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March 28, 2023

The Honorable Bryan Steil
Chairman
Committee on House Administration
U.S. House of Representatives
Washington, DC 20515

Subject: Semiannual Status Update on Cannon House Office Building Renewal (CHOBr)
Project, Reporting Period Ending December 31, 2022 (Report No. OIG-AUD-2023-03)

Dear Mr. Chairman:

The Explanatory Statement accompanying the Fiscal Year (FY) 2016 Legislative Branch Appropriations Act¹ directed the Architect of the Capitol (AOC) Office of Inspector General (OIG) to transmit quarterly status updates to the House Committee on Appropriations (HCA) regarding the AOC's progress related to the CHOBr Project (formerly addressed as the Cannon Project). The statement required the OIG to provide the HCA with the AOC's confirmation that the CHOBr Project is progressing in a timely and cost-effective manner, inclusive of scope, budget, schedule and cost-schedule risk assessments. In spring 2018, the HCA approved our request to transmit these status updates semiannually. Therefore, this letter covers the period from July 1 through December 31, 2022.

The OIG received the CHOBr Project Semiannual Report (SAR) from AOC project management officials on February 15, 2023. The report was organized into the following seven areas: (1) safety, (2) security, (3) schedule, (4) budget, (5) client satisfaction, (6) contract management and (7) risk management. To assist with our review of the SAR, we also reviewed the AOC's Monthly Executive Summaries from July 2022 through January 2023, which contained the status of the CHOBr Project for those months. We then reviewed the minutes of weekly meetings held between the CHOBr Project team and the Construction Manager as Constructor (CMc), Clark/Christman, a Joint Venture (CCJV), during the period covered by the SAR, as well as in January 2023 and February 2023. Specifically, we performed a limited review of the status of the CHOBr Project presented in these reports. We prepared detailed questions for the AOC pertaining to the progress outlined in the reports; reviewed summary-level documentation supporting the project funding, obligations and expenditures; and obtained relevant updates to tasks that were in process or expected to be completed shortly after December 31, 2022.

The results of our review are presented in this letter for the Committee's review.

¹ Public Law No. 114-113. Consolidated Appropriations Act, 2016.
<https://www.congress.gov/114/plaws/publ113/PLAW-114publ113.pdf>

It is important to note that our review was not an audit of the CHOBr Project; therefore, we did not conduct our procedures in accordance with generally accepted government auditing standards. AOC management is responsible for the information presented in the CHOBr Project SAR and Executive Summaries. Our review did not substantiate all the information presented in these reports. As such, we do not express an opinion on the CHOBr Project SAR and Executive Summaries in this letter.

The CHOBr Project includes urgent work to replace major outdated building systems and components while preserving historic building characteristics and improving its safety conditions. The Cannon House Office Building dates back to 1908 and is the oldest congressional office building on the Capitol campus. It includes a combination of member suites, committee hearing rooms, support offices, food services and facility and utility spaces. The building has not had a comprehensive systems overhaul since the 1930s, leaving many of its systems outdated and at risk of failure. The AOC completed preconstruction on the Cannon House Office Building in December 2014. Construction is scheduled to be completed in five phases (Phase 0-4) over a 10-year period (see Figure 1).

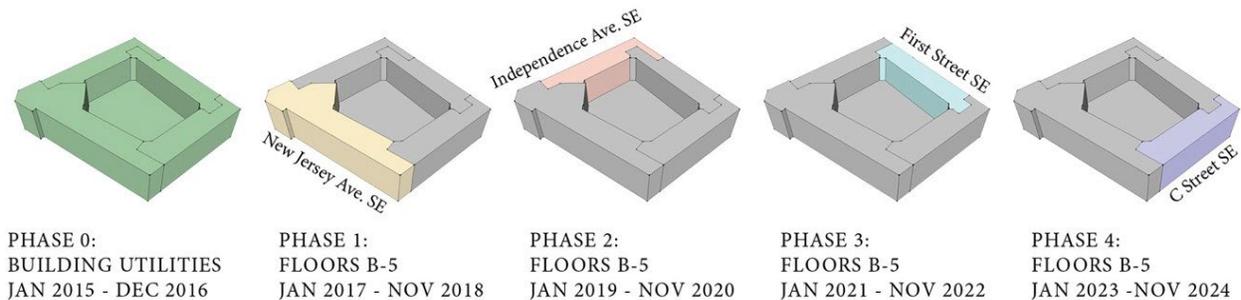


Figure 1. Original Construction Schedule by Phase

The following is the current status of Phases 0 through 4:

- **Phase 0:** This phase started in January 2015 and was completed in December 2016.
- **Phase 1:** This phase started in January 2017, and the AOC Fire Marshal issued an occupancy permit in December 2018. The AOC formally closed out the Phase 1 construction contract in November 2020.
- **Phase 2:** This phase started in January 2019, and the AOC Fire Marshal issued an occupancy permit in November 2020; however, Phase 2 final completion was not achieved until November 30, 2021.
- **Phase 3:** This phase started in January 2021. The AOC and CCJV negotiated substantial and final completion milestone requirements for the fifth floor separately from the basement through the fourth floor to allow for earlier occupancy of those lower floors. Table 1 summarizes the contractual completion dates, and the current status.

Table 1. Phase 3 Contractual Completion Dates

Scope of Work	Substantial Completion		Final Completion	
	Contractual Completion Date	Anticipated Completion Date as of March 10, 2023	Contractual Completion Date	Anticipated Completion Date as of March 10, 2023
Basement – 4th floor	August 30, 2022	Being negotiated	November 4, 2022	Being negotiated
5th floor	November 14, 2022	Being negotiated	January 10, 2023	Early to mid-April 2023

The following are updates regarding Phase 3:

- Basement through 4th Floor:** Despite CCJV missing the contractual substantial and final completion milestones, the AOC Fire Marshal issued a temporary certificate of occupancy for members on November 23, 2022, and move ins occurred on time. Following the move ins, the AOC anticipated substantial and final completion would be achieved in early January 2023 and late January 2023, respectively. However, due to incomplete mechanical spaces in the basement, CCJV did not achieve these milestones. The AOC and CCJV are currently negotiating updated substantial and final completion dates for the basement through the fourth floor.
- 5th Floor:** Per the AOC, due to delays in acquiring window materials, which the CHOBr Project team directly attributes to the COVID-19 pandemic and supply chain issues, the AOC and CCJV negotiated substantial and final completion milestone requirements for the fifth floor separately from the other floors. Nevertheless, CCJV still did not meet the updated contractual milestones for substantial and final completion. Despite these missed deadlines, CCJV completed all member suites and office spaces on time. After these delays, the AOC anticipated achieving substantial completion in early January 2023 and final completion in early March 2023. However, CCJV did not achieve these deadlines in part due to Elevator 11 not being complete.² It is not clear when the AOC expects to achieve fifth floor substantial completion, but it expects to achieve final completion in early to mid-April 2023.
- Resolving supply chain issues:** During Phase 3, the AOC pursued Defense Priority Allocations System (DPAS) authority to help mitigate delays resulting from the fifth-floor window materials supply chain issues. The CHOBr Project may utilize its DPAS authority again in the future to mitigate material delays, with the understanding that this authority is limited to obtaining materials related to security and/or life safety, but at this time, there are no open issues that the CHOBr Project team believes may cause delays.
- Changes in scope:** Scopes in the following areas will be formally transferred from Phase 3 to Phase 4: Stair 6; Room numbers 140, 240, 340 and 440; Room number C1VE1 (courtyard east entrance); and Americans with Disabilities Act Entrance Scope Bulletin 043.

² Per CCJV, an existing condition in the elevator hoistway impacted Elevator 11, resulting in the need for CCJV to modify elevator wall brackets. CCJV submitted a time impact analysis for the Elevator 11 impacts, which the AOC is currently reviewing.

- **Post-Award Status Report Updates:** In December 2022, the AOC flagged the CHOBr Project as “red” in its internal Post-Award Status report, indicating that the AOC’s Design & Construction Acquisition (DCA) Division leadership should be aware of and informed about issues with the project. However, the next month, the AOC upgraded the CHOBr Project to “yellow,” which is for awareness and indicates there are issues that may rise to the level of notifying DCA leadership.
- **Phase 4:** This phase started on time in January 2023 and is scheduled to be completed in November 2024, though the following are of note:
 - Per CCJV, the contractual substantial and final completion milestones are currently estimated as being delayed until early October and December of 2024, respectively, due to lengthy coordination and approval processes with security stakeholders.
 - The courtyard, which is part of Phase 4 but not scheduled to be completed until the end of 2025, is also behind schedule.

Between July 1 and December 31, 2022, 10 project contractors and four AOC employees tested positive for COVID-19, and there was one quarantine case among project contractors and zero among AOC employees. During the same period, the project lost 142 worker-days due to COVID-19. These figures are down from January 1 to June 30, 2022, when 16 project contractors and five AOC employees tested positive for COVID-19 and 249 worker-days were lost. As of December 31, 2022, there was one open positive COVID-19 case, but per the CHOBr Project team, all the cases identified during the SAR reporting period have been closed.

Recurring safety observations during this SAR period included electrical safety issues (e.g., damaged extension cords, plugging one extension cord into another [i.e., daisy chaining] and obstructions placed in front of breaker panels) as well as ladder safety issues (e.g., use of damaged ladders, improper positioning on ladders and improper storage of ladders). However, there were no recordable injuries and only one first aid case during the SAR period. The CHOBr Project’s 12-month recordable incident rate (RIR) as of December 31, 2022, was 0.33, which is well below the RIR industry average of 2.8 for specialty trade contractors, per the Bureau of Labor and Statistics.³

Per the December 2019 Integrated Cost Schedule Risk Analysis (ICSRA), the estimated total cost of the CHOBr Project was \$890.2 million (with 90 percent confidence). The subsequent ICSRA completed in January 2022 estimated that the project’s total cost would increase by \$44.7 million to \$934.9 million (with 90 percent confidence). However, the cumulative impacts of COVID-19 labor and materials shortages and delays, and the cumulative effect of actual subcontractor proposals and the final construction awarded value, resulted in a September 2022 updated estimated total project cost of \$971.3 million (i.e., a \$36.4 million or 4 percent increase). After awarding the Phase 4 guaranteed maximum price (GMP) option award to CCJV in August 2022 for \$174.6 million, the AOC submitted a FY 2023 Budget Technical Adjustment to increase the CHOBr Project FY 2023 request from \$31.0 million to \$40.6 million to address the

³ U.S. Bureau of Labor Statistics. (2022, November 9). Table 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2021. <https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/table-1-injury-and-illness-rates-by-industry-2021-national.htm>.

anticipated cash-flow needs of the project in FY 2023. The FY 2023 Omnibus Appropriation provided the full \$40.6 million request to the CHOBr Project. Per the CHOBr Project team, as of December 31, 2022, the project had received \$917.3 million in funding (Table 2), with \$130.6 million of that funding awarded in FY 2022. The AOC will request the remaining \$54.0 million with future FY budgets (\$917.3 million + \$54.0 million = \$971.3 million). In the current reporting period, no contract modifications were awarded that affected the approved budget of \$971.3 million. Table 2 presents the status of funds for the \$971.3 million budget.

