



Collier County Public Schools, Florida Audit Report: Maintenance Operations

April 10, 2025

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TRANSMITTAL LETTER

April 10, 2025

The School Board of
Collier County, Florida
5775 Osceola Trail
Naples, FL 34109

Pursuant to our approved Statement of Work dated November 21, 2024, with Collier County Public Schools (“District,” “CCPS”), we hereby present the Maintenance Operations audit report. Our report is organized in the following sections:

Executive Summary	This provides a high-level overview and summary of the observations noted in our review of the maintenance function.
Background	This provides an overview of the function, as well as relevant background information.
Objectives and Approach	The review objectives are expanded upon in this section, as well as a summation of the various phases of our approach.
Observations Matrix	This section includes a description of the observations noted during our review and recommended actions, as well as Management’s response, including the responsible party and estimated completion date.

In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the District.

We would like to thank the staff and all those involved in assisting our firm with this review.

Respectfully Submitted,

RSM US LLP

RSM US LLP

EXECUTIVE SUMMARY

Background

Collier County Public Schools' ("CCPS," "District") Maintenance and Operations Department is responsible for the management, operational oversight, and maintenance of all District-owned facilities, including 55 schools and various administrative sites, including offices, operational centers, and public service facilities. Maintenance of these facilities is facilitated through the use of a central maintenance management system ("MMS") in which users (i.e., teachers, District office personnel, etc.) can request repair or maintenance for their worksite. The MMS routes requests from the end user to the local Facility Manager, who reviews the identified need and determines which trade the work order most closely aligns to. It is then routed directly to the corresponding Maintenance and Operations Supervisor, who determines the needs and scope of the request, as well as the potential resources required. Maintenance technicians and, when needed, third-party contractors, are deployed to remediate the issue and perform specific maintenance tasks. The scope, complexity, urgency, and availability of District technicians determine whether work is assigned to third-party vendors or performed in-house.

The District currently utilizes the Atlas MMS, which was initially introduced to the District in 2006. Atlas tracks all requests and allows staff to assign and monitor work orders as well as verify status in real time.

Between July 1, 2022, and December 31, 2024, the department completed over 96,000 work orders across more than 18 specialized trade teams, each focused on a specific maintenance area. Work orders are prioritized using seven (7) different codes to guide scheduling and response, including proactive preventative maintenance schedules.

Overall Summary / Highlights

Internal audits provide insight into an organization's culture, policies, and procedures and aids the School Board and Management in oversight by verifying internal controls are operating effectively, and adequately mitigating risk, and are in compliance with relevant laws, regulations, and policies.

The observations detailed in the pages that follow represent only the instances where exceptions were noted, and do not detail the instances where testing resulted in no reportable observations. For each observation, we discuss the relevant risks, which may include financial, operational, and/or compliance, as well as public perception or 'brand' risks.

Objectives and Scope

The objective of this audit was to assess maintenance standard operating procedures to determine whether they are sufficient and cover the numerous aspects of the maintenance work order system, including the work order process and associated controls. The audit also included detailed testing of sampled work orders and their relevant approvals, expenditures, and prioritization, and adherence to preventative maintenance work order schedules. The audit also included a review of the Department's procurement process, management of vendors, monitoring processes, work identification and prioritization, work completion, and internal performance monitoring. Specific procedures included:

- Evaluated work order submission and routing processes;
- Assessed segregation of duties within key processes, including work order creation, approval, and vendor contracting, to identify control gaps;
- Examined District policies and procedures related processes in scope;
- Detailed testing of a sample of maintenance work orders to confirm work orders are appropriately initiated, authorized, and reviewed, and whether classification methods align with response expectations based on urgency; and
- Reviewed vendor performance monitoring, including how performance is documented and addressed to support service quality and contract compliance.

Fieldwork was conducted using sampling and other audit techniques to evaluate control effectiveness and identify areas for improvement. Data analytics were performed on a population of work orders completed between July 1, 2022 through December 31, 2024, and fieldwork testing procedures were performed on sampled work orders completed between January 1, 2024, and December 31, 2024. Fieldwork procedures were performed from January 2025 through March 2025.

Summary of Observation Ratings (See page 3 for risk rating definitions)

	High	Moderate	Low
Maintenance Operations	-	4	-

We would like to thank all District team members who assisted us throughout this review.

EXECUTIVE SUMMARY (CONTINUED)

Observations Summary

Below is a summary listing of the observations that were identified during this review. Detailed observations are included in the observation matrix section of the report.

Summary of Observations	
Observations	Rating
1. Centralized Warranty Management	Moderate
2. Invoice Review Procedures	Moderate
3. Inventory Monitoring Procedures	Moderate
4. MMS Reporting Functionality and Data Utilization	Moderate
Process Improvement Opportunity	
Vendor Performance Monitoring	

Provided below are the observation risk rating definitions for the detailed observations.

Observation Risk Rating Definitions	
Rating	Definition
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals. Action should be taken immediately.

