



# Central Florida Expressway Authority

## Right of Way Legal Counsel Procurement and Invoice Audit

February 18, 2016

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## Table of Contents

Section	Page(s)
Executive Summary	3 – 10
Detailed Observations	11 – 14
Appendix A – Right of Way Legal Counsel Benchmarking	15 – 17
Appendix B – Benchmarking of Evaluation Criteria – ROW Legal Counsel	18
Appendix C – Right of Way Acquisition Cost by Fiscal Year	19
Appendix D – Key Controls Identified	20 – 21

# Executive Summary

## **Background**

During fiscal year 2012, Internal Audit performed an audit of the Central Florida Expressway Authority's Right of Way policies and procedures surrounding the procurement of parcels and the use of eminent domain. The 2012 audit included testing of land acquisitions taken from a population of 123 acquisitions for the John Land Apopka Expressway project, dating back to 2004, the last major road construction project undertaken by the Authority through the time of the last audit.

For the current Right of Way audit as outlined in the 2016 Internal Audit plan, Internal Audit reviewed the Authority's procurement of and use of legal counsel in Right of Way land acquisitions dating back to 2014 for the Wekiva Parkway, All Aboard Florida project, and Kelly Park Interchange project. More specifically, during this audit, Internal Audit reviewed the processes in place to procure Right of Way legal counsel, including the use of in-house and out-sourced legal counsel, and the processes in place for the review and evaluation of legal invoices and right of way costs.

As of February 2016, the Authority is currently using a blend of in-house legal counsel and outsourced legal counsel to manage the procurement of parcels of land. Also at this time, the Authority's Board is considering the need to hire additional in-house counsel, with at least part of the assigned responsibilities being to work on additional Right of Way acquisition. Within the next 12 months, the Authority expects to acquire an additional 100 parcels of land to support projects on State Roads 429 and 528.

Below is a summary of the allocation of work assigned to each Right of Way counsel for the projects in-scope as of the time of this audit.

- Winderweedle, Haines, Ward & Woodman, P.A. – 45 parcels for the Wekiva Parkway project (29 in litigation)
- Shutts & Bowen, LLP – 89 parcels for the Wekiva Parkway project (67 parcels in litigation)
- Lowndes, Drosdick, Doster, Kantor & Reed, P.A. – 4 parcels at the Kelly Park Interchange (all in litigation)
- Mateer Harbert, P.A. – 3 parcels on SR 528 (purchase agreements executed for all)
- In-house Deputy General Counsel – 10 parcels post Order of Taking (OT), which represents the formal filing of an eminent domain action by the Authority)

## **Objectives**

The specific objectives of this audit were to:

- (1) Perform a risk assessment of the Right of Way legal procurement and legal invoice review processes;
- (2) Review the Authority's policies and procedures surrounding the procurement and invoice review processes;
- (3) Identify the mixture of in-house versus outsourced legal counsel and obtain benchmark data around the use of outsourced legal counsel and the procurement process compared to local and industry practices;
- (4) Conduct a trend analysis of appraised cost values versus the settlement cost of recent land purchases; and
- (5) Conduct a trend analysis of land acquisition cost and the stage of settlement.

*Continued on the following page...*

# Executive Summary

## **Project Scope and Approach**

The audit was performed using a phased audit approach as outlined below:

### **Phase I – Risk Assessment and Process and Controls Review**

Internal Audit performed a risk assessment to identify risks over the right of way legal counsel procurement and invoice review process. This included gathering information from the Authority's management and staff of the finance, procurement, and legal departments, as well as reviews of Board and Committee discussions.

Internal Audit subsequently reviewed the key processes and controls used to mitigate risks related to procuring external right of way legal counsel and approving invoices for payment. Key controls within each of these areas were identified and evaluated for design effectiveness. Details regarding the processes reviewed, controls walked through and observations are provided in the Summary of Audit Procedures.

