

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

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Early Education Coalition

**Scott Folsom, Vice Chair**  
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American Institute of Architects

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L.A. City Mayor's Office

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CA Charter School Association

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LAUSD Student Parent

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**Ron Miller**  
L.A. Co. Federation of Labor AFL-CIO

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LAUSD Student Parent

**Scott Pansky**  
L.A. Area Chamber of Commerce

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31<sup>st</sup> District PTSA

**Betty Valles**  
AARP

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CA Tax Reform Assn.

**Arlene Barrera (Alternate)**  
L.A. Co. Auditor-Controller's Office

**Joseph P. Buchman – Legal Counsel**  
Burke, Williams & Sorensen, LLP

**Thomas A. Rubin, CPA**  
Oversight Committee Consultant

**Timothy Popejoy**  
Bond Oversight Administrator  
**Clarissa Griego**  
Interim Asst. Administrative Analyst

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**RESOLUTION 2016-22**

**BOARD REPORT NO. 447-15/16**

**FISCAL YEAR 2017 OIG WORK PLAN/STRATEGIC EXECUTION PLAN**

WHEREAS, in March 2003, the Board of Education authorized the OIG to conduct audits of bond funded new construction and modernization programs and related bond expenditures with BB and Measure K bond funds; and

WHEREAS, in March 2004, June 2005 and November 2008 additional bond funds were programmed for audits in Measure R, Measure Y and Measure Q as approved by the electorate; and

WHEREAS, the associated Fiscal Year 2017 OIG Work Plan/Strategic Execution Plan proposes to use School Upgrade Program (SUP) funds in the amount of \$4,020,078 to provide audit and investigative services, staffing, training and equipment;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the Fiscal Year 2017 OIG Work Plan/Strategic Execution Plan as defined in Board Report 447-15/16, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as

**RESOLUTION 2016-22**  
**FISCAL YEAR 2017 OIG WORK PLAN/STRATEGIC EXECUTION PLAN**

provided in section 6.2 of the Charter and Memorandum of Understanding  
between the Oversight Committee and the District.

ADOPTED on May 26, 2016, by the following vote:

AYES: 11

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 4

*Pamela Schmidt*

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Pamela Schmidt  
Chair

*Scott Folsom*


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Scott Folsom  
Vice Chair

**INTER OFFICE CORRESPONDENCE**  
**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
*Office of the Inspector General*

**TO:** Bond Oversight Committee

**DATE:** May 26, 2016

**FROM:** Ken Bramlett, Inspector General 

**SUBJECT: FISCAL YEAR 2017 OFFICE OF THE INSPECTOR GENERAL  
ANNUAL WORK PLAN/STRATEGIC EXECUTION PLAN**

Attached for your review is the Office of the Inspector General's (OIG) Fiscal Year 2017 Annual Work Plan and Strategic Execution Plan.

Bond related services continue to be primarily a Contract Audit Unit function. However, the other Units of the OIG also contribute through performance audits conducted by Principal Auditors in the Internal Audit Unit and through Due Diligence reviews and Investigations conducted by staff in the Investigations Unit. The OIG expects the demand for OIG services to continue to increase as the building program becomes more concentrated on modernization.

The budget for the upcoming fiscal year is \$4,020,078. These costs consist of \$3,800,078 for internal staff costs, \$200,000 for external staff costs and \$20,000 for equipment and training. The FY 2017 budget will be covered by School Upgrade Program (SUP) bond funds.

The attached expenditure forecast covers FY 2017 through FY 2020. We expect that the OIG allocations reflected in the School Upgrade Program will provide the funding needed for the OIG to continue its support of oversight efforts in the long term.

**OFFICE OF THE INSPECTOR GENERAL  
BOC SUMMARY  
FISCAL YEAR 2017**

**Work Plan**

**Total Contract Value: \$569,232,752**

Construction Contracts	13
Professional Services Contracts	22
Special Reviews	3
Technical Evaluations	5
As-Needed Audits	2
Performance Audits (Internal Audit)	7
<b>TOTAL PROJECTS</b>	<b>52</b>

