to give them the best technical knowledge possible, the best training possible, but also give them the required life skills that they will need. And because of all of those things, the regional team just continues to work very effectively, again, with Clark, other general contractors and other contractors.

So we do thank you for having this opportunity to come before the Committee this evening.

Ms. NORTON. Thank you very much, Ms. Thomas. And, again, congratulations for your success in competitively winning the contract on the project.

We will hear next from Kathleen McKirchy, Director of the Community Services Agency, Metropolitan Washington Council, AFL-CIO.

Ms. MCKIRCHY. Thank you very much, Congresswoman Norton and Congressman Diaz-Balart. Thank you for giving us the opportunity to be here today and talk a little bit about the program that we are running.

The Community Services Agency is the nonprofit arm of Metro Washington AFL-CIO, which is the area labor federation representing 175 local unions and about 150,000 area union members. Some of those affiliates are represented here in the audience today. Also the President of the Labor Council, Josh Williams, is here as well.

As we testified last October, our agency won a contract from GSA to provide pre-apprenticeship training and job placement services to 265 area low-income residents, including women, minorities, youth, and ex-offenders. We are operating this program currently in conjunction with our partners: Wider Opportunities for Women and Covenant House DC.

We also have partnerships with all of the area union-registered apprenticeship programs and with the associated general contractors of D.C. who are helping us with job placement. We also have arrangements with Prince George's Community College and D.C. Department of Employment Services. And we have agreements with over 30 area community-based organizations who help us recruit clients and coordinate case management with us.

We were awarded this contract effective October 1. It recently has been extended to provide for an additional 53 people. And we expect that we will be running those through at least February 2011, possibly a few months past that.

We have two deliverables. The first is to provide training to 233 individuals. And our pre-apprenticeship training is very similar to

what Ms. Thomas was describing. It includes OSHA 10, which is the 10 hours of safety and health training, CPR and first aid, blueprint reading, orientation to the construction industry, construction map review, careers in construction, apprenticeships, unions, job potential, tools and materials, job readiness, and adult education components, an overview of the green energy field and career paths in green, and also hands-on experiences at our local union apprenticeship schools.

To date we have trained or have in training with our current class 161 adults and youth, 105 of whom have been D.C. residents. Our second deliverable is to place at least 180 of these people into paid apprenticeship programs or directly into jobs. And to date we have placed 55 individuals, 35 of whom are D.C. residents.

We have a regular weekly process at the opportunities trailer on campus. We do a couple of things there. We recruit area residents, mostly D.C. residents obviously, for our classes. We are currently running a six-week class now. We are starting another adult class on July 19th. So we recruit some of our students from the folks who come through there.

We also promote our graduates with the contractors who have presences in the opportunities trailer. And we are also working with individuals who have signed up at the trailer who may already have past construction experience. They won't be in a pre-apprenticeship class, but they could use help with job placement. So we're working on that as well.

We have been also working with Clark Construction since the beginning. Last week, as was mentioned, our current youth class was given an overview of the project at the site and a tour of the site by the Clark Construction staff. The students were able to speak with managers and workers to get a better idea of what is required on construction jobs and various possibilities for careers in the construction industry.

Although we haven't placed any of our graduates on this project to date, we expect that we will be working closely with Clark and the subcontractors to do just that. As you know, the work is preliminary at the moment. And there have been fairly specific requirements for jobs at the moment; for example, the 250 truck drivers and some other technical jobs on the site. But we expect to be working with Clark as the project rolls out and get more people placed in apprenticeships and on jobs.

I want to thank you again, Madam Chairwoman, for the leadership you have already played in securing the funds and helping to ensure that the stimulus dollars which are funding this project are benefitting D.C. residents and local residents in need. We are committed to continuing to operate a quality program which satisfies all of our deliverables and helps put our target population of local residents to work in great careers in the construction industry.

Thank you.

Ms. NORTON. Thank you very much, Ms. McKirchy.

We will hear next from Cecil Bennett, who is an operator for the Clark Foundations.

Mr. BENNETT. Thank you.

Good evening. My name is Cecil Bennett. I am an operator for the Clark Construction, also ward 8 resident. I went to a union ap-

prenticeship school and graduated as a journeyman operator. I am grateful for the opportunities given to me by Clark Construction and happy that I will be on this project.

Thank you again.

Ms. NORTON. Thank you, Mr. Bennett. That's all we needed to hear about that. The man's got a job.

[Laughter.]

Ms. NORTON. Thank you. That was good news, Mr. Bennett.

Let's go now to Gabriel Stewart, who is a laborer with Clark Foundations.

Mr. STEWART. Good evening, everyone. I am Gabriel Stewart, and I am a resident of ward 8. I am a laborer of Clark Construction and have been for five years.

I am thankful for the opportunity that I have been given right here in my backyard. Even though the work I do is hard, dusty, and dirty, I enjoy it. And I am grateful that the Coast Guard project is here in ward 8. Thank you.

Ms. NORTON. Thank you, Mr. Stewart.

And, finally, is it Yanic?

Ms. HARDIE. It's Yanic.

Ms. NORTON. Yanic Hardie, President, SEP, Hardie Industries.

Ms. HARDIE. Good afternoon, Chairperson Norton, Mr. Diaz-Balart, and Members of the Subcommittee. I am Yanic Hardie, President of Hardie Industries, Inc. And thank you for the opportunity to submit testimony on our company, the services we provide, and our experience associated with the redevelopment of the St. Elizabeths campus for the headquarters for the Department of Homeland Security.

Hardie Industries, Inc. is a woman-owned construction company that offers design, build, preconstruction, construction management, general construction program, and project management, and various other construction services to meet a range of clients' needs. We are an 8(a) CDE HUB zone small business.

Formed in 1996, the company has built this reputation by the satisfactory completion of multiple projects over the last decade. Hardie Industries has a capacity to execute construction projects valued from 5,000 to \$800 million.

Our capacity has grown through years of hard work and our commitment to providing excellent service. We have serviced over 1,000 engineering and construction task orders through design build, design bid, and turnkey construction delivery methods.

As a result of our experienced commitment to safety and our commitment to providing quality construction service with responsive leadership, we currently have a bonding capacity of over 100 million.

As a local company in ward 8, we look forward to opportunities to work and partner with GSA and Clark Construction. We do that by providing local companies like Hardie Industries, Inc. with increased opportunities with the residents in ward 8 and the District of Columbia to obtain employment.

As a company, we have partnered with local nonprofit groups to provide District residents, specifically ward 8 residents, with training and information to obtain employment in the construction in-

dustry. We have partnered to offer courses and information to residents, whom we have subsequently hired on construction projects.

Our services have included providing residents with access to courses on becoming construction flaggers and informing residents of the various training facilities and educational resources for trades in the construction industry, such as construction management.

Our hope is that Clark Construction and GSA will work together to make an increased effort to provide viable contracts that will allow us to offer viable employment to District residents.

We believe that Clark Construction's and GSA's commitment to the following will allow Hardie Industries and other local companies to successfully participate in the St. Elizabeths project: increase outreach to local business, providing forecasts of upcoming projects, community and opportunities to businesses.

Hardie Industries currently has a small subcontract with Metro Total Joint Venture to provide hauling and dumping services for approximately six to eight months. This contract supports the excavation of soil and preparation of the St. Elizabeths site for the foundation.

Our work started in April, on April 26, 2010. Since that time, approximately 5,700 truckloads of clean fill dirt has been delivered to our dump site. We have hired 19 employees as site superintendents and flaggers. We worked with the flagger training program, the flaggers, and hired seven local residents to work on the project as well. We will continue to train and hire from the local community for employment as those positions become available.

Our overall observation and experience with this project is that there should be more monitoring and a third party organization to oversee matters and report on small and minority business goals.

It is important that small businesses have a profitable experience as a result of this project. Winning a contract and losing money to deliver the service is not a successful venture for small businesses. In our opinion, GSA, Clark Construction are those in a position which needs to be mindful of this fact.

Thank you again for this opportunity.

Ms. NORTON. Thank you, Ms. Hardie, for that testimony.

I am going to ask Mr. Diaz-Balart if he would like to begin the questioning.

Mr. DIAZ-BALART. I appreciate that, Madam Chairwoman, particularly, as I said before, because of votes, I got here late. I am going to have to excuse myself early. So I will try to be brief in my questions, and I will try to ask you if you will be relatively brief. And I know that I would be able to follow up with you, Madam Chair, on other specifics. So, again, thank you.

Mr. Bunn, are you satisfied with the work that is currently being done to hire locally and to use local businesses?

Mr. BUNN. Well, I'm satisfied with the effort of work opportunities. I am not satisfied with the work because clearly, as the Congresswoman stated earlier, I think it has been more for the lack of miscommunication for the ward itself. If you ask anybody in the ward how many jobs are available, they are going to tell you 1,000 jobs to 1,500 jobs. And there are 1,500 jobs, they're saying, just

nothing to get part of the contract. So as the project moves on, there will be better opportunities.

But I don't think that is being communicated to the ward as well. And I work with GSA and Clark. We have been trying to do that. We are holding meetings. We are talking to people. But it is difficult. When people put out the word, that is not true. And that is the reason why this hearing is so important so the ward can hear some facts. And, as you know, just tonight some information is circulated that wasn't true. And that is some of the things that we have to overcome.

But overall the project is moving well. I think that there should be more opportunities for ward 8 residents and ward 8 CDs, even though the law says that you can't do that.

And, just to give you a short, brief thing about what I am talking about, when the 8(a) certification issue came out, I didn't have anything to do but pick up the phone and call Bonnie and call a couple of other people there. And they didn't need to respond to us. We couldn't say that it was a ward 8 project.

The congresswoman held a ward 8 certification day down at the Martin Luther King Library in Washington, D.C. And that was part of our efforts. And we really appreciate that. So those kinds of things would help us.

Mr. DIAZ-BALART. Thank you.

Ms. Thomas?

Ms. THOMAS. Yes?

Mr. DIAZ-BALART. How many jobs do you think, do you believe that your involvement in this project will actually create, if you know?

Ms. THOMAS. Actually, I do. Congressman, the contract that we were awarded, it is a two-part contract. It's with regard to the glass and glazing. Right now we have under contract 2.6 million to purchase the glass. We finally got the drawings to now bid on the actual work. And so based on the glass and glazing the curtain wall, that would actually create for us roughly 13 to 15 jobs.

Mr. DIAZ-BALART. Great. And you mentioned your efforts regarding training. Any idea how many of your trainees actually go to work on the actual project?

Ms. THOMAS. Well, actually,—and I'm glad you asked that question—what we do is we put everyone through apprenticeship school. Because of that training, everything that they learned in apprenticeship school, they do learn the basics about blueprint reading, et cetera, et cetera.

And then the second part of the training is all on-the-job training because it doesn't matter what you read in a book. You won't learn it until you apply it. So all of the training is all hands-on, and that is how they really learn and understand the carpentry field that we're in.

Mr. DIAZ-BALART. Great. Thank you.

Ms. McKirchy, in your testimony before the Subcommittee last October, you mentioned that 32 individuals will be trained through apprenticeship training program, right? That's kind of a mouthful to me, but—and it was to prepare, I guess, entry-level positions or unskilled positions? And can you provide us with an update on that program? You had I think talked about that. But how is it going?

Ms. MCKIRCHY. It is going. They currently I think have 12 students in the class. It is a program that doesn't have a time certain to it. It's sort of modeled after the individual student. And so if the student can get where they need to be within six weeks, they rotate out into employment. If they need longer than that, they stay there until they're ready to get employed.