### **Phase II – Benchmarking the Authority's Right of Way Legal Counsel Procurement to Local Government and Industry Practices**

Internal Audit performed procedures to gather data to benchmark the following Right of Way (ROW) processes to local and industry practices:

- A. Mixture of in-house and outsourced legal counsel.
- B. Request for Proposal (RFP) process and evaluation criteria for legal counsel.

To gather the information necessary to perform the benchmarking, Internal Audit interviewed staff members of the following counties and municipalities: Orange County, City of Orlando, Seminole County, Osceola County, and Lake County. In addition, Internal Audit interviewed staff of the following other tolling and transportation authorities: North Texas Tolling Authority, Harris County Tolling Authority, Hillsborough Expressway Authority, Miami Dade Expressway Authority, Florida Turnpike Enterprise, and North Carolina Turnpike Authority.

### **Phase III – Data Analytics**

Internal Audit performed limited data analytics to review right of way parcel acquisition settlement costs versus the appraised cost values (as obtained from Authority appraisals and owner appraisals), average legal and expert costs (based on fees paid) to acquire parcels, and the stage at which parcel acquisitions were settled. Data was obtained from Right of Way Committee minutes, Excel tracking files from outside legal counsel and Atkins (General Engineering Consultant), and the monthly TIFIA reports

*Continued on the following page...*

# Executive Summary

## Results: Phase I - Processes and Controls Review

Process	Procedures Performed / Key Areas Reviewed	Key Controls Identified*	Number of Observations	Observation Reference
Legal Invoice Review	Invoice Processing: review of billing rates, including expert fees and expenses, duplicate payments, and hours billed.	3	1	2
Monitoring of Parcel Acquisition	General Counsel, Deputy General Counsel, and ROW Committee activities to monitor direction, strategy, and performance.	6	1	1
Procurement	Project bidding (sealed bids and competitive sealed proposals) and bid awards: Authorization to bid, contracts reviewed by CFX's attorney's office, RFP documented and opened to the public, evaluation committee reviews bids, fee evaluation performed by Procurement Department and Evaluation Committee.	11	0	N/A
	<b>TOTAL:</b>	<b>20</b>	<b>2</b>	

\*A listing of key controls identified in the CFX Right of Way process is included in Appendix D.

*Continued on the following page...*

# Executive Summary

## Results: Phase II – Benchmarking

Process	Benchmarking Sources	Results
Mix of In-House vs Outsourced Counsel	<ul style="list-style-type: none"> <li>Counties and cities represented in the Authority’s Board</li> <li>Other tolling and transportation authorities</li> </ul>	A
Request for Proposal (RFP) Process and Evaluation Criteria	<ul style="list-style-type: none"> <li>Counties and cities represented in the Authority’s Board</li> <li>Other tolling and transportation authorities</li> </ul>	B

**A** - Refer to Appendix A for additional information on size of legal department, counsel used for ROW, and other qualitative factors that make comparing CFX legal counsel to other entities a complex process.

For the projects in-scope as of the time of this audit, approximately 93% of parcels identified by the Authority for acquisition have been assigned to outside legal counsel. The following three factors drive the Authority’s decision around using in-house versus out-sourced legal counsel for right of way land acquisition:

- (1) Size of agency’s legal staff,
- (2) Size and scope of right of way acquisitions performed, and
- (3) Level of complexity involved in the acquisition process (negotiated sale vs. eminent domain action).

The Authority will continue to need outside counsel to assist with complex acquisitions and to provide a more variable cost model to manage current spikes in right of way acquisition. However, based on a cost analysis prepared by the Authority’s staff and presented to the Authority’s Board during October 2015, there is opportunity to reduce costs for legal services through the hiring of an additional in-house resource. However, consideration should be given to use of an additional in-house resource if volume of right of way acquisition declines.

**B** - Refer to Appendix B for additional information on how the Authority’s right of way counsel RFP evaluation metrics compare with the metric ranges provided by Orange County, City of Orlando, Seminole County, Osceola County and Lake County and the other similar tolling and transportation authorities that provided input.

