

PRESS-TELEGRAM

Audit calls for better management of Long Beach Airport's \$105 million improvement plan

As Long Beach continues work on its Airport Capital Improvement Plan, which is expected to total more than \$105 million, City Auditor Laura Doud has produced a report calling on the airport to improve its management of the project.



Passengers exit a flight at the Long Beach Airport in Long Beach on Thursday, September 17, 2020. (Photo by Brittany Murray, Press-Telegram/SCNG)

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As Long Beach continues work on its Airport Capital Improvement Plan, which is expected to total more than \$105 million, City Auditor Laura Doud has produced a report calling on the airport to improve its management of the project.

Doud's office released the Long Beach Airport Construction Performance Audit on Wednesday, June 30, which found that airport officials need to provide better oversight and management of project cost, timeline, quality control and reporting.

The probe, which was conducted by PMA Consultants on behalf of the City Auditor's Office, made 14 recommendations to ensure the airport improvements are completed more efficiently.

"I am pleased the Airport has agreed with all 14 audit recommendations and stated they are already benefitting from the integration of several suggested project management tools," Doud said in a statement. "Due to the significant cost and scope of ongoing construction projects at the Airport, the audit findings warrant immediate attention and action."

The recommendations are:

- Develop an overarching mission statement that identifies clear goals and objectives;
- Develop a transparent prioritization process for projects that aligns with the mission statement;
- Create a process to keep track of project changes;
- Create a project management office;
- Implement a department-wide risk management procedure;
- Implement a new process for large or risky projects that includes risk and contingency assessments;
- Use a consistent project management dashboard to manage things like budget, payments and change orders;
- Establish a standard process for budget management;
- Implement a standard change management process that includes a change order log;
- Use consistent tools to manage all contracts and corresponding changes on all projects;
- Process all invoices for consultants and contractors upon receipt;
- Perform a comprehensive review of how costs are being tracked and reported;
- Establish a quality management policy that covers the life cycles of airport projects; and
- Develop and implement a formal performance review process at key stages of project execution.

The changes are necessary, the report said, because the Long Beach Airport did not appear to follow best practices for project management, and a lack of consistent documentation made it difficult to assess whether the airport is achieving its goals.

"Beyond reviewing construction and standards processes for efficiency and efficacy of execution, PMA attempted to assess the financial and schedule performance of five projects chosen by LGB," the audit said. "PMA could not determine nor judge the performance of these projects due to gaps in the data and the lack of standard and

basic cost and schedule controls that are typically implemented on (capital improvement projects) comparable to LGB's.

“Based on PMA’s experience as project management/construction management practitioners, as well as our expertise providing performance audits to comparable entities,” the document continued, “LGB appears to be lacking and behind the industry when it comes to basic project management and controls standard framework and processes.”

Airport officials, though, are committed to making the recommended changes.

According to the report, the Long Beach Airport has signaled that it is on track to implementing the changes over the next two years. Some, like creating a process to keep track of project change, will likely be completed by the end of the year. But others, such as implementing a new process for large or risky projects that includes risk and contingency assessments, won't be finished until the spring of 2023.

Long Beach Airport Director Cynthia Guidry, for her part, said she appreciated the opportunity to improve the facility's project management.

“We thank City Auditor Laura Doud for her team’s recommendations to improve our Airport Capital Improvement Plan,” Guidry said in a statement. “We’ve worked closely with her team to make immediate changes to our construction program that will deliver the greatest value for our travelers and the general public.”