Those are not students that we are training directly through our pre-apprenticeship training directly through our pre-apprenticeship training, but those are students that we're helping get the OSHA 10 training and may need help with the job placement again. But those are folks that are definitely part of the project. And a few of those have been placed to date.

Mr. DIAZ-BALART. I want to make sure I—it sounded like your testimony—it looks like you have a pretty good working relationship with Clark Construction and GSA regarding training. Is that? Did I hear that right?

Ms. MCKIRCHY. We do, although we haven't placed anyone yet on this project. All of our placements have been with other jobs around town.

We are not limited. Even though we have been funded through GSA, we are not limited to placing people only on this project. Our job is to get people employed anywhere. And so we have been successful in that to date.

Mr. DIAZ-BALART. Are you finding major hurdles in order to place those trainees in either this job or in other jobs? I mean —

Ms. MCKIRCHY. Well, in general, I think there is about a 15 percent unemployment in the construction industry in the metro area at this time.

Mr. DIAZ-BALART. So that is the biggie?

Ms. MCKIRCHY. And that is the biggie.

Mr. DIAZ-BALART. That is the big one?

Ms. MCKIRCHY. Yes.

Mr. DIAZ-BALART. Other than that, other than that, as if that is not enough, right, any other real specific issues or you pretty much think that — I mean, again, employment is always going to be a factor.

Ms. MCKIRCHY. Some of it has been employment. Some of it is the nature of the trainees that we graduate. Not all of them may have access to transportation. Some of the jobs that are available may not be in D.C. They are all over the metro area. And so we have to be able to get to them. And sometimes that is a bit of a hurdle.

Mr. DIAZ-BALART. Sure, sure. Thank you.

I just have basically the same questions for both Mr. Bennett and Mr. Stewart, which is Mr. Bunn just mentioned how communication is a big part of it in getting the word out. So from your experience, what steps can be taken to ensure that job opportunities are publicized to the community, that people know that there were opportunities out there? Is there anything that you can think of that isn't happening that should be happening as far as communication?

And also there is one other question, whoever wants to do it. As part of the training programs, what programs do you all believe are, frankly, important or critical to preparing — you know, you all

went through it. I mean, you just mentioned, Mr. Bennett, your training program.

What kind of training programs do you all think are essential to make sure that people do have the opportunity when they do come out with — we know with some of them. So those are the questions if you all want to try to kind of take six, seven.

How did you hear about it? How did you hear about it specific to the jobs that are available, et cetera?

Mr. BENNETT. Well, for me, I went through my union apprenticeship program. Clark hired union operators. And my local 77 sent me to apply. That is how I heard about the job, just being an employee for Clark.

I think all the words is pretty much out there. You just have to take advantage of them, me personally because, like I said, I have gone through the apprenticeship program. I heard about it through the Unemployment Office. So it's out there. You just have to take advantage of it.

Mr. DIAZ-BALART. Pursue it?

Mr. BENNETT. Yes.

Mr. DIAZ-BALART. Pursue it and try to take advantage of it.

Mr. Stewart?

Mr. STEWART. Me personally, I didn't hear about it. I just went out one day to see the man. I think that's how I came upon working for Clark.

Mr. DIAZ-BALART. Seek and ye shall find. Those are reliable words, I'll tell you.

[Laughter.]

Mr. DIAZ-BALART. Ms. Yanic Hardie?

Ms. HARDIE. Yes?

Mr. DIAZ-BALART. That's a beautiful name.

Ms. HARDIE. Thank you.

Mr. DIAZ-BALART. I understand you mentioned a little bit about your company. Is it true you also did some work in South Florida?

Ms. HARDIE. Yes.

Mr. DIAZ-BALART. Good. I thought I liked you for something.

[Laughter.]

Mr. DIAZ-BALART. How are you involved in this project and that kind of project? And then what do you love? And what do you hear about it to make you want to be for it?

Ms. HARDIE. Well, as a small company—and we're 8(a)—in the District, we're always looking for contracts and opportunities to bid on and also opportunities to create opportunities for D.C. and ward 8 residents.

So we were aware that this project would become available today. And we had been in contact, for example, with the Ward 8 Business Council. And we have gotten assistance and advice from them. They have been very, very helpful, Mr. Bunn in particular.

Mr. DIAZ-BALART. So, actually, your answer is not much different from Mr. Stewart's, which is you pursue it and hustle for it.

Ms. HARDIE. That's basically it, exactly.

Mr. DIAZ-BALART. Right. Now, as far as this, do you believe that GSA and Clark Construction, that their efforts, their outreach efforts, are sufficient for small businesses like yours and others?

Ms. HARDIE. We believe that they have made a good effort. And we would like to see an increased effort.

Mr. DIAZ-BALART. Very diplomatic answer.

[Laughter.]

Mr. DIAZ-BALART. Do you expect to be involved in other work beyond earthwork and demolition for this project?

Ms. HARDIE. We have a tremendous amount of capacity. And our bonding capacities are truly high. As I indicated, it's 100 million, which is pretty high for a small company. And we have grown, too. I mean, we have developed that over the years.

So we are working. And I will be speaking with Mr. Lawrence after this session. We are looking for other opportunities, of course.

Mr. DIAZ-BALART. Madam Chairman, if I may? Again, I apologize to all of you for having to leave early. I don't have to tell you all that I will be hearing about the rest of the meeting from somebody very close to me.

And I want to thank you, Madam Chairman, for having this meeting. I think the witnesses that came before us today had a lot to say. I learned a lot. I look forward to continuing working with you. And, more importantly, I want to thank you for your leadership.

As I mentioned before, I know this is repetitive, but I think it bears hearing because you don't hear a lot of that these days. The Chairwoman and I may have a million differences and a million disagreements.

However, on issues that are important, you will see that we come together, that we speak as one voice. And a lot of it is due to the Chairwoman's ability to bring people together to focus on what is important.

I want to thank you for this hearing. Again, I apologize for having to step out, but thank you for the opportunity.

Ms. NORTON. Well, thank you, Mr. Diaz-Balart. There is no apology needed. And you were very good to come out at the end of a long day of work in voting to spend some time with us.

And it is in keeping with the way in which Mr. Diaz-Balart has approached all of his work in this Subcommittee always working closely with me. There is no daylight between us. We both are trying to get things done, get things built and to hold GSA's feet to the fire, among other things. So I thank you again very much, Mr. Diaz-Balart.

Mr. DIAZ-BALART. Madam Chairman, my apologies again. Thank you.

Ms. NORTON. Let me ask Mr. Bunn first. You in your testimony indicated some concern about the development of the East Campus—

Mr. BUNN. Yes.

Ms. NORTON. —and the planning for the commercialization of Martin Luther King Avenue. What is your concern? What do you believe are the tenements to this? Why don't you think that will come naturally under this project and out of collaboration with the District of Columbia?

Mr. BUNN. Well, early on before GSA was actually approved, we started communicating with GSA about this project. And we had the opportunity to be taken by Mr. Thomas James to one of their

other sites in White Oak in Maryland. And I had the opportunity to sit down and talk with the resident that spearheaded that.

And we just don't believe that we are getting the support that we should have gotten from a project this size for our community. The amenities that you talked about, I don't think that's been talked about enough. I don't think people think that we really understand what that means.

I will tell you, Congresswoman, we are very happy with the relationship that we have with GSA. But, having said that, if the mayor and the city does not start to work on the East Campus—and I know GSA is having some talk with them about it—we will have 14,000 people that will have nowhere to go and nothing to do in ward 8 other than work.

Now, we are anticipating that—this is what is going on now. I mean, we have some homes in this ward before the price sink that was priced at \$700,000, right on Mississippi Avenue, lovely homes. We anticipate that some of these 14,000 people will decide they will become residents of the District of Columbia, those that aren't, and residents of ward 8.

It doesn't make sense not to drive across the bridge ten miles to get to a job you can walk right across the street to basically. So it's just real negotiation. We talked about it. I met with GSA key people. And we had discussions about it. But we can't seem to get GSA to formulate a real meaningful document that will say that, "We are going to do these things" or "We are not going to do these things on the West Campus" to make sure that the East Campus and the rest of the ward has a chance to rejuvenate itself.

I want to sit down with Mr. Lawrence. I love coming to your community, Councilwoman, because I come over there all the time and eat. I want to sit down in restaurants. I would love hanging out over there, but, you know, I understand all of those things take time.

But if the government can spend an approximate \$15 million from this thing in the second and third phase, then surely we can spend a few dollars to help make the surroundings of the people that's going to be working here more beautiful and the people in the ward because I think part of the problem for the residents of the ward, the reason why you hear so much negative talk about ward 8 is because we haven't been shown that somebody really cares about us.

I mean, it is difficult to say that you want a job and somebody tell you that there's 1,000 jobs. And, yet and still, there are 19 people working.

Now, I will be the first to admit, Congresswoman, we have a lot of problems with our young men passing the drug test. We understand that. And I tell everybody in apprenticeship programs and all of this stuff, but me myself, I believe there is too much in training if you're not going to tie training with jobs. The city is paying millings of dollars in training. And after six months, it goes away.

So I am not going to take up all the time, but at some point I want to sit down and talk with you because these are some very serious issues facing the ward.

Ms. NORTON. Well, your skepticism comes from a long history, Mr. Bunn. So I think one should approach. Particularly when you

see the Federal Government coming across the Anacostia the first time, the skepticism is what makes people do right.

On the East Campus, the sequencing that we are working on now has to do with the West Campus. It doesn't mean we won't be working on the East Campus. The master plan does, in fact, in writing indicate that there will be a building on the East Campus. And all that the DHS has done so far, GSA has done so far, is to move in that direction.

The city is cooperating. Its matters will be heavily involved in all of that. We can't do commercial development for local communities. That has to be done by the local community.

I can state for the record that the Federal Government will already build on land it owns. So to the extent that the Federal Government transferred that parcel in the 1980's, the only way in which OMB or the Federal Government, the specific agency that has the say-so, is that we have had to work out some arrangement with the District of Columbia. You wouldn't build a house on what you didn't own. And we are not about to lease any part of this development.

So we have talked to the District government about the quid pro quo, developing infrastructure there that would allow the amenities to spring up, and the Federal Government would build on land that it owned there as the only way we are willing to do it and that the OMB would allow us to do it. And we have been absolutely clear about that. So there is no getting around that.

There are some things about this project and the Federal Government and the way it does real estate that I detest because they do not do real estate so that you can make deals easily because of all of the rules attached to doing it.

But we have found—and I just wanted to lay to rest your concerns—the East Campus is part and parcel of this development. It is in the master plan. We can't put that building over on the West Campus. And I think we are on the same page.

I must say that I think you came with skepticism. When people see they have to show you, that's how things get done.

I'm going to ask Ms. Thomas. I am very interested in the fact that you have already filed for a competitive contract. Now, what is your business? You didn't describe the kind of business you are in.

Ms. THOMAS. Regional Contracting Services. We're a carpentry company. So with carpentry, it's furnishing, installing doors, frames, hardware, the individual type specialties, which are anything that goes into your restrooms. We do everything with blocking, with woodwork. In addition, installation of through-wall penetration, which is by a stop air barrier. So all of those things fall into carpentry.

Ms. NORTON. How did you get into that? Are you the founder of the company?

Ms. THOMAS. Yes, ma'am.

Ms. NORTON. How did you get into this business, Ms. Thomas?

Ms. THOMAS. About nine years ago, when I moved ago here, I worked for a contractor. He was outside of the District of Columbia. And at that time, there was a lot of talk about building the D.C. Convention Center.

And, of course, the D.C. Convention Center at that time had a huge LSDBE requirement. So he actually presented me with an opportunity. He said, you know, "Did you ever think about going into business?"

