



Testimony before the Subcommittee on
the Legislative Branch, Committee on
Appropriations, House of Representatives

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**CAPITOL VISITOR
CENTER**

**Update on Status of
Project's Schedule and Cost
as of May 22, 2008**

Statement of Terrell G. Dorn, Director,
Physical Infrastructure Issues



Madam Chair and Members of the Subcommittee:

I appreciate the opportunity to be here today to assist the Subcommittee in monitoring progress on the Capitol Visitor Center (CVC) project. My remarks will focus on (1) the Architect of the Capitol's (AOC) construction progress since the last CVC hearing on April 15, 2008,¹ and (2) the project's expected cost at completion and funding status.

Today's remarks are based on our review of schedules and financial reports for the CVC project and related records maintained by AOC and its construction management contractor, Gilbane Building Company; our observations on the progress of work at the CVC construction site; and our discussions with the CVC team (AOC and its major CVC contractors) and AOC's Chief Fire Marshal. We also reviewed AOC's construction management contractor's periodic schedule assessments, proposed change order log, and weekly reports on construction progress.

Construction Is Nearly Complete, but Risks Remain

Since the April 15, 2008, CVC hearing, the project's construction and fire alarm acceptance testing have moved forward, and despite continued delays in certain CVC and expansion space work, AOC still believes that the project will be ready to open in November 2008. According to AOC's construction management contractor, in dollar terms, the overall CVC project remains 99 percent complete.² However, risks to the project's schedule remain in several time-critical activities, including the fire alarm acceptance testing. Many punch list³ items also remain to be completed, and a steady number of proposed change orders have to be resolved. At this time, however, AOC does not expect the punch list items or the proposed change orders to affect the project's completion date.

¹GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost as of April 15, 2008*, [GAO-08-677T](#) (Washington, D.C.: Apr. 15, 2008).

²In other words, the sequence 2 contractor has received about 99 percent of the current contract value. This value does not include the costs of unsettled proposed change orders, potential claims, and work performed outside the current sequence 2 contract, such as the fire marshal's fire alarm acceptance testing.

³A punch list identifies tasks, usually minor, to be completed at the end of a project.

Since the last hearing, work on the project's current critical path,⁴ fire alarm acceptance testing, has continued. For example, the fire marshal has begun testing the building's smoke exhaust system. Although some difficulties have occurred during this testing, no new significant issues have emerged. AOC still expects to receive a temporary certificate of occupancy for the project on or before July 31, 2008. We reviewed the construction management contractor's April 2008 schedule analysis, which indicates that the dates for completing the remaining sequence 2 construction and the House and Senate expansion spaces have continued to slip and are now expected to extend into July 2008. According to the construction management contractor, this remaining construction will not affect the completion of fire alarm testing or AOC's receipt of the temporary certificate of occupancy.

Once AOC has received the temporary certificate of occupancy, efforts to complete the remaining construction and correct punch list items may, however, be disruptive to congressional organizations that are concurrently moving into the building. Consequently, such efforts will require extensive coordination by AOC. For example, access to elevators or certain parts of the building may be limited, and repairs may be very noisy. The CVC team has gradually reduced the number of punch list items, which we have cited at the last several hearings. According to AOC, the number of punch list items has been reduced from over 15,000 to about 7,000. The exact number of punch list items is uncertain because multiple punch lists are now being used. For example, the fire marshal and the Office of Compliance are using separate lists to document new items from ongoing inspections. Unless AOC carefully reviews these new punch lists to separate true construction deficiencies from requests by project stakeholders for new work, there is a risk that increases in the project's scope could increase the project's cost. Already, Office of Compliance inspectors have identified several items they would like AOC to change, even though the items comply with the construction contract and are not in violation of applicable building codes.

In July 2005, we reported that a number of pavers were damaged.⁵ At the last hearing, we reported that damage to pavers on the East Front plaza

⁴The critical path is the single longest path of activities through a project's schedule. Each day of delay in the critical path could delay the completion of the entire project.

