



INSPECTOR GENERAL

California Department of Transportation

County of Monterey

Project Audit



Independent Office of Audits and Investigations

Bryan Beyer, Inspector General
Diana Antony, Chief Deputy

June 2023
22A.INCA02



For questions concerning the contents of this report, please contact (916) 323-7111 or email ioai.reports@dot.ca.gov.



Inspector General

California Department of Transportation

Bryan Beyer, Inspector General

Diana Antony, Chief Deputy

June 22, 2023

Tony Tavares
Director
California Department of Transportation
1120 N Street
Sacramento, CA 95814

Final Report— County of Monterey, Project Audit

Dear Director Tavares:

The Independent Office of Audits and Investigations completed its audit of the County of Monterey (County). We audited the costs that the County incurred related to "Castroville Bicycle/ Pedestrian Path and Railroad Crossing" project, of which the Department of Transportation (Caltrans) reimbursed the County a total of \$8,684,844.

Enclosed is our final report, which includes the County's response to the draft report. The final report is a matter of public record and will be posted on IOAI's website.

A Corrective Action Plan (CAP) addressing the recommendations is due from Caltrans 60 days from receipt of this letter. Thereafter, CAP updates will be required every 6 months and 1 year from the report issuance date, until all findings have been addressed. The CAP should be sent to ioai.reports@dot.ca.gov.

If you have any questions regarding this report, please contact David Wong, Audit Chief, at (916) 764-9677.

Sincerely,

Bryan Beyer, CIG
Inspector General

Gavin Newsom, Governor

Independent Office of Audits and Investigations
P.O. Box 942874, MS-2 (916) 323-7111
Sacramento, CA 94274-0001 <https://oig.dot.ca.gov>

Tony Tavares
June 22, 2023
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cc: Michael Keever, Chief Deputy Director, California Department of Transportation
Scott Eades, District Director, District 5, California Department of Transportation
Reinie Jones, District Local Assistance Engineer, District 5,
California Department of Transportation
Ben Shelton, Audit Chief, Internal Audits Office, California Department of Transportation
Randell Ishii, Director, Department of Public Works, Facilities and Parks,
County of Monterey
Tom Bonigut, Assistant Director, Department of Public Works, Facilities and Parks,
County of Monterey
Rodney Whitfield, Director of Finance, Federal Highway Administration
Grace Regidor, Transportation Finance Specialist, Federal Highway Administration

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Terms Used in Report

Terms/Acronyms	Definitions
A&E	Architectural and Engineering
ATP	Active Transportation Program
Benefits	Also known as outcomes, benefits are non-physical improvements, such as congestion reduction, air quality improvement, improved safety, or economic development ¹ .
Caltrans	California Department of Transportation
CCO	Contract Change Order
County	County of Monterey
Commission	California Transportation Commission
CFR	Code of Federal Regulations
DBE	Disadvantaged Business Enterprises
Deliverables	Also known as outputs, deliverables are the actual infrastructure, such as buses, bike lanes, transit lanes, and HOV lanes ¹ .
ICAP	Indirect Cost Allocation Plan
ICRP	Indirect Cost Rate Proposal
IOAI	Independent Office of Audits and Investigations
Procedures Manual	2016 Caltrans' Local Assistance Procedures Manual
Project	The "Castroville Bicycle/Pedestrian Path and Railroad Crossing" project
RFP	Request for Proposal
RSTP/RSTBGP	Regional Surface Transportation Program /Regional Surface Transportation Block Grant Program
STIP	State Transportation Improvement Program

¹ The Commission's Senate Bill 1 Accountability and Transparency Guidelines referenced these terms. We obtained the definitions from the Commission's presentation at a Senate Bill 1 Program Benefits Workgroup held on July 19, 2019.

SUMMARY

The purpose of this audit was to determine whether claimed and reimbursed costs for the “Castroville Bicycle/Pedestrian Path and Railroad Crossing” project (project) were allowable and adequately supported in accordance with the California Department of Transportation’s (Caltrans) agreement provisions and with state and federal regulations. In addition, we determined whether project deliverables and benefits reported to Caltrans were achieved and consistent with the project’s scope, as described in the executed agreements.

We obtained reasonable assurance that the costs claimed by the County of Monterey (County) that were reimbursed by Caltrans for the project were allowable and adequately supported in accordance with Caltrans’ agreement provisions and state and federal regulations, except for \$1,119,018 in questioned costs. Specifically, the County did not follow various state and federal procurement requirements.

We also determined that the project’s deliverables, including a bicycle/ pedestrian path and bridge over the Union Pacific railroad tracks, were consistent with the project’s approved scope. However, with respect to the project’s benefits, we noted mixed results: although the County reported that it achieved one project benefit of providing a safe route for pedestrians and bicyclists to cross the railroad tracks and connect to schools, shopping centers, and businesses, it did not meet another project benefit of increasing user counts for pedestrians and bicyclists. For the latter benefit, the County reported that its user counts actually decreased after it completed the project.

Finally, we found that the County did not submit its Completion Report and Final Delivery Report to Caltrans in a timely manner.

Table 1: Summary of Questioned Costs

Finding #	Description	Questioned Costs	
1	Questioned A&E Costs Due to Noncompliance with Federal Procurement Requirements	\$963,631	\$1,056,214
2	Unallowable A&E Costs Claimed and Reimbursed	\$92,583 ²	
3	Unapproved Indirect Costs Claimed and Reimbursed		\$56,249
4	Unallowable Fringe Benefits		\$6,555
	Total Questioned Costs		\$ 1,119,018

Source: Analysis by the Independent Office of Audits and Investigations.

²Finding 1’s questioned costs includes this amount and listed separately for presentation purposes only.

INTRODUCTION

Background

Senate Bill 1 (Chapter 5, Statutes of 2017), also known as the Road Repair and Accountability Act of 2017, provided the first significant, stable, and on-going increase in state transportation funding in more than two decades. Caltrans administers various programs that provide federal and state funds, including Senate Bill 1, to local agencies. Included among these programs are the Active Transportation Program (ATP), State Transportation Improvement Program (STIP), and Regional Surface Transportation Program /Regional Surface Transportation Block Grant Program (RSTP/RSTBGP). Since the California Transportation Commission (Commission) recognizes the ATP as a Senate Bill 1 program, the program is subject to state guidelines, including the Senate Bill 1 Accountability and Transparency Guidelines, regardless of funding source.

PROGRAM DESCRIPTIONS FROM CALTRANS' WEBSITE

ATP. The ATP consolidates existing federal and state transportation programs into a single program with a focus to make California a national leader in active transportation. The purpose of the ATP is to encourage an increased use of active modes of transportation by achieving the goals of increasing the proportion of trips accomplished by walking and biking, increasing the safety and mobility of non-motorized users, advancing efforts of regional agencies to achieve greenhouse gas reduction goals, enhancing public health, ensuring that disadvantaged communities fully share in the benefits of the program, and providing a broad spectrum of projects to benefit many types of users.

STIP. The STIP is a multi-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the Transportation Investment Fund and other funding sources. The STIP is adopted in even years, lists projects primarily programmed to increase the capacity of California's transportation systems, whether on state highways, local roads, or transit systems.

RSTP/RSTBGP. These funds are apportioned by Caltrans per California Street and Highway Code, Section 182.6. RSTP/RSTBGP funds are used for research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

Sources: Excerpts from [Caltrans' website on the ATP](#), [Caltrans' website on the STIP](#), and [Local Assistance Program Guidelines, Chapter 18](#).

In 2016, the Commission allocated \$913,000 and \$6,637,000 in ATP and STIP funds, respectively, for the construction of the project, located in unincorporated North Monterey County in Castroville, from the intersection of McDougall Street and Salinas Street to Castroville Boulevard. In 2017, the RSTP/RSTBGP funded an additional \$1,177,181 to the project. The purpose of the project was to construct a bicycle/ pedestrian path and bridge over the Union Pacific Railroad, providing a direct connection from the town of Castroville to the Castroville Boulevard. Project completion would close the gap to an existing bicycle path on Castroville Boulevard and the Moro Cojo subdivision (a route used by students to get to North Monterey County High School and Elkhorn Elementary School). Project completion will also offer bicyclists a safe alternative route to schools, work, shopping centers, and recreational activity centers. Table 2 includes additional project details.

Table 2. Project Details

Programs	Project Number	Funding Source	Project Status ³	Allocated Amounts	Reimbursed Amounts
ATP	RPSTPLE-5944(111)	Federal Funds	Complete and Operational	\$913,000	\$913,000
STIP				\$6,637,000	\$6,594,663 ⁴
RSTP/ RSTBGP				\$1,177,181	\$1,177,181
			Total	\$8,727,181	\$8,684,844

Source: Analysis by the Independent Office of Audits and Investigations.

³The [SB1 Accountability and Transparency Guidelines](#) define a project complete and operational when the project is within six months of construction contract acceptance or the project becomes operable (open to the public), whichever comes sooner. At that time, a local government agency must submit a Completion Report to Caltrans.

⁴Unused funds of \$42,337 (\$6,637,000 - \$6,594,663) was de-obligated in 2019.

