The Washington Post

30,000 Stimulus Jobs, Many in D.C. Area, Reported

By Alec MacGillis Washington Post Staff Writer Friday, October 16, 2009

Businesses that received federal contracts from stimulus spending reported creating or saving about 30,000 jobs, according to figures released Thursday. The reports also suggest that the program has been particularly beneficial for the Washington region.

The contracts represent just a sliver of the spending under the \$787 billion package. Also, much of the \$16 billion allocated to the 9,000 businesses has not been spent.

But the reports mark the first time the government has attributed a number of actual jobs -- however incomplete -- to the stimulus program, as opposed to estimates. And the reports represent the first time the contracts, posted to Recovery.gov, were made public.

Critics of the administration jumped on the 30,000 number, arguing that the stimulus program was falling short of the 3.5 million jobs the White House said would be created or saved. The White House said that the number included only jobs linked to the contracts, and that it did not account for the broader impact of money being injected into the economy.

At the end of the month, reports will be

released on a larger batch of spending, about 100,000 grants and loans. A third of the total stimulus package is in the form of contracts, grants or loans for which recipients must file reports. The rest is made up of tax cuts, state aid and safety-net spending.

Despite much anticipation, the reports were of limited value to those assessing the impact of the stimulus program. Because the reporting requirements do not extend to many subcontractors or suppliers, the job estimates probably are incomplete. And many of the reports were lacking in detail -reports for several big contracts for federal building renovations, for instance, did not state which buildings were to be renovated.

But the reports suggest that the stimulus money is providing a particular boost for metropolitan Washington, even though the

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recession has less impact here than elsewhere. Virginia and Maryland are in the top dozen states for federal contracts awarded, and the District is ahead of big states such as Michigan, North Carolina and New Jersey.

Part of the reason is that a large share of the contracts are from the General Services Administration, which has \$5.5 billion in stimulus funding to spend on federal buildings, as much as a third of which will probably be spent on buildings in the Washington region. The reports showed large contracts for construction firms working on the headquarters of the Commerce Department, Veterans Administration, Interior Department, Coast Guard, and Centers for Medicare and Medicaid Services, among others.

The region is also benefiting from spending by departments to get stimulus initiatives up and running. Even in cases where another region is involved, the management and oversight work is often concentrated in Washington, resulting in new hires at federal departments or by the organizations and contractors clustered around the capital.

The GSA awarded the Tysons Corner branch of consulting firm PricewaterhouseCoopers a \$1.49 million contract to provide "program management and reporting services" to assist the GSA with the \$5.5 billion buildings initiative. Pricewaterhouse

reported creating or saving 15 jobs because of the GSA contract.

The firm has won similar stimulus contracts with the departments of Interior and Health and Human Services.

Also in Fairfax County, the Mangi Environmental Group won a \$62,340 contract for a new "land port of entry" building on the Canadian border in Maine. Setty & Associates, a Fairfax engineering firm, won a \$699,000 contract for federal buildings across the country. Symplicity, an information-technology firm in Arlington, won a \$427,000 contract from the GSA to help with a redesign of the Grants.gov Web site.

And Project Support Services, a 70-person firm with an office in Ashburn, won a \$216,000 contract with the GSA to provide "operational, technical, and management support . . . in areas such as safety and



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health, concessions, childcare facilities, maintinance [sic], energy efficiency, and accessibility."

Tony Sterling, Project Support Services' director of business development, said he thought that the contract was primarily for the firm's engineers and architects to advise the government on Americans with Disability Act requirements at federal buildings, though he said he was not sure which buildings were involved in the contract.

Tad DeHaven, with the libertarian Cato Institute, said the weighting of benefits toward the Washington area showed the downside of trying to create jobs by government fiat. "It's one of the fundamental problems with having the government allocate jobs around the country -- it's not done on the basis of economics, but on the basis of politics."

Jim Dinegar, president of the Greater Washington Board of Trade, acknowledged that because of the nature of the stimulus program, "we'll continue to see it disproportionately benefiting this region over the next couple months, probably over the next couple years." He said it would be wrong to fault the program for benefiting Washington.

"During the go-go years, we're not New York or Silicon Valley or L.A., and during the down times we're not them. We're more

insulated and even-keeled," he said. "We don't begrudge them the spike when times are good and we would hope people would understand that as the government is supplying unprecedented amounts of money, it takes a lot of people to do some of that initial oversight and support -- and that it would fall to people who live and work here."

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