

For Official Use Only



**United States
Environmental Protection Agency**

FISCAL YEAR 2018

**Justification of Appropriation
Estimates for the Committee
on Appropriations**

Tab 06: Buildings and Facilities

EPA-190-K-17-002

May 2017

www.epa.gov/ocfo

**Environmental Protection Agency
2018 Annual Performance Plan and Congressional Justification**

Table of Contents - Buildings and Facilities

Resource Summary Table	325
Program Area: Homeland Security	326
Homeland Security: Protection of EPA Personnel and Infrastructure	327
Program Area: Operations and Administration.....	329
Facilities Infrastructure and Operations	330

**Environmental Protection Agency
FY 2018 Annual Performance Plan and Congressional Justification**

**APPROPRIATION: Building and Facilities
Resource Summary Table
(Dollars in Thousands)**

	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 Pres Bud	FY 2018 Pres Bud v. FY 2017 Annualized CR
Building and Facilities				
Budget Authority	\$44,550.4	\$42,237.0	\$39,553.0	(\$2,684.0)
Total Workyears	0.0	0.0	0.0	0.0

Bill Language: Building and Facilities

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, \$39,553,000, to remain available until expended.

**Program Projects in B&F
(Dollars in Thousands)**

Program Project	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 Pres Bud	FY 2018 Pres Bud v. FY 2017 Annualized CR
Homeland Security				
Homeland Security: Protection of EPA Personnel and Infrastructure	\$7,366.2	\$6,663.0	\$6,176.0	(\$487.0)
Operations and Administration				
Facilities Infrastructure and Operations	\$37,184.2	\$35,573.0	\$33,377.0	(\$2,196.0)
Subtotal, Facilities Infrastructure and Operations	\$37,184.2	\$35,573.0	\$33,377.0	(\$2,196.0)
TOTAL, EPA	\$44,550.4	\$42,236.0	\$39,553.0	(\$2,683.0)

Program Area: Homeland Security

Homeland Security: Protection of EPA Personnel and Infrastructure

Program Area: Homeland Security

(Dollars in Thousands)

	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 Pres Bud	FY 2018 Pres Bud v. FY 2017 Annualized CR
Environmental Program & Management	\$4,987.0	\$5,336.0	\$4,986.0	(\$350.0)
Science & Technology	\$551.0	\$551.0	\$500.0	(\$51.0)
<i>Building and Facilities</i>	<i>\$7,366.2</i>	<i>\$6,664.0</i>	<i>\$6,176.0</i>	<i>(\$488.0)</i>
Hazardous Substance Superfund	\$833.6	\$1,084.0	\$542.0	(\$542.0)
Total Budget Authority / Obligations	\$13,737.8	\$13,635.0	\$12,204.0	(\$1,431.0)
Total Workyears	8.1	12.2	12.2	0.0

Program Project Description:

This Physical Security and Preparedness program supports the protection of federal employees, contractors, grantees, and private citizens (occupants) who work within or visit EPA facilities. The EPA occupies spaces nationwide. Our buildings are a combination of headquarters and regional administrative offices, program and research laboratories, and support facilities/warehouses. These facilities are either EPA owned/leased or GSA owned/leased. This funding ensures federal mandates for physical security (listed below) are met as it relates to physical security and local emergency preparedness for our locations nationwide. These funds support the physical security protection equipment and mechanisms required to protect occupants during facility relocation (moves, new leases, consolidations), physical equipment upgrades/modernization, or corrective actions required to address security vulnerabilities identified during security assessments.

FY 2018 Activities and Performance Plan:

With this funding, in FY 2018, the EPA will ensure the following security projects protect our occupants and comply with federal mandates for physical security: (1) Installation of new security equipment/systems at our Region 8 headquarters in Denver, CO (consolidation project); (2) Relocation of the Region 3 headquarters office in Philadelphia, PA; (3) Relocation of the Region 6 headquarters in Dallas, TX; (4) Installation of Closed-Circuit Television (CCTV) at our facility in Ft. Meade, MD; (5) Installation of Physical Access Control Systems at Denver, CO, Philadelphia, PA, and Dallas, TX; and (6) various CCTV and physical security upgrades in response to vulnerabilities identified by previously conducted physical security assessments.

A list of FY 2018 performance measures and targets is located in the FY 2018 Performance Measures tab.

FY 2018 Change from FY 2017 Annualized Continuing Resolution (Dollars in Thousands):

- (-\$488.0) This reduction will delay moving facility Physical Access Control Systems to an enterprise ePAC solution.

