

## Memorandum

*Flex your power!  
Be energy efficient!*

To: WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

Date: May 30, 2014

File:

From: DOANH NGUYEN   
Deputy District Director  
Division of Program/Project Management

Subject: **360-DAY PROGRESS REPORT ON DRAFT AUDIT REPORT FOCUSING ON  
AMERICAN REINVESTMENT & RECOVERY ACT OF 2009 (ARRA)**

District 4 has taken the following steps to address the findings of the audit:

- **Finding #1: Improvement Needed in Monitoring of Construction Costs**
  - Trained 476 Caltrans employees on how to effectively utilize the newly-implemented Project Resource and Schedule Management (PRSM) application as of July 30, 2013. These employees included all Project Managers, all Task Managers, and other District 4 employees. The training was conducted by the Division of Program/Project Management.
  - Continued to monitor expenditures in PRSM to ensure accurate recording of employee time and expenses in performance of said duties on projects and tasks. (Ongoing)
  - Continued to identify the units in PRSM that can charge to a project/task. (Ongoing)
  - Continued to monitor which project phases are currently open in the Electronic Financial Information Systems (EFIS) and ensured timely closure of project phases. (Ongoing).
- **Finding #2: Improvement Needed in Contract Change Order (CCO) and Extra Work Bill (EWB)**
  - Reminded Resident Engineers (R.E.'s) of responsibility for time analysis of CCO and EWB invoices at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013. In addition, the RE's were also reminded about this at the Division of Construction 2014 Annual RE Meetings on March 13, 2014, March 27, 2014, and April 3, 2014.
- **Finding #3: Improvement Needed in Reviewing Monthly Employment Reports**
  - Distributed and discussed Construction Policy Bulletin #09-4, "American Recovery Act Monthly Employment Reporting Requirement" at the Quarterly

Senior Meeting of the Division of Construction on June 21, 2013. In addition, the same policy was distributed and discussed at the Division of Construction 2014 Annual RE Meetings on March 13, 2014, March 27, 2014, and April 3, 2014.

- **Finding #4: Non-Compliance with Labor and Equal Employment Opportunity (EEO) Code**
  - The R.E.'s were reminded of the responsibility to conduct employee interviews monthly and that all documents must be stored and secured properly at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013. They were also provided a handout reflecting pertinent guidelines regarding the interview process with said information posted on the District 4 Construction website on May 31, 2013. In addition, the RE's were reminded about this at the Division of Construction 2014 Annual RE Meetings on March 13, 2014, March 27, 2014, and April 3, 2014.
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- **Finding #5: Missing Secondary Review of Quantity Calculation Sheets**
  - Distributed and discussed Construction Procedure Directive #09-14, "Resident Engineer Daily Reports and Monthly Pay Quantity Verification", at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013. In addition, the same directive was distributed and discussed at the Division of Construction 2014 Annual RE Meetings on March 13, 2014, March 27, 2014, and April 3, 2014.

If you have any questions or need additional information, please call me at 510-286-6293.

c: Bijan Sartipi, District 4 Director  
Bob Finney, Deputy District Director, Division of Construction  
Bill Schmidt, Office Chief, Function Support, Division of Construction  
Dan Bornman, Senior Transportation Engineer, Division of Construction  
Kimberly Ponder, Office Chief, Administrative Office Support, Division of Construction  
Harlan Woo, Office Chief, PM Support & Control, Division of Program/Project Management  
Nicholas Mraovich, Chief, Administration & Personnel Unit, Division of Program/Project Management  
Kevin Strough, Chief, District 4 Office of Budgets  
Douglas Gibson, Manager, Internal Audits, Audits & Investigations  
Laurine Bohamera, Internal Audits, Audits & Investigations

## Memorandum

*Flex your power!  
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To: WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

Date: January 10, 2014

File:

From:   
GARY PURSELL  
Acting Deputy District Director  
Division of Program/Project Management

Subject: **180-DAY PROGRESS REPORT ON DRAFT AUDIT REPORT FOCUSING ON  
AMERICAN REINVESTMENT & RECOVERY ACT OF 2009 (ARRA)**

District 4 has taken the following steps to address the findings of the audit:

- **Finding #1: Improvement Needed in Monitoring of Construction Costs**
  - Trained 476 Caltrans employees on how to effectively utilize the newly-implemented Project Resource and Schedule Management (PRSM) application as of July 30, 2013. These employees included all Project Managers, all Task Managers, and other District 4 employees. The training was conducted by the Division of Program/Project Management.
  - Continued to monitor expenditures in PRSM to ensure accurate recording of employee time and expenses in performance of said duties on projects and tasks. (Ongoing)
  - Continued to identify the units in PRSM that can charge to a project/task. (Ongoing)
  - Continued to monitor which project phases are currently open in the Electronic Financial Information Systems (EFIS) and ensured timely closure of project phases. (Ongoing).
- **Finding #2: Improvement Needed in Contract Change Order (CCO) and Extra Work Bill (EWB)**
  - Reminded Resident Engineers (R.E.'s) of responsibility for time analysis of CCO and EWB invoices at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.
- **Finding #3: Improvement Needed in Reviewing Monthly Employment Reports**
  - Distributed and discussed Construction Policy Bulletin #09-4, "American Recovery Act Monthly Employment Reporting Requirement" at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.

