

**TESTIMONY OF CASEY JONES
DEPUTY DIRECTOR, BUREAU OF OVERSEAS BUILDINGS OPERATIONS
UNITED STATES DEPARTMENT OF STATE**

**BEFORE THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

JULY 10, 2014

Good morning Chairman Issa, Ranking Member Cummings and Members of the Committee. Thank you for the opportunity to appear before you today to discuss the U.S. Department of State's physical platform for the U.S. government's presence overseas and its role in protecting our employees.

I am the Deputy Director for the Project Development, Coordination, and Support, Directorate and the Construction, Facilities, and Security Management Directorate in the Bureau of Overseas Buildings Operations (OBO) at the U.S. Department of State, and have served in this position since October 2013.

The safety and security of the individuals who work for all the government agencies that come under Chief of Mission authority, and creating and maintaining safe and secure facilities in all parts of the world is critical to the Department. Although I have only been with the Department a short time, I know firsthand the reality of living in a high threat environment as part of a foreign mission.

My father was employed by the United States Agency for International Development, and served in India and Pakistan. I grew up in Pakistan at a time of civil unrest and through periods of martial law. In Lahore, we spent weeks restricted to our home with the sound of intermittent gunfire in the streets. In Islamabad we lived on the grounds of the embassy, returning to the United States just months before it was stormed in November 1979. Like all Americans, we were horrified by the images of the embassy compound overrun, billowing smoke

and enflamed; and we worried about the fate of our friends and neighbors. When the survivors returned, my father and I were among those who greeted the plane at Dulles airport. We comforted friends and invited them into our home. We listened to first-hand accounts of the terrifying situation they faced. This experience at a young age had a profound impact on me.

Security is our top priority, and during the last 16 years – since the August 1998 bombings of the American embassies in Dar es Salaam and Nairobi – OBO has successfully moved over 31,000 people into safer, more secure facilities and is on target to increase that number by over 14,000 in the next five years. I am proud of the important role that our organization has played in this effort.

Security is always at the top of our mind. It drives our commitment to build the best diplomatic facilities in the world. And this work has now been enhanced by our Excellence in Diplomatic Facilities initiative, which will help us build the next generation of safe and secure facilities.

Excellence in Diplomatic Facilities is a management initiative aimed at improving OBO's business processes and in so doing improving the buildings we build. We seek to utilize the best methods, technologies, and expertise to serve the interests of U.S. diplomacy and the U.S. taxpayer by building safer, more secure, and more cost effective buildings and do so in the most efficient and effective manner.

The development of the Excellence initiative was a highly participatory process that began in 2010 to ensure we were continuing to improve our work. Seven internal, multi-disciplinary working groups were tasked with reviewing every major aspect of OBO's building program. The working groups, representing all OBO disciplines, met frequently to discuss how to improve our policies, processes, and procedures.

Every office within OBO was involved. Real estate professionals, cost estimators, architects, engineers, project managers, construction executives, facilities

managers, generalists, budget and policy analysts, and security personnel took part in the process. Input from other Bureaus in the Department, including the Bureau of Diplomatic Security was sought and other federal agencies were consulted. Briefings on the proposed improvements were provided within OBO, the Department, to Congress, and the design, engineering, facilities management, and construction industry at large.

OBO originally adopted the term “design excellence” to describe the approach, but this designation failed to capture the breadth of the holistic effort to improve every aspect of our buildings: standard practices for real estate acquisition, security methods and technologies, cost management, construction management, and facilities management, in addition to the management of design. In 2013, the initiative was more accurately renamed “Excellence in Diplomatic Facilities.”

In the end, the Excellence initiative is about putting in place standard processes that ensure we build cost effective buildings that meet all of the requirements for our missions—safety and security chief among them. These requirements also include durability, efficiency, flexibility, and proximity to counterparts and users. The Excellence initiative aims to provide a diplomatic platform that represents America and demonstrates American know how and ingenuity.

I want to assure you that we will continue to provide safe and secure facilities under the Excellence initiative.

Security requirements and standards for the protection of U.S. government personnel and facilities abroad are established by law and the Overseas Security Policy Board (OSPB), which is chaired by the Bureau of Diplomatic Security (DS). These requirements and standards are clearly articulated in the Department’s Foreign Affairs Manual and Foreign Affairs Handbook. New embassy and consulate buildings constructed under the Excellence initiative will meet these requirements and standards.

In addition, OBO Fire and Life Safety Officers certify that our buildings fully comply with the National Fire Protection Association's Life Safety Code and the International Building Code before a certificate of occupancy is issued.

Both DS and OBO work collaboratively at every stage of the process: at site selection, through the design phase, on the construction site, and in the day-to-day operation of the facility. Weekly meetings with OBO and DS take place on both program and building-related issues, from the highest level of the Bureau to the staff that executes and manages embassy projects. These meetings ensure we facilitate a timely resolution to any security-related issues. Further, for new construction or major renovation projects that include the storage of classified material or activities, Diplomatic Security certifies the project's design and accredits the building facility prior to occupancy.

