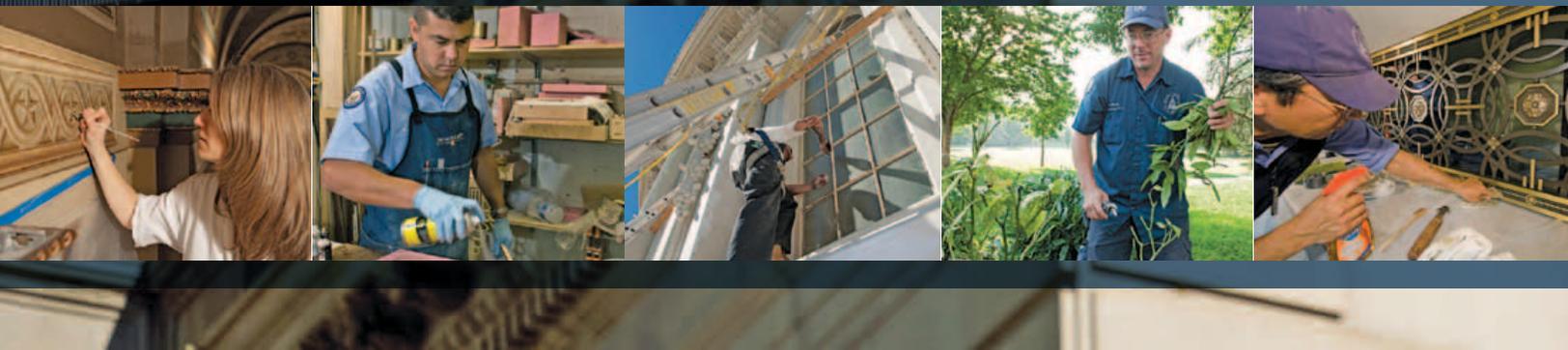


2011
Architect of the Capitol

Performance and Accountability Report

SERVING, PRESERVING AND SUSTAINING THE CAPITOL





The AOC At-A-Glance



A Fiscal Year 2011 Performance and Financial Summary Report to Congress and the Citizens of the United States

DID YOU KNOW?

- The AOC serves as the builder, caretaker and curator of many of the nation's most iconic buildings. These include the Capitol, the Supreme Court, three Senate Office Buildings, four House Office Buildings, three Library of Congress buildings, the U.S. Botanic Garden Conservatory and Administrative Building and other support facilities.
- Dr. William Thornton, whose design for the Capitol was selected by President George Washington, is honored as the first Architect of the Capitol.
- The Architect of the Capitol serves a 10-year term following the recommendation of a bipartisan, bicameral, congressional panel, appointment by the President and confirmation by the Senate.
- The Capitol Complex Master Plan guides AOC in its mission to maintain, renovate and develop the Capitol over a 20-year period. Work on an updated plan is scheduled for completion in FY 2012.
- AOC heritage assets include works of art located throughout the Capitol complex and range from bronze and marble statues to oil portraits and fresco murals. This fiscal year, a statue of President Gerald Ford was added to the Statuary Hall collection and the Bartholdi Fountain was installed after a three year restoration project.
- The 580,000 square foot Capitol Visitor Center has welcomed more than six million visitors since its opening in December 2008. The CVC is the largest expansion of the Capitol in the building's history.
- The Capitol Power Plant celebrated 100 years of operation in December 2010. The plant operates year round to provide steam and chilled water service to heat and cool the Capitol and 23 other facilities located on or near Capitol Hill.
- The Library of Congress is the largest library in the world with facilities covering nearly 3.8 million square feet. The AOC manages the day-to-day facility operations and structural, mechanical and electrical care for these facilities.

WHO WE ARE

Architect of the Capitol

What We Do:

The Architect of the Capitol (AOC) is a nonpartisan, professional services office with oversight

of 17.4 million square feet of facilities and 620 acres of grounds on Capitol Hill and the surrounding area. The AOC is responsible for the maintenance, renovation and new construction of the buildings and grounds within the Capitol complex.

Established: The AOC was formally established by congressional legislation in 1876.

Branch of Government: Legislative.

Mission: Provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Leadership: The Honorable Stephen T. Ayers, AIA, LEED AP, Architect of the Capitol.

Number of Full-Time Equivalents (FTEs):

The AOC employed 2,440 FTEs as of September 30, 2011.

Budget Authority: The AOC's FY 2011 budget authority was \$600.4 million.

Website: <http://www.aoc.gov>





OUR STRATEGIC FOCUS

GOAL 1

Congressional and Supreme Court Operations Support

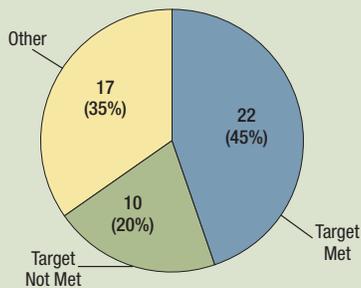
GOAL 2

Heritage Asset Stewardship

GOAL 3

Leadership and Administrative Support

FIGURE 1: Summary of FY 2011 Strategic Goal Performance Results



THE YEAR AT A GLANCE: FISCAL YEAR 2011 PERFORMANCE HIGHLIGHTS

Fiscal Year 2011 Accomplishments: Serving, Preserving and Sustaining the Capitol

Serving Congress, the Supreme Court and the Public

The AOC continues to demonstrate its ability and dedication to serving Congress, the Supreme Court, the American public, and visitors to the Capitol.

- Hundreds of AOC employees worked around the clock to move the offices of 216 congressional members and their staffs after the November 2010 mid-term elections. AOC staff accomplished these moves without disruption to Congress and achieved a customer satisfaction rating in the mid-90 percent range.
- The Capitol Visitor Center welcomed its six-millionth visitor since opening its doors in 2008. The AOC also launched an online 360 degree virtual tour of the Capitol, featuring an interactive map of the entire Capitol complex. The Virtual Capitol won a prestigious 2011 Webby Award for Internet excellence for government websites.
- For the seventh consecutive year, AOC received an unqualified independent auditor's opinion on its financial statements, demonstrating AOC's continued commitment to strong fiscal stewardship.

Preserving the Capitol Facilities and Grounds

The AOC preserves the historic Capitol facilities and grounds while providing Congress with safe, comfortable, efficient, and modern office environments.

- The AOC completed its three-year restoration of the historic cast-iron Bartholdi Fountain. The restored fountain was returned to Bartholdi Park in May 2011.
- The AOC continued to make progress on the phased restoration of the Capitol Dome by painting the Dome's exterior to preserve its cast-iron surfaces. Rehabilitation of the Dome's skirt began in September 2011 and is scheduled for completion in October 2012.
- The AOC continued its conservation efforts on various murals, including the Blashfield mural *Human Understanding* in the Thomas Jefferson Building. The AOC also implemented a new long-term statue conservation and maintenance contract.

Sustaining the Capitol

The AOC continues to implement a long-term strategy to sustain operations in an environmentally safe and progressive manner while reducing resource consumption.

- The AOC developed a contract for a combined heat and power, or cogeneration, system that will ultimately reduce AOC's reliance on public utilities while providing a significant energy savings. Construction, following congressional approval, is expected to begin in FY 2012.
- The AOC implemented the use of outside air during the winter to generate chilled water in lieu of an electric powered chiller, realizing energy reduction of three million kilowatt hours and \$360,000 in savings in the Capitol Power Plant.
- The AOC continued installation of energy meters in the buildings serviced by the Capitol Power Plant. These meters allow AOC to track and identify energy usage and implement energy savings measures.

FISCAL YEAR 2011 FINANCIAL HIGHLIGHTS

Financial Highlights

TABLE 1: Selected Financial Data for FY 2011 and FY 2010 (\$ in millions)

SELECTED FINANCIAL DATA	2011	2010
Total Assets	\$2,519	\$2,498
Total Liabilities	\$295	\$309
Net Position	\$2,224	\$2,189
Annual Net Position Change	2%	4%
Inventory Turnover (Cost of Goods Sold/End Inventory)	1.70	1.28
Days Inventory (365 days/Turnover)	215 days	285 days
Ratio of Debt to Net Position	1:7.53	1:7.09
Revenues	\$56	\$48
Net Cost of Operations	\$577	\$574
Actual FTEs at Fiscal Year-End	2,440	2,490

Independent Audit Results

An independent audit of the AOC's financial statements resulted in a clean audit opinion in FY 2011.

TABLE 2: Summary of Independent Auditor's Internal Control Findings

CATEGORY	FY 2011 AUDIT FINDING
Material Weaknesses	Internal Control Assessment
Significant Deficiencies	Information Technology



FIGURE 2: Source of Funds

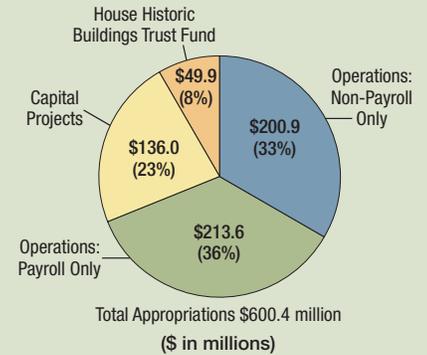


FIGURE 3: Use of Funds by Strategic Goal

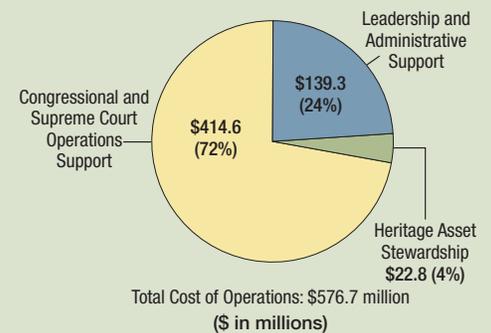


FIGURE 4: Summary of Total Assets

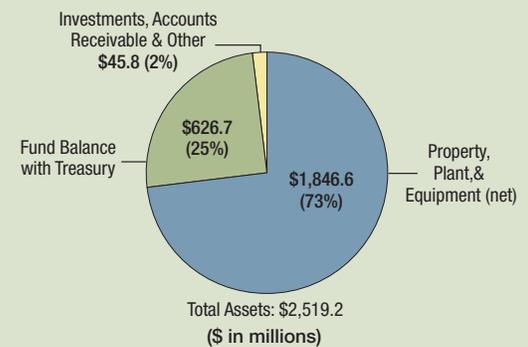
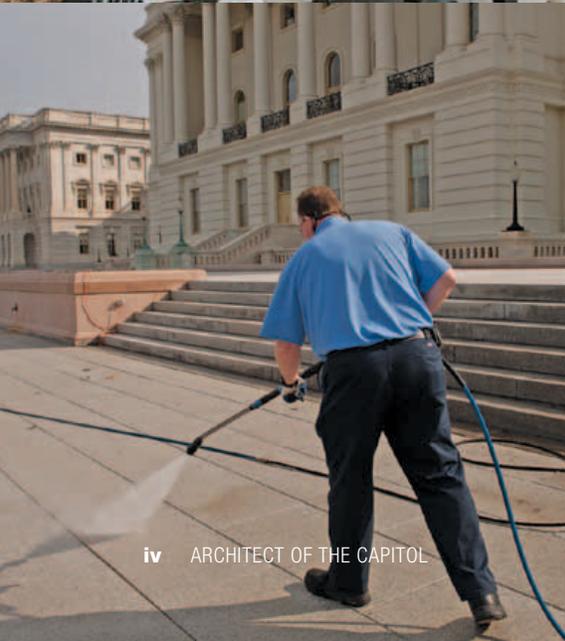


FIGURE 5: Summary of Total Liabilities





WHAT'S NEXT? Future Challenges and Priorities

Management Challenges

- **Deferred Maintenance Backlog and Capital Renewal Requirements** — Constrained fiscal resources impact AOC's ability to meet the continually increasing deferred maintenance and capital renewal requirements of the buildings, grounds and other heritage assets of the Capitol. The AOC's FY 2011 deferred maintenance backlog and capital renewal requirements are estimated at \$1.5 billion.
- **Energy Stewardship and Sustainability** — The AOC is required to meet annual reductions in energy consumption. Although AOC has met these reduction goals through FY 2011, to meet future energy targets, AOC may need to undertake costly and long-term sustainability programs or energy reduction initiatives.
- **Physical Security of Facilities** — Protecting AOC's facilities and their occupants from external threats remains a daunting challenge. Keeping the Capitol facilities safe, secure and accessible, while also minimizing the impact of security procedures on productivity and the achievement of AOC's mission objectives remains an ongoing organizational challenge.
- **Safety and Health of Facilities and Workers** — The AOC must ensure its facilities and operations meet modern life-safety and health standards for its workers and the millions of people who visit every year. The advanced age of many facilities, coupled with the need to preserve their historical integrity and support the daily business needs of Congress in a safe manner, makes this a continual challenge for AOC.
- **Performance Management** — Sustained progress towards achieving the transformation of AOC's business culture remains a key challenge. The AOC has undertaken many efforts to develop tools to measure results, improve performance management, increase accountability and support performance improvement. A challenge remains, however, in integrating the various tools throughout the planning, programming, measurement and reporting cycle so that management is fully informed and can make decisions that will improve mission delivery.
- **Office of Inspector General Management Challenges** — The AOC Inspector General (IG) identified additional challenges facing the organization. These include: enhancing internal controls; policy atrophy and enforcement; delays in implementing the IG's recommendations; establishing an ethics program with AOC-wide ethics training; and improving human capital management.

For more information about the Architect of the Capitol, visit our website at: <http://www.aoc.gov/>

For more information about the U.S. Botanic Garden, visit the website at <http://www.usbg.gov/>

Capitol tours are free and may be booked in advance at: <http://www.visitthecapitol.gov/> or by calling 202.226.8000.

Table of Contents



THE AOC AT-A-GLANCE	i	BEHIND THE SCENES: LIBRARY BUILDINGS AND GROUNDS	78
Did You Know?	i		
The Year at a Glance:			
Fiscal Year 2011 Performance Highlights	ii	SECTION III: FINANCIAL INFORMATION	83
Fiscal Year 2011 Financial Highlights	iii	A Message from the Chief Financial Officer	83
What's Next? Future Challenges and Priorities	iv	A Message from the Audit Committee	85
		AOC Inspector General Transmittal	86
TABLE OF CONTENTS	v	Report of Independent Auditors	87
		Independent Auditor's Report on Internal Control	89
2011 PERFORMANCE AND ACCOUNTABILITY REPORT	vii	Independent Auditor's Report on Compliance and Other Matters	97
		Architect Response to the Inspector General	99
INTRODUCTION	1	Financial Statements	100
How this Report is Organized	1	Notes to Financial Statements	104
A Message from the Architect of the Capitol	2	Required Supplementary Information	117
		SECTION IV: OTHER ACCOMPANYING INFORMATION	129
SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS	5	Summary of Financial Statement Audit and Management Assurances	129
Our History	5	The Inspector General's Statement of Management Opportunities and Performance Challenges	130
Our Mission and Organization	7	Financial Management System Summary	141
AOC Mission and Program Areas	15	APPENDICES	145
Performance Highlights	17	Appendix A: AOC Jurisdictions' Key Accomplishments	145
Management Challenges and Looking Ahead	30	Appendix B: Revised Performance Metrics	156
Management Assurances and Other Financial Compliances	35	Appendix C: List of Major AOC Facilities	158
Architect's FMFIA Statement of No Assurance	37	Appendix D: Websites of Interest	160
Financial Highlights	38	Appendix E: Acknowledgements	161
		Appendix F: List of Abbreviations and Acronyms	162
SECTION II: PERFORMANCE INFORMATION	47	MAP OF AOC FACILITIES	Inside Back Cover
Introduction	47		
Data Validation	48		
Strategic Goal 1: Congressional and Supreme Court Operations Support	49		
Strategic Goal 2: Heritage Asset Stewardship	58		
Strategic Goal 3: Leadership and Administrative Support	63		
Jurisdiction Priorities and Achievements	74		

<http://www.aoc.gov>



2011

Performance and Accountability Report



SERVING, PRESERVING AND SUSTAINING THE CAPITOL

About this Report

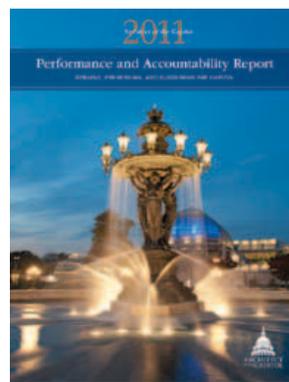
This *Performance and Accountability Report* (PAR) provides the results of the Architect of the Capitol's (AOC) program and financial performance for Fiscal Year (FY) 2011. It demonstrates AOC's commitment to the accomplishment of its mission and provides accountability for its financial resources to Congress, the Supreme Court, the public and other stakeholders. The AOC is a Legislative Branch Office and, as such, is not subject to the laws and regulations that establish the financial management and reporting requirements for the Executive Branch. Therefore, AOC is not required to adopt policies implementing these laws. The AOC is, however, committed to ensuring that the information included in this report complies with the spirit of transparency and accountability. The AOC references Executive Branch legislation as a general guide for its financial management best practices. Such legislation includes:

- Federal Managers' Financial Integrity Act of 1982
- Chief Financial Officers (CFO) Act of 1990
- Government Performance and Results Act of 1993
- Government Management Reform Act of 1994
- Reports Consolidation Act of 2000

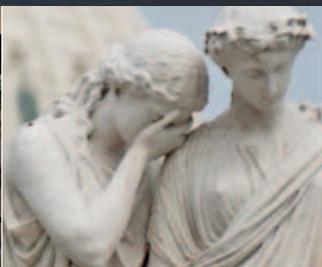
- Accountability of Tax Dollars Act of 2002
- Improper Payments Information Act of 2002

This Performance and Accountability Report and prior years' PARs are available electronically on AOC's website at <http://www.aoc.gov/aoc/cfo/index.cfm>. Feedback on the form and content of this report may be submitted to: Architect of the Capitol; Ford House Office Building, H2-205; 2nd & D Street, SW; Washington, D.C. 20515 (ATTN: Accounting Division—PAR). Feedback may also be made by phone (202.226.2552) or e-mail (jpeter@aoc.gov).

About the Cover



In Fiscal Year 2011, AOC finished a complete restoration and renovation of Frédéric Auguste Bartholdi's historic "Fountain of Light and Water" and its basin. The cast-iron fountain was returned to Capitol Hill in May 2011 and reinstalled in the Bartholdi Park on the grounds of the U.S. Botanic Garden.



Introduction



HOW THIS REPORT IS ORGANIZED

The AOC's 2011 PAR provides financial and performance information for the fiscal year beginning October 1, 2010, and ending on September 30, 2011. The AOC publishes this report to demonstrate commitment to its mission, accountability to Congress and the American people, and to provide a transparent discussion of AOC's operations, accomplishments and challenges. The FY 2011 PAR begins with a citizen-centric executive summary titled, *AOC At-A-Glance*, and a message from Architect of the Capitol, Stephen T. Ayers, AIA, LEED AP. The PAR contains four main sections and several appendices.

Section I: Management's Discussion and Analysis

Section I includes a brief history of AOC and its mission, vision and values. It contains a description of AOC's organizational structure and strategic framework. This section highlights AOC's performance and key accomplishments in each of its mission areas and major programs. This section provides management's assessment of future challenges and assurances on AOC's internal controls. Section I also highlights AOC's financial results.

Section II: Performance Information

Section II includes AOC's approach for managing and assessing performance and how AOC assures the validity of the data. It outlines AOC's strategic goals and objectives and details the key performance measures. Performance targets are compared to actual results and trend data is highlighted where available.

Section III: Financial Information

Section III begins with messages from AOC's Chief Financial Officer and Audit Committee. The section includes the independent auditor's reports and audited financial statements and footnotes. The *Required Supplementary Information* provides unaudited information on AOC's heritage assets and deferred maintenance.

Section IV: Other Accompanying Information

Section IV summarizes the results of AOC's financial statement audit and management assurances related to the effectiveness of its internal controls and financial management systems. The section also contains the Inspector General's Statement on AOC's management and performance challenges.

Appendices

The appendices include data that supports the main sections of the PAR. Appendix A provides a listing of AOC's key FY 2011 accomplishments and FY 2012 priorities for each jurisdiction. Appendix B contains a list of performance measures that AOC is no longer tracking. Additional appendices provide lists of websites of interest and acronyms.

Inside Back Cover

The inside back cover contains a foldout map of the major facilities and grounds for which AOC has stewardship responsibility.

A MESSAGE FROM THE ARCHITECT OF THE CAPITOL



The Honorable Stephen T. Ayers, AIA, LEED AP,
Architect of the Capitol

I am pleased to present the Architect of the Capitol's (AOC) Fiscal Year (FY) 2011 Performance and Accountability Report (PAR). The PAR is our principal publication to Congress and the American people on our operational record and financial stewardship of the public funds with which we have been entrusted. This report provides information on AOC's FY 2011 financial and program performance and highlights many of our achievements. The AOC has several diverse responsibilities with one unique mission — supporting the missions of Congress and the Supreme Court by meeting their operational and facility needs, while also preserving and sustaining the historic structures and assets entrusted to our care. Fiscal Year 2011 exemplifies the successes and challenges facing AOC every day.

Key Accomplishments

For the seventh consecutive year, AOC financial statements received a clean audit opinion from an independent auditor. This year, the auditor cleared one material weakness and consolidated two significant deficiencies into one significant deficiency. The AOC is committed to implementing the recommendations identified by our independent auditor, mitigating existing risks and effectively safeguarding the assets entrusted to us.

In addition, as a result of the mid-term November 2010 elections, AOC was faced with an historic number of congressional office and committee moves. The 112th Congress ushered in 16 new Senators and 93 new Representatives. This translated to more than 216 congressional members and their staffs changing office locations. To address these post-election relocations, we modified our staffing to utilize more temporary labor, which resulted in significant cost-savings.

Fiscal Year 2011 also brought completion and advancement of numerous major projects, including the return of the U.S. Botanic Garden's historic cast-iron Bartholdi Fountain. Other ongoing projects include the multi-year Capitol Dome restoration project, the renovations on the House underground garages and the Capitol Power Plant cogeneration project. The Botanic Garden continued its participation in the Sustainable Sites Initiative (SITES) and was requested by the President's Council on Environmental Quality to write sustainable site guidelines for Federal government facilities.

The AOC continued to promote an enhanced visitor experience at the Capitol. In July 2011, the Capitol Visitor Center (CVC) welcomed its milestone six-millionth visitor. The AOC's online Capitol tour, featuring a photorealistic interactive map of the entire Capitol complex, won a prestigious Webby Award in 2011 for excellence on the Internet. The AOC also further refined the CVC operations by including improved signage for visitors and new outreach tools.

Management Opportunities and Challenges

The growth of AOC's responsibilities, coupled with an aging facilities infrastructure and expected budget limitations, has made our mission to preserve and sustain the Capitol increasingly challenging. To ensure success and to meet this challenge, we adopted a sustainment model to evaluate each initiative against our primary mission of supporting Congress and its priorities and implementing efficiencies to minimize the amount of government resources spent. These new business practices set clear targets and goals through which AOC can measure progress and continue to meet its responsibilities in a more efficient and cost-effective manner.

To continue to achieve our mission, we must deploy limited resources more efficiently. At present, AOC faces a ten-year, \$1.5 billion backlog of deferred maintenance and capital renewal projects. These projects, if unaddressed, could greatly impact safety and security. To meet this backlog, we will continue to systematically prioritize our projects based on the condition of the facilities and the level of maintenance required to ensure the facilities remain viable working environments.

The AOC remains committed to strong corporate governance and we regularly scrutinize our business practices to identify opportunities to work more effectively and efficiently, reduce costs and improve our management. While we have recorded seven consecutive clean audit opinions, we recognize that a clean financial statement audit is merely one step towards effective fiscal stewardship.

Perhaps more indicative of our financial management progress is the improvements AOC made this fiscal year on our Internal Control Program. Internal controls include processes for planning, organizing, directing, controlling and reporting on AOC operations. Since the last audit report, AOC completed vulnerability assessments across the organization and documented the existing risks. Going forward, AOC is developing the tools that will allow us to validate our risk assessments and test and monitor the controls.

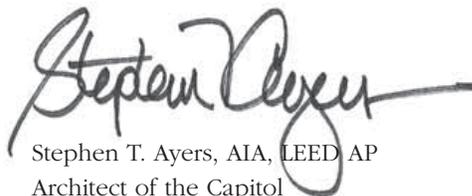
Internally, AOC's Inspector General has identified other areas that pose challenges for our organization. These

include: enhancing internal controls; policy atrophy and enforcement; delays in implementing the OIG's recommendations; establishing an ethics program with AOC-wide ethics training; and improving human capital management.

With FY 2011 being the final year of AOC's current five-year Strategic and Performance Plan, we have developed a new Strategic Plan to build on the past accomplishments and set the framework for improved efficiency and continued success. The new plan was designed through a grassroots methodology and includes significant contributions from AOC employees, reflecting the value we place on our people. We look forward to sharing the plan with our stakeholders in the coming months.

I would like to personally thank our employees who are committed to this organization's success. AOC's ability to sustain our excellent service levels, even when the events were sometimes uncertain, is a result of our employees' special dedication, knowledge, skills and experience. The AOC's employees work around the clock to provide a safe and accessible environment for all who work at and visit the Capitol and will continue to do so with pride and dedication no matter the challenges ahead. This report exemplifies the type of transparency and accountability that is at the heart of AOC's mission. I provide my assurance that the financial and performance data presented herein are complete, reliable and accurate. I am honored to serve as Architect of the Capitol and take pride in leading AOC's dedicated men and women who serve Congress, the Supreme Court and America with distinction.

Sincerely,



Stephen T. Ayers, AIA, LEED AP
Architect of the Capitol
December 9, 2011



Management's Discussion and Analysis

OUR HISTORY

The Architect of the Capitol's history is rooted in a tradition of skilled craftsmanship and building ingenuity. The AOC serves as steward of many of the nation's most iconic landmark buildings. Today, AOC has a budgeted staff of 2,440 employees who maintain 17.4 million square feet of building space and more than 620 acres of grounds.

The AOC traces its origin to the Board of Commissioners appointed by the President under the Residence Act of 1790, which was given the responsibility to design a federal city and "provide suitable buildings for the accommodation of Congress." In 1802, Congress transferred the duties of the Board of Commissioners to a single Superintendent. The Commissioner of Public Buildings held responsibility for the care and maintenance of all public property including the Capitol and its grounds until 1867 when the position was abolished and its duties were combined with those of the Architect of the Capitol Extension.¹ In 1876, legislation formally established the Architect of the Capitol as a permanent part of the federal Legislative Branch.² Until 1989, the position was filled by presidential appointment for an indefinite term. Current legislation limits the Architect's term of office to 10 years.³ The present Architect of the Capitol, Stephen T. Ayers, AIA, LEED AP, has held the position since 2010. Mr. Ayers is the 11th Architect of the Capitol.

The AOC's responsibilities have increased with the growth of Congress. By 1867, less than 70 years after

Congress first occupied the Capitol, the building had tripled in size. In the 20th century, AOC's stewardship holdings witnessed further significant growth. Early additions to the Capitol complex included the Cannon House Office Building, Russell Senate Office Building and the Capitol Power Plant. In 1922, Congress transferred responsibility for the care and maintenance of the Library of Congress' Thomas Jefferson Building to AOC. The AOC received administrative responsibility for the U.S. Botanic Garden facility in 1934 and the Supreme Court Building in 1935. The AOC also oversaw the Capitol's East Front extension (1955–1962), West Front restoration (1983–1987) and Capitol Visitor Center construction (2000–2008) along with the building of several new congressional office facilities such as the Longworth and Rayburn House Office Buildings and Dirksen and Hart Senate Office Buildings. Figure 6 shows the growth of AOC's facility stewardship responsibilities.

Though most AOC facilities are located on or near Capitol Hill, some critical new additions are located off-site.⁴ Appendix C itemizes the major facilities managed by AOC. Though the basic duties are unchanged, AOC's work has become more diverse and sophisticated as its responsibilities have expanded. The AOC's employees serve in varied roles applying both modern techniques and historic crafts to maintain and preserve the Capitol. Keeping pace with fast-evolving technology, security needs and sustainability requirements, while preserving the historic buildings, are part of the present-day AOC mission.

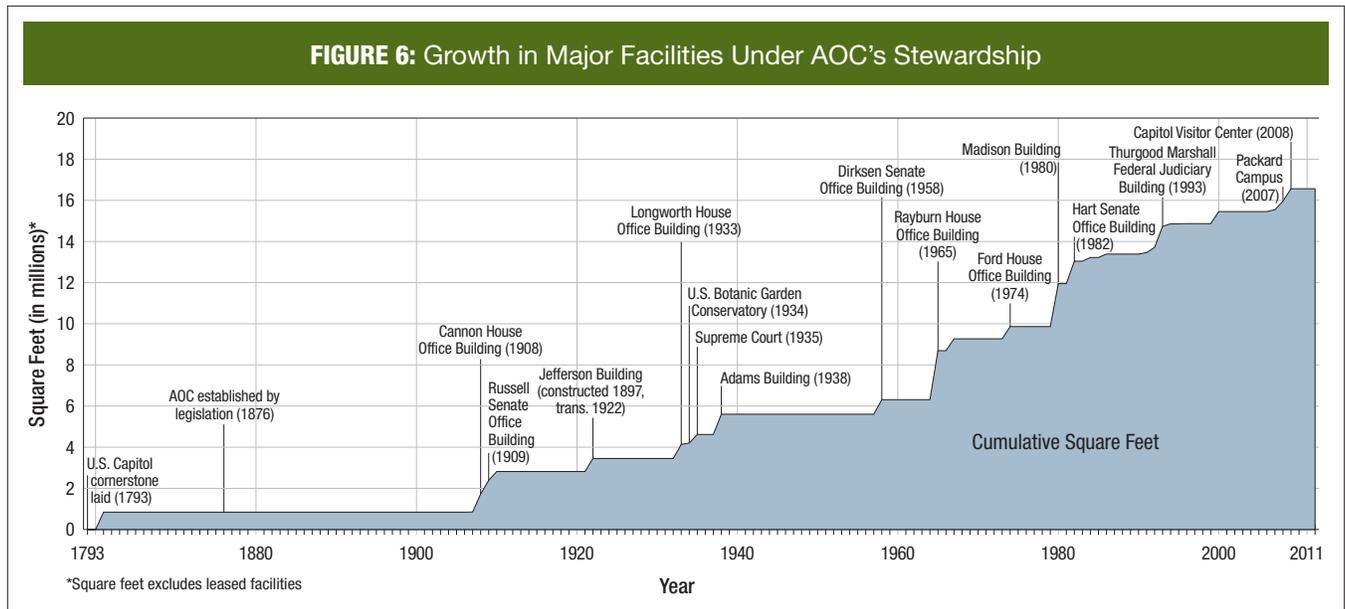
¹ The word "Extension" was subsequently dropped, simplifying the title to the "Architect of the Capitol."

² 40 USC §§162, 163.

³ 40 USC §162-1.

⁴ Recent additions include the Packard Campus for Audio-Visual Conservation in Culpeper, Virginia, the Fort Meade Book Storage Modules in Anne Arundel County, Maryland and 12 acres of land recently transferred from the District of Columbia.

FIGURE 6: Growth in Major Facilities Under AOC's Stewardship



In Memoriam

George M. White, Ninth Architect of the Capitol, and William L. Ensign, Acting Architect of the Capitol and Assistant Architect

Former Architect of the Capitol George M. White passed away on June 17, 2011. Mr. White served as the Architect of the Capitol from 1971 to 1995. Under his direction, the Capitol complex changed and grew with great purpose. During his tenure, Mr. White began the agency's conservation program and managed the restorations of the Capitol's Old Supreme Court and Old Senate Chambers and the partial restoration of National Statuary Hall. He also oversaw the construction of the Hart Senate Office Building, the Library of Congress' James Madison Memorial Building and the Thurgood Marshall Federal Judiciary Building. Mr. White had a deep appreciation for the Capitol and managed an extensive restoration of the Capitol Dome's Statue of Freedom in 1993. Recognizing the role of the Capitol as a landmark and symbol of American ideals, Mr. White created the Capitol's first master development plan.

Mr. William L. Ensign, who served as Assistant Architect of the Capitol under Mr. White from 1980 until 1995 and then as Acting Architect of the Capitol from 1995 until 1997, passed away on December 7, 2010. During his AOC tenure, Mr. Ensign oversaw the preparations for four Presidential Inaugurals, including the 1981 inauguration of President Ronald Reagan which was the first to be held on the West Front of



Former Architect of the Capitol, George M. White (right) and former Acting Architect of the Capitol, William L. Ensign (left) both passed away this past fiscal year. Recognizing the significance of the Capitol as a landmark and symbol of American ideals, Mr. White is credited with creating the Capitol's first master development plan.

the Capitol. He also directed the Capitol's West Front restoration and Courtyard Infill project and oversaw construction of Webster Hall and the Senate Child Care Center.

Both men left indelible marks on the AOC and the iconic landmarks entrusted to their care.



The AOC is responsible for preserving and maintaining the iconic architectural features of the U.S. Capitol, such as the dramatic, high-ceilinged Hall of Columns, while also providing Congress with safe, comfortable, efficient, and modern office environments.

OUR MISSION AND ORGANIZATION

Who We Serve

The Architect of the Capitol is the builder and steward of the nation's Capitol. The AOC serves the U.S. Congress, the Supreme Court, the Library of Congress and the Botanic Garden by ensuring the Capitol facilities support their missions. This high-profile and historic setting creates a multitude of fast-moving challenges. The AOC appreciates the vital importance and urgency of its mission and is committed to meeting the needs of the members of Congress, Justices of the Supreme Court, congressional and court staff, dignitaries, members of the visiting public and all others who call on the Capitol every day.

Our Mission

The AOC's mission is to provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Our Vision

The AOC will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining and enhancing the national treasures entrusted to its care.

Our Values

- **Service Excellence:** To provide superior service to our internal and external customers in a timely and efficient manner
- **Stewardship:** To be responsible and accountable for the care of the national treasures and properties entrusted to us
- **Integrity:** To be honest and sincere and to earn the trust of those we serve

- **Professionalism:** To adhere to the highest standards of practice applicable to the work we do
- **Creativity:** To be inventive and imaginative in the work we do
- **Loyalty:** To be faithful to the interests of the AOC, the United States Government and the public
- **Respect and Diversity:** To value the differences in all people and demonstrate loyalty to those who bring to the job varied backgrounds, talents, abilities, knowledge and skills
- **Teamwork:** To work in a cooperative and coordinated way with others to achieve our mission
- **Flexibility:** To be quickly adaptable to the needs of Congress

Our Organization

The AOC is a nonpartisan, professional services office of the Legislative Branch. The organization is led by the Architect of the Capitol, Stephen T. Ayers, AIA, LEED AP. The Architect serves as an official of the Legislative Branch, acting as both an officer and agent of Congress.⁵

The AOC provides a wide range of professional expertise and services to preserve and enhance the Capitol. The AOC serves Congress behind the scenes by anticipating and meeting their daily operational and facility needs. The organization preserves the Capitol's historic legacy while providing Congress a safe and efficient working environment. In addition to its facilities management services, AOC manages new construction, repair and renovation projects, as well as visitor services at the Capitol Visitor Center.

⁵ The Architect of the Capitol also serves as a member of several governing or advisory bodies, including the U.S. Capitol Police Board, Congressional Accessibility Services Board, Advisory Council on Historic Preservation, National Capital Memorial Advisory Commission and the District of Columbia Zoning Commission. The Architect also serves as an ex-officio member of the United States Capitol Preservation Commission and the National Building Museum and as the Acting Director of the U.S. Botanic Garden under the Joint Committee on the Library.

SECTION I: Management's Discussion and Analysis

The AOC's employees are its most important resource. They are responsible for the daily operations throughout the Capitol and each employee's contribution is essential to AOC's success. The AOC's diverse workforce is comprised of skilled laborers including custodians, gardeners, electricians, plumbers, upholsterers, carpenters, painters, masons and other craftspeople. The AOC is organized into 10 jurisdictions, plus several general administrative and centrally managed functions. The agency's general administrative and central management functions provide AOC-wide services such as accounting, human resources, information technology and project management. The AOC's organization chart is shown in Figure 7. As shown, all AOC jurisdictions and offices report to the Architect.

Throughout its history, AOC's workforce has grown to meet its expanding and distinct responsibilities. Today, AOC has a budgeted staff of approximately 2,440 Full-Time Equivalents (FTEs) made up of both permanent and temporary staff. Temporary labor is often utilized for work activities of limited duration such as construction projects and the biennial congressional office moves. Figure 8 details the distribution of on-board FTEs across the organization.

General Administrative and Central Management Functions

The AOC General Administrative offices, or central staff, support the entire organization. The General Administrative offices' responsibilities extend beyond typical agency overhead functions and include project planning, project management, safety and curatorial services. Figure 9 provides a summary of AOC's General Administrative net cost of operations for FY 2007 through FY 2011.

The major AOC General Administrative offices are discussed below in more detail.

Chief Operating Officer

The Chief Operating Officer (COO) is responsible for organization-wide strategic planning, performance management, quality management, worker safety, customer satisfaction and service quality. Through its Business Transformation Division, the COO brings greater focus to AOC's strategic goals and objectives and drives improved performance and accountability throughout the organization.

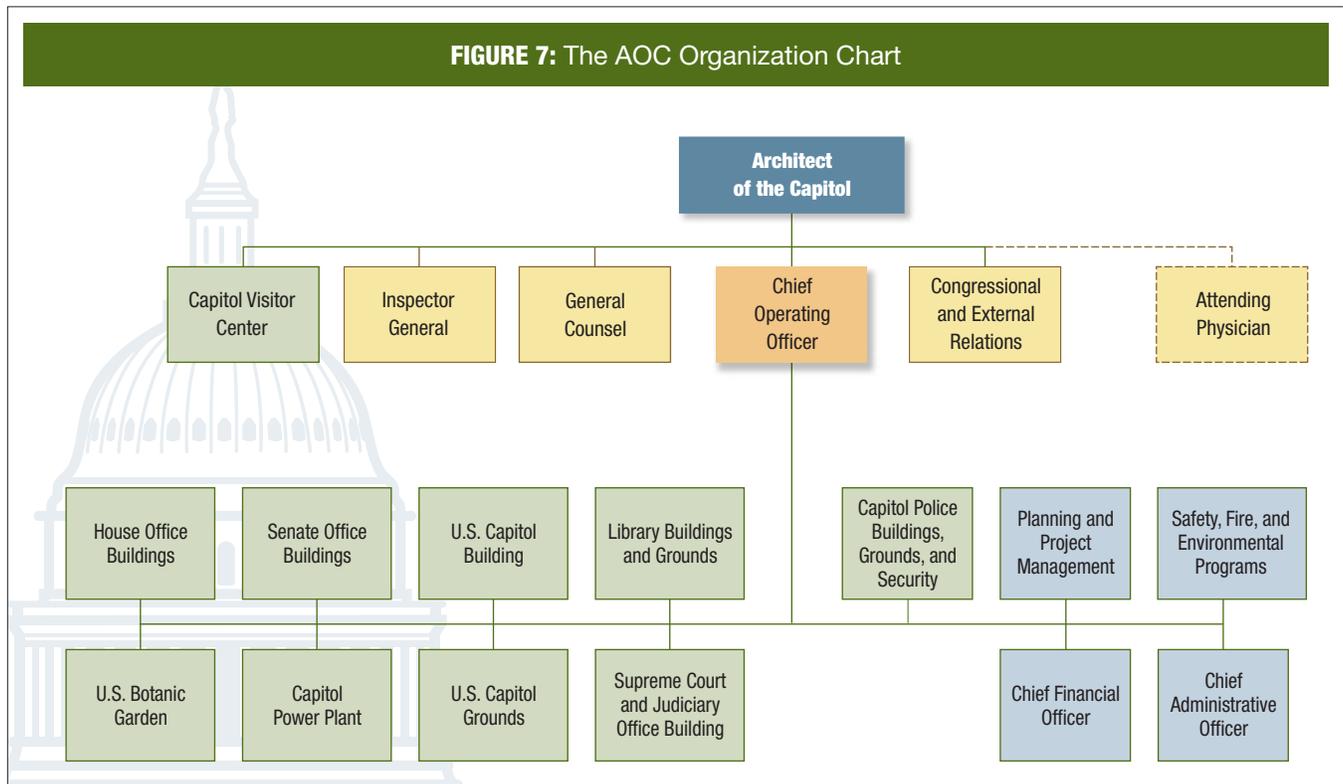
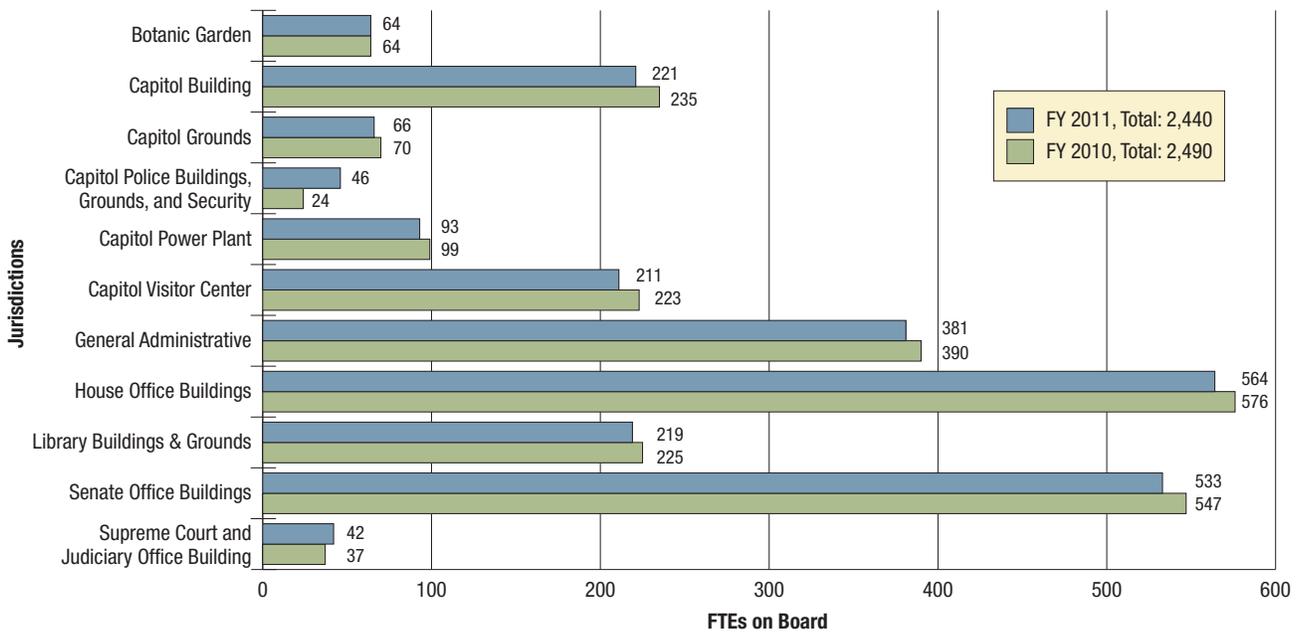


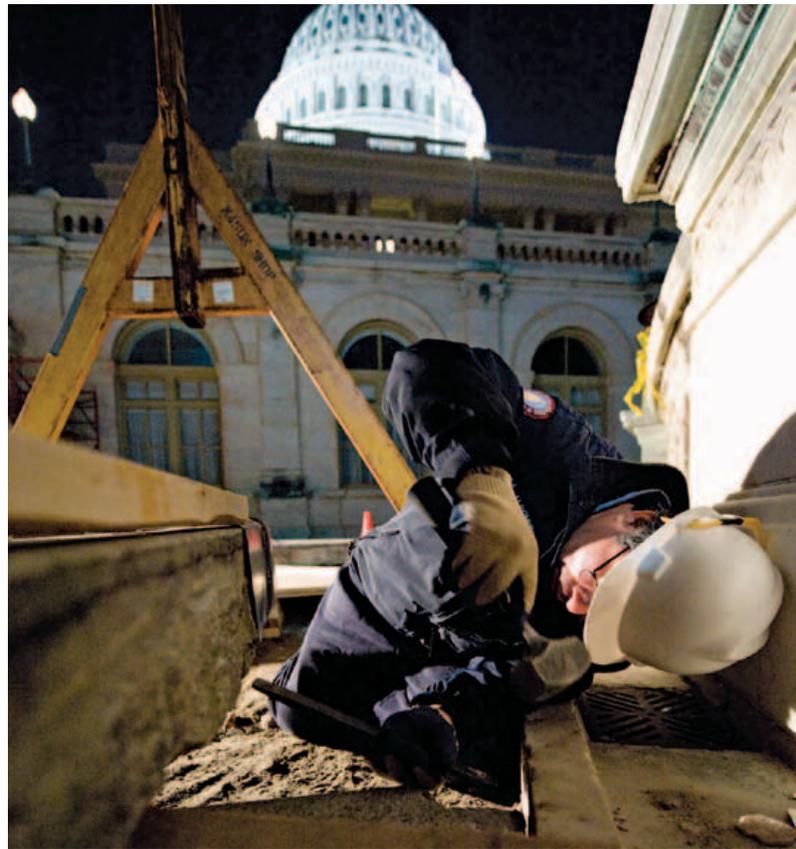
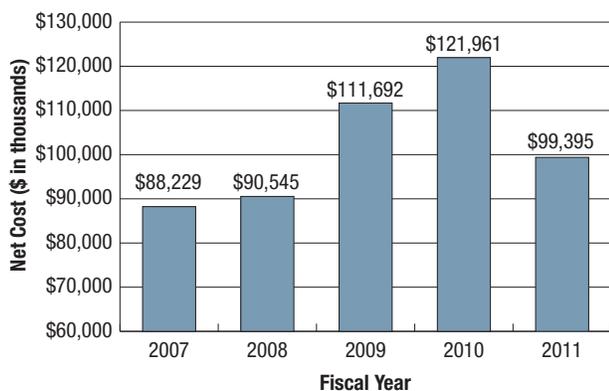
FIGURE 8: Actual FTEs by AOC Jurisdiction on September 30, 2011 and 2010



Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for ensuring sound financial stewardship as well as providing value-added analyses that provide insight into the financial implications of program decisions. CFO activities include accounting operations and reporting, managerial cost accounting, budget formulation and execution, financial systems and management, and internal controls. The CFO oversees the operations of three divisions (Accounting, Budget, and Financial Systems) and an Internal Controls Manager. The Chief Financial Officer is a non-voting member of AOC's Audit Committee.

FIGURE 9: General Administrative Net Cost of Operations



As builder and steward of the nation's Capitol, the AOC preserves the historic facilities while ensuring a safe environment for Congress and the visiting public.

SECTION I: Management's Discussion and Analysis

Chief Administrative Officer

The Chief Administrative Officer (CAO) provides administrative support to AOC. The CAO manages five divisions: Curator, Human Capital Management, Information Technology, Office Services and Acquisition and Material Management. The CAO's Curator Division oversees the care and conservation of architectural, fine and decorative art and includes the Records Management and Archives Branch, which manages AOC's historic records, and the Photography Branch, which documents Capitol events and maintains AOC's photo archive.

Planning and Project Management

The Planning and Project Management (PPM) organization manages AOC's capital planning and improvement efforts, provides architectural and engineering design and expertise and executes project and construction management and in-house construction services. PPM is comprised of six divisions: Project Management, Design Services, Technical Support, Facilities Planning and Programming, Construction, and a new Energy and Sustainability Office. PPM is responsible for Facility Condition Assessments, the Five-Year Capital Improvements Plan, the Capitol Complex Master Plan and other long-term planning and prioritization tools for AOC.

Safety, Fire and Environmental Programs

The Safety, Fire and Environmental Programs (SFEP) is responsible for ensuring AOC's compliance with safety, fire and environmental laws and regulations. SFEP, comprised of the Safety and Environmental and Fire Marshal Divisions, establishes policy, conducts oversight and coordinates emergency planning and preparedness. The SFEP is the primary point of contact with external regulatory agencies for AOC's occupational safety and health, fire protection and environmental matters.

General Counsel

The General Counsel (GC) provides legal counsel to the Architect, senior staff and others within the organization on matters involving procurement, contract claims, litigation, real property, the environment, employment, labor, occupational safety, occupational health and torts. The GC serves as AOC's supervising ethics office, reviews financial disclosure forms, represents the organization in administrative hearings and arranges for legal representation by the Department of Justice in judicial proceedings.

Congressional and External Relations

Congressional and External Relations is responsible for strategic communication initiatives, legislative affairs and media and community relations. The office oversees internal and external communications to members of Congress and their staffs, external parties such as the press, government agencies and the public.

Attending Physician

The Attending Physician, comprised of several health units throughout the Capitol, provides primary care, emergency, environmental and occupational health services in support of the Capitol, the Supreme Court, visiting dignitaries, staff and visitors to the Capitol.

Inspector General

The Inspector General (IG) is responsible for promoting the integrity, efficiency and effectiveness of AOC's operations and programs. The IG conducts independent audits and investigations, reviews existing and proposed legislation and regulations that may impact AOC activities and recommends policies to detect and prevent fraud, waste and abuse. The IG issues a semiannual report to the Architect and Congress to inform them about issues and the need for corrective actions relating to the administration of AOC's programs and operations. The IG is a non-voting member of AOC's Audit Committee.



A bronze statue of President Gerald R. Ford, the nation's 38th President, was added to the National Statuary Hall Collection in May 2011. Congressional leaders, members of the Ford family, and friends were on hand in the U.S. Capitol Rotunda to unveil the statue.

AOC Jurisdictions

The AOC has oversight responsibility for 10 jurisdictions across the Capitol. Organizationally, each jurisdiction forms a separate operating unit that is responsible for a designated physical area of the Capitol complex.

Each jurisdiction and their individual mission responsibilities are presented in this section of the Management's Discussion and Analysis (MD&A). A description of each jurisdiction's fiscal year accomplishments and priorities for next fiscal year is presented in Appendix A to this report. Appendix C provides a list of the major AOC facilities that fall under each jurisdiction's stewardship.

Botanic Garden

The U.S. Botanic Garden (USBG) is one of the oldest botanic gardens in North America. Established by Congress in 1820, it has been in continuous operation since 1850. The Architect of the Capitol serves as Acting Director of the USBG and reports on its operations to Congress. Since 1934, AOC has managed the maintenance, operations and construction improvements for the Botanic Garden along with the USBG facility manager. The USBG public areas include the Conservatory and approximately eight acres of surrounding gardens, which encompass the National Garden and Frédéric Auguste Bartholdi Park. The jurisdiction also includes an administration building and a plant production and support facility with 36 greenhouse bays, outdoor nursery areas, storage areas and maintenance shops.

The USBG serves Congress with stewardship of its diverse plant collection. The jurisdiction provides expertise in botany, botanical illustration, horticulture, and plant-based education for youth. The USBG also offers educational programs, tours, exhibits and consultations. The USBG is a leader in plant conservation and participates in national partnership programs to establish and encourage sustainable practices in design, construction, operations and maintenance of built landscapes. Its website (www.usbg.gov) provides up-to-date information on exhibits and educational programs.

Capitol Building

The Capitol is one of the most architecturally impressive and symbolically important buildings in the world. As a working building for the Federal Government's Legislative Branch and the meeting place for Congress for more than two centuries, the Capitol is the centerpiece of the Capitol complex. Its historic rooms, halls and ceilings serve as a showcase for American art and history.

The daily care and stewardship of the Capitol is entrusted to the Capitol Building jurisdiction (CB). The structural, mechanical and domestic care of the Capitol



AOC employees contributed over \$95,000 to the 2010–2011 Combined Federal Campaign.

includes the carpentry, construction, electrical, elevator, labor, heating ventilation and air conditioning, refrigeration, masonry, painting, plumbing, special events and flag office operations. Major programs include fire detection and protection management, occupational health and safety, indoor air quality, energy management, sustainability and recycling. The jurisdiction also manages the facility maintenance at the Capitol Visitor Center (CVC). The CB supports the legislative operations of Congress and assists congressional and committee staff, business visitors and the general public while preserving, protecting and enhancing this iconic landmark.

Capitol Grounds

The AOC Capitol Grounds jurisdiction (CG) is responsible for preserving and maintaining the landscape, plantings and infrastructure across Capitol Hill. The grounds immediately surrounding the nation's Capitol were expanded in 1874 under the oversight of the esteemed landscape architect Frederick Law Olmsted. Olmsted designed a circular pattern of walkways and drives with open lawns and tree plantings. The landscape design sought to create a peaceful, open and park-like landscape that would welcome visitors and provide a dignified setting for the Legislative Branch. Today, the Grounds encompass approximately 274 acres.

The jurisdiction's work includes routine and cyclic landscape maintenance (e.g., mowing lawns, weeding and watering seasonal plantings), comprehensive tree care and upkeep of the Grounds' supporting infrastructure, vehicles and equipment. Its support work includes maintaining 14 miles of sidewalks, seven miles of drives, parking lots, irrigation systems, ornamental fountains and the preservation and maintenance of historic stone walls and decorative

SECTION I: Management's Discussion and Analysis

features. The jurisdiction also provides snow and ice removal, trash collection, shuttle bus service and support for major events (such as the annual Summer Concert Series on the Capitol's West Front lawn).

Capitol Police Buildings, Grounds and Security

The Office of Security Programs (OSP) manages the Capitol Police Buildings, Grounds and Security (CPBG&S) appropriation. This office is responsible for the maintenance, care and operation of the buildings, grounds and security enhancements of the U.S. Capitol Police (USCP), the Alternate Computer Facility (ACF) and other related facilities. New facilities acquired in FY 2011 include the USCP Radio Mirror Site, Vehicle Maintenance/Hazardous Device Unit Facility and a 12-acre site for future development.

OSP is also responsible for centralized security operations. The AOC oversees and supports the USCP and other functions for policing, protecting and securing the congressional community and its visitors. This office is responsible for the delivery of unique, value-added, integrated support services that include all cross-jurisdiction security enhancements, the management of all AOC internal security programs and perimeter security kiosks and the coordination of interagency emergency preparedness.

Capitol Power Plant

The AOC Capitol Power Plant jurisdiction (CPP) is responsible for managing and operating the Capitol Power Plant.

The Power Plant operates 24 hours per day, 365 days per year to provide steam and chilled water service to heat and cool the Capitol, the Capitol Visitor Center and 22 other facilities located on or near Capitol Hill.

Commissioned in 1910, the Power Plant originally provided the Capitol with both steam and electricity. Today, the Power Plant provides steam and chilled water utility services to both congressional and non-congressional facilities (e.g., Union Station), the latter of which is provided on a reimbursable basis. The jurisdiction procures electricity from commercial suppliers. In addition to the central steam and refrigeration plants, the jurisdiction maintains an administration building and the tunnel distribution and metering systems required to deliver these utilities. The jurisdiction is responsible for the daily care, maintenance and operation of the Power Plant facilities. In addition, the CPP continues to implement operational changes and pursues modernization efforts to ensure the most cost effective and energy-efficient operations.

Capitol Visitor Center

The Capitol Visitor Center (CVC) is the newest addition to the Capitol. With 580,000 square feet of facility space, the CVC is the largest expansion of the Capitol in its history. The facility is located completely underground on the Capitol's East Front. The CVC provides a convenient and comfortable facility to introduce visitors to the Capitol and educate them about the work of Congress, the legislative



The AOC serves as the builder, caretaker and curator of many of the nation's most iconic buildings. Each of the AOC's jurisdictions is responsible for a designated physical area of the Capitol complex.

process and the building's art and architecture. The CVC includes permanent and rotating exhibits, a restaurant, two orientation theaters, a large auditorium and two gift shops.

The CVC has maximized public access while greatly enhancing the experience for the millions of visitors who come each year to walk the historic Capitol corridors and experience the legislative process. Through partnerships, outreach and a vibrant Web presence (www.visitthecapitol.gov), the visitor experience can begin for guests before they arrive at the Capitol. The CVC's facility maintenance operations are managed by the Capitol Building jurisdiction.

