
March 1998

KENNEDY CENTER

Information on Facility Management Capability





General Government Division

B-278994

March 25, 1998

The Honorable John H. Chafee
Chairman
The Honorable Max Baucus
Ranking Minority Member
Committee on Environment and Public Works
United States Senate

The Honorable Jay Kim
Chairman
The Honorable James A. Traficant, Jr.
Ranking Minority Member
Subcommittee on Public Buildings and Economic Development
Committee on Transportation and Infrastructure
House of Representatives

This report responds to your request for information on the status of the John F. Kennedy Center for the Performing Arts' (Center) efforts to define and implement (1) facility management positions; (2) a facility management system; and (3) facility project and financial reports, since Congress, in 1994, transferred responsibility for the operation and maintenance of the Center¹ from the National Park Service (NPS) to the Center's Board of Trustees (Board). In response, Center managers began making changes to create a facility management organization to operate the facility. According to both Center officials and records, the changes continue, particularly in regard to the management systems and reports.

The John F. Kennedy Center Act Amendments of 1994² (the Amendments) provided that the Board was to plan, design, and construct each repair or improvement project and provide the maintenance, repair, alteration, janitorial, security, and other services and equipment necessary for the operation of the facility. The Amendments³ also provided for the transfer, to the Board, of NPS employees assigned to duties related to functions transferred to the Board.

¹The John F. Kennedy Center Act Amendments of 1994, Public Law 103-279, 108 Stat. 1409 (1994).

²Section 4(a) (F),(G),(H) of the John F. Kennedy Center Act Amendments of 1994, Public Law 103-279, 108 Stat. 1409, 1411-1412 (1994), which amended Section 4 of the John F. Kennedy Center Act, 20 U.S.C. 76j.

³The John F. Kennedy Center Amendments of 1994, Public Law 103-279, 108 Stat. 1409, 1413-1414 (1994), which amended section 5 of the John F. Kennedy Center Act 20, U.S.C. 76k.

This report, in so far as it discusses management of the capital repair program at the Center, updates information contained in our 1993 report on the Center's program.⁴ While the 1993 report focused on the use of appropriated funds, we also noted that the Center lacked an in-house federal contracting officer as well as architects, engineers, or other occupations that would be associated with capital projects.

Results in Brief

The Center managers, including the Board, determined that the Center's facility management program would be operated by a few managers supported by a small in-house staff and contractor technical staff. Currently, six facility-related managerial positions have been established and, according to Center officials, they do not anticipate a need for additional positions in the future.

The six managerial positions include the Vice President for Facilities; the Directors of Contracting, Facilities, Security, and Auxiliary Services; and the Project Executive. All but the Vice President for Facilities and the Director of Auxiliary Services positions were established in 1994 and 1995. In August and September 1996, the Center created the Director of Auxiliary Services and Vice President for Facilities positions, respectively. With the exception of the Vice President for Facilities, the managers in these positions use contractors to either support operations that they are responsible for, such as parking, or provide management support. In the latter instance, the Project Executive—in so far as major construction projects are underway—uses contracted technical management expertise, particularly for project planning, design, construction, and construction management.

Several committees have been established to assist in coordinating facility operations with performing arts schedules and to provide a forum for decisionmaking. These committees bring together managers and staff from throughout the Center. The committees consider a range of facility issues and problems, varying from those associated with the day-to-day execution of construction contracts to resolving policy-level issues such as the approval of the appropriated funds budget.

To provide facility operating information to key managers, the Center has purchased and is implementing a computer-integrated facility management (CIFM) system. To date, the Center is progressing with implementation of four modules, Property Portfolio, Asset Manager, Maintenance Manager,

⁴Kennedy Center: Information on the Capital Improvement Program (GAO/GGD-93-46, Feb. 9, 1993).

and Preventive Maintenance. We did not evaluate the usefulness of the system or the output that managers obtain because of the recent and ongoing implementation of the system. In addition to the CIFM system, the Center staff developed 11 reports for use in managing appropriated funds. These reports are to provide managers with information for tracking items such as appropriated funds usage, contractor progress on work, and contract payment approvals.