BACKGROUND

Overview

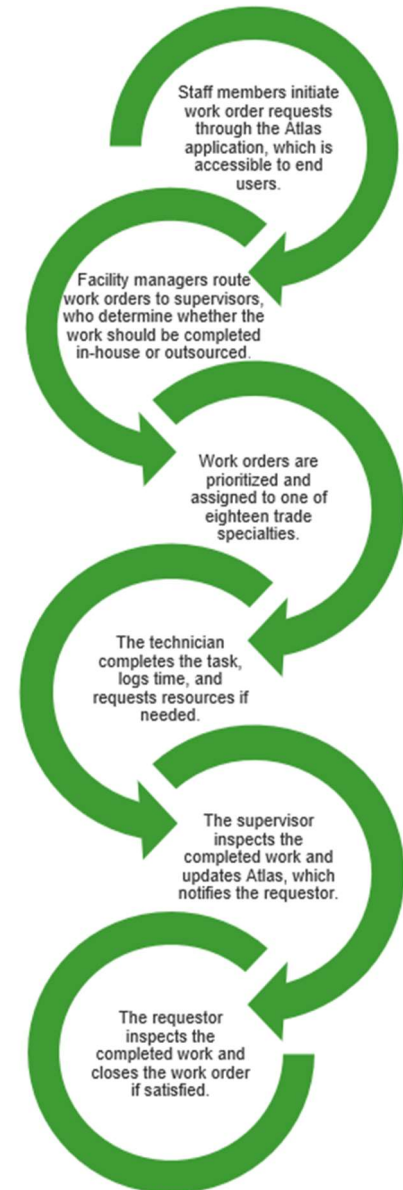
Operating under the Facilities Management Division, the Maintenance and Operations (“Maintenance”, “Department”) completes over 30,000 work orders per year, across 8 million square feet of District facilities and administrative sites. The Department manages a structured work order process to coordinate maintenance tasks across the District’s facilities to maintain the safety, health, and operation of District operations. A total of 115 employees within Maintenance are tasked with executing work orders and facilitating a safe and effective learning environment for the over 47,000 students within the District.

The Maintenance and Operations Department must perform its duties in alignment with established policies and procedures meant to guide and manage the efficient completion of work orders. Work orders begin when end users (teachers, staff members, etc.) identify a maintenance need and submit a detailed request through the District’s maintenance management system (“MMS”) platform, Atlas. Submitted requests are initially evaluated by Facility Managers, or dispatchers, who then route these requests to the appropriate Maintenance supervisor based on trade specialty and the need identified. Maintenance supervisors analyze each work order, considering urgency, required resources, technician skill level, and current workload. Following evaluation, Supervisors allocate the tasks to specialized technicians within their service trade or a contracted third-party. The department manages maintenance operations across eighteen (18) different trade specialties. The trades categories include:

- | | |
|--|---|
| ❖ Audio Visual | ❖ Custodial OT |
| ❖ Energy Management Systems (EMS) Controls | ❖ Heating, Ventilation, and Air Conditioning (HVAC) |
| ❖ Locksmith | ❖ Maintenance Vendor |
| ❖ Painting | ❖ Plumbing |
| ❖ Carpentry | ❖ Welder |
| ❖ Grounds | ❖ Electrical |
| ❖ Maintenance Administration | ❖ Irrigation |
| ❖ Plant Operations | ❖ Maintenance Immokalee |
| ❖ Warehouse | ❖ Utility |

Technicians perform their assigned maintenance duties and update the status and labor details within the work order system. Once completed, supervisors review the work performed and verify the quality of labor completed. The supervisors conduct this final inspection to assess whether the work meets the required standards, including compliance with safety regulations, proper use of materials, and adherence to prescribed procedures. If discrepancies are identified, the technician is informed, and the work order remains open until all necessary corrections are completed. If work is reassigned to the technician after the supervisor’s initial review, the Atlas system will track the date and time work was moved back in the workflow. Supervisors also review labor hours and resource allocation, adjusting if needed. Once all requirements are met, supervisors close the work order in the Atlas system, confirming all relevant details, including materials used, technician hours, and any corrective actions taken.

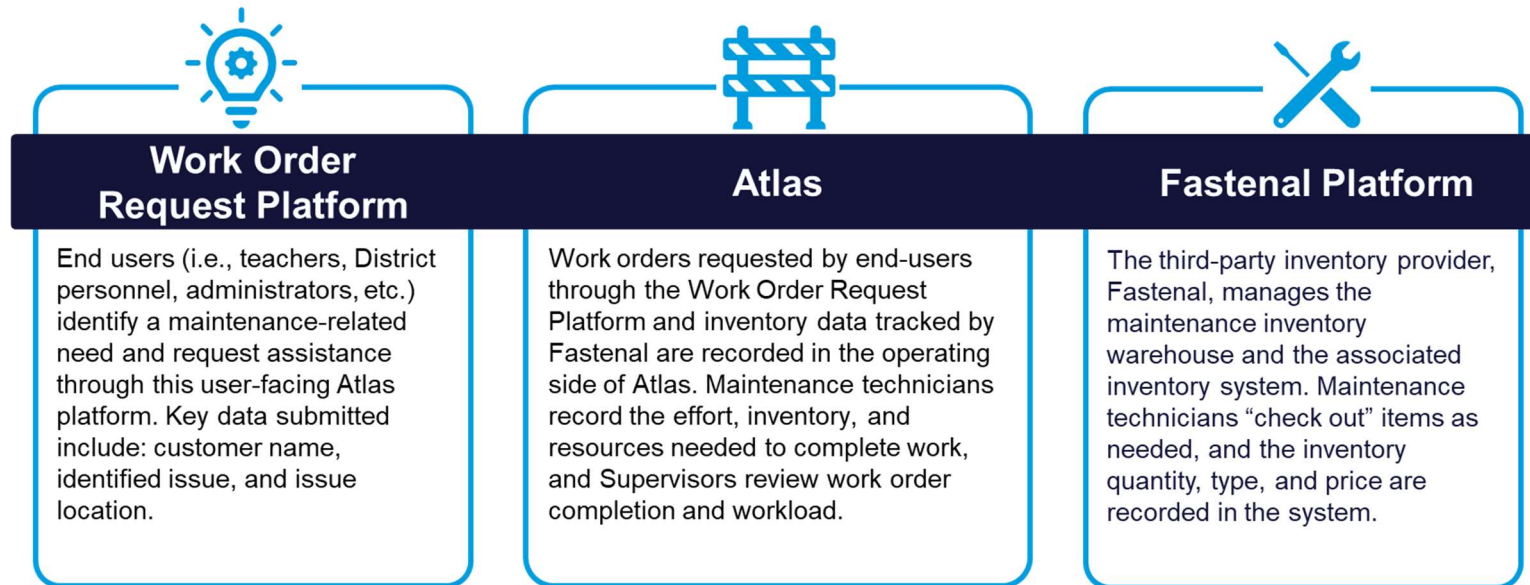
Following work order closure, end users receive confirmation of completion through an automated system or direct communication. If necessary, Facility Managers or other designated personnel conduct follow-up inspections. Stakeholders have the opportunity to provide feedback, which is used to support quality control efforts and confirm the original issue was successfully remediated.



