

CLUSTER A: CONNECTED PRIORITIES - PRE-PROCUREMENT PROJECT DEVELOPMENT		
2023 Rec No.	2023 Recommendation	2023 Metro Management's Response
CATEGORY #1, DELIVERY METHOD SELECTION & CRITERIA		
1.1	PMG should continue to timely update policies and procedures to include the range of alternative delivery methods currently used by Metro.	In Process: There are several new departmental policies and procedures that have been updated, such as the Risk Management, Estimating and schedule specifications. PMG will continue working with internal departments to update estimating spec and other controls specs. Anticipated completion date: 12/23. Updates to the Value Engineering policy are expected to be signed by Operations in October 2023.
CATEGORY #2, GENERAL READINESS		
2.1	Metro should investigate strategic initiatives to beneficially support third parties' cooperative and timely assistance toward timely and cost-efficient project delivery.	In process: Metro advances cooperative agreements with municipalities along future projects. The new MCA with the City of Los Angeles is for all projects in the City boundaries and is in final review phase, anticipated to be complete in October 2023. A similar citywide agreement is anticipated with LADWP next, with a target date of October 2024.
2.2	Third party utility relocation issues continue to be one of the larger reasons for change orders and project delays. The OIG recommends the PMG partner with the Early Intervention Team ("EIT") to revisit the PMG's 2016 rejection of Recommendation Nos. 3 and 6 and apply a lessons learned approach to investigating the feasibility of initiating utility relocation work much earlier in the pre-construction management process to remove unnecessary risk and enhance mitigation by planning and scheduling of relocation completion prior to other project delivery activities, without any intention of limiting or mandating when Engineering can begin. If the progressive design build approach or other alternative delivery approach will minimize utility impacts in the same manner as separate contracts for advanced utility relocation, the PMG's response should be updated.	Completed: PMG is already part of the EIT team and process and utility risk is already discussed with the EIT. Utility relocations are a major risk for any rail project. Potholing, utility mapping, geotechnical investigations can be done earlier. PMG has added advanced construction management staff to support the planning team during the preconstruction process, before the environmental document is finalized. PMG's Third Party Administration team is also included in the EIT process to assist in the planning and scheduling of utility relocations. The time allocated for the relocation of utilities is a major focus of the development of project delivery schedules. However, for projects which Metro is applying for Federal funding, the earliest start date may be dictated by the FTA New Starts Process. Alternative delivery may in some instances minimize utility related impacts due to the flexibility of early works packages.
CATEGORY #3, UTILITIES & THIRD PARTY		
3.1	Utility investigations, work, and relocations performed by Metro's contractors or others pose cost and schedule risks for Metro projects, including potential issues with reviews, approvals, and oversight by the third-party utility owners. The construction contract may specify timelines and/or sequences for utility-related work. To avoid cost and schedule impacts caused by third parties or contractor(s), Metro should utilize legal counsel's assistance to mitigate the risks related to utility investigations, work, and relocations. Metro should enhance its procedures and relationships to enable self-permitting. Transparency, documentation, and trust are key to Metro achieving self-permitting.	In process: PMG and V/CM are working with County Counsel and other Metro stakeholders to properly address the risks when contractors perform utility-related work on Metro projects. Metro is also negotiating new master cooperative agreements with third-party utility owners, as well as updating of Metro's division 1 specifications.
CATEGORY #4, CITY APPROVALS		

4.1	Metro should complete a new and improved Master Cooperative Agreement between City of Los Angeles and LA Metro.	In Process: A new MCA is anticipated to be completed in October 2023
4.2	Metro should conduct a Legislative/Legal Improvement review to determine if there are any legislative adjustments that would improve work or construction related requirements for transit projects and assist in better resourcing third party stakeholders impacted by (and benefitting from) Metro capital projects.	Current Practice: Government Relations already has a yearly process with County Counsel to conduct legislative reviews, which solicits input from affected Departments.
CATEGORY #5: LIFE OF PROJECT BUDGET		
5.1	Metro should focus on quickly adapting its budgeting practices for all new construction projects given the changing circumstances and trends of increased prices.	Current Practice: The latest Metro construction market analysis is underway to provide updated information on the current state and conditions of the construction market and identify strategies to control/contain costs. Report completion expected December 2023.
