

Attachment A

Contracts and Invoices Study
Through Nov. 2010

Contracts analysis by Harold Jeffrey

Invoices study by Harold J. and Leo V.

Harold has compiled all of the contracts and their current contract agreement amounts. His attached spreadsheet taken directly from the District's Measure E Expenditure listing also indicates the burn against those amounts.

Often contract work is performed for specific projects (e.g., Senior Center) and sometimes work is performed on behalf of all four projects. The District has estimated costs for each of these individual projects and uses these values to determine a proportion or allocation of the shared expense.

SC	9.3 M	33.82%
TC	3.3 M	12.00%
PO	4.3 M	15.64%
CC	10.6M	38.54%

These numbers are not absolute but do reflect a reasonable breakdown for apportionment.

We reviewed the payments for approximately 110 invoices shown on the District's Measure E Expenditure listing subject to the following guidelines:

1. We examined invoices for consistency with apportionment. Usually the invoice was specific to a project so there was no ambiguity.
2. We looked for supporting detail on the invoices whenever possible; if hours were presented we expected to see some description of the actual labor.
3. Our goal was to reconcile the Measure E related invoices paid with the check register. We discovered there are actually two check registers although the bulk of the items are drawn on one (the primary). All checks drawn on the primary register are first reviewed by the County before they can be issued. Some "emergency" items are paid from the alternate register typically for municipal expenses.
4. We looked for evidence of "double dipping" – an amount paid for some bill but also invoiced separately under the umbrella of, say, the project manager. A subcontractor may legitimately bill for work that is separate from that managed by CSI.

Attachment A

Observations

- With regard to charging allocations, we only found one example of a possible mis-proportion. An invoice from the attorney showed hours for Measure E and hours specifically for TC and SC. Rather than using 33.82 and 12.00 for a relative 74% and 26%, a simple 50-50 split was used. The result was a relatively small difference of approx \$1000. The actual effort may have indeed been equally common to both projects.
- We found no examples of “double dipping”.
- The primary check register was compared with the invoices paid. Here there were some anomalies.
A payment listed as a Measure E expenditure was made before the official project start date. This has since been amended by Bob Berggren and Mark Blair.
- The Dahlin Group (re CC) invoiced \$4,941 for feasibility study of a theater in the new CC. While this effort was controversial to some, we did not feel it was outside the purview of legitimate pursuit of maximum utilization of the new building. Our understanding was that the \$4,941 was authorized – as an owner option. We later encountered a subsequent invoice from the Dahlin Group for an additional \$1,155 for specific labor for Theater study. This total of \$6,096 was actually included in the authorization for up to \$8,000.
- Invoices, OMNI for \$959, Antai Solutions for \$900, Abbey Arnold for \$1260 and \$840 were submitted without supporting contracts or letters of agreement. Some of these are for one-time activities.
- Teecom has been engaged to provide a variety of services in audio and communications; the latter assignment has a description of a “Standard Protocol” yet the District was only bearing a small fraction (10%) of the cost. It turns out that the work is for documenting the specifications for the District to adhere or maintain compatibility with what is developed for the new buildings.
- Finally, we have been afforded considerable support by Mark Blair, the District accountant, and the staff. It is obvious to us that Measure E is imposing a major burden on everyone who must not only provide support to us, the architects, design consultants, and project manager, but must also accomplish their regular District assignments. All this is done without cost to Measure E.