Figure 1. Proposed Project Map Obtained from the Application



Source: County of Monterey

Figure 2. Photo in 2014 Before Construction



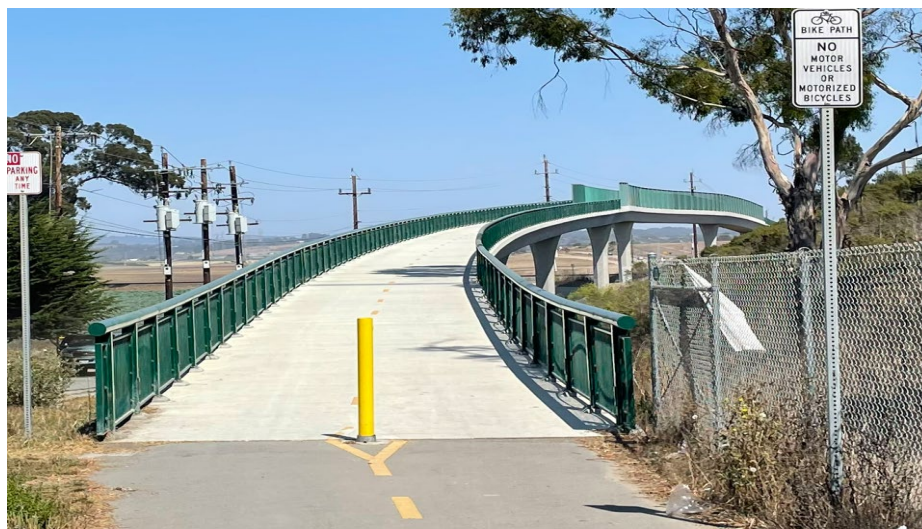
Source: County of Monterey

Figure 3. Photo in 2022 After Construction



Source: <https://maps.google.com>

Figure 4. Photo in 2022 After Construction



Source: Independent Office of Audits and Investigations

Although state law authorizes the Commission to allocate funding, Caltrans provides administrative oversight and ensures that funded recipients follow the terms and conditions of the Commission's Senate Bill 1 Accountability and Transparency Guidelines. These guidelines state that as a condition of receiving funds, the implementing agency must adhere to various reporting requirements. Refer to Table 3 below for descriptions of key reports that the County must submit to Caltrans, such as the Completion Report and Final Delivery Report.

Table 3. Definitions From the California Transportation Commission's Senate Bill 1 Accountability and Transparency Guidelines

Completion Report

Within six months of construction contract acceptance or the project becoming operable (open to the public), whichever comes sooner, the Implementing Agency shall provide a Completion Report to the Department on the scope of the completed project, its estimated final cost, estimated schedule, and project benefits as compared to those included in the executed project agreements. Additionally, the Completion Report shall describe the methodologies and assumptions used to evaluate how the project benefits were calculated as compared to the methodologies and assumptions used in the executed project agreements. In the event the project benefits identified in the Completion Report differ from those identified in the executed program agreements (cooperative, funding, or baseline), the difference must be noted, quantified, and explained. Documentation used for the benefit evaluation shall be preserved and made available for review by the Department, the Commission, the Transportation Inspector General, Department of Finance, and/or the California State Auditor, if requested. The Completion Report should not be delayed due to claims, plant establishment periods, ongoing environmental mitigation monitoring, or other reasons.

Final Delivery Report

A Final Delivery Report must be submitted within 180 days of the conclusion of all remaining project activities beyond the acceptance of the construction contract to reflect final project expenditures, any changes that occurred after submittal of the Completion Report and an updated evaluation of the benefits. The Commission may include this information in its annual reports to the Legislature.

Source: The California Transportation Commission's Senate Bill 1 Accountability and Transparency Guidelines

SCOPE AND METHODOLOGY

For this audit, our objectives were to determine whether the costs that the County was reimbursed for by Caltrans were allowable and adequately supported in accordance with Caltrans' agreement provisions and applicable federal and state regulations. In addition, we determined whether the County came through with its deliverables and achieved the benefits reported to Caltrans within the project's scope, as described in the executed agreements.

We gained an understanding of the project and identified relevant criteria by reviewing the applicable federal and state regulations, the Commission's and Caltrans' guidelines, executed project agreements, project records, the County's policies and procedures, and prior audits. Specifically, we reviewed the following:

- 2014 and 2019 ATP Guidelines
- 2015 STIP Guidelines
- Commission's Senate Bill 1 Accountability and Transparency Guidelines
- 2016 Caltrans' Local Assistance Procedures Manual
- County's application⁵

We performed a risk assessment, including identifying and evaluating whether internal controls significant to our audit objectives were properly designed and implemented. Our evaluation of internal controls focused on the County's review and approval processes of costs and contract procurement. As part of our audit work, we identified significant deficiencies related to the County's internal control environment.

In addition, we assessed the sufficiency and appropriateness of computer-processed information that we used to support our findings, conclusions, and recommendations. We assessed the reliability of data obtained from WinCAMS, the County's financial management system, used to identify and track project costs. Our assessment included reviewing information process flows, testing transactions for completeness and accuracy, and determining if selected costs were supported by source documentation. We determined that the data were sufficiently reliable to meet our audit objectives.

Based on our planning, we developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objectives. Our methodology included conducting interviews with key personnel, analyzing relevant documentation, and testing transactions related to claimed and reimbursed costs. Appendix A details our methods.

⁵The 2014 Active Transportation Program Guidelines (page 8) describe the project selection process, which requires an agency to submit an application for consideration in the statewide competition.

We conducted this audit according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

AUDIT RESULTS

Based on this audit, we obtained reasonable assurance that the costs claimed by the County and reimbursed by Caltrans for this project were in compliance with the executed project agreements and applicable federal and state regulations, except for \$1,119,018 as noted in Findings 1 through 4. We also determined that the project deliverables, including a bicycle/pedestrian path and bridge over the railroad tracks, were consistent with the approved scope.

As described in Finding 5, the County reported in its February 2020 Completion Report that it completed the new path and pedestrian bridge, which it indicated now provides improved safety for bicyclists and pedestrians. However, the County reported in its Final Delivery Report dated July 2022 that its user counts for bicyclists and pedestrians decreased following the completion of the project. Moreover, the County submitted the Completion Report and Final Delivery Report late. Appendix B includes a summary of the project details, including the audit results.

Finding 1. The County Did Not Comply with Various Federal Procurement Requirements, Causing Us to Question the Amounts Reimbursed by Caltrans Related to Four Contracts.

Condition

The County's process of awarding four architectural and engineering consultant contracts did not comply with federal requirements and Caltrans' agreement provisions. For these four contracts, which involved three different consultants, the County did not retain sufficient documentation to demonstrate that it provided fair and open competition, obtained a fair and reasonable price, and verified the awarded consultants' eligibility. Due to these significant deficiencies, we question the entire amount of \$1,056,214 that Caltrans reimbursed the County for these consultants' costs. See Table 4 for a breakdown of the amounts awarded and reimbursed, by contract.

Table 4. Total Amounts Awarded and Reimbursed by Caltrans, by Contract

Contract #	Consultant	Contract Description	Contract Award Amount Between the County and Consultants	Amount Reimbursed by Caltrans
1	Consultant A	Construction Management	\$961,091	\$961,063
2	Consultant B	Engineering Services and Other Assistance	\$1,094,058	\$59,532
3	Consultant B	On-Call ⁶ Civil Engineering Services	\$300,000	\$24,670 ⁷
4	Consultant C	On-Call Geotechnical Engineering Services	\$300,000	\$10,9496
		Totals	\$2,655,149	\$1,056,214

Source: Contracts between the County and the consultants.

We identified procurement deficiencies that we determined had ultimately compromised the integrity of the County’s procurement practices, calling into question whether it properly awarded these contracts. Refer to Table 5 for a summary of deficiencies.

⁶The Procedures Manual defines on-call contracts as “a contract that may be utilized for a number of projects, under which task or work orders are issued on an as-needed basis, for an established contract period and maximum total contract dollar amount. On-call contracts are typically used when a specialized service of indefinite delivery or indefinite quantity are needed for a number of different projects, such as construction engineering, design, environmental analysis, traffic studies, geotechnical studies, and field surveying. Consultant selection is through a two-step process where step one establishes an on-call list of qualified consultants and step two is for subsequent project work that will be procured through individual competition or mini-RFPs (task order) amongst the on-call consultants”.

⁷This amount represents task orders charged by the Consultant specifically to this project.

Table 5. Summary of Procurement Deficiencies

#	Criteria	Contract #1 Consultant A	Contract #2 Consultant B	On-Call Contract #3 Consultant B	On-Call Contract #4 Consultant C
1	Did the County include technical criteria and relative weights for proposal evaluations in the RFP? Procedures Manual 10.5 23 CFR 172.7(a)(1)(ii)(C)	✓	✗	✓	✓
2	Did the County advertise the initial RFP and addendum(s) publicly? Procedures Manual 10.5 23 CFR 172.7(a)(1)(i)	✓	✗	✓	✓
3	Did the County include the appropriate form for task orders that did not contribute to the Disadvantaged Business Enterprise (DBE) goal established under the on-call contract? Procedures Manual 10.2 Master Agreement, Exhibit B Section 11	NA	NA	✗	✗
4	Did the County maintain adequate project records (i.e., score sheets) for proposal evaluations? Procedures Manual 10.6 & 10.8 23 CFR 172.7 (a)(1)(iv)(F)	✗	✗	✗	✗
5	Did the County establish an RFP submission deadline that was at least 14 calendar days? Procedures Manual 10.5 23 CFR 172.7(a)(1)(ii)(G)	✓	✗	✓	✓
6	Did the County maintain documentation that bidders submitted proposals by the established deadlines? Procedures Manual 10.6 23 CFR 172.7(a)(1)(ii)(G)	✗	✗	✗	✗
7	Did panel members sign Conflict-of-Interest and Confidentiality Statement forms? Procedures Manual 10.5 & 10.6 23 CFR 172.7(b)(4)(ii)	✗	✗	✗	✓

#	Criteria	Contract #1 Consultant A	Contract #2 Consultant B	On-Call Contract #3 Consultant B	On-Call Contract #4 Consultant C
8	Did the County exclude price as an evaluative factor in its RFP? Procedures Manual 10.1 23 CFR 172.7(a)(1)(iii)(B)	√	X	√	√
9	Did the County receive and evaluate a minimum of three proposals? Procedures Manual 10.6 23 CFR 172.7(a)(1)(ii)	√	X	√	√
10	Did the County notify all consultants that submitted proposals about the final ranking of the three most highly qualified consultants? Procedures Manual 10.6 23 CFR 172.7(a)(1)(iv)(E)	√	X	√	√
11	Did the County prepare Independent Cost Estimates? Procedures Manual 10.2 23 CFR 172.7(a)(1)(v)(B)	X	X	X	X
12	When required, did the County solicitate task orders? Procedures Manual 10.7 23 CFR 172.9 (a)(3)(iv)(B)(1)	NA	NA	X	X
13	Did the County perform profit negotiation? Procedures Manual 10.2 23 CFR 172.7(a)(1)(v)(E)	√	X	X	X
14	Did the County verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract? 23 CFR 172.7(b)(3)	X	X	X	X

Source: Analysis by the Independent Office of Audits and Investigations.

