

**Sweetwater Union High School District**  
**Proposition O Bond Fund Performance Audit Report**  
**for the Fiscal Year Ended June 30, 2015**

**Prepared by:**

**MOSS ADAMS LLP**  
**9665 Granite Ridge Drive, Suite 600**  
**San Diego, CA 92123**

March 31, 2016

Board of Trustees  
Sweetwater Union High School District  
1130 Fifth Avenue  
Chula Vista, CA 91911

Subject: 2006 Proposition O Construction Bond Performance Audit Report  
for the Fiscal Year Ended June 30, 2015

Dear Board Members:

This report presents the results of our performance audit of the Sweetwater Union High School District's (SUHSD or the District) 2006 Proposition O Construction Bond (Bond Program) as required by District objectives and California Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act" (Proposition 39), California Constitution (State Constitution) Article XIII A and California Education Code (Education Code) Section 15272. These California State (State) requirements specify that the proceeds from the sale of school facilities bonds are expended only on the specific projects listed in the proposition authorizing the sale of bonds (Listed Projects). Both the State Constitution and Education Code require an annual independent performance audit to verify Bond proceeds are used on Listed Projects. An annual financial audit is also required by these rules. Finally, Senate Bill 1473, "School facilities bond proceeds: performance audits" (SB 1473), approved by the Governor on September 23, 2010, amended California Education Code to add Section 15286, which requires that the annual performance and financial audits are conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States for financial and performance audits.

### **Executive Summary**

We conducted this Construction Bond Program performance audit in accordance with the GAGAS issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides reasonable basis for our findings and conclusions based on our audit objectives. The performance audit objectives, scope, methodology, conclusions and a summary of the views of responsible District Officials is included in the report body.

The performance audit procedures applied provided reasonable assurance, in accordance with GAGAS, that for the Fiscal Year ended June 30, 2015, Bond proceeds were evaluated for expenditures solely on the Listed Projects with 2006 Proposition O which authorized the sale of the bonds. An addendum to the November 10, 2015, agreement for bond performance audit services was executed on February 10, 2016, for performance audit procedures, other than Proposition 39 compliance testing, to be expanded to cover the period from July 1, 2014, through December 31, 2015.

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Proposition 39 expenditure testing and payment procedures will be audited through June 30, 2015. All other provisions of our original Agreement of November 10, 2015, with Sweetwater Union High School District remained unchanged. Fieldwork was completed on March 17, 2016.

For District labor charges totalling \$1,366,440, we take exception to the ability of the District to demonstrate these charges were accurately identified as Proposition O projects as indicated below.

The District provided the Board of Trustees approved an agreement with K-12 Public Schools and Community Colleges Facility Authority (Authority) in October 2015. The Authority was the Project Manager on the Montgomery High School project for Proposition O and was compensated for these services. The agreement specified the Authority was to deliver “professional advice and assistance with facility planning and project procurement.” Services were to be “on call and as needed at the direct and specific request of the Chief Facilities Executive or Director of Planning and Construction. Services may include: a) meeting attendance and participation, b) Board, Cabinet, or Facility Subcommittee Presentation(s) and c) Review and comment on reports, schedules and procurement documents.” We have been informed that the Authority has been engaged to help the District implement improved processes and controls.

The work was to commence three working days from the District’s signature and approval by the Board of Trustees with anticipated completion by January 15, 2016. The total contract value was to be \$7,500 and a summary report of findings and recommendations will be provided at end of the engagement. The agreement is dated December 7, 2015 and was approved by the Board of Trustees on February 22, 2016. However, work began in November 2015. The project will be charged to the General Fund. The agreement does not specify actions to improve construction program controls and/or implement prior performance audit recommendations. It is unclear how the Authority’s assessment will impact the improvement recommendations (most of which are related to effectiveness and efficiency of the Bond Program) agreed upon by the District from the Fiscal Year 2014 audit. The apparent incremental value of this effort in achieving implementation of improvement recommendations identified in the prior year and this year’s performance audit was not apparent in the information provided to us.

Additionally, as requested by the District, we evaluated the effectiveness and efficiency of internal controls to provide an analysis of the School Construction Program so that those charged with District governance and oversight can use the information to improve program performance and operations. We identified the following significant internal control deficiencies related to compliance with Bond Program requirements, effectiveness and efficiency of operations:

### Expenditure Management and Controls

- Certain District labor charges totalling \$1,366,440 were allocated between the Bond Program and other District activities without direct cost identification to the Bond Program.

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The basis for allocation was not identified. Timesheets or other means of directly identifying labor costs to the Bond Program were not evident (see Objective No. 3 in the report body).

### Program Management

- The District and Professional Services Staffing Plan (Staffing Plan) for the Bond Program was compared to the number of Bond Program projects to assess the approach to in-house and consultant staffing for Bond Program projects, planning and design as well as construction project needs. This Staffing Plan considers both internal staffing and contract staffing, and allocates the total personnel according to funding source, but does not specifically consider the project needs of the Bond Program (see Objective Nos. 6 and 7 in the report body).

### Budgetary Management and Reporting

- The District's revenues and expenditures cash flow analysis and reporting was compared against the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting on cash flow reporting practices. The District does not have revenue and expenditures cash flow analysis and forecast for Proposition 0 (see Objective No. 8 in the report body).

The District has engaged a financial advisor; we have been told by District personnel that the expertise of this advisor will be needed for the District to implement this recommendation.

- The design and construction budget management practices were compared to GFOA standards to measure the effectiveness of controls surrounding Bond funded projects. The District only reports the revised budget on the reporting schedule; this is not consistent with recommended practices and prevents end users from analyzing key construction reporting metrics such as financial performance relative to adopted budget, budget-to-actual, budget-to-projected expenditures and revenues, and schedule of value line item variances (see Objective No. 9 in the report body).

### Procurement Controls and Contract Administration

- District procurement practices were evaluated against District policies and procedures, California State School Requirements and Public Contracting Code. The following observations resulted from our assessment (see Objectives No. 10 and 14 in the report body):
  - The District's Standardized Items List was reviewed and compared to specifications provided within procurement documentation and inspection reports. The Standardized Items List included general product and system requirements (e.g., library equipment, residential appliances, plumbing, etc.) Procurement documentation included specifications according to building codes not identified within the Standardized Items

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List or within inspection reports. The District was unable to produce standard specifications identifying specific materials, equipment and other item requirements for facilities installation (material types, standard equipment, manufacturer specification numbers, etc.) (see Objective No. 15 in the report body).

### Change Management and Controls

- The change order procedures were evaluated against District Policies and Procedures, California State School Requirements, Public Contracting Code and the State Allocation Board's Best Practices regarding compliance with change order procedures. Construction change order information is not adequately reported to required end users. Per District Policy, the Board of Trustees (BOT) and the Citizens' Bond Oversight Committee (CBOC) should be provided with the information necessary to oversee the use of Proposition O funds; however, the reported change order information does not identify change order causes (see Objective No. 11 in the report body).
- The District policies, procedures and practices were evaluated to anticipate, identify, document and address potential claims. The District has a Claims Management and Dispute Resolution procedure that addresses how to identify, document and report claims. However, there is not a formal written policy and procedure addressing how to avoid future claims (see Objective No. 12 in the report body).

### Bond Program Communication

- The GFOA's best practices regarding communication of capital improvement strategies were compared to District practices. Per the District's communication policy, the BOT should receive sufficient reporting on a monthly basis to provide oversight covering the use of Proposition O funds. Communication weaknesses were identified when comparing District policies with actual practices (see Objective No. 17 in the report body).

### Special Focused Analysis

- Improvement recommendation progress documentation was obtained through December 31, 2015 (see Objective 20a in the report body).
- The District does not have a process in place for conducting cost benefit analyses and value engineering on its projects (see Objective 20b in the report body).
- The District does not maintain an Owner asset list for all assets incorporated into school site construction and is therefore unable to provide specific information regarding warrantied items (see Objective 20d in the report body).

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### **We also identified several good practices as follows:**

#### Facilities Programming and Master Plan Approach

- The District revised and updated the Long Range Facilities Master Plan (LRFMP) through a process that would include multiple phases with community and stakeholders involvement.
- The District created a prioritization list and review process surrounding Form 3500 submissions that will be reviewed by the Board on an annual basis.
- The District has utilized other revenue sources to maximize Proposition O projects coverage.
- The District had an internal policy and procedure manual for its construction activities.

#### Communication and Fulfilment of Site Expectations

- The Director of Planning and Construction (DPC) and the Finance and Accounting team met on a monthly basis to address Bond Program cost.
- Approved CBOC meeting minutes were posted on the CBOC website.
- The CBOC conducted site visits to school construction projects during the year.
- The Proposition O Bond Program website was updated periodically by DPC to include key project information including budget information, variance analyses and project photos as well as CBOC agendas and meeting minutes.
- DPC's project management team interfaced and communicated with personnel from Proposition O job sites.

#### Change Management and Control

- Change orders were documented in contract files. Project cost accounting included the original contract amount, change order amount and approval documentation.
- A change order approval process had been developed. The Program Management Plan (PMP) required that changes be reviewed against criteria prior to approval.