Table 2. CHOBr Project Status of Funds as of December 31, 2022

Funding Component	Phase Budget	Allocated Funds	Total Obligated	Total Expended	Available Balance
Preconstruction	\$38,039,161	\$38,039,161	\$38,039,161	\$38,039,161	-
Phase 0	\$99,640,839	\$99,640,238	\$99,640,238	\$99,640,238	-
Phase 1	\$193,375,000	\$193,250,167	\$193,148,101	\$193,053,738	\$102,066
Phase 2	\$185,515,000	\$185,020,887	\$184,807,970	\$184,589,676	\$212,917
Phase 3	\$200,990,000	\$196,869,318	\$189,335,121	\$161,247,313	\$7,534,197
Phase 4	\$253,740,000	\$204,501,355	\$189,413,203	\$2,302,441	\$15,088,152
Total	\$971,300,000	\$917,321,126	\$894,383,794	\$678,872,567	\$22,937,332

The AOC formally closed out the Phase 1 construction contract in November 2020. As of December 31, 2022, \$102K remained available in Phase 1 for the AOC Construction Division’s (AOC-CD) completion of upgraded railings on the media balcony, fifth floor control joints and warranty items. The AOC-CD and House Office Building Shops are performing the warranty work, which means they have accepted responsibility for the work from CCJV, thus nullifying CCJV’s warranties.

Based on the \$971.3 million total project cost estimate, Phase 2 is budgeted to cost \$185.5 million. As of December 31, 2022, the total funding was \$185.0 million, a decrease of \$400K from June 30, 2022. Of the \$185.0 million in funding, the AOC has obligated \$184.8 million and expended \$184.6 million. As of December 31, 2022, the Phase 2 available balance was \$213K to cover additional swing space costs resulting from changes to the Rayburn House Office Building liaison suites. Phase 2 punch list⁴ work is complete, but as of December 31, 2022, there were 149 open Phase 2 warranty items.^{5,6} However, as of January 31, 2022, the AOC had added 20 additional warranty items for a total of 169 (108 exterior items and 61 interior items). CCJV has repaired 20 of the exterior items and 11 of the interior items and is awaiting verification of those repairs by the Construction Manager as Agent (CMA) and the AOC’s House Office Buildings jurisdiction. CCJV is disputing 66 of the open exterior items and 26 of the open interior items. In addition to the 169 open Phase 2 warranty items, CCJV is working to resolve 18 latent defects.⁷ Per the CHOBr Project team, Phase 2 warranty work was not completed as anticipated due to restricted access to stakeholder areas during the January 6 congressional

⁴ A *punch list* is a list prepared by the AOC / CMA of items of work requiring immediate corrective or completion action by CCJV.

⁵ A *warranty item* is a work item that must be addressed by CCJV as part of its pledge that work performed under the contract conforms to the contract requirements and is free of any defect in equipment, material or design furnished or workmanship performed by CCJV or any subcontractor or supplier at any tier. CCJV’s warranty is in place for a period of one year from the date of final acceptance of the work.

⁶ Per the CHOBr Project team, the Phase 2 warranty items have no impact on the Phase 3 construction schedule because the completion of warranty work has a separate schedule and staff from CCJV.

⁷ A *latent defect* is a hidden or concealed defect; one which could not be discovered by reasonable and customary observation or inspection.

hearings. Additionally, interior work on Stair 1 and the House Alternative Life Safety Approach replacement were tied to fire egress coordination and access. Associated work plans are in the planning stages, and AOC will review and approve the execution date. Other remaining warranty work related to interior repairs is scheduled for completion by March 31, 2023. The AOC has transferred a total of \$16.3 million in Phase 2 savings to Phase 3.

Based on the \$971.3 million total project cost estimate, Phase 3 is budgeted to cost \$201.0 million. As of December 31, 2022, the total funding was \$196.9 million, of which the AOC had obligated \$189.3 million and expended \$161.2 million. Phase 3 included a \$698,000 allowance within the GMP for COVID-19-related costs. As of December 31, 2022, CCJV had invoiced \$510,000 against this COVID-19 allowance. As of December 31, 2022, the Phase 3 Owner Contingency⁸ balance was \$2.7 million, which the CHOBr Project team believes to be sufficient to complete Phase 3. The CHOBr Project team does not anticipate any Phase 3 savings to transfer to Phase 4.

In January 2022, the AOC and CCJV developed an incentivized schedule (separate from the Partnering Fee bonus program⁹) to be able to achieve member move ins starting December 1, 2022. Per the incentivized schedule, if CCJV is able to improve turnover dates to the suites, telecom and security closets/infrastructure by the following, 100 percent of the Phase 3 Construction Contingency remaining after punch list completion will be converted to a fee:^{10,11}

- First floor by five weeks
- Second floor by three weeks
- Third floor by one week
- Remaining security closets on the fourth, fifth and basement floors by October 10, 2022

The awarded incentive fee is to be calculated separately for suite/telecom and security/infrastructure turnover and then summed to determine the total awarded incentive percent (i.e., suite/telecom and security/infrastructure are each worth 50 percent). If CCJV does not meet these goals but still delivers the scopes of work early enough, CCJV can still earn a lesser percentage of the Phase 3 Construction Contingency. The AOC has not yet determined the percentage of the Phase 3 Construction Contingency to be awarded, but as of December 31, 2022, the Construction Contingency balance was \$3.2 million.

Based on the \$971.3 million total project cost estimate, Phase 4 is budgeted to cost \$253.7 million, an increase of \$44.1 million to account for the Phase 4 GMP option award value

⁸ The AOC retains any unspent Owner Contingency funds at the end of each phase.

⁹ The AOC established a Partnering Fee bonus program and included a bonus fee provision in the CMc, CMA and Architect/Engineer (A/E) contracts to incentivize teamwork and superior performance among the three major CHOBr Project contractors. For example, in December 2021, the AOC awarded the project's contractors 87.4 percent (\$1,974,366) of the maximum available Phase 2 partnering fee of \$2,259,000.

¹⁰ Prior to the incentive fee being negotiated, CCJV was contractually entitled to 50 percent of any unspent Construction Contingency at the end of the phase.

¹¹ In the construction industry, "fee" refers to the amount established in the construction contract for the contractor's profit and home office overhead costs.

and the extended courtyard completion date. As of December 31, 2022, the total funding was \$204.5 million, of which the AOC had obligated \$189.4 million and expended \$2.3 million.

The CHOBr Project team continued to provide detailed information regarding Potential Change Orders (PCOs) (Table 3).

Table 3. CHOBr Project PCO Status July 1, 2022 – December 31, 2022

Phase	PCOs Initiated	PCOs Voided	Proposed Dollar Value Initiated PCOs	Potential Schedule Impact	PCOs Approved	Dollar Value Approved PCOs	Open PCOs	Proposed Dollar Value Open PCOs	PCOs Pending Proposal
PH3	78	85	\$2,048,471	0	69	\$3,191,599	111	\$3,709,037	62

As part of Phase 3, from July 1 to December 31, 2022, the project’s contractors initiated 78 PCOs. The CHOBr Project team voided 85 additional PCOs. Of the 78 PCOs, the CHOBr Project team determined that none of these change orders are likely to impact the project’s schedule. The proposed value of the PCOs initiated during this period totaled \$2,048,471. During this same period, the CHOBr Project team negotiated and settled 69 PCOs (some of which may have been initiated in a prior reporting period) related to the Phase 3 scope for a final awarded value of \$3,191,599. As of December 31, 2022, 111 PCOs (some of which may have been initiated in a prior reporting period) remained open (62 of which are pending proposal submission by CCJV), with a proposed value of \$3,709,037.

Reporting for Phase 4 PCOs did not start until January 2023. Thus far, no PCOs have been approved, but there are currently seven open PCOs with a proposed value of \$223,325.

The CHOBr Project received \$658,000 from the Coronavirus Aid, Relief and Economic Security Act,¹² which was enacted in March 2020. After the AOC received further supplemental appropriations in July 2021,¹³ the CHOBr Project received a \$2,573,315 reimbursement for costs incurred related to the COVID-19 pandemic on January 31, 2022. In December 2022, a document reorganization transferred \$2,042,034 in expenditures related to the January 6, 2021 events from House Office Building no-year funds (Treasury Fund 01X0127) to House Office Building 2021 multiyear funds (Treasury Fund 01Y0127). This action decreased obligations within the CHOBr Project budget by \$368,644 for Phase 2 and \$1,673,390 for Phase 3.

The CHOBr Project team analyzes risks to the CHOBr Project during monthly risk management and standing project meetings. According to the CHOBr Project team, the top five Phase 4 risks during the reporting period were:

1. If there are supply chain issues, then the project may experience increased cost and schedule delays.

¹² Public Law No. 116-136. Coronavirus Aid, Relief, and Economic Security Act (CARES Act). <https://www.congress.gov/bill/116th-congress/house-bill/748>.

¹³ On July 30, 2021, Public Law 117-31 appropriated \$21,869,069 to the AOC to prevent, prepare for and respond to the coronavirus, and \$300,000,000 to respond to the events at the U.S. Capitol on January 6, 2021.

2. If changes arise from unanticipated conditions, this may lead to added scope, change orders and/or schedule delay.
3. If the United States Capitol Police (USCP) does not have enough resources to provide support for multiple concurrent construction activities, then the ability to progress Phase 4 at the required pace may be limited. USCP regulations and work rules may limit site access.
4. If Phase 4 space is not vacated and turned over to the project for demolition and/or construction activities, the project schedule will be delayed.
5. If work plans are not created, vetted and approved well ahead of work that potentially impacts building occupants, then execution of work may be delayed allowing for proper notification (Dear Colleague Letter, etc.) to be made.

I have provided a similar letter to The Honorable Joseph D. Morelle, Ranking Member. Please do not hesitate to call me at 202.329.6408 if you have any questions or if I might be of further service.