# Executive Summary

## Results: Phase III – Data Analytics

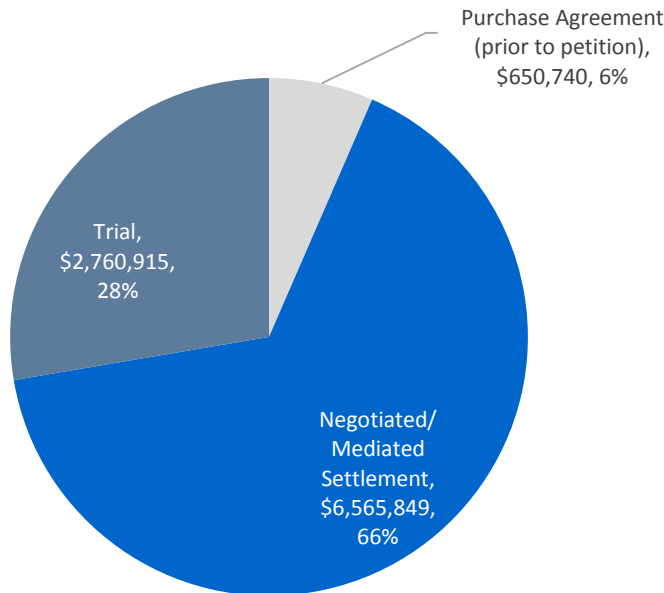
### Land & Owner Settlement Costs by Settlement Stage

Dating from the start of the Wekiva Parkway Project, a total of 28 parcel acquisitions were sampled by Internal Audit and analyzed for a total “all-in” cost of \$9,977,504 (inclusive of purchase price of parcels and owner legal and expert costs paid by the Authority, exclusive of CFX legal and expert fees) per unaudited data in the monthly TIFIA reports. Data regarding the stage at which parcel acquisitions were settled was obtained from the Right of Way Committee minutes dated May 13, 2014 through October 28, 2015. This data is unaudited and was used to classify parcels and the related land and owner legal costs for analytical purposes only.

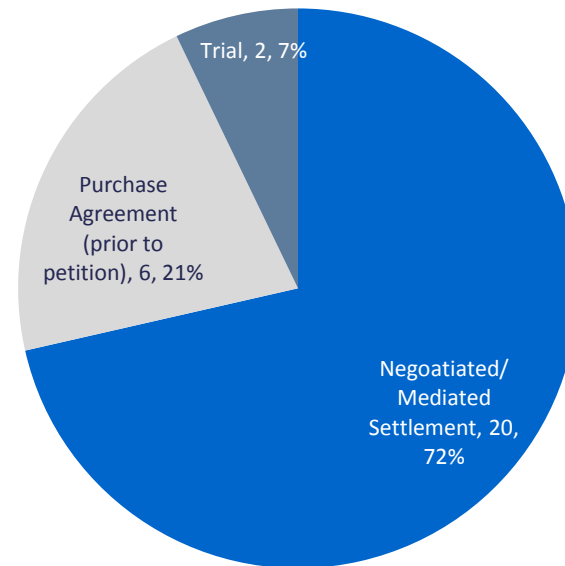
Based on data depicted below, the following key points were observed:

- The majority, or 66%, of parcels were acquired post OT through negotiated or mediated settlement, representing 72% of the dollars spent.
- Parcels settled through trial represented 7% of parcels acquired and 28% of dollars spent, demonstrating a higher cost of trials.
- As reflected by the data in the chart on page 8, on average, the highest legal and expert fees are incurred if a parcel goes to trial.