**Bond Budget**

**Fiscal Year 2017 Budget** **\$4,020,078**

<b>Internal Staff</b> <sup>1</sup>	<b>\$3,800,078</b>
<b>External Staff</b> <sup>2</sup>	<b>\$200,000</b>
<b>Training/Travel</b>	<b>\$10,000</b>
<b>Equipment/Supplies</b>	<b>\$10,000</b>
<b>TOTAL</b>	<b>\$4,020,078</b>

**Bond Staffing Levels**

<b>Internal Staff:</b> <sup>1</sup>	
Contract Audit Positions	19
Internal Audit Positions	3
Investigative Positions	7
Administrative Positions	2
<b>TOTAL</b>	<b>31</b>
<b>External Staff:</b> <sup>2</sup>	
OIG Bench Firms	11

<sup>1</sup> Internal Staff consists of 22 bond-funded (100%) positions and 9 partially bond-funded positions.

<sup>2</sup> External Staff consists of the following 11 Bench Firms:

*BCA Watson Rice LLP; Christy White Associates, Inc.; Conrad LLP; Crowe Horwath LLP; KNL Support Services; Moss Adams LLP; Risk Solutions & Investigations, Inc.; Sjoberg Evashenk Consulting, Inc.; Vasquez & Company LLP; Vicenti, Lloyd & Stutzman LLP; Villarreal Law*

**OFFICE OF THE INSPECTOR GENERAL  
BOC SUMMARY  
FISCAL YEAR 2016 UPDATE**

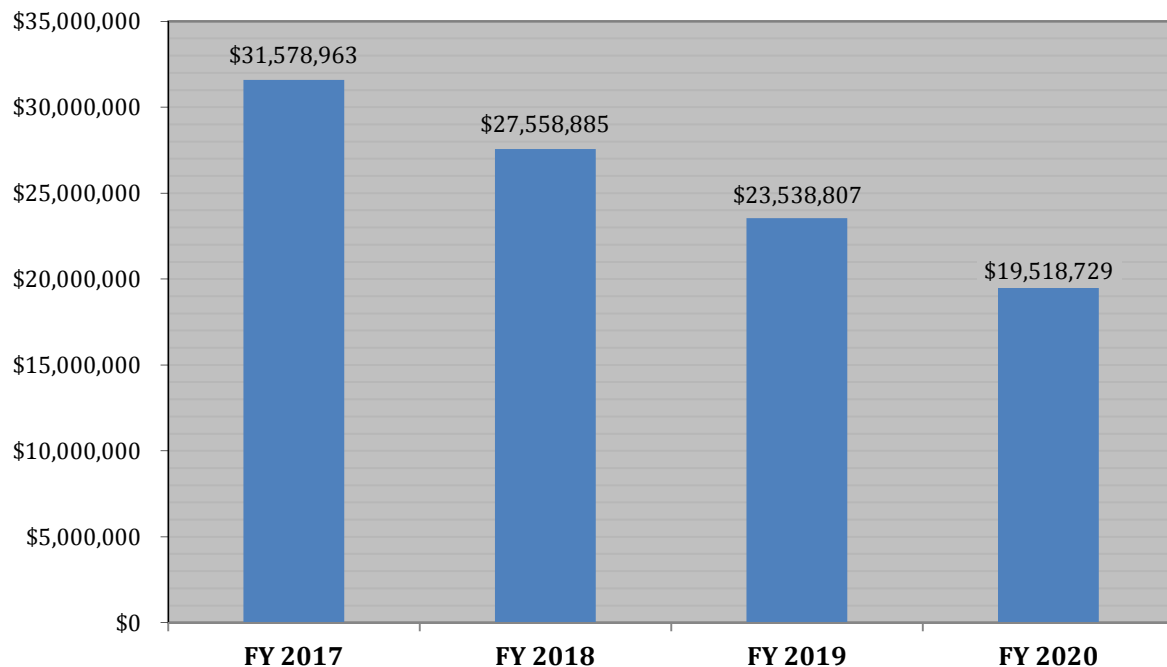
**School Upgrade Program**

<b>BOND MEASURE</b>	<b>AUTHORIZED</b>	<b>EXPENDITURES</b>	<b>AVAILABLE</b>
BB BOND	\$ 3,750,000	\$ 3,749,996	\$ 4
MEASURE K	\$ 11,250,000	\$ 11,250,000	\$ -
MEASURE R	\$ 10,000,000	\$ 9,982,794	\$ 17,206
MEASURE Y	\$ 17,000,000	\$ 14,418,169	\$ 2,581,831
MEASURE Q	\$ 33,000,000	\$ -	\$ 33,000,000
<b>ESTIMATED FYE TOTAL</b>	<b>\$ 75,000,000</b>	<b>\$ 39,400,959</b>	<b>\$ 35,599,041</b>

