

TC (9) Work Step

Review and assess the internal controls involving the District bond program bidding process to ensure it is in compliance with administrative/educational policies and procedures. Perform a test of these internal controls to assess overall effectiveness.

Results of Testing

The results included here relate only to the informal and formal bidding process for construction contracts. The results of testing for vendor due diligence and vendor contracting are included in TC (7) and TC (8), respectively.⁴⁹ For the period tested (July 2015 to February 2016), bond program activity with respect to new projects was minimal. Therefore, the population of construction contracts subject to bidding requirements was small; consequently, only a small sample was tested.

The District is required to publicize a notification of informal (trade journal posting) and formal bidding (newspaper advertisements or trade journal postings) of construction contracts over \$45,000 and \$175,000, respectively. Evidence of proof of publication as part of the notification of bid was not located and therefore could not be provided for the two contracts tested. See TC9-1 recommendation for this area.

Testing of contracts requiring Board approval (construction contracts requiring formal bidding and professional services over \$50,000)⁵⁰ and ratification (construction contracts up to \$45,000 and professional services contracts up to \$50,000) indicates that the Board précis information agreed to the documentation obtained in the bidding and proposal process, and that the Board appropriately approved or ratified the contract award. For contracts requiring formal bidding, the recommendation to the Board and approval by the Board was for the lowest, responsive, responsible bidder. A notice of award checklist was completed, as required.

New Score

Low

⁴⁹ The District has adopted and follows the California Uniform Public Construction Cost Accounting Act (CUPCAA) which raises and simplifies informal quote thresholds and expedites bidding processes for construction contracts. Under CUPCAA, the District can negotiate construction contracts of \$45,000 and under and complete an informal bid process for construction contracts between \$45,000 and \$175,000.

⁵⁰ There were no proposals approved meeting the threshold for informal bidding requirements for the period tested.

Recommendation

TC9-1. Revise procedures to require that proof of publication for invitation(s) to bid is retained with the bidding documentation to ensure the complete bid package is kept intact.

Response by District

TC9-1. The District has transitioned from program-wide storage of all proof of publication affidavits to project-specific storage to provide easy access to files. The date of publication is published on the bid schedule.

VLS's Assessment of Response by District

VLS reviewed the District's response and agrees that the action taken is appropriate to address the recommendation made by VLS. According to the Director of Contracts, the project-specific storage was implemented following VLS's test of controls. Storage of proof of publication affidavits in a project-specific structure to minimize risk of missing/lost documentation is deemed reasonable; however, because this change was implemented after VLS's test of controls, VLS has not verified that this new process has been implemented.