New report: Amtrak is strengthening project cost management but faces challenges with systems and processes for tracking costs

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WASHINGTON – Amtrak has efforts underway to improve tracking and managing capital project costs but faces challenges with the systems and processes it uses, an Amtrak Office of Inspector General report released today said.

For nearly a decade, Amtrak OIG has reported on challenges the company faces managing infrastructure projects that have led to cost overruns. The OIG’s report states that the current systems and processes hinder executives and project teams from obtaining consistent, detailed cost data. With funding from the Infrastructure Investment and Jobs Act potentially tripling Amtrak’s annual infrastructure spending over the coming years, the OIG’s report said that having such data is a foundational capability for effectively managing costs on billions of dollars in taxpayer-funded projects.

In 2022, Amtrak established the Capital Delivery department to improve its project management capabilities and to implement the majority of the company’s current portfolio of infrastructure, facility, and fleet investments under development. The department currently has efforts underway to strengthen its ability to track and manage project costs, but it has additional opportunities to improve, according to the OIG.

In its most recent report, the OIG found that Amtrak’s project costs are tracked in multiple systems, detailed and standardized cost data are not readily available to project teams, and project cost management guidance is outdated. For example, project cost data were inconsistent across multiple systems, and company systems limit Amtrak’s ability to easily tie costs to specific work activities, the OIG found. As a result, project teams can miss emerging problems that might lead to cost overruns. In addition, having visibility of costs at a lower, more detailed level could help project teams identify specific cost issues in a timely manner, the report said.

Amtrak recognizes the challenges the OIG identified, according to the report, and is developing a single project management system that it says will replace or integrate at least 12 separate systems.

To address other challenges noted in the report, the OIG recommended Amtrak study how it can develop and use more detailed and standardized costs for effective project cost management and then create a plan specifying the people, processes, and systems it will need to do so. While that study is ongoing, the OIG recommended Amtrak develop and implement rules in the short term that define how project teams should categorize costs using existing systems and processes. Finally, the OIG recommended that Amtrak
update and implement project cost management procedures to reflect current processes and requirements.

More information is included in the full report, which can be downloaded on the OIG’s website: https://direc.to/jz9i.

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