**Expenditure Forecast**

<b>Estimated</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Beginning Balance</b>	<b>\$ 35,599,041</b>	<b>\$31,578,963</b>	<b>\$27,558,885</b>	<b>\$23,538,807</b>
Internal Staff	\$ 3,800,078	\$ 3,800,078	\$ 3,800,078	\$ 3,800,078
External Staff	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Training/Supplies	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Estimated Ending Balance</b>	<b>\$ 31,578,963</b>	<b>\$ 27,558,885</b>	<b>\$ 23,538,807</b>	<b>\$ 19,518,729</b>

**OFFICE OF THE INSPECTOR GENERAL  
Projected Ending Balance by Fiscal Year**





## Board of Education Report

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**File #:** Rep-447-15/16, **Version:** 1

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### **Fiscal Year 2017 OIG Work Plan**

**June 14, 2016**

### **Office of the Inspector General**

#### **Action Proposed:**

Approval of the Fiscal Year 2017 Office of the Inspector General (OIG) Work Plan.

#### **Background:**

The Office of the Inspector General (OIG) conducts its auditing functions pursuant to Government Auditing Standards and to auditing standards included in the International Professional Practices framework. Those standards require that auditing departments prepare an annual audit work plan describing the audits it plans to do and that the plan be approved by the organization's governing body, in this case, the Board of Education of the Los Angeles Unified School District (the Board). The attached work plan is a comprehensive plan that incorporates (i) the Board's suggested areas of focus, (ii) District Management's suggested areas of focus, and (iii) the results of the OIG's robust risk assessment process. This work plan sets forth how OIG resources will be used during Fiscal Year 2017.

#### **Expected Outcomes:**

With Board approval of this report, the planned work of the OIG audit units will be deemed to be approved by the appropriate governing body.

#### **Board Options and Consequences:**

If the Board of Education does not approve this item, then the OIG will lack evidence that its annual work plan was approved by the appropriate governing body, in this case the Board of Education.

If the Board of Education approves this item, then the OIG will be operating pursuant to auditing standards.

#### **Policy Implications:**

The OIG Charter mandates that the OIG operate pursuant to an annual work plan approved by the Board of Education.

#### **Budget Impact:**

None

#### **Issues and Analysis:**

None

#### **Attachments:**

Fiscal Year 2017 Office of the Inspector General (OIG) Work Plan  
Bond Oversight Committee Recommendation (Resolution)

**RESPECTFULLY SUBMITTED,**

**APPROVED & PRESENTED BY:**

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MICHELLE KING  
Superintendent

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Ken Bramlett  
Inspector General  
Office of the Inspector General

**REVIEWED BY:**

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DAVID HOLMQUIST  
General Counsel

\_\_\_ Approved as to form.

**REVIEWED BY:**

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CHERYL SIMPSON  
Director, Budget Services and Financial Planning

\_\_\_ Approved as to budget impact statement.



# **LOS ANGELES UNIFIED SCHOOL DISTRICT OFFICE OF THE INSPECTOR GENERAL**

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## **[ABRIDGED] Annual Work Plan Fiscal Year 2017**



**Ken Bramlett  
Inspector General**



# INTERNAL AUDIT UNIT

The Internal Audit Unit has primary responsibility for conducting performance audits of programs, processes, functions and systems District-wide. Audits are done mainly to (i) evaluate the efficiency and effectiveness of District operations, (ii) determine if activities are being carried out in accordance with District policies, applicable laws and regulations, and (iii) assess whether desired outcomes are being achieved. Additionally, we support the Investigations Unit in responding to allegations of fraud, waste, and abuse from various sources such as the Board of Education, District management, and the public.

[ABRIDGED]

## FACILITIES RELATED

### Scheduled Audits

#### 1. Resource Management

The 2008 economic recession resulted in a significant reduction of District employees and contract professionals, especially in the School Construction Program. In addition, the use of contract professionals became a concern for some of the collective bargaining units resulting in a conscious effort by FSD management to further reduce the number of contract professionals. This audit will review (i) the sufficiency of staff resources, such as Program Managers, Project Managers, Development Managers, Design Managers, Schedulers, and Estimators to support current bond-funded projects, and (ii) assess the planning activities being performed by this FSD staff related to future bond-funded projects.