BACKGROUND (CONTINUED)

Parts and Inventory Management

Parts and inventory management is facilitated through a system integration between the MMS, Atlas, and the third-party inventory tracking system, Fastenal. Maintenance technicians acquire necessary parts from the inventory warehouse managed directly by Fastenal under a contracted agreement. Technicians access parts by scanning barcodes in a self-checkout kiosk, which automatically updates inventory levels within Fastenal's management system. Maintenance vehicles are pre-stocked with frequently used consumables, which are also scanned and tracked to maintain accurate inventory records and availability. When specialized materials or equipment not kept in stock inventory are required, technicians submit a Parts Request Form, which requires supervisory approval before being routed to the Procurement Department for assistance. This process supports accurate inventory management, timely restocking, and cost-efficient use of resources throughout maintenance activities.



Contracted Vendors

Maintenance engages third-party vendors when specialized expertise, workload demands, or resource constraints prevent in-house completion of work orders. Supervisors determine if a work order requires external services and whether an approved vendor under an existing contract can be utilized. If a vendor is not already contracted, a requisition is submitted, and the Maintenance Department collaborates with the Purchasing Department to procure a vendor. In adherence with the District's purchasing policies, needs valued below the competitive bidding threshold of \$50,000 may not need a formal solicitation and Board approval, and can instead be procured through obtaining quotes. The Chief Facilities Officer reviews annual spend amounts by trade and by project to identify whether competitive bidding may be needed for future contracts. Work orders completed by third parties are subject to the same approval workflow as in-house tasks: supervisor approval, facility manager approval, and end-user review prior to work order closure. Any invoices associated with a given work order, including those submitted by third-party contractors, are reviewed by the Maintenance Department's Budget and Operations Manager, who confirms mathematical accuracy. Invoices are also reviewed by the trade supervisor, who confirms technical accuracy prior to payment processing.

BACKGROUND (CONTINUED)

Types of Work Orders

The District categorizes work orders into one of three (3) primary types: Preventative Maintenance work orders, Corrective Maintenance work orders, and Emergency work orders. These classifications support both proactive maintenance efforts and immediate repair needs.

- ❖ **Preventative Maintenance Work Orders:** Preventative maintenance work orders are populated in Atlas based on pre-determined schedules designed to extend the life of assets and reduce unexpected failures. These work orders focus on routine inspections, servicing, and component replacements for critical systems such as HVAC, plumbing, and electrical infrastructure. Facility Managers and Maintenance Supervisors track PM work orders to keep them on schedule.
- ❖ **Corrective Maintenance Work Orders:** Corrective maintenance work orders are initiated in response to specific repair needs identified by facility personnel. These work orders are submitted through the District's work order request platform and reviewed by supervisors, who determine whether the issue can be addressed in-house or requires external vendor support. Corrective maintenance includes repairs due to equipment failures, structural damage, or any urgent maintenance requests that fall outside of the preventative maintenance schedule. Work order prioritization is based on the severity of the issue, with emergency requests requiring immediate attention and routine requests being scheduled as resources allow.
- ❖ **Emergency Work Orders:** Emergency maintenance requests require immediate action to address issues that pose a risk to safety, security, or essential operations. Unlike standard work orders, emergency work orders are not processed solely through Atlas but require direct communication between the requesting party and maintenance personnel. Once an emergency is reported, the appropriate supervisor is contacted to assess the situation and dispatch technicians immediately. If an emergency requires vendor assistance, pre-approved contractors may be contacted directly to expedite repairs. Supervisors oversee emergency responses to confirm the issue is stabilized before closing the work order in Atlas. Facility Managers are updated throughout the process, and follow-up actions are taken if additional repairs are necessary.

Priority Assignment

Work orders within the Maintenance Department are assigned priority levels based on urgency, operational impact, and safety considerations. These priority levels are determined internally by facility managers and supervisors and are documented within Atlas to manage workflow effectively and allocate resources appropriately. Given the volume of maintenance requests across District facilities, prioritization helps balance workloads and optimize resource distribution. Supervisors review incoming work orders daily and assess staffing levels, technician availability, and material needs before assigning priority levels. Emergency and high-priority requests are scheduled immediately, while routine maintenance tasks are integrated into the workflow based on capacity. Preventative maintenance work orders are scheduled in advance but may be adjusted to accommodate more urgent requests. To formalize priority levels, the supervisor will code each work order with one (1) of the eight (8) priority codes listed in the table below.

As part of our procedures, we performed data analytics on the population of work orders completed between July 1, 2022, and December 31, 2024. The average number of days to complete work orders at each priority level during this time period has been included in the table below.

