

LOCAL AGENCY SECURITY OFFICER CONTRACT AUDIT

PROGRAM EVALUATION AND AUDIT



METROPOLITAN
C O U N C I L

Contents

Highlights..... iii

Introduction..... 1

 Background..... 1

 Objective..... 1

 Equity..... 2

 Scope..... 2

 Methodology 2

 Limitations..... 2

 Recognition 2

Observations 4

 Observation 1: Sole Source Justification 4

 Observation 2: Contract Management..... 9

 Observation 3: Budget Management and Financial Tracking 13

 Observation 4: Invoice Reviews 16

Conclusions..... 20

Appendix A: Follow-Up Actions..... A1

Appendix B: Summary of Findings..... A2

Appendix C: Management Response Memo..... A6

What We Found

What's Working Well

Current contract administration staff are eager to improve their financial and budget analysis processes. There is also buy-in from council staff interested in improving contract administration knowledge through training opportunities.

What Needs Improvement

Metro Transit Police Department (MTPD) staff broadly lack expertise and training on contract administration, invoice review, budget management, and the subject matter expertise needed to understand LASO duties. This lack of expertise led MTPD to justify sole source procurements by using language from GTEL Advisors, LLC (GTEL) proposals to define vendor qualifications for the IS Sole Source procurement for LASO services for 3 years. Then MTPD paid the vendor more than \$625,000 across 48 voucher payments without sufficiently documenting justification and reasonableness over the three-year period. A lack of controls related to budget tracking led to an expiration of the contract on multiple occasions requiring additional sole source contracts and amendments to be signed after contract expiration. Given the necessity of the LASO function and the need for the police department to access Criminal Justice Information (CJI) data, the MTPD inserted unacceptable risk to their daily operations in addition to having faulty contract administration.

What We Recommend

MTPD should work with other departments at the council to update how it:

- Ensures staff are trained on the business processes essential to their work as contract administrators
- Documents supporting evidence for invoice reviews, cost reasonableness, and business processes.

MTPD should work with the vendor to document all expenses associated with work from 2018 to present and recover unsupported contract payments.

Why We Did This Work

MTPD must have a LASO (Local Agency Security Officer) to access FBI data that officers use every day. LASO contract costs have increased over the last three years. There were also changes made to the process used for the first contracts. The *Thrive* outcome *Stewardship* includes responsible use of resources, including financial ones.

What We Reviewed

We looked at invoices, contracts, and purchase orders from 2018 to 2020 between the LASO vendor GTEL and MTPD.

How We Did This Work

We reviewed invoices to ensure they matched with contracts or purchase orders; requested supporting documentation for invoice line items from MTPD administration staff; interviewed Finance staff, MTPD contract administration, and IS; reviewed financial reports used by MTPD; and compared these to requirements from the council, the state, and the federal government. We also reviewed best practices from national organizations.

Introduction

Background

The Federal Bureau of Investigations (FBI) issues the Criminal Justice Information (CJIS) Security Policy (CSP) to provide law enforcement agencies with controls to protect the full lifecycle of CJI. The CSP applies to every entity that submits or receives information, by any means, to or from FBI CJIS systems or services – including local agencies such as Metro Transit Police Department (MTPD). The policy requires that agencies appoint a Local Agency Security Officer (LASO) who is responsible for ensuring the agency complies with all CSP requirements and liaising with the FBI's CJIS Systems Agency (CSA)¹. The CSA is a state agency on the CJIS network responsible for providing CJI services to state and local law enforcement agencies. The LASO works with the CSA to ensure the security of both CJI, and CSA equipment. The LASO is responsible for ensuring there is no unauthorized access to CJI, documenting how local agency equipment is connected to the CSA's state system, ensuring personnel security screening procedures are followed and appropriate security measures in place, and informing the CSA of any security incidents.

From 2018 to 2020 the MTPD executed two contracts, four contract amendments, and one purchase order for LASO services. The first contract was in place starting in 2018 and was updated in 2020 to use a flat monthly rate instead of an hourly cost. The MTPD and Information Services (IS) departments initiated the Law Enforcement Network Segmentation (LENS) project and contracted for LASO Services to ensure compliance with the CJIS Security Policy, at a cost of approximately \$625,000. This work required the involvement of a LASO to ensure CJI used by MTPD are properly encrypted when CJI data are in transit or at rest and that other network security requirements are met. In undertaking the LENS project, the Council contracted with GTEL Advisors LLC to act as the Council's LASO, and to consult on network segmentation work and ensure CJIS compliance. The President of GTEL Advisors had worked as a part-time police officer and contracted with MTPD to provide the Law Enforcement Technology Group (LETG) system for records management services. The cost for LASO services increased significantly over those years, as the costs of CJIS compliance were realized through implementing the LENS project. Costs for hardware/software required for compliance were expended through GTEL to acquire necessary assets.

Until 2021, GTEL services have been acquired via the IS Sole Source process mediated by the Contracts and Procurement department. Recently, Procurement has implemented changes to the Sole Source process. Controls relating to the IS Sole Source process have not been evaluated since these changes.

Objective

Objectives of this audit are to:

1. Evaluate the controls involved in establishing LASO service provider as an IS Sole Source vendor.
2. Evaluate contract administration practices for the MTPD LASO contract, including conformance with contracting and invoicing best practices.
3. Evaluate Accounts Payable practices relating to LASO contract payments.

¹ Updates to the policy are issued annually, and the last major rewrite occurred in 2011.

Equity

No equity impact was assessed during the planning phase of this audit. Later observations included that the use of a sole source procurement may have reduced opportunities for the Council to contract with an MCUB vendor.

Scope

This audit considered procurement, contract administration, and accounts payable practices within the context of MTPD LASO activities. The audit examined all available IS Sole Source forms and supporting documents, as well as contracts, purchase orders, vendor invoices, and payments associated with the MTPD LASO from 2018-2020. The audit scope also included other activities pertinent to purchasing authority, financial tracking processes, and processes affecting vendor selection.

Methodology

To meet the three goals of understanding the procurement process, including procedures and requirements involved in establishing the LASO as an IS Sole Source vendor; understanding contract administration practices within MTPD, including accounting practices; and understanding accounts payable conditions and practices around contracted LASO services and LENS project, audit reviewed the following pertinent to contract origination and administration:

Procurement

- Discussed the procurement process with procurement and departmental personnel. Interviewed staff associated with procuring LASO services, and review documents (contracts, purchase orders, sole source forms, and invoices) associated with LASO procurement.
- Interviewed (who) and reviewed of policies and procedures, documented how contracts are created for LASO via the sole source process.
- Reviewed IS Sole Source business items and determined whether business items follow or lead expenses. Compared approved amounts with expenses in contracts and purchase orders.