Legend : √-Yes X-No NA-Not Applicable

Below, we offer further explanation to the numbered deficiencies presented in Table 5.

1. The County issued a Request for Proposal (RFP) for engineering and design services, but it only included the technical criteria without also including the relative weights that the County planned to use to score and rank the proposals submitted by the consultants. The County selected Consultant B; however, the County was unable to demonstrate the basis for its selection because it did not maintain the methodology (including its relative weighting process) it used to score and rank the proposals. The County could not provide any documentation that supports the procurement of Consultant B.
2. The County could not provide documentation that supports that the County publicly advertised the RFP.
3. The County did not complete Exhibit 10-O2 "Consultant Contract DBE Information" which it must do when the task order does not contribute to the DBE goal established under the on-call contract.
4. The County did not retain pertinent project records, such as score sheets, for all four contracts. For Contract #1, the County opted to conduct interviews but was unable to demonstrate that it prepared the interview questions in advance as required. In addition, the County did not provide the interview questions that it used and the scoring sheets that supported the selection of Consultant A as the most qualified consultant. Furthermore, the County issued an RFP for construction management services, which outlined technical criteria and assigned relative weights for the evaluation of proposals. The County evaluated the RFPs, scored the seven proposals, and proceeded to interview the top three consultants. Based on the County's summary of proposal evaluations, it had ranked Consultant A second. After the interviews, the County determined that Consultant A was the most qualified consultant; however, it did not provide the individual scoring sheets that would have supported its summary of proposal evaluations and its decision to select Consultant A.
5. The County could not provide documentation that supports that the RFP submission deadline was at least 14 calendar days.
6. The County could not provide documentation that supports that the consultants submitted their proposals within the established deadlines.
7. The panel members for three contracts did not complete the required Conflict of Interest and Confidentiality Statement form (Exhibit 10-T in the procedures manual) prior to the initiation of the procurement process to ensure all panel members were free of potential conflicts of interest.
8. The County could not provide documentation that supports that the price was excluded as an evaluative factor in its RFP.

9. The County could not provide documentation that supports that the County received and evaluated a minimum of three proposals.
10. The County could not provide documentation that supports that the County notified all consultants that submitted proposals about the final ranking of the three most highly qualified consultants.
11. The County did not prepare the required independent cost estimates for three contracts. The independent cost estimates serve as the basis for price negotiations and ensure that the County obtains consultant services at a fair and reasonable price. In addition, the County did not sign the independent cost estimates for Contract #1 and did not include other direct costs and profit, as required.
12. The County procured two on-call contracts that required it to establish an on-call list of consultants per contract. The County was required to conduct an additional qualifications-based selection process prior to awarding the task orders. However, the County awarded the task orders without soliciting amongst all the consultants on the respective on-call list.
13. The County did not perform profit negotiations as a separate element of the price to obtain a fair and reasonable price.
14. The County did not provide evidence that it checked the eligibility status of the consultants and subconsultants by verifying suspension and debarment actions prior to entering into all four contracts.

Criteria

In Appendix C, we provide criteria applicable to each deficiency noted in Table 5. Below, we highlight Section 20.2 of the 2016 procedures manual, which is a significant criteria that defines unrecoverable project deficiencies.

An Unrecoverable Project Deficiency is defined as a “deficiency of such magnitude as to create doubt that the policies and objectives of Title 23 of the United States Code (or other applicable federal codes) will be accomplished by the project,” and the project has proceeded to the point that the deficiency cannot be corrected. This level of deficiency shall result in the withdrawal of all or a portion of the federal and/or state funds from the project. Examples of the most common (found by Caltrans and FHWA) Unrecoverable Project Deficiencies (Federal) are:

- Consultant contract awarded, but not through competitive negotiations, when a noncompetitive negotiated contract is not warranted
- Failure to open the bids publicly, failure to read the bids aloud, or failure to discuss reason(s) for not reading bid(s) aloud shall make the construction phase ineligible.

Cause

According to the County, its procurement records were either accidentally purged or lost during an office relocation and staff stated that they were not aware of Caltrans' agreement provisions and federal procurement requirements.

Effect

By not maintaining its procurement records and adhering to various state and federal requirements, the County cannot demonstrate that it provided fair and open competition, that it selected the most qualified consultants at a fair and reasonable price, and that it selected consultants who were eligible for federal and state awards (i.e., no outstanding suspension or debarment actions).

Recommendations

1. Caltrans should coordinate with the Federal Highway Administration and the County to develop a corrective action plan to appropriately resolve this finding. This includes recovering \$1,056,214 in questioned costs identified in this audit.
2. The County should design and implement a process to ensure compliance with the contract terms. This process should ensure that the County maintains a clear audit trail to support the solicitation, proposal, evaluation, and selection of consultants and to facilitate the tracing of negotiation activities to source documents.
3. The County should provide training to staff on all applicable state and federal procurement requirements, including all applicable record retention requirements.

Finding 2. The County Claimed and was Later Reimbursed for Consultant Costs That Did Not Comply with the Terms in its Executed Contracts and with the Commission’s Funding Requirement.

Condition

Caltrans reimbursed the County for \$92,583 in consultant costs that we determined were unallowable. Specifically:

1. Consultant A charged the County \$76,983 in staff labor costs and subconsultant costs that Consultant A had not originally included in the signed agreement between the Consultant A and the County.
2. Caltrans reimbursed the County \$9,792 for costs the County incurred by Consultant B during the design phase. However, the Commission only authorized the County to seek reimbursement for construction and construction engineering costs.
3. Consultant C charged the County \$5,808 in labor costs for staff that Consultant C did not previously include in the signed agreement between Consultant C and the County.

We included the \$92,583 as questioned costs as part of Finding 1.

Criteria

The contract agreements between the County and Consultants A and C specified that the County shall pay the consultants who were identified in the agreements based on their respective cost proposals (which included the individuals’ hourly rates).

The 2016 procedures manual, Section 10.2 requires contract administrators to review and approve a consultant’s invoices and/or progress payments to ensure that billings comply with the contract’s terms and conditions and correspond accurately to the work performed during the billing period. It also states four methods of payment permitted depending on the scope of services to be performed. “Specified Rates of Compensation” is one of the methods where a consultant is paid at an agreed and supported specific fixed hourly, daily, weekly, or monthly rate, for each class of employee engaged directly in the work. Additionally, the 2016 procedures manual, Section 10.8 states that, after contract execution, the consultant should not substitute key personnel or subconsultants without prior written approval from the local agency.

The Commission’s June 2, 2016, allocation letter authorized the County to utilize funds for the construction of the project.

Cause

The County stated that its invoice review procedures did not require a reviewer to compare invoices to contract terms and conditions.

Effect

Lack of adequate contract oversight increased the risk that the County claimed costs that were unallowable.

Recommendations

1. Caltrans should recover the \$92,583 in costs that we determined were unallowable. For clarity, we included the amount of these costs as part of Finding 1.
2. The County should design and implement a review process to ensure its billings are accurate, valid, and comply with the contract terms. Additionally, the County should provide contract management and oversight training to staff.

Finding 3. The County Claimed Indirect Costs Without Obtaining Prior Approval from Caltrans.

Condition

Caltrans reimbursed the County \$56,249 for indirect costs even though the County did not obtain an approval or acceptance letter from Caltrans before seeking reimbursement. Instead, the County used an indirect cost rate that Caltrans had approved for the County's Engineering and Maintenance Division as opposed to using an indirect cost rate for the County's Development Services Division, where staff worked and charged to the project. The County did not have an approved indirect cost rate for staff who worked in its Development Services Division.

Criteria

The July 8, 2016, Program Supplement, which was a project funding agreement between the County (considered the administering agency) and Caltrans, specifically stated:

Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval **prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred** within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE. (Emphasis added)

Additionally, the 2016 procedures manual, Section 5.3 states that any department, division, or other organization unit within the local agency that seeks reimbursement of their indirect costs, must receive an Approval /Acceptance Letter of the local agency's Indirect Cost Rate Proposal (ICRP)/Indirect Cost Allocation Plan (ICAP) for the fiscal year(s) involved from Caltrans prior to billing for any indirect costs.

Cause

The County stated that it made an error when it applied the indirect cost rate for its Engineering and Maintenance Division staff instead of its Development Services Division staff.