House Office Buildings

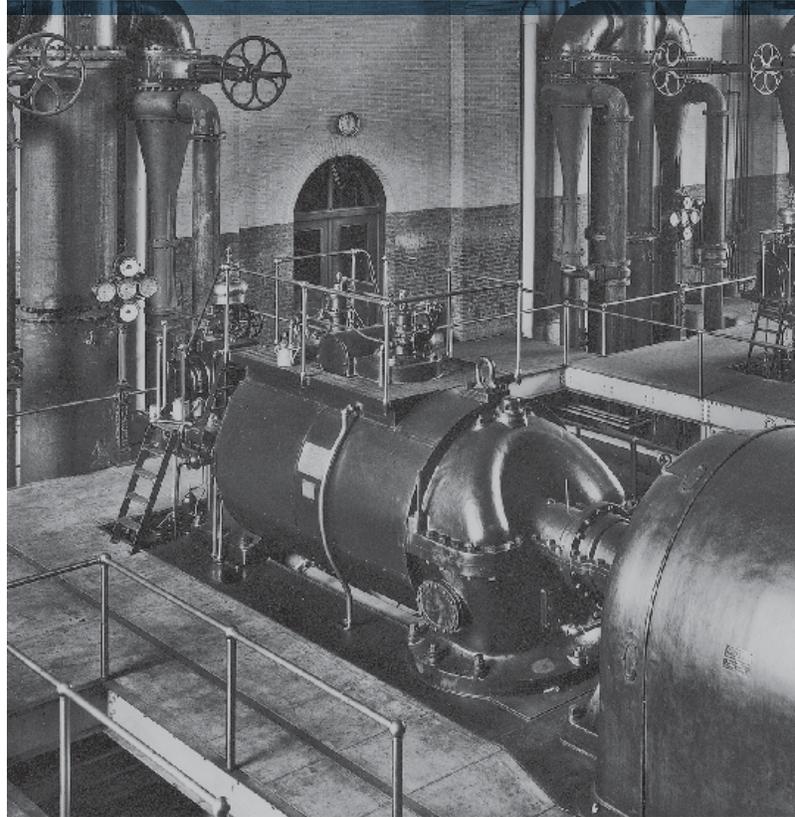
The House Office Buildings jurisdiction (HOB) provides office and committee space for the Members of the U.S. House of Representatives and their staffs. While the Capitol provided adequate office space throughout the 19th century, by the 20th century Congress had outgrown the Capitol. In 1908, the first congressional office building (later named the Cannon House Office Building after former Speaker Joseph Cannon) was constructed to meet the growing space requirements. Additional office buildings (Longworth and Rayburn) were completed in 1933 and 1965, respectively. Today, the jurisdiction is steward for the operation and maintenance of seven facilities.

Jurisdictional responsibilities include the daily domestic care, repair work and structural and equipment maintenance for the U.S. House of Representatives' office buildings, as well as underground garages, annexes and subways. Its work consists of client services, preventative maintenance, building inspector surveys, compliance issues abatement, energy savings initiatives, recycling programs and safety inspections. The jurisdiction also manages the biennial office move process to provide suitable office and committee space for House Members.

Library Buildings and Grounds

The Library of Congress was established in 1800 and resided in the Capitol for close to a century. In 1897, the Library of Congress Building (now named the Thomas Jefferson Building) was constructed and has since grown to be the largest library in the world — housing millions of books, recordings, photographs, maps and manuscripts. The library facilities have expanded to include nearly 3.8 million square feet of space, including book storage modules for long-term preservation in Maryland and the Packard Campus for Audio-Visual Conservation in Virginia for state-of-the-art preservation, storage and presentation of its audio-visual collections. The jurisdiction includes six main facilities.

FOCUS ON... Capitol Power Plant's 100 Years of Continuous Service



December 2010 marked the Capitol Power Plant's 100-year anniversary of providing utility services to the Capitol complex. Authorized in 1904 and placed in operation in December 1910, the Power Plant was built to supply steam and electricity to the Capitol, congressional office buildings, the Library of Congress and other public buildings. While electrical production ceased in 1951, the Power Plant has been expanded five times and has undergone significant changes in its 100-year history. The Plant was expanded in 1938 to house refrigeration units to provide air conditioning to the Capitol, the two existing House Office Buildings and the existing Senate Office Building. Today, the Power Plant serves as the central provider of steam and chilled water for heating and cooling the Capitol, the Capitol Visitor Center and 22 other Capitol Hill facilities. Many of the investments made in recent years, such as installation of new energy meters in the Capitol buildings and upgraded digital control systems, have resulted in greater energy efficiency at the Plant and throughout the Capitol complex. The Capitol Power Plant has been a critical component of AOC operations for 100 years — a role that will only increase in importance as AOC carries out its long-term energy conservation strategy.

SECTION I: Management's Discussion and Analysis

The Library Buildings and Grounds jurisdiction (LBG) is responsible for the day-to-day facility operations and structural, mechanical and electrical care for the Library facilities. Its facility management services include grounds care, maintaining HVAC, electrical systems, fire systems and trades work such as machine work, masonry, painting, plumbing, refinishing, sheet metal and wood crafting.

The *Behind the Scenes* section of this PAR includes photographs that showcase the architecture and art found throughout the Library Buildings and Grounds jurisdiction.



The AOC's jurisdictions provide a wide range of professional services to preserve and enhance the iconic structures and heritage assets found throughout the Capitol complex, including the ornate architecture and decorative painting found in the Capitol's Brumidi Corridors.

Senate Office Buildings

The Russell Senate Office Building (named for former Senator Richard Russell, Jr.) was constructed in the early-20th century to relieve overcrowding in the Capitol. This 1908 building, along with the Dirksen and Hart Senate Office Buildings (built in 1958 and 1982, respectively) form the core of the Senate Office Buildings jurisdiction (SOB). Today, this jurisdiction is comprised of over 2.5 million square feet of facility space (including office space, off-site storage buildings and the Senate subway transportation systems) to facilitate the business of the U.S. Senate.

The jurisdiction is responsible for the structural, mechanical and domestic care of eight facilities. In addition to providing facilities management and construction services to senators and their staffs, the jurisdiction also provides specialized services such as custom mill work, drapery design, custom furniture fabrication and furniture re-upholstery and repair. Client services include garage parking, historic preservation and congressional hearing and special events set-up. In addition, following each biennial election cycle, the jurisdiction manages the office move process to provide suitable office and committee space for each senator.

Supreme Court and Judiciary Office Building

After 134 years of meeting in the Capitol, most notably in the "Old Supreme Court Chamber" (1819–1860) and the "Old Senate Chamber" (1860–1935), the Supreme Court moved into its own building in 1936. The classically-inspired Supreme Court Building is among the most iconic Capitol Hill structures and is located across the street from the Capitol's East Front. In 1992, to meet the growing office needs of the Judicial Branch, the Thurgood Marshall Federal Judiciary Building (TMFJB) was constructed.

The AOC's Supreme Court jurisdiction (SC) is responsible for the facility operations and maintenance of both the Supreme Court Building and the TMFJB. Operational duties include building and grounds maintenance, historic preservation, construction and structural and mechanical care. All duties required for the operation and care of the Supreme Court Building are performed under the joint direction of the Marshal of the Supreme Court and the AOC Facility Manager's Office. Unlike other AOC jurisdictions, the funding to care for the Supreme Court Building and the TMFJB is appropriated by Congress to the Judicial Branch, which then reimburses AOC for its operating costs.



LEFT: The 112th Congress ushered in 16 new senators and 93 new representatives. After every election, hundreds of AOC employees are involved in facilitating the behind-the-scenes congressional office moves service. While the actual moves occur within a short time frame, the entire process begins more than a year in advance of the elections. **RIGHT:** During FY 2011, the AOC initiated a project to replace several sidewalks located throughout the Capitol Grounds, which were beyond repair.

AOC MISSION AND PROGRAM AREAS

The AOC mission is to provide Congress and the public with a wide range of professional expertise and services to preserve and enhance the Capitol complex and its related facilities. The AOC's *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011* provides three strategic goals in support of AOC's mission. The strategic objectives under goals one and two focus on seven principal program areas related to facilities operational support, project delivery, the preservation of heritage assets and historic structures, and visitor services. Goal three provides the administrative support foundation for AOC's service delivery. The AOC mission and program areas are connected to its three strategic goals, or mission areas, as shown in Table 3. For information on

the resources used to achieve AOC's Strategic Goals, see Figure 30 in the *Financial Highlights* section of this report.

Facilities Maintenance

The AOC supports congressional and Supreme Court operations by providing timely and high quality facilities maintenance services. Facilities maintenance activities encompass both planned and corrective maintenance. Planned, or preventative, maintenance includes facility inspections, regular maintenance and other routine, scheduled maintenance work. Corrective maintenance pertains to emergency maintenance tasks to address an unscheduled deficiency. A tremendous effort is required behind the scenes to keep the facilities operating efficiently to support the work of Congress and the Supreme Court.

TABLE 3: Strategic Goals and Objectives

STRATEGIC GOALS (MISSION AREAS)	OBJECTIVES (PROGRAM AREAS)
Goal 1: Congressional and Supreme Court Operations Support Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery and related services.	Facilities Maintenance
	Facilities Operations
	Client Services
	Project Delivery
Goal 2: Heritage Asset Stewardship The national treasures entrusted to the care of the Architect of the Capitol are maintained and preserved for present and future generations and visitors to the Capitol complex are provided an informative and inspiring experience.	Historic Preservation:
	(a) Preservation of Heritage Collections
	(b) Preservation of Historic Buildings, Landscape and Architectural Features
	Heritage Asset Presentation (i.e., Visitor Services)
	OBJECTIVES (SUPPORT SERVICES)
Goal 3: Leadership and Administrative Support The responsibilities of the Architect of the Capitol are fulfilled efficiently and effectively and accountability is enhanced through the provision of high-quality leadership and administrative support activities.	Leadership
	People
	Information
	Fiscal
	Material
	Safety, Fire, Emergency Preparedness, and Environmental Services
	Security Services

Facilities Operations

The AOC provides high quality services in direct support of congressional and Supreme Court operations. The AOC's day-to-day activities in support of this objective include custodial and housekeeping work, grounds care, road and walkway maintenance, snow removal and the provision of steam and chilled water utilities. Major programs included under facilities operations are energy conservation and sustainability, recycling and life-safety, fire and environmental preparedness.

Client Services

Client services include normal and special request services provided to AOC clients, their staffs, the public and other constituencies. Normal client services are typically initiated by a service call, written request or technician work order. Examples might include painting services, deliveries, picture framing and hanging shelves. Client services also include special event support and the biennial election year office moves. Regular surveys show that AOC consistently earns high satisfaction scores for its dedicated response to client requests.

Project Delivery

The AOC undertakes many projects in pursuit of its mission to preserve and enhance the Capitol. To effectively manage its capital asset portfolio, AOC aims to provide effective planning and efficient project delivery. Project delivery tasks include planning, programming, design, construction and the related management activities. Among the planning tools utilized for project delivery are the Capitol Complex Master Plan (CCMP), the Five-Year Capital Improvements Plan and independent Facility Condition Assessments. The prioritization process ranks projects based on the facilities' conditions, safety and regulatory compliance, security, mission, historic preservation, economics, energy efficiency and environmental quality.

Historic Preservation

The AOC ensures that the national treasures entrusted to its care are maintained and preserved for present and future generations. These historic treasures include not only the iconic congressional buildings and grounds, but also a large collection of artwork, architectural features, photographs, reference materials, library materials and living plant collections.

Heritage Asset Presentation

The AOC is responsible for providing a welcoming, informative and inspiring environment to those who visit the Capitol. The AOC provides tours, training and lectures to enhance the Capitol visitor experience. The AOC visitor service activities are primarily managed by the Capitol Visitor Center and U.S. Botanic Garden jurisdictions. Also included among its visitor service activities are the CVC's restaurant, gift shop and special events operations.

Leadership and Administrative Support

The AOC is responsible for high-quality leadership and administrative support activities. In addition to the traditional administrative support functions such as communications, financial, human resources, information technology, legal and procurement services, AOC also provides a number of cross-cutting services that are unique to the agency. Such services include safety, fire, environmental and security services that protect the well-being of the Capitol and those who work in and visit the Capitol complex.



The AOC maintains 620 acres of grounds on Capitol Hill. On a daily basis, AOC employees provide routine and cyclic landscape maintenance.



LEFT: AOC's Capitol Grounds staff clears snow and ice outside the U.S. Capitol in December 2010. **RIGHT:** Tours of the historic Capitol may be arranged directly through the U.S. Capitol Visitor Center using an online reservation system. Guided tours begin at the orientation theaters with a 13-minute introductory film. All Capitol tours begin and end at the Capitol Visitor Center.

PERFORMANCE HIGHLIGHTS

Strategic Plan Performance Framework

The AOC's *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011* (Strategic Plan) emphasizes the organization's mission areas and major programs and focuses on results. The performance reporting structure consists of three tiers: strategic goals (or mission areas), objectives (or major programs) and performance outcome measures. The performance outcome measures are based on the three strategic goals and 14 objectives shown in Table 3. A thorough analysis of the performance results for each performance measure is presented in the Performance Section of this report.

In developing the Strategic Plan, AOC considered various forces outside of its control that could significantly impact its plans and anticipated results over the five-year period. As such, the following assumptions were made in the Plan's development:

- Funding will increase to enable achievement of goals and implementation of strategies.
- Facilities cannot shut down (i.e., continuity of operations).

In addition, it should be noted that:

- Baseline data for many of the performance measures was not available when initial targets were set. As data becomes available, AOC's targeted levels of performance are adjusted accordingly.
- Cycle times measure activities across the entire organization and are not limited to any one division or jurisdiction.
- Strategic goals and performance measures apply across the organization, unless otherwise noted.

The Strategic Plan contains 32 performance outcome measures created to achieve AOC's strategic goals. The AOC developed interim and annual performance targets for each measurable outcome where possible. In addition, AOC has operational metrics that are used to manage day-to-day decisions and drive change.

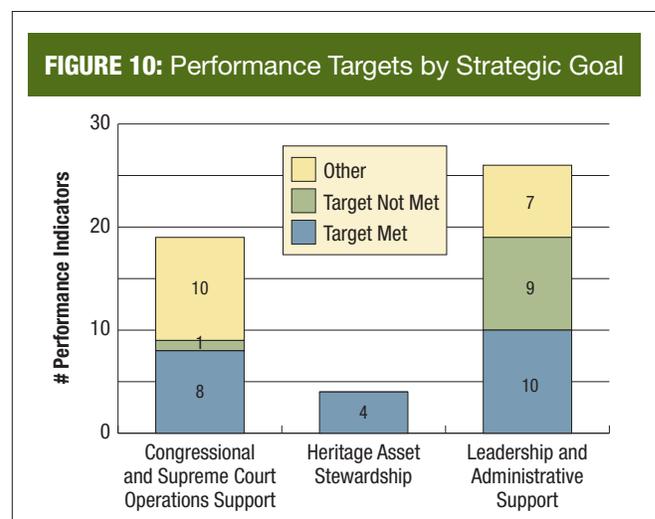
The breakdown of the performance measures are provided in Table 4.

TABLE 4: Performance Measures Breakdown

AOC Strategic Goal	Outcome Measures	Performance Indicators*
Congressional and Supreme Court Operations Support	15	19
Heritage Asset Stewardship	4	4
Leadership and Administrative Support	13	26
Total	32	49

* Many of the Outcome Measures are multi-part measures. The Performance Indicators column tallies the number of individually-stated parts for the measures associated with each strategic goal.

The AOC met or exceeded its targets for 22 of the 49 performance indicators. Seventeen of the performance indicators were based on data that was either not available in time for publishing or on biannual surveys that were not scheduled for FY 2011. A summary of the performance measure results by goal is presented in Figure 10. Detailed information on the unmet performance measures is included in *Section II: Performance Information*. The majority of the unmet performance measures relate to budget execution targets that were not met because of obligation priorities and the reservation of annual funds for unforeseen expenses.



PERFORMANCE RESULTS SUMMARY FOR SELECT KEY MEASURES

Tables 5 through 11 highlight FY 2011 and FY 2010 performance results by Program Area as measured against established targets for select key performance measures in AOC's Strategic Plan. For a full account of performance outcome measures, please refer to *Section II: Performance Information*. The AOC's efforts to improve performance reporting are outlined under the "Performance Management" component of the *Management Challenges and Looking Ahead* section of the MD&A.



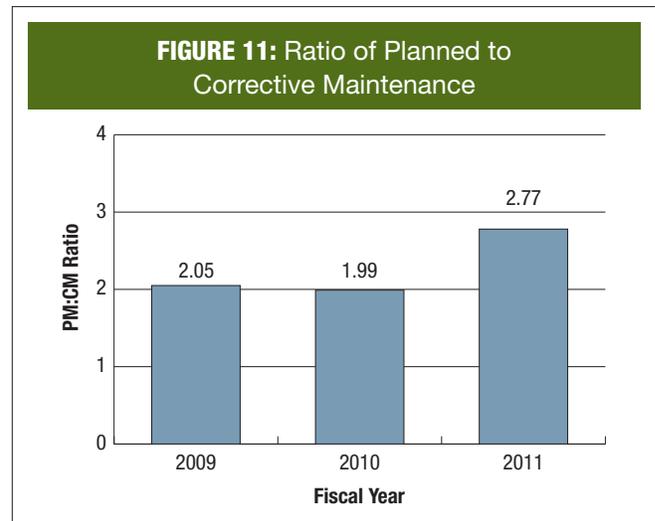
Facilities Maintenance

Key Accomplishments:

- The AOC planned (or preventative) maintenance (PM) costs (\$60.6 million) exceeded corrective maintenance costs (\$21.9 million) by nearly a 3:1 ratio (see Figure 11).⁶ This relationship assists in determining the frequency of PM routines within an effective maintenance program.
- The AOC continued to expand and improve its preventative maintenance program throughout the Capitol complex. The program ensures proper maintenance intervals, service reliability and quality as well as extends equipment life. The Senate Office Buildings jurisdiction expanded its program to ensure that work orders were developed, prioritized and scheduled. The Supreme Court jurisdiction closed over 99 percent of its demand work orders within 30 days by utilizing work order management software. The Capitol Building jurisdiction achieved a 96 percent monthly preventative maintenance completion rate and a 99.6 percent completion rate on its demand work orders.
- The AOC continued to invest resources into its Facilities Conditions Assessments Program to ensure the efficient and effective management of assets throughout the Capitol complex. The program assesses the condition of building systems, remaining life and deferred maintenance requirements. The AOC utilized results from its Facility Condition Assessments to develop a deferred maintenance and renewal program and budget for the Thurgood Marshall Federal Judiciary Building (TMFJB). Further, AOC completed the steam and chilled water

pipework condition assessment with a final report and start of project work expected for early FY 2012.

- Escalators in the Rayburn House Office Building were refurbished instead of replaced. This decreased the project's cost and supported AOC's sustainability goals.
- The AOC replaced the roof of the Courier Acceptance Site with an energy-efficient 20-year roof. The Courier Acceptance Site is a mail distribution facility that receives expedited mail and packages for delivery to congressional offices.
- The AOC initiated a pilot facilities management study for the Capitol Grounds that will provide a comprehensive analysis of resources and assets. The study will identify maintenance standards and frequency and will facilitate development of facilities management plans and budgets.



⁶ This ratio has increased nearly 40 percent from FY 2010. The implementation of building system retrofits as part of AOC's three Energy Savings Performance Contracts accounts for most of this increase.

TABLE 5: Facilities Maintenance Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 1: Congressional and Supreme Court Operations Support						
Facilities Maintenance: Effective facilities management services are provided to the Congress and Supreme Court to maintain the facilities and grounds under the care of the AOC.						
By FY 2011, the Facility Condition Index is maintained at an assessment level of good to excellent for 90% of the square footage of the facilities	85.0%	39.2%	Target Not Met	90.0%	42.2%	Target Not Met*
By FY 2011, Customer Satisfaction with maintenance and repair of buildings is at least 90%	90.0%	93.1%	Target Met	N/A	N/A	N/A (biennial survey)

Facilities Maintenance % of Total FY 2011 AOC Costs: 14.9%

* Although AOC did not meet its target in FY11, the Agency is re-evaluating this metric as it moves forward with the *FY 2012–FY 2016 Strategic Plan*. Strategies being considered as process improvements include prioritizing the work based upon the system and building criticality; leveraging work order data to inform the facility condition assessments, and measuring progress in more frequent intervals.

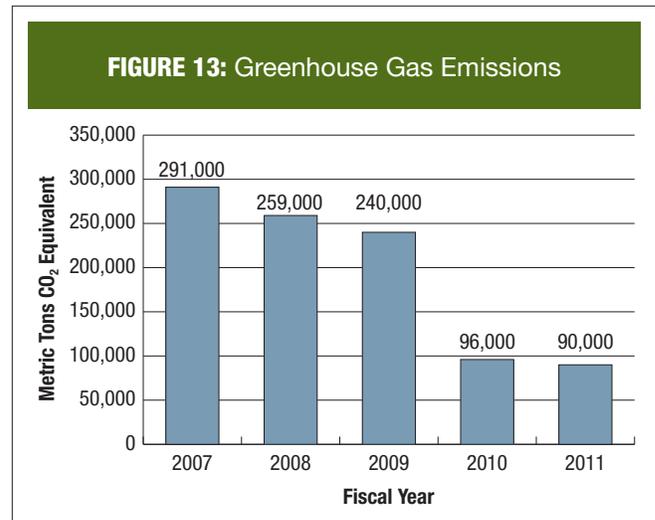
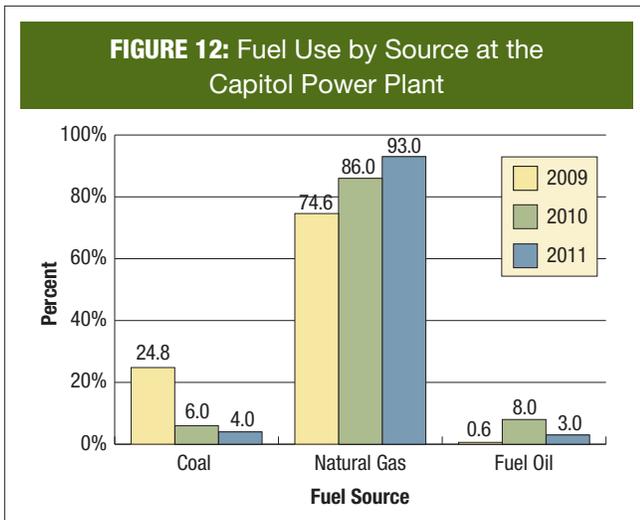
Facilities Operations



Shown above is an AOC worker cleaning the Capitol Rotunda, which connects the House and Senate sides of the Capitol.

Key Accomplishments:

- Energy Savings Performance Contracts tied to energy and water conservation projects continued throughout the Capitol and House and Senate Office Buildings. Improvements include upgrading existing light fixtures with energy-efficient lamps and ballasts, adding state-of-the-art lighting controls in selected areas for daylight harvesting and dimming, installing occupancy sensor light switches, upgrading heating, ventilation and air conditioning systems with Direct Digital Controls (DDC) and installing motion sensors and low-flow restroom fixtures and faucets in all buildings.
- The AOC implemented a number of energy conservation initiatives, including the installation of new energy meters and real-time metering systems on the buildings that are serviced by the Capitol Power Plant and implementation of free cooling in various facilities, including at the Capitol Power Plant. Free cooling uses outside air to generate chilled water in place of an electric-driven chiller. The Power Plant's use of free cooling reduced annual energy usage by approximately 3,000,000 kWh and savings of \$360,000.
- The Capitol Power Plant increased its reliance on natural gas usage to 93 percent of consumed fuel sources in the steam plant (see Figure 12).



- The AOC expanded its recycling collection program at the Capitol Building jurisdiction and collected approximately 300 tons of recycled material through the new program.
- The AOC's emergency lighting and water conservation efforts contributed to sustainability. The new emergency lighting system saves electricity by turning off the normal lighting during overnight and weekend hours. The installation of water saving devices via the House Energy Savings Performance Contract resulted in a more than 50 percent decrease in water consumption.
- The AOC performed several safety evaluations and projects throughout the Capitol Grounds. These include an Ergonomic study, Fall Protection Design project and an Office of Compliance inspection of the tree and pesticide operations.
- The AOC achieved a 69 percent reduction in greenhouse gas emissions over the 2007 levels. This represents 200,000 metric tons of carbon dioxide equivalents (see Figure 13) and was achieved primarily through the purchase of Renewable Energy Certificates.



An AOC worker inspects the Capitol Power Plant's systems to ensure safety and minimize the risk of a failure to critical utility tunnel infrastructure.

TABLE 6: Facilities Operations Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 1: Congressional and Supreme Court Operations Support						
Facilities Operations: High-quality services are provided in direct support of congressional and Supreme Court operations.						
By FY 2011, utilities are effectively in order so that a decrease of 3% per year is achieved in total energy consumption*	15%	17.3%	Target Met	18%	18.6%	Target Met
By FY 2011, Customer satisfaction with grounds care, landscaping and snow removal is at least 90%	90.0%	93.0%	Target Met	N/A	N/A	N/A (biennial survey)

Facilities Operations % of Total FY 2011 AOC Costs: 27.9%

* Annual energy reduction targets utilize AOC's FY 2003 baseline levels. For example, the FY 2010 performance target requires the AOC to meet its FY 2003 energy consumption amount minus 15 percent, while the FY 2011 target requires the AOC to meet its FY 2003 amount less 18 percent.

Client Services



In FY 2011, internal and external wayfinding projects were initiated throughout the Capitol to improve the building's interior and exterior signage. The implementation of this program will help effectively guide staff, visitors, and tourists throughout the Capitol.

Key Accomplishments:

- The AOC planned and executed office moves for 93 members in the House of Representatives and 16 senators who were elected during the November 2010 elections. This translated to 216 congressional members and their staffs changing offices (see Figure 14).
- The AOC supported numerous congressional events including the President's State of the Union Address, 348 events at the Capitol Visitor Center, 40 events at the U.S. Botanic Garden and the July Fourth, Memorial Day and Labor Day National Symphony concerts.

- The AOC began planning and preparing for the 2013 Presidential Inauguration. This event requires coordination internally among the jurisdictions and externally with Congress, White House staff, U.S. Capitol Police, the military and the District of Columbia.
- The AOC established a customer service center operation to proactively reach out to customers concerning facility and client service needs. Since implementation, it has issued more than 3,000 work orders, received 375 phone calls and responded to 350 customer e-mail inquiries.
- The AOC implemented a web-based payment capability for congressional members who join the Wellness Center.
- The AOC implemented night inspections of committee spaces and hearing rooms in the House Office Buildings to ensure proper maintenance of these spaces.

FIGURE 14: November 2010 Election Year Moves and Client Satisfaction Rates

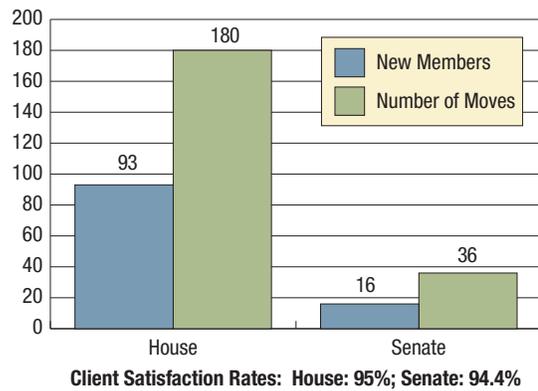


TABLE 7: Client Services Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 1: Congressional and Supreme Court Operations Support						
Client Services: Effective facilities management services are provided in direct support of our customers.						
By FY 2011, Customer satisfaction with routine client services is at least 90%	93.1%	95.2%	Target Met	N/A	N/A	N/A (biennial survey)
By FY 2011, 90% of USBG events are rated as "successful" under standards developed according to the AOC process manual "Events at the U.S. Botanic Garden Conservatory"	93.8%	100.0%	Target Met	90.0%	100.0%	Target Met

Client Services % of Total FY 2011 AOC Costs: 8.7%

Project Delivery

Key Accomplishments:

- The AOC continued work on the multi-year Utility Tunnel Improvement Program, established to address tunnel safety and health issues. The project remains within budget and on schedule to complete the required abatement activities by June 2012.
- The AOC initiated infrastructure projects in the Senate Office Buildings, including upgrading the air handling units in the Dirksen Building, replacing the air handling units in the Hart Building and repairing and waterproofing the southwest steps of the Russell Building.
- The AOC continued renovations of the Old Senate Chamber, one of the most historic features of the Capitol. Painting the Chamber, scheduled to be completed by the first quarter of FY 2012, is the final remaining task.
- The AOC upgraded the lighting in the display cases in the Capitol Visitor Center's Exhibition Hall. The new lighting improves the visibility of documents and artifacts without compromising the integrity of the items.
- The AOC completed safety projects in the House Office Buildings, including installing stairwell cameras and emergency call boxes, extending the fire sprinkler system in the Cannon Building, enclosing the stairwells in the Longworth Building and installing emergency lighting and exit signage throughout the Rayburn Building. The projects were completed 11 months ahead of schedule and \$2 million under budget.
- The AOC renovated the House Committee on Oversight and Government Reform's committee room with a new digital audio-visual system, two handicap accessible daises and a system control room.
- The AOC initiated projects in the Supreme Court Building, including the third and final phase of the roof fall protection project and roof repairs, exterior property design, elevator modernization and perimeter security.
- The AOC has increased the total number of in-house construction projects managed by its Construction Division by 174 percent since FY 2008 (see Figures 15 and 16).

FIGURE 15: Status of In-House Construction Projects as of September 30, 2011

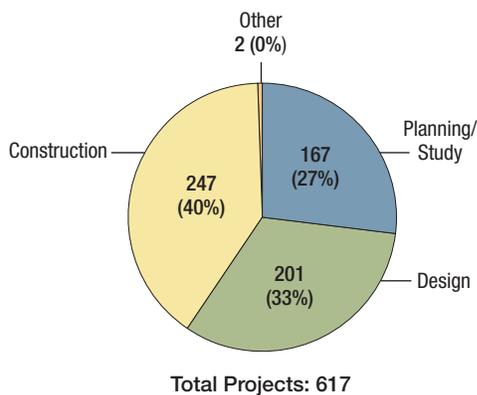


FIGURE 16: Total In-House Construction Projects FY 2008–FY 2011

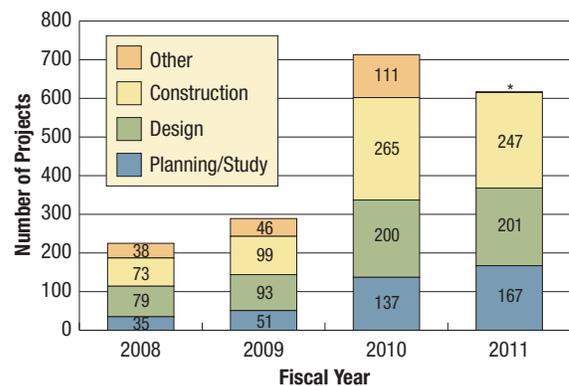


TABLE 8: Project Delivery Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 1: Congressional and Supreme Court Operations Support						
Project Delivery: Capital assets are provided and maintained through effective planning and project delivery.						
By FY 2011, customer satisfaction for in-house design (D) and construction services (C) is increased to a level of 90%	90.0%	C 100% D 98.9%	Target Met	90.0%	C 99.0% D 94.7%	Target Met

Project Delivery % of Total FY 2011 AOC Costs: 20.4%

Preservation of Heritage Collections

Key Accomplishments:

- The AOC continued the phased restoration of the Capitol Dome by painting the exterior of the Dome and the interior of the Dome's skirt. The rehabilitation of the Dome skirt began in September 2011 and is expected to be completed by October 2012.
- The AOC continued mural conservation efforts in the Capitol's Brumidi Corridors. Work focused on surveying and documenting the condition of the plaster and paint layer, consolidating significantly detached or unstable plaster, consolidating flaking original paint, cleaning the surface, removing over-paint, inpainting areas of loss of intractable over-paint and applying a non-yellowing, clear coat of protective varnish.
- The AOC completed conservation on select walls of the Senate Reception Room and the murals (created by artist Constantino Brumidi) in the Senate Appropriations Committee Hearing Room.
- The AOC contracted with conservators to maintain and conserve the statues and busts in the Capitol. Conservators focused on the 100 statues in the National Statuary Hall Collection to ensure they are in excellent condition.
- The AOC completed the restoration design for the Summerhouse located on the Capitol Grounds. This design effort produced all the necessary construction documents needed for the restoration of this historic structure created by Frederick Law Olmsted.
- A statue of President Gerald R. Ford, Jr. was added to the National Statuary Hall Collection in May 2011 by the state of Michigan. The AOC commissions works of art on behalf of Congress and serves as steward of these historic statues.
- The AOC restored the Armed Services Committee Rooms to their original grandeur (Russell Senate Office Building). The renovation included installation of a state-of-the-art audio-visual system and installation of energy efficient lighting and control systems.
- The AOC refinished the bronze surfaces in the Longworth House Office Building, including the elevator door fronts and entry doors. In addition, AOC refinished the grand staircase inside the Rayburn House Office Building.
- The AOC surveyed and began restoration work of the decorative ceilings in the Supreme Court's West Conference Room and Law Library.
- The AOC performed conservation work on the mural *Human Understanding* in the Main Reading Room of the Library of Congress' Thomas Jefferson Building. This was the first conservation work done on the mural since it was painted by Edwin Blashfield in 1896.
- The AOC embarked on long-term efforts to upgrade the USBG's significant orchid collection to world-class standards.

TABLE 9: Preservation of Heritage Collections Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 2: Heritage Asset Stewardship						
Preservation of Heritage Collections: Fine and decorative art, historic artifacts and records, living collections and other heritage assets under the jurisdiction of the AOC are catalogued, documented and preserved in good condition.						
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections and other heritage assets are documented and their current condition assessed for present and future restoration efforts and preservation priorities are identified	75.0%	100.0%	Target Met	80.0%	100.0%	Target Met
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections and other heritage assets are maintained in good condition according to the criteria in our standards document, the AOC PAR, Stewardship Report section	70.0%	86.6%	Target Met	80.0%	86.6%	Target Met

Preservation of Heritage Collections % of Total FY 2011 AOC Costs: 1.2%

Heritage Asset Presentation (includes Visitor Services)



The AOC provides tours, training and lectures to enhance the Capitol visitor experience. The Capitol Visitor Center provided new tours in FY 2011, including a tour of the Capitol to commemorate the 150th anniversary of the Civil War.

Key Accomplishments:

- The AOC welcomed its milestone six-millionth visitor in July 2011 through the Capitol Visitor Center (CVC). The opening of the CVC has streamlined visitor operations and allows the Capitol to accommodate approximately twice the previous number of annual guests. Monthly attendance is depicted in Figure 17, reflecting a peak in

the spring and summer months. Annual attendance is shown in Figure 19.

- The AOC won the 2011 Webby Award for the Virtual Capitol tour (<http://www.capitol.gov>). The Webby Award is the leading international award honoring excellence on the Internet.

TABLE 10: Heritage Asset Presentation Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 2: Heritage Asset Stewardship						
Heritage Asset Presentation: Capitol complex visitors are provided with high quality interpretive exhibits and programs.						
By FY 2011, an average overall rating of at least 90% is achieved on the recurring visitor satisfaction survey for interpretive exhibits and interpretive programs	>85.0%	98.6%	Target Met	>90.0%	96.4%	Target Met

Heritage Asset Presentation % of Total FY 2011 AOC Costs: 2.8%

SECTION I: Management's Discussion and Analysis



The CVC's two gift shops offer a unique selection of merchandise inspired by the Capitol's art and architecture, educational gifts, books, and jewelry.

- The AOC's congressional liaisons visited the offices of the 99 incoming members of the 112th Congress, delivered Visitor Center information packets and met with incoming congressional staff tour coordinators.
- The AOC provided Capitol tour training for 3,589 congressional staffers who lead constituent tours of the Capitol.
- The AOC redesigned the congressional training program to create a new four-hour program called Capitol Tour Training (CTT) that better meets the needs of congressional staff. In conjunction with the CTT, the AOC developed a new *Congressional Staff-Led Capitol Tour Handbook*.
- The AOC launched an online version of its Exhibition Hall, which attracted more than 25,000 visitors in its first month. The CVC also developed an online video designed to prepare students for their visit to the Capitol.

FIGURE 17: Number of Visitors to the Capitol FY 2011 by Month

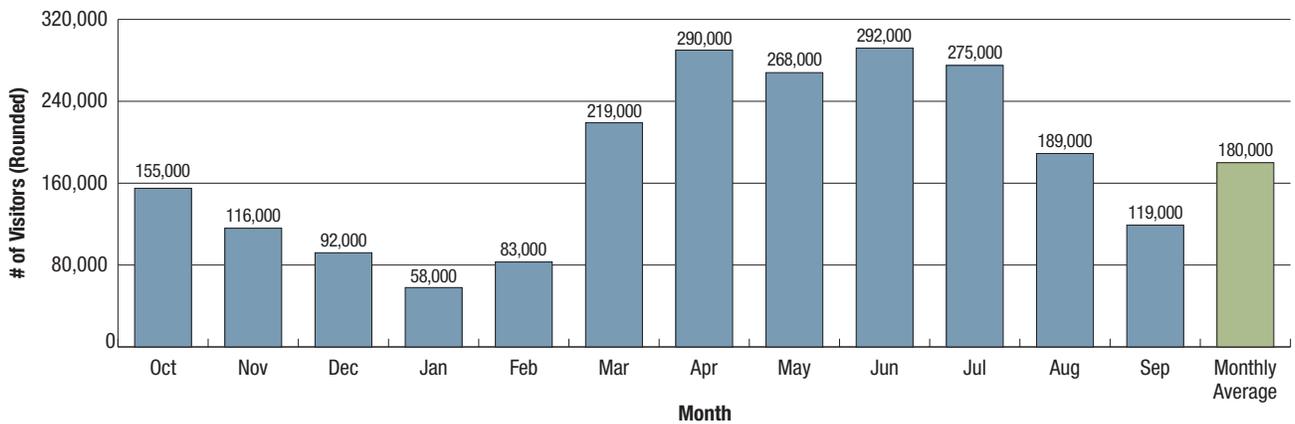
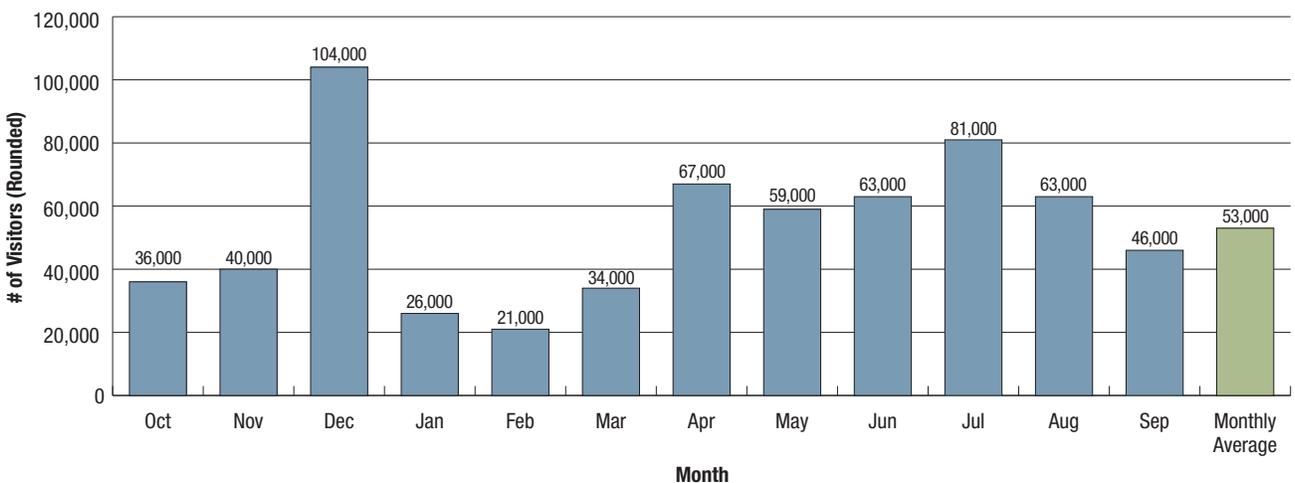
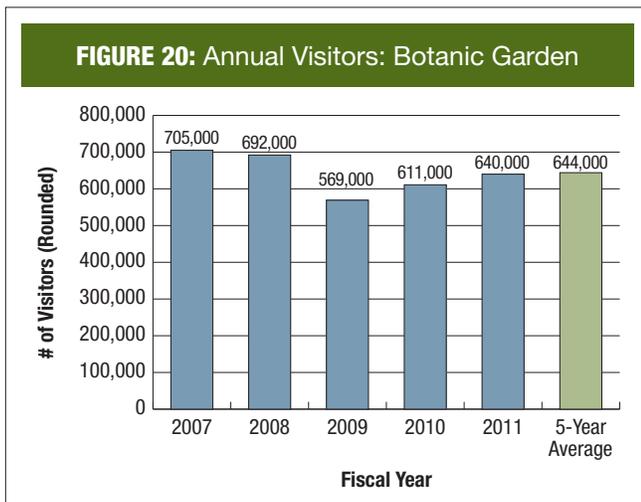
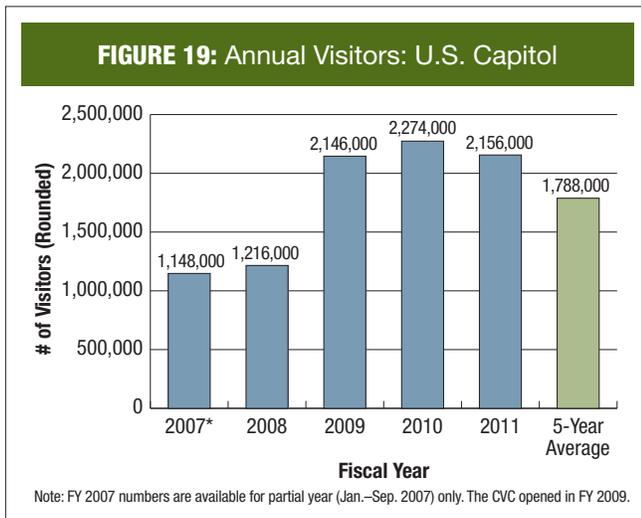


FIGURE 18: Number of Visitors to the Botanic Garden FY 2011 by Month



- The AOC revised its USBG curricula for visitor activities, including *How Plants Work*, a student guide and teacher curriculum and the Family Guide, a collection of self-guided activities for families touring the Conservatory.
- The AOC improved the traffic pattern at the USBG during its holiday exhibit and developed a system for staffing key stations to manage the increased number of visitors. Monthly USBG attendance is depicted in Figure 18, reflecting peaks around the winter holiday season and summer months. Annual attendance is shown in Figure 20.
- The AOC initiated a visitor services improvement project to upgrade the interior and exterior signage program at the CVC.



The U.S. Botanic Garden cultivates over 63,000 individual plants at its Conservatory and the Blue Plains Production Facility in Maryland. The plants are used for exhibition, study and exchange with other institutions.

Leadership and Administrative Support

Key Accomplishments:

- The AOC developed and implemented a comprehensive policy regarding time and attendance. The primary goals of the new policy are to ensure internal controls and accountability are in place and that roles and responsibilities are clearly defined.
- The AOC received its seventh consecutive unqualified (clean) audit opinion from independent auditors on its financial statements.
- The AOC continued developing its Internal Control Program. Progress included identifying and prioritizing risks and conducting vulnerability assessments. Looking ahead, the AOC must still test the key controls and then identify and correct deficiencies and weaknesses.
- The AOC responded to the August 23, 2011, 5.8 magnitude earthquake. AOC Superintendents, in coordination

with the U.S. Capitol Police and the Office of Emergency Preparedness, ensured the safe evacuation of the buildings. The AOC assigned Damage Assessment Teams to each building to inspect for structural damage. The quick response allowed the buildings to be safely reoccupied that night. Detailed inspections identified no major structural damage, though engineers found minor damage (elevator impairment, cracked plaster, chipped paint and water leaks) in some facilities.

- The AOC approved a new Safety Manual that provides a platform for identifying best management practices and improvements in safety performance.
- The AOC initiated a review of its information technology resources to ensure that tools are in place to support performance improvement and telework initiatives.

TABLE 11: Leadership and Administrative Support Strategic Goals, Objectives and Results for Select Key Measures

STRATEGIC GOAL AND OBJECTIVE	FY 2010 Target	FY 2010 Actual	FY 2010 Results	FY 2011 Target	FY 2011 Actual	FY 2011 Results
STRATEGIC GOAL 3: Leadership and Administrative Support						
People: The AOC staff is enabled to support the achievement of AOC goals by the promotion of a work environment that fosters equal employment opportunity organizational and individual performance and professional development.						
By FY 2011, timely response to personnel needs is ensured by meeting 90% of the cycle time measures for various personnel-related services as defined in the AOC operational dashboard	90%	95.7%	Target Met	90%	97.4%	Target Met
Information: AOC staff leverages information technology and communications to improve the AOC's mission performance.						
By FY 2011, Requests for information technology services are responded to and completed within established timeframes 90% of the time	85.0%	91.5%	Target Met	90.0%	96.2%	Target Met
Fiscal: Financial services are provided in a customer-focused and value-creating manner and foster a culture of high integrity and accountability.						
By FY 2007, and each year thereafter, a clean audit opinion is received	Clean	Clean	Target Met	Clean	Clean	Target Met
Safety, Fire, Emergency Preparedness and Environmental Services: AOC resources are protected through effective safety, fire, emergency preparedness and environmental services.						
By FY 2007, and each year thereafter, the injury and illness rate is reduced by 3% over the previous year	3.63%	4.61% (DOL) 3.85% (AOC)	Target Not Met	3.85%*	Unavailable % (DOL) 3.67% (AOC)	Target Met

* In FY 2011, AOC adopted the Department of Labor's (DOL) POWER initiative, the successor of SHARE. Unlike its predecessor, POWER does not dictate a specific percent reduction in injuries, but focuses on improvement with respect to the prior year.

Leadership and Administrative Support % of Total FY 2011 AOC Costs: 24.1%			
Percentage by Support Category			
Leadership	10.0%	Fiscal	0.9%
People	2.3%	Material	4.1%
Information	5.6%	Safety and Security	1.2%

- The AOC significantly reduced its overtime usage this fiscal year. Overall, AOC-wide overtime decreased 22 percent (62,000 hours) compared to FY 2010 — the equivalent of nearly 30 FTEs. When compared to FY 2009, the last comparable election-year, AOC overtime decreased nearly 27 percent (almost 80,000 hours — the equivalent of over 38 FTEs).
- The AOC launched a new Cooperative Education Program (CO-OP) to appoint aspiring architect and engineering students to paid positions within several AOC jurisdictions.
- The AOC continued work with the Small Business Administration on AOC's small business program. This program enables AOC to direct more business opportunities to the small business community when awarding small dollar contracts.
- The AOC continued to develop its Strategic Plan for FY 2012–FY 2016. This new plan will assist AOC to better align its mission, goals and objectives with metrics to further improve performance and accountability.



In FY 2011, AOC submitted a performance-informed budget request for FY 2012 to Congress. This is the fourth consecutive year AOC has linked its budget request to the Strategic Plan and key performance results. The AOC's efforts to tie its budget to its long-range strategic goals and performance help to make AOC a more effective and accountable organization.

Looking Toward the Future: Our Performance-Based Budget and Strategic Plan

The AOC's plan for implementing financial management best practices focuses on developing a financial management organization that enhances the interaction between finance and operations and builds a foundation of financial control, accountability, performance and improvement. To achieve this objective, AOC's cost accounting system continues to mature, enabling the organization to gather and track cost and performance data and link funding requests with strategic goals.

In FY 2011, AOC submitted a performance-informed budget to Congress for the FY 2012 budget, linking requested funding to AOC's strategic goals and key performance results. To demonstrate the impact of the FY 2011 budget request on AOC's performance, 13 key performance indicators (e.g., facility condition index and demand work order cycle time) were selected. This was AOC's fourth budget request to include a supplementary, performance-informed data section. The performance-informed budget is considered an interim phase towards performance-based budgeting. The AOC made further progress in FY 2011 when it utilized its budget and cost accounting management tools to develop a FY 2013 budget request as a zero-based budget — a budget process where each jurisdiction begins its budget development with a clean slate. This is a critical advancement for AOC and helps ensure that performance data and a long-range strategic plan drive budget decisions, which will ultimately help make AOC a more effective and accountable organization.

The AOC underwent a grassroots effort during FY 2011 to develop a new Strategic Plan that will move the agency forward over the next five years. Ideas for the FY 2012–FY 2016 Strategic Plan were gathered and discussed by all levels and professions across the agency. The mission, vision, core values and goals were refined while the detailed strategies and actions needed to implement them and the appropriate performance metrics were still in development at the time of publication. The AOC continues to routinely monitor performance on key operational functions through a monthly executive dashboard.

Information on AOC's efforts to improve performance management is included under the "Performance Management" component of the *Management Challenges and Looking Ahead* section of the MD&A.

For more information on AOC's Strategic Plan, contact AOC at 202.226.5005.



One of AOC's most pressing challenges is to meet its stewardship responsibilities in an era of limited financial resources. The aging infrastructure necessitates constant repairs and maintenance. One of the major restoration projects currently underway is for the Capitol Dome, which was last fully restored in 1959 (the prior restoration is depicted top left).

MANAGEMENT CHALLENGES AND LOOKING AHEAD

The AOC carries out multiple, complex and highly diverse services in support of a single mission — to provide Congress and the public with a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities. Although AOC is continuously striving to improve the efficiency and effectiveness of its programs and operations, some areas merit a higher level of focus and attention. The AOC's senior leaders strive to identify its future management challenges many years in advance so that the agency may coordinate with Congress and develop the long-term strategies that address these challenges and ensure stable operations. This section identifies the most serious management challenges facing the agency:

- Deferred maintenance backlog and increasing capital renewal requirements
- Energy stewardship and sustainability
- Physical security of facilities
- Safety and health of facilities and workers
- Performance management

This section presents the challenges and the initiatives that are in place or under development to address them. Highlighting these top management challenges enables AOC to better focus on the strategies to improve critical services and obtain the necessary resources in a time of shrinking budgets and resources.

In addition to these challenges, please refer to the Inspector General's Statement of Management Opportunities and Performance Challenges in *Section IV: Other Accompanying Information*.

Deferred Maintenance Backlog and Capitol Renewal Requirements

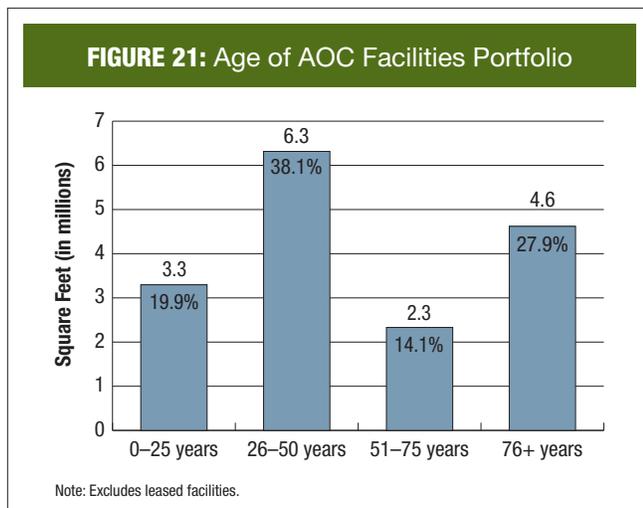
Key Challenge: Constrained fiscal resources impact AOC's ability to meet the continually increasing deferred maintenance and capital renewal requirements of the buildings, grounds and other heritage assets of the Capitol. If unaddressed, AOC's deferred maintenance and capital renewal backlog will continue to increase. In the current fiscal environment, AOC must utilize its resources to address the most pressing maintenance requirements. As the Capitol complex infrastructure ages, maintenance requirements grow, risks increase and when funding does become available, projects are more costly. Furthermore, other organizational priorities such as security, life-safety and energy reduction mandates compete for available funds and make the responsibility of sustaining and preserving existing facilities even more challenging. The AOC's FY 2011 deferred maintenance backlog and capitol renewal requirements are estimated at \$1.5 billion. Of this total, over \$296 million represents deferred maintenance costs and the balance equals AOC's capital renewal requirements (see the *Required Supplementary Information* section for more information on deferred maintenance).

AOC Initiatives: The AOC takes a fiscally responsible and proactive approach in addressing deferred maintenance and capital renewal requirements. Leveraging its robust facility condition database, AOC is able to target investments in facilities with deferred maintenance elements that generate the largest improvements to facility performance. Additionally, AOC is able to ensure that when a space is taken out of service for a renovation that all associated deferred maintenance work elements in that area are identified and can be addressed. Tools such as Facility Condition Assessments, the Five-Year Capital Improvements Plan and the Capitol Complex Master Plan identify critical maintenance and capital renewal requirements.

The Facility Condition Assessments identify each facility's most critical issues and needs. The assessments show that Immediate and High Urgency deferred maintenance requirements will increase dramatically over the next several years. Only 20 percent of AOC's real property assets are less than 25 years in age (see Figure 21) and, as a result, an aging facilities portfolio has higher maintenance needs than newer buildings.

The Five-Year Capital Improvements Plan examines phasing opportunities, project sequencing and other factors to better facilitate the timing of major deferred maintenance activities and capital renewal projects. The project prioritization process considers objective factors such as project classification, project urgency and project importance to produce an overall hierarchy. In FY 2011, AOC began applying a criticality and risk decision model to the overall prioritized list. The AOC also considers the long-term effect and future project costs if maintenance continues to be deferred.

These tools, along with the Jurisdiction Plans that identify the long-term facility needs of each jurisdiction and the Capitol Complex Master Plan which provides a 20-year outlook of facility requirements, provide AOC with concrete and practical assessments of the infrastructure of congressional facilities. In addition, AOC looks to implement sustainable processes and greater operating efficiencies to free up resources for application to its deferred requirements. By using these tools and efficiencies, AOC ensures that the historic facilities entrusted to its care may remain in a safe and suitable condition for the current and future needs of Congress, the Supreme Court and the American public. Nonetheless, to meet future requirements and reduce the deferred maintenance and capital renewal backlog, AOC will need Congress' continued sustained support to help ensure the preservation of its historic infrastructure for the long-term.



Energy Stewardship and Sustainability

Key Challenge: As stewards of the Capitol, AOC is required to make annual reductions in energy consumption under the Energy Policy Act of 2005 (EPAAct2005) and the Energy Independence and Security Act of 2007 (EISA2007).⁷ These initiatives mandate that AOC increase energy efficiency, conserve water, reduce greenhouse gas emissions and use environmentally-preferable products. While AOC has successfully met the annual energy reduction goals through FY 2011, to meet future energy targets, AOC may need to undertake costly and long-term sustainability programs or energy reduction initiatives. These programs would compete for limited fiscal resources with other AOC priorities such as deferred maintenance or life-safety projects. This challenge is made even more acute by increased energy demands brought on by the addition of new AOC facilities since FY 2003, as well as the growth in information technology data centers with their need for robust cooling systems.

AOC Initiatives: The AOC is committed to meeting the energy goals set by Congress and continually analyzes the most cost-efficient and effective options to fulfill its energy reduction mandates. Energy stewardship is integrated in AOC's project planning, operations and project management functions. The Sustainability Framework Plan, one of the main components of the Capitol Complex Master Plan, guides AOC's long-range planning for sustainability and energy stewardship projects and identifies opportunities for further energy reductions.

The AOC utilizes energy audits and utility meters to assess energy consumption and identify cost-effective opportunities to reduce energy consumption. The installation of meters also allows AOC to capture and analyze real-time energy consumption data, identify building energy waste and target improvements. These tools allow for the development of key metrics and ensure AOC's energy conservation efforts improve efficiency and maximize cost savings. Metering and energy audits will continue to be an essential part of AOC's long-term energy strategy.

Energy Savings Performance Contracts (ESPCs) are helping AOC achieve its long-term energy targets. These private-public partnerships enable AOC to undertake energy savings projects with minimal up-front investment. Energy service contractors fund the construction of energy savings projects and then receive a percentage of the future energy savings that the improvements generate.

⁷ The initial energy consumption reductions mandated in the EPAAct2005 were increased by EISA2007 to three percent per year from FY 2003 levels, with a 30 percent total reduction by FY 2015.

SECTION I: Management's Discussion and Analysis

The AOC has utilized ESPCs in the Capitol and the House and Senate Office Buildings. Project work funded by these contracts includes installing energy-efficient light fixtures, converting bathroom fixtures to low-flow units and modernizing building automation systems.

The AOC's energy stewardship also includes efforts to improve energy usage in existing systems. The AOC's retro-commissioning projects focus on the optimization of mechanical, heating, cooling, ventilation and lighting systems. In addition, AOC continues to upgrade the existing controls for heating, ventilation and air-conditioning systems with new Direct Digital Controls (DDC). DDC systems are more accurate and reliable than existing systems and can contribute more than 15 percent in annual operational energy savings.