Background

The Kennedy Center, established in 1964 as both a national cultural arts center and a memorial to the 35th President, opened in September 1971. Shortly thereafter, in 1972, the Secretary of the Interior, through NPS, assumed responsibility for building maintenance, security, interpretative, janitorial, and all other services necessary for the nonperforming arts functions of the Center. The Board, however, retained responsibility for all performing arts activities. The relationship was formalized in a July 1973 agreement between NPS and the Board.

In the early 1990s, the Board petitioned Congress for complete control of all facility operations at the Center. In part, the Board based its request on the difficulty encountered in managing the Center under the dual responsibility established by the July 1973 agreement. In response, Congress, in the 1994 Amendments, transferred responsibility for the operation and maintenance of the facility from NPS to the Board and authorized appropriations to be made to the Board for this purpose. With the implementation of the Amendments the Board assumed responsibility for managing the day-to-day operation and maintenance related to the performing and nonperforming arts functions as well as the long-term care of the facility.

The development of an overall organizational structure for the Kennedy Center was one item we discussed in a 1972 report.⁵ In discussing the direction in which the new Center could proceed, we stated that the Center should establish an organizational structure that clearly defines and specifically assigns responsibility for performance of functions while delegating appropriate authority to perform such functions.

Subsequently, in a February 1993 report⁶ we noted that the Center did not have individuals on staff with certain professional and technical skills,

⁵Finances and Operations of the John F. Kennedy Center for the Performing Arts, B-154459, Aug. 8, 1972.

⁶Kennedy Center: Information on the Capital Improvement Program (GAO/GGD-93-46, Feb. 9, 1993).

such as a federal contracting officer or architects and engineers that would be associated with managing capital projects. However, our report noted that, on the basis of our discussions with Center officials, there appeared to be no reason that—with sufficient time and funding—the Center could not acquire the necessary management capability.

In August and September 1995, a Center consultant evaluated the Center's operational and maintenance functions to identify strategies for improving the efficiency and effectiveness of the facility management staff and operations. The consultant's September 1995 report⁷ noted in part that there were no clear lines of responsibility within the existing facility management structure and that job descriptions were not clearly defined. The consultant recommended that mechanisms be developed to (1) establish clear lines of responsibility and authority, (2) consolidate all services related to the maintenance of the facility under one authority, and (3) develop specific and detailed job descriptions for each position. Further, the consultant's report also noted that "An organized system should be developed for managing information concerning the facility operations to be used to monitor performance against established standards."

Objectives, Scope, and Methodology

The objectives of our work were to develop information on the status of the Center's efforts to (1) define and implement facility management positions; (2) develop or procure and implement a facility management system; and (3) develop facility project and financial reports, since the 1994 transfer of facility responsibilities from NPS to the Board. Therefore, we limited our inquiries to identifying the facility management positions that were created by the Center since the 1994 transfer. We also identified the management systems and reports that support the facility management positions. We did not attempt to assess whether the persons filling facility management positions had the expertise or experience necessary for those positions or whether the definitions of the roles or responsibilities of the positions were complete. Further, we did not assess whether the management systems and reports had the capability to or were being used properly to assist facility managers.

We defined the scope of facility management functions in accordance with guidelines of the International Facility Management Association.⁸ The

⁷Facility Management Assessment, Phase I; Wiss, Janney, Elstner Associates, Inc., Trammell Crow Company, and Environmental Systems Design, Inc., Sept. 1995.

⁸International Facility Management Association, The IFMA Report #1, 1984.

guidelines provide that facility management coordinates the physical workplace with the people and work of the organization. In general, the scope of responsibilities can begin with the parking lot and extend to the grounds; building exterior; building systems; building services; and the layout, furniture, and furnishing of staff work space. The Association notes that 8 groups of similar activities, comprising 41 responsibilities, are commonly involved in managing facilities. The eight groups involve real estate, long-range planning, space management, interior planning, interior installations, maintenance and operations, architecture and engineering services, and budgeting.

To obtain information on the development of facility management positions and their associated roles and responsibilities, we obtained Center organizational charts, discussed the roles and responsibilities of each managerial position with the current occupant, and obtained the position description. Since our objective was to provide information on the status of the creation of positions, we did not assess the appropriateness of organizational structures.

