



## Amtrak OIG finds Union Station projects face risks of delays, cost overruns

**For Immediate Release**

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WASHINGTON – Union Station’s nine ongoing improvement projects face risks of delays and cost overruns due to weaknesses in their scheduling, cost estimating, and project management practices, according to an Amtrak Office of Inspector General audit released today.

Union Station is Amtrak’s second busiest station serving approximately 5.2 million passengers annually. A series of near and long-term initiatives, known collectively as Washington Union Station’s 2nd Century Plan, are intended to accommodate forecasted increases in passenger use, according to the company’s website. The Amtrak OIG examined near-term projects to assess the effectiveness of the company’s scheduling, cost estimating, and project management.

The OIG found that, while company had developed schedules for all the ongoing projects, the project schedules did not include the planned work activities necessary to accomplish project objectives from design through construction phases. This could make it difficult to track each project’s progress and could put the projects at risk of delays, according to the report. Without complete schedules for each individual project, the company could not develop an integrated master schedule that would help planners properly sequence the most critical activities to help keep projects on track and avoid delays.

In examining cost estimates, the OIG noted the company did not update cost estimates for most of the ongoing near-term projects as they moved from the design phase, nor did the company provide documentation to support some estimates. An example from the audit showed that as three projects transitioned from the design to construction phase, the company underestimated costs for those projects by at least \$4 million. Commonly accepted project management standards recommend that cost estimates be updated at each major phase of a project, according to the audit.

Other potential issues found by the OIG included project management weaknesses. Specifically, a majority of near-term projects lacked charters that define stakeholders’

roles and responsibilities and help ensure that all stakeholders fully understand and agree to each project's purpose, objectives, deliverables, and expected benefits. The OIG also noted that the company did not produce plans to mitigate known risks for six of the projects.

To help mitigate the risk of schedule delays and cost overruns on the near-term Union Station projects, the OIG recommended that the company use its Enterprise Program Management Office standards and other commonly accepted project management standards such as project charters, an integrated master schedule, well-supported cost estimates, and risk mitigation plans. The company agreed with the OIG recommendations and described steps it would take to implement them.

To download the full audit report, go to <https://go.usa.gov/xUymj>

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