To help meet the future energy requirements of the AOC facilities, cogeneration at the Capitol Power Plant is also part of the long-term strategy to increase efficiency and sustainability. In FY 2011, AOC began developing the project's design requirements so construction could begin in FY 2012. Once complete, cogeneration will generate steam and electricity from a single fuel source — limiting AOC's reliance on public utilities while providing a significant energy savings. The AOC anticipates using a Utility Energy Services Contract⁸ to finance the cogeneration plant construction.

Physical Security of Facilities

Key Challenge: Protecting federal facilities and their occupants from external threats such as terrorist attacks, violent acts and natural disasters remains a daunting task for all federal agencies. With the high-profile nature of the Capitol, the Supreme Court and other Capitol Hill properties, securing these facilities and providing a safe environment for the two million annual visitors and tens of thousands of employees is especially challenging. As the tragic shooting incidents at the Capitol in 1998 and Tucson, Arizona, in 2011 made evident, ensuring that lawmakers, their staffs and all federal employees and visitors have a secure and safe environment must remain a primary consideration.

At the same time, AOC recognizes that the Capitol is considered “the People's House” and it is important for the facility to remain open to the public. The effort of keeping the Capitol facilities safe, secure and accessible within the current constrained budget environment, while also minimizing the impact of security procedures on productivity

and the achievement of AOC's mission objectives remains an ongoing organizational challenge.

AOC Initiatives: The AOC works to safeguard the federal facilities and national assets entrusted to its care and to provide a safe and secure work environment for Congress, the Supreme Court, federal employees and those who visit the Capitol. In order to faithfully execute its mission, the agency employs numerous security specialists and develops policies designed to safeguard its facilities and other critical assets.

The security of the Capitol complex was greatly enhanced in December 2008 with the opening of the Capitol Visitor Center. The CVC was designed, in part, to give U.S. Capitol Police a better facility to screen visitors. Now, before entering the Capitol, all visitors are screened by a magnetometer and all items that are permitted inside the building are screened by x-ray. In addition, all delivery vehicles are required to report to the Off-Site Delivery Center for the U.S. Capitol Police for an inspection before proceeding to the Capitol and the congressional office buildings.

In FY 2011, through leadership, worker and stakeholder engagement and operational experience, AOC continued to refine its security policies. The Security Clearance Guidance and Operations Security Guidance describe the security processes, roles, responsibilities and authority at AOC. In addition, the AOC State of the Union Plan was developed, implemented and utilized during the 2011 Address with positive results. After action reports were collected for the purpose of ensuring continuous improvement and optimum value of the document as a National Security Special Event planning tool.

In FY 2012 and subsequent years, AOC will work toward institutionalizing the safeguards and security reforms through the following initiatives:

- Initiating security improvements at the House and Senate garage entrances
- Entering into the study and design of a new screening facility to assure secure and safe delivery of materials to the Capitol
- Continuing the U.S. Capitol Police Radio Upgrade project
- Developing a five-year Project Implementation Plan to further align AOC budget requests with client mission objectives and needs

⁸ By utilizing a public-private financing arrangement, the cogeneration project allows AOC to target its appropriated funds for other key priorities.

Safety and Health of Facilities and Workers

Key Challenge: The AOC is responsible for ensuring the facilities and operations under its stewardship meet modern life-safety and health standards for its workers and the millions of people who visit the Capitol every year. The age of many facilities, coupled with the need to preserve their historical integrity, while also supporting the daily business needs of Congress in a safe manner, is a continual management challenge. The constrained fiscal environment requires finding the right balance between safety improvement initiatives and other high priority projects and programs, such as deferred maintenance and energy savings, while enhancing productivity and achieving mission objectives.

AOC Initiatives: AOC is dedicated to providing a safe environment for Congress, the Supreme Court and those who work at and visit the Capitol. With congressional support, AOC has made significant investments to improve fire and life-safety systems across the Capitol complex. As a result, AOC has achieved a 60 percent reduction in hazards identified by the Office of Compliance (OOC) since 2005. Since FY 2007, AOC's efforts to promote safety have reduced injuries and illnesses within the organization by 35 percent and reduced the lost time case rate by 39 percent. The AOC's Injury and Illness (I&I) rate declined in FY 2011 to 3.67 per 100 employees. The five-year I&I trend is shown in Figure 22.

The AOC addresses its safety challenges in a variety of ways including collaboration with the OOC to develop priorities for the abatement of citations, participation by the Safety, Fire and Environmental Programs (SFEP) Office in project planning and execution and development of focused employee-oriented communications. SFEP establishes policy and conducts oversight to ensure AOC complies with safety, fire and environmental laws and regulations. SFEP coordinates emergency planning and preparedness activities and is the primary point of contact with regulatory agencies for occupational safety and health, fire protection and environmental programs.

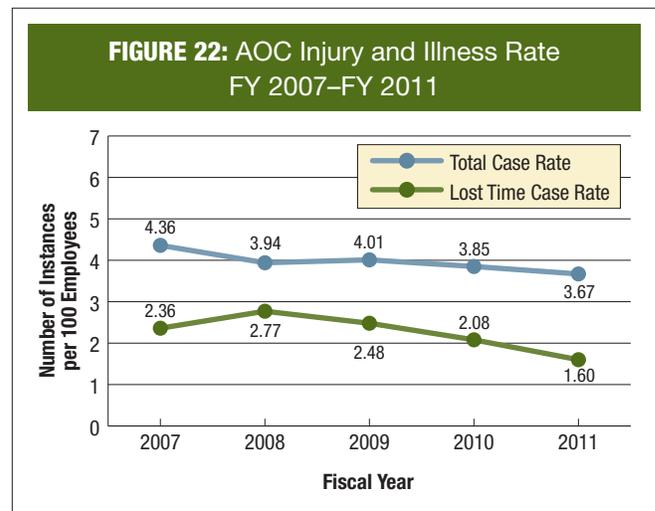
In coordination with its deferred maintenance program, AOC continually identifies and manages safety risks through a focused and prioritized process that includes regular and recurring inspections. As part of its stewardship mission, AOC considers the historic nature of the treasures entrusted to its care when planning and implementing life-safety upgrades. Tools that identify and manage safety and health risks include Facility Condition Assessments, safety inspections, fire inspections and safety program evaluations.

Safety is a top priority at AOC. Since FY 2007, Congress has invested over \$210 million in more than 55 safety-related



The AOC continued to abate the utility tunnel health and safety issues during FY 2011. The AOC is on track to close out all three Office of Compliance citations by the agreed upon deadline of June 2012.

projects executed by AOC. This year, AOC closed four OOC citations identified in FY 2009. The AOC continues to work with Congress and the OOC to address the 13 remaining open safety issues. An AOC Safety Manual was approved this year, providing a platform for standardizing business solutions and identifying best safety practices. Also, the five-year Environmental Program Plan was updated, along with two policies concerning fire protection and life-safety. Upgrades this year included improving the fire detection, suppression and egress systems, replacing sidewalks, ensuring that materials used by the Packard Campus for Audio-Visual Conservation are safely used and disposed of, increasing safety training and implementing ADA-compliant facility improvements. The AOC continues to make progress on its Utility Tunnel Improvement Program and remains on



SECTION I: Management's Discussion and Analysis

schedule and within budget to close the OOC citations and complaint by the required June 2012 deadline.⁹

While these are significant accomplishments, safety must remain a top priority. The growing number of facilities under its stewardship, coupled with an aging infrastructure, will make AOC's efforts more challenging as resources and investments are reduced. To institutionalize its safety reforms, AOC will continue to partner with Congress, utilize enhanced communication strategies, implement proactive processes and data management tools, target injury reduction programs and identify and use leading safety performance indicators to ensure that those who work in and visit the facilities under AOC's stewardship are provided with a safe and healthy environment.

Performance Management

Key Challenge: While the AOC increased its performance effectiveness and efficiency during FY 2011, sustained progress towards achieving the transformation of the organization's business culture remains a key challenge. The AOC has developed tools to measure results, improve performance management and increase accountability. A challenge remains, however, in integrating the various tools throughout the planning, programming, measurement and reporting cycle so that management is fully informed and can make decisions that will improve mission delivery. Additionally, AOC efforts to transform the organization require long-term, multi-year projects where progress may be impacted by ongoing budget constraints.

AOC Initiatives: The AOC has developed a number of business tools to support performance and accountability goals. These include an enhanced dashboard to track key operational measures, Computer Aided Facilities Management tools to support facility operations, cost accounting management tools for a better understanding of the agency's cost of operations, quarterly financial reviews for better fiscal accountability, a Strategic Plan to align the AOC's mission to the achievement of key metrics and improved internal controls for financial and operational management. These tools increase accountability throughout the organization and enable AOC to identify opportunities to improve efficiencies, reduce waste and achieve savings. Efforts to improve these tools are ongoing.

The Internal Control Program, a key facet of AOC's efforts to improve performance management, progressed in FY 2011. Working groups used risk assessments to identify

11 risks that could impact AOC's financial statements and three risks to safety, security and building operations. The groups also performed vulnerability assessments, prioritized work efforts, documented existing controls and formulated new controls. The AOC's Senior Advisory Team reviewed and approved the risk mitigation controls. In FY 2012, AOC hopes to begin monitoring the program and will review results with the Audit Committee on a regular basis. The controls are an integral part of AOC's financial policies and procedures and will help ensure that the resources entrusted to AOC are effectively safeguarded.

At the same time, AOC's strategic planning process has been the foundation for efforts to improve performance management. For example, cost accounting reports link agency costs to the achievement of its Strategic Plan and a Performance-Informed Budget process has tied AOC's budget request to its strategic goals. Drawing on the lessons learned from the FY 2007–FY 2011 Strategic Plan, AOC developed a Strategic Plan for FY 2012–FY 2016 this fiscal year. The new plan is intended to better align the organization's mission to its strategic goals and objectives. Critical to the success of agency strategic planning efforts will be the development of meaningful metrics and outcome measures to target continuous performance improvement.

Additional steps to improve performance management include initiatives to upgrade information technology systems so they will meet the organization's long-term data needs. The multi-year development of AOC's data warehouse, intended to provide a central repository for AOC information, has proceeded slowly due to shifting priorities and further progress may be limited due to budget constraints. The data warehouse is intended to form the basis of AOC's real-time, executive information system to support efficient decision-making and long-term planning.

The AOC's performance management tools assist in achieving AOC's mission in the most effective and cost-efficient manner. In the current constrained fiscal environment, AOC must maximize available resources. In an example of how AOC was able to utilize its performance tools in a new way, AOC utilized its cost accounting management data to help formulate a zero-based budget for FY 2013. Maximizing the effectiveness of these business tools in the future will require continued, strong executive support and integration across the entire planning, programming and reporting cycle. Once integrated, the tools will produce reliable information that can guide management decisions, minimize day-to-day operational costs and maximize AOC's mission performance.

⁹ The current estimated cost for the utility tunnel project of \$176 million has declined significantly from the original estimated cost of \$295 million through improved engineering data, scope consolidation and work efficiencies.



The AOC considers internal controls to be an integral part of all systems and processes that the organization uses in managing its daily operations and achieving its strategic goals and objectives. Although AOC's Internal Control Assessment was designated a repeat Material Weakness in AOC's FY 2011 independent audit, management is dedicated to the implementation of effective internal controls oversight and guidance.

MANAGEMENT ASSURANCES AND OTHER FINANCIAL COMPLIANCES

Implementation of the Federal Managers' Financial Integrity Act (FMFIA) at the AOC

The AOC considers internal controls to be an integral part of all systems and processes that the organization utilizes in managing its daily operations and achieving its strategic goals and objectives. The AOC holds its managers accountable for efficiently and effectively performing their duties in compliance with applicable laws and regulations and for maintaining the integrity of their activities through the use of internal controls.

The Chief Financial Officer (CFO) is responsible for the execution of the Internal Control Program. The CFO has assigned an Internal Control Manager to assist in the design, implementation, monitoring, and modification of an organization-wide program. Key processes in the program include performing a preliminary risk assessment, addressing material weaknesses and significant deficiencies, and implementing corrective actions. The program will also set forth a comprehensive and customized internal control program for managers to help them monitor and assess controls within their specific areas of responsibility. It will provide instructions on how to perform testing, assess current controls, modify controls, update control documentation and procedures, and train staff. This program will help managers alleviate current weaknesses and prevent new material weaknesses.

In FY 2011, the AOC's Senior Leadership Team continued its role as the Senior Advisory Team in providing oversight and guidance for improvement of internal controls across the organization. The Team provided strategic direction as the AOC completed draft organizational-level risk assessments and developed process risk assessments. This effort also included preparation, review,

submission and approval of 150 vulnerability assessments. These assessments of the current internal controls environment provide information on the current weaknesses in control over financial, general, administrative and program operations.

As of the end of FY 2011, AOC's Internal Control Program remains incomplete. As such, AOC is unable to provide assurance that the current internal control design effectively mitigates existing risks and safeguards assets. The Senior Advisory Team recognizes that the program is insufficient to test for the effectiveness of internal controls over financial reporting, the effectiveness of internal controls over operations and the conformance with financial management system requirements. The AOC's senior leadership is committed to improving the Internal Control Program and has made this multi-year effort a high priority for FY 2012 and beyond. The AOC will use Office of Management and Budget (OMB) Circular A-123, Appendix A, as a guide to develop, implement, evaluate, monitor, and report its internal controls. As reported in the AOC's Independent Auditor's Report on Internal Control, AOC did not complete a formal and systematic assessment and evaluation of the design and operation of its internal controls. A summary of the management assurances is provided in *Section IV: Other Accompanying Information*. For additional information on the opportunities and challenges facing the AOC in the internal controls area, please also refer to the Inspector General's Statement of Management Opportunities and Performances Challenges in *Section IV* of this report.

Summary of Material Weaknesses and Significant Deficiencies

As noted in the *Architect's FMFIA Statement*, the AOC is establishing a program to help remediate its internal control assessment material weakness. In addition to this repeat material weakness, the AOC's FY 2011 financial statement

SECTION I: Management's Discussion and Analysis

audit resulted in clearing one previous material weakness and consolidating two significant deficiencies into one. The AOC's material weakness and significant deficiency as of September 30, 2011 are summarized below. The complete text of the Independent Auditor's Report on Internal Control, including the auditor recommendations, can be found in *Section III: Financial Information*.

Material Weaknesses Summary: Internal Control Assessment

The absence of a fully implemented internal control assessment process is a repeat material weakness for AOC. The AOC has not completed a formal and systematic assessment and evaluation of the design and operation of internal controls. To address this repeat condition, AOC plans to complete an internal control assessment process that is adequately documented, tested, monitored, and reported annually. The assessment will include documentation of the internal control structure, including the identification of risks to material accounts and the existence of internal controls to mitigate those risks. OMB Circular A-123 provides guidance for evaluating and monitoring internal controls and the AOC will consult this Circular and the related Implementation Guide in addressing this condition.

Significant Deficiencies Summary: Information Technology

The AOC's IT control environment's design and operation weaknesses are a modified repeat significant deficiency due to the absence of a formal, documented configuration management process, effective monitoring of third party servicers, appropriate segregation of duties, and effective oversight of system access. To remedy this significant deficiency, AOC plans include: implementing a formal, documented change management process for financial system changes; issuing a third party service provider policy and ensuring it has been reviewed and signed by management prior to implementation and documenting procedures necessary for implementation of the policy; identifying and documenting the security roles and associated security categories that should not be combined; and instituting an effective process to ensure separated employee and contractor system access is removed in a timely manner.

Federal Financial Management Improvement Act

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires that federal agencies' financial management systems provide financial data that complies with federal accounting standards, federal system requirements and the U.S. Standard General Ledger (USSGL) at the transaction level. The AOC substantially complied with the FFMIA for FY 2011.

Federal Information Security Management Act

The Federal Information Security Management Act (FISMA) requires each Executive Branch agency to develop, document and implement an agency-wide program to provide information security for the information and information systems that support the agency's operations and assets. The AOC, as a Legislative Branch agency, is not required to comply with FISMA but nonetheless strives to comply with the principals of FISMA. The AOC references sources such as the U.S. General Accountability Office (GAO) Federal Information System Controls Audit Manual (FISCAM) and the National Institute of Standards and Technology (NIST) Special Publications for guidance on its Information System Security program. The AOC uses this guidance to create and maintain a risk-based Information Security program.

In FY 2009 and FY 2010, AOC, along with an independent third party, performed Certification and Accreditation (C&A) of all AOC information systems. As a result of this C&A effort, AOC has improved its information systems security stature. The AOC has established a continuous monitoring strategy based on NIST Special Publications (SP) 800-53.

In FY 2011, AOC took a diligent approach to further improve its information systems security posture placing a strong emphasis on computer security awareness and training, establishing procedures and processes for detecting, reporting, and responding to security incidents, vulnerability scanning and remediation, patch compliance and continuous monitoring. In particular, AOC achieved over 99 percent compliance with security awareness training. Also, AOC completed the implementation of its incident response program utilizing internal procedures in conjunction with managed security monitoring and management of its enterprise infrastructure provided by the Managed Security Information and Event Management (SEIM) enterprise security services. The Managed SEIM helps protect AOC against external and internal threats, provides immediate assessment and response to security incidents, and adheres to regulatory requirements for log auditing, security and compliance reporting.

The AOC Information Systems and AOC Information System Security programs are evaluated each year through independent assessments and audits. Through these activities AOC is continuing to improve information system documentation, policies and procedures and to mitigate information security risks and weaknesses.

A summary of AOC's financial management systems is included in *Section IV: Other Accompanying Information* of this report.

December 15, 2011

ARCHITECT'S FMFIA STATEMENT OF NO ASSURANCE

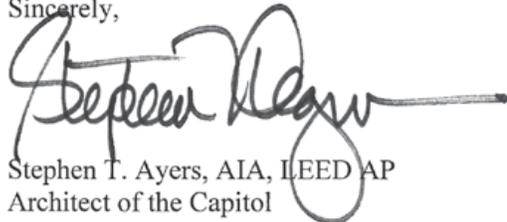
The management of the Architect of the Capitol (AOC) is responsible for establishing and maintaining effective internal control and financial management systems. The Federal Managers' Financial Integrity Act (FMFIA) requires certain federal government agencies to conduct annual evaluations of their internal controls and financial management systems and report their results.

As a Legislative Branch office, AOC is not subject to the FMFIA requirements. Nonetheless, AOC embraces the FMFIA principles as a best financial management practice and is fully committed to implementing a program to assess the effectiveness of the organization's internal control program.

The requirements of Office of Management and Budget (OMB) Circular A-123, Appendix A, *Management's Responsibility for Internal Control*, include an assessment of the effectiveness of the organization's internal controls to support effective and efficient programmatic operations, reliable financial reporting, compliance with applicable laws and regulations, and financial management system conformance to the applicable financial systems requirements.

The AOC's internal control program remains a work-in-progress. This fiscal year, AOC completed vulnerability assessments across the organization and documented the controls. Going forward, AOC is developing the tools that will allow us to validate our risk assessments and test and monitor controls on a routine basis. However, at year-end, AOC has not conducted an assessment of the effectiveness of the internal control program and has received a repeat material weakness for the internal control program in our FY 2011 financial audit. Therefore, AOC is unable to provide assurance that its internal controls and financial management systems meet the objectives of FMFIA and that its internal control over financial reporting are operating effectively.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Ayers", with a long horizontal line extending to the right.

Stephen T. Ayers, AIA, LEED AP
Architect of the Capitol

Doc. No. 111209-04-1



The AOC is committed to providing accountability and transparency for its financial resources. In FY 2011, the AOC received a clean audit opinion for the seventh consecutive year. The AOC considers strong financial management an important tool for providing Congress and the Supreme Court with effective and efficient facilities operations support.

FINANCIAL HIGHLIGHTS

The financial highlights that follow provide a summary presentation and analysis of AOC's FY 2011 financial statements. The AOC's independent auditor, Kearney & Company, audited AOC's Balance Sheets for the fiscal years ending September 30, 2011, and September 30, 2010, along with the accompanying Statements of Net Cost, Changes in Net Position and Budgetary Resources. The AOC received an unqualified (clean) audit opinion on its financial statements for the seventh consecutive year.¹⁰ The complete financial statements and audit reports are contained in *Section III: Financial Information* of this report.

The AOC considers its annual independent audit an integral part of its financial management. An unqualified opinion provides reasonable assurance that the financial statements are free of material misstatement. Reasonable assurance, while not absolute, is nonetheless a high level of assurance.¹¹ While AOC takes great pride in generating reliable annual financial statements, AOC recognizes that the process of preparing financial statements and subjecting them to an independent audit is only the first step toward adopting best financial management practices such as those found in the CFO Act and subsequent legislation. To reap the full benefits of this federal financial reform legislation and to develop its own financial management best practices, AOC is diligently working to maintain seamless financial systems and processes, generate reliable cost and performance information and analyses and undertake other value-added activities that support strategic decision making and mission performance.

¹⁰ This followed two straight years in which a clean opinion was received on its Balance Sheet-only audits.

¹¹ The term reasonable assurance includes the understanding that there is a remote likelihood that material misstatements, due to inherent limitations, may not be prevented or detected on a timely basis.

Guide to the Financial Statements

Government-wide efforts to improve federal financial transparency and accountability led to the enactment of mandatory uniform accounting and reporting standards for Executive Branch agencies, along with the tools to better manage financial resources. Though a Legislative Branch organization, AOC has implemented policies that voluntarily comply with the spirit of many best business practices. The financial statements and financial data presented herein have been prepared from AOC's accounting records in conformity with generally accepted accounting principles (GAAP). GAAP, for federal entities, are the standards prescribed by the Federal Accounting Standards and Advisory Board (FASAB).

Overview of Financial Position: The Balance Sheet

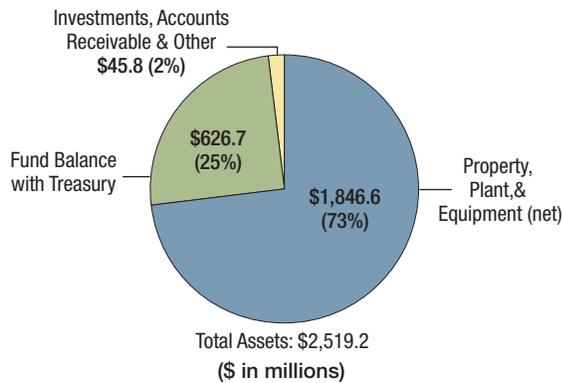
The Balance Sheet provides a snapshot of AOC's financial position at a fixed point in time. The fiscal year-end Balance Sheet displays amounts of future economic benefits owned or available for use (Assets), amounts owed (Liabilities) and the residual amounts (Net Position) at the end of the fiscal year.

Assets

As shown on the Balance Sheet, AOC had total assets of \$2.52 billion at the end of FY 2011. This represents an increase of \$21 million (0.8 percent) over FY 2010 total assets of \$2.50 billion. The increase is primarily the result of an increase of \$53 million in Fund Balance with Treasury. Figure 23 summarizes FY 2011 total assets by component.

Property, Plant and Equipment (PP&E) represents AOC's largest asset (73.3 percent of total assets). PP&E, net of accumulated depreciation, equaled \$1.85 billion at fiscal year-end. While the impact on the overall AOC financial statements is immaterial, it should be noted that the capitalization threshold for real property and improvements was changed from \$200,000 to \$500,000 effective October 1, 2010.

FIGURE 23: Summary of Total Assets Fiscal Year 2011

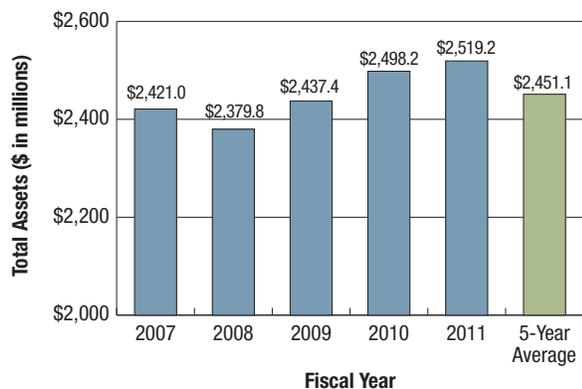


Fund Balance with Treasury is the next largest asset at \$626.7 million as of September 30, 2011, representing 24.9 percent of AOC's total assets, compared to \$574.1 million and 23.0 percent of total assets in FY 2010. Fund Balance with Treasury is the aggregate of funds available with the U.S. Department of Treasury to make authorized expenditures.

The remainder of AOC's assets is composed of Investments, Accounts Receivable, Inventory held for sale in the CVC gift shops and other assets. Investments equaled \$41.5 million, up 6.0 percent from last year. This increase is primarily due to an increase in the CVC Revolving Fund investment. The AOC implemented a new investment policy in FY 2011. This policy was enacted to establish agency-wide guidelines to ensure a sufficient liquidity (i.e., available cash) for unforeseen expenditures and to establish investment strategies to improve AOC's rate of return while not sacrificing investment safety.

The annual trend in AOC's total assets for FY 2007 through FY 2011 is presented in Figure 24. The 4.1 percent increase in total assets since FY 2007 reflects the many significant new facilities and construction projects that have

FIGURE 24: Trend in Total Assets FY 2007–FY 2011



Introducing the Principal Financial Statements

Consolidated Balance Sheets

Provides comparative information on AOC's assets, liabilities and Net Position (Unexpended Appropriations and Cumulative Results of Operations). Net Position represents the Net Investment of the U.S. Government in AOC's assets less liabilities.

Consolidated Statements of Net Costs

Provides the comparative gross costs incurred by reporting segment (AOC jurisdiction), net of any exchange or earned revenue from activities. Exchange revenue includes income from steam and chilled water provided to governmental/private entities, gift shop sales, recycling and others. The net cost of operations is prepared on the proprietary basis of accounting and, unlike budgetary accounting, includes costs of services provided by other entities, accruals and non-cash expenses such as depreciation and amortization.

Consolidated Statements of Changes in Net Position

Provides, on a comparative basis, the beginning Net Position, the transactions that affected Net Position during the period and the ending Net Position.

Combined Statements of Budgetary Resources

Presents comparative information on the budgetary basis of accounting about how budgetary resources were made available and their status at the end of the period.

taken place at AOC in recent years. Capitalized projects from the past five years include the CVC, Packard Center for Audio-Visual Conservation, Library of Congress book storage modules at Fort Meade and the construction costs for the Supreme Court modernization project.

In accordance with Statement of Federal Financial Accounting Standard (SFFAS) No. 29, *Heritage Assets and Stewardship Land*, the Balance Sheet does not reflect heritage assets. Heritage assets are PP&E that are unique and are generally expected to be preserved indefinitely and, as such, are required to be carried at a zero dollar amount. Heritage assets have historical or natural significance, are of cultural, educational, or artistic importance or have significant architectural characteristics. Heritage assets include artwork, architectural features, reference and library materials and historic records. The AOC's heritage assets also include living heritage assets such as its plant inventories at the Botanic Garden and memorial trees on the Capitol Grounds. The one exception to this standard is multi-use heritage

FINANCIAL STATEMENTS SUMMARY

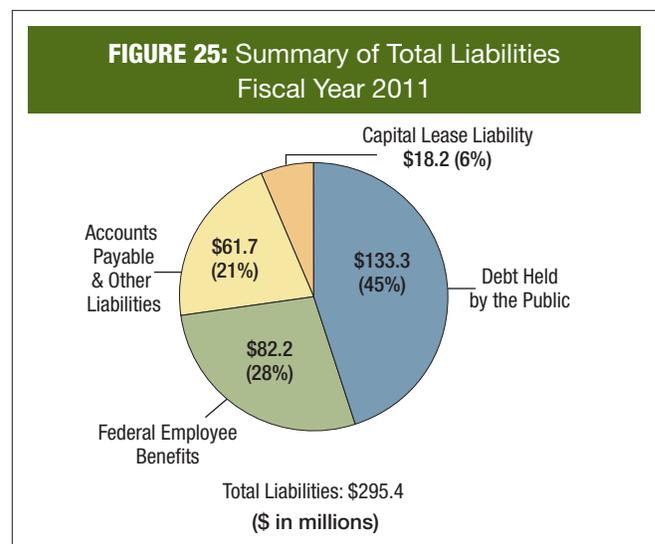
CONDENSED BALANCE SHEETS (dollars in thousands)	FY 2011	FY 2010	PERCENT CHANGE
Fund Balance with Treasury	\$626,728	\$574,108	9%
Investments	41,506	39,173	6%
Accounts Receivable, Net	3,200	2,750	16%
General Property Plant & Equipment, Net	1,846,624	1,880,774	(2%)
Inventory and Other Assets	1,133	1,390	(21%)
Total Assets	\$2,519,155	\$2,498,195	1%
Debt Held by the Public	\$133,346	\$138,709	(4%)
Actuarial FECA	47,568	47,241	1%
Accrued Annual Leave	24,888	23,380	6%
Capital Lease Liability	18,156	21,955	(17%)
Contract Holdbacks	15,538	15,263	2%
Accounts Payable and Other Liabilities	55,931	62,221	(10%)
Total Liabilities	\$295,427	\$308,769	(4%)
Cumulative Result of Operations	\$1,671,427	1,686,778	(1%)
Unexpended Appropriations	552,301	502,648	10%
Total Net Position	\$2,223,728	\$2,189,426	2%
Total Liabilities and Net Position	\$2,519,155	\$2,498,195	1%

NET COSTS SUMMARY	FY 2011	FY 2010	PERCENT CHANGE
Gross Cost	\$632,965	\$622,316	2%
Less: Earned Revenue	(56,257)	(48,204)	17%
Net Cost of Operations	\$576,708	\$ 574,112	1%

assets (i.e., those heritage assets whose predominant use is in general government operations). The Capitol, House Office Buildings, Senate Office Buildings, the Supreme Court and Thomas Jefferson Building of the Library of Congress are all examples of multi-use heritage assets. See the *Required Supplementary Information* for further detail.

Liabilities

At the end of FY 2011, AOC's total liabilities amounted to \$295.4 million, which represents a 4.3 percent decline from the prior year total of \$308.8 million. Much of the decline may be attributed to reductions in Debt Held by the Public and Capital Lease Liabilities. Figure 25 displays the FY 2011 total liabilities by component. Debt Held by the Public, at 45.1 percent, is the largest single component of total liabilities as of September 30, 2011. This represents the value of bonds sold to finance the construction of the Thurgood Marshall Federal Judiciary Building and equaled \$133.3 million at the end of FY 2011 with a decrease from FY 2010 due to bond payments. The ratio of AOC Debt Held by the Public (see Figure 26) has steadily increased from 35.0 percent in 2007 and has increased as a percentage of total



AOC liabilities as its other liabilities have declined. The next largest liability, Liabilities for Federal Employee Benefits, amounted to \$82.2 million. This amount includes the actuarial Federal Employees' Compensation Act (FECA) liability for future workers' compensation benefits (\$47.6 million)

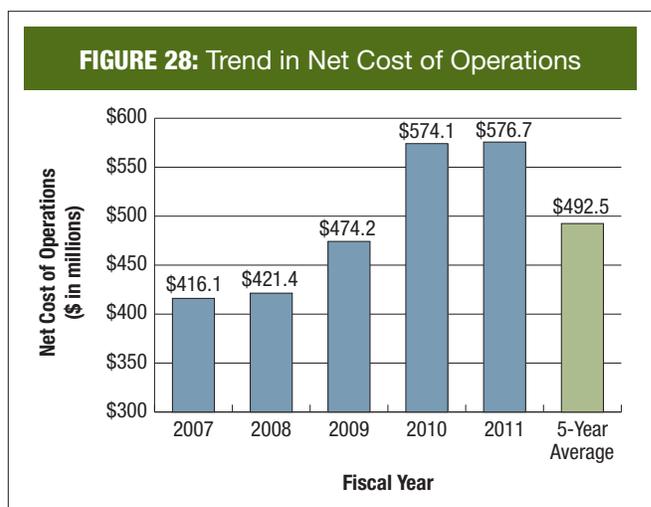
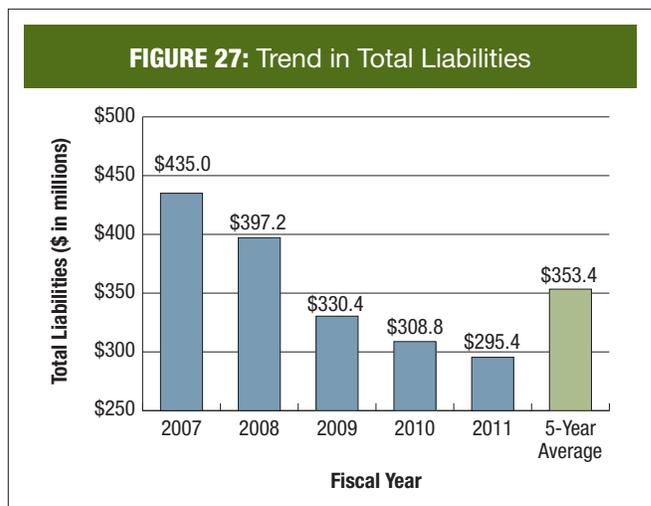
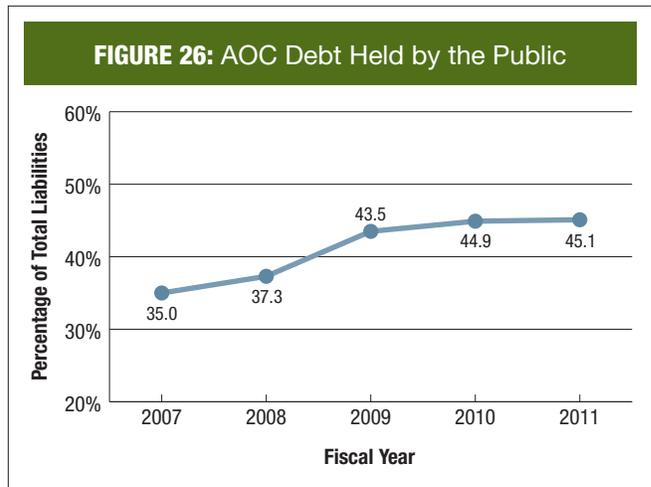
and the liability for Accrued Payroll and Annual Leave (\$24.9 million), which includes salaries and wages earned by employees but not yet disbursed.

The AOC's Capital Lease Liability equaled \$18.2 million at fiscal year-end. This was a 17.3 percent decrease from the FY 2010 total of \$22.0 million. This balance represents capital leases covering administrative office space and storage facilities. At fiscal year-end, AOC had two real property capital leases. Capital leases have initial or remaining non-cancelable lease terms in excess of one year and are amortized over the term of the lease. The decrease in FY 2011 is due to the continual pay-down of leases. The annual trend in total liabilities for FY 2007 through FY 2011 is presented in Figure 27. The reduction in contingent and environmental liabilities during this timeframe accounts for most of the 32.1 percent decrease in total liabilities since FY 2007. As the Capitol Power Plant utility tunnel project has advanced and clean-up remediation costs have been paid, AOC's contingent and environmental liabilities have declined from approximately \$99 million in FY 2007 to \$1 million in FY 2011.

Results of Operations: The Statement of Net Cost

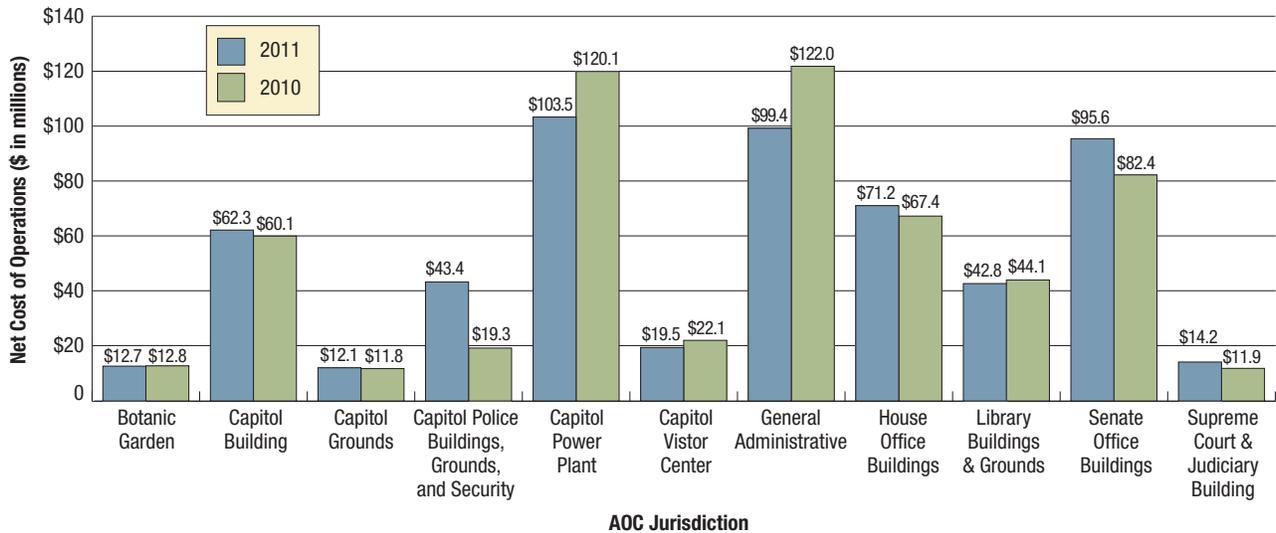
The Statements of Net Cost present AOC's net cost of operations by reporting segment (jurisdiction) for fiscal years 2011 and 2010. Net cost includes total costs less all revenues attributed to and permitted to be offset against those costs. The AOC's main revenue sources are from the rent received from the Administrative Office of the U.S. Courts in the Thurgood Marshall Federal Judiciary Building, providing steam and chilled water to non-Legislative Branch entities within the Capitol and reimbursements for Supreme Court facility maintenance costs. FY 2011 net cost of operations amounted to \$576.7 million, an increase of \$2.6 million or 0.5 percent from FY 2010 net cost of \$574.1 million. The five-year trend in AOC's net cost of operations from FY 2007 through FY 2011 is presented in Figure 28. The 38.6 percent increase since FY 2007 (not adjusted for inflation) reflects the costs associated with AOC's new mission areas such as CVC visitor services operations, new program areas such as energy savings and sustainability, as well as the rise in utility rates, the increased cost of construction materials and other increases that add to the cost of day-to-day operations.

A comparison of AOC's total net cost by jurisdiction for FY 2011 and FY 2010 is displayed in Figure 29. Material changes year-over-year were seen in the Capitol Police Buildings, Grounds and Security, General Administrative, the Capitol Power Plant and the Senate Office Buildings. The Capitol Police Buildings, Grounds and Security net cost of operations increased by \$24.1 million, or 124.5



percent due to the Capitol campus infrastructure security project and an increase in operating and program costs. General Administrative net cost of operations decreased by \$22.6 million, or 18.5 percent, primarily due to an increase

FIGURE 29: Summary of Net Cost of Operations by AOC Responsibility Segment FY 2011 and FY 2010



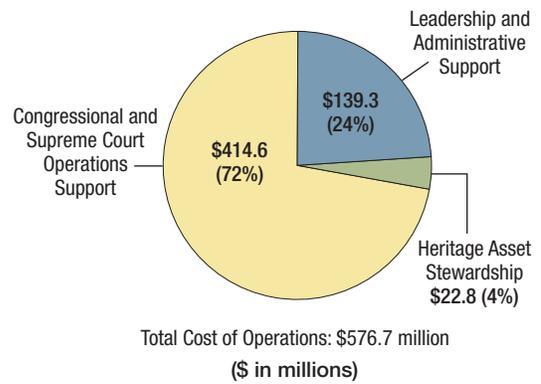
in the amount of project costs capitalized. The Capitol Power Plant's net cost of operations decreased by \$16.5 million, or 13.8 percent, due to a decrease in costs for the utility tunnel project as the project nears completion. The Senate Office Buildings net cost of operations increased by \$13.1 million, or 15.9 percent, due to the upgrade of the phone system and other improvement projects throughout the Senate jurisdiction.

Resources Used to Achieve Strategic Goals

The AOC's mission is to provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and its related facilities. To accomplish this mission, AOC's FY 2007–FY 2011 Strategic Plan identified three strategic goals, or mission areas, where the organization would focus its efforts. Figure 30 displays the breakdown of the organization's cost expenditures by Strategic Goal for FY 2011.

As shown, approximately three-quarters of the organization's expenditures were devoted to achieving Goal 1 (Congressional and Supreme Court Operations Support), with the balance devoted to achieving Goals 2 and 3 (Heritage Asset Stewardship and Leadership and Administrative Support, respectively). The budgetary resources used to fund these expenditures are detailed in the *Overview on Use of Budgetary Resources* section. Though it may appear that only a small portion of AOC's efforts is devoted to heritage asset stewardship, management believes this expenditure is understated. Many work activities, such as preventative maintenance, have both an

FIGURE 30: Net Cost of Operations by Strategic Goal

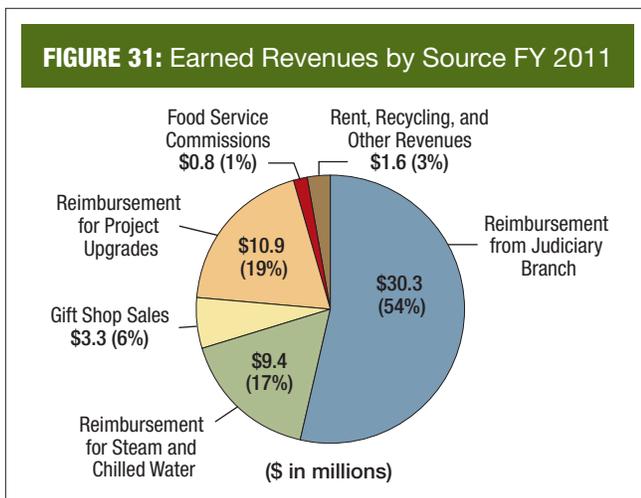


operations support component (Goal 1) and a heritage asset stewardship component (Goal 2). Currently, dual purpose work is captured in the organization's information systems entirely under Strategic Goal 1. As AOC's data collection and information technology systems and processes mature, the organization will provide a more precise breakout.

The AOC's cost data has helped link resources to results. Annually, AOC submits a performance-informed budget that maps the desired funding to strategic goals and key performance objectives. In its FY 2013 budget cycle, AOC created a zero-based budget and used its cost data to develop its budget requirements.

Earned Revenues by Source

The AOC's major sources of revenue for the fiscal year ending September 30, 2011, are depicted in Figure 31. The largest sources of revenue are reimbursements from the Judicial Branch for facility operations in the Supreme Court and Thurgood Marshall Federal Judiciary Building (53.8 percent), reimbursements to the Capitol Power Plant for steam and chilled water (16.7 percent) and reimbursements from the U.S. Capitol Police for costs related to the radio modernization project (17.0 percent). Other sources of revenue include CVC gift shop sales, food service commissions, rent and recycling proceeds. In FY 2011, AOC issued a new management policy with regards to its Recycling Program Revolving Fund. Through FY 2013, AOC is allowed to reinvest recycling program proceeds into programs or activities to improve the environment or promote energy savings across the agency.



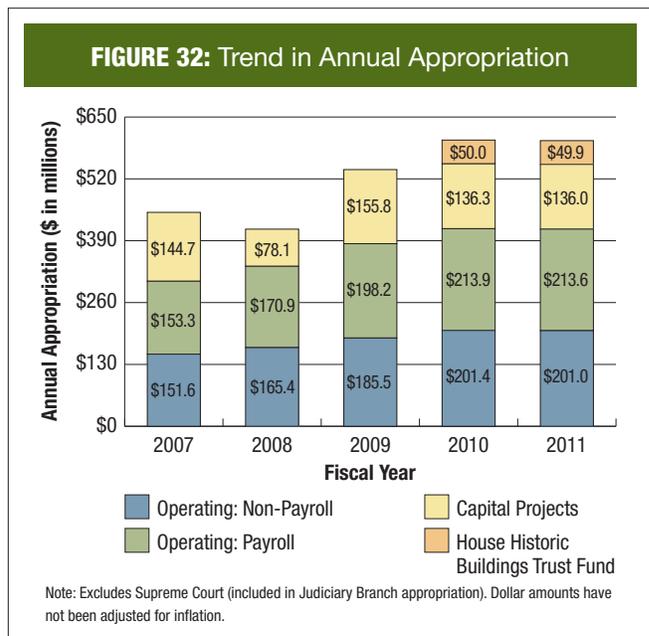
Overview of Net Position

The Statement of Changes in Net Position identifies all financing sources available to, or used by, AOC to support its net cost of operations and also identifies the net effect or change in its financial position. Net position is the sum of two components: Cumulative Results of Operations and Unexpended Appropriations. Each component is displayed separately to enable an understanding of the changes to Net Position as a whole. The AOC's Net Position at the end of FY 2011 on the Balance Sheet and the Statement of Changes in Net Position was \$2.22 billion, a \$34.3 million (1.6 percent) increase from the prior fiscal year. A \$15.4 million decrease in spending partially drove the increase year over year.

Overview on Use of Budgetary Resources

The Statement of Budgetary Resources provides data on how AOC obtained its budgetary resources and the status of these resources at the end of the fiscal year. This statement displays the key budgetary equation (Total Budgetary Resources equals Total Status of Budgetary Resources), which provides information on the status of congressional spending authority.

The AOC's appropriations consist of an operating budget component and a capital projects budget component. Separate appropriations are enacted for each of AOC's jurisdictions. Operating budgets fund the daily operations of all AOC jurisdictions. Payroll is the largest single component of AOC's operating budget and were appropriated at \$213.6 million (35.6 percent of the total amount budgeted). Other operating expenses include equipment, utilities, supplies and general support contracts. The capital projects budget includes upgrades, improvements, construction, preservation and stewardship of the facilities for which AOC is responsible. Figure 32 highlights the trend in total AOC appropriations for FY 2007 through FY 2011. While AOC received an increase in appropriations in FY 2010 from FY 2009, AOC's appropriations for FY 2011 reflected a small rescission from the FY 2010 budget level. Whereas past appropriations to AOC were increased in recognition of AOC's new mission areas and to address the growing backlog of deferred maintenance and capital renewal requirements, AOC recognizes that in these fiscally constrained times, the Legislative Branch must lead by example by showing fiscal constraint while continuing to serve the nation.



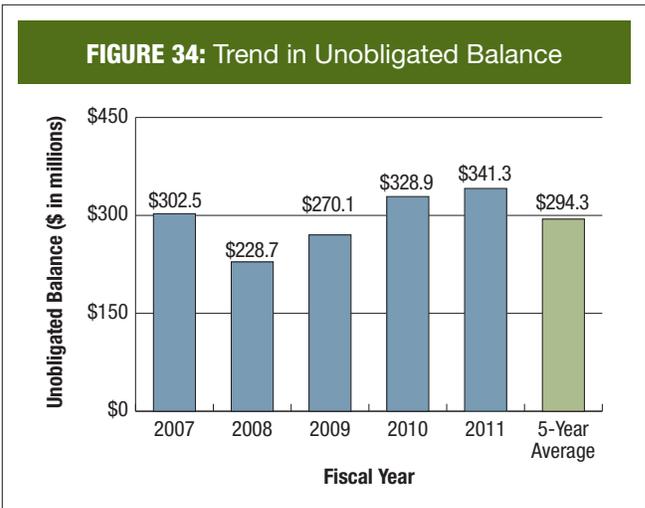
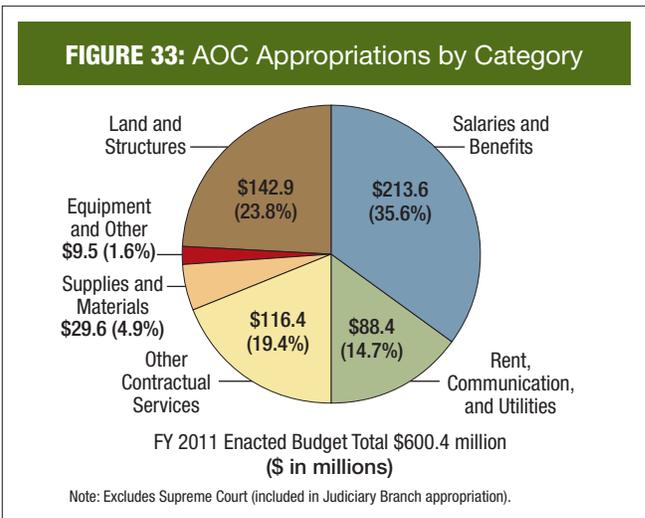
SECTION I: Management's Discussion and Analysis

To assist with major renovation projects, a House Historic Buildings Revitalization Trust Fund was established by Congress in FY 2010 to help fund the cost of certain projects for the repair and revitalization of historic buildings of the Capitol. While AOC has made progress identifying and prioritizing its deferred maintenance issues, many historic buildings will continue to require significant funding for maintenance, repair and refurbishment. Unfortunately, past and current resource levels have not been sufficient to address both the existing and new facility maintenance issues that surface. For more information on this deferred maintenance challenge, please refer to *Management Challenges and Looking Ahead: Deferred Maintenance and Capital Renewal Requirements* in this report. The FY 2011 appropriation by major expense category is illustrated in Figure 33.

As part of managing its budgetary resources, AOC tracks its unobligated balance on a regular basis. The AOC's unobligated balance represents the unexpended appropriation amount (\$341.3 million at fiscal year-end) and tends to fluctuate directly with the number of construction projects in the pipeline. Because projects are often funded with multi-year and sometimes no-year appropriations, AOC's unobligated balance could be misleading to the average reader. Funds that are marked unobligated in its financial systems are typically set aside for specific construction projects that have a multi-year project cycle. The AOC's five-year trend in unobligated balances is reflected in Figure 34.



Responsible financial stewardship ensures that the historic buildings under AOC's care, such as the U.S. Capitol pictured above, remain viable working environments for Congress and are preserved for future generations.



Limitation of Financial Statements

Management prepares the accompanying financial statements to report the financial position and results of operations for AOC pursuant to the requirements of Chapter 31 of the U.S. Code Section 3515(b). While these statements have been prepared from AOC's books and records in accordance with the spirit of OMB Circular A-136, Financial Reporting Requirements, Generally Accepted Accounting Principles (GAAP) and other applicable authority, these statements are in addition to the financial reports, prepared from the same books and records used to monitor and control the budgetary resources. These statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity. One implication is that unfunded liabilities cannot be liquidated without legislation that provides the resources to do so.





Performance Information



INTRODUCTION

The Performance Section presents the results of AOC's progress toward achieving its strategic goals, followed by its outcome measures and targets. It includes a discussion of the strategies to achieve and measure performance and the actions that AOC takes to overcome its challenges. This section also includes a summary of the methods used to verify and validate performance data and provides AOC's performance results and trends. The section provides a detailed picture of how AOC's actual performance compares to its FY 2011 performance goals.

The AOC's strategic goals are to provide services and facilities support for Congress and the U.S. Supreme Court, protect the Capitol complex's heritage assets and provide the associated leadership and administrative support to achieve its mission. The AOC strives for the highest performance based on the Strategic Plan. The AOC provides an annual Performance and Accountability Report, together with a budget request, that follows the spirit and intent of the Government Performance and Results Act. This is AOC's seventh year of providing performance information in the Performance and Accountability Report. The Strategic Plan continues to evolve and annual updates have resulted in the shift of some activities into future years.¹² This impacts AOC's ability to collect data for certain performance measures. As such, some measures have

new baseline dates and new target levels of achievement leading up to the original FY 2011 targets. These impacts are discussed within this section.

During this fiscal year, AOC involved more than 300 employees in developing the AOC's next five-year Strategic Plan covering FY 2012 through FY 2016. The new plan is intended to better align the organization's strategic goals and objectives to its mission. Critical to the success of agency strategic planning efforts will be the development of meaningful metrics and outcome measures to target continuous performance improvement. As part of this development, AOC confirmed that several metrics from its current Strategic Plan no longer accurately reflect the critical work being done. In addition, AOC has refined its executive dashboard over time, evolving from the original Strategic Plan measures toward performance indicators better aligned with satisfying AOC customers' needs. As AOC has matured in its strategic and performance planning process, new indicators are oftentimes identified that can better drive business improvement.

A reconciliation of AOC's outcome measures and performance indicators from FY 2010 to FY 2011 is contained in Tables 12 and 13. The AOC continues to assess data availability and relevance to refine its strategic performance metrics. In FY 2011, AOC added a new outcome measure and corresponding performance indicator and removed several metrics that are no longer measured. These changes are disclosed in Appendix B.

¹² To request more information on the AOC *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011*, please contact AOC at 202.226.5005.

TABLE 12: Outcome Measures Reconciliation

STRATEGIC GOAL	OUTCOME MEASURES 10/01/10	ADDED	DELETED	OUTCOME MEASURES 09/30/11
Congressional and Supreme Court Operations Support	16	1	2	15
Heritage Asset Stewardship	7	—	3	4
Leadership and Administrative Support	19	—	6	13
Total	42	1	11	32

TABLE 13: Performance Indicators Reconciliation

STRATEGIC GOAL	PERFORMANCE INDICATORS 10/01/10	ADDED	DELETED	PERFORMANCE INDICATORS 09/30/11
Congressional and Supreme Court Operations Support	40	1	22	19
Heritage Asset Stewardship	9	—	5	4
Leadership and Administrative Support	46	1	21	26
Total	95	2	48	49

DATA VALIDATION

The AOC has a solid history of using objective data to build indicators that reflect performance. The AOC Dashboard is a performance measurement tool that provides data on critical performance outcomes and annual targets. It is based upon the Strategic Plan. Each year, AOC methodically aligns the Dashboard with the Strategic Plan to reflect new and more ambitious targets and to provide clear and accurate performance measurements across AOC.

The key activities in the AOC’s performance management approach are:

- Establish long-term targets (five years out) through the strategic planning process
- Work with process owners and their customers to set annual targets

- Use applied metrology techniques to identify sources, validate data and generate information
- Review and discuss results monthly via the executive dashboard meetings
- Review and discuss results measured on an annual basis as they become available.

The AOC monitors and maintains automated systems and databases that collect, track and store performance data. These systems are supported by AOC’s Information Technology Division. Controls are in place to ensure that only authorized staff can access key systems and data. The data source for each performance measure is identified in the pages that follow. For areas where actual results are not reported, data falls under one of two categories: (1) data unavailable at time of publication or (2) data not applicable for this fiscal year. These classifications are:

- **Data unavailable at time of publication:** This category is for data results that were not available in time for inclusion in this report.
- **Data not applicable for this fiscal year:** This category is for activities that do not occur on an annual basis and is not available for FY 2011. For example, indicators based on the Building Services Customer Satisfaction Survey (BSCSS), which now occurs every other year, will not be available until the next survey installment planned for summer 2012.

Note: Some measures from the Strategic Plan are no longer used to drive performance improvement. These metrics are listed in Appendix B.



The AOC supports the mission of Congress by sustaining the home of American democracy through planning and programs based on a long-term perspective and the effective and efficient use of resources.



LEFT: The AOC is composed of skilled professionals who deliver the specialized services necessary to meet the facility needs of Congress.
RIGHT: AOC's congressional support work includes the restoration and systems upgrade for a number of Congressional Committee Hearing Rooms.

STRATEGIC GOAL 1: CONGRESSIONAL AND SUPREME COURT OPERATIONS SUPPORT

Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery and related services.

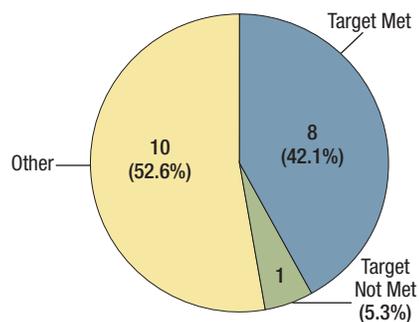
The AOC manages facilities and grounds for Congress and the Supreme Court. This includes providing timely, high quality facilities management, project delivery and related support services to maintain the national treasures entrusted to its care. The AOC is highly focused on client service and proactively manages the delivery of services including assessing the current condition of buildings and identifying maintenance needs. The AOC manages a large portfolio of projects adhering to industry best practices and a disciplined project management process. Project progress and success is monitored regularly. The results achieved for this fiscal year for Goal 1 is depicted in Figure 35.

The AOC has taken several actions to ensure continuous performance improvement. These actions include benchmarking, monitoring and measuring performance. The AOC takes a proactive approach by performing routine facility condition assessments and preventive maintenance processes and revising project plans to ensure they are scalable and incorporate industry best practices. The AOC increased efficiencies by automating work order and cost data collection processes and enhanced project

close-out procedures. In addition, AOC regularly surveys building occupants to verify it is meeting their needs and to identify opportunities for improvement.

