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Ald. Michael J. Murphy
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Canal Street Audit Report Includes Recommendations To Avoid Future Construction Cost Problems

The audit report released today by Comptroller W. Martin “Wally” Morics includes a set of **eight recommendations** the city should adopt to help avoid the problems that led to the cost increase of the Canal Street reconstruction and improvement project.

Ald. Michael J. Murphy, who as chair of the Common Council’s Finance and Personnel Committee requested the Canal Street project audit in 2005, said he’s pleased that Mayor Tom Barrett has indicated he will support implementing four of the recommendations administratively in the Department of Public Works, but he said he’ll push to have all of the recommendations put into place. “I think it’s absolutely critical that the city ensure that there are safeguards in place to prevent this scenario from happening again, and if some recommendations are going to require legislative action to be implemented, then I will sponsor those items,” Ald. Murphy said.

The audit recommendations are:

- **Improve capital project cost estimation as previously recommended.**
- **Formalize project budgets using sound engineering estimates.**
- **Budget large capital projects with clearly identifiable project accounts.**
- **Establish project reporting standards as previously recommended.**
- **Assign an overall project manager.**
- **Tighten capital project guidelines.**
- **Specify a maximum dollar amount in all contracts as previously recommended.**
- **Review costs of two (Canal Street) project change orders.**

Additional, specific information on each recommendation is available in the audit report.

For a copy of the full report, please contact the Comptroller’s Office at 286-3321.