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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This report is intended solely for the use of District Administration, the Citizens' Bond Oversight Committee and the District's Board of Trustees. Moss Adams LLP does not accept any responsibility to any other party to whom this report may be shown or into whose hands it may come.

We would like to express our appreciation to you and all members of your staff for your cooperation throughout this performance audit. Please contact Curtis Matthews at (503) 704-6943 if you have any questions regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Moss Adams LLP

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## **BACKGROUND INFORMATION**

### **Sweetwater Union High School District Approved Bond Funds**

In 2006, San Diego County voters approved Bond Proposition O for \$644 million to provide improvements to the Sweetwater Union High School District's (SUHSD or the District) facilities. The Proposition O School Construction Bond funds were to be used for school repairs, rehabilitation, technology upgrades, health and safety needs, and asbestos and lead paint removal at the District's local schools. The Proposition Construction Bond Program (Bond Program) is in its ninth year of implementation.

Fiscal year ended June 30, 2015, Bond Program accounting records showed Proposition O Bond Program expenditures of \$16,459,029 in the current year.

### **California State Requirements**

A Construction Bond Program performance audit is required for SUHSD 2006 Proposition O Construction Bonds as required by California Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act" (Proposition 39), the California Constitution (State Constitution) Article XIII A and California Education Code (Education Code) Section 15272. These California State (State) requirements specify that the proceeds from the sale of school facilities bonds are expended only on the specific projects listed in the proposition authorizing the sale of bonds (Listed Projects). Both the State Constitution and Education Code require an annual independent performance audit to verify Bond proceeds are used on Listed Projects. An annual financial audit is also required by these rules. Finally, Senate Bill 1473, "School facilities Bond proceeds: performance audits" (SB 1473), approved by the Governor on September 23, 2010, amended California Education Code to add Section 15286, which requires that the annual performance and financial audits are conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States for financial and performance audits.

Proposition 39 was passed by California voters on November 7, 2000. Proposition 39 amended provisions to the California Constitution and to the California Education Code. The purpose and intent of the initiative was "to implement class size reduction, to ensure that our children learn in a secure and safe environment, and to ensure that school districts are accountable for prudent and responsible spending for school facilities." It provided for the following amendments to the California Constitution and California Education Code:

- a) "To provide an exception to the limitation on ad valorem property taxes and the two-third vote requirements to allow school districts, community college districts, and county offices of education to equip our schools for the 21st Century, to provide our children with smaller classes, and to ensure our children's safety by repairing, building, furnishing and equipping school facilities;

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- b) “To require school district boards, community college boards, and county offices of education to evaluate safety, class size reduction and information technology needs in developing a list of specific projects to present to the voters;
- c) “To ensure that before they vote, voters will be given a list of specific projects their bond money will be used for;
- d) “To require an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects; and
- e) “To ensure that the proceeds from the sale of school facilities bonds are used for specified school facilities projects only, and not for teacher and administrator salaries and other school operating expenses, by requiring an annual independent performance audit to ensure that the funds have been expended on specific projects only.”

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**OBJECTIVES, SCOPE AND METHODOLOGY**

The objectives of this performance audit included verification of SUHSD compliance with Proposition 39, which required that Bond proceeds only be used for school facilities projects that were listed with the Bond. The District created the 2006 Proposition O Bond funds under Proposition 39 and as such have been required to expend these fund proceeds only on specific projects that were authorized with the sale of these bonds (Listed Projects), and not for school operating expenses for the District Fiscal Year ended June 30, 2015 (Fiscal Year 2015). The Proposition O Bond Program expended \$16,459,029 in Fiscal Year 2015.

We conducted this Construction Bond Program performance audit in accordance with GAGAS. As required by GAGAS, we planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives. Because GAGAS performance audit procedures require reasonable assurance, and these audit procedures did not require detailed examination of all transactions and activities, there is a risk that compliance errors, fraud or illegal acts may exist and not be detected by us.

An addendum to the November 10, 2015, agreement for bond performance audit services was executed on February 10, 2016, for performance audit procedures, other than Proposition 39 compliance testing, to be expanded to cover the period from July 1, 2014, through December 31, 2015. Proposition 39 expenditure testing and payment procedures will be audited through June 30, 2015. All other provisions of our original Agreement of November 10, 2015, with Sweetwater Union High School District remained unchanged.

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This performance audit did not constitute an audit of financial statements in accordance with Government Auditing Standards. Moss Adams was not engaged to, and did not render an opinion on the District's internal controls over financial reporting or over financial management systems.

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We also assessed Bond Program risks, controls design, controls operation and tested expenditures for compliance. The performance audit objectives (as specified by the District and agreed upon for this performance audit) and methodology applied included the following:

1. Post-Financing Review

We evaluated whether the District complied with the Bond pricing requirements and approved District goals established prior to sale.

2. Composite Bond Measures Final Report

We analyzed the District's compliance with Proposition O Bond language and legal limitations regarding the issuance of bonds and monitoring the Bond proceeds after issuance regarding investments and arbitrage regulations for the period. This analysis included review for risky or problematic investments such as Capital Appreciation Bonds.

3. Compliance with Ballot Language (includes Special Focus Objective No. 20c)

We reviewed the Bond Program's financial records and expenditures to verify that funds were used for approved Bond Program purposes as set forth in the ballot language, Bond documents, Board-approved listed projects and Proposition 39 requirements. We began the review of the Bond Program's financial records and expenditures by obtaining the Comprehensive Annual Financial Report and comparing the balances to the District's detailed accounting records. We analyzed control processes, tested the Program expenditure cycle and sampled supporting documentation to validate internal controls. Testing procedures included the use of Audit Command Language (ACL) to select a statistical, monetary unit sample to provide a 90 percent level of confidence that expenditure transactions from the Bond Program were compliant with Program and legal requirements. We tested 60 expenditures totaling \$9,280,106. These transactions included payments to contractor and vendors, and journal entries of inter-fund transfers. Our testing procedures were performed to verify:

- Expenditures were for Listed Projects.
- Approval of payment applications and invoices.
- Expenditure compliance with approved contract, purchase order or other procurement documentation.
- Expenditures were recorded in a current, accurate and complete manner on the District's books and records.
- Expenditure allocability and allowability for allowance and contingency usage per sampled job contract language.

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We interviewed District and Bond Program personnel and analyzed key documentation to assess the design of controls over Bond expenditures, including review, authorization and oversight of the District's listed projects, contracts executed, accounting for Bond proceeds issued, and payments made and recorded for Fiscal Year 2015. The documents we analyzed to assess Bond Program risk and controls design included:

- Proposition 39 Bond language and Project Lists.
- The District's construction planning documentation.
- Board of Trustees meeting agendas and minutes.
- Applicable Construction Program contract documentation.
- Accounting for Bond Program proceeds and supporting documentation for expenditures taken from the District's books and records.
- Review of Project Expenditures (14/15) and Voter Approved Ballot Language

We also verified that Fiscal Year 2015 Bond Program compliance controls operation and expenditures compliance included procedures for analysis of Board budgetary approvals for Bond Program expenditures, and analysis and verification of accounting for Bond proceeds issuance, receipts and use on Board-approved listed projects.

In addition to statistically sampling the population of Program expenditures, we analyzed fifteen contracts on which to perform a more in-depth review of the project expenditures. Supporting documentation for District labor charged was analyzed for complete identification of staff activities incurred and accurate allocation of cost between the Bond Program and other District activities.

4. Compliance with State Laws and Regulations

We analyzed District compliance with State laws and regulations regarding school district facilities programs. We performed a risk assessment to identify laws and regulations that the District may be subject to. We then selected certain laws and regulations which are considered highest risk for further review to assess District compliance. This analysis did not constitute a legal opinion or a complete analysis for compliance with all applicable state laws and regulations.

5. Compliance with District Policies and Regulations

We assessed compliance with the pertinent District policies and regulations governing the District's facilities program. We validated District policies and regulations regarding the facilities program's processes and controls. We designed the audit to provide

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reasonable assurance that Bond expenditure controls and practices were consistent with District policies and Proposition 39 objectives to ensure that funds were spent on projects for which the ballot initiative indicated that funds would be used. Based on our experience in performing Proposition 39 audits, we affirm that we have the capacity and knowledge to address the key areas of the District's facility Bond Program including design, engineering, contracting, inspecting and overall financial review.

6. District and Professional Services Staffing Plan for the Bond Program

We reviewed the District's policies and approach to in-house and consultant staffing for managing the Bond Program and the effectiveness of the staffing related to the number of Bond Program projects. We analyzed the organizational structure alignment between the program management team and the contractors, validating and evaluating processes for project reporting, communication, problem resolution, decision support, change order authorizations, scope of control and segregation of duties. This assessment included an analysis of the District's Capital Program Reorganization Plan and its comparison of staffing to the number and magnitude of Bond Program projects. Methods to determine and approve Program staffing were analyzed for completeness. We assessed District use of work requirements for scheduled projects to determine Bond Program staffing needed to achieve Bond Program objectives. We also utilized our experience with other school construction programs to compare District staffing levels to workload requirements.

