

## **ATTACHMENT A**

### **Water/Sewer CIP independent Program Monitoring Services**

**The DeKalb County Board of Commissioners is seeking the services of a firm with expertise in water and wastewater capital improvement program (CIP) monitoring, to regularly review and report to the Board on the efficiency and effectiveness of the CIP in delivering its priority projects per the County's stated water and sewer master plan priorities, in compliance with its Wastewater system consent decree with US EPA and GA EPD, and in compliance with sound financial management practices.**

While the County CEO and Administration, the Watershed Management Department, the Finance Department, the Purchasing Department are collectively responsible, in their specific roles and responsibilities, to plan, organize, execute and review and report on the Water and Sewer CIP, the Board of Commissioners wish to independently monitor their engineering, operational and financial performance in the execution of the CIP, in order to ensure that water and sewer rate payers are provided with transparent and accountable documentation of how the CIP funds are utilized.

The Selected Firm will report to the Board of Commissioners in a timely and thorough manner that help the Board (a) identify and bring to the Board's attention any Watershed CIP project delivery concerns so that timely corrective action can be taken to protect schedule and affordability; (b) ensure that capital projects are planned, selected, prioritized, designed and built by schedule deadlines and thus avoid extra costs, including stipulated penalties for missed Consent Decree milestones, (c) assess whether the capital projects are planned, selected, prioritized, designed and constructed on or under budgeted costs, and (d) assess whether changes made to the Watershed CIP to ensure alignment with the Water and Sewer Master Plans and priorities as approved by the Board of Commissioners. The Selected Firm is not responsible for undertaking the performance of any capital or operational work, as those functions remain the responsibility of the DeKalb County CEO and Watershed Management Department, and its consultants and contractors. The Selected Firm is engaged as an independent vendor to monitor program performance and compliance; it is not authorized to perform financial or performance audits under Generally Accepted Government Auditing Standards (GAGAS).

Key activities needed to achieve these objectives are outlined below.

- **MONITOR CIP PROGRAM AND INDIVIDUAL PROJECT SCHEDULE MANAGEMENT AGAINST ESTABLISHED CONSENT DECREE MILESTONE DATES AND OTHER PROJECT MILESTONE DATES AS APPROVED IN THE CIP.** The Selected Firm will review Watershed schedule management to determine if projects and the Program are progressing as planned, predicted, or promised in contracts, Consent Decree documents, or other plans and documents. The Selected Firm will focus not only on delay avoidance, but also on early issue identification, evaluation of schedule float management within projects and "bundles" of multiple projects, and evaluation of schedule modifications and delays.

- **MONITOR PROGRAM COSTS AGAINST ESTABLISHED BUDGETS, ESTIMATES AND CASH FLOW PROJECTIONS.** The Selected Firm will review Watershed Department's overall Program and individual project cost management, by obtaining and reviewing Department cost expenditure information and reports for capital project delivery. The Selected Firm will advise the Board of Commissioners on whether the reports and documentation provided each month by the Administration, Watershed Department, Purchasing Department, Finance Department are complete, timely and accurate in providing the necessary information to the Board of Commissioners for their independent monitoring services.
- **MONITOR PROJECT CHANGES AGAINST APPROVED CONSENT DECREE AND CONTRACT PERFORMANCE REQUIREMENTS.** The Selected Firm will obtain and review information on specific capital programs and projects in order to report to the Board on the County's planning, design and construction activity, including potential or proposed changes to program or project schedules, scopes of work, or budgets. Changes will be evaluated to assess compatibility with Water and Sewer Master Plan, CIP and Wastewater Consent Decree performance requirements.
- **MONITOR STRATEGIC CIP PROGRAM DELIVERY and EXECUTION IN TERMS OF POTENTIAL RISKS OR FINANCIAL LIABILITIES.** The Selected Firm will review Watershed CIP project delivery and report whether identified risks and their severity change over time, and whether consultants or contractors with allocated risk management responsibilities are maintaining sufficient resources to fulfill their obligations, and whether changes to risk management plans and approaches are made when necessary, to avoid change orders, claims, damages or other related project performance or project financial exposure.

## **SCOPE OF SERVICES**

The Scope of Services lists the specific services to be provided by the Selected Firm to accomplish the Board's objectives outlined above.

Monitor Program and Project Schedules – Monitor program and project schedules to verify conformance to CIP, Consent Decree and contract milestones. Conduct timely schedule reviews after receipt of contractor updates, and evaluate Watershed Management's scheduling tools and their use and accuracy. Compare schedule information to understand trends or potential impacts among various projects or the larger Program. Selected Firm will report on milestone achievement, projects ahead or behind schedules, project changes and trends that may indicate future impacts to Program and project schedule compliance based on information provided by project planners, designers, contractors, and other sources. Evaluate and report on how schedule changes impact individual project and Program schedules, costs, attainment of performance requirements, and contract requirements.

Monitor Program and Projects Costs - Monitor program and projects costs for compliance with budgets as presented by the Administration and approved by the Board, and report on

conformance of these costs with the budgets. The Selected Firm will report on Watershed Management Department strategies to remedy potential cost overruns.

The Selected Firm will track and promptly update the Program Budget on a quarterly basis based on information provided by project planners, designers and contractors, and other sources. As part of this updating process, the Selected Firm will report on changes and trends that may indicate future cost overruns and other impacts to budget compliance.

Program Cash Flow Updates – The Selected Firm will review and evaluate the cash flow projections prepared by County Finance Department and Watershed Management Department, and their accountants, financial advisors and consultants. and the Selected Firm will assess expenditures against the planned flow, to advise the Board of Commissioners on whether the mix of Revenue Bond, WIFIA, Pay as you Go, Grant-funded or other Sources and Uses of Funds are minimizing additional financial burdens on the County.

Monitor Contract Change Orders– Monitor change order activities, utilizing information provided by Watershed Management, County Purchasing Department to evaluate consistency with sound management practices, and change order impacts on Program and project budgets contract prices, and schedules.

Monitor Invoice Verification and Contract Compliance Processes - Monitor the County's three-way matching process among the Watershed Department, Purchasing, and Finance Departments, as needed, to confirm to the Board of Commissioners that invoices are in compliance with approved contract terms. The Monitor shall identify material variances and make advisory recommendations to reduce opportunities for waste, fraud, or abuse.

In no event shall the Monitor or the Monitor's firm bid on or otherwise seek to perform work related to the CIP as a prime contractor, however, the Monitor or the Monitor's firm may be permitted to participate as a subcontractor on CIP-related projects, provided that such participation is explicitly subject to the execution of a Non-Disclosure Agreement (NDA) and conflict-of-interest mitigation protocols acceptable to the County Attorney to protect proprietary data.

Nothing in this Scope of Services shall be construed to diminish, replace, or duplicate the statutory audit authority of the Office of Independent Internal Audit as set forth in DeKalb County Code §10A.