



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Construction Contractor Claim Process*

### *Michigan Department of Transportation (MDOT)*

**Report Number:**  
591-0422-23

**Released:**  
November 2023

Construction contractors can request additional compensation and/or time from MDOT for work not included in the original project contract and for unexpected site conditions and delays. MDOT utilizes either a tiered administrative process or an independent panel, known as a dispute review board (DRB), to evaluate and resolve contractors' claim requests when MDOT and the contractor disagree on the contractor's entitlement, the impact, or the costs associated with project changes. MDOT had 1,844 active construction projects with the original contract award amounts totaling \$8.2 billion between August 1, 2021 and May 31, 2023.

Audit Objective			Conclusion
Objective: To assess the sufficiency of MDOT's efforts to administer the construction contractor claim process.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT did not centrally track claim information, which hindered its monitoring efforts, and did not timely respond to 7% of claims. Also, MDOT did not maintain documentation in ProjectWise to support the decision rationale for 36% of claims or to show that periodic progress meetings occurred for 16% of DRB projects ( <a href="#">Finding 1</a> ).		X	Agrees

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