



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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Corridor Agencies**

Energy & Environment
Linda Parks, Ventura County

Transportation
Cheryl Viegas-Walker, El Centro

REGULAR MEETING

AUDIT COMMITTEE

Wednesday, January 29, 2020
10:30 a.m. – 12:00 p.m.

SCAG MAIN OFFICE
900 Wilshire Blvd., Ste. 1700
Policy A Meeting Room
Los Angeles, CA 90017
(213) 236-1800

See Next Page for Other Meeting Locations

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1908. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.

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List of Audit Committee Members Participating at SCAG Offices and Other Meeting Locations

Date: Wednesday, January 29, 2020
Time: 10:30AM-12:00PM
Location: SCAG Main Office
900 Wilshire, Suite 1700 – Policy Room A
Los Angeles, CA 90017

TELECONFERENCE INSTRUCTIONS & INFORMATION PURSUANT TO GOVERNMENT CODE §54953.
For Brown Act requirements, please post a copy of the agenda at your teleconference location.

LIST OF MEMBERS	MEETING LOCATIONS
1. Hon. Clint Lorimore, Chair <i>City of Eastvale, District 4</i>	SCAG Riverside County Office 3403 10 th Street, Suite 805 Riverside CA 92501
2. Hon. Rex Richardson <i>City of Long Beach, District 29</i>	
3. Hon. Alan Wapner <i>City of Ontario, SBCTA</i>	
4. Hon. Sean Ashton, Vice Chair <i>City of Downey, District 25</i>	SCAG Main Office 900 Wilshire, Suite 1700 Los Angeles, CA 90017
5. Hon. Michael Carroll <i>City of Irvine, District 14</i>	Irvine City Hall Council Conference, 3 rd Floor 1 Civic Center Plaza Irvine, CA 92606
6. Hon. Margaret Clark <i>City of Rosemead, District 32</i>	Rosemead City Hall 8838 Valley Blvd. Rosemead, CA
7. Hon. Margaret Finlay <i>City of Duarte, District 35</i>	2221 Rim Rd. Duarte, CA 91008
8. Hon. Steve Manos <i>City of Lake Elsinore, District 63</i>	17600 Collier Avenue Suite 149 Lake Elsinore, CA 92530
9. Hon. Fred Minagar <i>City of Laguna Niguel, District 12</i>	City of Laguna Niguel 30111 Crown Valley Parkway Laguna Niguel, CA 92677
10. Sup. Linda Parks <i>Ventura County</i>	625 West Hillcrest Drive Thousand Oaks, CA 91360
11. Hon. Carmen Ramirez <i>City of Oxnard, District 45</i>	SCAG Ventura County Office 4001 Mission Oaks Blvd., Ste. L Camarillo, CA. 93012



List of Audit Committee Members Participating at SCAG Offices and Other Meeting Locations

Date: Wednesday, January 29, 2020
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12. **Hon. Ali Saleh**
City of Bell, District 27
Bell City Hall
6330 Pine Avenue
Bell, CA 90201

13. **Hon. Marty Simonoff**
City of Brea, District 22
Brea City Hall
Civic & Cultural Center
1 Civic Center Drive
Brea, CA 92821

14. **Hon. Cheryl Viegas-Walker**
City of El Centro, District 1
Walker & Driskill, PLC
3205 S. Dogwood Rd., Suite B
El Centro, CA 92243

15. **Hon. Edward H.J. Wilson, CPA**
City of Signal Hill



AUDIT COMMITTEE AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – Policy A Meeting Room
Los Angeles, California 90017
Wednesday, January 29, 2020
10:30 AM

The Audit Committee may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Clint Lorimore, Chair)

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Item

- 1. Minutes of the October 23, 2019 Meeting Page 6

INFORMATION ITEMS

- 2. Fiscal Year (FY) 2018-19 External Financial Audit 30 mins. Page 10
(Josh Margraf, Internal Auditor)
- 3. Project Management Improvements Update 15 mins. Page 15
(Kome Ajise, Executive Director)
- 4. Internal Audit Annual Risk Assessment 10 mins. Page 46
(Josh Margraf, Internal Auditor)
- 5. Internal Audit Status Report 10 mins. Page 51
(Josh Margraf, Internal Auditor)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS

ADJOURNMENT

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
January 29, 2020

AUDIT (AC) COMMITTEE
MINUTES OF THE MEETING
WEDNESDAY, October 23, 2019

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE AUDIT COMMITTEE. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: http://scag.iqm2.com/Citizens/

The Audit Committee met at SCAG, 900 Wilshire Blvd., 17th Floor, Los Angeles, CA 90017. The meeting was called to order By Chair, Clint Lorimore. A quorum was present.

Members Present:

Table with 3 columns: Name, City, District. Includes Clint Lorimore, Chair; Hon. Margaret Clark; Hon. Margaret Finlay; Hon. Steve Manos; Sup. Linda Parks; Hon. Carmen Ramirez; Hon. Ali Saleh; Hon. Marty Simonoff; Hon. Cheryl Viegas-Walker.

Members Not Present

Table with 3 columns: Name, City, District. Includes Hon. Sean Ashton, Vice Chair; Hon. Michael Carroll; Hon. Fred Minagar; Hon. Rex Richardson; Hon. Alan D. Wapner; Hon. Edward Wilson.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Lorimore called the meeting to order at 10:41 a.m., and asked Councilmember Steve Manos, City of Lake Elsinore, District 63, to lead the Pledge of Allegiance.

ROLL CALL

At 10:43 a.m., a roll call for attendance was made and it was determined that a quorum was present.

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PUBLIC COMMENT PERIOD

There were no public comments.

REVIEW AND PRIORITIZE AGENDA ITEM

There were no reprioritizations made.

CONSENT CALENDAR**Approval Item****1. Minutes of the June 27, 2019 Meeting**

A MOTION was made (Finlay) and SECONDED (Viegas-Walker) to approve the Consent Calendar. The motion was passed by the following roll call vote:

FOR: Clark, Finlay Lorimore, Manos, Parks, Ramirez, Simonoff, and Viegas-Walker (8).

AGAINST: None (0).

ABSTAIN: None (0)

ACTION/DISCUSSION ITEM**2. Internal Audit Charter**

Josh Margraf provided background information and asked the Committee to approve the recommended updates to the Internal Audit Charter.

A MOTION was made (Finlay) and SECONDED (Manos) to approve the updated Internal Audit Charter. The motion was passed by the following roll call vote:

FOR: Clark, Finlay Lorimore, Manos, Parks, Ramirez, Simonoff, and Viegas-Walker (8).

AGAINST: None (0).

ABSTAIN: None (0)

INFORMATION ITEMS**3. Caltrans Audits Corrective Action Plans Status Update**

Kome Ajise, Executive Director, provided background information of the Incurred Cost Audit, Indirect Cost Allocation Plan (ICAP) and the final Caltrans Corrective Action Plans (CAP) audit timelines. He provided an update of Caltrans' response letter which SCAG received on October 8, 2019. This letter was in response to SCAG's July 12, 2019 submittal to Caltrans discussing the agency's responses to the audits' findings and recommendations. The October letter required SCAG to provide Caltrans with anticipated completion dates of corrective actions as well as supporting documentation within 30 days.

Mr. Ajise noted that the "4Ps" staff committee was established to work on the Caltrans recommendations, and has already begun making all of the corrections specified in the Caltrans audit findings. Mr. Ajise summarized the progress to date and noted that a finalized response, with supporting information and documentation would be submitted to Caltrans before the November 7, 2019 deadline.

Mr. Ajise responded to comments and questions expressed by Committee members, including questions regarding adequate staff to manage areas identified in the audit; payback of disallowed costs; and what practices going forward will be in place to ensure that SCAG stays on track with any improved practices and procedures recommended by Caltrans.

Mr. Ajise responded that the deficiencies identified in the Caltrans audit findings were mainly related to procurement and charging practices. He noted that staff continues to make progress and improvements in these areas, and has made significant steps to date to address all of the Caltrans recommendations.

In conclusion, Mr. Ajise reported that there is unresolved liability with the state, and that he hopes to trade resources in that the unresolved liability would help reduced the amount required to be repaid to Caltrans. He noted that the total amount to be repaid is still under discussion and review with both the state and federal staff. He noted that future updates will be provided to the Committee.

4. Invoicing Review

Joshua Margraf, Internal Auditor, provided a brief overview of SCAG's invoice process. He reported that a review of the invoicing process was conducted, and it was found that current practices are not aligned with existing agency guidance. He also noted that although approximately 87 percent of consultant invoices were paid within 60 days, SCAG has not clearly defined what is a complete invoice, which can cause consultants to re-submit invoices on multiple occasions. Mr. Margraf outlined some areas for improvement, including the possible use of an invoicing template that lists what SCAG requires as well as enhances transparency and consistency with regard to the invoicing process.

Mr. Margraf concluded that clearly identifying roles and responsibilities for invoicing as well as documenting procedures for carrying out those responsibilities could help the process be more transparent and consistent. He noted that SCAG is currently updating its project management processes and procedures, to include consultant monitoring and invoicing. He added that his response was somewhat general because it is the expectation that procedural improvements will be addressed by the SCAG staff responsible for responding to the Caltrans audit findings (i.e. the 4Ps group mentioned above).

5. Internal Audit Status Report

Joshua Margraf, Internal Auditor, presented the Internal Audit Status Report, which list work performed since the last Committee meeting. For the new Committee members, he described the overall audit process, including pre-award reviews and non-auditing services, related to the items contained in the Internal Audit Status report.

Mr. Margraf provided highlights of the report including, follow-up on prior reviews, where he noted that the vendor invoicing and receipts management updates would be provided at a future meeting. He also noted that Eide Bailly, LLP, SCAG's financial auditors, plan to complete the FY2018-19 audit work and report to the Committee later, likely at the next Committee meeting. Mr. Margraf also noted that four anonymous reports were submitted to the hotline, with two reports closed due to lack of sufficient information, and that two reports are still under further review.

Mr. Ajise responded to comments and questions expressed by Committee members, including questions regarding project management software to aid staff with developing and applying actual policy and procedures. Mr. Ajise commented that the newly formed 4P's is working through implementing improvements identified by external audits as well as internal audit work, including establishing an enterprise Project Management Office which is intended to ensure agency wide project management practices are embedded and consistently followed.

Mr. Ajise noted that an update and status report on the 4P's progress will be presented to both the Executive Administration Committee and Audit Committee at future meetings.

FUTURE AGENDA ITEM

No Future Agenda Items were given

ANNOUNCEMENTS

Chair Lorimore encouraged the Committee to register and attend the 10th annual Southern California Economic Summit which will take place at The L.A. Grand Hotel Downtown on Thursday, December 5, 2019.

ADJOURNMENT

There being no further business, Chair Lorimore adjourned the Audit Committee meeting at 11:22 a.m.

Respectfully submitted by:
Carmen Summers
Audit Committee Clerk

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE AUDIT COMMITTEE]

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
January 29, 2020

To: Audit Committee (AC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Joshua Margraf, Internal Auditor, (213) 236-1890
margraf@scag.ca.gov

Subject: External Financial Audit

RECOMMENDED ACTION:

For Information Only - No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

SCAG's external independent auditor will present the preliminary Fiscal Year (FY) 2018-19 audit report.