Sincerely,



Christopher P. Failla, CIG
Inspector General

Enclosure:

Cannon Renewal Project Semiannual Report to the Inspector General
July 1, 2022-December 31, 2022
Cannon Renewal Project December 2022 Executive Summary

cc: Chere Rexroat, Acting Architect of the Capitol



Cannon Renewal Project

Semiannual Report to the Inspector General

July 1, 2022 — December 31, 2022



Program Overview

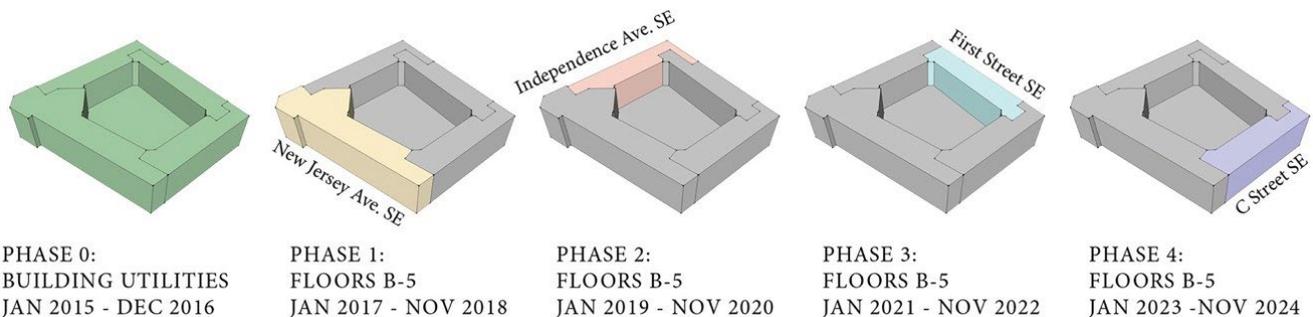
Preconstruction for the Cannon House Office Building Renewal (CHOBr) Project was completed in December 2014. Construction is scheduled to be completed in five phases over a 10-year period. Phase 0 started in January 2015 and was completed in December 2016. Phase 1 started in January 2017 and received an occupancy permit in December 2018. Phase 2 started in January 2019, received an occupancy permit in November 2020, and achieved final completion on November 30, 2021. Phase 3 began in January 2021 and is scheduled for completion in January 2023. Phase 4, the final phase, will be conducted between January 2023 and November 2024. Refer to Section 4: Budget for dollar values associated with each of these phases.

Current Status

This report provides project information relative to the period of July 1, 2022 — December 31, 2022.

During this period the CHOBr Project team continued work on Phase 3 and completed contract negotiations for Phase 4. The following provides more detailed information on project activities and responses to the Office of Inspector General’s (OIG) January 11, 2023, request for information (RFI) for this period.

Cannon Renewal Construction Phases



1. Safety

The safety officer of the Construction Manager as Constructor (CMc), Clark/Christman, a Joint Venture (CCJV), leads Safety Orientation training. This training is required before workers are allowed to enter the construction site. This training includes incident notification procedures, emergency action plans, location of the first-aid kit, methods of ingress and egress, location of safety data sheets, housekeeping, fire extinguisher locations, personal protective equipment (PPE) and historic building safety. The Safety Orientation training is identified as a safety priority through Title 29 Code of Federal Regulations, Part 1910 and Part 1926. The CMc conducts bimonthly safety stand-downs, traffic flagger training and first aid and CPR training sessions. The CMc also conducts regular safety stand-downs during the night shift.

Each employer working on the project is responsible for hazard-specific training such as Asbestos Awareness, Scaffold Awareness and Fall Protection. Asbestos Awareness and Scaffold Safety training, led by the CMc's division safety director, is held regularly based on the project needs. The Occupational Safety and Health Act of 1970 requires each employer to provide hazard-specific training.

The CMc is contractually responsible for the overall safety of the CHOBr Project. The Phase 3 site-specific safety plan has been reviewed and approved by the Architect of the Capitol (AOC). The safety plan addresses PPE, confined space entry, fall protection, fire prevention, hazardous material handling, electrical lockout/tag out and housekeeping. The CMc has the responsibility to carry out the safety plans with a certified safety officer on-site whenever construction work is taking place. This safety officer is assisted by consultants and by the CMc's regional safety officer.

The AOC project team's safety assurance responsibility is contractually provided by the Construction Manager as Agent (CMA), MBP-AECOM, a Joint Venture, per the contract. The CMA safety assurance officer (SAO) validates that the CMc maintains a safe project environment through daily inspections. The SAO conducts regular inspections of the site, provides a daily safety report and meets weekly with the CMc safety officer to ensure safety deficiencies are addressed in a timely manner. In addition to the project safety officers, an AOC safety officer also performs regular inspections to ensure compliance with safety codes and the project safety plan.

The AOC and the CMA regularly coordinate with the AOC's Office of Safety and Code Compliance (SCC) for issues regarding safety, fire and environmental regulations. All such issues are documented within e-Builder for formal notification and tracking of safety performance. The CHOBr Project team uses its expertise in the interpretation of codes and standards and serves as advisers when dealing with high-risk construction or environmentally sensitive activities before work commencement.

The criteria followed to monitor worker safety during construction is outlined in the AOC-accepted Site Safety and Health Plan, which is based on Occupational Safety and Health Administration (OSHA) federal safety regulations.

Recurring safety observations during this period include electrical safety (e.g., damaged extension cords, plugging one extension cord into another or "daisy chaining" and obstructions placed in front of breaker panels) as well as ladder safety (e.g., use of damaged ladders, improper positioning on ladders and improper storage of ladders).

Table 1 presents the accident records and safety statistics for this report period. Per OSHA requirements, accident records and safety statistics are tracked and reported on an annual rolling basis (last full month through previous 12 months). The OSHA Recordable Incident Rating (RIR) industry average for a general construction project such as the CHOBr Project, as reported by the Bureau of Labor and Statistics, was 3.1 through November 20, 2020, when it was revised to 2.8. The RIR relates how many OSHA recordable injuries or illnesses took place per 100 employees and were reported during a rolling 12-month period. The CHOBr Project's goal is to be equal to or below 2.8. It should

be noted that the AOC considers all project personnel in this calculation, not just construction workers, as all CHOBr Project personnel access the construction area to assist with the construction process.

Table 1: Annual Rolling Accident Records and Safety Statistics, July 1, 2022 — December 31, 2022			
Total Hours Worked (12-month)	614,818	Restricted Duty Days (report period)	0
Near Miss Incidents (report period)	0	Job Transfers (report period)	0
First Aid Cases (report period)	1	OSHA RIR (12-month)	0.33
Recordable Injuries (report period)	0	Most Recent Recordable Incident	4/6/2022
Lost Time Injuries (report period)	0		

Table 2 demonstrates the 12-month rolling RIR for each of the past six months. The decrease during the last five months is due to increased safety oversight, coordination and cooperation among the CHOBr One Team. The project safety team continues to focus their attention on training the new staff on project safety procedures. The CHOBr One Team will continue to work to remove hazards from the project environment and prevent worker injuries.

Table 2: OSHA RIR, July 1, 2022 — December 31, 2022	
July	0.63
August	0.32
September	0.32
October	0.32
November	0.32
December	0.33

12-month rolling recordable basis = 1; One Team rolling year hours = 614,818; Constant = 200,000
 December RIR calculation $(200,000 * 1) / 614,818 = 0.33$

Hazardous materials are categorized as either known or unknown and handled through one of two deliberate approaches. If the hazardous material is known (meaning it is reflected in the contract documents), the process defined in the contract specifications is followed. For example, when dealing with asbestos, the CMc erects a containment area that is inspected by a Certified Industrial Hygienist through a third party. The asbestos-containing materials are abated, air monitoring is performed, clearance results are obtained and the waste manifest is uploaded into the project information management system (Prolog for Phases 0-2 and e-Builder for Phases 3-4) for record. If the material is unknown and discovered during construction, the presumed hazardous-containing material is tested. Then, an RFI is generated with the problem and suggested solution, and an independent cost estimate along with the scope of work is developed. A request for proposal (RFP) is then issued to the contractor, and the work is negotiated and incorporated into the contract via the project change management process. The actual process of abating the material then follows the requirements outlined in the contract specifications.

During this six-month period, the COVID-19 pandemic has continued to have a reduced impact the project. Between July 1, 2022 — December 31, 2022, 10 project contractors and four AOC employees

tested positive for COVID-19. During the same period, there was one quarantine case for project contractors and zero cases for AOC employees. The AOC project team continues to work closely with the CMC to ensure rapid mitigation and reporting. As of December 31, 2022, there was one open positive case; all cases initiated during this reporting period have been closed.

SCC provides a daily update with total counts of COVID-19 cases for the project. Personnel in quarantine must demonstrate compliance with current Centers for Disease Control and Prevention (CDC) guidelines before returning to work on the project site.

2. Security

The AOC ensures the accountability of outstanding badge requests through the development, update and regular review of the CHOBr Project's badge application log. The log is updated and reviewed daily. The CHOBr Project uses this log routinely when communicating with the U.S. Capitol Police (USCP) badging office for updates about badge applications. When a badge request takes longer than the normal time frame, or if the USCP is concerned with an application, the CHOBr Project's leadership is alerted to assist with the issue.

Employees no longer assigned to the CHOBr Project are contractually required to return their badges. Badges are collected as part of an out-briefing conducted by a senior member of the CHOBr Project team. Badging statistics for the semiannual period of July 1, 2022 — December 31, 2022:

- 389 badges issued
- 931 badges renewed
- 28 badges terminated
- Nine badges reported lost or stolen, all of which were replaced following USCP procedure

The CMA and CMC team identifies and returns any badges belonging to cardholders who are no longer on the project to the USCP. The USCP cross-references these badges with a current staffing list to identify all badge applicants who (1) did not pass background investigations and/or (2) cardholders who turned in badges directly to the USCP badging office to create a list of missing badges. No unreturned badges were identified during this period. No credit was obtained from the CMC for unreturned badges during this period.

All Capitol campus construction personnel must follow the same USCP procedures for street access, and the CHOBr Project has processes in place to ensure project personnel adhere to all USCP guidelines as described in the August 26, 2020, memo titled Cannon House Office Building Renewal Project: Project Security Clarifications. The USCP controls and administers building access. All construction personnel access the construction area via a USCP-staffed trailer facility adjacent to the construction site. The USCP does not allow admittance of any personnel without a CHOBr Project construction badge unless someone with such a badge accompanies them and obtains approval from USCP/ House Sergeant at Arms. Cypher locks equipped with access codes secure the construction area from the rest of the Cannon Building. These codes are updated periodically. CHOBr Project personnel are instructed not to enter the nonconstruction area of the Cannon Building to avoid disturbing building occupants and to maintain adherence to security protocols.

In August 2020, the CHOBBr Project team worked with the USCP and other legislative branch security-related stakeholders to review security procedures for project staff and contractors for the purpose of continuous improvement. The review addressed numerous security-related procedures, such as deviations from specified project work hours, delineation of project work areas, access and badging requirements, notifications and communications, escorting and contract worker removal for security infractions. This exercise culminated in the issuance of an August 26, 2020, memo titled Cannon House Office Building Renewal Project: Project Security Clarifications. Additional security training and orientation procedures have since been implemented to enhance awareness and compliance.

3. Schedule

Phase 4 was awarded by the AOC on August 26, 2022. The enabling activities for Phase 4 started on time, and the CMC is actively working with the AOC and security stakeholders to complete site security infrastructure. There are no known or currently anticipated delays for Phase 4. Courtyard construction was awarded as part of this phase. The courtyard scope includes:

- Area: south side (C Street); east side (First Street) remains as laydown area
- Renewal work affecting floors B – five
- 107,000 square feet renovation, two elevators plus a service elevator
- Courtyard green roof and site work after construction phase through October 2025
- 37 Member suites

Phase 3 substantial and final completion milestones for floors basement through four are forecast to be achieved early January 2023 and late January 2023, respectively. While the forecast dates are later than current contract dates, there was not a negative impact to stakeholders' ability to begin their work on schedule; all Member suites on floors one through four were completed on schedule.