Settlement Stage by Value

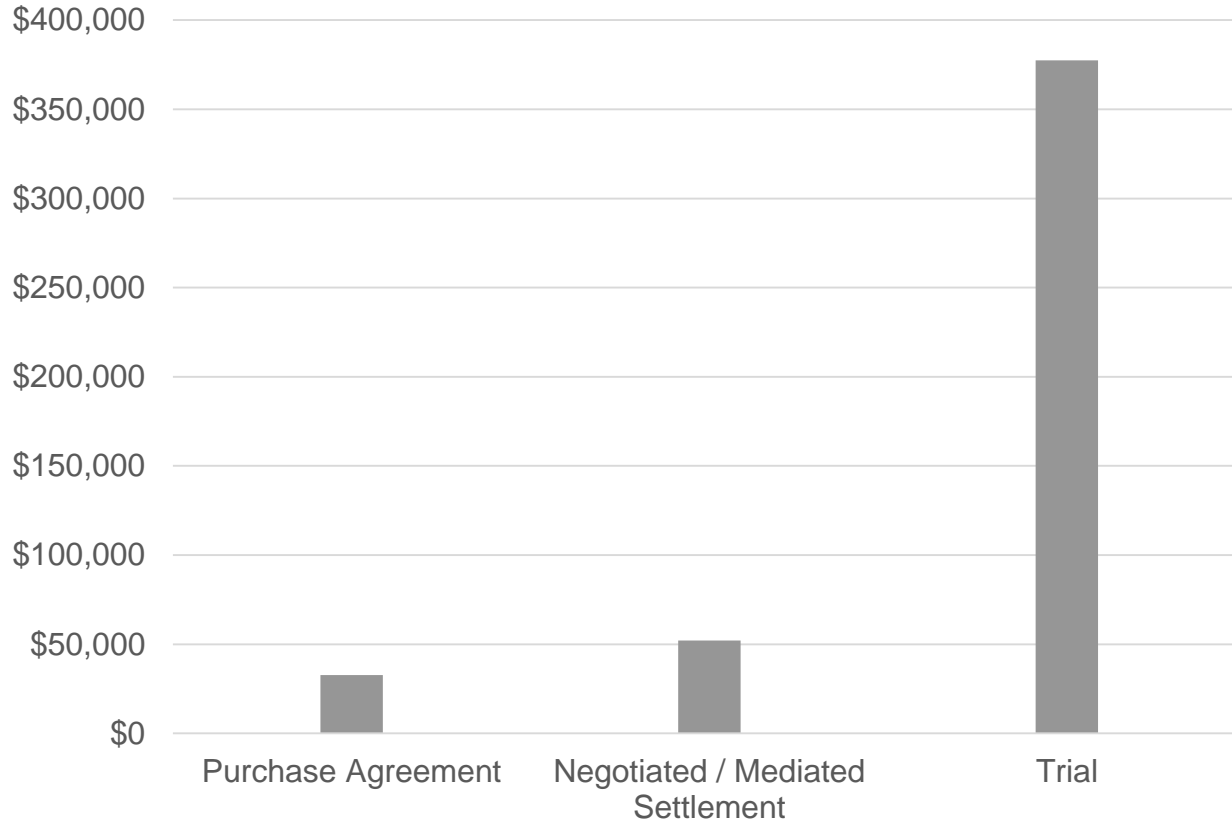


Settlement Stage by Number of Parcels



# Executive Summary

## Average CFX Legal and Expert Fees by Settlement Stage\*



\*Based on unaudited data taken from monthly TIFIA reports for the 28 parcels selected for the audit; does not include owner legal costs and expert fees.