Detailed performance results for each objective are provided in Tables 14 through 17 in this section. The data reflects five-year trends based on the availability of data.

FIGURE 35: FY 2011 Results Achieved for Strategic Goal 1



Note: Number of Performance Indicators 19 (9 with FY 2011 targets).

STRATEGIC OBJECTIVE 1.1: Facilities Maintenance

Effective facilities management services are provided to the Congress and Supreme Court to maintain the facilities and grounds under the care of the Architect of the Capitol.

The AOC's strategy to achieve this objective focuses on recurring maintenance and repairs, preventive maintenance, equipment maintenance and deferred maintenance.

Discussion

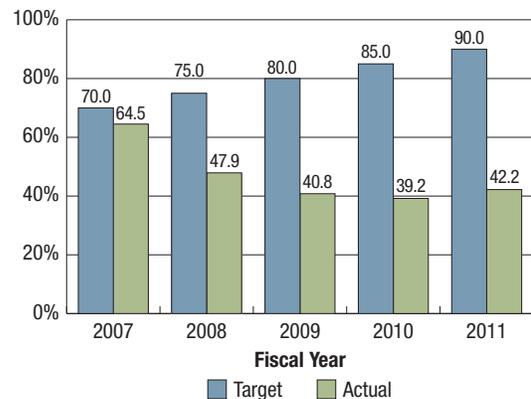
To track progress, AOC utilizes Facility Condition Assessments and corresponding Facility Condition Indexes (FCI) to rate the condition of each building, tracks completion time for preventive maintenance work and conducts biennial surveys to determine customer satisfaction (a survey was not conducted this fiscal year).

TABLE 14: Performance Results for Strategic Objective 1.1 Facilities Maintenance

> Trend

The AOC's backlog of deferred maintenance continues to grow as maintenance demands exceed available budgetary resources.

FIGURE 36: Facility Condition Index



FACILITY CONDITION INDEX

By FY 2011, the Facility Condition Index is maintained at an assessment level of good to excellent for 90% of the square footage of the facilities that have been formally assessed.*

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
70.0%	64.5%	75.0%	47.9%	80.0%	40.8%	85.0%	39.2%	90.0%	42.2%

Results: Target not met.

Data Source: The AOC's facility condition assessment database. Deferred maintenance costs divided by replacement value (note: some facilities are not yet included).

Discussion: The rate of facilities with indexes of Good or Excellent under the FCI falls short of the target rate because the Capitol's aging facilities and maintenance needs have exceeded available funding over several years. Competing requirements for limited budgetary resources has meant the AOC can perform only the most pressing maintenance requirements while deferring lower prioritized maintenance needs. The FCI is a useful tool for planning, programming and budgeting but does not accurately reflect the tremendous amount of maintenance work the AOC conducts each fiscal year to maintain its facilities. The facilities requiring the greatest investment include the John Adams Building, the James Madison Memorial Building, the Rayburn and Cannon House Office Buildings, the Hart and Russell Senate Office Buildings, the West House Underground Garage and the Capitol Power Plant.

SATISFACTION WITH MAINTENANCE AND REPAIR

For FY 2011, customer satisfaction with maintenance and repair of buildings is at least 90%.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	92.4%	≥85.0%	92.3%	≥85.0%	91.8%	≥90.0%	93.1%	N/A	N/A

Results: Not applicable. Survey is conducted biennially.

Data Source: Biennial survey of building occupants related to maintenance and repair of the building.

Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.

PREVENTIVE MAINTENANCE

By FY 2011, at least 90% of preventive maintenance work orders are completed as scheduled every month.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	90.0%	90.5%							

Results: Target met.

Data Source: Automated facilities management system.

Discussion: The AOC's automated maintenance management system tracks all preventive maintenance conducted by AOC. Fiscal Year 2011 was the first year the system provided completion and scheduled metrics for preventive maintenance. Prior to FY 2011, AOC did not have the data collection tools necessary to report on this measure. In FY 2011, AOC closed 166,692 of the 184,222 preventive maintenance work orders (90.5%).

* Although AOC did not meet its target in FY11, the Agency is re-evaluating this metric as it moves forward with the *FY 2012 – FY 2016 Strategic Plan*. Strategies being considered as process improvements include prioritizing the work based upon the system and building criticality, leveraging work order data to inform the facility condition assessments, and measuring progress in more frequent intervals.

STRATEGIC OBJECTIVE 1.2: Facilities Operations

High-quality services are provided in direct support of congressional and Supreme Court operations.

The AOC's strategy to achieve this objective focuses on routine cleaning inspections, a comprehensive energy conservation and management plan, educating customers on the recycling program and developing and implementing policies and procedures for applicable life-safety and fire protection requirements.

Discussion

To track progress, AOC utilizes the results from cleaning inspections, customer satisfaction surveys, energy consumption levels, recycling rates and Facility Condition Assessments. The biennial customer satisfaction survey will occur next in FY 2012.

>Trend

The AOC has exceeded its standards for cleanliness each year since FY 2007.

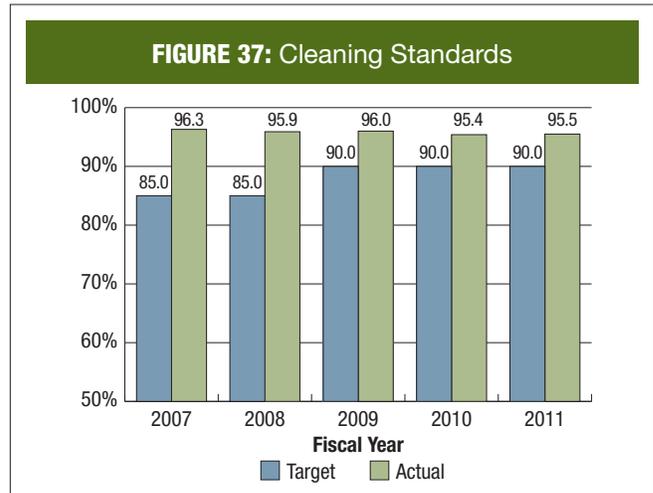


TABLE 15: Performance Results for Strategic Objective 1.2 Facilities Operations

CLEANING STANDARDS									
By FY 2011, cleaning inspections confirm that cleaning standards are met at least 90% of the time.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	96.3%	≥85.0%	95.9%	≥90.0%	96.0%	≥90.0%	95.4%	≥90.0%	95.5%
Results: Target met. Data Source: Cleaning inspection sheets. Discussion: The AOC continues to maintain high levels of cleaning standards by focusing on training according to specific standard procedures and conducting thorough inspections.									
Customer satisfaction with cleaning services is at least 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	85.8%	≥85.0%	85.1%	≥85.0%	87.2%	≥90.0%	89.9%	N/A	N/A
Results: Not applicable. Survey is conducted biennially. Data Source: Biennial survey of building occupants related to cleaning. Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.									
ENERGY CONSUMPTION									
By FY 2011, utilities are effectively utilized in order that a decrease of 3% per year is achieved in total energy consumption.*									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
4.0%	6.7%	9.0%	16.1%	12.0%	15.3%	15.0%	17.3%	18.0%	18.6%
Results: Target met. Data Source: Variation between the total energy intensity Kilo British Thermal Units (KBTUs) divided by square feet in FY 2003 and the current fiscal year. Discussion: The key areas leading to achieving the goals were: (1) new building level projects implemented by the jurisdictions as well as maintaining previous operational improvements of mechanical and lighting systems; (2) successful implementation of free cooling strategies at the Capitol Power Plant to provide chilled water during the winter months; and (3) Energy Savings Performance Contracts-related construction in the Capitol, House and Senate Office Buildings.									

* Annual energy reduction targets utilize AOC's FY 2003 baseline levels. For example, the FY 2010 performance target requires the AOC to meet its FY 2003 energy consumption amount minus 15 percent, while the FY 2011 target requires the AOC to meet its FY 2003 amount less 18 percent.

FOCUS ON...Sustainability, Energy Efficiency and Energy Management



Solar collectors installed on the roof of the Ford House Office Building help the AOC meet its sustainability and energy reduction targets.

The AOC is focused on increasing energy efficiency and management across the Capitol. In FY 2011, AOC created a Sustainability, Energy, and Water Conservation Division to better integrate planning and programmatic efforts and fully incorporate conservation in all projects and operations. AOC reduced its energy use by 18.6 percent over the FY 2003 baseline established under the Energy Independence and Security Act of 2007. Figure 38 illustrates AOC's progress.

Fiscal Year 2011 initiatives to reduce energy usage included the following:

Energy Audits

In FY 2011, AOC completed its initial energy audit cycle for the Capitol complex. The audits utilize existing energy usage data to assist in developing baseline sustainability measures for the buildings under AOC's stewardship. A total of 36 buildings were included in the initial audit cycle.

Retro-Commissioning

The AOC initiated retro-commissioning projects throughout the Capitol. These activities target low cost repairs and cost pay-back periods ranging from six months to two years. The projects addressed mechanical, heating, cooling, ventilation and lighting systems to optimize their performance.

Metering Program

The AOC continued installing primary utility meters in its facilities to store and analyze real-time data. This real-time system allows the agency to diagnose and troubleshoot problem areas, validate the results of energy savings measures and identify energy savings opportunities.

Energy Savings Performance Contracts

Energy Savings Performance Contracts (ESPCs) for the House and Senate Office Buildings and the Capitol Building are underway. The ESPCs finance energy savings construction projects under a

public-private partnership. When complete, these projects will provide \$93 million in planned infrastructure upgrades for the Senate, House and Capitol buildings and an estimated energy reduction of 15 percent for the Capitol complex.

Changing Employee Habits

The AOC's employees are doing their part to save energy by using mass transit and flexible work programs. More than 35 percent of AOC employees use public transportation, while over 930 employees participate in flexible work schedules and over 125 are enrolled in the AOC telework program. In addition, AOC undertook an agency-wide project to make printing, faxing and copying more efficient by removing 150 printers from service in early 2011.

Please visit <http://www.aoc.gov/sustainability.cfm> to learn more about AOC's sustainability practices.

FIGURE 38: AOC Energy Reduction

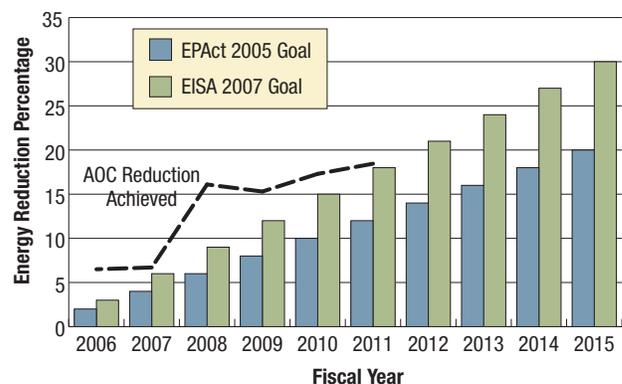


TABLE 15: Performance Results for Strategic Objective 1.2 Facilities Operations (continued)

RECYCLING									
By FY 2013, increase overall recycling rates of AOC recycling program by diverting building occupant wastes (BOW) from the solid waste stream by increasing BOW recycling rates by 3 percentage points.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	35.0%	N/A	35.0%	N/A	41.3%	N/A	40.0%
<p>Results: Not applicable. While AOC currently is on track to meet its FY 2013 goal, it has not set any intermediate targets for FY 2011 or FY 2012.</p> <p>Data Source: BOW recycling rate is equal to the total recycled BOW divided by total BOW.</p> <p>Discussion: The AOC plans to meet this goal by continuing to provide educational material about the recycling program to congressional offices.</p>									
Customer satisfaction with the recycling program is at least 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
90.0%	78.8%	90.0%	80.1%	90.0%	88.4%	90.0%	85.3%	N/A	N/A
<p>Results: Not applicable. Survey is conducted biennially.</p> <p>Data Source: Biennial survey of building occupants.</p> <p>Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.</p>									
SATISFACTION WITH GROUNDS CARE									
By FY 2011, customer satisfaction with grounds care, landscaping and snow removal is at least 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
85.0%	90.8%	85.0%	93.0%	85.0%	94.6%	90.0%	93.0%	N/A	N/A
<p>Results: Not applicable. Survey is conducted biennially.</p> <p>Data Source: Biennial survey of building occupants related to grounds care, landscaping, and snow removal.</p> <p>Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.</p>									
CONDITION OF ROADS AND RELATED ITEMS									
By FY 2011, the condition of roads, sidewalks, pavers, parking lots and storm drains is maintained at an assessment level of good to excellent for 90% of the squares that have been formally assessed via a Facility Condition Assessment.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
70.0%	82.2%	75.0%	86.7%	80.0%	94.1%	85.0%	94.1%	90.0%	97.5%
<p>Results: Target met.</p> <p>Data Source: The AOC Facility Condition Assessment database (deferred maintenance costs divided by replacement value).</p> <p>Discussion: The AOC has performed Facility Condition Assessments on the roads, sidewalks, pavers, parking lots and storm drains for which it is responsible. The success in meeting this goal is attributable to an increase in Facilities Maintenance funding for the Capitol Grounds jurisdiction.</p>									

STRATEGIC OBJECTIVE 1.3: Client Services

Effective facilities management services are provided in direct support of our customers.

The AOC’s strategy to achieve this objective focuses on being responsive to customer requests for routine services including: office moves, timely set-up for events, improving furniture and space planning services and tracking requests in the automated facilities management information system.

Discussion

The AOC tracks performance on this measure primarily through satisfaction surveys. Surveys measuring satisfaction with moving and relocation services and with USBG events were conducted in FY 2011. Although AOC did not conduct customer surveys for the remaining client services in FY 2011, historically, the satisfaction rates have exceeded targets. The biennial customer satisfaction survey for the remaining client services will occur next in FY 2012.

>Trend

The AOC has received high customer satisfaction ratings for its part in each of the past three election year moves.

FIGURE 39: Satisfaction with Moving and Relocation for Election Years

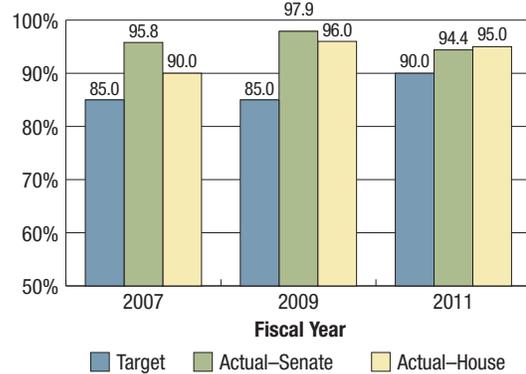


TABLE 16: Performance Results for Strategic Objective 1.3 Client Services

DEMAND WORK ORDERS									
By FY 2011, the close rate of demand and service work orders is at least 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	High: 95.5% Med: 95.5%
<p>Results: Target met.</p> <p>Data Source: The result of dividing the number of demand or service work orders closed in the month by the number of such work orders closeable in the month (i.e., not on hold pending scheduling or material and not associated with a numbered project).</p> <p>Discussion: This measure was not originally included in the Strategic Plan. AOC added the priority definitions in FY 2011 so prior year data is not available. In addition to the overall close rate, AOC closely monitors close rates and cycle time by request priority as well as the pipeline, to ensure maximum visibility. Levels for FY 2011 follows.</p> <ul style="list-style-type: none"> • Proportion of demand and service work orders closed within one day: 73.2% (101,949 of 139,229) • Proportion of demand and service work orders closed in up to one week: 19.3% (26,834 of 139,229) • Close rate and average cycle time for high priority requests: 95.5% (4,516 of 4,731) • Close rate and average cycle time for medium priority requests: 95.5% (32,321 of 33,855) 									
SATISFACTION WITH CLIENT SERVICES									
By FY 2011, customer satisfaction with routine client services is at least 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	92.1%	≥85.0%	93.1%	≥85.0%	95.2%	≥90.0%	94.8%	N/A	N/A
<p>Results: Not applicable. Survey is conducted biennially.</p> <p>Data Source: Biennial survey of building occupants related to routine client services.</p> <p>Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.</p>									

SATISFACTION WITH MOVING AND RELOCATION

By FY 2011, customer satisfaction rate of at least 90% is achieved for moving and relocation services for non-election year moves.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	89.9%	≥85.0%	91.7%	≥85.0%	86.9%	≥90.0%	89.2%	N/A	N/A

Results: Not applicable. Survey is conducted biennially.

Data Source: Biennial survey of building occupants related to moving and relocation services for non-election year moves.

Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.

By FY 2011, customer satisfaction rate of at least 90% is achieved for moving and relocation services for election-year moves. (see Figure 39)

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	S 95.8% H 90.0%	N/A	N/A	≥85.0%	S 97.9% H 96.0%	N/A	N/A	≥90.0%	S 94.4% H 95.0%

Results: Targets met.

Data Source: House survey (H) is conducted by CAO and results provided to AOC. The Senate survey (S) is conducted by AOC.

Discussion: The AOC implemented several changes and initiatives that enhanced the quality, efficiency and effectiveness of the move process. Move Coordinators attended training sessions to review move policies and procedures. The AOC upgraded the transition website used by congressional members with new features such as search filters and interactive videos, which made the website easier to use and provided improved visual representation of office suites. The AOC also improved communications by hosting multiple briefings for both incoming and outgoing congressional members.

SATISFACTION WITH TRANSPORTATION

By FY 2011, customer satisfaction with transportation services is at least 90%.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	88.1%	≥85.0%	92.8%	≥85.0%	91.3%	≥90.0%	92.0%	N/A	N/A

Results: Not applicable. Survey is conducted biennially.

Data Source: Biennial survey of building occupants related to transportation services.

Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.

SATISFACTION WITH EVENT SUPPORT

By FY 2011, customer satisfaction with non-USBG event support services is at least 90%.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	89.7%	≥85.0%	96.4%	≥85.0%	98.6%	≥90.0%	97.3%	N/A	N/A

Results: Not applicable. Survey is conducted biennially.

Data Source: Biennial survey of building occupants related to non-USBG events.

Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.

By FY 2011, 90% of USBG events are rated as "successful" under standards developed according to procedures detailed in AOC process manual BG-SP5.1 "Events at the U.S. Botanic Garden Conservatory."

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	88.9%	≥85.0%	93.8%	≥85.0%	100.0%	≥90.0%	100.0%	≥90.0%	100.0%

Results: Target met.

Data Source: Executive Dashboard. Data is tracked as each USBG event is completed.

Discussion: The USBG maintains a high level of customer satisfaction for Conservatory events.

SATISFACTION WITH SPACE PLANNING

By FY 2011, customer satisfaction with space planning services is at least 90%.

FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	85.1%	≥85.0%	91.8%	≥85.0%	90.3%	≥90.0%	92.6%	N/A	N/A

Results: Not applicable. Survey is conducted biennially.

Data Source: Biennial survey of building occupants related to space planning.

Discussion: The AOC conducted the customer satisfaction survey annually from FY 2007 through FY 2010. Beginning in FY 2011, AOC transitioned to a biennial schedule with the next survey scheduled for FY 2012.

STRATEGIC OBJECTIVE 1.4: Project Delivery

Capital assets are provided and maintained through effective planning and project delivery.

The AOC's strategy to achieve this objective focuses on best practice tools such as the Construction Industry Institute Project Definition Rating Index to guide planning and project delivery, the Project Delivery Contract Strategy tool to guide the acquisition process, improved project management and contingency plans and enhanced project commissioning and close-out processes and procedures.

Discussion

The AOC tracks performance on this measure through an online customer satisfaction survey. In FY 2011, surveys covered 11 completed construction service projects and 25 completed design service projects.

>Trend

The AOC has exceeded its goal for customer satisfaction for its construction work each year since FY 2007.

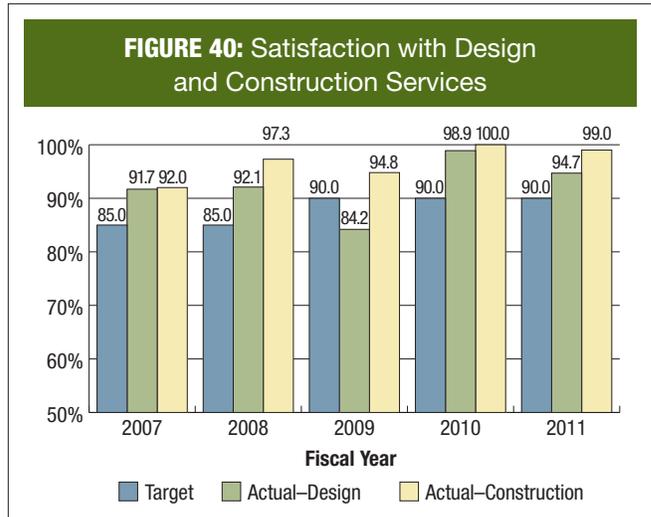


TABLE 17: Performance Results for Strategic Objective 1.4 Project Delivery

SATISFACTION WITH DESIGN AND CONSTRUCTION									
By FY 2011, customer satisfaction for in-house design and construction services is increased to a level of 90%.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
≥85.0%	C 92.0% D 91.7%	≥85.0%	C 97.3% D 92.1%	≥90.0%	C 94.8% D 84.2%	≥90.0%	C 100% D 98.9%	≥90.0%	C 99.0% D 94.7%
<p>Results: Target met.</p> <p>Data Source: Online survey collects information from internal customers of completed projects.</p> <p>Discussion: Based on 11 completed construction service projects and 25 completed design service projects, AOC met the customer satisfaction targets. C = Construction Services and D = Design Services.</p>									

FOCUS ON...Shaping the Future: Capitol Complex Master Plan



The Capitol Complex Master Plan (CCMP) is the comprehensive, long-range framework that guides AOC in its mission to maintain, renovate and develop the Capitol complex. The 20-year CCMP's guiding principles address historic and environmental stewardship, urban design and the facility needs of Congress, its workforce and the visiting public. This plan facilitates key investment decisions, forecasts space needs, maps short- and long-range planning goals, sequences projects and provides a basis for budget requests.

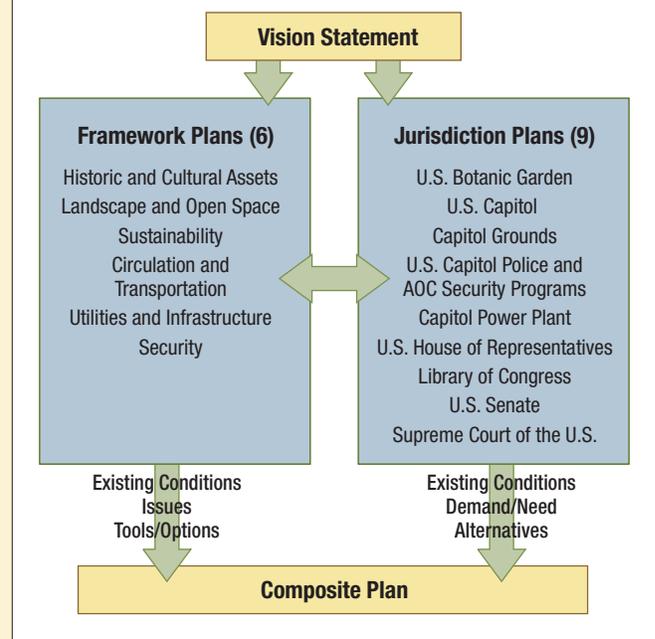
The CCMP is composed of six framework plans, nine jurisdiction plans and a synthesizing composite plan. Framework plans are broad in scope and individually address issues associated with historic and cultural assets, landscape and open space, sustainability, circulation and transportation, utilities and infrastructure and complex-wide security. Jurisdiction plans identify issues, quantify needs and plan for the future of each jurisdiction. The integrated CCMP process is depicted in Figure 41.

The AOC uses an Internet-based planning tool to revise building condition assessment needs and incorporate the requirements of the CCMP. The result has been reflected in AOC's Five-Year Capital Improvements Plan (CIP). The CIP projects annual funding requirements and provides an evaluation of capital projects based on key criteria including regulatory compliance (which incorporates fire and life-safety needs), security, mission accommodation, historic preservation, economic considerations and sustainability and energy efficiency. The five-year plan is dynamic and revised annually and, as a result, the long-range CCMP is adjusted accordingly.

The AOC anticipates completion of the CCMP by early FY 2012. At the end of FY 2011, the Composite Plan was being refined with the

requirements of each Jurisdiction Plan. As the CCMP is completed and continually implemented, it will outline a clear vision of its long-range capital requirements and priorities and guide future development of the Capitol. These efforts support AOC's mission to preserve its historic buildings and grounds and will prepare a blueprint for AOC to meet future demands for a well-functioning, sustainable workplace and a welcoming environment for visitors.

FIGURE 41: The Capitol Complex Master Plan





Stewardship, one of AOC’s core values, requires that AOC is responsible and accountable for the care of the national treasures and properties entrusted to it.

STRATEGIC GOAL 2: HERITAGE ASSET STEWARDSHIP

The national treasures entrusted to the care of the Architect of the Capitol are maintained and preserved for present and future generations and visitors to the Capitol complex are provided an informative and inspiring experience.

The AOC is responsible for the care, maintenance and preservation of the heritage assets entrusted to the organization. Heritage assets include property, plant and equipment that are unique for their:

- Historic or natural significance
- Cultural, educational, or artistic importance
- Significant architectural characteristics.

Ranging from fine art such as paintings and sculpture, to living collections such as trees and plants, heritage assets are expected to be preserved for future generations. Figure 42 provides the results that AOC achieved for Strategic Goal 2.

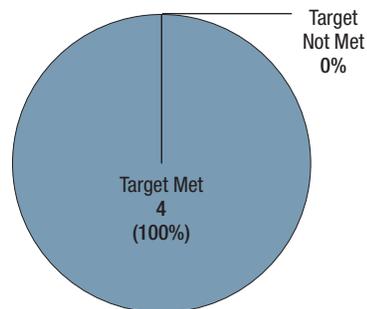
The AOC draws millions of visitors to the Capitol complex each year. This strategic goal focuses on the people who visit the Capitol, Capitol Grounds and Botanic Garden. Since the exhibits and interpretive programs about heritage assets are an important part of the visitor experience, AOC has taken several actions pursuant to the Strategic Plan to continually improve Strategic Goal 2 performance.

The AOC routinely conducts and updates inventories of heritage assets and prioritizes preservation needs based on condition assessment data. In addition, AOC focuses heavily on educating its staff, stakeholders and the public via a comprehensive preservation awareness program and holds numerous tours, training classes and lectures each

year. The AOC website is updated routinely and plans to enhance the availability of information on AOC’s heritage plants, trees and architectural features are in the works. Implementation of the AOC Preservation Policy has been a key factor in improving procedures and ultimately the care of the heritage assets entrusted to the organization.

Detailed performance results for each objective are provided in Tables 18 and 19 in this section. The data reflects trends over a five-year period where available. More information on AOC’s heritage assets is included in the *Required Supplementary Information* section.

FIGURE 42: FY 2011 Results Achieved for Strategic Goal 2



Note: Number of Performance Indicators 4 (4 with FY 2011 targets).

STRATEGIC OBJECTIVE 2.1: Preservation of Heritage Collections

Fine and decorative art, historic artifacts and records, living collections and other heritage assets under the jurisdiction of AOC are catalogued, documented and preserved in good condition.

The AOC's strategy to achieve this objective is to establish, prioritize and implement preservation plans in alignment with the Capitol Complex Master Plan (CCMP), automate information on the condition of AOC's assets and constantly refine and document its policies and procedures.

Discussion

The AOC tracks performance on this measure through metrics that measure the completeness of documentation and condition assessments for the heritage assets. Since FY 2010, 100 percent of the AOC's heritage assets are documented and have completed condition assessments.

>Trend

The AOC has maintained 86.6 percent of its heritage asset collection in good condition since FY 2008.

FIGURE 43: Condition of Heritage Assets

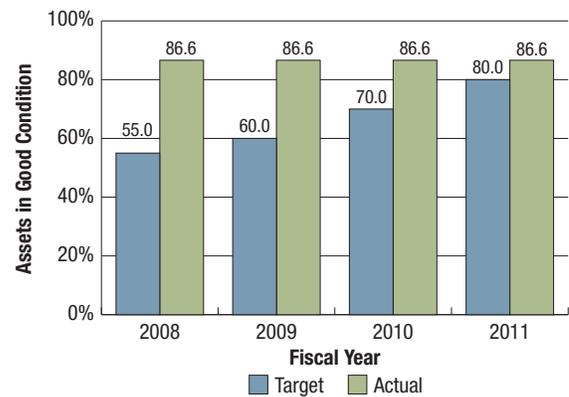


TABLE 18: Performance Results for Strategic Objective 2.1 Preservation of Heritage Collections

DOCUMENTATION OF HERITAGE COLLECTIONS									
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections and other heritage assets are documented and their current condition assessed for present and future restoration efforts and preservation priorities are identified.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	65.0%	80.0%	70.0%	80.0%	75.0%	100.0%	80.0%	100.0%
Results: Target met.									
Data Source: Number of documented assessed assets divided by the total number of assets. Assets for this metric include fine and decorative art, historic artifacts and records, living collections and other heritage assets.									
Discussion: The AOC is responsible for the stewardship of heritage assets located throughout the Capitol and its related facilities. The AOC maintains computerized inventories and detailed records for each heritage asset under its stewardship and has maintained a level of 100% heritage asset documentation completeness since FY 2010.									
By FY 2011, heritage asset documentation is updated according to its schedule 90% of the time.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	75.0%	100.0%	80.0%	100.0%	85.0%	100.0%	90.0%	100.0%
Results: Target met.									
Data Source: Number of documented assets updated on schedule this year divided by the total number of documented assets scheduled for update this fiscal year. Assets for this metric include fine and decorative art, historic artifacts and records, living collections and other heritage assets.									
Discussion: The AOC continues to adhere to its schedule for updating heritage asset documentation on a timely basis. The AOC has maintained a level of documentation timeliness of 100% since FY 2008.									
CONDITION OF HERITAGE COLLECTIONS									
By FY 2011, 80% of fine and decorative art, historic artifacts and records, living collections and other heritage assets are maintained in good condition according to the criteria in our standards document. See the <i>Required Supplementary Information</i> section of this report.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	55.0%	86.6%	60.0%	86.6%	70.0%	86.6%	80.0%	86.6%
Results: Target met.									
Data Source: Number of collections in good or excellent condition divided by the total number of collections.									
Discussion: The AOC has maintained a constant condition assessment of the heritage assets collection. Although the condition of individual assets varies from year-to-year, as a whole, the collection remains in good condition. Routine inspections of the assets identify maintenance requirements. In FY 2011, AOC began a new maintenance program for the sculptures under its care.									

FOCUS ON...Preserving the Past: Art Conservation Projects



The AOC has the unique role of preserving and restoring the Capitol's architectural and joint fine art heritage assets for present and future generations. This year's curatorial highlights included the continuation of several mural conservation projects and a contract award for statue maintenance and conservation in the Capitol. In addition, the first conservation of an original mural in the Library of Congress' Thomas Jefferson Building was accomplished this year.

The multi-phased conservation and restoration work in the Brumidi Corridors continued throughout FY 2011. Extensive testing and pilot conservation work uncovered the original decorations in the inner corridors. This work guided the development of a new five-year plan to restore the remaining murals in the Capitol's first-floor Senate corridors. This work is expected to begin in FY 2012.

Similar conservation and restoration projects were completed in other Capitol locations. The ceiling of the area named the Trophy Room was successfully conserved this year by repairing a dangerous flaking condition that threatened the mural designed to look like carved stone. In addition, an extensive study of the gilding and decorative painting in an extended pilot area in the Senate Reception Room, S-213, will set the standard for future restoration. In the Senate Appropriations Committee Hearing Room, S-127, conservators nearly completed the conservation of the lower wall murals. This work involved the removal of discolored varnish and overpaint

to restore the brilliance of the colors and the three-dimensional effect that Constantino Brumidi created in the overdoor cherubs and trompe l'oeil pilasters.

The AOC awarded a contract in FY 2011 to conserve the historic statues and busts in the Capitol. The contract provides for the necessary maintenance that will keep the sculptures in excellent condition. The primary focus is on the 100 statues in the National Statuary Hall Collection. Much of this conservation work is completed after visitor hours and on weekends, so as not to interfere with congressional business or public tours.

The AOC completed the first ever cleaning of the mural *Human Understanding* on the ceiling above the lantern over the Main Reading Room in the Thomas Jefferson Building. Black soot and grime were removed from the mural, originally painted by Edwin Blashfield in 1896. The conservators uncovered the original whites and pastel colors and found that the plaster and paint have remained in remarkably good condition. The AOC continues its regular inspection and repair program on all of the murals that were conserved during the 1994 Jefferson Building restoration.

ABOVE: The AOC has the unique role of preserving and restoring the Capitol's fine art heritage assets for present and future generations, including the murals found in the Strom Thurmond Room, S-238.

STRATEGIC OBJECTIVE 2.2: Preservation of Historic Buildings, Landscape and Architectural Features

Historic buildings, landscape and architectural features in the Capitol are preserved in good condition.

The AOC's strategy to achieve this objective is to establish, prioritize and implement preservation plans in alignment with the CCMP, automate information on the condition of AOC assets and constantly refine and document policies and procedures. Further, AOC is working on a landscape preservation strategy.

Discussion

Key measures to clearly show AOC performance against this strategic objective are currently under development. While the AOC continues to place emphasis on the preservation of the historic buildings, landscapes and architectural features under its care, work continues in identifying the measures that will clearly show performance in this area. Examples of the progress being made in this area follow.

- 80 percent of preservation plans have been established and aligned with preservation aspects of the Capitol Complex Master Plan; the remaining 20 percent are expected to be completed in summer 2012.
- 50 percent of Building Preservation Guides have been completed. These serve to conduct and update inventories as well as prioritize preservation needs based on current condition assessments. These efforts are accomplished through annual general administration funding and completion of work is dependent on funding availability.



Preserving the historic buildings, landscape and architectural features is one of AOC's strategic goals. The AOC is in the process of developing preservation plans and Building Preservation Guides that will assist AOC in meeting its mission to preserve the historic buildings, landscape and architectural features under its care.

FOCUS ON...Bartholdi Fountain Restoration



The AOC completed commissioning and restoring Frederic Bartholdi's historic "Fountain of Light and Water" in FY 2011. After nearly three years, the restored fountain returned to the Bartholdi Park on the grounds of the Botanic Garden on May 18, 2011.

Frédéric Auguste Bartholdi, a 19th century French sculptor, created the fountain for the 1876 International Centennial Exhibition in Philadelphia. He based the design on a model he created in 1867 while working on his design for the Statue of Liberty. After the exhibition, the United States purchased the fountain at the suggestion of Frederick Law Olmsted, the landscape architect who designed the Capitol Grounds. The fountain was installed in its current location in 1932. The fountain underwent a previous renovation in 1986 and was repainted in 1996.

The most recent renovation project began in September 2008. The sculpture was disassembled, removed by crane and taken to an architectural metal specialist for repair. The AOC restored and retrofitted the plumbing, electrical and lighting infrastructure, replaced the statue pedestal and repaired the 96 foot diameter, 3 foot deep fountain basin. The project modernized the fountain with a new underground concrete utility vault that will control the mechanical and lighting operations of the refurbished water feature.

Bartholdi Park remained open during this restoration and the USBG is now focused on redesigning the park. The USBG completed the Bartholdi Park master plan in October 2011. The redesigned Park will include new planting beds that will demonstrate the highest quality horticulture and showcase the principles of the Sustainable Sites Initiative (SITES) by aligning site development and management practices with the functions of healthy ecosystems. The park will be a pilot project for SITES after its completion.¹³

¹³ AOC's participation in the Sustainable Site Initiative (SITES) is discussed further in Appendix A under the United States Botanic Garden section.

STRATEGIC OBJECTIVE 2.3: Heritage Asset Presentation

Capitol complex visitors are provided with high-quality interpretive exhibits and programs.

The strategy to achieve this objective is to continually explore multi-media opportunities to present information on heritage assets. Examples include an enhanced Capitol Grounds website, new educational programs at the USBG and a recent initiative to develop an interpretive program for the Capitol Grounds.

Discussion

The AOC tracks performance on this measure through a recurring visitor satisfaction survey at the USBG. The USBG has a historic trend of high customer satisfaction ratings and it continues to address the actionable comments on the surveys to further improve customer satisfaction.

> Trend

The AOC has consistently achieved high customer satisfaction levels with the interpretive exhibits and programs at the USBG.

FIGURE 44: Satisfaction with USBG Interpretive Exhibits and Programs

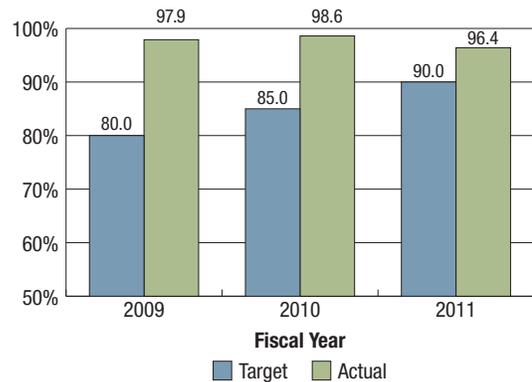


TABLE 19: Performance Results for Strategic Objective 2.3 Heritage Asset Presentation

SATISFACTION WITH INTERPRETIVE EXHIBITS AND PROGRAMS									
By FY 2011, an average overall rating of at least 90% is achieved on the recurring visitor satisfaction survey for interpretive exhibits and interpretive programs.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	≥80.0%	97.9%	≥85.0%	98.6%	≥90.0%	96.4%
Results: Target met.									
Data Source: USBG comment card survey that allows visitors to rate various USBG activities on a qualitative scale.									
Discussion: Customer satisfaction ratings have met the target since this metric has been measured. The AOC has taken steps to address actionable comments from the surveys, such as entry areas, visitor conveniences and wayfinding, in efforts to further improve customer satisfaction.									



The Capitol Visitor Center's Exhibition Hall features historic documents, artifacts, models, and interactive stations that educate visitors about Congress and the U.S. Capitol.



Each year, the AOC undertakes many projects to ensure the security and safety of Congress, the Supreme Court, and the many visitors to the nation's Capitol. The AOC's Strategic Goal 3 tracks AOC resources devoted to effective security, safety, fire, emergency preparedness, and environmental services.

STRATEGIC GOAL 3: LEADERSHIP AND ADMINISTRATIVE SUPPORT

The responsibilities of the Architect of the Capitol are fulfilled efficiently and effectively, and accountability is enhanced, through the provision of high-quality leadership and administrative support services.

This strategic goal is designed to enable the accomplishment of AOC's first two strategic goals: (1) Congressional and Supreme Court Operations Support and (2) Heritage Asset Stewardship. In addition, the enabling services outlined in Goal 3 are vital to ensure the successful completion of the support services themselves.

The strategies outlined in this section are necessary to maximize AOC's mission performance. The strategies are designed to comply with external regulations, enhance accountability and serve its internal customers, namely, AOC staff who conduct the mission work.

The AOC has taken several actions toward continual performance improvement with a focus on workforce planning initiatives. Most Internal Service Providers have established service level agreements. The AOC routinely seeks feedback from employees on a variety of topics so that improved services can be delivered. The AOC periodically updates its policies and procedures for financial management including cost accounting and internal controls, technology operations and security, procurement, human resources and safety to ensure that these areas meet the intent of Goal 3. Figure 45 provides the results achieved for Goal 3.

The majority of the unmet performance measures relate to budget execution targets that were not met because of obligation priorities and the reservation of annual funds for unforeseen expenses. Detailed performance results for each objective are provided in Tables 20 through 24 in this section. The data reflects trends over a five-year period where available.



STRATEGIC OBJECTIVE 3.1: Leadership

The AOC’s executive leadership and administration establishes clearly defined goals and effective strategies, and the coordination of support systems, so as to maximize the AOC’s mission performance and accountability.

The overall strategy to achieve this objective is to routinely assess and discuss agency performance across the board and to implement prioritized process improvements.

Discussion

Key measures to clearly show AOC performance against this strategic objective are not available. This objective was originally measured through the computation of the number of strategic outcome measures with targets met or exceeded divided by the total number of strategic outcome measures with targets. However, many activities of the Strategic Plan were planned as year-long and would only come due after the end of the fiscal year. In addition, the discrete measure of “outcome met or not met” did not reflect all the work that had been completed to drive AOC progress in the right direction. An assessment and discussion of AOC operational performance takes place during monthly executive dashboard meetings, where all senior leaders share information on accomplishments and best practices, discuss how to address roadblocks and look ahead to provide their respective organizations with a clear path to delivering. The Performance Plan revisions are disclosed in Appendix B.

STRATEGIC OBJECTIVE 3.2: PEOPLE

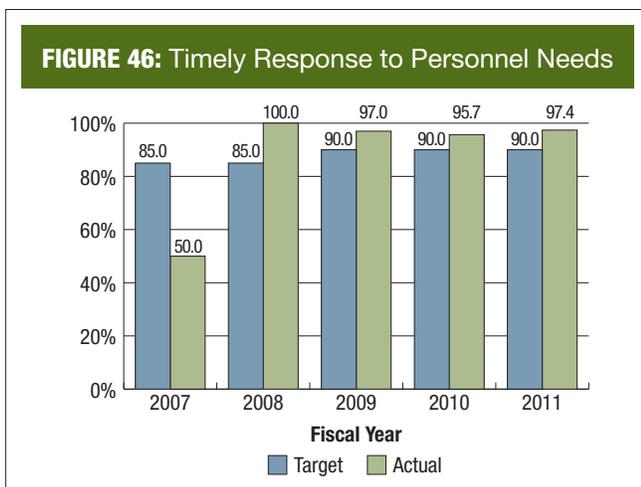
The AOC staff is enabled to support the achievement of AOC goals by the promotion of a work environment that fosters equal employment opportunity, organizational and individual performance and professional development.

The AOC’s strategy to achieve this objective focuses on implementation of the human capital initiatives, the workforce planning framework and the equal employment opportunity policies, and establishing and monitoring key service cycle times.

>Trend
 The AOC has a four-year track record of exceeding the goals set for timely personnel service actions.

Discussion

The AOC tracks performance on this measure through employee satisfaction ratings (completed every four years), the claims closure rate and data on AOC’s hiring process. Neither the Employee Satisfaction Survey nor the Internal Service Provider Survey was conducted this fiscal year.



Recognizing that employees are its most valuable asset, the AOC held planning sessions with its employees to develop the FY 2012–2016 Strategic Plan.

TABLE 20: Performance Results for Strategic Objective 3.2 People

EMPLOYEE SATISFACTION									
By FY 2011, an average employee satisfaction rating with how the AOC is improving of at least 90% is achieved on the biennial employee feedback assessment.									
<p>Results: Not applicable. Survey conducted every four years.</p> <p>Data Source: The AOC conducts research on a four-year cycle using employee focus groups or surveys.</p> <p>Discussion: The next employee satisfaction survey is scheduled for 2012.</p>									
CLAIMS CLOSURE RATE									
By FY 2011, 90% of claims are closed within 60 days, in accordance with the Conciliation Program policy.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
85.0%	93.9%	90.0%	92.3%	90.0%	66.7%	90.0%	71.9%	90.0%	75.8%
<p>Results: Target not met.</p> <p>Data Source: The AOC's Equal Employment and Diversity Programs Office. Calculated as number of claims closed within 60 days divided by the total number of claims closed in the fiscal year.</p> <p>Discussion: Twenty-five of the 33 cases (75.8%) were closed in less than 60 days.</p>									
PERSONNEL-RELATED SERVICES									
By FY 2011, timely response to personnel needs is ensured by meeting 90% of the cycle time measures for various personnel-related services as defined in the AOC operational dashboard.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
85.0%	50.0%	≥85.0%	100.0%	≥90.0%	97.0%	≥90.0%	95.7%	≥90.0%	97.4%
<p>Results: Target met.</p> <p>Data Source: Automated human resource management system. Calculated as the number of hiring actions completed within respective target cycle time divided by the total number of hiring actions in the fiscal year.</p> <p>Discussion: The AOC developed new metrics to track this measure in FY 2011. The AOC tracks four variations of the hiring process. This performance measure only looks to one of the four hiring process cycles, hence excluding summer hires and other extraordinary actions.</p>									
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with personnel-related services.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	80.0%	74.8%	N/A	N/A	90.0%	Unavailable
<p>Results: Data unavailable at time of publication.</p> <p>Data Source: Biennial Internal Service Provider (ISP) Customer Satisfaction Survey.</p> <p>Discussion: The 2011 ISP survey was not completed at the time of publication. Data for FY 2011 is expected in early FY 2012.</p>									



FOCUS ON...Workplace Improvements at AOC

The AOC provides ongoing training to its employees to ensure staff is equipped with the knowledge, skills, and tools they need to effectively perform their job.

The AOC considers its employees to be its most important resource and strives to continually improve employee satisfaction. This focus empowers AOC to recruit and retain a highly-qualified workforce. In FY 2011, AOC implemented programs to continue its transformation into a professional, service-oriented organization. These programs are intended to make AOC competitive with other federal agencies in the ability to recruit, develop and retain employees. This year, AOC continued to expand its work-life program in order to offer greater flexibility in work schedules, decrease commuting costs and support energy reduction efforts. In addition, the following new workplace initiatives were achieved during FY 2011:

Updated Time and Attendance Policy and Procedures

The AOC updated its time and attendance policy and procedures to provide greater internal controls and meet financial accountability requirements. The AOC utilized a collaborative work group, including timekeepers and other AOC stakeholders, to update this policy and

establish clear roles and responsibilities for employees, supervisors and timekeepers. These policies and procedures set the framework for AOC to improve the controls and accountability for time and attendance.

Implemented a Veterans' Preference in Hiring Program

The AOC, in response to new legislative requirements under the Veterans' Employment Opportunity Act, implemented a veterans' preference to AOC's hiring program. The AOC developed the necessary policies, procedures and implementation plan as required by law. In doing so, AOC established a benchmark for other Legislative Branch agencies that have yet to implement veterans' preference.

Expanded Student Loan Repayment Program

The AOC also expanded its Student Loan Repayment Program as a work-life benefit. Prior to FY 2011, AOC had a smaller scale student loan repayment program. However, the updated reimbursement program is available to all employees and AOC received 49 applications during FY 2011.¹⁴

¹⁴ This program is based upon available funds.

STRATEGIC OBJECTIVE 3.3: Information

The AOC's staff leverages information technology and communications to improve the AOC's mission performance.

The strategy to achieve this objective focuses on three key areas of communication: technology, internal communications and external communications.

> Trend

The AOC has maintained a near perfect record of ensuring mission-critical systems are operational during core-mission hours.

Discussion

The AOC tracks performance on this objective through completion rates for information technology service requests, availability rates of mission-essential, mission-critical and mission-support systems and customer satisfaction surveys. The AOC has continued to improve its information technology through upgrades to the desktop management software, desktop operating systems and other business applications, implementation of an automated patch management process, and usage of encrypted laptop computers. The AOC has also made efforts to improve external and internal communications through an updated website, new communication standards, and an upgraded internal SharePoint system. The AOC expects these efforts to drastically improve employee satisfaction with internal communications when the next survey is conducted in FY 2012.

FIGURE 47: Availability of Mission-Critical Systems

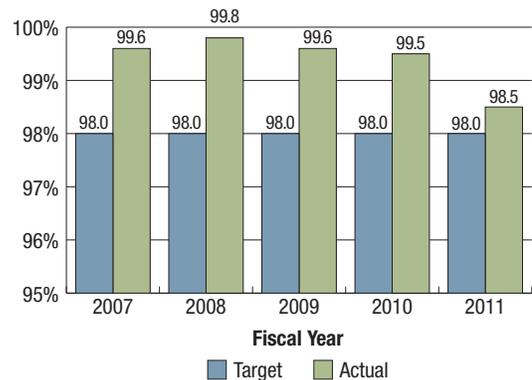


TABLE 21: Performance Results for Strategic Objective 3.3 Information

INFORMATION TECHNOLOGY SERVICES									
By FY 2011, requests for information technology services are responded to and completed within established timeframes 90% of the time.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	N/A	N/A	85.0%	91.5%	90.0%	96.2%
Results: Target met. Data Source: Automated information technology Help Desk system. Discussion: The AOC is able to achieve its service response time goals by using various tools, including remote access capability for routine troubleshooting, customer contact via phone and e-mail to ensure rapid information gathering and ticket closure as soon as the work has been completed. The AOC continues to maintain its systems performance standards by adhering to routine maintenance schedules.									
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with IT services.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	80.0%	83.7%	N/A	N/A	90.0%	Unavailable
Results: Data unavailable at time of publication. Data Source: Biennial ISP Customer Satisfaction Survey. Discussion: The 2011 ISP survey was not completed at the time of publication. Data for FY 2011 is expected in early FY 2012.									
By FY 2011, during core hours, mission-critical (mc) systems are available 98% of the time, mission-essential (me) systems are available 95% of the time and mission-support (ms) systems are available 90% of the time.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
98.0% mc 95.0% me 90.0% ms	99.6% mc 99.7% me 99.3% ms	98.0% mc 95.0% me 90.0% ms	99.8% mc 99.6% me 99.4% ms	98.0% mc 95.0% me 90.0% ms	99.6% mc 100% me 100% ms	98.0% mc 95.0% me 90.0% ms	99.5% mc 99.9% me 99.8% ms	98.0% mc 95.0% me 90.0% ms	98.5% mc 98.6% me 98.5% ms
Results: Target met. Data Source: Automated Information Technology Help Desk System. Discussion: The AOC credits its success on this measure to its focus on adherence to a regular maintenance schedule.									

TABLE 21: Performance Results for Strategic Objective 3.3 Information (continued)

SATISFACTION WITH INTERNAL COMMUNICATIONS									
By FY 2011, an average rating of at least 90% is achieved on the biennial AOC employee feedback assessment for satisfaction with internal communications.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	≥85.0%	23.7%	N/A	N/A	N/A	N/A	N/A	N/A

Results: Not applicable (data is collected every four years).
Data Source: The AOC conducts research on a four-year cycle using employee focus groups and/or surveys.
Discussion: The next survey is scheduled for FY 2012.

STRATEGIC OBJECTIVE 3.4: Fiscal

Financial services are provided in a customer-focused and value-creating manner and foster a culture of high integrity and accountability.

The AOC’s strategy to achieve this objective is to establish and monitor key cycle time metrics for financial services, implement a management operation reporting structure and Internal Control Program, develop procedures for financial certifications and work with the jurisdictions on obligation plans.

Discussion

The AOC tracks performance on this objective through its financial audit, a resolution rate for internal control and audit weaknesses, budget obligation rates and the biennial Internal Service Provider survey. To improve its performance, AOC continues to implement financial management best practices, including conducting quarterly financial reviews to gain greater visibility across the organization into AOC’s financial performance. The AOC also made progress in FY 2011 on its Internal Control Program.

> Trend
 For the past two years, AOC has exceeded its goal for reducing internal control and audit weaknesses.

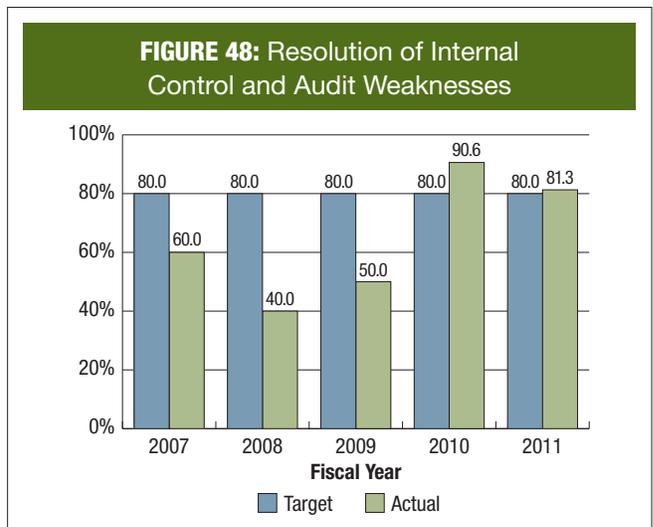


TABLE 22: Performance Results for Strategic Objective 3.4 Fiscal

FINANCIAL SERVICES									
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with useful timely financial information provided to manage programs.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	≥80.0%	78.2%	N/A	N/A	≥90.0%	Unavailable
<p>Results: Data unavailable at the time of publication. Data Source: Biennial ISP Customer Satisfaction Survey. Discussion: The 2011 ISP survey was not completed at the time of publication. Data for FY 2011 is expected in early FY 2012.</p>									
BUDGET OBLIGATION RATES									
By FY 2011, our budget obligation rate target for annual funds is met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
100.0%	98.8%	100.0%	99.2%	100.0%	99.2%	100.0%	98.4%	100.0%	97.8%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: FY 2011 results do not reflect the final split payroll numbers (unavailable at time of publication). The AOC reserves up to 1.0% of its expiring funds unforeseen expenses after the fiscal year.</p>									
By FY 2011, FY 2007–2011 multi-year fund targets are met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
55.0%	11.8%	75.0%	66.1%	90.0%	79.2%	95.0%	91.2%	100.0%	99.6%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: The AOC reserves up to 1.0% of its expiring funds for unforeseen expenses after the fiscal year.</p>									
By FY 2011, FY 2008–2012 multi-year fund targets are met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	55.0%	49.5%	75.0%	72.8%	90.0%	79.6%	95.0%	90.9%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: During FY 2011, AOC focused its efforts on obligating its expiring funds and, therefore, did not achieve its multi-year fund targets.</p>									
By FY 2011, FY 2009–2013 multiyear fund targets are met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	55.0%	26.8%	75.0%	61.2%	90.0%	81.3%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: During FY 2011, AOC focused its efforts on obligating its expiring funds and, therefore, did not achieve its multi-year fund targets.</p>									
By FY 2011, FY 2010–2014 multiyear fund targets are met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	N/A	N/A	55.0%	27.0%	75.0%	64.7%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: During FY 2011, AOC focused its efforts on obligating its expiring funds and, therefore, did not achieve its multi-year fund targets.</p>									
By FY 2011, FY 2011–2015 multiyear fund targets are met.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55.0%	28.6%
<p>Results: Target not met. Data Source: Financial management system (total funds obligated divided by the total budget authority). Discussion: During FY 2011, AOC focused its efforts on obligating its expiring funds and, therefore, did not achieve its multi-year fund targets.</p>									

TABLE 22: Performance Results for Strategic Objective 3.4 Fiscal (continued)

FINANCIAL AUDIT AND INTERNAL CONTROLS									
By FY 2007, and each year thereafter, a clean audit opinion is received.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean
<p>Results: Target met.</p> <p>Data Source: Annual independent audit of AOC's financial statements.</p> <p>Discussion: The AOC received an unqualified (clean) audit opinion on its FY 2011 financial statements for the seventh consecutive year.</p>									
By FY 2007, and each year thereafter, 80% of internal control and audit weaknesses are resolved within one year.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
80.0%	60.0%	80.0%	40.0%	80.0%	50.0%	80.0%	90.6%	80.0%	81.3%
<p>Results: Target met.</p> <p>Data Source: Number of internal control and audit weaknesses identified in the previous fiscal years and resolved within one year divided by the total number of internal control and audit weaknesses identified in the previous fiscal year audit report.</p> <p>Discussion: This fiscal year, AOC's Internal Control Program continued to mature. The Senior Advisory Team that oversees the Internal Control Program met seven times during the fiscal year to provide direction, guidance, review and approval for aspects of the program. The AOC completed the entity-level risk assessments and developed process risk assessments. This effort concluded with the preparation, review, submission and approval of 150 vulnerability assessments.</p>									

FOCUS ON...Paperless Invoice Payment Program Implemented

In FY 2011, the AOC Accounting Division implemented a paperless payment program to reduce Agency costs and improve the efficiency of its payment function. This program benefits AOC by reducing the labor and paper costs associated with manual invoice processing, minimizing the space devoted to paper file storage, making the workflow process more efficient and improving the accessibility of accounts payable data for research and audit.

In a paperless environment, the invoice documentation submitted for payment moves through the payment and review process electronically, rather than in a hardcopy form. Once an invoice is approved for payment, a payment document is created in the financial management system and the support data is stored in a “virtual file cabinet.” This accelerates the invoice processing time, reduces manual data entry errors and allows for document access from many

users at once — including from alternate work locations. To assist with this implementation, AOC conducted two training sessions with authorized users and utilized their feedback to inform the final process. To date, AOC has processed over 5,000 invoice packages by paperless payment.

