

**DEPARTMENT OF TRANSPORTATION****DIVISION OF TRAFFIC OPERATIONS**

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*Making Conservation  
a California Way of Life.*

September 25, 2017

Mr. John Hoang  
Project Manager  
San Mateo City/County Association of Governments (C/CAG)  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063

Dear Mr. Hoang:

This letter serves as the Corrective Action Resolution (CAR) for the audit findings in the Office of State Audits and Evaluations Audit Report dated March 2017. The audit was conducted on behalf of the California Department of Transportation's (Caltrans) Proposition 1B, Traffic Light Synchronization Program (TLSP) on the following C/CAG TLSP projects:

- SMART Corridor Projects-Demonstration – 4A921
- SMART Corridor Projects North Portion – 4A923
- SMART Corridor Projects South Portion – 4A925
- SMART Corridor Projects South Segment – 4A926

The audit disclosed the following findings:

1. Questioned arbitration and equipment expenditures.
2. Project deliverables not completed timely or accurately.

Detailed information regarding the audit findings can be found on the attached table, "C/CAG TLSP Audit Findings, Recommendations, and Responses – March 2017."

After a careful analysis of the approved baseline agreement, project invoices, and C/CAG's responses to the audit findings and recommendations, Caltrans has determined that C/CAG has met its obligation for all projects listed in this audit, and no further action is needed. Please keep this notice on file for your records.

For questions regarding this CAR, please contact Rex Cluff, TLSP Program Coordinator at (916) 651-9059, or by e-mail sent to <rex.cluff@dot.ca.gov>.

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Sincerely,

Original Signed By:

Original Signed By:

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JASVINDERJIT S. BHULLAR, Chief  
Division of Traffic Operations

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RIHUI ZHANG, Chief  
Division of Local Assistance

Attachment:

C/CAG TLSP Audit Findings, Recommendations, and Responses – March 2017

- c: Stephen Maller, California Transportation Commission  
Dawn Cheser, Assistant Deputy Director, California Transportation Commission  
Nicholas Compin, Chief, Office of Strategic Development, Division of Traffic Operations  
Annie Wong, Chief, Local Program Accounting Branch, Division of Accounting  
Mitchell Prevost, Traffic Light Synchronization Program, Program Manager,  
Office of Strategic Development, Division of Traffic Operations  
Rex A. Cluff, Traffic Light Synchronization Program, Program Coordinator,  
Office of Strategic Development, Division of Traffic Operations  
Doris Alkebulan, Proposition 1B Bond Specialist, Division of Transportation Programming

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bc: Robert Peterson, Chief, Office of Bridge and Safety Programs, Division of Local Assistance  
Landa Lew, Bond Support for the Traffic Light Synchronization Program  
Office of Project Delivery and Accountability, Division of Local Assistance

**C/CAG TLSP Audit Findings, Recommendations, and Responses – March 2017**

TLSP Project Number	FINDINGS <b>(1) Questioned Arbitration and Equipment Expenditures</b>	RECOMMENDATIONS	C/CAG Responses
4A926	<p>C/CAG claimed and was reimbursed for ineligible arbitration expenditures. Of the \$95,368 reimbursed, it was determined that only half, or \$47,684 was eligible for reimbursement.</p> <p>C/CAG claimed and was reimbursed for the installation of four closed circuit television cameras but was only able to install three due to technical issues on their facility.</p>	<p>Remit \$47,684 to Caltrans for the questioned arbitration expenditures. Since the camera was returned to Caltrans, no remittance is necessary for the questioned equipment expenditures.</p> <p>Develop and maintain an adequate review process to ensure claimed expenditures are allowable prior to submitting reimbursement invoices to Caltrans</p> <p>Ensure that equipment is used for its intended purpose.</p>	<p>C/CAG has remitted the \$47,684 in a reduced reimbursement invoice that was confirmed and approved.</p> <p>C/CAG has developed and will continue to maintain an adequate review process prior to submitting reimbursements invoices to Caltrans.</p> <p>C/CAG has returned the unused camera and will ensure equipment is used for intended purposes.</p>
TLSP Project Number	FINDINGS <b>(2) Project Deliverables Not Completed Timely or Accurately</b>	RECOMMENDATIONS	C/CAG Responses
4A921 4A923 4A925 4A926	<p>C/CAG reported incorrect information in the project quarterly reports and did not submit the Final Delivery Reports (FDR) in a timely manner.</p> <p>The required Final Delivery Reports for completed project segments 4A921, 4A923, and 4A926 were not submitted to CTC within six months of the projects becoming operable.</p>	<p>Develop procedures to ensure that accurate information, including expenditures and percent of project completion, is reported in the quarterly progress reports.</p> <p>Submit the Final Delivery Reports for the completed segments to the CTC and ensure the Final Delivery Report for project segment 4A925 is submitted within six months of the segment becoming operable (construction contract acceptance date)</p>	<p>C/CA has developed procedures to ensure accurate information is reported in quarterly reports</p> <p>C/CAG will submit FDRs for segmented projects and will ensure the FDR for 4A925 is submitted within six months of the project becoming operable.</p>