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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-164031(1)

MAR 8 1971



G R Dear Mr. Shriver:

Reference is made to your letter of December 30, 1970, which enclosed a copy of a letter you received from Dr. Leslie E. Becker of Kansas City, Kansas, regarding the funding level for the proposed teaching hospital to be constructed on the campus of Howard University, Washington, D. C. In view of the statistics presented by Dr. Becker concerning this project, you asked us to reevaluate our recommendations for the Howard University project and to furnish you our conclusions after such a reevaluation. C 501

Enclosed is a copy of the General Accounting Office report, referred to in Dr. Becker's letter, on "Survey of Progress Toward Constructing New Teaching Hospital on Howard University Campus," (B-164031(1), April 3, 1970). As indicated in our letter of transmittal to the Chairman, Subcommittee on Departments of Labor and Health, Education, and Welfare and Related Agencies, Committee on Appropriations, United States Senate, the purpose of our report was to provide information to the Subcommittee on the progress being made toward the construction of a new hospital on the Howard University campus, authorized under legislation enacted in 1961. H 322

The survey on which our report was based did not include an appraisal of the adequacy of the hospital construction plans developed by Howard University and agreed to by the federal agencies responsible for administering the Federal interest in the project--the Department of Health, Education, and Welfare (HEW), the General Services Administration (GSA), and the Office of Management and Budget (formerly Bureau of the Budget). Our report did not contain any recommendations.

Following are our comments on Dr. Becker's letter.

COMPARABILITY WITH OTHER HOSPITALS

Dr. Becker questioned the statements in our report (p. 10) that the estimated cost of \$52.06 per gross square foot for the Howard hospital compared favorably with the average experienced cost of \$54.32 per gross square foot for 12 recently completed teaching hospitals. Dr. Becker stated that he presumed that the source of the GSA data on which our statements were based was a 1967 teaching hospital construction survey made by the Association of American Medical Colleges which reported statistics on hospitals built as far back as 1964.

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The statistics included in our report were intended to afford the Subcommittee a basis for relating the amount of Federal funds being sought by Howard University to costs actually experienced by other organizations which had recently completed construction of teaching hospitals. Our report showed that the estimated cost of construction and the amount of Federal funds required was not out of line with the average costs recently experienced by other organizations in constructing teaching hospitals. We did not intend for these statements, in any way, to be an appraisal of the adequacy of the overall plans for the Howard hospital.

The basis for our comparison was information compiled by GSA for the President, Howard University, on 12 teaching hospitals completed between March 1967 and December 1968. These teaching hospitals ranged in size from about 224,000 gross square feet to more than one million gross square feet and averaged about 504,000 gross square feet. The construction costs per gross square foot for these hospitals ranged from \$38.63 to \$71.23 and averaged \$54.32.

ADVICE OF DR. RUSSELL A. NELSON

Dr. Becker commented that our report did not note that, on the advice of Dr. Russell A. Nelson, Howard University recommended to HEW and to the Bureau of the Budget that the new hospital have 683,466 gross square feet. The records we examined at Howard University showed that a committee chaired by Dr. Robert S. Jason, the Dean of the College of Medicine, Howard University, had recommended in the construction program submitted to the President of Howard University on June 22, 1962, that the proposed hospital contain 683,466 gross square feet.

In presenting the recommendation to the President of Howard University, Dr. Jason said, in part:

"This Program is the product of many minds, within and outside of the University \* \* \*. It has a broad base arising from the statements of needs, recommendations and suggestions filed by the head of every professional department and the chief of every segment of the Staff of the Hospital. It is the result of the many deliberations and the final decisions of a group consisting of a Core Committee composed of: \* \* \*."

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The list of committee members included "Dr. Russell A. Nelson, Director, Johns Hopkins Hospital and Authority on hospital planning, operations, and management." Although our report did not identify Dr. Nelson by name, he was the hospital planning consultant mentioned on page 7 of our report.

The Howard University records showed also that, on July 27, 1964, the Core Committee submitted a revised construction program to the President of Howard University, following a series of conferences with representatives of the Bureau of the Budget. The revised program provided for 550,550 gross square feet.

#### QUESTION OF HOW MUCH SPACE SHOULD BE PROVIDED

In commenting on the authorization by the Bureau of the Budget in 1967 to increase the area of the hospital from 550,550 gross square feet to 587,625 gross square feet (see page 8 of our report), Dr. Becker stated that the proposed hospital still would be only 86 percent as large, in terms of gross square footage, as the Surgeon General's 1964 architectural guide indicated it should be.

