OIG finds early planning, oversight deficiencies led to initial program failures and continued risks to Amtrak's Moynihan Train Hall program

For Immediate Release
August 19, 2020

WASHINGTON – Amtrak took steps to remedy early program management deficiencies in its multimillion dollar Moynihan Train Hall program, but it did not take these actions soon enough to avoid $72.8 million in cost increases and to ensure it can complete its entire station relocation by the scheduled opening day at the end of 2020, according to a report released by Amtrak's Office of Inspector General today.

Amtrak addressed program management deficiencies by changing the program's leadership and team, making significant improvements in cost management, and developing a reliable schedule. Continued active program management and ongoing executive oversight will help the company meet its planned schedule for opening the station, the report said.

The Moynihan Train Hall program is a transformative project that will help alleviate the crowded conditions at New York Penn Station by making the adjacent James A. Farley Post Office building into a state-of-the-art transportation hub in New York City, according to the report. The project—a partnership between Amtrak and the state of New York—is expected to cost about $1.6 billion, and Amtrak initially provided $106 million for its share.

Since then, Amtrak's costs have increased by nearly 69 percent because it did not effectively manage the early stages of the program, the OIG found. For example, Amtrak's initial budget for Moynihan did not include major elements that a large program of this type would typically have, such as costs for internal and external design, construction and program management, information technology, contingency funds for unforeseen events, and for furniture, fixtures, and equipment. Amtrak faced these cost management issues because executives assigned inexperienced staff, the initial program team did not have a change control process to prevent unauthorized funding commitments, and the initial program team did not assign a dedicated financial manager to update the budget or review invoices.

Further, company officials told the OIG that the program has little or no schedule cushion left, and, as a result, the company is prioritizing the completion of customer-facing spaces. Despite these efforts, the company faces the risk of delays in relocating some areas or functions to Moynihan. For example, some "must have" functions—including passenger information displays—have schedule risks, and some areas used for station operations and employees may not be ready until March 2021.

The report also noted that problems with the Moynihan program are another example of a longstanding pattern of program management challenges the OIG has reported on extensively. The report found that drawing lessons learned from program management deficiencies on Moynihan will be important as the company implements plans to spend billions of dollars to upgrade its trains, stations, and infrastructure.

More details are available in the full report located on the OIG's website: https://direc.to/ePc6.

-###-