To obtain information on the status of changes in the facility management systems and reports, we interviewed Center officials; reviewed documentation prepared by the Center or its vendors and obtained information on implementation schedules. To gain an understanding of the potential assistance the systems and reports could provide managers, we interviewed Center officials; reviewed contracting records and vendor materials; and reviewed documentation provided by finance and project officials, which demonstrated the types of reports that have been designed and implemented. Since our objective was to provide information only on the status of systems and reports, not the accuracy of the output of the systems, we did not test the accuracy or the completeness of the outputs we obtained.

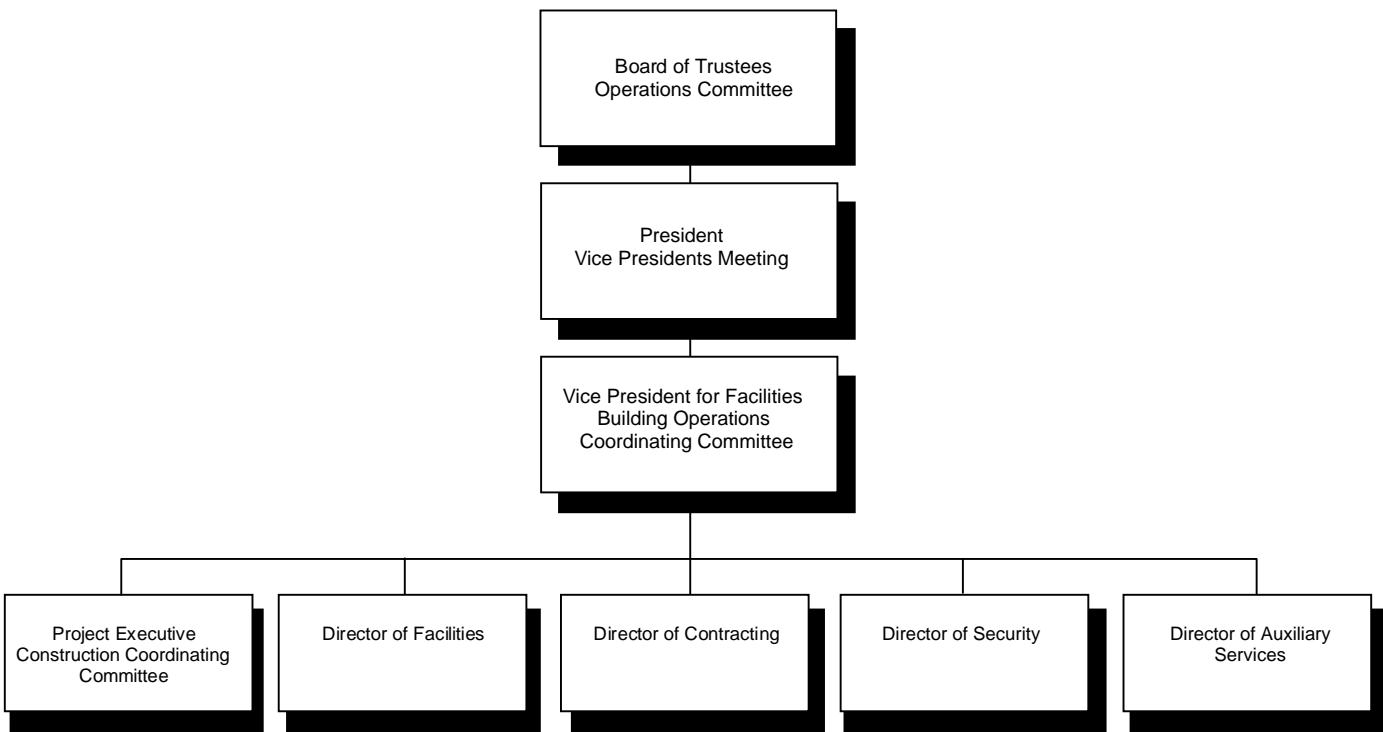
We did our work between January and December 1997 in accordance with generally accepted government auditing standards. On February 17, 1998, we provided a draft of this report to the Chairman of the Kennedy Center for review and comment. The Center's oral comments are discussed near the end of this report.