BACKGROUND:

SCAG's external independent auditors, Eide Bailly, LLP, have completed their audit of SCAG's FY 2018-19 financial statements. They will present the results to the Audit Committee.

FISCAL IMPACT:

None

ATTACHMENT(S):

- 1. External Audit Exit Presentation

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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Communication With Those Charged With Governance



AUDIT SERVICES

- Audit of the Comprehensive Annual Financial Report (CAFR)
- Report on internal control over financial reporting and on compliance in accordance with *Government Auditing Standards*
- Audit report on compliance over major federal programs, schedule of expenditures of federal awards and internal control in accordance with 2 CFR 200 (Single Audit)

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Express an opinion as to whether SCAG complied with direct and material compliance requirements described in the OMB Compliance Supplement for major federal programs.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

2

SUMMARY OF AUDIT RESULTS

Financial Statements	<ul style="list-style-type: none">• Unmodified opinion on the CAFR
Government Auditing Standards	<ul style="list-style-type: none">• No material weaknesses reported• No instances of noncompliance reported
Single Audit	<ul style="list-style-type: none">• Major Programs<ul style="list-style-type: none">• 20.205: <i>Highway Planning and Construction Cluster</i>• 20.526: <i>Federal Transit Cluster</i>• Unmodified opinion on compliance• No material weaknesses reported

3

AUDITOR COMMUNICATIONS

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- SCAG adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

Significant Estimates

- Net Pension Liability
- Net Other Postemployment Benefits (OPEB) Liability

Sensitive Disclosures

- Pensions and OPEB (Notes 12 and 14, respectively)
- Subsequent Event (Note 15)

5

AUDITOR COMMUNICATIONS

Misstatements

- No uncorrected or corrected misstatements were reported.

Consultations with Other Accountants

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the course of the audit.

6

SERVING LOCAL GOVERNMENT

Audit & Assurance

Financial Audit
Review
Compilation
Agreed-Upon Procedures
Single Audit
Internal Audit
Internal Control Review
Annual Training on Government Accounting Standards

Forensic & Valuation

Fraud Prevention
Fraud Detection
Fraud Investigation
Employee Background Checks
Employee Hotline
Business Valuation

Consulting Services

Cash Flow Management
Budgeting Process and Planning
Documentation of Financial Policies and Procedures
Operational and Process Improvement
Strategic Planning
Human Resources Consulting

Technology Consulting

Business Applications
Consulting and Advisory Services
Information Technology Outsourcing

Accounting Services

Outsourced Accounting and Bookkeeping Services
Financial Statement Preparation
Capital Asset Tracking and Depreciation Calculation

7

THANK YOU

Roger Alfaro
Partner
ralfaro@eidebailly.com
909.466.4410



CPAs & BUSINESS ADVISORS

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
January 29, 2020

To: Audit Committee (AC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kome Ajise, Executive Director
(213) 236-1835, Ajise@scag.ca.gov

Subject: Project Management Improvements Update

RECOMMENDED ACTION:

For Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

At the October 23, 2019 Audit Committee meeting, staff provided an update regarding the Caltrans letter of October 8, 2019 including a status report on the Corrective Action Plans (CAPs) for the two respective Caltrans Audits, the Incurred Cost Audit (ICA) and the Indirect Cost Allocation Plan (ICAP) Audit. The update also included information regarding progress towards Procurement Process Streamlining, and Project Management. Finally, the October 23, 2019 agenda also included an attachment of the SCAG Vendor Survey which was conducted in April 2019. Since the last meeting, SCAG has indicated to Caltrans that SCAG staff have completed 100% of the CAP requirements, and SCAG has submitted all required documentation. The agency is currently focused on making improvements in all areas related to project management, and this report provides updates on the CAPs and the various efforts underway.

BACKGROUND:

Corrective Action Plans Status – 100% Complete

On November 4, 2019, SCAG staff met with Caltrans staff in Sacramento to review the October 8th letters and all requirements as well as to deliver substantial documentation supporting the substitution of costs from other SCAG funds to offset potential disallowed costs of \$4.4M.

On November 7, 2019, SCAG responded to the October 8th letters and submitted a series of requested documentation to Caltrans. SCAG’s letters are attached to this report.

On December 16, 2019, SCAG sent follow-up letters to Caltrans submitting all remaining requested documentation and asserting that it has complied with all thirty-nine (39) CAP requirements and

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considers the CAPs to be 100% complete.

Most noteworthy items since the last Audit Committee meeting are:

1. Continued work of staff committee focused on doing the work to comply with CAP's as well as establish best practices in all areas related to project management. They are called the 4 P's which stands for improving all processes, policies and procedures related to project management. It is co-led by the Chief Strategy Office and the Chief Financial Officer. The team consists of the three Managers of Finance, a Planning staff, and advisory members, namely the Internal Auditor and Legal staff. The 4P's have been meeting weekly for almost six months and now that they have completed the work required of the CAPs, they are partnering with additional Planning staff on making process improvements with a focus on procurement streamlining and project management and delivery.
2. Three updated Finance Manuals required by the CAPs and associated mandatory four (4) hour training for all staff has occurred. The manuals were completed in November and two complete series of associated trainings have been held since November 21, with a total of 90 staff completing the four hours of training, including five members of the Executive Team. Training will continue monthly until all employees have completed it. The sessions will be offered as needed thereafter for new employees and for refresher training going forward. The next training sessions are scheduled for mid-February. The training has received a very positive response and there is already evidence of improvements in the submissions of better scopes of work, independent cost estimates and more complete information is being submitted earlier in the process. Participants also provided helpful suggestions for continuous improvement of the training and many of these have already been incorporated.
3. Consultant support has been hired by Planning to assist with the process improvement and project work plan development. The consultant will be working with Planning staff, the 4P's and others to launch this work in February.
4. As a staff development opportunity, a one-year staff rotational assignment will be announced in the next few weeks to help create an Enterprise-wide Project Management Office. This rotational assignment is designed to provide seasoned and highly skilled project management staff an opportunity to architect and design the office. The position will initially report to the Chief Strategy Officer and ensure all project management process improvements and tools are aligned and coordinated agency-wide. Should further consultant assistance be needed to supplement the effort, it will be pursued.

On January 23, 2020, Caltrans staff reviewed the substitution of costs documentation and committed to providing an update on when SCAG will receive a written response to its November

and December submittals. Staff will provide a verbal update on the status at the January 29th Audit Committee Meeting.

SCAG Vendor Survey

In April 2019 SCAG sent a survey to all 7,514 registered vendors in SCAG's vendor management system, Planetbids, seeking feedback on the procurement process as well as vendor/SCAG relationships. We received 223 responses, which represents 20% of our 1,100 active vendors.

Sixteen questions were included in the survey. The survey results were included as an attachment in the October 23rd Committee packet and are attached to this report as well.

Staff analysis of the results show a response of 32% unfavorable towards SCAG's procurement and contracting practices, 52% neutral, and 16% favorable. Based on the survey results, the areas that require the most improvement are:

1. Increasing the number of qualified vendors that bid on SCAG work
2. Providing better scopes of work
3. Improving the Request for Proposal (RFP) and contract template
4. Simplifying the contract amendment process
5. Simplifying the invoice requirements
6. Improving the pre-award review process
7. Improving the overall vendor experience

Some of these issues will be addressed by changing SCAG's default contracting model to Firm Fixed Price (FFP) from Cost Plus Fixed Fee (CPFF). Cost Plus Fixed Fee procurements require additional scrutiny of the cost elements of proposals and the details of invoices which frustrate our vendors and add additional cycle time to the process. Over the past year, the Contracts Department has been implementing FFP contracts and working with Project Managers to add specificity to the Scopes of Work submitted to begin new procurements. This gives potential proposers the information they need to submit with confidence a fixed price for the work being procured. If a FFP procurement results in three proposals, and the rating criteria weight price is at least 20%, we have adequate competition and no further work on price is needed, e.g. no pre-award review. Additionally, the invoices are structured on a milestone payment basis and get processed more quickly.

So far, we have managed to structure 29% of SCAG's 118 existing contracts as FFP. SCAG is pursuing Scope of Work training to further the progress of implementing FFP.

Effective in February, new contracts will not require a contract amendment to extend funding into a new fiscal year. The new contract language will permit funding to be extended with a new line on the existing purchase order. The practice prior to this was to require an amendment to add new



fiscal year funding for every contract that had a life span across fiscal years. SCAG plans to survey vendors again after the fiscal year ends to gauge progress on the changes.

FISCAL IMPACT:

As previously reported and mentioned above, SCAG awaits resolution to the CAP requirements seeking a potential reimbursement of disallowed costs for \$4.4M. The final repayment is subject to Caltrans' review of the substitution of costs documentation submitted in November and December. As mentioned above, Caltrans is meeting internally to review the documentation on January 23rd. SCAG will provide a verbal update on the status at the January 29th meeting.

ATTACHMENT(S):

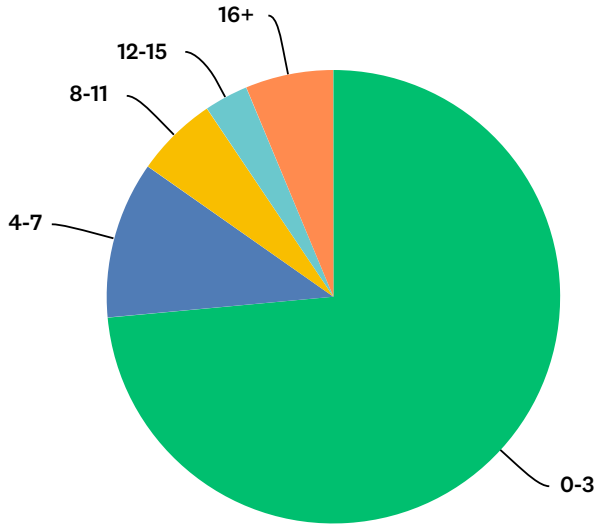
1. 012920 Vendor Survey
2. 012920 Survey Comments

	A	B	C	D	E	F	G	H
1			RAW DATA					
2			0 - 3	4 - 7	8 - 11	12 - 15	16+	Total
3	1	How many times have you bid on SCAG work?	164	25	13	7	14	223
4								
5	2	How many SCAG contracts have you been awarded?	196	18	2	2	5	223
6								
7	3	How many other California Public Agencies do you conduct work for?	69	59	24	16	55	223
8								
9			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	
10	4	The scope of work in SCAG's RFPs is easy to understand .	20	96	73	24	10	223
11								
12	5	The scope of work in SCAG's RFPs is defined well enough for you to prepare a responsive proposal.	20	89	78	25	11	223
13								
14	6	SCAG allows you enough time to respond to RFPs.	17	106	75	20	5	223
15								
16	7	SCAG is responsive to your questions about the RFP.	17	82	106	13	5	223
17								
18	8	SCAG is responsive to your concerns about not being awarded the contract.	6	35	145	20	17	223
19								
20	9	It is easy to comply with SCAG's contract template.	10	58	104	36	15	223
21								
22	10	It is easy to comply with the pre-award review performed by SCAG's Internal Auditor.	5	45	131	26	16	223
23								
24	11	SCAG's requirements regarding contract amendments are not more cumbersome than other public agencies.	7	48	131	18	19	223
25								
26	12	SCAG staff provide clear and consistent guidance for contract and invoicing issues.	11	49	131	21	11	223
27								
28	13	SCAG's requirements regarding invoicing are not more cumbersome than other public agencies.	6	38	134	21	24	223
29								
30	14	SCAG pays its vendors on a timely basis.	8	46	150	11	8	223
31								
32	15	I am satisfied with the payment method SCAG uses (paper check or electronic payment).	12	57	150	2	2	223
33								
34	16	It is not more worthwhile to pursue contracting opportunities at public agencies other than SCAG.	10	25	112	42	34	223
35								
36		Total	149	774	1,520	279	177	2,899
37								
38			32%		52%	16%		
39			Unfavorable		Neutral	Favorable		

VENDOR SURVEY

Q1 How many times have you bid on SCAG work?

