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**Consultant Contract Management Process Audit (Audit)**  
**IMPLEMENTATION STATUS**

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**Recommendation No. 1**

**Audit Report Recommendation No. 4.2.4.1**

**Description:** New functionalities should be built into CAS (Contract Administration System)

**Responsible Business Area:** Administration

**Assigned Staff:** DAO

**Status:** Completed

**Anticipated Completion:** FY17

**Status Details/Implementation of Recommendation:** To effectively address the issue of contract insurance expirations, staff procured and implemented Exigis, a full service web-based insurance tracking and monitoring system for consultant contracts. Additionally, the primary responsibility for tracking insurance expiration dates was shifted from project managers to Consultant Contract Services (CCS) staff at a centralized location for greater compliance. Exigis sends notifications to CCS staff for all insurance certificates prior to their expiration, and CCS staff proactively ensures that consultants upload valid insurance certifications within Exigis ahead of expiration dates. Exigis automatically validates insurance certificates for compliance. District Risk Manager uploads insurance requirements directly into CAS to prevent the upload of incomplete documents.

**Recommendation No. 2**

**Audit Report Recommendation No. 4.3.2.1**

**Description:** The District should develop guidelines against which Scope of Services (SOS) should be developed and metrics against which they should be evaluated. While Project Managers should be responsible for the development of Scope of Work (SOW) and Scope of Services, the Unit Managers should be responsible for their evaluation.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** Completed

**Anticipated Completion:** FY17

**Status Details/Implementation of Recommendation:** Through the Consultant Contracts Improvement Process, staff has developed guidelines and identified a review process for development of Scope of Work, which includes unit manager level review/approval as a requirement. The metrics will be tracked and reported on a quarterly basis. In addition, technical writing training is being provided to project managers and CCS staff in FY18.

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**Recommendation No. 3**

**Audit Report Recommendation No. 4.2.3.1**

**Description:** A) Post award policy and processes socialization plans should be developed and implemented. In addition, training on post-award contracting best practices should be delivered to accountable staff. B) A knowledge transfer plan should be developed, providing incentives for future retirees or departing employees to ensure successful project transition.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAOs

**Status:** A) Completed, B) Completed

**Anticipated Completion:** A) FY18, B) FY17

**Status Details/Implementation of Recommendation:** A) The District has conducted project management training and will continue to offer training on post-award contracting best practices. As post-award policies and procedures are updated or developed, staff will participate in this effort as internal stakeholders and provide comments. Once such policy and procedures are finalized, they will be noticed through internal communications (News You Can Use, MLT Meetings, staff meetings, among others). Additionally, formal training will be offered to the staff on new policy/procedures and when such published documents are revised. B) HR has a Districtwide knowledge transfer program in place.

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**Recommendation No. 4**

**Audit Report Recommendation No. 4.3.2.1**

**Description:** A) Improve and maintain a "boiler plate" Standard Agreement. Only the scope of services and project schedule sections should be drafted by Project Managers. B) The existing control procedures for contract approval should be reviewed and redesigned.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAOs

**Status:** A) Completed, B) In Process

**Anticipated Completion:** A) FY17, B) FY18

**Status Details/Implementation of Recommendation:** A) Standard Template Agreements were developed by a committee of internal stakeholders in FY15 and FY16, and are updated on an annual basis. Additional standards terms, conditions, and required templates are also in place, and are included in the Agreements, when appropriate. District project managers are only responsible for developing scope, budget, and schedule of completion for their specific agreements. B) Control procedures for contract approval were reviewed. This recommendation is specific to the Lower Silver Creek project. The Board's audit will address it in further detail and make suggestions for redesign. In FY18, the District initiated a Consultant Contracts Improvement Process, which included a comprehensive review of all existing processes to identify areas of improvement.

