

June 1995

NATIONAL PARKS

Views on the Denver Service Center and Information on Related Construction Activities



**Resources, Community, and
Economic Development Division**

B-259778

June 23, 1995

The Honorable Ralph Regula
Chairman
The Honorable Sidney R. Yates
Ranking Minority Member
Subcommittee on Interior and Related Agencies
Committee on Appropriations
House of Representatives

The Honorable Bruce F. Vento
House of Representatives

The National Park System is composed of over 360 units, including parks, monuments, and historic sites, and is administered by the Department of the Interior's National Park Service (Park Service). One of the major organizational units of the Park Service is the Denver Service Center (the Center), whose mission, among other things, is supporting construction activities throughout the park system. In performing its mission, the Center works with individual park units in planning, designing, and constructing projects, which range from rehabilitating historic structures to building new visitor centers to repairing and replacing utility systems. Park units are expected to use the Center's services for projects costing over \$250,000. However, there are exceptions. Individual park units can perform projects costing over \$250,000 if they have the expertise at the park and the approval of Park Service headquarters. The Center awarded 62 contracts, totaling \$105.2 million, for construction projects in fiscal year 1993 (the latest year for which such data were available).

Because of your concern about the quality of the services provided by the Center, you asked us to obtain park managers' views on the quality and timeliness of those services. In addition, you asked us to provide information on three other aspects of the Park Service's construction program. Specifically, you asked us to (1) describe how the Park Service sets priorities for funding construction projects and how the priorities may be modified during congressional consideration of the Park Service's annual appropriations requests, (2) describe the process the Park Service uses to develop projects' cost estimates, and (3) provide information on the makeup of projects' contingency and supervision funds.

Results in Brief

Park managers who responded to the questionnaires we sent to all park units were generally satisfied with the quality and timeliness of the services the Center provided during fiscal years 1991 through 1993.¹ When problems with the Center were reported, they varied among projects and park units and did not appear to be systemic. When park managers chose not to use the Center, they did so because they had capable staff available within the unit to do the work or because the projects were small. The quality and timeliness of the Center's services were not cited as factors when decisions were made not to use the Center.

To rank construction projects for funding, the Park Service begins with input from the individual park units. From this input, it develops a Park Service-wide project priority list. From the Park Service-wide priority list, the Park Service selects construction projects to be included in annual appropriations requests. In a February 1995 report to the Congress, the Department of the Interior acknowledged that the Park Service's current decision-making process for ranking construction projects is flawed because it lacks objective criteria.² And as a result, the agency is planning to revise the process. Each year, as the Congress considers the Park Service's annual appropriations requests, it identifies other construction projects for funding. For example, during fiscal years 1985 through 1994, the Park Service requested funding for 157 projects, while the Congress identified another 520 projects for funding. In any given year, some of the projects identified by the Congress are from the Park Service's priority list, and some are not. In its recent report, Interior acknowledged that some congressionally identified projects have affected the Park Service's construction priorities. However, the report makes no recommendations specifically addressing this matter.

In estimating the cost of a project on the Park Service-wide priority list, the Center generally develops and refines estimates during the project's planning and design phases, which usually occur before congressional funding is requested. For projects identified by the Congress, construction funding is often provided before the planning and design work has been performed.

¹We selected fiscal years 1991 through 1993 because this period would provide us with the most recent projects completed as well as with a mix of planning, design, and construction projects. We also believed that the employees most familiar with the projects would still be employed at the park at the time of our review.

²Opportunities for the Improvement of the National Park Service Line Item Construction Program: Definition, Control and Priority Setting, U.S. Department of the Interior (Feb. 1995).

Cost estimates for each project identified by the Park Service for funding from construction appropriations include costs for contingencies and project supervision. Contingency costs, which include expenses for contract modifications, have historically amounted to about 16 percent of each project's total construction costs. Project supervision costs, which include expenses for on-site supervision by Center personnel during construction, have generally amounted to about 15 percent of each project's total construction costs. We found that there were no governmentwide or industrywide standards for what could be considered acceptable or appropriate contingency and project supervision costs. When we checked with several other federal agencies, we found that contingencies accounted for 5 to 10 percent and project supervision accounted for 5 to 20 percent of the total construction costs.

Background

The Center serves all park units and is responsible for (1) developing planning documents, such as management plans and environmental documents; (2) designing facilities; and (3) contracting for and supervising major construction projects. Construction projects include not only new facilities but also preservation, rehabilitation, and restoration work on historic structures. The Center provides these services either through its own staff or by contract with architectural, engineering, and other firms.

