

**Contractor Performance Evaluation Recommendations**

Condition	Criteria	Cause/Effect	Recommendation	Management Response and Planned Implementation Date
<p>1. Construction did not provide documentation related to three evaluations.</p>	<p>Constructions policy CST-403-2 states "The SE shall complete the TC 14-19 form, Contractor Performance Evaluation and mail a signed copy of the form to the contractor and the Central Office Division of Construction Procurement's Prequalification and Compliance Branch. The SE shall place a copy of the completed Contractor Performance Evaluation in the Project Wise contract folder."</p>	<p><b>Cause:</b> The evaluations were not in the paper files or in ProjectWise and neither Construction nor Construction Procurement staff could provide the auditors with a copy.</p> <p><b>Effect:</b> Evaluation results are used to determine a contractor's bid eligibility. Without these evaluations, contractors may receive an inaccurate score.</p>	<p>Construction management should ensure the evaluations are performed, on file, and available for review.</p>	<p><b>Management Response:</b> Division of Construction (DC) will send an email reminding staff of the policy. Also, a report will be developed for use by the Division of Construction Procurement (DCP). The report will include all projects that were formally accepted in previous 12 months for a selected contractor. DCP will check that all performance reports have been received. If they have not, DCP will notify the liaison in central office DC.</p> <p><b>Implementation Date:</b> Immediately.</p>
<p>2. We found several instances of duplicate evaluations on file with Construction Procurement.</p> <ul style="list-style-type: none"> <li>• In Districts 2-7, 9, 11, and 12, we noted evaluations with the same score and same comments but different contract information and signature dates. This type of duplication was found on 11 evaluations in District 12. This type of duplication was also found on two evaluations in District 6. On the evaluations from District 6, a score of all fours was received, but an average of five was shown.</li> <li>• One evaluation was completed and submitted as both the year-end and project completion evaluation. The evaluations included the same score, comments, and signature date.</li> <li>• Construction Procurement received one in February 2014 and the other in April 2014.</li> </ul>	<p>Construction Procurement's Policy CP-203 states that "The section engineer shall complete a TC 14-19 form, Contractor Performance Evaluation for the prime contractor and all subcontractors on projects administered by that office at the end of the year for active projects and upon completion of a project."</p>	<p><b>Cause:</b> District staff are not taking the time to create an evaluation for each project, nor are they evaluating each project on its own.</p> <p><b>Effect:</b> When contractors are not evaluated on each individual job, problems may go undetected. If duplicate evaluations are received, the prequalification score will be either too high or too low, which causes the contractor's allowable bidding level to be inaccurate.</p>	<ol style="list-style-type: none"> <li>1. Periodically, Construction management should review the evaluations on file for a sample of contractors. If duplications are found, Construction management should follow up with the districts to discuss the proper way to complete evaluations. The importance of the evaluation score should be explained so the districts understand why contractors need to be evaluated on a project-by-project basis.</li> <li>2. Construction Procurement management should review and compare submitted evaluations to those previously received. If a duplicate is found, it should be sent back to the district with a request for a new evaluation.</li> </ol>	<p><b>Management Response:</b></p> <ol style="list-style-type: none"> <li>1. The process will be reiterated with staff. Emphasis will be made that any comments should be pertinent to the project being reviewed.</li> <li>2. DCP will use report detailed in response #1 to ensure there are not duplicated evaluations considered in the prequalification process.</li> </ol> <p><b>Implementation Date:</b></p> <ol style="list-style-type: none"> <li>1. Immediately.</li> <li>2. Immediately.</li> </ol>
<p>3. 16 of 20 contracts were multi-year contracts. For each of these contracts there should have been both a 2013 year-end evaluation as well as a project completion evaluation; however, only one evaluation was on file. Based on the documentation available for review, it could not be</p>	<p>Construction Procurement's policy CP-203 states "The section engineer shall complete a TC 14-19 form, Contractor Performance Evaluation for the prime contractor and all subcontractors on projects administered by that office at the end of the every calendar</p>	<p><b>Cause:</b> The policies and procedures do not clearly define a multi-year project for the purpose of year-end evaluations.</p> <p><b>Effect:</b> Evaluation results are used to</p>	<ol style="list-style-type: none"> <li>1. Construction Procurement management should update the policy and procedures to define a multi-year project for year-end evaluations. For example, projects let in one year that do not have work started until the</li> </ol>	<p><b>Management Response:</b></p> <ol style="list-style-type: none"> <li>1. DCP's policy CP-203 will be revised to make year-end evaluations optional. The Section Engineer may complete a year-end evaluation if they want or a contractor may request. Notification of this policy change</li> </ol>