**Recommendation No. 5**

**Audit Report Recommendation No. 4.2.5.1**

**Description:** A) Develop and implement a policy and business processes defining the evaluation of consultant performance. B) Develop and implement the necessary tools to support the assessment of consultant performance, including performance evaluation scorecards and a database of consultant past performance evaluations. C) In the event of sub-par performance, the tools should inform the development of root cause analyses and corrective action plans.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** A) In Process, B) Completed, C) Completed

**Anticipated Completion:** A) FY18, B) FY18, C) FY18

**Status Details/Implementation of Recommendation:** A) The District is evaluating implementation of a policy and business processes to define and record the evaluation of consultant performance. B) and C) Management concurs with the recommendation. Project managers currently evaluate consultant performance for compliance with agreement requirements for scope, schedule, and budget.

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**Consultant Contract Management Process Audit (Audit)**  
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**Recommendation No. 6**

**Audit Report Recommendation No. 4.2.3.1**

**Description:** Centralization of the contract management function.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** Under Review

**Anticipated Completion:** FY18

**Status Details/Implementation of Recommendation:** Navigant had also recommended centralization of the contract management function. In response to that recommendation, the District conducted a benchmark study of public agencies, which found that the contract management function was decentralized in 12 of the 14 comparator agencies. The remaining agencies that had the centralized models were the San Francisco Public Utilities Commission and the Metropolitan Water District, both of which have very large procurement departments, with approximately 48 and 100 staff respectively. Since receiving this recommendation, the District has focused on reinforcing and improving standard policies, procedures, and documentation. The recommendation to centralize the contract management function is under review by District management.

**Recommendation No. 7**

**Audit Report Recommendation No. 4.2.1.1**

**Description:** Write a consolidated business policy concerning contracting management (including consulting contracting), which establishes the governance framework and functional accountability for contract management at the District. Include in this document a "Certificate of Acknowledgement" that staff must sign annually (or more frequently, as required).

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** In Process

**Anticipated Completion:** FY18

**Status Details/Implementation of Recommendation:** The "Certificate of Acknowledgement" will be addressed through the Consultant Contracts Improvement Process. Development of the overarching policy is in process and will align with the District's policy and procedure standards.

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**Recommendation No. 8**

**Audit Report Recommendation No. 4.2.2.1**

**Description:** Establish common "ways of working" through directive desk manual business processes for contract management activities; create oversight structures and "checks" for contract management activities.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** In Process

**Anticipated Completion:** FY18 - FY19

**Status Details/Implementation of Recommendation:** This recommendation is being addressed regarding pre-award process through Consultant Contracts Improvement Process. Development of post-award process have been assigned to designated staff resources.

**Recommendation No. 9**

**Audit Report Recommendation No. 4.2.4.1**

**Description:** SCVWD's systems should all be integrated. In parallel, robust systems and data governance policy and processes should be developed and implemented.

**Responsible Business Area:** Administration

**Assigned Staff:** DAOs

**Status:** In Process

**Anticipated Completion:** FY20 - FY21

**Status Details/Implementation of Recommendation:** The District is in the process of implementing the recommendation. An RFP has been initiated and will be released in Q3, FY18 for a new Enterprise Resource System, which will replace the current PeopleSoft system. District will replace the existing CAS system with the new ERP system.

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**Recommendation No. 10**

**Audit Report Recommendation No. 4.2.5.1**

**Description:** The District should develop specific contract compliance processes, which should include clear governance guidelines.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** In Process

**Anticipated Completion:** FY18 – FY19

**Status Details/Implementation of Recommendation:** The District will develop specific contract compliance processes, including clear governance guidelines. This has been assigned to designated staff resources.

**Recommendation No. 11**

**Audit Report Recommendation No. 4.2.6.1**

**Description:** Design a limited performance management program for contract management. Improve CAS or other technology platform(s) to capture the information linked to the performance management program and key metrics. Design standard reports to enable enhanced decision-making around contract management operations.

**Responsible Business Area:** Water Utility, Watersheds, and Administration

**Assigned Staff:** DAO

**Status:** In Process

**Anticipated Completion:** FY20 – FY21

**Status Details/Implementation of Recommendation:** The District had the same intent and has been working on procuring a new Enterprise Resource System, which will replace the current PeopleSoft system and address this recommendation.