Statutory Authority:

Intelligence Reform and Terrorism Prevention Act of 2004; Homeland Security Act of 2002; Reorganization Plan No. 3 of 1970, 84 Stat. 2086, as amended by Pub. L. 98–80, 97 Stat. 485 (codified at Title 5, App.) (the EPA’s organic statute).

Program Area: Operations and Administration

Facilities Infrastructure and Operations
Program Area: Operations and Administration

(Dollars in Thousands)

	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 Pres Bud	FY 2018 Pres Bud v. FY 2017 Annualized CR
Inland Oil Spill Programs	\$679.6	\$583.0	\$680.0	\$97.0
Environmental Program & Management	\$304,456.9	\$310,948.0	\$301,001.0	(\$9,947.0)
Science & Technology	\$71,332.8	\$68,209.0	\$68,339.0	\$130.0
<i>Building and Facilities</i>	<i>\$37,184.2</i>	<i>\$35,573.0</i>	<i>\$33,377.0</i>	<i>(\$2,196.0)</i>
Leaking Underground Storage Tanks	\$785.2	\$782.0	\$785.0	\$3.0
Hazardous Substance Superfund	\$69,168.0	\$74,137.0	\$59,072.0	(\$15,065.0)
Total Budget Authority / Obligations	\$483,606.7	\$490,232.0	\$463,254.0	(\$26,978.0)
Total Workyears	332.9	357.7	312.2	-45.5

Program Project Description:

The EPA's Buildings and Facilities (B&F) appropriation supports the design, construction, repair, and improvement of the EPA's federally owned and leased land and structures in accordance with applicable codes and standards. Construction renovation and alteration projects costing more than \$150 thousand must use B&F funding.

B&F resources ensure that the agency complies with various mandates and goals including: the Energy Policy Act of 2005, the Energy Independence and Security Act of 2007 (EISA), Executive Order (EO) 13693,¹ *Planning for Federal Sustainability in the Next Decade*, and regulatory mandates associated with soil and water pesticides testing.

FY 2018 Activities and Performance Plan:

In accordance with the National Strategy for the Efficient Use of Real Property 2015-2020, OMB Memorandum M-17-08 Section 3,² and HR 4465,³ the *Federal Assets Sale and Transfer Act of 2016*, the agency will continue to review its space needs. The EPA is implementing a long-term space consolidation plan that will reduce the number of occupied facilities, consolidate space within remaining facilities, and reduce square footage wherever practical. B&F resources support facility-related construction and the repair and improvement (R&I) of the EPA's aging real estate inventory. Good stewardship practices demand that the physical conditions, functionality, safety and health, security, and research capabilities of our facilities are adequately maintained to ensure successful completion of the EPA's mission requirements and goals.

¹ For additional information, refer to: <https://www.fedcenter.gov/programs/eo13693/>.

² For additional information, refer to: https://www.doi.gov/sites/doi.gov/files/uploads/m-17-08_amending_omb_memorandum_m-12-12_promoting_efficient_spending_to_support_agency_operations.pdf.

³ For additional information, refer to: <https://www.congress.gov/bill/114th-congress/house-bill/4465>, *Federal Assets Sale and Transfer Act of 2016*.

The B&F appropriation is under significant strain in response to the massive demand for its resources that include GSA imposed leasing requirements. In any given year, the EPA's programs and Regional Offices submit approximately \$80 to \$100 million in requests for B&F projects, which is well above the funding available. Almost every project is important to the long-term condition or efficiency of the buildings. Furthermore, the agency projects that the need for B&F resources will increase in response to new GSA leasing practices which now require agencies to pay for B&F projects including sustainable features⁴ as tenant improvements (TI) or up front and ongoing project costs.

This requirement significantly increases TI cost for new leases at the same time that GSA and the agency are consolidating space and moving into new locations to reduce the agency's footprint. Projections indicate that in some cases, TI costs associated with leasing a new office could absorb close to all of the B&F resources appropriated in a given fiscal year. For example, according to GSA estimates, TI above the amount amortized in the rent for a new lease for the Region 6 office in Dallas is projected to cost \$15 million in B&F resources alone. Further, in FY 2018, the TI for a new lease for the Region 3 office in Philadelphia, is projected to cost \$11 million.