I was like, "I don't really know about construction, you know, all that much." But I looked into all the different opportunities in the District. And I had a few dollars saved up. And so I kind of literally took a leap of faith and found space in the District and got certified and pretty much started out by myself, just kind of as a one-woman show, and just really started beating the streets and beating the pavement, you know, got my brochures together, my business cards, and just went to any and every outreach out there for every small business opportunity out there, just literally one at a time.

And the company started to grow. And then I was able to hire people. And here we are nine years later.

Ms. NORTON. How many Federal contracts have you qualified for?

Ms. THOMAS. Currently we're actually under two Federal contracts now.

Ms. NORTON. Nice to see you come.

Ms. THOMAS. Yes, ma'am. Yes, ma'am. We qualified and successfully completed about eight or nine Federal contracts, not all in the District of Columbia, some in Virginia, some in Maryland. So this particular one would really be number nine.

Ms. NORTON. That is a wonderful story. I would encourage everybody in this ward. Ms. Thomas wasn't a born carpenter. She probably isn't a carpenter yet.

Ms. THOMAS. No.

Ms. NORTON. But she is running a bunch of carpenters. It is a very inspiring story.

Ms. McKirchy, you indicated you have placed some of your graduates. Now, yours is a pre-apprentice program. What kinds of places have you placed them? And since the pre-apprentice does not involve training for a craft, how do they become a part of the job structure where they are based?

Ms. MCKIRCHY. A number of our graduates have gone on to be accepted into the union apprenticeship programs. That is our primary first choice to try to get people placement in those programs because they are earned while you learn, learn while you earn. And you end up with a portable credential that is readily accepted around the country once you complete these programs, as my neighbor here has done.

So that is my first preference for placement, but we have also placed people, some with the Federal Government. We just placed one of our women with the Smithsonian. She is doing some building maintenance-type work.

And it just depends on the individual client and what their interest happens to be, you know, where the person might end up.

Ms. NORTON. The training can, especially on union jobs, really matter. The Step Up program that was used to build the Convention Center became a pool which proceeded a few years later to build the Woodrow Wilson Bridge.

Now, these two things may not seem to have much in common. The two witnesses here will tell you that when you learn a trade or craft, it is not related to the kind of building. It is related to the craft you have.

Now, Mr. Bennett and Mr. Stewart, I have questions for you because one of the things I have found is a huge misunderstanding of what construction work requires. "Wow. People get to make that big money," you know, you hear people saying, "Oh, you know, I can stand there with a flag" if they see people doing road work. They don't understand. It beats digging a ditch. And he's now raising the flag sometimes because they steer people from raising the flag to doing other parts of the work most of the time.

Let me ask you both, what time do you have to get to work, gentlemen?

Mr. STEWART. About 6:30.

Ms. NORTON. How about you?

Mr. BENNETT. 6:30–7:00.

Ms. NORTON. I want everybody to hear that.

Mr. STEWART. 6:30.

Ms. NORTON. It does seem to me that it is a disservice not to rule out what this work is before the collapse of the economy in 2007, when we were working off of those bubbles that finally flew up on us there was a shortage of journeymen throughout the country.

The reason there was a shortage of journeymen is that the baby boomer journeymen aging out, their sons don't want to do this hard work. Their daughters don't want to do this hard work. There are places for people who want to get up at 6:30 in the morning.

Tell me precisely what kind of work each of you do. Mr. Bennett, what do you do all day? And do you do it through all kinds of weather? I need to have some sense of what your workplace life is like.

Mr. BENNETT. Well, for me because I have the machines, I have to be here rain, sleet, snow. It may be 100 degrees out there. I have to be out there because I've got a closed cabin. So it's really no—

Ms. NORTON. Is it air-conditioned, sir?

Mr. BENNETT. I've been there four years. This is my first a/c machine.

Ms. NORTON. All right. Good job.

Mr. BENNETT. And, like I said, we have to be out there. I have to be out there because as long as there are guys out there who want to work, you have to have a machine out there. So I can't be there saying, "It's too hot that they can't work." I can't say that. I have to stay out there because I have the machine.

Ms. NORTON. Mr. Stewart?

Mr. STEWART. Yes, ma'am. Mr. Stewart. And, first of all, it can be 80-plus degrees out there. And I'm a lagger. What I do there is I lift the things, secure the foundations so the buildings don't collapse after they dig up.

Ms. NORTON. Say that again.

Mr. STEWART. Lagging. I lift boils that weigh just about as much as I do. And what I do with them boils, I line them up against two beams to keep the surface from caving in after they done dig out. Then I take picks and shovel and digs out beams and re-lag all beams.

Then I carry tie bags that weighs more than me. I help carry tie bags. It takes about every man we have out there to carry tie bags. And it's all day constantly.

Ms. NORTON. Do you work in the shade, Mr. Stewart?

Mr. STEWART. No, ma'am. I work in the sun all day. And then I mix mortar—that's the cement—with the mix machine for the tie bags. And I do several things around there.

Then I secure that water flow around there with the water pumps. Then I come up here all day. You know what I'm saying? Doing different assignments.

But I like what I do. So that's what I keep doing.

Ms. NORTON. Would either of you mind telling us what the hourly wage for people who do your kind of work is, beginning, let's say beginning, what the hourly wage is?

Mr. STEWART. Mines was, let me see, \$13.

Mr. BENNETT. Mines is, for me right now I'm making \$30 and some change an hour.

Ms. NORTON. Now? And you have health care as well, in addition?

Mr. BENNETT. Yeah. I get health care, dental.

Ms. NORTON. You're a union man?

Mr. BENNETT. Yeah, union. My union is very strong.

Ms. NORTON. And, Mr. Stewart, are you employed pursuant to a union as well or—

Mr. STEWART. I never have, no. I started off getting 13. I don't get 13 now. I'm getting 20–22 an hour now.

Ms. NORTON. Both of you all earn every cent of that. I couldn't do what you do for ten minutes. And when I hear people talk about, "I can do that work," I think they show disrespect for what it takes to do what you do, disrespect if they really think this is like doing it in your garden, doing it until you get hot, going in and getting some lemonade.

What breaks do you get, sirs, both of you?

Mr. STEWART. You handle that.

[Laughter.]

Mr. BENNETT. Well, I get a ten-minute break. That's at 9:00 o'clock.

Mr. STEWART. About the same.

Ms. NORTON. And then you get a lunch hour?

Mr. STEWART. No, no lunch hour.

Mr. BENNETT. No lunch hour.

Ms. NORTON. When do you leave, sir?

Mr. BENNETT. When you get home, when the work is done.

Ms. NORTON. What are the hours?

Mr. BENNETT. Well, from 6:30 to 2:30. It's pretty much on us. We kind of like have it set up that way. So if we take lunch, we have to stay to 3:00 o'clock. If we want to beat like the rush hour traffic, the heat, that's on us.

Mr. STEWART. Yeah. It's our choice. And then sometimes we work overtime. That's our choice. So that's on us.

Ms. NORTON. This is very important to hear. And it's not the first time I've heard it. They work long hours to get off. And they're doing hard work. And they make sense. They make a lot of sense. This is not people still in some office with time to spare.

It's very important to lay that out for the record because it is little known, little known, and little understood.

Ms. HARDIE, I would like to ask you about what you discuss in your testimony about the difficulty of winning a small business contract because you may lose money in the process. What are you referring to?

Ms. HARDIE. Well, we believe that for us we have to have more opportunities. And we have to be competitive. And there just have to be more opportunities for small businesses. We have the ability. We have the capacity. And we have the bonding.

Ms. NORTON. I'm not talking about that. Perhaps I misread your testimony.

Ms. HARDIE. OK.

Ms. NORTON. Where you discussed the difficulty in small businesses first getting a contract but then going all the way to make a profit, as you anticipated, why?

Ms. HARDIE. Sure. Congresswoman, when we build contracts, it is important for small businesses to understand that there are different fees and payments that have to be made from the contract. So it is important for businesses to understand that you have to have a profit margin. And so it is how you approach a contract. And it is also the opportunity that is presented.

Ms. NORTON. Because if you don't do your figures correctly, this may not be contracted to you?

Ms. HARDIE. Exactly. You can lose.

Ms. NORTON. You have had contracts before.

Ms. HARDIE. Absolutely.

Ms. NORTON. Like Ms. Thomas, you've gotten several contracts before?

Ms. HARDIE. Yes.

Ms. NORTON. How many contracts have you had in the past?

Ms. HARDIE. We have had over, I would say over, 100. We have done over 1,000 task orders. Again, we have been in business since 1996.

Ms. NORTON. What is your role with the business?

Ms. HARDIE. I started the business.

Ms. NORTON. Another one here.

Ms. HARDIE. Yes, with a baby in one arm. We are a women-owned construction company. We do design build. We do everything. We are a construction—

Ms. NORTON. I'll ask you the same question I asked Ms. Thomas. She was fairly unlikely to be in the carpentry business. What was your background that enabled you to go into business?

Ms. HARDIE. OK. I started out as an attorney. And I started renovating my own home and decided, "I love doing this." And from there, I said, "If I can renovate my own home, make it beautiful, I can do it for other people."

So I started studying about how to do home improvements, home building. I sat for different exams and basically with a steel-toed boot and hard hat just developed the company, started bidding on Federal contract work, getting 8(a)-certified, CDE-certified, and pretty much just pretty much forcing our way through.

Ms. NORTON. Again, anybody who it seems to me hears you and hears Ms. Thomas understands that what it takes is not a lot of

wishing but a lot of hard. And it is very apparent and inspiring to hear both of you describe that.

Ms. MCKIRCHY, pre-apprenticeship programs turn out to be very important. Now, I have to ask you, isn't it the case that pre-apprenticeship programs help you get to people like Mr. Stewart and Mr. Bennett because some people simply have to rush out of such programs when they get to understand what really construction, for example, really entails.

Ms. MCKIRCHY. Well, there are a certain amount of people that get into it without knowing what it is. And so pre-apprenticeship can certainly open their eyes about what is required and what the jobs are.

In our case, we have gone to a sort of a three-step interview and approval process before we take people in. And we try to look for people that have had some exposure to the industry in some way, shape, or form that know a little bit about what the construction industry is all about.

But then we also interview people. They have to take a type test and pass an eighth grade reading and math because the union apprenticeship programs and many of the other apprenticeship programs require eighth grade reading and math. The days when anybody could kind of walk in off the street and get a good construction job are kind of gone. You have to have some ability to master math and other skills in construction.

And we try to make it very clear to people what it is that this work entails. It is not 9:00 to 5:00. It is outside. It is noisy. It is dirty. It is hot. It is cold. There is a chance of being injured. You know, you work at different job sites throughout your work career. You are not going to an office every day.

So we try to before we accept people into the program make them understand what the jobs are. And I think we have gotten to the point where we are doing a pretty good job of getting those people who truly have an interest and an aptitude in doing this kind of work.

Ms. NORTON. It might be an interesting experience simply to one day out of the training period take the class over to where Mr. Bennett and Mr. Stewart are working on a hot day.

Ms. MCKIRCHY. We just did that last week, as a matter of fact. We have 18 to 24-year-olds in our current pre-apprenticeship class. And we went to the site last Thursday. And they trooped around the veneer. And they saw these gentlemen at work.

And not a single person having seen that said, "Oh, I'm in the wrong place." It piqued their interest. It came them a better, realistic idea of what these kinds of jobs are like and what this kind of work is like. And I think it made for a better student, actually, to have seen that.

Ms. NORTON. Mrs. Thomas and Ms. Hardie, are you able—let me put it this way. You heard me question Clark about hiring local residents. Let me ask you about hiring local residents, small businesses. Could you tell me whether you have hired local residents for this job?