7. Program Management Effectiveness

We assessed the design and performance effectiveness of program management processes and controls surrounding planning, design and construction of projects as compared to Government Finance Officers Association (GFOA) standards. Specific emphasis was placed on the implementation of policies, procedures and practices needed to ensure key deliverables and approvals occur as projects progress. We performed an evaluation of the current management program and plan design and control processes quality controls for specific projects from the start of the design phase to project close-out. Our assessment included, but was not limited to, review of the following:

- The current facilities master plan.
- The Bond Program Management and Implementation Plan.
- Design and construction budgets and schedules.
- The District's organizational structure and staffing plan.
- Communication channels between District Management, the Citizens' Bond Oversight Committee (CBOC) and the Board of Trustees.

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- The District’s Design and Construction Standards List and incorporation within procurement documentation and inspection reports.

8. Design and Construction Schedules Cash Flow Analysis

We reviewed the methods utilized by the District and their consultants to track the schedule of available revenues and expenditures for all projects and to plan each building project in accordance with the availability of funds. To accomplish this, we walked through existing tracking methods as well as Bond fund expenditure schedules and sampled supporting documentation for expenditures and cost controls performance.

9. Design and Construction Costs and Budgets

We reviewed the District processes for the establishment of and adherence to Bond Program design and construction budgets. We compared design and construction budget management practices to GFOA standards to measure the effectiveness of controls surrounding Bond-funded projects. Bond Program budgets were compared to forecasted costs for planned projects. The accuracy of forecasts was validated by comparison to contractual commitments and estimated project costs. The basis for project budgets was validated for the use of reliable cost support in establishing budget estimates. We assessed whether financial and budgetary management reporting was current, accurate and complete.

We also reviewed the reconciliation of actual projects for which Bond funds were expended to projects approved by the Board of Trustees (BOT), analyzed the reconciliation of projects approved by the BOT to projects on the approved facilities master plan, reviewed the reconciliation of the facilities master plan on the approved project lists for Proposition 39 and Proposition O, and followed up on any unreconciled items and reported any expenditures or items in the facilities master plan that did not reconcile to approved Bond Funds and Proposition O Listed Projects. We also assessed the use of site surveys for modernization to extend facilities life and to meet current educational standards across the District in comparison to the master plan.

10. Bidding and Procurement Procedures

We verified that District bidding and awarding of Bond-funded construction projects complies with the requirements of the California school construction state requirements, Public Contracting Code, and State and other relevant laws and regulations. Procurement controls were evaluated for application of competitive, compliant and fair contracting practices that prevent excessive expenditures in procuring contractors and technology related vendor services. We conducted interviews and reviewed relevant policies, example bids and contractor selection files. We selected a sample of contracts and determined and assessed the implementation of controls needed to achieve competitive contracting practices that are consistent with school construction program requirements and best practices.

11. Change Order Procedures

Change order documentation was reviewed for compliance with the District’s policies and procedures, Public Contracting Code, California school construction state requirements, the State Allocation Board’s Best Practices and other regulations. Controls and activities to manage change orders were evaluated. Contracts were reviewed to gain an understanding of allowable charges and reimbursable costs related to change orders. Policies and procedures covering the review and approval of contractor change orders were analyzed to identify potential exposures. Specific consideration was given to change order cause, responsibility and pricing. We reviewed policies and procedures to verify whether documentation exists prior to approval of change orders and to verify that required approvals were applied. Selected change orders were tested for duplicated work scope and compliance with Proposition 39 requirements.

12. Claim Avoidance Procedures

We evaluated and reviewed the procedures used to limit the number of claims filed against the District related to construction projects for the period. The District’s policies, procedures and practices were evaluated to anticipate, identify, document and address potential claims. Controls implemented to anticipate and take action to timely address claim exposures were identified and assessed. Specific consideration was given to contractor inquiries and capture of documentation surrounding scope change causes, schedule changes and cost impact analysis. We evaluated steps taken to communicate potential claims and mitigate claims risk.

13. Expenditure and Payment Procedures

We verified District compliance with its policies and procedures related to Proposition 39 expenditures and payments for the period. We documented the use of Bond Program funds and segregation of these funds for Bond Program purposes, traced Bond funds received by the District and reconciled amounts received with amounts expended, and verified that these funds have been expended for Bond Program purposes. Payment approval and cost accounting controls design and operation were verified, including receipt of lien releases, segregation of duties, and controls to verify receipt of goods and services. Review for payment compliance with contract terms was conducted. We performed a search for duplicated payments and missed discounts.

We gathered and tested data to determine compliance and measure the effectiveness of payment controls. Selected contracts were reviewed to gain an understanding of payment processes, cycle time, allowable charges and reimbursable costs. Processes to review and approve contractor charges were analyzed to prevent excessive charges and overpayments, and payment applications were reviewed to assess the adequacy of supporting documentation. We also reviewed the field methods used to validate progress and percent complete.



14. Best Practices in Procurement

We verified that District bidding and awards of Bond-funded construction projects complied with the requirements of the California state school construction requirements, Public Contracting Code and other relevant laws, regulations and good practices applied by other successful bond programs (based on our experience). Contract scope requirements, choice of contracting methods, supplier survey and selection criteria as well as documented selection methods applied were analyzed. Procurement controls were evaluated for application of competitive and compliant contracting practices that prevent excessive expenditures in procuring contractors and technology-related vendor services. Specific consideration was given to competitive bidding, arm's length transactions, and substantiation for construction agreement cost analysis and pricing. We conducted interviews, reviewed relevant District procurement policies, and sampled bids and contractor selection files.

15. Delivered Quality Analysis

We evaluated the District's processes related to setting standards for products and systems to be included in the facilities projects, assurance that the standards are incorporated into the design and documentation, and to ensure that the designed systems were included in the final construction of the project. Additionally, we gathered and tested data in order to determine compliance and measure the effectiveness of quality controls applied. Methods to verify contractor and subcontractor history and quality verification were performed.

16. Monitoring Local Participation Requirements and Other Related Board Policies

We determined compliance with specific Board Policies such as local business or Minority and Women Owned Business Participation. Reported results were validated for inclusion of current, accurate and complete information.

17. Effectiveness of Bond Communication Program

The GFOA's best practices regarding communication of capital improvement strategies were compared to District practices. We reviewed the various tools used by the District to communicate Bond Program plans to stakeholders, including communication with students, faculty and the surrounding community. We interviewed personnel to better understand the specific types of information flow that occur on campuses and in the surrounding communities. This analysis included an assessment of whether an ongoing level of communication is maintained regarding the projects and program. Bond Program performance transparency, consideration of stakeholder needs in project plans, predictability of program schedules and public safety interface considerations as well as information needed to understand construction impacts on local communities, students, parents and other stakeholders was assessed. SUHSD public outreach practices were benchmarked against other successful bond programs.

18. Review of Bond Oversight Committee Meeting Minutes

We validated that the Citizens’ Bond Oversight Committee (CBOC) met as scheduled, that meeting minutes were appropriately taken and that a quorum of members was present to approve the meeting minutes. Analysis was performed to assess evidence of documented CBOC compliance.

19. Citizens’ Bond Oversight Committee Compliance

We assessed the overall compliance of the CBOC with the law, the District’s Board Policies and the Committee’s bylaws. Specific focus and attention was given to Oversight Committee performance, compliance with their Charter and overall effectiveness of their activities. Evidence of CBOC compliance with its Proposition 39 requirements was assessed. Procedures to ensure independence of Committee Members were given specific consideration.

20a. Special Focus – Post Audit Review of the Prior Year Audit

Improvement recommendation progress documentation was obtained through December 31, 2015. Documentation was compared against the prior year recommendations to validate the status of the recommendations. See Appendix A for further information.

20b. Special Focus – Review of Effectiveness of Cost Benefit and Value Engineering Analysis

We evaluated the processes utilized by the District for determining the need for and execution of cost benefit analyses and value engineering studies on bond funded projects. The District’s practices were compared to best practices as defined by SAVE International®, a premier international society focusing on value engineering, and our experience. See Appendix B for further information.

20d. Special Focus – Evaluation of the District’s Process and Procedures for Maintenance of District Assets Funded with Proposition O Including Compliance with Warranty Conditions

We analyzed the process and procedures for maintenance of District assets funded within Proposition O. Specific focus and attention was given to compliance with warranty conditions within the last five years.

**Interviews**

We interviewed key personnel responsible for administering the Bond Program, including senior management and staff from the District and Bond Program Management Team responsible for overseeing the work associated with the Bond Program. We also interviewed members of the Citizens’ Bond Oversight Committee. The individuals interviewed are listed in Appendix C of this report.

## **AUDIT RESULTS**

### **Objective No. 1 – Post-Financing Review**

Observation: Bond pricing goals established prior to the sale were compared to District practices. We reported no exceptions in our review of this area in the prior year. No further bond issuances occurred in the current year.

