

**OFFICE OF THE
INSPECTOR GENERAL**
LOS ANGELES COMMUNITY COLLEGE DISTRICT



REPORT OF AUDIT

**AUDIT OF
PROFESSIONAL SERVICE
CONSULTANTS SELECTION**

OIG-004

APRIL 3, 2012



LACCD OFFICE OF THE
INSPECTOR GENERAL

INTEGRITY * TRUST * COMMUNICATION

April 3, 2012

Chancellor Dr. Daniel J. LaVista
Los Angeles Community College District
770 Wilshire Blvd.
Los Angeles, CA 90017

Chancellor LaVista:

This is our audit report on the Selection of Professional Service Consultants for the LACCD Bond Program.

The audit report addresses the Bond Program's process for the selection of consultants for professional service contract awards, including the procurement of architectural and engineering design services, landscape design services, environmental consulting, and whole building commissioning services.

I appreciate the courtesies and cooperation extended to us by the District and Program Management staff during the audit process and completion of this report.

Sincerely,

Christine E. Marez
Inspector General
Los Angeles Community College District

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EXECUTIVE SUMMARY

The Office of the Inspector General (“OIG”) has examined the selection process for Professional Service Consultants for architectural, landscape architectural, engineering, environmental, land surveying, and whole building commissioning services. The objective of this examination was to determine whether the:

- (i) The Program Manager (“PM”) BuildLACCD and College Project Managers (“CPMs”) have policies and procedures in place to ensure the selection of professional service consultants to encourage competition for proposed projects as a means of achieving the best value for the District;
- (ii) PM and CPMs established processes in selecting professional service consultants that are impartial;
- (iii) PM and CPMs complied with the contractual terms and conditions related to document controls for the procurement of professional services

To achieve the audit objective, the OIG performed a sample testing of documentation for calendar years 2007 through 2011, related to the selection of professional service consultants, and conducted interviews and walk-throughs with the CPM representatives of all nine (9) firms and the PM.

Summary of Results

The selection of professional services consultants is governed by California Government Code sections 4525-4529, which states that the governing agency *may* adopt a policy that assures professional services are competitively engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agency.

Based upon Government Code sections 4525-4529, the OIG audit finds no violations of statutory requirements.

The Board of Trustees adopted *LACCD PP-04-08--Procurement of Special and Professional Services* to ensure that professional services are competitively engaged for all District contracts. Although the PM and CPM contracts stipulate the adherence to all District policies and procedures, this policy has not been formally adopted by the PM and CPMs for the Bond Program.

The nine (9) CPM firms stated that they, for the most part, adhered to the “old” Program Management Procedures (“PMP”) created by the previous PM firm, DMJM. Although the PMP includes references to the California Government Code sections 4526, 4528, and 4529, it is outdated and not integrated with the PM’s current practices, and therefore the requirements for a competitive procurement process are unclear and inconsistently followed by the CPMs.

The current PM’s *Touchpoint Handbook* did not contain procedures for the selection of professional service consultants until a draft version (*Section 1300 Professional Services*) of the

procedures the PM complies with, was released in October 2011; this section was formally rolled out to the CPM firms on March 8, 2012.

The OIG found that the limited procedures utilized by the PM and CPMs to carry out the selection process are not sufficient to ensure that professional service contracts are awarded on a competitive, cost effective, and most beneficiary manner for the District.

The OIG examined the selection process of thirty-three (33) professional service contract awards and noted the following:

- Nine (9) of the 33 contract awards tested (27%) did not undergo any competitive procurement process.
- The competitive selection of twelve (12) of the contract awards (or 36%) is questionable due to missing documentation supporting selection decisions.
- Eight (8) of the contract awards (25%) went through a competitive procurement process with some negligible document control deficiencies.
- Four (4) of the consultants awarded professional service contracts (12%) were retained continuously without undergoing an additional competitive procurement process.

During our examination, we did not note any material weaknesses or significant deficiencies that are reportable under *Government Auditing Standards*. The following deficiencies should be viewed as opportunities for improvement.