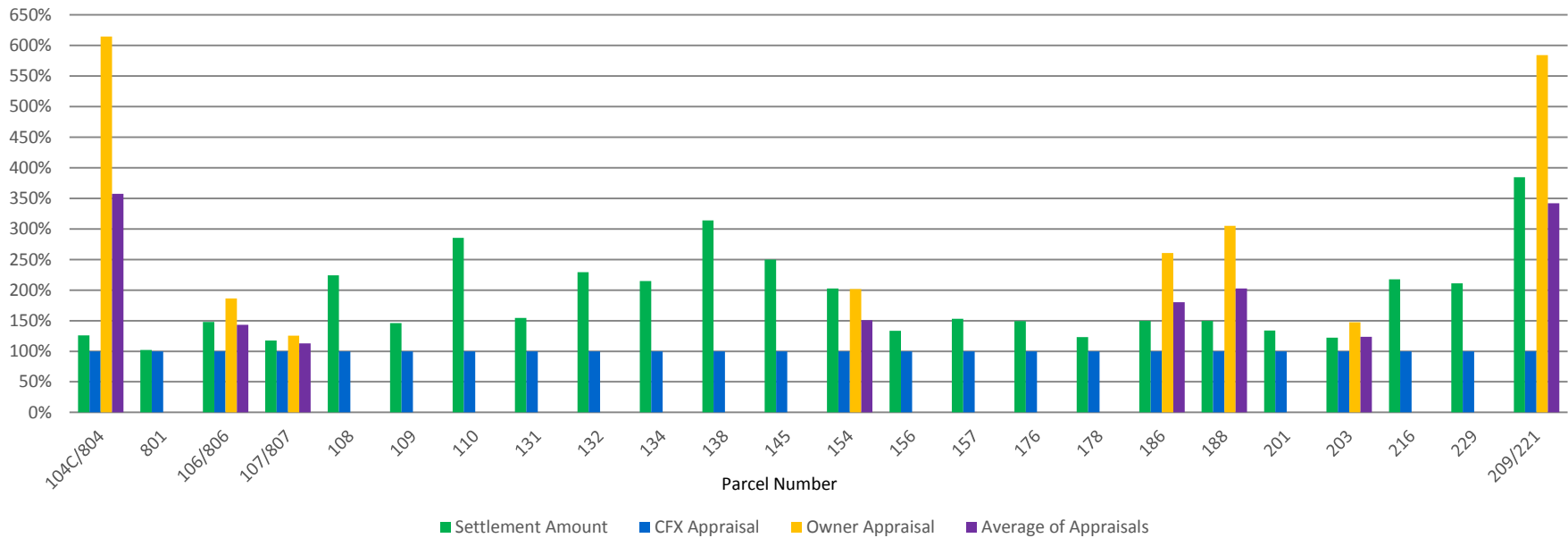
# Executive Summary

## Results – Data Analytics (continued)

### Land Settlement Costs versus Appraisals

The following unaudited data was obtained from the monthly TIFIA reports. Comparing the final land settlement cost to the Authority’s appraisal and the owner’s appraisal, as available and reportable, the data for several parcels acquired revealed large differences between appraised values and settlements. This chart does not include confidential information obtained orally during mediations, such as owner demands that could not be shared or reported. In three of the four cases depicted below where owner’s appraisals were in excess of 200% over the Authority’s appraised value, the Authority’s final settlement costs were closer to the Authority’s appraisals than the owner’s appraisal. The fourth case depicted below (209/221) was a trial verdict.

