



January 23, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit

Subject: Rail Right-of-Way Maintenance, Internal Audit Report No. 19-502

Overview

The Internal Audit Department has completed an audit of rail right-of-way maintenance along the Orange and Olive Subdivisions owned by the Orange County Transportation Authority. Based on the audit, the right-of-way maintenance program is adequate, as are oversight controls and contract compliance related to Agreement No. C-4-1361 with Joshua Grading & Excavating, Incorporated, for maintenance work along the right-of-way.

Recommendation

Receive and file Rail Right-of-Way Maintenance, Internal Audit Report No. 19-502, as an information item.

Background

Commuter rail service operated by the Southern California Regional Rail Authority (SCRRA) travels through Orange County between Los Angeles and San Diego counties on the Orange County Line. The Orange County Line consists of 47.5 miles of operating railroad right-of-way, with 42 miles along the Orange Subdivision and 5.5 miles along the Olive Subdivision. Service and maintenance of the tracks and equipment is provided by SCRRA; however, maintenance of the right-of-way on either side of the tracks is administered by the Orange County Transportation Authority, with the use of services provided by Joshua Grading & Excavating, Incorporated (Joshua), under Agreement No. C-4-1361 (Agreement).

The Agreement with Joshua became effective in January 2015, with an initial term of five years, plus one, two-year option, and a current maximum obligation

of \$8.2 million. Joshua provides labor, materials, and equipment necessary for weed abatement, pesticide application, removal of debris and trash, fencing installation and repair, drainage repair, graffiti abatement and control, tree trimming and removal, and installation and repair of railroad signage.

Discussion

Based on the audit, the Internal Audit Department (Internal Audit) has concluded that the rail right-of-way maintenance program is adequate, as are oversight controls and contract compliance related to the Agreement with Joshua.

Summary

Internal Audit has issued the results of an audit of rail right-of way maintenance.

Attachment

- A. Rail Right-of-Way Maintenance, Internal Audit Report No. 19-502

Prepared by:



Gerry Dunning
Senior Internal Auditor
714-560-5875

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591