

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**FY 2020 Project Summary**

The General Services Administration (GSA) proposes the ongoing modernization and construction of Phase V at the Herbert C. Hoover Building (HCHB), located at 1401 Constitution Avenue NW, Washington, DC. HCHB, a National Historic Landmark consisting of approximately 1.9 million gross square feet of building space, serves as the headquarters for the U.S. Department of Commerce (DOC).

**FY 2020 House and Senate Committee Approval Requested**

**(Additional Design, Construction, and Management & Inspection)..... \$355,342,900<sup>1</sup>**

This prospectus amends Prospectus No. PDC-0013-WA06, and requests approval of an additional \$355,342,900 to account for modifications to the remaining project scope and budget in support of this on-going, eight-phased building.

**FY 2020 Appropriation Requested**

**(Phase V Construction and Management & Inspection)..... \$163,832,000<sup>2</sup>**

**Major Work Items**

Interior alterations; replacing the heating, ventilation, and air conditioning (HVAC), plumbing, and electrical systems; installing new utility outfalls and replacing the domestic water supply system; replacing the fire/life safety system; restoring windows during installation of blast-resistant storm windows; installing a new exterior perimeter security system; revising building entrances to meet the Architectural Barriers Act Accessibility Standards (ABAAS) requirements; abating hazardous materials, such as asbestos, polychlorinated biphenyls (PCBs), and lead paint; restoring restrooms (including ABAAS

<sup>1</sup> Total approvals to date equal \$681,113,100 (including ARRA and reprogrammed funds). Approval amount requested represents the balance of the estimated total project cost.

<sup>2</sup> The most recent Congressional appropriation in support of the HCHB modernization was FY 2014. GSA submitted a Fact Sheet as part of its FY 2014 Capital Investment and Leasing Program and allocated funds to the project as part of its FY 2014 Major Repairs and Alterations Expenditure Plan. A prospectus was submitted as part of GSA's FY 2016 Capital Investment and Leasing Program, but no approvals were received and no funds were allocated to the project as part of GSA's FY 2016 Major Repairs and Alterations Expenditure Plan.

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**AMENDED PROSPECTUS – ALTERATION  
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Prospectus Number: PDC-0013-WA20

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compliance); cleaning and restoring historic materials and finishes; addressing existing building envelope issues related to water infiltration; cleaning and restoring the building exterior; replacing obsolete equipment; replacing ceiling and lighting systems; remediating some existing structural issues; and providing seismic upgrades at egress stairwells.

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**Project Budget**

**Design**

|                               |                     |
|-------------------------------|---------------------|
| FY 2003 .....                 | \$ 4,100,000        |
| FY 2004 .....                 | 12,800,000          |
| FY 2006 .....                 | 7,100,000           |
| FY 2009 (ARRA).....           | 4,410,000           |
| FY 2019 (Phases V - VI) ..... | 5,978,000           |
| TBD (Phase VII).....          | 7,541,000           |
| TBD (Phase VIII).....         | 3,550,000           |
| <b>Total Design.....</b>      | <b>\$45,479,000</b> |

**Management and Inspections (M&I)**

|   |                     |
|---|---------------------|
| Phase I (FY 2006) .....                                   | \$ 3,300,000        |
| Phase II (FY 2009 ARRA) .....                             | 5,398,000           |
| Phase III (FY 2009 ARRA) .....                            | 3,179,000           |
| Phase IV (FY 2014) .....                                  | 4,856,000           |
| Phase IV (FY 2016 Escalation/Reprogramming Request) ..... | 3,000,000           |
| Phase V (FY 2020 Request).....                            | 7,124,000           |
| Phase VI (TBD) .....                                      | 6,429,000           |
| Phase VII (TBD).....                                      | 8,806,000           |
| Phase VIII (TBD).....                                     | 8,806,000           |
| <b>Total M&amp;I.....</b>                                 | <b>\$50,898,000</b> |

**Estimated Construction Cost (ECC)**

|   |                      |
|---|----------------------|
| Phase I (FY 2006) .....                                   | \$ 44,091,000        |
| Phase II (FY 2009 ARRA) .....                             | 120,997,000          |
| Phase III (FY 2009 ARRA) .....                            | 54,133,000           |
| Phase IV (FY 2014) .....                                  | 72,500,000           |
| Phase IV (FY 2016 Escalation/Reprogramming Request) ..... | 6,995,000            |
| Phase V (FY 2020 Request).....                            | 156,708,000          |
| Phase VI (TBD) .....                                      | 136,569,000          |
| Phase VII (TBD).....                                      | 174,043,000          |
| Phase VIII (TBD).....                                     | 174,043,000          |
| <b>Total ECC.....</b>                                     | <b>\$940,079,000</b> |

**Estimated Total Project Cost (ETPC)\***

**\$1,036,456,000**

\*The tenant agency may fund an additional amount for alterations above the standard normally provided by GSA.

