



Board Report

File #: 2026-0603, **File Type:** Informational Report

Agenda Number: 13.

CONSTRUCTION COMMITTEE OCTOBER 14, 2026

SUBJECT: OFFICE OF THE INSPECTOR GENERAL CONSTRUCTION CHANGE ORDER SPOT CHECKS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Construction Change Order Spot Check Report for the period June 1, 2026, to August 31, 2026.

ISSUE

On January 25, 2018, the Metro Board directed the Office of the Inspector General (“OIG”) to conduct random spot checks on change orders for the construction projects listed in the quarterly program management report to ensure that the CEO Delegation of Authority to approve Construction Change Orders Policy is performing in the manner desired by the Board of Directors.

BACKGROUND

The OIG’s Construction Change Order Spot Check Program (“Spot Checks”) focuses on approved change orders and modifications that exceed \$500,000. The four change orders in this report were selected from the Program Management Quarterly Major Project Status for the period of June 1, 2026, to August 31, 2026. The OIG gathers the data, reviews all the change orders over \$500,000, and selects change orders from the major projects. The information for the Spot Checks was collected from the Program Management Information System (PMIS), which is the department’s database system. Also, virtual meetings and telephonic interviews were conducted with Metro Program Management, Project Control, and Procurement staff from each involved project office.

For each Spot Check, we summarized:

- Description of the change order,
- Change order detail,
- Scope of Work,
- Budget,
- Schedule (Time to execute the change order),
- Safety, and
- Recommendations (lessons learned are identified starting with this report).

Metro's Program Control department has provided informal responses to this report before its issuance, and they are asked to provide written responses to the recommendations in this OIG Spot Checks Report within 30 days after this Report is issued. Included with this report is a spreadsheet with the status of responses concerning previous OIG Spot Check Report recommendations (Attachment B).

DISCUSSION

Findings

Spot Check #1 - The LAX Metro Transit Center Station Project

This OIG Spot Check report pertains to the LAX Metro Transit Center Station Project. (Contract 1197 MOD 00083) - Additional Construction Material and Spare Parts.

Change Order Detail

See Attachment A Spot Check #1 table.

Summary #1

Scope of Work - This contract modification authorizes the Contractor to procure, furnish, and turn over to Metro the construction materials and system spare parts specified in the Contract Documents. The Contractor submitted an itemized spare parts inventory for Metro's review and approval. These materials and components will support future operations and maintenance activities, including scheduled maintenance, corrective repairs, and the replacement of damaged or failed components.

In accordance with the Contract Technical Specifications, Metro-approved spare parts were to be funded through the Schedule of Quantities and Prices, Schedule B Provisional Sum (Item No. 20), which was allocated specifically for this purpose. However, the provisional sum was insufficient to cover the full quantity of spare parts required under the contract specifications, necessitating this change order to procure the remaining items.

The required inventory includes spare parts and materials for communication systems, CCTV and security systems, first-responder radio systems, electrical circuit protection, paint and coating systems, architectural finishes, and tile installations. This modification also compensates the Contractor for the labor and materials necessary to relocate and reinstall the sewer ejector pit sump pump control panel, including associated procurement and installation activities.

Budget - This Change Order MOD 00083 was negotiated in the amount of \$1,916,740. The Contractor's Cost and Schedule Proposal (CSP) was \$1,916,740, and the Independent Cost Estimate (ICE) was \$1,831,753. The negotiated amount was equal to the CSP and \$84,987 (4.64%) above the ICE.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The modification was awarded on June 11, 2026, and the staff completed all signature approvals within twenty-five workdays. Under the prior Board approval method for change orders, assuming presentation at a July Board meeting date, it would have taken a total of 27 workdays to complete the transaction.

Safety - The LAX Metro Transit Center Station Project for the C1197 contract has 1,577,260 Project hours through June 2026, with a Total Recordable Injury Rate of 1.27 (the Bureau of Labor Statistics National Average is 2.3) and a Days Away, Restricted or Transferred (DART) rate of .25 (the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - There are no recommendations by the OIG.

Spot Check #2 - The Purple Line Extension Section 1 Transit Station Project

This OIG Spot Check report pertains to the Purple Line Extension Section 1 Transit Station Project (Contract 1045 MOD 00294) - Additional Work Necessitated by the City of Beverly Hills Streetscape Standards Update.