Answered: 223 Skipped: 0



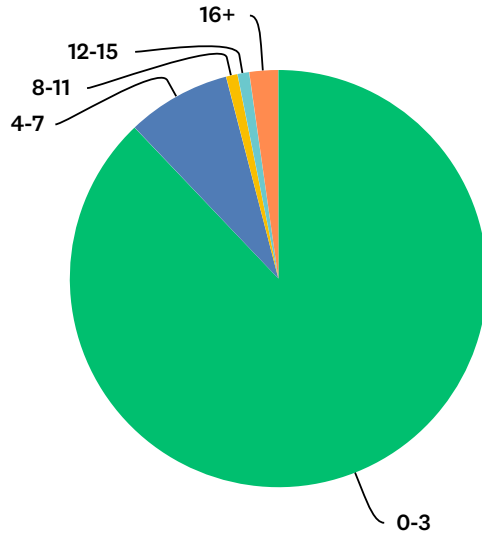
ANSWER CHOICES	RESPONSES	
0-3	73.54%	164
4-7	11.21%	25
8-11	5.83%	13
12-15	3.14%	7
16+	6.28%	14
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q2 How many SCAG contracts have you been awarded?

Answered: 223 Skipped: 0



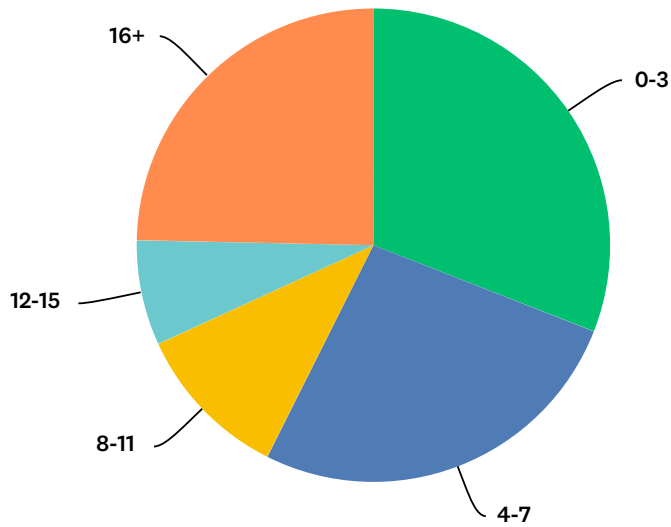
ANSWER CHOICES	RESPONSES	
0-3	87.89%	196
4-7	8.07%	18
8-11	0.90%	2
12-15	0.90%	2
16+	2.24%	5
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q3 How many other California Public Agencies do you conduct work for?

Answered: 223 Skipped: 0



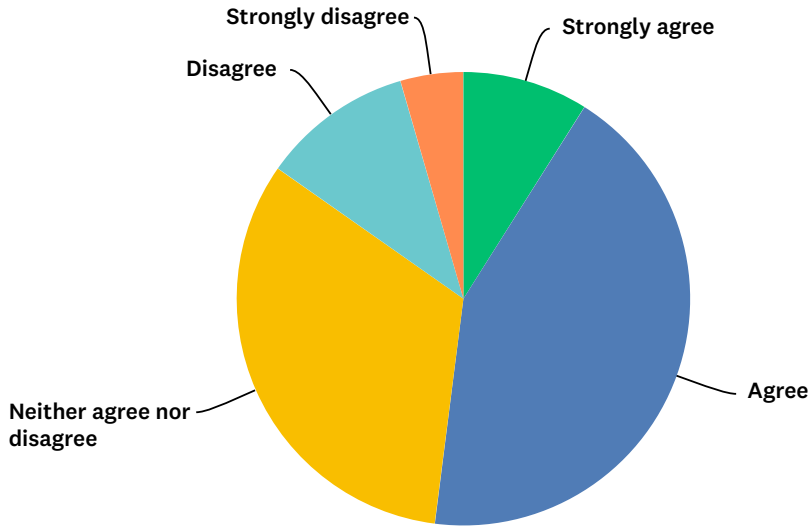
ANSWER CHOICES	RESPONSES	
0-3	30.94%	69
4-7	26.46%	59
8-11	10.76%	24
12-15	7.17%	16
16+	24.66%	55
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q4 The scope of work in SCAG's RFPs is easy to understand .

Answered: 223 Skipped: 0



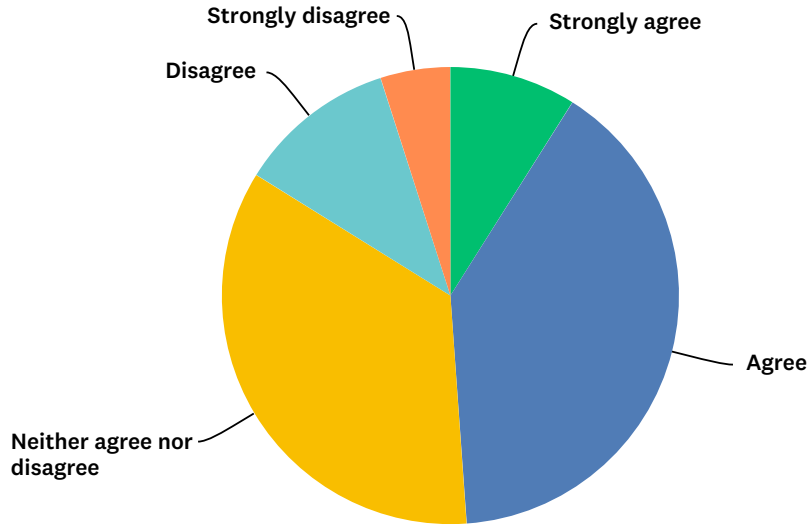
ANSWER CHOICES	RESPONSES	
Strongly agree	8.97%	20
Agree	43.05%	96
Neither agree nor disagree	32.74%	73
Disagree	10.76%	24
Strongly disagree	4.48%	10
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q5 The scope of work in SCAG's RFPs is defined well enough for you to prepare a responsive proposal.

Answered: 223 Skipped: 0



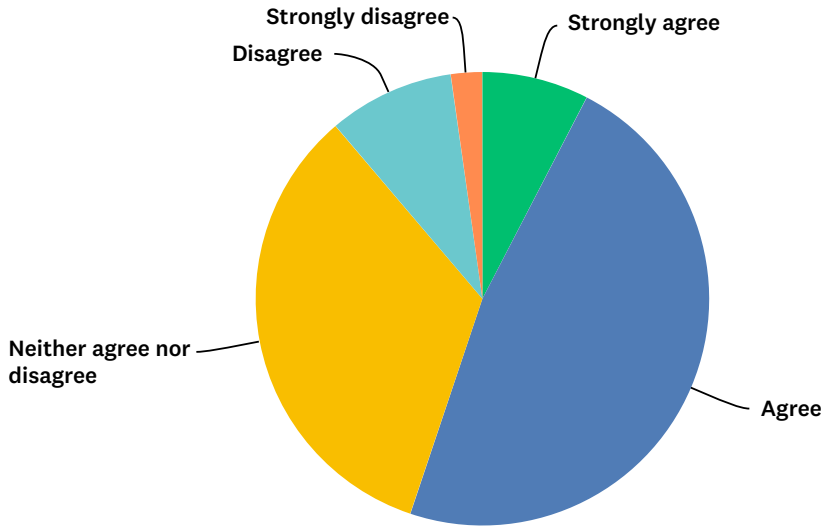
ANSWER CHOICES	RESPONSES	
Strongly agree	8.97%	20
Agree	39.91%	89
Neither agree nor disagree	34.98%	78
Disagree	11.21%	25
Strongly disagree	4.93%	11
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q6 SCAG allows you enough time to respond to RFPs.

Answered: 223 Skipped: 0



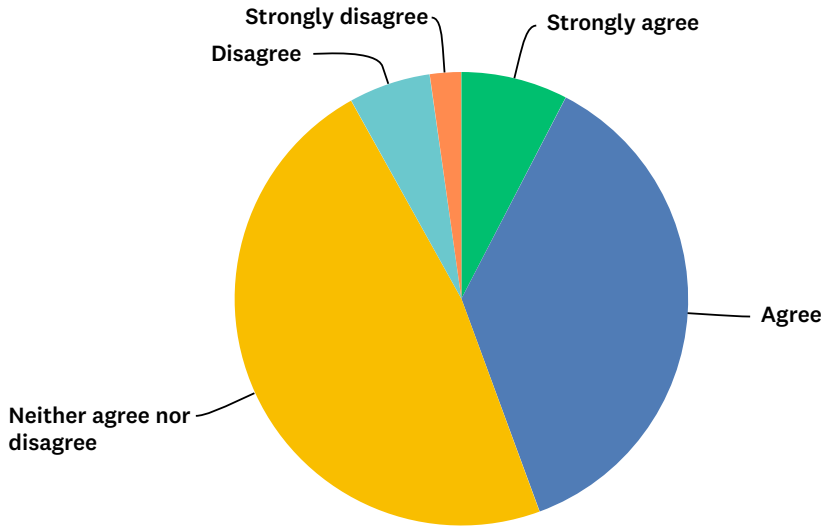
ANSWER CHOICES	RESPONSES	
Strongly agree	7.62%	17
Agree	47.53%	106
Neither agree nor disagree	33.63%	75
Disagree	8.97%	20
Strongly disagree	2.24%	5
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q7 SCAG is responsive to your questions about the RFP.

Answered: 223 Skipped: 0



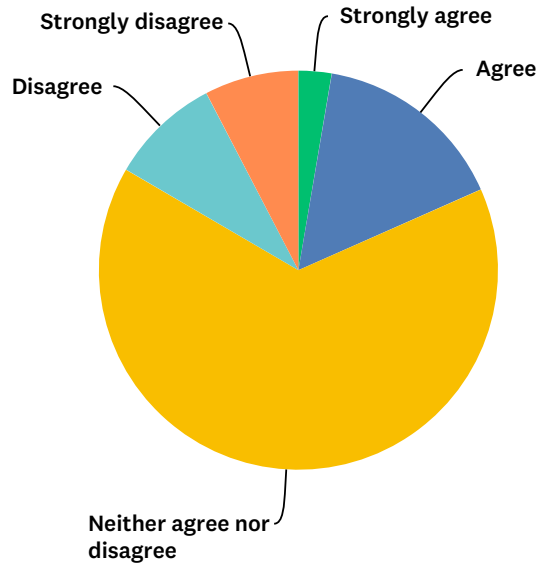
ANSWER CHOICES	RESPONSES	
Strongly agree	7.62%	17
Agree	36.77%	82
Neither agree nor disagree	47.53%	106
Disagree	5.83%	13
Strongly disagree	2.24%	5
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q8 SCAG is responsive to your concerns about not being awarded the contract.

