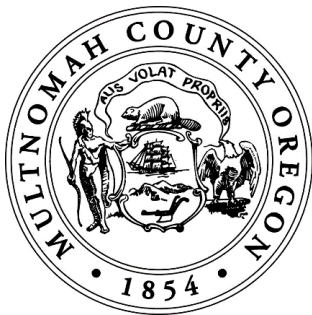


Major Capital Construction Audit

Good progress, but continued vigilance needed

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Why we conducted this audit:

- High dollar projects
- Complex construction
- External stakeholders
- Limited experience with high-rise construction
- Two projects going at the same time

What we did:

We focused on cost controls –

- The construction contract
- The project delivery method
- Subcontracting processes
- Pay applications
- Change orders
- The County's internal processes

What we found:

Contracts –

- Were consistent with best practices
- A few areas would benefit from greater clarity

Project delivery method –

- Project design benefitted from contractor input

Subcontracting process –

- The construction environment made it difficult to use competitive bidding as a cost control tool
- Monitoring is needed on some arrangements



What we found:

Pay applications –

- Review not consistent across projects
- Contractors made adjustments

Change orders –

- Review process consistent with best practices
- Follow-up review needed

County internal payment and contracting processes –

- Departments understand project team needs
- Payment process timely
- Contract amendments involve many reviews



Recommendations:

The County would benefit from engaging a specialist construction auditor.

- In order to get the most value out of the County's actual cost reimbursement contracts, a review of project books and records by a specialist construction auditor is required.
- To benefit from future cost-based construction projects, the County should build the expectation that construction audit standards will be applied to any future projects.

Questions?