The Center is headed by the Assistant Director for Design and Construction, who reports to the Park Service Associate Director for Planning and Development. As of September 30, 1994, the Center employed a total of 710 staff. Center staff include architects; landscape architects; civil, general, mechanical, and electrical engineers; historians; archaeologists; and biologists. Of the 710 staff, 529 were assigned to geographical teams that serve the eastern, central, and western park units. Other Center staff were assigned to divisions such as those providing information and production services, engineering services, contract administration, and concessions planning and analysis.

Each year, the Congress appropriates a fixed amount—a lump sum—for the Park Service's construction projects. The conference report for the Department of the Interior's annual appropriations request identifies the amount of funding expected to be spent on each specific project. Park Service headquarters allocates the appropriated funds to regional offices responsible for the projects and not to the Center. The allocations for the projects are made in accordance with the language in the conference report.

Funding for the Center's activities comes from the Park Service's overall construction appropriation and from funds provided by other federal, state, and nonprofit agencies. For example, in fiscal year 1994, the Center received total funding of \$74.9 million. Of this amount, \$53.3 million came from the Park Service's construction appropriation—\$6.1 million for general management plans, \$29.8 million for construction planning, and \$17.4 million for construction supervision. In addition, the Center received \$6.5 million for its involvement in road planning and design and an additional \$15.1 million for professional and technical advice and assistance provided to parks and other agencies.³ In addition, the Center carried over prior year funds amounting to \$19.7 million.

The Congress has been concerned about the construction programs in the Department of the Interior. As a result, the conference report accompanying Interior's fiscal year 1994 appropriations bill required the Department to review the Park Service's, Fish and Wildlife Service's, and Bureau of Land Management's construction programs. The requirement for the study was based, in part, on a concern that the agencies lacked objective criteria to allocate limited construction funding and that actual construction costs frequently appeared to significantly deviate from initial cost estimates. The conference report stated that a task force should be established to conduct the study. After discussions with congressional staff, it was decided that the task force, composed of Interior employees and private sector consultants, would focus on the Park Service because its construction program was the largest. The task force addressed two major topics: (1) the process used to prepare the Park Service-wide priority list of construction projects and (2) the process used to ensure that construction projects are cost-effective. The task force also wanted to develop an alternative process to the one currently being used.

Park Unit Officials' General Satisfaction With Center's Services

The responses to the questionnaires we sent indicated that, in general, park units that had worked with the Center on projects completed during fiscal years 1991 through 1993 were satisfied with the services provided. While some units expressed dissatisfaction with the Center's performance on some projects, the reasons for their dissatisfaction varied from project to project and were not systemic. For units that completed projects without the Center's assistance, their reasons for doing so did not focus on concerns about the Center's quality of service or timeliness.

³The road planning and design funds were provided by the Department of Transportation's Federal Land Highway Program; the advice and assistance funds were provided through refunds and reimbursements from other federal, state, and nonprofit agencies that had received advice or assistance from the Center.

Units That Had Used the Center's Services Were Satisfied With Quality and Timeliness

To get an indication of whether units that had used the Center were satisfied with its performance, we developed separate questionnaires for planning, design, and construction projects. We sent a separate questionnaire to each unit for which the Center had completed a planning project, a design project, or a construction project during fiscal years 1991 through 1993. (A detailed discussion of our scope and methodology is contained in app. I.)

For all three types of projects, the respondents reported satisfaction with the quality, timeliness, and overall adequacy of the services provided by the Center. Table 1 shows the numbers and types of questionnaires sent and the numbers of responses received.

Table 1: Numbers and Types of Questionnaires Sent and Received

Type	Number sent	Number received	Response rate
Planning	12	12	100.0
Design	164	159	97.0
Construction	112	109	97.3
Total	288	280	97.2

Because the responses to all three of the questionnaires were so similar, we combined the responses for reporting purposes. Table 2 shows the combined responses to issues in the project-specific questionnaires.

Table 2: Respondents' Experiences With the Center's Services on Specific Projects

Issue	Experience with Center (in percent of responses) ^a		
	Positive	Neutral	Negative
Adequacy with which product met unit's needs	91	5	4
Quality of Center's services	66	27	7
Timeliness of Center's services	73	16	10
Adequacy of communication between Center and unit staffs	86	9	5
Consistency of Center's product with unit's expectations	89	8	4
Adequacy of unit's level of involvement	81	16	3
Time it took to complete the project	81	15	5

^aPercentages may not total to 100 because of rounding.

