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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

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