CITY OF ATLANTA
City Auditor's Office
Amanda Noble, City Auditor
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Performance Audit:

Aviation Capital Projects

Why We Did This Audit

We undertook this audit because the Atlanta City Council expressed concerns about the status of the Atlanta Police Department's precinct at the Hartsfield-Jackson Atlanta International Airport. City Council adopted Ordinance No. 22-R-4261, requesting that the City Auditor's Office audit the previous five years of construction expenditures and the condition of the police precinct after spending slightly over $1 million to renovate the precinct in 2020.

What We Recommended

To align policies and procedures with best practices, the airport general manager should ensure that Planning and Development staff:

- formalize design-to-cost and mobilization/demobilization methodologies
- update design review and closeout policies, reinforce staff participation in safety training programs

To ensure project files are available for review, the airport general manager should:

- ensure safety and health plans are approved before construction
- route project closeout checklists through PMWeb for approval

To ensure policies and procedures are updated to reflect current practices, the airport general manager should:

- update change management policies
- develop a schedule for annual reviews

To apply project management tools according to contract terms and program procedures, the airport general manager should:

- ensure safety non-compliance forms are approved
- ensure projects are closed out timely in PMWeb
- ensure operations and maintenance manuals and activation plans are in accordance with contract terms

To avoid potential conflicts of interest regarding project management decisions, the airport general manager should:

- direct the assistant general manager to seek advice from the Ethics Office when potential conflicts occur

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

What We Found

Aviation's Planning and Development staff has developed detailed policies and procedures that generally follow best practices for capital project management. The procedures provide project teams with a project management framework that addresses relevant risks. Staff has established controls addressing most risks. However, minor control gaps exist in organizational framework, cost and financial management, schedule management, quality management, and safety management. Although the ATLNext program's procedures satisfy most project management best practices, some gaps remain which may allow for unnecessary risk.

We found that most change orders and work authorizations issued across the four projects complied with procedures. Most controls over project management in areas such as project activation, payment application processing, and financial management were present and functioning as intended.

Small adjustments would bring controls in line with best practices regarding design checklists, value engineering policies, recurring safety training, and mobilization and demobilization plans. Some required project documentation was not accessible for review for various elements of the project lifecycles according to policy guidelines such as design, operation and maintenance, and safety. Additionally, written procedures do not fully document current value engineering and mobilization and demobilization practices.

While Planning and Development has controls in place, policy updates would clarify business processes and accountability. We found that Planning and Development's practices have evolved. However, some policies are not aligned with current practices. Policies should be updated to align with current practices regarding pay application requests, change management, design reviews, and supporting documentation.

Management Responses to Audit Recommendations

Summary of Management Responses

Recommendation #1:
We recommend the airport general manager formalize the current design-to-cost methodology to establish a policy and procedure for design to cost and value engineering practices.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	April 2024

Recommendation #2:
We recommend the airport general manager update design review policies and require staff to use plan review checklists during the design submittal process.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	April 2024

Recommendation #3:
We recommend the airport general manager ensure that processes are reinforced to guarantee project staff participation in ongoing safety training programs for capital construction projects.

Response:	Status:	Estimated Completion Date (M/Y):
Partially Agree	Partly Implemented	April 2024

Recommendation #4:
We recommend the airport general manager require Planning and Development staff to document their current methodology regarding mobilization and demobilization activities that would be applicable to the diverse nature of projects.

Response:	Status:	Estimated Completion Date (M/Y):
Partly Agree	Partly Implemented	April 2024

Recommendation #5:
We recommend the airport general manager require Planning and Development staff to update closeout policies to better align with best practices regarding the use of closeout checklists and construction closeout meetings.

Response:	Status:	Estimated Completion Date (M/Y):
Partially Agree	Implemented	April 2024

Recommendation #6:
We recommend the airport general manager ensure that Planning and Development staff develop a formal process to document the diversity manager's signature on the specific Equal Business Opportunity report attached to the pay application.

Response: Disagree	Status:	Estimated Completion Date (M/Y):

Recommendation #7:
We recommend the airport general manager require Planning and Development staff to ensure construction safety and health plans and related documentation are approved prior to beginning construction work and maintained in project files.

Response: Partially Agree	Status: Implemented	Estimated Completion Date (M/Y): April 2024

Recommendation #8:
We recommend the airport general manager have Planning and Development staff confirm safety non-compliance forms are approved according to policy to ensure contractors have proposed appropriate corrective actions.

Response: Agree	Status: Implemented	Estimated Completion Date (M/Y): April 2024

Recommendation #9:
We recommend the airport general manager require the Planning and Development staff to consistently follow procedures requiring documentation of construction progress meeting minutes and payment application processes.

Response: Partially Agree	Status: Implemented	Estimated Completion Date (M/Y): April 2024

Recommendation #10:
We recommend the airport general manager require Planning and Development staff to follow policies regarding documenting administrative requirements on inspection daily reports before they are submitted for approval.

Response: Agree	Status: Implemented	Estimated Completion Date (M/Y): April 2024

Recommendation #11:
We recommend the airport general manager require Planning and Development staff include photo evidence in their inspection daily reports, and make sure documentation of activities and worksite conditions are available.

Response: Agree	Status: Implemented	Estimated Completion Date (M/Y): April 2024

Recommendation #12: We recommend the airport general manager require Planning and Development staff to conduct project design reviews according to policy and contract terms.		
Response: Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #13: We recommend the airport general manager require Planning and Development staff to develop and use review checklists as part of the design review process, and update written policies and procedures to reflect the use of those checklists during plan reviews.		
Response: Agree	**Status:** Partly Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #14: We recommend the airport general manager have Planning and Development staff route the project closeout checklist through PMWeb for approval.		
Response: Partially Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #15: We recommend the airport general manager require Planning and Development staff to follow procedures to ensure all project documentation has been completed and projects are closed out timely within Enterprise Project Management System.		
Response: Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #16: We recommend the airport general manager require Planning and Development staff to ensure operations and maintenance manuals and operational readiness, activation, and transfer plans are developed, approved, and distributed according to contract and program requirements.		
Response: Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #17: We recommend the airport general manager require Planning and Development staff update change management policies to be consistent with current practice and ensure change documents are accurate, complete, and supported prior to approval.		
Response: Partially Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024

Recommendation #18: We recommend the airport general manager require Planning and Development staff to ensure work authorizations are approved according to policy.		
Response: Disagree	**Status:**	**Estimated Completion Date (M/Y):**
Recommendation #19: We recommend the airport general manager require Planning and Development staff to ensure work authorizations contain supporting documentation as required by contract terms.		
Response: Disagree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #20: We recommend the airport general manager require Planning and Development staff to update policies and procedures to reflect current practices and develop a schedule to ensure annual reviews occur.		
Response: Partially Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** April 2024
Recommendation #21: We recommend that the airport general manager direct the Planning and Development assistant general manager to seek advice from the Ethics Office when potential conflicts occur.		
Response: Disagree	**Status:**	**Estimated Completion Date (M/Y):**