Contract Administration

- Reviewed documentation of services rendered, and reviewed linkage between LASO services, project or service milestones, and invoices received.
- Reviewed contracts and conducted interviews with MT and MTPD staff to determine whether a schedule of deliverables exists, and if documentation is maintained. Determined reason for expanding contracts beyond initial amounts.

Accounts Payable

- Interviewed accounting and contract administration staff to determine their role in ensuring total costs for LASO services are tracked, and invoiced expenses are eligible under current contracts.
- Reviewed purchase orders, contracts, and spending records in the context of understanding accounting procedures.

Limitations

Records prior to 2018 are difficult to access. There was staff turnover that meant contract administration staff who worked on this contract in 2018 and the first part of 2019 were unavailable for interviews or to provide documents for review as they no longer work for the Council.

Recognition

Program Evaluation and Audit appreciates the assistance MTPD provided during the course of the audit. We are encouraged by the response to the issues identified and recommendations made within

this report, including their planned systemic approach to reforming contract administration practices and training as detailed further in their attached memo (see Appendix C). This may reduce risk compared to more conservative methods to respond to recommendations that may focus only on the specific unit and process that was audited.

Observations

Observation 1: Sole Source Justification

MTPD failed to adequately justify GTEL as an IS Sole Source vendor with documented market research.

Lack of expertise led MTPD staff to trust the vendor proposals and prematurely justified sole source procurements by using language from the GTEL proposal to define vendor qualifications for the IS Sole Source procurement for LASO services. Prematurely justifying a sole source procurement meant that the cost savings and potential of competitive procurements to qualify a Metropolitan Council Underutilized Business (MCUB) were not available for this contract. The MTPD staff's lack of expertise with CJIS Compliance also set the stage for further observations and issues detailed throughout the rest of this report.

Qualifications used for LASO services' IS sole source justification included text provided by the vendor, GTEL in the vendor's proposal. The GTEL Proposal presented the vendor as having "unique" credentials that are not included in or linked to the CSP, which defines requirements of the LASO. Reviews of the two GTEL proposals provided to MTPD from 2018 to 2020 showed that six of the 16 MTPD sole source or 5-point memos, which Metro Transit uses to justify sole source procurements, included the phrase "this vendor has been vetted by the BCA" (Bureau of Criminal Apprehension), and that GTEL had "received a CJIS Security Certification," which are both phrases directly quoted from the GTEL proposals. An additional three procurement documents included very similar language that was provided in the vendor's proposal to MTPD. One sole source form attached the vendor's 2019 proposal instead of using a 5-point memo. Upon clarification of what these qualifications entailed, we found that "vetted by the BCA" was a term used by MTPD to indicate that a vendor had passed a background check. The "CJIS Security Certification" was a term MTPD used to describe when a vendor completed CJIS required LASO training and had passed the background check. Background checks and CJIS training are required for all LASOs and are not unique qualifications. Qualifications such as a "CJIS Security Certification" are not issued by the state BCA or the FBI, and these entities do not comment on the credentials of CJIS service consultants or vendors.

Though the GTEL qualifications language did not align with CJIS requirements, it was used to justify the vendor as the one vendor with special qualifications to provide the LASO service. These qualifications are described in the five-point memos as making GTEL a "one of a kind" vendor for these services. The "one of a kind" language was used on two sole-source authorization requests and one 5-point memo.

The only statement provided to justify the hourly rate paid to the vendor is "[t]he negotiated hourly rate of \$175.00 is in line with other contracted services." The contracted rate of \$175 an hour matches the proposed rate from GTEL proposal. No market research or evidence is provided that confirms this as an appropriate rate. MTPD had an existing business relationship with GTEL for other IT systems and services, but research to establish that rate for other IT consultation work is also not included with the sole source request. Contracts with this vendor for LASO work were extended multiple times, which included an "after the fact" procurement to increase the amount of a contract that had ran out of funds.

Per the Council's Procurement Procedure, procurements must be publicly bid via Request for Proposal (RFP) processes and Sole Source Procurements may "eliminate the need for a competitive process" under specific conditions. The Council's Procurement Procedure further addresses Sole Source procurements and provides the guidance that "Sole Source Procurement must be used with

care on an exception basis only and must be justified for each occurrence.” Justifications for Metro Transit sole source items are provided using 5-point memos, which address the purpose of the request, discuss the vendor and project, identify the budget impact, list any alternatives, and make a recommendation to procurement. The Sole Source Procurement request also tells requestors that

“[t]he following are unlikely to be sufficient sole source justifications:

- Personal or department/division preference for a product or vendor
- Department/division perception that a vendor is the best qualified (this should be determined through a competitive process)
- Lack of department/division planning resulting in limited time to conduct a competitive procurement
- Past or existing relationship with the vendor”

Sole source costs must also be reasonable and validated with a description of the methodology used to select the vendor and units must attach any written supporting data (e.g., survey or market analysis) for the expected costs. In addition to the general Sole Source process, there is an IS specific process. The IS Sole Source process was reviewed in 2020 and is being updated to improve the clarity and documentation of justifications for IS Sole Source items. Proposals submitted to procurement are now undergoing more thorough reviews, to ensure these justifications undergo further scrutiny.

Additionally, there are responsibilities and trainings that the LASO needs to meet as provided by the FBI’s CSP, though the experience requirements of the LASO are not clearly defined in the CSP. The policy requires the LASO to receive “enhanced security awareness training” and be able to identify and oversee equipment such as hardware, software, and systems in use by MTPD, as well as ensure proper personnel security screening takes place and report incidents. The CSP requires that security awareness training should include information on the job duties of a LASO, previous audit findings for local organizations, and recent CSP changes.

In discussions with MTPD, they consistently expressed that the expertise of the vendor was something they relied upon to complete all CJIS compliance reviews, which is why a vendor was required to fulfill the LASO position. MTPD staff assigned to work with this vendor noted that they did not have a background or specialized knowledge of IT services. While they were required to complete CJIS Security awareness trainings, MTPD staff did not display an awareness of the kinds of IT knowledge and work that were required for the LASO function, nor did they share direct references to the CJIS Manual’s requirements of the LASO. Technicians from the IS Department, who are generally the Council’s subject matter experts for IT expertise, were not trained to be subject matter experts on the CSP manual requirements for the LASO. The IS Department was involved in procurement discussions during the initial phases of procuring LASO Services, but contract management shifted to MTPD in 2019 which further exacerbated the lack of IT expertise among those involved in procuring LASO services. The LASO is required for CJIS compliance and inadequate contract management² may have contributed to the use of vendor language and the failure to verify vendor credentials or conduct market research to support the Sole Source Procurements because of real or perceived contract renewal time constraints.