I know you may not be on the job yet. If not, how do you intend to be held accountable as Clark is being held accountable in many other subcontracts, all the other subcontractors as well?

Ms. HARDIE. May I? OK. Thank you.

We are actually performing right now. And what we have done on our own is to form an alliance with certain nonprofits in the ward. And if you come to our office at 1567 Alabama Avenue, you will see that we have different documents, even on our front door, where we say, you know, "We are offering flagger training."

So we hold flagger training courses on our own and with these nonprofits. And we also have different documents in our officers that we provide to ward 8 residents on how to enter the construction industry.

Again, this is not something that is forced upon us. This is something that we want to do because we care about the community and we care about making sure that this is a great community for everyone.

Ms. NORTON. Ms. Thomas?

Ms. THOMAS. The way that we recruit—and it is specifically for this particular project, ward 8—one of the first places that we always go to is DOES, Department of Employment Services. They are so receptive to you contacting them. I can't say enough good things about them.

And we would take it a step further. The Office of Apprenticeship within DOES, we can call them. We have their numbers in our cell phones. "This is the job. This is what I've got coming up." And, you know, we are very honest, "We have a requirement for ward 8."

We have roughly seven to eight guys that are currently on our staff that are District residents and two that live in ward 8. So then with our employee referral program, you know, we have a phone meeting every month. And it's "OK, guys. We have this job coming up. It is coming up in about a month." And we send out our referral, employee referral, with the payroll checks to everybody.

And we can specify "We need people in ward 8." And, again, because most of our employees have been with us five-plus year, they can tell our story better than anyone. And with the referral program, it is real simple. You bring me a guy. He passes the drug screen. After 30 days, you get \$50. After 60 days, you get another \$50, After 90 days, you get another \$50.

So the reason we pay the employees, because one is a lot cheaper than all the other kind of advertising to recruit. The other thing is they do not refer anyone to me that's not going to have the same work ethic because they want the money. They don't want to be embarrassed because then I'm hesitant to hire somebody else again.

So the thing is that retaining good quality employees will, in turn, have them recruit and bring good quality employees to you. So it is real simple for us.

Ms. NORTON. It's really simple. It is a great incentive. And I am sure it holds—it leads to great collegiality within the company.

Now, I am going to ask you, Ms. Hardie, you heard me perhaps ask the first panel about the allegation of some subcontractors like you, that there are contractors who try to use them to mete goals. And they don't even get to do the work. Has anybody ever tried to do that to you? And what was your reaction if so?

Ms. HARDIE. Well, as a woman in the construction industry, people try a lot of things. But we make it clear that we intend to perform on every single contract. We hire our own staff. We hire from the ward. We hire our own superintendents. We hire our own workers. And we expect them to have work on our contracts.

Ms. NORTON. No. I'm talking about you working for a contractor—

Ms. HARDIE. Right.

Ms. NORTON. —and he uses you or Ms. Thomas to meet his goals. Have you ever had the experience where he's used you for that purpose but did not want to give you the work that was done, essentially paid off people to get lost while the work got done? Have you ever had anybody to try to do that?

Ms. HARDIE. In our extensive experience, yes, we have. And we just have had to make it clear we have a contract and we intend to perform on the contract.

Ms. NORTON. Have you ever had that experience, Ms. Thomas?

Ms. THOMAS. Oh, absolutely, absolutely. And everyone sees the work. It's called passthrough work. And you've seen it at every level.

The biggest thing that you have to, as Ms. Hardie says, is that you really don't want to use the work. And I'm just going to keep you paying. You have to muscle the contractor. And then you also have to use muscle with the general contractor to say, "Listen," XYZ "contacted me. We know there is a small business requirement, a minority requirement," et cetera, et cetera. "I need your help, Mr. General Contractor, to make sure they carve out work for me."

You know, the fact is is that truly we don't have the capacity that Ms. Hardie does, but we are a legitimate contractor where we can bond our jobs up to \$15 million. So, therefore, we have capacity.

And what you have to do—and it is a very delicate balancing act because you want to not look at just the St. Elizabeths project or some other project. It builds synergy between your company and this prime contractor. It is a very delicate balancing act, but you have to have the general contractor assist you in forcing them to carve out work, let them see that you can perform it on task, on schedule, on time, get it right, work safely, and then start to change the mindset that they look at you not as a woman, a minority, a CDE, an 8(a), but a legitimate contractor they can go to market with.

It does take time. It does take time. But if you perform, then you are putting your company in a position for that prime contractor to have a strategic partner to go to market with time and time again. And that is the very delicate balancing act.

It can be done. It is challenging. Not all the prime contractors are interested. They do want to use you as a passthrough. And that is when you have to make a conscious decision to say, "Do I take this little three or four percent or do I just walk away from it and make a stand for what is right?" And that is the responsibility of the small business.

You can't cry "Foul," Congresswoman, to say, "Oh, they just used me as a passthrough." You have the opportunity to say, "No," not

sign the contract, use some leverage to get the work. But if you take it and you sign it, you can't back out."

Ms. NORTON. Well, I can see why you have been so successful. No whining here.

[Laughter.]

Ms. NORTON. Ms. Hardie?

Ms. HARDIE. Well, I think, to piggyback on that,—and that is what I mean by having steel-toed boots and a hard hat—you have to have business savvy in this industry. You have to know how to read a contract. You have to know how to budget. You have to have good staff, like we do.

We have our own CFO, who is a CPA, on staff. She sits two, and I say she sits two, doors down from me. So you have to have the staff in place to make these good decisions and to be able to say, "Hey, we can do the work. Look at our past performance. Look at the projects we have done. We are an excellent company. If you give us an opportunity, we are not going to let you down."

Ms. NORTON. I'm going to close by asking Mr. Bennett and Mr. Stewart a question. You had to take drug tests in order to get work at these projects. Is that not the case?

Mr. BENNETT. Yes, ma'am.

Mr. STEWART. Yes, ma'am.

Ms. NORTON. Are you tested more than once?

Mr. BENNETT. Yes, ma'am.

Mr. STEWART. Yes, ma'am.

Ms. NORTON. Tell me about how that occurs.

Mr. STEWART. Randomly.

Ms. NORTON. Random testing?

Mr. STEWART. Right.

Ms. NORTON. You, too, Mr. Bennett? Are you random tested?

Mr. BENNETT. Yes, ma'am.

[Laughter.]

Ms. NORTON. Let the record reflect that Mr. Bennett said yes.

Again I wanted to have on the record and I want to indicate that this hearing is on the record, just as the hearing on Thursday on GSA. And the construction program will be on the record. The only difference is that one is being at the Rayburn Building, and this one was at St. Matthews Memorial Annex. It is the same kind of hearing.

The reason I have gone to some lengths to ask you questions is I wanted to get on the record not only for the benefit of the Congress and the decisions we make but for the benefit of the community that Mr. Bunn testified about what he called communication I call various expectations when people heard that this great big thing was coming here, the biggest construction project in the United States of America today. It is so big we call it a "compound." It is not a building. It is a series of buildings.

And when you hear that, some people see the dollar signs. They don't see the work. And the reason they don't see the work is not because they are lazy or dumb. It's because they have not had the opportunity to learn what it takes to become what Ms. Thomas and Ms. Hardie have become, to become what you, Mr. Bennett, and you, Mr. Stewart, have become, to do what Mr. Bunn has done, to redirect, to reorient his community to believing that they can get

contracts and then preparing them to do so and for doing what Ms. McKirchy has to do, which is essentially put people through a version of a boot camp. And the survivors then go on.

Most people do not face such construction in the first place. So they have no reason to know what the pattern has told us today. We wanted to get it on the record. And we want to make sure that the community, ward 8 and throughout the District of Columbia, understands that this is a once-in-a-millennium opportunity.

The Federal Government simply no longer builds much. We lease much more than we build. We are going to be leasing even a part of this project. So the notion of the Federal Government spending this much money in building a compound, a series of buildings, means that this is an opportunity for business to learn and grow and for employees to learn and grow of the kind you will not see in this city again in your lifetime I have to tell you because every plot of ground is already built on.

The only thing that comes close to what we are doing today, there are two periods in American life that come close. One is when they built the Pentagon. But what is most like this period is what FDR did during the New Deal.

Virtually everything you see on Constitution Avenue and Pennsylvania Avenue was built as a stimulus project just the way this was. And to get the money out of the Congress, I went to them and said, "If you are ever going to do it, then you need to do it at a parallel time to what FDR did. If you're going to do it, it won't make a lot of sense to start doing it when it costs more to build ten years from now, when there are a lot of people vying for jobs. If you're going to do it, you can do it when people need it now. And you can help us get out of a recession now."

This is a long-term project that's going to provide jobs for people like you and businesses, like you, if they want to take advantage of this opportunity. Ut we cannot expect that people are born into this world understanding what it takes to qualify to do the work on such a project.

So I have regarded your testimony as invaluable. This has been an official hearing for the record. We are going to take parts of this hearing as they become relevant so that the community understands exactly what it is that you do. We are going to submit parts of your testimony, Mr. Bennett and Mr. Stewart, to the apprenticeship programs so that they can hear exactly what it takes.

When they opened the Opportunity Center, we asked for an apprentice to be there. It happened to be a plumber's apprentice. And there he was, a young man like you, not overweight, fit. And he told us what it's like. He said, yeah, he had to be there at 6:30.

And he was in his third year. I think it's four years to be a plumber, four years. He was in his third year. Well, you see, by that time, I was out of law school. This young man had another year to go. And he not only worked every day doing the kind of hard labor you do, but he had to go at night two nights a week to class. And he was slim and happy. You know, he was ready for hard work.

So the best preparation we can make for our young people is to let them see for themselves or hear for themselves the kind of testimony you have given.

We didn't plan it this way, Ms. Thomas and Ms. Hardie, that there would be two women on, but that is the way life is. And we have been very inspired that women have owned companies in non-traditional work because if they can do this, it seems to me it sends its own message or testimony very valuable to us, very inspiring to hear.

Ms. McKirchy, I have known you for some time and the work of Metropolitan Council AFL-CIO. I am not surprised that you won this competitive contract. I was at your first graduation, very inspired by it. I should have asked you, were there any more women? There was one woman in that class.

Ms. MCKIRCHY. There are more.

Ms. NORTON. But there are more women now? These classes are open to men and women. I mean, you see the women out on the streets where they are laying roads, holding the flag. Those women have got to go back and do hard work, too. It is just their time to hold the flag.

And, of course, Mr. Bunn, you have been an inspiration to this entire project and to this entire community. When the community sees one of their own keeping track of what is happening, it inspires their confidence. And that confidence has been very important and very important to GSA.

GSA has lived up to that confidence so far. And our job, particularly my job as Chair of the Subcommittee with jurisdiction over this project, is to make sure everybody stays on the same page. I do not play doctor. When there is some issue, people just come to me. We try to straighten it out. We don't have a hearing on every issue. We say the hearings to you point in the project to where they can tell us something we don't know and where they can tell the community something that it may not know.

So on behalf of the Subcommittee—I know I speak for Mr. Diaz-Balart. There are, of course, other Members of the Subcommittee. I want to thank all of you for truly useful and beneficial testimony that will help us to make this truly a great project.

This hearing is adjourned.

[Whereupon, at 8:22 p.m., the foregoing matter was concluded.]