Answered: 223 Skipped: 0



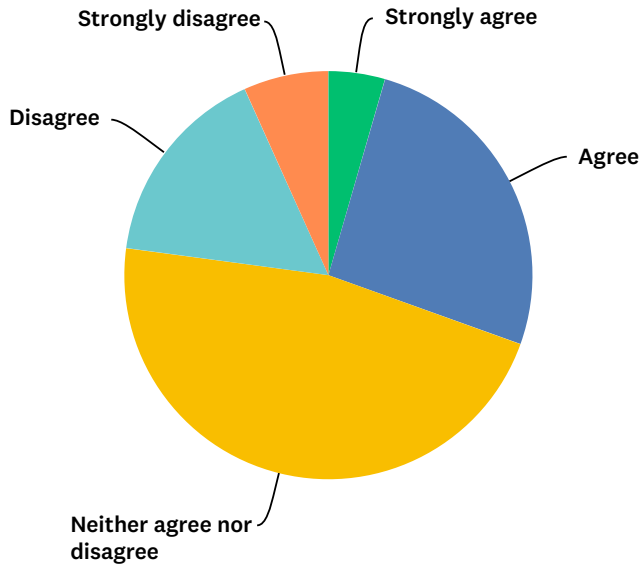
ANSWER CHOICES	RESPONSES	
Strongly agree	2.69%	6
Agree	15.70%	35
Neither agree nor disagree	65.02%	145
Disagree	8.97%	20
Strongly disagree	7.62%	17
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q9 It is easy to comply with SCAG's contract template.

Answered: 223 Skipped: 0



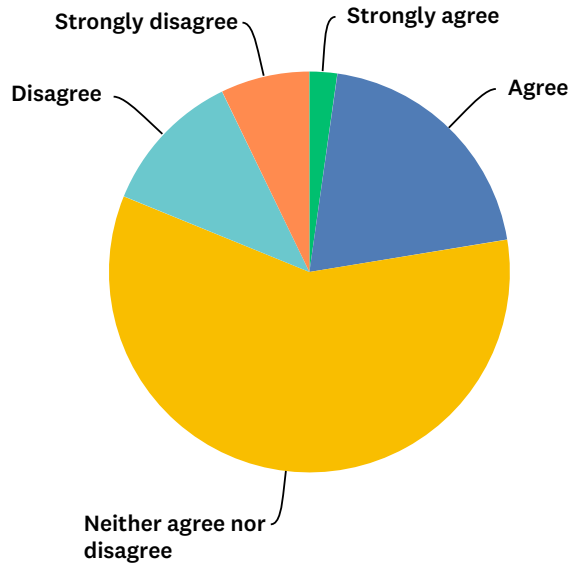
ANSWER CHOICES	RESPONSES	
Strongly agree	4.48%	10
Agree	26.01%	58
Neither agree nor disagree	46.64%	104
Disagree	16.14%	36
Strongly disagree	6.73%	15
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q10 It is easy to comply with the pre-award review performed by SCAG's Internal Auditor.

Answered: 223 Skipped: 0



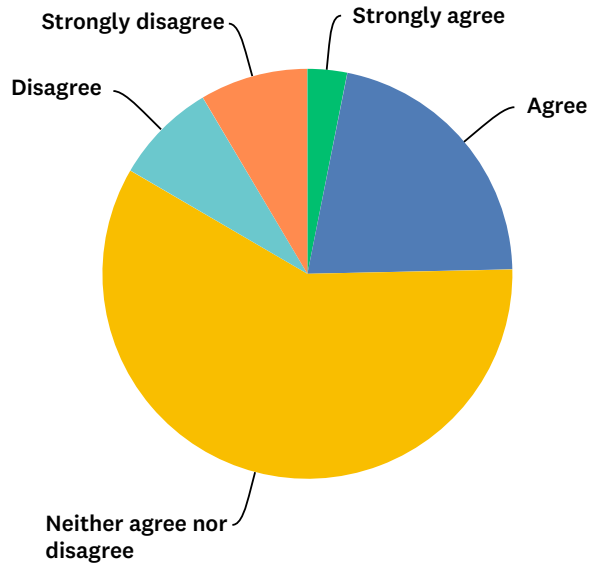
ANSWER CHOICES	RESPONSES	
Strongly agree	2.24%	5
Agree	20.18%	45
Neither agree nor disagree	58.74%	131
Disagree	11.66%	26
Strongly disagree	7.17%	16
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q11 SCAG's requirements regarding contract amendments are not more cumbersome than other public agencies.

Answered: 223 Skipped: 0



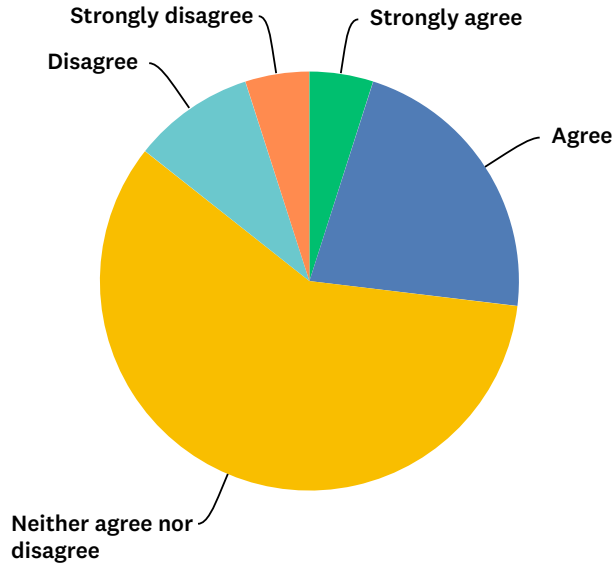
ANSWER CHOICES	RESPONSES	
Strongly agree	3.14%	7
Agree	21.52%	48
Neither agree nor disagree	58.74%	131
Disagree	8.07%	18
Strongly disagree	8.52%	19
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q12 SCAG staff provide clear and consistent guidance for contract and invoicing issues.

Answered: 223 Skipped: 0

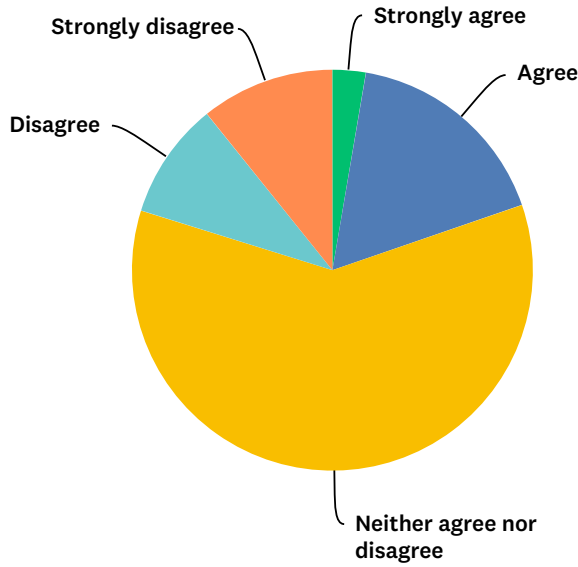


ANSWER CHOICES	RESPONSES	
Strongly agree	4.93%	11
Agree	21.97%	49
Neither agree nor disagree	58.74%	131
Disagree	9.42%	21
Strongly disagree	4.93%	11
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

Q13 SCAG's requirements regarding invoicing are not more cumbersome than other public agencies.

Answered: 223 Skipped: 0



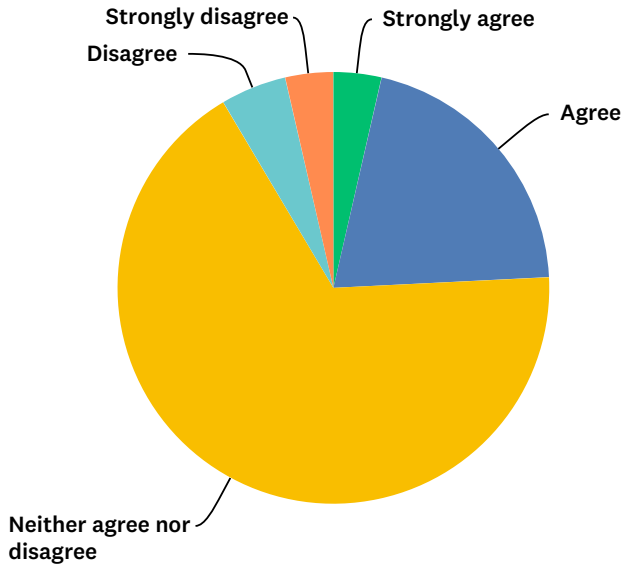
ANSWER CHOICES	RESPONSES	
Strongly agree	2.69%	6
Agree	17.04%	38
Neither agree nor disagree	60.09%	134
Disagree	9.42%	21
Strongly disagree	10.76%	24
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q14 SCAG pays its vendors on a timely basis.

Answered: 223 Skipped: 0



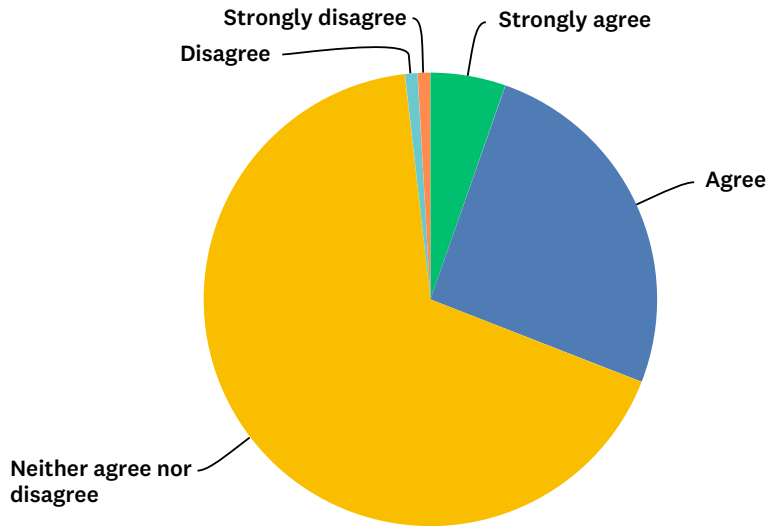
ANSWER CHOICES	RESPONSES	
Strongly agree	3.59%	8
Agree	20.63%	46
Neither agree nor disagree	67.26%	150
Disagree	4.93%	11
Strongly disagree	3.59%	8
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q15 I am satisfied with the payment method SCAG uses (paper check or electronic payment).