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<p>determined if the evaluations on file were the project completion or year-end evaluations.</p>	<p>year for active projects and upon completion of a project."</p>	<p>determine a contractor's bid eligibility. Without these evaluations, contractors may receive an inaccurate score.</p>	<p>following year do not require an evaluation for the calendar year the project was let, but do require one for the calendar year work began.</p> <p>2. Construction management should consider making the year-end evaluations optional because there is no follow-up for poor scores received on year-end evaluations.</p>	<p>will be sent to all staff once it has been completed.</p> <p>2. DCP's policy CP-203 will be revised to make year-end evaluations optional. The Section Engineer may complete a year-end evaluation if they want or a contractor may request.</p> <p><b>Implementation Date:</b></p> <p>1. Policy manual change will begin immediately. Notification of this policy change will be sent to all staff once it has been completed.</p> <p>2. Policy manual change will begin immediately. Notification of this policy change will be sent to all staff once it has been completed.</p>
<p>4. We noted the following timeliness issues:</p> <ul style="list-style-type: none"> <li>• The policies and procedures do not give a time by which evaluations must be completed.</li> <li>• Three contracts did not have evaluations completed prior to the formally accepted date.</li> <li>• One evaluation did not indicate the evaluation date so it could not be determined if the evaluation was completed prior to being formally accepted. Five evaluations were not turned into Construction Procurement timely. There was an average of 78 days from the date the evaluation was completed to the date it was received by Construction Procurement.</li> </ul>	<p>Construction's Instructions and Guidelines state "For "end-of-project" evaluations, the Section Engineer has ten (10) business days to submit the completed Contractor's Performance Report to the contractor. For projects spanning one calendar year, an "annual" evaluation is required. The Section Engineer is responsible for seeing that the "end-of-year" evaluations are completed and submitted to the contractor by the December 31st of that year." The Construction Branch Manager stated evaluations should be sent to Construction Procurement at the same time they are mailed to the contractor.</p>	<p><b>Cause:</b> The policies are not clear about how long the districts have to complete the evaluations and district employees are not giving the evaluations a high priority. The policies are also not clear about who is supposed to submit the form to Construction Procurement.</p> <p><b>Effect:</b> Evaluations may not be received in time to be included in Construction Procurement's calculation of the contractor's bid eligibility.</p>	<p>1. Construction management should update the policies and procedures:</p> <ul style="list-style-type: none"> <li>• To specify a time frame by which evaluations must be completed.</li> <li>• To specify a time frame for submitting the evaluations to Construction Procurement.</li> </ul> <p>2. Construction management should ensure these guidelines are enforced.</p>	<p><b>Management Response:</b></p> <p>We disagree with the recommendations. We do not think a specific time frame should be specified due to the complexities and variances for every project; however, we will remind staff of the existing policy.</p> <p><b>Implementation Date:</b></p> <p>1. Immediately..</p> <p><b>Internal Audit Response:</b></p> <p>We agree that every project is complex and different which could make it difficult to set a deadline for completion of the evaluation; however, we recommend a deadline be set for evaluations to be submitted to the DCP after completion.</p>

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<p>5. Evaluations are not properly filed:</p> <ul style="list-style-type: none"> <li>• Two evaluations were not stored in ProjectWise</li> <li>• 13 evaluations were not on file with Construction Procurement.</li> </ul>	<p>Constructions policy CST-403-2 states "The SE shall complete the TC 14-19 form, Contractor Performance Evaluation and mail a signed copy of the form to the contractor and the Central Office Division of Construction Procurement's Prequalification and Compliance Branch. The SE shall place a copy of the completed Contractor Performance Evaluation in the Project Wise contract folder."</p>	<p><b>Cause:</b> Section Engineers forgot to put a copy of the completed evaluation in ProjectWise. District staff are unsure who is to submit the evaluation to Construction Procurement since evaluations are reviewed by various individuals.</p> <p><b>Effect:</b> Evaluation results are used to determine a contractor's bid eligibility. If Construction Procurement does not receive an evaluation, the results are not included in the prequalification calculation and an inaccurate score may be received.</p>	<ol style="list-style-type: none"> <li>1. Prior to formally accepting a project, Construction management should ensure all evaluations are stored in ProjectWise.</li> <li>2. Since all evaluations should be in ProjectWise, Construction Procurement should consider no longer requiring a paper copy of the evaluations. Instead the evaluations in ProjectWise should be used for prequalification purposes. Construction should periodically communicate to Construction Procurement which contracts have been formally accepted.</li> </ol>	<p><b>Management Response:</b></p> <ol style="list-style-type: none"> <li>1. Staff will be reminded of policy.</li> <li>2. A report will be developed for use by the Division of Construction Procurement (DCP). The report will include all projects that were formally accepted in previous 12 months for a selected contractor. DCP will check that all performance reports have been received. If they have not, DCP will notify the liaison in central office DC.</li> </ol> <p><b>Implementation Date:</b></p> <ol style="list-style-type: none"> <li>1. Immediately.</li> <li>2. Immediately.</li> </ol>