Land Settlement As Percentage of Land Appraisal

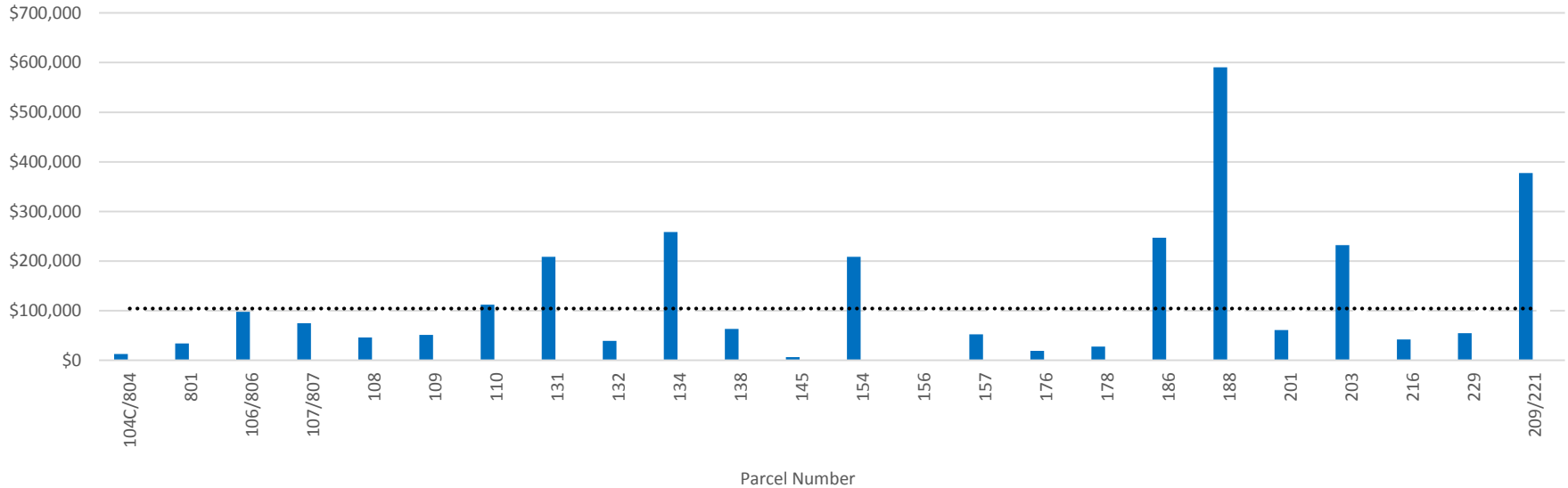


- Outliers (i.e., Settlement amount exceeded 250% of the CFX appraisal or average appraisal if applicable) in the analysis were as follows:
  - Parcel 110 was a purchase agreement prior to eminent domain action. Based on the Right of Way Committee minutes related to this parcel, severance damages were explained to the Committee to rationalize the settlement amount. Reported land settlement cost above may account for other compensation to the owner that was not specifically negotiated and could not be reported separately.
  - Parcel 138 had a spread of \$66,000 between the land appraisal of \$33,000 and the land settlement of \$96,000.
  - Parcels 209 and 221 were tried and purchase price was determined by jury verdict.

# Executive Summary

## Results – Data Analytics (continued)

Owner and CFX Legal, Expert, and Other Fees Per Parcel



- For the in-scope sample, the average legal and expert fees paid per parcel was \$104,168 as obtained from the monthly TIFIA reports.
- Outliers in the analysis were as follows:
  - Parcel 110 was a negotiated agreement prior to petition (eminent domain action).
  - Parcel 131 included two tenant claims.
  - Parcel 134 included relocation payments.
  - Parcel 154 included a business damage claim for two businesses on the property, relocation benefits, and the taking of three manufactured homes.
  - Parcel 186 involved a mediated settlement agreement.
  - Parcel 188 involved taking a residence with 10 acres. Multiple depositions were conducted and it was set for trial when settled. Additionally, there were multiple relocation issues related to this parcel which increased total fees.
  - Parcel 203 involved a business damage claim and involved the taking of a residence.
  - Parcels 209 and 221 were tried. Owner legal, expert, and other fees are not included in the amount above as they have not been paid by the Authority and are not yet included on the monthly TIFIA reports. Once paid, amount depicted above will increase.
- Parcel 156 attorney’s fees/costs were billed to Project 202 General Matter. Because the attorney fee’s/costs were blended into Project 202 General Matter for multiple parcels, the costs related to Parcel 156 were not included in the chart above.

