

GAO Highlights

Highlights of [GAO-20-144](#), a report to the Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

As the federal government's landlord, GSA spends hundreds of millions of dollars to construct or modernize federal buildings. By delivering these major construction projects, GSA supports tenant agencies' missions and facilitates the delivery of government services.

GAO was asked to review GSA's major construction projects. This report: (1) identifies costs of these projects in the last 5 years and factors that contribute to those costs; (2) examines how GSA monitors and publicly communicates cost and schedule information; and (3) assesses GSA's efforts to confirm that projects meet GSA's requirements and that tenants are satisfied with completed projects. GAO analyzed GSA's performance data from fiscal years 2014 to 2018 for 36 projects with a minimum cost each of \$20 million (i.e., a major construction project); selected five case-study projects representing diversity in project type, geographic area, building type, and range in cost and scope; reviewed applicable GSA policies, procedures, guidance, and reports; and interviewed GSA officials and project stakeholders.

What GAO Recommends

GAO is recommending that GSA (1) report the extent projects were rebaselined and their final costs; (2) update GSA's commissioning guidance; and (3) identify and communicate when and how to conduct POEs and share lessons learned. GSA concurred with two recommendations and partially concurred with the other, which GAO believes should be fully implemented as discussed in the report.

View [GAO-20-144](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

December 2019

FEDERAL BUILDINGS

GSA Can Improve Its Communication about and Assessment of Major Construction Projects

What GAO Found

In fiscal years 2014 through 2018, the General Services Administration (GSA) completed 36 major construction projects—projects with a minimum cost of \$20 million to construct new buildings or modernize existing buildings—with a total cost of \$3.2 billion. According to a GSA consultant, factors specific to federal construction projects may result in GSA's projects costing roughly 15 to 25 percent more than comparable private sector projects. For example, GSA uses more durable but more expensive materials to achieve a longer building service life compared to private owners who may plan for a shorter service life.

GSA's *Annual Performance Reports* to Congress do not indicate how much GSA "rebaselined" projects' schedules and costs. Rebaselining reestablishes the point at which GSA measures on-schedule and on-budget performance. In accordance with agency policy, GSA rebaselined 25 of 36 projects GAO reviewed to account for issues such as design changes and tenant-funded requests. For example, GSA rebaselined one of its modernization projects for a \$2.7 million increase to the construction contract initially awarded for \$21.8 million. The increase resulted from a design change to add a stairwell for fire safety purposes to accommodate the tenant's plan to increase the building's occupants (see figure). After GSA rebaselines a project, costs may differ from the project estimates approved by Congress. Because GSA does not report the extent that it has rebaselined projects or projects' final costs, Congress lacks information about GSA's performance: such as whether final costs are consistently above, below, or meeting estimated costs. Reporting such information could benefit Congress' ability to carry out its oversight role and improve transparency about the full costs of major federal construction projects.

GSA Building (Before) and Modernization Project Showing New Stairwell (After)



Source: GSA. | GAO-20-144

GSA assesses whether projects meet requirements and tenants' needs but does not fully capture or share lessons learned. For example, GSA uses "commissioning"—testing installed building systems—to validate that the buildings' systems function as designed. However, because GSA's 2005 commissioning guide references outdated guidance, the effectiveness of its activities may be limited in assuring buildings are operating optimally. GSA also uses post occupancy evaluations (POE) to assess projects' performance and tenants' satisfaction. However, in the last 5 years, GSA has not regularly conducted POEs, due in part to resource constraints, and lacks a policy for selecting projects for POEs and communicating findings from completed POEs. As a result, GSA may be missing opportunities to fully utilize POEs to gather tenants' feedback and inform the design and construction of future projects.