

## **SUMMARY**

### **Governance Assessment of MTA Capital Program Mega Projects MTA/OIG Report #10-04**

In the 1980s, the MTA embarked on a statutorily-authorized multi-billion dollar capital program to rebuild and enhance its physical infrastructure. As part of its legal obligation, the MTA Board of Directors established the Capital Program Oversight Committee (CPOC) to monitor the implementation of its five-year capital programs. To help CPOC members understand the often technical subject matter of capital projects, the law required that CPOC utilize an independent engineering consultant (IEC).

While OIG found that the governance structure now in place is essentially sound, there is room for improvement in how the MTA Board and executive management provide effective oversight. For example, it is clear that the MTA must use its independent engineer more effectively and demand accountability from its subsidiary, Capital Construction. We shared our preliminary findings and recommendations with MTA Chairman/CEO Walder and members of CPOC to allow them to take action even before our final report.

In July 2010, at the invitation of Chairman Walder, the Inspector General presented a number of the issues contained in this report directly to the CPOC members. At that meeting the IG stressed the importance of moving toward a risk-based approach to oversight and of ensuring that Capital Construction and the engineering consultants provide the Committee members with the critical analyses necessary for the members to perform that function.

Following this presentation, and based on the findings and recommendations contained in our report as well as those generated by the Authority itself, the Board moved to significantly improve its oversight over the mega-projects. Specifically, MTA management has focused the independent engineering firm on areas of higher risk and built greater accountability into the reporting process. Further, based on our attendance at MTA Committee meetings led by Chairman Walder and review of project reports, we have observed clearer presentations and more focused discussions among Committee members and agency staff regarding issues that might affect the “critical path” (to project completion) and budget.

#### **Press**

[\*\*The Daily News 12/22/10, MTA's big-ticket projects like 2nd Ave. subway, LIRR extension nearly \\$2 billion over budget\*\*](#)

[\*\*The New York Times 5/19/2010, Use of Mob-Linked Firm Shows M.T.A. Problem Vetting Subcontractors\*\*](#)

[\*\*Transportation Nation 12/22/10 , MTA Squabbling + Poor Management = Years of Delays and Nearly \\$2 Billion Over Budget on Mega-Projects\*\*](#)

[\*\*The New York Post 12/22/10, Proving Christie right\*\*](#)