**Basis:** OIG Risk Assessment; Management Request

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for All

#### 2. FSD Staffing and Hiring Process

The purpose of this audit will be to determine whether controls are operating as intended over the hiring of contract professionals within the FSD. Currently, the Chief Facilities Executive may approve recruitment of a contract professional position under the following conditions:

- ✓ An appropriate District classification is not available.
- ✓ Previous attempts to create a classification and attract qualified facilities experts have failed.
- ✓ The duration of the position does not warrant creating a new classification.

- ✓ A District classification is warranted, but due to the extended process of creating the position or new classification and increasing costs from delays in project execution, a decision is made to recruit a contract professional until the District position or new classification is available.

In order to streamline the process described above, beginning on April 20, 2016, FSD will implement a workflow process that is designed to ensure that staffing requests for contract professionals are justified under the approved circumstances. This audit will review the newly implemented process.

**Basis:** OIG Risk Assessment; Management Request

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for All

### **3. Rapid Access Program**

The purpose of this audit will be to determine whether the approved projects under the FSD's Rapid Access Program were appropriate and completed in a timely manner. As part of the Chanda Smith Modified Consent Decree (MCD), the Rapid Access Program (RAP), formerly known as the On-Demand Renovation Program, was developed, according to the FSD website, to "support school generated requests from the Division of Special Education for student accessibility requiring minor ADA improvements."

**Basis:** OIG Risk Assessment; Management Request

**District Strategy Supported:** Ensure a safe, caring, and nurturing environment for all youth. Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** School safety; Proficiency for all

### **4. A & B Letters Procurement**

The purpose of this audit will be to determine whether internal controls are working as intended as specified in A & B Letter policies and procedures, and in compliance with State regulations. An "A" or "B" Letter is an informally bid contract for work involving labor and material or rental of equipment and may be used when: (1) services are performed by a contractor who employs a type of skilled craftsperson not employed by the District, (2) services can be economically performed by a contractor using specialized equipment, and (3) work is of an urgent nature or is small in scope. The "A" Letter contracts are for time and material types of work, while "B" Letter contracts are for fixed or predetermined types of work.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

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## Discretionary Audits

### 5. Funds Management

According to the FSD SEP, successful completion of the bond program can only be achieved through active funds management of a financially unified program. FSD manages the use of all Facilities funding sources, including State bond fund apportionments, declared State savings, and reimbursements in a manner that enables its full utilization and ensures compliance with applicable laws, regulations and policies. Specific funding sources are allocated and managed to meet the requirements of individual projects and managed programs. Additionally, when a project requires funding but the intended source is not available, projects are sometimes funded with an alternative source until the permanent source of funds is available. Once the permanent funding source is received, the initial funding source is returned. This audit will focus on Board Members' discretionary funds that were approved for specific bond projects to determine whether the Board Member discretionary funds were properly charged and reallocated to the appropriate account.

**Basis:** OIG Risk Assessment; Management Request

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

### 6. Super Imprest Funds

The purpose of this audit will be to determine whether controls are working as intended over the use and management of super imprest funds within the FSD. A super imprest fund permits an administrator to make direct purchases using a local site checking account. The super imprest fund is another means of procuring materials when a vendor does not accept a purchase order or P-Card but it does not represent additional funding to the site.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

### 7. Facilities Credit Cards

The purpose of this audit will be to determine whether internal controls are working as intended over the use and management of FSD credit cards. The FSD uses credit cards, including the Buyers Card, Procurement Card, and Gas Card for expedited purchases. Purchasing using the Buyer Card is an alternative expedited method to purchase materials and/or services not available from the local M&O Area Stores or the General Stores Warehouse.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

## CONTRACT AUDIT UNIT

The Contract Audit Unit has principal responsibility for auditing bond funded contracts and some non-bond funded contracts. The Contract Audit Work Plan for FY 2017 identifies projected audits for several divisions within the District. The Work Plan includes 45 projects with a total contract value of over \$569 million.

