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Testimony  
Before the Subcommittee on the  
Legislative Branch, Committee on  
Appropriations, House of Representatives

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# CAPITOL VISITOR CENTER

## Update on Status of Project's Schedule and Cost as of September 24, 2008

Statement of Terrell G. Dorn, Director,  
Physical Infrastructure Issues



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Madam Chair and Members of the Subcommittee:

I appreciate the opportunity to be here today to assist the Subcommittee in monitoring progress on the Capitol Visitor Center (CVC) project. My remarks will focus on (1) the Architect of the Capitol's (AOC) construction progress since the last CVC hearing on July 8, 2008,<sup>1</sup> and (2) the project's expected cost at completion and funding status.

Today's remarks are based on our review of schedules and financial reports for the CVC project and related records maintained by AOC and its construction management contractor, Gilbane Building Company; our observations on the progress of work at the CVC construction site; and our discussions with the CVC team (AOC and its major CVC contractors) and AOC's Chief Fire Marshal. We also reviewed AOC's construction management contractor's periodic schedule assessments.

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## Construction Is Essentially Complete

Since the July 8, 2008, CVC hearing, the project has passed a significant milestone—the fire marshal's issuance of a temporary certificate of occupancy—and although issues in certain CVC and expansion space work remain, AOC expects to have the project ready for opening on December 2, 2008, as scheduled. According to AOC's construction management contractor, in dollar terms, the overall CVC project remains 99 percent complete.<sup>2</sup> Some risks to the project's schedule remain in completing work needed to start up and open the building as planned. In addition, many punch list<sup>3</sup> items remain to be completed, and a number of proposed change orders have to be resolved. At this time, AOC does not expect the punch list items or the proposed change orders to affect the project's opening date.

Since the last hearing, the fire marshal has substantially completed fire alarm acceptance testing.<sup>4</sup> While the fire marshal has issued a temporary

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<sup>1</sup>GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost as of June 27, 2008*, [GAO-08-900T](#) (Washington, D.C.: July 8, 2008).

<sup>2</sup>In other words, the sequence 2 contractor has received about 99 percent of the current contract value. This value does not include the costs of unsettled proposed change orders, potential claims, and work performed outside the current sequence 2 contract, such as the fire marshal's fire alarm acceptance testing.

<sup>3</sup>A punch list identifies tasks, usually minor, to be completed at the end of a project.

<sup>4</sup>All regularly scheduled testing has been completed. However, portions of the system will be retested in the coming weeks to verify the effectiveness of changes made following the initial system tests.

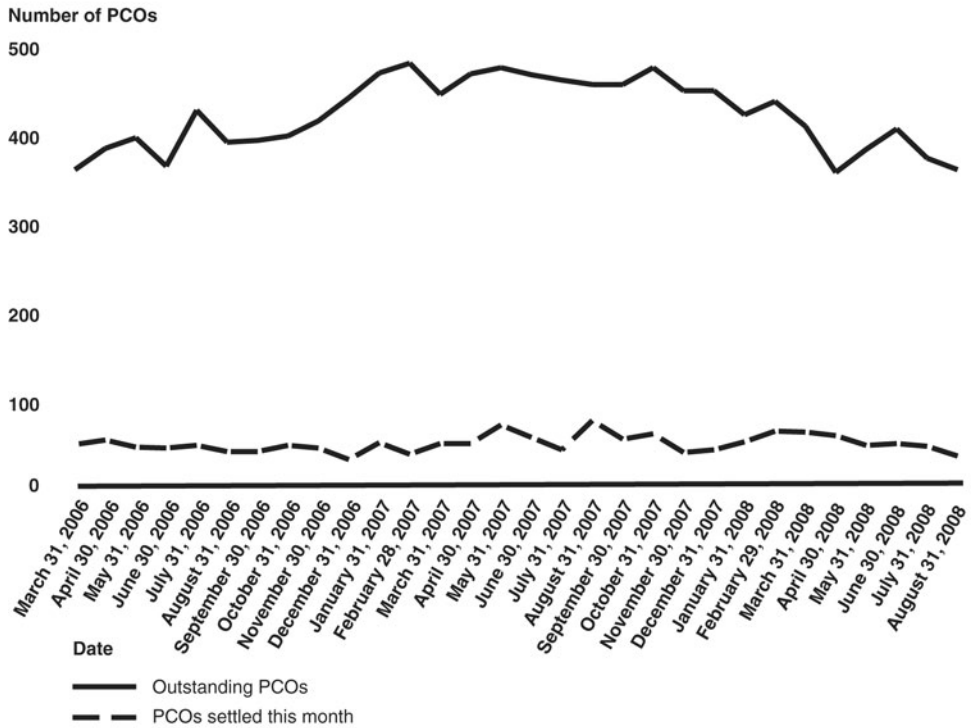
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certificate of occupancy, incomplete work in several areas still has the potential to limit preparations for the project's planned opening or make portions of the facility unusable at the opening. For example, repairs to exit stairs are taking longer than planned and, if not completed in October, we believe could delay preparations for the opening. AOC has also requested several changes to the restaurant to accommodate the food service vendor, and although the restaurant is expected to be operational, certain sections of its serving line are likely to be incomplete when the CVC opens. In addition, some repairs to plaza pavers and landscaping work may not be complete by the planned opening.

