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August 30, 2022

The Honorable Gary C. Peters
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The Honorable Rob Portman
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Bennie G. Thompson
Chairman
The Honorable John Katko
Ranking Member
Committee on Homeland Security
House of Representatives

The Honorable Peter A. DeFazio
Chairman
The Honorable Sam Graves
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

DHS Headquarters Consolidation: Project Cost and Schedule Estimates Are Not Finalized

This letter formally transmits the briefing slides associated with section 2(b) of the Department of Homeland Security Headquarters Consolidation Accountability Act of 2015.¹ In response to section 2(a) of the Act, DHS submitted a report to congressional committees in March 2022.² Section 2(b) of the Act includes a provision for us to evaluate the quality and reliability of the cost and schedule estimates in DHS's report.

DHS began planning the consolidation of its headquarters in 2005. The General Services Administration (GSA), the federal government's landlord, noted in planning documents that its property at the West Campus of St. Elizabeths was the preferred site for the project because it could accommodate the office space and parking DHS would need, and was available immediately. From 2006 through 2009, DHS and GSA developed a number of capital planning documents to guide the DHS headquarters consolidation process, including GSA's 2009 Master Plan to guide the overall development of the site. Construction started at the campus in 2009.

¹Pub. L. No. 114-150, § 2(b), 130 Stat. 366, 367.

²DHS, *Department of Homeland Security Headquarters Consolidation Accountability Act of 2015, Fiscal Year 2022 Report to Congress* (Washington, D.C.: March 2022). We refer to this report as DHS's Fiscal Year (FY) 2022 Report.

In May 2012, GSA amended its Master Plan for the project. In September 2014, we found that DHS and GSA cost and schedule estimates were unreliable.³ Thus, we recommended that DHS and GSA develop revised cost and schedule estimates for the remaining portions of the consolidation project in accordance with leading practices. The agencies concurred with this recommendation. In September 2020, GSA updated the Master Plan to eliminate development on the East Campus and reevaluate development on the West Campus.

On June 28, 2022, we provided a briefing to the staff of your committees to discuss the updated cost and schedule estimates for the DHS headquarters project and the project's status (see enclosure I for the briefing slides). To review the cost and schedule estimates, we examined DHS and GSA documents and data for the consolidation project, including DHS's *Department of Homeland Security Headquarters Consolidation Accountability Act of 2015, Fiscal Year 2022 Report to Congress* (FY 2022 Report). We analyzed data supporting the report's cost and schedule estimates. We also reviewed our relevant past work and our leading practices for developing and managing program costs and project schedules. To summarize the status of the project, we (1) analyzed DHS and GSA plans and documentation on the status of the project, including DHS's *The DHS Headquarters Consolidation at St. Elizabeths Master Plan Amendment 2* and GSA's *Fiscal Year 2023 Prospectus – Construction DHS Consolidation at St. Elizabeths*; (2) analyzed DHS and GSA documentation showing requested and total funding for the consolidation project for fiscal years 2015 through 2022; and (3) interviewed senior DHS and GSA officials responsible for planning and managing the project. Because of the limited details in DHS's FY 2022 Report, we could not conduct reliability assessments of either cost or schedule estimates for the project.

We conducted this performance audit from March to August 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Agency Comments

We provided a draft of this report to DHS and GSA for comments. GSA provided written comments, which are reproduced in enclosure II. GSA also provided a technical comment, which we incorporated. DHS did not have written or technical comments.

In its written comments, GSA stated that it agreed with our September 2014 recommendation to provide updated cost and schedule information and will continue to provide status updates to GAO as requested.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Homeland Security, the Administrator of GSA, and other interested parties. In addition, the report is available at no charge on our website at <https://www.gao.gov>.

If you or your staffs have any questions concerning this report, please contact either Chris Currie at (404) 679-1875 or curriec@gao.gov or Catina B. Latham at (202) 512-2834 or

³GAO, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, [GAO-14-648](#) (Washington, D.C.: Sept. 19, 2014).

lathamc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report were Mike Armes (Assistant Director), Alana Finley (Assistant Director), George Depaoli, Cristina Norland, Jennifer Echard, Charlotte Gamble, and Jennifer Leotta. Also contributing to this report were Michele Fejfar, Eric Hauswirth, John Karikari, and Tracey King.

