

Attachment 2H(1)

Explanatory Note for Office of Operations (OO) Report November 2, 2011

The USDA Office of Operations has completed its National Environmental Policy Act (NEPA) requirements for the project and activities funded under Division A the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA funding for the South Building Modernization project involves modernization of an existing structure and is appropriately categorically excluded under NEPA.

The USDA South Building was built between 1930 and 1936. The South Building is over 2 million square feet and houses 5,800 federal employees and contractors. From 1995-2003 funds were appropriated to modernize the South Building. An eight phased modernization plan was developed. The Modernization Project was reviewed and a Categorical Exclusion was issued in 1997 and remains appropriate today.

USDA has completed three of the eight phases of the South Building Modernization Project (Phases 1, 2 and 3). Design of Phase 4A was completed in FY 2006. Updating the design prior to construction was accomplished using FY 2009 Agriculture Buildings and Facilities and Rental Payments Appropriation. Design update took approximately three months. Construction was completed in the 3rd quarter, FY 2011. USDA used \$16.9 million of the \$24 million Recovery Act funds to renovate Wing 5 of the South Building. The balance of the ARRA funds have been obligated to accomplish other modernization projects of the South Building. The following is the status of the other ARRA funded projects:

- Design Phase 4B—design was completed in the 1st quarter, FY 2011.
- Replace Chiller #1--construction will be completed in the 1st quarter, FY 2012.
- Waterproof Cafeteria Patio Roof and Parking Courts 2 and 3—construction will be completed 4th quarter, FY 2012.

The construction portion of the ARRA funded projects were competed through an Invitation for Bid process.

As of the required reporting date, obligations in the amount of \$24,000,000 have been made under the treasury symbol for the modernization projects.

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