Change Order Detail

See Attachment A Spot Check #2 table.

Summary #2

Scope of Work - This contract modification authorizes and compensates the Contractor for the procurement of materials and the construction activities to complete the La Cienega streetscape restoration in accordance with the City of Beverly Hills (COBH) updated design standards. Conformance with these standards is required under the Memorandum of Agreement (MOA) between Metro and COBH. The work includes relocating and refurbishing existing pedestrian light poles; constructing new 5-foot-by-5-foot tree wells and associated irrigation infrastructure; installing electrical outlets, pedestrian lighting, conduit, pull boxes, and foundations; providing designated spaces for bus benches and trash receptacles; and decorative scoring of sidewalk surfaces. Collectively, these improvements integrate the required landscaping, electrical, lighting, and pedestrian-amenity elements into the final streetscape configuration. Following completion of this work, future landscaping will be managed by the COBH.

Budget - This Change Order MOD 00294 was negotiated in the amount of \$3,370,509. The Contractor's Cost and Schedule Proposal (CSP) was \$3,751,615, and the Independent Cost Estimate (ICE) was \$2,992,118. The negotiated amount was \$381,106 (10.16%) below the CSP and \$378,391 (12.65%) above the ICE.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The modification was awarded on June 11, 2026, and the staff completed all signature approvals within sixteen workdays. Under the prior Board approval method for change orders, assuming presentation at a July Board meeting date, it would have taken a total of 25 workdays to complete the transaction.

Safety - The Purple Line Extension Section 1 Transit Station Project C1045 contract has 11,265,515 Project hours through June 2026, with a Total Recordable Injury Rate of .80 (the Bureau of Labor Statistics National Average is 2.3) and a Days Away, Restricted or Transferred (DART) rate of .12 (the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - There are no recommendations by the OIG.

Spot Check #3 - The Purple Line Extension Section 3 Transit Station Project

This OIG Spot Check report pertains to the Purple Line Extension Section 3 Transit Station Project (Contract 1152 MOD 00160.1) - Additional Work, LADOT Traffic Controller Cabinet Replacement.

Change Order Detail

See Attachment A Spot Check #3 table.

Summary #3

Scope of Work - This contract modification compensates the Contractor for the procurement of materials and necessary construction activities for the replacement of three Los Angeles Department of Transportation (LADOT) traffic signal controller cabinets at intersections near the Westwood/UCLA Station: Wilshire Boulevard/Veteran Avenue, Gayley Avenue/Midvale Avenue/Wilshire Boulevard, and Westwood Boulevard/Wilshire Boulevard. The cabinet replacements are required to incorporate the technical revisions identified during LADOT's August 2020 design review and ensure compliance with applicable agency design requirements.

Budget - This Change Order MOD 00160.1 was negotiated in the amount of \$486,753.54. The Contractor's Cost and Schedule Proposal (CSP) was \$493,354.22, and the Independent Cost Estimate (ICE) was \$380,034. The negotiated amount was \$6,600.68 (1.34%) below the CSP and \$106,719.54 (28.08%) above the ICE.

The variance between the negotiated amount and the ICE was primarily attributable to limitations in the scope information available when the ICE was prepared. Certain cost elements-including site-specific field conditions, construction means and methods, and ancillary work-were not fully reflected in the initial estimate. Consequently, the ICE did not fully capture the cost of the work ultimately required to complete the modification.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The modification was awarded on June 24, 2026, and the staff completed all signature approvals within sixteen workdays. Under the prior Board approval method for change orders, assuming presentation at a July Board meeting date, it would have taken a total of 25 workdays to complete the transaction.

Safety - The Purple Line Extension 3Transit Project for the C1152 contract has 3,546,702 Project hours through December 2025, with a Total Recordable Injury Rate of 2.15 (the Bureau of Labor Statistics National Average is 2.3) and a Days Away, Restricted or Transferred (DART) rate of .39

(the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - There are no recommendations by the OIG.