The Veterans' Affairs Hearing Room (VAHR) was not accepted by the AOC by the contract completion date of September 29, 2022. However, this did not prevent the follow-on stakeholders' work from beginning on schedule, nor did it delay the soft opening of the hearing room scheduled for December 13, 2022. Shifting the carpet installation date for the VAHR was done in coordination with stakeholders to allow the House Recording Studios (HRS) to complete the installation of an inductive loop located under the carpet. The carpet installation occurred during the week of November 21, 2022, after HRS had completed its installation of the inductive loop.

Scopes in the following areas will be formally transferred from Phase 3 to Phase 4:

- Stair 6
- Room numbers 140, 240, 340 and 440
- Room number C1VE1 courtyard east entrance
- ADA Entrance Scope Bulletin 043

The Contracting Officer (CO) will issue an RFP to the CMC for proposals to transfer scope and funding from Phase 3 to Phase 4. Once the proposals are reviewed and approved a contract modification will be processed to de-obligate scope and funding from Phase 3 and to obligate scope and funding to Phase 4. Phase 3 substantial and final completion milestones were not achieved on time; however, this did not negatively affect the schedule for stakeholder work. Completion of Member suites, security closets and associated infrastructure, and telecom closets were prioritized to minimize any risks to the timing of congressional move-ins, which began on December 1, 2022. This action allowed the Chief Administrative Officer's (CAO) Logistics' interior fit outs and USCP Physical Security Division scope items to be completed before December 1, 2022. As a result, a temporary certificate of occupancy for Members was issued on November 23, 2022.

The actual dollar amount for the incentivized schedule is yet to be determined. The conditions that the CMC would have to meet to receive those dollar amounts are listed in the Contract Modification #102, which is included here as Attachment 1 – MOD 102_JML_2022.01.26_final Signed.pdf.

The originally anticipated date for the Phase 3 occupancy was December 1, 2022. This date was achieved for floors one through four. Fifth floor occupancy was negatively impacted by pandemic-related window material delays. The fifth floor is scheduled to be ready for occupancy by the end of January 2023.

As of December 31, 2022, there was one active COVID-19 case on the project. Continued COVID-19 mitigation efforts include face covering requirements for vaccinated and unvaccinated occupants of the administration trailer, social distancing, daily high-touch cleaning, handwashing stations, COVID-19 notifications and tracing, and allowing teleworking for administrative staff. The AOC calculates the COVID-19 project impacts by the lost worker days. Between July 1, 2022 – December 31, 2022, 142 worker days were lost due to the pandemic. The worker days lost are calculated based on any day that the project site is open, and a worker is unable to come to work due to a COVID-19-related designation.

The Defense Priorities and Allocations System Program authority may be used on this project to mitigate any future material delays, with the understanding that this authority may only be used for materials related to security and/or life-safety. Phase 3 is currently not experiencing any material delays that will affect the project schedule. There are no open issues that the CHOB Project team believes may cause delays.

In February 2022, fifth floor substantial and final completion milestones were contractually modified to allow for on-time occupancy of floors one through four. Fifth floor substantial and final completion milestones are forecast to be achieved in early January 2023 and early March 2023, respectively. While the forecast dates for the fifth floor substantial and final completion milestones are later than current contract dates, the schedule for stakeholder work to begin will not be negatively impacted as the interiors are on track to meet the contract date of January 10, 2023. Areas that are not currently on track to be complete by the fifth floor final completion milestone are Elevator 11 and the fifth floor exterior façade.

During this reporting period, Contract Modification #110 was executed in response to Time Impact Analysis #9 (TIA-09). TIA-09 was issued by the CMc due to greater-than-anticipated plaster cornice repairs. After negotiation of the plaster cornice repairs change order, which included schedule impacts, the AOC granted that the conditions described in TIA-09 created an excusable and compensable delay to project milestones. The impacts of the TIA-09 were both to the enhanced schedule and to contractual floor turnovers. Contract Modification #110 did not change content/qualifications for Phase 3 substantial and final completion milestones. Details of Contract Modification #110 are listed in Attachment 2 – AOC13C2002 M110, fully executed 2022.08.05.pdf and Attachment 3 – CHOB3 TIA 09 R1 – PCO813345 Narrative.pdf.

Delays identified during this period are to completion of Elevator 11 and Stair 7, but these delays are not anticipated to negatively impact future phases. The AOC is working with the CMc to determine new dates for the substantial and final completion of Elevator 11 and Stair 7. There are no other issues that the team anticipates may cause additional delays to Phase 3 scope items.

Phase 2 one-year warranty work is ongoing. There are 149 open Phase 2 warranty items. All disputed items have been resolved with CMc. The remaining items on the one-year warranty list were scheduled to be completed during the August 2022 congressional recess. Phase 2 warranty work was not completed as anticipated due to restricted access to stakeholder areas because of the January 6 congressional hearings. Interior work on Stair 1 and HALSA replacement were tied to fire egress coordination and access; associated work plans are in the planning stages. A date for execution is under review and is to be approved by the AOC. Other remaining interior repairs are scheduled for completion by the end of the second quarter of 2023. Exterior warranty work is tied to the completion of the rotunda crack repairs. The completion timeline of warranty work is primarily driven by the CMc's ability to access work areas within occupied spaces while avoiding disruption to Members and staff. The AOC project team provides escort personnel and works closely with House Office Building representatives to coordinate and plan access for CMc workers to complete this work. As of December 31, 2022, there have been no credits received by the AOC for unperformed Phase 2 warranty work.

Due to the schedule for each project phase being tied to the Member office moves associated with each two-year congressional session, very little flexibility can be afforded to the CMc regarding schedule dates related to turnover and occupancy. As any changes are contemplated, any additional time required to complete the changed scope must be fully mitigated due to the inflexible occupancy dates associated with each phase of the project. Should a change in contract scope or schedule delay be identified, it is immediately brought to the attention of the AOC Contracting Officer's Representative (COR) and the CMc Project Executive. The CMc then provides a recovery plan to mitigate or reduce the schedule impact. Once the plan is developed and agreed upon by the COR, it is incorporated in the subsequent monthly schedule update. Table 3 shows the Schedule Performance Index data for this period:

Table 3: Phase 3 Schedule Performance Index, July 2022 — December 2022	
July	0.95
August	0.95
September	0.95
October	0.95
November	0.96
December	0.98

4. Budget

The Integrated Schedule Cost Risk Analysis (ICSRA) completed in January 2022 identified risk to the CHOBr Project resulting in a revised working estimate. At that time the CHOBr Project working estimate was updated to reflect a revised CHOBr Project estimate of \$934.9 million. Most of the risk is from the cumulative impacts of COVID-19 labor and materials shortages and delays, which is beyond the control of the AOC. These fact-of-life cost adjustments resulted in a September 2022 updated project estimated total cost of \$971.3 million. The country and the construction industry are experiencing turbulent economic times; raw materials and labor costs, as well as labor shortages are greatly affecting the cost of construction. The award of the CHOBr Project Phase 4 option reflected these factors. The cumulative effect of actual subcontractor proposals and final construction awarded value results in an increase to the total CHOBr Project estimate of \$36.4 million (4 percent). This estimate will be reassessed prior to the Fiscal Year (FY) 2024 budget submittal. After the Phase 4 guaranteed maximum price (GMP) option award in August 2022, the AOC submitted an FY 2023 Budget Technical Adjustment to increase the CHOBr Project FY 2023 request from \$31 million to \$40.6 million to address the anticipated cash-flow needs of the project in FY 2023. See Attachment 4 – 2022.09.16_House Approps CHOB Cost Increase.pdf. The FY 2023 Omnibus Appropriation provide the full \$40.6 million request to the CHOBr Project. The \$40.6 million was appropriated to the CHOBr Project in the following amounts: \$8.4 million in November 2022, \$24.4 million in December 2022 and \$7.8 million in January 2023.

Funding as of December 31, 2022, for the CHOBr Project totals \$917.3 million, which consists of \$331.5 million from the House Historic Buildings Revitalization Trust Fund (HHBRTF) and \$585.8 million from the House Office Buildings no-year fund. See Table 4 below for annual authorizations, appropriations, and reprogramming to each funding source.

Table 4: CHOBr Funding History				
	Funding Source			Total Funding Provided
Fiscal Year	House Office Building No-Year Fund ^{/2,3,4,5,6}		HHBRTF ^{/1,5}	
	Appropriated	Reprogrammed	Authorized	
2010-2015			\$ 174,452,848	\$ 174,452,848
2016	\$ 62,000,000		\$ 142,435,963	\$ 204,435,963

Table 4: CHOBr Funding History				
	Funding Source			Total Funding Provided
Fiscal Year	House Office Building No-Year Fund ^{/2,3,4,5,6}	HHBRTF^{/1,5}		
	Appropriated	Reprogrammed	Authorized	
2017	\$ 62,000,000			\$ 62,000,000
2018	\$ 62,000,000			\$ 62,000,000
2019	\$ 62,000,000		\$ 14,000,000	\$ 76,000,000
2020	\$ 62,000,000	\$ 49,000,000	\$ 2,000,000	\$ 113,000,000
2021	\$ 62,000,000			\$ 62,000,000
2022	\$ 128,000,000	\$ 3,983,807	\$ (1,410,492)	\$ 130,573,315
2023	\$ 32,859,000			\$ 32,859,000
TOTAL	\$ 532,859,000	\$ 52,983,807	\$ 331,478,319	\$ 917,321,126

/1 The AOC has been provided obligational authority for the funds listed in the HHBRTF column.

/2 In 2020 \$49 million was transferred from HHBRTF funding to House Office Buildings no-year funds for the CHOBr Project.

/3 Beginning in FY 2016, funding of \$62 million annually has been appropriated to the main House Office Buildings no-year fund for CHOBr Project Phases 2-4.

/4 In FY 2022 the CHOBr Project was reimbursed \$2.6 million for COVID-19 expenses incurred through December 31, 2021.

/5 In FY 2022 \$128 million was appropriated to the CHOBr Project. Funding in the amount of \$1,410,492 was transferred from available funds in HHBRTF to the House Office Building no-year funds for CHOBr Project Phase 3 and Phase 4 costs.

/6 The FY 2023 appropriation of \$40.6 million was apportioned to the CHOBr Project in three increments: \$8.4 million in November 2022, \$24.5 million in December 2022, \$7.7 million in January 2023. The January 2023 apportionment is not reflected in this chart, which is through December 31, 2022.

Financial Status Overview

The Phase 4 GMP award identified areas of project impact and escalation costs resulting in a revised total project cost of \$971.3 million, an increase of \$36.4 million from the ICSRA estimate of \$934.9 million. Table 5 presents the CHOBr Project Status of Funds as of December 31, 2022.