5.2	Metro should evaluate, assess, and document emerging financial conditions before requesting a budget change, and include an analysis in the Board request for LOP funding increases.	Current Practice: Metro's risk management and cost estimating processes, which are utilized to assess the magnitude of any LOP budget increase, already addresses the risks posed by emerging financial conditions. For future Board reports recommending LOP budget increases consistent with the Measure R and Measure M Unified Cost Management Policy, PMG will continue to document its evaluations and assessments of all costs.
5.3	Based on statements included in Board Report No. 2023-0106, Attachment A, the OIG understands that EIT Project Review Process will include multiple “intervention points” for review of the Life of Project Budget. The OIG recommends the development and implementation of detailed procedures describing the process for LOP Budget development across the project life cycle. Requests to increase the LOP make after the procurement phase should include a “lessons learned” justification for the increase.	<p>Current Practice: The Early Intervention Team (EIT) has established a project review process that facilitates an agency wide assessment of projects during earlier phases of project development. These reviews include consideration of project forecast cost (not always LOP), applicable to the phase of project development. LOP Budget is established at later stages of project development, typically aligning with initiation or completion of engineering phases. Thus, Project Control procedures govern the oversight and tracking of the LOP.</p> <p>Project control procedures were recently updated in December 2021 regarding budget and cost forecasting. Any request to modify the LOP already includes justifications that detail causes and notification protocols. Lessons learned associated with future LOP increases will be incorporated into board reports. Any LOP Budget increase is subject to multi-department reviews (e.g. VCM, Planning, etc)</p>
CATEGORY #6: RISK MANAGEMENT		
6.1	The PMG should determine whether risk management plans (whether full or “light” plans for smaller projects” – including mitigation plans for risk findings adjusted by PMG management – should be developed for all projects regardless of size, complexity, or use of federal funding.	Completed: Metro Project Controls Procedure PC-07 for Risk and Contingency Management was updated in June 2023 and incorporates a scalable approach for project risk management for all project sizes. The level of effort (LOE) for risk management is determined between the Project Manager and Metro's Risk Manager. Project value is not necessarily the rationale for the project risk management LOE, and smaller value projects may have significant risk that needs to be managed more robustly. At a minimum all projects are required to have in place, and actively manage, a project risk register.

6.2	PMG should strive to establish a progressively robust risk management culture that ensures controlled and mitigated risk throughout the entire project life cycle.	<p>Current Practice: Since December 2018 a full time Risk Manager has been employed to implement effective risk management on Metro projects. Due to the expanding work load, Program Management are expanding the Risk Management resources accordingly.</p> <p>Risk management requirements have been expanded to include projects in environmental planning, engineering, and construction, through to substantial completion and revenue service.</p>
6.3	PMG should determine if it is beneficial for Risk Management staff to participate in lessons learned discussions to encourage bi-directional sharing of risk-related information. This will ensure knowledge will be transferred, built upon and not be lost, as mature employees retire from Metro.	Completed: Since June 2023 Risk Management staff have been participating in lessons learned discussions. This has resulted in Metro developing a list of generic risks that could be applied to similar projects. PMG is also able to identify management and mitigation strategies that were applied successfully on previous projects and apply them on active projects.
CATEGORY #7: PROJECT MANAGEMENT PLAN		
7.1	Revisit the 2016 Recommendations requiring all projects regardless of size or complexity to develop and use a PMP which will standardize practices related to change management, quality, risk and use of PMIS.	Current Practice: PMG amended the PC04 Project Management Plan procedure to require PMPs on all projects with estimated total project costs greater than \$100M in value (01/05/2023).