² Observations on contract management are detailed further beginning on page 16 of this report.

By using language to justify a sole source procurement that frequently matched what the vendor provided in their project proposals, MTPD staff failed to meet the spirit of the Council's sole source procedure requirements. Additionally, MTPD failed to provide for a competitive procurement which should have been required in this case. Without procedures or work instruction to control the sole source procurement process and scope, there is risk that a vendor may be perceived to create and direct additional work to themselves, thus circumventing procurement practices meant to establish a fair playing field for competing vendors. The Council is exposed to fraud risk when the IS sole source approval fails to ensure that the vendor's proposal was adequately justified with supporting documentation for vendor qualifications. Similarly, there is financial risk if the Council does not establish a vendor's cost reasonableness by considering bids from multiple service providers for the services procured. As the sole source procurement was prematurely justified, the Council was not able to solicit bids from 2018 through 2020. By using vendor language in the sole source justification memos, MTPD could also increase equity risk as a competitive procurement could be an opportunity for MCUB vendors to contract with the council. This could increase reputational risk through the appearance of a real or perceived favoring of a specific vendor, as well as a real or perceived disconnect between equity practices and stated equity values and goals.

Recommendations:

1. MTPD Contract Administration staff should work with IS, the Office of General Counsel (OGC), and Procurement to ensure that qualifications, responsibilities, and expertise used to support a procurement align with the legal and technical requirements for services or functions.

Management Response: Management agrees with this recommendation. Since May 2020, MTPD and Procurement staff meet monthly to discuss current and future contracts. The meetings review project manager requirements, procurement process/milestones, timelines, future projects, etc. OGC and Risk are included in these meetings on an as-needed basis. The rigor and detail of these meetings have significantly increased to ensure compliance.

Beginning in 2019, MTPD began participating in regular Transit Technology Advisory Committee (TTAC) meetings, both as a general member and when a police-related technology procurement project is in progress. This committee has assisted MTPD in examining various angles of technology projects and determining if an alternative solution exists in another department or if MTPD's project can be shared by another unit/department.

Monthly and as-needed meetings have been occurring between Procurement and MTPD since May 2020 to create a more open avenue in communication. MTPD will seek training from internal and external resources on scope of work and fee schedule development. Training will be ongoing as opportunities present themselves.

MTPD will continue to participate as a member of the TTAC and work with OGC as needed for procurement projects.

Management acknowledges that this recommendation is an ongoing effort by MTPD.

Timetable: Ongoing since May 2020

Staff Responsible: MTPD's Chief of Police and Captain of Support Services

Audit Follow-Up: Retest

2. MTPD should work with Procurement to establish guidelines on what acceptable cost analysis entails and consider working with Procurement or Finance to develop a training for contract administration staff who may need to conduct cost analyses.

Management Response: Management agrees with this recommendation. MTPD Project Managers are responsible for creating an independent cost estimate (ICE) for every procurement action. A Cost Analysis is performed whenever price competition is lacking or following bid/proposal submission that differs from the ICE.

If Project Managers need assistance conducting market research or cost estimates, they will consult Procurement for assistance.

Procurement is also enhancing the contract handoff process which will provide more tools and clarity to MTPD's Project Managers. Procurement will present the enhancements to business units in 2022.

Timetable: Procurement will implement training and enhancements by end of Q4 2022.

Staff Responsible: MTPD's Chief of Police and Captain of Support Services, and Procurement Director

Audit Follow-Up: Retest

3. Metro Transit senior management should identify a way to train or hire someone with CJIS expertise that is a Council employee to help procure services and manage LASO work to ensure CJIS requirements are met. MTPD should seek the assistance of IS and other subject matter experts when required to interpret aspects of contracts or vendor qualifications where they may lack internal expertise. MTPD must ensure the required expertise is maintained as without a LASO the police department would not have access to CJI data and would be unable to operate as a police agency.

Management Response: Management agrees with this recommendation. MTPD and IS are currently transitioning to having an in-house LASO within Information Services before the current contract's expiration in July 2022. This person will meet CJIS requirements of the LASO and be able to carry out the duties by the time the current contract ends.

Timetable: July 2022

Staff Responsible: MTPD's Chief of Police and Captain of Support Services. MTPD will coordinate the transition with the Chief Information Officer.

Audit Follow-Up: Confirmation

4. Metro Transit senior management should conduct a cost-benefit analysis to determine whether LASO services should be contracted out or if staff can be hired/trained to do the work internally.

Management Response: Management agrees with this recommendation. The determination has been made to move this function in-house. See recommendation 3 response.

Timetable: Discussions and analysis are ongoing and will be finalized by July 2022.

Staff Responsible: MTPD's Chief of Police and Captain of Support Services, and IS's Chief Information Officer.

Audit Follow-Up: Confirmation

Observation 2: Contract Management

Contract practices did not structure services by contract milestones or a schedule of deliverables, and at times expenses were incurred without an active contract in place.

Due to the fact the sole source procurement was based on information provided by a vendor rather than market research³ as well MTPD staff's lack knowledge of leading practices in contract administration and the CJIS Security Policy, there were no controls built into the LASO contract to establish price reasonableness based on fixed-priced milestones or deliverables that are linked to CJIS compliance requirements. Additionally, as contract monitoring practices were minimal and undocumented, MTPD failed to ensure expenses charged to the contract were within a well-defined contract scope of work.

MTPD contract administration staff are charged with ensuring that both parties are compliant with the terms of the contract. Current contract administration staff stated that previous contract administrators did not have any documented processes or procedures when they transferred administration of the GTEL contract. Observed contract management processes did not link deliverables or contract milestones to work based on firm-fixed-pricing to ensure the work performed by the contractor was reasonable and sufficient. Allowable and allocable contract tasks were not specified in a schedule of deliverables exhibit to ensure accountability and to provide a baseline for monitoring progress and identifying issues. For example, the original contract (18M027) set the LASO cost at \$175.00 per hour with a one-hour minimum. The contract (19M202) was updated in 2020 with a monthly flat rate of \$5,000 plus an \$175 per hour rate for additional work. No detail was provided as to what work is performed for the \$5,000 monthly flat fee. Moreover, under contract 19M202 the LASO charged consistently more than \$5,000 without specifying an hourly detail of what work was performed beyond the base rate. There was no evidence of a contract amendment to increase the \$5,000 monthly flat rate even though later invoices charged a \$6,000 flat rate. MTPD staff expressed during interviews that no staff were given contract management trainings on contract administration procedures, and there was no contract administration plan developed for the contract.