- **Finding #4: Non-Compliance with Labor and Equal Employment Opportunity (EEO) Code**
  - During the Quarterly Senior Meeting of the Division of Construction on June 21, 2013, the R.E.'s were reminded of the responsibility to conduct employee interviews monthly and that all documents must be stored and secured properly. They were also provided a handout reflecting pertinent guidelines regarding the interview process with said information posted on the District 4 Construction website on May 31, 2013.
  
- **Finding #5: Missing Secondary Review of Quantity Calculation Sheets**
  - Distributed and discussed Construction Procedure Directive #09-14, "Resident Engineer Daily Reports and Monthly Pay Quantity Verification", at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.

Another progress report on our work plan items to address the audit findings will be provided for the 360-day milestone.

If you have any questions or need additional information, please call me at 510-622-0812.

- c: Bijan Sartipi, District 4 Director  
Bob Finney, Deputy District Director, Division of Construction  
Bill Schmidt, Office Chief, Function Support, Division of Construction  
Dan Bornman, Senior Transportation Engineer, Division of Construction  
Kimberly Ponder, Office Chief, Administrative Office Support, Division of Construction  
Harlan Woo, Office Chief, PM Support & Control, Division of Program/Project Management  
Nicholas Mraovich, Branch Chief, Administration & Personnel Unit, Division of Program/Project Management  
Kevin Strough, Chief, District 4 Office of Budgets  
Douglas Gibson, Manager, Internal Audits, Audits & Investigations  
Laurine Bohamera, Internal Audits, Audits & Investigations

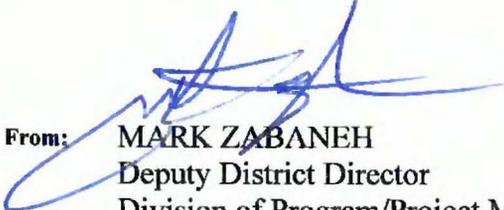
## Memorandum

*Flex your power!  
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To: WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

Date: July 30, 2013

File:

From:  MARK ZABANEH  
Deputy District Director  
Division of Program/Project Management

Subject: **60-DAY PROGRESS REPORT ON DRAFT AUDIT REPORT FOCUSING ON  
AMERICAN REINVESTMENT & RECOVERY ACT OF 2009 (ARRA)**

District 4 has taken the following steps to address the findings of the audit:

- **Finding #1: Improvement Needed in Monitoring of Construction Costs**
  - Trained 476 Caltrans employees on how to effectively utilize the newly-implemented Project Resource and Schedule Management (PRSM) application as of July 30, 2013. These employees included all Project Managers, all Task Managers, and other District 4 employees. The training was conducted by the Division of Program/Project Management.
  - Continued to monitor expenditures in PRSM to ensure accurate recording of employee time and expenses in performance of said duties on projects and tasks. (Ongoing)
  - Continued to identify the units in PRSM that can charge to a project/task. (Ongoing)
  - Continued to monitor which project phases are currently open in the Electronic Financial Information Systems (EFIS) and ensured timely closure of project phases. (Ongoing).
- **Finding #2: Improvement Needed in Contract Change Order (CCO) and Extra Work Bill (EWB)**
  - Reminded Resident Engineers (R.E.'s) of responsibility for time analysis of CCO and EWB invoices at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.
- **Finding #3: Improvement Needed in Reviewing Monthly Employment Reports**
  - Distributed and discussed Construction Policy Bulletin #09-4, "American Recovery Act Monthly Employment Reporting Requirement" at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.

- **Finding #4: Non-Compliance with Labor and Equal Employment Opportunity (EEO) Code**
  - During the Quarterly Senior Meeting of the Division of Construction on June 21, 2013, the R.E.'s were reminded of the responsibility to conduct employee interviews monthly and that all documents must be stored and secured properly. They were also provided a handout reflecting pertinent guidelines regarding the interview process with said information posted on the District 4 Construction website on May 31, 2013.
  
- **Finding #5: Missing Secondary Review of Quantity Calculation Sheets**
  - Distributed and discussed Construction Procedure Directive #09-14, "Resident Engineer Daily Reports and Monthly Pay Quantity Verification", at the Quarterly Senior Meeting of the Division of Construction on June 21, 2013.

Progress reports on our work plan items to address the audit findings will be provided for the 180- and 360-day milestones.

If you have any questions or need additional information, please call me at 510-286-6293.

- c: Bijan Sartipi, District 4 Director  
Bob Finney, Deputy District Director, Division of Construction  
Bill Schmidt, Office Chief, Function Support, Division of Construction  
Kimberly Ponder, Office Chief, Administrative Office Support, Division of Construction  
Lorne Benne, Division of Construction  
Bipin R. Patel, Division of Construction  
Harlan Woo, Office Chief, PM Support & Control, Division of Program/Project Management  
Nicholas Mraovich, Chief, Administration & Personnel Unit, Division of Program/Project Management  
Kevin Strough, Chief, District 4 Office of Budgets  
Douglas Gibson, Manager, Internal Audits, Audits & Investigations