The questionnaire responses did not indicate a great level of dissatisfaction with the services provided by the Center. Specifically, for the 280 questionnaires for which we received responses, unit officials expressed some dissatisfaction with the Center's services on 32 of them—about 11 percent. These 32 questionnaires represented projects in 20 different parks.

To see if any patterns or consistencies existed in the park unit managers' reasons for dissatisfaction, we visited 7 of the 20 park units that had reported dissatisfaction with the Center's services on specific projects. Collectively, these seven units had completed 38 questionnaires and had expressed some dissatisfaction on 9 of them. We also visited five other units whose managers had expressed general concerns about the Center's services.⁴ In each of the 12 units we visited, we discussed the officials' experiences with the Center. (App. II lists the park units that we visited.)

The types of problems that generated dissatisfaction, we found, were not systemic; rather, they varied widely among projects. The following are examples of the problems that unit officials cited during our visits:

- The Center's staff lacked awareness of local practices and site conditions.
- Continuity in construction supervision was lacking.
- The park unit did not have the opportunity to provide enough input during the design phase.
- The Center's services were too expensive.
- Operations and maintenance manuals and drawings were not provided in a timely manner.
- Problems occurred with revegetation after the project was completed.
- The contractor's work was untimely and of poor quality.

Quality of the Center's Work Was Not a Significant Factor in Decisions Not to Use the Center's Services

To elicit the reasons underlying decisions not to seek the Center's assistance on projects, we sent a second questionnaire to all park units asking whether they had completed any planning, design, or construction projects during fiscal years 1991 through 1993 without assistance from the Center and, if so, why. The 301 park units that responded (a 90.4-percent response rate) reported having completed over 2,000 projects without the Center's assistance, compared with the 288 projects that park units had completed with the Center's assistance. The respondents consistently

⁴We selected units to obtain a variety of geographic locations, types of park units, and types of reported concerns.

cited certain factors as being important to their decision not to use the Center in accomplishing projects. The top factors were as follows:

- The unit had available staff with the requisite skills and abilities to complete the project.
- The project was not on the Park Service-wide priority list.
- The Center's overhead costs were perceived to be too high; that is, Center-provided projects were viewed as being more costly than projects completed by park personnel.

Many respondents commented that the park units generally do not seek the Center's assistance for projects that can be done by unit staff. These projects are generally small and not complicated. Several respondents commented that the types of projects their units had chosen to do themselves included constructing information kiosks, storage sheds, administration buildings, and trails. Similar views were expressed by the Park Service Associate Director for Planning and Development. According to this official, projects that units accomplish themselves are generally small and below the cost threshold for the Center's involvement.

In addition, according to almost half—46 percent—of the respondents, the fact that projects did not meet the cost threshold for the Center's involvement (under \$250,000) was very important in their decisions to handle the projects within the unit. Again, these were generally smaller projects.

The Center has recognized that its overhead charges may be perceived as being too high. In an effort to address this issue, the Center has distributed a Superintendents' Quick Reference Guide, which details the services provided by the Center and includes an explanation of what goes into the overhead charges. The guide states that since all of the Center's charges are for specific projects, the projects must share in the costs of managing the infrastructure of the Center. The guide also recognizes that parks have overhead but concludes, on the basis of a 1990 study, that the overhead costs in mid-size to large parks are generally about the same or somewhat higher than the Center's.

The factors that were least influential in units' decisions to perform projects within the unit were the quality, availability, and timeliness of the Center's services. The quality of the Center's services was identified as being a very important factor by 10 percent of the respondents, and the availability of the Center's staff was a very important factor to 13 percent

of the respondents. The timeliness of the Center's services was very important to 40 percent of the respondents. Again, the Center, recognizing that timeliness is important to its customers, explained in its Superintendents' Quick Reference Guide that its services may not always be timely because its workload and construction activities nearly tripled during fiscal years 1988 through 1992, while the staff increased only 27 percent. The guide also describes the average amount of time needed for the various stages of a project. (App. III contains detailed questionnaire responses for this portion of our analysis.)

The Park Service's Construction Priorities

The Park Service determines its construction priorities through a bottom-up decision-making process. The process ends with the compilation of a national priority list for construction projects throughout the park system from which the Park Service selects construction projects for inclusion in its annual appropriations requests. However, Interior has recognized problems with the Park Service's priority-setting process and has recommended changes to the process. Specifically, Interior acknowledged that the Park Service has not adequately defined its objectives for setting construction priorities and that the current process for making such decisions lacks objectivity. Since at least 1985, in addition to the Park Service's priority projects, additional projects have been identified for funding during congressional consideration of the Park Service's annual appropriations requests. Moreover, beginning in fiscal year 1991, requested funding for some Park Service-determined priority projects was either eliminated and/or reduced in response to the conference report on Interior's appropriations in order to fund congressionally identified projects.

