

**WASHINGTON HEADQUARTERS SERVICES**  
**Department of Defense Buildings Maintenance Fund**  
**Summary of Operations**

**Industrial Fund Functions:**

The Buildings Maintenance Fund (BMF) is a revolving fund that operates under authority of Section 2208 of Title 10, United States Code. The BMF finances the operation, maintenance, protection and repair of government-owned and leased facilities (exclusive of the Pentagon Reservation) that are controlled by the Washington Headquarters Services (WHS) and are occupied by Department of Defense (DoD) military and/or civilian personnel. Such facilities include, but are not limited to those operated by WHS under delegations of authority from the General Services Administration (GSA). Services provided by the BMF include:

**Real Property Operations.** Includes cleaning, preventive maintenance, operation and repair of building mechanical and electrical systems, administrative support, perimeter protection and law enforcement services.

**Repair.** Includes repair projects over \$10,000 and cyclic painting. These projects maintain the facilities at levels adequate to support the assigned missions and to prevent deterioration and damage to buildings, their support systems and operating equipment. Repair projects are prioritized and accomplished within available revenues. Protection of the Government's investment, cost effectiveness, health and safety of workers and the public are among the most important criteria for determining project priorities.

The BMF has been designed to operate on a break-even basis over the long term. Revenue to the BMF is generated from various sources. However, the BMF is primarily dependent upon funds appropriated to DoD Components as rent for the operation, maintenance and repair of thirty-five federally owned and leased facilities that are managed by WHS under GSA/DoD interagency agreements. In addition, costs incurred for alterations, security, heating, air-conditioning and other building services above standard levels are recovered on a reimbursable job-order basis from the DoD tenants receiving the premium services. *Beginning in FY 1999, under its new STAR system, GSA will no longer bill tenants to recover the cost of building operation and other standard level real property management functions delegated to its tenant agencies. Instead, WHS as the delegatee agency responsible for the operation and protection of these facilities will be required to recover these costs directly from the Military Services, other DoD Components and Government agencies and others that are assigned space in these buildings.*

**Budget Highlights:**

Obligations for real property operations and repairs for FY 1998 through FY 2000 are \$24.4 million, \$28.3 million, and \$28.9 million, respectively. Estimates for FY 2000 assume average annual inflationary increases for utilities, fuels, supplies and service contracts of 1.5 percent. FY 2000 estimates provide for FY 2000 civilian pay raises of 4.4 percent for General Schedule and Wage Grade personnel and the annualization of FY 1999 increases. Maintenance and repair services will be maintained at commercially equivalent levels. Protection services will be maintained at an enhanced

level consistent with the June 29, 1995 Presidential Directive to upgrade security at Federal Facilities nationwide, in accordance with the results of the Department of Justice study entitled “Vulnerability Assessment of Federal Facilities”. The FY 2000 estimate anticipates that costs for acquisition, installation and operation of security upgrades as prescribed by the Study will be paid for by Buildings Maintenance Revolving Fund DoD customers.

**WASHINGTON HEADQUARTERS SERVICES  
BUILDINGS MAINTENANCE FUND  
PROGRAM AND FINANCING SUMMARY  
(Dollars in Millions)**

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Fund Balance (Unobligated Balance Available) Start of Year:	9.7	12.7	12.7
User Charges			
Federal Funds	26.8	28.3	27.3
Non Federal Funds	0.0	0.0	0.0
Total User Charges:	26.8	28.3	27.3
Obligations:			
Real Property Operations:			
Cleaning	0.9	0.9	0.9
Maintenance	0.7	0.7	0.7
Utilities and Fuels	1.8	1.8	1.8
Protection	1.0	2.4	2.5
Other Building Services	0.6	0.5	0.6
Administrative	3.7	4.3	4.5
Repairs (over \$10,000)	0.2	0.5	0.5
Reimbursable Services (Above Std.):			
Cleaning	0.7	0.7	0.7
Maintenance	0.2	0.3	0.3
Utilities and Fuels	2.8	1.2	0.5
Protection	7.8	3.7	1.5
Space Adjustments and Other	4.0	11.3	14.4
Administrative	0.0	0.0	0.0
Total Obligations:	24.4	28.3	28.9
Recovery of Prior Year Obligations	0.6	0.0	0.0
Fund Balance (Unobligated Balance Available) End of Year	12.7	12.7	11.1

**WASHINGTON HEADQUARTERS SERVICES  
BUILDINGS MAINTENANCE FUND  
REVENUE AND EXPENSES  
(Dollars in Millions)**

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Revenue*	23.7	28.2	28.9
Operating Expenses:			
Real Property Operations:			
Cleaning	0.8	0.9	0.9
Maintenance	0.7	0.7	0.7
Utilities and Fuels	1.8	1.8	1.9
Protection	1.0	2.4	2.5
Other Building Services	0.5	0.5	0.6
Administrative - RE&F	3.6	4.3	4.5
Repairs (over \$10,000)	0.2	0.5	0.5
Reimbursable Services (Above Std.):			
Cleaning	0.8	0.9	0.9
Maintenance	0.2	0.2	0.2
Utilities and Fuels	2.7	3.1	3.1
Protection	8.2	9.4	9.5
Space Adjustments and Other	3.2	3.5	3.6
Administrative	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0
Total Operating Expenses:	23.7	28.2	28.9
Cost of Services:	23.7	28.2	28.9
Net Operating Results	0.0	0.0	0.0
Accumulated Operating Results:	0.0	0.0	0.0

**\*NOTE: Revenue determined based upon percentage of completion method of revenue recognition. Revenue reflects Work-in-Place/Delivered Orders/Accrued Cost vice Orders Received.**