Statement of
Chair Eleanor Holmes Norton
Subcommittee on Economic Development, Public Buildings and Emergency Management
**“Progress on Jobs and Small Business Opportunities as the Department of
Homeland Security Construction Begins in Ward 8”**

June 15, 2010

Welcome to today’s hearing entitled, “Progress on Jobs and Small Business Opportunities as the Department of Homeland Security Construction Begins in Ward 8,” examining a large and unprecedented federal development project on the federally-owned West Campus of St. Elizabeths Hospital in the Anacostia neighborhood of Southeast Washington. The U.S. Department of Homeland Security (DHS) headquarters construction project will mark the first time the federal government will locate a federal agency east of the Anacostia River. The St. Elizabeths West campus has been an unoccupied eyesore for decades. The federal government has held onto the West campus because of the scarcity of land in the District, because there is too little remaining space in the nation’s capital to meet the federal government’s office space needs, and because of the need for consolidation of agencies to improve their efficiency. By building on its own land, the St. Elizabeths site brings savings to the federal government, and it meets other requirements, such as the presence of Metro stations and other public transportation and accessibility and proximity to other federal agencies in the District.

This is the second congressional hearing on the effects of the DHS headquarters development on employment and small businesses in the District of Columbia, in addition to our authorization and appropriations hearings. This hearing is devoted to the important local implications and benefits to this large federal project. Later this week, as part of the annual congressional hearing on the General Services Administration’s (GSA’s) Capital Investment and Leasing Program, we will address some of the macro issues related to the overall planning and construction of the DHS project.

The federal government is crossing the Anacostia River with one of its most prestigious and important agencies at a time when Wards 7 and 8 are seeking to become destination points like the rest of the areas in the District. Although this construction will benefit the entire city and region, its potential effects on Wards 7 and 8, in particular, are important. At the end of last year, Ward 8 had a nearly 30% unemployment rate and a poverty rate of 40%, according to the *Washington Post*. I do not intend to bring a nearly \$3.4 billion development to the District without ensuring that residents near the site benefit in the competitive competition for jobs and small business opportunities.

Last December, at my request, the GSA and Clark Construction constructed an Opportunities Center on the West Campus of St. Elizabeths. The Opportunities Center features job-search assistance, small business training sessions, pre-apprenticeship, apprenticeship and other job-training information, a computer lab, a conference room, and

information kiosks. In addition, I introduced, and Congress enacted, an amendment that authorized \$3 million for apprenticeship and pre-apprenticeship programs in the American Recovery and Reinvestment Act (ARRA). At least one local group, the Community Services Agency of the Metropolitan Washington Council, AFL-CIO, competed successfully for this funding and has graduated 161 adults, 105 of whom have been D.C. residents. We also anticipate opportunities for D.C. residents to participate in the building of the DHS headquarters through an apprenticeship program we previously negotiated with the GSA, which requires apprenticeship training programs to be a part of the competitive bidding process on all GSA building projects in the National Capital Region.

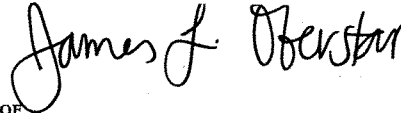
The GSA has worked closely with me to ensure that the community and the federal government actively collaborate in the planning and implementation of the DHS headquarters. This cooperation has been beneficial both to the local community and the federal government. The federal government needs local communities to buy into federal projects so that the two can exist amicably together, and communities want federal construction, which brings construction jobs and federal employees to an area and has unfailingly sparked local retail and commercial development.

This hearing continues the process we began shortly after the federal government initially funded the new DHS headquarters project. In 2006 we held a town meeting where top GSA, U.S. Coast Guard and District officials participated in a standing-room only meeting, taking questions from residents, followed by another community meeting in 2008. In September 2007, GSA and I cosponsored a small business forum on opportunities that will become available at the site. In December 2007, we held our first congressional hearing on the project. The GSA has continued to ensure community participation, in countless meetings, working with Ward 8 residents throughout this process, and getting their feedback to assist in making decisions. Consequently, the project has been well received by community residents, who are hopeful that the new headquarters will help spur retail and other efforts underway to ensure increased commercial development.

The federal government broke ground on the Coast Guard building earlier this year, a 1.2 million square foot office building on the West campus. The DHS components identified for consolidation at the headquarters include the Office of the Secretary of the Department of Homeland Security, the Transportation Security Administration, Customs and Border Protection, Immigration and Customs Enforcement, the Federal Emergency Management Agency, the Coast Guard and liaisons for agencies not being relocated there. GSA also has as its mission maintaining and preserving St. Elizabeths as a National Historic Landmark, including reuse of many of its historic buildings.

Currently, GSA is working to complete a master plan for the consolidation of some of the most important DHS component agencies to accomplish its post-9/11 mission of bringing together agencies that must work jointly to prevent and respond to terrorist events and natural disasters in this country. GSA will relocate federal tenants currently in leased space to federally-owned space. Unlike lease payments, placing federal employees in government-owned space enhances the vitality of the Federal Building Fund (FBF), because lease payments are directed to the FBF rather than private developers.

I look forward to hearing from today's witnesses.



STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY
MANAGEMENT
HEARING ON "PROGRESS ON JOBS AND SMALL BUSINESS OPPORTUNITIES AS THE
DEPARTMENT OF HOMELAND SECURITY CONSTRUCTION BEGINS IN WARD 8"
JUNE 15, 2010

The consolidation of the principal headquarters elements of the Department of Homeland Security (DHS) on the former campus of the St. Elizabeths Hospital, at 4.5 million square feet exclusive of parking, represents the largest General Services Administration (GSA) Federal building construction project ever, and one of the largest Federal office construction initiatives in the post World-War II era.

I am pleased that the DHS consolidation at St. Elizabeths expands the portfolio of federally owned real estate. Over the past decade, it has become almost reflexive that leasing private commercial office space is the first recourse for the Federal Government when new expansion or consolidation needs of Federal agencies arise – it should be the last.

St Elizabeths represents, in effect, an eddy against a general tide of greater reliance upon leasing to meet Federal office space needs. St. Elizabeths provides a text book example of the benefits of Federal ownership. Washington, D.C. is one of the healthiest commercial real estate markets in the country, with some of the highest office space rental rates in the nation. Federal ownership of office space in the

District of Columbia means avoidance of very high lease costs. Therefore, from a Federal real estate portfolio perspective, building and owning office space in Washington, D.C., is a smart decision for the Federal Government, especially considering that this is the seat of our national government, and office space needs here are plentiful and long-lived. Even if DHS were reorganized in the future, there would undoubtedly still be abundant demand for the Federal office space that is soon to be built at St Elizabeths.

I also want to highlight the critical role that the American Recovery and Reinvestment Act (ARRA) has played in this project. Nearly one-half of the Federal funds provided to date – \$450 million to GSA and an additional \$198 million to DHS – have come from the Recovery Act. This project will create or sustain thousands of jobs through the construction of these facilities.

I look forward to hearing from today's witnesses.

Good Evening, my name is Gabriel Stewart and I am a resident of Ward 8. I am a laborer for Clark Construction. I am thankful for the opportunity that I have been given right here in my backyard. Even though the work I do is hard, dusty and dirty, I enjoy it and I am grateful that the Coast Guard project is in Ward 8.

Good Evening, my name is Cecil Bennett. I am an operator for Clark Construction and I am also a Ward 8 resident. I went through my Union's apprenticeship school and graduated to a Journeyman Operator. I am grateful for the opportunity that is given to me by Clark Construction and thankful to be working at the Coast Guard Project.



James Bunn Testimony

Ward 8 Business Council

Tuesday, June 15, 2010

Good evening Honorable Congresswomen Eleanor Holmes Norton and other distinguished guests. My name is James Bunn. I am the Executive Director of the Ward 8 Business Council. I am delighted to be here tonight to testify before the subcommittee on Economic Development, Public Buildings, and Emergency Management on the "Progress on Jobs and Small Business Opportunities as the Department of Homeland Security Construction begins in Ward 8". I am strongly supportive of the GSA project. I am keenly aware that the St. Elizabeth Project is the largest of its kind in GSA history. The Ward 8 Business Council is honored to be so meaningfully engaged in this project.

In order to ensure that there is some sense of transparency, GSA to their credit, made concerted efforts to reach out to the community very early on in this process. Over the years we have had many, many meetings and there were several key issues that kept resonated:

- Jobs
- Minority Contracts
- Commercial Development on the North and South Walls of West Campus of St. Elizabeth on MLK Jr. Avenue, S.E.
- Traffic Patterns
- Environmental Justice Issues (i.e., Air Quality)
- Gentrification



Page 2, James Bunn, June 15, 2010

Tonight, I would like to address three of these issues. First of all I would like to applaud Congresswoman Norton, GSA and Clark Construction for opening the Opportunities Trailer. It is my understanding that over two thousand people applied for jobs at this particular site. I clearly understand that the federal government cannot be persuaded to hire Ward 8 residents only, however in light of the fact that you are in our own backyard, Ward 8 matters. I anxiously await the day that it is reported that at least 500 or more DC/Ward 8 residents have secured stable/permanent employment with this very historical project.

I humbly applaud the extraordinary work that has been accomplished through extraordinary community outreach by the following people:

- Thomas James
- Chris Mills
- Shapour Ebadi
- Bonnie Echols
- Dawud Abdur-Rahman
- LaJuan Stevens

They did a yeoman's job on their diligent outreach efforts. The community was quite adamant that jobs are a priority – only because this affords our residents an opportunity to improve their quality of life. We continue to meet with GSA and their partners on a monthly basis through the coordination of Councilmember Barry's Office and GSA.



Page 3, James Bunn, June 15, 2010

The Ward 8 Business Council has worked tirelessly to help coordinate opportunities for our local CBEs. When we discovered that the federal government requires 8A Certification, our federal partners were eager to step up to the plate to help them become better informed about the 8A process and its significance. I am happy to announce that several small and local businesses were awarded contracts from Ward 8. The GSA project is theoretically the economic engine that is generating growth in Ward 8. The big contractors sometime have a tendency to be a bit resistant to working with emerging small and local businesses. However, we have conquered that battle.

Finally it really strikes me that this is the largest development project in GSA history and the parallel planning for commercialization on Martin Luther King Jr. Avenue and the east campus is so far behind the eight ball. If we do not step up to the plate the ward could lose millions of dollars in the form of disposable income. My greatest fear is that a customer base of 14 thousand employees will be a fleeting opportunity for Ward 8, if collaboration is ignored. We will not and I repeat we will not allow these dollars to unwittingly leave our community. I would like to thank Councilmember Marion Barry and Brenda Lee Richardson for pursuing and establishing valuable partnerships and for taking significant community building steps of in this very massive undertaking. And to you Congresswoman Norton this would not have been possible without all of your hard work and commitment to the residents of the District of Columbia. I hope all of you in this room remember that there is something great in the new Ward 8.

**SHAPOUR EBADI
DEPUTY REGIONAL COMMISSIONER
NATIONAL CAPITAL REGION
PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

BEFORE THE

**SUBCOMMITTEE ON ECONOMIC DEVELOPMENT
PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT**

**COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE**

U.S. HOUSE OF REPRESENTATIVES

June 15, 2010



Good evening, Chairman Norton, and members of the subcommittee. My name is Shapour Ebadi, and I am Deputy Regional Commissioner in the National Capital Region of GSA's Public Buildings Service (PBS). Thank you for inviting me to appear before you today to discuss the progress with the new Department of Homeland Security (DHS) Headquarters at the St. Elizabeths Campus.

GSA, in partnership with DHS, is now undertaking the largest, most complex construction project in our history. The consolidation of DHS is necessary to facilitate communication, coordination and cooperation across the Agency and optimize operational efficiency. DHS identified its most critical components that need to be located within one functional campus. This campus will serve as the DHS Headquarters, which will reside on the former St. Elizabeths Hospital in southeast Washington, D.C. The decision to create this headquarters at the former St. Elizabeths hospital was based on the DHS National Capital Region Housing Master Plan¹, which was developed by DHS with GSA's assistance.