There were also periods where there was no active contract, though charges were incurred from January 2019 to March 2019 and January 2020 to March 2020. The 2019 period incurred \$50,637 when the contract was inactive, while the 2020 period incurred \$26,906 though there was no active contract to incur costs. In both cases, the original contract expired in December but neither the amendment to extend the contract nor the new contract were signed until spring. An after-the-fact sole source procurement increased the amount in contract 18M027 by \$95,000 to cover the charges incurred during the 2019 gap but was not submitted until August 29, 2019 (see 5.1.6). A second increase of \$85,000 was included in a December 2020 sole source approval and amendment to contract 19M202 that also moved the end date of said contract from January 1, 2021, to July 1, 2021.

There are best practices available that were not used to administer LASO contracts and purchase orders. The Office of Federal Procurement Policy (OFPP) and National Association of State Procurement Officials (NASPO) provide industry best practices for contracting, including that a contract administration plan should be developed that includes the scope of work to be performed, billable activities, a schedule of work, and success criteria for the statement of work to monitor deliverables. The contract administration plan could alternatively break the expected deliverables into

³ See Observation 1 beginning on page 9.

contract performance periods that list the dates by which deliverables are to be received. A performance period schedule should provide milestones and ensure that indirect costs and direct costs are tied to specific deliverables at specified times, which can be compared to vendor invoices. Additional guidance shows that a contract administration checklist should always be used and included in the contract file when monitoring and closing contracts. This helps to assure that all necessary contract administration actions have been completed.

Per Federal Acquisition Requirements, fixed-price contracts should be used to establish a firm price that is tied to the specific services rendered. This type of contract provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties.

No formal documented procedures or trainings exist for contract administration staff regarding their role as contract managers. Specifically, no trainings exist on how to: design a contract, construct a schedule of deliverables or contract milestones; establish fixed prices for deliverables; execute a contract administration plan; or perform monitoring duties. No checklists are used to ensure all recommended administration tasks are performed in a timely manner. Additionally, the processes employed by former contract administration staff were not documented and current staff acknowledged they lack contract management expertise.

Without sufficient controls over the contract administration process, MTPD may create contractual relationships that end up requiring more time and resources to administer while not ensuring cost effective practices are implemented. Without administration plans, project deliverables may grow beyond the anticipated budget and timeline increasing strategic and financial risks. Without proper controls, contract administration processes could lead to insufficient documentation, and a lack of recordkeeping to assist MTPD in tracking invoices and deliverables. MTPD processes resulted in ten of the fifteen sampled invoices not including adequate justification for the charges listed.

Due to failure to confirm and plan for contract end dates, operational risk exist as payments for necessary services cannot be executed without an active contract. This leads to situations like those observed in the LASO contracts where multiple amendments are needed or where contracts are not signed before costs are incurred. The lack of a contract administration plan led to a situation where contract 18M207 required three amendments. The initial contract ended on 12/31/2019 after which point in time charges were incurred even though the new contract, 19M202, was not executed until 4/21/20.

Without the ability to tie invoices to a schedule of deliverables, MTPD risks the LASO not completing the tasks needed to confirm CJIS compliance, and the council may lose access to CJI data. MTPD's lack of expertise, when combined with the issues in procuring and maintaining an active contract creates the risk that MTPD officers' will be unable to access to the data they need to perform their duties. Additionally, ineffective contract administration processes could lead to reputational risk and the appearance that the Council is not providing oversight of contractors, which could lead to a lack of public trust and confidence.

Recommendations:

5. The MTPD Chief of Police shall require MTPD staff to take necessary trainings to improve contract administration practices to confirm contract exhibits are informed by best practices and ensure contracts are structured to incentivize cost effectiveness and include success criteria for contract deliverables or milestones.

Management Response: Management agrees with this recommendation. As noted in

Appendix C, Procurement provided one-on-one training to MTPD regarding contract initiation and vendor management in March 2022. Both departments will continue to work together to ensure understanding and compliance. Management will prioritize trainings in these areas.

As noted in the memo in Appendix C, MTPD is hiring an administrative position for an Administration Manager within the MTPD. This person will focus on procuring and managing the MTPD's contracts.

Timetable: Training will be on-going. MTPD Administration Manager position will be filled in Q4 2022.

Staff Responsible: MTPD Chief of Police, MTPD Captain of Support Services, and the Procurement Director.

Audit Follow-Up: Confirmation

6. Council Finance and procurement staff should work to develop resources and trainings to support contract administration and trainings that are informed by OFPP and NASPO best practice guidance.

Management Response: Please see Appendix C. Management agrees with this recommendation and has started developing additional tools to include with the contract handoff memo. Any tools developed will be informed by best practices and presented to business units through multiple angles of messaging, including training.

Procurement also developed draft job duties for a pilot project in Procurement for a contract management unit to assist business units with contract management training and tools.

Timetable: End of Q2 2022

Staff Responsible: Procurement Director and assigned Procurement staff

Audit Follow-Up: Confirmation

7. MTPD Contract Administration staff should document via procedure and/or work instructions contract administration processes to ensure contract deliverables and/or milestones are developed and informed by best practices, and successful deliverable and milestone completion are documented prior to vendor payment.

Management Response: Please see Appendix C. Management concurs with this recommendation and will work with Procurement to develop best practices in contract management.

Timetable: Tools developed by end of Q4 2022, finalized by end of Q1 2023

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Confirmation

8. MTPD Contract Administration staff should work with finance and procurement staff to develop a work instruction or procedure to act proactively when contracts near their end to ensure that

expenses are not incurred in the absence of a contract. Process documentation should include a method to track expenses against contract amounts, such as cover sheets with information about the end date of and funds remaining in the associated contract.

Management Response: Please see Appendix C. Management agrees with this recommendation. Procurement currently provides notification to project managers at regular intervals as contracts near their completion date. Procurement is pursuing a contract management position within procurement to further assist business units.

MTPD Project Managers will set tasks with reminders in advance of a contract's end date to begin next steps to renew, rebid, or take other appropriate action. This will be a part of their job duties. MTPD's new Administration Manager position will also monitor contract dates and ensure that appropriate steps are being taken to resolve or extend the contract as necessary.