Spot Check #4 - The SR-91 Eastbound Improvement Project

This OIG Spot Check report pertains to the SR-91 Eastbound improvement project to add an auxiliary lane (Contract C599228C1228 MOD 00008.1) - Additional Work, for noise and vibration monitoring at 28 noise sensitive locations.

Change Order Detail

See Attachment A Spot Check #4 table.

Summary #4

Scope of Work - This change order authorizes and compensates the Contractor for implementing a six-month noise and vibration monitoring program in support of the SR-91 Eastbound Improvement Project, which will construct an auxiliary lane within the City of Long Beach between the southbound I-710 interchange. The work includes the procurement, installation, operation, and maintenance of sound and vibration monitoring equipment at 28 designated noise-sensitive receptor locations, as well as the collection and documentation of monitoring data and the preparation of weekly reports. These services support the implementation of the Contractor's Noise Control Plan and provide a systematic record of construction-related noise and vibration conditions throughout the monitoring period.

Budget - This Change Order MOD 00008.1 was negotiated in the amount of \$663,925.28. The Contractor's Cost and Schedule Proposal (CSP) was \$664,594.35, and the Independent Cost Estimate (ICE) was \$668,420.15. The negotiated amount was \$669.07 (0.10%) below the CSP and \$4,494.87 (0.67%) below the ICE.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The modification was awarded on August 6, 2026, and the staff completed all signature approvals within three workdays. Under the prior Board approval method for change orders, assuming presentation at a September Board meeting date, it would have taken a total of 32 workdays to complete the transaction.

Safety - The SR 91 Eastbound improvement project for the C599228C1228 contract has 753 Project hours through June 2026, with a Total Recordable Injury Rate of 0.0 (the Bureau of Labor Statistics National Average is 2.3) and a Days Away, Restricted or Transferred (DART) rate of 0.0 (the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - There are no recommendations by the OIG.

EQUITY PLATFORM

In the opinion of the OIG, we considered whether these change orders presented any equity-related issues on their face. The OIG did not receive any data concerning community impacts. The OIG observed no obvious disparate impacts created by these change orders on small businesses or low-income persons or by the performance of the work in a manner that impacted a disadvantaged community beyond what is typical and usual when conducting any construction.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this report does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro Program Management, Safety in Construction, and effective financial management. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item generally supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Office of Inspector General reviews large change orders over a calendar quarter and makes recommendations as appropriate to support Metro's Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization and CEO goals to exercise fiscal discipline to ensure financial stability. The OIG mission includes reviewing expenditures for fraud, waste, and abuse in Metro programs, operations, and resources. For each selected change order reviewed, the OIG evaluates whether there are red flags of fraud, waste, or abuse taking place. We report the details of the significant change orders and make recommendations consistent with the OIG's Construction Best Practices report dated February 29, 2016, and supplemental report in 2023, more particularly focusing on safety, lessons learned, improving efficiencies, and prudent spending.

NEXT STEPS

The OIG shall provide, every quarter, an ongoing spreadsheet of recommendations to Program Management and Program Controls. Program Management and Program Controls agree to respond to the recommendations of the OIG within 30 days. The OIG continues to meet periodically to discuss reports, recommendations, and the status of implementation of the recommendations with Project Management and receive updates. The list of OIG recommendations and Metro management responses is an attachment to this OIG report (Attachment B).

ATTACHMENTS

Attachment A - Change Order Details for Spot Checks in this report

Attachment B - OIG Recommendations and Responses Tracking Sheet

Prepared by: Stuart Bermudez, Construction Specialist Investigator, (213) 244-7324

Reviewed by: Karen Gorman, Inspector General, (213) 244-7337


Karen Gorman
Inspector General

Spot Check #1 – The LAX Metro Transit Center Station Project Contract C1197**Change Order Detail**

<u>Description of Modification or Change Order – MOD 00083</u> Additional Construction Material and Spare Parts.	
<u>Change Order Dates:</u>	
Scope of Work approved	June 5, 2026
Awarded to the Contractor	June 11, 2026
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process and signature approvals	25 workdays
Estimate using former Board approval process Agenda for the July Board Meeting	27 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$1,831,753
Contractor Stated Proposal (CSP)	\$1,916,740
Agreed amount	\$1,916,740
Percentage of negotiated amount <i>above</i> ICE	4.64%
Amount <i>above/below</i> the Contractor's Proposal (CSP)	\$0