# Detailed Observations – Processes and Controls

Legal Invoice Review

## **Observation 1 – Right of Way Recordkeeping** *Relative Priority: **Medium***

Based on Transportation Infrastructure Finance and Innovation Act (TIFIA) loan requirements, the Authority submits a monthly report of project costs to the Federal government and will be required to report final costs for the project in order to obtain the TIFIA loan funding. During the audit, we reviewed various sources of Right of Way data, including the Right of Way Committee minutes, Excel tracking files from outside legal counsel, and the monthly TIFIA reports, and identified multiple instances of inaccurate or inconsistent data between sources. Specifically, the TIFIA reports contained formula errors, data that was incorrectly rolled forward from month-to-month, in addition to classification issues for closed parcels that were listed as open. Of most concern were inaccuracies identified in the TIFIA reports that are designed to track project costs for later funding from the Federal government. There are multiple parties involved in creating and reviewing the TIFIA reports, including Legal Counsel and Finance personnel, which all input or review parts of the report. It is critical that the data in the TIFIA reports be kept complete and accurate for monitoring and reporting purposes. There is an opportunity to improve the quality and reliability of the data gathered for presentation in the TIFIA reports.

Monitoring of Parcel Acquisition

### **Recommendation**

The Authority should formalize its quality assurance/quality control process by assigning a process owner(s) responsible for compiling TIFIA data, reconciling TIFIA data to source documents, and verifying the completeness and accuracy of the information included in the monthly TIFIA reports. Additionally, there is an opportunity to centralize Right of Way activity into one spreadsheet or database in order to minimize (or eliminate) the maintenance and monitoring of multiple sources of information.

Procurement

### **Management Response** Management concurs.

*Continued on the following page....*

## Detailed Observations – Processes and Controls

Legal Invoice Review

### **Observation 1 – Right of Way Recordkeeping**

***Relative Priority: Medium***

#### **Management Action Plan**

Initially, each Right of Way outside counsel or responsible party within the Authority will confirm the amount paid in the cumulative payments columns of the monthly TIFIA reports to ensure accuracy of the current spreadsheet. If there is a discrepancy identified, the responsible party will research and correct the discrepancy in the TIFIA reports. Going forward, each firm or responsible party will prepare a separate monthly TIFIA report summarizing the activity in the parcels assigned to that firm. The Accounting Department will audit the spreadsheets for accuracy using source documentation, which will be made available to the party responsible for performing the review of the spreadsheets.

Monitoring of Parcel Acquisition

#### **Action Plan Owner/Due Date**

Linda Lanosa, Deputy General Counsel / August 2016

Aneth Williams, Manager of Contract Compliance / August 2016

Procurement

# Detailed Observations – Processes and Controls

## Legal Invoice Review

### **Observation 2 – Review of Legal Invoices**

**Relative Priority:** *Low*

The Authority’s General Counsel reviews invoices for fees billed by external Right of Way legal counsel for accuracy and compliance with contractual terms. Per the terms of the contracts, external legal counsel will not be reimbursed for expenses such as telecopy, local telephone, data processing, courier or other services that would be deemed to be part of the firm’s overhead expenses. However, the firm will notify General Counsel of any large copy and print jobs in order for a determination to be made as to how the copying will be handled and expensed.

Internal Audit testing identified that one external Right of Way counsel billed the Authority for \$1,440 in copy and printing charges without prior authorization by General Counsel. General Counsel reviewed and approved the invoices for payment; however, there was no evidence that the charges were approved prior to being invoiced.

In addition, supporting documentation is required to be provided by external legal counsel for direct costs incurred, such as court reporters and deposition transcripts. Internal Audit testing identified that one external Right of Way counsel billed the Authority for \$1,135 in court reporters and courier costs. However, invoice support was not provided for these costs and the legal invoice was approved for payment.

### **Recommendation**

The Legal Department should review the invoices for appropriateness and to (1) ensure that direct costs billed conform to authorized costs detailed in the contract, (2) supporting documentation is provided for direct costs, and (3) each expert invoice is reviewed and approved by external legal counsel. The Finance Department personnel should conduct a secondary review of invoices for supporting documentation and attorney approval while reviewing invoices for rates and personnel assigned.