Priority Code	Description	Number of Work Orders	Ave. Days to Complete
01	Emergency – Called In	2,231	44
02	Next Work Day	79,429	71
03	Planned for a Future Date	532	317
04	As Time Permits	11,842	51
05	Work in Progress Onsite	132	27
06	Continuous	1,653	141
07	SREF (State Requirements for Educational Facilities)	137	74
08	Remediation	5	56

BACKGROUND (CONTINUED)

Roles and Responsibilities

To support the efficient completion of maintenance work orders, a structured team of supervisors, technicians, and administrative staff collaborate to manage requests, oversee progress, and verify that quality standards are met. A summary of these roles and their responsibilities is provided below:

- ❖ **Service Requestors:** Service requestors, typically teachers or administrators, initiate the process by submitting service tickets into Atlas. These individuals provide critical information about the issue, including detailed descriptions.
- ❖ **Facility Managers:** Facility Managers oversee facility conditions and help validate, prioritize, and classify work orders before routing them to supervisors. They assist with trade classification, conduct follow-up inspections on completed work, and provide feedback on work order trends and maintenance operations.
- ❖ **Maintenance Supervisors:** Supervisors are responsible for reviewing submitted work orders, determining prioritization based on urgency and resources, and assigning tasks to technicians. They oversee work completion, verify adherence to safety and quality standards, and close work orders within the Atlas system. Supervisors also conduct performance evaluations and provide guidance to technicians. Maintenance supervisors are often working directly with third-parties, and assist in documenting vendor performance evaluations when needed.
- ❖ **Maintenance Technicians:** Technicians execute assigned maintenance work orders, including troubleshooting, diagnosing issues, acquiring necessary parts, and performing repairs. They document their work, log labor hours and materials used, and communicate any progress updates or additional requirements to their Supervisors.
- ❖ **Procurement Department:** This team oversees the purchasing of materials and assists in the management of third-party vendors. They verify compliance with procurement policies, assist in monitoring vendor contracts and spending, and facilitate vendor performance monitoring based on work quality and adherence to District guidelines.
- ❖ **Budget and Operations Manager:** The Maintenance Department includes an FTE to assist with financial and administrative tasks. This individual performs financial reviews of the invoices received, assists in managing and monitoring departmental funds, and assists with vendor relations.
- ❖ **Project Managers:** Project managers oversee large-scale projects, managing and facilitating their completion. As it relates to the maintenance function, project managers provide support to supervisors with some of their responsibilities, such as warranty tracking. Project managers often liaise between the Maintenance Department and the Facilities Department, coordinating between teams for complex, large scale endeavors.

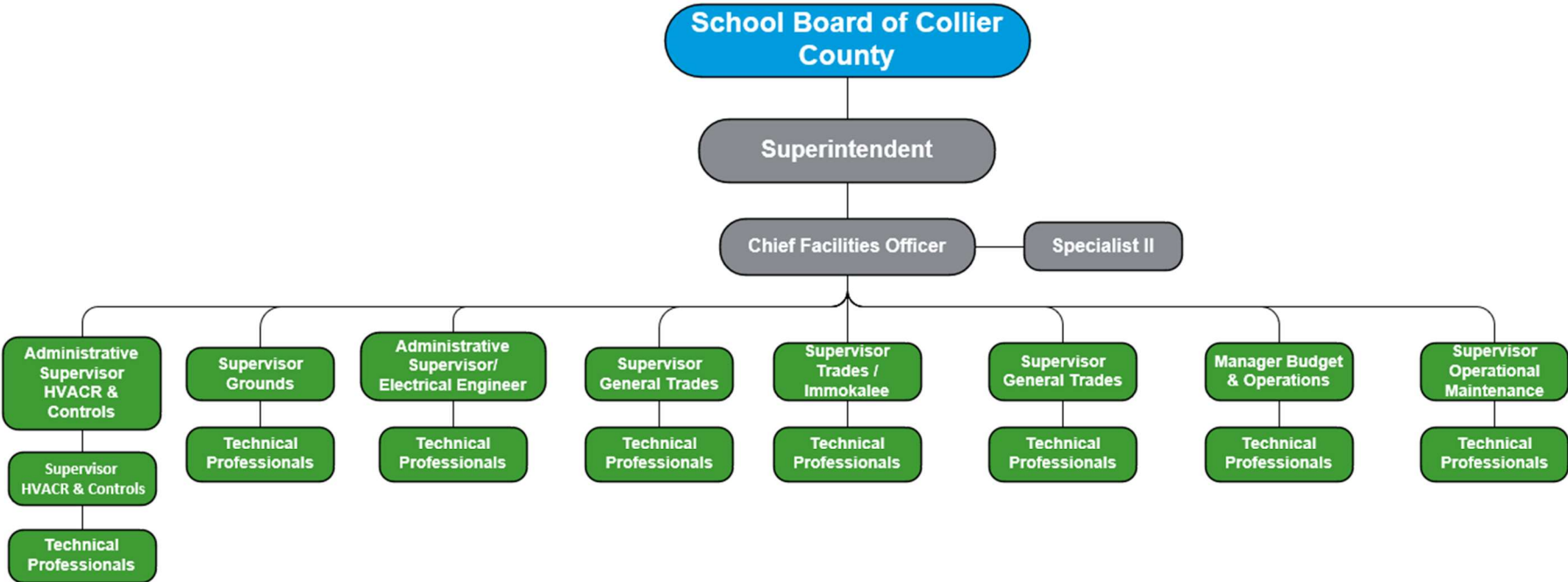
Work Assignment

Maintenance supervisors analyze each work order, considering urgency, required resources, technician skill level, and current workload. Following evaluation, Supervisors allocate the tasks to specialized technicians within their service trade or a contracted third-party. Larger projects are assigned to project managers. These projects often require collaboration between Maintenance and Facilities teams and may vary from roof replacements, replacing gym scoreboards, and installing security fencing to installing water fountains. Projects are managed throughout their lifecycle, from the contracting, or “pre-award”, stage, through project close-out and warranty tracking. On average, across the four (4) project managers within Maintenance Operations, there are 99 projects per project manager.