Timetable: Standard operating procedure will be documented in Q4 2022

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Confirmation

Observation 3: Budget Management and Financial Tracking

Budget analysis processes do not document the use of reporting tools and trend analysis to support contract origination and contract administration processes.

Metro Transit Finance has some tools available for budget managers. However, MTPD staff lack contract administration expertise and training on budget management and what financial reporting tools are available. The lack of financial tracking combined with the existing problems of late and insufficient documentation for invoice reviews which resulted in MTPD staff's failure to manage costs and budget properly. Over time, budget management issues snowballed and contributed to the procurement issues described earlier. MTPD often used time sensitivity as a reason why sole source processes were required to extend the LASO Contract with GTEL Advisors. Budget management issues perpetuated the problems managing LASO contract costs.

When a contract or consultation services account requires a budget review, MTPD contract administration staff stated they would perform a "comprehensive review." The budget manager said he relies on Metro Transit Finance to look into these issues via a drilldown to the department ID and account balance for the contract or PO. Contract administration staff stated they don't have the personnel to perform inquiries into department account balances. Drilldowns include financial reports that show account balances for the department account chart field strings associated with the contract.

Org Reports are a reporting tool available from Metro Transit Finance that are released monthly and show account balances for each department, including the account codes associated with the LASO contracts. The Org Reports also break down the balances based on monthly spending, year to date spending, and monthly/year to date budgets, making it possible to tell if an account is over or under budget. However, Org Reports do not show information at the contract or purchase order level and are not real-time reports. Org Reports additionally would overestimate the remaining budgeted amount if there are outstanding and unpaid invoices. MTPD authorized approvers did not have a clear indication of what red flags they used when reviewing Org Reports. For example, MTPD contract administration staff were unaware of how continuous large account balances (sometimes including a nearly \$200,000 remaining balance) should be interpreted.

Reviews of the Org Reports used by contract administrators showed regular high account balances in 2018 and 2019, but current staff could not speak to how Org Reports reflecting large account balances were used to review and manage budgets. Previous instances of months where the difference between the budgeted and actual recorded expenses were in the \$1,000s were also observed. Often the recorded expenses were much less than the budgeted expenses in the beginning of the year because of unpaid invoices, which then contributed to the account being overdrawn by the end of the year. This problem was observed more dramatically under the previous contract administrators though it persisted into 2020. The assigned budget administrator said that he would like to review the budget in greater detail but was not fully aware of all drill-down reports available for budget reviews and how to isolate the account chart field(s) that were associated with contracts. No examples of MTPD budget drilldown reviews performed or requested were available for review. MTPD staff also stated that while there are other reports, they may use to manage budgets, none of the reports are available in real time.

Furthermore, MTPD doesn't use any tracking processes or reports for any pending vendor invoices. MTPD will submit invoices for payment and draw down the contracted amounts when invoices are received, and payments are processed and issued. Discussions with contract administration staff showed that they could work with the Finance department to develop tracking tools and reports. Discussions with the contract administration staff also showed that they are unsure of how the 2019

monthly flat fee was derived. Specifically, the initial contract had an hourly charge while the 2019 contract had a monthly bulk charge and an hourly rate for extra time spent. Invoices for the 2019 instead charged \$6,000 per month, which contract administration staff paid without explanatory documentation. If \$175 per hour is like an hourly equivalent paid in the \$5,000 monthly charge, MTPD would expect the LASO to work 28-29 hours per month. No budget forecasting and analysis were made to determine the base hours that would be required of the LASO to perform their duties, so it is unclear how the \$5,000 was established.

Applying the Council's Procurement Procedure, Project Managers are responsible for monitoring performance of the LASO contract to track progress and stay within budget. The Contract Administrator is responsible for reporting progress and budget deviations to appropriate management.

Per the OFPP, maintaining a voucher payment log, either manually or computerized, in the contract file helps to track the contractor's claimed costs and fee (if applicable) against contract costs and fees. Maintaining a copy of each paid voucher in the official contract file helps to ensure proper accountability.

Optimally, three kinds of financial reports would be used to track a project budget, covering the following areas:

- Contract or purchase order funds remaining within the budget
- Expensed contract funds for work that has been completed but that has not yet been invoiced (costs yet to be paid on pending invoices).
- Invoices that are paid and recorded in the financial system of record

Together, these reports allow budget managers to know how much they can allocate for future work without overdrawing accounts when invoices are paid. These reports allow contract managers to detect basic "red flags", such as if there is a large variance between a year to date or monthly budget and year to date or monthly spending. Large variances may indicate that there are invoices that need to be paid but have not been received. Review of these financial tracking reports can be used to inform changes to projects scope and ensure contracts stay on budget. Budget analysis of these reports allows contract administrators to learn from previous spending patterns to update budget forecasts and make reasonable predictions of future spending needs should contracts require renewal.

Currently, neither the Council or Metro Transit maintains a central function to support contract administrators with budget management trainings, resources, and expertise. As contract administrators, staff are left to manage budgets without best practice guidance requirements that have been standardized in policy, procedure, work instructions, or job aids. Without finance and contract administration expertise, most contract administrators may not have documented their budget analysis processes via policies, procedures, standard operating procedures, or work instructions. Contract administrators stated they often need to go to a third party to gain access to financial and budget reporting tools required for their work. MTPD did not state they had ever requested access to reporting tools, nor did they note processes had undertaken to identify internal resources or develop plans to grow budget management expertise among MTPD staff.

Insufficient controls over the budget management process creates the risk that estimates, or assumptions built into a budget could be inaccurate. Future budget forecasting could be limited, as the underlying budget data and costs posted to the contract's account chart string(s) may be

inaccurate. When financial reporting tools fail to track actual and expected costs to a project plan, which could lead to increased costs, overdrawn accounts, or billing for unauthorized/unsupported work. There are additional risks to the Council's reputation, as poor budget management could leave the MTPD without a LASO and access to CJI data, which would prevent the MTPD from functioning as a police agency.

Recommendations:

9. MTPD Contract Administration staff should work with Metro Transit and/or RA Finance staff to collaboratively develop procedures, work instructions, job aids, or Standard Operating Procedures for contract budget management informed by best practices.

Management Response: Please see Appendix C. Management agrees with this recommendation and will seek assistance from Metro Transit finance and external resources where available. A written manual will be created as a reference for Project Managers.