Park Service's Project Priorities Are Modified During Congressional Consideration of Appropriations Requests

The process of determining construction project priorities begins at the individual parks, whose officials identify and justify the projects needed in their units and assign each a priority. The unit officials then send these lists to their respective regional offices. At each of the 10 regional offices, officials review and rank the listed projects from the park units within the region on the basis of, among other things, health and safety considerations, historic preservation needs, and facilities for developing park units. Each region's list of priorities is then addressed at a meeting (held once every 3 to 5 years) of the Park Service director, the associate directors, and the 10 regional directors. These officials evaluate each listed project and reach consensus on the Park Service-wide priorities. The

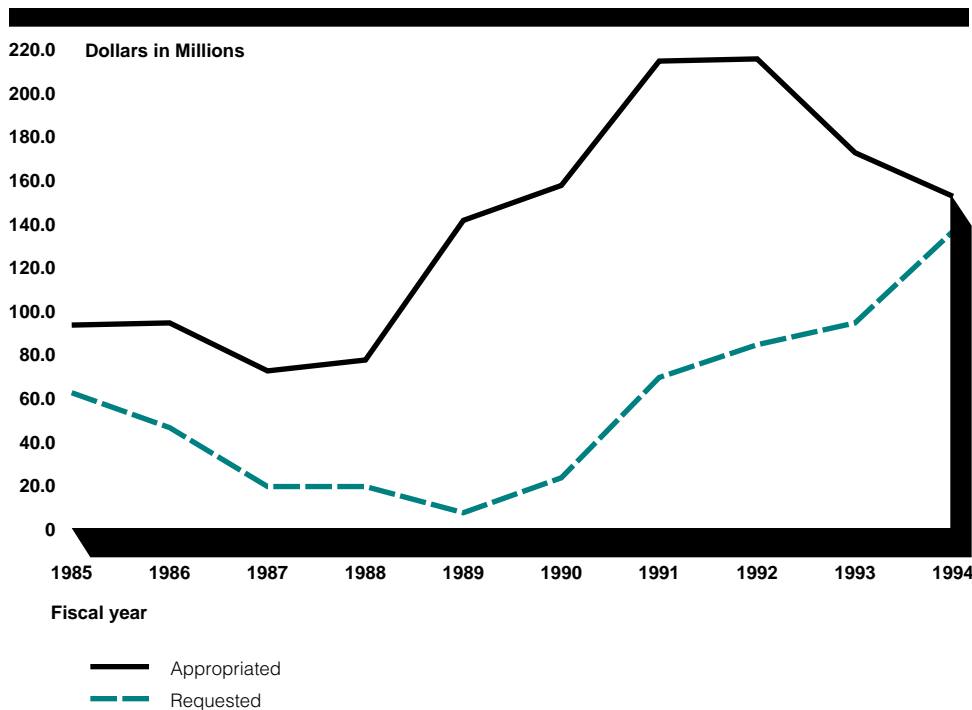
result is a Park Service-wide priority list of projects to be completed over a 4- to 10-year period.

The resulting Park Service-wide construction project priority list remains fairly constant for 3 to 5 years. As of January 1994, the Park Service-wide project priority list included 121 projects with an estimated aggregate cost of about \$1.6 billion. At any time, however, project priorities can change, generally as a result of an emergency. For example, when Hurricane Andrew severely damaged structures in the Everglades National Park in Florida, project priorities were realigned to accomplish needed repairs.

Each year, Park Service officials select projects for inclusion in the construction program, generally from the top of the priority list, and appropriations are requested. Each year over the past decade, additional construction projects have been identified for funding during congressional consideration of the Park Service's annual appropriations requests. Some of the congressionally identified projects are from the Park Service's priority list; others are not. In each fiscal year since at least 1985, the amount appropriated for construction projects has exceeded the amount requested by the Park Service for priority projects. According to Park Service officials, this situation occurred because the Congress did not believe the level of funding requested for the Park Service's construction projects was adequate, and funding for additional projects was added. During this time, the Park Service's annual requests for construction appropriations averaged \$47.4 million, while the amount appropriated averaged \$138.7 million. Figure 1 shows the difference in the project construction amounts requested and appropriated over the 10-year period.

As figure 1 shows, while the gap between the amounts requested and appropriated is relatively large, it was greatest in fiscal year 1991 and has since narrowed. In large part, according to a Park Service official, the recent narrowing is due to the implementation of the Budget Enforcement Act of 1990, which established annual limits for total discretionary spending. As a result, beginning in fiscal year 1991, expected funding for Park Service-requested projects was either eliminated or reduced in order to fund congressionally identified projects.