Effect

The County's mix-up of indirect cost rates for ineligible staff resulted in it erroneously charging Caltrans for costs that were unallowable.

Recommendations

1. Caltrans should coordinate with the County to ensure claimed costs, including indirect costs, are in compliance with federal regulations. Towards that end, we recommend that Caltrans recover \$56,249 for the costs we determined were unallowable. For clarity, these costs are separate from those identified in Finding 1.
2. The County should design and implement procedures to ensure that it charges an indirect cost rate for the appropriate staff.
3. The County should provide training to its appropriate staff.

Finding 4. The County Claimed Fringe Benefits that We Determined Were Unallowable.

Condition

Caltrans reimbursed the County \$6,555 in fringe benefit costs that we determined were unallowable. Specifically, we found that the County’s fringe benefit calculation included data processing fees, administrative charges, and general liability costs. However, as we describe in the criteria section below, federal regulations consider these costs as indirect costs and therefore, the County should not have included them in its fringe benefit calculation.

To determine the amount of questioned costs, we excluded the data processing fees, administrative charges, and general liability costs from the County’s fringe benefit worksheet to recalculate a fringe benefit rate for each fiscal year. We then applied the recalculated fringe benefit rate to the direct labor costs. The recalculated direct labor costs resulted in \$6,555 of questioned costs, as depicted in Table 6.

Table 6. Claimed, Allowable, and Questioned Direct Labor Costs for the Project

Fiscal Year	Claimed Direct Labor Costs (A)	Allowable Direct Labor Costs (B)	Difference (A-B)
2016-17	\$ 31,672	\$ 29,477	\$ 2,194
2017-18	\$ 42,213	\$ 37,852	\$ 4,361
		Total	\$ 6,555

Source: Analysis by the Independent Office of Audits and Investigations. We obtained the claimed direct labor costs in Column A from the County’s invoices. We calculated the allowable direct labor costs in Column B by multiplying the direct salary costs by the recalculated fringe benefit rate.

Criteria

Federal regulations, in pertinent part, 2 CFR 200.431(a) states:

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits

are allowable provided that the benefits are reasonable and are required by law, non-federal entity-employee agreement, or an established policy of the non-federal entity.

Further, 2 CFR Subtitle A, Chapter II, Part 200, Appendix IV to Part 200 states:

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

Cause

Although the County prepared a fringe benefit rate worksheet, the County's staff told us that they do not have written procedures in place to provide clear guidance on how to complete the worksheet.

Effect

The County's incorrect fringe benefit rate calculation resulted in it charging Caltrans for unallowable costs.

Recommendations

1. Caltrans should coordinate with the County to ensure whether claimed costs, including direct labor costs and fringe benefits, were in compliance with federal regulations. We recommend that Caltrans recover \$6,555 in questioned costs. For clarity, these costs are separate from those identified in Finding 1.
2. The County should design and implement procedures to ensure that it only charges Caltrans for the appropriate amount of direct costs and fringe benefits.
3. The County should provide training to its appropriate staff.

Finding 5. The County Only Partially Achieved the Benefits It Reported in Its Project Agreement and It Did Not Report the Project’s Benefits Within the Required Deadlines.

Condition

In 2016, the County was allocated \$8.7 million to construct a bicycle/pedestrian path and bridge over the railroad tracks that would provide a direct connection from the town of Castroville to the Castroville Boulevard interchange. According to the County’s application, completion of this project would result in several benefits as outlined in the text box.

In February 2020, the County reported in its Completion Report that it completed the safe alternative route; however, it did not include the bicyclist and pedestrian user counts, also known as “After Counts.” In addition, the County’s July 2021 Final Delivery Report did not include any information relative to the user counts in the Outcomes section, where we would have expected to find the County’s description of what the project had actually accomplished relative to what it had anticipated it would accomplish in its application. Instead, the County left this key field of the report blank (see Appendix E).

When we brought this matter to the County’s attention, the County’s staff stated that they completed the Final Delivery Report incorrectly, and, in July 2022, it subsequently submitted a revised Final Delivery Report with the “After Counts” (Appendix F). Based on our review, we note that the July 2022 Final Delivery Report reflected a decrease in user counts following the completion of the project. The user counts in 2014—before the County completed the project—were 7 bicyclists and 190 pedestrians per day; whereas, the user counts in 2022—after the County completed the project—were 6 bicyclists and 98 pedestrians per day, representing a decrease in user counts. Furthermore, the County failed to explain this difference in the July 2022 Final Delivery Report, as required.

Lastly, the County submitted these key reports to Caltrans late, ranging from six months to more than two years after the established deadlines. See Table 7 for more details.

Estimated Project Benefits

1. Project completion will offer bicyclists a safe alternative route to schools, work, shopping centers, and recreational activity centers.
2. The project encourages increased walking and bicycling by providing a safe and convenient designated bicycle/pedestrian path and bridge to schools, shopping centers, businesses, churches, and recreational destinations. A designated safe path will encourage more parents to let their children walk or bike to school. The user counts before the project were:
 - 7 bicyclists
 - 190 pedestrians

Source: The County’s Application

Table 7. Late Submission of Key Reports

Report	Due Date	Submission Date	Number of Months Late
Completion Report	August 2019	February 2020	6 Months
Final Delivery Report	May 2020	July 2021	14 months
Revised Final Delivery Report	May 2020	July 2022	26 months

Source: The County's Completion Report and Final Delivery Reports.

Criteria

As referenced in the Background section of this report, the Commission's Senate Bill 1 Accountability and Transparency Guidelines require the project's benefits to be reported in a Completion Report and the Final Delivery Report. Specifically:

Within six months of construction contract acceptance or the project becoming operable (open to the public), whichever comes sooner, the Implementing Agency shall provide a Completion Report to the Department on the scope of the completed project, its estimated final cost, estimated schedule, and project benefits as compared to those included in the executed project agreements. Additionally, the Completion Report shall describe the methodologies and assumptions used to evaluate how the project benefits were calculated as compared to the methodologies and assumptions used in the executed project agreements. **In the event the project benefits identified in the Completion Report differ from those identified in the executed program agreements (cooperative, funding, or baseline), the difference must be noted, quantified, and explained.** Documentation used for the benefit evaluation shall be preserved and made available for review by the Department, the Commission, the Transportation Inspector General, Department of Finance, and/or the California State Auditor, if requested. (Emphasis added)

The Final Delivery Report must be submitted within 180 days of the conclusion of all remaining project activities beyond the acceptance of the construction contract to reflect final project expenditures, **any changes that occurred after submittal of the Completion Report and an updated evaluation of the benefits.** The Commission may include this information in its annual reports to the Legislature. (Emphasis added)

2014 ATP guidelines further states:

The Implementing Agency must provide a Final Delivery Report to the Commission which includes performance outcomes derived from the project as compared to those described in the project application. This should include before and after pedestrian and/or bicycle counts, and an explanation of the methodology for conducting counts. (Emphasis added)

Cause

When we asked about the reported decrease in user counts at project completion, the County's staff stated that the difference was due to the timing of the counts, which it conducted between April and June 2022, compared to the same time period in 2014. The County stated that in 2022 some students from nearby schools had opted for remote learning due to the COVID-19 pandemic, which they believed led to a decrease in the number of users.

When asked why the County's reports were late and incomplete, the County stated that it was unaware of the reporting deadlines and had difficulties with CalSMART⁸, Caltrans' newly implemented online project reporting tool. The County's staff indicated that they had trouble navigating CalSMART's functionality. As a result, the County opted to submit the required reports to Caltrans via email after the deadlines.

Effect

By not conducting a benefit evaluation and not timely submitting key reports, the County decreased the transparency of its project's status and prevented Caltrans and the Commission from timely reviewing the completed project's scope, final costs, and performance benefits.

Recommendations

1. The County should consider whether conducting another user count would better show whether the project had a positive benefit of increasing users.
2. The County should develop and implement better processes to ensure that it sufficiently monitors projects so they meet all reporting deadlines, including the timely submittal of required reports for future projects.

⁸CalSMART is an online project reporting tool to meet the Commission's reporting requirements. A local agency enters project information into the system and once Caltrans reviews and approves the project information, a report is generated.

APPENDIX A. TABLE OF METHODOLOGIES

Audit Objective	Methods
<p>Objective 1 To determine whether project costs were claimed and reimbursed in compliance with the executed project agreements, Caltrans’ program guidelines, and applicable federal regulations cited in the executed project agreements.</p>	<p>Selected significant and high-risk areas to verify compliance with the requirements of Local Assistance Procedures Manual (procedures manual), State Transportation Improvement Program, and the Active Transportation Program. Those areas were:</p> <ul style="list-style-type: none"> • Project costs • Procurement • Contract change orders <p>Project Costs</p> <p>Determined whether construction costs were reviewed and approved by testing 10 bid line items out of 84 total bid items from 5 billings (5 out of 9 billings). Determined whether selected costs were allowable, supported, authorized, project-related, and incurred within the allowable time frame by reviewing project files, progress payments, and comparing to relevant criteria.</p> <p>Determined whether construction engineering costs were reviewed and approved by testing 10 consultant invoices out of total 67 invoices from 4 billings (4 out of 9 billings). Determined whether selected costs were allowable, supported, authorized, project related, and incurred within the allowable time frame by reviewing project files and comparing to relevant criteria.</p> <p>Determined whether direct labor and indirect costs were reviewed and approved by testing 15 out of 687 total transactions that were billed to Caltrans. Determined whether selected costs included only allowable direct costs by reviewing direct labor rates used in billing. Also, compared indirect cost rates used in the billing with the rates approved by Independent Office of Audits and Investigations (IOAI) to determine if the correct rates were applied. If incorrect rates were used, estimated the allowable indirect costs that should have been claimed.</p> <p>Procurement</p> <p>Reviewed 4 consultant contracts and 1 construction contract billed to the project. Determined whether the request for proposal, request for qualifications, and invitations for bids were appropriately advertised, evaluated, and awarded by reviewing construction engineering and construction contractor procurement records, such as project advertisements, consultant proposals, and scoring sheets bidding documents, contract agreements, and relevant criteria.</p> <p>Contract Change Orders</p> <p>Selected 2 of the largest dollar amount contract change orders (CCO) out of 21 CCOs from 2 billings (2 out of 9 billings) and determined if selected CCOs were within the scope of work, not a contract duplication, completed, and supported by reviewing daily extra work reports, progress payments, and accounting records.</p>