- Insufficient Document Controls—Certain selection documentation was missing or unavailable for review such as scoring sheets and proposal rankings. Certain review sheets for some consultants' Statement of Qualification ("SOQ") were missing in the archival/document central system (DocView). In general, the PM and CPMs did not comply with the contract terms and conditions related to maintaining complete and accurate records.
- No Evidence of Conflict of Interest Management of Selection Committee Members—Based on the OIG's professional service contract testing, there is no evidence that conflict-of-interest checks are performed on Selection Committee members, proposal evaluators, or interviewers.
- Insufficient Due Diligence in Contracts and Score Sheets Review— There is a lack of evidence demonstrating that quality assurance reviews of the score sheets and summary score sheets are being conducted. Insufficient quality assurance reviews could affect the outcome of the selected consultants. Increased controls are required to ensure that CPMs properly review and interpret professional services contract terms and conditions to prevent inconsistencies and overpayments.
- No Formal Policy and Procedures Established for Professional Service Consultants Selection Committee Members, Proposal Evaluators, and Interviewers—There are no written policies or procedures for period tested for the selection and approval of the Professional Service Consultants Selection Committee members, as well as proposal

evaluators and interviewers. The current PM and CPMs' practices in qualifying Selection Committee members, evaluators, and interviewers are inconsistent and lacks clarity in order for them to successfully discharge the PM and CPMs' contractual responsibility to serve as LACCD's fiduciary in selecting professional service consultants.

- The PM's Pre-Qualified List of Professional Service Consultants Not Updated and Maintained Properly—There are no written policy or procedures for keeping the Pre-Qualified List current at the PM website. The CPM firms typically select the consultants for the professional services consultants that are placed on the Pre-Qualified list at the PM website.

Recommendations

The OIG recommends that the District establish uniformed professional service consultant evaluation and selection policy and procedures that clearly delineate the PM and CPMs' responsibilities and ensure that professional service contract awards are made based on competition, quality, and best value for the LACCD.

Specifically, the OIG recommends that the District:

- Establish a Bond Program policy for the selection of professional services consultants and direct the PM to enhance its written policies and procedures for the selection process for professional service consultants (*Touchpoint Handbook, Section 1300 Professional Services*). The procedures should ensure competitive procurement practices, fairness, and best value principles in all future procurement actions.
- Implement the recently designed LACCD *Conflict of Interest/Confidentiality Disclosure Form*, collect data, and require self-reporting of direct, indirect, and/or potential conflicts of interest by all Selection Committee members, proposal evaluators, and/or interviewers prior to becoming evaluation and selection team members;
- Develop, or update, and implement procedures with adequate internal controls and quality assurance in review of contracts, selection documentation, SOQs, and the Pre-Qualified List of Professional Service Consultants;
- Require PM and CPM firms to provide the details of the selection process in the Proposed Board Action (PBA) report, and
- Require the PM and CPM firms to scan and verify the upload of all project and procurement selection process documents to the appropriate document retention system within 60 days from the contract award.

Review of Report

The Draft Audit Report was sent to the District, Program Management (BuildLACCD), and CPM representatives for solicitation of comments on January 28, 2012. Revisions were incorporated and redistributed to management for final responses in February and March 2012.

BACKGROUND

The Los Angeles Community College District (LACCD) \$5.7 Billion Bond Program is funded by Propositions A, AA, and Measure J, and was approved by voters in 2001, 2003, and 2008, respectively. The Executive Director of Facilities Planning and Development oversees the Bond Program Manager (BuildLACCD/URS).

The Program Manager is responsible for providing overall program management, budget, and schedule “roll-up” reporting from all nine (9) colleges; establishes overall Bond Program policies; and handles procurement, bidding, contracting, payment, and general ledger accounting for all bond expenditures.

The nine (9) CPMs report directly to the College Presidents and are responsible for performing services to oversee campus master planning, environmental impact studies, programming, design, construction, closeout, and occupancy; and oversee design consultants, consultants, and vendors.

Professional service consultants provide services in areas such as architectural and engineering design, landscape design, environmental consulting and whole building commissioning at a fixed lump sum basis, established rates with a not-to-exceed basis, or on a task order basis.

This audit examines the processes for the selection of professional service consultants for the awards of Bond Program contracts. The LACCD Bond Program utilizes three types of procurement processes for the selection of professional service consultants:

- Program Management Plan (“PMP”) Manual—Followed by all nine (9) CPMs
- District policies and procedures for Professional Services Procurement (PP-04-08)
- The PM utilized a competitive selection process that was not documented by written policy and procedures.

