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Testimony

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CAPITOL VISITOR CENTER

Construction Expected to Be Completed within Current Budget Estimate

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



GAO

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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 September 24, 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; and our discussions with AOC.

Construction Is Essentially Complete

On December 2, 2008, the CVC opened, as discussed at the Subcommittee's September 2008 CVC hearing. Since the opening, AOC and its contractors have worked to complete punch list items² and have reduced their number from about 3,000 at the time of the last CVC hearing to fewer than 300 as of July 20, 2009. In addition, AOC and its contractors have continued to work to reduce the number of open (outstanding) proposed change orders (PCO),³ and the number of open orders has declined since our last statement (see fig. 1). AOC expects that most punch list items and work being conducted under change orders will be completed by September 30, 2009. However, AOC expects a few activities will extend beyond this time, including work to

- install way-finding signs for House and Senate expansion spaces,
- design and install new environmental control equipment in the Senate curator storage room, and

¹GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost as of September 24, 2008*, [GAO-08-1172T](#) (Washington, D.C.: Sept. 24, 2008).

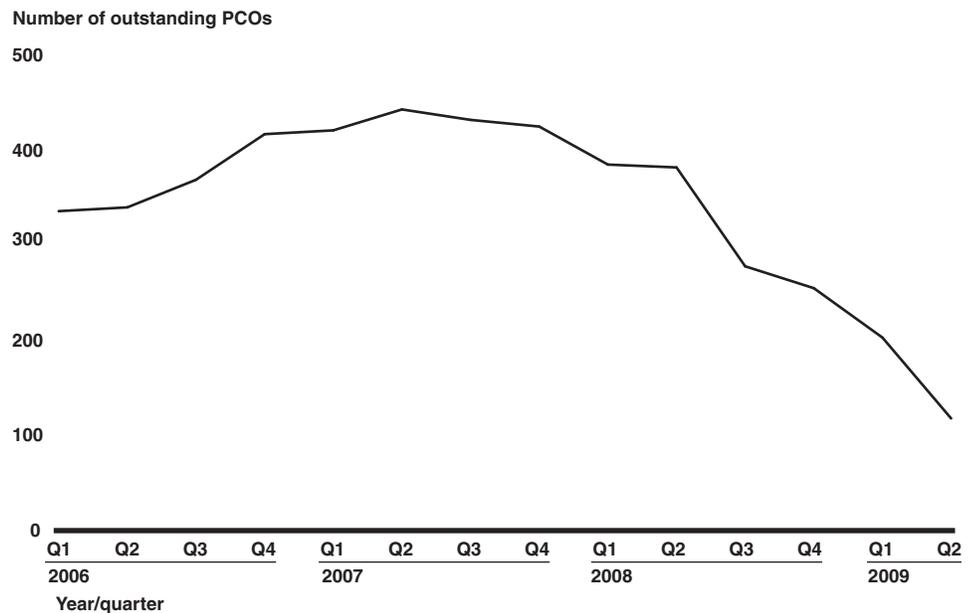
²A punch list identifies tasks, usually minor, to be completed at the end of a project.

³Change orders are directives or written agreements between contracted parties that represent an addition, deletion, or revision to the contract and indicate associated adjustments to the contract's cost and schedule. Change orders may be used for new work to correct design problems or scope gaps.

- remove trailers from the project management compound and restore the site.

While the remaining work is important to ensuring a complete and usable facility, CVC operations have not been materially affected by incomplete work. AOC expects all work to be completed by early 2010.

Figure 1: Outstanding Proposed Change Orders by Quarter, 2006 through June 2009



Source: AOC's monthly reports and Gilbane's weekly PCO reports.

AOC's Cost Estimate Remains the Same

AOC's current estimate of the cost to complete the CVC project's construction, first reported in September 2007,⁴ remains about \$621 million. We believe this estimate is realistic and contains a sufficient allowance for contingencies, provided that remaining change orders and potential delay claims are settled at the amounts anticipated by AOC. Sustained attention to outstanding change orders and potential claims is, however, needed to reduce uncertainty about the project's final costs.

⁴GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost as of September 25, 2007*, [GAO-07-1249T](#) (Washington, D.C.: Sept. 25, 2007).

To date, about \$607 million has been approved for CVC construction. In addition, AOC has \$11 million more in fiscal year 2009 CVC appropriations that it may use for construction after it obtains congressional approval to obligate these funds. AOC did not request any CVC construction funds in its fiscal year 2010 budget request. If AOC needs the additional \$3 million contemplated in its \$621 million cost-to-complete estimate, AOC plans to obtain those funds from reprogramming.

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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