A handwritten signature in cursive script that reads "Chris P. Currie".

Chris P. Currie
Director, Homeland Security and Justice

A handwritten signature in cursive script that reads "Catina B. Latham".

Catina B. Latham
Acting Director, Physical Infrastructure

Enclosures - 2



Presentation on DHS Headquarters Cost and Schedule Estimates

Briefing for the Staff of the Senate Committee on Homeland Security and Governmental Affairs, House Committee on Homeland Security, and House Committee on Transportation and Infrastructure

June 28, 2022

For more information, contact Chris Currie at (404) 679-1875 or CurrieC@gao.gov; or Catina B. Latham at (202) 512-2834 or LathamC@gao.gov.

Page 1

Briefing Overview

- Summary
- Introduction
- Objective, Scope, and Methodology
- Background
- Updated Cost and Schedule Estimates
- Project Status

Summary

- The Department of Homeland Security's (DHS) *Department of Homeland Security Headquarters Consolidation Accountability Act of 2015, Fiscal Year 2022 Report to Congress (FY 2022 Report)* does not contain sufficient information on the costs and schedules of the consolidation project's components for us to perform a comprehensive cost or schedule assessment analysis.
- Additional cost and schedule information is expected to be available in 2023 as a result of a planning and funding reset.
- DHS and General Services Administration (GSA) have changed the scope of the headquarters consolidation project at the St Elizabeths campus since its inception in 2005, and construction has encountered delays. DHS's updated timeline now shows an estimated completion date of 2027.
- DHS's FY 2022 Report documents a gap between the agencies' budget requests and total funding for the project. According to DHS and GSA officials, the lack of consistent funding has affected cost estimates, estimated completion dates, and savings.

Introduction

- In response to the *Department of Homeland Security Headquarters Consolidation Accountability Act of 2015 (DHS Headquarters Consolidation Accountability Act)*, this briefing provides information on the DHS headquarters consolidation project at the St. Elizabeths campus.
- DHS began planning the consolidation of its headquarters at the campus in southeast Washington, D.C., in 2005 and construction started in 2009.
 - The campus is a National Historic Landmark.
- The project at St. Elizabeths is the centerpiece of DHS's larger effort to consolidate its workforce of about 34,000 personnel in the National Capital Region, including through co-location and disposal of excess property.¹
- DHS conceived the project to (1) address the dispersion of its facilities throughout the National Capital Region and (2) provide a secure campus to allow for more efficient incident management response and command-and-control operations, and provide long-term cost savings by reducing reliance on leased space.

¹The National Capital Region is composed of the District of Columbia and nearby jurisdictions in Maryland and Virginia.

Objective, Scope, and Methodology

- **Objective:** The *Department of Homeland Security Headquarters Consolidation Accountability Act of 2015* includes a provision for us to evaluate within 90 days the quality and reliability of the cost and schedule estimates that DHS reported to Congress in response to the Act. This briefing discusses the updated cost and schedule estimates for the project at St. Elizabeths and the status of the DHS headquarters consolidation project.
- **Scope:** DHS and GSA management of DHS headquarters consolidation at St. Elizabeths from October 2014 through June 2022.
- **Methodology:**
 - We examined DHS and GSA reporting, guidance, and data provided on updated cost and schedule estimates for the consolidation project, including DHS's FY 2022 Report and data supporting the report's cost and schedule estimates.

Objective, Scope, and Methodology (cont'd)

- **Methodology (cont'd):**
 - We analyzed DHS and GSA plans and documentation on the status of St. Elizabeths, including their reports, *The DHS Headquarters Consolidation at St. Elizabeths Master Plan Amendment 2* and GSA's *Fiscal Year 2023 Prospectus – Construction DHS Consolidation at St. Elizabeths*.
 - We analyzed DHS and GSA documentation showing requested and total funding for the consolidation project for fiscal years 2015 through 2022.
 - We reviewed relevant GAO reports and best practices for developing and managing program costs and project schedules.
 - We interviewed senior DHS and GSA officials responsible for the planning and management of the project.