Audit Objective	Methods
<p>Objective 2</p> <p>To determine whether project deliverables were consistent with the project scope as described in the executed project agreements or approved amendments.</p>	<p>Determined whether selected project deliverables were consistent with the project scope as described in the project application by:</p> <ul style="list-style-type: none"> • Reviewing the Caltrans Division of Local Assistant’s Final Inspection Form for the project, • Comparing project deliverables identified in the project application to the Completion Report and Final Delivery Reports, and • Conducting a site visit and comparing before and after photographs of the project site.
<p>Objective 3</p> <p>To determine whether project benefits were consistent with the project scope as described in the executed project agreements or approved amendments.</p>	<p>Determined whether project benefits were adequately reported by comparing benefits identified in the project application to the Completion Report and Final Delivery Reports, interviewing County staff, and reviewing supporting documentation.</p>

APPENDIX B. SUMMARY OF THE PROJECT DETAILS, INCLUDING AUDIT RESULTS

PROJECT DETAILS

Project Name

Monterey County Pedestrian and Bike Path – Castroville from Axtell Street to Castroville Boulevard.

Project Number

RPSTPLE-5944(111)

Programs

Active Transportation Program, State Transportation Improvement Program, Regional Surface Transportation Block Grant Program, and Regional Surface Transportation Program (Administered by Caltrans Division of Local Assistance)

Funding Source(s)

Federal funds

Project Description

Construct Class 1 bicycle/pedestrian path and bridge from the intersection of McDougall Street and Salinas Street to Castroville Boulevard.

Audit Periods

May 19, 2016, through April 12, 2019⁹ for objective 1
May 19, 2016, through July 19, 2022¹⁰ for objective 2

Project Status

Project is complete and operational.

AUDIT RESULTS

Project Costs

Project costs were incurred and reimbursed in compliance with the executed project agreements, Caltrans program guidelines, and applicable federal regulations, except for questioned costs totaling \$1,119,018 (\$1,056,214 for Finding 1, and \$56,249 for Finding 3, and \$6,555 for Finding 4). Questioned costs for Finding 2 are included in questioned costs reported in Finding 1.

⁹The audit period end date reflects the billing period end date of the last reimbursement claim submitted to Caltrans.

¹⁰The audit period end date reflects when the revised Final Delivery Report was submitted to Caltrans.

Table 8. Schedule of Allocated, Reimbursed, and Questioned Costs

Category	Allocated Amounts	Reimbursed Costs	Questioned Costs
Construction Engineering – ATP, RSTP/RSTBGP, and STIP	\$1,652,195	\$ 1,652,195	\$ 1,119,018
Construction – ATP and STIP	\$7,074,986	\$7,032,6493	\$0
Total Costs	\$8,727,181	\$8,684,844	\$1,119,018

Source: Analysis by the Independent Office of Audits and Investigations.

Project Deliverables

The construction phase of the project was completed on February 19, 2019. Project deliverables, including the bicycle/pedestrian path and bridge over the railroad tracks, were consistent with the approved scope.

Project Benefits

The County reported that one of the project benefits, which includes providing a safe route for pedestrians and bicyclists to cross the Union Pacific Railroad tracks and connectivity to schools, shopping centers, and businesses, was achieved at project completion. However, according to the revised Final Delivery Report submitted by the County, the user counts after the project was completed showed a decrease compared to the counts before the project began. In addition, the County did not explain the reason for the differences in user counts in the revised Final Delivery Report, as required. Lastly, the County submitted the required reported to Caltrans late, ranging from 6 months to over two years after the established deadlines.

Table 9. Results of Sample Items Tested for Benefits

Benefits Stated in the Application	Benefits Reported in the Final Delivery Report	Outcomes Achieved
<p>Project completion will offer bicyclists a safe alternative route to schools, work, shopping centers, and recreational activity centers.</p>	<p>Project provides a safe route for pedestrians and bicyclist to cross the Union Pacific Railroad; and provides connectivity to schools on one side of the railroad tracks to the main downtown area and neighborhoods of the Town of Castroville.</p>	<p>Yes</p>
<p>The project encourages increased walking and bicycling by providing a safe and convenient designated bicycle/pedestrian path and bridge to schools, shopping centers, businesses, church, and recreational destinations. A designated safe path will encourage more parents to let their children walk or bike to school. User count before the project was:</p> <ul style="list-style-type: none"> • 7 Bicyclists • 190 Pedestrians 	<p>User count after the project was:</p> <ul style="list-style-type: none"> • 6 Bicyclists • 98 Pedestrians 	<p>No</p>

Source: Analysis by the Independent Office of Audits and Investigations.

APPENDIX C. CRITERIA RELATED TO FINDING 1



# As noted in Table 5	Criteria Section	Criteria
All	Master Agreement No. 05-5944F15, Article I #9	The administering agency shall conform to all applicable state and federal statutes and regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by state and incorporated herein, including all subsequent approved revisions thereto applicable to Project unless otherwise designated in the project-specific executed Project Supplement.
1	Procedures Manual 10.5	The Contract Administrator is responsible for developing the technical criteria, and their relative importance which are used to evaluate and rank the consultant proposals. The criteria and relative weights must be included in the RFP, and the same criteria and relative weights must be used in the evaluation sheets.
	23 CFR 172.7 (a)(1)(ii)(C)	The RFP shall provide all information and requirements necessary for interested consultants to provide a response to the RFP and compete for the solicited services. The RFP shall: identify evaluation factors including their relative weight of importance in accordance with paragraph (a)(1)(iii) of this section.
2	Procedures Manual 10.2	For contracts with no DBE contract goal, Exhibit 10-O1 “Consultant Proposal DBE Commitment” is not necessary and only Exhibit 10-O2 “Consultant Contract DBE Information” must be included in the award package and provided by the winning proposer.
	Master Agreement 05-5944F15 Exhibit B Section 11	Administering Agency’s DBE implementation Agreement is incorporated by reference in this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved DBE Implementation Agreement, STATE may impose sanctions as provided for under 49 CFR Part 26.
3	Procedures Manual 10.2	For contracts with no DBE contract goal, Exhibit 10-O1 “Consultant Proposal DBE Commitment” is not necessary and only Exhibit 10-O2 “Consultant Contract DBE Information” must be included in the award package and provided by the winning proposer.
	Master Agreement 05-5944F15 Exhibit B Section 11	Administering Agency’s DBE implementation Agreement is incorporated by reference in this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved DBE Implementation Agreement, STATE may impose sanctions as provided for under 49 CFR Part 26.

# As noted in Table 5	Criteria Section	Criteria
4	Procedures Manual 10.6	Interviews are to be structured and conducted in a formal manner. Each consultant shall be allowed the opportunity to make a presentation if desired; however, a time limit should be specified. Interview questions are prepared in advance.
	Procedures Manual 10.8	For audit purposes, project records and documentation shall be kept for three (3) years after payment of the final federal or state voucher. Among the records to be retained are as follows (not an all-inclusive list): Evaluation and ranking records such as original score sheets from all panel members, short list questions and other documentation (see Exhibit 10-B "Suggested Consultant Evaluation Sheet")
	23 CFR 172.7 (a)(1)(iv)(F)	The contracting agency shall retain supporting documentation of the solicitation, proposal, evaluation, and selection of the consultant in accordance with this section and the provisions of 2 CFR 200.333.
5	Procedures Manual 10.5	The RFP specifies the content of a proposal, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand delivered if different from the mailing address. Two to four weeks is usually allowed between the time the RFP is published and time that proposals must be submitted. More time may be required for complex contracts or projects.
	23 CFR 172.7.(a)(1)(ii)(G)	Provide an estimated schedule for the procurement process and establish a submittal deadline for responses to the RFP that provides sufficient time for interested consultants to receive notice, prepare, and submit a proposal, which except in unusual circumstances shall be not less than 14 calendar days from the date of issuance of the RFP.
6	Procedures Manual 10.6	Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.
	23 CFR 172.7 (a)(1)(ii)(G)	Provide an estimated schedule for the procurement process and establish a submittal deadline for responses to the RFP that provides sufficient time for interested consultants to receive notice, prepare, and submit a proposal, which except in unusual circumstances shall be not less than 14 calendar days from the date of issuance of the RFP.
7	Procedures Manual 10.5 & 10.6	Local agency Contract Administrator ensures that all committee members meet the conflict-of-interest requirements (23 CFR 172) by completing and signing a conflict-of-interest statement prior to selection process initiation. A sample conflict of interest form in Exhibit 10-T "Panel Member Conflict of Interest & Confidentiality Statement."
	23 CFR 172.7(b)(4)(ii)	No employee, officer, or agent of the contracting agency shall participate in selection, or in the award or administration of a contract supported by Federal-aid funds if a conflict of interest, real or apparent, would be involved. Such a conflict arises when there is a financial or other interest in the consultant selected for award by: (A) The employee, officer, or agent (B) Any member of his or her immediate family.

