

Department of General Services

The Division of the State Architect Lacks Enforcement Authority and Has Weak Oversight Procedures, Increasing the Risk That School Construction Projects May Be Unsafe

REPORT NUMBER 2011-116.1, ISSUED DECEMBER 2011

This report concludes that the Department of General Services' (General Services) Division of the State Architect (division) is unable to certify that a large number of completed school construction projects meet requirements in the Field Act, a law designed to protect the safety of pupils, teachers, and the public. The division reports that over 16,000 projects remain uncertified. Elements of the act hamper the division's ability to enforce the certification requirements. For example, the act allows school districts to occupy uncertified projects and does not give the division the express authority to penalize school districts that do not comply with certification requirements. Further, the division infrequently uses its authority to stop construction of projects when it determines there is a risk to public safety. In addition, the division lacks a clear system for classifying uncertified projects, increasing the risk that it will miscommunicate the true risks associated with uncertified projects and that efforts to strategically follow up on these projects will be impeded.

We also found that the division's oversight of project construction is not effective. The division lacks a process for planning oversight it will perform, and in some cases could not demonstrate that it provided adequate field oversight. We found examples of projects with an estimated cost of up to \$2.2 million that had no evidence of a visit by the division's field staff. Further, the division relies on project inspectors to ensure that projects are constructed according to approved plans, but these inspectors are employees or contractors of the school districts, which increases the risk of improper influence and the division has not implemented robust strategies to mitigate this risk. Additionally, the division is not always able to approve project inspectors for work before the beginning of construction as the Field Act requires. Also, the division does not complete field oversight of school construction in the areas of fire and life safety and accessibility, raising the risk that safety issues in these areas will go uncorrected. Finally, the division lacks performance measures that could help it to improve its field oversight and certification of efforts.

In the report, the California State Auditor (state auditor) made the following recommendations to General Services and the Legislature. The state auditor's determination regarding the current status of recommendations is based on General Services' response to the state auditor as of December 2011.

Recommendation 1.1.a—See pages 16—18 of the audit report for information on the related finding.

To ensure public safety and provide public assurance that school districts construct projects in accordance with approved plans, the department, in conjunction with the division, should pursue legislative changes to the Field Act that would prohibit occupancy in cases in which the division has identified significant safety concerns.

General Services' Action: Pending.

General Services stated that it will discuss within the administration the option of pursuing legislation that would change the Field Act to prohibit occupancy in cases in which the division has identified significant safety concerns.

Legislative Action: Unknown.

The state auditor is not aware of any action taken by the Legislature as of January 5, 2012.

Recommendation 1.1.b—See pages 16—18 of the audit report for information on the related finding.

To ensure public safety and provide public assurance that school districts construct projects in accordance with approved plans, the Legislature should consider implementing additional penalties for school districts that do not provide all required documents.

Legislative Action: Unknown.

The state auditor is not aware of any action taken by the Legislature as of January 5, 2012.

Recommendation 1.2—See pages 18—20 of the audit report for information on the related finding.

To better use the enforcement tools at its disposal, the division should continue and expand its use of both orders to comply and stop work orders, as defined in its regulations. The division should also develop performance measures to assess the success of any efforts it makes to address safety concerns and reduce the number of uncertified projects.

General Services' Action: Pending.

General Services stated that in the near future, division headquarters management will meet with the division's regional managers to discuss the use of orders to comply and stop work orders. Subsequent to this, additional policies and procedures will be issued to assist in ensuring the appropriate and consistent use of these enforcement tools. Additionally, the division will task its Performance Metrics Unit with the responsibility for developing metrics to measure the success of the primary actions taken to address safety concerns and reduce the number of uncertified projects.

Recommendation 1.3—See pages 20—23 of the audit report for information on the related finding.

To ensure that it clearly justifies the reasons a project's noted issues merit a particular classification, the division should either modify its current policies regarding classifying types of uncertified projects or develop new policies, including requiring documentation of the rationale behind project-specific classifications. It should use its classifications to prioritize its efforts to follow up on uncertified projects based on risk and to better inform the public regarding the reasons it has not certified projects.

General Services' Action: Pending.

General Services stated that the division will modify or create new policies regarding classifying projects closed without certification, including the rationale behind the specific classification, and the use of letters to notify school districts of the reason a project was not certified. It also stated that the division will use the new process to prioritize its efforts to follow up on uncertified projects based on risk and to better inform the public regarding the reasons it has not certified projects.

Recommendation 1.4—See pages 23 and 24 of the audit report for information on the related finding.

To reduce the number of uncertified projects, the division should implement initiatives to follow up with school districts on uncertified projects. Those initiatives should include, at a minimum, regularly sending each district a list of its uncertified projects and assessing the success of the division's follow-up efforts.

General Services' Action: Pending.

General Services stated that the division plans to finish categorizing projects closed without certification by project class and school district by June 30, 2012. Once this is completed, General Services stated that a communication and outreach plan will be developed and that the division will track and regularly evaluate the success of its outreach efforts.

Recommendation 2.1.a—See page 28 of the audit report for information on the related finding.