Program Management Procedures (“PMP”) Process for the Selection of Professional Service Consultants:

- Conduct a Request for Qualifications (“RFQ”) Process or utilize the “On-Call” list (current Pre-Qualified List of professional service consultants posted on the Program Manager website)
- Request Qualifications and Proposal
- Review Statement of Qualification
- Evaluate the proposal
- Negotiate price, terms and conditions
- Recommend the potential consultant and obtain approval from the College Administration.

District Procurement of Professional Services (PP-04-08)

(This policy and procedure has not been formally adopted by the PM or CPM firms for the Bond Program)

- Solicit RFQ and RFP from qualifying consultants
- Procure such services through a competitive process whenever possible for contract services of \$5,000 or more
- Compete in the local market by multiple suppliers
- Derive significant cost savings from encouraging competitive offers.

SCOPE, OBJECTIVE, AND METHODOLOGY

The objective of this examination was to determine whether:

- (i) The Program Manager and College Project Managers have policies and procedures in place to ensure the selection of professional service consultants to encourage competition for proposed projects as a means of achieving the best value for the District;
- (ii) The PM and CPMs established processes in selecting professional service consultants to be impartial;
- (iii) The PM and CPMs complied with the contractual terms and conditions related to document controls for the procurement of professional services.

To achieve the audit objective, the OIG performed an extensive sample testing of documentation related to the selection of professional service consultants, and conducted interviews and walk-throughs with the PM and CPM staff.

Our review was conducted in accordance with Standards for Consulting Services established by the *American Institute of Certified Public Accountants*. We believe that we have obtained sufficient relevant data to afford a reasonable basis for conclusions and recommendations in relation to the review of the selection process for Professional Service Contractors.

To accomplish our examination objectives, we reviewed and obtained an understanding of the procurement provisions for the PMP Manual related to professional services along with the PM and CPM contracts for the selected sampled contracts; interviewed key PM and CPM representatives to obtain an understanding of any significant operational control procedures that existed concerning the selection process for Professional Service consultants; and performed a sample testing of supporting documentation related to the selection process of 33 professional service consultants from the PM and the nine (9) CPMs during the calendar years 2007 and 2011.

The audit results may include exceptions, defined as a deviation from standards, statutory regulations, contracts, policies and procedures. Exceptions note the condition, criteria, effect, and management response. Observations are included when the audit identifies a possible:

(a) opportunity for operational improvement; (b) discrepancy; (c) error; (d) irregularity; (e) weakness; or (f) deviation from internal control standards.

AUDIT RESULTS

The audit results include specific findings related to issues noted during our test work. The audit results report observations and exceptions to criteria established in each of the following objective areas:

- Requirements of the Program Management Plan (PMP) for the selection of professional service consultants;
- Compliance to LACCD Policy and Procedures and statutory laws and regulations related to the procurement of professional services;
- PM and CPM Contracts' Terms and Conditions related to professional service consultant selection;
- Internal Control Deficiencies due to lack of controls, lack of monitoring, or none existence of control environment.

Overview of LACCD Policies and Procedures

The OIG's examination identified that the PM and the CPMs have inconsistent policies and procedures for the procurement of professional services. The nine (9) CPM firms state that they comply with the old PMP procures created by the previous PM firm, DMJM. Although the PMP includes references to the California Government Code sections 4526, 4528, and 4529, it is outdated and not integrated with the PM's current practices (i.e. Pre-qualification List versus the PMP "on-call" list); therefore, the requirements for a competitive procurement process are unclear and inconsistently followed by the CPMs.

The District's established policy and procedures for the procurement of professional services (LACCD PP-04-08--Procurement of Special and Professional Services) have not been formally adopted at the PM or CPM firms.

The PM adheres to best practices approach in its selection of professional services consultant procurements; there are no specific written policies and procedures for the period tested. Additionally, there are no policy and procedures that list and require documentation for each phase of the selection process (e.g., Evaluation of RFP, Interview Rankings, Negotiations of Price, final decision by the College Administration), therefore not providing the controls needed to effectively manage the bid, evaluation, and selection process.

The PM recently developed *Section 1300 Professional Services* of the *Touchpoints Handbook* (draft released in October 2011). This procedure was formally adopted and rolled out to the CPMs on March 8, 2012 and will be utilized moving forward for the selection of professional service consultants in architectural, landscape architectural, engineering, environmental, land surveying, and whole building commissioning services.

