



Office of City Auditor LaVonne Griffin-Valade
Audit Services Division

FOR IMMEDIATE RELEASE

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CITY AUDIT: SCOPE ADDITIONS AND INEFFECTIVE DESIGN OVERSIGHT LED TO SUBSTANTIALLY HIGHER COSTS FOR BUILDING AT WASTEWATER TREATMENT PLANT

PORTLAND, OREGON - CITY HALL – Scope additions and ineffective design oversight led to substantially higher project costs for the Bureau of Environmental Services' (BES) Columbia Building, according to an audit released today by City Auditor LaVonne Griffin-Valade.

“Public and private sector organizations regularly misjudge the ultimate scope and cost of capital construction and technology projects. Scope expansion and escalating costs are serious concerns for both sectors,” said Auditor Griffin-Valade. “However, projects funded by taxpayers or ratepayers require a higher level of vigilance, transparency and stewardship. In the case of the Columbia Building, as this project is now known, City managers were remiss on all three counts.”

Auditors said City construction and sustainability requirements contributed to cost, but also found that BES expanded the scope, made discretionary design choices and provided ineffective design oversight. As a result, the audit reports the cost for the construction project rose from an initial budget of \$3.2 million to \$11.5 million.

The audit makes nine recommendations for the bureau and the City to follow to prevent or mitigate similar conditions and higher project costs in future construction projects.

Response letters from Commissioner Nick Fish and BES Director Dean Marriott are included in the report.

Link to the report: <http://www.portlandonline.com/auditor/index.cfm?c=64479&a=506785>
A shortened link: <http://bit.ly/104fs2F>

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