Spot Check #2 – The Purple Line Extension Section 1 Transit Station Project - Contract C1045**Change Order Detail**

<u>Description of Modification or Change Order – MOD 00294</u> Additional Work, necessitated by the COBH Streetscape Standards Update.	
<u>Change Order Dates:</u>	
Scope of Work approved	June 10, 2026
Awarded to the Contractor	June 11, 2026
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process and signature approvals	16 workdays
Estimate using former Board approval process Agenda for the July Board Meeting	25 workdays
<u>Cost of Change Order:</u>	
Metro Independent Cost Estimate (ICE)	\$2,992,118
Contractor Stated Proposal (CSP)	\$3,751,615
Negotiated amount	\$3,370,509
Percentage of negotiated amount <i>above</i> (ICE)	12.65%
Amount <i>below</i> the Contractor's Proposal (CSP)	\$381,106

Spot Check #3 – The Purple Line Extension Section 3 Transit Station Project - Contract C1152

Change Order Detail

Description of Modification or Change Order – MOD 00160.1 Additional Work, LADOT Traffic Controller Cabinet Replacement.	
<u>Change Order Dates:</u>	
Scope of Work approved	June 10, 2026
Awarded to the Contractor	June 24, 2026
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process and signature approvals	16 workdays
Estimate using former Board approval process Agenda for the July Board Meeting	25 workdays
<u>Cost of Change Order:</u>	
Metro Independent Cost Estimate (ICE)	\$380,034
Contractor Stated Proposal (CSP)	\$493,354.22
Negotiated Amount	\$486,753.54
Percentage of negotiated amount <i>above</i> (ICE)	28.08%
Amount <i>below</i> the Contractor's Proposal (CSP)	\$6,600.68

Spot Check #4 – The SR-91 Eastbound Improvement Project – Contract C599228C1228

Change Order Detail

Description of Modification or Change Order – MOD 00008.1 Additional Work, Noise and Vibration Monitoring at Twenty-eight Noise Sensitive Locations.	
<u>Change Order Dates:</u>	
Scope of Work approved	August 3, 2026
Awarded to the Contractor	August 6, 2026
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process and signature approvals	3 workdays
Estimate using former Board approval process Agenda for the September Board Meeting	32 workdays
<u>Cost of Change Order:</u>	
Metro Independent Cost Estimate (ICE)	\$668,420.15
Contractor Stated Proposal (CSP)	\$664,594.35
Negotiated Amount	\$663,925.28
Percentage of negotiated amount <i>below</i> (ICE)	.67%
Amount <i>below</i> the Contractor's Proposal (CSP)	\$669.07

ATTACHMENT B (APRIL 2025)			
OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 The Rail to Rail Active Transport Corridor Project. This OIG Spot Check report concerns the Rail to Rail Active Transport Corridor Project (Contract C1166, MOD 00113) Bollard Procurement.	<p>The OIG requested an explanation to why Metro accepted the contractor's proposal of \$831,894.21, which was 33% higher than the Independent Cost Estimate, and what caused such a significant difference between the two amounts?</p> <p>The OIG supports the recommendation of SSLE and Metro's ongoing efforts to incorporate safety considerations into public right-of-way management. This approach enhances accessibility and ensures that public spaces are safer and more navigable for all, including pedestrians and cyclists.</p>	<p>The Project Team accepted the Contractor's proposal due to several factors. To meet the substantial completion date and the scheduled opening in April, the Project incurred additional costs to expedite the procurement process. Consequently, the Contractor included an expediting fee to ensure timely delivery.</p> <p>Additionally, the Contractor's proposal accounted for costs not included in the Independent Cost Estimate but essential for the Project, such as storage, touch-up painting, handling/transportation, and anti-graffiti coating.</p>	April 2025
#2 The Purple Line Extension Section 2 Transit Project. This OIG Spot Check report concerns the Purple Line Extension 2 (Contract C1120, MOD 00230.1). Additional project staffing and compliance activities for changes issued during the base design phase	<p><u>Question to the Purple Line Extension 2 Program Management.</u></p> <p>The OIG requested an explanation of what caused the need for additional project staffing that the Contractor did not consider and plan during the bidding process.</p> <p>No Recommendations for this spot check on the basis of Management's response.</p>	<p>The project underwent significant design changes that exceeded what could have been reasonably anticipated, requiring an increase in project staffing. Examples include reorienting and expanding a station entrance by 90 degrees, a major redesign of the storm drainage system, the impact of a global pandemic, and a change to the final tunnel lining material.</p>	April 2025
#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, MOD 00235) The Wilshire/La Cienega Plaza Station Standby Generator, Design and Construction.	<p>OIG Recommendations/Lessons Learned – The OIG recommends incorporating larger equipment specifications early in the procurement process, which enables more accurate budgeting and planning. This proactive approach helps establish a consistent set price and reduces the likelihood of unforeseen expenses.</p>	<p>Program Management conducts a market and technology assessment during the design phase to identify emerging equipment options and incorporate anticipated upgrades into specifications early in the procurement process. This proactive approach enables more accurate budgeting, establishes a firm baseline price, and reduces the likelihood of unforeseen expenses. The original specified lower-tier equipment stated in this modification was credited to the contract and never delivered. The upgraded equipment, which was not commercially available during the design phase, was procured in its place and provides greater sustainability and adaptability to future system requirements, representing improved long-term value.</p>	July 2026