For the purpose of this examination, the OIG utilized the following information as the test criteria for policy and procedure compliance: (i) the Program Management Plan (PMP) for the selection process of professional service consultants, (ii) interviews and walk-throughs with the PM and CPM representatives, and (iii) California Government Code 4527 and the District policy and procedures relating to the procurement of professional services, (iv) the Pre-Qualified List of professional consultants from the PM firm, and (v) the contractual terms and conditions of PM and CPM firms related to professional service selections and recordkeeping.

Compliance to Statutory Laws and Regulations and LACCD Policies and Procedures

The selection of professional services contracts is governed by California Government Code sections 4525-4529 which states that the governing agency *may* adopt a policy that assures professional services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agency.

Based upon Government Code sections 4525-4529, the OIG audit finds no violations of statutory requirements.

For the period tested, the CPM firms followed the PMP Manual procedures for the selection process and is not integrated with the PM's current practices; there are no other written policies or procedures issued by LACCD and the PM for the selection of professional service consultants for the period tested that require a competitive procurement process to attain the best value for the District. The PM and CPM contracts stipulate the adherence to all District policies and procedures, therefore the District's Business Operations Policies and Procedures (*PP-04-08—Procurement of Special and Professional Services*), although not formally adopted by the PM and CPMs, is applicable to the selection process.

Based on the examination of thirty-three (33) awarded professional service contracts the OIG noted the following exception:

Finding 01:

Condition: For the period tested, there is no prescribed written policy or procedures issued by LACCD and the PM firm for the selection of professional service contractors that provide all qualified bidders opportunity to participate in the bidding process, thereby stimulating competition to attain the best value for the District.

During the OIG's review of the selection of the thirty-three (33) contracts, the following was observed:

- Nine (9) of the 33 awards examined, or 27%, were made without undergoing any a competitive procurement process;
- Four (4) consultants selected for awards, or 12%, were continuously retained without undergoing an additional competitive procurement process.

Criteria: LACCD Business Operations Policies and Procedures (*PP-04-08—Procurement of Special and Professional Services*) state: "*The District has adopted as its business practice to procure such services through a competitive process whenever possible. Specifically, the following situations may arise when it is advantageous for the District to competitively procure*

the services: (a) multiple suppliers of the service compete in the local market and may be interested in doing business with the District...?”

California Government Code Sections 4526 relating to the procurement of professional services states, “selection . . . for private architectural, landscape architectural, engineering, environmental, land surveying or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Procedures should be in place that assures that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price.”

California Government Code Section 4527 further states, “The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency...and shall conduct discussions with no less than three firms regarding anticipated concepts...and then shall select therefrom, in order of preference, based upon criteria established and published by him or her, no less than three of the firms deemed to be the most highly qualified to provide the service required.” (Underline added for emphasis.)

Effect: The lack of written policies or procedures requiring a competitive bid process by LACCD, PM, and CPMs in selecting professional service consultants can result in favoritism, fraud, and corruption.

Views of Responsible Officials and Planned Corrective Action

The District agrees with this finding. The District has instructed the Bond Program to enhance Section 1300 Professional Services of the Touchpoints Handbook by standardizing and detailing the requirements for all professional services selections. The District is working with the Bond Program on increasing the administration of the selection process by the Program Manager.

Compliance to Terms and Conditions Provided by PM and CPM Contracts

Generally, the PM and CPM contracts include terms and conditions related to complete and accurate recordkeeping. Based on the examination of thirty-three (33) awarded professional service contracts, the OIG noted the following exception:

Finding 02:

Condition: Based on testing there was no supporting documentation or any audit evidence provided to show that any evaluation or selection process was carried out for:

- 12 of the 33 professional contract awards (36%) even though the CPMs reported that the contracts had undergone a competitive procurement process;
- Eight (8) other consultants selected for awards (25%) were found to have some negligible document control deficiencies.

Criteria: The CPMs’ contracts specifically state in Article 7—Records and Files 7.1—“College Project Manager shall maintain complete and accurate books and records with respect to services, costs, expenses and receipts, and other information required by the District to verify the

scope and charges for any services provided under this Agreement. College Project Manager shall maintain such records in sufficient details...”

