



# NEWS

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CONTACT: RICK JAGER/JIM SMART  
MTA PRESS RELATIONS  
(213) 922-2707/922-2700  
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## MTA RECEIVES TWO AUDITS THAT RECOMMEND WAYS TO IMPROVE RAIL CONSTRUCTION OVERSIGHT

A pair of comprehensive audits containing recommendations on ways the MTA can strengthen its construction program and provide better oversight and management of construction contracts and designs has been submitted to the MTA.

The Authority's Board of Directors is expected to review the audits and comment on the recommendations at its May 22 meeting.

The audits were commissioned by the MTA to help evaluate performance improvements as a result of recommendations by the firm in 1995. The independent focus of the audits ensured that all issues received the objective evaluation needed by the MTA.

"These audits should serve as a useful tool for the Board and staff in our continuing efforts to improve our construction program," said Larry Zarian, MTA Board Chairman. "We have a good program, with new leadership, but we can improve and these recommendations will help us achieve that."

The audits by the national auditing firm of Arthur Andersen, Inc., included a review of some 150 recommendations made by the firm, as well as a review of the EMC, the Engineering Management Consultants which provide engineering and design services to the MTA for its rail construction projects.

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The auditors grouped the 150 recommendations into nine critical management issues and indicated that two have been accomplished, four are in process, and three remain areas of concern. The reports noted that MTA performance had improved after implementing many of the recommendations. For example, the key areas of real estate, costs estimating, safety and quality were listed as having demonstrated measurable improvement.

Those that remain in process include: restoration of a strong team spirit among the construction division, a willingness and conviction to have a true and complete cost picture of each project at any time, and restore a strong emphasis on controlling costs.

Three critical management issues that the firm described as "largely unresolved" are: "the MTA Board must demonstrate trust and support to the MTA's construction division...step back from micro managing; the...leader of construction must establish an attitude of healthy skepticism by staff as it relates to the contractual and business relationship with the EMC and CM (Construction Management firms); the MTA urgently needs to significantly invest in Human Resources" to increase construction staffing.

"These audits tell us some of the things that we are doing right, and things that we need to focus on for further improvement," said Joe Drew, MTA Chief Executive Officer. "We need to solve problems from the bottom up, with leadership from the top down. Now its our job to provide the leadership to follow through on the recommendations as the Board directs us. The result will be a better MTA, and better construction work."

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Drew noted that he planned to elevate the contracting and procurement function in the MTA's management structure, as well as install an internal evaluation system which would ensure accountability at all levels in the organization.

The auditors, after reviewing the contractual relationship between the EMC and the Authority, also recommended that an 18-24 month evaluation be conducted of the EMC's performance using a mutually agreed upon and well-defined scope of services, responsibilities and specific performance measures. Adoption of the recommendation would allow both the EMC and the MTA to improve their working relationships and the performance of the EMC.

The EMC is a joint venture comprised of two primary entities: Parsons Brinckerhoff Quade and Douglas, Inc., and Daniel, Mann, Johnson and Mendenhall; four principal subcontractors: ICF Kaiser Engineers, Escudero-Fribourg Architects, Jenkins-Gales-Martinez, and the The Nettleship Group, Inc.

The EMC provides engineering and design services to the MTA for the construction of the Metro rail projects, including the Metro Red Line and the Metro Pasadena Line.

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