### **Objective No. 2 – Composite Bond Measures Final Report**

Observation: Proposition O ballot language and legal limitations regarding the issuance of the Bond were analyzed, including the terms of voter-approved measures regarding investments and arbitrage regulations. Funds within the County pool were invested at the discretion of the San Diego County Treasurer-Tax Collector Investment Officers, and the District is not part of that decision-making process. Per California Education Code Section 41001, the District is required to deposit all receipts and collections of monies (including Bond proceeds) with the County Treasurer. The County of San Diego Treasurer Investment Report through June 30, 2015, provided a report detailing the investment allocations. The investment categories include the following: Negotiable Certificate of Deposits (CDs) (27.86 percent), Commercial Paper (24.86 percent), Federal Home Loan Bank Notes (13.56 percent), Fannie Mae (10.00 percent), Federal Home Loan Mortgage Corp (6.69 percent), Money Market Funds (3.69 percent), U.S. Treasury Notes (6.05 percent) and Other (7.29 percent). We found no exceptions.

### **Objective No. 3 – Compliance with Ballot Language (includes Special Focus Objective No. 20c)**

Observation: Proposition O ballot language regarding Listed Projects, Proposition 39 language, and District Policies and Procedures were used to validate the allocability and allowability of expenditures. Allowance and contingency usage were evaluated against specific job contract language to assess expenditure allocability and allowability.

We observed evidence and conducted interviews to assess the effectiveness of the design of internal controls over the Bond Program expenditure process. We interviewed District and Bond Program personnel and analyzed key documentation to assess the design of controls over Bond expenditures, including review, authorization and oversight of the District's listed projects, contracts executed, accounting for Bond proceeds issued, and payments made and recorded for Fiscal Year 2015. The documents analyzed to assess Bond Program risk and controls design included:

- Proposition O Bond language and Project Lists.
- The District's Master Plan.
- Board of Trustees (BOT) meeting agendas and minutes.

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- Applicable Construction Program contract documentation.
- Accounting for Bond Program proceeds and expenditures taken from the District’s books and records.
- Policies, procedures, reports and correspondence.
- Review of Project Expenditures (14/15) and Voter Approved Ballot Language

We verified that Fiscal Year 2015 Bond Program compliance controls operation and expenditures compliance included the following procedures:

- Comparison of the Bond Program Master Plan to projects listed with the District’s Proposition O Construction Bond.
- Analysis of Board budgetary approvals for Master Plan expenditures.
- Verification of Bond Program Master Plan and Board approvals.
- Analysis and validation of accounting for Bond proceeds issuance, receipts and use on approved Bond Program Listed Projects.
- Walkthrough and testing of the Bond expenditure cycle and a sample of the supporting documentation to validate internal controls. We analyzed supporting documentation to support accurate accounting for District labor charged to the Bond Program and tested 60 expenditures totalling \$9,280,106. The District was unable to demonstrate compliance of \$1,366,440 for internal staff charged directly to the Bond Program. Records were not maintained to accurately demonstrate these charges were applicable to the Bond program.
- These transactions included payments to contractors and vendors, and journal entries. We conducted tests on sampled transactions to verify the following:
  - Expenditures were for Listed Projects.
  - Approval of payment applications and invoices.
  - Expenditure compliance with properly approved contract, purchase order or other procurement documentation.
  - Expenditures were recorded in a current, accurate and complete manner on the District’s books and records.

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- The District has taken steps to address the labor direct cost identification recommendation provided in the prior year’s report (Moss Adams 2014 Objective No. 4); however, processes, procedures and controls have not been implemented through June 30, 2015.** Certain District labor charges were allocated between the Bond Program and other District activities without direct cost identification to the Bond Program totalling \$1,366,440 where the District was unable to demonstrate compliance regarding time certification. The basis and support for the accuracy and completeness of the allocation was not identified. Timesheets or other means of directly identifying labor costs to the Bond Program were not evident. Below is a summary that identifies that various positions, as included in the Staffing Plan, are allocated but do not maintain timecards or other means to specifically identify their cost to Proposition O.

Title	Proposition O Allocation	Other Allocation	Total Allocation
Chief Facilities Executive and Assistant	30%	70%	100%
Director of Construction and Assistant	60%	40%	100%
Project Manager and Planning Specialist	75%	25%	100%
Budget Analyst and Accountant	50%	50%	100%
Purchasing Manager	15%	85%	100%
Purchasing Senior Buyer	60%	40%	100%
Contracts Manager	75%	25%	100%
Office Assistant	25%	75%	100%

For management staff to be charged to the Bond Program, the District created a sample timecard in January 2016 titled “Time Certification Report – Management” to identify labor costs charged to the Bond Program. The timecard included information such as management employee name, dates and time worked, cost objective description, and employee and manager dated signatures. For non-management staff, the District entered into an agreement with the California School Employees Association (CSEA) and its Chapter 471 – Office Technical Business Services (OTBS) in January 2016 to provide clarity around the time certification requirements specified in our FY 2014 audit report. Within the agreement, the Facilities and Construction, Finance, and Purchasing Departments’ non-management staff are authorized to utilize fifteen minutes per day to properly fill out timecards for Proposition O Projects. Timecards for both management and non-management staff are to be

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kept within the Planning and Construction Department and are to be reconciled on a quarterly basis by the Internal Audit Department. This control is still in the design phase and has not been performed by the District through June 30, 2015.

Improvement Recommendation: The District should implement processes and controls to support and validate the applicability and accuracy of labor charged to Proposition O. Specifically, a time tracking system should be implemented so that all costs incurred are identifiable and have a beneficial relationship to the Bond Program and cost objectives.

For Bond Program purchases, the performance audit procedures applied provided reasonable assurance in accordance with Generally Accepted Government Auditing Standards (GAGAS) for the fiscal year ended June 30, 2015, that Bond proceeds were expended only on the Listed Projects with Proposition O which authorized the sale of the bonds. For District labor charges, we take exception to the ability of the District to demonstrate these charges were accurately and completely identified to Proposition O projects totalling \$1,366,440.

**Objective No. 4 – Compliance with State Laws and Regulations**

Observation: We compared the District’s Program Management Plan to District, State and Bond requirements. Our analysis considered laws, policies and regulations to which the District is subject. Below is a summary of the section of this report that corresponds to exceptions for areas reviewed:

- a) Compliance with Ballot Language – see Objective No. 3
- b) Bidding and Procurement Procedures – see Objective No. 10
- c) Change Order Procedures – see Objective No. 11
- d) Best Practices in Procurement – see Objective No. 14
- e) Effectiveness of Bond Communication Program – see Objective No. 17

**Objective No. 5 – Compliance with District Policies and Regulations**

Observation: We compared District Policies and Regulations to Bond Program activities. Below is a summary of the District Policies and Regulations, as well as the section of this report that corresponds to the indicated procedure:

- a) Compliance with Ballot Language – see Objective No. 3
- b) Program Management Effectiveness – see Objective No. 7
- c) Bidding and Procurement Procedures – see Objective No. 10
- d) Change Order Procedures – see Objective No. 11

- e) Claim Avoidance Procedures – see Objective No. 12
- f) Expenditure and Payment Procedures – see Objective No. 13
- g) Best Practices in Procurement – see Objective No. 14
- h) Monitoring Local Participation Requirement and Other Related Board Policies – see Objective No. 16
- i) Citizens’ Bond Oversight Committee Compliance – see Objective No. 19

**Objective No. 6 – District and Professional Services Staffing Plan for the Bond Program**

Observation: The District and Professional Services Staffing Plan (Staffing Plan) was analyzed for its comparison of the number and magnitude of Bond Program projects to determine in-house and consultant staffing for Bond Program projects. **The District has not taken steps to address the staffing plan recommendation provided in the prior year’s report (Moss Adams 2014 Objective No. 7).** Through December 31, 2015, the Staffing Plan, or Project Status Report, considers both internal staffing and contract staffing, and allocates the total personnel according to funding source, but does not specifically consider the project needs of the Bond Program. The Staffing Plan does not currently base staffing requirements on the Bond Program project needs, but rather excludes key metrics such as the number of personnel, number of planned projects (segregated by modernization and new construction), and dollar value of planned projects, which could be analyzed to help determine if the Bond Program organizational structure is aligned with the Bond Program needs.

Improvement Recommendation: The Staffing Plan should be updated to correlate Bond Program projects to Bond Program staffing needs.

**Objective No. 7 – Program Management Effectiveness**

We assessed the design and performance effectiveness of program management processes and controls surrounding planning, design and construction of projects as compared to Government Finance Officers Association (GFOA) standards. Our assessment included, but was not limited to, review of the master plan, the implementation plan, design and construction budgets and schedules, the District’s organizational structure and staffing plan, control processes surrounding quality control, and communication between District Management, the Citizens’ Bond Oversight Committee (CBOC) and the Board of Trustees. Below is a summary of the section of this report that corresponds to exceptions for areas reviewed:

- a) District and Professional Services Staffing Plan – see Objective No. 6
- b) Design and Construction Schedules Cash Flow Analysis – see Objective No. 8
- c) Design and Construction Costs and Budgets – see Objective No. 9
- d) Change Order Procedures – see Objective No. 11
- e) Delivered Quality Analysis – see Objective No. 15
- f) Effectiveness of Bond Communication Program – see Objective No. 17

**Objective No. 8 – Design and Construction Schedules Cash Flow Analysis**

Observation: The District’s revenues and expenditures cash flow analysis and reporting was compared against GFOA and the National Advisory Council on State and Local on Cash Flow reporting practices. **The District has not taken steps to address the design and construction schedules cash flow analysis recommendation provided in the prior year’s report (Moss Adams 2014 Objective No. 9).** Through December 31, 2015, the District does not have a revenue and expenditures cash flow analysis and forecast for Proposition O. The Capital Facilities Financing Plan (CFFP) is used by the District as a reporting tool; however, this report is not consistent with cash flow reporting recommended practices for state and local government entities as issued by the GFOA. The District does not have a report that confirms the availability and appropriateness of revenue and cash sources identified in the CFFP. Additionally, the CFFP report does not validate the adequacy of cash flow in relation to project requirements by timeframe for Proposition O on a standalone basis. The District has engaged a financial advisor; we have been told by District personnel that the expertise of this advisor will be needed for the District to implement this recommendation.

