



News Release

For Immediate Release

November 30, 2016

Metrolinx's Oversight of Consultants and Contractors Not Always Ensuring Value for Money: Auditor General

(TORONTO) Metrolinx does not always hold contractors and design consultants accountable for work that is late or inadequate—and sometimes awards new work to contractors that have performed badly in the past, Auditor General Bonnie Lysyk says in her *2016 Annual Report*.

“The lack of a process to hold construction contractors accountable contributes to projects being completed late, inconveniences commuters, and adds extra costs for Metrolinx and taxpayers,” Lysyk said today after her Report was tabled in the legislature.

“Metrolinx should implement a system to ensure it does not rehire poorly performing contractors, and it should introduce penalties such as late fines,” she added.

In addition, Metrolinx did not address problems caused by construction contractors with a history of poor performance. For example, Metrolinx terminated a construction contract because of the contractor's poor performance—and then subsequently rehired the same contractor for another project.

The original mandate of Metrolinx, which operates GO Transit in the Greater Toronto and Hamilton Area, did not include oversight of large construction projects. However, it is now responsible for construction projects that account for one in every seven dollars of Ontario capital spending.

Other significant findings in the Report include:

- Errors by design consultants result in significant additional costs to Metrolinx, but it does little to recover these costs. In a random sample of six projects we reviewed, the total costs were about \$22.5 million more (13%) because of design consultant errors. Specifically, in one project, design errors caused a project to go 35% over budget—about \$13.6 million—but Metrolinx paid the cost.
- Late delivery of projects has cost taxpayers and Metrolinx significant amounts, but Metrolinx rarely takes action against contractors for late delivery. In a random sample of eight projects we reviewed, Metrolinx paid consultants over \$2 million—or 150% more than budgeted—to oversee the project because contractors completed them four to 25 months late.
- In all of Metrolinx's own audits on compliance with safety regulations at construction sites over the past three years, contractors were found to have breached regulations. However, Metrolinx took no action against them.
- For contracts with CN and CP, Metrolinx does not know that it is getting what it pays for. It does not verify charged costs, and does not ensure that charged costs are reasonable; CN's construction charges were up to 130% higher than another railway companies' charges. When it pays for new parts, it does not check to ensure that parts are new; Metrolinx received recycled parts when it paid for new parts.
- In 75% of the projects we reviewed, contractors took much longer than the industry standard of two months to fix all deficiencies. On average, these contractors took almost eight months to fix outstanding deficiencies.

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