Six Facility Management Positions

Responsibility for the various facility management functions, transferred to the Center by the Amendments, is currently delegated to six facility

management positions. Officials to whom we spoke told us that they do not anticipate a need for additional facility management positions.

Figure 1: Facility Management Structure



Source: Kennedy Center Organization Chart, February 1997.

Four Facility Management Positions Were Defined Early in the Transition

The Center’s facility management organization includes four managerial positions that either were transferred from NPS or were created and staffed shortly after the Amendments. A synopsis of the history of each position and the positions’ roles and responsibilities is presented below.

Project Executive. On December 25, 1994, the NPS architect responsible for the capital work at the Center was transferred from NPS to the Center as the Project Executive responsible for the management of the capital program in the Center’s Project Management Office. The position

description for the Project Executive summarized the roles and responsibilities as including (1) directing capital repair projects; (2) managing, along with the Controller and Director of Contracting, the obligation and control of funds appropriated for the capital repair program; and (3) serving as the principal advisor to senior Center managers on matters pertaining to the capital repair program and facility improvement program planning.

Director of Facilities. From September 1995 to December 1996, the Project Executive, in addition to his role as Project Executive, was also responsible for the functions of this position. Effective December 3, 1996, the role was transferred to, and became an additional responsibility of, the Director of Security. On July 20, 1997, the Director of Security, who had performed the duties of Director of Facilities in an acting capacity, was appointed the Director of Facilities while retaining the responsibilities of Director of Security. Officials to whom we spoke told us that, although one person has been given responsibility for both positions to reflect the close relationship between facilities and security needs in regard to operation of the Center, neither position had been abolished. They said that the Center could at any time appoint separate individuals to each position.

The position description for the Director of Facilities summarized the roles and responsibilities as principal advisor to the Vice President of Facilities (1) on all matters pertaining to facilities and infrastructure, (2) on all matters pertaining to maintenance and operations, and (3) for the development and justification of the Center's annual utilities budget. Additionally, the Director is responsible for managing all security, fire, and life safety matters.

Director of Contracting. On February 27, 1995, the Center posted a vacancy announcement to fill the position of Contracting Officer. The position description summarized the roles and responsibilities to include (1) the head of the contracting activity for the Center; (2) responsibility for the organization and management of the Office of Procurement; (3) management and control of the Center's appropriated fund contracting procedures; and (4) management of all aspects of the procurement cycle, including planning, negotiation and administration of construction, personal services, technical services, maintenance, supply, and related contracts in accordance with the Federal Acquisition Regulation and Center guidance. The position was filled on June 11, 1995, by a contracting officer with prior experience in federal facilities contracting.

Director of Security. On November 30, 1994, the Center employed its former Secret Service liaison as the Director of Security. The position description summarized the roles and responsibilities as including (1) serving as the principal advisor to Center management on matters affecting safety and security; (2) implementing and administering procedures affecting safety and security; (3) assisting the Contracting Officer in managing the contract guard force; (4) maintaining liaison with pertinent federal and local law enforcement authorities; and (5) managing the security budget. On July 20, 1997, the Director of Security was also designated as the Director of Facilities, thus combining the roles and responsibilities of both positions. However, Center officials told us that because neither position had been abolished, but simply had been staffed by the same individual, the Center could at any time appoint separate individuals to each position.

Two Additional Facility Management Positions Were More Recently Defined

Director of Auxiliary Services. On August 7, 1996, the position of Director of Auxiliary Services was established and filled. According to Center officials, this was an area of facility management that had not previously received sufficient attention. The document appointing the director outlined the position's responsibilities as including consolidating responsibility for and overseeing the Center's concessionaire operations, such as the parking contractor, shuttle bus service arrangements, and taxi dispatching services. Subsequently, the job description covering this position was expanded to include liaison with the contracted restaurant service.

