

# Audit of the total refurbishment project for the Washington chancery building

## Federal Department of Foreign Affairs / Federal Office for Buildings and Logistics

### Key facts

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The Federal Office for Buildings and Logistics (FOBL) is undertaking a total refurbishment of the chancery building used by the Federal Department of Foreign Affairs (FDFA) in Washington D.C. (USA) for around CHF 14 million. Between 2015 and 2018, the project costs increased from around CHF 7 million to CHF 14 million under the current application. The start of construction was scheduled for autumn 2019. Work on the building that will temporarily house the chancery is already under way.

The aim of the Swiss Federal Audit Office's (SFAO) audit was to use this joint renovation project as a basis for assessing efficiency and cooperation between the FDFA and the FOBL, as well as the associated implementation work.

The SFAO found that the project is generally running to schedule and that the cooperation between the two offices is running smoothly on the whole. The economic use of space and rooms could be further improved. In the early project stages, no records were made of any variant studies used to underpin fundamental decisions. There is room for improvement as regards costs, cost transparency and project management.

#### **The current cooperation between FDFA Real Estate and the FOBL is working**

Both FDFA Real Estate and the FOBL have procedures and processes in place which have been documented and formally approved. In general, there is good coordination of procedures and processes between FDFA Real Estate and the FOBL. Cooperation agreements and documents are available.

Certain procedural weaknesses or duplications of effort have been identified and these should be rectified.

The roles and responsibilities of the project participants must be up to date and described in full detail in the relevant project documentation. Project management must be adjusted to suit the specific circumstances.

As yet, there are no continuous processes for the financial management of the overall project. In future, cost developments and forecasts must be clearly presented, actively managed and readily consultable.

#### **Renovation assumptions and cost developments leave questions unanswered**

Already at the outset of the project, the FOBL opted for a large-scale historical preservation and refurbishment project. Variants and concrete information on the cost implications of this decision are not available.

This project did not include a basic assessment of the building's potential without the prior limitations imposed by the renovation assumptions.

Some aspects of the increase in costs during the preliminary project phase – to more than double in the space of three years – are not fully comprehensible for the SFAO. Moreover, there is no clear explanation for the shift from maintenance to the total refurbishment that is now to be carried out.

### **Optimisation of space usage not implemented**

A list of user needs, a space allocation plan from the FDFA submitted in 2016 and the decision to retain the existing structures for historical conservation reasons are all available. Yet neither the FOBL nor the FDFA coordinated and optimised these three factors. The projected space allocation is not an efficient use of space. As a result, too much space has been planned for the newly designed glass extension, compared to the allocation plan prepared by the FDFA.

**Original text in German**