CLUSTER B: CONNECTED PRIORITIES - POST-PROCUREMENT PROJECT MANAGEMENT		
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CATEGORY #8, CONTRACT ADMINISTRATION		
8.1	PMG should revisit Recommendation Number 29 and review current General Conditions requirements for contractors to submit time impact analysis ("TIA"), and the conditions when to impose a "waiver" on untimely and improper claims that are not properly presented by the contractor. Metro should review its contract language regarding the requirements for TIAs and the conditions for imposing waivers, as well as opportunities to add contractual language emphasizing the contractor's duty to timely submit support for impact damages and to mitigate alleged harm.	In process: Staff is working with County Counsel to review the Changes provisions in the Contract General Conditions including obligations to notify Metro of an event that caused a delay and promptly submit TIAs. V/CM and PMG will work with County Counsel to determine what changes in General Conditions, if any, can be made regarding consequences when delay claims are not timely pursued by the Contractor. Complete by 12/15/23
8.2	PMG should revisit Recommendation Number 64 regarding:	
8.2A	Developing a formal robust Ongoing Performance Assessment Program for consultants and contractors that is used yearly during and at the end of the term of the contract to ensure satisfactory and compliant performance.	Will Consider: PMG and V/CM will initiate discussions with County Counsel on the possibility of implementing a Performance Assessment Program. Complete by 12/15/23
8.2B	Developing and utilize a Past Performance Assessment for consultants and contractors that allows Metro to consider the contractor's overall contract compliance in future solicitations including an opportunity for contractors to respond to assessments.	Will Consider: PMG and V/CM will initiate discussions with County Counsel on the possibility of implementing a Performance Assessment Program. Complete by 12/15/23
8.2C	Updating Metro's General Conditions to inform consultants and contractors of performance assessment actions.	Will Consider: Consistent with the resolution of recommendations 8.2A and B above. Complete by 12/15/23

8.2D	With regard to contractor claims for damages for delays, PMG and V/CM to work together to review, and expand when proper, the use of construction contracts to include a “bid” daily rate for damages that will be used to reimburse substantiated delay damages. The OIG encourages all construction contracts to include a “bid” daily rate for damages that will be used to reimburse substantiated delay damages.	In process: All RFPs and IFBs for construction can require daily delay rates to be bid/proposed. This is already an existing practice on several Metro projects. Program Management practices should include this in the pricing sheets provided to VCM for the prices to be submitted by contractors. PMG and V/CM will engage in discussions with County Counsel on contract terms to determine the types of cost impacts to be covered and the circumstances for payment at the contract daily rate prior to the release of an RFP or IFB. Daily delay rates proposed by a contractor post-award are already subject to audit, but the contract terms will be reviewed to determine if any changes are necessary. Complete by 12/15/23
CATEGORY #9, BOARD DELEGATION		
9.1	Metro should continue the current practice and level of utilizing the delegated authority that has proven to speed up the change approval process with sufficient oversight and quality. The OIG will continue to monitor the change orders.	Current Practice: PMG will continue to utilize the delegated authority with internal oversight consistent with Board approval in Jan 2018.
9.2	We recommend that Metro’s Management Audit Services Department do periodic audits during projects of use of funds for change orders in compliance with Metro Standards which will breed responsibility.	Completed: This is an existing process. Management Audit Services, MAS, performs multiple incurred cost audits every year, which always include testing of material change orders, as the primary source of cost overruns. MAS also performs performance audits and reviews of high risk Metro projects in progress every year, which also examine change orders and the change order process, as drivers of cost and schedule overruns.
CATEGORY #10: ENFORCE AND COMPLIANCE		
10.1	PMG and V/CM should collaborate in the review of current General Conditions establishing timelines and required actions for initial change matters and also for resolution of disputed matters.	In process: PMG, VCM, and County Counsel are in the process of updating the standard form of contract. Anticipated completion March 2024.
10.2	PMG should revise CF14/Change Control to describe the internal processes regarding the 2018 CEO delegations of authority and best practices for using partnering, claims procedures and the Dispute Resolution Board to reach finality on contested change matters.	In Process: CF14 has been amended to include CEO delegated authority and is being routed for approval. Anticipated completion 10/23.
10.3	PMG should consider tracking the Project Manager’s performance in meeting responsive timelines for all change items (merited or not), to confirm compliance with the General Terms and Conditions and PMG’s policies and procedures.	Will consider: Timeliness of changes is currently tracked by Contract Administrator on most projects. Program Management and VCM will consider tracking project team performance on departmentwide basis, taking into consideration that sometimes delays to changes are caused by contractors. Complete by 12/15/23
10.4	Contracts should specify time limits for submission of claims and enforce these time limits where legally permissible. Vendors will request time limits for Metro’s response to their claims so Metro will need to be prepared to respond to that.	Completed: Contract provisions for Claims already require fully prepared and certified claims to be submitted within 60 days from the Contractor having submitted a Notice of Intent to Claim (NOIC). Public Contract Code 9204, for all construction contracts entered into after January 1, 2017, requires Metro to respond to the Claim within 45 days on what is merited or not merited. Since January 2017 the requirements of PCC 9204 has been incorporated into Metro construction contracts.
