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

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MAY 15 1972

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R Dear Mrs. Sullivan:

Your letter dated February 2, 1972, requested the General Accounting Office to investigate into the construction costs of the Compton Avenue and Nebraska Avenue overpasses on Interstate Route 44 in St. Louis, Missouri.

You specifically requested that we investigate the cost to the Federal Government of (1) completing the construction of the two overpasses and then having them blocked off and not used and (2) terminating the construction work and paying whatever damages would be owed to the contractor. Also, you requested us to determine how much of the construction already completed would be salvageable if construction were terminated and if, at some future time, it were deemed advisable to renew the construction work.

The two overpasses are under construction and are expected to be completed by June 1, 1972. The overpasses are expected to cost about \$419,000, of which about \$377,000 will be Federal funds. As of March 10, 1972, the Compton Avenue overpass was about 50 percent complete and the Nebraska Avenue overpass was about 40 percent complete. A State highway department official informed us that the overpasses would be opened to traffic when they are completed. This official also stated that, in the event construction were terminated, it would be necessary to demolish the work already completed and that materials already purchased would not be salvageable for use at another location.

State highway department and Federal Highway Administration officials and the contractor informed us that the termination cost would be higher than the completion cost. A current estimate of the termination cost was not compiled by these officials or by the contractor.

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The only estimate made of the cost of terminating the construction was compiled by the Federal Highway Administration, Department of Transportation. This estimate showed that, as of February 24, 1972, it would cost about \$187,600 to stop construction and to demolish the work already completed. This cost, coupled with payments of \$127,000 already made to the contractors for work completed, would bring the total cost to \$314,600, including about \$283,000 of Federal funds. 29

The contract for the construction of the two overpasses provides that the contractor is entitled to damages if the contract is terminated. No estimate of the amount of such damages was made. Therefore no estimate was included in the above \$314,600. In addition, because construction has continued since February 24, 1972, the amount earned by the contractor and the cost of demolishing the completed work have increased. The amount of the increase, however, is not available.

During a conversation with our staff on March 24, 1972, you expressed concern over the length of time required to begin construction work on the section of Interstate Route 44 which included the construction of the two overpasses. You noted that this section of highway was under consideration in 1959 and that construction did not start until September 1970.

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On March 10, 1972, we issued a report to the Senate Committee on Public Works entitled "Factors Affecting the Lengthy Process of Planning Highways," B-164497(3). A copy of this report is enclosed. The report points out that planning for a highway is time consuming. The 10 projects we reviewed through the entire planning process averaged 8.7 years. 03/100

The lengthy planning time for highways is attributable, to a large extent, to Federal requirements. The time taken to meet the requirements and to process a project to the construction stage, however, is controllable, to a great extent, by the

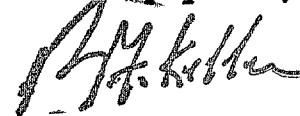
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States. Such factors as the priority assigned to a project or the work load or number of projects in process are determined by the States. Some projects we reviewed were inactive for up to 4 years during the planning process because of the low priority assigned by the States.

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

We trust that the above information will be of assistance to you.

Sincerely yours,



Deputy Comptroller General  
of the United States

Enclosure

The Honorable Leonor K. Sullivan  
House of Representatives

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