

EXECUTIVE SUMMARY

PROFESSIONAL SERVICES CONTRACTING AUDIT #17-05

External consulting and professional service contracts are commonly used to access specialized skills and knowledge. The value of consulting and professional service contracts currently under contract at Capital Metro is just over \$42 million.

MANAGEMENT HAS AGREED TO:

- Work with Procurement to revise the task order check list to include the business case, contract deliverables, performance measures and return on investment. Contract deliverables will be confirmed by the Project Manager and signed off by the Business Unit VP.
- Work with Procurement and IT to redefine the workflow and signature authority levels. It is anticipated that the authority levels will correspond with those that are in place to advance contracts and purchase orders.
- Develop a reporting process, to be completed quarterly, that will provide the status of each task order driven project.

Are the processes and governance in place to ensure that the use of external consulting and professional services is both efficient and effective?

Plan

- There is currently no formal process to approve, track, and monitor professional service projects that use task orders. (Issue 1)

Solicit/Execute Contracts

- Contracts valued at \$50,000 or more were competitively bid as required.
- ▲ Some task order revisions which added funding to the task order did not have the required independent cost estimate (3.64%) or the fair and reasonable determination (5.45%). (Issue 2)

Monitor Performance

- ▲ Two of the seven contracts reviewed did not have a contract management plan (CMP) when fieldwork began. At the report writing phase, the CMPs had been developed and signed off by Procurement. (Issue 2)
- One of the seven contracts reviewed had a performance assessment performed on the contractor over a year ago, even though the CMP stated it should be done quarterly. However, the Project Manager is in constant contact with the consultant to ensure receipt of deliverables.

Payment

- Payments are reviewed by Project Managers and Contract Administrators before they are approved. Not to exceed amounts for the task orders reviewed were not surpassed.

Use of Deliverables/Return on Investment

- ▲ Currently, there is no formal process in place to measure return on investment for professional service projects that use task orders. (Issue 1)

- SIGNIFICANT IMPROVEMENTS NEEDED
- ▲ SOME IMPROVEMENTS NEEDED
- ACCEPTABLE CONDITIONS