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**Schedule**

| <b>Design</b>                    | <b>Start</b> | <b>End</b> |
|----------------------------------|--------------|------------|
| Phases I-VIII                    | FY 2003      | FY 2009    |
| Revised Design for Phases V & VI | FY 2019      | FY 2019    |
| Revised Design for Phase VII     | TBD          | TBD        |
| Revised Design for Phase VIII    | TBD          | TBD        |
|                                  |              |            |
| <b>Construction</b>              | <b>Start</b> | <b>End</b> |
| Phase I                          | FY 2006      | FY 2010    |
| Phase II                         | FY 2009      | FY 2012    |
| Phase III                        | FY 2009      | FY 2015    |
| Phase IV                         | FY 2014      | FY 2018    |
| Phase V                          | FY 2020      | FY 2022    |
| Phase VI                         | TBD          | TBD        |
| Phase VII                        | TBD          | TBD        |
| Phase VIII                       | TBD          | TBD        |

**Building**

Completed in 1932, the seven-story HCHB (plus two below grade) consists of approximately 1.9 gross square feet and occupies two city blocks in the Federal Triangle area. Formerly known as the Department of Commerce Building, it was renamed after President Herbert C. Hoover, who served as a Secretary of Commerce. The building is clad in gray Indian limestone with a granite base, and is divided into three sections with colonnades, pavilions, and arched entrances. It also boasts ornamental public and ceremonial receiving spaces. The presence of the White House Visitor Center (WHVC) increases the number of visitors to the building. A below-grade connecting tunnel which provides direct access from the HCHB into the Ronald Reagan Building.

**Tenant Agencies**

Department of Commerce, Department of the Interior, National Park Service –WHVC

**Proposed Project**

**History:** The project to modernize HCHB has evolved several times since first requested and last funded. Originally envisioned as a six-phase effort with design start in FY 2003

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

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and construction completion in FY 2015, the modernization of HCHB, as outlined in this prospectus, now spans several decades. The six-phase modernization project first received funding in Public Law No. 108-7 for the Design of Phase I. Additional design was funded in the Public Law No. 108-199. In FY 2006, GSA and DOC adjusted the phasing schedule along with the scope and budget. Under this revised phasing approach, DOC would temporarily move to lease space for the duration of the project and return upon project completion. Accordingly, the President's FY 2006 Budget included a request in support of a four-phase modernization project, and funds were appropriated in support of the request for additional design and Phase I construction. In addition, resolutions approving the total project costs were provided in FY 2006. While the DOC lease prospectus was approved, DOC did not receive appropriated funds for moves, swing space rent, and tenant improvements under the plan. To move the project forward, the modernization was transitioned to an eight-phase project. Funds in support of the project were not made available again until FY 2009, when GSA included the design and construction of Phases II and III in its American Recovery and Reinvestment Act (ARRA) spending plan. The next request for funding did not occur until FY2014 and GSA allocated funds for the project as part of its FY 2014 Major Repairs and Alterations Expenditure Plan to support the construction of Phase IV. While GSA's request for Phase V construction funding was included in the President's FY 2016 Budget Request, GSA's FY 2016 Major Repairs and Alterations Expenditure Plan did not allocate funds.<sup>3</sup>

- **Phase I** (completed) recaptured unoccupiable space alongside Courtyard 6 and in the basement for use as internal swing space, replaced the cooling towers, and built a small addition to the Courtyard 1 infill structure to relocate electrical equipment above flood level. New dedicated chillers and restrooms were provided to the WHVC (facing Pennsylvania Avenue, on the ground floor) to resolve cooling problems and to keep the public from entering DOC-controlled space.
- **Phase II** (completed) involved replacement of the heating plant, chiller plant, switchgear, and transformers; installation of emergency generators; facade cleaning, some repointing, restoration of exterior windows, installation of a new perimeter security system and related site work; replacement of utility connections; and

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<sup>3</sup> GSA used the escalation authority regularly provided for in annual appropriations acts to escalate the amount made available for HCHB in the FY2014 Major Repairs and Alterations Spend Plan by \$4,545,900 and to escalate the amount made available through P.L. 109-115 by \$5,449,100. Together, these actions increased the funding amount for the HCHB project by \$9,995,000.