We conducted several interviews with District management as part of our risk assessment for this Work Plan. Based on those interviews, we identified several critical areas that may pose risks or opportunities to District operations and are aligned with the District's goals and strategies. These areas are listed below.

### 1. Construction Contracts

The goal of examining the contracts in this area will be to ensure that the contractor completed the construction as required and that contingency and allowance disbursements are drawn down in accordance with the requirements of the contract.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Provide a portfolio of high quality schools for youth, families and communities; Ensure a safe, caring, and nurturing environment for all youth

**District Goal Supported:** Proficiency for all

### 2. Professional Services and Supplies Contracts

The District contracts with various vendors for goods and services other than construction services. These services include providing plumbing supplies, food processing, supplemental education services and transportation. The goal of examining these contracts will be to ensure that the service providers are complying with the requirements of their individual agreements and that the District was provided the services it paid for.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Provide a portfolio of high quality schools for youth, families and communities; Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

### 3. Special Reviews

The OIG receives requests from various District departments to evaluate certain operational functions and their compliance with the policies and procedures on as needed basis.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

#### **4. Technical Evaluations**

We will perform technical evaluations of several completed projects to ensure that these projects complied with contract documents, specifications and State Code requirements.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Provide a portfolio of high quality schools for youth, families and communities

**District Goal Supported:** School safety

#### **5. As Needed Audits**

We will perform change order audits and pre-award audits on an as needed basis. The number of audits in this category cannot be determined at the beginning of the fiscal year. These audits are requested primarily by FSD and PSD on an ongoing basis throughout the fiscal year.

##### **Change Order Audits**

We will performs audits of construction change orders in excess of \$500,000 to determine whether the costs billed on the change orders are reasonable and allowable under the terms of the contract. We will also determine whether the work detailed in the change order is within the original scope of work.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Provide a portfolio of high quality schools for youth, families and communities; Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all; School safety

##### **Pre-Award Audits**

We will conduct pre-award audits to determine the reasonableness of the rates proposed by contractors/vendors for District projects. The audited rates are used by District staff to negotiate competitive contracts for the District.

**Basis:** OIG Risk Assessment

**District Strategy Supported:** Operate an effective, efficient, and transparent organization in order to assure the public trust

**District Goal Supported:** Proficiency for all

A complete list of the 45 projects to be completed is attached as Exhibit A to this document.

## INVESTIGATIONS UNIT

For FY 2017, in addition to responding to allegations of District employee misconduct and policy violations, we will continue to proactively focus on certain strategic areas and activities that we believe will provide the District with added protection of public resources.

### [ABRIDGED]

#### **1. School Construction and Modernization Program**

As the District's multi-billion dollar school construction and modernization program moves away from new construction and concentrates on modernization, allegations of conflicts of interest, impropriety, and employee and consultant malfeasance are likely to increase, requiring a concentrated effort to deter and detect corruption. The number of contractors that the Facilities Services Division (FSD) will manage will increase thereby requiring more diligence from District staff and the OIG. Additionally, the increased use of contracts awarded through the Job Order Contracting (JOC) process will require more District and OIG oversight to avoid the risks of improper conduct. In the upcoming year, we will endeavor to create more Facilities and Procurement fraud expertise in the OIG with training from experts in these areas.

#### **2. Due Diligence and Background Investigations**

As the school construction and modernization program shifts, the OIG will continue to support FSD in its efforts to root out potential problems before entering into contracts. The FSD uses OIG due diligence reports in their selection of the most qualified firms to build and modernize schools. The District uses several hundred contractors in the construction program. The demand for this work will increase as the building program becomes more concentrated on modernization. The OIG will continue to support FSD through our public record search program, which provides key information to the District on vendors and contractors involved with the District's school construction and modernization projects, its charter schools, and senior management candidates.