Table 5: CHOBr Project Status of Funds as of December 31, 2022					
Funding Component	Phase Budget	Allocated Funding	Total Obligated	Total Expended	Available Balance
Preconstruction	38,039,161	38,039,161	38,039,161	38,039,161	-
Phase 0	99,640,839	99,640,238	99,640,238	99,640,238	-
Phase 1	193,375,000	193,250,167	193,148,101	193,053,738	102,066
Phase 2	185,515,000	185,020,887	184,807,970	184,589,676	212,917
Phase 3	200,990,000	196,869,318	189,335,121	161,247,313	7,534,197
Phase 4	253,740,000	204,501,355	189,413,203	2,302,441	15,088,152
Total	971,300,000	917,321,126	894,383,794	678,872,567	22,937,332

In the reporting period of July 1, 2022 — December 31, 2022, no contract modifications were awarded that affected the approved CHOBr Project budget of \$971.3 million.

The preconstruction service's actual expenditures were \$38.0 million (lump sum fixed-price). The preconstruction service's phase recorded savings of \$2.7 million, which was realigned to Phase 1. Savings were mainly due to unused preconstruction contingency funding.

Phase 0 actual expenditures were \$99.7 million. The final construction costs of Phase 0 are \$62.0 million, other program costs totaled \$37.7 million. Phase 0 was completed under budget, generating a savings of \$34.1 million, which was realigned to Phase 1. This realignment is attributed to unused Phase 0 contingencies and savings in construction costs.

As of December 31, 2022, the Phase 1 total funding was \$193.2 million; \$193.1 million has been obligated and \$193.0 million has been expended. The final construction contract value for Phase 1 is \$161.2 million, and \$31.9 million is obligated for other program costs. As of December 31, 2022, \$102,000 remains available in Phase 1, these funds are allocated to the AOC Construction Division for the completion of upgraded railings on the media balcony, fifth floor control joints, and warranty items. In October 2022, \$1.4 million of available funding was reallocated from Phase 1 to Phase 3 contingency.

As of December 31, 2022, Phase 2 total funding was \$185.0 million. As of this date, \$184.8 has been obligated; and \$184.6 million has been expended. The final construction contract value for Phase 2 is \$147.9 million, and \$36.9 million is obligated for other program costs. As of December 31, 2022, \$212,900 remains in Phase 2 to cover additional swing space costs resulting from changes to the Rayburn House Office Building liaison suites.

During Phase 2, M057 and M060 awarded a total of \$15.3 million to the CMc for schedule improvements to recover the Phase 2 substantial completion date as demonstrated in CCJV's September 2019 schedule update. The awarded costs included \$4.5 million in staffing, general conditions and general requirements costs; \$7.2 million in costs to trade partners, \$2.7 million of construction contingency and \$900,000 of associated markups (insurance, bond, General & Administrative, fee).

Phase 2 financial closeout was achieved through the Phase 2 final billings of the CMc construction contract, as well as the architect-engineer services (A/E) (SBA) and CMA (MBP-AECOM) contracts. In December 2021, the three contractors (CCJV, SBA and MBP-AECOM) were awarded the Phase 2 partnering fee at 87.4 percent (\$1,974,366) of the Phase 2 available partnering fee. Phase 2 savings transferred to Phase 3 total \$16.3 million. No Phase 2 costs were billed under Phase 3, and there were no Phase 2 Requests for Equitable Adjustment submitted by contractors.

As of December 31, 2022, the Phase 3 total funding was \$196.9 million; \$189.3 million has been obligated and \$161.2 million has been expended. Phase 3 construction contract costs are \$155.7 million and \$33.7 million are other program costs. Phase 3 obligations increased \$4.4 million due to AOC Project Management biweekly payrolls, USCP security services invoicing and modifications to add funding to CMc, A/E and CMA contracts. Expenditures increased \$38.3 million from July to December 2022 due to monthly CMc, A/E and CMA progress billings, as well as AOC Project Management biweekly payrolls and USCP security services invoices.

The project incurred costs of \$2.6 million for COVID-19-related costs, which were reimbursed in January 2022. Per the final report of the OIG audit of COVID-19, the OIG determined that additional risk existed for COVID-19 related costs in Phase 3 at an estimated value of \$1.9 million. Phase 3 funded \$698,000 to an allowance within the GMP for COVID-19-related costs. As of December 31, 2022, the CMC has invoiced \$510,000 against this allowance. Due to the reduced mitigation requirements, the AOC has removed the Phase 3 financial risk of COVID-19-related expenses exceeding the remaining funding within the allowance of \$188,000.

The Phase 3 contingency balance as of December 31, 2022, was \$2.7 million, a decrease of \$5.4 million from the previous reporting period. During the period of July 1, 2022 — December 2022, \$3.4 million was added to Phase 3 contingency from the FY 2023 appropriation. During the same period \$3.4 million of contingency was used for unforeseen, design and owner-directed changes for all contractors; \$3.3 million was transferred to Phase 3 lines of accounting to fund expenditures through December 31, 2022 and \$2.1 million was transferred to Phase 4 for award of the Phase 4 GMP option. The Phase 3 contingency balance as of December 31, 2022, is \$2.7 million and based on current known factors is sufficient to complete Phase 3.

The Phase 3 initial GMP award to CCJV on contract AOC13C2002 did not provide funding for Owner Allowance #93 (OA#93) for unforeseen, design and owner-directed changes. Based on analysis of previous phase, general change orders funded from this allowance, a quarterly funding of \$750,000 is added to OA#93. This funding not intended to cover large bulletins or other significant change orders, which are funded separately. As of December 21, 2022, eight quarterly funding modifications have been processed for a total of \$6.55 million, \$6.0 million of this total was added to OA#93, the remaining \$550,000 is the value of CCJV markups on funding added to the GMP.

During the period of July 1, 2022 — December 31, 2022, one contract modification to CMC contract AOC13C2002 affecting schedule was awarded. M110 changed the Phase 3 final completion date from November 1, 2022, to November 4, 2022, based on TIA-09, a product of the plaster cornice repairs. See Attachment 2 – AOC13C2002 M110, fully executed 2022.08.05.pdf, Continuation Sheet for more information. No contract modifications were processed affecting the CHOBr Project budget. See Section 6: Contract Management for additional details on contract modifications processed during the reporting period.

In the Inspector General's final report on the Effects of COVID-19 and the Events of January 6 (2021-AUD-010-A) issued March 15, 2022, the OIG determined that the contractors have billed the AOC for a total of \$2,042,034 in costs related to the events of January 6, 2021. In December 2022 a document reorganization was completed to transfer the expenditures associated with these costs from House Office Building no-year funds CHOBr Project (treasury fund 01X0127) to House Office Building 2021 multiyear funds (treasury fund 01Y0127). This action decreased obligations within the CHOBr Project budget by \$368,644 for Phase 2 and \$1,673,390 for Phase 3.

As of December 31, 2022, the CMC has submitted no Requests for Equitable Adjustment for Phase 3.

As of December 31, 2022, the project anticipates \$0 savings from Phase 3 to transfer to Phase 4.

As of December 31, 2022, the Phase 4 estimated budgeted is \$253.7 million, an increase of \$44.1 million to account for the Phase 4 GMP option award value and the extended courtyard completion date. As of this date \$204.5 million has been funded, \$189.4 million has been obligated and \$2.3 million has been expended.

The Phase 4 option to the CMC’s GMP contract AOC13C2002 was awarded on August 26, 2022, in the amount of \$174,586,490.00. See Attachment 5 – AOC13C2002 (M112) Phase 4 award.pdf for more details. The Phase 4 option to CHOB Project A/E design services under contract AOC10C00090-T003 was awarded on M135 fully executed on December 30, 2022, in the amount of \$3,142,757.00, see Attachment 6 – FY23 SBA AOC10C00090-T003 M135 award vsigned.pdf for more details. The Phase 4 option to CHOB Project CMA services under contract AOC13C1000 was awarded on M078 fully executed on December 30, 2022, in the amount of \$10,012,742.52, see Attachment 7 – FY23 MBP-AECOM AOC13C1000 M078 award vsigned.pdf for more details.

In January 2022, the ICSRA final report was presented to the AOC leadership, briefings to the House Appropriations Committee and the Committee on House Administration on ICSRA results were provided on January 26, 2022. The ICSRA results increased the CHOB Project cost estimate from \$890.2 million to \$934.9 million, an increase of 5 percent or \$44.7 million, most of the estimated cost increase was determined to be beyond the AOC’s control.

In September 2022, after the award of the GMP Phase 4 option, it was determined that the CHOB Project estimated cost at completion needed to be increased. At that time the CHOB Project estimate was increased by \$36.4 million to \$971.3 million. The House Appropriations Committee was notified of this expected increase on September 8, 2022, and provided with Attachment 4 – 2022.09.16_House Approps CHOB Cost Increase.pdf on September 16, 2022. Reasons for the increased estimated costs for completion of the CHOB Project include raw material and labor shortages affecting the cost of construction, price escalation in materials and labor, and subcontractor reprocurement at escalated rates.

Table 6 represents funding from sources outside of the CHOB Project budget. An amount of \$7.5 million has been funded for preconstruction and Phase 1 through Phase 4 activities.

Table 6: CHOB Project Outside Funding Sources	
AOC General and Administrative A/E Services (2014 0100) <i>CSRA MBP</i>	\$ 171,928
HALSA (01X1833) <i>Life-Safety</i>	\$ 1,708,749
Budget Committee Hearing Room Dais Rotation – House Office Buildings Multiyear Funds <i>Alt 23 PH1 Budget Hearing Room (S0127 HOB 2016/2020)</i>	\$ 600,000
Security Scaffolding – House Office Buildings Multiyear Funds <i>Alt 22 PH1 Scaffolding (P0127 HOB 2013/2017)</i>	\$ 420,477
<i>Alt 22 PH2 Scaffolding (U0127 HOB 2018/2022)</i>	\$ 389,118
<i>Alt 22 PH3 Scaffolding (U0127 HOB 2018/2022)</i>	\$ 209,578
Security Windows – House Office Buildings Multiyear Funds <i>Alt 19 PH1 Fifth Floor Windows (S0127 HOB 2016/2020)</i>	\$ 22,945
<i>Alt 19 PH2 Fifth Floor Windows (U0127 HOB 2018/2022)</i>	\$ 82,324
<i>Alt 19 PH3 Fifth Floor Windows (U0127 HOB 2018/2022)</i>	\$ 78,741

