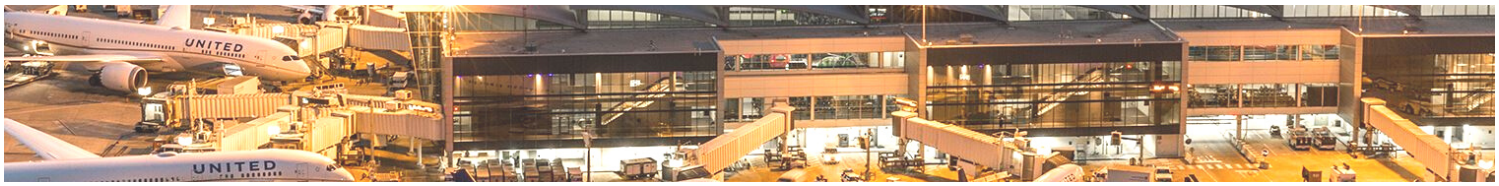
Office of the City Controller
City of Houston

Audit Highlights
Report # 2021-04

Houston Airport System (HAS)
IAH Terminal Redevelopment Program Construction
Performance Audit



OBJECTIVES

The primary objectives of the audit were:

- Determine if ITRP expenditures comply with key terms and conditions of applicable contracts; and
- Determine the contract deliverables to-date.

BACKGROUND

The IAH Terminal Redevelopment Program (ITRP) is a $1.23 billion program of new construction, renovation, and demolition projects at the George Bush Intercontinental Airport.

The current plan was updated in 2018 and is expected to be substantially complete by 2024.

The ITRP program has committed a total of $47 million (4.25%) to contractor/design builder costs of $1.1 billion.

Chris Brown
City Controller

Courtney Smith
City Auditor

AUDIT RESULTS

2 FINDINGS

- Pepper Lawson Waterworks construction labor/labor burden has not been audited to validate actual cost.
- The City is in the process of:
  - Auditing Hensel Phelps and Austin Gilbane; and
  - Negotiating labor rates with Burns & McDonnell.

2 RECOMMENDATIONS

The audit team's conclusions included the following recommendations to HAS management:

- Consider auditing Pepper Lawson's Waterworks labor/labor burden; and
- Continue auditing labor burden on at least an annual basis.