



Highlights of [GAO-05-673](#), a report to congressional requesters

COURTHOUSE CONSTRUCTION

Information on Project Cost and Size Changes Would Help to Enhance Oversight

Why GAO Did This Study

The General Services Administration (GSA) and the federal judiciary are in the midst of a multibillion-dollar courthouse construction initiative aimed at addressing the housing needs of federal district courts and related agencies. From fiscal year 1993 through fiscal year 2005, Congress appropriated approximately \$4.5 billion for 78 courthouse construction projects.

GAO (1) compared estimated and actual costs for recently completed courthouse projects and determined what information GSA provided to Congress on changes to proposed courthouse projects, (2) identified factors that contributed to differences between the estimated and actual costs of seven projects selected for detailed review, and (3) identified strategies that were used to help control the costs of the seven selected projects.

What GAO Recommends

To improve the usefulness of the information on courthouse construction projects that GSA provides to Congress, GAO recommends that GSA, when requesting funding for those projects, identify and explain changes in estimated costs and building size from the information provided to Congress in prior project prospectuses or fact sheets. GSA concurred with our recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-05-673.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

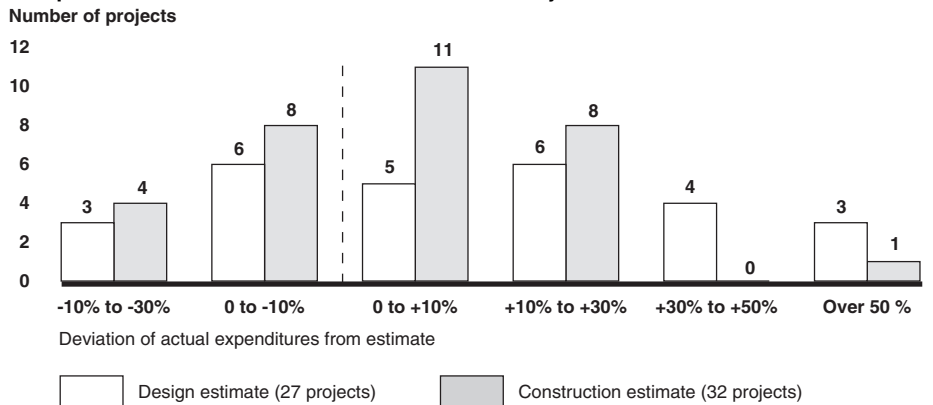
What GAO Found

The actual costs of courthouse construction projects exceeded the estimated costs submitted to Congress at the design and construction phases by an average of 17 percent and 5 percent, respectively, and the reasons for the cost changes were not consistently explained. The actual costs were closer to the estimates provided at the construction phase, but as the figure shows, the actual cost still varied widely from the estimate for some projects. Both the estimated cost and the proposed building size often changed between the two funding requests. GSA did not always indicate that changes had occurred or explain the reasons for the changes. Including this information would be consistent with leading practices in capital decision making.

For the seven projects GAO reviewed in detail, most cost changes resulted from changes to the project's scope or from postponing the start of construction. For example, scope changes called for by security requirements and revisions to the U.S. Marshals Service's *Design Guide* increased the costs of some projects. Postponing the start of construction also increased costs because of inflation and changes in local market conditions. Factors that led to postponing construction included difficulties with site acquisition and GSA receiving funding later than anticipated.

GSA used several strategies to help reduce or control costs for the seven projects, including value engineering, modified contracting methods, and involving tenant agencies. Value engineering was used during design on all projects, and in some cases, resulted in the use of less expensive materials to finish the courthouse interiors, but in other cases resulted in changes that could increase the long-term cost of operating the buildings. Some project managers used modified contracting methods to control costs by reducing the time between the design and construction phases. Project managers also used a variety of approaches for involving tenant agencies in decisions about the building design and informing them about the progress of the project.

Comparison of Actual and Estimated Courthouse Project Costs



Sources: GAO (analysis), GSA (data).