Vice President for Facilities. On September 27, 1996, the President of the Center announced the creation of a senior management structure that included a Vice President for Facilities. The announcement creating the Vice President for Facilities highlighted the importance of the new position to the Center's strategic plans during the next few years. According to the announcement, among the responsibilities assigned to the new position were those of overseeing all appropriated funds operations and working with other departments to implement a host of new facility related initiatives, including the expansion of the parking garage and the large-screen format theater.

Further, the announcement established a formal management reporting structure in which the incumbents in the key facility management positions report to the Vice President for Facilities.

Contract Personnel Support Managers in Facility Management Positions

The Center managers, including the Board, determined that the Center's facility management program would be operated by a few managers supported by a small in-house staff and contractor technical staff. As a result, the Center relies on contractor employees for technical facility management expertise. To develop information on the Center's use of contractor employees, we focused our inquiries on the contractor technical support that the Project Executive employs in managing the capital improvement program. Briefly, the management support supplied by contract employees includes the following:

Management of construction work. In 1995, the Center entered into a Memorandum of Agreement with the U.S. Army Corps of Engineers - Baltimore District, for technical assistance, including architect-engineer contract management, project design reviews, awarding and managing construction contract(s), contract reviews for legal sufficiency, and other related services.

Project design services. The Center currently retains the services of architect-engineer firms through a source selection panel process to prequalify firms. Prequalified firms are awarded a 5-year contract with a small monetary guarantee and placed on the contractor prequalified list. From this list, prequalified firms may be selected for engagements for new design work or to do design reviews of work done by others. Both types of work can be awarded to a firm under a task order issued under the 5-year contract.

Other design work. The Center plans to continue employing the services of NPS under an existing Interagency Agreement, dated September 23, 1994. The scope of this work may include landscape design and site planning or work requiring previous experience at the Center.

Administrative support. The Center has entered into a Memorandum of Understanding and Agreement with the General Services Administration under which the Center receives accounting services including, in part, accounting and financial reporting.

Management and Staff Committees Provide a Forum for Facilities Management Decisionmaking

In addition to the six facilities management positions, several committees that relate to facility management assist managers in establishing facility policy, coordinating facility work with other Center activities, and managing the day-to-day contractual aspects of facilities projects. Meeting on a regular basis, the committee's membership ranges from Board members and senior management at the Operations Committee level to contract managers and technical support contractors at the Construction Coordinating Committee level. The committees include the following:

Operations Committee. The Operations Committee, a committee of the Board, involves Board members and senior staff in quarterly briefings and presentations on policy issues or operating problems. In this regard, we were advised that the committee provides policy guidance, resolves the most serious issues requiring Board input, and functions as the Board's eyes and ears in Center operations.

Architectural Review Committee. This committee, also a committee of the Board, was previously referred to as the Fine Arts Review Committee. The committee reviews and provides guidance to staff on detailed aspects of project design and construction work, thus, according to officials, acting as the Board's project oversight mechanism between Operations Committee meetings. The Committee recently focused on the Concert Hall renovation project, and officials told us that they expect the Committee to provide similar guidance on future projects.

Vice Presidents' Committee. The members of this committee are the Center's president and six vice presidents. The meetings of these senior managers serve as the mechanism for elevating problems and policy questions concerning facility work to the attention of the president.

Building Operations Coordinating Committee. This committee, headed by the Vice President for Facilities, focuses on facility projects' progress, schedules, problems, or open issues requiring the vice president's input or decision. The committee, which generally meets biweekly, except weekly in response to issues such as budget preparation, includes facility managers and others, such as the Director of Production, whose responsibilities may affect or be affected by facility projects work.

Construction Coordination Committee. This committee, under the Project Executive, includes Center project staff and, as needed, consultants and technical support staff in weekly meetings focused on resolving detailed

issues involving progress and problems with contracts, scheduling, or future work.

CIFM System and New Management Reports Designed to Assist Managers

The Center has purchased and is currently implementing a CIFM system. Further, the Center developed in-house, and has implemented, a number of project status and financial tracking reports.

CIFM System Is Designed to Track Numerous Facility Operations to Assist in Decisionmaking

On August 9, 1996, after announcing its intent in the Commerce Business Daily, the Center purchased a system to assist in managing the facility. The vendor's literature for the CIFM system procured described a system directed toward control and management of an organization's resources, including real estate, equipment, personnel, space, leases, maintenance, cabling, and project budgeting. The system has nine modules, each focused on one aspect of facility management, and affords managers the opportunity to produce various analyses of operations.