Effect: The lack of complete and accurate documentation to support the PM’s and CPMs’ selections of professional service consultants constituted a violation of the contract terms with the District. This lack of evidence of support may indicate that the professional service contracts awarded may not have been competitive or in the best interest of the District.

Views of Responsible Officials and Planned Corrective Action

The District agrees with the finding as it applies to the professional services procurements identified by the OIG at the program and District level. The Bond Program Management’s professional services group has been instructed to develop written procedures that coincide with the Touchpoints Handbook recently developed Professional Services Section of the Touchpoints Handbook released on October 2011 and adopted on March 8, 2012. These new written procedures will:

- *Require that the RFP process will be managed by the Program Manager (PM)*
- *Detail all procedures for the CPM to follow during the selection process within the RFP procedure*
- *Provide checks and balances within the RFP process as it relates to design guidelines and all standardized requirements*
- *Require the PM to provide training to all personnel affected by the procedures to ensure that competitive procurement practices are employed throughout the Bond program.*
- *Require all CPM and PM teams to compile and archive all supporting documents as evidence of the competitive process.*

Internal Control Deficiencies

Based on the OIG’s examination, we observed the following regarding the PM’s and CPMs’ deviation from established internal control standards in managing the selection of professional service consultants.

1. Insufficient Document Controls

All required documentation from the procurement of professional services should be archived in the PM centralized document control system (Doc View). Certain documents, however, were not available for our examination in DocView or at the CPMs’ possession. Specific testing examples include:

- a. Score sheets of individual evaluators of proposal and interviewers were not available for some of the selected project samples.
- b. Documentation of cost negotiations was missing for most of the selected project samples.
- c. No documentation for justification of awarding the consultant with the highest qualified scores for one of the selected project samples.
- d. Missing review sheets of Statement of Qualifications (SOQ) in the document central system.

2. No Evidence of Conflict of Interest Management

There is no evidence that conflicts of interest are being checked for Selection Committee members, proposal evaluators, and interviewers for the sampled professional service consultants. Additionally, there were no written procedures for managing conflicts of interest for the period tested. The assessed risk is low for conflicts to occur in the Formal Bid process (Design Bid Build) due to the submittal of sealed bids. However, there exists a significant risk for conflicts to occur in the procurement of professional services due to an undefined process for the selection of committee members and selection process that includes multiple representatives from the PM, CPM, and College Administration.

3. Insufficient Due Diligence in Contracts and Score Sheets Review

The OIG considers the lack of evidence of a quality assurance reviews of the score sheets and summary score sheets to be a moderate risk although errors in the tabulation of scores could affect the outcome of the selected consultants. Additionally, controls are required to ensure that the CPMs properly review and interpret professional services contract terms and conditions to prevent inconsistencies and overpayments; as reflected in the following audit findings:

- a. A mathematical error in calculating the fixed percentage fees in the contract was uncovered during the OIG's examination that resulted in a \$9,000 credit memo issued to the District.
- b. Not-to-Exceed service fees of another contract were not distinctly identified so were included in the Basic Service Fees. The CPM indicated that the contract would be revised accordingly.
- c. Summary score sheets did not have evidence of review or quality assurance by the PM and CPMs' Program Directors. Errors in tabulation of scores could affect the outcome of the selection of professional service consultants.

4. No Formal Process for Determination of Professional Service Consultants Selection Committee Members, Proposal Evaluators and Interviewers

There are no written policies or procedures for the selection and approval of the Professional Service Consultants Selection Committee members, proposal evaluators and interviewers.

The current practice for the selection of committee members, proposal evaluators, and interviewers is not consistently observed by PM and the CPM firms.

5. No regular maintenance or update of the Pre-Qualified List of Professional Service Consultants posted at the PM website

There are no written policies or procedures for the maintenance of, and updates to, the Pre-Qualified List of Professional Service Consultants posted on the PM website.

The CPM firms utilize the Pre-Qualification List for identifying qualified firms to commence the selection process of Professional Service Consultants. Improved controls are required to ensure that the Pre-Qualified List of Professional Service Consultants is updated with the most current Statement of Qualifications.

Observed Good Practices

Several good practices were observed by the OIG audit regarding the continuous improvement of the selection of Professional Services Consultants. The PM has developed a *Touchpoint Handbook* process for the Selection of Professional Service Consultants (Section 1300) to ensure consistency in the process for the Bond Program. The procedures were first released in October 2011, and finalized for release to all CPM firms and PM staff on March 8, 2012.