BACKGROUND (CONTINUED)

Organizational Structure

The organizational structure of Maintenance Operations and additional entities involved in the maintenance process are as follows:



BACKGROUND (CONTINUED)

Data Analytics

As part of our procedures, we performed data analytics on the population of work orders (“WOs”) completed between July 1, 2022, and December 31, 2024. During this period, 96,181 work orders were completed. Of these, 57,398 work orders — approximately 60% — were categorized under Plant Operations. These work orders typically involve tasks such as repairing leaking faucets, replacing ceiling tiles, fixing flickering lights, and re-securing door hinges.

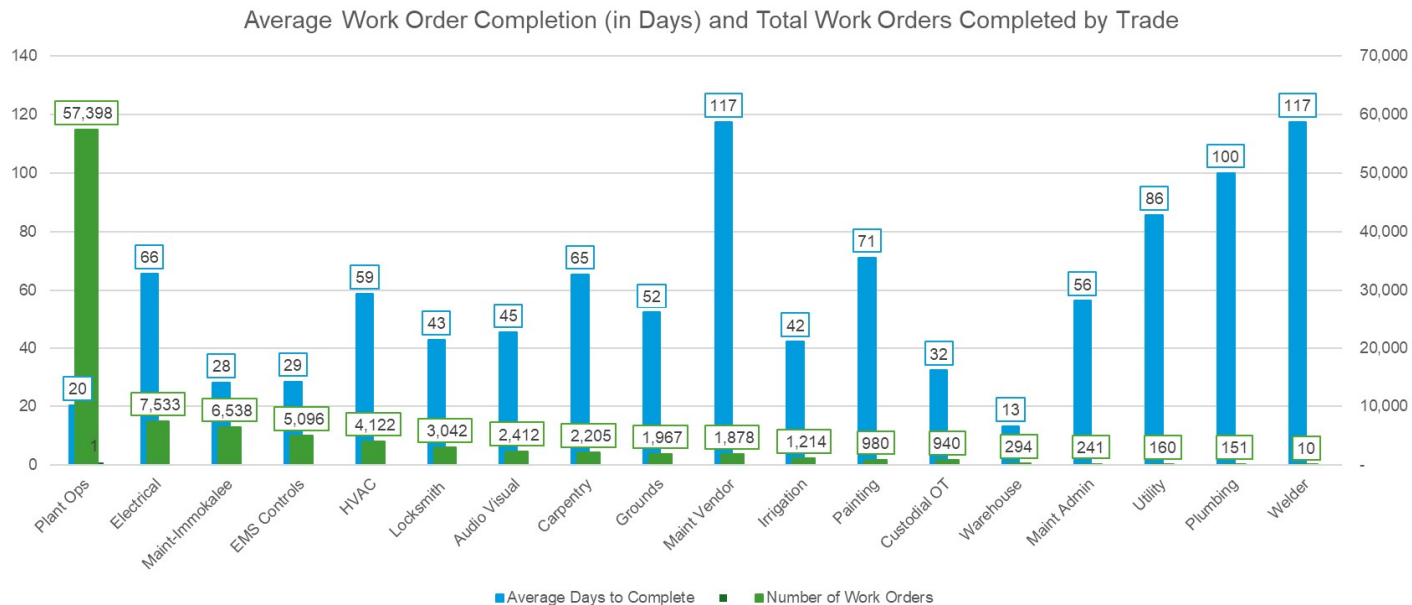
The electrical trade specialty accounted for the second-largest category, representing approximately 8% of total work orders. These work orders generally include activities such as troubleshooting circuit breakers, replacing light ballasts, repairing classroom lighting, installing outlets, and inspecting electrical panels.

Additionally, the Maintenance Department established a separate trade category for work orders completed at the Immokalee satellite location, which comprised approximately 7% of total work orders. The Immokalee maintenance facility manages the same range of trades and specialties as the central location but leverages geographically closer personnel to service the assigned facilities more efficiently.

Across these three (3) categories — Plant Operations, Electrical, and Immokalee — work orders were completed in an average of 38 days.

Conversely, the welding trade specialty accounted for the fewest number of work orders, with only 10 completed during the review period. These work orders, which are generally more complex in nature, required an average of 117 days to complete.

Trade Category	Average No. of Days to Complete
Plant Ops	20
Electrical	66
Maint-Immokalee	28
EMS Controls	29
HVAC	59
Locksmith	43
Audio Visual	45
Carpentry	65
Grounds	52
Maint Vendor	117
Irrigation	42
Painting	71
Custodial OT	32
Warehouse	13
Maint Admin	56
Utility	86
Plumbing	100
Welder	117
Total Average	58



OBJECTIVES AND APPROACH

Objectives

The primary objective of this audit was to assess the maintenance standard operating procedures to determine their sufficiency and coverage of key aspects of the maintenance work order system, including associated controls. The audit included detailed testing of sampled work orders and their relevant approvals, expenditures, and prioritization, as well as adherence to preventive maintenance work order schedules. Additionally, the audit focused on procurement processes for goods and services, management of vendors and contracts, monitoring processes, work identification and prioritization, work completion and review, work order system utilization, and internal performance monitoring.