Based on an internal evaluation, AOC believes the paperless process has met the program’s objectives of lower costs and greater efficiency. This effort aligns with AOC Strategic Plan Objective 3.4 that calls for financial services to be provided in a customer-focused and value-creating manner. Looking ahead to the next fiscal year, AOC hopes to expand this process for its contract payments and to further automate the invoicing process by utilizing the Internet Payment Platform (IPP), a web-based electronic invoicing and payment information system provided by the Department of the Treasury.

STRATEGIC OBJECTIVE 3.5: Material

Responsive, quality, cost-effective and accountable procurement and inventory management is provided to meet the AOC's service and supply needs.

The strategy to achieve this objective is to establish and monitor key cycle time metrics, routinely review the operational needs of AOC to consolidate contract vehicles (when appropriate) and identify additional methods of value. The AOC has also implemented a program to certify its contract specialists and provide training for AOC staff who serve as contracting officer technical representatives.

Discussion

The AOC tracks performance on this objective through measures addressing procurement timeliness, inventory turnover and biennial customer satisfaction surveys. In FY 2011, the inventory turnover ratio was revised to better align with the AOC's inventory acquisition and storage requirements.

> Trend

Although the AOC's procurement services target has not been met, the AOC improved its performance by nearly 10 percent since FY 2010.

FIGURE 49: Timely Response to Procurement Needs

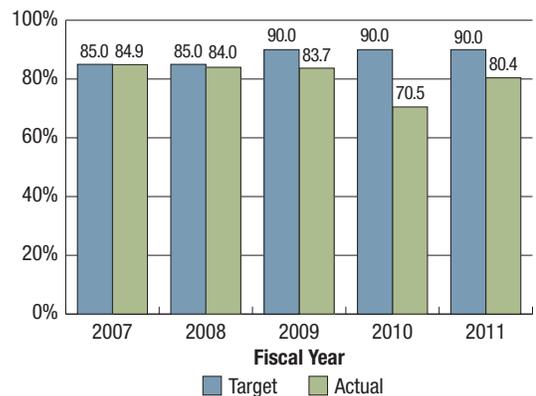


TABLE 23: Performance Results for Strategic Objective 3.5 Material

PROCUREMENT SERVICES									
By FY 2011, a timely response to procurement needs is ensured by meeting 90% of the cycle time measures for various procurement services as defined in the AOC operational dashboard.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
85.0%	84.9%	85.0%	84.0%	90.0%	83.7%	90.0%	70.5%	90.0%	80.4%
Results: Target not met.									
Data Source: Procurement Overview Portal.									
Discussion: The Procurement Division awarded 1,417 out of 1,762 requisitions on time (80.4%), an increase of nearly 10 percent since FY 2010. The AOC continues to focus on process improvements to improve the procurement process.									
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with procurement services.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	≥80.0%	79.4%	N/A	N/A	≥90.0%	Unavailable
Results: Data unavailable at the time of publication.									
Data Source: Biennial ISP Customer Satisfaction Survey.									
Discussion: The 2011 ISP survey was not completed at the time of publication. Data for FY 2011 is expected in early FY 2012.									
INVENTORY TURNOVER RATIO									
By FY 2011, the inventory usage ratio is maintained at a level of 1.0.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
1.00	1.27	1.00	1.62	1.00	1.53	1.00	1.51	1.00	1.91
Results: Target met.									
Data Source: Inventory Management System (12 months of inventory usage divided by moving inventory balance).									
Discussion: In FY 2011, AOC revised this metric to account for a mandatory inventory reserve kept on hand. This reserve is for inventory items required to be kept on hand because of their long order lead time. Both the target and actual turnover ratios for previous years were restated to account for this new calculation method.									

STRATEGIC OBJECTIVE 3.6: Safety, Fire, Emergency Preparedness and Environmental Services

AOC resources are protected through effective safety, fire, emergency preparedness and environmental services.

The AOC’s strategy to achieve this objective is to routinely update, implement and monitor the Occupational Safety and Health Program Plan, Environmental Program Plan and emergency preparedness plans. In addition, AOC has begun working on a Fire Program Plan and is working to establish requirements for an environmental management system and cooperative agreements with other governmental entities in areas for which it may need assistance.

Discussion

The AOC tracks performance on this objective through various metrics that track injuries and illnesses, loss of work time due to injuries, environmental risk levels and safety and emergency response rates. In FY 2011, AOC adopted the Department of Labor’s (DOL) POWER initiative. This initiative focuses on annual improvements in safety and injury reduction instead of percentage decreases in injury and illness rates. The AOC has also focused on a culture of safety and accident prevention. The AOC monitors “lagging indicators” as shown in the performance measures, and “leading indicators” such as inspections and safety training.

>Trend
 Since FY 2009, AOC has reduced the number of days of lost production by employees due to work-related injury or illness.

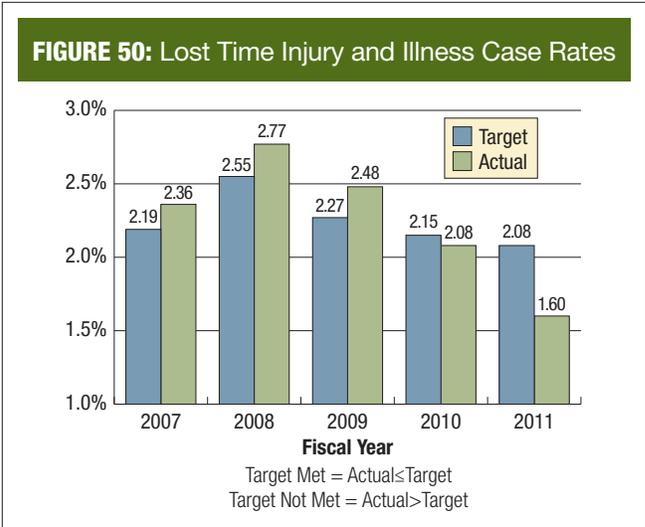


TABLE 24: Performance Results for Strategic Objective 3.6 Safety, Fire, Emergency Preparedness and Environmental Services

INJURIES AND ILLNESSES									
Since FY 2010, the Injury and Illness rate is reduced from the previous year.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
4.73%	4.41% (DOL) 4.36% (AOC)	4.28%	4.06% (DOL) 3.94% (AOC)	3.86%	4.32% (DOL) 4.01% (AOC)	3.63%	4.61% (DOL) 3.85% (AOC)	3.85%	3.67%
Results: Target met.									
Data Source: Number of injury and illness cases that have been sent to the Department of Labor (DOL) or have a claim number in the workers compensation log divided by the average number of employees. DOL information is published online at http://www.osha.gov/dep/fap/fap-inj-ill-stats.html .									
Discussion: In FY 2011, AOC adopted the DOL’s POWER initiative, the successor of the Safety, Health and Return to Employment (SHARE) initiative. Unlike its predecessor, POWER does not require a specific percentage reduction in injuries but focuses on improvement with respect to the previous year.									
Since FY 2010, the lost time injury and illness case rate is reduced from the previous year (See Figure 50).									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
2.19%	2.63% (DOL) 2.36% (AOC)	2.55%	2.38% (DOL) 2.77% (AOC)	2.27%	2.56% (DOL) 2.48% (AOC)	2.15%	2.47% (DOL) 2.08% (AOC)	2.08%	1.60% (AOC)
Results: Target met. DOL data unavailable at time of publication.									
Data Source: Number of injury and illness cases that have been sent to the DOL or have a claim number in the workers compensation log divided by the average number of employees. DOL information is published online at http://www.osha.gov/dep/fap/fap-inj-ill-stats.html .									
Discussion: In FY 2011, AOC adopted the DOL’s POWER initiative, the successor of the SHARE initiative. Unlike its predecessor, POWER does not require a specific percentage reduction in injuries but focuses on improvement with respect to the previous year.									

TABLE 24: Performance Results for Strategic Objective 3.6 Safety, Fire, Emergency Preparedness and Environmental Services (continued)

By FY 2007, and each year thereafter, the number of lost production days due to work-related injuries and illnesses is reduced by 1% over the previous year.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
199.1	242.9	240.5	324.2	320.9	219.7	217.5	168.6	168.6	144.6
<p>Results: Target met.</p> <p>Data Source: Hours of "Continuation of Pay" paid through the payroll system.</p> <p>Discussion: In FY 2011, AOC adopted the DOL's POWER initiative, the successor of SHARE. Unlike its predecessor, POWER does not require a specific percentage reduction in injuries but focuses on improvement with respect to the previous year. The FY 2010 actual was restated (originally published as 205.9) to reflect denied claims, hours returned and other corrections.</p>									
ENVIRONMENTAL RISK									
By FY 2011, the overall Risk Assessment Code rating (RAC) is improved by one rating level from the baseline for environmental findings.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	RAC 3	N/A	N/A	N/A	N/A	RAC 4	RAC 3
<p>Results: Target not met.</p> <p>Data Source: Annual internal assessment and independently performed assessment and validation every third year.</p> <p>Discussion: The FY 2008 baseline was RAC level 3. Although AOC has not increased this level, AOC has made significant progress in reducing the number of environmental findings and reducing overall risk to the organization. Since FY 2007, AOC has reduced environmental findings by two-thirds. The AOC reduced 100% of the RAC 1 findings, 60% of the RAC 2 findings, 30% of the RAC 3 findings, 90% of the RAC 4 findings and 100% of the RAC 5 findings.</p>									
SAFETY, FIRE, EMERGENCY PREPAREDNESS AND ENVIRONMENTAL SERVICES									
By FY 2011, timely response to safety, fire, emergency preparedness and environmental services needs is ensured by meeting 90% of safety, fire, emergency preparedness and environmental service cycle times, as defined.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	Baseline	S 96.6% E 94.5% F 91.2%	S 85.0% E 85.0% F 85.0%	S 95.7% E 87.0% F 90.8% (Overall 92.5%)	S 90.0% E 90.0% F 90.0%	S 98.1% E 92.9% F 84.2% (Overall 92.5%)
<p>Results: Target met.</p> <p>Data Source: Safety, Fire and Environmental Program Division (SFEP). Calculated by dividing the number of cycle times met by the number of cycle times (S = safety preparedness, E = environmental preparedness, F = fire preparedness).</p> <p>Discussion: Two of the three divisions within SFEP met the target. Overall, SFEP's response time was 92.5%. Although the Fire Marshal Division percentage decreased from the FY 2010 data, the actual average response time improved from three weeks to two weeks.</p>									
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with safety, fire, security, emergency preparedness and environmental services.									
FY07 Target	FY07 Actual	FY08 Target	FY08 Actual	FY09 Target	FY09 Actual	FY10 Target	FY10 Actual	FY11 Target	FY11 Actual
N/A	N/A	N/A	N/A	≥80.0%	81.7%	N/A	N/A	≥90.0%	Unavailable
<p>Results: Data unavailable at the time of publication.</p> <p>Data Source: Biennial ISP Customer Satisfaction Survey.</p> <p>Discussion: The 2011 ISP survey was not completed at the time of publication. Data for FY 2011 is expected in early FY 2012.</p>									

STRATEGIC OBJECTIVE 3.7: Security Services

The AOC's resources are protected through effective security services.

The strategy to achieve this objective is to develop and implement a five-year business plan for the Office of Security Programs, a security policy and plans, service level agreements and communication tools.

Discussion

Key measures to clearly show AOC performance against this strategic objective are not available. Two metrics were removed from its Performance Plan in FY 2011. The Performance Plan revisions are disclosed in Appendix B.



The AOC jurisdictions oversee various projects to support their respective facilities and programs. This fiscal year, AOC began rehabilitation work of the skirt area inside the U.S. Capitol Dome (left) and installed a new electronic voting board in the U.S. Capitol's House Chamber (right).

JURISDICTION PRIORITIES AND ACHIEVEMENTS

In FY 2010, AOC's jurisdictions identified key FY 2011 priorities and targets for their organizations. Table 25 shows these priorities and each jurisdiction's actual performance.

TABLE 25: Jurisdiction Priorities and Achievements

FY 2011 PRIORITIES AND TARGETS	FY 2011 ACTUAL PERFORMANCE
Botanic Garden	
Reduce Energy Use: Evaluate and implement viable energy-savings strategies identified in separate 2010 energy and sustainability studies conducted by an independent consultant and the Environmental Protection Agency.	Implemented energy-savings strategies that lowered the solid waste stream and improved energy-savings through installation of new fans in the Conservatory and greenhouse space management. Replaced two older trucks with alternative fuel vehicles.
Develop Business Plan: Complete a new five-year business plan that focuses on the USBG's mission, such as improved efficiency and transparency in garden operations.	Began work on a new five-year business plan. The plan was delayed until the AOC FY 2012–FY 2016 Strategic Plan was drafted so that the two plans could be aligned.
Complete Bartholdi Park Master Plan: Complete a new landscape master plan and interpretive plan for Bartholdi Park.	Completed the Bartholdi Park Master Plan. Work on the interpretive plan for the Park is delayed until FY 2012.
Complete Terrace Garden Redesign Project: Redesign the Terrace Garden to restore plant biomass to the landscape, reduce lawn space and reduce storm water runoff.	Completed the redesign of the Terrace Gardens which increased planting space, reduced the lawn space and reduced storm water runoff.
Capitol Building	
Accomplishment of Energy Savings Initiatives: Upgrade the HVAC control system to modern Direct Digital Controls to efficiently control temperature, humidity and carbon monoxide; replace air handling units and ductwork for higher efficiency ventilation; and retrofit light fixtures.	Completed 91% of the Direct Digital Controls upgrades for the HVAC control system. The project is scheduled for completion by early FY 2012. Completed replacement of air handling unit #18. Began retrofitting existing lighting fixtures with compact fluorescent or LED light bulbs.
Air Handling Unit and Fan Replacement, Phase I: Install new modular and energy efficient air handling units to accommodate the demands of a high-performance HVAC system and the Capitol's higher occupancy levels.	Completed construction documents although the project did not make the agency's top priority list for submission in the FY 2013 budget submission for construction. Project will be resubmitted for consideration in future budget calls.
Capitol Dome Rehabilitation: Phase 1C (Dome Skirt): Abate the existing lead-based coatings, repair damaged ironwork and provide a new coating to adequately protect the historic structure from additional damage.	Awarded contract and began work on the Capitol Dome Rehabilitation: Phase 1C (Dome Skirt) project. The project is on schedule for completion by October 2012.
Capitol Grounds	
Expand Sustainability Practices: Continue horticultural-based improvements, such as the reduction and improved management of irrigation water, low nitrogen fertilizers and alternative-fueled grounds equipment and vehicles.	Continued the replacement program of installing automated irrigation valves and low volume spray heads. Upgraded vehicle fleet with the procurement of alternative fueled vehicles including two electric work utility vehicles.
Complete Phase II of the Cultural Landscape Report: Complete the landscape history review, including hardscape and horticultural components. The report will provide restoration and preservation maintenance recommendations.	Phase II of the Cultural Landscape Report for the Senate Parks was 50 percent complete at fiscal year-end, with completion anticipated for FY 2012.
Begin Storm Water Management Project: Initiate the first and second phases of this four-part project to document existing sub-surface infrastructure and consolidate and update utilities and provide recommendations.	Phases I and II are nearly complete while project funding for Phases III and IV has not yet been approved.

FY 2011 PRIORITIES AND TARGETS	FY 2011 ACTUAL PERFORMANCE
Capitol Police Buildings, Grounds and Security	
Develop AOC-wide State of the Union Plan: Develop an AOC-wide plan that projects budget and scheduling actions for the President's State of the Union address.	Developed and implemented AOC State of the Union Plan for the 2011 address.
Continue Radio Modernization Project Implementation: Complete significant portions of the U.S. Capitol Police radio modernization project.	Completed construction of the primary and mirror dispatch and data centers. Completed 85% of infrastructure work for locations throughout the Capitol complex buildings to house antennas and remote units.
Continue Energy Reduction Projects: Update the Energy Reduction and Conservation Plan to focus on savings to be gained through lighting projects, HVAC modifications and client outreach. USCP headquarters sub-metering and lighting renovations are planned for completion in 2011.	Began work on sub-metering, lighting and HVAC improvements. Reviewed and updated the Energy Reduction and Conservation Plan.
Capitol Power Plant	
Assess Condition of Tunnel Piping: Complete a condition assessment of all steam and chilled water piping within the utility distribution system. Implement a repair or replacement schedule to avoid service interruptions.	Substantially completed the tunnel piping condition assessment. The final report is expected in October 2011 and project work is expected to begin in early FY 2012.
Develop Design for Cogeneration System: Develop the design for a combined heat and power system. The cogeneration system will generate steam and electricity from a single source of fuel to increase plant efficiency and reduce plant emissions.	Developed a Utility Energy Savings Contract for cogeneration system. Completed analyses of technical options and awarded official design contract. The project is expected to be complete in FY 2014.
Assess Alternative Fuels for Use at Power Plant: Conduct test burns of bio-mass and bio-diesel fuels to assess the ability to switch to alternative fuels. If successful, modify environmental permits for permanent use.	Conducted successful test burns of bio-diesel and planned for additional tests. Initiated project planning for a project to replace an existing diesel storage tank with a new tank optimized to store bio-diesel.
Capitol Visitor Center	
Enhance Visitors' Experience: Provide pilot programs of outdoor walking tours, family-oriented tours and an online exhibition. Expand marketing and informational outreach programs through social media, strategically placed digital signage and website (www.visitthecapitol.gov).	Provided outdoor walking tours, Civil War tours, Brumidi Corridor tours and Exhibition Hall family programs, tours and talks. Launched an online version of Exhibition Hall and an online microsite regarding the Capitol and the Civil War. Established Twitter and YouTube accounts with visitor information. Posted orientation and time lapse videos on the website and on YouTube. Offered a new rotation of original documents spotlighting the Civil War and Congress.
Create a Complete Visitor Experience: Provide frequent communication to member offices to ensure the timely dissemination of policies and educational activities for the congressional staff who lead constituent Capitol tours.	Provided updated Visitor Center information packets to new members of Congress and met with incoming tour coordinators. Coordinated monthly information exchanges and e-mail updates for congressional staff.
Preserve and Maximize Public Access to the Capitol: Enhance the training program offered to congressional staff for constituent tours of the Capitol. Implement wayfinding improvements (e.g., interior and exterior signage and maps).	Redesigned the congressional tour training program to better meet the needs of Congress and developed a new tour handbook. Implemented wayfinding improvements for the main exit, restaurant and two kiosks.
House Office Buildings	
Successful Completion of Election Year Transitions: Execute the congressional office and committee moves and space reassignments related to the November 2010 elections. Achieve a minimum customer satisfaction level of 95%.	Completed office moves for 141 sitting members, 93 incoming Representatives, 24 Committees and 124 storage rooms due to the 112th congressional transition. Achieved a 95% customer satisfaction level.
Improve Business Practices for Greater Efficiency: Develop performance metrics, measures and time management baselines for improved efficiency, service delivery and responsiveness. Review the methods to conduct, monitor and measure preventive maintenance.	Completed initial data mining and analysis efforts to identify incorrect or missing information and data process correction needs. Developed methods to collect and analyze preventive maintenance data resulting in improved rates of completion and reductions in corrective maintenance requirements.
Rehabilitate Indoor Parking Garages: Begin the two-year interior restoration of the House parking garages with the East Underground Garage in January 2011. This will be followed by the West Underground Garage, based on available funding.	Began construction on the East House Underground Garage. Project completion is expected in January 2012. West Underground Garage rehabilitation is scheduled for FY 2012 pending available funding.
Library Buildings and Grounds	
Continue Safety Improvements: Continue building safety improvement in accordance with published plans. This program will encompass the fire suppression, fire alarm and passive fire protection projects within the Thomas Jefferson, John Adams and James Madison Memorial Buildings.	Accomplished substantial achievement in both design and construction efforts in support of the fire and life-safety improvement programs.
Install Sprinkler and Smoke Detection Systems: Complete the sprinkler installation in the Jefferson Building's West Main Pavilion. Continue the Adams and Madison Buildings smoke detection system installation.	Substantially completed sprinkler system installation throughout the Jefferson Building. Completed 60% of smoke detection system installations in the Adams and Madison Buildings.
Execute the Space Modernization Plan: Execute the Client Annual Space Modernization Plan and support all client requests that are funded for study, design and construction.	Implemented the Library of Congress FY 2011 Space Modernization Program and supported a multitude of client requested study, design and construction initiatives.

SECTION II: Performance Information

TABLE 25: Jurisdiction Priorities and Achievements for FY 2011 (continued)

FY 2011 PRIORITIES AND TARGETS	FY 2011 ACTUAL PERFORMANCE
Senate Office Buildings	
Relocate Printing, Graphics and Direct Mail Operations: Construct a facility to provide additional space to support the Senate Sergeant at Arms' printing and graphics services and direct mail operations.	Completed design, construction and relocation of the Senate Printing, Graphics and Direct Mail Operations facility.
Execute Election Year Office Moves Effectively: Coordinate the upcoming Senate office and committee election year moves efficiently, on schedule and with high satisfaction results.	Executed 36 Senatorial office moves — a 40% increase over an average move year and over 250,000 square feet of office space renovated. Achieved a 94.4% customer satisfaction rating.
Initiate Infrastructure Repair Projects: Initiate infrastructure improvements including waterproofing the Russell Building exterior steps, upgrading the Dirksen Building air handling units and completing the design to replace the Hart Building air handling units.	Completed Phase 1 of the Dirksen Building infrastructure project and awarded contracts for Phases 2 and 3. Awarded contracts for the Russell Building southwest steps waterproofing and the Hart Building air handling unit design. Both are scheduled for completion in FY 2012.
Supreme Court and Judiciary Building	
Manage Major Supreme Court Repair Projects: Coordinate and execute major repair projects including the roof fall protection and roof repairs, exterior property renovation and elevator modernization. Work includes final commissioning related to the Supreme Court modernization.	Awarded the contracts for the third and final phase of roof fall protection and roof repairs, exterior property design, elevator modernization, perimeter security and exterior landscape and hardscape renovations. Developed detailed phasing plans to minimize impact to Court operations.
Execute Deferred Maintenance Program: Implement a deferred maintenance and renewal program for the TMFJB based on a recent Facility Condition Assessment and perform a comprehensive preventative maintenance program evaluation.	Collaborated with the Administrative Office of the United States Courts to develop the facilities maintenance and operation budget for the TMFJB.
Implement Work Order Standards: Establish a full preventive maintenance program for the Supreme Court Building. Use AOC work order standards to develop a detailed workplan, estimate resources and measure results.	Substantially completed review of existing equipment data and new equipment installed during modernization project. Final completion is planned for December 2011.



The AOC's House Office Buildings jurisdiction managed 40 active projects and completed 11 renovation projects in FY 2011. These projects include the replacement of the Rayburn House Office Building's roof and installation of doors in the Longworth Building's stairways to meet fire egress safety codes.



BEHIND THE SCENES: Library Buildings and Grounds



Introduction

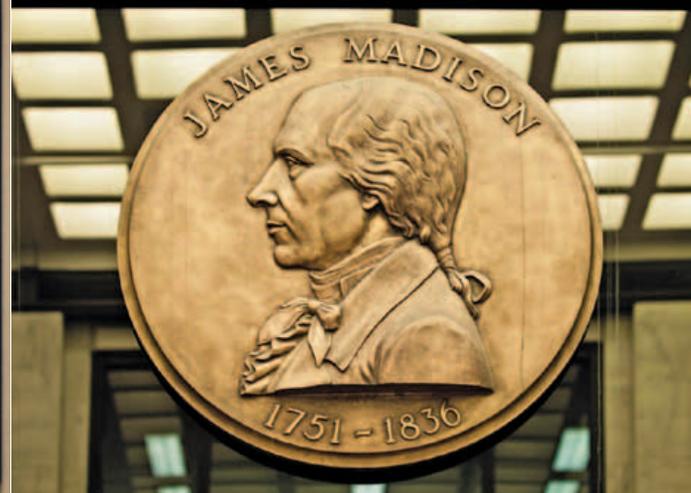
The Library of Congress was established by an act of Congress in 1800. The original library was housed in the U.S. Capitol when, in 1814, invading British troops set fire to the building, burning and pillaging its contents. Within a month, retired President Thomas Jefferson offered his personal library as a replacement, establishing the foundation for a great national library. By 1873, facing a shortage of space in the U.S. Capitol, Congress authorized a competition to design a separate Library building. When the Italian Renaissance-inspired Library of Congress Main Building (now named the Thomas Jefferson Building) opened its doors to the public in 1897, it was hailed as a magnificent national monument.

Stewardship responsibility for the Thomas Jefferson Building was transferred to the AOC in 1922. In addition to this facility, the AOC's Library Buildings and Grounds jurisdiction today cares for the John Adams Building, James Madison Memorial Building, the Packard Campus for Audio-Visual Conservation, and multiple high-density book storage modules.

PHOTOS

Page 78: Thomas Jefferson Building.

Page 79: Thomas Jefferson Building — top left, center left and right, and bottom right photos. James Madison Memorial Building — top right and bottom center. John Adams Building — bottom left.



The major Library of Congress facilities are briefly described on pages 79-81 and include the following.

Thomas Jefferson Building

In 1886, after many proposals, Congress authorized construction of a Library building in the style of the Italian Renaissance. Construction started in 1888 and the interior work began in 1892. The building includes sculptural and painted decoration by more than 50 American artists. When the Library of Congress Main Building opened its doors to the public in November 1897, it was hailed as a glorious national monument.

John Adams Building

In 1928, Congress authorized the purchase of land directly east of the Library's Main Building for the construction of an Annex Building. In 1930, funds were appropriated for the building's construction. The simple classical structure with Art Deco touches was intended for functional and efficient book storage. The building was completed in 1938 and opened to the public in January 1939. The building contains 180 miles of shelving (compared to 104 miles in the Main Building) and can hold ten million volumes.





JAMES MADISON

James Madison Memorial Building

In 1957, the Librarian of Congress initiated studies for a new Library building. Congress approved construction funds for that structure, today's James Madison Memorial Building (depicted in the top image), in 1965. Excavation and foundation work began in 1971, and the structure was completed in 1976. The Madison Building, opened in May 1980, serves as the Library's third major public building. Modern in style, it is one of the largest public buildings in the Washington, D.C. area, and contains 2,100,000 square feet with 1,500,000 feet of assignable space.

PHOTOS

John Adams Building: bottom left photo.

James Madison Memorial Building: remainder of images on this page.





Packard Campus for Audio-Visual Conservation

The Library's newest public building, the Packard Campus for Audio-Visual Conservation, opened in 2008 and holds the entire collections and facilities of the Library's Motion Picture, Broadcasting and Recorded Sound Division. With this state-of-the-art addition, the Library consolidated its audio-visual collections in one central facility located in Culpeper, Virginia. In a novel landscaping feat, the complex is largely underground, making it energy-efficient and well suited for the long-term preservation of film, television, and recorded sound collections. The 415,000 square-foot complex includes four buildings over 45 acres, including a 200-seat presentation theater for regular film showings and public programs.

PHOTOS

- James Madison Memorial Building: top left.
- Thomas Jefferson Building: top right.
- Packard Campus: left center.
- John Adams Building: bottom.





A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



Thomas J. Carroll, Chief Financial Officer

The Performance and Accountability Report (PAR) remains the cornerstone of AOC's efforts to disclose the agency's financial status and provide transparency and accountability to our stakeholders. I am pleased to have the opportunity to present a comprehensive view of AOC's FY 2011 financial condition in this PAR. For the seventh consecutive year, AOC has received an unqualified (clean) audit opinion from independent auditors on its financial statements. This clean opinion is a testament to the continuing efforts and diligence of every employee throughout the organization to be strong fiscal stewards of the resources entrusted to us.

During the past year, AOC made progress in our long-term efforts to build a strong and sustainable Internal Control Program. The Independent Auditor's Report acknowledges the progress AOC has made to address this repeat material weakness.

- The AOC's Senior Advisory Team developed and implemented a risk-based assessment process, which included identifying and prioritizing risks, conducting initial vulnerability assessments and formulating risk mitigation controls.

- The AOC's FY 2011 progress in the internal control program will allow us to implement the monitoring phase of the program in FY 2012, and we will review those results with our Senior Advisory Team and Audit Committee.
- The AOC documented existing and new internal controls established as a result of the risk assessment process. These controls will become an integral part of the agency's financial policies and procedures to ensure that the assets entrusted to AOC are effectively safeguarded.

We resolved one material weakness identified in the FY 2010 auditor's report, namely, the inclusion of all imputed financing costs in the agency's financial statements. We are also pleased to report that the auditors noted the progress AOC has made regarding two repeat significant deficiencies in the area of information system general controls and application controls. As a result of our progress, these two significant deficiencies were consolidated into one significant deficiency for Information Technology. These accomplishments attest to our organization's continued focus on improving the AOC's business processes and operational practices.

The AOC has made progress on the development of its comprehensive cost accounting system in FY 2011. In tandem with our internal control program, by focusing on the costs of operations, AOC's cost accounting system will serve as the basis for improved, strategic managerial decision-making by linking expenditures to each of the agency's strategic goals and objectives. With the creation of a new AOC Strategic Plan for FY 2012–FY 2016, one of our upcoming FY 2012 efforts will involve cross-walking the existing AOC cost activities to the new Strategic Plan. In addition, a planned upgrade to our financial management system in FY 2012 will bring AOC's software up-to-date and capitalize on system improvements. Also next fiscal year, AOC plans to migrate to the Internet Payment Platform (IPP), a secure web-based electronic invoicing and payment information system, provided by the Department of the Treasury. With these enhancements, AOC will gain greater transparency into the agency's costs, make more timely and accurate

SECTION III: Financial Information

payments, increase accountability across the organization, and improve operational efficiencies.

A key financial issue for AOC remains the growing backlog of deferred maintenance and repairs. To effectively address this backlog within our financial constraints, we have implemented a project prioritization process that assigns greatest importance to those project efforts needed to ensure the continued safety of Congress, employees and the millions who visit the Capitol and its surrounding buildings and grounds each year.

During these financially difficult times, where we are expected to do more with less, we reiterate our pledge to be an innovative and efficient team dedicated to fulfilling AOC's mission. We will maintain our focus on strengthening our financial management systems and structure,

improving our internal controls and operating in the most cost effective manner possible. We will continue to ensure the highest level of integrity in our financial management of the dollars entrusted to us by Congress and the American public so that we may preserve, maintain and enhance the national treasures under our care.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Carroll". The signature is fluid and cursive, with a large initial "T" and "C".

Thomas J. Carroll,
Chief Financial Officer
December 9, 2011

A MESSAGE FROM THE AUDIT COMMITTEE

January 11, 2012

The Audit Committee assists the Architect of the Capitol (AOC) in fulfilling its fiduciary responsibilities by providing an independent review of the financial statement audit process and by facilitating open disclosure and transparency for the AOC's fiscal stewardship. This Committee was not mandated by statute, but instead created by the AOC as a best business practice to increase the credibility and effectiveness of the audit process.¹⁵ Additionally, the Committee members provide valuable expertise on the AOC's financial management practices and on its processes to assess and manage risk through a system of internal controls.

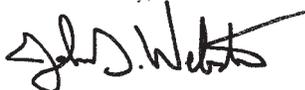
The Audit Committee meets regularly with AOC's management and independent auditors to review the AOC's financial audit coverage, the effectiveness of the AOC's internal controls over its financial operations, and its compliance with certain laws and regulations that could materially impact their financial statements. The independent auditors are responsible for expressing an opinion on the conformity of the AOC's audited financial statements with generally accepted accounting principles. At the start of the FY 2011 audit, we reviewed and discussed the overall scope of work and the audit plans of the external auditors and AOC Inspector General. The Committee reviews the findings of the internal and external auditors, and the AOC's responses to those findings, to ensure its plan for corrective action includes appropriate and timely follow-up measures. In addition, the Committee reviews the annual Performance and Accountability Report and provides feedback to AOC's management, which has primary responsibility for the report.

The Committee met four times during fiscal year (FY) 2011. At the conclusion of each meeting, it convened an executive session and met independently with the Architect of the Capitol, Inspector General, Chief Financial Officer, Chief Administrative Officer, Accounting Director, and the independent auditors. The Committee continued to review and make recommendations for improving the AOC's plans for improving its internal control program, which is the sole remaining material weakness. To that end, the AOC established a requirement for annual risk assessments to help prioritize detailed internal control reviews during FY 2011 and began the process of reviewing high-risk areas. The members of this Committee are encouraged by AOC management's determination to address this remaining internal control material weakness and believe that formalizing the new risk based approach in a revised policy and implementing that policy fully will eliminate this material weakness.

The Audit committee also recommends that the AOC's leadership demonstrate an equal determination to eliminating the remaining long-standing significant deficiency regarding information technology security, financial management system (FMS) segregation of duties, monitoring the third-party service providers, and FMS configuration management. The Audit Committee commends the AOC's continued trend in eliminating audit findings and addressing the long-standing internal control weakness by putting in place new financial management leadership, implementing a first ever policy on policies, and issuing a new ethics order.

Based on the procedures performed as outlined above, we recommend that AOC's audited statements and footnotes be included in the FY 2011 Performance and Accountability Report.

Sincerely,



John D. Webster, *Chair*

John Griffin

Jeffrey Alan Smith

¹⁵ The five-member Audit Committee was established by the AOC on April 4, 2003 and consists of three voting members and two non-voting members (the AOC's Inspector General and Chief Financial Officer). All voting members are independent of the AOC.

AOC INSPECTOR GENERAL TRANSMITTAL



Office of Inspector General
Fairchild Bldg.
499 S. Capitol St., SW, Suite 518
Washington, D.C. 20515
202.593.1948
www.aoc.gov

United States Government
MEMORANDUM

DATE: January 06, 2012
TO: Stephen T. Ayers, Architect of the Capitol
FROM: Carol M. Bates, Inspector General *Carol M. Bates*
SUBJECT: Audit of Fiscal Year 2011 Financial Statements Reports, A - 2012 - 02

We contracted with the independent certified public accounting firm of Kearney & Company to audit the financial statements of the Architect of the Capitol (AOC) as of and for the years ending September 30, 2011 and 2010. The contract required that the audit be conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States and the joint Government Accountability Office/Council on Inspectors General for Integrity and Efficiency *Financial Audit Manual*.

Kearney's opinion on the financial statement is unqualified. I commend the AOC for continuing to maintain this significant accomplishment.

In connection with the audit, we reviewed Kearney's reports and related documentation and met with its representatives. The review was not intended to enable us to express, and we do not express, an opinion on the conclusions expressed therein. Kearney is responsible for the opinion in the attached reports and the conclusions in the related reports on internal control and compliance with laws and regulations. Our review disclosed no instances where Kearney did not comply, in all material respects, with generally accepted government auditing standards.

If you have questions or wish to discuss the report, please contact H. Vance Haney at 202.593.0261 or vhaney@aoc.gov.

Copy to:

Christine A. Merdon, Chief Operating Officer
Thomas Carroll, Chief Financial Officer
David Ferguson, Chief Administrative Officer
John D. Webster, Chair, AOC Audit Committee
John Griffin, AOC Audit Committee
Jeffrey A. Smith, AOC Audit Committee
William Kubistal, Partner, Kearney & Company
Jackie Frend, Executive Officer
File OIG – A – 2012 - 02

REPORT OF INDEPENDENT AUDITORS



1701 Duke Street, Suite 500, Alexandria, VA 22314
 PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

REPORT OF INDEPENDENT AUDITORS

To the Architect of the Capitol

We have audited the accompanying balance sheets of the Architect of the Capitol (AOC) as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended. These financial statements are the responsibility of AOC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, including the accompanying notes, present fairly, in all material respects, the financial position of AOC as of September 30, 2011 and 2010, and its net cost of operations, changes in net position, and changes in budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

AOC's Management's Discussion and Analysis and other Required Supplementary Information contain a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with AOC. On the basis of this limited work, we found no material inconsistencies with the financial statements; accounting principles generally accepted in the United States of America; or OMB Bulletin No. 07-04, as amended.

In accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued reports, dated December 9, 2011, on our consideration of AOC's internal control over financial reporting and compliance, and on our tests of AOC's compliance with certain provisions of laws, regulations, and other matters for the year ended September 30, 2011. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance as well as the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing*



Standards and OMB Bulletin No. 07-04, as amended, and should be considered in assessing the results of our audits.

A handwritten signature in blue ink that reads "Kearney & Company". The signature is written in a cursive, flowing style.

Alexandria, Virginia
December 9, 2011

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL



1701 Duke Street, Suite 500, Alexandria, VA 22314
PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2011, and have issued our report dated December 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. The management of AOC is responsible for establishing, maintaining, and assessing internal control related to financial reporting and compliance, and assessing internal control.

In planning and performing our work, we considered AOC's internal control over financial reporting and compliance by obtaining an understanding of the design effectiveness of AOC's internal control, determining whether controls had been placed in operation, assessing control risk, and performing tests of AOC's controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not to provide an opinion on the internal controls. Accordingly, we do not express an opinion on the effectiveness of AOC's internal control over financial reporting and compliance or on management's assertion on internal control included in Management's Discussion and Analysis.

We limited our internal control testing to those controls necessary to achieve the OMB Bulletin No. 07-04, as amended, control objectives that provide reasonable, but not absolute assurance, that: (1) transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) transactions are executed in compliance with laws governing the use of budget authority, Government-wide policies and laws identified in Appendix E of OMB Bulletin No. 07-04, as amended, and other laws and regulations that could have a direct and material effect on the financial statements. We did not test all internal controls relevant to operating objectives, as broadly defined by the Federal Managers' Financial Integrity Act (FMFIA), such as those controls relevant to ensuring efficient operations.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies. We consider the following deficiency in AOC’s internal control to be a material weakness.

Material Weakness

I. Internal Control Assessment (Repeat Condition)

AOC cannot determine if its current internal control design mitigates existing risks and effectively safeguards assets. Specifically, AOC has not completed a formal and systematic assessment and evaluation of the design and operation of internal controls under an existing internal control measurement framework. Internal control frameworks, such as OMB Circular A-123, Appendix A, *Internal Control over Financial Reporting*, espouse a “top down” approach that begins with objective setting, materiality establishment, risk identification, control identification, control assessment mapped to identified risks, and monitoring. The absence of a fully implemented formal and systematic internal control assessment and evaluation of the design and operation of internal controls may result in an internal control assessment that does not identify all material risks and processes, does not evaluate controls as part of risk mitigation, and does not measure operation of controls.

Commencing in June 2010, AOC organized internal control work group teams that documented the internal and external control environment, updated policies and procedures, validated vulnerability assessments, and developed remedial action plans. AOC used several tools to monitor and assess elements of the procure-to-pay process, inventory management system, financial management system, payroll records, human capital processes, and information technology (IT) processes. In fiscal year (FY) 2011, AOC implemented a revised internal control assessment approach. AOC initially completed a risk assessment of 38 identified key processes based on identified risks within each process. AOC identified 150 sub-activities within those 38 key activities.

As of September 30, 2011, AOC completed 150 vulnerability assessments, one for each sub-activity. The vulnerability assessment form computes a risk rating based on user input assessments. The vulnerability assessments quantified sub-activity risk based on assessments of the following factors:

1. Emphasis on internal controls
2. Coverage by written procedures
3. Specifying goals
4. Segregation of duties
5. IT



6. Personnel resources
7. Program administration
8. Program age.

AOC's vulnerability assessment instructions include a description of rating elements to determine the ranking of each risk as high, moderate, and low. However, the vulnerability assessment instructions do not include a numerical scale as guidance to ensure that vulnerability assessment forms are performed and rated consistently across the agency. Although AOC had hard copy support or analyses to demonstrate ratings given to written procedures, AOC could not provide support for factors such as segregation of duties, IT, personnel resources, time constraints, and adequacy of reports.

AOC's Senior Assessment Team vetted all vulnerability assessments and documented results in meeting minutes. Although the meeting minutes included factors considered for high risk ratings, the meeting minutes did not include factors considered for low risk ratings or demonstrating consistent rankings across all programs.

In addition, AOC could not provide documentation to indicate that it linked vulnerability assessment sub-activities to existing internal controls, identified transaction risks, or the adequacy of the internal control structure. Furthermore, AOC has not implemented a monitoring plan to ascertain whether controls are operating as designed.

Although AOC made substantial progress toward the documentation of an internal control assessment program, AOC has not performed a comprehensive internal control assessment in accordance with OMB Circular A-123, Appendix A or Committee of Sponsoring Organizations of the Treadway Commission's (COSO) *Internal Control – Integrated Framework*. Specifically, we noted that the following elements were missing in AOC's internal control assessment:

- **Assessment of Controls** – AOC has not identified controls within each sub-activity, mapped those controls to identified sub-activity risks, assessed the overall design of internal controls, or monitored the controls to determine if they are operating as designed.
- **Establishment of Objectives** – AOC has not fully outlined objectives at the entity and activity levels to identify key processes that must be achieved in order for the entity to meet its goals. AOC has demonstrated consideration of objectives related to financial activities, but did not include objectives for other key activities of the organization. According to the COSO framework, objectives are "...often represented by the entity's mission and value statements...and lead to an overall strategy." Categories of objectives should include operational objectives, financial reporting objectives, and compliance objectives. Objectives are then linked to key processes and activities throughout the agency, as AOC identified in its vulnerability assessments. Failure to identify objectives may lead to missing or incomplete assessment areas.
- **Consideration of Materiality** – AOC did not consider materiality during the identification of key accounting cycles. As such, resources may be allocated to an



internal control area that does not materially impact the financial statements, or significant cycles or processes may be overlooked.

- **Identification of Risks** – AOC’s risk assessment methodology does not include a comprehensive analysis of internal and external risks as they relate to identified objectives at both the entity level and the activity level. The COSO framework states that “...risk identification is an iterative process. It also is useful to consider risk from a ‘clean sheet of paper’ approach, and not merely relate the risk to the previous review.” Kearney noted that AOC identified control risks using documentation prepared by the financial statement auditors and the Office of the Inspector General (OIG). As a result, AOC’s risk assessment methodology may prevent AOC from identifying all risks associated with activities and sub-activities. In addition, AOC’s risks outlined in the vulnerability assessments are not mapped to control activities and do not address financial statement impact. Thus, deficiencies in the design of internal controls may be difficult to identify.
- **Managing Change** – AOC’s risk assessment documentation does not distinguish circumstances that may require specific attention from management. Examples provided in the COSO framework include a changed regulatory or operating environment, new personnel, new or revamped information systems, and new technology. In addition, the COSO framework recommends that “...mechanisms should exist to identify changes that have taken place or will shortly occur, in any material assumption or condition.”
- **Vulnerability Assessment Forms** – AOC’s vulnerability assessment forms do not include a weighted average depicting a more accurate representation of the level of risk associated with each key control or activity. In addition, instructions for completing vulnerability assessment forms are not specific enough to allow for adequately supported risk scores. For example, criteria was not established and communicated to preparers to rate the emphasis on internal controls as low, medium, or high risk. Further, supporting documentation consists of limited narrative for only those areas considered to be high risk.
- **Evaluation** – AOC has not developed an overall vulnerability assessment evaluation that collectively considers outlined objectives, identification of risks, and factors for managing change procedures. These factors should be included and analyzed as part of the evaluation so that AOC can determine which risks are key to the entity, how those risks are mitigated, and whether control gaps exist.
- **Monitoring** – AOC has not completed a formal assessment on the operation of internal controls. Currently, no cyclical program for testing controls that were identified during the risk assessment process has been started. To date, AOC continues to rely on the OIG and external financial statement auditors to conduct internal controls testing. Although AOC conducts annual testing over some key financial statement processes, testing was implemented prior to completion of the vulnerability assessment. In addition, testing was completed by process owners, not individuals outside the financial process. Further,



testing plans are not re-evaluated on an annual basis and do not directly link to vulnerability assessment results. The COSO framework suggests that "...ongoing monitoring occurs in the ordinary course of operations, and includes regular management and supervisory activities, and other actions personnel take in performing their duties that assess the quality of internal control system performance." According to OMB Circular A-123, "...while the procedures may vary from agency to agency, management should have a clear, organized strategy with well-defined documentation processes that contain an audit trail, verifiable results, and specify document retention periods so that someone not connected with the procedures can understand the assessment process."

Recommendation: We recommend that AOC continue and complete an internal control assessment process that is adequately documented, tested, and monitored annually. The assessment should include documentation of the internal control structure, including the identification of risks to material accounts and the existence of internal controls to mitigate those risks. Although AOC is not subject to OMB Circular A-123, we recommend that AOC consult the "Implementation Guide for OMB Circular A-123, Appendix A, *Internal Control over Financial Reporting*" (the Guide), issued by the Chief Financial Officers (CFO) Council in May 2005. The Guide includes information that may help in enabling AOC management to evaluate internal controls, and monitor and test these controls throughout the year.

* * * * *

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the following deficiency in AOC's internal control to be a significant deficiency.

Significant Deficiency

I. Information Technology (Modified Repeat Condition)

AOC's IT internal control structure, both for the general support systems and critical financial reporting applications, did not include a formal, documented financial system configuration management (CM) process, effective monitoring of third party financial system servicers, appropriate financial system segregation of duties, and effective oversight of system access. The National Institute of Standards and Technology (NIST) and Government Accountability Office (GAO) (in its Federal Information System Controls Audit Manual [FISCAM]) provide control objectives and evaluation techniques for IT internal control structures, which we utilized during the course of our audit.

AOC's IT control environment included design and operation weaknesses that, when combined, we considered to be a significant deficiency, as summarized below.

- AOC does not have a formal, documented financial system CM process that includes the following:



1. A documented change request form with evidence of review and approval by AOC management
2. Review of changes for their potential impact(s) on security
3. Requirements for testing to ensure that changes meet objectives
4. Documentation of test results.

Recommendation: We recommend that AOC implement a formal, documented CM process for financial system changes. In order to mitigate the potential that unapproved and untested changes may be introduced into the application, the CM process should include the following:

1. Use of a change request form, to include evidence of review and approval by AOC management
 2. A process to review changes for their potential impact(s) on security
 3. Requirements for testing to ensure that changes meet objectives
 4. Documentation of test results.
- AOC has not performed procedures to monitor the activities of financial system third party service providers to ensure that third parties adhere to AOC security requirements.

Recommendation: We recommend that AOC issue a third party service provider policy related to the financial system and ensure it has been reviewed and signed by management prior to implementation. Additionally, we recommend that AOC document procedures necessary for implementation of the policy. Procedures should include requirements for evidence that third party service providers are complying with AOC IT security policy as well as applicable laws and regulations, and that AOC private, confidential, personal, or mission-critical data is not compromised.

The monitoring procedures, at a minimum, should include the following:

1. Steps to verify that third party service providers are following AOC's security policies and procedures on at least an annual basis, or when major changes occur
2. Frequency and evidence to be used to determine whether AOC is monitoring the effectiveness of the System Security Plans of related external third parties
3. Procedures for the review of the Statement on Standards for Attestation Engagements (SSAE) – 16 reports for third party service providers and identification of security concerns that impact AOC
4. Steps for determining how AOC will use the GAO FISCAM Section SM-7.1.1 as a guide to monitor activities of third party service providers.

In addition to documenting the monitoring procedures outlined above, AOC should be able to demonstrate that the monitoring procedures have been effectively implemented.



- AOC has not addressed three risk areas to ensure that appropriate financial system segregation of duties has been effectively implemented. Without consideration of the following areas, AOC may not be able to identify users with incompatible roles and responsibilities, or roles and responsibilities not consistent with users' position descriptions in order to prevent misappropriations or errors.
 1. Identification of the security categories and associated permissions that should not be combined for each critical business user security role
 2. Identification of the security roles and associated security categories that should not be combined for each security organization
 3. Contacting other financial system user organizations (e.g., accounting, procurement) to identify additional conflicting roles.

Recommendation: We recommend that AOC perform the following:

1. Obtain the Momentum Security Configuration Document from CGI. This document was used by CGI as the basis for its review of the AOC financial system's security configuration. The document can serve as a baseline for further analysis of the implementation of appropriate segregation of duties
 2. Document the security categories and related permissions that should not be combined for each critical business user role
 3. Document the security roles that should not be combined for each security organization
 4. Contact other financial system user organizations to identify additional conflicting roles
 5. Implement the monitoring reports, or their equivalents, listed in the CGI Momentum Security Configuration and Maintenance Review report to verify that appropriate segregation of duties has been effectively implemented.
- AOC's internal control structure contains two weaknesses relating to effective oversight of system access. AOC does not currently have an effective process for ensuring that access for separated individuals to the financial system, the General Support System (GSS), and the time and attendance system is disabled or removed in a timely manner. Kearney noted that as part of the current separation process, employees separating from AOC are required to complete a separation form by obtaining clearance signatures from various clearance points of contact. IT-related clearance requirements include AOC removing computer systems access. However, there is no requirement stating that separating employees must obtain clearance signatures from the AOC division responsible for removing financial system user access. Also, the clearance form is required to be completed by AOC employees only; contractors are not required to complete the clearance form.

In addition, there is one time and attendance system generic user ID that is currently active. Generic user IDs and their associated passwords should not be used, as there is no accountability for their use.



Recommendation: We recommend that AOC institute an effective process to ensure separated employee and contractor system access is removed in a timely manner. This includes communicating employee and contractor separation information to the appropriate parties in a timely manner. As part of the process, Kearney recommends that the removal of financial system access be incorporated into the clearance form. In addition, we recommend that AOC ensure that the time and attendance system generic user ID is removed or disabled to ensure it is not misused, and that AOC provide accountability for all user access.

* * * * *

This report is intended solely for the information and use of AOC management, those charged with governance, and others within AOC, AOC's OIG, OMB, GAO, the Department of the Treasury, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read "Kearney & Company".

Alexandria, Virginia
December 9, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS



1701 Duke Street, Suite 500, Alexandria, VA 22314
 PH: 703.931.5600, FX: 703.931.3655, www.kearneyco.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS

To the Architect of the Capitol

We have audited the financial statements of the Architect of the Capitol (AOC) as of and for the year ended September 30, 2011, and have issued our report dated December 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. The management of AOC is responsible for compliance with laws and regulations.

As part of obtaining reasonable assurance about whether AOC's financial statements are free of material misstatement, we performed tests of AOC's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 07-04, as amended. As part of our work, we performed tests of compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), Section 803(a) requirements. We limited our tests of compliance to these provisions; we did not test compliance with all laws and regulations applicable to AOC. Providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests of compliance described in the preceding paragraph disclosed two instances of noncompliance or other matters that are required to be reported upon under *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, and are summarized in the following paragraphs.

- AOC was not compliant with the Congressional Accountability Act of 1995 (CAA). In the CAA, Congress made its facilities and employees subject to the same safety laws that apply to agencies outside of the Legislative Branch. In 1997, other provisions of the CAA applied fire safety standards to Congressional buildings, including AOC's buildings. The Office of Compliance has conducted ongoing safety investigations since the inception of the CAA that have identified numerous safety hazards in several of AOC's buildings.
- AOC is responsible for maintaining the utility tunnels that run from the Capitol Power Plant to the House and Senate Office buildings, United States Capitol Building, and other surrounding buildings. In January 2006, the Office of Compliance issued citations resulting from its July 2005 investigation that disclosed violations of the Occupational Safety and Health Act. These citations addressed the following:
 - Employee exposure to heat stress conditions
 - Monitoring of employees potentially exposed to airborne concentrations of asbestos



- Notifying employees about the presence and location of materials containing asbestos
- Labeling materials containing asbestos
- Maintaining surfaces free of asbestos waste, debris, and dust.

AOC is working with the Office of Compliance to remediate these instances of noncompliance.

Under FFMIA, we are required to report whether AOC's financial management systems substantially comply with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Standard General Ledger (USSGL) at the transaction level. Our audit procedures indicated that AOC substantially complies with Federal financial management systems requirements, applicable Federal accounting standards, and the USSGL at the transaction level.

* * * * *

This report is intended solely for the information and use of AOC management, those charged with governance, and others within AOC, AOC's Office of Inspector General (OIG), OMB, the Government Accountability Office (GAO), the Department of the Treasury, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Kearney & Company".

Alexandria, Virginia
December 9, 2011

ARCHITECT RESPONSE TO THE INSPECTOR GENERAL

Architect of the Capitol
U.S. Capitol, Room SB-15
Washington, DC 20515
202.228.1793
www.aoc.gov

January 6, 2012

Carol M. Bates
Inspector General
Architect of the Capitol
499 South Capitol Street, SW
Suite 518
Washington, DC 20515

Dear Ms. Bates:

Thank you for the opportunity to comment on the independent audit reports related to the financial statements of the Architect of the Capitol (AOC) for the Fiscal Years (FYs) ending September 30, 2011 and 2010. These reports consist of the Independent Auditor's Report, Independent Auditor's Report on Internal Control, and Independent Auditor's Report on Compliance and Other Matters.

We are pleased to have received an unqualified opinion on our financial statements for the seventh consecutive year. In addition, in FY 2011, we cleared one material weakness (Financial Statement Restatement) while our prior year significant deficiencies (Information Systems General Controls and Information Systems Application Controls) were combined into just one significant deficiency (Information Technology). We believe these achievements demonstrate our focus on continued financial management enhancements. Despite this progress, we also recognize that the AOC has a repeat material weakness at the close of FY 2011 (Internal Control Assessment).

We look forward to the challenge of strengthening the AOC's financial management practices and eliminating the remaining Internal Control material weakness. We pledge to continue to work cooperatively with your office, Congress, the Audit Committee, and all other interested parties to improve the AOC's fiscal accountability.

Sincerely,

Stephen T. Ayers, AIA, LEED AP
Architect of the Capitol

Doc. No. 111229-04-01

FINANCIAL STATEMENTS

Architect of the Capitol Consolidated Balance Sheets

As of September 30, 2011 and 2010 (*\$ in thousands*)

	2011	2010
ASSETS		
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	\$ 626,728	\$ 574,108
Investments (Note 4)	5,795	3,465
Accounts Receivable (Note 5)	1,832	1,753
Total Intragovernmental Assets	634,355	579,326
Cash and Other Monetary Assets (Note 3)	25	20
Investments (Note 4)	35,711	35,708
Accounts Receivable, Net (Note 5)	1,368	997
Inventory & Other Related Property (Note 6)	1,066	1,367
General Property, Plant and Equipment, Net (Note 7)	1,846,624	1,880,774
Other (Note 9)	6	3
TOTAL ASSETS	\$ 2,519,155	\$ 2,498,195
Stewardship Assets (Note 8)		
LIABILITIES		
Intragovernmental Liabilities		
Accounts Payable	\$ 300	\$ 291
Unfunded FECA (Note 11)	9,731	9,512
Other Intragovernmental Liabilities (Note 15)	2,662	2,719
Total Intragovernmental Liabilities	12,693	12,522
Accounts Payable	5,808	4,031
Debt Held by the Public (Note 12)	133,346	138,709
Actuarial FECA (Note 11)	47,568	47,241
Contingent and Environmental Liabilities (Note 13)	1,150	901
Accrued Annual Leave and Other (Note 11)	24,888	23,380
Capital Lease Liability (Note 14)	18,156	21,955
Contract Holdbacks	15,538	15,263
Other Accrued Liabilities (Note 15)	32,591	33,340
Advances from Others	3,689	11,427
TOTAL LIABILITIES (Note 10)	\$ 295,427	\$ 308,769
NET POSITION		
Unexpended Appropriations	\$ 552,301	\$ 502,648
Cumulative Results of Operations	1,671,427	1,686,778
Total Net Position	\$ 2,223,728	\$ 2,189,426
TOTAL LIABILITIES & NET POSITION	\$ 2,519,155	\$ 2,498,195

The accompanying footnotes are an integral part of these financial statements.

Architect of the Capitol

Consolidated Statements of Net Cost

For the Fiscal Years Ending September 30, 2011 and 2010 (*\$ in thousands*)

Program Costs	2011	2010
Botanic Garden		
Gross Costs	\$ 12,801	\$ 12,838
Less: Earned Revenue	(69)	—
Net Program Costs	12,732	12,838
Capitol Building		
Gross Costs	62,986	60,122
Less: Earned Revenue	(698)	(23)
Net Program Costs	62,288	60,099
Capitol Grounds		
Gross Costs	12,141	11,837
Less: Earned Revenue	—	(19)
Net Program Costs	12,141	11,818
Capitol Police Buildings, Grounds, and Security		
Gross Costs	52,958	20,497
Less: Earned Revenue	(9,549)	(1,164)
Net Program Costs	43,409	19,333
Capitol Power Plant		
Gross Costs	112,919	129,057
Less: Earned Revenue	(9,417)	(9,005)
Net Program Costs	103,502	120,052
Capitol Visitor Center		
Gross Costs	23,602	26,058
Less: Earned Revenue	(4,151)	(3,937)
Net Program Costs	19,451	22,121
General Administrative		
Gross Costs	99,482	122,037
Less: Earned Revenue	(87)	(76)
Net Program Costs	99,395	121,961
House Office Buildings		
Gross Costs	71,529	67,464
Less: Earned Revenue	(311)	(67)
Net Program Costs	71,218	67,397
Library Buildings and Grounds		
Gross Costs	43,139	44,111
Less: Earned Revenue	(385)	—
Net Program Costs	42,754	44,111
Senate Office Buildings		
Gross Costs	96,916	84,029
Less: Earned Revenue	(1,337)	(1,583)
Net Program Costs	95,579	82,446
Supreme Court and Judiciary Buildings		
Gross Costs	44,493	44,266
Less: Earned Revenue	(30,254)	(32,330)
Net Program Costs	14,239	11,936
Net Cost of Operations (Note 18)	\$ 576,708	\$ 574,112

The accompanying footnotes are an integral part of these financial statements.