These procedures encourage competition of professional service consultants as a means of achieving the best value for the District. In summary, the procedures include the following three methods:

For Agreements Expected to Exceed the Bid Threshold in Accordance with Public Contract Code Section 30651(a) - (\$81,000 for 2012):

1. Select a minimum of three (3) potential consultants from the Pre-Qualified List of professional service consultants posted on the Program Manager website;
 - Issue a Request For Proposal (RFP) that describes Scope and Schedule. When RFP establishes Price as a Scoring element, score accordingly; when RFP establishes a Target Price, award accordingly or justify the recommended deviation from the Target Price.
2. Issue a Request For Qualifications (RFQ) by public advertisement;
 - a. Review Statement of Qualifications
 - b. Evaluate and score the proposals by Selection Committee members
 - c. Interview (if required in the RFQ) and rank the proposed firms by Selection Committee members
 - d. Develop a Short List according to the RFQ
 - e. Issue a RFP to a minimum of three (3) firms on the Short List
 - When RFP establishes Price as a Scoring Element, score accordingly
 - When RFP establishes a Target Price, award accordingly or justify the recommended deviation from the Target Price.

For Agreements Expected to be Below the Bid Threshold in Accordance with Public Contract Code Section 30651(a) - (\$81,000 for 2012):

3. Select a minimum of three (3) potential consultants from firms normally engaged in the work set forth in the Scope of Work;
 - Issue a Request For Proposal (RFP) which describes Scope and Schedule
 - When RFP establishes Price as a Scoring Element, score accordingly
 - When RFP establishes a Target Price, award accordingly or justify the recommend deviation from the Target Price.

RECOMMENDATIONS AND COMMENTS

Recommendation 1.0

The OIG recommends that the District establish a Bond Program policy for the selection of professional services consultants and direct the PM to enhance its written policies and procedures for the selection process for professional service consultants (*Touchpoint Handbook, Section 1300 Professional Services*). The policy and procedure revisions should require the District's compliance to all government codes and contract terms including competitive procurement practices, fairness, and best value principles in all future procurement actions. In addition, the District should implement controls to eliminate possible favoritism, fraud, and corruption in the awarding of professional service contracts.

The OIG further recommends that the District ensure that procurement-training sessions are implemented to train all PM and CPM staff. Written guidelines should be circulated and verbal instructions should be given to all procurement employees affected by these rules. The Program Manager should maintain a written record of attendees at all procedural mandatory meetings.

Views of Responsible Officials and Planned Corrective Action

The District agrees with Recommendation 1.0. The District has directed the PM's professional services group to develop written procedures coinciding with the Touchpoints Handbook (Section 1300 Professional Services) that will standardize the professional services procurement process among the PM and CPMs. The procedures will be inclusive of all current statutory requirements, District Policies and best procurement practices.

Recommendation 2.0

The OIG recommends that the District require PM and CPMs to provide detailed information (i.e., listing minimum three firms submitting fees proposals and briefly describe the justification of the selected consultant) of the proposed project in the Proposed Board Action (PBA) report to ensure the selection of the Professional Service Consultant is warranted through competitive procurement practices.

Views of Responsible Officials and Planned Corrective Action

The District agrees with Recommendation 2.0. The District has instructed the PM to modify all Proposed Board Actions (PBAs) to include a requirement to positively affirm the number of proposals received, the number determined to be responsive and responsible, the justification to support the selection of the awarded consultant and the composition of the evaluation committee making the recommendation.

Recommendation 3.0

The OIG recommends that all Selection Committee members, proposal evaluators, and interviewers be trained under a set of clearly established administrative procedures that serves as the standard guideline in proposal evaluation, bid scoring, and bid result communication to the proposers.

The OIG further recommends that the District require all Selection Committee members, evaluators and interviewers to self-report any potential conflicts of interest and utilize the newly developed District process and *Conflict of Interest/Confidentiality Disclosure Form* prior to participating in any professional service consultant selection process.

Views of Responsible Officials and Planned Corrective Action

The District agrees with Recommendation 3.0. As indicated in Recommendation response 1 and 2, the District has instructed the PM Team to develop procedures and training plans to ensure the standardization and the quality of the procurement process.