DHS is currently housed in more than 50 locations around the Washington, D.C. metropolitan region, involving multiple buildings and leases. The Master Plan advocates for the Agency's consolidation into seven to ten locations, interconnected by shuttle buses or the Metro rail system. Three of these locations already exist as federally owned sites. Components of DHS are currently located at the Nebraska Avenue Complex, the Ronald Reagan Building/International Trade Center, and the U.S. Secret Service Headquarters building. St. Elizabeths will add a fourth federally owned location.

The Master Plan outlines priorities of implementation and addresses the mission fragmentation caused by the headquarters elements being scattered throughout the National Capital Region. The St. Elizabeths campus will accommodate the Agency's mission execution functions. DHS mission support functions will remain outside of the campus at federally owned and leased locations. These mission support functions include Citizenship & Immigration Services, Science & Technology, and the Under Secretary for Management.

DHS Mission Execution at St. Elizabeths Campus

The DHS Headquarters at St. Elizabeths is the largest Federal construction project to occur in the Washington metropolitan area since the Pentagon was built during World War II. The project will create 4.5 million square feet of new space, in addition to 1.5 million square feet of structured parking, to bring together the mission execution components DHS requires in its headquarters facility. A total of 14,000 people will be employed on campus.

¹ The DHS Housing Master Plan was presented to Congress in 2006

The total cost for the project is \$3.4 billion and will be funded by GSA and DHS. During the peak period of construction, there will be over 1,000 workers on site and approximately 100 subcontractors and vendors supporting the prime general contractors. The project is expected to generate more than 30,000 jobs in both direct and indirect employment through its duration. During construction, the economy would gain payroll earnings of approximately \$1.2 billion, and regionally there would be a gain from total output during construction of approximately \$3.8 billion.

St. Elizabeths is the only federally owned site in Washington large enough to accommodate the mission execution functions for the DHS Headquarters. Due to the size and location of the site, St. Elizabeths is fitting for such an important Cabinet level agency. The property is only two miles from our nation's Capitol and is located on a hill with a commanding view of Washington and Northern Virginia. The creation of this headquarters complex presents the best opportunity available for preserving, reusing, and revitalizing the historic buildings and landscapes at this National Historic Landmark.

Project History

Currently, more than \$1 billion has been appropriated to GSA and DHS for the St. Elizabeths project. The appropriations include American Recovery and Reinvestment Act of 2009 (Recovery Act) funds. The Recovery Act provided GSA with \$450 million and DHS with \$200 million in funding for the St Elizabeths consolidation. GSA has accepted \$199,000,000 in reimbursable Recovery Act funds from DHS and has awarded \$50,500,000 of that money.

GSA has recently begun construction of Phase 1a, which includes a new 1.2 million square foot headquarters building for the U.S. Coast Guard (USCG) and 700,000 square feet of structured parking. This headquarters, which is being designed by Perkins & Will and constructed by Clark Construction, will be complete in 2013. Phase 1b will involve the adaptive reuse and renovation of seven campus buildings, as well as the construction of a perimeter security fence, gatehouses, and underground utility tunnels.

The next two phases will be the construction on the west campus totaling 2.4 million square feet of space plus structured parking, as well as the construction on the east campus, totaling an additional 750,000 square feet of space plus structured parking. The selection of the east campus to house the headquarters of the Federal Emergency Management Agency (FEMA) is the result of our close coordination with the District on this project. The District has owned the east campus since 1987, utilizing it to house its mental health facility. At this time, however, the District no longer requires the entire site for that purpose.

In December 2008, the District adopted a plan for the site that called for the development of a mixed use community on those portions of the east campus not required for their mental health program. GSA's commitment to utilize a site on the east campus represents a major breakthrough in assisting the District to pursue its redevelopment, as well as enabling us to reduce the overall density proposed for the west campus so as to protect the historic features in this National Historic Landmark, while preserving the contiguity of the headquarters complex. We are now in the process of amending our master plan to incorporate the east campus portion. The mixed use community on the east campus will include residential, retail, and office space. The influx of Federal employees will act as a catalyst for the beginning stages of this development and pave the way for future development in later stages.

The entire DHS Headquarters project is scheduled for completion in 2016.

Project Benefits

In addition to the economic growth resulting from this project and in line with President Obama's Executive Order 13514, GSA is also pursuing an environmentally sustainable campus. Within the St. Elizabeths' Master Plan, the Transportation Management Plan heavily depends on public transportation and mass transit. The campus will be located near two metrorail stops to ensure those working on the campus can easily access mass transit. In addition, GSA has been working with state transportation agencies in Virginia and Maryland to explore park and ride bus transportation options from suburban locations. The campus will only have one parking space for every four employees, necessitating mass transit and carpools. GSA is also working with the District Department of Transportation to provide access for the bulk of the employees from nearby highways to avoid impacting local road networks.

GSA is committed to achieving at least a Silver certification under the Leadership in Energy & Environmental Design (LEED) program of the U.S. Green Building Council, but we are striving for Gold certification. Our initial building, the new Coast Guard headquarters, will have five acres of green roof, narrow floor plates to maximize access to natural light, an innovative HVAC system, and a combination of landscaping, underground cisterns, and a small lake that together will capture and reuse all runoff for up to a 15-year storm event.

We will also be striving to meet the sustainable requirements outlined in Energy Independence and Security Act (EISA), Energy Policy Act (EPACT) and the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings. The USCG Headquarters will have a green roof and a series of landscaped gardens and retention basins that will absorb storm water runoff. It will have an abundance of natural light, sophisticated heating ventilation and air conditioning systems, as well as a utilization of local and recycled materials.

GSA is also undertaking extraordinary measures to protect and enhance the many historic components of this National Historic Landmark. We have held multiple meetings and negotiations with the historic preservation community. We will reuse 51 of the 62 buildings on the west campus that contribute to the site's historic character. The most historic building on site, the Center Building, will house the Office of the Secretary of Homeland Security. This building will remain the highest building on campus. The location of new construction has been determined so that the main cluster of historic buildings will remain physically and visually intact. Views to and from the campus will be preserved as well.

Finally, GSA has undertaken widespread meetings and discussions with the District of Columbia Ward 8 community where St. Elizabeths is located. We want to ensure the community is supportive of the new campus and that we provide them the opportunity to benefit from its development. Our outreach has included more than 50 meetings, hearings, and training labs. Close to half of these meetings were with the Advisory Neighborhood Commissions that serve the area. We have also met with the neighboring Barry Farm Resident Council, the Anacostia Coordinating Council, and the Ward 8 Business Council. Additionally, there were six public hearings and a Town Hall meeting sponsored by Representative Eleanor Holmes Norton. We are committed to continuing this outreach throughout the life of the project.

GSA also provided five days of training for Section 8 (a) small businesses and another general session on conducting business with GSA. The general contractor for the Coast Guard project, Clark Construction, has identified \$224 million in possible subcontracting opportunities as part of the construction. They have adopted the following goals for the \$224 million:

- 40% subcontracted to Small Businesses
- 3% to HUBZone firms
- 8% to Small Disadvantaged Businesses
- 5% to Women-owned Businesses
- 5% to Veteran-owned Small Businesses
- 3% to Service Disabled Veteran-owned Businesses

GSA and Clark Construction are committed to using Section 8 (a) small businesses for this project. In addition to GSA's small business outreach, Clark has hosted two small business training seminars and will continue to do so throughout construction. The first \$13 million we spent on site stabilization, maintenance and security was all awarded to Section 8 (a) contractors, who have continued to work on site up to this time. Another 8 (a) firm was selected to demolish the warehouse where the Coast Guard building will be located.

Of the 70 sub-contracts already awarded on the Coast Guard project, 61 have gone to small businesses, including 25 based in the District of Columbia, and 13 in Ward 8. These include multiple awards to Section 8(a), women-owned, veteran-owned, and HUBZone firms.

GSA is also committed to providing as many employment opportunities on this project as possible. At present, there are 650 Clark employees working on site, along with several hundred truck drivers and more than a dozen small business sub contractors.

GSA has established a pre-apprenticeship training program funded by the Recovery Act, as well as required Clark to begin an apprenticeship program for the project. The pre-apprenticeship program is being run by the AFL-CIO. They are conducting six-week classes that include on-the-job-training, classroom training, and work-life training in the construction industry. To date, 53 individuals have graduated from the program with 50 of the graduates being directly placed on projects throughout the DC area.

Clark has also established an Opportunities Center on the west campus. This large facility, which consists of four double-wide trailers joined together, is being used to provide employment and training information available to individuals and companies. The facility is staffed and consists of an information kiosk, conference room, computer lab area, restroom, storage room, and break room. On-site contractors have access to the trailer to conduct training sessions while government agencies can hold small business assistance and training sessions. Rooms are also available for the AFL-CIO to conduct pre-apprenticeship training programs. To date Clark and its subcontractors have hired 20 people through the Opportunities Center. This number will increase as the project moves into more labor intensive construction activities

We are also working with Clark to develop an apprenticeship program that will provide opportunities for people interested in pursuing a career in the construction industry. Thus far, even though we are still only in the early phases of construction, Clark has already employed 17 apprentices, 12 of whom are residents of the District of Columbia.

Conclusion

GSA is proud to assist this important Cabinet Agency in implementing a sound, long-term housing program. Created only seven years ago through the combination of 22 separate and independent agencies, DHS needs to consolidate in order to quickly respond to a national emergency and achieve an optimum degree of internal coordination and develop a common "corporate culture."

Such a consolidation effort is in the best interest of the American taxpayer. Occupying owned government space is less expensive in the long-term than leasing. Similarly, occupying fewer large leases saves costs.

In addition to these overall benefits, creation of the new DHS Headquarters at St. Elizabeths will save and reuse a National Historic Landmark, and it will enable GSA and DHS to develop the site to demonstrate the aesthetic benefits and cost savings that arise through environmentally sustainable design and operations. Furthermore, Ward 8 can now enjoy the benefits of economic development that have brought so much prosperity to our Nation's Capitol.

We look forward to working with you and members of this Committee as we continue to deliver this important work.

**QFRs from St. Elizabeths Field Hearing on June 15, 2010 with
Shapour Ebadi**

1. **Please provide the number of businesses that have participated in GSA's 8(a) assistance program.**
 - The GSA, National Capital Region (NCR), in partnership with the Small Business Administration (SBA), Washington, DC District Office, offers a free monthly training session for local area small businesses interested in securing the 8(a) certification designation. Since the training began in March 2010 at the St. Elizabeth's Opportunities Center, 31 small businesses have attended and 15 of them have committed to completing the application process to secure the 8(a) certification.
2. **How much money has been obligated with respect to the St. E's project?**
 - GSA Obligations as of 06/30/2010 - \$536,603,812
 - DHS Obligations as of 06/30/2010 - \$239,865,187
3. **How much money has GSA been appropriated to the St. Elizabeths project?**
 - GSA Appropriations as of 06/30/2010 - \$841,078,000
4. **How much money has DHS been appropriated to the St. Elizabeths project?**
 - DHS Appropriations as of 06/30/2010 - \$300,278,000 (including DHS and USCG appropriations)
 - DHS RWAs to GSA as of 06/30/2010 - \$296,478,000



June 15, 2010

Testimony by:

Ms. Yanic Hardie
President
Hardie Industries, Inc.
1567 Alabama Avenue, SE
Washington, D.C. 20020
Tel: (202)347-5005
yhardie@hardieindustries.com

To the U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

Dear Committee Members:

Hardie Industries, Inc. herein submits its testimony on our company, the services, we provide and our experience associated with the redevelopment of St. Elizabeth campus for the headquarters for the Department of Homeland Security.