Table 6: CHOBBr Project Outside Funding Sources	
<i>Alt 19 PH4 Fifth Floor Windows (V0127 HOB 2019/2023)</i>	\$ 99,647
Caucus Room Design – House Office Buildings Multiyear Funds	
<i>Caucus Room Design (T0127 HOB 2017/2021)</i>	\$ 250,000
<i>Caucus Room Design (U0127 HOB 2018/2022)</i>	\$ 313,344
<i>Caucus Room Design (V0127 HOB 2019/2023)</i>	\$ 7,336
<i>Caucus Room Design (W0127 HOB 2020/2024)</i>	\$ 10,000
<i>Caucus Room AsBuilts (V0127 HOB 2019/2023)</i>	\$ 21,746
Suite 563 Design Revisions	
<i>Suite 563 Design (01210217 FM11)</i>	\$ 27,679
Genius Statue	
<i>Genius Status Removal (0127 FM11 CONTRACT)</i>	\$ 64,930
<i>Storage (0100 CRO2 CONTRACT)</i>	\$ 21,274
<i>Storage (T0105 CRO4 CONTRACT)</i>	\$ 21,274
<i>Storage (U0105 CRO4 CONTRACT)</i>	\$ 27,912
War and Peace Statues	
<i>Treatment, Reinstall and Relocate (Q0100 CR04 CONTRACT)</i>	\$ 102,552
<i>Storage (Q0100 CR04 CONTRACT)</i>	\$ 2,669
Capitol Model	
<i>Plaster Model Treatment (Q0100 CR04 CONTRACT)</i>	\$ 42,126
<i>Repair Damage (R0105 CR04 CONTRACT)</i>	\$ 4,534
Rotunda	
<i>Conservation Assessment Rotunda (Q0100 CR04 CONTRACT)</i>	\$ 41,128
<i>Skylight Rating (0100-SF14-CONTRACT)</i>	\$ 9,604
Security costs related to the events of January 6, per OIG Audit (OIG-AUD-2022-02)	
<i>Construction CCJV (Y0127 020245F)</i>	\$ 1,634,471
<i>Design SBA (Y0127 020245F)</i>	\$ 38,919
<i>Caucus Room Design (V0127 HOB 2019/2023)</i>	\$ 368,644
CARES Act	
<i>COVID-19 Costs</i>	\$ 658,000
Total Outside Sources	\$ 7,451,649

Supply chain issues, lack of raw materials and labor shortages have the potential to increase the cost of construction within the current CHOBBr Project budget. CCJV is maintaining a list of items requiring “long lead times” to mitigate any schedule or budget impacts. The CHOBBr Project does not anticipate an increase to the current budget of \$971.3 million as a result of these issues. Potential unforeseen costs due to supply chain, raw material or labor issues are submitted to the AOC as Potential Change Orders (PCO) and if approved for funding would be funded through OAs within the GMP.

During the period July 1, 2022 — December 31, 2022, 78 PCOs were initiated for Phase 3, 85 additional PCOs were voided. The CHOBBr Project team determined that none of these change orders has a potential impact on the project’s schedule. The proposed value of the PCOs initiated during this period totaled \$2,048,471. During this period, 69 Phase 3 PCOs were negotiated and settled by the CHOBBr Project team for a final awarded value of \$3,191,599. As of December 31, 2022, 111 Phase 3 PCOs remained open, 62 of which were pending proposal submission. The proposed value of open PCOs as of this date was \$3,709,037.

Change orders proposals are submitted by the contractors to the designated CO and COR, who determine entitlement. An independent government estimate (IGE) is performed by the CMA change

management team on all change orders over \$25,000. Proposals are reviewed by the CMA change management team to analyze for completeness, accuracy and reasonableness. The CO/COR may then enter negotiations with the contractor if the IGE has a greater than 10 percent variance from the proposal. Multiple meetings are held weekly by the CHOBBr Project team to discuss, prioritize and negotiate change orders. As a result of the negotiations, and if required the contractor will submit a revised proposal. The revised proposal is subject to the same level of review and analysis as the initial proposal. Upon final settlement the CO will provide to the contractor a) a contract modification awarding funding and executing the change order or b) if funding already exists on the contract, a final directive executing the change.

Table 7 summarizes these PCO statistics for the period of July 1, 2022 — December 31, 2022.

Table 7: CHOBBr Project PCO Status July 1, 2022 — December 31, 2022									
Month	PCOs Initiated	PCOs Voided	Proposed Dollar Value Initiated PCOs	Potential Schedule Impact	PCOs Approved	Dollar Value Approved PCOs	Open PCOs	Proposed Dollar Value Open PCOs	PCOs pending proposal
PH 3	78	85	\$2,048,471	0	69	\$3,191,599	111	\$3,709,037	62

5. Client Satisfaction

The AOC is committed to providing extraordinary services in support of Congress and our building occupants and recognizes the satisfaction of its clients as an important goal. The CHOBBr Project’s client is the AOC’s House Superintendent’s Office, which, in turn, serves the members of the U.S. House of Representatives and their staff, who occupy the building.

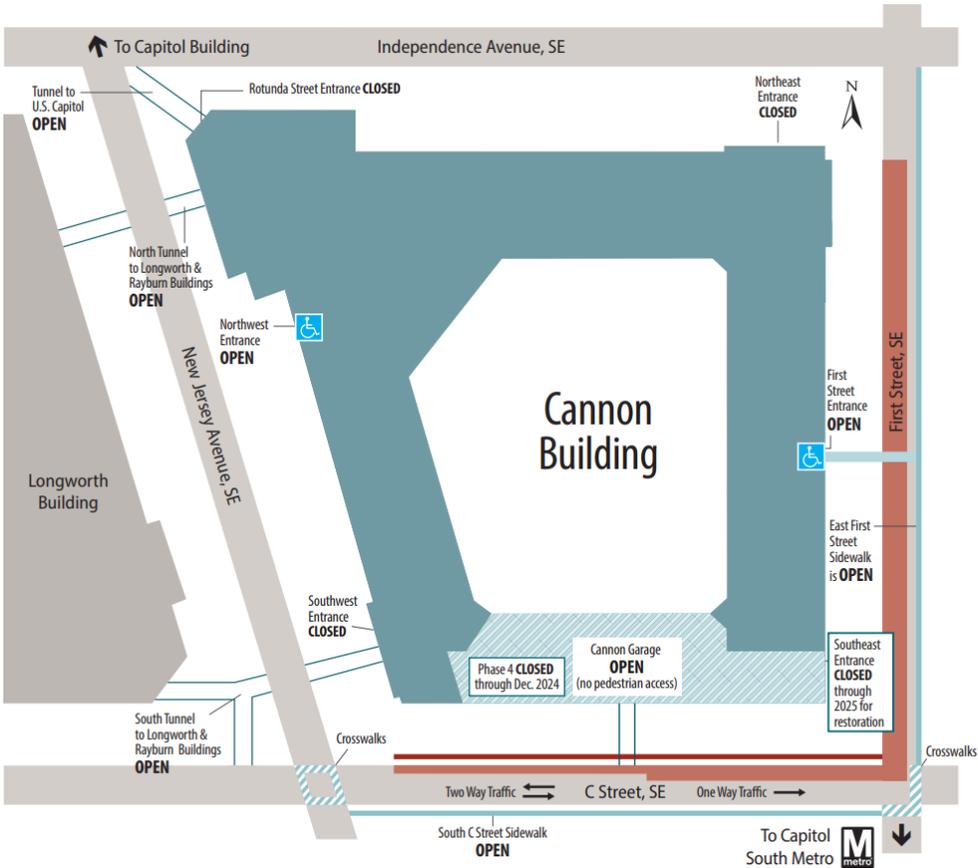
The CHOBBr Project team has ongoing dialogue with the building’s occupants by using communications tools such as the building’s two project displays, Dear Colleague letters, e-newsletters, emails via GovDelivery, and postings on the AOC public website and on HouseNet, the internal website used by House staffers. Individual communication during this period took place with offices related to scheduled weekend power outages, when warranty work was scheduled to occur, or when requests were made by individual offices. New construction photos are routinely posted on the AOC’s Flickr page. Dear Colleague letters communicated changes to pedestrian and vehicle movement throughout September, October, November and December as preparations were underway to construct the Phase 4 construction wall along C Street, SE, the reconfiguration of Lot 1 across from the Cannon Building, the closure of the C Street ADA pedestrian entrance, and the opening of the new First Street ADA entrance. Exterior signage was hung along nine locations along C and First Streets, SE showing entrance locations and general wayfinding. A Dear Colleague letter was also issued to inform of loud street work required to open a new security kiosk on the southwest corner of First and C Street, SE. No noise complaints were received; therefore, there were no impacts related to noise complaints to the project timeline. Overall, during this time frame, no major noise-producing activity was a regular occurrence, likely related to the finishing type of work being conducted.

During late October to early November, an outreach effort to offer Members the right of first refusal for their previously occupied suites from the 116th Congress took place, resulting in the return of five Members. Tours and photographs were offered for Members and staff to assist with their determination. Members occupying suites located in Phase 4 were briefed after the November election

to discuss their forced moves and the services both the AOC and the CAO provide. The CHOBr Team partnered with CAO for three presentations. Members were informed whether they would be offered the right of first refusal for the 118th Congress. All but five suites remained for the incoming freshman class after the returning Member lottery filled most of the Phase 3 suites.

When issues arise, Member offices reach out directly to the CHOBr Project team’s communications specialist, which allows the CHOBr Project team to respond immediately and provide a timely resolution. House leadership and oversight committees are regularly informed of the project’s status at monthly briefings and through the distribution of the monthly executive summary reports. In addition to the monthly reporting, a representative from the Committee on House Administration typically attends the project’s weekly construction progress meetings. December brought new occupants to the completed suites within Phase 3. The CHOBr Project team’s communications specialist reached out to all new occupants and offered services for any needs they may have in their renewed spaces. Information was provided on completion time frames of commons spaces (restrooms, stairs and new First Street, SE entrance) in time for the 118th Congress.

The CHOBr Project team has continuously emphasized advanced planning to avoid excessive noise or disruptive activities during normal working hours. Graphics were created to show changes in patterns as site work for Phase 4 was underway and as Phase 3 opened. The final graphic is shown below as an example prepared with stakeholder input for the incoming Congress and shared at the end of December.



6. Contract Management

Contract modifications within the review period are detailed below. The contract executives for each contract provide proposals to the CORs for review. The CHOBr Project team evaluates the proposals, including the scope of work, pricing and conformity to contract requirements. Once the CORs concur, the proposals are provided to the CO for review and approval, further negotiation with the contractor, and submission to the Change Management Board (CMB) for concurrence, if required. After the CMB concurs, the CO executes a modification, and the contractor performs the additional scope.

The CMB's role in contract management is to advise and concur on the use of owner's contingency funding for contract modifications greater than \$100,000; provide approval on all change orders greater than \$100,000, regardless of source of funding; and approve all reallocations and realignments to contracts greater than \$100,000. The CMB also advises and concurs on all changes that result in schedule impacts.

During this period, six contract modifications totaling \$2,991,122 were awarded affecting the Phase 3 portion of CMc contract AOC13C2002. One of these modifications was to provide funding for the Site Utilization Plan and two modifications (M113/M116) were to add funding to OAs inside the GMP. Three additional modifications were awarded that did not affect the contract value. During this period, two contract modifications were awarded affecting the Phase 4 portion of this contract totaling \$174,686,137. The Phase 4 award of \$174,586,490 was approved as well as Alternate 19 (M115) which provided funding for fifth floor security windows. M115 was funded outside of the CHOBr budget by House Office Building multiyear funds. See Table 8 for the CMc (CCJV) contract modifications.