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

<p>#4 The I-5 North Country Enhancement Project. This OIG Spot Check report concerns the I-5 North County Enhancement Project (Contract C70396C1205, MOD 00050) Differing Site Conditions.</p>	<p>OIG Recommendations/Lessons Learned – The project management software “Headlight,” which is being used on this project to review the daily reports for the period of the modification, revealed a possible lack of sufficient oversight with documentation and technical input from the Project team and Resident Engineer. There was no record of the modification on Metro’s Project Management Information System (PMIS) from the Project team for 19 months. This change order might have been identified a year ago if the project had been more proactive with its modification input on PMIS. This delay of documentation can have an effect budget management and reserve funds status.</p> <p>Recommendation 1: The OIG recommends that the Project team review the Capital Project requirements referred to in the Configuration Management Policies and Procedures in CF01-CF04, CF07, and CF10. Metro’s Program Management Information System (PMIS) must be the primary source for document control. Metro’s project control procedures require that all modifications be fully documented and supported by technical justification and require the active involvement of the Project team and the Resident Engineer in assessing and recording site conditions and proposed changes.</p> <p>Recommendation 2: For best practices of project controls and fostering transparency, modifications should be entered in a timely manner. The validity of the submitted information is uncertain, and I recommend that the Project team audit the supporting documents for the modification. The documentation input on (PIMS) submitted by the Project team does not align with the dates of the contractor’s or inspectors’ reporting in the “Headlight,” indicating a possible communication disparity between the use of both programs.</p> <p>Recommendation 3: The OIG recommends considering negotiating and closing out Contractor claims through early intervention. This theory proactively addresses claims, and helps prevent cost overruns, foster transparency and cooperation between the Contractor</p>	<p>The Project team performed a comprehensive reconciliation of the modification record against the contractor's and inspectors' daily reports in Headlight to ensure the PMIS entry accurately reflects the field record. In addition, the Project team conducted a full review of all open and pending modifications on the contract to confirm that no other items remain unrecorded in PMIS. The project fully aligned with Metro's document control and project management requirements, and we welcome any follow-up review the OIG deems appropriate.</p> <p>Response to Recommendation 1: Project Management concurs. The Project team, including the Resident Engineer, has completed a review of the Capital Project requirements set forth in Configuration Management Policies and Procedures CF01–CF04, CF07, and CF10. The subject modification has been fully entered into the Program Management Information System (PMIS), including the complete record of supporting documentation and technical justification. The Project team reaffirms that PMIS is the primary system of record for document control, all site conditions, proposed changes, and technical assessments are recorded in PMIS concurrently with their occurrence. Refresher training on CF-series configuration management procedures were reiterated with project staff.</p> <p>Response to Recommendation 2: Project Management concurs. The Project team has completed an audit of the supporting documentation for this modification and reconciled the PMIS entries against the contractor's and inspectors' daily reports maintained in Headlight. The date discrepancies identified by the OIG have been reviewed, corrected where appropriate, and annotated in the modification file. To prevent recurrence, the Project team has instituted a monthly reconciliation protocol between PMIS and Headlight, with the Resident Engineer responsible for verifying that modification entries, daily reports, and inspection records are consistent across both platforms. Modifications have been entered into PMIS within the timeframes prescribed by Metro's project control procedures, and pending modifications will be reviewed at the project's monthly cost and schedule meetings to ensure timely input and accurate reporting against budget and reserve fund status.</p>	<p>July 2026</p>
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Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