Answered: 223 Skipped: 0



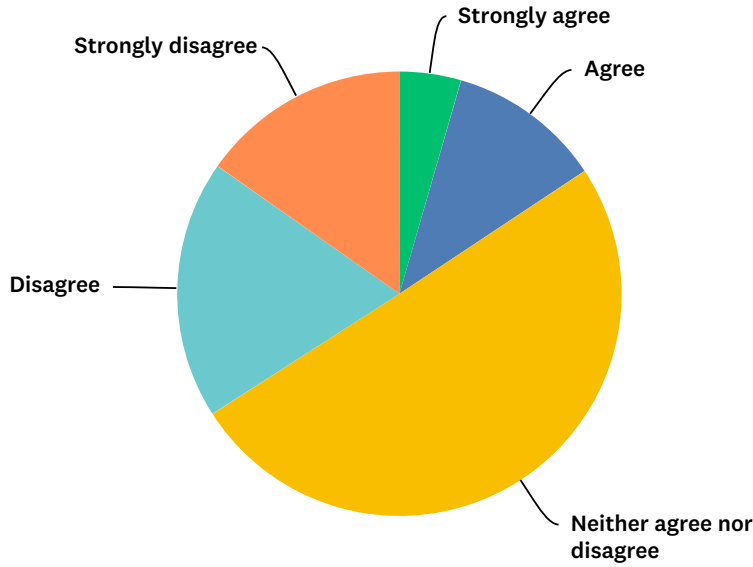
ANSWER CHOICES	RESPONSES	
Strongly agree	5.38%	12
Agree	25.56%	57
Neither agree nor disagree	67.26%	150
Disagree	0.90%	2
Strongly disagree	0.90%	2
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q16 It is not more worthwhile to pursue contracting opportunities at public agencies other than SCAG.

Answered: 223 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	4.48%	10
Agree	11.21%	25
Neither agree nor disagree	50.22%	112
Disagree	18.83%	42
Strongly disagree	15.25%	34
TOTAL		223

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

Q17 Please provide input on any other areas not covered by the survey questions.

Answered: 223 Skipped: 0

#	RESPONSES	DATE
1	none	4/18/2019 10:54 AM
2	While we have not experienced major difficulties with SCAG, reviewing contracting and simplifying procedures is always a good idea.	4/17/2019 3:27 PM
3	Nothing to add.	4/17/2019 8:07 AM
4	Please share feedback to vendors on their submissions	4/16/2019 10:10 PM
5	N/A	4/16/2019 7:55 PM
6	None	4/16/2019 5:12 PM
7	I have not submitted to a SCAG RFP in my current role so cannot provide much insight. As a marketer, I do appreciate the effort to gather information about the RFP/Q process.	4/16/2019 11:04 AM
8	Due to the cumbersome process and procedures of working with SCAG, we (as a small firm of 10-15 employees) will probably not be pursuing many more SCAG RFPs. The amount of admin time needed to even administer a SCAG project eats up too much time and project budget. It is very very difficult overall, and that is what I am hearing from most other small-medium sized firms I have spoken with.	4/16/2019 10:26 AM
9	none	4/16/2019 8:53 AM
10	i hardly ever receive notifications from scag for new work	4/16/2019 8:15 AM
11	Have not had a SCAG Project	4/16/2019 8:15 AM
12	Not applicable	4/16/2019 7:51 AM
13	We're a startup so of course some of the requirements are going to be hard for us to comply with. I think SCAG could get around this by having some innovation-specific programming allowing them to capitalize on innovation without being cumbersome or taking on too much risk.	4/16/2019 7:28 AM
14	nope	4/16/2019 12:18 AM
15	No other comments . I always enjoy working with the SCAG staff. Everyone is very communicative and professional.	4/15/2019 11:04 PM
16	none	4/15/2019 10:26 PM
17	Insurance requirements for sub-contractors (sub-consultants to primes) is TOTALLY unreasonable and unrealistic. As a sole proprietor DBA...the automobile insurance requirements would require me to purchase additional insurance that equals at least half of the revenue that I would bring in on "said contract" over a 1-2 year period...totally NOT worth it. You need to realistically review the specific contract and the actual WORK entailed, and THEN determine insurance requirements based on actual RISK.	4/15/2019 9:50 PM
18	Not sure what to add	4/15/2019 9:32 PM
19	N/A	4/15/2019 7:44 PM
20	x	4/15/2019 7:42 PM
21	We're a HVAC contractor how can we get RFPs.	4/15/2019 7:18 PM
22	I think I am not receiving RFPs.	4/15/2019 7:06 PM
23	None at this juncture	4/15/2019 5:06 PM
24	None	4/15/2019 4:58 PM
25	n/a	4/15/2019 4:31 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

26	If you haven't been awarded a contract through SCAG, then it is difficult to answer a bunch of the questions.	4/15/2019 4:06 PM
27	We are in telecom and data and there hasn't ever been a contract come up for that. I would like to know how those contracts get fulfilled if they are never put out for bid?	4/15/2019 4:01 PM
28	I have not used SCAG yet. Just registered	4/15/2019 3:59 PM
29	Nothing to add	4/15/2019 3:43 PM
30	No comment	4/15/2019 3:37 PM
31	None	4/15/2019 3:11 PM
32	.	4/15/2019 2:50 PM
33	We tried to respond to a planning and design RFP disbursing federal funds. The RFP was inadequately prepared because it misrepresented the requirements of obtaining an engineering/architectural design contract under federal guidelines. Under a grant to SCAG we would be a subcontractor who would not carry the same burden as SCAG in proving the cost of services. Yet you require the same which makes it impossible for a small company to compete with large contractors that have the internal auditing power to produce such documents and clearances. Normally this would not prevent us from submitting data. Our fees are highly competitive with large design firms because, as a small firm, we can work efficiently and reduce cost. Savings can then be retained to grow the company and pay working principals with pass through profits that truly reflects their fair income from which they cover their "benefits" external to company accounting. Your required accounting practice creates a huge advantage for large firms that can show high hourly salaries, massive benefits, and high overhead for bonuses, company vehicles, and lavish offices. If we save money and work efficiently you become the sole beneficiary of these savings whereas large companies are rewarded for their spending and can justify higher fees. Your requirement is that upon an audit of our finances we would have to pay back fees received if your audit shows lower actual cost -- regardless if such fees are entirely reasonable within the context of commonly accepted standards. That allows you to reduce our fees arbitrarily, after the fact. Signing a contract with you could conceivably result in the burden to pay back fees years after the work has been completed. Undoubtedly some will sign your paperwork without understanding what it really means, ultimately risking to send their company into bankruptcy. I am not saying that this is what you are trying to do. But your required paperwork makes this possible. So if you ever ask yourselves the question why you cannot retain small efficient consultants that are connected to your local community -- here is the answer: only fools would sign the dotted line. What can be done? You need to understand what is really required. When you hire an engineering/design consultant and you are the recipient of a federal grant you are the prime contractor and they are the subcontractor. You are not required for them to show the same level of accounting that you fall under. You only have to make sure that cost is reasonable. Your statutes for contracting and your RFP language was written by someone who does not understand this. You need to review your statutes and change requirements, where applicable, so that you can receive truly competitive contractors instead of putting up insurmountable hurdles.	4/15/2019 2:19 PM
34	Invoicing requirements do seem to have evolved over time and consultants are not always informed by SCAG as to the reason or he fact that there has been a change in the requirement, which can impact the timeliness of payment as we revise invoices to meet changing requirements.	4/15/2019 2:15 PM
35	Sometimes the scope of work is fairly broad, leading to the possibility of different levels of effort. This may make the comparisons between proposals very difficult. This is further compounded if a high degree of the weighting is based on price. It would be appreciated if more guidance is provided at the pre-proposal meeting stage. This would allow respondents to provide a better proposal and SCAG to have proposals with similar level of effort assumptions.	4/15/2019 2:04 PM
36	.	4/15/2019 2:04 PM
37	none	4/15/2019 2:00 PM
38	n/a	4/15/2019 1:53 PM
39	N/A	4/15/2019 1:36 PM
40	Requests do not match our capabilities (digital and traditional graphic artist illustration including realistic and painterly styles for food, people, products, maps, technical & medical, and scenics.	4/15/2019 1:36 PM
41	It has been a while since our firm has submitted to SCAG due in part to the agency not needing the services offered by our firm. This makes it very difficult to provide valuable input.	4/15/2019 1:32 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

42	good job most areas cover	4/15/2019 1:25 PM
43	RFP scope understandability and definition varies. Time to respond to RFP is adequate. Disallowing hours from people not previously approved, even low-wage employees, is a problem.	4/15/2019 1:20 PM
44	No input.	4/15/2019 1:08 PM
45	NA	4/15/2019 1:05 PM
46	n/a	4/15/2019 1:02 PM
47	None.	4/15/2019 12:57 PM
48	My firm once bid on a project. The original evaluation sheets showed that we were the clear winner. Those evaluation sheets were changed and the project awarded to a firm less qualified than ours. We protested and were told by the executive director and his lawyer "too bad" we have the right to change evaluations. It was a corrupt process	4/15/2019 12:54 PM
49	please make contracting easier.	4/15/2019 12:46 PM
50	I wish I could provide more focus to the opportunities I receive. Most are way to broad for our expertise.	4/15/2019 12:45 PM
51	It seems SCAG only favors certain vendors. Therefore many companies stay out and do not bid since it is a waste of time.	4/15/2019 12:45 PM
52	N/A	4/15/2019 12:41 PM
53	It may be necessary to lower the requirements for DBE/SBEs, and make it easier and faster to get work going; and to allow DBE participation in all contract opportunities, or perhaps create opportunities for DBE/SBE only.	4/15/2019 12:37 PM
54	Expansion of Answers: Q6--Most of the time (not always) enough time allowed. Should be commensurate w/ job size and # of disciplines needed. Q7--When no one asks questions, it'd be nice if, just after the questions deadline has passed, there could be a posting stating that there were no questions. (A couple of times when we asked questions, the Q&A posting was late by a day or 2; so now, if we didn't ask questions, we wonder if we should keep checking just to be sure.) Oftentimes, we must wait for Q&A to determine if/which subs to bring on; this also means it's important to have ample time AFTER we see Answers since that's when the real work can start--first ID'ing team members as this so often is dependent on the Answers. Q9--Working w/ LIB template is ok but having space for 1 level of subtasks would be helpful (but not critical). Also, the template is now locked down, but there are a number of errors in it (not related to formulas). Just one example: when we complete it, we cannot see the totals because the columns are not wide enough to hold so we can only see X's. This creates a problem, so we've had to take extra time to copy the spreadsheet out into a new document just to be able to see what it's doing. Another example: some of the variable fields (those that are different with every proposal) are locked down and shouldn't be. Qs 10-16--I am the Marketing Manager (head wrangler, quals writer, final reviewer) and prepare along w/ technical staff the proposal), so I can't really respond well to these contract-related questions. If you haven't already, you might consider sending this survey to our Contracts Manager; her email address is kkosel@placeworks.com. Thank you so much for sending out this thoughtful survey! :)	4/15/2019 12:33 PM
55	None	4/15/2019 12:29 PM
56	We strictly provide media planning and buying services as well as Radio and TV creative but have not received any opportunities to bid on such work.	4/15/2019 12:19 PM
57	I've reviewed your RFP's - have not applied for any contracts yet.	4/15/2019 12:15 PM
58	Don't know what agencies use SCAG	4/15/2019 12:13 PM
59	No other "areas"	4/15/2019 12:13 PM
60	Responses are predominantly neither agree nor disagree because of our limited experience and knowledge of SCAG contracts and procedures.	4/15/2019 12:12 PM
61	Other agencies easier to respond to. Tend to feel SCAG has "pre-determined legacy" vendors	4/15/2019 12:08 PM
62	thank you	4/15/2019 12:05 PM
63	na	4/15/2019 12:03 PM
64	N/A	4/15/2019 12:01 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