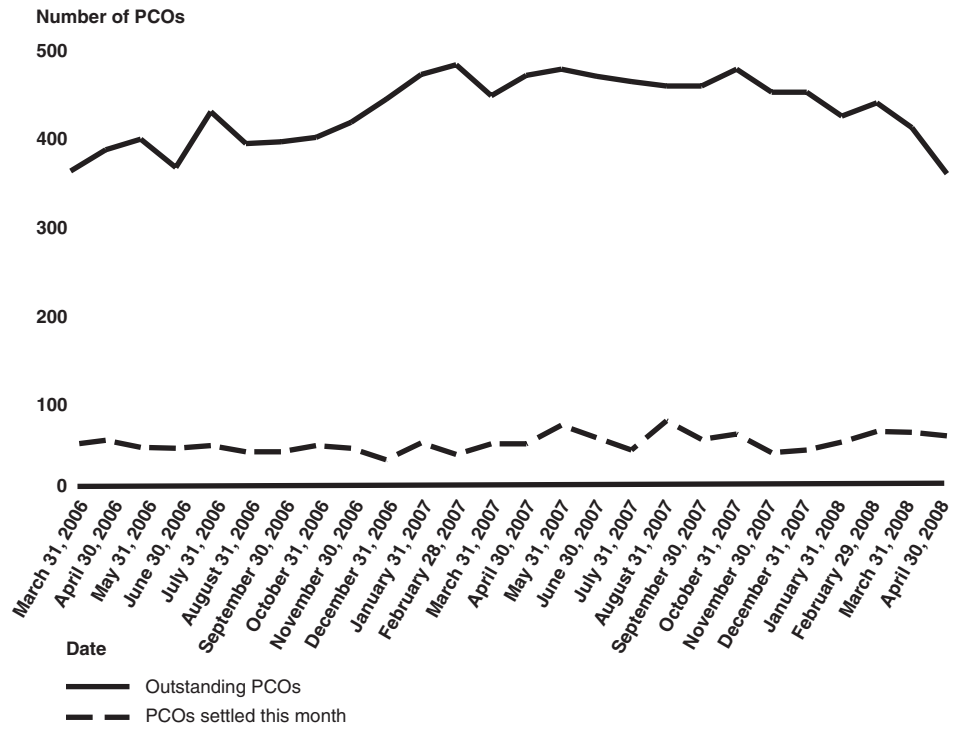
⁵GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost*, [GAO-05-910T](#) (Washington, D.C.: July 14, 2005).

had not been repaired and that AOC had determined that substantial rework of the plaza may be required.⁶ According to AOC's independent consultant, problems in addition to the chipped pavers that may need to be corrected include inadequate drainage, improper materials for the pavers' setting bed, and a lack of adequate expansion joints. Also, according to AOC, repairing these deficiencies would require significant effort and at this time, there is no reliable estimate of when repairs will be complete. AOC is discussing these issues with the independent consultant and the plaza designer but has not yet determined how much the rework will cost and who will pay for it.

Each month, the CVC team continues to identify proposed change orders. AOC and its contractors have continued to work together to reduce the number of open (outstanding) proposed change orders, and the number of open orders has declined since our last statement. Sustained attention to this issue is, however, needed to reduce uncertainty about the project's costs. Figure 1 compares the number of outstanding proposed change orders with the number settled each month.

⁶[GAO-08-677T](#).

Figure 1: Outstanding and Settled Proposed Change Orders by Month, March 2006 through April 2008



Source: AOC's construction management contractor.

AOC's Cost Estimate Remains the Same, and Additional Funds Will Be Needed

AOC's current estimate of the cost to complete the CVC project's construction, first reported in September 2007, remains about \$621 million. We believe this estimate is realistic and contains a sufficient allowance for contingencies, provided there are no unexpected delays over the next 2 months, when construction is scheduled to be complete. To date, about \$569.5 million has been approved for CVC construction, and AOC has \$16.2 million more in fiscal year 2008 CVC appropriations that it plans to use for construction after it obtains congressional approval to obligate these funds.⁷ In addition, AOC has estimated that it will still

⁷For fiscal year 2008, AOC received \$28,753,000 (before rescission) in appropriations for the CVC project. Pub. L. No. 110-161. Of that amount, AOC is allowed, but not required, to use up to \$8.5 million for operations. AOC is currently planning to use the \$8.5 million for operations.

need an additional \$2.6 million in fiscal year 2008 to fund CVC construction. Furthermore, AOC has requested \$31.1 million in fiscal year 2009 funds for CVC construction. Given its current cost-to-complete estimate, AOC may need an additional \$2 million in fiscal year 2009 to complete the project.

Madam Chair, this completes my prepared statement. I would be pleased to answer any questions that you or Members of the Subcommittee may have.

Contacts and Acknowledgments

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