Hardie Industries Inc., is a woman owned, construction company that offers design-build, pre-construction, construction management, general construction, program and project management and various other construction services to meet a range of clients' needs. Founded in 1996, the company has built its reputation by the satisfactory completion of multiple projects over the last decade.

Hardie Industries has the capacity to execute construction projects valued from \$5,000 to \$800,000,000 (five thousand to eight hundred million dollars). Our capacity has grown through years of hard work and our commitment to provide excellent service. We have serviced over 1,000 (one thousand) engineering and construction task orders through Design-Build, Design-Bid and Turnkey construction delivery methods.

As a result of our experience, commitment to safety, and our commitment to providing quality construction services with responsive leadership, we currently have a bonding capacity of 100 million.

As a local company with offices in Ward 8 and Ward 2, we look forward to opportunities to work and partner with GSA and Clark Construction. We believe that by providing local companies like Hardie Industries, Inc. with increased opportunities to participate in this project, there will be increased opportunities for residents in Ward 8 and the District of Columbia to obtain employment.

As a company, we have partnered with local non-profit groups to provide District residents, specifically, Ward 8 residents with training and information to obtain employment in the construction

1567 Alabama Avenue SE

Washington, DC 20020
(202) 347-5005 Tel
(202)347-6009
www.hardieindustries.com

Page 1 of 2 pages

industry. We have partnered to offer courses and information to residents who we have subsequently hired on construction projects. Our services have included providing residents with access to courses on becoming construction flaggers and informing residents of the various training facilities and educational resources for trades in the construction industry, such as construction management, HVAC, plumbing, drywall installation and repairs.

Our hope is that Clark Construction and GSA will work together to make an increased effort to provide viable contracts that will allow us to offer viable employment to District residents.

We believe that Clark Construction and GSA's commitment to the following will allow Hardie Industries, Inc. and other local companies to successfully participate in the St. Elizabeth's project:

1. Increased outreach to local businesses;
2. Providing forecasts of upcoming bids and projects;
3. Communicating opportunities to businesses via e-mail and fax;
4. Allowing small businesses to work on projects as opposed to Clark "self performing."

Hardie Industries, Inc. currently has a small subcontract with the Metro-Total Joint Venture to provide hauling and dumping services for approximately six to eight months. This contract supports the excavation of soil and preparation of the St. Elizabeth's site for the foundation. Our work started on April 26, 2010. Since that time, approximately 5,700 truckloads of clean fill dirt has been delivered to our dump site. We have hired 19 employees as site superintendants and flaggers. We worked with Ward 8 Flagger Training Program for flaggers and hired 7 local residents to work on the project. We will continue to train and hire from the local community for employment as other positions become available.

Our overall observations and experience with a project of this magnitude is that there should be a third party organization put in place by the owner to source, oversee, manage, report and monitor the projects' small and minority business goals. That organization would work to ensure that the projects commitments to the goals of the program are supported with correct actions. More importantly, small businesses need the support of the project through the duration of their contract. The small businesses need to have a profitable experience as a result of this project. Winning a contract and losing money to deliver the service is not a successful venture for the small businesses. In our opinion, GSA, Clark Construction and those in position of leadership need to be mindful of this fact on this project!

Thank You.

TESTIMONY OF

LINCOLN LAWRENCE
VICE PRESIDENT, PUBLIC DIVISION
CLARK CONSTRUCTION GROUP, LLC

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT

HEARING ENTITLED:

PROGRESS ON JOBS AND SMALL BUSINESS OPPORTUNITIES AS THE
DEPARTMENT OF HOMELAND SECURITY CONSTRUCTION BEGINS IN WARD 8

June 15, 2010

5:30 P.M.

Russell Hall Exhibition Area of
Matthews Memorial Baptist Church
2616 Martin Luther King, Jr. Ave, SE
Washington, DC

Chairwoman Norton, Ranking Member Diaz-Balart, Members of the Subcommittee, my name is Lincoln Lawrence and I am a Vice President for the Public Division in the Mid-Atlantic Region for Clark Construction Group, LLC. I would like to thank the Subcommittee for the opportunity to address our progress related to the construction of the U.S. Coast Guard Headquarters Building as part of the Homeland Security Construction on the St. Elizabeths Campus.

Founded in 1906, Clark Construction Group, LLC is today one of the nation's most experienced and respected providers of construction services, with over \$4.5 billion in annual revenue and major projects throughout the United States. In 2009, we ranked eleventh in the United States on the Engineering News Record Top 400 list.

We perform a full range of construction services throughout the United States from small interior renovations to some of the most visible architectural landmarks in the country. Projects we are known for in the Washington area include FedEx Field, the Verizon Center, U.S. Department of Transportation Headquarters, and the Largo Metro Station. Nationally, completed projects include McCormick Place Convention Center in Chicago, the Los Angeles County/University of Southern California Hospital in Los Angeles, and Brooke Army Medical Center in San Antonio, Texas. The foundation of all of our construction work is a solid relationship with both public and private clients who have the confidence to rely, time and again, on our experience, and in-house expertise to make their vision a reality and a commitment to the communities where we work.

We approach each project with a cooperative mindset, working with clients, architects, subcontractors and the community toward the common goal - successful project delivery. Our diverse construction portfolio and specialized divisions and subsidiaries ensure that each project is matched with appropriate resources and expertise. Through technical skill, pre-construction know-how and self-performance capability, we anticipate project challenges, develop solutions that meet clients' objectives and ultimately deliver award-winning projects. In this way, our work today continues to meet the stringent standards of safety, quality and integrity, which have been the Company's core values since its founding in 1906.

In the metropolitan Washington area, our home, Clark is committed to working with the community with demonstrated success in creating opportunities for small businesses. For over four years and at our own initiative, Clark has developed an intensive 10-month training program - the "Small Business Strategic Partnership Program" to support the subcontracting plans for projects in the DC region. This comprehensive 10-month program supplements other Clark initiatives to build capacity in the Small Business community and to enhance Small Business participation on construction projects throughout our region.

Today, I am pleased to respond to the Subcommittee's request that Clark address the progression of contracting and job opportunities associated with the U.S. Coast Guard Headquarters Building on the St. Elizabeths campus. We are pleased that the U.S. General Services Administration (GSA) selected Clark to lead the design and construction of the Coast Guard Headquarters, a 1.2 million square-foot facility to be constructed on the west campus of the former St. Elizabeths

hospital site in the city's Anacostia neighborhood. This project is the first phase of the Department of Homeland Security's consolidation and relocation to southeast Washington, DC.

The new U.S. Coast Guard Headquarters campus will feature an 11-story office building for 3,860 employees, a separate central utility plant, and two seven-story parking garages. In addition to core and shell construction, Clark will complete the headquarters building's interior fit-out, including audio/visual and telecommunications systems, and security features.

There is a 120-foot change in elevation on the project site and the headquarters building's design takes advantage of the natural topography. Below an entry courtyard at the site's highest location, the building consists of linked, cascading quadrangles, clad in brick, stone, glass, and metal panels constructed into the hillside. The building's wings, with a red brick skin, further break down the scale of the massive facility, as well as allow for greater penetration of natural daylight to internal areas.

The Coast Guard Headquarters building is designed with its major axis running east/west to minimize solar heat gain and maximize the opportunity for daylight harvesting. The building will feature an approximate 400,000 square-foot green roof and a vegetative wall panel system in the courtyard. High-efficiency mechanical and electrical systems will be installed, and the project team will incorporate many regional and low-emitting building materials into the new facility. Additionally, the construction of wet ponds, bioswales, step pools, and a signature water feature at the site's lowest elevation will assist with stormwater management.

The U.S. Coast Guard Headquarters project at St. Elizabeths was originally planned for LEED® Silver certification. However, at a previous hearing in October of 2009 before this subcommittee we committed to work with the GSA to seek to raise that rating to a LEED® Gold certification and those efforts are underway. We are making progress towards that goal, as Clark remains committed to building a sustainable future.

In October 2009 before this Subcommittee, Clark mentioned two efforts we would undertake in close coordination with GSA to encourage and expand employment opportunities in the community. First, as we mobilized the job site, Clark placed an employment opportunity trailer at the project site. We refer to this trailer as the Opportunities Center or OC. The Opportunities Center trailer, run by GSA, is a key resource to the community, providing real time workforce availability on site, not just for Clark, but all the subcontractors as well. Second, Clark updates GSA with timely, updated procurement schedules such that any business, including those in the surrounding communities, can see what work is coming and decide if they want an opportunity to participate in that work. Clark and their major subcontractors to date have registered apprenticeship programs, and keeps in contact with Community Services Agency who runs a pre-apprenticeship program that trains prospective employees from the surrounding communities on the skills needed to qualify for an apprenticeship job. Just last Thursday, Clark hosted the current class on a tour of the Coast Guard job site and discussed upcoming opportunities and the process to apply for those jobs.

Since beginning site preparation work in February, the major item of work in progress has been the earthwork. To date, we have removed more than 40 percent of the approximately 1.6 million

cubic yards of earth to be excavated. While the amount of dirt and rock removed daily varies and is dependent upon such issues as weather and logistical site plans, on an average day approximately 250 trucks remove dirt and rock from the site. As many as 300 trucks remove earth on some days. Of these trucks, more than 60 percent are either owned by District operators or subcontracted to District companies.

The Opportunities Center was used to introduce interested truckers and earthwork business to the earthwork subcontractor, resulting in significant local participation in the earthwork. Clark will continue to use the OC and encourage its subcontractors to use the OC for both seeking potential job applicants and reaching out to interested small businesses that have an interest in participating in the remaining trades to be brought on to perform work on the Coast Guard project.

Since the start of the project until the beginning of June, we have created a total of twenty-three (23) new hires -- eight (8) union, and fifteen (15) non-union. Thirteen (13) of the non-union individuals were hired through the OC.

The next major work project starting at the site in the near future will be concrete work and that will continue through the fall of 2011. As with all construction efforts, concrete work will take some time before the effort significantly ramps up. In the meanwhile, initial work will be staffed with existing employees that might otherwise have lost their job but for this new work. It should be noted that while this project may ultimately employ as many as 1,500 journeymen and potentially another 375 apprentices for all of the trades throughout the three years of this project,

not all of these jobs would be filled by new to-the-trade's employees. Currently employed journeymen, whose job may have been retained because of this work, will fill a substantial majority of the jobs. However, that is not to say that new jobs will not be created, but I do not want to give the impression that hundreds and hundreds of new trades jobs would be created given today's economy.

This leads to a discussion of how jobs are filled for this project. At this early stage of the project, we have approximately 200 workers on site. To date, 34 apprentices have worked on this project. Journeyman and apprenticeship jobs are filled in a number of ways. Union jobs are filled through the various trades' union halls. Non-union jobs have been filled through the OC and from employees moving to this job after completing work on other projects. The key here is using the Opportunity Center trailer as a resource for employment opportunities and following up with the various trades to make them aware of this resource. I want to make clear that the number of jobs and subcontracting opportunities are not unlimited; however, the Opportunity Center trailer is a vehicle for both subcontractors and job seekers to work with Clark and our subcontractors on the U.S. Coast Guard project.

On behalf of Clark Construction Group, LLC, I want to thank you for the opportunity to testify today, and I am happy to answer any questions you may have. We also have representatives from two of major our subcontractors, John J. Kirlin, LLC, and Dynalectric Corporation, and they are available to respond to your questions on any specific questions relating to their trade.