Timetable: End of Q4 2022

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Confirmation

10. For the LASO Contract, MTPD Contract Administration staff should work with Metro Transit and RA Finance staff to develop budget management planning tools that include recommended financial reporting tools to record and track contract expenses against the budget that is informed by best practices.

Management Response: Please see Appendix C. Management notes that the work described here will be part of the contract management tools under development and does not require working separately with Finance.

MTPD will not be using a vendor for a LASO once the current contract expires as noted above.

Timetable: Ongoing

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Risk Assessment

11. MTPD Chief of Police should work with contract administration staff to develop trainings and resources regarding their roles and responsibilities as contract budget managers.

Management Response: Please see Appendix C. Management agrees with this recommendation and will seek to coordinate both internal trainings as well as external best practices trainings as well.

Timetable: End of Q4 2022

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Risk Assessment

Observation 4: Invoice Reviews

Invoice review practices fail to maintain supporting documentation to justify invoiced expenses.

MTPD contract administration staff were unable to document cost justification and reasonableness when approving invoices. Due to a lack of knowledge of best practices for invoice reviews, MTPD did not adequately collect supporting evidence for the charges submitted on GTEL Advisors Invoices. Poor invoice review processes were coupled with late invoice reviews which resulted in approvals that regularly exceeded accepted state and federal vendor payment requirements. No documentation was maintained to explain late invoice approvals and payments. Supporting documentation for invoice payments should provide enough information for independent reviewers to understand what work was paid for and why the work was required.

From 2018 to 2020 there were 48 invoices paid to GTEL, many of which had insufficient supporting evidence to justify the charges or were paid late. These invoices ranged in size from \$2,362.50 to \$81,965.23. Line items on invoices ranged from single lines such as “Maintenance on the Trittech FBR to Tracker Interface” with a bulk charge of tens of thousands of dollars, to invoices with pages of line items with an hourly rate billed to the closest 15 minutes. Invoice reviews are completed by MTPD business technology staff, and there is not a standard operating procedure for the review process. In all, twenty-one of the forty-eight invoices (44%) were paid more than 35 days after receipt (including nine invoices paid 100+ days late, and two other invoices which were paid more than 300 days late. There were two invoices paid with FTA funds, which must be paid within 30 days. One of these was paid on time, the other after 43 days.

Reviews of documents and discussions with contract administrators revealed that invoices were approved without maintaining supporting evidence to demonstrate the justification and reasonableness of costs. If it existed at the time of review, supporting evidence was not imaged into PeopleSoft, the financial system of record, to support invoice payments. Some documents provided as supporting evidence after the fact do not adequately justify given the size of the expense incurred. For instance, a payment of \$15,000 was approved to remove duplicate names between systems, but evidence provided to support the payment only showed only one duplicate name had been identified and no description of what was required to mitigate the migration issue was available.

Other irregularities and missing details involved bulk charges. As discussed earlier, there was a monthly fee paid at \$6,000 when the contract stated the flat fee would cost \$5,000, without any documentation to explain the \$1,000 discrepancy. Based on the \$175/hr. rate, \$1000 equals nearly 6 additional hours’ worth of work that was not documented. Another invoice for “maintenance” on the system whose migration produced the duplicated names invoice charged \$7,500 over 4.5 months starting one week after the \$15,000 duplicate names charge. A third invoice for this same system claimed to be for “annual” maintenance but charged 15 months of maintenance at \$25,000. The two maintenance charges had the same monthly rate of \$1,666.67/month (or about 9.5 hours of work) that was not specified on the invoices or otherwise supported with documentation. There was not detail provided on what was included in “maintenance” charges. Generally, justification would be provided describing the fees with specific work required for a “change request to remove duplicate names.” The change request fees were paid almost simultaneously with a maintenance charge. The maintenance charge did not include detail as to why the payment was made or provide additional justification for a payment, given the system migration issues noted. Additionally, no justification was noted describing why system maintenance charges were not included in the monthly \$5,000 flat rate for LASO work. Together, the monthly maintenance charges and the unsupported additional flat charge effectively increased the monthly invoices from the vendor by \$2,666.67—or 53% of the original cost.

When invoices were paid over 100 days late, there was no documentation imaged in PeopleSoft or justification noted describing the reason for the late payment before invoices were sent to accounts payable. Accounts payable keeps track of invoices that are awaiting approval, but they cannot track invoices that are not issued to the appropriate central processing unit. There was not language in every contract or other available communications directing the vendor on where and how invoices should be sent.

The Council of Sponsoring Organizations Control Environment guidance includes setting management expectations, defining who has certain authority and responsibilities, and helps create accountability for control implementation. Invoice review, as a control activity, can help identify or prevent a risk, and ensure departments are not overpaying for services, by reviewing invoices charges are reasonable and justifiable.

Best practices of contract administration from OFPP states that invoice review and payments for services rendered should be done based on proof that those services were performed based on a project plan with milestones, deadlines, and/or deliverables. Accounts payable practices require supporting evidence justifying charges to be maintained with invoices. Additionally, it is the project manager's responsibility to verify invoice charges based on contract details before signing and sending invoices to accounts payable.

When considering the control environment, it is important to establish the "5W's," a phrase that refers to establishing justification for an expense by addressing the basic questions of an expense: who, what, when, where, and why. Generally, transaction justification and supporting documentation should be complete and transparent, and include information about the transaction, such as:

- Who initiated the transaction and who are the affected individuals or units?
- What is the transaction for?
- Where did/will the activity take place (if applicable)?
- When did/will the activity take place (if applicable)?
- Why the transaction is being completed and how does the transaction relate to or benefit the account affected or charged?

If invoices are received or approved late, support for why payments are processed late provides an important control to prevent future late payments. Per state statute 471.425, "the standard payment period is defined as within 35 days of the date of receipt" for municipalities including the Metropolitan Council. This time can be extended if there is a good faith dispute of the charges. Invoice errors must be identified, and vendors must be notified within 10 days, with the 35-day window applying once a corrected invoice is received. Statutory payment requirements cannot be met without appropriate documentation of why payments are delayed. Additionally, OFPP suggests some remedies for offices where "timely payment of [invoices] is a problem" such as having a dedicated person or an automated system to track invoices or having a dedicated mailbox for incoming invoices.

No Metro Transit job aids or work instructions exist describing required supporting documentation for invoices. Likewise, there is no council-wide procedure or job aid and no training for project managers on best practices regarding invoice review. These gaps in documentation of invoice review processes further inform ways that review practices were exacerbated by the contract structure issues and issues with trusting but not documenting verification of vendor assertions of work completed. As a result, Metro Transit contract administration staff did not verify the work done or document the necessity of LASO involvement for specific projects. Contract managers lack of IS expertise contributed to issues documenting and identifying why charges were justified and reasonable. Finally, per IS and MTPD staff, invoices were regularly sent to different departments, especially after LASO

contract administration moved from IS to MTPD. There was no clear communication about invoice receiving procedures, which could have increased delays in processing and approving invoices.

