

GAO Highlights

Highlights of [GAO-14-35](#), a report to the Ranking Member, Committee on Environment and Public Works, U.S. Senate

Why GAO Did This Study

For fiscal year 2012, Congress appropriated almost \$1.7 billion to the Corps for its Civil Works program to construct a wide range of projects, including flood control projects. Flood control projects require congressional authorization and appropriations. Nonfederal sponsors, such as a state or local government, also provide funds. When Congress approves a project for construction, it authorizes a total cost for the project based on estimates prepared by the Corps, and this authorized cost provides the basis for the project's maximum cost.

GAO was asked to review issues related to flood control projects. This report examines (1) the extent to which cost increases occurred and the primary factors that contributed to the differences between estimated and actual costs, (2) the extent to which the Corps communicated with and provided updated information to nonfederal sponsors, and (3) Corps guidance on communication with such sponsors and ways, if any, to improve such communication. GAO surveyed Corps officials on all 87 flood control projects identified by the Corps as budgeted for construction in any fiscal year from 2004 to 2012, selected 8 for further review covering each Corps division, reviewed project documents and Corps communication guidance, and interviewed Corps officials and nonfederal sponsors.

What GAO Recommends

GAO recommends that the Corps take steps to ensure compliance with its guidance calling for communications plans. The Department of Defense concurred with the recommendation.

View [GAO-14-35](#). For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

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ARMY CORPS OF ENGINEERS

Cost Increases in Flood Control Projects and Improving Communication with Nonfederal Sponsors

What GAO Found

The majority of the U.S. Army Corps of Engineers' (Corps) flood control projects budgeted for construction from fiscal years 2004 to 2012 experienced cost increases, including inflation. Specifically, 59 of 87 flood control projects during this period experienced increases from their original authorized cost to their current estimated project cost or their total expenditures at closeout, according to information provided by Corps officials. However, according to a Corps official, as of September 2013, no projects had cost increases that exceeded their maximum allowable cost as defined by law. Various factors other than inflation contributed to cost increases among the 8 projects GAO selected for further review. Factors included design changes, less than optimal federal funding, underestimated costs, and contract cost changes. For example, 6 of the 8 projects had design changes due to unforeseen site conditions and changes in design criteria following Hurricane Katrina. According to Corps officials, receiving less than optimal federal funding increased the costs of 3 of the 8 projects GAO reviewed. Corps officials also said that receiving less than optimal federal funding meant that 2 projects had to break up their work into smaller segments, and 1 project had to extend its completion schedule. The Corps has some efforts under way intended to better manage costs.

The extent to which the Corps communicated with and provided updated information to nonfederal sponsors varied among the 8 projects GAO selected for further review. Specifically, Corps officials and sponsors told GAO that the Corps usually communicated Corps policy changes affecting projects by telephone or e-mail as soon as they occurred. In addition, the Corps' communication with the sponsors on project scope and design changes was generally effective among the projects, according to Corps officials and nonfederal sponsors with whom GAO spoke. However, some sponsors told GAO the Corps was less timely in providing updated cost information. For example, a representative of one sponsor told GAO that the sponsor had not received the required quarterly cost report on a regular basis.

The Corps has guidance regarding communication between the Corps and its nonfederal sponsors. Specifically, Corps guidance directs project delivery teams to develop a project management plan that includes a communications plan. However, GAO found that 3 of the 8 projects GAO reviewed did not have a communications plan as called for by guidance. Because the communications plan provides a framework for the Corps and nonfederal sponsors to establish a communications strategy and determine the needs of the project delivery team, without such a plan, the Corps may be missing opportunities to assess their communication needs. Developing such a plan may help Corps or sponsor staff understand the team's communications needs when they join the project delivery team; for projects where there is significant turnover, understanding the team's needs is especially important.