## CONTRACT AUDIT PLAN FOR FY 2016 - 2017

Item No.	Contract No.	CONTRACTOR/PROJECT NAME	DESCRIPTION OF CONTRACTED SERVICES	Contract Amount	Type of Audit	User Dept.
<b>CONSTRUCTION CONTRACTS</b>						
1	1410077	SJ Amoroso Construction Co. Inc.	Emerson MS (17406)	\$ 14,644,762	Incurred Cost	FSD
2	1310110	Kemp Bros Construction Inc.	Solano EL	\$ 10,867,500	Incurred Cost	FSD
3	1510013	Armond Baghrarian	University SH (Performing Arts)	\$ 1,255,000	Incurred Cost	FSD
4	1110077	Swinerton	Jordan SH (Design Build Contract)	\$ 67,500,000	Incurred Cost	FSD
5	1210044	Turner Construction Company	Garfield HS Replace Main Bldg/Auditorium (17406)	\$ 41,500,000	Incurred Cost	FSD
6	1110072	Suffolk Construction Co. Inc.	Ninth St EL	\$ 39,470,112	Incurred Cost	FSD
7	1510027	Prime Axis General Building, Inc.	Sherman Oaks CES (Science Lab Renovation)	\$ 1,022,500	Incurred Cost	FSD
8	1410121	Royal Construction & Builders Inc.	SLC Phase I (Marshall HS)	\$ 1,525,000	Incurred Cost	FSD
9	1310103	Davis/Reed Construction Inc.	Hollywood SH	\$ 6,301,000	Incurred Cost	FSD
10	1510052	McKinstry Essention LLC	Site-Controls/Lighting/Mech Upgrades	\$ 2,694,743	Incurred Cost	FSD
11	1510056	Opterra Energy Services Inc.	Audubon MS (Prop 39 Energy Efficiency Project)	\$ 2,911,212	Incurred Cost	FSD
12	1610013	Reyes Electrical Contractors Inc.	Birmingham Complex (Performance Optimized Data Center)	\$ 2,370,000	Incurred Cost	FSD
13	1510061	Johnson Controls	King-Drew Medical Magnate (Prop 39 Energy Efficiency Project)	\$ 1,867,677	Incurred Cost	FSD
<b>TOTAL FOR CONSTRUCTION CONTRACTS:</b>				<b>\$193,929,506</b>		
<b>PROFESSIONAL SERVICES AND SUPPLIES CONTRACTS</b>						
14	4400001794	Karish Industries	Data network Cables & related accessories	\$ 1,250,000	Incurred Cost	ITD
15	4400003487	AssetWorks, LLC	Sole-source contract for proprietary software, maintenance and professional services to upgrade the Transportation Services Division's legacy Maintenance Control and Management System (MCMS) to FleetFocus M5.	\$ 1,354,137	Incurred Cost	ITD
16	1190069	Alston & Bird LLP	Legal Services	\$ 2,620,000	Incurred Cost	OGC
17	1300010	P&R Paper Supplies	Categorical partnering on miscellaneous foods	\$ 75,000,000	Incurred Cost	Food Service
18	4400004577	Hewlett Packard	Disaster recovery POD	\$ 14,221,566	Incurred Cost	ITD
19	1150100	Arrow Restaurant	Food services equipment	\$ 5,238,000	Incurred Cost	FSD
20	931090	Williams Scotsman	Rental/lease of portable buildings.	\$ 6,118,039	Incurred Cost	FSD
21	1100381	A/P Recovery, Inc.	Expense recovery service	\$ 20,600,000	Incurred Cost	FSD
22	1100122	Jennie-O Turkey Store (Carryover)	Categorical partnering on turkey	\$ 52,150,000	Incurred Cost	Food Services
23	1190092	Jones Day	Legal Services	\$ 7,800,000	Incurred Cost	OGC
24	1920801-14, 15, 16	Earlier Behavior Intervention	Special Education Services	\$ 3,434,690	Special Review	PSD
25	1480018	Community Playgrounds, Inc.	Playground Safety Tile Matting Installation and Repair For Play Matta Certified Installers Only	\$ 5,490,000	Incurred Cost	FSD
26	1580006	OpTerra Energy Services, Inc.	Energy Service Companies	\$ 4,900,000	Incurred Cost	PSD
27	1590025	Cumming Construction Management, Inc.	Construction Management Services (Construction Management, Project Management, and related Support Services)	\$ 15,000,000	Incurred Cost	FSD
28	4400002783	After School All	BTB All Stars	\$ 5,000,000	Incurred Cost	BTB
29	4400002912	Amplify Education	Foundational Reading Skills Dibels	\$ 14,186,706	Incurred Cost	BTB
30	4400003009	Digital Scepter	Web-Content Filtering	\$ 4,500,000	Incurred Cost	PSD
31	4400002858	ePlus Technology	IFB Unit PE St Wlan Network Equipment	\$ 8,010,000	Incurred Cost	PSD
32	4400002320	Microsoft	Staff Augmentation RFP-1123	\$ 64,068,829	Incurred Cost	PSD
33	4400001842	Nelson Adams NACO	Wall Fold Tables & Benches C-1070	\$ 18,826,650	Incurred Cost	PSD
34	4400002241	Speech Language & Educ. Associates	Special Education Services - #13000016 Amend 4 POT YR 3	\$ 3,158,000	Incurred Cost	PSD
35	4400001853	Virco MFG Corp	School & Administrative Furn (S-1)	\$ 10,500,000	Incurred Cost	PSD
<b>TOTAL FOR PROFESSIONAL SERVICES CONTRACTS:</b>				<b>\$ 343,426,617</b>		



