


SUMMARY

Minimizing Additional Work Orders on NYC Transit Capital Projects MTA/OIG Report #2012-10

In August 2009, NYC Transit began rehabilitating 12 stations and segments of the elevated steel structure on the West End Line, which carries the  train in Brooklyn. As of July 2012, the contracts' cost to repair the structural steel had increased by \$5.2 million, with that amount expected to grow as the project advances. The Office of the MTA Inspector General initiated a review of the steel repair work specifically to understand why the cost was significantly higher than anticipated. Notably, we found that the design consultant did not perform complete inspections nor did the agency detect the omission. The agency also did not include any provision in its fixed-price contract for appropriately addressing a change in the quantity of repairs of concrete-encased steel which, because the condition of the steel is obscured by concrete, the nature and extent of any repairs can only be estimated. The agency could have used unit pricing for those repairs with quantities that cannot be precisely ascertained before construction begins. NYC Transit accepted all the report recommendations and pledged to make changes.

Inspector General Barry L. Kluger stated "By improving its approach to managing consultant inspections and changing how it contracts for steel repairs that cannot be precisely quantified before construction begins, NYC Transit can avoid the delay and expense of unnecessary Additional Work Orders on future projects."