CATEGORY #11: PARTNERING		
11.1	For effective partnering, Metro should develop effective internal processes for vetting issues appropriate for the partnering process and developing an evaluation of the facts and issues.	Current Practice: PMG executive management and project managers meet prior to each partnering meeting to discuss topics for the meeting. PMG executive management reviews and approves partnering agendas and presentations.

11.2	Metro should implement a “Partnering Positive” culture supported by Executive Management, in order to minimize the need to use Dispute Resolution Board hearings or to litigate a disputed issue.	Current Practice: PMG executive management is actively emphasizing the importance of partnering on all mega projects and other capital projects (based on project size). Partnering should emphasize building trust and fostering open communication, to minimize or avoid disputes. PMG will continue to emphasize partnering as part of its internal training.
CATEGORY #12: QUALITY/LESSONS LEARNED		
12.1	PMG should review whether best practices require expanding the scope of the quality program to include all projects, regardless of size or complexity, to participate in the enhanced Quality Management Program, including the Lessons Learned program.	Completed: The Lessons Learned procedure has been moved from the QMO plan and procedures to the new QMSM, rev 0 which applies to all projects regardless of size or complexity. It has been determined that the QMO plan and procedures does not apply to small low risk projects. Completed Dec 2022.
CATEGORY #13, LESSONS LEARNED		
13.1	PMG should develop a program and culture that reports lessons learned from internal and external management (across all groups) to those participating in capital projects and methods to ensure regular review and revision of policies and procedures to ensure cross-department utilization of all lessons learned to advance and build on the Metro Program Management and improve each project as it planned, designed, developed and constructed.	Current Practice: As projects are completed, PMG is implementing its Lessons Learned process to help with future mega projects. Anticipated completion July 2024. Scope can be expanded as other departments are brought into the process.
CATEGORY #14: SAFETY		
14.1	The Safety Group should revisit Recommendation Number 66 to determine whether there may be opportunities to broadly communicate safety statistics across capital projects to reflect Metro’s Safety culture and to further incentivizes contractor best practices. Sharing statistics monthly or quarterly in the same manner COVID-19 information was shared may be appropriate.	Completed: Safety data that is presented at the FTA quarterly meetings will be shared on the project websites. This data will be updated every quarter to coincide with the schedule of the FTA quarterly meetings. Completed September 2023.
14.2	The Safety group along with the PMG should review the PMG’s pre-2016 safety-related procedures for conformity to current industry best practice standards.	Completed: Separate Memo to OIG will provides status of the pre-2016 safety-related procedures. Completed August 2023.
14.2A	(a) PMG should verify that all projects have the updated construction safety policy.	Completed: All active construction projects included the latest Construction Safety and Security Manual and safety related General Requirements prepared by Metro Safety. Verified with Safety September 2023.
14.2B	(b) V/CM should include updated construction safety policy in future contracts.	Current Practice: As part of the readiness review required by existing PMG policy, and prior to advertising any construction contract, PMG and Metro Safety will verify that the contract documents include the latest Construction Safety and Security Manual and safety related General Requirements. Furthermore, PMG, Safety, VCM, and County Counsel developed new evaluation criteria for future RFPs based each proposers' Experience Modification Rating (EMR). Any contractor with an EMR greater than 1.0 will be considered non-responsive (Completed July 2023)

CLUSTER C: CONNECTED PRIORITIES - PROJECT MANAGEMENT SUPPORT		
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CATEGORY #15: PUBLIC INVOLVEMENT		
15.1	PMG should consult with Countywide Planning and Development to re-visit the 2016 recommendations to ensure current public outreach practices timing, and methods meet best practice goals by addressing earlier community involvement in the planning phase, implementing a quality and equal platform for all communities, and increasing funding for public outreach efforts.	Will Consider: PMG will schedule a meeting with CPD and CX to review the 2016 recommendations and ensure that Metro's public outreach plans meet the best practice goals.
CATEGORY #16: PROJECT MANAGEMENT INFORMATION SYSTEM (PMIS)		
16.1	PMG should revisit whether all projects should use PMIS regardless of size or complexity	Will Consider: PMG will evaluate potential expansion of PMIS to all capital projects. Estimated completion by June 2024.