# As noted in Table 5	Criteria Section	Criteria
8	Procedures Manual 10.1	Cost proposals submitted to the local agency, if above the small purchase procurement threshold, must be sealed and may not be included as a criterion for rating such consultants.
	23 CFR 172.7(a)(1)(iii)(B)	Price shall not be used as a factor in the evaluation, ranking, and selection phase. All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria.
9	Procedures Manual 10.6	Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. If only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) must be documented. In either case, the re-advertisement of the RFP should be considered as an option.
	23 CFR 172.7.(a)(1)(ii)	Request for proposal (RFP). The RFP shall provide all information and requirements necessary for interested consultants to provide a response to the RFP and compete for the solicited services. The RFP shall: (B) Identify the requirements for any discussions that may be conducted with three or more of the most highly qualified consultants following submission and evaluation of proposals.
10	Procedures Manual 10.5	All consultants that submitted proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.
	23 CFR 172.7.(a)(1)(iv)(E)	Notification must be provided to responding consultants of the final ranking of the three most highly qualified consultants.
11	Procedures Manual 10.2	An independent estimate for cost or price analysis is needed for all consultant contracts (49 CFR 18.36(f)) to ensure that consultant services are obtained at a fair and reasonable price. This detailed cost is then summarized or “rolled up” to determine a total cost of contract. Cost detail should include estimated hours per task, labor hourly cost for professional and non-professional classifications, subconsultant costs, other project direct costs, and profit.
	23 CFR 172.7 (a)(1)(v)(B)	Independent estimate. Prior to receipt or review of the most highly qualified consultant's cost proposal, the contracting agency shall prepare a detailed independent estimate with an appropriate breakdown of the work or labor hours, types or classifications of labor required, other direct costs, and consultant's fixed fee for the defined scope of work. The independent estimate shall serve as the basis for negotiation.

# As noted in Table 5	Criteria Section	Criteria
12	Procedures Manual 10.7	The Two-Step RFQ/RFP is also well suited for procuring multiple on-call contracts through single solicitation. The outcome of the first step - RFQ will be multiple contracts, or on-call list of consultants with cost/price agreements. The subsequent project work will be procured through individual competition or mini-RFPs amongst the on-call consultants. The mini-RFP or the task order will be negotiated with first ranked firm from each competition.
	23 CFR 172.9 (a)(3)(iv)(B)(1)	<p>On-call or indefinite delivery/indefinite quantity (IDIQ). A contract for the performance of services for a number of projects, under task or work orders issued on an as-needed or on-call basis, for an established contract period.</p> <p>Specify the procedures the contracting agency will use in competing and awarding task or work orders among the selected, qualified consultants. Task or work orders shall not be competed and awarded among the selected, qualified consultants on the basis of costs under on-call or IDIQ contracts for services procured with competitive negotiation procedures. Under competitive negotiation procurement, each specific task or work order shall be awarded to the selected, qualified consultants:</p> <p>(1) Through an additional qualifications-based selection procedure, which may include, but does not require, a formal RFP in accordance with § 172.5(a)(1)(ii)</p>
13	Procedures Manual 10.2	The Contract Administrator’s duties include but are not limited to: Ensures that fee/profit negotiation is conducted and keep records.
	23 CFR 172.7 (a)(1)(v)(E)	The contracting agency shall retain documentation of negotiation activities and resources used in the analysis of costs to establish elements of the contract in accordance with the provisions of 2 CFR 200.333. This documentation shall include the consultant cost certification and documentation supporting the acceptance of the indirect cost rate to be applied to the contract.
14	23 CFR 172.7 (b)(3)	Suspension and debarment. A contracting agency shall verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract in accordance with 2 CFR Part 1200 and 2 CFR Part 180.

APPENDIX D. THE COUNTY'S COMPLETION REPORT SUBMITTED ON FEBRUARY 27, 2020

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION			Local Assistance Programs Guidelines Page 1 of 4		
ACTIVE TRANSPORTATION PROGRAM COMPLETION/FINAL DELIVERY REPORT					
LAPG 22-T (REV 05/2019)					
Project Title: Castroville Bicycle and Pedestrian Path and Railroad Crossing Project					
Description and Location: Construct a Class 1 bicycle and pedestrian path and bridge parallel Salinas Street from McDougal Street, over the Union Pacific Railroad tracks, to Castroville Blvd; in the Town of Castroville, Monterey County.					
Before		After			
					
Caption: Local high school student crossing Union Pacific Railroad under State Route 156. Students crosses railroad daily to go to school and home.		Caption: Train on Union Pacific Railroad running under new Bicycle/Pedestrian bridge parallel to State Route 156. Pedestrian can now safely traverse over the railroad.			
COST AND MILESTONES					
	Total Cost (in \$1,000's)	ATP Cost (in \$1,000's)	Project Completion Date	Conclusion of all Project Activities Date	
Anticipated	\$10,021	\$913	03/12/2018	12/03/2018	
Actual	\$10,700	\$913	02/19/2019	11/11/2019	
QUALITATIVE BENEFITS					
The project provides a safe route for pedestrians and bicyclist to cross the Union Pacific Railroad; and provides connectivity to schools (North Monterey County High School and Elkhorn Elementary School) on one side of the railroad tracks to the main downtown area and neighborhoods of the Town of Castroville.					
Percentage of ATP Funds Spent within a DAC: 100%		Percentage of ATP Project Benefiting a DAC: 100%			
USER COUNTS					
Pedestrian		Bicyclist			
Before	After	Before	After		
190		7			
PROJECT OUTPUTS					
+ -	Output Type	Class I Bikeway	Bike/Ped Bridge	Crosswalk/Crosswalk Improvements	Intersection Improvements/ADA
Quantity	3,878	1,170	2	2	
Unit	Feet	Feet	Each	Feet	
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ACTIVE TRANSPORTATION PROGRAM COMPLETION/FINAL DELIVERY REPORT

GENERAL PROJECT INFORMATION			
Date:	Project Type: I	District: 5	<input checked="" type="checkbox"/> Completion Report <input type="checkbox"/> Final Delivery Report
Implementing Agency: Monterey County - Resource Management Agency			
Project Number: 5944(111)	ATP ID: 5944(111)	Cycle: 1	Infrastructure PPNO: 2296 Non-Infrastructure PPNO:
Project Title: Castroville Bicycle and Pedestrian Path and Railroad Crossing Project			
Project Funding Type: <input type="checkbox"/> State Only Funded <input checked="" type="checkbox"/> Federally Funded <input type="checkbox"/> State and Federally Funded			
CONTACT INFORMATION			
Reporting Contact Name: Jonathan Pascua		Contact Email: pascuajl@co.monterey.ca.us	Contact Phone: (831)755-8963
PROJECT SCOPE			
Approved Scope: The Project includes a bicycle/pedestrian path along Salinas Road from McDougall to Axtell, a bicycle/pedestrian bridge over UPRR, and a path from the end of the bridge to Castroville Boulevard. The path will be signed and stripped with an eight foot wide paved path, two-foot wide decomposed granite shoulders on each side, a 12 foot wide bridge (1,170 feet long) and a pedestrian crossing at Castroville Boulevard and Collins Road.			
Completed Scope: The Project includes a bicycle/pedestrian path along Salinas Road from McDougall to Axtell, a bicycle/pedestrian bridge over UPRR, and a path from the end of the bridge to Castroville Boulevard. The path will be signed and stripped with an eight foot wide paved path, two-foot wide decomposed granite shoulders on each side, a 12 foot wide bridge (1,170 feet long) and a pedestrian crossing at Castroville Boulevard and Collins Road.			
Attach before / pre-condition photos of the project. Include location, directional view and street name(s)			Attach Photo
Attach after / post-condition photos of the project. Include location, directional view and street name(s)			Attach Photo
CORPS USAGE			
Applicant coordinated with corps:			
<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal	<input checked="" type="checkbox"/> None
Check each corps that elected to participate:			
<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal	<input checked="" type="checkbox"/> None
Check each corps that elected not to participate:			
<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal	<input checked="" type="checkbox"/> None
Check each corps that participated in the project:			
<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal	<input checked="" type="checkbox"/> None
Describe the work corps elected to participate in below:			
If the corps participated in alternative work than what was agreed to, describe below:			
If a corps elected to participate and did not participate, provide a reason why below:			
USER COUNTS			
(Methodologies for before and after counts must be consistent)			
Before Counts		Begin Date	End Date
Bicycle	Pedestrian		
7	190	04/01/2014	06/30/2014
After Counts		Begin Date	End Date
Bicycle	Pedestrian		
		To be taken 04/2020	
Describe the methodology used for each after count type (methodologies must be consistent with before count): The counts were conducted during two-hour peak periods in the morning (7am to 9am) in the evening (4pm to 6pm or 2pm to 4pm) to capture bicycle & Pedestrian activities associated with schools.			