There is a risk that, without sufficiently documenting support for charges to demonstrate the 5W's, the council may have paid significant amounts of money for work that was not done or overpaid for work that was done. Without sufficient supporting documentation for invoice approval, it is impossible to verify work was completed per contract requirements and work specifications. Without procedures or work instruction to establish contract work scope, there is risk that a vendor may or may be perceived to create and direct additional work to themselves, thus circumventing procurement practices meant to establish a fair playing field for competing vendors. Failure to support charges also exposes MTPD to compliance risk as it may not be able to independently certify work was adequately completed and meet CJIS requirements, as was noted in discussions of contract administration issues. Additionally, not documenting the necessity of the work of the contractor could lead ambiguity in determining if projects could be completed by council staff or a different vendor, or if work could be completed with significantly less work by the LASO for a lower price.

Excessive and unsupported payments present reputational risk, as not establishing justification and reasonableness could result in the loss of public confidence in the Council as good stewards of taxpayer dollars and in MTPD specifically. Alternatively, unnecessary large payments may be used to justify increasing budgets, which could add risks to both the Council's access to funding and reputation. Late payments may increase compliance risk, as a failure to comply with state statute could increase legislative scrutiny of the Council. Late payments could also create compliance risk if they lead to the LASO vendor ending the relationship with the Council.

Recommendations:

12. MTPD should update their invoice review process to ensure that supporting documentation is reviewed and maintained before payments are approved.

Management Response: Please see Appendix C. Management agrees with this recommendation. The new MTPD Administration Manager will create a check/balance process to double check invoices based on best practices. This will be built into the procurement manual and trained upon.

Timetable: Q4 2022

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Confirmation

13. MTPD should work with the vendor to document all expenses associated with work from 2018 to present and recover unsupported contract payments. Specifically, MTPD should request reimbursement for the additional \$1,000 charged on top of the contracted \$5,000 base rate.

Management Response: Management agrees with this recommendation and recognizes that MTPD was overcharged. The contract manager will work with Procurement to determine the overcharge and request refund from the vendor.

Timetable: After Internal discussions in MTPD, we have decided to consult with the Office of General Counsel and will be analyzing next steps, which we anticipate taking in Q3 2022.

Staff Responsible: MTPD's Captain of Support Services

Audit Follow-Up: Retest

14. MTPD should ensure that invoices are paid within 35 days of receipt or 30 days for FTA expenses. If a payment is late, then an explanation for the late payment should be documented and imaged with invoice's supporting documentation.

Management Response: Management agrees with this recommendation.

Timetable: Business process improvement started in Q2 2022 and continues.

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Confirmation

15. Metro Transit should consider assessing how they train project managers and those with signature authority to review invoices, to identify if similar problems could exist across the council.

Management Response: Please see Appendix C. Management agrees with this recommendation and is currently reviewing all options to better train and support project managers around contract management.

Timetable: Business process evaluation began in Q1 2022 and continues as project managers are brought on board.

Staff Responsible: MTPD Captain of Support Services

Audit Follow-Up: Risk Assessment

Conclusions

MTPD used the Sole Source Procurement to prematurely approve GTEL Advisors as a IS Sole Source vendor based on the vendor's description of their qualifications.

MTPD Contract Administration staff could not confirm or document how their internal practices mapped to contract administration best practices. No contract administration plans, checklists, or monitoring tools were used by MTPD in managing LASO contracts and payments.

There were broad gaps in documentation, including a lack of documentation of how work in budget management, invoice review, or accounts payable processes are performed by MTPD. Documenting work processes is especially important when MTPD staff oversee a contractor whose work is necessary to confirm compliance, given the LASO's work is for CJIS Security Policy requirements. There are additional issues related to MTPD assigning staff to manage contracts when MTPD staff do not have backgrounds in contract administration or do not have detailed knowledge of the compliance requirements related to the vendor's work. The overall lack of financial expertise among MTPD contract administrators created numerous challenges in managing and administering the LASO contract with GTEL.

The observations here also highlight weak points that may exist with other contracts administered by MTPD. Based on the amount of training needed to properly perform LASO contract administration functions, it may be reasonable for MTPD to hire a dedicated contract administrator with necessary expertise in contract administration and CJIS compliance requirements. MTPD should consider conducting cost-benefit analyses related to staffing the LASO function and other contracted services as compared to what is required to train existing staff in necessary expertise to ensure qualified staff perform required administration and technical services.



July 7, 2022

Matthew J. LaTour, Director Program Evaluation & Audit
Chief Audit Executive

Appendix A: Follow-Up Actions

Program Evaluation and Audit recommendations are categorized according to how Audit will follow-up on them. The categories are:

- **Retest** — Audit will retest the area using the same or similar procedures after a recommendation has been implemented and sufficient time has passed for the changes to take effect. The retest will take place on a specified timetable. The recommendation will be closed once the change has occurred. A new audit project will be opened for retesting and any new findings will include new recommendations.
- **Confirmation** — Audit will confirm that an adequate risk response has been completed on the agreed upon timeline. The recommendation will be closed once the change has taken place.
- **Assess Risk** — Audit will not plan for specific follow up to these recommendations. Audit will discuss the area as part of its annual risk assessment activities and consider future audit work in the area.

