

Office Of Inspector General Construction Change Order Spot Check Report

Presented By

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Construction Spot Check Program

The Metro Board directed the OIG to perform spot checks on change orders

OIG Program Description

The OIG Spot Check program focuses on approved change orders that exceed \$1 million. It includes:

- Review sampling of change orders
- Review of Program Management's Project Status Report
- Interview Project Managers, Program Controllers, and Procurement Officers
- Review project budget, specifications, any related documentation

OIG Spot Checks focus on:

- Scope of Work
- Budget
- Schedule impacts
- Making recommendations

Construction Spot Check Items

Summary of spot checks from April 2018 Program Management report

Four OIG spot checks of change orders / 4 major construction projects show:

- Negotiated amounts appear reasonable
- Some change orders processed have positive schedule impacts,
- Where there are positive schedule impacts, delay costs are saved, and
- Staff time is saved

PROJECT	NEW Delegated Process (workdays)	Former Board Approval Process (workdays)	Time Saved (workdays)
CRENSHAW/LAX	42	56	14
REGIONAL CONNECTOR	29	64	35
WESTSIDE PURPLE LINE SECT 1	18	55	37
WESTSIDE PURPLE LINE SECT 2	34	74	40

Some OIG recommendations made might avoid future change orders.

EXAMPLE

Crenshaw/LAX Transit Project

Change Activity

APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2017 - February 28, 2018)				
MOD/CHANGE #	DESCRIPTION	Submission Date	Approval Date	Amount
DESIGN BUILD CONTRACT C0988				
MOD-00345	Oil Water Separator at UG Stations: The sump pump discharge from the Underground Stations requires treatment to meet the City of Los Angeles Department of Public Works Bureau of Sanitation Industrial Waste Management Division discharge limits.	1/12/2018	2/8/2018	\$1,299,995
CO-00153.1	Radio System - Additional Head-end Equipment: Relocate the Uplink above ground antennas from their original proposed location at the TFS#8 site to their new location above ground at the CLAX Exposition Station. Provide all of the necessary detailed design, material, equipment, and labor for a complete installation.	2/5/2018	2/16/2018	\$862,138
CO-00176.1	Underground Station Emergency Vent: This change order is issued to clarify to WSCC and its subcontractors exactly which elements of the three (3) underground stations' emergency ventilation fan and damper work Metro believes to be impacted by the UL 2196 delisting and includes authorization to begin procurement of materials and immediate construction thereof.	2/2/2018	2/15/2018	\$800,000