65	SCAG's invoicing requirements and the pre-award review tend to be the biggest hurdles. It tends to be especially burdensome on smaller firms, which limits potential partnership and sub-contracting opportunities.	4/15/2019 12:00 PM
66	I haven't really bid on much or dealt with SCAG, so I would throw out my response. Just FYI	4/15/2019 11:56 AM
67	Don't have any.	4/15/2019 11:56 AM
68	Nothing	4/15/2019 11:56 AM
69	N/a	4/15/2019 11:55 AM
70	Please note that (1) I have never bid on SCAG projects as a prime, only as a sub. (2) I just started work on my first-ever SCAG project last month, so my billing/invoicing history is not long enough to form much of an opinion.	4/15/2019 11:55 AM
71	I don't have any at this time	4/15/2019 11:51 AM
72	na	4/15/2019 11:51 AM
73	Doing this since 2001, never given timely notice of opportunities.	4/15/2019 11:48 AM
74	No	4/15/2019 11:48 AM
75	None	4/15/2019 11:48 AM
76	SCAG invoicing is the most burdensome of all agencies n my experience. it is not welcoming to SBEs in terms of the extra work required to comply with your accounting requirements. Your invoicing requirements require most small businesses to hire a specialist to work through your invoicing.	4/15/2019 11:48 AM
77	We have never pursue any of SCAG's RFP's.	4/15/2019 11:44 AM
78	N/A	4/15/2019 11:43 AM
79	no comment	4/15/2019 11:43 AM
80	I wish the contract encouraged participation from public universities in California	4/15/2019 11:41 AM
81	Since we were not awarded work and/or the project was cancelled, I do not have direct relevant experience to answer many of the contracting questions.	4/15/2019 11:41 AM
82	NONE	4/15/2019 11:40 AM
83	none	4/15/2019 11:40 AM
84	Na	4/15/2019 11:40 AM
85	Why are Qs 13 and 16 worded so obliquely? Also: I strongly disagree with SCAG's policy of not putting guidance about project budgets in its RFPs. For things where there are easily established market rates, like toilet paper or office supplies, I can see it, but for professional services where there are many alternative ways to approach a project, then you are doing everyone a disservice by being coy about how much you expect to pay for a project. Do your homework!	4/15/2019 11:39 AM
86	I'm a GIS Vendor. This is an emerging technology that is difficult to include in an RFP. More inclusion for GIS as part of SOW and assistance on responding for GIS work.	4/15/2019 11:39 AM
87	awards go to those that have insight to your Technical staff.. They seem to get a jump on other bidders..	4/15/2019 11:37 AM
88	We work directly for cities, school districts, colleges. I don't understand what you guys do.	4/15/2019 11:36 AM
89	previous 2 efforts were a total waste of time - very disappointing	4/15/2019 11:36 AM
90	NONE	4/15/2019 11:36 AM
91	I haven't bid on any projects.	4/15/2019 11:35 AM
92	n/a	4/15/2019 11:34 AM
93	We are an east coast firm that had worked for BLM in the San Bernardino County area and wanted to continue working on similar types of projects, but have yet to pursue anything	4/15/2019 11:34 AM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

94	Very unresponsive employees when asking for details on RFP or any other requests. I feel that the whole organization has become extremely bureaucratic and benefits only larger companies offering what we, as a very small company, offer. It used to be easier and beneficial for both parties.	4/15/2019 11:34 AM
95	None	4/15/2019 11:33 AM
96	No additional comment.	4/15/2019 11:33 AM
97	Na	4/15/2019 11:31 AM
98	It appears that many of the awards are predetermined for a particular vendor.	4/15/2019 11:31 AM
99	none thank you	4/15/2019 11:30 AM
100	no input	4/15/2019 11:30 AM
101	n/a	4/15/2019 11:30 AM
102	n/a	4/15/2019 11:29 AM
103	innovative projects and project types are great, but unless we can all get equally oriented to them ahead of time, it seems like someone else will have an inside track.	4/15/2019 11:29 AM
104	none	4/15/2019 11:29 AM
105	Vendors from different States should also get chance to perform on the task orders under any contract. We have one contract with SCAG and out of 13 TO's, we've won only one and on that TO, we've been performing since 2 years with no complaints from the client site.	4/15/2019 11:28 AM
106	I actually pass on RFPs to consultants . . . I have retired my firm however still pass on consultant work without pay . . thank you	4/15/2019 11:28 AM
107	Most of the contracts issued by SCAG don't necessarily have geotechnical scopes of work involved; therefore, we are not often on teams preparing proposals.	4/15/2019 11:27 AM
108	n/a	4/15/2019 11:27 AM
109	We have exclusively served the role of subconsultant on SCAG contracts making many of the questions once removed from our ability to answer.	4/15/2019 11:26 AM
110	Need to provide quick feedback in regards to positions submitted to California government. Submitted need to at least telephonic screening first and second round should be in person if they are interested with consultant to hire.	4/15/2019 11:26 AM
111	Your agency outta service bad for small biz. U are only looking for large primes like everyone else. If want to fix thing the. Actually solicite to small biz and hell with large primes.	4/15/2019 11:26 AM
112	nothing more for now	4/15/2019 11:24 AM
113	Would love to bid and had hoped more projects in our business area (software consulting) would be available. Will continue to try.	4/15/2019 11:24 AM
114	I've been told it is impossible to get off this list, despite the fact that I have now completely retired and asked to be removed. That seems remarkably inefficient.	4/15/2019 11:24 AM
115	None	4/15/2019 11:22 AM
116	n/a	4/15/2019 11:22 AM
117	None	4/15/2019 11:21 AM
118	No additional input.	4/14/2019 6:25 AM
119	none	4/13/2019 5:15 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

120	We have received and read SCAG proposals. We have not submitted to SCAG because most agencies already know who they want and the proposal is just a formality or loop that is required by law. For most agencies, the proposal process is not a selection process. For example, we have an 8 million dollar contract with the California High Speed Rail and a two million dollar contract with the California Waterfix for surveying and right of way mapping. Our contract with the High Speed Rail began as a \$3M and expanded over time to \$8M due to the quality and responsiveness of our work. Riverside County Transportation Commission (RCTC) issued an on-call right of way and surveying contract. RCTC determined that we were not qualified to clean the restroom. So unless we have time to do the political marketing in advance of the RFP, we don't submit. SCAG may be different, but we don't know that. We do appreciate the survey.	4/11/2019 12:55 PM
121	We would like to do work for SCAG, but we have not.	4/10/2019 8:43 PM
122	N/A	4/10/2019 2:42 PM
123	Pursuing opportunities listed on SCAG is often a waste of time and money. We have the strong belief that 'insiders' are awarded contracts and that new and/or little-known firms are at a strong disadvantage.	4/10/2019 9:39 AM
124	There is no cultivation of vendors who have performed well but have small marketing staff. SCAG seems to really be for the big firms.	4/10/2019 9:28 AM
125	sdkfnsdnd	4/9/2019 4:47 PM
126	The contract staff has not been helpful in explain the way to complete standard forms, giving answers like, "do your best" and "the instructions are there." This isn't helpful for small businesses that are not experts in public contracting. We can do what is expected if it was clearer.	4/9/2019 3:55 PM
127	SCAG provides good guidance throughout the contract	4/9/2019 2:03 PM
128	Because we only do Noise and Vibration most of the contract require much effort for use to be seen as a subcontractor. Therefore we do not pursue work we know we could save money for SCAG	4/9/2019 12:33 PM
129	n/a	4/9/2019 12:26 PM
130	As a solo proprietor, it is difficult to win SCAG contracts without being a sub-contractor.	4/9/2019 12:11 PM
131	It is extremely difficult working with SCAG. The RFPs are usually not well written, once a project is awarded, it takes a very long time (months) to get a contract, SCAG invoicing and progress report process is extremely time consuming, costing a great amount of staff time that could be better spent on project work, guidance from SCAG PMs varies between SCAG PMs (given different direction from two different SCAG PMs, even on the same project), SCAG takes months to pay invoices, and it is extremely hard to make any changes to SOW even when for the benefit of the client city/county.	4/9/2019 11:33 AM
132	No other input to offer	4/9/2019 6:55 AM
133	It takes a team to respond to what one man can and should be able to doI should not have to hire 4 people to go after govt contracts	4/9/2019 5:52 AM
134	none	4/9/2019 1:41 AM
135	As a small business, working with SCAG has been challenging because of invoicing requirements, very long payment timeframes, etc. Other local and regional agencies are supportive of small businesses. Working with SCAG project managers is wonderful and SCAG projects are wonderful and special. It is the invoicing, audit department, and payment systems that are unfriendly to small businesses.	4/8/2019 11:18 PM
136	Provide a way to stop emails re bidding for SCAG work. I was a contractor to SCAG 2-3 decades ago. I have no interest in RFQs or bid solicitations at this time, but cannot unsubscribe or block emails. Please provide that option.	4/8/2019 10:58 PM
137	Suggest that SCAG consider adding a pre-screening process of potential contractors specific and verifiable qualifications, competencies and successful related projects. Would help to advance a process of pre-screening and identifying pre-qualified firms. Good luck!	4/8/2019 10:09 PM
138	N/A	4/8/2019 9:36 PM
139	None	4/8/2019 8:02 PM
140	Sorry I could not provide more information	4/8/2019 8:01 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

