

**DEPARTMENT OF TRANSPORTATION**

## DIVISION OF LOCAL ASSISTANCE

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*Making Conservation  
a California Way of Life.*

February 28, 2018

Timothy T. Wassil, PE  
Director, Public Works Department  
City of Indio  
100 Civic Center Mall  
Indio, CA 92201

Dear Mr. Wassil:

This letter serves as the California Department of Transportation's (Caltrans') Division of Local Assistance (DLA) corrective action plan for findings described in the audit of the City of Indio (City), dated August 2017, for the following Proposition 1B projects:

1. Golf Center Parkway Pavement Rehabilitation and Traffic Signalization –  
Project No. SLPPL-5275(020)
2. Monroe Street Improvements – Project No. SLPPL-5275(023)
3. Jackson Street Over Indio Boulevard and Bridge Seismic Retrofit –  
Project No. STPLZ-5275(014)

The audit was for the period of November 14, 2007, through April 11, 2014.

**Finding 1: Questioned Contractor and Consultant Expenditures**

The City claimed ineligible and unsupported contractor and consultant expenditures totaling \$31,848. The total amount is comprised of the following:

1. Golf Center Parkway project: The City claimed \$9,264 in ineligible contractor costs. The City awarded a construction contract in January 2010 prior to receiving required encroachment permits in May 2010, resulting in additional unanticipated costs.
2. Monroe Street project: The City claimed \$22,584 in consultant engineering costs. The claimed consultant costs could not be traced to supporting vendor invoices or funding sources.

**Finding 2: Contract Procurement and Management Needs Improvement**

The City did not adhere to Caltrans requirements for procurement of consultant and construction contracts. The City did not have written policies and procedures, and lacked training for

employees to ensure consistent contract procurement and required supporting documentation is retained.

**Corrective Actions**

The City must perform the following by May 31, 2018:

- Reimburse Caltrans \$31,848 in ineligible costs related to Finding 1.
- Train staff accordingly on the Master Agreement requirements, as required by Caltrans' LAPM, Chapter 10 – Consultant Selection, including the proper documentation and maintenance of accounting records.
- Ensure that the City's accounting system properly segregates project funding sources and costs.
- Develop and implement written procurement policies and procedures in compliance with federal and state regulations. Additionally, the City must submit completed procurement policies and procedures to Caltrans' DLA for review and approval.
- The DLA will review the City's documentation of contracts solicited over the next 12 months to ensure compliance with state and federal regulations. The number of reviews conducted will depend on the adequacy demonstrated by the City.

If you have any questions, please contact Carmen Wills, Division of Local Assistance, at (916) 653-3990 or [carmen.wills@dot.ca.gov](mailto:carmen.wills@dot.ca.gov).

Sincerely,

Original Signed By:

RIHUI ZHANG, Chief  
Division of Local Assistance

- c: Stephen Maller, Deputy Director, California Transportation Commission  
Rick Guevel, Associate Deputy Director, California Transportation Commission  
John Bulinski, District Director, Division of Local Assistance, District 8, Caltrans  
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Mark Samuelson, Assistant Division Chief, Division of Local Assistance, Caltrans  
David Lee, District Local Assistance Engineer, Division of Local Assistance, District 8, Caltrans

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Carmen Wills, Audits Analyst, Program Reviews & Outreach, Office of Guidance and Oversight, Division of Local Assistance, Caltrans