

San Diego County Regional Airport Authority

Update on the Green Build Construction Audit

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Office of the Chief Auditor and
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Green Build Diagnostic Review

A diagnostic review was completed at the end of 2010.

The purpose of the diagnostic review was to evaluate a wide range of areas to identify potential exposure relating to program cost, schedule, reporting, alignment of funding and scope, ARRA compliance, and evaluation of program controls.

Office of the Chief Auditor/RWBC met with program management team to review diagnostic results.



Opportunities for Improvement Overview

The review analyzed the following key program areas:

1. Green Build Program Management Office
2. Review of Program Funding / Financial Compliance
3. Program Manager
4. Construction Managers (Design/Build JVs)
5. DBE / Labor Compliance
6. Program Management Systems
7. LEED



Green Build Program Management Office

Areas for further development:

1. Fully develop policies & procedures specifically designed to administer D/B with progressive GMP contracts.
2. Further develop use of key performance indicators to measure throughput, fund source usage.
3. Financial administration of Task Authorizations, Work Authorizations, and GMPs that contain multiple billing methodologies within each, such as lump sum, cost reimbursable, unit price.



Program Funding / Financial Compliance

Areas for further development:

1. Funding assigned on expenditures versus commitments, thereby limiting ability to test fund balance exposure.
2. Compliance review of funding eligibility not systematically performed (AIP, TSA, PFCs, ARRA).
3. No formally developed process for reviewing funding eligibility to scope of work being accomplished.



Program Manager

Areas for further development:

1. Performance standards could be enhanced.
2. Fee estimates prepared by staff, rather than by task or deliverable, rendering performance measurement against a stated bench mark difficult.



Construction Manager (Design/Build JVs)

Areas for further development:

1. Manual corrections on invoices create challenges on who made such changes and source files difficult to maintain in an orderly fashion.



DBE / Labor Compliance

Areas for further development:

1. No standardized reporting system used for labor compliance data on the Green Build Program.
2. Limited staff dedicated to Green Build Program.
3. Lack of formalized procedures for labor compliance specifically designed for Green Build Program.



Program Management Systems

Areas for further development:

1. Manual reconciliation of expenditures/commitments between E1 / Prolog to fully capture Green Build Program data.



LEED

Areas for further development:

1. We found that the Green Build Program LEED Silver certification has a high probability of being achieved.
2. Program team to maintain focus on achieving energy performance targets, especially under an environment of multiple design tiers (Prime – D/B JV and 2nd Tier D/B subcontracts).



Phase 2 – Retroactive Financial Review

Current Status:

1. RWBC currently reviewing Green Build Program costs from inception through 2010.
2. Effort is 2/3 complete.
3. Covers work in Contract 1, Contract 2, Program Manager, and Miscellaneous Costs.



Questions

