

**AMENDED PROSPECTUS – ALTERATION
U.S. CUSTOM HOUSE
PHILADELPHIA, PA**

Prospectus Number: PPA-0144-PH21
Congressional District: 3

FY2021 Project Summary

The General Services Administration (GSA) proposes a repair and alteration project for the U.S. Custom House (Custom House) located at 200 Chestnut Street in Philadelphia, PA. The proposed project will repair/replace the building’s domestic and storm water systems and upgrade/replace the heating, ventilation, and air conditioning (HVAC) system to a more efficient, modern design.

FY2021 Committee Approval Requested

(Construction, Management & Inspection)..... \$8,741,000¹

This prospectus amends Prospectus No. PPA-0144-PH19. GSA is requesting approval of an additional estimated construction cost of \$8,026,000 and an additional estimated management and inspection cost of \$715,000, for a total additional cost of \$8,741,000 to account for cost escalation due to time and market conditions.

FY2021 Committee Appropriation Requested

(Construction, Management & Inspection)..... \$91,965,000²

¹ Prospectus No. PPA-0144-PA19 was approved by the Committee on Transportation and Infrastructure of the House of Representatives on September 27, 2018, and the Committee on Environment and Public Works of the Senate on June 19, 2019, for a total estimated project cost of \$95,470,000.

² While GSA was unable to fund the entire FY 2019 alteration project within the enacted level of the President’s FY 2019 Budget, GSA’s FY 2019 Major R&A Spending Plan did provide \$12,406,000 for Design and Construction.

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Major Work Items

HVAC upgrades/replacement; interior construction; demolition/abatement; plumbing repair/replacement; electrical, fire and life safety system upgrades; and roof upgrades

Project Budget³

Design (FY 2019)	\$7,440,000
Estimated Construction Cost (ECC)	
ECC (FY 2019).....	4,806,000
ECC (FY 2021).....	81,245,000
Total ECC.....	86,051,000
Management and Inspection (M&I)	10,720,000
Estimated Total Project Cost (ETPC)	\$104,211,000

*Tenant agencies may fund an additional amount for alterations above the standard normally provided by the GSA.

Schedule

	Start	End
Design and Construction	FY 2019	FY 2026

Building

The Custom House is a 19-story, approximately 565,000 gross square foot building located on the eastern side of the Philadelphia central business district. The building was originally constructed in 1934 and is primarily used as office space. The Custom House is listed in the National Register of Historic Places and is distinguished by an ornate, three-story rotunda situated in the main lobby.

³ While GSA was unable to fund the entire FY 2019 alteration project within the enacted level of the President's FY 2019 Budget, GSA's FY 2019 Major R&A Spending Plan did provide \$12,406,000 for Design and Construction.

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Tenant Agencies

Department of Homeland Security, Department of Justice, Department of Health and Human Services, Department of State, Department of Agriculture, Department of the Interior, U.S. Tax Court, U.S. Senate, GSA

Proposed Project

The building is suffering from recurring flooding caused by the aged domestic water piping system and significant temperature and indoor air quality issues caused by the insufficient and outdated HVAC system. Electrical system components will be replaced to support the HVAC systems. Mitigation of hazardous materials and associated sprinkler modifications will be accomplished in disturbed areas as part of the project.

To repair the building's domestic water system, the piping will need to be exposed, abated of asbestos, inspected, and repaired. Concurrently, the building's induction unit system will be removed, abated of asbestos, and upgraded to a four-pipe fan coil system. Due to the invasive nature of this work and the presence of hazardous materials, the majority of building tenants will be moved into internal swing space.

The less invasive aspects of the project include repairing the storm water system, replacing the building automation system, replacing the air handling units, partial conversion to variable air volume serving interior zones, replacing the heating and chilled water systems, and replacing the boilers.

As noted above, this renovation is in an occupied building so the proposed project includes allowances for internal swing space. The project minimizes tenant impact by using internal swing space and hazardous materials enclosures, as well as by completing the scope items together.

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Major Work Items

HVAC Upgrades/Replacement	\$49,595,000
Interior Construction	13,895,000
Demolition / Abatement	10,285,000
Plumbing Repair / Replacement	3,965,000
Electrical Repair / Replacement	2,440,000
Fire and Life Safety Repair / Replacement	940,000
Roof Repairs	<u>125,000</u>
Total ECC	\$81,245,000

Justification

The project will address the failing domestic water piping system that has flooded the building three times since 2013, creating millions of dollars in damage to the building and personal property. The damage has displaced tenants for months at a time and interfered with their ability to carry out their missions. The threat of another major flood remains, and there is a serious risk that additional flooding could potentially damage the historic rotunda, which would be enormously costly to repair. If left unaddressed, the building could potentially become uninhabitable and would need to be considered for disposal.

Due to the major disruption caused by the repair of the plumbing system, GSA determined that this project is the best opportunity to upgrade the deficient HVAC systems. The HVAC systems in the buildings are approximately 20 years beyond their useful lives and are vulnerable to a large-scale failure in both the air handling units and the branch piping leading to the perimeter induction units. There have been longstanding temperature and indoor air quality issues caused by a system that was not designed for office space. In addition to affecting occupant comfort, poor dehumidification has caused the paint, plaster, and wall materials to peel at numerous locations in the building, including in the historic rotunda and in areas with lead-based paint. The two pipe induction system is highly inefficient, forcing entire building switchover between heating and cooling to address unseasonable temperatures (e.g. cooling in the winter and heating in the summer). Simultaneously completing these projects will save the Government approximately \$13 million in duplicative costs, while minimizing disruption to building tenants.

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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.

Prior Appropriations

Prior Appropriations			
Public Law	Fiscal Year	Amount	Purpose
116-6 via Major R&A Spending Plan	2019	\$12,246,000	Design and Construction
Appropriations to Date		\$12,246,000	

Prior Committee Approvals

Prior Committee Approvals			
Committee	Date	Amount	Purpose
House T&I	9/27/2018	\$95,470,000	Design = \$7,440,000 ECC = \$78,025,000 M&I = \$10,005,000
Senate EPW	6/19/2019	\$95,470,000	Design = \$7,440,000 ECC = \$78,025,000 M&I = \$10,005,000

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

None

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

There are no feasible alternatives to this project. This is a limited scope renovation and the cost of the proposed project is far less than the cost of leasing or constructing a new building.

Recommendation

ALTERATION

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Certification of Need

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

Submitted at Washington, DC, on February 4, 2020

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration