

Long Beach's contracts need better oversight

By **The Editorial Board**, *Long Beach Press Telegram*

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In a critical report on how the city oversees its contract services, Long Beach City Auditor Laura Doug once again has proven her worth as the watchdog over city money.

In the report, Doud summarized a pattern of risks in 17 contract audits completed between 2012 and 2016.

The contracts were valued at nearly \$66 million and included contractual agreements for parks maintenance, airport parking facilities, trash hauling and other services.

Doud said several audits found limited city verification of contract work performed and limited assurance that the city paid an appropriate price or received the services and goods for which it was paid.

For example, she said, in managing the \$1 million per year graffiti abatement contract, the city did not validate the accuracy of incident report data even though the data's reliability was questionable due to lack of controls.

In addition, several audits found instances where major changes to contract terms occurred after a contract was awarded.

Although Doud was unable to determine the total number or amount of contractual commitments held by the city because, she said, information was "decentralized and recorded inconsistently, she estimated the risks within the city to be "extensive."

Figures for fiscal year 2015-16 show an estimated \$574 million was spent that year on contracted services.

Doud said the problem is the lack of a central database or contract monitoring system that allows employees to manage key terms and conditions. She also said there is insufficient training for employees on how to administer and manage contracts.

"Given the enormous amount of money spent each year on contracted goods and services, it is imperative that the city have an effective contract management process," she said.

In response to Doud's report, City Manager Pat West thanked Doud for spotlighting the need for improved contract management. He also pointed out that the Great Recession, with its severe budget cuts, had a devastating impact on city services, including contract management and oversight.

West said steps were being taken to follow Doud's recommendations.

Doud's office continues to be an effective check and balance to city government.