Table 8: CMc CCJV Contract AOC13C2002 Modifications Awarded July 1, 2022 — December 31, 2022					
Date	MOD	Action	Phase 3	Phase 4	Total
8/5/2022	M110	Change Ph3 Final Completion Date (TIA-09) from 11/1/22 to 11/4/22, update floor turnover dates per enhanced schedule	\$0		\$0
8/5/2022	M111	GMP-PH3 Increase OA#93, Phase 4 preparatory work (Site Utility Plan) that is transferred to Phase 3 to save time on schedule	\$ 1,353,620		\$ 1,353,620
8/26/2022	M112	GMP-PH4 Award		\$ 174,586,490	\$ 174,586,490
9/19/2022	M113	GMP-PH3 Increase OA#93, Qtrly Funding	\$ 818,751		\$ 818,751
9/19/2022	M114	Change second level IPP approver to Tim Nyberg	\$0		\$0
9/30/2022	M115	GMP-Phase 4 Alt19 (House funded) fifth floor security windows		\$ 99,647	\$ 99,647
11/10/2022	M116	GMP-PH3 Increase OA#93, Qtrly Funding	\$ 818,751		\$ 818,751

12/14/2022	M117	MOD to extend the period of performance of the following Contract Line Item Numbers (CLIN) to 5/1/2023 for invoicing purposes: CLINs: 24, 25, 30, 39, 49	\$0		\$0
		Total	\$ 2,991,122	\$ 174,686,137	\$ 177,677,259

M109 was executed during the period of January – June 2022 but was inadvertently not included in the semiannual report for that period. M109 was a no-cost modification, which changed the CO from Jamie Morton to Katie Vereen. See Table 8a for further details.

Table 8a: CMc CCJV Contract AOC13C2002 Modifications Awarded July to December 2022					
Date	MOD	Action	Phase 3	Phase 4	Total
6/8/2022	M109	Change CO to Katie Vereen	\$0		\$0

One contract modification affecting the value of MBP-AECOM contract AOC13C1000 (Phase 2), totaling (\$368,644) was awarded during the reporting period July 1, 2022 – December 31, 2022. This was an administrative action to move funding from Phase 2 to Phase 3. During the same reporting period, six contract modifications to Phase 3 were executed totaling \$734,584. One modification was awarded for Phase 4 totaling \$10,012,743. This was to provide funding for CMa services for Phase 4. Contract modifications during this period total \$10,378,682. See Table 9 for the CMa (MBP-AECOM) contract modifications.

Table 9: CMa MBP-AECOM Contract AOC13C1000 Modifications Awarded July-December 2022						
Date	MOD	Action	Phase 2	Phase 3	Phase 4	Total
7/28/2022	M071	PH3 Plaster Cornice Issue Investigation		\$ 17,828		\$ 17,828
8/2/2022	M072	Change Contracting Officer's Technical Representative to Dan Alexander		\$0		\$0
9/2/2022	M073	PH2 Escorting and Stair 7 monitoring continued support		\$ 196,115		\$ 196,115
9/6/2022	M074	PH3 QA Support Extension		\$ 77,959		\$ 77,959
11/9/2022	M075	PH3 escorting and Stair 7 monitoring continued support		\$ 74,038		\$ 74,038
11/15/2022	M076	Document reorganization Jan 6 Security Reimbursement		\$ 368,644		\$ 368,644
11/18/2022	M077	Document reorganization Jan 6 Security Reimbursement	(\$368,644)			(\$368,644)
12/30/2022	M079	Phase 4 Option Award for MBP-AECOM			\$ 10,012,743	\$ 10,012,743
		Total	(\$368,644)	\$ 734,584	\$10,012,743	\$ 10,378,682

M069-M070 were executed during the period of January – June 2022, but were inadvertently not included in the semiannual report for that period. M069 and M070 added \$153,868 to the value of MBP-AECOM contract AOC13C1000 (Phase 4). See Table 10 for further details.

Table 10: CMa MBP-AECOM Contract AOC13C1000 Modifications January - June 2022						
Date	MOD	Action	Phase 2	Phase 3	Phase 4	Total

6/24/2022	M069	PH4 Early Start			\$ 153,868	\$ 153,868
6/29/2022	M070	Extend Period of Performance CLIN 47				\$0
			\$0	\$0	\$ 153,868	\$ 153,868

Four contract modifications affecting the value of SBA contract AOC10C00090-T003 (Phase 3), totaling \$336,320, were awarded during the reporting period July 1, 2022 – December 31, 2022. During this period one contract modification was awarded affecting the Phase 4 portion of this contract totaling \$3,142,757. See Table 11 for details on the A/E SBA contract modifications.

Table 11: A/E SBA Contract AOC10C00090-T003 Modifications July 1, 2022 – December 31, 2022						
Date	MOD	Action	Phase 2	Phase 3	Phase 4	Total
9/16/2022	M130	PH3 Skylight Load Rating Opinion		\$9,604		\$9,604
10/20/2022	M131	Storm Sanitary Lines (Early Ph4) Final		\$27,080		\$27,080
11/14/2022	M132	Administrative MOD to provide a separate line of accounting to complete the document reorganization for security cost reimbursement related to the events of January 6, 2021		\$0		\$0
12/9/2022	M133	Vault C, USCP ADA Lobby, Rotunda Roof Cracks, Door to Madison Tunnel		\$173,924		\$173,924
12/21/2022	M134	PH3 Rotunda Roof, Air Handling Unit Invest, VAHR North Balcony Doors		\$125,712		\$125,712
12/30/2022	M135	Phase 4 Option Award for SBA			\$3,142,757	\$3,142,757
		Total	\$0	\$336,320	\$3,142,757	\$3,479,077

M129 was executed during the period of January – June 2022 but was inadvertently not included in the semiannual report for that period. M129 added \$251,089 to the value of SBA contract AOC10C00090-T003 (Phase 4). See Table 12 for details on this contract modification:

Table 12: A/E SBA Contract AOC10C00090-T003 Modifications January -June 2022						
Date	MOD	Action	Phase 2	Phase 3	Phase 4	Total
6/30/2022	M129	PH4 Early Start/Overlap			\$251,089	\$251,089

Work quality is evaluated by the CMc’s quality control (QC) team and the AOC/CMa quality assurance (QA) team before the monthly payment. The CMc’s QC team assesses the general contractor’s and subcontractors’ work throughout the month. The construction QC manager provides a signed letter for each pay application to verify that the work installed is per the contract requirements. The AOC/CMa QA manager and inspectors validate that the work installed is completed and complies with the contract documents. The QA team documents all progress and any deficiencies found, and these concerns are addressed with each payment application.

During the payment review, the CMc ensures that its subcontractors and its own workforce process only authorized expenditures. The authorized work is either in the base contract or incorporated in an AOC-signed modification or change order to the project. During the monthly pay application process, the CMc lists the change orders that are being billed that month. The QC CMa personnel verify that the work is delivered and the CMc asks for appropriate payment. The CMa team reviews the invoice in a multistep process to ensure invoice calculations and prior month payment information is correct and

agrees with the work-in-place. Additionally, the CMA performs an in-depth review of reimbursable costs incorporating a variety of strict review steps as recommended in the OIG's reimbursable cost audit. As a result of this same audit, the CMc has also incorporated additional control steps to restrict access to the base project when employees input their expense reports. These review steps reduce the risk of the AOC payment of unallowable costs and help ensure only authorized work and allowable costs are included in the payment application. The CMA team then advises the AOC COR for proper payment.

The monthly pay application package provided by the CMc contains a list of all change orders initiated and the approved schedule of values for each. The CMA reviews the change orders included for payment and verifies that a final directive has been issued by the CO approving the change order for billing. This process mitigates the risk that the AOC could authorize payment for unauthorized expenditures on change orders. Additional mitigation of risk has been installed in reference to pay application submittal dates. If the CMc does not meet the agreed-upon date of the first of the month to submit the pay application, the anticipated payment date is extended by a corresponding number of days. This allows the CMA/AOC schedule for review of the pay application to remain consistent, reducing pressure to rush the review process.

In adherence to contractual requirement Attachment J.1.XIV Continuing Contract Performance During a Pandemic Influenza or other National Emergency, the AOC initially directed the CMc to take the following steps to mitigate COVID-19 impacts:

- 1) Hire full-time COVID-19 health and safety monitors to ensure social distancing and proper usage of face masks and PPE
- 2) Complete a general cleaning of the project facilities' high-touch areas including the security trailer and office trailers
- 3) Complete detailed and comprehensive weekend cleaning

The CMc has been instructed to continue item 2 in the list above. The CHOBr Project team directed the CMc to discontinue items 1 and 3 in April 2021.

7. Risk Management

Formal risk management continued during this period through monthly risk management meetings and discussion of top risks during standing project meetings to include CHOBr Project leadership and principals meetings. The project risk register was updated to include new risks and/or mitigations. Toward the end of this period, the team shifted its focus to risks related to the upcoming Phase 4.

The following is a summary of the top five risks for Phase 4 at the end of reporting period:

- 1) If there are supply chain issues then the project may experience increased cost and schedule.
- 2) If changes arise from unanticipated conditions, this may lead to added scope, change orders and/or schedule delay.
- 3) If the USCP does not have enough resources to provide support for multiple concurrent construction activities, then the ability to progress Phase 4 at the required pace may be limited. USCP regulations and work rules may limit site access.

- 4) If Phase 4 space is not vacated and turned over to the project for demolition and/or construction activities, the project schedule will be delayed.
- 5) If work plans are not created, vetted and approved well ahead of work that potentially impacts building occupants, then execution of work may be delayed to allow for proper notification (Dear Colleague letter, etc.) to be made.

The CHOBr Project team is implementing mitigations to address these and other risks.

There has been no litigation involving the CHOBr Project.

Doc. No. 230127-18-01



Cannon Renewal Project

December 2022 Executive Summary



PROJECT OVERVIEW

Phase 0 Construction: January 2015 – December 2016 (Complete)

- Courtyard/garage
- Moat
- Basement
- Transformer/switchgear replacement
- Site work and improvements
- Commissioning, testing and turnover



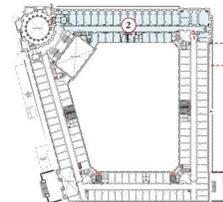
Phase 1 Construction: January 2017 – November 2018 (Complete)

- Area: west side (New Jersey Avenue)
- Renewal work affecting floors B – 5
- 31 Member suites
- 265,000 square feet



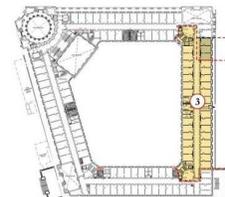
Phase 2 Construction: January 2019 – November 2020 (Complete)

- Area: north side (Independence Avenue)
- Renewal work affecting floors B – 5
- 176,000 square feet renovation, two elevator banks
- 32 Member suites
- 10 additional, alternate Member suites



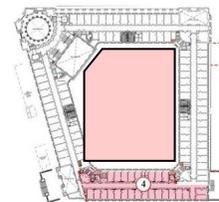
Phase 3 Construction: January 2021 – December 2022 (In Progress)

- Area: east side (First Street)
- Renewal work affecting floors B – 5
- 145,000 square feet renovation, two elevator banks
- 42 Member suites (3 fifth floor suites completed in January 2023)



Phase 4 Construction: January 2023 – December 2024 (Awarded)
Phase 4 Courtyard Construction: Through October 2025 (Awarded)

- Area: south side (C Street); east side (First Street) remains as laydown area
- Renewal work affecting floors B – 5
- 107,000 square feet renovation, [two elevators plus service elevator](#)
- Courtyard green roof and site work after construction phase through October 2025
- 37 Member suites



PROJECT SUMMARY

Security

- All existing personnel have received security training.
- Next semi-annual refresher course scheduled for February 2023 for all staff.
- Security training for new personnel will be held the first week of every month.
- There were no major security incidents in December.