Table 1: CIFM System Components

Module title	Module description
Asset Management	Provides a fully automated inventory catalog system to control all assets by tracking price, location, warranty, service data, and maintenance history.
Cable Management	Assists in managing the many communication and network cables, terminals, devices, and sockets in buildings.
Lease Management	Assists in managing all aspects of the administration and planning of property and building leases.
Maintenance Manager	Addresses three areas of maintenance: (1) demand maintenance or help-desk functions, (2) planned preventive maintenance, and (3) maintenance projects. It is linked to the Asset Management and Materials Handling modules. After a work order is generated and the task completed, used parts are deducted from inventory and appropriate assets are updated to reflect improvements or repairs.
Materials Handling	Permits users to identify, track, and report on materials or assets from furniture, to stocked materials and supplies, to office equipment.
Project Budgeting	Assists in managing different types of projects from major construction to remodeling by developing building blocks of information, which include information on materials required, estimated labor time, and costs associated with each task.
Property Portfolio	The core database through which data entered from other modules is maintained.
WinStack	Permits the creation of floor and organization layouts within a building to facilitate space planning and management.
Space Analysis	An automated workstation planning module that aids designers and managers in developing new and tracking old workspace programs.

Source: Vendor product literature.

Center officials provided us with the schedule for implementing the software modules listed in table 1. The officials advised us that they have focused implementation efforts on the Property Portfolio, Asset Manager, Maintenance Manager, and Preventive Maintenance modules. The information provided to us indicated that the first three modules are operational, with the Preventive Maintenance module anticipated to be operational by the end of the first quarter of 1998. Regarding the remaining modules, officials advised us that they have no current time frame for implementing them since they first focused on those modules that most affected the day-to-day operation and maintenance of the facility.

In a related facility management matter, officials advised us that they have evaluated scheduling software for use in preparing a comprehensive

facility utilization schedule/calendar. The schedule/calendar would include utilization of various segments of the facility, by a number of Center departments, and would reflect requirements of special events, theater events, rehearsal usage, meeting room reservations, public space usage, and temporary storage. The officials expect to have the software in use during the second quarter of 1998.

Management Reports Developed In-house Designed To Track Use Of Appropriated Funds. The Center's Project Management Office (PMO), Contracting Office, and Finance Office share responsibility for managing the funds appropriated for capital improvements. The PMO officials to whom we spoke provided us a list of the 11 management reports that have been developed and implemented to facilitate the tracking of federal funds. The following are examples of the reports and their purpose.

Monthly Requisition Summary Report. This report is to capture all types of PMO contracting and purchasing information, including the purchase order number, requisition and obligation amounts, vendor, type of goods/services, and budget/function code. Since all types of contracting and purchasing actions are to be captured, the report includes administrative costs, construction contracts, design and consulting contracts, as well as the costs for contract staff, such as the Corps of Engineers.

Architect/Engineer Contract Summary Report. This report is to present the entire history of a particular contractual relationship with the Center. The information contained in the report includes the contract start and end dates, the contract purpose, the original contract amount, any adjustments to the original amount, and the current adjusted amount of the contract.

Payment Recommendation and Approval Report. This report is to present information required for processing and approving a contract payment request. The report also is to provide a contract's historical payment record as well as the percentage of the contract work completed as of the last payment.

Agency Comments

We provided copies of a draft of this report to the Chairman, John F. Kennedy Center, for comment. On March 10, 1998, the Center's Vice President for Facilities provided us with oral comments on the draft report. The Vice President advised us that the Center generally agreed with the information in the report. The Vice President also provided comments

to clarify some of the information presented in the report, which we have incorporated where appropriate.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the Senate Subcommittee on Transportation and Infrastructure, and the House Committee on Transportation and Infrastructure, and the Chairman of the John F. Kennedy Center for the Performing Arts. Copies will be made available to others upon request.

Major contributors to this report are listed in the appendix. If you have any questions about the report, please call me on (202) 512-8387.



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