During our survey, Dr. Jason referred us to the 1964 Public Health Service publication mentioned by Dr. Becker, which superseded "Medical School Facilities: Planning Considerations," and "Medical School Facilities: Planning Considerations and Architectural Guide," both published in 1961 by the Public Health Service. It was our understanding that Dr. Jason's committee had utilized these 1961 publications in the original planning for the Howard hospital.

We note that Table 50 of the Public Health Service's 1964 publication shows 602,000 gross square feet as the area recommended for a hypothetical teaching hospital of 500 beds. Thus, the 587,625 gross square feet authorized by the Bureau of the Budget in 1967 for the proposed hospital represented about 98 percent of the total space indicated as needed in the Public Health Service publication. We noted, however, that 587,625 gross square feet is about 86 percent of the area that was recommended in 1962 by the Howard University Core Committee.

#### COST OF CONSTRUCTION

Dr. Becker's letter stated that, in 1967, the Bureau of the Budget had allowed a cost of \$20,415,000 for a 587,625 gross square foot teaching

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hospital containing 500 beds and that, as a result of questions raised by the National Medical Association in 1969, Howard University had sought additional construction funds of \$7.7 million and that GSA had allowed an additional 45,082 gross square feet of space.

As pointed out on page 11 of our report, through January 31, 1970, of the \$1,230,000 which had been appropriated for planning the Howard University hospital, \$260,300 remained unobligated. Public Law 91-204, approved March 5, 1970, provided an appropriation of \$22.2 million for constructing the hospital. This amount was based on 1966 cost estimates. A supplemental appropriation of \$7.7 million was provided by Public Law 91-305, approved July 6, 1970, because of increases in the estimated construction costs attributable in part to increases in the square footage provided for in the plans.

The increased square footage was explained in our report as follows:

1. An increase of 37,075 gross square feet--from 550,550 to 587,625--was authorized by the Bureau of the Budget in January 1967 in response to the University's request to increase the gross area to bring the proposed Howard hospital in line with other teaching hospitals. (See page 8 of our report.)
2. An increase of 45,082 gross square feet--from 587,625 to 632,707--was subsequently considered necessary by GSA to accommodate required mechanical equipment and meet circulation and storage needs. (See page 11 of our report.)

In November 1969 GSA estimated that, as of October 1970, the construction costs of the proposed hospital would be \$32,940,000. Therefore, in our April 1970 report, we pointed out (p. 11) that the amounts appropriated, together with additional amounts requested (totaling \$31.1 million), would be about \$2 million less than GSA's estimate. The contract price for constructing the new Howard hospital will not be known until after the construction bids for the project have been opened, which is tentatively scheduled for April 1971.

Because we did not evaluate the plans for the Howard hospital, we do not have any comments to offer concerning the \$75-\$80 cost per gross square foot projected by the Association of American Medical Colleges as the cost of a teaching hospital.

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CONSTRUCTION SCHEDULE AND REVISION OF PLANS

After receipt of your letter, we interviewed officials of the Facilities Engineering and Construction Agency of HEW to ascertain the current status of the construction program for the Howard hospital.

These officials furnished us a copy of a project schedule which GSA had sent to Dr. James E. Cheek, President of Howard University, on December 15, 1970. The schedule showed the following timetable planned for the construction program:

Invitation for bids	January 1971
Bid opening	March 1971
Construction contract award	April 1971
Construction completion	November 1973

✓ On January 27, 1971, we were advised by HEW officials that the tentative date for issuing invitations to bid had been changed to February 26, 1971, and the bid opening date changed to April 15, 1971.

Accompanying this schedule was a revised cost estimate, dated December 7, 1970, that had been prepared by GSA. The revised estimate was \$33.9 million--an increase of \$1 million over GSA's prior cost estimate for a hospital having 632,707 gross square feet.

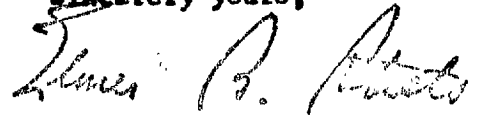
The HEW officials informed us also that, as a result of HEW's recent review of the plans for the new hospital, the outpatient facilities will be redesigned to provide more flexibility for possible future expansion. These officials stated that architect-engineer fees for the redesign had not been determined and estimated construction costs had not been revised; therefore, these additional costs had not been included in GSA's December estimate.

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We believe our comments will help clarify the questions which have arisen regarding our survey report on the progress toward constructing the Howard University teaching hospital.

Sincerely yours,



Comptroller General  
of the United States

Enclosure

The Honorable Garner E. Shriver  
House of Representatives