Objective, Scope, and Methodology (cont'd)

- We conducted this performance audit from March to August 2022 in accordance with generally accepted government auditing standards.
- We provided a draft of this briefing to DHS and GSA. GSA had no technical comments. DHS provided technical comments, which we incorporated as appropriate.

Background

- As the federal government’s landlord, GSA acquires space through new construction and leasing, and acts as a caretaker for federal properties across the country. Federal agencies—including DHS—give GSA information on their program and mission requirements and GSA then works with them to develop and refine their real estate space needs.
- The Homeland Security Act of 2002 combined 22 federal agencies specializing in various missions under DHS, bringing together numerous departmental offices and operating components into one department. When the department was formed, the headquarters functions of its various components were not physically consolidated, but instead they remained dispersed across the National Capital Region.
- According to DHS, as of March 2022, DHS’s real property portfolio in the National Capital Region includes 148 leased locations and 118 federally-owned locations, accounting for approximately 11.6 million gross square feet.

Background (cont'd)

- DHS began planning the consolidation of its headquarters in 2005.
 - According to GSA's planning documents, the West campus at St. Elizabeths, held by GSA, was the preferred site for the project because (1) it could accommodate the 4.5 million square feet of office space DHS would need, plus parking, and (2) was available immediately.
- From 2006 through 2009, DHS and GSA undertook a number of capital planning reviews and analyses to guide the DHS headquarters consolidation process, including GSA's 2009 Master Plan that was to guide the overall development of the site.
- Construction started at the campus in 2009.
- In May 2012, GSA amended its Master Plan to focus on the consolidation of DHS's mission functions comprising the Department's Headquarters offices at St. Elizabeths for a total of 4.5 million gross square feet of secure office and shared-use space, plus associated parking, on the East Campus.

Background (cont'd)

- In September 2014, we found that DHS and GSA cost and schedule estimates for the DHS headquarters consolidation project at St. Elizabeths did not meet, or only minimally or partially met, leading estimating practices, and were unreliable.² Thus, we recommended that DHS and GSA develop revised cost and schedule estimates for the remaining portions of the consolidation project in accordance with leading practices. The agencies concurred with this recommendation.
- The *DHS Headquarters Consolidation Accountability Act of 2015*, enacted in April 2016,³ required DHS, in coordination with GSA, to submit information to relevant congressional committees, including updated cost and schedule estimates related to the DHS headquarters consolidation.

²GAO, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, [GAO-14-648](#) (Washington, D.C.: Sept. 19, 2014).

³Pub. L. No. 114-150, 130 Stat. 366 (2016).

Background (cont'd)

- In 2018, we testified that DHS and GSA had not submitted revised cost and schedule information to Congress that would either meet the requirements of *DHS Headquarters Consolidation Accountability Act of 2015*, enacted in April 2016, or address our 2014 recommendation.³
- In September 2020, GSA updated the Master Plan again, this time to:
 - eliminate development on the East Campus; and
 - re-evaluate development on the St. Elizabeths West Campus and reduce secure office and shared-use space from 4.5 to 4.1 million gross square feet.
- In March 2022, DHS submitted its FY 2022 Report in response to the *DHS Headquarters Consolidation Accountability Act of 2015*, enacted in April 2016. The Act includes a provision for GAO to evaluate the quality and reliability of the cost and schedule estimates in the report.

³GAO, *Federal Real Property: DHS and GSA Have Not Implemented Recommendations to Strengthen the Management of DHS Headquarters Consolidation*, [GAO-18-484T](#) (Washington, D.C.: Apr. 12, 2018).