Improvement Recommendation: With the complexities the District faces regarding multiple funding sources combined, budgets and expenditures in excess of the Bond issuance, cash flow analysis and forecasts are essential to managing cash. The District cash flow reporting should include revenues, cash and expenditures by timeframe to determine that sufficient funding is available to meet financial requirements. The GFOA recommends that regular reports be created to serve as an early warning system for identifying



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future cash flow shortfalls. Forecasts should be updated on a regular basis, for example monthly. The frequency of such updates is determined by the volatility of revenues and expenditures. The District should create a cash flow analysis with forecast details to ensure that the District has the ability to meet future Proposition O project expenditure needs and to create transparency among report end users. The District stated they will prepare a cash flow for the next Proposition O's bond issuance; however, cash flows are good to ensure adequate cash flow funding.

**Objective No. 9 – Design and Construction Costs and Budgets**

**Observation:** The design and construction budget management practices were compared to GFOA standards to measure the effectiveness of controls surrounding Bond-funded projects. **The District has not taken steps to address the design and construction budget recommendation provided in the prior year's report (Moss Adams 2014 Objective No. 10).** Through December 31, 2015, the District only reported the revised budget on the reporting schedule; this is not consistent with recommended practices and prevents end users from analyzing key construction reporting metrics such as financial performance relative to adopted budget, budget-to-actual, budget-to-projected expenditures and revenues, and schedule of value line item variances. Additionally, the report lacked other means to clarify Bond Program progress and financial standing (e.g., narratives, graphs, charts, etc.)

Design and construction budget District Management practices can be improved to increase the effectiveness of controls surrounding Bond-funded projects as identified in the following observations:

- 1) Project budgets adjustments are developed by the Project Manager (PM), approved by the Director of Planning and Construction (DPC) and Chief Facilities Executive (CFE), and are included in the monthly Capital Facilities Financing Plan (CFFP) agenda item for approval by the Board of Trustees (BOT). The Project Financial Summary by project within the CFFP includes the Revised Budget but excludes details regarding budget adjustments, scope additions and revisions, and the overall impact to the original budget. Not including the projects financial performance relative to the original budget prevents report users from understanding where the project stands in relation to the original budget and the causes for the changes.
- 2) The reported savings and overages on the CFFP can be misleading. Portions of the total construction budget for many projects include an internal program management component; however, this is not broken out separately in any of the monthly reports for District Management, the BOT, the Citizens' Bond Oversight Committee (CBOC) and other end users. Without reporting these major components separately, end users do not have visibility as to whether savings or scope reductions in one section offset overages in the other, resulting in an on-budget job. These types of summary level variances and narratives are needed to clearly understand the job's progress and financial standing.

**Improvement Recommendation:** The GFOA recommends that local government agencies evaluate their financial performance relative to the adopted budget with budget-to-actual and budget-to-projected comparisons of revenues, expenditures, cash flow and fund

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balance. Deviations from the original budget by key construction component should be clearly documented and explained for easy end user reference. Financial overviews by project should include narratives, charts and graphics, and provide clear information about capital plans with key assumptions for revenues and expenditures highlighted.

**Objective No. 10 – Bidding and Procurement Procedures**

Observation: District bidding and procurement practices were compared to the California State School Requirements and the Public Contracting Code. We assessed the bidding and procurement practices for selection of contractors and technology infrastructure providers for 26 percent of active and close-out phases that utilized Bond fund money. We found no exceptions.

**Objective No. 11 – Change Order Procedures**

Observation: The change order procedures were evaluated against District Policies and Procedures, California State School Requirements, Public Contracting Code, and State Allocation Board’s Best Practices regarding compliance with change order procedures. **The District has not taken steps to address the change order procedure recommendations provided in the prior year’s report (Moss Adams 2014 Objective No. 12 and 21a).** Through December 31, 2015, construction change order information was not adequately reported to required end users. Per District Policy, the BOT and the CBOC should be provided with the information necessary to oversee the use of Proposition O funds; however, the reported change order information did not identify total change order impact for each project with responsibilities identified. The District provided a monthly report to the CBOC with the cumulative change order percentage for each active project; however, this information, along with total change order responsibility, was not included on the Project Financial Report by project. For example, neither the Financial Summary nor the Project Financial Report clearly identify whether total changes are directed by the District, or are related to scope changes, design errors, contractor errors or unforeseen conditions. Without this summary level information included on individual project reports, responsibility for change orders and associated costs will not be evident to key decision makers. Additionally, per Public Contract Code section 20118.4, the business decision, the analysis and the associated documentation for District initiated change order should be clearly documented. The business decision, the analysis and associated documentation was not evident for change order work submitted to the Board.

Improvement Recommendation: Total change order impact and assigned responsibility details are needed within monthly Project Financial Reports to ensure that change order information is sufficiently reported to District Management, the BOT and the CBOC. Absent this additional information, change order details are not adequately reported to end users. Additionally, while District initiated changes are not uncommon for publicly funded capital projects and the change order work is in compliance with District policies and state regulations, the purpose and cost justification for District initiated change orders and scope additions should be clearly documented. This documentation should include the cost analysis between a change order and a new contract or competitive bidding

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documentation provided by the general contractor. Management’s rationale for change order approval should be well documented. Absent this information and documentation, the District may pay excessive cost for District-initiated change order work.

**Objective No. 12 – Claim Avoidance Procedures**

Observation: We evaluated and reviewed the procedures used to limit the number of claims filed against the District related to construction projects for the period. **The District has not taken steps to address the claim avoidance procedure recommendations provided in the prior year’s report (Moss Adams 2014 Objective No. 13).** Through December 31, 2015, the District had Claims Management procedures to address claims after they had been filed. However, there was no formal written policy to identify action to be taken to prevent or limit claim exposures. Construction-related claims have many causes and often arise as a result of unresolved change orders, differing site conditions or as a result of disruptions, delays, acceleration and other time-related issues that require timely monitoring, planning and effective actions needed to avoid claims.

Improvement Recommendation: Written policies and procedures for claims avoidance should be prepared and utilized. As there may be many root causes for claims, the claims avoidance policy should include a detailed process that the District follows to identify the areas of exposure that may lead to claim and steps to be taken to prevent claims such as document control requirements, identification of appropriate communication channels and proactive cost, schedule and quality control procedures to avoid claims where possible.

**Objective No. 13 – Expenditure and Payment Procedures**

Observation: Proposition 39 and Proposition O expenditure and payment practices were evaluated against District policies and procedures. We found no exceptions.

**Objective No. 14 – Best Practices in Procurement**

- 1) Observation: District procurement practices were evaluated against District policies and procedures, California State School Requirements and Public Contracting Code. The District has taken steps to address the procurement recommendation in the prior year’s report (Moss Adams 2014 Objective No. 15). The District utilized the Public Contracting Code and other applicable state regulation standards within its procurement processes. No exceptions were noted.

**Objective No. 15 – Delivered Quality Analysis**

Observation: The District’s Standardized Items List and Educational Specifications were reviewed and compared to specifications provided within procurement documentation. **The District has not taken steps to address the delivered quality analysis recommendation provided in the prior year’s report (Moss Adams 2014 Objective No. 16).** Through December 31, 2015 the Standardized Items List and Educational Specifications included general product and system requirements (e.g., flooring, mechanical system, plumbing, etc.); however, the District does not utilize a detailed list of standardized materials and equipment to be incorporated District-wide. The District does have educational specifications to summarize minimum state and federal standards for its projects; however, this could not be directly compared to the building codes referenced within procurement documentation. The District was unable to produce standard specifications for specific materials, equipment and other item requirements for facilities installation including material types, standard equipment, manufacturer specification numbers, etc. Currently, in FY 2016, the District Architect is working on a Design Standards Book to provide a standardized manual complete with types of equipment, allowable manufacturers, specification and model numbers, etc., for use and distribution District-wide. Additionally, the approval process and documentation surrounding changes to the Sweetwater Modernization Standards Specification are not clearly documented. The District was unable to provide documentation for the specifications request and the timing of the approval through December 31, 2015.

