

City Auditor's Highlights

Audit of the Department of Design & Construction's Implementation of the City's Capital Improvement Program Report No. 23-03



On November 2, 2022, the Honolulu City Council adopted Resolution 22-233, requesting the City Auditor to conduct an audit of the Department of Design and Construction's Implementation of the City's Capital Improvement Program. Our audit objectives were to:

1. Determine whether the city's implementation of the Capital Improvement Program (CIP) as overseen by the Department of Design and Construction (DDC) is operating effectively;
2. Identify potential barriers that may contribute to delays in project implementation; and
3. Provide recommendations as appropriate.



DDC does not centrally monitor or prioritize ongoing capital projects, contributing to project delays and unmet performance goals.

The department expects client agencies to monitor and prioritize their ongoing projects, while some client agencies expect the same from the department. This leads to a lack of overall monitoring and prioritization. Client agencies also report a lack of accountability and transparency from DDC on CIP projects that experience delays. Finally, the department did not meet its own performance goals for project completion from FY 2018 to FY 2020.



*Ka 'Oihana Hakulau
a me ke Kāpili*



Department staff do not consistently adhere to standard operating procedures, which also contributes to delays in construction.

DDC staff are not consistently adhering to the department's Standard Operating Procedures and best practices during the construction phase of the CIP process, further contributing to project delays. Specifically, in our review of 12 projects, we found 1) significant delays in the change order review and approval process, 2) an invoice paid without formal approval, 3) an incomplete project turnover memorandum, and 4) contractor performance evaluations not completed in a timely manner.



Due to department vacancies and increasing retirements in key management positions, CIP projects are backlogged and exceeding project managers capacities.

As of January 1, 2023, there was 27% vacancy of Civil Engineer V or higher positions in DDC. Overall, there is high turnover of projects managers in the department, as well as increasing retirements in key positions. Remaining staff are being asked to go beyond their jobs description and existing workloads to serve as project managers. Although DDC has made recent efforts at recruitment, city salaries remain uncompetitive as compared to the private sector. Finally, the department does not have formal plans for staffing and succession. As long as positions remain vacant, project manager workloads will exceed capacity and CIP projects will continue to experience delays.

We made 6 recommendations to improve the department's oversight of the CIP process. The department expressed partial agreement with the report's findings and recommendations.



For the full report, and to see other audit reports from the Office of the City Auditor (Ke Ke'ena o ka Luna Hō'ōia): <http://www.honolulu.gov/auditor/reportsworkplans.html>