Updated Cost and Schedule Estimates

- DHS's FY 2022 Report does not contain sufficient information on the costs and schedules of the consolidation project's components for us to perform a comprehensive cost or schedule assessment analysis.
 - GSA officials told us that this information will be available at a later date. Currently, GSA is undertaking a comprehensive planning and funding reset for the remaining components of the headquarters consolidation project which will include detailed cost and schedule estimates.
 - GSA officials told us the reset is to be completed by February 2023.
 - We will continue to monitor DHS and GSA's actions to address on our September 2014 recommendation to develop revised cost and schedule estimates in accordance with leading practices.
-

Updated Cost and Schedule Estimates (cont'd)

- **Costs** for DHS and GSA listed in the report were developed by the agencies using GSA's The Automated Prospectus System (TAPS). TAPS considers the costs and benefits of a project over a 30-year period and calculates the present value according to guidance provided by OMB *Circular A-94 Guidelines And Discount Rates For Benefit-Cost Analysis of Federal Programs*.
 - Costs consist of the value for design, construction, and future repair projects
 - Benefits include the value of the building and land at end of the 30-year period
 - GSA generally conducts a TAPS analysis when it seeks to evaluate alternatives—such as leasing or new construction—for providing space to meet an agency's needs
- **Schedule** information listed in the report for each DHS component's consolidation project includes a planned occupancy date. The report also contains a 10 year schedule diagram.

Project Status

- Since inception, DHS and GSA have changed the project's scope due to several factors:
 - In 2015, DHS and GSA cut back on the overall scope of the project and finalized an updated program, which sought to achieve a more efficient utilization of space at a lower cost.
 - In 2020, DHS and GSA published a second amendment to the master plan to address project goals to increase space efficiencies, reduce costs, and accelerate project completion.
 - *Master Plan Amendment 2* notes lessons learned since 2008, including that existing buildings were in far worse condition than anticipated and that project costs have escalated due to funding delays, among other factors.
- See figure 1 for a map of the St. Elizabeths West Campus.

Project Status (cont'd)

Figure 1: Map of St. Elizabeths West Campus



Project Status (cont'd)

- Construction of the St. Elizabeths campus has encountered delays.
 - In 2007, the original estimated completion date for the project was 2015. However, in 2014, we reported that the estimated completion date was pushed back to 2026.
 - DHS's updated timeline now shows an estimated completion date of 2027.
 - DHS and GSA are constructing the project in 3 phases with sub-phases. According to DHS and GSA officials and documentation, phases 1 and 2A are largely complete. Phase 2B is underway, but construction has been delayed from lack of funding for one portion of the project. Table 1 provides a description and status of each phase.

Project Status (cont'd)

Table 1: St. Elizabeths Project Status Summary, as of June 2022

Phase	Planned Construction	Project Status
1A	<ul style="list-style-type: none"> United States Coast Guard (USCG) headquarters - Douglas A. Munro Building 	Completed in 2013.
1B	<ul style="list-style-type: none"> USCG Command Center Shared-use space, including Hitchcock Hall auditorium, cafeteria, credit union, and fitness center GSA field office 	All completed in 2013, except Hitchcock Hall for which construction began in phase 1B and was completed during phase 2A.
2A	<ul style="list-style-type: none"> DHS headquarters – Center Building <ul style="list-style-type: none"> DHS Office of the Secretary and Senior Leadership West Addition to Center Building DHS Operations Center for critical incident management and response activities 	Office of the Secretary and Senior Leadership completed in 2019. West Addition completed in 2020. DHS Operations Center partially completed.
2B	<ul style="list-style-type: none"> Cybersecurity and Infrastructure Security Agency (CISA) headquarters 	Design underway. Construction delayed by lack of funding for slope stabilization. Estimated date of occupancy: 2025.
2C	<ul style="list-style-type: none"> Intelligence & Analysis (I&A) headquarters Warehouse Parking and site infrastructure improvements 	Not started. Delayed pending funding. Estimated date of occupancy: 2026.
3A	<ul style="list-style-type: none"> Immigration & Customs Enforcement (ICE) headquarters and a portion of CBP headquarters Parking and site infrastructure improvements 	Not started. Delayed pending funding. Estimated date of occupancy: 2027.
3B	<ul style="list-style-type: none"> Adaptive reuse of historic buildings 	Not started. Occupants to be determined at future date.

Source: GSA officials and GAO analysis of GSA and DHS documentation | GAO-22-105970

Note: The table summarizes planned construction information as reflected in current plans for St. Elizabeths, as of June 2022, and may differ from GAO's prior reporting.