	and Project management, and reduces schedule delays, and financial uncertainty; even though some believe it may introduce conflict that could strain the working relationship during the project, the benefits of early engagement often outweigh the risk.	Response to Recommendation 3: Project Management concurs. The Project team has adopted an early intervention approach to contractor claims and potential change notices. Open and emerging issues are being reviewed at regularly scheduled meetings with the Contractor, with the objective of evaluating merit, negotiating resolution, and closing out claims at the earliest practicable stage. The Project team recognizes that proactive engagement reduces cost overruns, schedule delays, and financial uncertainty, and promotes transparency and cooperation between the Contractor and Project Management. The team will monitor the effectiveness of this approach and maintain documentation of claim resolution timelines in PMIS for future audit and lessons-learned purposes.	
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ATTACHMENT B (FEBRUARY 2025)

OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00045) LRT Excessive Deflection.	<p>The OIG requested a response from the Project Management team to a series of questions to justify Metro's reasoning for approving the cost.</p> <p>To streamline future adjustments, it is recommended to implement engineering controls and monitoring systems to detect anomalies early in the project lifecycle. Additionally, Metro's quality assurance protocols could benefit from enhancements that balance safety, quality, time, and budget considerations. For instance, ensuring adequate time for structural completion before commencing finishing works could prevent similar change orders in the future.</p>	<p>Response and justification from Management:</p> <ul style="list-style-type: none"> a) The variation between the ROM, ICE, and final Change Amount resulted from additional RFI details and evolving market and project conditions that increased costs. After contractor negotiations, the increase was deemed justifiable. A cost-benefit analysis weighed deflection corrections against schedule impacts, leading to the most efficient solution. Two in-person negotiation rounds ensured the contractor's proposal was accurate and aligned with field performance. b) Recovery costs were deemed unfeasible for AMC due to complex project conditions, including delegated designs, challenging field scenarios, tight schedules, logistical constraints, and structural steel integration. Lacking evidence of significant design or workmanship issues by the Engineer of Record (EOR) or Contractor, no basis exists to invoke warranties or pursue recovery. 	February 2025

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

#2 WS Purple Line Ext. 2 Project. This OIG Spot Check report concerns the WS Purple Line Extension 2 (Contract C1120, MOD 00227) Storm Drain /Unforeseen Conditions.	<p>I have requested a response from the Project Management team to a series of questions to justify Metro's reasoning.</p> <p>The prime contractor and infrastructure designer did not account for the sewer lateral in their plans because there was no indication in reference documents provided by the Los Angeles Bureau of Engineering (LABOE). The contractor utilized utility location methods (i.e., potholing and GPR) which were unsuccessful. I reviewed the contractor processes and as-build utility records with the Los Angeles Bureau of Engineering (LABOE), which revealed no records of the private sewer lateral and supports the justification of the change order.</p>	<p>The cost for the modification encompassed temporary remediation and repair of the sewer lateral, which was an unforeseen condition not reflected in the city-provided as-built drawings. These unexpected circumstances necessitated immediate corrective action to maintain project continuity and further impact residents.</p> <p>The OIG accepts Management's justification of the modification.</p>	February 2025
#4 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector 96 th St Transit Station (Contract C1197, MOD 00049) Improvements of the north-end perimeter site fencing .	<p>The OIG requested Management's justification to the modification and reasoning that necessitated the improvements to north-end perimeter site fencing.</p>	<p>The change includes costs associated with the design, materials, and construction that were necessitated by the increased number of bus chargers and modifications implemented by the LADWP.</p>	February 2025

ATTACHMENT B (JANUARY 2024)			
OIG REPORT, SPOT CHECK, # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
#1 Division 20 Portal Widening Turnback Project. This OIG Spot Check report concerns the Division 20 Portal Widening Turnback Project (Contract C1136, MOD 0109) Lighting Various Civil and Electrical Changes.	The OIG recommends continuing forward with cost recovery from the Designer of Record.	Management concurs with the OIG recommendation and intends to pursue cost recovery for errors and omissions (E&O) from the Design Firm of Record.	
#2 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00027) Low Voltage Cabling.	The OIG recommends that the project office contacts the Airport monorail construction support team and recommend they install the Low Smoke Zero Halogen (LSZH) type fiber optic cable also.	The Project will coordinate with LAWA to install Corning's NFPA 130 compliant optical cable type which also meets Low Smoke Zero Halogen (LSZH) classification to be consistent with the optical cables on AMC project.	January 2024
#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, CO 0045) SCE and LAWDP Change to Electrical Rooms and Equipment, Construction and Design with minor changes.	<p>The OIG recommends staff work closely with SCE and LADWP to confirm their approvals for the requested work and to update any MRDC standard or specification to ensure that Metro corrects any out of date standards in relations to SCE or LADWP.</p> <p>It is recommended that Management discuss with the Diversity and Economic Development Department if the standard change order language might be revised to indicate a particular SBE/DBE goal for the change order "unless the contractor has already met the SBE/DBE goal for the contract as a whole".</p>	<p>#3 (Top Half): The Project will continue to work closely with DWP/SCE. Metro engineering (Gateway) can look into updating the MRDC with some of the more significant changes that DWP/SCE requested but it should be noted that many of the changes that LADWP and SCE request are not in the ESR Manual or any other type of standard but came about due to safety concerns as they progressed through the work in the field.</p> <p>#3 (Bottom Half): The Project Manager and DEOD clarified the Contract requirements for achieving the DBE goal for Changed Work in the above attached letter.</p>	January 2024

File# 2026-0603

Office of the Inspector General

Construction Change Order Spot Check Report

Presented By:

Karen Gorman

Inspector General

October 14, 2026 | Construction Committee
Los Angeles County Metropolitan Transportation Authority



Spot Checks 1 & 2

File# 2026-0603



1 – The LAX Metro Transit Center Station Project

Additional Construction Materials and Spare Parts

This change order authorizes the Contractor to procure, furnish, and turn over to Metro the construction materials and system spare parts.



No Recommendations by the OIG

Award

\$1,916,740



2 – The Purple Line Extension 1 Transit Station Project

Additional Work – Necessitated by the COBH Streetscape Standards

This change order authorizes and compensates the Contractor for the procurement of materials and construction activities required to complete the La Cienega streetscape restoration in accordance with the City of Beverly Hills.



No Recommendation by the OIG

Award

\$3,370,509

Spot Checks 3 & 4

File# 2026-0603



3 – The Purple Line Extension 3 Transit Station Project

Additional Work– Los Angeles Department of Transportation (LADOT) Traffic Controller Replacement Cabinets.

This change order authorizes and compensates the Contractor for the procurement of materials and necessary construction activities for the replacement of three LADOT traffic controller cabinets



No Recommendations by the OIG

Award

\$486,753.54



4 – The SR-91 Eastbound Improvement Project

Additional Work – Noise and Vibration Monitoring at Twenty-eight Noise Sensitive Locations.

This change order authorizes and compensates the Contractor for implementing a six-month noise and vibration monitoring at twenty-eight noise sensitive locations.



No Recommendations by the OIG

Award

\$663,925.28

Spot Check Schedule Comparison

File# 2026-0603

Project	Title of Change Order	Time Saved Executed Date to Board Mtg.	New Delegated Process Final SOW to Executed Date	Formal Approval Process
The LAX Metro Transit Center Station Project	Additional Construction Material and Spare Parts	2	25	27
The Purple Line Extension Section 1 Transit Project	Additional Work – Necessitated by the COBH Streetscape Standards Update	9	16	25
The Purple Line Extension Section 3 Transit Project	Additional Work – LADOT Traffic Controller Cabinet Replacement	9	16	25
The SR-91 Eastbound Improvement Project	Additional Work – Noise and Vibration Monitoring	29	3	32