Figure 1: Construction Funding Requested and Appropriated



Source: National Park Service.

Prior to fiscal year 1991, the Park Service’s priority projects were fully funded along with the projects identified by the Congress.

Table 3 compares, since fiscal year 1985, the number of Park Service-requested projects and the number of congressionally identified projects. For fiscal years 1991 through 1994, the Park Service received appropriations for 355 construction projects; 87 were Park Service-requested projects, and 268 were congressionally identified.

Table 3: Number of Park Service-Requested Priority Projects and Congressionally Identified Projects, Fiscal Years 1985 Through 1994

Fiscal year	Number of projects funded by appropriations		
	Park Service-requested priorities	Congressionally identified projects	Total
1985	16	30	46
1986	23	34	57
1987	7	35	42
1988	11	30	41
1989	4	63	67
1990	9	60	69
1991	18	69	87
1992	22	87	109
1993	23	64	87
1994	24	48	72
Total	157	520	677

Source: National Park Service.

The total amount of appropriations for fiscal years 1991 through 1994 for the 355 projects was \$753.5 million. Of this amount, \$301.8 million, or 40 percent, was attributable to the 87 Park Service-requested priority projects, and \$451.7 million, or 60 percent, was attributable to the 268 congressionally identified projects. According to a Park Service official, 83 of the 268 congressionally identified projects were on the Park Service's priority list, and 185 projects were determined not to be priority needs by Park Service officials. While Park Service officials acknowledge that congressionally identified projects help meet many of the Park Service's facility improvement needs, they are frequently not among those that Park Service officials have determined to be the most needed.

In fiscal years 1991 through 1994, funding attributable to Park Service-requested priority projects totaling \$87.8 million was either reduced or eliminated in order to fund projects identified by the Congress. Included in this total were 11 priority projects that were funded at less than the amount requested by the Park Service (a total reduction of \$42.2 million) and 13 Park Service priority projects that received no funding (an elimination of \$45.6 million).

In its February 1995 report, the congressionally chartered task force that examined the Park Service's construction program reported that the Park Service has not adequately defined its objectives for establishing Park

Service-wide construction priorities. The report also noted that the decision process for setting Park Service-wide construction priorities lacked objectivity.

Although the task force's report did not make any recommendations about projects identified during congressional consideration of the Park Service's annual appropriations requests, the report recognized that congressional identifications occur. The task force made recommendations in three areas intended to provide opportunities for improving the cost management of the Park Service's construction program. First, cost-benefit assessments should be applied during the initial stages of project planning and design. Second, the responsibility of line management for oversight of construction projects from project definition to design should be strengthened. Third, projects on the Park Service-wide priority list should be selected and ranked by an objective process that responds to a comprehensive strategy for systemwide development. Within the three broad areas are specific implementing recommendations. Park Service officials informed us that the task force's recommendations will be implemented in calendar year 1995.

Estimating Project Costs

Project cost estimating is one of the services provided by the Center. In carrying out this responsibility, the Center has developed a process that relies on three types of project cost estimates. The three types of estimates are for various phases of a project—planning, design, and construction—and get increasingly more specific as a project proceeds from initial planning to construction.

For the Park Service's priority projects, associated planning and design work is funded from annual planning and design appropriations that go directly to the Center. Early in the project planning phase, before design work has begun, the Center prepares a rough, or class C, estimate. A class C estimate is a conceptual estimate based on the square-foot cost of similar construction. After the designers at the Center, park unit officials, and cognizant regional Park Service officials have reached agreement on the preliminary design, including the type and scope of work to be performed and the materials to be used, a more detailed estimate is prepared. This estimate, called a class B estimate, is based on the approved preliminary design and is generally the one used in the Park Service's request for construction appropriations. Finally, prior to advertising the project for competitive bid, a class A estimate is prepared

that is based on completed construction drawings, specifications, and quantities of materials.

According to Park Service officials and the task force's report on the Park Service's construction program, often little or no planning has been performed on the projects identified during congressional consideration of the Park Service's annual appropriations requests. Even though these projects may be on the Park Service-wide priority list, they are not among the top-priority projects identified by the Park Service—those on which planning and design work has been performed prior to requesting construction funding. As a result, according to both Park Service headquarters and Center officials, without the requisite planning or design work, the cost estimates attached to the projects identified by the Congress are sometimes less accurate than those for projects that have gone through the regular planning and design cycles.