Approach

Understanding and Documentation of the Process

The phase consisted primarily of inquiry and walkthroughs to obtain an understanding of the District's current operating policies, procedures, monitoring functions, and control structures related to the maintenance operations. Specific activities performed included:

- Conducted interviews with appropriate representatives to discuss audit scope, objectives, and preliminary data.
- Conducted interviews with personnel from key departments for a detailed understanding of in-scope processes.
- Reviewed relevant policies, procedures, and previously issued reports.
- Developed a work plan for evaluating the operating effectiveness of identified procedures and controls based on information from interviews, walkthroughs, and initial documentation review.

Evaluation of the Process and Controls Design and Testing of Operating Effectiveness

The purpose of this phase was to evaluate and test the effectiveness of critical internal controls within maintenance operations. Procedures conducted included:

- Evaluated procedures for submitting and authorizing work requests, including which personnel can initiate requests and required information.
- Reviewed processes for prioritizing and assigning work orders to maintenance staff.
- Evaluated utilization of the work order system and internal performance monitoring.
- Assessed segregation of duties in work order creation, inventory and contractor utilization, approvals, and completion processes.
- Examined District policies and procedures for vendor selection and qualification for compliance with regulations and best practices.
- Reviewed vendor performance assessment procedures for ongoing improvement and compliance.
- Selected a sample of thirty (30) work orders completed between January 1, 2024, and December 31, 2024 and performed the following procedures:
 - Verified initiation of the work order by appropriate site personnel and assignment of appropriate priority level;
 - Verified review by the appropriate supervisor, and appropriate assignment to the corresponding technician;
 - Verified the completeness of the work order and all its corresponding components;
 - Verified documented approval of the work order completion, and appropriate documentation to support service, labor, and materials.
- Data analytics were performed on a population of work orders completed between July 1, 2022 through December 31, 2024.
- Of the thirty (30) work orders sampled, we selected ten (10) that required the use of a contracted vendor and performed the following procedures:
 - Verified the contracted vendor was an approved vendor;
 - Verified appropriateness of the procurement method;
 - Verified the completeness and retention of key documentation, confirming that the corresponding proposal/estimate, invoices, quotes, and vendor receipts were properly maintained in accordance with District procedures; and
 - Verified that approval was documented by the appropriate authorities and that invoicing was processed for payment and issued timely.

Reporting

At the conclusion of this review, we summarized our findings into this report. We have reviewed the results with appropriate Management personnel and have incorporated Management response into this report.

OBSERVATIONS MATRIX

Observation	1. Centralized Warranty Management
Moderate	Currently, the District does not track active warranties at the asset level within a centralized or formalized platform. Instead, warranty management is a decentralized process that relies on the institutional knowledge of individual trade supervisors, as they manually identify and initiate warranty claims, with support from project managers (“PMs”). In discussing the warranty tracking process with Management, we noted Supervisors and PMs rely on their experience working on District facilities to determine whether an asset is under warranty, contact the manufacturer, coordinate repairs, and verify service completion. Each PM may utilize their own method in recording and tracking assets and their related warranties. Given that there are over 470 warranties related to roofing systems alone, this manual process creates operational inefficiencies, as supervisors must manually determine coverage, which can lead to delays, inconsistent warranty claims, and extended asset downtime. Without a centralized listing of assets with active warranties, there is not a consistent or efficient way to monitor warranty coverage, increasing the risk of missed opportunities for cost savings and potential noncompliance with warranty requirements (i.e., scheduled inspections and required preventative maintenance).
Recommendation	We noted the District is currently creating a Facility Asset Database (“FAD”) to consolidate all maintainable facility assets and their related warranties until a long-term systematic solution is implemented. Department leadership has planned a three-phase approach to create the FAD, and upon implementation, the database will serve as a living, continuously updated database to track and monitor warranties. We recommend the District continue these efforts and document the finalized warranty tracking procedures in the department’s SOP. In addition, we understand the District has explored opportunities to enhance the existing MMS and has determined that an alternative MMS may provide the desired automated warranty management functionality. We recommend the District continue efforts to procure and implement a new MMS system.
Management Action Plan	Response: Complete the Facility Asset Database (FAD), identify facility assets and incorporate those assets in the FAD. Identify active warranties for those assets, load warranty date, place FAD in Teams and ensure all staff have access. Train Maintenance and Facilities Management staff on accessing the FAD, updating the FAD and accessing warranty data in the FAD. Ideally, CCPS will procure an MMS with a FAD capability which includes a centralized warranty database. Responsible Party: Chief Facilities Officer Estimated Completion Date: August 29, 2025

OBSERVATIONS MATRIX (CONTINUED)