The District has been working with the OIG to finalize the newly developed Conflict of Interest/Confidentiality Disclosure Form and procedures. The District is working with the OIG and the PM to ensure that the forms and the conflict of interest avoidance process, once completed, is used for all procurements

Recommendation 4.0

The OIG recommends that the District develop, or update, and implement contract procurement procedures to ensure adequate internal and quality controls for professional services contracting in the following areas:

- a. Price, schedules, terms and conditions of the contracts.
- b. Documentation in detail to support the Professional Service Consultant selection process including, but not limited to the Selection Committee members, proposal evaluators and interviewers, criteria for scoring and ranking of proposed firms and negotiations of price for the project and communicating award results.
- c. Review of Statement of Qualifications – require the verification and review of the professional service consultants’ credentials, references and financial sustainability.
- d. The Pre-Qualified List of Professional Service Consultants – require the qualified professional service consultants to submit an annual Statement of Qualifications.

Views of Responsible Officials and Planned Corrective Action

The District agrees with Recommendation 4.0. Items (a), (b) and (c) are addressed as articulated in the District’s planned correction actions in Recommendation numbers 1 and 2. For item (d), the District has instructed the PM to eliminate the terminology of a “prequalified list” as currently posted on the BuildLACCD.org website. The new process will require that the consultant demonstrate their qualifications through an RFQ/RFP process for each respective

procurement. Demonstrating qualifications during the RFQ/RFP phase will ensure the most current qualification status of the consultant. Therefore, the PM will no longer use or maintain a list of prequalified consultants; however, the PM will maintain a list of available consultants.

Recommendation 5.0

The OIG recommends that all documents related to the selection and procurement of professional services procurement be retained in the CPM document control system or scanned and uploaded to the online PM archival/document retention system (DocView) within 60 days from contract award to ensure the accuracy and completeness of the documents.

Views of Responsible Officials and Planned Corrective Action

The District agrees with Recommendation 5.0. The District has instructed the PM to mandate a sixty (60) day archiving requirement be incorporated into the new Touchpoints Handbook procedures.

ANNEX

Annex A – Report Distribution

Annex B – Audit Team

Annex C – Interviews Performed

ANNEX A – REPORT DISTRIBUTION

Board of Trustees
Chancellor Dr. Daniel J. LaVista
Deputy Chancellor, Dr. Adriana Barrera
Office of General Counsel
Facilities Planning & Development
Program Manager (BuildLACCD)

ANNEX B – AUDIT TEAM

Samuel Qiu, CPA, Managing Director
Dulce Kapuno, CPA, Senior Manager
Leanna Ngo, CPA, Supervising Auditor

ANNEX C – INTERVIEW LIST

Interviews were conducted with the following staff:

BuildLACCD Program Manager

Mona Garber, BuildLACCD, Compliance Manager
Gary “Bud” Jess, BuildLACCD, Group Manager of Professional Services Contracts
Werner Wolf, BuildLACCD, Group Manager of Professional Services Contracts

Trade-Tech College

Rick Rye, Anil Verma Associates, Director
Jesse Quitelig, Anil Verma Associates, Project Controls Manager II
Linda Reed, Anil Verma Associates, Document Control Manager

Harbor College

Tom Johns, Arcadis (Pinnacle One), Project Director
Jon Hudson, Arcadis (Pinnacle One), Project and Financial Control Manager

Southwest College

Edward Bilezikjian, CCG (Cummings), Project Director
George Snead, CCG (Cummings), Assistant Project Controls Manager

Mission College

George Johnson, Gateway Science & Engineering, Director
Bill Corneli, Gateway Science & Engineering, Project Manager

Los Angeles City College

Christopher Dunne, Harris and Associates, Project Director

East Los Angeles College

Robert Herman, Jacobs Facilities, Project Director

Maria Carvajal, Jacobs Facilities, Project Deputy Director

Pierce College

Ed Cadena, Swinerton Management, Project Director

Andrew Ramsay, Swinerton Management, Deputy Director

Jim Allison, Swinerton Management, Project Manager

Los Angeles Valley College

Eloy Retamal, Yang Management, Director

Hau-Wen Feng, Yang Management, Deputor Director

Robert Dieken, Yang Management, Project Manager