SECTION III: Financial Information

Architect of the Capitol

Consolidated Statements of Changes in Net Position

For the Fiscal Years Ending September 30, 2011 and 2010 (*\$ in thousands*)

	2011	2010
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$ 1,686,778	\$ 1,667,583
Budgetary Financing Sources:		
Appropriations Used	536,270	551,309
Non-Exchange Revenue	3	3
Other Financing Sources:		
Donations and Forfeitures of Property	—	12,122
Transfers—In/(Out) without Reimbursement	(9,231)	(1,000)
Imputed Financing From Costs Absorbed By Others (Note 16)	34,315	30,873
Total Financing Sources	561,357	593,307
Net Cost of Operations	(576,708)	(574,112)
Net Change	(15,351)	19,195
Cumulative Results of Operations	\$ 1,671,427	\$ 1,686,778
UNEXPENDED APPROPRIATIONS		
Beginning Balances	\$ 502,648	\$ 439,408
Budgetary Financing Sources:		
Appropriations Received	609,761	616,111
Appropriations Transferred—In/(Out)	—	7,539
Other Adjustments	(23,838)	(9,101)
Appropriations Used	(536,270)	(551,309)
Total Budgetary Financing Sources	49,653	63,240
Total Unexpended Appropriations	\$ 552,301	\$ 502,648
NET POSITION	\$ 2,223,728	\$ 2,189,426

The accompanying footnotes are an integral part of these financial statements.

Architect of the Capitol

Combined Statements of Budgetary Resources

For the Fiscal Years Ending September 30, 2011 and 2010 (*\$ in thousands*)

	2011	2010
Budgetary Resources		
Unobligated Balance—Brought Forward, October 1	\$ 328,877	\$ 270,117
Recoveries of Prior Year Unpaid Obligations	13,656	8,306
Budget Authority		
Appropriation	609,761	616,111
Borrowing Authority	11,867	12,306
Spending Authority from Offsetting Collections:		
Earned		
Collected	56,711	47,145
Change in Receivable from Federal Sources	(258)	604
Change in Unfilled Orders:		
Advance Received	(7,740)	8,109
Subtotal—Budget Authority	\$ 670,341	\$ 684,275
Nonexpenditure Transfers, Net—Anticipated and Actual	—	7,539
Permanently not Available	(41,067)	(26,331)
Total Budgetary Resources	\$ 971,807	\$ 943,906
Status of Budgetary Resources		
Obligations Incurred		
Direct	\$ 580,076	\$ 575,010
Reimbursable	50,462	40,019
Total Obligations Incurred	630,538	615,029
Unobligated Balance—Exempt from Apportionment	310,689	303,969
Unobligated Balance—Not Available	30,580	24,908
Total Status of Budgetary Resources	\$ 971,807	\$ 943,906
For Informational Purposes Only:		
Change in Obligated Balances		
Obligated Balances, net:		
Unpaid Obligations—Brought Forward, October 1	\$ 249,360	\$ 234,249
Less: Uncollected Customer Payments From		
Federal Sources—Brought Forward, October 1	(634)	(30)
Total Unpaid Obligated Balance, Net	248,726	234,219
Obligations Incurred	630,538	615,029
Less: Gross Outlays	(574,585)	(591,612)
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(13,656)	(8,306)
Change in Uncollected Customer Payments from Federal Sources	258	(604)
Total Obligated Balance, Net	\$ 291,281	\$ 248,726
Obligated Balance, Net—End of Period		
Unpaid Obligations	\$ 291,657	\$ 249,360
Less: Uncollected Customer Payments From Federal Sources	(376)	(634)
Total Unpaid Obligated Balance, Net—End of Period	\$ 291,281	\$ 248,726
Net Outlays		
Gross Outlays	\$ 574,585	\$ 591,612
Less: Offsetting Collections	(48,971)	(55,254)
Total Net Outlays	\$ 525,614	\$ 536,358

The accompanying footnotes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Index

NOTE 1:	Summary of Significant Accounting Policies	105
	A. Reporting Entity	105
	B. Basis of Accounting and Presentation	105
	C. Fund Balance with Treasury	105
	D. Accounts Receivable	105
	E. Investments	106
	F. Trust and Revolving Funds	106
	G. Recognition of Financing Sources	107
	H. Operating Materials and Supplies	107
	I. Inventory	107
	J. Property and Equipment	107
	K. Stewardship Assets	107
	L. Liabilities	108
	M. Personnel Compensation and Benefits	108
	N. Contingencies	108
	O. Statement of Net Cost	108
	P. Use of Estimates	109
	Q. Change in an Accounting Estimate	109
NOTE 2:	Fund Balance with Treasury	109
NOTE 3:	Cash and Other Monetary Assets	109
NOTE 4:	Investments	110
NOTE 5:	Accounts Receivable	110
NOTE 6:	Inventory	110
NOTE 7:	Property and Equipment	111
NOTE 8:	Stewardship Assets	111
NOTE 9:	Other Assets	112
NOTE 10:	Liabilities	112
NOTE 11:	Payroll-Related Liabilities	112
NOTE 12:	Debt Held by the Public	113
NOTE 13:	Contingent and Environmental Liabilities	113
NOTE 14:	Leases	114
NOTE 15:	Other Liabilities	115
NOTE 16:	Imputed Financing	115
NOTE 17:	Net Cost of Operations	116
NOTE 18:	Reconciliation of Net Cost of Operations to Budget	116

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Architect of the Capitol (AOC) is an agency within the Legislative Branch of the Federal government. Initially authorized by Congress to provide “suitable buildings and accommodations for the Congress of the United States,” its role has evolved to include responsibility for the maintenance, operation, development, and preservation of the Capitol Building; Capitol Grounds; Capitol Police Buildings, Grounds, and Security; Capitol Power Plant (CPP); Capitol Visitor Center (CVC); House Office Buildings; Library of Congress Buildings and Grounds; Senate Office Buildings; Supreme Court Building and Grounds; and U.S. Botanic Garden (USBG).

The AOC is also responsible for:

- supporting Congress during official, national events (e.g., Presidential Inaugural Ceremonies) held at the Capitol or on the Capitol Grounds,
- providing steam and chilled water to the Supreme Court, Thurgood Marshall Federal Judiciary Building (TMFJB), Union Station, and the Folger Shakespeare Library, and steam only to the Government Printing Office (GPO) and the Postal Square building, and
- providing visitor guide services at the CVC.

Non-entity assets are those held by the AOC but unavailable for use in its operations. Activities that give rise to non-entity assets include:

- steam and chilled water collections over the annual Congressional cap,
- rent collections from the Alternate Computer Facility and the Monocle Restaurant,
- flag-flying fees, and
- provision of palm trees for rent.

Upon receipt, funds for these activities are not available for AOC use. At year-end, such funds are transferred to Treasury. Therefore, at September 30, the AOC’s only non-entity asset is in Accounts Receivable.

B. Basis of Accounting and Presentation

The AOC’s Balance Sheet has been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB). The American Institute of Certified Public Accountants (AICPA) recognizes FASAB standards as GAAP for Federal reporting entities. These principles differ from budgetary reporting principles. The differences relate primarily to the capitalization and depreciation of property and equipment as well as the recognition of other long-term

assets and liabilities. For financial reporting purposes, the AOC has issued AOC Order 32-02 which adopts GAAP for financial reporting and internal controls in a manner consistent for a Federal Agency.

As a Legislative Branch Agency of the Federal government, the AOC is not required to follow the accounting principles established by the Comptroller General under 31 U.S.C. 3511 or the standards promulgated by FASAB. The AOC has not adopted the Government Management and Reform Act of 1994, the Federal Managers Financial Integrity Act, the Federal Financial Management Improvement Act of 1996, or the Government Performance and Results Act, as these standards apply only to Executive Branch agencies. Nonetheless, the AOC refers to these Acts as a general guide for best practices and incorporates them into its financial management practices, as appropriate.

C. Fund Balance with Treasury

The AOC maintains all available fund balances with the U.S. Department of Treasury (Treasury). The Fund Balance with Treasury (FBWT) account represents the unexpended balances of appropriation accounts, trust accounts, and revolving funds. Cash receipts and disbursements are processed by Treasury, and AOC records are reconciled with those accounts on a regular basis. In addition to the FBWT, AOC also has other cash deposits and investments as described in *Notes 3 and 4*, respectively.

D. Accounts Receivable

Accounts Receivable includes reimbursement for supplying certain AOC and non-AOC entities on Capitol Hill with steam and chilled water to heat and cool their facilities (see Note 5). Per annual appropriation, the AOC provides steam and chilled water to the Folger Library, Union Station, the Supreme Court and TMFJB, as well as steam only to the GPO and the Postal Square building. The AOC is legislatively provided the ability to collect a pre-determined amount to recover the cost of supplying these services and record these amounts as offsetting collections. Any amount collected over the pre-determined amount is credited to Treasury’s Miscellaneous Receipt Fund and is a non-entity asset. In addition, receivables may arise from food service commissions from operations at the CVC restaurant and from employee payroll overpayments as well as rent collections from the Alternate Computer Facility (ACF) and the Monocle Restaurant. The AOC may record an Allowance for Doubtful Accounts based on management’s review of outstanding receivables, if applicable. Accounts Receivable is reduced to net realizable value by the Allowance for Doubtful Accounts.

SECTION III: Financial Information

E. Investments

All investments are reported at their acquisition cost, net of amortized premiums and discounts, as it is the AOC's intent to hold the investments to maturity. Purchases and sales of investments are recorded as of the trade date. Investment income is reported when earned. The market value of the investments is the current market value at the end of the reporting period.

Intragovernmental (Investments Held With Treasury)

The AOC has a CVC Revolving Fund that was established under the *Capitol Visitor Center Act of 2008* (2 USC 31, 2201 et. seq.) to provide for the sale of gift shop items and the deposit of miscellaneous receipts. Related funds are invested in government securities through the Bureau of Public Debt using their Web based application, FedInvest. By law, interest income is credited to the fund.

Entity (Investments Held Outside Treasury)

The AOC has funds invested by a trustee outside of Treasury as a result of financing the construction of the TMFJB. Congress did not appropriate funds for the construction of the building but, instead, authorized the use of private financing to cover its cost. In 1989, the AOC entered into a Development Management Agreement with Boston Properties for the design, development, and construction of the TMFJB. To finance its construction, Shearson Lehman Hutton, Inc., and Kidder, Peabody, & Co., Inc., issued 30-year Serial Zero Coupon Certificates of Participation.

Pursuant to a Trust Agreement, the proceeds were received by a trustee, The United States Trust Company of New York (now The Bank of New York Mellon). These proceeds were deposited into two funds, the Project Fund and the Operating Reserve Fund, to cover the costs of the construction project. In 2007, the Project Fund balance was transferred to the Operating Reserve Fund. The Operating Reserve Fund is held outside the Treasury by the trustee and, at the AOC's direction, the funds are invested and disbursed. The Operating Reserve Fund is held in reserve for future needs of the building (e.g., roof replacement or other major renovation). See *Notes 1.F. and 4* for additional detail on investments.

F. Trust and Revolving Funds

Trust Funds

In Fiscal Year 2011, the AOC has stewardship responsibility for one trust fund account that is currently inactive. This trust fund, the Nation Garden Trust Fund, is subject to the direction of the Joint Committee on the Library (of

Congress) and was established to accept gifts or bequests of money, plant material, and other property on behalf of the USBG. While this trust fund account still exists, it has a zero balance and is inactive.

Revolving Funds

The AOC has stewardship responsibility for five revolving funds to account for various programs and operations. Each of these funds is a distinct fiscal and accounting entity that accounts for cash and other financial resources together with all related liabilities and equities. These revolving funds include:

- House (of Representatives) Member Gym Revolving Fund,
- Senate Staff Health and Fitness Facility Revolving Fund,
- Judiciary Office Building Development and Operations Fund,
- Capitol Visitor Center Revolving Fund, and
- Recycling Revolving Fund.

The House (of Representatives) Member Gym Revolving Fund was established in the Treasury for the AOC to deposit dues paid by Members and other authorized users of the House of Representatives Wellness Center. The AOC may expend fund amounts to pay for the operation of the facility.

The Senate Staff Health and Fitness Facility Revolving Fund was established to deposit membership dues by authorized users of the Senate Staff Health and Fitness Facility and proceeds from the AOC's Senate recycling program. The AOC, subject to the approval of the Senate Committee on Appropriations, may expend fund amounts to pay for the preservation and maintenance of the facility.

The Judiciary Office Building Development and Operations Fund is used to pay expenses related to the structural, mechanical, and domestic care, maintenance, operation, and utilities of the TMFJB. The Fund is invested outside Treasury with The Bank of New York Mellon, via a Trust Agreement established to finance the construction of the TMFJB.

The CVC Revolving Fund is used to administer funds from the sale of gift shop items, the deposit of miscellaneous receipts such as net profits or commissions paid to the CVC for food service operations, and any fees collected from other functions within the CVC facility. This business-type revolving fund is invested in government securities through the Bureau of Public Debt.

The Recycling Revolving Fund was established to record proceeds from the sale of recyclable materials from

across the AOC (excluding the Senate, which deposits such funds in the Senate Staff Health and Fitness Facility Revolving Fund). The fund balance is without fiscal year limitation and may be used to carry out recycling programs or other programs that promote energy savings at the AOC.

See Notes 1.E. and 4 for additional detail on investments.

G. Recognition of Financing Sources

The AOC receives funding to support its programs through appropriations authorized by Congress. Funding for operating and capital expenditures is received as annual, multi-year, and no-year appropriations. The appropriations the AOC receives are:

- Botanic Garden,
- Capitol Building,
- Capitol Grounds,
- Capitol Police Buildings, Grounds, and Security,
- Capitol Power Plant,
- Capitol Visitor Center,
- General Administrative,
- House Office Buildings,
- Library Buildings and Grounds,
- Senate Office Buildings, and
- Supreme Court and Judiciary Buildings and Grounds.

H. Operating Materials and Supplies

AOC's materials and supplies consist of tangible personal property consumed during normal operations. Per Statement of Federal Financial Accounting Standards (SFFAS) No. 3, *Accounting for Inventory and Related Property*, operating materials and supplies are recorded using the purchases method. This method provides that operating materials and supplies be expensed when purchased. Operating materials and supplies are purchased using funds specifically appropriated to AOC's jurisdictions. Therefore, the related usage of those materials and supplies is intended for those specific jurisdictions making the purchases.

I. Inventory

Inventory is recorded at historical cost in accordance with SFFAS No. 3, *Accounting for Inventory and Related Property*, and consists of retail goods purchased for resale at the CVC's gift shops. The recorded values are adjusted based on the results of quarterly physical inventory counts. Inventory purchased for resale may be categorized as follows: (1)

purchased goods held for current sale, (2) purchased goods held in reserve for future sale, and (3) slow-moving, excess, or obsolete inventory. Examples of the retail goods included in inventory that are classified as "held for current sale" are books, t-shirts, jewelry, and other souvenirs. The AOC may also record an allowance which is based on slow-moving, excess, or obsolete and damaged inventory, as a result of known restrictions on the sale or disposition of inventory (see Note 6).

The AOC also holds inventory balances of materials and supplies that will be consumed in normal operations. Consumable materials and supplies consist of: (1) operating materials and supplies, (2) work-in-progress materials and supplies, and (3) bench stock. Examples of such consumable materials and supplies are drywall, paper towels, pipe, electric motors, and general supplies. In accordance with SFFAS No. 3, as the balances of these consumable materials and supplies are immaterial, they are accounted for using the purchases method. This method provides that operating materials and supplies be expensed when purchased.

J. Property and Equipment

The AOC records property and equipment at cost. Buildings and equipment are depreciated over their estimated useful lives, which range from 2 to 40 years, using the straight-line method. All property and equipment is in the AOC's possession. None is held by others (see Note 7).

The following table presents the AOC capitalization thresholds and related useful lives.

Property Type	Useful Life (Years)	Capitalization Threshold
Real Property	40	\$500,000
Improvements	20	\$500,000
Equipment and Vehicles	2-15	\$25,000
Assets Under Capital Lease	Shorter of Lease Term or Useful Life of Property Type	See Related Property Type
Intellectual Property	3	\$5,000,000

K. Stewardship Assets

Stewardship Property, Plant & Equipment (PP&E) consist of assets whose physical properties resemble those of General PP&E that are traditionally capitalized in the financial statements. Due to the nature of stewardship assets, however, determining a monetary value would be difficult, and matching costs with specific periods may not be possible or meaningful. Heritage assets are PP&E that are unique and are generally expected to be preserved indefinitely. Heritage assets have historical or natural significance; are of cultural, educational, or artistic

SECTION III: Financial Information

importance; or have significant architectural characteristics. These assets are reported in terms of physical units rather than cost or other monetary values per SFFAS No. 29 *Accounting for Heritage and Stewardship Land*. There are two types of heritage assets: collection, which are objects gathered and maintained for exhibition, such as museum and art collections; and non-collection, which are parks, memorials, monuments, and buildings. The AOC holds both collection and non-collection heritage stewardship assets (*see Note 8*).

L. Liabilities

Liabilities represent the amounts owed to others for goods or services received, and amounts owed for progress in contract performance. Because no liability may be paid without an enacted appropriation, some liabilities are funded while others are unfunded. For accrued unfunded annual leave and workers' compensation, appropriations may be enacted to fund these activities. The Balance Sheet presents the following types of liabilities:

- Unfunded Actual and Actuarial Workers' Compensation,
- Accounts Payable,
- Debt Held by the Public,
- Contingent and Environmental Liabilities,
- Accrued Annual Leave, and
- Capital Lease Liability.

M. Personnel Compensation and Benefits

Federal Employee Benefits

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from the Federal agencies employing the claimants. The DOL determines the actuarial liability for claims outstanding at the end of each fiscal year. This liability includes the estimated future costs of death benefits, workers' compensation, and medical and miscellaneous costs for approved compensation cases (*see Note 11*).

The AOC recognizes its share of the cost of providing future pension benefits to eligible employees over the period the related services are rendered. This amount is considered imputed financing (*see Note 16*).

The AOC recognizes a current-period expense for the future cost of post-retirement health benefits and life insurance for its employees while they are actively employed. This amount is also considered imputed financing (*see Note 16*).

Annual and Other Leave

Annual leave is recognized as an expense and a liability as it is earned. The liability is reduced as leave is taken. The accrued leave liability is principally long-term in nature. Other types of leave are expensed when taken and no future liability is recognized for these amounts (*see Note 11*).

N. Contingencies

The AOC accounts for contingencies in accordance with SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. This standard defines a contingency as an existing condition, situation, or set of circumstances involving uncertainty as to the possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Management recognizes a contingent liability for liabilities equal to or greater than \$100,000 when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow is measurable. The AOC has recorded loss provisions for contingent liabilities (*see Note 13*).

O. Statement of Net Cost

The Statement of Net Cost (SNC) is presented by responsibility segment, in accordance with SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*. Costs not otherwise assigned to an AOC jurisdiction are presented as General Administrative.

The AOC has a number of initiatives (e.g., cost accounting and performance-based budgeting) in place to gather data in order to provide more information to its stakeholders. While these initiatives are in various stages of progress, the AOC believes the responsibility segment approach provides information to its stakeholders in a direct, informative, and succinct manner.

The 11 responsibility segments reported on the SNC are aggregates of the funds identified. Inactive funds are included for full disclosure.

1. Botanic Garden
 - Botanic Garden
 - National Garden (inactive)

2. Capitol Building
3. Capitol Grounds
 - Capitol Grounds
 - West Central Front (inactive)
4. Capitol Police Buildings, Grounds, and Security
5. Capitol Power Plant
6. Capitol Visitor Center
7. General Administrative
 - General Administrative
 - American Disabilities Act (inactive)
 - Congressional Cemetery (inactive)
8. House Office Buildings
 - House Office Buildings
 - House Wellness Center
9. Library Buildings and Grounds
10. Senate Office Buildings
 - Senate Office Buildings
 - Senate Health and Fitness
11. Supreme Court and Judiciary Buildings and Grounds
 - Supreme Court
 - Thurgood Marshall Federal Judiciary Building

Revenues reported on the SNC are calculated on a direct cost recovery basis.

P. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities (including contingent liabilities), revenues, financing sources, expenses, and obligations incurred during the reporting period. These estimates are based on management's best knowledge of current events, historical experience, and other assumptions that are believed to be reasonable under the circumstances. Estimates are subject to a wide range of variables, including assumptions on future economic and financial events. Accordingly, actual results may differ from those estimates.

Q. Change in an Accounting Estimate

The capitalization threshold for real property and improvements was changed from \$200,000 to \$500,000 effective October 1, 2010. In addition, the capitalization threshold for intellectual property increased from \$1,000,000 to \$5,000,000 effective October 1, 2010.

NOTE 2: Fund Balance with Treasury

Funds with Treasury primarily consist of appropriated funds. As of September 30, 2011, the AOC also had stewardship responsibility for five revolving funds and administrative responsibility for one trust fund (which is currently inactive).

A. Fund Balances

The balance of these funds as of September 30, 2011 and 2010 follows.

Dollars in Thousands

Fund Type	2011	2010
Appropriated Funds	\$ 622,111	\$ 571,591
Trust and Revolving Funds	4,617	2,517
Total	\$ 626,728	\$ 574,108

B. Status of Fund Balance with Treasury

FBWT is classified as unobligated available, unobligated unavailable, obligated and not yet disbursed, or Non Budgetary FBWT. Unobligated available balances represent unexpired appropriations available for incurring new obligations. Unobligated unavailable balances are expired appropriations that are no longer available to incur new obligations. Obligated balances not yet disbursed include undelivered orders or orders received but not yet paid. Non Budgetary FBWT includes unavailable miscellaneous receipts and suspense accounts that do not have budget authority.

The status of FBWT as of September 30, 2011 and 2010 follows.

Dollars in Thousands

Balance Type	2011	2010
Unobligated Balance		
Available	\$ 304,867	\$ 300,474
Unavailable	30,580	24,908
Obligated Balance not yet Disbursed	291,281	248,726
Non Budgetary FBWT	—	—
Total	\$ 626,728	\$ 574,108

NOTE 3: Cash and Other Monetary Assets

Cash and Other Monetary Assets include change-making funds maintained outside Treasury for CVC Gift Shop operations and daily gift shop sales deposits-in-transit. In addition, funds are held to cover expenses for the Office of Inspector General to conduct and supervise confidential investigations. There are no restrictions on cash.

The cash balances as of September 30, 2011 and 2010 follows.

SECTION III: Financial Information

Dollars in Thousands

Cash and Other Monetary Assets	2011	2010
Undeposited Collections	\$ 9	\$ 8
Cash Imprest Funds	16	12
Total	\$ 25	\$ 20

NOTE 4: Investments

Investments at September 30, 2011 and 2010 are summarized below.

At September 30, 2011 (Dollars in Thousands)

Investments	Cost	Amortized (Premium) Discount	Investments, Net	Market Value	Interest Receivable
Intragovernmental, Non-marketable:					
Capitol Visitor Center Revolving Fund					
One Day Certificate 0.01% Daily Yield Maturing October 3, 2011	\$ 3,091	\$ —	\$ 3,091	\$ 3,091	\$ —
Six Month Certificate 0.075% Semiannual Yield Maturing November 17, 2011	2,703	1	2,704	2,704	—
Total Intragovernmental	\$ 5,794	\$ 1	\$ 5,795	\$ 5,795	\$ —
With the Public:					
The Bank of New York Mellon Operating Reserve Fund Serial Zero Coupon Certificates					
Maturing August 15, 2024	35,711	—	35,711	35,711	—
Total With the Public	\$ 35,711	\$ —	\$ 35,711	\$ 35,711	\$ —
Total Investments	\$ 41,505	\$ 1	\$ 41,506	\$ 41,506	\$ —

At September 30, 2010 (Dollars in Thousands)

Investments	Cost	Amortized (Premium) Discount	Investments, Net	Market Value	Interest Receivable
Intragovernmental, Non-marketable:					
Capitol Visitor Center Revolving Fund					
One Day Certificate 0.12% Daily Yield Maturing October 1, 2010	\$ 3,465	\$ —	\$ 3,465	\$ 3,465	\$ —
Total Intragovernmental	\$ 3,465	\$ —	\$ 3,465	\$ 3,465	\$ —
With the Public:					
The Bank of New York Mellon Operating Reserve Fund Serial Zero Coupon Certificates					
Maturing August 15, 2024	35,708	—	35,708	35,708	—
Total With the Public	\$ 35,708	\$ —	\$ 35,708	\$ 35,708	\$ —
Total Investments	\$ 39,173	\$ —	\$ 39,173	\$ 39,173	\$ —

NOTE 5: Accounts Receivable

The breakdown of the consolidated accounts receivable (both Intragovernmental and With the Public), as of September 30, 2011 and 2010, follows.

Dollars in Thousands

Accounts Receivable	2011	2010
Intragovernmental:		
Entity	\$ 376	\$ 633
Non-Entity	1,456	1,120
Total Intragovernmental	\$ 1,832	\$ 1,753
With the Public		
Entity	\$ 161	\$ 1,792
Non-Entity	1,207	5
Sub-Total	1,368	1,797
Less: Allowance for Doubtful Accounts	—	(800)
Total With the Public	\$ 1,368	\$ 997
Total	\$ 3,200	\$ 2,750

Based upon a management review, the allowance for doubtful accounts receivable amounted to \$0 and \$800 (in thousands) as of September 30, 2011 and 2010, respectively. The 2010 allowance was related to a receivable for back rent owed to the AOC from a tenant for office space rented at the Alternate Computer Facility. This receivable was settled in 2011.

As of September 30, 2011, the AOC is involved in certain cases seeking restitution for expenditures and damages resulting from construction-related contract activities. These cases are currently in various stages of claims and appeals and the restitution amounts and case resolutions are uncertain. As a result, no related receivables have been recorded.

NOTE 6: Inventory

Inventory consists of retail goods purchased for resale at the CVC's gift shops. Inventory, as of September 30, 2011 and 2010, follows.

Dollars in Thousands

Inventory Category	2011	2010
Purchased Goods Held for Current Sale	\$ 967	\$ 1,285
Damaged/Restricted/Held for Future Sale	99	82
Total	\$ 1,066	\$ 1,367

Based upon a management review as of September 30, 2011 and 2010, \$99 and \$82 (in thousands), respectively, was considered damaged or restricted from sale and is pending management's decision on its ultimate disposition. The AOC may record an allowance which is based on slow-moving, excess, or obsolete and damaged inventory.

NOTE 7: Property and Equipment

AOC differentiates its property and equipment by distinct categories. The following represents these categories and their balances as of September 30, 2011 and 2010.

At September 30, 2011 (Dollars in Thousands)

Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value	%
Buildings	\$ 1,398,961	\$ 544,160	\$ 854,801	46.3
Building Improvements	1,187,918	596,990	590,927	32.0
Land	168,672	—	168,672	9.1
Land Improvements	146,840	50,780	96,060	5.2
Capital Leases (Real Property)	39,749	24,833	14,916	0.8
Leasehold Improvements	22,934	12,902	10,032	0.5
Equipment (Computers and Hardware)	16,533	13,004	3,529	0.2
Other Structures	9,288	1,816	7,472	0.4
Construction Work-in-Progress	100,215	—	100,215	5.4
Total	\$ 3,091,110	\$ 1,244,485	\$ 1,846,624	100.0

At September 30, 2010 (Dollars in Thousands)

Class of Property and Equipment	Acquisition Value	Accumulated Depreciation	Net Book Value	%
Buildings	\$ 1,392,105	\$ 513,821	\$ 878,284	46.7
Building Improvements	1,162,147	560,074	602,073	32.0
Land	168,672	—	168,672	9.0
Land Improvements	146,770	43,732	103,038	5.5
Capital Leases (Real Property)	39,749	21,298	18,451	1.0
Leasehold Improvements	22,934	10,927	12,007	0.6
Equipment (Computers and Hardware)	9,442	5,917	3,525	0.2
Other Structures	9,288	1,456	7,832	0.4
Construction Work-in-Progress	86,892	—	86,892	4.6
Total	\$ 3,037,999	\$ 1,157,225	\$ 1,880,774	100.0

The educational, artistic, architectural, and historical significance of the U.S. Capitol, Senate, House, Supreme Court, and Jefferson buildings meets the FASAB criteria for heritage assets. The AOC is responsible for reviewing and authorizing all changes to the buildings and grounds prior to any change occurring. Since these buildings are currently used for day-to-day business, they are further classified as multi-use heritage assets. As a result, they are depreciated in the same manner as if they were general purpose assets.

NOTE 8: Stewardship Assets

Stewardship assets, per SFFAS No. 29, *Heritage Assets and Stewardship Land*, are property, plant, and equipment that are unique for one or more of the following reasons: historic or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Heritage assets are expected to be preserved indefinitely. Federal agencies are not required to show dollar amounts on the Balance Sheet for heritage assets, except for multi-use heritage assets, which are defined as heritage assets whose predominant use is in general government operations. The Capitol, House Office Buildings, Senate Office Buildings, Supreme Court, and Thomas Jefferson Building of the Library of Congress are all multi-use heritage assets at the AOC.

The AOC's stewardship assets are directly related to its mission to preserve and enhance the Capitol complex. Authority for the care and maintenance of the Capitol was established by legislation in 1876. The Architect's core duties include the conservation and care of works of art in the buildings under the Architect's jurisdiction and the upkeep and improvement of the living assets on the Capitol Grounds and in the Botanic Garden. The AOC's stewardship responsibility for the heritage assets of the Capitol complex include those that are jointly under the Senate and House (such as works of architectural fine art) and those attached to the complex's buildings and on its grounds. AOC heritage asset categories include:

Artwork: The AOC cares for some collectible or movable art and all of the architectural fine and decorative art that is part of the buildings and grounds, which includes fine art, decorative art, architectural fine art, and architectural decorative art.

Architectural Features: The AOC's buildings and grounds are graced with many unique architectural features. These include outdoor sculptures and monuments and landscape features and fixtures.

Reference and Library Materials: AOC Reference and Library Materials include art and reference files, art and reference library, and conservation reports.

Records: AOC historic records and reference materials include architectural and engineering drawings, manuscripts and other textual records, small architectural models, and photographs.

Living Heritage Assets: As Acting Director of the USBG and steward of the Capitol Grounds, the AOC has living heritage assets in its collections. These include memorial trees and a variety of living plants.

SECTION III: Financial Information

A summary inventory of the AOC's stewardship assets as of September 30, 2011 and 2010 follows.

Stewardship Assets	2011	2010
Artwork	1,994 items	1,993 items
Architectural Features	196 features	197 features
Reference and Library Materials:		
Art and Reference Files	108 drawers	108 drawers
Art and Reference Materials	1,141 items	1,137 items
Records	406,207 records	395,166 records
Living Heritage Assets	87,865 items	85,708 items

NOTE 9: Other Assets

On September 30, 2011 and 2010, Other Assets consisted solely of Advances to Others which were travel advances to AOC employees.

Dollars in Thousands

Other Assets	2011	2010
Advances to Others	\$ 6	\$ 3

NOTE 10: Liabilities

The Balance Sheet as of September 30, 2011 and 2010 includes liabilities not covered by current budgetary resources. Such liabilities require Congressional action prior to budgetary resources being provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund them. Liabilities not covered by budgetary resources generally include accrued annual and compensatory leave, workers' compensation, debt held by the public, and the capital lease liability.

Liabilities not covered by budgetary resources for September 30, 2011 and 2010 follow.

Dollars in Thousands

Fund Type	2011	2010
Intragovernmental:		
Liabilities covered by budgetary resources	\$ 300	\$ 291
Liabilities not covered by budgetary resources	12,393	12,231
Total Intragovernmental	\$ 12,693	\$ 12,522
With the Public:		
Liabilities covered by budgetary resources	\$ 56,599	\$ 64,061
Liabilities not covered by budgetary resources	226,135	232,186
Total With the Public	\$ 282,734	\$ 296,247
Total	\$ 295,427	\$ 308,769

NOTE 11: Payroll-Related Liabilities

On September 30, 2011 and 2010, the liability for Accrued Annual Leave and Other is comprised of three accounts: Funded Accrued Payroll (payrolls that have been earned but not paid), Unfunded Accrued Annual Leave (employee leave that has been earned but not taken) and Unemployment Compensation.

Accrued Payroll and Annual Leave, by type, as of September 30, 2011 and 2010, follows.

Dollars in Thousands

Accrued Annual Leave and Other	2011	2010
Appropriated Funds	\$ 13,651	\$ 12,400
Unfunded Accrued Annual Leave	11,237	10,980
Total	\$ 24,888	\$ 23,380

Workers' Compensation is reported as required by the Federal Employees' Compensation Act (FECA). The liability is presented in two parts: an annual accrued liability for billed costs (current portion) and a long-term, actuarial-based unfunded liability (*see Note 1.L*). The actuarial workers' compensation liability was calculated using a formula provided by the DOL.

Workers' Compensation, by type, as of September 30, 2011 and 2010, follows.

Dollars in Thousands

Workers' Compensation, by Type	2010	2010
Unfunded Annual (Current)	\$ 9,731	\$ 9,512
Actuarial Unfunded (Long-Term)	47,568	47,241
Total	\$ 57,299	\$ 56,753

Estimated future costs have been actuarially determined, and they are regarded as a liability to the public because neither the costs nor reimbursement have been recognized by DOL. Workers' Compensation is included in Liabilities not covered by Budgetary Resources, as described in *Note 10*.

NOTE 12: Debt Held by the Public

As of September 30, 2011 and 2010, Debt Held by the Public consists of the financing obtained for the construction of the TMFJB. The debt consists of 30-year Serial Zero Coupon Certificates of Participation issued in 1988 for \$125.4 million with a maturity value of \$525.5 million. The certificates are amortized using the effective interest rate of 8.72 percent. The balance of Debt Held by the Public follows.

Dollars in Thousands

Debt Held by the Public, by Type	2011	2010
Securities	\$ 223,990	\$ 241,220
Interest Payable	946	984
Subtotal	224,936	242,204
Discount on Securities	(400,123)	(400,123)
Less: Amortization of Discount	308,533	296,628
Subtotal	(91,590)	(103,495)
Total	\$ 133,346	\$ 138,709

Various judiciary offices and personnel occupy the TMFJB under an Interagency Agreement between the AOC and the Administrative Office of the U.S. Courts. Base rent will not change over the initial 30 years, and is set at the amount necessary to retire the debt at \$17.2 million annually. Payment of the certificates will end in August 2024. This certificate is not subject to prepayment or acceleration under any circumstance, pursuant to the language in the certificate agreement.

NOTE 13: Contingent and Environmental Liabilities

The AOC is party to various administrative proceedings, legal actions, and tort claims which may result in settlements or decisions adverse to the Federal Government. The AOC also has responsibility to remediate certain sites with environmental contamination hazards related to ongoing operations.

The accrued and potential Contingent and Environmental Cleanup Cost Liabilities, as of September 30, 2011 and 2010, follows.

Dollars in Thousands

Contingent and Environmental Liabilities	2011	2010
Contingent Liabilities	\$ 1,150	\$ 900
Environmental Cleanup Cost Liabilities	—	1
Total	\$ 1,150	\$ 901

Contingent Liabilities

General contingent liabilities consist of claims filed against the AOC which are awaiting adjudication. These liabilities typically relate to contracts, labor and equal employment opportunity issues, and personal and property damage.

For the purpose of estimating contingent liabilities for the financial statements, the AOC conducted a review of existing claims for which the likelihood of loss to the AOC is probable. Additionally, management and AOC's General Counsel evaluated the materiality of cases determined to have a reasonably possible chance of an adverse outcome. Liabilities were recognized for those cases that were determined to meet management's materiality threshold (see Note 1.N). No amounts have been accrued in the financial records for claims where the estimated amount of potential loss does not exceed \$100,000 or where the likelihood of an unfavorable outcome is less than probable.

Matters for which the likelihood of an unfavorable outcome is less than probable but more than remote involve a wide variety of allegations and claims. These matters arise in the course of carrying out AOC programs and operations. The ultimate outcomes in these matters cannot be predicted at this time; however as of September 30, 2011 the lower level estimate of these cases amounted to approximately \$9 million. Sufficient information is not currently available to determine if the ultimate resolution of the proceedings, actions, and claims will materially affect the AOC's financial position or results of operations. Based on the less than probable nature of these claims, an accounting entry for the estimate was not posted and there is no impact on the financial statements.

Environmental Cleanup Cost Liabilities

The AOC is subject to various Federal, state, and local environmental compliance and restoration laws, including the Clean Air Act; the Clean Water Act; the Solid Waste Disposal Act; the Safe Drinking Water Act; and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Estimated environmental and disposal liabilities include expected future cleanup costs, and for those sites where future liability is unknown, the cost of studies necessary to evaluate response requirements.

Capitol Power Plant

The Capitol Power Plant has been operating since the early twentieth century and, today, generates steam for heating and chilled water for air conditioning several facilities on the Capitol complex. In February 2006, the Office of Compliance (OOC) issued a complaint alleging that certain unsafe work practices and conditions exist in the CPP

SECTION III: Financial Information

utility distribution tunnels for delivering these utilities. The alleged unsafe work practices and conditions cited in the complaint pertain to the structural integrity of concrete in the utility tunnels and issues involving tunnel egress and communication systems.

In addition, in January 2006, the OOC issued Citations 59 and 60. These citations are not part of the complaint and formal enforcement action, but address other alleged unsafe work practices and conditions in the utility tunnels. The unsafe work practices and conditions alleged by the OOC in Citation 59 are that employees working in the utility tunnels are exposed to heat stress conditions.

Over the current 12 month period since September 30, 2010, the AOC has essentially completed the asbestos abatement work in the tunnel as required.

Fort George G. Meade, Maryland

Management's review concluded that the AOC is not responsible for the clean-up and remediation of previous environmental contamination on the approximately 100 acres of land at Fort George G. Meade, Maryland, which the U.S. Army transferred to the AOC. The Army is responsible for the environmental clean-up of any previous contamination under CERCLA. The AOC understands that the Army is actively monitoring existing contamination on the entire site, including the land transferred to the AOC, and is pursuing appropriate remediation of this contamination.

NOTE 14: Leases

As of September 30, 2011, the AOC was committed to various non-cancelable leases primarily covering administrative office space and storage facilities, motor vehicles, and office equipment. Many of these leases contain escalation clauses tied to inflationary and tax increases, and renewal options. At the period end, the AOC had two real property capital leases.

Capital Leases

As of September 30, 2011 and 2010, the present value of the future minimum lease payments required by those leases identified as capital leases follows. Capital leases have initial or remaining non-cancelable lease terms in excess of one year and the capital lease liability is amortized over the term of the lease.

FY 2011 (Dollars in Thousands)

Fiscal Year	Total
2012	\$ 4,707
2013	4,736
2014	3,128
2015	845
2016	845
Thereafter	7,604
Total Minimum Future Lease Payments	21,865
Less: Imputed Interest	(3,709)
Total Capital Lease Liability	\$ 18,156

FY 2010 (Dollars in Thousands)

Fiscal Year	Total
2011	\$ 4,678
2012	4,707
2013	4,736
2014	3,128
2015	845
Thereafter	8,449
Total Minimum Future Lease Payments	26,543
Less: Imputed Interest	(4,588)
Total Capital Lease Liability	\$ 21,955

Operating Leases

The AOC currently has leases with the General Services Administration (GSA) and commercial vendors for office and storage space, plus rentals of equipment and vehicles. These leases expire in various years.

As of September 30, 2011, the aggregate of minimum future payments due under non-cancelable operating leases and estimated real property payments to GSA for fiscal year 2012 through fiscal year 2016 and in the aggregate follows:

Dollars in Thousands

Fiscal Year	Real Property	Personal Property	Total
2012	\$ 11,167	\$ 40	\$ 11,207
2013	9,230	24	9,254
2014	9,267	6	9,273
2015	9,107	—	9,107
2016	8,401	—	8,401
Thereafter	43,818	—	43,818
Total Minimum Future Lease Payments			\$ 91,060

NOTE 15: Other Liabilities

As of September 30, 2011 and 2010, other liabilities consist of accrued accounts payable (with the public) and miscellaneous receipts that are to be forwarded to Treasury (intragovernmental custodial liabilities). These receipts included, but were not limited to, flag-flying fees, rent from the Monocle restaurant and steam and chilled water collections over the Congressional cap. These liabilities are classified as current.

Other Liabilities as of September 30, 2011 and 2010 follows:

Dollars in Thousands

Other Liabilities	2011	2010
Intragovernmental	\$ 2,662	\$ 2,719
With the Public	32,591	33,340
Total	\$ 35,253	\$ 36,059

NOTE 16: Imputed Financing

To measure the full cost of activities, SFFAS No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, requires that total costs of programs include imputed financing. Such costs result when an entity receives unreimbursed services from other U.S. government entities.

Imputed financing consists of future pension benefits for AOC employees that are paid on its behalf by the Office of Personnel Management (OPM), printing services provided by the GPO, design elements paid for by the Army Corps of Engineers to improve building infrastructure campus-wide, capital projects performed by another Federal Agency, and Treasury judgment fund payments, as applicable. AOC conducted a quarterly review of its imputed financing for its September 30, 2011 and 2010 financial statements.

With some exceptions, employees participate in one of three defined benefit retirement programs based on their employment start date: employee and employer contributions are made to the Civil Service Retirement and Disability Fund (CSRDF), the Civil Service Retirement Offset, or the Federal Employees Retirement System — all administered by OPM. Employees may also participate in the Thrift Savings Plan (TSP), a defined contribution retirement savings and investment plan, as authorized by the Federal Employees Retirement System Act of 1986. The Federal Retirement Thrift Investment Board administers this Plan.

Civil Service Retirement System (CSRS): According to PL 99-335, all employees hired prior to January 1, 1987, could elect CSRS or CSRS Offset. The CSRS provides a basic annuity and Medicare coverage. The CSRS fund covers most employees hired prior to January 1, 1984. The AOC and the employee contribute to Medicare at the rate prescribed by law. The AOC does not match contributions to the TSP for employees who participate in the CSRS.

Civil Service Retirement System Offset: CSRS Offset generally covers those employees who have had a break in their CSRS service of more than one and less than five years by the end of 1986. The AOC and the employee contribute to Social Security and Medicare at the rates prescribed by law. The AOC does not match contributions to TSP for participating employees in the CSRS Offset.

Federal Employee Retirement System (FERS): According to PL 99-335, employees with less than five years of creditable civilian service as of December 31, 1986 were automatically converted to FERS. In addition, during certain periods in 1987, 1988, and 1998, employees hired before January 1, 1984, could choose to participate in FERS. This system consists of Social Security, a basic annuity plan, and the TSP.

The AOC and the employee contribute to Social Security and Medicare at rates prescribed by law. In addition, the AOC is required to contribute to the TSP a minimum of 1 percent per year of the basic pay of employees covered by this system. The AOC also matches a voluntary employee contribution up to 3 percent dollar-for-dollar, and another 2 percent is matched 50 cents on the dollar.

Imputed Financing as of September 30, 2011 and 2010 follows.

Dollars in Thousands

Imputed Financing, by Type	2011	2010
CSRS	\$ 6,869	\$ 7,556
CSRS Offset	820	907
FERS	28,581	27,446
Less: Contributions	(28,341)	(26,160)
Subtotal: Employee Pensions	7,929	9,749
Health	12,557	12,292
Life Insurance	34	34
Subtotal: All Employee Benefits	\$ 20,520	\$ 22,075
Government Printing Office	603	918
Other Agency – Campus Infrastructure	13,159	7,880
Department of Justice-Treasury Judgment Fund	33	—
Total	\$ 34,315	\$ 30,873

NOTE 17: Net Cost of Operations

The SNC reports the AOC's gross and net cost by responsibility segment. A responsibility segment is the organizational component (i.e., jurisdiction) that carries out a major line of activity and whose managers report directly to top management. The net cost of operations is the gross cost less any earned revenues.

Expenses for salaries and related benefits for the periods ending September 30, 2011 and 2010 amounted to \$267,631 and \$258,527 (in thousands), which was about 42 percent of the annual gross cost of operations in both fiscal years. This cost includes imputed Federal employee benefit costs \$20,520 and \$22,075 (in thousands), respectively, paid by OPM. The amount identified as expenses for salaries and related benefits represents actual expenditures and does not include accrued expenses.

Exchange revenue with the public consists of revenues received for services provided, such as access to the Senate Health and Fitness Facility, House Wellness Center, steam and chilled water to governmental and private entities, work performed on reimbursable projects, and rent, interest, and project reimbursement for the TMFJB.

NOTE 18: Reconciliation of Net Cost of Operations to Budget

FASAB requires a reconciliation of proprietary and budgetary information (the former Statement of Financing) in a way that helps users relate the two. The objective is to provide an explanation for the differences between budgetary and financial (proprietary) accounting and is accomplished by means of a reconciliation of budgetary obligations and non-budgetary resources available to the reporting entity with its net cost of operations.

Most entity transactions are recorded in both budgetary and proprietary accounts. However, because different accounting bases are used, some transactions may appear in only one set of accounts (e.g., accrual of workers' compensation liabilities is only recorded in proprietary records). Not all obligations or offsetting collections may result in expenses or exchange revenue (e.g., a building purchase is capitalized in proprietary accounts, but obligated and outlaid in budgetary accounts).

Resources Used to Finance Activities reflects the budgetary resources obligated and other resources used to finance AOC activities. The obligations of budgetary resources are net of offsetting collections, recoveries and receipts. Other resources are financing sources that increase net position but are not budgetary resources (e.g., donated property or imputed costs).

Resources Used to Finance Items Not Part of the Net Cost of Operations includes resources used to finance the activities of the entity to account for items that were included in net obligations and other resources but were not part of the SNC. This item includes undelivered orders reflected in net obligations but not part of current period SNC. It also includes budgetary resources and obligations recognized in the current period that do not affect the net cost of operations (e.g., an acquisition of assets reflected in net obligations but not in SNC).

Components Requiring or Generating Resources in Future Periods identifies items that are recognized as a component of the SNC for the current period but the budgetary resources (and related obligation) will not be provided (or incurred) until a subsequent period. Costs such as contingent liabilities and workers' compensation are not always funded in the period the costs are incurred and are included in this item.

Components Not Requiring or Generating Resources includes items that are recognized as part of the net cost of operations for the period but will not generate or require the use of resources, such as depreciation and amortization.

The reconciliation for the periods ending September 30, 2011 and 2010 follows.

Dollars in Thousands

Reconciliation of Net Cost of Operations to Budget	2011	2010
Resources Used to Finance Activities:		
Budgetary resources obligated	\$ 568,169	\$ 550,865
Other resources	25,084	41,995
Total resources used to finance activities	593,253	592,860
Less: resources used to finance items not part of the net cost of operations	(99,813)	(92,723)
Total Resources Used to Finance the Net Cost of Operations	493,440	500,137
Components of the net cost of operations requiring or generating resources in future periods	479	(17,753)
Components of net cost of operations not requiring or generating resources in future periods	82,789	91,728
Net Cost of Operations	\$ 576,708	\$ 574,112



The AOC is responsible for the stewardship of heritage assets located throughout the U.S. Capitol and its related facilities and grounds. These assets include architectural fine art, decorative art, and architectural features.

REQUIRED SUPPLEMENTARY INFORMATION

Stewardship of Heritage Assets

The AOC is responsible for the stewardship of heritage assets located throughout the Capitol and its related facilities. These assets include architectural fine and decorative art, architectural features, archival material and joint works of art. The assets are both collectible and non-collectible (i.e., architectural) and many are national treasures.

The AOC Curator, the Records Management and Archives Branch and the Photography Branch manage the resources provided by Congress for the conservation of art and the preservation of other heritage assets, such as architectural drawings and photographs. The AOC follows professional standards established by the American Institute for Conservation and the National Archives and Records Administration. The AOC Curator and the Senate and House Curators share certain overlapping responsibilities for the care of collectible fine and decorative art within the Capitol.

The AOC Curator maintains detailed records for each work of art and manages the computerized inventories of heritage assets.¹⁶ The AOC utilizes professional fine art conservators for needed repairs or treatments. The Curator also maintains a library of conservation reports, adhering to modern conservation standards that require preservation work to be fully documented. The Curator also works with AOC's jurisdictions to advise on projects and contracts that involve heritage assets or preservation issues and supports projects by assisting with historical research.

The AOC's Historic Preservation Officer and Preservation Architect are responsible for maintaining the architectural features of the Capitol's historic buildings. The Historic

Preservation Officer works closely with the Curator in documenting, researching and providing information about buildings, reviewing projects and developing and implementing AOC's preservation policy and procedures.

The Records Management and Archives Branch stores and preserves historic architectural and engineering drawings and textual records. The Branch inventories and preserves documents, including textual construction and administrative records and architectural and engineering drawings. These assets are made available to support projects and to respond to research requests.

The Photography Branch documents facilities, heritage assets and projects as well as AOC and congressional events. This Branch cares for the AOC's photographic records archive. Some vital records, including microfilm and photographic negatives, are stored off-site in stable and secure conditions.

General Condition Standards

The AOC uses accepted professional condition standards, such as those of the American Institute for Conservation and of Heritage Preservation. The AOC performs periodic condition surveys of various types of heritage assets to ensure the assets are documented and preserved for future generations. Condition surveys are critical since AOC's art collection is not in a museum setting and may be damaged due to touching, impact and surface deposits. Condition surveys of outdoor sculptures and fixtures are important as well since they are exposed to weather and pollutants. Once they are conserved, regular follow-up inspections and periodic maintenance treatments are essential for their preservation.

Table 26 summarizes the condition survey rating scales used by AOC for its heritage assets.

¹⁶ The entire congressional collection was catalogued and published in 1978 in *Art in the United States Capitol*.

SECTION III: Required Supplementary Information (Unaudited)

TABLE 26: Heritage Assets Condition Rating Scales

CONDITION RATING SCALE	DEFINITION	PRIORITY
Heritage Assets		
Poor	Asset exhibits, or in danger of, structural damage or loss. Requires major conservation or repair to maintain it intact and keep it stable.	High
Fair	Asset is structurally sound but requires major conservation to improve aesthetic integrity.	Medium
Good	Asset is structurally sound and retains aesthetic integrity. Requires routine conservation maintenance (e.g., minor surface cleaning).	Low
Excellent	Asset that is new or has been conserved close to its original condition and appearance.	No Treatment Needed
Historic Paper Records		
Poor	Records not yet stored in archives or whose preservation is endangered.	High
Fair	Records preserved in secure and stable conditions in archives.	Medium
Good	Records that are accessioned and placed in acid-free containers.	Low
Excellent	Records that are fully processed and stored in archival folders with all major preservation problems attended to.	No Treatment Needed
Photographic Records		
Poor	Film photographs not in secure storage or digital files not identified, readable, or backed up.	High
Fair	Records in secure storage, subject is identified and image is backed up.	Medium
Good	Negatives are properly housed and inventoried or digital files are batch captioned and backed up in multiple locations.	Low
Excellent	Negatives are stored off-site in archival conditions or digital files are fully captioned with images backed up in multiple locations with routine data migration.	No Treatment Needed

HERITAGE ASSETS

In the following tables, footnotes explain changes in condition or inventory count.

1. United States Capitol

The Capitol is an important example of 19th century neoclassical architecture. While a working building, the Capitol may also be considered a museum of American art and history with millions of visitors each year.

1.1 Fine Art

This collection includes principally unique works of art by a known artist that are not permanently attached to or designed for the structure (i.e., collectible). They are separated into works that are under the jurisdiction of the Joint Committee on the Library and cared for by the AOC and those that were originally accepted by the Joint Committee on the Library and are joint in subject matter or acquisition (these are counted in AOC’s inventory as “possibly joint”). The “possibly joint” assets are located in the Senate and House wings of the Capitol and, in many cases, are considered part of the Senate or House collections. The AOC Curator is not responsible for assets in the Senate or House collections.

1.1.1 Interior Sculpture

This collection is comprised primarily of the 100 bronze and marble statues in National Statuary Hall (two from each state). The collection was established in 1864 and completed in 2005. In FY 2011, the AOC signed a long-term conservation maintenance contract for interior sculpture.

Sculpture	As of 10/01/10	As of 9/30/11	Change	General Condition
1.1.1.1 National Statuary Hall Statues	100	100 ¹	—	Good to Excellent
1.1.1.2 Other Statues ²	6	6	—	Good to Excellent
1.1.1.3 Possibly Joint Statues	5	5	—	Good
1.1.1.4 Busts	16	16	—	Good
1.1.1.5 Possibly Joint Busts	21	21	—	Good
1.1.1.6 Other (Maquettes, etc.)	18	21 ³	3	Fair to Excellent

¹ Michigan replaced the statue of Detroit mayor and United States Senator Zachariah Chandler with a statue of President Gerald Ford. The Chandler statue was donated to the National Statuary Hall Collection in 1913.

² The Magna Carta display, located in the Crypt, is included in this category.

³ Maquettes of Jefferson Davis and James Zachariah George by Henry Augustus Lukeman were donated to Congress. A plaster relief of George Washington Laying the Capitol Cornerstone was added.

1.1.2. Framed Oil Paintings

Framed oil paintings under AOC’s stewardship include portraits of former Architects of the Capitol and other paintings. Many of the frames for these paintings are also heritage assets.

Paintings	As of 10/01/10	As of 9/30/11	Change	General Condition
1.1.2.1 Portraits	17	17	—	Good
1.1.2.2 Possibly Joint Portraits	26	26	—	Good
1.1.2.3 Paintings Other Than Portraits	11	11	—	Good to Excellent
1.1.2.4 Possibly Joint Paintings	23	23	—	Good

1.1.3. Works of Art on Paper

The AOC is the steward of works on paper related to the Capitol. This collection is primarily used for research and reference purposes and is generally not on display.

Works of Art on Paper	As of 10/01/10	As of 9/30/11	Change	General Condition
1.1.3.1 Watercolors	6	6	—	Good
1.1.3.2 Prints and Drawings	63	63	—	Fair to Excellent
1.1.3.3 Sketches for Murals	approx. 232	approx. 232	—	Good

1.2. Decorative Art

Decorative art ranges from objects of great craftsmanship and historical importance to mass-produced objects. Often the name of the designer or maker is unknown. Conservation treatment may be appropriate for the highest level of decorative art.

Decorative Art	As of 10/01/10	As of 9/30/11	Change	General Condition
1.2.1 Gilded Mirror Frames ¹	93	93	—	Fair to Good
1.2.2 Historic Furniture	42	40 ²	(2)	Good
1.2.3 Antique Clocks	10	10	—	Good
1.2.4 Textiles	2	2	—	Good

1 This number primarily includes frames in the House side of the Capitol. The Senate Curator has responsibility for inventory and conservation of Senate mirror frames.
2 Two tables from SB-14 were removed and returned to the Senate.

1.3. Architectural Fine Art

This art is part of the fabric of a structure, permanently attached to the structure or building systems, or designed as part of an architectural space.

Architectural Fine Art	As of 10/01/10	As of 9/30/11	Change	General Condition
1.3.1 Pediments (exterior)	3	3	—	Poor to Fair ¹
1.3.2 Statues (interior and exterior)	6	6	—	Good
1.3.3 Plaster Model for Sculpture	1	1	—	Excellent
1.3.4 Sculptured Stair Railings	4	4	—	Good
1.3.5 Architectural Models on Display	—	—	—	N/A
1.3.6 Reliefs	39	39	—	Good
1.3.7 Bronze Doors (sets) (interior and exterior)	4	4	—	Good to Excellent
1.3.8 Plaques	28	28	—	Fair to Good
1.3.9 Stained Glass	16	16	—	Poor to Good ²
1.3.10 Rotunda Paintings	8	8	—	Good to Excellent
1.3.11 Rooms or Spaces with Fine Art Murals	79	79	—	Poor to Excellent ³

1 Conservation of the pediment sculpture is being planned and will be coordinated with the Capitol stone preservation project.
2 The stained glass skylights in the grand stairwells have been removed for future conservation.
3 Each room or space may contain multiple sections of murals in vaults and lunettes with individual mural scenes or figures. There are hundreds of images painted on the Capitol’s walls. Mural conservation has been ongoing since 1981 and most are in at least “good” condition. Two murals suffered damage from water leaks this year.