Observation	2. Invoice Review Procedures
Moderate	During our testing procedures, we identified several third-party invoices recorded as work order costs that included charges not supported by contracted rates or vendor receipts, as well as additional markups and fees that were not specified in the underlying agreements. To properly document the administration of work orders, the Maintenance Department requires all relevant information to be retained within the Atlas system. This includes inventory identification numbers, inventory costs, work order sign-offs, and, when a third-party contractor is used, the corresponding contractor invoice. Invoices undergo both a financial review by the Maintenance Budget and Operations Manager and a technical review by the assigned supervisor. As part of our testing, we reviewed a subsample of five (5) work orders that involved third-party contractors and observed the following: - Four (4) invoices across four (4) separate sampled work orders included material costs that did not correspond to contracted rates and were not supported by vendor receipts. In total, \$6,526.58 was invoiced as lump-sum amounts without supporting documentation to verify accuracy. However, it should be noted that, based on Management's technical review of the work order, the materials utilized appeared reasonable based on the work performed. - Two (2) invoices relating to one (1) separate sampled work order included surcharges or escalation fees that were not specified or agreed upon in the underlying contract. These charges, described as "environmental surcharges" or "fuel escalations," totaled \$814.66. Additionally, within one (1) of these same invoices, a mileage charge was included that exceeded the unit price specified in the contract, resulting in an overcharge of \$124. In addition, of the twenty-five (25) work order invoices reviewed, one (1) was paid sixty-one (61) days after the thirty (30) day payment requirement. Management indicated the delay was due to the Supervisor waiting on confirmation from the Facility Manager that the work had been completed. Without verifying that each line item on the vendor invoice agrees to contracted rates or is otherwise supported by receipts, and without obtaining timely approval of work performed, the District may unknowingly record inaccurate work order costs and may pay for vendor costs not associated with the identified work order need.
Recommendation	We recommend the following: - Reinforce expectations related to invoice review. While we identified no exceptions related to whether the review occurred, the review process itself can be strengthened to confirm that costs are allowable and accurate. - Consider creating and implementing invoice review checklists, as previously recommended in the 2021 Contract Administration audit report. Checklists provide an effective control by offering staff a standardized set of criteria to guide the invoice review process. The following are examples of checklist criteria: - Verifying that invoiced costs are reasonable based on the technical work performed; - Confirming that invoiced amounts are supported by vendor receipts or other relevant documentation; - Comparing invoiced amounts to the terms of the underlying contract; and - Reviewing the invoice for alignment with the scope of work specified in the contract.

OBSERVATIONS MATRIX (CONTINUED)

Observation	2. Invoice Review Procedures (Continued)
Management Action Plan	Response: - Review expectations with supervisors with respect to technical review of invoices – Upon receipt of the purchase order invoice, supervisors will inspect the delivered service and verify the service was completed satisfactorily, considering workmanship and material quality, timeliness and cleanliness and protection of work area (if applicable). - For invoices valued \$5,000 or greater, the Maintenance Department will require vendors to provide receipts with their invoice when receipts are appropriate for the service rendered. - Create an invoice review checklist. Ensure staff conducting invoice review understand the checklist - For invoices valued \$5,000 or greater, the Maintenance and Budget Operations Manager will verify invoice prices are accurate, including but not limited to verifying invoice prices match bid pricing, receipt totals match invoice prices, equipment lease prices are accurate (hours used and lease rate), unallowable prices are contested and removed from the invoice before payment, and invoices prices and mathematically correct. - Incorporate invoice review in the Maintenance SOP Responsible Party: Chief Facilities Officer Estimated Completion Date: June 30, 2025

OBSERVATIONS MATRIX (CONTINUED)

Observation	3. Inventory Monitoring Procedures
Moderate	During our review, we identified opportunities to strengthen controls related to inventory classification and monitoring. The “consumable” classification is intended for low-cost, high-volume items that are impractical to track individually, such as paper towels, nails, or tape. These items are not tracked at the individual work-order level and are instead used on multiple jobs throughout the year as needed. During our discussions with Management, it was identified that some items categorized as “consumable” did not meet this criterion and, in fact, should have been tracked individually due to their nature or value. The inconsistency by which the “consumable” classification is applied increases the risk of miscategorized inventory items, potentially impacting oversight and accountability. The classification of inventory also impacts the inventory review process. As noted above, items categorized as “consumable” are checked out by technicians for use across multiple work orders and are not assigned to specific jobs or tasks. As a result, supervisory review of these materials is conducted at year-end, rather than as part of the regular inventory review process tied to individual work orders. This less frequent and less targeted review may limit the District’s ability to evaluate the appropriateness of consumable inventory usage, in terms of both type and quantity. Without a clearly defined and consistently applied process for categorizing inventory and without a thorough and timely review of consumable materials’ use, the District may face challenges in maintaining accurate inventory records and confirming appropriate use of resources.
Recommendation	We recommend the following: • Review the inventory categorizations to confirm that only items that cannot be tracked on a per-unit basis (i.e., paper towels, nails, tape) are listed as “consumable”. • Refine the current annual consumable inventory review process, so supervisory reviews occur more frequently. Alternatively, the District may consider implementing a preventative measure to control consumable items’ use before the technicians check inventory out.

OBSERVATIONS MATRIX (CONTINUED)

Observation	3. Inventory Monitoring Procedures (Continued)
Management Action Plan	Response: <u>Consumable Parts Inventory</u> Currently, the Consumable Parts Inventory is inaccurate. Maintenance Supervisors will review it and ensure items on the inventory are truly consumable; misidentified parts shall be changed to the correct identifier (non-consumable). In the future and at the direction of the Central Services Supervisor and at least annually, trade supervisors shall review the Consumable Parts Inventory and ensure items identified as “Consumable” are truly consumable. misidentified parts shall be changed to the correct identifier (non-consumable). <u>Consumable Kit</u> A Consumable Kit (kit) is a trade-specific list of consumable parts that are assigned to a technician’s truck. Supervisors shall create a kit for each trade. Upon creation of each trade’s kit, the Supervisor shall inventory each technician’s vehicle and ensure only the kit items are on the vehicles. Missing kit items will be placed on the vehicle. Non-kit items that are on the truck that do not qualify as tools or Truck Stock will be returned to the warehouse. In the future, Supervisors shall ensure their technicians’ consumable kits are relevant and shall check kit relevancy at least annually. <u>Replenish and Changes to the Consumable Kit</u> When the technician’s consumable kit (kit) needs replenishment, requires new consumables added to the kit, or requires consumables removed from the kit, the technician shall submit a Parts Order Form to their supervisor. The supervisors shall: 1. Verify the need to replenish the kit by conducting an inventory review of the technician’s kit. 2. Validate the need with the technician to add or delete inventory from the kit. 3. Approve, approve with changes, or disapprove the Parts Order Form. 4. Ensure the consumable kit work order contains all relevant consumable items for that trade. Responsible Party: Chief Facilities Officer Estimated Completion Date: August 31, 2025

