

Consultant Contracts Management Process Audit and Consultant Contracts Improvement Process

Board Status Update – February 13, 2018



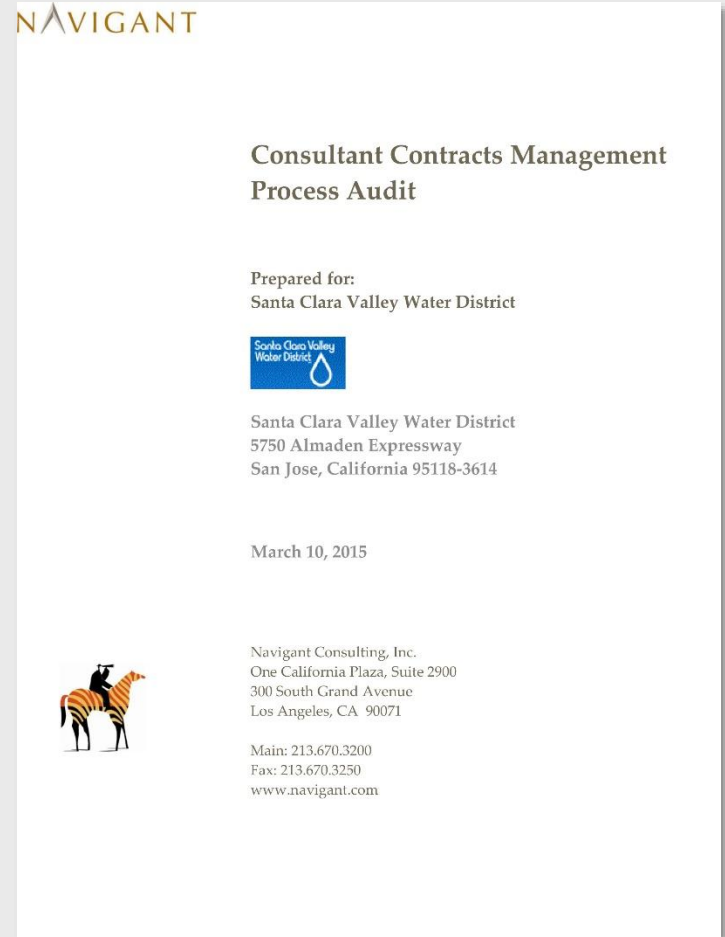
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I. Consultant Contracts Management Process Audit

- 2014 non-compliance triggered management audit
- Navigant reviewed 66 consultant contracts
- Reviewed policies, processes, and technology framework



I.a. Key Findings

Principle cause of 2014 non-compliance

- ▶ Post-award contract management activities were found to be:
 - Decentralized and inconsistent
 - Lacking clear accountability
- ▶ Most significant finding:
 - Expired and missing insurance certificates

I.b. Next Steps

- ▶ Review centralization of consultant contracts
- ▶ Continue implementation of recommendations
- ▶ Work with capital consultant contracts staff on post-award compliance
- ▶ On-going improvements

II. Consultant Contracts Process Improvements

Four-day workshop on pre-award process improvements (Q4, FY17)

► Outcomes:

- Shorten timelines and streamline process
- Additional improvements

II.a. Problem Definition/Root Causes

Problem 1: Lack of clarity and quality of initial draft scope of work and initial draft agreement

Root Cause: Lack of expertise drafting RFPs and lack of writing skills

Problem 2: Limited support during drafting and negotiation phases

Root Cause: Limited staff resources caused prior management to discontinue providing drafting and negotiation services

