

SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2022 Audit Plan Item

Review of Valley Water's Capital Project Planning Process.

Audit Objectives

To evaluate the capital project planning process employed by Valley Water to determine the extent to which the process is consistent with relevant requirements, policies, and best practices.

Audit Scope

Valley Water activities associated with planning, developing, executing, and monitoring the Capital Improvement Program.

Audit Approach

Phase I—Audit Planning

- Through interviews, document review, and system and process walk-throughs, gain an understanding of Valley Waters procedures and activities related to its CIP.
- Obtain and review criteria relevant to Valley Water's capital project planning process, including statutes, Board policies, management policies and procedures, and best practices.
- Identify roles and responsibilities of key departments, units, and staff in planning, developing, executing, and monitoring the CIP.

Phase II—Audit Fieldwork

- Assess the processes employed to identify projects for inclusion on the CIP, update the CIP, and to prioritize projects to ensure practices are in-line with the Board's intent and goals for the CIP. This includes evaluating aging infrastructure and condition assessments, system monitoring and detection systems, internal and external stakeholder input, Board priorities, and long-term planning.
- Through interviews and process walk-throughs, develop a high-level understanding of the protocols employed to identify and secure funding sources to implement the CIP, including grant funding and administration, rate setting, debt financing.
- Map out the CIP cycle, identifying key parties involved and business processes; identify the time and resources required for each step in the process (depending on information available), as well as potential gaps, inefficiencies, or opportunities for improvement.
- Evaluate historic trends relating to the CIP, including target start and completion dates, project budgets, and project goals, and compare to actual results; evaluate metrics established to define and evaluate project success or measure program performance.
- Evaluate Valley Water's protocols for monitoring the CIP program, project delivery, project outcomes, and overall performance.
- Conduct a high-level evaluation of Valley Water's approach to implementing the CIP and project delivery. This will include interviews with project management staff and reviews of select project files, and will focus on Valley Water's project management approaches, selection of contractors, contract oversight and monitoring, project strategy and organization, project controls and risk

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management, change order management, project reporting, budget and performance indicators, and schedule management.

- Conduct benchmarking research to identify best practices in CIP planning and monitoring among large water districts and public works agencies in California. Compare results with practices observed at Valley Water, and identify potential opportunities for improvement.

Phase III—Reporting

- Develop Draft Report and obtain management's response.
- Develop Final Report and presentation.

Proposed Project Budget & Schedule

	Partner	Director	Sr. Consultant	Associate Consultant	Total Hours	Total Cost
<i>HOURLY RATE:</i>	\$230	\$180	\$115	\$90		
Task Description						
Project Initiation & Planning	45	45	45		135	\$23,625
Fieldwork	40	150	200	160	550	\$73,600
Draft & Final Report	60	35			95	\$20,100
<i>Total Hours</i>	145	230	245	160	780	
Total Project Costs						\$117,325

MILESTONE	TIMELINE											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Project Planning												
Fieldwork												
Draft Report												
Final Report												