16.2	PMG should review whether there are resources available for Oracle Unifier information reporting enhancements, for example an “Alert Report” triggered by looming (or passed) response deadlines.	Agree: PMG will create audit report that alerts for missed deadlines. Estimated completion by December 2023.
CATEGORY #17: ADMINISTRATIVE PROCESS		
17	No Recommendations	N/A
CATEGORY #18, REORGANIZATION, STAFF ANALYSIS & TRAINING		
18.1	Metro should develop and implement an agency-wide initiative for attracting and retaining construction management professionals as full-time employees and consider increasing the ration of employees to consultants.	In Process: Program Management is partnering with Chief People Office to develop and implement an agency-wide initiative for attracting and retaining program management professionals. Procure a consultant to conduct an industry analysis on compensation to improve Metro's salary ranges to attract and retain external program management professionals. To retain existing staff, evaluate Program Management staff salaries to align compensation with current market conditions. Estimated completion - December 31, 2024.
18.2	Metro should develop and implement a program for inviting experts to work for Metro on an as-needed basis to mentor and train new Metro staff.	Will Consider: PMG Deputy Chiefs are already mentoring new project managers. PMG will consider hiring experienced Project Executives to supplement this effort for projects greater than \$500M.
18.3	PMG should revisit the, “2017 Training Needs White Paper” prepared in response to the 2016 BP Study to determine additional training needs.	In Process: The 2017 Training Needs White Paper was a draft document. PMG is currently developing a comprehensive Leadership Development Plan as part of Program Management Leadership Institute (PMLI) - estimated completion March, 2024.
CATEGORY #19, - Project Management Key Performance Indicators (“KPIs”)		
19.1	PMG should develop policies and procedures that describe Project Manager roles and responsibilities that will be evaluated, encouraged, and strengthened.	Current Practice: PMG will continue to reinforce roles and responsibilities of all PMG staff through yearly Individual Performance Plans and specific training programs.
19.2	PMG should ensure that the Project Manager Performance Plan identifies and develops future leaders and encourages broad expertise across the entirety of the capital project construction management skillsets.	Current Practice: PMG continues to identify and train future leaders through support in programs such as Metro's Leadership Academy, LeadershipAPTA, and ENO programs.

CLUSTER D: STRATEGIC PROJECT MANAGEMENT		
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CATEGORY #20: METRO-WIDE PROJECT OVERSIGHT		
20.1	Metro and PMG in particular is recommended to revisit the 2016 Recommendations advocating for the adoption of PMBOK principles and processes, especially in light of the Early Intervention Team (EIT) initiative.	In Process: PMG is expanding the existing training curriculum for Program Management to encompass additional management principles. PMG will continue to be an active participant in the EIT initiative.
20.2	The EIT is essentially a pre-construction initiative but the interdepartmental collaboration may be helpful post-award to provide coordination and support for problem solving. The interdepartmental team may be reconstituted for a revised mission that supports the field office.	Will Consider: The EIT is constituted to cultivate an agency wide response and input during the most crucial phase of the project development, where the influence on the project is the most - the Planning phase. Issues during construction require Subject Matter Experts in construction. The construction phase is the implementation and execution of the construction contract. Post award, and if beneficial, PMG will consider using the EIT as a vehicle to leverage internal departments for collaboration and alignment.
CLUSTER E: RELOCATED GROUPS		
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CATEGORY #21 HIGHWAY		
21.1	Since the relocation of the Highways group to the Planning department, the PMG should collaborate with Countywide Planning and Development to ensure that Metro's Board is receiving complete information on highway capital projects.	Current Practice: PMG will continue to coordinate with Planning to ensure that complete and transparent information is provided to the Board. Currently, Planning reports on all highway projects that are administered by Caltrans and Program Management reports on all highway projects that are administered by Metro
CATEGORY #22: ASSET MANAGEMENT		
22.1	V/CM should include the contractor's scope of work and should include collecting and reporting asset serial numbers, warranty, and maintenance information.	In process: PMG continues to refine the maintenance and warranty process during the construction phase. PMG will engage Metro Operations to identify pain points related to project turnover and asset identification, and will incorporate lessons learned into future contract requirements. Complete by 12/15/23.