

INFRASTRUCTURE

GSA RENT, OTHER RENT AND WHITE OAK CONSOLIDATION

FDA's Infrastructure Program summarizes the budget program requirements that justify a \$264,938,000 request for FY 2009. The Infrastructure Program includes the GSA Rental Payments, Other Rent and Rent-Related Activities, and the FDA White Oak Consolidation.

The Infrastructure Program funding table shows a three year span of program level resources, budget authority, and user fees displayed in the FY 2007 Actual level, FY 2008 Enacted Budget, and FY 2009 Estimate.

FDA Program Resources Table

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate	FY 2009 +/- FY 2008
Program Level	\$224,459,000	\$258,468,000	\$264,938,000	\$6,470,000
<i>GSA Rent</i>	\$138,896,000	\$159,173,000	\$155,915,000	-\$3,258,000
<i>Other Rent</i>	\$49,906,000	\$60,759,000	\$67,742,000	\$6,983,000
<i>White Oak</i>	\$35,657,000	\$38,536,000	\$41,281,000	\$2,745,000
Budget Authority	\$194,423,000	\$219,441,000	\$219,441,000	\$0
<i>GSA Rent</i>	\$126,871,000	\$130,612,000	\$130,612,000	\$0
<i>Other Rent</i>	\$42,000,000	\$50,293,000	\$50,293,000	\$0
<i>White Oak</i>	\$25,552,000	\$38,536,000	\$38,536,000	\$0
User Fees	\$40,141,000	\$39,027,000	\$45,497,000	\$6,470,000
<i>GSA Rent</i>	\$12,025,000	\$28,561,000	\$25,303,000	-\$3,258,000
<i>PDUFA</i>	\$9,001,000	\$23,498,000	\$18,691,000	-\$4,807,000
<i>MDUFMA</i>	\$2,349,000	\$3,622,000	\$3,930,000	\$308,000
<i>ADUFA</i>	\$675,000	\$1,441,000	\$1,332,000	-\$109,000
<i>Proposed User Fees</i>				
<i>Generic Drug</i>			\$1,045,000	\$1,045,000
<i>Animal Generic Drug</i>			\$305,000	\$305,000
<i>Other Rent</i>	\$7,906,000	\$10,466,000	\$17,449,000	\$6,983,000
<i>PDUFA</i>	\$7,000,000	\$9,297,000	\$16,000,000	\$6,703,000
<i>MDUFMA</i>	\$803,000	\$1,169,000	\$1,268,000	\$99,000
<i>ADUFA</i>	\$103,000	\$0	\$109,000	\$109,000
<i>Proposed User Fees</i>				
<i>Animal Generic Drug</i>			\$72,000	\$72,000
<i>White Oak</i>	\$10,105,000	\$0	\$2,745,000	\$2,745,000
<i>PDUFA¹</i>	\$10,105,000	\$0	\$2,745,000	\$2,745,000

¹ In FY 2008, FDA will use \$2,041,700 of PDUFA Carryover fees to fund the White Oak Consolidation Project.

The FDA Infrastructure Program operates under the following legal authorities and executive orders.

The following are legal authorities for GSA Rent and Other Rent and Related activities:

The Public Buildings Act of 1959 (40 USC 601-619)
Public Buildings Act: Public Buildings Amendments of 1972 (P.L. 92-313; 86 Stat. 216)
Public Buildings Cooperative Use Act of 1976 (P.L. 94-541, 90 Stat 2505)
Public Buildings Amendments of 1988 (P.L.100-678, 102 Stat 4049)
The Federal Property and Administrative Services Act of 1949 (40 USC 486[d] and [e])

The following authorities establish the consolidation of FDA Headquarters facilities at the White Oak Campus:

The Food and Drug Administration Revitalization Act (21 U.S.C. 379b)
Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321-399)
Treasury, Postal Service and General Government Appropriations Act (5 U.S.C.)

Allocation Method: Direct Federal/intramural; Contract

Program Description and Accomplishments

The Infrastructure Program supports FDA's workforce at headquarters and nationwide by providing secure and cost-effective office and laboratory space for FDA employees to conduct mission critical work. Three accounts make up the Infrastructure Program: GSA Rental Payments, Other Rent and Rent-Related Activities and the FDA White Oak Consolidation. Each of these accounts is discussed below:

GSA Rental Account

The GSA Rental account includes FDA rental payments to the General Services Administration (GSA) covering FDA's office and laboratory facilities, and to the Department of Homeland Security (DHS) for guard services and security systems at these facilities.

