

ATTACHMENT B (APRIL 2025)			
OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 The Rail to Rail Active Transport Corridor Project. This OIG Spot Check report concerns the Rail to Rail Active Transport Corridor Project (Contract C1166, MOD 00113) Bollard Procurement.	The OIG requested an explanation to why Metro accepted the contractor's proposal of \$831,894.21, which was 33% higher than the Independent Cost Estimate, and what caused such a significant difference between the two amounts? The OIG supports the recommendation of SSLE and Metro's ongoing efforts to incorporate safety considerations into public right-of-way management. This approach enhances accessibility and ensures that public spaces are safer and more navigable for all, including pedestrians and cyclists.	The Project Team accepted the Contractor's proposal due to several factors. To meet the substantial completion date and the scheduled opening in April, the Project incurred additional costs to expedite the procurement process. Consequently, the Contractor included an expediting fee to ensure timely delivery. Additionally, the Contractor's proposal accounted for costs not included in the Independent Cost Estimate but essential for the Project, such as storage, touch-up painting, handling/transportation, and anti-graffiti coating.	April 2025
#2 The Purple Line Extension Section 2 Transit Project. This OIG Spot Check report concerns the Purple Line Extension 2 (Contract C1120, MOD 00230.1). Additional project staffing and compliance activities for changes issued during the base design phase	<u>Question to the Purple Line Extension 2 Program Management.</u> The OIG requested an explanation of what caused the need for additional project staffing that the Contractor did not consider and plan during the bidding process. No Recommendations for this spot check on the basis of Management's response.	The project underwent significant design changes that exceeded what could have been reasonably anticipated, requiring an increase in project staffing. Examples include reorienting and expanding a station entrance by 90 degrees, a major redesign of the storm drainage system, the impact of a global pandemic, and a change to the final tunnel lining material.	April 2025
#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, MOD 00235) The Wilshire/La Cienega Plaza Station Standby Generator, Design and Construction.	OIG Recommendations/Lessons Learned – The OIG recommends incorporating larger equipment specifications early in the procurement process, which enables more accurate budgeting and planning. This proactive approach helps establish a consistent set price and reduces the likelihood of unforeseen expenses.	Program Management conducts a market and technology assessment during the design phase to identify emerging equipment options and incorporate anticipated upgrades into specifications early in the procurement process. This proactive approach enables more accurate budgeting, establishes a firm baseline price, and reduces the likelihood of unforeseen expenses. The original specified lower-tier equipment stated in this modification was credited to the contract and never delivered. The upgraded equipment, which was not commercially available during the design phase, was procured in its place and provides greater sustainability and adaptability to future system requirements, representing improved long-term value.	July 2026

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#4 The I-5 North Country Enhancement Project. This OIG Spot Check report concerns the I-5 North County Enhancement Project (Contract C70396C1205, MOD 00050) Differing Site Conditions.	OIG Recommendations/Lessons Learned – The project management software “Headlight,” which is being used on this project to review the daily reports for the period of the modification, revealed a possible lack of sufficient oversight with documentation and technical input from the Project team and Resident Engineer. There was no record of the modification on Metro’s Project Management Information System (PMIS) from the Project team for 19 months. This change order might have been identified a year ago if the project had been more proactive with its modification input on PMIS. This delay of documentation can have an effect budget management and reserve funds status. Recommendation 1: The OIG recommends that the Project team review the Capital Project requirements referred to in the Configuration Management Policies and Procedures in CF01-CF04, CF07, and CF10. Metro’s Program Management Information System (PMIS) must be the primary source for document control. Metro’s project control procedures require that all modifications be fully documented and supported by technical justification and require the active involvement of the Project team and the Resident Engineer in assessing and recording site conditions and proposed changes. Recommendation 2: For best practices of project controls and fostering transparency, modifications should be entered in a timely manner. The validity of the submitted information is uncertain, and I recommend that the Project team audit the supporting documents for the modification. The documentation input on (PIMS) submitted by the Project team does not align with the dates of the contractor’s or inspectors’ reporting in the “Headlight,” indicating a possible communication disparity between the use of both programs. Recommendation 3: The OIG recommends considering negotiating and closing out Contractor claims through early intervention. This theory proactively addresses claims, and helps prevent cost overruns, foster transparency and cooperation between the Contractor	The Project team performed a comprehensive reconciliation of the modification record against the contractor's and inspectors' daily reports in Headlight to ensure the PMIS entry accurately reflects the field record. In addition, the Project team conducted a full review of all open and pending modifications on the contract to confirm that no other items remain unrecorded in PMIS. The project fully aligned with Metro's document control and project management requirements, and we welcome any follow-up review the OIG deems appropriate. Response to Recommendation 1: Project Management concurs. The Project team, including the Resident Engineer, has completed a review of the Capital Project requirements set forth in Configuration Management Policies and Procedures CF01–CF04, CF07, and CF10. The subject modification has been fully entered into the Program Management Information System (PMIS), including the complete record of supporting documentation and technical justification. The Project team reaffirms that PMIS is the primary system of record for document control, all site conditions, proposed changes, and technical assessments are recorded in PMIS concurrently with their occurrence. Refresher training on CF-series configuration management procedures were reiterated with project staff. Response to Recommendation 2: Project Management concurs. The Project team has completed an audit of the supporting documentation for this modification and reconciled the PMIS entries against the contractor's and inspectors' daily reports maintained in Headlight. The date discrepancies identified by the OIG have been reviewed, corrected where appropriate, and annotated in the modification file. To prevent recurrence, the Project team has instituted a monthly reconciliation protocol between PMIS and Headlight, with the Resident Engineer responsible for verifying that modification entries, daily reports, and inspection records are consistent across both platforms. Modifications have been entered into PMIS within the timeframes prescribed by Metro's project control procedures, and pending modifications will be reviewed at the project's monthly cost and schedule meetings to ensure timely input and accurate reporting against budget and reserve fund status.	July 2026
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	and Project management, and reduces schedule delays, and financial uncertainty; even though some believe it may introduce conflict that could strain the working relationship during the project, the benefits of early engagement often outweigh the risk.	Response to Recommendation 3: Project Management concurs. The Project team has adopted an early intervention approach to contractor claims and potential change notices. Open and emerging issues are being reviewed at regularly scheduled meetings with the Contractor, with the objective of evaluating merit, negotiating resolution, and closing out claims at the earliest practicable stage. The Project team recognizes that proactive engagement reduces cost overruns, schedule delays, and financial uncertainty, and promotes transparency and cooperation between the Contractor and Project Management. The team will monitor the effectiveness of this approach and maintain documentation of claim resolution timelines in PMIS for future audit and lessons-learned purposes.	
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ATTACHMENT B (FEBRUARY 2025)			
OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00045) LRT Excessive Deflection.	The OIG requested a response from the Project Management team to a series of questions to justify Metro's reasoning for approving the cost. To streamline future adjustments, it is recommended to implement engineering controls and monitoring systems to detect anomalies early in the project lifecycle. Additionally, Metro's quality assurance protocols could benefit from enhancements that balance safety, quality, time, and budget considerations. For instance, ensuring adequate time for structural completion before commencing finishing works could prevent similar change orders in the future.	Response and justification from Management: a) The variation between the ROM, ICE, and final Change Amount resulted from additional RFI details and evolving market and project conditions that increased costs. After contractor negotiations, the increase was deemed justifiable. A cost-benefit analysis weighed deflection corrections against schedule impacts, leading to the most efficient solution. Two in-person negotiation rounds ensured the contractor's proposal was accurate and aligned with field performance. b) Recovery costs were deemed unfeasible for AMC due to complex project conditions, including delegated designs, challenging field scenarios, tight	Projected revenue service date (RSD) June 2025