SECTION III: Required Supplementary Information (Unaudited)



A bronze statue of President Gerald R. Ford, the nation's 38th President, was unveiled in May 2011 in the Capitol Rotunda.

1.4. Architectural Decorative Art

This art is part of the fabric of a structure, permanently attached to the structure or building systems, or designed as part of an architectural space.

Architectural Decorative Art	As of 10/01/10	As of 9/30/11	Change	General Condition
1.4.1 Mantels	approx. 167	approx. 167	—	Good
1.4.2 Chandeliers	approx. 250	approx. 250	—	Good to Excellent ¹
1.4.3 Pendant Lights	approx. 270	approx. 270	—	Good ²
1.4.4 Sconces	approx. 100	approx. 100	—	Good ³
1.4.5 Rooms or Spaces with Decorative Murals	47	47	—	Good

1 Counts are taken from the lighting fixtures included on the Capitol Superintendent's CAFM inventory. About one third of the fixtures would be considered historic.
 2 Ibid.
 3 Ibid.

1.5. Architectural Features

Historic architectural features include woodwork, shutters, columns, capitals, brackets, historic floors (e.g., the Capitol's Minton tile floors) and special architectural surfaces (e.g., marble). The Capitol Superintendent (or the Senate Sergeant at Arms) maintains these assets. While an accurate count of these features does not exist, the numbers are large. For example, there are at least 450 interior columns and pilasters with carved capitals. In recent years, special attention has been paid to the restoration of historic scagliola.¹⁷

2. Capitol Grounds

The Capitol Grounds cover approximately 274 acres on which the Capitol, Senate and House Office Buildings and Capitol Power Plant reside. The Grounds include sculpture and monuments and living assets such as trees and plantings. Heritage assets include ornamental fountains, drinking fountains, outdoor seating, stone retaining walls and light fixtures.

2.1 Outdoor Sculpture

Outdoor Sculpture	As of 10/01/10	As of 9/30/11	Change	General Condition
2.1.1 Monuments/Statues	3	3	—	Good
2.1.2 Fountains with Sculpture	2	1*	(1)	Poor to Good
2.1.3 Plaques	3	3		Good

* The Bartholdi Fountain is included as a U.S. Botanic Garden non-living Heritage Asset and was incorrectly included in this category in prior years.

2.2 Landscape Features and Fixtures (including fixtures on the exterior of the Capitol)

Landscape Features and Fixtures	As of 10/01/10	As of 9/30/11	Change	General Condition
2.2.1 Urns	20	20	—	Excellent
2.2.2 Lighting Fixtures	approx. 166	approx. 166	—	Fair to Excellent
2.2.3 Reliefs (in stone wall)	unknown	unknown	—	Poor to Fair

2.3 Memorial Trees

Memorial trees are living heritage assets planted to honor distinguished citizens, groups and national events. About half are located on the Capitol's East Front.

Memorial Trees	As of 10/01/10	As of 9/30/11	Change	General Condition
2.3 Memorial Trees	140	143	3	Good

¹⁷ Scagliola is an imitation marble installed on some Capitol walls in the 1850s.

3. House Office Buildings

The Capitol includes three major office buildings and one annex building for the House of Representatives: the Cannon, Longworth, Rayburn and Ford House Office Buildings, respectively.

Architectural Fine Art	As of 10/01/10	As of 9/30/11	Change	General Condition
3.1 Pediments (exterior)	1	1	—	Good
3.2 Sculpture (exterior)	8	8	—	Fair to Good
3.3 Plaster Models of Sculpture	27	27	—	Good
3.4 Architectural Models on Display	1	1	—	Fair to Good
3.5 Reliefs	1	1	—	Good
3.6 Murals	1	1	—	Good
3.7 Plaques	1	1	—	Good

4. Senate Office Buildings

The Capitol includes three major office buildings for the U.S. Senate: the Russell, Dirksen and Hart Senate Office Buildings.

Architectural Fine Art	As of 10/01/10	As of 9/30/11	Change	General Condition
4.1 Pediments (exterior)	1	1	—	Fair
4.2 Sculpture	1	1	—	Poor
4.3 Plaster Models of Sculpture	6	6	—	Good
4.4 Architectural Models on Display	4	4	—	Excellent
4.5 Maquettes, etc.	1	1	—	Good
4.6 Reliefs (exterior)	51	51	—	Good
4.7 Murals (rooms with)	1	1	—	Excellent

5. Library Buildings and Grounds

The Library of Congress' 1897 Thomas Jefferson Building contains large areas of decorative painting, relief plaster, woodwork, stone work and mosaic ceilings. The John Adams Building, which is embellished with Art Deco-style decorative metal and relief stone work, is not included in the inventory count.

Architectural Fine Art	As of 10/01/10	As of 9/30/11	Change	General Condition
5.1. Statues	27	27	—	Good to Excellent
5.2. Sculptured Stair Railings	2	2	—	Good
5.3. Reliefs (interior and exterior)	74	74	—	Good
5.4 Bronze Doors (sets) (exterior)	11	11	—	Fair to Good
5.5. Stained Glass/Mosaics	17	17	—	Fair to Good
5.6. Rooms or Spaces with Fine Art Murals	32	32	—	Fair to Excellent
5.7. Fountains with Sculpture (exterior)	2	2	—	Fair to Good
5.8 Sculptural Clock	1	1	—	Excellent

6. Supreme Court Building

The Supreme Court Building is richly adorned with decorative carvings in marble and wood, decorative metal and plaster work, and decorative painting.¹⁸

Architectural Fine Art	As of 10/01/10	As of 9/30/11	Change	General Condition
6.1 Pediments (exterior)	2	2	—	Poor to Fair*
6.2 Sculpture (exterior)	2	2	—	Fair
6.3 Reliefs	4	4	—	Good
6.4 Light Posts with Reliefs (exterior)	2	2	—	Poor to Fair
6.5 Bronze Door (set) (exterior)	1	1	—	Good

* Condition surveys have been conducted and conservation has been planned for the pediment sculpture.

7. Architectural and Engineering Artifacts

The AOC maintains an inventory of small architectural and engineering artifacts and models for research or exhibition. The AOC also maintains an inventory of large artifacts, such as pieces of stone removed from buildings or plaster models, for possible reuse or repairs. As an example, 150 tons of sculpture and stone removed from the East Front of the Capitol during its 1958 extension is held in a secure facility at Fort Meade, MD.

The AOC Curator tracks these artifacts and maintains lists of the objects in storage. It is not possible to provide a meaningful count as some crates hold multiple pieces and some items are stored in pieces in multiple crates.

¹⁸ The collectible fine art within the Supreme Court Building does not fall under the AOC's jurisdiction and is cared for by the Curator of the Supreme Court.

8. Historical Records and Reference Materials

The Records Management and Archives Branch preserves and provides access to architectural and engineering drawings and textual records. The Branch uses approved records schedules based on archival appraisal and records surveys. The Branch arranges drawings and textual records in accordance with archival principles to facilitate control, access, reference, research and retrieval. Architectural and engineering drawings and manuscripts require special archival storage and handling because of their diverse physical attributes. The Branch maintains stable temperature and humidity conditions and high security for the records. Microfilm of many drawings is stored off-site for backup purposes. Digital scans of drawings are also important backups for the original drawings.

8.1. Architectural and Engineering Drawings

Beginning with plans for the construction of the Capitol in the early 1800s, and with primary holdings from the 1850s on, the architectural and engineering drawings collection contains a wide range of subjects and formats (e.g., pencil renderings, finely detailed ink and watercolor working drawings, polished presentation pieces, blueprints and modern computer-aided design drawings). These drawings are vital for current construction and maintenance projects, as well as for historic research. The specifications and files on previous projects aid in the planning and development of new projects.

The AOC archives contain over 177,000 architectural and engineering drawings with more constantly added. Approximately 50 percent of these drawings have been arranged, indexed and assigned control numbers. Most of the remaining are stored in drawing cabinets (arranged by building) waiting to be indexed and verified that they are not duplicates. The Records Management and Archives Branch scans, labels, indexes and backs up (using a web-based database) the drawings to facilitate retrieval. The Archival staff performs basic preservation and conservation of drawings with specialized work on fragile and historic drawings performed by contracted experts.

8.2 Construction and Administrative Textual Records

The Records Center and Archives maintains administrative and project records that document the history of the AOC as well as the construction history of the Capitol complex. These holdings date from the Capitol extension project in the 1850s and continue through the present. Of special value are the manuscript collection and the Architects' letter books dating to the 1850s.

8.3. Photographs

The Photography Branch produces photographs relating to architectural design, construction, renovation and restoration of the historic buildings and grounds under AOC's care. The Branch covers major ceremonial events, documents works of art and conservation projects and produces graphic slides, displays and video for AOC and congressional use. The Branch maintains an archive of over 220,000 photographic images dating to the 1850s. The collection includes approximately 4,000 glass plates, in addition to hundreds of thousands of images in negative, print and digital format. The number of images is growing rapidly since the conversion to digital format. Each unique image is given a control number (one image may exist in multiple formats). The majority of the glass and film negatives are stored off-site for long-term preservation. Digital files are systematically backed-up and copied.

8.4. Small Architectural Models

The AOC preserves a small number of working models as part of the architectural record for study and possibly future exhibit purposes.

8.5, 8.6 and 8.7. Reference Files, Library Materials and Conservation Reports

One of AOC's largest curatorial functions is maintaining the inventory of and files for, art and historical objects. The Curator maintains a file on each work of art, artist and room in the Capitol as well as files on the buildings and architectural subjects. The Curator also keeps records on major ceremonies, such as joint sessions of Congress and Inaugurations. The AOC uses these files to answer questions from AOC staff and contractors, Members of Congress and their staffs and the public and to provide information for written fact sheets and publications. The Capitol Historical Society Fellowship, managed by the Curator, continually adds to the knowledge of the art and architecture of the Capitol.

Records and Reference	As of 10/01/10	As of 9/30/11	Change	General Condition
8.1 Architectural and Engineering Drawings	approx. 177,200	approx. 177,352	152	Good to Excellent
8.2 Manuscripts and Other Textual Records	approx. 6,134 Boxes	approx. 6,382 Boxes	248	Fair to Good
8.3 Photographs	211,577	222,209	10,632	Fair to Excellent
8.4 Small Architectural Models	18	18	—	Fair
8.5 Art and Reference Files	108 Drawers	108 Drawers	—	Good
8.6 Art and Reference Library (published volumes)	1,137 Vols.	1,141 Vols.	4	Good
8.7 Conservation Reports (in notebooks)	237	246	9	Good

9.0 Botanic Garden

The U.S. Botanic Garden (USBG) maintains a collection of living plants and includes all plants used to fulfill the mission of the institution. The collection is categorized as follows:

- Plants of historical or current institutional significance (e.g., individuals or descendants from the Wilkes and Perry expedition, commemorative gifts from foreign governments and descendants of plants of American historical significance)
- Plants appearing on approved permanent landscape planting plans for the Conservatory, National Garden, Bartholdi Park and the Production facility
- Plants listed for rotation into permanent exhibits in the Conservatory, National Garden or Bartholdi Park
- Plants used in ongoing education programs
- Plants needed to support future exhibits or programs and whose quality or relative unavailability in the commercial trade justifies inclusion in the permanent collection

- Orchid species and selected orchid cultivars
- Listed rare and endangered species received under the Convention on International Trade in Endangered Species of Flora and Fauna repository agreement, through interagency transfer, or by other means
- Medicinal plants whose quality or relative unavailability in the commercial trade justifies inclusion in the permanent collection
- Plants used for accent and horticultural propagation stock, including those obtained for trial performance under local conditions.

Plants are used for exhibition, study and exchange with other institutions. Noteworthy collections include economically significant plants, medicinal plants, orchids, cacti and succulents, bromeliads and cycads.

The USBG makes its gardens and living collections important resources for the study of threatened plants and their conservation. USBG staff maintains extensive computerized records of the plant collections, which track the location, condition and provenance of each addition. This information is available to the public on USBG's website, www.usbg.gov. Collections are continually reviewed for accuracy in identification.

As of Fiscal Year-end 2011, the USBG had over 63,000 individual plants in cultivation at the Conservatory and the Blue Plains Production Facility in Maryland. There were over 5,000 total orchids in the collections, by far the largest single collection of plants maintained. The USBG maintains approximately 7,700 unique taxa in its collections.

Botanic Garden (Non-Living Heritage Assets)

Outdoor Sculpture	As of 10/01/10	As of 9/30/11	Change	General Condition
Fountains with Sculpture*	1	1	—	Excellent

* The Bartholdi Fountain restoration occurred off-site and was returned to Bartholdi Park on the USBG grounds in May 2011.

SECTION III: Required Supplementary Information (Unaudited)

Botanic Garden (Living Heritage Assets)

The table below identifies USBG’s inventory of its living heritage assets collection. Plant inventories for FY 2011 and the prior four years are provided to facilitate comparison.

ALL PLANTS (INCLUDING ORCHIDS)							
Fiscal Year	Names ¹	Accessions ²	Plants ³	Deaccessions	Taxa (Alive) ⁴	Plants (Alive) ⁵	Number of Individuals ⁶
2007	27,433	24,835	36,262	1,092	7,432	16,695	55,316
2008	28,086	25,860	37,639	891	7,802	16,957	67,397
2009	28,351	26,439	38,319	1,242	7,670	16,333	66,872
2010	29,210	27,471	40,008	1,984	7,547	15,942	62,079
2011	30,189	28,403	41,668	529	7,738	16,442	63,542

¹ The number of taxonomic entries in base regardless of whether they are associated with current holdings (cumulative).
² Current number of accession, presumed to be genets (i.e., a group of genetically identical individuals originating from a single ancestor).
³ Total number of individuals in *Plants* table – living and dead (cumulative).
⁴ Number of unique taxa currently alive in holdings.
⁵ Number of individuals in *Plants* table currently living.
⁶ Number of individuals living including multiple ramets associated with a single accession number (note: this number has a high degree of inaccuracy; ramets are individuals within a genet).

Orchid Collection

The Botanic Garden’s orchid collection is the single largest component of its plant inventory, accounting for over 31 per cent of its total.

ORCHID COLLECTION							
Fiscal Year	Names	Accessions	Plants	Deaccessions	Taxa (Alive)	Plants (Alive)	Number of Individuals
2007	3,973	7,496	10,146	219	1,744	4,942	n/a
2008	3,994	7,530	10,330	349	1,694	4,774	n/a
2009	4,035	7,564	10,479	590	1,567	4,334	n/a
2010	4,295	8,095	11,440	517	1,727	4,816	n/a
2011	4,819	8,483	12,389	212	1,771	5,147	n/a



The U.S. Botanic Garden’s orchid collection includes over 5,000 plants. The AOC embarked on a long-term effort to upgrade this collection to world-class standards.

Deferred Maintenance

The AOC is responsible for ensuring the historic facilities entrusted to its care remain in a safe and suitable condition for the current and future needs of Congress, the Supreme Court and the American public. The AOC takes this responsibility seriously and actively manages and prioritizes the backlog of deferred maintenance. The FASAB Statement of Federal Financial Accounting Standard (SFFAS) No. 6 defines deferred maintenance as maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period.

SFFAS No. 6, "Accounting for Property, Plant and Equipment," as amended by SFFAS No. 14, "Amendments to Deferred Maintenance Reporting," requires annual disclosure of the estimated cost to remedy accumulated deferred maintenance on AOC's property, plant and equipment (PP&E). In its Strategic Plan, AOC defined its acceptable level of condition of PP&E to be "good" to "excellent" based on the Facility Condition Index. PP&E of less than "good" condition are determined to require significantly more maintenance than facilities in better condition. The three major classes of assets for which maintenance was deferred are: buildings and other structures, grounds and heritage assets. To evaluate the condition of buildings, other structures and grounds, AOC uses a combination of the FCA and the CCMP to identify deferred maintenance, capital renewal projects, capital improvements and capital construction projects. The focus of this disclosure is solely deferred maintenance, as identified through the FCA and does not include capital renewal projects, capital improvements and capital construction projects. The AOC has completed an initial FCA on all buildings and grounds under its purview with some exceptions (see footnotes). Exceptions have not been included in the figures. Deferred maintenance calculations are based on projected replacement values. The AOC continues to complete and update the FCA for all Capitol facilities. As a result, the FCA for some of these facilities are underway or in the planning stage and will be reported in subsequent reports.

The AOC's estimate of the amount of accumulated deferred maintenance required to improve its PP&E to an acceptable general condition level is over \$296 million.¹⁹

¹⁹ The AOC aims to maintain its assets in at least "good" condition. Condition is defined by the Facility Condition Index, which is calculated as the cost of deferred maintenance divided by the current replacement value. A ratio of less than 0.02 is considered "excellent." A ratio of 0.02 to 0.05 is judged "good." A ratio of 0.05 to 0.10 is deemed "fair." A ratio of more than 0.10 is considered "poor." The AOC's goal is to attain a ratio of less than 0.05 (or "good" condition) for its assets. Although an asset may be rated as being in acceptable condition, individual systems within that asset may require deferred maintenance to return the system to an acceptable operating condition.



AOC's mission is to ensure that the historic facilities entrusted to its care remain in a safe and suitable condition for the current and future needs of Congress, the Supreme Court and the American public.

The table below depicts the deferred maintenance costs by category at the beginning and ending of the fiscal year.

TABLE 27: Deferred Maintenance (\$ in thousands required to achieve good condition)

Category	As of 10/01/10	As of 9/30/11*	Change
Buildings and Other Structures	\$ 276,622	\$ 293,219	\$ 16,597
Grounds	288	88	(200)
Heritage Assets	3,147	2,746	(401)
Total	\$ 280,057	\$ 296,053	\$ 15,996

* The deferred maintenance figure for September 30, 2011 excludes the Library of Congress' Packard Campus for Audio-Visual Conservation, the Special Service Facilities Center, the Supreme Court Building, the Thurgood Marshall Federal Judiciary Building, pedestrian tunnels, miscellaneous U.S. Capitol Police buildings and most major equipment related to the Capitol Power Plant. Deferred maintenance calculations are based on FY 2010 AOC replacement values, completed in April 2011.

For further information on deferred maintenance costs, plus data on the capital renewal costs, please see the *Management Challenges and Looking Ahead* section of this report.

SECTION III: Required Supplementary Information (Unaudited)

Summary of Heritage Assets

This consolidating schedule reports the heritage assets by jurisdiction and organization-wide. The AOC records are related to all jurisdictions. For simplicity, such reference files, library materials, and conservation reports are shown under the responsibility of the Capitol Building jurisdiction.

AOC HERITAGE ASSETS CONSOLIDATING SCHEDULES AS OF SEPTEMBER 30, 2011 AND 2010

Category	FY 2011								FY 2010								
	AOC Jurisdiction							TOTAL	AOC Jurisdiction							TOTAL	
	CB	CG	HOB	LBG	SC	SOB	USBG		CB	CG	HOB	LBG	SC	SOB	USBG		
Artwork																	
Fine Art																	
Interior Sculpture																	
National Statuary Hall Statues	100	—	—	—	—	—	—	100	100	—	—	—	—	—	—	—	100
Other Statues in Rotunda	6	—	—	—	—	—	—	6	6	—	—	—	—	—	—	—	6
Possibly Joint Statues	5	—	—	—	—	—	—	5	5	—	—	—	—	—	—	—	5
Busts	16	—	—	—	—	—	—	16	16	—	—	—	—	—	—	—	16
Possibly Joint Busts	21	—	—	—	—	—	—	21	21	—	—	—	—	—	—	—	21
Other	21	—	—	—	—	—	—	21	18	—	—	—	—	—	—	—	18
Sub-Total: Interior Sculpture	169	—	—	—	—	—	—	169	166	—	—	—	—	—	—	—	166
Paintings																	
Portraits	17	—	—	—	—	—	—	17	17	—	—	—	—	—	—	—	17
Possibly Joint Portraits	26	—	—	—	—	—	—	26	26	—	—	—	—	—	—	—	26
Paintings other than Portraits	11	—	—	—	—	—	—	11	11	—	—	—	—	—	—	—	11
Possibly Joint Paintings	23	—	—	—	—	—	—	23	23	—	—	—	—	—	—	—	23
Sub-Total: Paintings	77	—	—	—	—	—	—	77	77	—	—	—	—	—	—	—	77
Works of Art on Paper																	
Watercolors	6	—	—	—	—	—	—	6	6	—	—	—	—	—	—	—	6
Prints	63	—	—	—	—	—	—	63	63	—	—	—	—	—	—	—	63
Sketches for Murals	232	—	—	—	—	—	—	232	232	—	—	—	—	—	—	—	232
Sub-Total: Works of Art on Paper	301	—	—	—	—	—	—	301	301	—	—	—	—	—	—	—	301
Sub-Total: Fine Art	547	—	—	—	—	—	—	547	544	—	—	—	—	—	—	—	544
Decorative Art																	
Gilded Overmantel Mirror Frames	93	—	—	—	—	—	—	93	93	—	—	—	—	—	—	—	93
Historic Furniture	40	—	—	—	—	—	—	40	42	—	—	—	—	—	—	—	42
Antique Clocks	10	—	—	—	—	—	—	10	10	—	—	—	—	—	—	—	10
Textiles	2	—	—	—	—	—	—	2	2	—	—	—	—	—	—	—	2
Sub-Total: Decorative Art	145	—	—	—	—	—	—	145	147	—	—	—	—	—	—	—	147
Architectural Fine Art																	
Pediments	3	—	1	—	2	1	—	7	3	—	1	—	2	1	—	—	7
Statues/Sculpture	6	—	8	27	2	1	—	44	6	—	8	27	2	1	—	—	44
Plaster Models of Sculpture	1	—	27	—	—	6	—	34	1	—	27	—	—	6	—	—	34
Sculptured Stair Railings	4	—	—	2	—	—	—	6	4	—	—	2	—	—	—	—	6
Architectural Models on Display	—	—	1	—	—	4	—	5	—	—	1	—	—	4	—	—	5
Reliefs	39	—	1	74	4	51	—	169	39	—	1	74	4	51	—	—	169
Light Posts with Reliefs (exterior)	—	—	—	—	2	—	—	2	—	—	—	—	2	—	—	—	2
Bronze Doors (sets)	4	—	—	11	1	—	—	16	4	—	—	11	1	—	—	—	16
Plaques	28	—	1	—	—	—	—	29	28	—	1	—	—	—	—	—	29
Stained Glass/Mosaics	16	—	—	17	—	—	—	33	16	—	—	17	—	—	—	—	33
Rotunda Paintings	8	—	—	—	—	—	—	8	8	—	—	—	—	—	—	—	8
Rooms or Spaces with Fine Art Murals	79	—	1	32	—	1	—	113	79	—	1	32	—	1	—	—	113
Maquettes	—	—	—	—	—	1	—	1	—	—	—	—	—	1	—	—	1
Sub-Total: Architectural Fine Art	188	—	40	163	11	65	—	467	188	—	40	163	11	65	—	—	467

AOC HERITAGE ASSETS CONSOLIDATING SCHEDULES AS OF SEPTEMBER 30, 2011 AND 2010 (continued)

Category	FY 2011								FY 2010								
	AOC Jurisdiction							TOTAL	AOC Jurisdiction							TOTAL	
	CB	CG	HOB	LBG	SC	SOB	USBG		CB	CG	HOB	LBG	SC	SOB	USBG		
Architectural Decorative Art																	
Mantels	167	—	—	—	—	—	—	167	167	—	—	—	—	—	—	—	167
Chandeliers	250	—	—	—	—	—	—	250	250	—	—	—	—	—	—	—	250
Pendant Lights	270	—	—	—	—	—	—	270	270	—	—	—	—	—	—	—	270
Sconces	100	—	—	—	—	—	—	100	100	—	—	—	—	—	—	—	100
Rooms/Spaces with Decorative Murals	47	—	—	—	—	—	—	47	47	—	—	—	—	—	—	—	47
Sculptural Clock	—	—	—	1	—	—	—	1	—	—	—	1	—	—	—	—	1
Sub-Total: Architectural Decorative Art	834	—	—	1	—	—	—	835	834	—	—	1	—	—	—	—	835
TOTAL	1,714	—	40	164	11	65	—	1,994	1,713	—	40	164	11	65	—	—	1,993
Architectural Features																	
Outdoor Sculptures																	
Monuments/Statues	—	3	—	—	—	—	—	3	—	3	—	—	—	—	—	—	3
Fountains with Sculpture	—	1	—	2	—	—	1	4	—	2	—	2	—	—	1	—	5
Plaques	—	3	—	—	—	—	—	3	—	3	—	—	—	—	—	—	3
Sub-Total: Outdoor Sculptures	—	7	—	2	—	—	1	10	—	8	—	2	—	—	1	—	11
Landscape Features and Fixtures																	
Lighting Fixtures	—	166	—	—	—	—	—	166	—	166	—	—	—	—	—	—	166
Urns	—	20	—	—	—	—	—	20	—	20	—	—	—	—	—	—	20
Reliefs	—	n/a	—	—	—	—	—	—	—	n/a	—	—	—	—	—	—	—
Sub-Total: Landscape Features and Fixtures	—	186	—	—	—	—	—	186	—	186	—	—	—	—	—	—	186
TOTAL	—	193	—	2	—	—	1	196	—	194	—	2	—	—	1	—	197
Reference and Library Materials																	
Art and Reference Files	108	—	—	—	—	—	—	108	108	—	—	—	—	—	—	—	108
Art and Reference Library	1,141	—	—	—	—	—	—	1,141	1,137	—	—	—	—	—	—	—	1,137
TOTAL	1,249	—	—	—	—	—	—	1,249	1,245	—	—	—	—	—	—	—	1,245
Records																	
Architectural and Engineering Drawings	177,352	—	—	—	—	—	—	177,352	177,200	—	—	—	—	—	—	—	177,200
Manuscripts and Other Textual Records	6,382	—	—	—	—	—	—	6,382	6,134	—	—	—	—	—	—	—	6,134
Small Architectural Models	18	—	—	—	—	—	—	18	18	—	—	—	—	—	—	—	18
Conservation Reports	246	—	—	—	—	—	—	246	237	—	—	—	—	—	—	—	237
Photographs	222,209	—	—	—	—	—	—	222,209	211,577	—	—	—	—	—	—	—	211,577
TOTAL	406,207	—	—	—	—	—	—	406,207	395,166	—	—	—	—	—	—	—	395,166
Living Heritage Assets																	
Taxa	—	—	—	—	—	—	7,738	7,738	—	—	—	—	—	—	—	7,547	7,547
Plants	—	—	—	—	—	—	16,442	16,442	—	—	—	—	—	—	—	15,942	15,942
Individual	—	—	—	—	—	—	63,542	63,542	—	—	—	—	—	—	—	62,079	62,079
Memorial Trees	—	143	—	—	—	—	—	143	—	140	—	—	—	—	—	—	140
TOTAL	—	143	—	—	—	—	87,722	87,865	—	140	—	—	—	—	—	85,568	85,708



SECTION IV:

Other Accompanying Information

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

TABLE 28: Summary of Financial Statement Audit

AUDIT OPINION TYPE	Unqualified				
RESTATEMENT (YES/NO)	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Internal Control Assessment	1	0	0	0	1
Financial Statement Restatement	1	0	1	0	0
Total Material Weaknesses	2	0	1	0	1

TABLE 29: Summary of Management Assurances

EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (FMFIA, para. 2)					
STATEMENT OF ASSURANCE	No Assurance*				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Internal Control Assessment	1	0	0	0	1
Financial Statement Restatement	1	0	1	0	0
Total Material Weaknesses	2	0	1	0	1

EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA, para. 2)					
STATEMENT OF ASSURANCE	No Assurance*				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Internal Control Assessment	1	0	0	0	1
Financial Statement Restatement	1	0	1	0	0
Total Material Weaknesses	2	0	1	0	1

CONFORMANCE WITH FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS (FMFIA, para. 4)					
STATEMENT OF ASSURANCE	No Assurance*				
Nonconformance	Beginning Balance	New	Resolved	Consolidated/ Reassessed	Ending Balance
Total Nonconformance	0	0	0	0	0

COMPLIANCE WITH FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA)		
	Agency	Auditor
Overall Substantial Compliance	Yes	Yes
1. System Requirements		Yes
2. Accounting Standards		Yes
3. U.S. Standard General Ledger (USSGL) at Transaction Level		Yes

* The AOC is still in the early stages of establishing a program that fully meets the intent of OMB Circular A-123, Appendix A. At this time, AOC is unable to test for: the effectiveness of internal controls over financial reporting, the effectiveness of internal controls over operations and the conformance with financial management system requirements.

Improper Payments Information Act

The Improper Payments Information Act of 2002 defines requirements to reduce improper and erroneous payments made by the Federal Government. In addition, the Office of Management and Budget (OMB) also has established specific reporting requirements for Executive Branch agencies with programs that have a significant risk of erroneous payments and for reporting on the results of recovery auditing activities. A significant erroneous payment, as defined by OMB guidance, is an annual erroneous program payment that exceeds both 2.5 percent of the program payments and \$10 million.

The AOC is a Legislative Branch office and, as such, is not subject to this Act or the related OMB guidance. As a result, AOC has not adopted policies implementing this law. Nonetheless, as part of AOC's multi-year effort for implementing its Internal Control Program and conducting reviews of its internal controls and financial systems (using FMFIA as a general reference tool), a formal annual assessment will be developed to identify any programs where significant erroneous payments may have occurred within AOC. As part of this multi-year effort, AOC will refer to the Improper Payments Information Act for general guidance.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES



Office of Inspector General
Fairchild Bldg.
499 S. Capitol St., SW, Suite 518
Washington, D.C. 20515
202.593.1948
www.aoc.gov

United States Government

MEMORANDUM

DATE: October 5, 2011

TO: Stephen T. Ayers, Architect of the Capitol

FROM: Carol M. Bates, Inspector General /s/

SUBJECT: Statement of Management Opportunities and Performance Challenges

As you requested, and on behalf of the Office of Inspector General, attached is the Statement of Management Opportunities and Performance Challenges (Statement). This Statement includes the four initial challenges that we communicated last year and an additional challenge concerning human capital management.

We note improvement from the previous year's challenges in the Internal Controls Program. The Senior Assessment Team made a concerted effort to move forward and complete vulnerability assessments for AOC processes that impact the financial statements. The AOC began important first-steps to address policy challenges by publishing the inaugural Order to establish a process for drafting and reviewing all AOC policy, as well as establishing accountability for policy accuracy and de-confliction.

Similarly, AOC has demonstrated remarkable progress in instituting a new Ethics Program. The Order establishing the Ethics Program was recently published, and training is being offered to all AOC employees. This order will be effective on December 1, 2011. The OIG will report on the Ethics Program implementation and, if warranted, remove this challenge in our next statement.

We look forward to working with your entire management team during the coming year to report significant improvements or completion on each of these five key challenges. Collectively, our workforce will benefit, and the AOC mission will be accomplished in a more efficient and effective manner.

If you have any questions, please contact me at 3.0260 or email at cbates@aoc.gov.

Copy to: Christine A. Merdon, Chief Operating Officer

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Introduction

As requested, this is the Office of Inspector General's (OIG) annual OIG Statement of Management Opportunities and Performance Challenges. This document briefly identifies the Architect of the Capitol's (AOC) most significant challenges and opportunities for improvement. This Statement is based on the results of our observations, audit and investigative efforts, as well as the AOC contracted Financial Statements Audit. We appreciate this opportunity to provide the Architect, the Chief Operating Officer and the Senior Leadership Team with our unique perspective on areas that would benefit from increased management attention.

The AOC is responsible to the United States Congress and Supreme Court for the maintenance, operation, construction, and preservation of the buildings and land throughout the Capitol Complex. The AOC also provides professional expertise for preserving architectural and artistic elements entrusted to its care. By all measured internal performance standards the AOC has executed its primary mission in a stellar manner. Customer feedback with high satisfaction ratings demonstrates the professional commitment and excellence, in serving the needs and requirements of Congress and the Supreme Court.

Notably, AOC developed the Capitol Complex Master Plan, along with a Five-Year Capital Improvement Plan, which includes a rank-ordered, deferred maintenance project list. This significant backlog of construction and maintenance is dependent upon increased funding, which is unlikely in the current fiscal environment. Resource issues have already been identified by the AOC as a challenge, therefore they are not repeated in this document.

While recognizing AOC's accomplishments in executing the core mission, this Statement also recognizes that with limited resources, much work remains to be done. The OIG believes that focusing senior leadership attention on the challenges enumerated below will help to promote efficiency and effectiveness, and reduce the potential for fraud, waste, and abuse in AOC operations. This leadership focus, combined with resolute management action, will help ensure that finite AOC appropriations are used to the maximum extent possible to meet the needs of Congress and the Supreme Court.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Opportunities and Challenges: The Commonalities

Five challenges were identified, with a common theme that ties them together. Until recently, AOC had not recognized the need to develop and publish new policies (Orders) where needed, and to review and update existing policies to keep them current. Of equal import to the adequacy of current policy is a general lack of knowledge and enforcement of current policy. The OIG has identified numerous Orders that are in conflict with other Orders, or that are impossible to implement as written. We have found instances in which AOC departments have not been aware of, or enforced, the very Orders that they were responsible for writing and following.

In a similar vein, the AOC has sometimes been unable to meet deadlines to implement all of the actions necessary to correct internal control weaknesses. The AOC issued a much needed Ethics Order, but now faces challenges to train the workforce and ensure compliance with the Order.

The first four challenges listed below are continued from last year, with updates where there has been verifiable action taken by management. Of the four challenges we issued last year, AOC made notable progress in three of the four areas, as outlined further in this Statement. During this year, we added a challenge for needed improvements in human capital management. There is great opportunity for significant improvement in the hiring, management, and retention of the AOC work force.

The five challenges follow with corresponding discussion:

- Enhancing Internal Controls
- Policy Atrophy and Enforcement
- Delays in Implementing OIG Recommendations
- Establishing an Ethics Program with AOC-Wide Ethics Training
- Improving Human Capital Management

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Enhancing Internal Controls

There is no statutory requirement for the AOC to have its financial statements audited or for the AOC to embrace an internal controls program. Commendably, AOC management recognized the value of an annual financial statement audit and has voluntarily submitted its financial statements for audit since the first statements were issued in Fiscal Year (FY) 2003. The AOC has consistently received “clean” audit opinions. However, the financial statements reports continue to recommend that the AOC institute an agency-wide internal controls program.

Preliminary steps have been taken in response to these continuing audit recommendations. The AOC formed a Senior Advisory Team (SAT) to communicate the internal controls assessment objectives throughout the Agency, to oversee progress of the program, and ensure timely implementation. During FY 2011 the SAT categorized AOC's assessable units based on potential impact to the financial statement and the Internal Control Working Groups completed a vulnerability assessment for each unit. The SAT then reviewed and recommended changes, or accepted as submitted the assigned risk for each unit. Recently, efforts began to document controls for high risk areas.

This progress is encouraging and we anticipate that the AOC will take the Internal Controls Program to the next level, which is to test the key controls and then to conclude, to report, and to correct identified deficiencies and weaknesses. It is the testing component of the Internal Controls Program that gives management feedback on whether or not the control activities are in place and working effectively. The SAT should communicate its expectations for the frequency and scope of internal control monitoring and reports and needs to set realistic deadlines and ensure that these are met. Without firm milestones, progress continues, but at a very slow pace. In summary, the SAT, with direction from the Internal Controls Manager, needs to collectively work together to turn their documented findings of risks into an actionable tool that improves efficiency and effectiveness across AOC jurisdictions and programs.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Policy Atrophy and Enforcement

AOC policies, referred to within the AOC as “Orders,” are a key component of the Internal Controls Program. Although the AOC has issued many Orders, significant improvement is needed in this area. When reviewing Orders to determine the expected minimum standards, we have found that Orders are outdated, ambiguous, and some have expectations and standards that conflict with other published Orders. This is primarily due to the lack of a single focal point and accountable management office for all AOC policy publications.

Specifically, our audits and investigations continue to find that numerous Orders are deficient, or that policy has not yet been written. For instance, there are some AOC processes that have a tremendous financial impact, such as procurements over \$100,000, which have no AOC Order to guide employees. Additionally, the AOC Timekeeping Order, first issued in FY 2011, is not yet complete and conflicts with other Orders and guidance documents. Timekeeping responsibilities apply to every AOC employee, and is another area with a tremendous financial impact given the size of the AOC payroll. Although this Order gives AOC employees and supervisors useful information on completing timecards, it falls short in updating guidance on overtime and, as issued, conflicts with two other published Orders and a guidance document. Also, the work schedule forms needed to fully implement this policy do not match the Order, and some unique flexible work schedule options are not included, such as those at the Capitol Power Plant. Finally, the AOC issued a long-awaited security classification Order that conflicts with already published Orders and is impossible to implement.

Notwithstanding the identified areas to be improved, we are pleased to report that significant progress has occurred this year. AOC updated its Purchase Card Order, which established clear Purchase Card Approver responsibilities that also hold approvers accountable for purchase card transactions. The Accounting Division issued four new Orders to improve financial management processes.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Additionally, AOC recently published a new Order to manage how policy will be written, reviewed, approved and posted to the AOC intranet. This Order establishes the author's accountability for accuracy, training and enforcement of each Order. It also requires that Orders be coordinated throughout the AOC before they are issued, and that they undergo periodic review and update. The AOC is enhancing its intranet and changes to posting Orders will make them easier to find. The Chief Administrative Officer is responsible for managing this new process and will be instrumental in its implementation. With this framework in place, the problems we have identified with AOC orders should be much improved next year.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Delays in Implementing OIG Recommendations

In comparison to the other three challenges identified last year, AOC has made the least progress in this area. However, with a goal to close as many open recommendations as possible, and with the effort of many dedicated managers, led by the Chief Operating Officer, a number of recommendations were recently closed including some that were open for as many as two years.

AOC management concurred with the findings in the annual Financial Statements Audit and has either concurred with, or suggested a suitable alternative action for all OIG audit, evaluation and management advisory recommendations. Despite management concurrence, putting the corrective action in place has been slow. Many of the Financial Statements Audit Notices of Findings and Recommendations, as well as reported material weaknesses and significant deficiencies, are repeated in multiple Financial Statements Reports. While the SAT monitors the corrective action plan to implement recommendations found in the Financial Statements Audit, it does not follow the same process for any other OIG reports.

The AOC reported that it completed actions necessary to close report recommendations within the required time period, on five of nine final actions due in this Fiscal Year. In the other four instances, status updates were provided to explain why the necessary actions were not complete, but the actions were still not completed within the requisite time frame. Because the OIG makes recommendations to improve internal controls or close internal control gaps, delays in taking agreed-to corrective actions increase Agency risk.

To have a complete list of already identified internal control weaknesses, the SAT should track all OIG recommendations. This information will also help the Internal Controls Working Groups identify risks in their areas of responsibility. Similarly, AOC management should engage its Collective Bargaining Units for comment on OIG recommendations early in the resolution process, rather than wait until the deadline approaches. AOC leadership needs to focus their attention and accountability on whether audits are resolved in a timely manner, which includes ensuring that corrective action plans have been fully implemented.

**THE INSPECTOR GENERAL'S STATEMENT OF
MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)*****Establishing an Ethics Program with AOC-
Wide Ethics Training***

We are very pleased to report significant Agency progress in this challenge. The AOC Standards of Conduct were most recently issued in 1989 and, with the exception of a few clarification memos, have not been updated until recently. Since our last statement, the AOC has issued its initial Ethics Order, which will be the cornerstone for the AOC's comprehensive Ethics Program. This Order clearly outlines expectations from financial disclosure, to conflicts of interest, to behavior/misconduct while in duty status, and many other areas, for all AOC employees.

Now that the Ethics Order has been issued, the AOC needs to provide agency-wide initial training on the entire Order, followed by annual ethics refresher training, similar to that given to *all* employees for computer security. All employees need clear guidance on ethical conflicts and dilemmas. The Ethics Program will serve as the guiding beacon for AOC employees as they do their vital work in support of Congress.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Improving Human Capital Management

The AOC manages all aspects of human resources such as new applicants for AOC vacant positions, as well as current AOC employees; its most valuable resource. However, the policies, information technology tools supporting human resources, and training all need improvement.

About half of the AOC annual appropriations are used to pay employee salary and benefits. Despite the significant funds tied to time card reporting, the AOC had no Timekeeping Order for half of this fiscal year, and the Order that was issued contains gaps and conflicts with other Orders, as discussed previously in *Policy Atrophy and Enforcement*. The AOC relies on a computerized timekeeping system to record hours and pay employees. This timekeeping system has internal controls which should be fully utilized to help AOC better record time and preclude improper salary and benefit payments.

A key part of the new Timekeeping Order was to allow for compensatory time instead of only paid overtime, and to greatly expanded the opportunity to earn credit hours. These tools, if properly applied, will also help reduce Agency overtime costs. However, to make the best use of compensatory time and to ensure compliance with the law, supervisors must know which employees are exempt from the Fair Labor Standards Act (FLSA). Currently, this information is not readily available to supervisors. FLSA exempt and non-exempt status needs to be kept current for each employee and readily available to all supervisors. AOC also needs to develop a comprehensive form to enable all offices and jurisdictions to gather work day, work shift, and work hour information for its employees; the form should be consistent with the Order. Without this information, a supervisor is unable to determine when an employee is late, and when/what kind of premium hours and/or shift differential an employee may earn. The form that was posted to the AOC Intranet several months after the Timekeeping Order was released, lacks some of the information necessary for effective management of all AOC personnel, including those assigned at the Capitol Power Plant.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

The AOC uses a computer-based system to support human capital management. The system needs to be made more intuitive and user friendly, personnel actions need to move through the system automatically rather than rely on manual intervention, and all employee awards should be processed through the system. For example, the AOC recently advertised positions to be filled with applicants submitting written application packages, rather than using the automated application process. Compared to the more time-consuming manual paper process, using automation would have streamlined these personnel actions and used staff resources more efficiently.

Another concern is that the AOC does not provide all temporary employees with written feedback on their performance, or support their right to raise workplace concerns without negative repercussions. The law that required the AOC to institute a Human Resources Program, codified at 2 U.S.C. § 1831, makes it clear that a performance evaluation system includes all AOC employees (§ 1831 (c)(2)(E)). The OIG recently discovered that AOC temporary employees have been designated as “temporary employees” in excess of 10 years, some without a mid-year or annual evaluation. The practice of withholding performance appraisals to long-term temporary employees must be changed quickly to both comply with the law, and to ensure timely feedback to all AOC employees. Moreover, the OIG has received complaints from temporary employees indicating that they are reluctant to say anything negative about management practices, or to submit a harassment complaint, for fear of being terminated.

On a positive note, recently the AOC established a Working Group to review long-term temporary employment issues, including the lack of performance evaluations. The AOC is also exploring solutions to further reduce overtime. The OIG is encouraged by management's response to our concerns and awaits the teams' results.

THE INSPECTOR GENERAL'S STATEMENT OF MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES (continued)

Concluding Thoughts

To conclude, AOC leadership put forth effort to address each of the four initial challenges, with notable progress on three of the four challenges. We are also encouraged by the rapid appointment of a cross-functional team to address our concerns with the management and evaluation of temporary employees.

A robust and actionable Internal Controls Program must be implemented, guided by clear written policy, and a culture of implementing all agreed-to OIG recommendations. The AOC must educate the entire workforce on the new Ethics Program as a cornerstone of AOC management; to help establish a culture of compliance, ensuring the entire workforce will serve its clients efficiently and effectively for decades to come. Significantly improved personnel policies and electronic management systems will reduce the current employee frustrations and inefficiency in processing employee evaluations, awards, and personnel actions, and will also make it easier for applicants to submit employment applications.

The OIG is encouraged by the recent efforts to address these challenges. Keeping attention focused on closing OIG recommendations, implementing new orders, and the reports from working groups tasked to find solutions to long-standing issues, should improve AOC operations.

AOC Executive Summary

FISCAL YEAR 2011 PROJECT FUNDING REVISIONS



The AOC's core financial management system centrally accounts for over \$500 million in annual spending. In FY 2012, the AOC plans to upgrade its financial systems to provide additional functionality and controls.

FINANCIAL MANAGEMENT SYSTEM SUMMARY

Financial Management System Summary

The AOC's core financial management system centrally accounts for over \$500 million through the processing of approximately 240,000 transactions annually by 330 users (400 user licenses). Figure 51 depicts the current system architecture.

Federal Financial Management Improvement Act

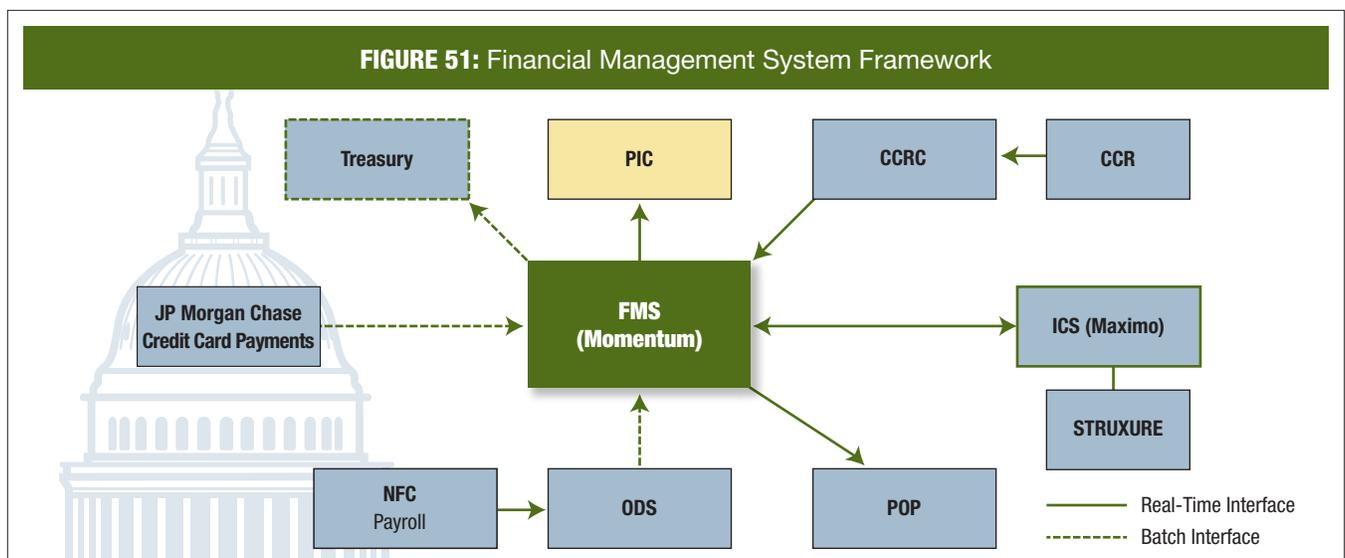
The following is AOC's primary accounting and financial reporting system:

- **Financial Management System (FMS)** is AOC's core financial system utilizing commercial software (Momentum®) for Federal Government use. FMS provides the core financial management system functionality to AOC that encompasses the following modules: Budget Execution, Acquisitions, Purchasing, Receiving,

Accounts Payable, Automated Disbursements, Credit Card, Fixed Assets and General Ledger.

In addition, the inventory of AOC's key accounting and reporting systems includes:

- **Capitol Visitor Center Point of Sale System (CVC POS)** is a standalone back office retail inventory management system used to record CVC gift shop sales and inventory transactions. The financial data contained in the CVC POS system is not interfaced with AOC's FMS. Inventory and sales data must be manually reconciled between the two systems.
- **Central Contractor Registration Connector (CCRC)** provides for the download of vendor records from the government-wide Central Contractor Registration (CCR) system with a direct update to the FMS vendor file.



SECTION IV: Other Accompanying Information

- **Computer Aided Facilities Management System (CAFM)** is used by the AOC jurisdictions to track facility maintenance work orders and preventive maintenance.
- **Inventory Control System (ICS)** is used to track AOC's inventory of materials, supplies and accountable property. With 175 users, ICS uses a lifecycle and asset management system and is managed and operated by AOC's Financial Systems Division (FSD). FMS obligations, the receipt of transactions and the draw-down of inventories are integrated real-time with ICS. There is also real-time integration between ICS and Struxure for accessing commodity codes.
- **JP Morgan Chase** credit card interface is used to transmit credit card payment data via a batch file to FMS.
- **National Finance Center (NFC)**, as part of a cross-servicing agreement with the Department of Agriculture, provides payroll and personnel services to AOC. Managed by AOC's Human Capital Management Division (HCMD), payroll transactions are interfaced via a batch file through the Operational Data Store (ODS) to FMS.
- **Operational Data Store (ODS)**, maintained by AOC's Information Technology Division (ITD), is AOC's payroll and personnel database and is used as a warehouse for detailed employee payroll information. The ODS receives a batch file of NFC payroll data and creates a batch file of payroll transactions for interfacing to FMS. The ODS automatically reconciles its data to the FMS summary payroll.
- **Procurement Overview Portal (POP)** receives notifications of commitments and obligations from FMS for use by staff in the Acquisitions and Material Management Division (AMMD).
- **Project Information Center (PIC)** is an AOC-developed system used to track the status of projects. Budget and obligation data is interfaced from FMS to PIC.
- **Struxure**, hosted by AOC, maintains the commodity codes for inventory items purchased with a real-time interface with ICS.

- **Department of the Treasury** reporting is currently being upgraded from a manual process to an automated process. FMS is being modified to interface the FACTS I, FACTS II and SF-224 reports to the Department of Treasury. In addition, a disbursement file is routinely produced by FMS to electronically send disbursements to Treasury.

Financial Management System Strategies

The AOC plans to upgrade FMS in FY 2012. This upgrade will provide additional functionality including full integration of ICS with FMS and improvements in the acquisition and accounting processes. The functions currently included in Struxure will be incorporated into ICS as part of this upgrade, eliminating the need for Struxure. During the FMS upgrade project, an interface from FMS to the Internet Payment Platform (IPP) will be built. IPP is a secure web-based electronic invoicing system provided by the Department of Treasury. Essentially the IPP allows federal agencies to convert their paper-based order-to-pay processes into a streamlined electronic flow. Future plans may also provide for the implementation of the automated match functionality in FMS for obligations and receipts, which will allow for the electronic generation of payments to Treasury.

Outstanding Financial Management System Issues

There were some significant deficiencies related to FMS concerning information system general controls and application controls in FY 2010. To resolve these significant deficiencies, AOC is currently performing the following activities: evaluating financial system security profiles to determine user access data and security events that should be routinely captured; implementing system controls by materiality threshold to ensure proper approval of documents; and developing and reviewing system security reports to ensure that best practices, including segregation of duties, have been implemented and are maintained.







APPENDIX A: AOC JURISDICTIONS' KEY ACCOMPLISHMENTS

The AOC has oversight responsibility for 10 jurisdictions across the Capitol. Organizationally, each jurisdiction forms a separate operating unit that is responsible for a designated physical area of the Capitol complex. The AOC jurisdictions are identified in Table 30.

The AOC jurisdictions play a unique role in fulfilling the organization's mission and goals outlined in the Strategic Plan. The historic nature and high profile of many of the facilities managed by AOC creates a complicated environment for AOC to carry out its mission. The AOC must balance the diverse needs of congressional leaders, committees, members, staffs and the visiting public. Although the responsibilities and services provided by AOC jurisdictions are for the most part the same, there are some minor differences.

This Appendix includes each jurisdiction's FY 2011 accomplishments and FY 2012 priorities.

TABLE 30: List of AOC Jurisdictions

AOC Jurisdictions
Botanic Garden
Capitol Building
Capitol Grounds
Capitol Police Buildings, Grounds, and Security
Capitol Power Plant
Capitol Visitor Center
House Office Buildings
Library Buildings and Grounds
Senate Office Buildings
Supreme Court and Judiciary Office Building

Botanic Garden



WHAT'S NEXT? Fiscal Year 2012 Priorities

Terrace Garden Redesign Project

Begin construction on the fourth phase of the Terrace Garden Redesign Project. The project adds significant exterior landscape improvements for the visiting public to enjoy. This phase is scheduled for completion in spring 2012.

Implement Business Plan

Initiate work on the new five-year business plan that focuses on the USBG's mission. The plan is under development and will be aligned with AOC's new Strategic Plan. Areas of focus for garden operations include sustainability, energy reduction, storm water capture, security and roof fall safety. The priorities set by the plan will be used to re-align initiatives and staff so that resources are maximized.

Renew Aging Infrastructure

To address the aging Botanic Garden facilities and the increased wear on the Conservatory due to an increase in visitors, AOC will establish a preventive maintenance program for all Conservatory entrances and exits at monumental doors and all interior monumental doors leading in and out of the galleries. Upgrades are also planned for the Greenhouse evaporative cooling system to replace outmoded systems that have reached the end of their life expectancy.

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

Sustainability Initiatives Advanced — Sustainability remained a major focus in FY 2011. Efforts to lower the Botanic Garden's solid waste stream diverted 38,000 pounds of paper, glass, plastic and cardboard for recycling and more than 638,000 pounds of green waste for composting. The USBG continued its participation with the Sustainable Sites Initiative (SITES) and also led a federal work group for the White House Council on Environmental Quality to develop guidelines for sustainable practices in federal facility site selection and landscaping.

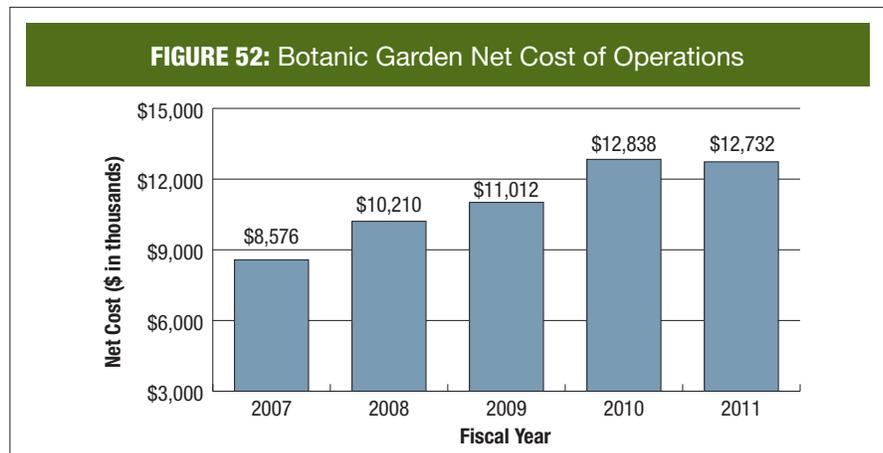
Energy-Savings Initiatives Implemented — The installation of high-efficiency, low-energy fans in the Conservatory, energy-efficient windows in the Administration Building and new management practices at the greenhouses helped reduce energy use. Two residential wind turbines on display outside of the Conservatory produce approximately 4,500 kilowatt hours per year.

Terrace Garden Redesign Project Continued — The Terrace Garden Redesign Project reached substantial completion in FY 2011. Over the past two years, the garden was redesigned. The construction completed this fiscal year increased the planting space and reduced the footprint of the lawn. The new deep infiltration trench captures and stores water and will reduce storm water runoff.

Administrative Building Renovations Progressed — The multi-year renovation of the Administration Building to meet current life-safety, fire and Americans with Disability Act requirements continued in FY 2011. The front porch was repaired and the installation of energy-efficient windows was under contract. The new windows will closely replicate the appearance of the originals to keep with the historic nature of the 1932 building. The renovations are expected to be completed in December 2012.

Net Cost of Operations

Figure 52 provides a five-year summary of the U.S. Botanic Garden's net cost of operations.