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APPENDIX E. THE COUNTY'S 1ST FINAL DELIVERY REPORT SUBMITTED ON JULY 14, 2021

FINAL DELIVERY REPORT - FY 20/21 Q4															
GENERAL INFORMATION															
Report ID	PRG-10-509-0004			Prepared By	Jonathan Pascua				Date Submitted	07/14/2021					
Agency	Monterey County														
Project Contact	Jonathan Pascua				Email	pascua @co.monterey.ca.us				Phone	(831) 755-8983				
Contact Title	Senior Civil Engineer				Program	ATP									
Project Title	Castroville Bicycle and Pedestrian Path and Railroad Crossing Project														
Implementing Agency	PA&ED	Monterey County													
	PS&E	Monterey County													
	Right of Way	Monterey County													
	Construction	Monterey County													
District	05	EA	PPNO	2296	Project ID	0512000207		Predecessor PPNO(s)							
Approved Locations		County	Route	PM Bk	Pm Ahd	County	Route	PM Bk	Pm Ahd	County	Route	PM Bk	Pm Ahd		
		MON													
Approved Project Description															
Located in unincorporated North Monterey County															
Approved Project Scope															
In Castroville, from the intersection of McDougall Street and Salinas Street to Castroville Boulevard. Construct Class 1 bicycle and pedestrian path and bridge															
Approved Project Benefits															
The Class I bicycle and pedestrian path and grade separated crossing will provide a direct connection from the town of Castroville to Castroville Boulevard. Project will close the gap to an existing Class I bicycle path on Castroville Boulevard and the Moro Cjo subdivision, a route used by the students to get to North Monterey County High School and Elkhorn Elementary School. Project completion will offer bicyclists a safe alternative route to schools, work, shopping centers and recreational activity centers.															
MILESTONES AND TIME EXTENSIONS															
Milestone	Approved Completion Date (by CTC)	Planned Completion Date	Actual Completion Date	Approved Time Extensions (in months)	Allocation	Award	Expenditure	Completion							
Baseline Agreement			Not Required	PA&ED											
PA&ED			02/10/2014	Right of Way											
Right of Way Cert			03/24/2016	PS&E											
Ready to List			07/26/2016	Construction											
Begin Con (Contract Awarded)			01/24/2017												
End Construction			02/08/2019												
End Project															
Completion Report			02/27/2020												
Final Delivery Report															
FUNDING (\$1,000s)															
Phase	Approved Project Funding	SB1 Funding						Other Funding							
		SHOPP	LPP Comp	LPP Form	SCCP	TCEP	ATP	State	Federal	Local & Private					
PA&ED	193												193		
PS&E	774												774		
RW Support															
Con Support															
RW Capital	385												385		
Con Capital	14,856							6,637	7,508				741		
Total	16,238							6,637	7,508				2,093		
Award Amount (\$1,000s)		4,565													

FINAL DELIVERY REPORT - FY 20/21 Q4												
PRG-10-509-0004		District 05		EA		PPNO 2296		Project ID 0512000207		Date Submitted 07/14/2021		
EXPENDITURES (\$1,000s)												
Phase	Total	SB1 Funding Expenditures						Other Funding Expenditures				Planned Expenditure at Completion
		SHOPP	LPP Comp	LPP Form	SCCP	TCEP	ATP	State	Federal	Local & Private	Additional Local	
PA&ED	130										130	130
PS&E	1,381										1,381	1,381
RW Support												
Con Support												
RW Capital	385										385	385
Con Capital	7,508								7,508			7,059
Other	1,177								1,177			
Total	10,581								8,685		1,896	8,955
OUTPUTS												
Output		Approved Quantity	Anticipated at Completion	Unit	Output		Approved Quantity	Anticipated at Completion	Unit			
Enhance Existing Crosswalk		1	3	Each	New Barrier Protected (Barrier, parking, functional-		1,961	1,961	Each			
New Class 1 Bike Lanes/Routes		3,878	3,878	Linear feet	New Traffic Signal 1		2	2	Each			
OUTCOMES												
Outcome/Benefit		Approved Quantity	Anticipated at Completion	Unit	Outcome/Benefit		Approved Quantity	Anticipated at Completion	Unit			
CORRECTIVE ACTION PLAN												
<i>If there is a change in the project cost, schedule, scope, and/or expected benefits, provide a summary describing the reason for the change and describe below the corrective action plan to manage any risk to the implementation of the project as programmed.</i>												
Cost												
Schedule												
Scope												
Benefits												
If CTC allocation is required to implement a Corrective Action Plan, when do you anticipate submitting the request?												
FINAL DELIVERY REPORT												
Completed Location Information (if different than approved location)												
Completed Locations	County	Route	PM Bk	Pm Ahd	County	Route	PM Bk	Pm Ahd	County	Route	PM Bk	Pm Ahd
Completed Project Description												
<p>The Castroville Bicycle/Pedestrian Path and Railroad Crossing project is located in Castroville, in the northern region of Monterey County, in the Central Coastal region of California. The project constructed a 0.74 mile class 1 bikeway (Separated Bike Path) from McDougall Street to Castroville Boulevard, that included a 1470-foot long bridge over the Union Pacific Rail Road (UPRR). The project provided a safe railroad crossing for bicyclists and pedestrians; especially school-aged children attending Elkhorn Elementary School and North Monterey County High School, keeping them off of the UPRR track and State Route 156 (SR-156). Prior to the project, pedestrians and bicyclists had no choice but to unlawfully cross the UPRR track.</p>												
<p>For projects with funding of only pre-construction components, describe how the project will progress to construction to provide the benefits described in the executed project agreements</p>												

APPENDIX F. THE COUNTY'S 2ND FINAL DELIVERY REPORT SUBMITTED ON JULY 19, 2022

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION		Local Assistance Programs Guidelines		
ACTIVE TRANSPORTATION PROGRAM COMPLETION/FINAL DELIVERY REPORT		Page 1 of 4		
LAPG 22-T (REV 05/2019)				
Project Title: Castroville Bicycle and Pedestrian Path and Railroad Crossing Project				
Description and Location: Construct a Class 1 bicycle and pedestrian path and bridge parallel Salinas Street from McDougal Street, over the Union Pacific Railroad tracks, to Castroville Blvd; in the Town of Castroville, Monterey County.				
Before		After		
				
Caption: Local high school student crossing Union Pacific Railroad under State Route 156. Students crosses railroad daily to go to school and home.		Caption: Train on Union Pacific Railroad running under new Bicycle/ Pedestrian bridge parallel to State Route 156. Pedestrian can now safely traverse over the railroad.		
COST AND MILESTONES				
	Total Cost (in \$1,000's)	ATP Cost (in \$1,000's)	Project Completion Date	Conclusion of all Project Activities Date
Anticipated	\$10,021	\$913	03/12/2018	12/03/2018
Actual	\$10,700	\$913	02/19/2019	06/30/2022
QUALITATIVE BENEFITS				
The project provides a safe route for pedestrians and bicyclist to cross the Union Pacific Railroad; and provides connectivity to schools (North Monterey County High School and Elkhorn Elementary School) on one side of the railroad tracks to the main downtown area and neighborhoods of the Town of Castroville.				
Percentage of ATP Funds Spent within a DAC: 100%		Percentage of ATP Project Benefiting a DAC: 100%		
USER COUNTS				
Pedestrian		Bicyclist		
Before	After	Before	After	
190	98	7	6	
PROJECT OUTPUTS				
+	-	+	-	
Output Type	Class I Bikeway	Bike/Ped Bridge	Crosswalk/Crosswalk Improvements	Intersection Improvements/ADA
Quantity	3,878	1,170	2	2
Unit	Feet	Feet	Each	Feet
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ACTIVE TRANSPORTATION PROGRAM COMPLETION/FINAL DELIVERY REPORT

GENERAL PROJECT INFORMATION			
Date:	Project Type: I	District: 5	<input type="checkbox"/> Completion Report <input checked="" type="checkbox"/> Final Delivery Report
Implementing Agency: Monterey County - Resource Management Agency			
Project Number: 5944(111)	ATP ID: 5944(111)	Cycle: 1	Infrastructure PPNO: 2296 Non-Infrastructure PPNO:
Project Title: Castroville Bicycle and Pedestrian Path and Railroad Crossing Project			
Project Funding Type: <input type="checkbox"/> State Only Funded <input checked="" type="checkbox"/> Federally Funded <input type="checkbox"/> State and Federally Funded			
CONTACT INFORMATION			
Reporting Contact Name: Jonathan Pascua		Contact Email: pascuajl@co.monterey.ca.us	Contact Phone: (831)755-8963
PROJECT SCOPE			
Approved Scope: The Project includes a bicycle/pedestrian path along Salinas Road from McDougall to Axtell, a bicycle/pedestrian bridge over UPRR, and a path from the end of the bridge to Castroville Boulevard. The path will be signed and stripped with an eight foot wide paved path, two-foot wide decomposed granite shoulders on each side, a 12 foot wide bridge (1,170 feet long) and a pedestrian crossing at Castroville Boulevard and Collins Road.			
Completed Scope: The Project includes a bicycle/pedestrian path along Salinas Road from McDougall to Axtell, a bicycle/pedestrian bridge over UPRR, and a path from the end of the bridge to Castroville Boulevard. The path will be signed and stripped with an eight foot wide paved path, two-foot wide decomposed granite shoulders on each side, a 12 foot wide bridge (1,170 feet long) and a pedestrian crossing at Castroville Boulevard and Collins Road.			
Attach before / pre-condition photos of the project. Include location, directional view and street name(s)			Attach Photo
Attach after / post-condition photos of the project. Include location, directional view and street name(s)			Attach Photo
CORPS USAGE			
Applicant coordinated with corps:	<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal <input checked="" type="checkbox"/> None
Check each corps that elected to participate:	<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal <input checked="" type="checkbox"/> None
Check each corps that elected not to participate:	<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal <input checked="" type="checkbox"/> None
Check each corps that participated in the project:	<input type="checkbox"/> CalCC	<input type="checkbox"/> CCC	<input type="checkbox"/> Tribal <input checked="" type="checkbox"/> None
Describe the work corps elected to participate in below:			
If the corps participated in alternative work than what was agreed to, describe below:			
If a corps elected to participate and did not participate, provide a reason why below:			
USER COUNTS			
(Methodologies for before and after counts must be consistent)			
Before Counts		Begin Date	End Date
Bicycle	Pedestrian		
7	190	04/01/2014	06/30/2014
After Counts		Begin Date	End Date
Bicycle	Pedestrian		
6	98	04/01/2022	06/30/2022
Describe the methodology used for each after count type (methodologies must be consistent with before count): The counts were conducted during two-hour peak periods in the morning (7am to 9am) in the evening (4pm to 6pm or 2pm to 4pm) to capture bicycle & Pedestrian activities associated with schools.			