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

---

replacement of HVAC and electrical distribution systems in the Phase II area (southern-most wing).

- Phase III (completed) continued the renovation as in other phases, and also revamped the project into a modernization, re-designing tenant improvements (commonly referred to as the “21st Century Workplace”) in a portion of Phase III and all of Phase IV to reduce DOC’s requirement in HCHB. The new tenant improvements improve efficiency and space utilization. For the remaining phases, DOC will progressively occupy less square footage to achieve its targeted overall utilization rate of below 200 usable square feet per person. As part of the redesign effort funded by ARRA, numerous utility and material design elements were revised for Phases II through VIII to meet new energy policies that were tied to the ARRA funding as well as to increase the projected LEED certification level from Silver to Gold.

Current Proposed Project: This FY 2020 request reflects DOC’s and GSA’s efforts to improve DOC’s utilization rate within the building through an open office environment, also known as “21<sup>st</sup> Century Workplace,” which began with a pilot project under Phase III and was incorporated into the appropriations request and authorization for Phase IV. The remaining four phases will incorporate the “21<sup>st</sup> Century Workplace” environment and incidental system upgrades, such as mechanical, electrical, plumbing, and fire and life safety systems that support the more open office environment, along with lessons learned under construction of prior phases.

- Phases IV-VII renovate the remaining building in sevenths (2/7ths have already been completed), moving progressively north to Pennsylvania Avenue. Phase IV scope of work was funded in FY 2014 and later escalated by \$9.995 million in 2016 to address contract modifications and core and shell revisions associated with the new tenant improvements. Phase IV is scheduled to be complete in 2019. The tenant improvements will continue in Phases V-VII to achieve the targeted building overall utilization rate of 192 usable square feet per person. In Phase V, proposed in FY 2020, the cafeteria will be closed and renovated and security improvements will be made to the tunnel to the Ronald Reagan Building and to the building exterior perimeter.
- Phase VIII DOC will release a portion of the space that will be made available for

**AMENDED PROSPECTUS -- ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

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future Federal agency(s). Tenant improvements will be designed in a future fiscal year to satisfy the new tenant's requirements. The WHVC remains in the Phase VIII area (the northern-most wing).

The HVAC system will be replaced to improve tenant comfort, reduce energy consumption, and comply with building codes and current standards.

Much of the interior plumbing system will be replaced. The project will upgrade building entrances and restrooms to comply with ABAAS. Historic finishes and plumbing fixtures in original restrooms on the first floor will be restored or replicated and returned to their original configurations.

All flat roofs will be replaced. The roofs and supporting structures in courtyards 1A and 1B are being replaced as green roofs. Windows will be restored and retrofitted with energy efficient and blast resistant interior storm windows.

The building exterior will be repaired and cleaned. Insulating and replacing the deteriorated interior terra cotta along the exterior walls will increase energy savings.

New infill construction in Courtyard 1 houses new switchgear and emergency power generation equipment. Lighting systems will be upgraded to 277/480 volt, utilizing energy efficient lamps, ballasts, and automated lighting controls to conserve energy. Tenant spaces will be provided with infrastructure to support branch wiring, and communication and security systems.

New sprinklers and a new fire alarm system will be installed. Egress compliance issues will be corrected and stairwells retrofitted to mitigate seismic collapse. Hazardous materials will be abated. Historic barrel vaulted building corridors lighting fixtures and other historically significant finishes and objects will be restored.

The building will remain occupied and operational throughout the construction, and special construction will be provided to maintain operations and tenant access.

**Justification**

The HCHB has a highly desirable location adjacent to the White House and Treasury Building. The building is listed as a major contributor to the Pennsylvania Avenue

**AMENDED PROSPECTUS – ALTERATION  
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WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

---

National Historic Site. DOC has no plans to relocate out of the building.

Aside from an HVAC upgrade in the 1960s and roofing and elevator renovations in the 1990s, the ongoing project is the first major renovation in the building's history. The building's physical plant and distribution systems have reached the end of their useful lives. Tenant comfort and mission are compromised by outdated and inadequate HVAC and power capacity and distribution. Much of the plumbing is no longer serviceable and has multiple leaks. The building is not now fully covered by the existing sprinkler and fire alarm systems, and the existing systems do not meet updated code requirements.