Problem 3: Lengthy contracting process

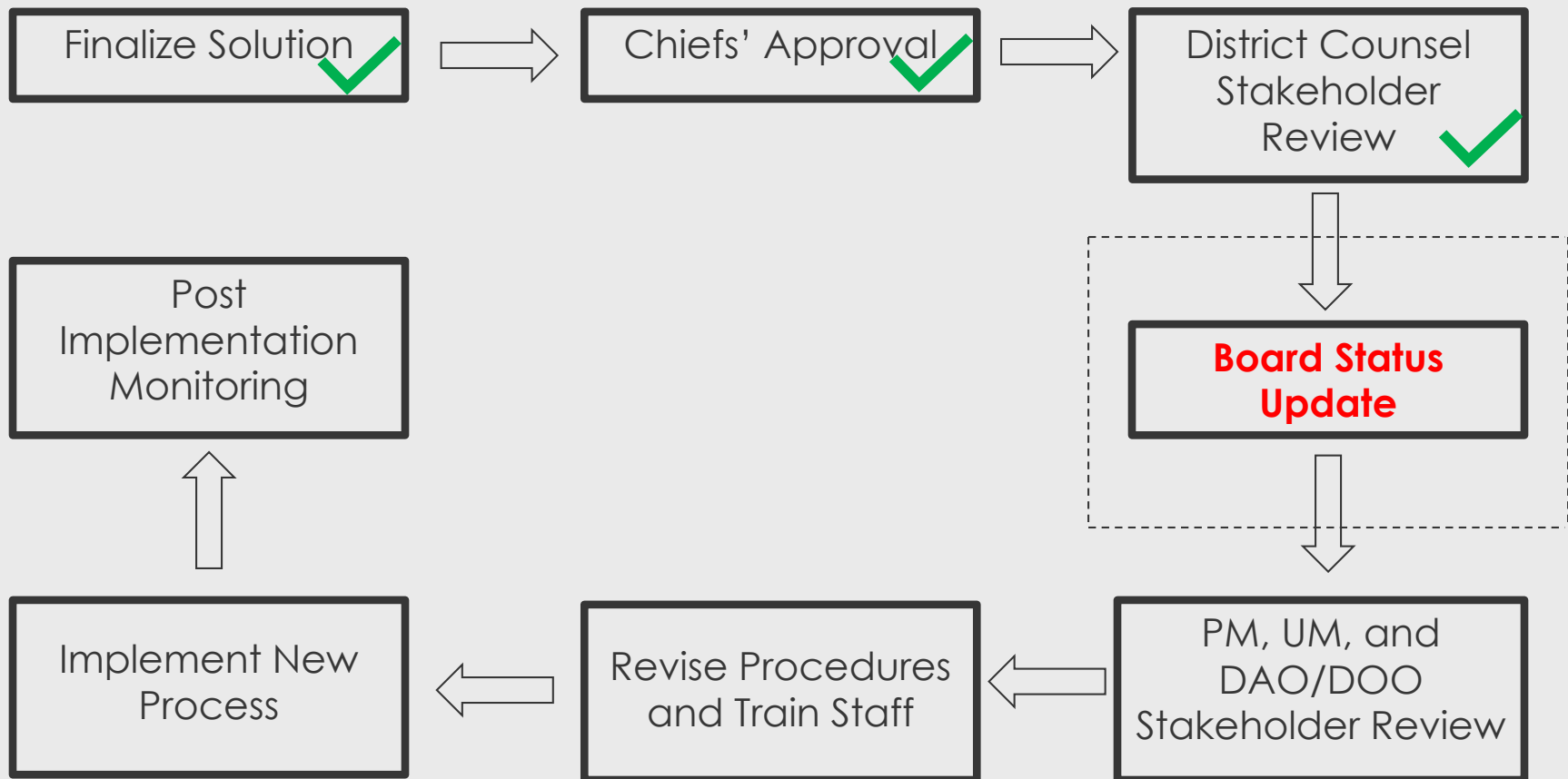
Root Cause: Problems 1 and 2 combined with the absence of clearly defined target timelines have contributed to the lengthy contracting process

II.b. Proposed Solution

Overview of Improvements:

- ▶ Consultant Contracts Staff – primary process owners
- ▶ Training in drafting and negotiations
- ▶ Structured contract drafting and negotiations processes
- ▶ Clearly defined roles, responsibilities and target timelines

II.c. Implementation Strategy



II.d. Next Steps

- ▶ Finalize Stakeholder Review
- ▶ Accelerate current ongoing contracts/amendments
- ▶ Begin implementing the process
- ▶ Track performance and measure against the new milestones
 - ▶ 6 months ➡ status update via CEO Bulletin
 - ▶ 12 months ➡ return to Board with full update

Questions?