141	We do understand the complexity of working with local jurisdictions through SCAG versus working directly with SCAG. Aligning SCAG goals with local jurisdictions can make RFPs more complex and we try to respond accordingly.	4/8/2019 8:00 PM
142	I don't know why I am filling out this survey	4/8/2019 6:46 PM
143	Unfortunately, government bids are awarded on a price only decision. As a taxpayer, this is disappointing - as i see deteriorated equipment and lack of oversight of the vendors awarded jobs. I also see vendors awarded business due to "small business", DV status, or microbusiness. This is not always true, as many larger businesses just run a bid through a company or person that can claim that status. This defeats the purpose of that clause and is disappointing that it is allowed. The awards we have received were on RFP's, not RFQ's. We have won performance awards, water savings awards and energy savings awards for our government customers - and their equipment inspections are outstanding.... so we are providing value through savings, asset life management, and reduced costs (such as heat transfer efficiency, etc). Our customers save money by writing performance based bids that are evaluated based on the exact type of equipment they want to be used and results they expect to see. Bids are awarded points for a vendor's compliance to the request and the results that they can achieve. This type of bid is much better for both the site and the taxpayers. Awarding business to a low cost supplier is a terrible way to do business and all the government needs to do is change how they write their bid so that they get good results.	4/8/2019 6:40 PM
144	Requirements for build up of labor hours from direct costs precludes us from working with SCAG most of the time.	4/8/2019 5:46 PM
145	I did not understand what question 16 was asking.	4/8/2019 5:21 PM
146	I like the location of SCAG's new office.	4/8/2019 5:16 PM
147	RFPs are generally well-written and easy to follow. Awards of contract we don't get do not show up on the website for several months; so difficult to know if anything has been awarded or not. Pre-award review is cumbersome and overly picky. Invoicing has very cumbersome requirements that do not make sense for small contracts. I get it for a \$500k contract, but not for a \$30k contract which requires several hours to do an invoice.	4/8/2019 4:33 PM
148	NA	4/8/2019 3:52 PM
149	United Imaging was a previous vendor for SCAG for various printer imaging supplies for more than 10 years. We have not been invited to bid on any office supply, or toner, ink, or equipment related items in more than 3 years. When asked if we are still on Bid/vendor list, I am told yes, but have not received any RFP or Bids to participate in. Wondering if these type of commodities are not part of an actual bid process any longer.	4/8/2019 3:18 PM
150	N/A	4/8/2019 3:03 PM
151	Appreciate asking for input	4/8/2019 2:55 PM
152	Since i have worked with SCAG before it is a great organization to work for.	4/8/2019 2:51 PM
153	SCAG delves more into the business practices of its contractors than any other contractor, including the State of California, other than the federal government. In attempting to somehow control costs by pursuing the details, SCAG is more likely to drive away bidders, and incent other bidders to find ways around SCAG's audit review in a manner that drives up SCAG's overall costs.	4/8/2019 2:46 PM
154	I was a consult to SCAG in the late 80s thru the 90s, but I am no longer interested in being involved. Please remove my firm from you mailing list. Thank you, Dennis Flanzer, Dennis Flanzer Associates, Inc.	4/8/2019 2:26 PM
155	I'm a marketing and proposals coordinator for an environmental consultant. We often incorporate and cite SCAG reports and GIS data in our land use planning and conservation research and environmental studies.	4/8/2019 2:26 PM
156	your contract process is really cut for a standard model of consulting practice makes it harder for unconventional practices/small practices to pursue work.	4/8/2019 2:21 PM
157	Response time is incredibly slow. Had to re-bid on two occasions. Lots of work with no results and no actionable feedback. Likely will not bid again.	4/8/2019 2:15 PM
158	.	4/8/2019 1:48 PM
159	Procurement notice information	4/8/2019 1:47 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

160	N/A	4/8/2019 1:46 PM
161	I would appreciate the opportunity to provide an Architectural, Structural or M,P,E type projects. My firm has over 50 years of experience in southern California. GV Salts cell number 951/377-6009	4/8/2019 1:41 PM
162	SCAG has been a nightmare administratively to work with. The invoicing and contracting people are difficult, give confusing and sometimes conflicting instructions, and are extremely inflexible on even the most menial items. We won't work with SCAG again until there is a wholesale overhaul of how SCAG works, and treats its consultants with respect, timeliness, and competency.	4/8/2019 1:33 PM
163	N/A	4/8/2019 1:23 PM
164	Our firm has been "awarded" however it has been over a year since we have received further information.	4/8/2019 1:17 PM
165	/	4/8/2019 1:13 PM
166	SCAG's lack of providing available budget information (even rough ballparks) as part of the RFP has resulted in the submittal of scopes that are wildly above what is available. SCAG's tight control over project staffing and the ability to easily use different staff (to achieve the best project results) throughout the life of the project is very challenging, and overly restrictive. SCAG's requirement to submit timesheets (showing all staff time -- on SCAG project and on non-SCAG projects, as well as paystubs and the like) places a very high, and unique to SCAG, administrative burden on the contractor. SCAG is very unique is the very high administrative burden its processes place on completing work for SCAG.	4/8/2019 1:09 PM
167	Our firm does extensive work in local government. Our experiences in bidding for work at SCAG have been negative, not because we didn't win the contracts, but we were treated in a demeaning manner both during the orals and when we asked for feedback. After trying several times, have no desire to waste our firm's capital in bidding on work at SCAG.	4/8/2019 1:09 PM
168	Inconsistent billing and invoices guidance and procedures within contract periods can become incredibly cumbersome for a small firm to deal with, especially when communications or requests for corrections may include a lag time of months, resulting in payment delays in excess of 6 months. Given these types of issues, we understand why some firms no longer bid on SCAG RFPs.	4/8/2019 1:07 PM
169	I stopped pursuing SCAG contracts several years ago. My company has been around for three plus decades and has pursued and won hundreds of government contracts throughout the Western United States. We currently have upwards of 10 government contracts. Years ago I won a SCAG contract as a subconsultant. After the award recommendation we were asked to update the scope of work, refine the budget and attend several meetings. After my firm completed all of that work the then-director of SCAG "removed" us from the prime's contract and instead awarded the work to a competing agency, that did not bid on the contract, and also happened to be where his wife was employed at the time. I called the SCAG director to confront him about this. He was evasive and claimed to know nothing about this and passed me on to a subordinate who was unhelpful and unwilling to review this further. These actions were unethical and are the principal reason my firm no longer pursues work with SCAG.	4/8/2019 1:04 PM
170	No further input.	4/8/2019 12:55 PM
171	n/a	4/8/2019 12:51 PM
172	no comment	4/8/2019 12:50 PM
173	Difficulty with contract negotiations or applying changes in staffing to an existing contract have made it hard for our company to comply with SCAG's policies. This has deterred us from bidding on new opportunities with SCAG despite qualifications and interest in bids.	4/8/2019 12:50 PM
174	Your RFPs are overly complex and long.	4/8/2019 12:49 PM
175	None.	4/8/2019 12:48 PM
176	no additional comments	4/8/2019 12:43 PM
177	Once a contract is awarded to multiple vendors, it should result in all vendors getting some of the work. They should use a rotation system to be fair to all vendors who have worked hard to write a quality proposal to win a piece of the contract.	4/8/2019 12:40 PM
178	n/a	4/8/2019 12:29 PM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

179	RFPs are usually very cumbersome to sift through and the amount of required forms daunting so we tend to not pursue that often due to workload	4/8/2019 12:28 PM
180	No comment	4/8/2019 12:25 PM
181	I have not heard from you in awhile.	4/8/2019 12:25 PM
182	Scag makes proposing difficult because no budgets are published, an no look ahead is provided. we need to know the order of magnitude to know if a company's size is appropriate for the size of the project. It is also very discouraging to propose because SCAG dictates billing rates, limits profit mark up, and does not allow CCOs even when the scope is shifting, especially when local agencies are in charge of the scope. Lastly SCAG disallows time charges too liberally and wrongly. It is a sure thing that a reasonable block of hours will get rejected for an unfair reason. With limits on overhead and profit, it is a sure thing that virtually every SCAG job will result in a loss.	4/8/2019 12:22 PM
183	SCAG needs to be more flexible in contracting. As consultants our goal is to deliver the product to the clients satisfaction. Quite often contracts do not start as advertised and our proposed staffing resources may need be shuffled. We should have the flexibility to use whatever staff we have available to complete tasks and the project. As private companies, we are mindful of the bottom line. As long as SCAG and the local agency are satisfied with the final product, we should be left alone to do it as we choose.	4/8/2019 12:20 PM
184	na	4/8/2019 12:19 PM
185	Scag has a history of playing fast and loose with budgets	4/8/2019 12:18 PM
186	none	4/8/2019 12:16 PM
187	none	4/8/2019 12:15 PM
188	NA	4/8/2019 12:14 PM
189	I have yet to answer an RFP, so I cannot be of much help on this survey. Sorry.	4/8/2019 12:14 PM
190	NA	4/8/2019 12:12 PM
191	Communication about the status of vendor selection could be enhanced with regular communication when the selection process is delayed.	4/8/2019 12:11 PM
192	The detailed breakdown of budgets by dribble, overhead etc is very cumbersome. Most public agencies we work for simple ask for fixed price or fixed price by task.	4/8/2019 12:09 PM
193	Our contracts are in combination with other agencies and SCAG.	4/8/2019 12:08 PM
194	--	4/8/2019 12:08 PM
195	Classification notification is poor. Such as for anything related to a natural gas refueling station	4/8/2019 12:07 PM
196	I represent an architectural firm and don't think we've ever responded to an RFP from SCAG.	4/8/2019 12:07 PM
197	N/A	4/8/2019 12:05 PM
198	No additional input.	4/8/2019 12:04 PM
199	We have not done any work through SCAG so were unable to provide meaningful feedback.	4/8/2019 12:04 PM
200	Frustrating for DVBE to win awards	4/8/2019 12:04 PM
201	Although SCAG is a very good agency and among the best probably in SoCal - SCAG as a client has a really bad reputation (and maybe the worst as per what I hear from clients as I have never done any work there) in that it is a rigid client / many primes avoid even proposing on SCAG work / there is no consideration for small businesses what so ever	4/8/2019 12:02 PM
202	.	4/8/2019 12:01 PM
203	For companies that have never received a contract through SCAG the majority of the questions are not relevant.	4/8/2019 11:58 AM
204	none	4/8/2019 11:57 AM
205	Our professional experience with SCAG is that the staff have no intention on looking at better solutions. They have no intention or inclination on meeting vendors who might have superior products to offer.	4/8/2019 11:57 AM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

VENDOR SURVEY

206	Never knew SCAG sends RFQ out and haven't had a chance to review them.	4/8/2019 11:57 AM
207	The need to have vendors split out their hourly rates by base rate, direct overhead, and indirect overhead is unnecessary and prevents many vendors from bidding.	4/8/2019 11:57 AM
208	I haven't participated in any scag Bids.	4/8/2019 11:56 AM
209	I am a small DBE/WBE/SBE/LBE and I find it hard to stay aware of SCAG RFPs, difficult to compete with larger firms and difficult to develop responsive RFPs with such limited guidance on budgets, award criteria and project priorities. I've received no useful feedback on previous bids or work with SCAG.	4/8/2019 11:56 AM
210	n/a	4/8/2019 11:56 AM
211	SCAG contracting is so terrible that my organization and many others are not interested in even bidding. After taking an entire year to come to agreement on contract terms, SCAG does not allow those same terms to be used in another contract between the two parties. I've had to walk away from more than 1 awarded SCAG projects because of contracting issues. This is a major issue and I appreciate this survey but there's going to need to be an entire overhaul of the process in order for SCAG to get bids from the high-quality consultancy community in the LA region.	4/8/2019 11:55 AM
212	True or not, the perception of working for your agency is that it is an insider's game. We typically rank in the top 5 in the LA basin and we have never shortlisted at SCAG. We quit submitting years ago.	4/8/2019 11:55 AM
213	To my knowledge everything is covered Thank You	4/8/2019 11:55 AM
214	None	4/8/2019 11:54 AM
215	None.	4/8/2019 11:54 AM
216	We have a specialized product so the potential for bidding is somewhat limited.	4/8/2019 11:53 AM
217	I no longer pursue contracts with government agencies because they have been extremely hard to obtain for very small minority/women-owned businesses.	4/8/2019 11:52 AM
218	I do not feel that SCAG is truly interested in working with the very small SBE. My firm, is a one person, certified SBE. I do not feel that SCAG wants to do business with my firm.	4/8/2019 11:52 AM
219	The RFP process is still cumbersome and difficult. Improved slightly, but not significantly.	4/8/2019 11:51 AM
220	Have not found any SCAG work applicable to our business so have not completed a bid nor been awarded a bid so the "neither agree nor disagree" responses are based on lack of experience with those areas	4/8/2019 11:50 AM
221	N/A	4/8/2019 11:49 AM
222	none	4/8/2019 11:49 AM
223	it would be nice to meet in person at some point during the process	4/8/2019 11:49 AM

Attachment: 012920 Survey Comments (Project Management Improvements Update)

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
January 29, 2020

To: Audit Committee (AC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Josh Margraf, Internal Auditor
(213) 236-1890, margraf@scag.ca.gov

Subject: Internal Audit Annual Risk Assessment

RECOMMENDED ACTION:

For Information Only - No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

Internal Audit plans to perform a risk assessment that includes input from the Audit Committee and SCAG management.