Safety

- The current rolling 12-month Occupational Safety and Health Administration (OSHA) recordable incident rating (RIR)¹ for all project personnel in December is 0.33 (0.32 in November) compared to the OSHA industry average of 2.8.
- There were no recordable incidents or first aid incidents in December.
- Despite having zero incidents in December, the 12-month RIR went up one tenth of a point due to contractors working fewer hours to offset the recordable incident in April 2022.

Schedule

PHASE 2

- Phase 2 work is complete; certain remaining work was transferred to Phase 3 or placed on the warranty list.
- Warranty Status: There are approximately 61 interior items awaiting resolution. Included in the count are items within the remaining plaster work in the suites, stair 1 scope, House Alternate Life Safety doors (under 20 items), and disputed items. The project is awaiting a January update from Clark-Christman Joint Venture (CCJV) on all remaining exterior Phase 2 warranty work. The update will include a count of remaining exterior items for resolution and a project schedule for completion.

PHASE 3

- The Phase 3 December 2022 schedule update is currently under review by the Architect of the Capitol (AOC); therefore, the information below as reported by CCJV in their update submission is subject to change.
- Substantial completion and final completion for floors basement through four are forecasted to be achieved between early December 2022 and early March 2023, respectively. While the dates are later than previous contract dates, the schedule did not change the timeframe for on time stakeholder work. The majority of the spaces on the basement through fourth floor are accepted by the AOC, except common baths and mechanical spaces in the basement, stair 7, conference

¹ The RIR relates how many OSHA-recordable injuries or illnesses took place per 100 employees and were reported during a rolling 12-month period.

room 454, and elevator 11 and its vestibule. All of these areas will be completed mid-January 2023 except elevator 11, which is forecasted to be completed on March 6, 2023.

- As of December 2022, the Phase 3 schedule performance index (SPI)² was 0.98 (0.96 in November).
- Scaffolding removal is underway.
- The fifth floor was negotiated separately from the other floors in February 2022 for substantial and final completion milestone requirements to allow for occupancy of lower floors. This separation is due to Time Impact Analysis 08 related to fifth floor window material delays due to the pandemic. Furthermore, work scope and trades differ on the fifth floor, compared to floors one through four. Fifth floor final completion, affecting three suites, is forecasted to be achieved for occupancy on January 10, 2023, which is the contract required date.
- The December 2022 schedule shows Veteran's Affairs Hearing Room carpet installation was completed during the last week of November, after the installation of the inductive loop by House Recording Studios. Installation of draperies is complete. The first hearing room as part of a soft opening with temporary audio/visual equipment took place on December 13. Final audio visual and lighting commissioning is scheduled to start in January and anticipated to last six weeks for a final delivery date of March 2023.
- Defense Priorities and Allocation Systems rating authority has been granted through the end of Phase 4 to assist in mitigating certain delays for the Cannon House Office Building Renewal (CHOB) and is available to stakeholders.

PHASE 4

- The AOC awarded the Phase 4 through Contract Modification #112 to CCJV on September 2, 2022.
- Fence installation on the east portion of C Street, SE is underway.
- First Street fence reconfiguration is underway.
- Coordination with the U.S. Capitol Police (USCP) to install security infrastructure is ongoing and the installation of the new security infrastructure is underway.
- Infrastructure for the temporary kiosk on Lot 1 is complete.
- Coordination with the Committee on House Administration and security stakeholders regarding traffic switch and pedestrian circulation on C Street continued in order to have it operational on January 3, 2023.
- CCJV submitted the Step 1 Contractor's Construction Baseline Schedule Revision 1 and it is under review by the AOC.

² The SPI demonstrates the project is on schedule based on the dollar value of work completed versus planned value of work. SPI is a good indicator of schedule adherence but does not measure exact dates. An SPI greater than 1 is trending ahead of schedule as more work was completed than what was planned for the reported period.

Risks/Risk Management

The December risk meeting did not take place at the end of the month because of the holiday. Therefore, there was no change to the identified risks from November.

The following are the current top identified risks for Phase 4.

1. If there are supply chain issues, then the project may experience increased cost and delayed schedule.
2. If changes arise from unanticipated conditions, this may lead to added scope, cost, change orders and schedule delay.
3. If USCP does not have enough resources to provide support for multiple concurrent construction activities, then the ability to progress Phase 4 at the required pace may be limited. USCP regulations and work rules may limit site access.

The following are the current top identified risks for Phase 3.

1. If there are supply chain issues, workforce unavailability, lack of site access and increased worker safety protocols related to COVID-19, the project may experience increased cost and delayed schedule.
2. If the project employs schedule compression efforts, then quality of work may be impacted or there may be a failure to follow Quality Assurance/Quality Control program, resulting in an extensive punch-list and ultimately extending overall project duration.
3. If USCP does not have enough resources to provide support for multiple concurrent construction activities, then the ability to progress Phase 3 at the required pace may be limited. USCP regulations and work rules may limit site access. The project team continues to improve CCJV's advanced planning, project coordination with USCP and notifications for AOC work requiring USCP support.

FINANCIAL SUMMARY

Financial/Budget

- The Phase 2 budget is \$185.5 million, with \$184.8 million obligated.
- The Phase 3 budget is \$201.0 million, with \$189.3 million obligated.
- The Phase 4 budget is \$253.7 million, with \$189.4 million obligated.
- The following table summarizes the overall project budget status and reflects the current estimated cost at completion as of December 31, 2022:

Cannon Renewal Working Estimate (in thousands of dollars)

	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Budget Estimate *	\$ 137,680	\$ 193,375	\$ 185,515	\$ 200,990	\$ 253,740	\$ 971,300
Obligations	\$ 137,680	\$ 193,148	\$ 184,808	\$ 188,335	\$ 189,413	\$ 894,384

* Budget estimate as of December 2022

The Integrated Cost Schedule Risk Analysis (ICSRA) completed in January 2022 identified additional risk to Phase 3 resulting in a revised working estimate. At that time, the Cannon Renewal working estimate was updated to reflect a revised CHOBr project estimate of \$934.9 million, an increase of five percent from the December 2019 estimate. The majority of this risk is from the cumulative impacts of COVID-19 labor and materials shortages and delays, which is beyond the control of the AOC. The Fiscal Year (FY) 22 Omnibus Appropriation provided additional funding to offset these impacts on Phase 3 and Phase 4. These fact-of-life cost adjustments now result in an updated project estimated total cost of \$971.3 million.

Raw materials and labor shortages are greatly affecting the cost of construction. The award of Cannon Phase 4 reflected these factors. After this option award in August 2022, market conditions require the AOC to revise the FY23 funding requirement from \$31 million to \$40.6 million to ensure adequate cash-flow of the project during FY23. The cumulative effect of actual subcontractor proposals and final construction awarded value results in an increase to the total CHOBr estimate of \$36.4 million (four percent). This estimate will be reassessed prior to the FY24 budget submittal. The AOC has submitted an FY23 Budget Technical Adjustment to increase the CHOBr project request from \$31 million to \$40.6 million to address the anticipated cash-flow needs of the project in FY23.

The FY23 Consolidated Appropriations Act H.R. 2617 approved on December 29, 2022, provided \$40.6 million for the restoration of the Cannon House Office Building. As of December 31, 2022, \$32.9 million of the FY23 appropriation has been apportioned to the CHOBr project. In November, \$8.4 million and in December, \$24.5 million of the FY23 appropriation request was apportioned to the CHOBr project. The remaining \$7.7 million FY23 appropriation will occur in January 2023.

The Phase 3 contingency balance is \$2.7 million. During the month of December, \$2.6 million of contingency funding was transferred to the Phase 3 line item for Architecture/Engineering service, CMA and Incentive Fee/Bonus to fund the remaining Phase 3 budgets. The remaining contingency balance will be used for future project requirements, including change orders resulting from unforeseen conditions, design and owner changes, schedule enhancement, COVID-19 mitigation costs and enhanced security requirements. The CHOBr project team continues to strictly adhere to guidance from the Centers for Disease Control and Prevention and the Office of Attending Physician and has implemented specialized cleaning during the pandemic.

Phase 4 Contract Award

On September 2, 2022, Revision 6a was submitted as the Final Cannon Renewal Project guaranteed maximum price (GMP) Phase 4 package for a total of \$174,983,000 and included all GMP documents with no change to proposal pricing. Options to defer the courtyard and owners allowances were not accepted by the AOC.

CHOBBr Phase 4 was awarded on modification number 112 to contract number AOC13C2002 with an effective date of August 26, 2022. Final signatures by CCJV and the AOC were received on September 2, 2022. This modification awarded \$174,586,490 from Cannon Renewal Project funds. The award excluded alternates 19 and 22 and House Alternate Life Safety scope of work. Alternate 19-fifth floor security windows was awarded on M115 for \$99,647, utilizing House Office Building funds. Alternate 22-security scaffolding, will not be awarded for Phase 4. House Alternative Life Safety Approach scope of work will be reviewed, approved and funded at a later date. To award the Phase 4 option, \$10.5 million of available funding was transferred from Phase 2 and Phase 3 to Phase 4. As of September 30, 2022, available funding on the project through the end of FY22 totals \$5.2 million.

Construction Change Orders and Modifications

As of December 31, 2022, 314 Phase 3 Change Orders totaling \$19,288,854 have been approved for all contracts. For the month of December, one modification affecting cost or schedule was pending award to CCJV's contract number AOC13C2002. One Phase 3 modification was awarded to the architectural firm's (Shalom Baranes Associates) contract number AOC10C1000 T003. No modifications were awarded to MBP-AECOM's contract number AOC13C1000.

In December, the project team initiated 19 Potential Change Orders (PCOs)³ across all contractors valued at \$183,311 and approved seven PCOs valued at \$298,636. As of December 31, 2022, 111 PCOs valued at \$3,709,037 were open for all contractors. In December 2022, four PCOs were marked as void.

As of December 31, 2022, the Phase 3 Owners Allowances inside the CCJV Guaranteed Maximum Price contract have an available balance of \$4,143,974. Current exposure against this balance from CCJV PCOs received totals \$3,666,658.

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³ **Potential Change Orders** (PCO) is a change that anticipates additional work within overall scope or increase in costs and often results from owner directives, bulletins, clarifications or changes to the original drawings or specifications. A **Modification** (Mod) is a formal written change issued by the Contracting Officer to a purchase/delivery/task order or contract after award. (see AOC Order 34-1, Revised January 18, 2019)

DECEMBER PROGRESS PHOTOS



Paint completion on Stair 7



Basement restrooms



Second floor conference room



Fourth floor common restroom