Use of Contingency and Supervision Funds

The Park Service's cost estimates for each of the projects identified for funding from construction appropriations include costs for project contingencies and for construction supervision. The amount for project contingencies is 16 percent of each project's estimated cost and is to be used to pay for things such as cost increases due to contract modifications and higher than expected bids by contractors. The amount for project supervision is 15 percent of each project's estimated cost and is to be used to pay for all construction supervision activities, including the inspection of contractors' work and the evaluation of completed facilities. These amounts reflect the Park Service's past experience with managing construction activities.

A hypothetical example demonstrates how the process actually works. If construction costs for a project were estimated to be \$1 million, the Park Service would request \$1.31 million for the project. In addition to the \$1 million in construction cost for the project, the Park Service would request \$160,000 for project contingencies and \$150,000 to fund project supervision costs. Once the contract for the project is awarded, the responsible Park Service region receives \$1 million for the project's construction. However, both the contingency and supervision funds are controlled by the Park Service headquarters office in Washington, D.C. The Center, as the office assigned the responsibility for managing construction projects, is authorized to use the contingency funds as needed, with the Washington office's approval. The Center is also

authorized to use the construction supervision fund but only to fund the supervision cost it has estimated for a specific project.

Historically, according to top-level Center officials, the majority (about two-thirds) of the expenditures from the contingency fund has been for contract modifications, such as minor changes in the scope or materials to be used. The remaining one-third has been spent for contingencies such as bid protests and variations in the bid process—for example, when the lowest bid is not accepted.⁵

As for the construction supervision fund, according to top level Center officials, about 70 percent of construction supervision costs has historically been for Center personnel located on-site to ensure that contractors comply with plans and specifications. The remaining 30 percent has been about evenly divided between travel costs for Center personnel and nonlabor costs, such as supplies and telephone services for Center personnel while on-site. According to the Center's December 1987 study of 101 projects completed in fiscal years 1985 and 1986, the average construction supervision costs were 19.1 percent of the final contract amount. According to the Associate Director for Planning and Development, no more recent study has been performed.

To determine whether there were any industrywide standard rates for project contingencies and project supervision, we contacted officials from the Association of General Contractors and the Daily Journal (a construction trade industry publication). These officials said that there were no such standards and that contingency and project supervision costs vary by the size, type, and location of the project.

To get an indication of the rates used for project contingencies and construction supervision by other federal agencies, if any, we judgmentally selected four agencies to contact. These were the Department of the Interior's Bureau of Reclamation and Fish and Wildlife Service, the General Services Administration, and the Department of the Army's Corps of Engineers. At these agencies, according to officials we contacted, contingency funds ranged from 5 to 10 percent of a project's cost and contract supervision accounted for 5 to 20 percent of the construction costs. None of the officials we contacted indicated that costs for contingencies and project supervision are routinely added to project costs in the manner that the Park Service uses. The officials said that

⁵Emergencies such as fire fighting or law enforcement activities are often covered with unobligated contingency funds. Such expenditures are generally reimbursed through supplemental funding.

contingency and project supervision amounts were estimated on a project-by-project basis. The officials also cautioned that their amounts for contingencies and project supervision varied by the size and type of the project.

Conclusions

According to responses to questionnaires we sent to all park units, when park managers used the Center for design, planning, and construction activities, they were generally satisfied with the services provided. When park managers did not use the Center, the quality and timeliness of the Center's services were generally not factors in the decision. The Park Service uses a process for establishing construction priorities. In at least each of the past 10 years, the priorities developed by the Park Service have been modified by the addition of projects identified during congressional consideration of the Park Service's annual appropriations requests. Over the past several years, about one-fourth of the projects funded have been Park Service-requested priority projects; the remainder have been congressionally identified projects. A congressionally requested study is recommending changes to address problems with the Park Service's process for selecting priority projects. The Park Service's cost estimate for each of the projects it has identified for funding from construction appropriations includes costs for project contingencies and for construction supervision—about 16 percent and about 15 percent of a project's total cost, respectively. We found no governmentwide or industrywide standards that could be used as a benchmark for determining the reasonableness of the Park Service's contingency and project supervision costs; however, they were similar to those charged by several other federal agencies.