Capitol Building

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

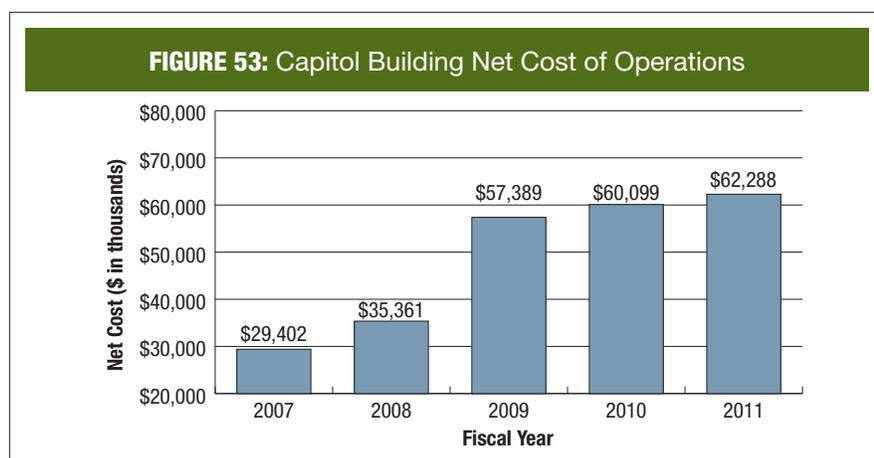
Capitol Dome Rehabilitation Continued — The long-term preservation project of the cast-iron “Walter Dome” continued this fiscal year. This phase included abating the existing lead-based coatings, repainting the existing ironwork and repainting the Dome’s exterior with a paint tinted to match the Dome’s historic color and protect the cast-iron surfaces. This work was completed in December 2010. The next phase will focus on restoration of the Dome’s skirt (see FY 2012 priorities for more detail).

Brumidi “Trophy Room” Ceiling Restoration Completed — The conservation work on the ceiling of the historic “Trophy Room” (near S-111) was completed. The detailed conservation efforts included surveying and documenting the ceiling’s plaster and paint layers, consolidating detached plaster and any flaking original paint, cleaning the ceiling and applying a clear coat of non-yellowing varnish.²⁰

Client Satisfaction Achieved — The jurisdiction received a 97 percent rating on its client satisfaction surveys for completed projects and services. The jurisdiction held monthly meetings with congressional leadership and other service organizations that support the Capitol. These efforts provided information updates and assisted the jurisdiction in meeting its clients’ needs and the AOC’s mission.

Net Cost of Operations

Figure 53 provides a five-year summary of the Capitol Building’s net cost of operations. The rise in net operating costs starting in FY 2009 is a result of the inclusion of the facility maintenance costs for the 580,000 square foot Capitol Visitor Center.



²⁰ This room was designed by Constantino Brumidi for the Senate Committee on Military Affairs and Militia and dates to the 1860s. It is believed that English artist James Leslie painted the ceiling under the direction of Brumidi.



WHAT'S NEXT? Fiscal Year 2012 Priorities

Installation of Emergency Power Systems

Install permanent emergency power backup systems for the Capitol’s House and Senate Chamber areas and the electrical vaults on the West Front. The backup systems for the Capitol West Front will support the January 2013 Inaugural Ceremony.

Capitol Dome Rehabilitation — Phase IC: Dome Skirt

Abate lead-based paint, repair the ironwork and reseal joints, ironwork, conduit and piping to address defects in the Dome’s skirt. The sandstone masonry that surrounds the skirt will be repointed and painted and select areas in the copper roof will be upgraded. The skirt area is vulnerable to degradation because of its constant exposure to the weather. This repair work will extend the Dome’s life, improve the visitor experience and improve working conditions for maintenance personnel and the public. This project phase is estimated to cost nearly \$20 million.

Installation of Smoke Purge System

Install smoke purge fans in each of the Capitol’s three-story high Grand Stairwells. Where the installation of stair-enclosures would have had a significant impact on the historic architecture of the building, these fans will address the Office of Compliance citation resulting from the absence of a fire resistance-rated separation for egress stairwells in the event of a fire or smoke emergency without compromising its historic character.

Capitol Grounds



WHAT'S NEXT? Fiscal Year 2012 Priorities

Complete Pilot Model Maintenance Management Plan

Development of this plan began in FY 2011 and it will be substantially completed in FY 2012. This study will provide a comprehensive analysis of resources and assets, develop standards and frequencies of maintenance in the framework of life cycle stewardship and produce budget forecasts.

Complete Final Phases of Storm Water Management Program

The completion of phases three and four of the storm water management program will include the development of recommendations and alternatives to be coordinated with the Capitol Complex Master Plan and other guiding documents. Phase four will provide a program of requirements including designs, construction schedules, implementation approach and budget model.

Begin Implementation of Cultural Landscape Reports

The jurisdiction will begin implementing new directions in landscape maintenance and preservation, as provided for in the completed cultural landscape reports for both Capitol Square and the Senate parks. The reports identify a number of goals, such as tree replacement and hardscape component upgrades, which can be addressed in ongoing maintenance work such as stone cleaning and associated treatment practices.

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

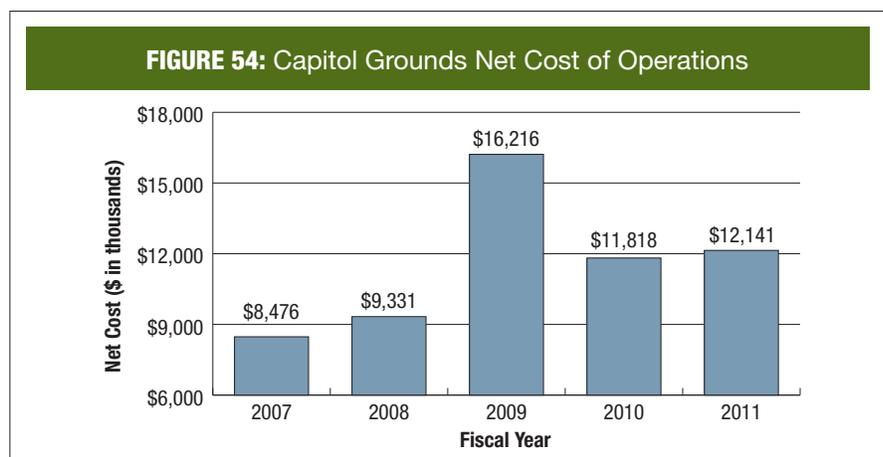
Summerhouse Restoration Design Completed — The completed restoration plans for the Frederick Law Olmsted designed Summerhouse provides a necessary construction blueprint for the full restoration of this historic nineteenth-century structure, including landscape plantings.²¹ The future restoration will match original structural features, such as the brick floor, with state-of-the-art improvements that will improve sustainability through water management controls for the grotto, central fountain and irrigation system.

Safety Evaluations Performed — The jurisdiction performed various safety evaluations and projects this fiscal year. Evaluations included an ergonomic study to prevent worker injury and improve productivity, plus an Office of Compliance inspection of the tree and pesticide operations to ensure code-compliance. A fall protection design project was completed to document areas on the Grounds with a height differential of four feet or more above a lower level. This effort will result in additional protection for maintenance workers from fall hazards through the installation of a comprehensive, code-compliant guardrail system.

Customer Service Training Implemented — Training was provided to all Capitol Grounds staff to teach proper procedures for working with the increasing number of visitors to the Capitol. Investments for training the Grounds staff, who are often the first to interact with visitors, can significantly improve their ability to handle logistical requests and answer questions pertaining to locations of interest.

Net Cost of Operations

Figure 54 provides a five-year summary of the Capitol Grounds' net cost of operations.



²¹ Frederick Law Olmsted (1822–1903), considered America's first landscape architect and urban planner, also designed New York City's Central Park and urban park systems in the cities of Buffalo, Boston and Milwaukee.

Capitol Police Buildings, Grounds and Security

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

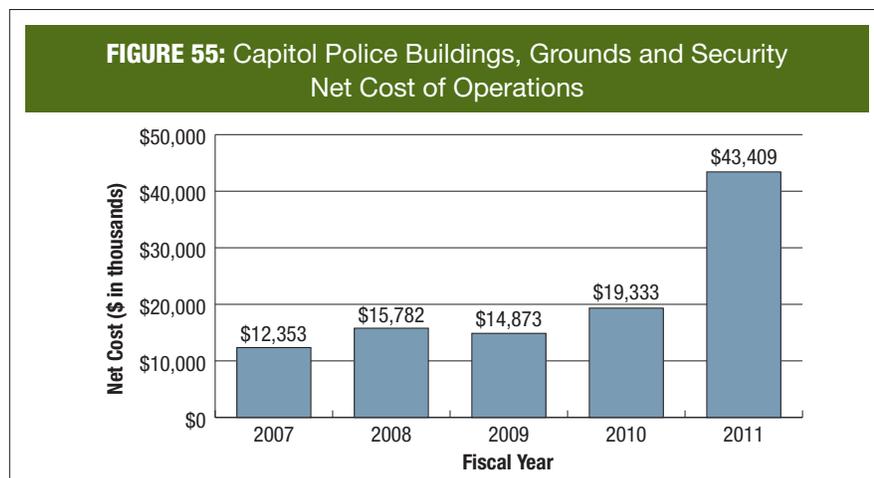
Installation of Cameras and Call Boxes Completed — Installation of security cameras and emergency call boxes in the House Office Buildings' hallways and stairwells was completed this fiscal year. Comprehensive assessments and continued cooperation with the U.S. Capitol Police resulted in a \$2 million cost reduction and an 11-month time savings. This is part of a multi-phased security infrastructure project that also includes the Capitol and the Senate Office Buildings.

Automated Lighting Control System Installed — The Office of Security Programs (OSP) implemented the first phase of installation of an automated lighting control system in the U.S. Capitol Police Headquarters. This phase replaced the existing lighting fixtures on four of the seven floors of the Headquarters with energy-efficient light fixtures and an automated lighting control system that uses occupancy and ambient light sensors to automatically reduce light levels when there is ample ambient light. The next phase will include installing the system on the remaining building floors. When complete, this project will produce an estimated building energy reduction of 12 percent.

Customer Service Center Implemented — The OSP created a Customer Service Center (CSC) to proactively meet its facilities management and client service responsibilities. Utilizing several avenues of communication with customers (e-mail, telephone and face-to-face), the center issues, tracks and follows up on work orders and provides custodial, safety and facility inspections. Since its implementation in FY 2011, the CSC has issued more than 3,000 work orders.

Net Cost of Operations

Figure 55 provides a five-year summary of the CPBGS's net cost of operations. The FY 2011 increase in costs resulted from imputed costs related to the campus infrastructure security project as well as increased payroll, operating and program costs.



WHAT'S NEXT? Fiscal Year 2012 Priorities

Develop Five-Year Project Implementation Plan

The Five-Year Project Implementation Plan will coordinate with OSP's Jurisdiction Plan and will align with the AOC's mission objectives and needs. The plan will list all AOC's security projects and be used to ensure the scope and estimates for each project are well-defined and the projects are ready for execution when funding is available.

Install Building Automation System

Install a Building Automation System (BAS) in the U.S. Capitol Police Headquarters Building that will connect all building systems. The project will include lighting controls, electrical metering, variable air volume and fan coil controls and remote monitoring of energy usage. The BAS functionality will reduce the building's energy and maintenance costs.

Install Electrical Sub-Meters

Install sub-meters on all electrical distribution panels at the Alternate Computer Facility (ACF) data center and the main electrical sub-stations in the switchgear rooms. The sub-meters will allow for better management and monitoring of the data center electrical loads and assist AOC in planning for future expansion of the ACF. Load management has the potential to reduce the data center energy consumption and the associated costs.

Capitol Power Plant



WHAT'S NEXT? Fiscal Year 2012 Priorities

Complete Tunnel System Safety Repairs

Finalize the utility tunnel safety and occupational health repairs to include concrete repairs, new egresses, communication systems, insulation replacement and installation of additional fans to reduce heat stress. The AOC is on track to close the complaint and citations covered under the Office of Compliance agreement by the June 2012 settlement deadline.

Implement Environmental Management System

Begin the final phase of a multi-year effort to implement an International Organization for Standardization (ISO) 14001 Environmental Management System. This best-in-class system will ensure the jurisdiction will continuously improve upon its environmental management system.

Award Water Treatment Contract

Award a new water treatment contract that seeks to consolidate water treatment systems, reduce the amount of chemicals used, conserve water and conserve energy. Unlike traditional industrial water treatment contracts, AOC will implement a performance-based contract that holds the water treatment vendor responsible for assuring performance of the water treatment system.

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

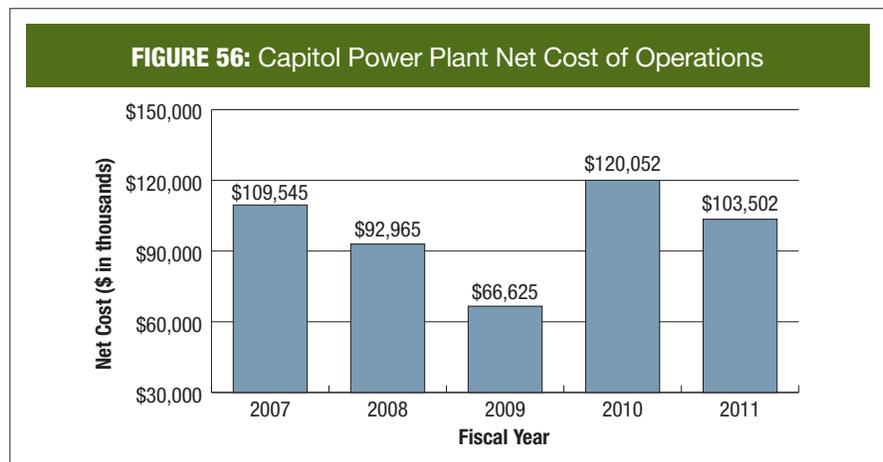
Energy Conservation Initiatives Implemented — The jurisdiction implemented energy conservation measures that improved the efficiency of steam and chilled water production. By using outside air during the winter to generate chilled water in lieu of an electric-powered chiller, AOC realized energy reductions of three million kWh and savings equal to \$360,000. The Capitol Power Plant jurisdiction (CPP) also worked with customers to reduce energy usage and establish energy set-backs during nights and weekends.

Energy Meters Installed — The jurisdiction continued to install facility energy meters in the Capitol Hill buildings that are serviced by the CPP. The meters are a cornerstone of effective energy management and enable AOC to track energy use by building in order to implement energy savings measures. The meters will be connected to a new distributed control system that monitors the distribution of utility services and will allow a faster response time when service interruptions occur.

Facility Assessments Conducted — Facility assessments completed in FY 2011 focused on reducing the risks of a failure of critical infrastructure. The assessments covered the Capitol Power Plant's boilers' useful life, roofing systems, condensate piping and compressed air systems. The compressed air and condensate piping studies resulted in projects that will eliminate single points of failure in both systems and will replace the aging infrastructure before a failure occurs. The boiler condition and roofing assessments help the jurisdiction plan for future renewal projects.

Net Cost of Operations

Figure 56 provides a five-year summary of the Capitol Power Plant's net cost of operations. The decrease in FY 2011 costs (relative to FY 2010) was caused by decreases in accounts payable and the future funded expense related to the tunnel asbestos abatement project. Additionally, the spike in costs during FY 2010 resulted from large construction projects.



Capitol Visitor Center

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

Visitor Services Improved — Capitol Visitor Center (CVC) staff worked diligently to accommodate all public and congressional tour requests through a dedicated reservations coordination team and proactive communication with congressional staffs and tour groups. The CVC provided new tours including a Civil War tour of the Capitol in recognition of the 150th Anniversary of the Civil War, a tour of the Brumidi Corridors and an outdoor walking tour of the Capitol. The Reservations Call Center received more than 42,000 calls this year and the CVC provides three brochures in five foreign languages. The two gift shops enjoyed strong sales, with gross revenue in excess of \$3 million, up \$323 thousand from FY 2010. The CVC launched an online exhibit that mirrors the actual Exhibition Hall. The main website (www.visitthecapitol.gov) received over one million unique visitors.

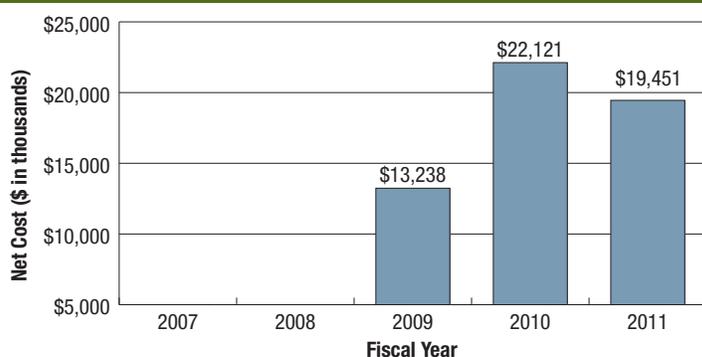
Exhibition Hall Display Case Lighting Upgraded — The AOC completed a project to upgrade the lighting in the CVC's Exhibition Hall display cases in October 2010. This effort resulted in vast improvements to the visibility of documents, objects and artifacts without compromising their integrity. Additionally, the Exhibits and Education Division worked with specialists to upgrade the micro-climate system that is responsible for maintaining the appropriate environment within the document cases. The upgrade was in place by early-August 2011.

Congressional Support Expanded — The CVC supported numerous congressionally-supported events, including the President's State of the Union Address and speeches by foreign heads of state. This fiscal year, Congress sponsored 348 events at the CVC. At the beginning of the 112th Congress, CVC congressional liaisons visited the offices of all 90 new Members of Congress to deliver information packets and speak with tour coordinators. The congressional tour training program was redesigned, resulting in a new four-hour program. Since September 2010, constituent tour training was provided to 3,589 congressional staff.

Net Cost of Operations

Figure 57 provides a five-year summary of the CVC's net cost of operations. As shown, there were zero net costs for FYs 2007–2008 since the initial year of operations was FY 2009. The decrease in costs in FY 2011 reflects a reduction in operating and program costs associated with the normalization of CVC operations.

FIGURE 57: Capitol Visitor Center Net Cost of Operations



WHAT'S NEXT? Fiscal Year 2012 Priorities

Deliver Service Excellence to Congress

Deliver the highest level of service and responsiveness to Congress by establishing positive working relationships, utilizing an AOC-wide survey instrument and sending regular communications to increase awareness of CVC capabilities and offerings. In addition, CVC will continue to refine Capitol Tour Training for congressional staff.

Develop a Team of Exceptional Service Professionals

Develop a team of professionals who personify and deliver exceptional service by refining employee performance plans to enhance accountability. In addition, to better connect staff with leadership, CVC will hold regular question-and-answer sessions, require weekly status meetings with direct reports and refine employee on-board and exit processes.

Deliver Service Excellence to Visitors

Deliver the highest level of service and responsiveness to visitors by conducting a formal review of safety processes and procedures, soliciting, evaluating and incorporating visitor comments into CVC operating procedures, conducting an in-depth analysis of visitorship to date and project future trends.

House Office Buildings



WHAT'S NEXT? Fiscal Year 2012 Priorities

Construct Fire and Smoke Containment Structures

Construct horizontal compartments to prevent the spread of fire and smoke throughout the Cannon House Office Building in case of emergency. These fire barriers will meet current code requirements and increase available evacuation time without impacting the historic architecture of the century-old building. To minimize disruption to normal building activities, work will be conducted during off-hours. The project is expected to take two years, subject to available funding.

Establish Appropriate Performance Measures to Improve Efficiency

Establish appropriate baselines for all objectives identified in the jurisdiction's management plan. The jurisdiction will coordinate with AOC's internal service providers to identify, gather and develop the data required to implement actionable performance metrics for the most critical work tasks to improve the jurisdiction's day-to-day effectiveness and efficiency and meet its management plan objectives.

Complete the Energy Savings Performance Contract Improvement Projects

Complete the \$34 million facility infrastructure upgrades under the 30-month House Office Buildings' Energy Savings Performance Contract. After these upgrades, the jurisdiction expects to realize a 23 percent reduction in energy use and a 32 percent reduction in water consumption — resulting in approximately \$3.3 million in annual savings.

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

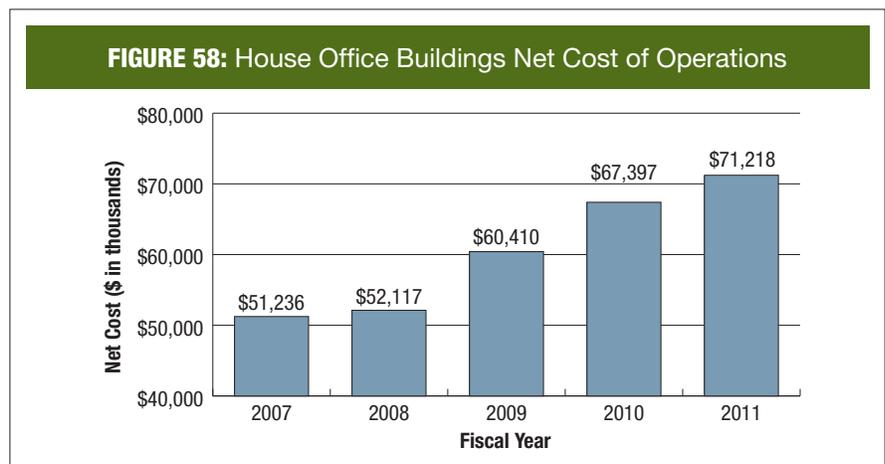
Rayburn Building Escalator Steps Refurbished — The Rayburn House Office Building escalators were refurbished to correct damage to the steps. This damage was identified during an annual inspection of all elevators and escalators. Whereas replacing the escalator steps (that are original to the 1965 building) with new steps would have been cost-prohibitive (\$685,000), the jurisdiction opted to use refurbished steps at a cost savings to the government of more than \$500,000.

Renovation and Upgrade Projects Completed — The jurisdiction managed 40 active projects and completed 11 renovation projects in FY 2011. The completed projects include extension of the sprinkler system in the Cannon Building to provide 100 percent coverage throughout the building, installation of doors in the Longworth Building's stairways that meet fire egress codes, installation of emergency lighting and exit signage throughout the Rayburn Building and renovation of the Committee of Oversight and Government Reform Committee Room.

Rayburn House Office Building Roof Replacement Project Completed — The Rayburn Roof Replacement project concluded in FY 2011. The existing roof was installed in 1984 and had developed leaks that caused damage to the building's interior structure and spaces. The project, which began in FY 2010, replaced the antiquated roof system with a new roof, repaired existing stone work and re-caulked exterior walls. In addition, the building received a new fall protection system to meet current building code requirements.

Net Cost of Operations

Figure 58 provides a five-year summary of the House Office Buildings' net cost of operations.



Library Buildings and Grounds

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

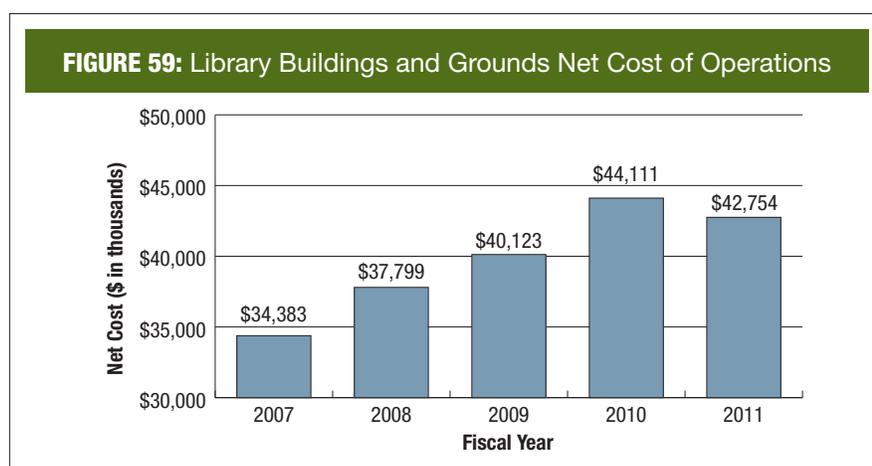
Madison Data Center Transformation Project Initiated — The AOC initiated the Madison Building Data Center transformation project in FY 2011 that will upgrade the infrastructure and support equipment. This fiscal year, AOC completed electrical and HVAC infrastructure studies, awarded contracts for the uninterruptible power supply and the emergency generator designs and completed the scope of work for the Data Center HVAC and Control Upgrades design. Additional designs are scheduled for FY 2012 and construction is planned for FY 2014.

Blashfield Mural Restoration Completed — The AOC completed the five-month restoration of the mural *Human Understanding* on the ceiling above the Main Reading Room in the Thomas Jefferson Building. Conservators cleaned the 1896 mural, revealing the original whites and pastel colors. Professional conservators found the mural in remarkably good condition, with nail and tack holes from the original cartoon stencil still visible in the plaster. Although the majority of the holes were left to maintain the mural's historical integrity, some were in-filled to stabilize nearby cracking paint.

Jurisdiction Reorganization Plans Developed — The AOC developed plans to reorganize the LBG jurisdiction along the same lines as the largest AOC jurisdictions. The reorganization will create a Facilities Support Division and redistribute employees to supplement understaffed trade divisions and distribute the workforce to reflect the current workload. The plan will improve workflow and project management, administrative oversight, client communication and satisfaction, management and execution of facility maintenance and backlog, contract oversight and administration and management of off-site facilities.

Net Cost of Operations

Figure 59 provides a five-year summary of the Library Building and Grounds' net cost of operations.



WHAT'S NEXT? Fiscal Year 2012 Priorities

Complete Safety Upgrades

Continue to implement safety emergency egress project upgrades in accordance with the Office of Compliance Citation Abatement Plans and the LBG Fire and Life Safety Jurisdictional Master Plan. The upgrades include fire suppression, fire alarm and passive fire and life-safety protection improvement projects within the Thomas Jefferson, John Adams and James Madison Memorial Buildings.

Execute the Client Annual Space Modernization Program

Support client requests that are funded for study, design and construction activity. Continue to support the Library Acquisitions and Bibliographic Access space reorganization project, as well as the client requested project to renovate a cafeteria in the James Madison Memorial Building. Complete all capital construction projects on time and within budget and sustain an outstanding level of client satisfaction.

Support the Resident Scholars Center Project

Provide professional services in support of the Resident Scholars Center Project, which includes renovation and expansion of the existing structures and facilities. After the successful design completion in FY 2011, AOC will support construction if the project is approved and funding is received.

Senate Office Buildings



WHAT'S NEXT? Fiscal Year 2012 Priorities

Increase Operational Efficiency

In anticipation of continued reduced financial resources, the jurisdiction will maintain high levels of customer service by strengthening its “can do” culture and creating prioritization strategies. Strategies include further developing its highly functioning team, eliminating redundant services and focusing on cost savings through reduced energy use and effective management of the ESPC projects.

Revise Business Plan and Align with New Strategic Plan

Re-tool and implement the Senate Superintendent’s Office five-year Business Plan to properly align with the new AOC Strategic Plan. In addition, the jurisdiction’s Business Plan will proactively address anticipated issues caused by budget reductions by encouraging greater efficiencies.

Complete Major Construction Projects

Complete 2012 projects such as installing subway sprinkler systems to comply with fire codes, waterproofing the Russell Building’s southwest marble steps and commencing phases two and three of the Dirksen Building’s infrastructure project. The jurisdiction will also initiate a design to repair the Senate Underground Garage and award a contract for the Hart Skylight Replacement Project.

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

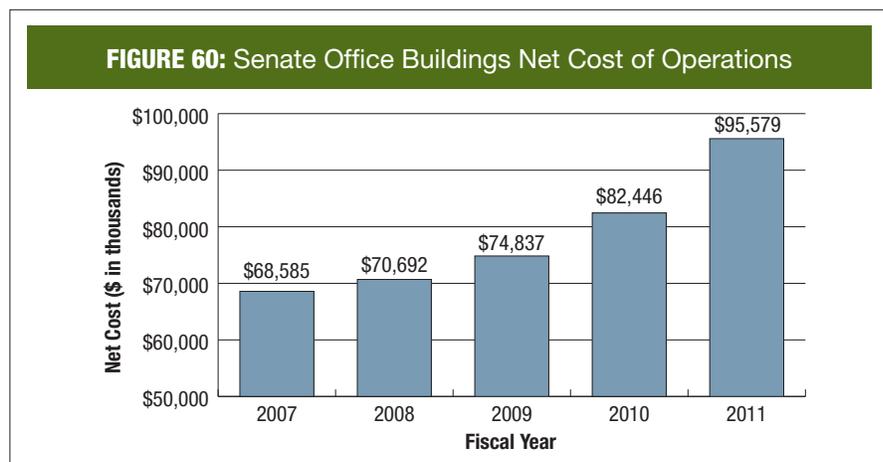
Preventative Maintenance Program Improved — The jurisdiction continued to expand its preventative maintenance program. A complete equipment inventory identified critical and routine maintenance requirements. The corresponding work orders were prioritized and scheduled. This effort ensures proper maintenance intervals to extend equipment life and ensure service reliability. The jurisdiction also continued its Facility Condition Assessments to identify building systems’ condition, remaining life and deferred maintenance needs. The assessments covered over 300,000 square feet of space in the Russell Senate Office Building and the Senate Underground Garage this fiscal year.

Additional Customer Workload Met — The jurisdiction continued to provide timely, high-quality client services in an environment of limited financial resources. The jurisdiction completed the intense work requirements of the election year office and committee moves plus related services for newly-elected senators — such as storage, furniture and office-specific customization. Client demand work orders increased by 13 percent from FY 2010 and the jurisdiction received a 94.4 percent client satisfaction rating. This additional workload was accomplished without additional resource requests.

Major Projects Delivered — The jurisdiction completed four Senate Committee Room renovations, including the restoration of the Russell Building’s Armed Services Committee Room. These renovations returned the rooms to their original grandeur and installed state-of-the-art digital audio-visual systems and energy-efficient lighting and control systems. Additional projects delivered included 10 Hart Building Committee Suite modular furniture renovations, Dirksen Building infrastructure improvements (phase one) to replace aging air handling units and their systems and Russell Building emergency generator and lighting upgrades to power life-safety and security devices in an outage.

Net Cost of Operations

Figure 60 provides a five-year summary of the Senate Office Buildings’ net cost of operations. The increase since FY 2007 can be attributed to new mission requirements and the addition of new facilities (e.g., the new mail handling facility).



Supreme Court and Judiciary Office Building

KEY ACCOMPLISHMENTS IN FISCAL YEAR 2011

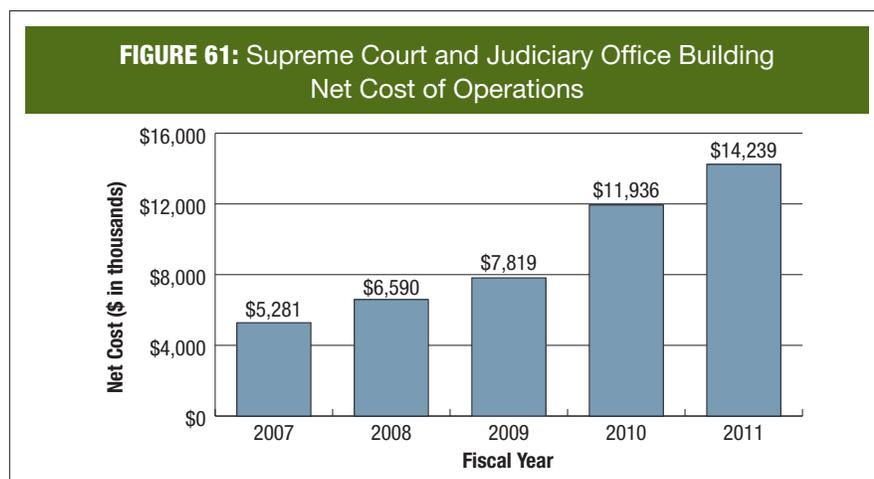
Facilities Management Scheduling Improved — The jurisdiction hired a full-time Facilities Operations Specialist for the Thurgood Marshall Federal Judiciary Building (TMFJB) who will perform expenditure reviews, implement controls, generate a spending plan based on Facility Condition Assessments and help prioritize maintenance projects.

Client Satisfaction Sustained — The jurisdiction held daily meetings with clients to discuss their needs, report on the status of projects and programs and obtain feedback. The jurisdiction continued to perform monthly reviews of client call-back and re-work tickets with shop supervisors to monitor AOC performance, improve service delivery and develop quantifiable performance metrics. To ensure the communication of construction projects occurs during the early design and pre-award stages, AOC met regularly with Supreme Court and TMFJB staff to discuss project requirements. During the construction stage, regular coordination meetings ensured work would not interrupt the Court's activities.

Heritage Assets Surveyed and Maintained — Routine inspections were held throughout the jurisdiction to document the condition of its historic assets and, when needed, schedule them for conservation. These inspections included the decorative ceilings in the West Conference Room and Law Library. Restoration work began during the summer 2011. The AOC stonemasons cleaned and re-pointed granite and marble surfaces on the North and East sides of the Building to alleviate stone deterioration. In addition, an inspection of the exterior bronze features of the building was completed and conservation treatments are being reviewed.

Net Cost of Operations

Figure 61 provides a five-year summary of the jurisdiction's net cost of operations.



WHAT'S NEXT? Fiscal Year 2012 Priorities

Manage Major Repair and Construction Projects

Coordinate and execute major repair and construction projects including the exterior property renovation, elevator modernization and replacement of the barriers on North and South Drive for greater perimeter security — ensuring that projects are accomplished within required timeframes and within budget.

Improve Business Practices for Greater Efficiency

Develop internal performance metrics, measures and time management baselines for improved efficiency, service delivery effectiveness and responsiveness. In particular, the jurisdiction will review the methods to conduct, monitor and measure preventive maintenance effectiveness and optimize repair routines.

Analyze Revolving Fund Investment Strategy

Utilize the new AOC Investment Policy in connection with the Judiciary Office Building Development and Operations Fund to ensure the fund is managed in conformance with the new policy. Target for completion is December 2011.

APPENDICES

APPENDIX B: REVISED PERFORMANCE METRICS

The AOC continues to assess data availability and relevance to refine its strategic performance metrics. One new outcome measure and two performance indicators were added in FY 2011. In addition, several metrics that were previously reported under the categories “data development underway” or “measure no longer being

pursued” have been removed from the Strategic Plan. The Performance Plan revisions are disclosed in this Appendix. Table 31 shows the FY 2011 revisions to AOC outcome measures and Table 32 identifies the FY 2011 revisions to AOC performance indicators.

TABLE 31: Revisions to Outcome Measures

OUTCOME MEASURE	MAPPED TO STRATEGIC GOAL	REVISION
Demand Work Orders	1	Added
Fire Suppression and Detection Device Testing (formerly 1.2.6)	1	Deleted
Satisfaction with Furniture Services (formerly 1.3.5)	1	Deleted
Conservation of Heritage Assets (formerly 2.1.3)	2	Deleted
Heritage Asset Condition Assessed for Future Restoration (formerly 2.2.1)	2	Deleted
Facility Condition Assessments (formerly 2.2.2)	2	Deleted
Achievement of Strategic Plan Outcome Measures (formerly 3.1.1)	3	Deleted
Workforce Alignment (formerly 3.2.1)	3	Deleted
Information Technology Certification and Framework Level (formerly 3.3.2)	3	Deleted
Satisfaction with External Communication (formerly 3.3.4)	3	Deleted
Emergency Preparedness Plans (formerly 3.6.3)	3	Deleted
Security Services (formerly 3.7.1)	3	Deleted

TABLE 32: Revisions to Performance Indicators

PERFORMANCE INDICATOR	MAPPED TO OUTCOME MEASURE	MAPPED TO STRATEGIC GOAL	REVISION
By FY 2011, the close rate of demand and service work orders is at least 90%	Demand Work Orders	1	Added
By FY 2011, expenditures for maintenance and repair are not less than 2%–4% of the current replacement value	1.1	1	Deleted
By FY 2011, cost per square foot for maintenance and repair does not exceed 110% of industry standards for like facilities	1.1	1	Deleted
By FY 2011, a sustainment rate of 1.0 is achieved	1.1	1	Deleted
By FY 2011, cost per square foot for cleaning services does not exceed 110% of industry standards for like facilities	1.2	1	Deleted
By FY 2011, energy costs per square foot do not exceed 110% of industry standards for like facilities	1.2	1	Deleted
By FY 2011, 90% of our goals, as outlined in the AOC Plan to comply with the Energy Policy Act of 2007, are met	1.2	1	Deleted
By FY 2011, continue to maintain an off-specification (formerly “contamination”) rate for paper of 0%	1.2	1	Deleted
By FY 2011, continue to recycle, or redistribute for reuse, 100% of computer equipment E-wastes	1.2	1	Deleted
By FY 2011, grounds care costs do not exceed 110% of industry standards for like facilities	1.2	1	Deleted
By FY 2011, fire suppression and detection device testing and inspection standards, as set by the National Fire Protection Association (NFPA), are met 100% of the time	1.2	1	Deleted
By FY 2011, routine client services requests are responded to and completed within established timeframes 90% of the time	1.3	1	Deleted
By FY 2011, customers are notified 100% of the time for any exception to established timeframes for routine client services	1.3	1	Deleted
By FY 2011, requests for moving and relocation services, including election-year moves, are responded to and completed within established timeframes 90% of the time	1.3	1	Deleted

PERFORMANCE INDICATOR	MAPPED TO OUTCOME MEASURE	MAPPED TO STRATEGIC GOAL	REVISION
By FY 2011, customers are notified 100% of the time for any exception to established timeframes for moving and relocation services	1.3	1	Deleted
By FY 2011, set-up and clean-up times for non-United States Botanic Garden (USBG) events are met 100% of the time	1.3	1	Deleted
By FY 2011, customer satisfaction with furniture services is at least 90%	1.3	1	Deleted
By FY 2011, the backorder rate for furniture services is reduced to 0	1.3	1	Deleted
By FY 2011, requests for space planning services are responded to and completed within established timeframes 90% of the time	1.3	1	Deleted
By FY 2011, customers are notified 100% of the time for any exception to established timeframes for space planning services	1.3	1	Deleted
By FY 2011, 90% of all projects are on schedule	1.4	1	Deleted
By FY 2011, 90% of all projects are within budget	1.4	1	Deleted
By FY 2011, government estimate is within +/- 10% of the awarded contract amount 90% of the time	1.4	1	Deleted
By FY 2011, and each year thereafter, conservation concerns of fine and decorative art, historic artifacts and records, living collections and other heritage assets are addressed in 95% of all minor and major construction, public events and ongoing facilities maintenance work where identified and as applicable	2.1	2	Deleted
By FY 2011, 80% of all historic buildings, landscape and architectural features are documented and their current condition assessed for present and future restoration efforts and preservation priorities have been identified	2.2	2	Deleted
By FY 2011, heritage asset documentation is updated according to its schedule 90% of the time	2.2	2	Deleted
By FY 2011, 80% of historic buildings, landscape and architectural features are maintained in good condition according to the criteria in our standards document, the Facilities Condition Assessments	2.2	2	Deleted
By FY 2011, and each year thereafter, historic preservation concerns of historic buildings, landscape, and architectural features are addressed in 95% of all minor and major construction, public events, and ongoing facilities maintenance work where identified as applicable	2.2	2	Deleted
By FY 2011, AOC efficiency and effectiveness results in the achievement of 90% of Strategic Plan outcome measures	3.1	3	Deleted
By FY 2011, AOC workforce is aligned with future needs as defined in the Strategic Workforce Continuum so that the gap between current competencies and anticipated competencies is no greater than 10% within each budget cycle	3.2	3	Deleted
By FY 2011, customers are notified 100% of the time for any exception to Conciliation Program claims closure timeframes	3.2	3	Deleted
By FY 2011, 100% of affirmative employment initiatives approved by executive management and AOC Superintendents are implemented AOC-wide	3.2	3	Deleted
By FY 2011, customers are notified 100% of the time for any exception	3.3	3	Deleted
By FY 2011, achieve level 5 of the GAO Information Technology Investment Management certification and maintain thereafter	3.3	3	Deleted
By FY 2011, achieve at least level 3 of the Capability Maturity Model Integration (CMMI) certification	3.3	3	Deleted
By FY 2007, achieve level 5 of the GAO Enterprise Architecture Maturity Framework (EAMMF) and maintain thereafter	3.3	3	Deleted
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for effective external communication	3.3	3	Deleted
By FY 2011, timely response to financial services is ensured by meeting 90% of the cycle time measures for various financial services as defined in the AOC operational dashboard	3.4	3	Deleted
By FY 2011, FY 2003–2007 multi-year fund targets are met	3.4	3	Deleted
By FY 2011, FY 2004–2008 multi-year fund targets are met	3.4	3	Deleted
By FY 2011, FY 2005–2009 multi-year fund targets are met	3.4	3	Deleted
By FY 2011, FY 2006–2010 multi-year fund targets are met	3.4	3	Deleted
By FY 2011, FY 2011–2015 multi-year fund targets are met	3.4	3	Added
By FY 2011, final contract cost does not exceed original cost by more than 15% for 85% of contracts	3.5	3	Deleted
By FY 2011, final contract schedule does not exceed original schedule by more than 10% for 85% of contracts	3.5	3	Deleted
By FY 2011, 100% of jurisdictional emergency preparedness plans are revised to follow the central framework	3.6	3	Deleted
By FY 2011, 100% of employees with designated roles in emergency preparedness are trained	3.6	3	Deleted
By FY 2011, drills exercising jurisdiction plans (following the central framework) that include all employees (all shifts; all buildings) are conducted at least once per year	3.6	3	Deleted
By FY 2011, timely response to security services needs is ensured by meeting 90% of security cycle times; and an average rating of at least 90% is achieved on the recurring survey for satisfaction with security services	3.7	3	Deleted
By FY 2011, an average rating of at least 90% is achieved on the recurring survey for satisfaction with security services	3.7	3	Deleted

APPENDIX C: LIST OF MAJOR AOC FACILITIES

The Architect of the Capitol serves as the builder, caretaker and curator of many of the Nation’s most iconic buildings. The major AOC facilities, organized by jurisdiction, are listed in Table 33 with their location and their construction completion or acquisition dates.



The AOC serves as steward of the U.S. Capitol and all related facilities on behalf of the Congress. These include more than 30 buildings and leased spaces located both on Capitol Hill in Washington, D.C. and in remote facilities.

TABLE 33: List of Major AOC Facilities

FACILITY	LOCATION	DATE OF CONSTRUCTION COMPLETION (OR ACQUISITION)
Botanic Garden		
Administration Building	Washington, DC	1932
United States Botanic Garden Conservatory	Washington, DC	1933
Plant Production and Support Facility	Anacostia, MD	1994 and various dates
Capitol Building		
United States Capitol	Washington, DC	1793 and various dates
Capitol Grounds		
Summerhouse	Washington, DC	1880–1881
Capitol Police Buildings, Grounds, and Security		
Eney, Chestnut, Gibson Memorial Building (USCP Headquarters)	Washington, DC	Transferred from General Services Administration (GSA) 1986
Courier Acceptance Site	Washington, DC	1996
Vehicle Maintenance/Hazardous Device Unit Facility	Washington, DC	Leased facility space since 2001
Canine Facility at D.C. Village	Washington, DC	2003–2004
Chemical/Explosive Storage Facility	Washington, DC	2004
Fairchild Building	Washington, DC	Leased a portion of facility space since 2004
Alternate Computer Facility	Location Withheld	2005
Interim Offsite Delivery Facility	Washington, DC	2005
Government Printing Office	Washington, DC	Leased a portion of facility space since 2006
USCP Radio Mirror Site	Washington, DC	Leased a portion of facility space since 2010

TABLE 33: List of Major AOC Facilities (continued)

FACILITY	LOCATION	DATE OF CONSTRUCTION COMPLETION (OR ACQUISITION)
Capitol Power Plant		
Old Generator Building	Washington, DC	1907
Main Boiler Building	Washington, DC	1910
East Refrigeration Plant	Washington, DC	1938
Capitol Power Plant Administration	Washington, DC	1978
West Refrigeration Plant	Washington, DC	1978, expanded 2007
Capitol Visitor Center		
Capitol Visitor Center	Washington, DC	2008
House Office Buildings		
Cannon House Office Building	Washington, DC	1908
Longworth House Office Building	Washington, DC	1933
Rayburn House Office Building	Washington, DC	1965
East and West House Underground Garages	Washington, DC	1965
Ford House Office Building	Washington, DC	Transferred from GSA 1974
House Page Dormitory	Washington, DC	Transferred from GSA 1986
Library Buildings and Grounds		
Thomas Jefferson Building	Washington, DC	1897 (Transferred to AOC 1922)
John Adams Building	Washington, DC	1938
James Madison Memorial Building	Washington, DC	1980
Special Services Facility Center	Washington, DC	Purchased 1991
Congressional Campus, which includes:	Fort Meade, MD	Transferred from U.S. Army 1993
Book Storage Modules 1 and 2	Fort Meade, MD	2005
Book Storage Modules 3 and 4	Fort Meade, MD	2009
Packard Campus for Audio-Visual Conservation	Culpeper, VA	2008
Senate Office Buildings		
Russell Senate Office Building	Washington, DC	1909
Senate Underground Garage	Washington, DC	1935
Monocle Building	Washington, DC	Purchased 1935
Dirksen Senate Office Building	Washington, DC	1958
Hart Senate Office Building	Washington, DC	1982
Daniel Webster Page Dormitory	Washington, DC	Purchased 1993
Senate Childcare Center	Washington, DC	1999
Senate Long-Term Mail Facility	Columbia Park, MD	2008
Supreme Court and Judiciary Office Building		
Supreme Court Building	Washington, DC	1935
Thurgood Marshall Federal Judiciary Building	Washington, DC	1993

APPENDIX D: WEBSITES OF INTEREST

TABLE 35: AOC Websites

NAME	WEBSITE
Architect of the Capitol	http://www.aoc.gov/
Library of Congress	http://www.loc.gov/index.html
The Supreme Court of the United States	http://www.supremecourt.gov/
U.S. Botanic Garden	http://www.usbg.gov/
U.S. Capitol Flags Program	http://www.capitolflags.gov/
U.S. Capitol Police	http://www.uscapitolpolice.gov/home.php
U.S. Capitol Visitor Center	http://www.visitthecapitol.gov/
U.S. House of Representatives	http://www.house.gov/
U.S. Senate	http://www.senate.gov/

YouTube Channel

As part of AOC’s ongoing efforts to provide transparency and clarity about the role of the agency, AOC has launched a YouTube channel. To view the AOC channel, please visit: <http://www.youtube.com/aocgov>

Capitol Tours

Capitol tours are free. If planning a visit to the Capitol, tours may be booked in advance online at: <http://www.visitthecapitol.gov/>

Capitol tours may also be booked through the offices of your Senators or Representative or through the Office of Visitor Services by calling 202.226.8000.

Flickr Page

AOC now has a page on Flickr with high-resolution images taken by AOC photographers: <http://www.flickr.com/photos/uscapitol/>



The AOC’s YouTube channel allows the public to plan their visit and learn about the history of the Capitol (AOCgov on www.YouTube.com).

APPENDIX E: ACKNOWLEDGEMENTS

This Performance and Accountability Report was produced with the energies and talents of AOC staff. To these dedicated individuals, we offer our sincerest thanks and acknowledgement.

In particular, we would like to recognize the following individuals for their hard work and contributions in successfully preparing this Performance and Accountability Report:

Stephen T. Ayers, AIA, LEED AP, Architect of the Capitol

Christine A. Merdon, Chief Operating Officer

Thomas J. Carroll, Chief Financial Officer

David W. Ferguson, Chief Administrative Officer

Susan Adams, Charles Badal, Teresa Bailey, Theodore Bechtol, Larry Brown, Troy Brown, Michael Cason, Trista Claxon, Michael Culver, Michael Dunn, Kenneth Eads, Janice Edwards, Carlos Elias, Christine Flanagan, Tom Fontana, Anna Franz, Sharon Gang, Matthew Guilfoyle, Charles Iliff, Marina Kittel, Christa Kuhl, Peter Kushner, Eva Malecki, Pam McConnell, Robin Morey, Joseph Peter, Beth Plemmons, Christopher Potter, Stuart Pregnall, Jeffrey Reed, Brendan Robinson, Louis Scalfari, Holly Shimizu, Nancy Skinkle, Karimah Smith, Lauri Smith, William Weidemeyer, Christina Weidner, Mark Weiss, Jay Wiegmann, Barbara Wolanin, James Yellman and many other AOC staff.

We offer special thanks to AOC's Photography Branch for providing the photographs contained in this report.

The 2011 Performance and Accountability Report was designed by OmniStudio, Inc. and prepared with the assistance of AOC Solutions, Inc.

Copyedited by Joseph Peter.

Printed in the United States by the U.S. Government Printing Office.



The AOC won a Webby Award for Internet Excellence for its online 360 degree virtual tour of the U.S. Capitol.

APPENDIX F: LIST OF ABBREVIATIONS AND ACRONYMS

A		D	
ACF	Alternate Computer Facility	DDC	Direct Digital Controls
ADA	Americans with Disabilities Act	DM&R	Deferred Maintenance and Repairs
AIA	American Institute of Architects	DOL	Department of Labor
AICPA	American Institute of Certified Public Accountants	DWO	Demand Work Orders
AMMD	Acquisition and Material Management Division	E	
AOC	Architect of the Capitol	EA	Enterprise Architecture
AP	Accredited Professional	EISA2007	Energy Independence and Security Act of 2007
B		EPAAct2005	Energy Policy Act of 2005
BAS	Building Automation System	ESPC	Energy Savings Performance Contract
BIM	Building Information Modeling	F	
BSCSS	Building Services Customer Satisfaction Survey	FACTS	Federal Agencies Centralized Trial-Balance System
C		FASAB	Federal Accounting Standards Advisory Board
CAFM	Computer Aided Facilities Management	FBWT	Fund Balance with Treasury
CAO	AOC Chief Administrative Officer	FCA	Facility Condition Assessment
CB	AOC Capitol Building jurisdiction	FECA	Federal Employees' Compensation Act
CCMP	Capitol Complex Master Plan	FERS	Federal Employees' Retirement System
CCRC	Central Contractor Registration Connector	FFMIA	Federal Financial Management Improvement Act
CER	AOC Congressional and External Relations	FGGM	Fort George G. Meade, Maryland
CFC	Combined Federal Campaign	FIFO	First-In, First-Out
CFL	Compact Fluorescent Lamp	FISCAM	Federal Information Systems Controls Audit Manual
CFO	AOC Chief Financial Officer	FISMA	Federal Information Security Management Act
CG	AOC Capitol Grounds jurisdiction	FM	Facility Management
CGFM	Certified Government Financial Manager	FMFIA	Federal Managers' Financial Integrity Act
CHIP	Congressional Historical Interpretive Program	FMS	Financial Management System
CIP	Capitol Improvements Plan	FSD	Financial Systems Division
CM	Corrective Maintenance	FTEs	Full-Time Equivalents
CO-OP	Cooperative Education Program	FY	Fiscal Year
COO	AOC Chief Operating Officer	G	
COTS	Commercial Off-the-Shelf	GAAP	Generally Accepted Accounting Principles
CPA	Certified Public Accountant	GAO	Government Accountability Office
CPBG&S	AOC Capitol Police Buildings, Grounds and Security jurisdiction	GC	General Counsel
CPI	Consumer Price Index	GPO	Government Printing Office
CPP	AOC Capitol Power Plant jurisdiction	GPRA	Government Performance and Results Act of 1993
CSC	Customer Service Center	GPRMA	Government Performance and Results Modernization Act of 2010
CSRS	Civil Service Retirement System	GSA	General Services Administration
CTT	Capitol Tour Training	GTCI	Green the Capitol Initiative
CVC	AOC Capitol Visitor Center jurisdiction		

H		P	
HCMD	Human Capital Management Division	PAR	Performance and Accountability Report
HOB	AOC House Office Buildings jurisdiction	PIC	Project Information Center
HVAC	Heating, Ventilation and Air Conditioning	PL	Public Law
I		PM	Preventive Maintenance
I&I	Injury and Illness	POP	Procurement Overview Portal
ICP	Internal Control Program	POS	Point of Sale
ICS	Inventory Control System	POWER	Protecting Our Workers and Ensuring Reemployment (Department of Labor)
IDP	Individual Development Plan	PP&E	Property, Plant and Equipment
IG	Inspector General	PPM	Planning and Project Management
IPP	Internet Payment Platform	PY	Prior Year
ISO	International Organization for Standardization	R	
ITD	Information Technology Division	RSI	Required Supplementary Information
J		S	
JAB	John Adams Building	SB	Senate Building
JMMB	James Madison Memorial Building	SBA	Small Business Administration
K		SC	AOC Supreme Court jurisdiction
kWh	Kilowatt-Hour	SFEP	AOC Safety, Fire and Environmental Programs
L		SFFAS	Statement of Federal Financial Accounting Standards
LBG	AOC Library Buildings and Grounds jurisdiction	SHARE	Safety, Health and Return-to-Employment Initiative (Department of Labor)
LEED	Leadership in Energy and Environmental Design	SIEM	Security Information and Event Management
M		SITES	Sustainable Sites Initiative
MD&A	Management's Discussion and Analysis	SNC	Statement of Net Cost
MOR	Management Operations Reporting	SOB	AOC Senate Office Buildings jurisdiction
MY	Multi-Year	SOHB	Safety and Occupational Health Branch
N		SP	Special Publications
NFC	National Finance Center	SSI	Sustainable Sites Initiative
NIST	National Institute of Standards and Technology	T	
O		TJB	Thomas Jefferson Building
ODS	Operational Data Store	TMFJB	Thurgood Marshall Federal Judiciary Building
OIG	AOC Inspector General	Treasury	Department of Treasury
OMB	Office of Management and Budget	U	
OOC	Office of Compliance	USBG	United States Botanic Garden jurisdiction
OPM	Office of Personnel Management	USC	United States Code
OSHA	Occupational Safety and Health Administration	USCP	United States Capitol Police
OSP	Office of Security Programs	USSGL	United States Standard General Ledger
		Y	
		YTD	Year-to-Date





House Underground Garage Overhaul
 The East Rayburn House Office Building Underground Garage restoration project began in FY 2011 to repair the corroded concrete and steel structure from 1965. A parallel West Underground Garage rehabilitation is scheduled for FY 2012 pending available funding.



Restored Bartholdi Fountain Installation
 Restoration work on the Bartholdi Fountain was completed in FY 2011. The fountain was returned to Capitol Hill in May 2011 and reinstalled in Bartholdi Park where landscape redesign work continues.



Capitol Dome Skirt Rehabilitation
 The multi-year Capitol Dome Rehabilitation project will preserve and protect the historic cast-iron Walter Dome. Rehabilitation of the skirt area inside the Dome began in September 2011 and is on schedule for completion by October 2012.



LEGEND

1	U.S. Capitol
2	Capitol Visitor Center (underground)
3	Russell Senate Office Building
4	Dirksen Senate Office Building
5	Hart Senate Office Building
6	Webster Hall
7	Cannon House Office Building
8	Longworth House Office Building
9	Rayburn House Office Building
10	Ford House Office Building
11	House Page Dorm
12	Botanic Garden Conservatory
13	Botanic Garden Administration Building
14	National Garden
15	Thomas Jefferson Building
16	John Adams Building
17	James Madison Memorial Building
18	Special Facilities Center
19	Supreme Court Building
20	Thurgood Marshall Federal Judiciary Building
21	Capitol Power Plant Complex
22	Eney, Chesnut, Gibson Memorial Building
23	Childcare Center (Senate)
FACILITIES NOT SHOWN:	
Alternate Computer Facility	
Botanic Garden Production Facility and Various Support Facilities Postal Square (leased)	
GPO Building (leased)	
Library of Congress Buildings	
Ft. Meade Book Storage Modules	
Packard Campus for Audio-Visual Conservation	
U.S. Capitol Police Buildings	
Dog Kennel and Training Facility	
Maintenance Facility (leased)	
Fairchild Building (leased)	
Delivery Center (owned)	

We Welcome Your Comments

Thank you for your interest in the Architect of the Capitol and its Fiscal Year 2011 Performance and Accountability Report. The fastest and easiest way to obtain copies of this report is through AOC's website. An electronic version of this Performance and Accountability Report and the reports from prior years are available online at:

<http://www.aoc.gov/aoc/cfo/index.cfm>

To request printed copies of the Performance and Accountability Report, or to send us your suggestions or comments on how we can make this report more informative for our readers, please contact AOC at the following mailing address:

ARCHITECT OF THE CAPITOL

Ford House Office Building, H2-205
2nd & D Street, SW
Washington, D.C. 20024
ATTN: Accounting Division — PAR

Comments and requests for additional report copies may also be submitted to AOC by phone (202.226.2552) or e-mail (jpeter@aoc.gov).

We Use Environmentally-Friendly Materials

The AOC's preference is to use readily available, environmentally-friendly materials for printing of the Performance and Accountability Report. This report was printed using soy-based inks on 30 percent post consumer waste recycled paper.





ARCHITECT
OF THE CAPITOL

United States Capitol • Washington, DC 20515

www.aoc.gov