In FY 2018, the agency will continue to explore opportunities to reconfigure the EPA's workplaces with the goal of reducing long-term rent costs. During FY 2018, space consolidation (i.e. releasing floors or portions of leased space) in Regions 3, 6 and 8 will cumulatively release over 156 thousand square feet and save approximately \$5.3 million in rent and facility operation cost after the moves have been completed. Also during FY 2018, space consolidation activity at the Andrew W. Breidenbach Environmental Research Center will result in releasing 28,883 square feet of commercial leased space and save \$681 thousand annually. Space consolidation and reconfiguration enables the EPA to reduce its footprint to create a more efficient, collaborative, and technologically sophisticated workplace, but even if modifications are kept to a minimum, each move requires B&F funding.

The FY 2018 request also includes resources for ongoing projects that will provide critical support to aging laboratory facilities and are key to ensuring that the agency has access to preeminent laboratory science. These projects maintain a safe workplace, provide for high quality science, support agency priorities, and advance the agency mission. Delaying essential repairs results in the deterioration of the EPA's facilities, which increases long-term repair costs and presents safety risks.

In line with the Laboratory Study completed in 2014, the EPA will focus on facility repairs in those laboratories that are critical to the agency's mission. These labs will need infrastructure upgrades to maintain an acceptable Facility Condition Index and to allow for potential future consolidations from leased facilities. With respect to infrastructure upgrades, the agency will consolidate its lab in Willamette, OR contingent on an infrastructure replacement project at the Corvallis, OR lab.

In FY 2018, the agency proposes to initiate space optimization projects with the potential for the greatest long-term cost and energy savings, including the following:

⁴ Many of these features are required by EISA or executive orders.

- **Optimizing space at the Athens, GA laboratory.** The EPA is in the process of consolidating employees in leased lab space into owned space. Prior to optimizing the agency's space footprint in Athens, however, the EPA must first invest in the design for the optimized layout. The EPA requests \$4 million in FY 2018 for this design work, which must occur prior to any space optimization work.
- **Willamette Consolidation to the Corvallis laboratory.** The EPA will reconfigure lab modules to meet the needs of Willamette employees. Before the EPA consolidates the Willamette laboratory, the agency must modify swing space in Corvallis to accommodate employees from Willamette while the main infrastructure replacement project is underway. This project will reduce the space footprint by 20,918 rentable square feet.

In FY 2018, the EPA will continue its phased approach to accomplish major B&F projects across the country involving mechanical systems nearing the end of their useful life that also will ultimately result in energy savings. A few examples are listed below.

- **Replacement of air handlers at the Air and Radiation Lab, Montgomery, AL, Phase 3.** This phase of the project will replace the air handler systems within the laboratory and complete the infrastructure replacement project. Phase 2 was delayed so Phase 3 will not take place until FY 2018. This investment, which will produce energy and related resource savings, represents a major priority as it is necessary to maintain operability at the Montgomery, AL lab.
- **Implementation of Phase 2 of the Infrastructure Replacement Project at the Research and Development laboratory in Corvallis, OR.** After the EPA completes Phase 1 construction in FY 2017, Phase 2 will commence in FY 2018 to replace the ductwork and reduce the number of fume hoods by more than 40 percent. A reduction in the number of fume hoods will result in a 20 percent reduction in energy consumption. New energy efficient equipment, procedures, and methods will incorporate reliability, sustainability, and safety while meeting mission requirements.
- **New Region 3 office Tenant Improvements in Philadelphia, PA.** Region 3 has occupied its current leased location for nearly 25 years and significant changes and upgrades are required. A new lease in a new location will require construction of new special purpose spaces such as an emergency operations center, a CID secure space, a conference center for public meetings, and records storage for required Superfund documents. The GSA estimate for these costs above what will be amortized in the rent is \$11 million. A new lease will allow the EPA to meet new space standards for offices and will reduce the agency's footprint by 56,000 square feet and avoid an estimated \$1.6 million in annual lease costs.

A list of FY 2018 performance measures and targets is located in the FY 2018 Performance Measures tab.

FY 2018 Change from FY 2017 Annualized Continuing Resolution (Dollars in Thousands):

- (-\$2,196.0) This reduces funding based on the agency's planned progress in its space optimization projects and laboratory upgrades at the NEIC/Region 8 laboratory.

Statutory Authority:

Federal Property and Administration Services Act; Public Building Act; Robert T. Stafford Disaster Relief and Emergency Assistance Act; Clean Water Act; Clean Air Act; Resource Conservation and Recovery Act (RCRA); Toxic Substances Control Act (TSCA); National Environmental Policy Act (NEPA); Community Environmental Response Facilitation Act (CERFA); Energy Policy Act of 2005; Reorganization Plan No. 3 of 1970, 84 Stat. 2086, as amended by Pub. L. 98-80, 97 Stat. 485 (codified at Title 5, App.) (the EPA's organic statute).