To ensure it is providing adequate oversight of school district construction projects, the division should develop robust procedures for monitoring inspectors' submission of semi-monthly reports. The division should also maintain all semi-monthly reports in its project files.

General Services' Action: Pending.

General Services stated that the division will develop additional processes to ensure that inspectors are submitting the semi-monthly reports and that received reports are maintained in the project files. As part of this activity, the division plans to periodically reemphasize to its field engineers the importance of obtaining the reports. The division will also determine the feasibility of assigning administrative staff with responsibilities for tracking, obtaining, and filing the inspector reports.

Recommendation 2.1.b—See pages 28 and 29 of the audit report for information on the related finding.

To ensure it is providing adequate oversight of school district construction projects, the division should develop and document an overall strategy that establishes specific expectations for conducting site visits and monitoring construction. The division should then record and compare its actual visits and monitoring efforts to its planned actions. The division should document explanations for any deviations from its plans.

General Services' Action: Pending.

General Services stated that the division has implemented a policy that requires that field engineers regularly visit projects of a certain size and constructed from specific types of materials and have a face-to-face meeting with project inspectors. The division is developing a measurement tool and training program for its field engineers on this process. The division plans to carry out this policy by June 30, 2012.

Recommendation 2.1.c—See pages 29 and 30 of the audit report for information on the related finding.

To ensure it is providing adequate oversight of school district construction projects, the division should establish consistent criteria for entering data into its database on key aspects of projects, such as the dates for the start and end of construction.

General Services' Action: Pending.

General Services stated that the division will develop standard criteria for entering data into its project management system, which will include establishing clear criteria for identifying the start and end dates of construction.

Recommendation 2.2—See pages 31 and 32 of the audit report for information on the related finding.

To mitigate risks arising from the relationship between inspectors, school districts, and project managers, the division should develop formal procedures and explicit directions for field engineers to ensure that they establish a presence on project sites and provide adequate oversight of inspectors during construction.

General Services' Action: Pending.

General Services stated that the division is developing a training program to ensure that its field engineers provide consistent construction oversight. Training will include modules that address overseeing project inspector performance and record keeping during construction. For future projects, General Services indicated that field engineers will be required to conduct face-to-face meetings with project inspectors to establish a presence on the projects.

Recommendation 2.3—See pages 32 and 33 of the audit report for information on the related finding.

To ensure that it approves inspectors prior to the start of project construction, the division should streamline its approval process by reviewing inspectors' workloads and past experience using the data it already maintains.

General Services' Action: Pending.

General Services stated that the division will evaluate the inspector approval process for activities that could be streamlined to assist in approving inspectors prior to the start of project construction.

Recommendation 2.4—See pages 33 and 34 of the audit report for information on the related finding.

To ensure that certified inspectors are knowledgeable about current code requirements, the division should not excuse inspectors from required trainings and should improve its process for identifying expired certification exam scores. Further, the division should consistently follow and document its procedures for verifying the past employment of inspector applicants.

General Services' Action: Pending.

General Services stated that the division has tasked its certification unit manager with developing written policies that provide that inspectors must not be excused from required training. Further, the division will take action to strengthen existing processes regarding identifying expired certified exam scores and maintaining documentation of staff verifying the past employment history of inspector applicants.

Recommendation 2.5—See pages 35—37 of the audit report for information on the related finding.

To ensure that it formally monitors inspectors' performance, the division should reestablish a process for evaluating inspectors that provides consistent documentation of performance. The division should make this information accessible to appropriate staff.

General Services' Action: Pending.

General Services stated that the division will assign staff to review the prior inspector evaluation process to identify lessons learned and to develop a plan for the completion of performance evaluations by the field engineer at the final site visit.

Recommendation 2.6—See pages 37 and 38 of the audit report for information on the related finding.

To address areas in which its staff do not currently have expertise, the division should finalize its field pilot and take subsequent steps to ensure it has qualified staff to provide oversight of accessibility; fire and life safety; and the mechanical, electrical, and plumbing aspects of construction.

General Services' Action: Pending.

General Services stated that the division will revisit the results of the field pilot and determine the current feasibility of expanding its construction oversight for schools beyond structural safety.

Recommendation 2.7—See pages 38 and 39 of the audit report for information on the related finding.

To better manage its construction oversight and close-out functions, the division should develop measures to assess those functions and it should periodically report the results to the public on its Web site.

General Services' Action: Pending.

General Services stated that the division has developed performance measures related to the identification and categorization of projects closed without certification and to the visits and meetings held for certain types of projects. It said that the division's Performance Measurement Unit will be tasked with developing additional performance measures and related training for the construction oversight and closeout phases of projects. The results of any implemented measurement process will be posted to the division's Web site.

Recommendation 2.8—See pages 40 and 41 of the audit report for information on the related finding.

To address possible staffing problems, the division should use documented workload metrics to perform an assessment of its current staffing levels and determine its staffing needs. It should revisit the field pilot and make necessary changes to reflect its understanding of its current staffing situation.

General Services' Action: Pending.

General Services stated that the division will initiate an assessment of its current staff levels and needs based on available workload metrics. It said that the division will also revisit the results of the field pilot and determine the current feasibility of expanding its construction oversight for schools beyond structural safety.