

Office Of Inspector General Construction Change Order Spot Check Report

Presented By

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Spot Check Costs

Summary of Selected Change Order Costs

Four OIG spot checks of Change Orders / Modifications reported

1 Change Order for Crenshaw/LAX Transit Corridor

❖ Case 5 Bedding Required by LABOE = \$687,500

2 Change Order Purple Line Section 1

❖ Fairfax Paleo Zone Modified Limits = \$4,917,392

3 Change Order for Purple Line Section 2

❖ Demobilization and Remobilization due to COBH Moratorium = \$1,698,253

4 Change Order for Purple Line Section 3

❖ Increase Ground Water Treatment Plant Capacity at Tail Track Exit Shaft = \$1,087,504

5 Change Order for Purple Line Section 3

❖ Addition of Sepulveda Staging Area to Compensate VA Site Reduction = \$2,612,951

Spot Check Schedule Comparison

Schedule Comparison: new delegated process vs. former Board approval process

PROJECT	Title of Change Order	Time Saved Executed date to Board Mtg.	NEW Delegated Process final SOW to Executed date	Former Board Approval Process
CRENSHAW / LAX TRANSIT CORRIDOR	Case 5 Bedding Required by LABOE	34	29	63
WESTSIDE PURPLE LINE SECT 1	Fairfax Paleo Zone Modified Limits	17	38	55
WESTSIDE PURPLE LINE SECT 2	Demobilization and Remobilization Due to COBH Moratorium	47	9	56
WESTSIDE PURPLE LINE SECT 3	Increase Ground Water Treatment Plant Capacity at Tail Track Exit Shaft	41	12	53
WESTSIDE PURPLE LINE SECT 3	Addition of Sepulveda Staging Area to Compensate VA Site Reduction	19	24	43

Spot Check Recommendations

#1
October 2020
Contract C0988
MOD-00485
Crenshaw/LAX
Transit Corridor
Project Case 5
Bedding Required by
LABOE

Since the 'Green book' states the support and materials for sewer and storm drain pipe are to be encased in concrete, the OIG recommends that the LA Metro rail standard drawing US-014, be updated to reflect the required City standard and Metro may negotiate with the LABOE to adopt a different standard for specific projects as warranted.

We further recommend, as discussed in previous reports, that Metro study the large discrepancies between the Metro ICE and the award amounts to determine if there is a method by which those discrepancies can be narrowed. This recommendation applies to many of the Spot Checks reviewed in this Report, and is based also on a Metro audit completed by the Management Audit Services Department that noted significant discrepancies in these amounts to be a frequent occurrence.

#2
October 2020
Contract C1045
MOD-00111 Purple
Line Extension Sect.
1 Fairfax Paleo Zone
Modified Limits

The OIG recommends future GBR's include a more comprehensive underground site assessment to determine a better approximation of the marine and paleo geological layers. In this instance, a robust underground assessment would have avoided the costly change order. However, the additional excavation costs would have been included in the higher base bid value.

October 2020

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check Recommendations

File #
2020-0620

#3
October 2020
Contract C1120
MOD-00080 Purple
Line Extension
Sect. 2
Demobilization and
Remobilization due
to COBH
Moratorium

The MOA between Metro and COBH imposes additional restrictions on Metro and adds costly change orders to the original contract.

The OIG recommends Metro adopts a standardized MOA for use in negotiations with all jurisdictions within Los Angeles County and utilizes this agreement for every construction project going forward in each respective jurisdiction and that budget estimates for projects should be revised as necessary to take into consideration MOAs entered into.

#4
October 2020
Contract C1151
MOD-00073 Purple
Line Extension
Sect. 3 Increase
Ground Water
Treatment Plant
Capacity at Tail
Track Exit Shaft

It is the OIG's understanding that water pump tests and water quality tests were performed, but they were performed at the original location, the Army Reserve site, which is no longer the correct shaft location. Now the site is at the Veterans Administration property. A change in location can greatly affect both the levels and quality of the groundwater, thus increasing the revised dewatering process.

It is critical that the Real Estate Department be included at the earliest possible time in negotiating the property requirements for a project. Having to change location plans after a contract award can have significant scheduling and expense consequences.

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Los Angeles County Metropolitan Transportation Authority



Spot Check Recommendations

File #
2020-0620

#5
October 2020
Contract C1151
MOD-00073 Purple
Line Extension
Sect. 3
Addition of
Sepulveda Staging
Area to
Compensate VA
Site Reduction

The Purple Line Extension 3 was a 'next decade project' and was accelerated to be completed in the next 5 years with many project processes that had to be compressed to meet the schedule. We also understand that the real estate acquisition process is contingent on the funding being in place.

The real estate acquisition process and all other real estate arrangements must be negotiated as early as possible and negotiate those property rights strategically to ensure we have our real estate needs met at the earliest and least expensive manner possible.

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