I also want to assure you that appropriate flexibility in the design of new embassy and consulate compounds does not lengthen delivery time.

OBO uses two primary delivery methods for its design and construction projects: Design/Build and Design/Bid/Build.

Delivery methods establish the project schedule and the delivery time. They have time, cost, risk and design control implications that must be evaluated relative to the needs of each project. The Department critical elements of each particular project must be evaluated in order to select the best delivery method for each circumstance.

Under Design/Build, a project is bid to a contractor to manage both the design and construction. Under Design/Bid/Build, an architect produces a fully developed design that is then bid to a construction contractor who builds the project. Both methods are common in the construction industry. Neither is better in every case. The choice of which to use depends on the unique conditions associated with the building project.

Because the delivery of OBO projects is driven by the year in which the construction contract is awarded, when there is sufficient planning and design time up front, OBO is inclined to utilize the Design/Bid/Build method.

Design/Bid/Build gives the owner more control over the quality of the finished construction, because there is no uncertainty as to what the construction contractor is being asked to build. Design/Bid/Build allows the construction contractor to finish the construction faster, once the contract has been awarded, because the design is complete.

When more limited planning and design time is available, OBO is inclined to use Design/Build.

OBO will utilize whichever method is most cost effective, most expedient, and reduces the most risk.

I also want to assure you that the Excellence initiative does not compromise project budgets. OBO establishes project budgets – whether for an Excellence project or a standard embassy design – that are fixed based on scope, local conditions, and prior year cost information for our buildings.

Having designed and constructed 76 new embassy and consulate compounds under a myriad of conditions over the last 16 years, OBO has a depth and a breadth of data that allows us to be very accurate in setting project budgets for new, safe and secure buildings. This will not change under the Excellence initiative.

Obviously OBO cannot anticipate every potential impact. Real world events affect our projects just as much as they do others in the design and construction industry. Our projects are not immune to unforeseen cost increases in construction materials or shortages, contractor performance, fuel shortages, disruption due to civil unrest, currency fluctuations, weather events, natural disasters, and the like.

We are also not immune to policy changes. If the U.S. government decides it is in the nation's best interests to significantly increase or decrease the size of a mission or change the functions located at a post, the cost of our projects are impacted, sometimes significantly.

An example, recently in the news, is the new Embassy compound in Port Moresby, Papua New Guinea. In 2011, OBO awarded a contract to build a standard, secure mini-embassy compound that was approximately 44,000 gross square feet with 41 desks for a "lock and leave post," meaning a diplomatic mission with very limited classified operations and no Marine Security guard protection.

In spring 2013, with construction underway, the U.S. government, responding to geo-political changes, made policy decisions that significantly changed the project, largely driven by the booming prospects for hydrocarbon extraction – and increased business activity – in the region. A U.S. Marine Security Guard detachment was added and the staff population was increased by almost 75% from 41 to 71 desks. Altogether more than approximately 38,000 gross square feet of building space, including classified space, was added to the project, about an 85% increase.

The additional requirements could not be absorbed without either putting the construction contract on hold or de-scoping it. OBO conducted a cost benefit analysis to determine the best option. The analysis concluded that keeping the construction contractor on site would still require a partial suspension of work and could cost \$24 million or more. As a result, OBO made the decision to de-scope the remaining work on the construction contract and re-compete the project with the additional scope, once the design of the additional requirements was completed.

This option maximizes the utilization of what has already been built on site, provides the best value, and yields the best end product.

Continuing with the contract as is to build a “lock and leave” post for 41 desks, would not have provided safer or more secure facilities any faster than the option we are moving forward with today. Post could not have been co-located onto the facility and there would not be a Marine Security Guard presence.

As Deputy Director at OBO I want to re-emphasize, that I take the responsibility to provide safe and secure facilities for the U.S. government overseas very seriously and that there has not been nor will there be a move away from that core and critical mission.

Diplomatic facilities are a critical function of our national interests. The individuals who represent the United States deserve safe and secure workplaces. As good stewards of taxpayer dollars, it is our goal to see that that those resources are invested efficiently and effectively.

Thank you.

Casey Jones

Deputy Director, Bureau of Overseas Buildings Operations

Casey Jones is Deputy Director of the Bureau of Overseas Building Operations (OBO) at the U. S. Department of State where he oversees the Program Development, Coordination and Support and Construction, Facilities and Security Management Directorates. Prior to this position, he was detailed to OBO, where he served as the Director of Excellence in Diplomatic Facilities, assisting the Department in launching its Excellence initiative.

Prior to joining the State Department, he served as the Director of Design Excellence at the U. S. General Services Administration, where he was responsible for fostering excellence in federally commissioned architecture for a range of federal agencies, most notably the Department of Homeland Security and the Administrative Office of the U.S. Courts.

Prior to federal service, Mr. Jones worked in the private sector assisting governmental, university and cultural institutions in crafting or strengthening their design and construction initiatives. He has worked in architectural firms and has taught courses on urban design at Columbia University, University of Michigan, and Parsons School of Design.

He has a Masters in Architecture from the University of Michigan and a Bachelor of Science in Architecture from the University of Virginia.