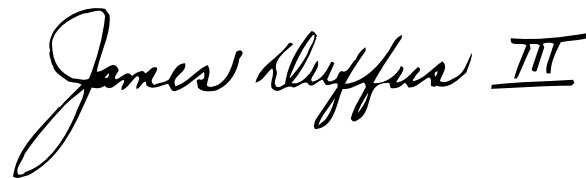
Agency Comments

We provided copies of a draft of this report to the Department of the Interior and the Park Service for their review and comment. On May 5, 1995, we met with Interior officials, including the Assistant to the Assistant Secretary for Fish, Wildlife, and Parks, and Park Service officials, including the Associate Director for Planning and Development and the Associate Director for Budget and Administration, to obtain their comments on the draft report. Overall, the officials agreed with the factual content and conclusions of the report. In commenting on the draft report, the officials suggested that we clarify some of the language and provided us with updated information on funding for the Service Center and the status of the task force's report on the Park Service's construction

activities. Changes have been made to the final report to reflect the updated information as appropriate.

We conducted our review between January 1994 and May 1995 in accordance with generally accepted government auditing standards. A detailed discussion of our objectives, scope, and methodology is contained in appendix I.

Please call me at (202) 512-7756 if you or your staff have any questions. Major contributors to this report are listed in appendix IV.

A handwritten signature in black ink that reads "James Duffus III". The signature is written in a cursive style with a large initial "J" and a distinct "III" at the end.

James Duffus III
Director, Natural Resources
Management Issues

Contents

Letter		1
Appendix I Objectives, Scope, and Methodology		20
Appendix II National Park Units Visited by GAO		22
Appendix III Responses to the General Questionnaire		23
Appendix IV Major Contributors to This Report		25
Tables	Table 1: Numbers and Types of Questionnaires Sent and Received	5
	Table 2: Respondents' Experiences With the Center's Services on Specific Projects	5
	Table 3: Number of Park Service-Requested Priority Projects and Congressional Identified Projects, Fiscal Years 1985 Through 1994	11
Figure	Figure 1: Construction Funding Requested and Appropriated	10

Objectives, Scope, and Methodology

The Chairman and Ranking Minority Member, Subcommittee on Interior and Related Agencies, House Committee on Appropriations, and Representative Bruce F. Vento asked us to obtain National Park Service managers' views on the quality and timeliness of the Denver Service Center's services. In addition, the Members asked us to provide information on three other aspects of the Park Service's construction program. Specifically, the Members asked us to (1) describe how the Park Service sets priorities for funding construction projects and how the priorities may be modified during congressional consideration of the Park Service's annual appropriations requests, (2) describe the process the Park Service uses to develop projects' cost estimates, and (3) provide information on the make-up of projects' contingency and supervision funds.

To determine park unit officials' views on the quality and timeliness of the Center's services, we developed separate questionnaires for planning, design, and construction projects. We developed separate questionnaires for each phase of a project because (1) the services are discrete phases of a project which are typically funded separately and (2) we wanted to obtain park unit officials' views on the services provided by the Center during each phase of the project. For each phase of a project, the questionnaires asked similar questions about the quality, timeliness, and overall adequacy of the services provided by the Center.

We sent a separate questionnaire for each project that had been completed during fiscal years 1991 to 1993. We selected the period from fiscal years 1991 through 1993 because it would provide us with the most recent projects completed; in addition, by choosing a 3-year period we would obtain a mix of planning, design, and construction projects. We also believed that by choosing this period, employees most familiar with the projects would still be employed at the park. Some unit officials received several questionnaires. For example, due to the number of projects completed within the 3-year period at Golden Gate National Recreation Area in San Francisco, California, the head of that unit received eight project questionnaires—one for a planning project, four for design projects, and three for construction projects completed with the Center's assistance. We also visited 12 park units, where we discussed unit managers' experiences with the Center. Appendix II lists the park units we visited.

To determine why park units did not use the services of the Center, we developed another questionnaire that asked whether the park unit had

completed any planning, design, and construction projects during fiscal years 1991 through 1993 and, if so, why they did not use the services of the Center. For this questionnaire, we started with a universe of 380 park units. From this universe, we excluded from our questionnaire mailing the nine units that had no facilities managed by Park Service personnel. Additionally, we combined some units to ease the response burden. That is, in some cases, one park unit official supervises more than one unit—for example, the Statue of Liberty and Ellis Island in New York City. In those cases, we sent only one general questionnaire to cover all applicable units. The resulting universe was 333 park units that received these overall questionnaires; we received responses from 301 park units (a 90.4-percent response rate).

To gain an understanding of how Park Service projects are ranked for funding, how the priorities may be modified during congressional consideration of the Park Service’s annual appropriations requests, and how cost estimates are developed, we reviewed budget and construction program documents and interviewed officials at the Center and at Park Service headquarters who are responsible for various aspects of construction program management. In conducting our work on how the Park Service ranks projects and develops cost estimates, we limited our work to describing how the process works. We did not review the methodology the Park Service uses to rank its construction projects or the accuracy of the cost estimates since these were objectives of the congressionally chartered task force that examined the Park Service’s construction program.