Project Status (cont'd)

- According to DHS and GSA officials, the agencies have obtained full funding for construction of the CISA building (Phase 2B). However, in fiscal year 2022, GSA requested, but did not receive \$93.4 million in infrastructure funding, which was intended for slope stabilization, landscaping, and other building requirements. Officials stated that slope stabilization is needed prior to building construction and that failure to receive funding could result in the project's delayed completion. (see fig. 2)

Figure 2: Cybersecurity and Infrastructure Security Agency (CISA) Building Preliminary Design Concept



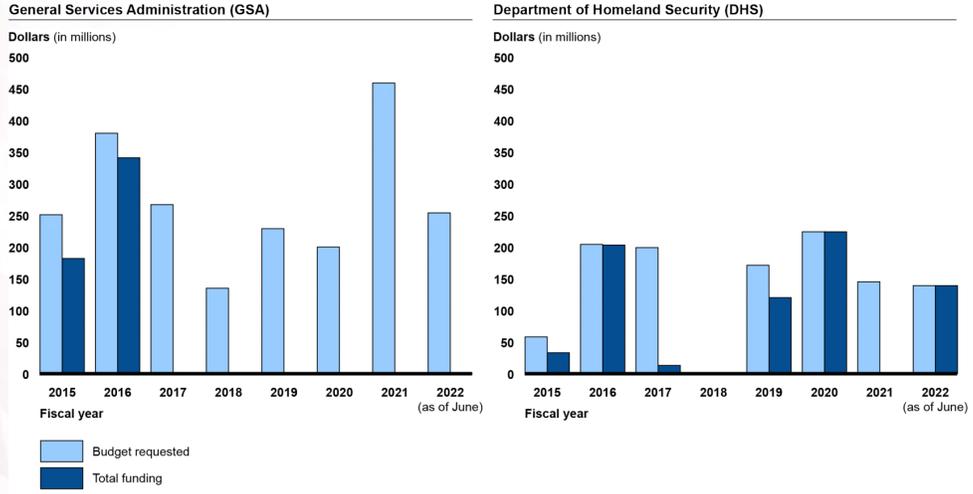
Source: U.S. Department of Homeland Security and General Services Administration. | GAO-22-105970

Project Status – Funding

- As of June 2022, over \$2.8 billion has been appropriated to DHS and GSA for DHS’s headquarters consolidation at St. Elizabeths, according to the FY 2022 Report and confirmed by DHS officials.
- DHS’s FY 2022 Report also documents a gap between the agencies’ budget requests and total funding for the project.
- According to DHS and GSA officials, the lack of consistent funding has affected cost estimates, estimated completion dates, and savings.
- Figure 3 compares amounts included in budget requests and total funding for the project from fiscal year 2015 through fiscal year 2022.

Project Status – Funding (cont'd)

Figure 3: GSA and DHS budget requests and total funding



Enclosure II: Comments from the General Services Administration (GSA)

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The Administrator

August 18, 2022

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the draft report, *DHS Headquarters Consolidation: Project Costs and Schedule Estimates Are Not Finalized* [GAO-22-105970].

The U.S. Government Accountability Office (GAO) recommends that the GSA Administrator make updates to cost and schedules related to the DHS Headquarters Consolidation at the St. Elizabeths Campus. GSA is conducting a funding and planning study that will include updated cost and schedule estimates. That study is expected to be completed by February 2023.

GSA has reviewed this report, agrees with the recommendation to provide updated cost and schedule information, and will continue to provide status updates to GAO as requested.

As it relates to the *DHS Headquarters Consolidation: Project Costs and Schedule Estimates Are Not Finalized* [GAO-22-105970] report at hand, GSA would like to provide the following update:

- Page 18: The \$93.4M listed in the report only referenced infrastructure and slope stabilization. However, GSA would like to add that landscaping and other building requirements are also supported by the \$93.4M listed.

If you have any questions or concerns, please contact me or Gianelle Rivera, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

A handwritten signature in blue ink that reads "Robin Carnahan".

Robin Carnahan
Administrator

cc: M. Christopher P. Currie, Director, Homeland Security and Justice, GAO

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