OBSERVATIONS MATRIX (CONTINUED)

Observation	4. MMS Reporting Functionality and Data Utilization
Moderate	Through inquiry with management and review of maintenance management system (“MMS”) data, we noted that the District currently has limited ability to generate meaningful data to monitor maintenance operations and measure against key performance indicators. <u>MMS Reporting Functionality and KPIs</u> The District’s current MMS, Atlas, serves as a centralized platform to record work order data. Individual work orders can be opened to view data related to labor, materials and inventory, workflow assignments, vendor invoices, and total work order cost, and reports can be generated to depict overall work order statuses, trade assignments, and work orders by location. However, enhanced reporting with cumulative trend information is not currently available to Management. Specifically, accessible data related to year-over-year work order statistics, cost and labor allocations per asset, cost and labor allocations per trade, staff workloads and lead times, vendor utilization and lead times, and cumulative vendor cost by trade is not available. Raw data may be housed at the individual work order level, but without enhanced reporting capabilities, the data is challenging to digest without significant manipulation from the Maintenance team. While management has established baseline key performance indicators (“KPIs”) to monitor the completion rates of work orders, the limited system functionality creates challenges in monitoring departmental success, challenges, and efficiencies. Data that could provide insight into resource management, potential bottlenecks in the work order process, potential assets or locations associated with high labor and inventory costs, vendor performance, and year-over-year maintenance trends is not currently available and/or measured. <u>Data Utilization</u> Within the current MMS environment, the District has established work order priority levels and trade specialties. However, our analysis identified several opportunities to improve data quality, which would enhance the accuracy and reliability of reporting. For example: • There are currently three (3) separate priority levels associated with emergency work orders: “01 – Emergency – Called In,” “1 – Urgent,” and “F1 – Emergency – Called In.” • Similarly, there are three (3) priority levels associated with standard work orders: “02 – Next Work Day,” “Standard Work,” and “F2 – Next Work Day.” • The system includes two (2) distinct entries for the “Audio Visual” trade specialty. • Additionally, the “Plant Operations” trade category is used to describe a wide range of work types, including audio/visual systems, building maintenance, grounds and irrigation, vehicle and equipment repairs, etc. This category appears to serve as a general catch-all, where more precise trade classifications could better capture and differentiate work order trends. Inaccurate or inconsistent categorizations within the system limit the District’s ability to produce meaningful reports that analyze work orders by trade and priority level. As a result, manual data adjustments are required to consolidate similar categories and develop a comprehensive view of the work order population.

OBSERVATIONS MATRIX (CONTINUED)

Observation	4. MMS Reporting Functionality and Data Utilization (Continued)
Recommendation	We understand the District has explored opportunities to enhance the existing MMS and has determined that an alternative MMS may provide the desired automated functionality. This functionality may include a reporting framework that provides insights into key process metrics, such as work order cycle time analysis, bottleneck identification, technician productivity tracking, and work order aging reports to improve visibility into maintenance operations, allowing for proactive problem-solving, optimized resource allocation, and enhanced service delivery. While this solution may take significant time to build or procure, the Maintenance Department should consider avenues in which data may be obtained manually for review. Once data can be obtained, establish additional KPIs and specific monitoring controls. Responsibility should be assigned to determine when KPIs are reviewed, updated, and how metrics are reported to relevant stakeholders. Lastly, activities surrounding these processes should be formalized into the Department's standard operating procedure.
Management Action Plan	Response: Need CCPS to procure a modern MMS with capabilities that include: • Facility Asset Database • Centralized warranty database • Sensible priority levels • Leasing capabilities • Access via an app (users access via phone or tablet) • Robust reporting features that include work order cycle time analysis, technician productivity tracking, aging work order reports, cost and labor allocations • Easy to use graphical user interface Responsible Party: Chief Facilities Officer Estimated Completion Date: December, 2025

PROCESS IMPROVEMENT OPPORTUNITY

1. Vendor Performance Monitoring

The Maintenance Department's primary procedural document, *Maintenance Department Standard Operating Procedures*, states:

"Upon completion of any Purchase Order (typically at the end of the fiscal year), the Supervisor who was the preponderant user of the purchase order shall complete a Vendor Evaluation Form. Completed forms shall be delivered to the Maintenance Department Budget and Operations Manager."

Management confirmed that while a vendor evaluation process is in place, evaluations are generally completed at the end of the vendor's contract term. Some contracts expire within 12 months, while others span multiple years, resulting in evaluations being conducted less frequently. If management determines that conducting evaluations annually presents an undue administrative burden, we recommend updating the SOP to reflect actual practices.

As part of our procedures, we requested vendor evaluations for a sample of ten (10) vendors and found that evaluations were only completed when vendor performance was deemed unsatisfactory. In cases where performance was satisfactory or neutral, the Vendor Evaluation Form was not completed. Conducting evaluations for all vendors—regardless of performance—helps establish an audit trail to support future procurement decisions. In the event of a dispute over vendor selection or qualifications, the District can refer to documented performance evaluations as supporting evidence.

In the 2021 Contract Compliance audit report, we recommended that the District establish a formal vendor performance monitoring program, including scoring vendors on communication, work quality, timeliness and schedule control, budget and cost control, safety, and other pre-defined criteria. Once this framework is in place, we recommend the Maintenance Department adopt an updated evaluation form aligned with the District's broader program.



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