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AUDITEE'S RESPONSE

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COUNTY OF MONTEREY PUBLIC WORKS, FACILITIES AND PARKS

Randell Ishii, MS, PE, TE, PTOE, Director

1441 Schilling Place, 2nd Floor
Salinas, California 93901-4527



(831) 755-4800
www.co.monterey.ca.us

June 21, 2023

Diana Antony
Chief Deputy Inspector General
Independent Office of Audits and Investigation
P.O. Box 942874, MS-2
Sacramento, CA 94274-0001

SUBJECT: Confidential Draft Report – County of Monterey, Project Audit

Dear Ms. Antony,

This letter is in response to the findings from an audit conducted by the Independent Office of Audits and Investigation for the County of Monterey Public Works, Facilities and Parks project. Of the total cost incurred by the Castroville Bicycle/Pedestrian Path and Railroad Crossing project, \$8,684,844 was reimbursed by the California Department of Transportation.

The following is the County's response to the findings and recommendations stated in the draft audit report.

Finding 1. The County Did Not Comply with Various Federal Procurement Requirements, Causing Us to Question the Amounts Reimbursed by Caltrans Related to Four Contracts. The County's process of awarding four architectural and engineering consultant contracts did not comply with federal requirements and Caltrans' agreement provisions. For these four contracts, which involved three different consultants, the County did not retain sufficient documentation to demonstrate that it provided fair and open competition, obtained a fair and reasonable price, and verified the awarded consultants' eligibility.

Recommendations to Finding 1

1. Caltrans should coordinate with the Federal Highway Administration and the County to develop a corrective action plan to appropriately resolve this finding. This includes recovering \$1,056,214 in questioned costs identified in this audit.
2. The County should design and implement a process to ensure compliance with the contract terms. This process should ensure that the County maintains a clear audit trail to support the solicitation, proposal, evaluation, and selection of consultants and to facilitate the tracing of negotiation activities to source documents.
3. The County should provide training to staff on all applicable state and federal procurement requirements, including all applicable record retention requirements.

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County's Response

The County agrees with the Finding and Recommendations. The County will update its Maintenance of Records Policy/Procedure such that it meets Caltrans' Local Assistance Procedures Manual and retain sufficient documentation (for a minimum period of 3 years from date of final payment by the State) so the County can show it provided fair and open competition, fair and reasonable price, and consultant eligibility. Moreover, as mentioned during the Exit Conference, staff did try and search for project records. The Public Works division changed physical office locations during the course of the project's life, and some documents may have been lost in the relocations. It was also discovered that other records may have been compromised by the weather in the storage facilities in which they were housed.

In addition, the County has required staff to attend Caltrans Local Assistance training when opportunities become available to stay current with Caltrans Local Assistance procedures and guidelines, and to keep up with policy changes. Recently staff attended "Federal Aid Series – Getting Your Federal-Aid Project Started," and "Labor Compliance for Local Public Agencies." Even if staff have already attended classes like these, they will be required to attend/repeat these training courses to ensure the County is current with the latest policies and procedures.

Finding 2. The County Claimed and was Later Reimbursed for Consultant Costs That Did Not Comply with the Terms in its Executed Contracts and with the Commission's Funding Requirement.

Caltrans reimbursed the County for \$92,583 in consultant costs that we determined were unallowable.

Recommendations to Finding 2

1. Caltrans should recover the \$92,583 in costs that we determined were unallowable. For clarity, we included the amount of these costs as part of Finding 1.
2. The County should design and implement a review process to ensure its billings are accurate, valid, and comply with the contract terms. Additionally, the County should provide contract management and oversight training to staff.

County's Response

The County agrees with the Finding and Recommendations. The County will update its review process so that not only the consultants' hours and rates are reviewed but also tasks, personnels, substitutions of personnels, etc. are reviewed to ensure conformance to the agreement. As stated above, the County has required staff to attend Caltrans Local Assistance training when opportunities become available to stay current with Local Assistance procedures and requirements.

Finding 3. The County Claimed Indirect Costs Without Obtaining Prior Approval from Caltrans.

Caltrans reimbursed the County \$56,249 for indirect costs even though the County did not obtain an approval or acceptance letter from Caltrans before seeking reimbursement. Instead, the County used an indirect cost rate that Caltrans had approved for the County's Engineering and Maintenance Division as opposed to using an indirect cost rate for the County's Development

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Services Division, where staff worked and charged to the project. The County did not have an approved indirect cost rate for staff who worked in its Development Services Division.

Recommendations to Finding 3

1. Caltrans should coordinate with the County to ensure claimed costs, including indirect costs, are in compliance with federal regulations. Towards that end, we recommend that Caltrans recover \$56,249 for the costs we determined were unallowable. For clarity, these costs are separate from those identified in Finding 1.
2. The County should design and implement procedures to ensure that it charges an indirect cost rate for the appropriate staff.
3. The County should provide training to its appropriate staff.

County's Response

The County agrees with the Finding and Recommendation. The County has implemented procedures to ensure that indirect cost is eligible for staff. As part of the corrective action, staff is reviewing all interagency cost from all active Federal and State funded projects. Interagency service cost will be identified and billed at the allowable standard indirect cost allowance. Current staff are now properly trained and new staff will be provided with the written procedures for calculating and applying indirect cost.

Finding 4. The County Claimed Fringe Benefits that We Determined Were Unallowable.

Caltrans reimbursed the County \$6,555 in fringe benefit costs that we determined were unallowable. Federal regulations consider these costs as indirect costs. The County should not have included them in its fringe benefit calculation.

Recommendations to Finding 4

1. Caltrans should coordinate with the County to ensure whether claimed costs, including direct labor costs and fringe benefits, were in compliance with federal regulations. We recommend that Caltrans recover \$6,555 in questioned costs. For clarity, these costs are separate from those identified in Finding 1.
2. The County should design and implement procedures to ensure that it only charges Caltrans for the appropriate amount of direct costs and fringe benefits.
3. The County should provide training to its appropriate staff.

County's Response

The County agrees with the Finding and Recommendation. The County has implemented procedures to ensure that the Fringe Benefit calculation excludes unallowable cost. As part of the corrective action process, staff will use allowable fringe benefit compensation calculation based on 2CFR 200.431 Compensation Fringe Benefits. Current staff are now properly trained and new staff will be trained and provided with copies of the Fringe Benefit policy along with the 2CFR 200.431 Compensation Fringe Benefits.

Finding 5. The County Only Partially Achieved the Benefits It Reported in Its Project Agreement and It Did Not Report the Project's Benefits Within the Required Deadlines.

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Based on our review, we note that the July 2022 Final Delivery Report reflected a decrease in user counts following the completion of the project. The user counts in 2014—before the County completed the project—were 7 bicyclists and 190 pedestrians per day; whereas the user counts in 2022—after the County completed the project—were 6 bicyclists and 98 pedestrians per day, representing a decrease in user counts.

Recommendations to Finding 5


1. The County should consider whether conducting another user count would better show whether the project had a positive benefit of increasing users.
2. The County should develop and implement better processes to ensure that it sufficiently monitors projects so they meet all reporting deadlines, including the timely submittal of required reports for future projects.

County's Response

The County agrees with the Finding and Recommendation. The County will develop procedures to ensure timely submittal of reports via Caltrans' CalSmart portal. The CalSmart web portal went online around 2019. At about that same time, the County went through numerous disasters which hindered County staff from learning, navigating, and submitting reports on the new online portal. In 2019, the County experienced a series of atmospheric river winter storm events, from January through March. In the summer of 2020, the County responded to three wildfires (River, Carmel, and Dolan), requiring staff to provide operational support for abating the hazards of the disaster events. The following winter in 2021, the County again responded to another winter storm. The County experienced numerous mudslides and debris flow due to the wildfires that happened immediately prior. The COVID-19 pandemic also impacted the County's resources such as staff availability as well as consultants. As previously stated, these events impeded ability to submit our reports. Regardless of these disasters, the County will develop a process where there are sufficient monitors/resources on projects so that project reports are submitted in a timely manner. Additionally, the County is considering performing another user count as the after-user count was conducted when the State was dealing with the COVID pandemic. This may have had a negative effect on the user counts as schools were transitioning from hybrid (in class and home) learning. Although the after count currently shows lower usage, the project ultimately does provide a safe route for school children, as opposed to illegally crossing through the railroad tracks and risk being struck by a train (photo shown in the Completion Report).

Thank you for the opportunity to respond to the findings and recommendations. With reviews such as this audit, we perceive it as an opportunity for us to learn and extract points to refine our practices.

Sincerely,

DocuSigned by:

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Randell Ishii MS, PE, TE, PTOE
Director of Public Works, Facilities and Parks



Independent Office of Audits and Investigations

P.O. Box 942874, MS-2
Sacramento, CA 94274-0001
(916) 323-7111 | oig.dot.ca.gov