Improvement Recommendation: The District should finalize the comprehensive manual which details material types, standard equipment and systems, manufacturer specification numbers, and minimum standards for new construction and modernization mandated by the District for projects undertaken. These minimum standards mandated by the District should consider facility safety, longevity and educational requirements. The District Architect is currently creating a Design Standards manual that will incorporate educational specifications and establish standards for products and systems to be utilized within the District. This manual should be provided to project architects and designers, and required products and systems specifications should be provided to all bidders during the procurement process. Additionally, a defined policy should be implemented for updates to the Sweetwater Modernization Standards Specifications document. This policy should ensure that documentation exists including the requestor and date of request, description of change, cost-benefit relationship for the change, approver and date of approval, and a time-stamped updated specifications document. The cost-benefit analysis for significant specification changes should be prepared internally at the District and approved by the District’s Management. Additionally, the Standard Specifications document should avoid including narrow scoped requirements to prevent non-competitive pricing or overbillings to the District. Absent this policy and documentation, when and why changes are made to the specifications document is unclear.

**Objective No. 16 – Monitoring Local Participation Requirements and Other Related Board Policies**

Observation: Board Procurement Policies were reviewed for District compliance to socioeconomic requirements. Per Board Policy AR 7140 (Architectural and Engineering Services), projects that receive state funding should include maximum participation by small business firms as defined by Government Code 14837. Small business firms include independently owned and operated businesses that are

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not dominant in their field, have a principal office located in California, and have fewer than 100 employees and annual gross receipts of \$10,000,000 or less over the previous three years. The District issued a Request for Qualifications in June 2013 for Professional Service Consultants, which received over 100 responses and was valid for a five-year period. In Fiscal Year 2015, the District entered into two architectural services contracts with small and local businesses totalling \$50,050. We found no exceptions with the District's effort to solicit and utilize small businesses within construction project Architects, Engineers and Consultants, per their policy.

**Objective No. 17 – Effectiveness of Bond Communication Program**

The Government Finance Officers Association's best practices regarding communication of capital improvement strategies were compared to District practices.

Per the District's communication policy, the BOT should receive sufficient reporting on a monthly basis to provide oversight covering the use of Proposition O funds. The following communication weaknesses were identified when comparing District policies with actual practices through December 31, 2015:

Internal Communication:

- 1) **The District has taken steps to address the master plan recommendations provided in the prior year's report (Moss Adams 2014 Objective No. 18); however, this work is not complete, as needed actions and related controls have not been implemented.** The Master Plan did not clearly identify the scope priorities for the first issuance of Proposition O funds. The Plan did not establish prioritization objectives using criteria such as facility safety, longevity and educational requirements. A Master Plan, with Proposition O's scope priorities identified, is needed so that the BOT can properly review revisions and additions to scope and ensure that these revisions are in line with the scope priorities. The latest Master Plan was approved in 2006, and the need for a new one is critical to understanding the prioritization of projects and project scope as submitted by individual schools in relation to the original approved Master Plan. Absent an updated Board-approved Master Plan, project progress and scope priority timelines of Proposition O are unclear through December 31, 2015.

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The District entered into an agreement with Jacobs Project Management to render services for the completion of the Long Range Facility Master Plan (LRFMP) Project. The Project documented the conditions of the facilities and each site through “mapping” and assigned estimated cost. The District took the maps that documented the condition at each site and conducted further meetings with each school site to update and finalize priorities. In 2015, when the draft LRFMP was presented to the Board of Trustees, there was a request for additional rounds of community engagement to occur in order for the LRFMP to better reflect the status of facility conditions across the District. Staff reviewed every building at every school site with administration teams of each school. There were revisions and corrections made to the site condition maps based on feedback presented to the District through the various forums available.

The District utilized the cost data gathered from the Jacobs report as a benchmark and they supplemented those cost with input from the community and stakeholders. The District is editing the body of the Jacobs report with updated information from the community and stakeholders’ meetings and will issue a final report once the process is completed and approved by the Board. The District is revising and updating the LRFMP through a process that would include multiple phases, as indicated below.

**LRFMP Update Process**

The approach that is being implemented consists of the following phases:

Phase 1: Meeting by Trustee Areas occurred October 2015 through November 2015.

Phase 2: School-site specific meetings occurred October 2015 through December 2015.

Phase 3: Verification check with Administrators occurred December 2015.

Phase 4: Update LRFMP and presented to CBOC (maps of facility needs) in December 2015.

Phase 5: Prepare First Reading for Board of Trustees.

Phase 6: Prepare Second Reading and Action by Board of Trustees.

Phases 1-4 have been completed through December 31, 2015.

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On January 25, 2016, the first reading on the draft Long Range Facilities Master Plan (LRFMP) occurred. The meeting consisted of a summary of the work that district staff has conducted since the fall and winter of 2015. The summary included enclosures that reflect the following work:

- Facility Condition Maps for each school site.
- Prioritization of needs by school as identified by rubric developed jointly by staff from the planning and construction and maintenance departments.

The staff reviewed the current status of this work as well as proposed next steps and guidance from the Board of Trustees in anticipation of the second reading and toward adoption. This master plan is still in the design phase and has not been completed by the District through December 31, 2015.

- 2) **The District has not taken steps to address the standalone financial reporting of the Bond Program recommendation provided in the prior year's report (Moss Adams 2014 Objective No. 18).** Through December 31, 2015, the Project Financial Summary report provided to the BOT and the CBOC does not reflect the financial standing of Proposition O. A standalone Proposition O report is needed so that the BOT and the CBOC can understand Bond Program expenditures and funding status. Current reporting combines multiple funding sources (Proposition BB, state funding, etc.) without segregating Proposition O revenues and expenditures. This method of reporting distorts the financial standing of Proposition O and could potentially lead to materially incorrect conclusions regarding the program's progress.
- 3) **The District has taken steps to address the Form 3500 recommendations provided in the prior year's report (Moss Adams 2014 Objective No. 18); however, processes, procedures and controls have not been implemented through December 31, 2015.** Certain Form 3500 requests result in change orders for Proposition O objectives; however, the prioritization of requests and documentation of why certain requests are approved and others are pending is not clear. This lack of documented prioritization was evident through our job site visits with school administrators and the monthly reports to the BOT. School administrators were not clear on the timeline of Proposition O related Form 3500 requests and the expected timing of Board approval and construction commencement. Additionally, this information needs to be clearly documented and reported so that the BOT can understand and conclude on change orders and their relation to scope priorities.

On October 13, 2015, a Form 3500 Facilities Improvement Requests 2015-2016 memo was issued to all Site and Department Administrators by the District. Per the District, the new process will be performed annually starting with fiscal year ending June 30, 2016. The Form 3500 Facility Improvement Request will be reviewed and approved by the Assistant Superintendent of Business Services in addition to the Planning and Construction Department, Maintenance Department, Information Technology and Nutrition Services as needed, depending on the request. The review process will create a project priority list,

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which will be provided to the Board Facilities Subcommittee prior to submitting to the Board of Trustees for review and approval. This control is still in the design phase and has not been performed by the District through December 31, 2015.

**Improvement Recommendations:**

- 1) An updated and BOT-approved Master Plan should include the prioritization of projects, project budget amounts, project scope objectives and timelines, and project change orders. Specific consideration should be given to facility safety, longevity and educational requirement priorities. The Master Plan should be reconciled to the available Bond funds and updated on an ongoing basis. This information is necessary in order to provide the BOT adequate information to sufficiently oversee and conclude on the Bond Program's progress on behalf of the taxpayers. Once this information is approved and available, monthly reports should include construction status updates compared against the Master Plan to provide transparency on the Bond Program's total progress in relation to the voter-approved objectives.
- 2) Per BOT requirements and Education Code 15278, the CBOC should be provided any necessary information concerning the status of the Bond Program that is needed for them to perform their oversight role. The current financial reporting makes understanding the financial standing of Proposition O against the originally issued \$180 million difficult to quantify. A supplemental schedule or a revision in reporting is necessary to prevent potential confusion among end users, and to ensure complete and accurate conclusions regarding Proposition O revenues, expenditures and remaining balances.
- 3) Form 3500 requests resulting in Proposition O related change orders should be clearly documented and reported to the BOT. The approved Form 3500 requests should be in line with the prioritization and project scope objectives from the Master Plan. This information is not only necessary for the BOT to conduct their required oversight; it will also provide visibility and transparency for administrators to effectively manage their schools and expectations of work to be completed.

**Objective No. 18 – Review of Bond Oversight Committee Meeting Minutes**

Observation: Citizens' Bond Oversight Committee meeting minutes were compared against Proposition 39 requirements to ensure meetings were held as scheduled, meeting minutes were appropriately taken and approved, and a quorum of members was present. We found no exceptions.

**Objective No. 19 – Citizens' Bond Oversight Committee Compliance**

Observation: The Citizens' Bond Oversight Committee's practices were compared to the CBOC bylaws/Charter and Board Policies for proper oversight of the Bond Program. We found no exceptions.



