



**June 28, 2017**

**To:** Finance and Administration Committee

**From:** Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Oversight Controls and Contract Compliance Related to  
Agreements for Public Outreach for the West County Connectors  
Project, Internal Audit Report No. 17-509

### **Overview**

The Internal Audit Department has completed an audit of oversight controls and contract compliance related to agreements with Caltrop Corporation for public outreach for the West County Connectors Project. Based on the audit, contract oversight by the project manager, compliance with contract terms by the contractor, and invoice review controls were adequate.

### **Recommendation**

Receive and file the Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509.

### **Background**

The West County Connectors Project (Project) linked carpool lanes on the San Diego Freeway with those on the Garden Grove Freeway and the San Gabriel River Freeway to create a seamless carpool connection among the three freeways. Public outreach for the Project was provided by internal staff and two contracts with Caltrop Corporation (Caltrop). The first contract with Caltrop, Agreement No. C-7-1479, provided assistance in developing and conducting a comprehensive public outreach program during the design/pre-construction phase of the Project. The contract was a firm-fixed price agreement for the period from December 2007 through December 2009, in the amount of \$114,084.

The second contract with Caltrop, Agreement No. C-9-0252, provided assistance in developing and implementing a comprehensive public outreach program for the construction phase of the Project. This contract was a time and expense agreement for the period of March 2010 through April 2015, in the amount of \$1,250,979.

***Discussion***

The Internal Audit Department (Internal Audit) determined that invoices were properly approved, labor hours were adequately supported and consistent with contracted rates, subcontractor costs were adequately supported, and monthly progress reports were provided as required. In addition, Internal Audit confirmed that deliverables outlined in the agreements were provided.

***Summary***

Internal Audit has completed an audit of Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509.

***Attachment***

- A. Oversight Controls and Contract Compliance Related to Agreements for Public Outreach for the West County Connectors Project, Internal Audit Report No. 17-509

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