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		schedules, logistical constraints, and structural steel integration. Lacking evidence of significant design or workmanship issues by the Engineer of Record (EOR) or Contractor, no basis exists to invoke warranties or pursue recovery.	
#2 WS Purple Line Ext. 2 Project. This OIG Spot Check report concerns the WS Purple Line Extension 2 (Contract C1120, MOD 00227) Storm Drain /Unforeseen Conditions.	I have requested a response from the Project Management team to a series of questions to justify Metro's reasoning. The prime contractor and infrastructure designer did not account for the sewer lateral in their plans because there was no indication in reference documents provided by the Los Angeles Bureau of Engineering (LABOE). The contractor utilized utility location methods (i.e., potholing and GPR) which were unsuccessful. I reviewed the contractor processes and as-build utility records with the Los Angeles Bureau of Engineering (LABOE), which revealed no records of the private sewer lateral and supports the justification of the change order.	The cost for the modification encompassed temporary remediation and repair of the sewer lateral, which was an unforeseen condition not reflected in the city-provided as-built drawings. These unexpected circumstances necessitated immediate corrective action to maintain project continuity and further impact residents. The OIG accepts Management's justification of the modification.	Projected revenue service date (RSD) August 2026
#4 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector 96 th St Transit Station (Contract C1197, MOD 00049) Improvements of the north-end perimeter site fencing .	The OIG requested Management's justification to the modification and reasoning that necessitated the improvements to north-end perimeter site fencing.	The change includes costs associated with the design, materials, and construction that were necessitated by the increased number of bus chargers and modifications implemented by the LADWP.	Projected Revenue Service Date (RSD) June 2025

ATTACHMENT B (JANUARY 2024)			
OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 Division 20 Portal Widening Turnback Project. This OIG Spot Check report concerns the Division 20 Portal Widening Turnback Project (Contract C1136, MOD 0109) Lighting Various Civil and Electrical Changes.	The OIG recommends continuing forward with cost recovery from the Designer of Record.	Management concurs with the OIG recommendation and intends to pursue cost recovery for errors and omissions (E&O) from the Design Firm of Record.	
#2 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00027) Low Voltage Cabling.	The OIG recommends that the project office contacts the Airport monorail construction support team and recommend they install the Low Smoke Zero Halogen (LSZH) type fiber optic cable also.	The Project will coordinate with LAWA to install Corning's NFPA 130 compliant optical cable type which also meets Low Smoke Zero Halogen (LSZH) classification to be consistent with the optical cables on AMC project.	Projected Revenue Service Date (RSD) April 2025

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#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, CO 0045) SCE and LAWDP Change to Electrical Rooms and Equipment, Construction and Design with minor changes.	The OIG recommends staff work closely with SCE and LADWP to confirm their approvals for the requested work and to update any MRDC standard or specification to ensure that Metro corrects any out of date standards in relations to SCE or LADWP. It is recommended that Management discuss with the Diversity and Economic Development Department if the standard change order language might be revised to indicate a particular SBE/DBE goal for the change order “unless the contractor has already met the SBE/DBE goal for the contract as a whole”.	#3 (Top Half): The Project will continue to work closely with DWP/SCE. Metro engineering (Gateway) can look into updating the MRDC with some of the more significant changes that DWP/SCE requested but It should be noted that many of the changes that LADWP and SCE request are not in the ESR Manual or any other type of standard but came about due to safety concerns as they progressed through the work in the field. #3 (Bottom Half): The Project Manager and DEOD clarified the Contract requirements for achieving the DBE goal for Changed Work in the above attached letter.	Projected Revenue Service Date (RSD) September 2025
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