**Objective 20a: Special Focus – Post Audit Review of the Prior Year Audit**

Observation: Improvement recommendation progress documentation was obtained through December 31, 2015. Documentation was compared against the prior year recommendations to validate the status of the recommendations. Below is a summary of the prior year recommendations status:

**Improvement recommendations have been resolved in the following areas:**

- Effectiveness of Bond Communication Program – Unused Communication Platforms (see Prior Year Objective No. 18)
- Change Order Procedures – Policy and Procedures Exceptions (see Prior Year Objective No. 21a)

**Improvement recommendations are being implemented the following areas:**

- Objective No. 3 – Compliance with the Ballot Language – District Labor Charges (see Prior Year Objective No. 4)
- Objective No. 17 – Effectiveness of Bond Communication Program – Master Plan and Form 3500 Prioritization (see Prior Year Objective No. 18)
- Objective No. 14 – Practices in Procurement (see Prior Year Objective No. 15)

**No improvement was noted in the following areas:**

- Objective No. 6 – Staffing Plan (see Prior Year Objective No. 7)
- Objective No. 8 – Design and Construction Schedules Cash Flow Analysis (see Prior Year Objective No. 9)
- Objective No. 9 – Design and Construction Costs and Budgets (see Prior Year Objective No. 10)
- Objective No. 11 – Change Order Procedures – Reporting and Analysis (see Prior Year Objective No. 12 and Prior Year Objective No. 21a)
- Objective No. 12 – Claim Avoidance Procedures (see Prior Year Objective No. 13)
- Objective No. 15 – Delivered Quality Analysis (see Prior Year Objective No. 16)
- Objective No. 17 – Effectiveness of Bond Communication Program – Bond Program Standalone Reporting (see Prior Year Objective No. 18)

**Specific areas of focus and attention have been incorporated in Appendix A of this report.**

**Objective 20b: Special Focus – Review of Effectiveness of Cost Benefit and Value Engineering Analysis**

Observation: The District does not have a process in place for conducting cost benefit analyses and value engineering on its projects. While the District does accept the lowest qualified bidder for each of its projects, a cost benefit analysis and/or value engineering study is not conducted to determine if the essential requirements (i.e., materials, assets, systems, etc.) of the project or equipment purchase could be obtained at a lower price or for a better value, specifically when weighing cost, time and function. Value should be determined by objective criteria and may include, but need not be limited to, price, features, functions, lifecycle costs and other criteria deemed appropriate by the District. Currently, the District will only conduct cost saving measures when projects require re-bidding due to budgetary constraints.

Improvement Recommendations: The District should have defined processes for cost benefit analysis and value engineering for its projects, including when to utilize these tools, who is responsible for each activity and procedures for final approval. The District's current methodology is to utilize these tools on projects that are over the estimated budget; however, value engineering and cost benefit analyses can be utilized as a tool on any project. SAVE International specifies that the following six phases be conducted to analyze cost and value:

1. Information Phase: Review and define the current conditions of the project and identify the goal of the value engineering study and cost benefit analysis.
2. Function Analysis Phase: Review and analyze the project to determine what needs improvement, elimination or creation to meet the project's goals.
3. Creative Phase: Generate ideas on all the possible ways to accomplish the requirements, with an emphasis on cost and functional needs.
4. Evaluation Phase: Develop and execute an evaluation to select those ideas that offer the potential for value improvement while delivering the project's function(s) and considering performance requirements and resource limits.
5. Development Phase: Develop the selected ideas into alternatives with sufficient documentation to allow decision makers to determine if the alternative should be implemented.
6. Presentation Phase: Present a presentation and/or report to key stakeholders that conveys the adequacy of the alternative(s) and the associated value improvement.

Specific areas of focus and attention that should be considered when conducting these types of analyses have been incorporated in Appendix B of this report.

**Objective 20d: Special Focus – Evaluation of the District’s Process and Procedures for Maintenance of District Assets Funded with Proposition O Including Compliance with Warranty Conditions**

Observation: The District does not maintain an Owner asset list for all assets incorporated into school site construction and is therefore unable to provide complete and accurate information regarding warrantied items. The District has limited controls surrounding the required maintenance of its assets and no formal system of logging this information for inventory purposes. Criteria have not been established to determine which assets have warranty conditions and which do not, impacting the District’s ability to consistently satisfy necessary warranty requirements. Currently, the District does not have a list of all warrantied items, including the conditions that are essential to the acceptance of the warranty. A detailed maintenance log is not in place to ensure that warranty conditions are followed for Bond Program projects. For example, for National City Middle School, the MORIN wall’s two year warranty specifically states that “the buyer should periodically clean the panels to remove debris, silt, and other contaminants and obstructions to flow runoff. This cleaning shall be performed and have written documentation at least as frequently as outlined in the maintenance instructions.” Evidence of this cleaning was not provided and is not documented in the asset listing. Without this level of detail documented and reviewed for accuracy, the District’s ability to satisfy necessary warranty conditions may be potentially impacted.

Improvement Recommendations: The District should ensure compliance with all warranty conditions to sustain a level of protection against breach of warranty and proper maintenance of District facilities in accordance with warranty conditions. An Owner asset log, which includes major assets, applicable warrantied items, dates of installation, required periodic maintenance and actual maintenance conducted, should be maintained for all school sites. Warranty information is required as part of the construction close-out process; therefore, it is ideal if the Owner asset log is created by the Planning and Construction Department and provided to the maintenance team for proper follow-up.

**REPORTING VIEWS OF RESPONSIBLE OFFICIALS**

We have instituted specific policies, procedures and other internal controls to ensure accurate and compliant approval, recording and reporting of Bond-related expenditures and to implement recommendations from the previous audit. We are committed to strong internal controls in order to deliver the required facilities and infrastructure to support the educational needs of our community, now and in the future, as defined in our current Master Plan. Management agrees that we will develop an action plan to address the recommendations identified in this report.

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**APPENDIX A – AUDIT RESOLUTION LOG (OBJECTIVE NO. 20A)**

We interviewed District and Bond Program personnel and reviewed relevant documentation to determine the status of improvement opportunities identified in previous audits. Through inquiry and review of documents, we confirmed that four of the original sixteen issues have been resolved, and solutions for three issues were being implemented.

No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 3	Moss Adams 2014	Compliance with Ballot Language (Objective 4 in prior year report)	High	District Labor Charges	The District should implement processes and controls needed to provide supporting documentation that validate that the applicability and accuracy of labor charged to Proposition O. Specifically, a time tracking system should be implemented so that all costs incurred are identifiable and have a beneficial relationship to the Bond Program and cost objectives.	The District received a similar recommendation regarding the allocation of staffing for Mello-Roos Community Facilities District (CFD) projects. The District has revised the staffing allocation model for both Proposition O and CFD projects for 2015-2016.	Planning and Construction Department	Solutions being implemented	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objectives 6	Moss Adams 2014	Staffing Plan (Objective 7 in prior year report)	High	There is no staffing plan that assesses staffing requirements on Bond Program project needs.	The Staffing Plan should be updated to correlate Bond Program projects to Bond Program staffing needs.	The District received a similar recommendation regarding the allocation of staffing for Mello-Roos Community Facilities District (CFD) projects. The District has revised the staffing allocation model for both Proposition O and CFD projects for 2015-2016.	Planning and Construction Department	Open	
Objective 8	Moss Adams 2014	Design and Construction Schedules Cash Flow Analysis (Objective 9 in prior year report)	High	The District does not have a revenue and expenditures cash flow analysis and forecast for Proposition O.	The District should create a cash flow analysis with forecast details to ensure that the District has the ability to meet future Proposition O project expenditure needs and to create transparency among report end users.	Staff does not concur with the recommendation and does create cash flow projections when necessary. When proceeds from the first bond sale were received in 2008, cash flow projections were prepared frequently for use by staff and the Chief Financial Officer.	Planning and Construction Department	Open	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 9	Moss Adams 2014	Design and Construction Costs and Budgets (Objective 10 in prior year report)	High	Design and construction budget reporting is not consistent with best practices.	The District should evaluate its financial performance relative to the adopted budget with budget-to-actual and budget-to-projected comparisons of revenues, expenditures, cash flow and fund balance. Deviations from the original budget by key construction components should be clearly documented and explained for easy end user reference. Financial overviews by project should include narratives, charts and graphics, and provide clear information about capital plans, with key assumptions for revenues and expenditures highlighted.	Monthly, the CBOC receives narratives and financial data on each project. These reports will be modified as requested by the CBOC to conform to the recommendation. These reports are available to the public and Board of Trustees as well.	Planning and Construction Department	Open	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 11	Moss Adams 2014	Change Order Procedures (Objective 12 in prior year report)	High	Project Financial Report by project excludes total change order impact with responsibility, by category, clearly identified.	Total change order impact and assigned responsibility details are needed within the monthly Project Financial Report to ensure that change order information is sufficiently reported to District Management, the BOT and the CBOC. Absent this additional information, change order details are not adequately reported to end users.	The monthly Project Financial Report referenced in the recommendation is provided to the CBOC at each meeting. Each month the Board of Trustees agenda change order item, which includes total change order impact and assigned responsibility, is provided to the CBOC. The total change order percentage for each contractor is included in the Project Financial Report each month. Staff will improve change order reporting and expand the detail provided.	Planning and Construction Department	Open	
Objective 12	Moss Adams 2014	Claim Avoidance Procedures (Objective 13 in prior year)	High	There is no formal written policy and procedure addressing how to avoid future claims.	Written policies and procedures for claims avoidance should be added to the Claims Management section of the District policy to cover all areas necessary for construction claims policy and procedures.	Staff will implement the recommendation.	Planning and Construction Department	Open	