Replacement of flat roofs and their drainage systems will address leaking problems. Refurbishment of existing windows and the additional installation of thermal blast windows will enhance energy conservation, reduce outside air seepage and improve security of the building.

The increase in the ETPC since FY 2016<sup>4</sup> is the result of delays in funding, implementation of the 21<sup>st</sup> Century open office environment, unforeseen conditions encountered in previous construction phases, lessons learned in construction of earlier phases, and costs to improve the child-care facility and ready the space previously occupied by the aquarium. The open concept will promote consolidation activities within the building consistent with Federal agency efforts to reduce office space and improve the building utilization.

Furthermore, the increased costs include escalation and mobilization due to the restart of Phase V construction as a result of not receiving funding in FY 2016. In addition to cost increases, the estimated project completion date has extended to 2029 due to funding delays and resequencing of construction activities for each phase.

**Summary of Energy Compliance**

This project will be designed to conform to requirements of the *Facilities Standards for the Public Buildings Service*. GSA encourages cost effective design opportunities to increase energy and water efficiency above the minimum performance criteria.

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<sup>4</sup> FY 2016 reflects the last time the HCHB was included in the President's Budget request. The FY 2020 ETPC is \$280,542,000 greater than the FY 2016 ETPC of \$755,914,000.

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**Prior Appropriations**

| <b>Prior Appropriations</b>   |                    |                       |                                  |
|-------------------------------|--------------------|-----------------------|----------------------------------|
| <b>Public Law</b>             | <b>Fiscal Year</b> | <b>Amount</b>         | <b>Purpose</b>                   |
| 108-7                         | 2003               | \$4,100,000           | Design                           |
| 108-199                       | 2004               | \$12,800,000          | Design                           |
| 109-115                       | 2006               | \$54,491,000          | Phase I Design, ECC, and M&I     |
| 111-5<br>(ARRA)               | 2009               | \$188,117,000         | Design, Phase II/III ECC and M&I |
| 113-76                        | 2014               | \$77,356,000          | Phase IV ECC and M&I             |
| <b>Appropriations to Date</b> |                    | <b>\$346,859,000*</b> |                                  |

\*Includes \$9,995,000 Reprogramming for Phase IV

**Prior Committee Approvals**

| <b>Prior Committee Approvals*</b> |             |               |                                |
|-----------------------------------|-------------|---------------|--------------------------------|
| <b>Committee</b>                  | <b>Date</b> | <b>Amount</b> | <b>Purpose</b>                 |
| House T&I                         | 06/26/2002  | \$4,100,000   | Design                         |
| Senate EPW                        | 09/26/2002  | \$4,100,000   | Design                         |
| House T&I                         | 07/23/2003  | \$12,800,000  | Design                         |
| Senate EPW                        | 07/30/2003  | \$12,800,000  | Design                         |
| Senate EPW                        | 07/20/2005  | \$466,101,100 | Additional Design, ECC and M&I |
| House T&I                         | 10/26/2005  | \$466,101,100 | Additional Design, ECC and M&I |

\*Total Approvals to date = \$671,118,000 (including ARRA funds)

**Prior Prospectus-Level Projects in Building (past 10 years):**

On-going modernization

**AMENDED PROSPECTUS – ALTERATION  
HERBERT C. HOOVER BUILDING  
WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**Alternatives Considered (30-year, present value cost analysis)**

|                         |               |
|-------------------------|---------------|
| Alteration: .....       | \$563,844,000 |
| Lease .....             | \$665,707,000 |
| New Construction: ..... | \$393,439,000 |

The 30-year, present value cost of this alternative is \$170,405,000 more than the cost of new construction, or an annual cost disadvantage of \$8,470,000. Although alteration is a higher cost alternative, it is the recommended alternative. HCHB is an important asset in the GSA inventory due to its value and prominent location. It is in the best interest of the United States Government and the District of Columbia community to renovate and maintain this landmark Federal Triangle property.

**Recommendation**

**ALTERATION**

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WASHINGTON, DC**

Prospectus Number: PDC-0013-WA20

**Certification of Need**

The proposed project is the best solution to meet a validated Government need.

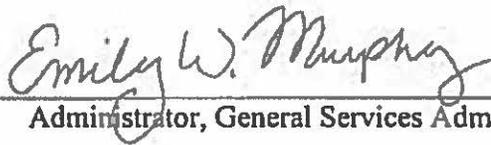
Submitted at Washington, DC, on March 19, 2019

Recommended



Commissioner, Public Buildings Service

Approved



Administrator, General Services Administration