Appendix B: Summary of Findings

Number	Description	Recommendation	Follow-up Action
Observation # 1	MTPD failed to adequately justify GTEL Advisors, LLC as an IS Sole Source vendor with documented market research.	MTPD Contract Administration staff should work with IS, General Counsel, and Procurement to ensure that qualifications, responsibilities, and expertise used to support a procurement align with the legal and technical requirements for services or functions.	Risk Assess
		MTPD should work with Procurement to establish guidelines on what acceptable cost analysis entails and consider working with Procurement or Finance to develop a training for contract administration staff who may need to conduct cost analyses.	Risk Assess
		Metro Transit senior management should identify a way to train or hire someone with CJIS expertise that is a Council employee to help procure services and manage LASO work to ensure CJIS requirements are met. MTPD should seek the assistance of IS and other subject matter experts when required to interpret aspects of contracts or vendor qualifications where they may lack internal expertise. MTPD must ensure the required expertise is maintained as without a LASO the police department would not have access to CJI data and would be unable to operate as a police agency.	Confirmation
		Metro Transit senior management should conduct a cost-benefit analysis to determine whether LASO services should be contracted out or if staff can be hired/trained to do the work internally.	Confirmation

Number	Description	Recommendation	Follow-up Action
Observation #2	Contract practices did not structure services by contract milestones or a schedule of deliverables, and at times expenses were incurred without an active contract in place.	The MTPD Chief of Police shall require MTPD staff to take necessary trainings to improve contract administration practices to confirm contract exhibits are informed by best practices and ensure contracts are structured to incentivize cost effectiveness and include success criteria for contract deliverables or milestones.	Confirmation
		Council Finance and procurement staff should work to develop resources and trainings to support contract administration and trainings that are informed by OFPP and NASPO best practice guidance.	Confirmation
		MTPD Contract Administration staff should document via procedure and/or work instructions contract administration processes to ensure contract deliverables and/or milestones are developed and informed by best practices, and successful deliverable and milestone completion are documented prior to vendor payment.	Confirmation
		MTPD Contract Administration staff should work with finance and procurement staff to develop a work instruction or procedure to act proactively when contracts near their end to ensure that expenses are not incurred in the absence of a contract. Process documentation should include a method to track expenses against contract amounts, such as cover sheets with information about the end date of and funds remaining in the associated contract.	Confirmation

Number	Description	Recommendation	Follow-up Action
Observation #3	Budget analysis processes do not document the use of reporting tools and trend analysis to support contract origination and contract administration processes.	MTPD Contract Administration staff should work with Metro Transit and RA Finance staff to develop procedures, work instructions, job aids, or Standard Operating Procedures for contract budget management informed by best practices.	Confirmation
		For the LASO Contract, MTPD Contract Administration staff should work with Metro Transit and RA Finance staff to develop a budget management planning tools that include recommended financial reporting tools to record and track contract expenses against the budget that is informed by best practices.	Confirmation
		MTPD Chief of Police should work with contract administration staff to develop trainings and resources regarding their roles and responsibilities as contract budget managers.	Confirmation
Observation #4	Invoice review practices fail to maintain supporting documentation to justify invoiced expenses.	MTPD should update their invoice review process to ensure that supporting documentation is reviewed and maintained before payments are approved.	Confirmation
		MTPD should work with the vendor to document all expenses associated with work from 2018 to present and recover unsupported contract payments. Specifically, MTPD should request reimbursement for the additional \$1,000 charged on top of the contracted \$5,000 base rate.	Retest

Number	Description	Recommendation	Follow-up Action
Observation #4 (cont.)	Invoice review practices fail to maintain supporting documentation to justify invoiced expenses.	MTPD should ensure that invoices are paid within 35 days of receipt or 30 days for FTA expenses. If a payment is late than an explanation for the late payment should be documented and imaged with invoice's supporting documentation.	Confirmation
		Metro Transit should consider assessing how they train project managers and those with signature authority to review invoices, to identify if similar problems could exist across the council.	Risk Assessment

Appendix C: Management Response Memo

MTPD and Council Procurement will address the recommendations with a comprehensive approach to strengthening contract management. Procurement is improving enterprise-wide resources and support for contract management, and MTPD will draw on these resources to improve their department's contract management processes.

In December 2020, Procurement formed a Sole Source Review Team (SORT), consisting of Procurement team members representing different disciplines. SORT reviews sole source requests, gathers additional information based on compliance with Procurement Procedures and funding requirements before a final recommendation is made to the Procurement Director. Due to staff turnover at MTPD during 2020 and into 2021, the Procurement Division provided a Procurement 101 training to MTPD employees who were involved in contracts and purchasing. The topics included the Procurement Division's policies, procedures, and practices related to contracts and purchasing and was completed in March 2021.

During 2021, Metro Transit created a future procurement tracker to identify upcoming needs and ensure appropriate solicitation planning, including for competitive procurements. Also in 2021, MTPD conducted a procurement for the services that GTEL previously provided around LASO. This service was previously provided as detailed in this audit by GTEL through a sole source procurement. OEO reviewed the new procurement (21P082) and consistent with policies and procedures determined no MCUB goal would be set. Procurement sent the LASO procurement (21P082) to 13 vendors, including an MCUB vendor. The LASO procurement fielded one proposal, from GTEL. After only one proposal was received by GTEL for the LASO services an adequate competition determination was completed where other firms provided feedback that they would be unable to meet the requirements of the RFP.

In the year since then, Procurement and MTPD have held monthly meetings to touch base on in-progress projects, contracts, and purchases. These meetings allow staff from both departments to ask questions, clarify what is needed, and proceed in a more efficient and methodical manner. In addition, Procurement and Metro Transit leadership developed and entered into a new Service Level Agreement (SLA) in 2021. The SLA details the roles, responsibilities, metrics and collaborative efforts between Procurement and Metro Transit. The SLA provides that the Procurement and Metro Transit work collaboratively to support the Division's ongoing procurements and enhancement of procedures, best practices, and process improvements. As part of the SLA, quarterly Procurement metrics are provided where continuous improvement needs can be further identified.

Immediate actions to address MTPD needs:

- By end of Q1 2022, Procurement will provide additional training to MTPD.
- By end of Q4 2022, MTPD expects to have in place a newly created Administrative Manager position. The position will be responsible for overseeing MTPD contracts, assisting with new procurements, reviewing, and approving invoices, and supervising MTPD's purchasing associate.
- As discussed in Observation 1 responses, MTPD and the Council's IS Department are currently transitioning to having an in-house LASO within Information Services before the current contract's expiration in July 2022. This person will meet the certification requirements of a LASO under federal CJIS policy and be able to carry out the duties that are currently being performed under contract.

Enterprise-wide actions:

- By end of Q1, 2023, Procurement (contingent on the approval of Supplemental Budget Request for a new FTE) will create a specific enterprise-wide position to support contract management.
- By end of Q4, 2022, Procurement with support of Human Resources will implement training resources/modules to better support contract management enterprise wide.

The Contract Administration, Budget, and Invoice review tools include improved resources to support the contract handoff process, invoice review assistance, contract milestone tracking, administer contract amendments, future procurement planning, vendor issues, etc.

Procurement is also teaming with HR to provide on-demand, virtual, and in person training to support all departments. The training will include contract management tools like standard invoicing review and contract milestone documentation. This timeframe is also dependent upon Procurement's request for a full-time position to support this work.

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390 Robert Street North
Saint Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org