



Board Report

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**CONSTRUCTION COMMITTEE
APRIL 14, 2016**

SUBJECT: OFFICE OF THE INSPECTOR GENERAL REPORT ON CAPITAL PROJECT CONSTRUCTION MANAGEMENT BEST PRACTICES STUDY

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on **Capital Project Construction Management Best Practices Study**.

ISSUE

Currently, Metro is simultaneously overseeing an unprecedented number of projects. These include multiple rail lines and other major projects under construction or about to start construction. Many more capital projects are in the planning phase. To ensure that these projects are effectively and efficiently managed, the Office of the Inspector General initiated a study to identify best practices for improving the planning, processes, management, oversight, innovation, and accountability of major construction projects.

DISCUSSION

A. Scope of the Review

The OIG prepared a comprehensive scope of work for a Request for Proposal to obtain an expert consultant team to assist us performed the study on construction management best practices. Intueor Consulting was hired to perform this study which put together a team of construction and engineering experts who have experience in both construction and public transportation.

The objectives of the review were to:

- Determine major capital construction project management best practices.
- Determine how Metro might improve its practices to maximize completion of projects on schedule and within assigned budget.
- Determine how Metro might be more effective, efficient, safe and proactive in managing staff, schedules, costs and relationships.
- Maximize accountability, innovation, and state of the art technology through best practices.

The review covered the following areas:

- Utility relocation
- Project delivery
- Project management and claims management
- Project planning and scope definition
- Staffing
- Change management
- Community involvement
- Partnering
- Procurement
- Oversight

B. Report Summary

The consultant team conducted an extensive data and document review, sent surveys to Metro personnel, interviewed dozens of Metro personnel, conducted several workshop discussion group sessions with Metro personnel, and contacted comparable agencies to determine best practices. The consultant team completed the study and prepared a comprehensive report on construction management best practices. The report was circulated to construction management in late January for comment before issuing it to the Board in February (see Attached Report). The report identified a number of areas for potential advancement such as:

1. Formally adopt the Project Management Institute (PMI) and its Project Management Body of Knowledge (PMBOK) as the organizational standard for project management.
2. Develop an organization-wide Project Management Initiative, including a training and development program.
3. Establish a formal, organization-wide Lessons Learned Program, managed by the Strategic Program Management Office.
4. Establish a strategic, executive level partnering process.
5. Develop and execute a new Master Cooperative Agreement with the City of Los Angeles, and any other cities which Metro intends to construct a major project.
6. Dedicate staffing and resources for the Third Party Coordination Unit to effectively perform its functions.
7. Create an initiative to “Re-engineer the Utility Relocation Process,” developing and incorporating innovative strategies.
8. Establish a Utility Relocation Technology Assessment Team to search, evaluate and implement state of the art technologies for subsurface utility identification.
9. Establish a Utility Relocation Process Improvement Team to develop and implement a streamlined, creative utility relocation process.
10. Consistently apply and proactively enforce the change control process, and adopt best practice models.
11. Develop a strategic plan for the use of consultants within the key departments of this study, incorporating the proposed pilot project mix of 70% Metro staff to 30% Consultant staff ratio.

C. Management Response to Report

The report was circulated to Metro management in late January. Management has only had a brief opportunity to review the report but provided a preliminary response stating: “Overall, the report provides a comprehensive set of recommendations that we plan to use as a catalyst for positive changes in the program management process and approaches in the future.” Management is in the process of reviewing and responding to each of the findings and recommendations. The determination of agreement to or implementation of any particular suggestion will be an ongoing assessment.

NEXT STEPS

Metro management should:

- Attend a debriefing session with the consultant team being offered by the Office of the Inspector General to management.
- Assign an individual responsible for championing the Agency review and analysis of the findings and recommendations in the report, and accountable to take appropriate actions.
- Complete the Schedule for Tracking Metro’s Proposed Actions in response to the recommendations provided in Appendix B of the Report as it makes determinations about the suggestions.
- Periodically report to the Metro Board during the coming year on the progress of reviewing, analyzing, and making a determination on each recommendation.
- Periodically report to the Metro Board during the coming year on the implementation of any actions Metro determines to take on the recommendations.

ATTACHMENTS

Attachment A - Report on Capital Project Construction Management Best Practices Study

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