FDA currently occupies over 6.8 million square feet of GSA space. Approximately two-thirds of the GSA rent charges for government-owned or GSA-leased space are for facilities in the Washington, D.C. area. The largest amounts include charges for the Parklawn complex, Module II in Beltsville, CFSAN's College Park complex, and the newly occupied buildings at the White Oak, Maryland campus. In addition, FDA-occupied space comprises approximately 220 leases including District Offices, Regional Offices, laboratories, and resident posts across the nation and in Puerto Rico.

In FY 2007, the GSA Rent program conducted several activities to ensure the FDA workforce has the space and security need to carry out FDA's mission of protecting public health. In FY 2007, FDA vacated four GSA rented spaces. A storage facility in Florida closed after moving items to another facility, following the completion of an investigation, FDA returned temporary field space to GSA, and two office/lab buildings were vacated when functions and FTEs relocated to the consolidated White Oak campus, saving an estimated \$73,000 in annual rent. The GSA Rent program worked with GSA rent to renegotiate leases and build out expansion space at six locations in order to accommodate an increase in staffing, acquired space for one new Office of Criminal Investigation field location, and relocated six offices because of expiring leases.

Other Rent and Rent-Related Account

The Other Rent and Rent-Related account includes commercial rent and rent-related charges that are not part of the GSA Rent account. These funds cover costs for operating and maintaining FDA-owned, GSA owned or leased and FDA-managed, and FDA-leased properties located nationwide. Costs include commercial rent, utilities, operation and maintenance contracts, janitorial and grounds maintenance contracts, and security and guard services contracts. Cost also includes overtime utilities and other above-standard level services provided by GSA in GSA-managed facilities.

As energy and utility cost rise, FDA continues to investigate various energy savings and efficiency measures in order to reduce utility costs and comply with Departmental and Presidential environment and energy mandates.

On July 16, 2007, the FDA awarded the first Utility Energy Service Contract (UESC) at the FDA Complex in Beltsville, MD. The capital outlay cost is \$14,146,074 with a simple pay back of 9.99 years. The contract is based on the implementation of 21 specific energy and water conservation measures (ECMs) and achieves an estimated savings of \$1,416,640 annual savings in water, sewer, electricity and fuel costs which represents a 35% utility cost reduction for this FDA Beltsville Facility Complex.

The implementation of this project supports and meets the requirements set forth in three Executive Orders: E.O. 13123, Greening the Government Thru Efficient Energy Management, E.O. 13327 Federal Real Property Asset Management, and E.O. 13423 Strengthening Federal Environmental, Energy, and Transportation Management. This project also supports and meets the requirements of the Department of Health and Human Services (DHHS) Efficient Energy Management Assessments, the Energy Policy Act of 2005, and the DHHS Sustainable and High Performance Buildings Policy, High Performance Buildings Implementation Plan and the 2006 Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding.

In addition to the UESC that was awarded in FY07 at FDA's Beltsville Facility Complex, FDA is currently in negotiations to implement similar contracts in FY08 at FDA's owned facilities nationwide which include Irvine, CA, San Juan, P.R. and Winchester, MA.

White Oak Consolidation

The White Oak campus will replace existing disparate facilities with new, state-of-the-art laboratories, office buildings and support facilities. While the GSA appropriation will fund the design and construction of the new buildings at White Oak, FDA's appropriation will fund building fit-out and move costs. FDA initiated relocation activities in FY 2002 to the White Oak campus. There are approximately 2,056 employees currently onsite at White Oak. The last phase of the consolidation is scheduled for FY 2013, and when complete, the campus will accommodate more than 7,700 FDA employees and contractors. During FY 2007, the construction of the Engineering and Physics Laboratory – Building 62 was completed and FDA moved into the new laboratory in March 2007. The design for the Historic Building 1 was completed and the renovation commenced in October 2007. The construction of Office Building 66 commenced in November 2006. The designs for Office Buildings 31 and 32 were completed and the construction of the Southwest Parking Garage commenced in April 2007.