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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 14	Moss Adams 2014	Practices in Procurement (Objective 15 in prior year report)	High	The PMP does not include detailed criteria for surveying, evaluating, ranking, and screening request for proposal and request for qualification respondents.	The PMP and related practices should be expanded in the areas of surveying, analyzing, and ranking respondents and application of specific proposal evaluation criteria when selecting contractors.	The recommendation to survey, analyze, and rank respondents with specific proposal evaluation criteria does not comply with the Public Contract Code for projects that are awarded to the lowest bidder. For alternative contracting methods such as lease leaseback, the District already analyzes and ranks respondents to RFPs and RFQs using evaluation criteria (page 36 of the Program Management Plan). This has been the practice for all Prop O lease-leaseback contracts with the exception of the contract with the K-12 Public School Districts and Community Colleges Facility Authority for Montgomery HS Project 2.	Planning and Construction Department	Closed – The District utilized the Public Contracting Code and other applicable state regulation standards within its procurement processes. No exceptions were noted.	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 15	Moss Adams 2014	Delivered Quality Analysis (Objective 16 in prior year report)	High	The District was unable to produce standard specifications for showing specific materials, equipment and other item requirements for facilities installation (material types, standard equipment, manufacturer specification numbers, etc.)	The District should create a comprehensive manual which provides details (material types, standard equipment, manufacturer specification numbers, types of material, etc.) of products and systems to be utilized within District facilities. This manual should be provided to project architects and designers, and required products and systems specifications should be provided to all bidders during the procurement process.	Staff concurs in part and is in the process of preparing the Design Directives Manual which will be provided to design professionals for all projects. It will include direction to use District standard specifications and products. Staff does not concur with the recommendation to distribute the Manual to all bidders during the procurement process because the Manual is not a construction document used for bidding.	Planning and Construction Department	Open	
Objective 17	Moss Adams 2014	Effectiveness of Bond Communication Program (Objective 18 in prior year report)	High	The Master Plan does not clearly identify the scope priorities for the first issuance of Proposition O funds.	An updated and BOT-approved Master Plan should include the prioritization of projects, project budget amounts, project scope objectives and timelines and project change orders.	Staff concurs with the recommendation and the Long Range Facilities Master Plan is in the process of being updated.	Planning and Construction Department	Solutions being implemented, but not completed.	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 17	Moss Adams 2014	Effectiveness of Bond Communication Program (Objective 18 in prior year report)	High	A standalone Proposition O report is needed so that the BOT and the CBOC can understand Bond Program expenditures and funding status.	A supplemental schedule or a revision in reporting is necessary to prevent potential confusion among end users, and to ensure complete and accurate conclusions regarding Proposition O revenues, expenditures and remaining balances.	Staff is willing to implement the recommendation to segregate Prop O funding from the Prop O Program in the Capital Facilities Financing Plan.	Planning and Construction Department	Open	
Objective 17	Moss Adams 2014	Effectiveness of Bond Communication Program (Objective 18 in prior year report)	High	Prioritization of Form 3500 requests, and documentation of why certain requests are approved and others are pending is not clear.	Form 3500 requests resulting in Proposition O related change orders should be clearly documented and reported to the BOT.	Staff concurs with the recommendation.	Planning and Construction Department	Solutions being implemented, but not completed.	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 17	Moss Adams 2014	Effectiveness of Bond Communication Program (Objective 18 in prior year report)	Medium	The District's website does not provide links to Facebook, YouTube and Twitter; however, a Google search of the Bond Program for the District generated links to the outdated social media websites.	Any unused platforms (i.e., YouTube, Facebook, etc.) should be removed to avoid the appearance of a breakdown in communication due to outdated information.	Staff concurs with the recommendation.	Planning and Construction Department	Closed	
Objective 21a in prior year report	Moss Adams 2014	Change Orders for National City Middle School	High	The District should comply with District change order policies.	The Director of Planning and Construction should not sign change orders over \$150,000. The BOT should approve the change order to comply with District policies.	Staff concurs with the recommendation.	Planning and Construction Department	Closed – No exceptions in current fiscal year	
Objective 21a in prior year report	Moss Adams 2014	Change Orders for National City Middle School	High	The District should comply with District change order policies.	Change orders exceeding \$200,000 should not be executed by the District prior to BOT approval to comply with District Policies.	Staff will implement this recommendation in conjunction with Objective 12.	Planning and Construction Department	Closed – No exceptions in current fiscal year	

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Planned Resolution Date
Objective 11	Moss Adams 2014	Change Orders for National City Middle School (Objective 21 a in prior year report)	High	Cost justification for District initiated change orders and scope additions should be clearly documented.	Change order documentation should include the cost analysis between a change order and a new contract or competitive bidding documentation provided by the General Contractor. Management's rationale for change order approval should be well documented. Absent this information and documentation, the District may pay excessive costs for District initiated change order work.	Staff will implement this recommendation in conjunction with Objective 11.	Planning and Construction Department	Open	
Objective 15	Moss Adams 2014	Change Orders for National City Middle School (Objective 21a in prior year report)	High	There is no policy for updates to the Standards Specification document.	A defined policy should be implemented for updates to the Sweetwater's Standards Specifications document.	Staff will provide additional documentation and analysis where needed and staff will continue to have the District's Educational Facilities Standards Committee review any proposed changes.	Planning and Construction Department	Open	

## **APPENDIX B – VALUE ENGINEERING (OBJECTIVE NO. 20B)**

**The following guidelines and recommendations can be utilized by the District to maximize value engineering (VE) studies and cost benefit analyses:**

### **VE Scoping**

- Identify whether or not a VE study should be conducted for each project (or a component) prior to finalization of the contract
- Prepare a revised scope of work template that is consistent with SAVE International® guidelines.
- Set a delivery date within a short period of time following the last day of the VE workshop (three days is suggested by SAVE International®).
- Include scope for VE team leader to attend the District’s decision meeting regarding acceptance or rejection of the VE team recommendations to ensure that decision makers have a full and complete understanding of the recommendations.
- Provide the details of the VE process to all construction contractors as part of the bidding process information.

### **VE Study Performance**

The District should conduct VE studies to determine the goals and needs of the District. This can be conducted in three phases: Pre-Workshop, Workshop and Post-Workshop.

#### ***Pre-Workshop***

- Define the District’s expectations for conducting a VE study workshop and provide it to all VE team leaders in advance of conducting each workshop.
- Ensure that sufficient time is available to the VE team leader and team members to accomplish all pre-workshop activities.
- Require pre-workshop preparation of matrix or graphical models of capital cost, operations and maintenance (O&M) cost, lifecycle cost, energy, space, time or other project characteristics as needed to provide the VE team with appropriate insights into the distribution of these critical elements through the project components.
- Distribute presentation outlines to the District project managers and the design project manager to provide guidance about the information they need to present during the information phase on the first day of the VE workshop.

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- Have the VE team cost estimator(s) conduct a validation of the project construction cost estimate in advance of the VE workshop to identify any areas of concern in the estimate.
- Ensure involvement by at least two VE team members (one planning and construction design/project management staff member who is not part of the design team for the project and one staff member from operations and maintenance) appropriate to the type of project for the duration of at least half of the workshop.

***Workshop***

- Provide the VE team with a list of clear and well-defined true constraints on the VE team to help them stay focused.
- Ensure that a function analysis of this specific project is conducted with the VE team during the workshop. It must be specific to this project rather than borrowing functions identified in previous VE studies.
- Ensure that the creative process is truly creative and is not limited to proven ideas.
- Attend a mid-workshop review of the “shortlist” of VE ideas along with representatives of operations and maintenance as well as the design team and identify any ideas with “fatal flaws” and any ideas not on the shortlist that should be added.
- Assure attendance at the VE team presentation by representatives of all of the internal stakeholder groups (i.e., Planning and Construction, Finance, etc.) within the District that are relevant to the VE study.
- Require that the Value Engineering team leader, assistant or another team leader review each recommendation for completeness and correctness before the end of the workshop.

***Post-Workshop***

- Require the design team to respond to each VE recommendation and design suggestion with the same level of detail as is contained in the VE recommendation. Require detailed documentation if the design team disagrees with the VE team estimated cost impacts of the recommendation. Require detailed justification for recommendations to reject any VE recommendation.
- Ensure that all key stakeholders respond to the VE recommendations and are represented at the post-workshop decision meeting, including the VE team leader.
- Ensure that the results of each VE study are entered in the various tracking systems that are part of the Bond program.

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VE Budgeting

- Incorporate a line item in the budget for the Value Engineering that includes funds for VE program associated expenses, training for VE program staff and design project manager, and consultant services for VE studies. Make the head of the VE program responsible for meeting that budget. Include a contingency allowance in the budget for VE studies that may be identified at a later date.
- Set a VE study budget for each project in the District's Master Plan.
- Check the VE budget for each project to confirm that it falls between 0.5 percent and 2 percent of the project construction cost.



**APPENDIX C – INTERVIEWS PERFORMED**

**The following key SUHSD personnel were interviewed:**

- Assistant Superintendent, Business Services
- Chief Financial Officer
- Director of Planning and Construction
- Director of Fiscal Services
- Budget Analyst
- Accountant
- Accounting Manager
- Purchasing Manager
- Contracts Manager
- Project Manager(s)