In describing the make-up of contingency and project supervision funds, we interviewed Center and headquarters officials to determine what went into the funds and how expenditures were made. We did not independently verify the charges to the funds since we were asked only to describe what was included in the charges. We did contact several other federal agencies to determine what made up their contingency and supervision funds and checked with a private contracting organization.

Our work was conducted primarily at the Center (in Lakewood, Colorado) and at the individual park units. As mentioned above, we also interviewed headquarters officials responsible for setting project priorities, cost estimating, and the makeup of contingency and project supervision funds.

National Park Units Visited by GAO

Eastern Area	Delaware Water Gap National Recreation Area; Bushkill, Pennsylvania Harper's Ferry National Historical Park; Harper's Ferry, West Virginia New River Gorge National River; Glen Jean, West Virginia Springfield Armory National Historic Site; Springfield, Massachusetts
---------------------	--

Central Area	Cuyahoga Valley National Recreation Area; Brecksville, Ohio Fossil Butte National Monument; Kemmerer, Wyoming Hot Springs National Park; Hot Springs, Arkansas Indiana Dunes National Lakeshore; Porter, Indiana
---------------------	---

Western Area	Fort Vancouver National Historic Site; Vancouver, Washington North Cascades National Park; Sedro Woolley, Washington Saguaro National Monument; Tucson, Arizona Sequoia National Park; Three Rivers, California
---------------------	--

Responses to the General Questionnaire

We sent a general questionnaire to 333 national park units.¹ This questionnaire sought information on whether the units had accomplished any planning, design, or construction projects within the last 3 fiscal years without assistance from the Center and, if so, why. The questionnaire asked similar questions as to why the park unit did not use the Center for either planning, design, or construction projects. Officials of 301 park units responded (a response rate of 90.4 percent).

The responses to the questionnaires, regardless of whether it was about the planning, design, or construction phase of a project, were consistent. Accordingly, we combined the responses for reporting purposes. The most commonly reported reasons for not using the Center's services were that the unit had the staff and capabilities in house, that its projects were not on the Park Service's priority list, and that it perceived the Center's overhead costs to be too high. The quality of the Center's work was not identified as a major concern.

Respondents were asked to characterize, by one of three categories, the importance of certain factors in their decision not to use the Center's services. Following are the factors and the percent of responses in each category. (Response percentages may not total to 100 due to rounding.)

Factor: Staff were available within the park unit.

Response: Extremely or very important: 64 percent
Moderately important: 10 percent
Somewhat or not important: 25 percent

Factor: Capabilities were available within the park unit.

Response: Extremely or very important: 63 percent
Moderately important: 10 percent
Somewhat or not important: 27 percent

Factor: Project was not on the Park Service-wide priority list.

¹From the universe of 380 park units, we excluded from our questionnaire mailing the 9 units that had no facilities managed by Park Service personnel. Additionally, we combined some units to ease the response burden. That is, in some cases, one park unit official supervises more than one unit. In those cases, we sent only one general questionnaire to cover all applicable units.

Response: Extremely or very important: 61 percent
Moderately important: 11 percent
Somewhat or not important: 28 percent

Factor: Overhead charged by the Center.

Response: Extremely or very important: 61 percent
Moderately important: 13 percent
Somewhat or not important: 26 percent

Factor: Park unit had greater knowledge of local conditions.

Response: Extremely or very important: 56 percent
Moderately important: 16 percent
Somewhat or not important: 28 percent

Factor: Project was below the cost threshold for the Center's involvement.

Response: Extremely or very important: 46 percent
Moderately important: 16 percent
Somewhat or not important: 38 percent

Factor: Park unit was concerned about the Center's timeliness.

Response: Extremely or very important: 40 percent
Moderately important: 14 percent
Somewhat or not important: 46 percent

Factor: Center staff were not available.

Response: Extremely or very important: 13 percent
Moderately important: 15 percent
Somewhat or not important: 73 percent

Factor: Park unit was concerned about quality of the Center's work.

Response: Extremely or very important: 10 percent
Moderately important: 16 percent
Somewhat or not important: 73 percent

Major Contributors to This Report

Resources,
Community, and
Economic
Development
Division, Washington,
D.C.

Jonathan T. Bachman
Clifton W. Fowler
John S. Kalmar, Jr.

Denver Regional
Office

Diane S. Lund
William J. Temmler
Pamela K. Tumler
Felicia A. Turner

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Mail
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested



