



Date: May 22, 1997

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**TO: BOARD OF DIRECTORS**

**FROM: CHARLES W. STARK**

**SUBJECT: IMPLEMENTATION OF RECOMMENDATIONS FROM  
THE ARTHUR ANDERSEN REPORT**

**ISSUE**

It is recommended that the Board receive and file the attached report on the implementation of recommendations from the original Arthur Andersen Report that have an impact on the Metro Pasadena Blue Line.

**BACKGROUND**

At the special meeting of the Construction Committee on May 6, 1997, questions were raised about the relationship between recommendations from the original Arthur Andersen Report and the Metro Pasadena Blue Line project.

The attached report lists 5 recommendations from the Arthur Andersen Report that impact the Metro Pasadena Blue Line project, the functional manager responsible for implementation at the time of completion, and the date the recommendation was reported completed.

Prepared by: Jeffrey C. Christiansen

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# ARTHUR ANDERSEN RECOMMENDATIONS

## RESPONSIBLE FUNCTIONAL MANAGER AND DATE COMPLETED

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### L. GRAW DIRECTOR, CONTRACTS

CHIO04	We recommend that the contract administrators monitor the change potential situation on a regular basis in conjunction with resources drawn from internal audit, the estimating department of the MTA and the utilization of the CM and PM personnel within the MTA. (BIX43)	COMPLETED 7/30/96
PAP05	The Contract Administrators within the MTA should be assigned accountability (through performance measures) for the payment applications they authorize. (BVII08)	COMPLETED 7/30/96
PAP07	We recommend that the contract administrator take a more active role in reviewing the payment applications. (BVII10)	COMPLETED 6/30/96
PAP10	We recommend the MTA require all consultants to prepare detail billings of their time, identifying hours worked and tasks accomplished. (BVIII1)	COMPLETED 3/30/96

### S. PHERNAMBUCQ EXECUTIVE OFFICER, CONSTRUCTION

HRS08	The future leader of Construction must establish an attitude of "healthy skepticism" within its staff as it relates to the contractual and business relationship with the EMC and CM consultants. (BXVII15), (AI06)	COMPLETED 6/31/96
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**LEGEND:** ENG-Engineering, RES-Real Estate, COE-Cost Estimating, CAW-Contract Awards, CAD-Contract Administrator, PAP-Payment Applications, REG-Resident Engineer, CHO-Change Orders, SCH-Schedule, COC-Cost Control, REP-Reporting, SFT-Safety, QUT-Quality, PAF-Public Affairs, RMG-Risk Management, HRS-Human Resources, COD-Construction Division, CAC-Consultants and Contractors, MTB-MTA Board, CEO-Office of the CEO, CNO-MTA's Construction Organization