July 28, 2010

Mr. Lincoln Lawrence, Vice President, Public Division
 Clark Construction Group, LLC
 Questions and Responses to Chairwoman Norton from the June 15, 2010 Hearing

1. Provide a list of the small businesses used or that are planned to be used on the Coast Guard project

See Attachment "A" for the current list of small businesses that either have/are/or will be participating on the Coast Guard project.

2. Provide the name of the concrete supplier and rebar supplier for the Coast Guard project.

Concrete Supplier

Concrete Mixes, Inc.
 2155 Queens Chapel Road, N.E.
 Washington, DC 20018
 (202) 529-9403

Reinforcing Steel Supplier

Wings Enterprises, Inc.
 3212 7th Street NE
 Washington DC 20017
 (202) 635-1217

3. Please report the number of jobs associated with the project so far and the number of jobs the Coast Guard Project is expected to produce.

The number of jobs (field and administrative employees) is not a constant. Attachment B shows the number of field employees associated with the project on July 1, 2010, and the potential new hires for the project. The number of administrative employees on July 1, 2010 was thirty-five (35).

4. One of other witnesses indicated that they would recommend that if a General Contractor hires an entity to monitor and to ensure that small business contracting goals are met that they will be generally more successful in meeting those goals. Are you familiar with that model in pursuing in small business goals? Has Clark ever used that model?

Clark is aware of that model but has made a decision not to use it. We at Clark have full time employees whose job responsibilities specifically include small business participation as a critical performance job element. In other words, their performance is measured by whether small business participation meets or exceeds contractually agreed to levels. These employees closely monitor, review progress and identify upcoming opportunities for small business participation. Clark is fully committed to involving the small business community.

Attachment A - Small Business Participation
Clark Construction Group, LLC

July 28, 2010

No.	DESCRIPTION	Small Business	District Business	Ward 8 Business
Opportunities Center				
1	Anchored Production Services	X		
2	Armstrong Custom Signs	X	X	X
3	B&B Floor Services, LLC	X	X	X
4	Capital Services & Supplies, Inc.	X	X	
5	Don Baker Photography Group	X	X	X
6	Graham Staffing Services, Inc.	X	X	
7	S&G Caterers	X	X	X
General Requirements				
1	Abbey Services, Inc.	X		
2	A-Zone Environmental Services	X		
3	Blueboy Blueprinting Corporation	X	X	
4	Christopher Consultants	X		
5	Dixon Termite & Pest Management	X	X	
6	F&L Construction	X	X	X
7	KTLH Engineers, P.C.	X	X	
8	Latoff & Company	X		
9	Modular Genius Inc.	X		
10	Project Mgmt. Service Bureau, Inc.	X		
11	Phase Separation Science	X		
12	Pine Environmental Services	X		
13	Progress Environmental, LLC	X		
14	Your Locator, Inc.	X		
15	We Clean, Inc.	X	X	X
16	Trusted Solutions Group, Inc.	X	X	X
Site Preparation				
1	Century General Contractors, Inc.	X	X	
2	Insight, LLC	X		
Support of Excavation				
1	Atlantic Metrocast, Inc.	X		
Earthwork & Site Demolition				
Metro/Prince Joint Venture				
		First	Tier	Subcontractor
1	AJK Enterprise, LLC	X	X	X
2	Cuz N Em Trucking, LLC	X	X	X
3	Emergency Services, LLC	X	X	
4	Hardie Industries	X	X	X
5	Knight Solutions	X		
6	Prince Construction Co., Inc.	X	X	X
7	R.L. Hauling Trucking	X	X	
8	Rodgers Brothers	X	X	X
9	Steffron, LLC	X	X	X
10	GDC Contracting, Inc.	X		
11	Total Engineering, Inc.	X		Part of Joint Venture
Site Utilities				
1	William B. Hopke Co., Inc.	X		
Cast-In-Place Concrete				
1	Concrete Mixes, Inc.	X	X	
2	Wings Enterprises, Inc.	X	X	
Exterior Glass & Glazing				
Harmon, Inc.				
		First	Tier	Subcontractor
1	Architectural Systems, inc.			
2	Regional Contracting Services	X	X	
3	Industrial Louvers, Inc.			
4	Keymark, Inc.	X		
5	Quality Metalcrafts, Inc.	X		
6	B&B Welding Company	X		
7	Kenzeal Construction products	X		

**Attachment A - Small Business Participation
Clark Construction Group, LLC**

July 28, 2010

8	Progress Engineering	X		
9	Tri-Teq, Inc.	X		
10	JE Berkowitz	X		
11	Carolina Door Controls	X		
Elevators				
	Thyssenkrupp Elevator Corporation	First	Tier	Subcontractor
Mechanical				
	John J. Kirlin, Inc.	First	Tier	Subcontractor
1	Teague Utility Contracting, Inc.	X		
IT / Security / Audio-Visual				
1	Corbett Technology Solution, Inc.	X		
2	Hard Light Consulting Group	X	X	X
3	Signet Technologies, inc.	X		
Electrical				
	Dynallectric Corporation	First	Tier	Subcontractor
1	Advanced Lighting Systems	X		
2	Capital Area Testing	X		
3	City General, Inc.	X	X	
4	Commercial Rigging	X		
5	Crown Int'l Steel Buildings	X		
6	G & C Corporation	X	X	
7	Ideal electrical Supply Corporation	X	X	
8	MJ Sullivan Company	X		
9	Patrick Brandner Company	X		
10	Reliable Equipment & Service	X		
11	R Rea Corporation	X	X	
12	Sheppard Electrical Supply	X		
13	T&R Electric Supply	X		

Attachment B
Clark Construction Group, LLC

July 28, 2010

Field Employees & Potential New Hires		
Type of Work	Number of Field Employees on 7/1/10	Potential New Hires
Description	166	205
1 Paving	0	2
2 Earthwork	64	10
3 Sheeting and Shoring	28	
3a Laborers	21	0
3b Piledrivers	31	2
4 Site Utilities	13	2
5 Landscaping and Irrigation	0	4
6 Concrete Foundation	0	w/Cast-In-Place
7 Cast-In-Place Concrete		
7a Carpenters	0	30
7b Laborers	0	25
7c Finishers	0	10
7d Rodmen	0	0
7e Operators	0	0
8 Masonry	0	15
9 Precast	0	10
10 Stone	0	2
11 Structural Steel	0	1
12 Miscellaneous Metals	0	2
13 Ornamental Metals	0	0
14 Rough Carpentry	0	4
15 Millwork	0	1
16 Roofing and Waterproofing	0	4
17 Caulking	0	2
18 Glass and Glazing		
18a Ironworkers	0	10
18b Glaziers	0	0
19 Doors & Hardware	0	1
20 Drywall	0	35
21 Ceiling	0	9
22 Tile & Terrazzo	0	1
23 Resilient Flooring & Carpet	0	0
24 Painting	0	2
25 Food Service	0	0
26 Fixtures, Furnishings & Equip.	0	0
27 Elevators & Escalators	0	2
28 Fire Protection	0	2
29 Mechanical		
29a Plumbers	2	4
29b Steamfitters	0	2
29c Sheet Metal	0	2
40 Electrical	7	9

*Community Services Agency
of the Metropolitan Washington Council, AFL-CIO
888 16th Street NW, Suite 520
Washington, DC 20006
202 974-8221 www.dclabor.org*

Testimony of Kathleen McKirchy, Executive Director, on
“Progress on Jobs and Small Business Opportunities as the Department of
Homeland Security Construction Begins in Ward 8”
Before the Subcommittee on Economic Development, Public Building and
Emergency Management

Honorable Eleanor Holmes Norton, Chairwoman

15 June 2010

Chairwoman Norton and members of the Subcommittee, I am here representing the non-profit arm, the Community Services Agency, of the Metropolitan Washington Council, AFL-CIO which is the area labor federation representing 175 local unions and 150,000 union members in the metro area.

As we testified last October, the Community Services Agency has won a contract from the General Services Administration to provide pre-apprenticeship training and job placement services to 265 area low-income residents, including women, minorities, youth and ex-offenders. We are operating this program in conjunction with our partners, Wider Opportunities for Women and Covenant House DC. We also have partnerships with the area union registered apprenticeship programs and the Associated General Contractors of DC, who are assisting us with job placement, with Prince George's Community College, with DC Department of Employment Services, as well as agreements with over 30 area community-based organizations who have helped us recruit clients for this project and coordinate case management of these clients with us.

Our contract was awarded effective October 1, 2009, has recently been extended, and we are providing the following deliverables through February of 2011:

- Pre-apprenticeship training to 233 individuals, which includes OSHA 10, CPR and First Aid, blueprint reading, orientation to the industry, construction math, careers, apprenticeships, unions, job potential, tools and materials, job readiness and adult education components, an overview of weatherization and energy efficiency career paths, and hands-on experiences at the local union apprenticeship schools.

To date, we have trained, or have in training with the current class, 161 adults and youth, 105 of whom have been DC residents.

- Placement of at least 180 trainees into paid apprenticeship programs or directly into jobs.

To date, we have placed 55 individuals, 35 of whom are DC residents.

We have a regular weekly presence at the GSA's Opportunities trailer on the St. Elizabeth's campus, where we recruit DC residents and others who may come, as well as work with the contractors to promote our graduates.

We have been working with Clark Construction, the General Contractor on the DHS Project. Last week, our current youth class was given an overview of that gigantic project as well as a tour of the site by Clark Construction staff, and students were able to speak with managers and workers to get a better idea of what is required for construction jobs and the possibilities for great careers in the construction industry. To date, we have placed none of our graduates in jobs on this project, which reflects the preliminary nature of the work being done there now. We expect to continue to work closely with Clark for placement of our graduates as the project rolls out and larger numbers and more varied types of workers and apprentices are needed.

Thank you again, Madame Chairwoman, for the leadership role you have played in securing these funds and helping to ensure that stimulus dollars, which are funding this project, are benefiting local residents in need. We are committed to continuing to operate a quality program which satisfies all of our deliverables and helps put our target population of local residents to work in great careers in the construction industry.

I am happy to answer any questions you may have.



Regional Contracting Services

June 14, 2010

Eleanor Holmes Norton
 Chair
 Subcommittee on Economic Development,
 Public Buildings and Emergency Management
 U.S. House of Representatives
 Committee on Transportation and Infrastructure
 Room 585 Ford HOB
 2nd & D Street, SW
 Washington, D.C., 20515

Reference: St. Elizabeth Campus—Department of Homeland Security
 Progress on Jobs Hearing—June 15, 2010

Dear Chairwoman Norton and Members of the Subcommittee on Economic
 Development, Public Buildings and Emergency Management:

Good evening, my name is Beverly Thomas and I'm President of Regional Contracting
 Services. Regional is a certified 8A contractor and a certified CBE carpentry company
 located in the District of Columbia. I am humbled to have been invited to appear before
 the Subcommittee and appreciate having the opportunity to give a testimony.

Regional Contracting Services had the opportunity to work with the construction
 management firm, the Clark Construction Group on numerous projects here in the
 District of Columbia and in other jurisdictions for several years. In addition to working
 with Clark Construction, Regional has had the opportunity to work with other general
 contractors, prime contractors and subcontractors during our (9) years in business. The
 working relationships that we have in the construction industry have taken time, patience,
 diligence, professionalism and performance by all members of the Regional team. As a
 result of a total team effort, Regional became affiliated with the St. Elizabeth project.

2025 I Lagler Pl. NW • Washington, D.C. 20001

Phone (202) 234-8981 • Fax (202) 234-1326 • email: regionalcontractsvcs@msn.com