

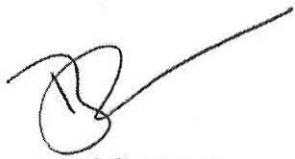
Memorandum

*Making Conservation
a California Way of Life.*

To: WILLIAM E. LEWIS
ASSISTANT DIRECTOR
AUDITS AND INVESTIGATIONS

Date: August 24, 2018

File: P3000-0429

From: DAVID PRIZMICH 
Chief
Division of Procurement and Contracts

Subject: **60-DAY STATUS REPORT - DEPARTMENT OF GENERAL SERVICES CONTRACT
DELEGATION AUDIT**

The Division of Procurement and Contracts (DPAC) has attached the 60-Day Status Report for the Department of General Services Contract Delegation Audit. DPAC has successfully satisfied recommendations 2.1 and 6.2. We will continue to make process improvements for the remaining recommendations.

If you have any questions regarding the response, please contact Kimberly Fox at (916) 227-0774.

Attachments

- (1) P3000-0429 – 60-Day Status Report
- (2) Finding 2.1 – SSN Redaction E-mail
- (3) Finding 6.2 – CATS Code CZZ E-mail

- c: Kevin Yee, Acting Chief, Internal Audits, Independent Office of Audits and Investigations
Phet Bouthavong, Auditor Specialist, Internal Audits, Audits and Investigations
Lindy Wilson, Assistant Division Chief, Non IT Contracts, Division of Procurement and Contracts
Louise Lozoya, Assistant Division Chief, IT Goods and Services, Non-IT Procurement and CAL-Card, Division of Procurement and Contracts
Tracy Gentry, Assistant Division Chief, Policy, Protest, Communications, Property Control, and Minor B, EFA/ELB, and U10 Contracts, Division of Procurement and Contracts
Charles Gray, Office Chief, Policy, Property Control, and Minor B, EFA/ELB, and U10 Contracts, Division of Procurement and Contracts
Kimberly Fox, Branch Chief, Policy, Division of Procurement and Contracts

Independent Office of Audits and Investigations (A&I) - 60-Day Status Report

Attachment 1

**Audit Name: DGS Contract Delegation Audit
Auditee: Division of Procurement and Contracts
Audit No. P3000-0429**

A&I Audit Recommendation		Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	60-Day Status
Audit Report Finding #2					
Lack of Procedures to Protect Contractors' Personal Identifiable Information					
2.1	DPAC to redact contractors' SSN from the STD 204 in the contract file after contract approval.	Starting 7/1/2018, DPAC will redact contractors' SSN from the STD 204 after contract execution.	Complete 07/20/2018	Charles Gray	DPAC Staff have been instructed to redact contractors' SSN from the STD 204 after contract execution. DPAC Staff were notified via E-mail (Attachment 2)
2.2	DPAC to establish a policy to protect contractors SSN during contract processing.	DPAC will establish a policy to protect and safeguard contractors SSN during contract processing.	12/1/2018	Charles Gray	DPAC will establish a policy to protect and safeguard contractors SSN during contract processing. The estimated date of completion is 12/1/2018.
Audit Report Finding #3					
Contract Managers and CAL-Card Holders not Adequately Reviewing Invoices					
3.2	DPAC to send out formal reminders to CAL-Card Holders that invoices should include service dates to ensure billing on CCSA are within the terms of the CCSA.	CAL-Card Administrator to send E-mail blast to all CAL-Card Managers, Holders, and Liaisons.	9/1/2018	Jonathan Phillips	CAL-Card Administrator is developing the E-Blast to distribute to all CAL-Card Managers, Holders, and Liaisons. The estimated date of completion is 9/1/2018.
Audit Report Finding #4					
Emergency Hazardous Activities Services Paid by Hazmat CAL-Card not Compliant with Contracting Requirements					
4.1	DPAC to send a memo to Hazmat CAL-Card Holders reminding them that regardless of amount, CAL-Card is a payment mechanism, not a procurement approach and all acquisitions of services paid by CAL-Card must comply with applicable contracting requirements, including the following: • The CVA, for emergency services paid for with Hazmat CAL-Card, should be executed as soon as reasonably possible. • Services, paid for with Hazmat CAL-Card, must be used in conjunction with an Emergency Services Contract or CCSA; and approval from DGS/OLS and DGS/ORIM is obtained as soon as reasonably possible.	CAL-Card Administrator to send E-mail blast to all Hazmat CAL-Card Managers, Hazmat CAL-Card Holders, and CAL-Card Liasons.	10/1/2018	Jonathan Phillips	CAL-Card Administrator is developing new processing procedures with the Hazmat Program. Hazmat CAL-Card Managers, Hazmat CAL-Card Holders, and CAL-Card Liasons will be notified of new process procedures. The estimated date of completion is 10/1/2018
Audit Report Finding #6					
Inaccurate Data Reporting in Contract Administration Tracking System					
6.2	DPAC to add a note or comment in CATS for contracts with institutes of higher learning coded as interagency agreements, but are not interagency agreements, to distinguish them from contracts with institutes of higher learning that are interagency agreements.	UC/CSU contracts are currently coded as interagency agreements. Starting 7/1/2018, DPAC will add a comment in CATS for UC/CSU contracts that are identified as a non-interagency agreement.	7/6/2018 Complete	Kathleen Stonetakai	DPAC uses CAT Code "CZZ" for all institutes of higher learning that are identified as a non-interagency agreement. DPAC staff were notified via E-Mail.