FIVE YEAR FUNDING TABLE – GSA RENT

Fiscal Year	Program Level	Budget Authority	User Fees
2005 Actuals	\$127,617,000	\$113,479,000	\$14,138,000
2006 Actuals	\$133,368,000	\$116,403,000	\$16,965,000
2007 Actuals	\$138,896,000	\$126,871,000	\$12,025,000
2008 Enacted	\$159,173,000	\$130,612,000	\$28,561,000
2009 Estimate	\$155,915,000	\$130,612,000	\$25,303,000

FIVE YEAR FUNDING TABLE – OTHER RENT AND RENT-RELATED ACTIVITIES

Fiscal Year	Program Level	Budget Authority	User Fees
2005 Actuals	\$44,532,000	\$35,758,000	\$8,774,000
2006 Actuals	\$43,456,000	\$35,400,000	\$8,056,000
2007 Actuals	\$49,906,000	\$42,000,000	\$7,906,000
2008 Enacted	\$60,759,000	\$50,293,000	\$10,466,000
2009 Estimate	\$67,742,000	\$50,293,000	17,449,000

FIVE YEAR FUNDING TABLE – WHITE OAK

Fiscal Year	Program Level	Budget Authority	User Fees
2005 Actuals	\$20,846,000	\$17,846,000	\$3,000,000
2006 Actuals	\$26,788,000	\$21,755,000	\$5,033,000
2007 Actuals	\$35,657,000	\$25,552,000	\$10,105,000
2008 Enacted	\$38,536,000	\$38,536,000	\$0
2009 Estimate	\$41,281,000	\$38,536,000	\$2,745,000

Budget Request

The FY 2009 Request includes \$264,938,000 in program level funding for the Infrastructure Program. The request represents an increase of \$6,470,000 over the FY 2008 Enacted budget in user fees.

GSA Rental Payments

The FY 2009 budget request for GSA Rental Payments is \$155,915,000. This request includes \$130,612,000 in budget authority and \$25,303,000 in user fees. The GSA Rental Payments program is requesting a decrease of \$3,258,000 in user fees from the FY 2008 Enacted level. Based on program needs, the reduction in GSA Rental Payments user fees will offset a portion of rising user fee costs in the Other Rent and Rent-Related Program. Base funding for GSA Rental Payments covers the cost of rental payments to GSA for FDA's 6.8 million square feet of GSA rented office and laboratory space, as well as payments to the Department of Homeland Security for guard services and security systems at these facilities.

Other Rent and Rent-Related

The FY 2009 budget request for Other Rent and Rent Related is \$67,742,000, an increase of \$6,983,000 from the FY 2008 Enacted level. This request includes \$50,293,000 in budget authority and \$17,449,000 in user fees, an increase of \$6,983,000 over the FY 2008 Enacted level. The base funding allows FDA to operate, maintain and secure the facilities. The increase in funding will cover the increases in commercial rent, security, and utility costs and prevent FDA from charging unavoidable costs to FDA programs, allowing them to fund mission-related activities in mission-related activities in food protection and medical product development and safety.

White Oak Consolidation

The FY 2009 budget request for the White Oak Consolidation is \$41,281,000, an increase of \$2,745,000 from the FY2008 enacted level. This request includes \$38,536,000 in budget authority and \$2,745,000 in user fees. The base funding will allow FDA to prepare the Office of the Commissioner (OC) and the Office of Regulatory Affairs (ORA) Office Buildings for occupancy. FDA will use these funds to relocate OC and ORA to their new office building, complete the relocation of the Center for Devices and Radiological Health, install IT, telecommunication and security equipment for campus facilities, complete the relocation to the new Consolidated Data Center, and provide program management support. This funding will provide the means to relocate approximately 1,494 more staff to the campus in FY 2010, bringing the total staff on campus to 6,069. The increase in PDUFA user fee funding allows the Infrastructure program to provide for relocation to the White Oak campus and support facilities for employees and contractors who support the user fee process.

User Fee Increase

This request includes an increase of \$6,470,000 in user fees from the Prescription Drug User Fee Act (PDUFA), Medical Devices User Fee and Modernization Act (MDUFMA), Animal Drug User Fee Act (ADUFA), and the proposed Generic Drug User Fee Act and proposed Animal Generic Drug User Fee Act. The increases in user fees will cover the increased costs in commercial rent, security, and utility costs and prevent FDA from charging unavoidable costs to FDA programs, allows them to fund mission-related activities in mission-related activities in food protection and medical product development and safety. The increase in PDUFA funds for the White Oak relocation allows the Infrastructure program to provide for relocation to the White Oak campus and support facilities for employees and contractors who support the user fee process.