## CONTRACT AUDIT PLAN FOR FY 2016 - 2017

Item No.	Contract No.	CONTRACTOR/PROJECT NAME	DESCRIPTION OF CONTRACTED SERVICES	Contract Amount	Type of Audit	User Dept.
<b>SPECIAL REVIEWS</b>						
36	N/A	Single/Sole Source Contracting	We will conduct a review of the District's Compliance with Single/Sole Source Contracting Procedures.	N/A	Special Review	FSD
37	N/A	Special review of the JOC Program	We will conduct a follow-up review of the recommended process improvements to the JOC Best Value policies and procedures.	N/A	Special Review	FSD
38	N/A	Best Value Contracting Process	Review of FSD best value contracting procedures	N/A	Special Review	FSD
<b>TOTAL FOR SPECIAL REVIEWS:</b>				\$ -		
<b>TECHNICAL EVALUATIONS</b>						
39	1410089 / 4400002831	H.A. Lewis, Inc.	Review of D & C Agreement: HVAC Upgrades for the Auditorium, Gym & Weight Room @ Huntington Park H.S.	\$ 3,307,300	TE	FSD
40	1410121 / 4400002913	Royal Construction & Builders, Inc.	Review of the construction contract for Marshall High School Small Learning Community.	\$ 1,525,000	TE	FSD
41	1510064	Telenet VOIP Inc.	MarltonSCH (AV PA - Intercom System	\$ 3,044,329	TE	ITD
42	N/A	Proposition 39 - California Clean Energy Jobs Act	Review of how the District is prioritizing and implementing energy conservation projects to be funded under Prop. 39. \$24 M for LAUSD over 5-years.	\$ 24,000,000	TE	FSD
43	N/A	Energy Management System	Review the efficacy of EMS program for energy savings, maintenance, indoor air quality District-wide.	N/A	TE	M&O
<b>TOTAL FOR TECHNICAL EVALUATIONS:</b>				\$ 31,876,629		
<b>AS-NEEDED AUDITS</b>						
44	TBD	Pre-Award Audits	Pre-award audits are performed upon Facilities Contracts' or Procurement's requests. These audits are performed to determine the reasonableness of the rates that contractors/vendors are proposing for LAUSD projects. The audited rates are used to negotiate contracts for work to be performed for LAUSD.	TBD	Pre-Award	PSD/ FSD
45	TBD	Change Order Audits	Change order audits are performed upon FSD requests for negotiated change orders over \$500,000 to determine if the negotiated amount is adequately supported and in accordance with the contract's provisions.	TBD	Change Order	FSD
<b>TOTAL FOR AS-NEEDED AUDITS:</b>				N/A		
<b>GRAND TOTAL:</b>				\$ 569,232,752		

Know about fraud, waste or abuse?

## Tell us about it.

Maybe you are a School District Employee, or maybe you are a private citizen. Either way, you are a taxpayer.

Maybe you know something about fraud, or waste, or some other type of abuse in the School District.

The Office of the Inspector General has a hotline for you to call. You can also write to us.

If you wish, we will keep your identity confidential. You can remain anonymous, if you prefer. And you are protected by law from reprisal by your employer.

### Call the hotline:

(213) 241-7778

Or

(866) LAUSD-OIG

(866) 528-7364

### Write to us:

Fraud Hotline Center  
333 S. Beaudry Ave., 12<sup>th</sup> Floor  
Los Angeles, CA 90017

### Website:

<http://achieve.lausd.net/oig>