The CVC team has continued to gradually reduce the number of punch list items, which we have identified as a concern at the last several hearings. According to AOC, the number of punch list items has been reduced from over 15,000 to under 3,000. In addition, the planned repairs to the plaza pavers that we discussed at the last hearing have begun and are ongoing. Although it is still not clear who will ultimately be financially responsible for the repairs, we do not anticipate a need for additional appropriations to address this issue.

Each month, the CVC team continues to identify proposed change orders. AOC and its contractors have continued to work together to reduce the number of open (outstanding) proposed change orders, and the number of open orders has declined since our last statement. Sustained attention to this issue is, however, needed to reduce uncertainty about the project's costs. Figure 1 compares the number of outstanding proposed change orders with the number settled each month.

**Figure 1: Outstanding and Settled Proposed Change Orders by Month, March 2006 through August 2008**



Source: AOC's construction management contractor.

## AOC's Cost Estimate Remains the Same, and Additional Funds Will Be Needed in 2009

AOC's current estimate of the cost to complete the CVC project's construction, first reported in September 2007,<sup>5</sup> remains about \$621 million. We believe this estimate is realistic and contains a sufficient allowance for contingencies, provided there are no unexpected delays. To date, about \$583.3 million has been approved for CVC construction, and of the amounts approved for operations, AOC includes \$1.1 million (net of certain construction items) in its total estimated cost to complete. In addition, AOC has \$2.4 million more in fiscal year 2008 CVC appropriations that it plans to use for construction after it obtains congressional approval

<sup>5</sup>GAO, *Capitol Visitor Center: Update on Status of Project's Schedule and Cost as of September 25, 2007*, [GAO-07-1249T](#) (Washington, D.C.: Sept. 25, 2007).

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to obligate these funds.<sup>6</sup> Furthermore, AOC has requested \$31.1 million in fiscal year 2009 funds for CVC construction; however, in its current cost-to-complete estimate, AOC indicates it may need an additional \$3 million in fiscal year 2009 funds to finish the project. According to AOC, if necessary, the additional \$3 million could be reprogrammed.

Madam Chair, this completes my prepared statement. I would be pleased to answer any questions that you or Members of the Subcommittee may have.

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## Contacts and Acknowledgments

For further information about this testimony, please contact Terrell Dorn on (202) 512-6923 or [dornt@gao.gov](mailto:dornt@gao.gov). Other key contributors to this testimony include Shirley Abel, Michael Armes, Lindsay Bach, Maria Edelstein, Elizabeth Eisenstadt, Jeanette Franzel, Jackie Hamilton, Kara Patton, and Joshua Ormond.

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<sup>6</sup>For fiscal year 2008, AOC received \$28,753,000 (before rescission) in appropriations for the CVC project. Pub. L. No. 110-161. Of that amount, AOC is allowed, but not required, to use up to \$8.5 million for operations. AOC is currently planning to use the \$8.5 million for operations.

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