

GAO@100 Highlights

Highlights of [GAO-21-446](#), a report to congressional committees

Why GAO Did This Study

The Kennedy Center is a national cultural arts center and a living memorial to President John F. Kennedy. The federal government funds the Kennedy Center's capital repairs and renovations of its facilities, as well as its operations and maintenance, all of which totaled \$40.4 million in regular appropriations for fiscal year 2021. The REACH expansion, built using private funds, has increased the Kennedy Center's federally funded operations and maintenance expenses.

GAO was asked to examine how well the Kennedy Center manages its projects. This report evaluates the extent to which the Kennedy Center followed selected practices in its: (1) capital planning, including for the REACH; (2) procurement; and (3) operations and maintenance, including energy efficiency and facility security.

GAO selected criteria from government and industry to review the Kennedy Center's documentation for three projects that GAO selected based on cost. GAO assessed the Kennedy Center's capital planning, procurement, and operations and maintenance actions against selected industry and government practices and interviewed officials.

What GAO Recommends

GAO is making five recommendations to the Kennedy Center: that it conduct life-cycle cost analyses for its projects, update its capital-planning and procurement policies and procedures, establish sound project documentation practices, and define and document operations and maintenance policies and procedures. The Kennedy Center agreed with GAO's recommendations.

View [GAO-21-446](#). For more information, contact Jill Naamane at (202) 512-2834 or NaamaneJ@gao.gov.

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KENNEDY CENTER FACILITIES

Life-Cycle Cost Analysis and Other Capital-Planning Practices Could Help Minimize Long-term Costs

What GAO Found

The John F. Kennedy Center for the Performing Arts partially or fully met most selected practices for capital planning, procurement, and maintaining its facilities, but could take action to help ensure efficiency in future projects. Specifically, in planning for maintaining and renovating its facilities, the Kennedy Center met or partially met six out of seven selected capital planning practices. For example, it developed a capital plan for its portfolio of projects, budgeted for these projects, prioritized these projects, and completed an assessment of its facilities' conditions. The Kennedy Center has not, however, updated its capital planning policies and procedures for over 15 years nor did it comprehensively analyze the life-cycle costs—such as the cost of repair, maintenance, and operations—of its projects, including the recent REACH expansion. Implementing these two selected practices would position the Kennedy Center to ensure that it has a consistent, repeatable process for managing projects effectively and that it is making decisions early in the planning of the project to minimize the long-term costs to the federal government.

Kennedy Center's Original Building with the REACH Expansion



Source: The Kennedy Center. | GAO-21-446

Six of the Kennedy Center's nine highest cost capital projects from 2015-2020 were within 10 percent of the contract award amount, a government benchmark. But GAO found that the Kennedy Center did not have up-to-date procurement procedures or well-documented projects. Without updated procurement policies and procedures in accordance with selected practices, the Kennedy Center could apply its procurement program inconsistently. Further, without complete project documentation, the Kennedy Center lacks reasonable assurance that project requirements are met or that it established traceability concerning what has been done, who has done it, and when it was done. This omission could potentially affect the quality of the product delivered to the Kennedy Center.

The Kennedy Center met most selected practices for operations and maintenance. For example, it developed an operations and maintenance plan, used a specialized information system to help manage its activities, and used automatic control systems to enhance energy efficiency. However, fully defined policies and procedures for its operations and maintenance program would better position the Kennedy Center to meet its mission to provide the highest quality services related to the repair and maintenance of its facilities.