BACKGROUND:

As part of helping determine audit priorities and maximizing use resources, Internal Audit performs an annual risk assessment per audit standards.¹ Risk assessment results inform annual audit planning. In the past, Internal Audit has sent the Audit Committee and SCAG management a risk assessment input form that lists risk areas, and has requested respondents to rate the level of risk (low, moderate, or high) for each risk area. These risk areas are based on prior audit work and past assessments. Additionally, Internal Audit has requested that respondents identify any concerns they may have and/or specify any potential they would like to see addressed. This year Internal Audit plans to follow a similar process. See Attachment I for a copy of the risk assessment input form, and Attachment II for brief descriptions of the risk areas listed on the form.

As noted above, input received from Committee members and SCAG management will inform the audit planning process as well as be reported to management so as to assist with any agency process improvements. Following today's meeting, Internal Audit will send Committee members and management a copy of the risk input form and request that they return the completed form

¹Institute of Internal Auditors (IIA), *International Standards for the Professional Practice of Internal Auditing (Standards)*, (Jan. 2017).

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to Internal Audit by a specific date. Internal Audit will report on the results of this process at a later Committee meeting.

FISCAL IMPACT:

None

ATTACHMENT(S):

1. Attachment I - Risk Assessment Input Form FY20-FY21
2. Attachment II - Definitions of Risk Areas (from Risk Assessment Form)



RISK ASSESSMENT INPUT FORM
FISCAL YEAR 2020-2021

Name:	
Date:	

RISK AREAS	DEGREE OF RISK		
	High	Moderate	Low
Business Continuity / Recovery Planning			
Cash Management			
Contract / Vendor Monitoring			
Ethics			
Financial Reporting			
Form 700			
Human Resources			
Information Services / Technology			
Procurement / Contracts			
Project Management			
Strategic Plan			
Sub-recipient Monitoring			
Other (please indicate risk in comments section)			

COMMENTS:
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PLEASE SAVE COMPLETED FORM and E-MAIL AS AN ATTACHMENT TO: margraf@scag.ca.gov.

Josh Margraf, Internal Auditor
 Tel: 213.236.1890

Attachment: Attachment I - Risk Assessment Input Form FY20-FY21 (Internal Audit Annual Risk Assessment)

The following list contains a brief description of each risk area that is listed on the *Risk Assessment Input Form*.

BUSINESS CONTINUITY PLANNING/RECOVERY PLANNING

Plans for business continuity and/or recovery planning in the event of a disruption or disaster should exist, be reviewed for adequacy, and tested.

CASH MANAGEMENT

Practices, processes and procedures used in the collection, handling, disbursing, investing, and usage of cash.

CONTRACT/VENDOR MONITORING

Practices, processes and procedures used to ensure that invoices billed are legitimate, allowable, and in accordance with contract terms. In addition, practices, processes and procedures used by SCAG to track and monitor consultant/vendor performance.

ETHICS

All SCAG employees must comply—at all times—with SCAG’s Ethics Policy. All employees must read and obtain an understanding of the policy.

FINANCIAL REPORTING

Periodic, monthly, and/or annual reporting of activities of an entity according to Generally Accepted Accounting Principles (GAAP). SCAG typically has an independent CPA firm review its financial statements and help develop its Comprehensive Annual Financial Report (CAFR).

FORM 700

Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as Form 700, which helps provide transparency and accountability by: (1) providing information on officials’ personal finance interests so as to show officials’ decisions are in the public’s best interest rather than enhancing personal finances, and (2) serving as a reminder to officials of potential conflicts of interest so they can abstain from making or participating governmental decisions deemed conflicts of interest.

HUMAN RESOURCES

Practices, processes, and procedures used by human resources to help ensure SCAG follows applicable legal requirements, including equal opportunity practices to include hiring practices as well as privacy and security practices.

INFORMATION SERVICES/TECHNOLOGY

Practices, processes, and procedures related to management of IT services and equipment as well as security in the IT area. Also, includes practices, processes, and procedures used to help ensure that SCAG receives the services it is paying for and that SCAG data are secure.

PROCUREMENT/CONTRACTS

Practices, processes and procedures SCAG uses to acquire goods and/or services from an external source. SCAG’s procurement process must follow federal and state guidelines while also being fair and transparent.

PROJECT MANAGEMENT

Practices, processes, and procedures used by SCAG to manage projects, from inception to completion. SCAG projects can include staff effort, consultant effort, or a combination of both.

STRATEGIC PLAN

A Strategic Plan should exist. It should be current, and staff should follow its provisions.

SUBRECIPIENT MONITORING

Practices, processes, and procedures used by SCAG to monitor any subrecipients that received federal funding via SCAG to ensure SCAG and any subrecipients are in compliance with applicable federal regulations.

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
January 29, 2020

To: Audit Committee (AC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Joshua Margraf, Internal Auditor
(213) 236-1890, margraf@scag.ca.gov

Subject: Internal Audit Status Report

RECOMMENDED ACTION:

For Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

The Internal Auditor will describe work performed since the last Audit Committee meeting.

BACKGROUND:

Since the last Audit Committee meeting, Internal Audit has assisted the Contracts Department with pre-award reviews; provided assistance in SCAG’s process improvement efforts by reviewing updates to SCAG policies manuals; helped with project management training; and monitored SCAG’s Ethics Hotline. With regard to Internal Audit’s annual audit plan, staff effort this year has so far focused on areas related to project management (e.g. prior review of SCAG’s invoicing process and assisting with process improvements) and performing multiple pre-award reviews.

A. Pre-award Reviews

Table 1 list results of recent pre-award review work.¹

Table 1: Pre-award Reviews performed by Internal Audit

¹Pre-award reviews are non-audit services performed at the request of Contracts staff. A pre-award review request is typically based on the following: (1) if an overall proposal is \$250,000 or more, (2) if a direct labor rate is \$100 per hour or more, (3) if an overhead rate exceeds 150 percent, or (4) if a fringe rate is 50 percent or higher. Internal Audit performs pre-award reviews after SCAG selects a consultant proposal, but prior to contract negotiation and execution. Pre-award reviews inform and help Contracts Department staff with cost negotiations by identifying whether consultants’ proposed rates are reasonable, allocable, and allowable as well as highlighting potential risks that may be posed by a consultant (e.g. inability to provide requested support for proposed costs, cannot meet contracting requirements, etc.).

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<u>Contract Number (Consultant)</u>	<u>Proposal Amount</u>	<u>Questioned Costs</u>	<u>Final Contract Amount^a</u>
19-030 (The Nature Conservancy)	\$705,601	\$204,731	\$705,601
19-046 (IBI Group)	\$191,998	\$9,949	\$182,019
20-003 (Estolano LeSar Advisors)	\$540,540	\$57,429	\$540,000
20-014 (Fehr & Peers)	\$320,650	\$3,278	\$317,369
20-015 (Alta Planning + Design)	\$363,268	\$24,127	\$330,044
Totals	\$2,122,057	\$299,514	\$2,075,033

^aQuestioned costs are not always sustained for various reasons, such as removal of subconsultants, shifting work to the prime consultant, and consultants providing additional information following the pre-award review, among other things. Contract negotiations can also reduce proposed costs.

Internal Audit completed 12 pre-award reviews as well as reviewed proposed labor rates for multiple consultants. Table 1 lists the results of pre-award reviews for five contracts that have been executed. The remaining contracts have not yet been executed, and Internal Audit will report the amounts stemming from the pre-award reviews at the next Committee meeting.² Internal Audit also performed labor rate comparisons for 10 consultants for contract 19-052 as well as reviewed labor rates for 17-002 and 20-002.³

B. Follow-up to Prior Reports

At the October meeting, Internal Audit reported that clearly identified roles and responsibilities for invoicing as well as documented procedures for carrying out invoicing responsibilities can help make the invoicing process more transparent and consistent. SCAG has started revisions on related procurement manuals to include identifying roles and responsibilities for invoicing. It has also discussed invoicing at recent project management trainings. Last year the Finance Division staff developed a survey for vendors that included questions related to invoicing, among other things. SCAG staff provided a copy of the survey along with survey results at the last Committee meeting. SCAG staff will discuss the survey as part of a report on project management process improvements that is included in this agenda package.

At the March meeting, Internal Audit reported that SCAG lacks guidance for staff regarding development of independent cost estimates (ICE) that clearly link to proposed scopes of work. SCAG has identified the importance of developing ICEs to staff, and has described the role of ICEs in the procurement process as part of recent project management trainings. An ICE template has been made available to staff on SCAG’s intranet. Internal Audit will continue to inform the Committee about project management as SCAG continues to update and refine its processes and procedures.

²These are 19-033, 19-051, 19-058, 19-062, 20-016, 20-019, and 20-023.

³These comparisons include comparing proposed rates with actual rates, which are typically based on payroll. In many instances, consultants did not provide payroll because the rate proposed to SCAG was a “billing” or “loaded” rate in that it accounted for profit and any indirect costs. In these circumstances, reviewing the labor rates entailed comparing consultant billing rates from contracts with other government organizations with the rates proposed to SCAG.

C. Risk Assessment

Internal Audit intends to perform a risk assessment during this month and next. The risk assessment will include input from both Committee members and agency management. Results of the risk assessment will inform annual audit planning. A separate report on the risk assessment process is included in this agenda package.

D. External Audits

SCAG's financial auditors, Eide Bailly, LLP performed an audit on SCAG's FY 2018-19 financial statements. They will present the results during today's Committee meeting. SCAG has submitted its responses to Caltrans regarding the findings from the incurred cost and indirect cost allocation plan (ICAP) audits, and is waiting for a response from Caltrans.

- Financial Statement Audit

SCAG's external independent financial auditors completed audit work of SCAG's FY 2018-19 financial statements in December. They will present the results during today's Committee meeting. This is the third year Eide Bailly has performed the financial statement audit.⁴

- Incurred Cost and ICAP Audits

SCAG has submitted responses to Caltrans related to the audit findings in November and December 2019. These responses included documentation that demonstrate SCAG is fully resolving the audit findings and ensuring corrective actions are implemented. SCAG is awaiting a final response from Caltrans regarding disallowed costs and a mutually-determined repayment plan/schedule.

E. Ethics Hotline Monitoring

SCAG has received one report from the Ethics Hotline since the last Committee meeting in October. This report has been closed due to lack of sufficient information for further review. SCAG is in the process of reviewing and closing out two existing reports.

FISCAL IMPACT:

None

⁴Vavrinek, Trine, Day & Co., LLP performed the audits previously. It merged with the regional CPA and business advisory firm Eide Bailly LLP in July 2019. The audit team remained the same throughout.