## Monitoring of Parcel Acquisition

## Procurement

*Continued on the following page....*

## Detailed Observations – Processes and Controls

### Legal Invoice Review

#### **Observation 2 – Review of Legal Invoices (cont.)**

##### **Management Response**

Management concurs.

##### **Management Action Plan**

Legal Department will perform a review of invoices to (1) ensure that direct costs billed conform to authorized costs detailed in the contract and (2) supporting documentation is provided for direct costs.

In addition, the Finance Department will perform a secondary review of the invoices to include the direct costs, supporting documentation, and approval of the expert invoices.

### Monitoring of Parcel Acquisition

##### **Action Plan Owner/Due Date**

Joe Passiatore, General Counsel / August 2016

Aneth Williams, Manager of Contract Compliance / August 2016

### Procurement

## Appendix A – Right of Way Legal Counsel Benchmarking

### **CFX as compared to the counties and cities represented on the Board:**

The following benchmarking charts are based on Internal Audit’s discussion with members of various tolling authorities, cities and counties. The first chart is a comparison of CFX to other tolling and transportation authorities. The entities selected are a mixture of in-state and out-of-state authorities. The second chart is a comparison of CFX to local (i.e., in-state) cities and counties.

The information presented in the following charts is a broad comparison and is not intended to serve as a scorecard and should not be used to infer conclusions about an entity’s legal department. There are numerous qualitative factors that make benchmarking CFX legal counsel to other entities complex. For instance, no two eminent domain cases are alike. Factors that may influence the amount of time and effort required for an eminent domain case, include but are not limited to: the type of taking (whole or partial), the type of property and its current/future use, and the number of owners and ownership interests (e.g., businesses, tenants, etc.). Additionally, another factor is the amount of time available before the acquisition deadline and whether it is possible to negotiate a voluntary purchase with the owner(s). Furthermore, the entity may be required to pay the owner(s) severance damages, relocation fees, and business damages.

Moreover, comparing the size of a legal department across different types of governmental entities is complex. Some entities primarily use in-house legal assistance, some entities use a mixture of in-house and outside counsel, and some primarily use outside counsel. Full-time equivalent (FTE) information, which would be a better representation of time spent by a legal department on eminent domain cases, was not available across entities. As such, the size of the legal department in the following benchmarking charts is presented in total and does not take into account the different types of legal matters that each entity's legal department may encounter (e.g., land use, general administrative issues, ordinances, building and zoning, corrections, etc.).

CFX has increased the use of eminent domain cases due to significant growth in Central Florida, the need for additional roadways, and specific deadlines mandated by the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan that was used to help finance the roadway expansion. In comparison, CFX has increased usage of eminent domain cases whereas other governmental entities may not have experienced the same need for land acquisition through eminent domain.

## Appendix A – Right of Way Legal Counsel Benchmarking (cont.)

### CFX as compared to other tolling and transportation authorities in the United States:

The North Texas Tolling Authority and Harris County (Texas) Tolling Authority were selected based on the size similarity to CFX. Additionally, the Florida Turnpike Enterprise, Tampa Hillsborough Expressway and Miami Dade Expressway were selected because they are local (i.e., in-state) entities. The North Carolina Turnpike was selected as an additional comparison point although structure differs from CFX. North Carolina Turnpike is part of the North Carolina Department of Transportation (NCDOT), which is responsible for building, repairing and operating all roadways in North Carolina.

	CFX	North Carolina Turnpike*	North Texas Tolling Authority	Harris County (Texas) Tolling Authority	Florida Turnpike Enterprise	Tampa Hillsborough Expressway	Miami Dade Expressway
<b>Size of Legal Department</b>	2	31	2	2	1	1	2
<b>Counsel Used</b>	Primarily Outsourced	In-House	Outsourced	In-House (unless litigation required)	In-House	In-House (unless litigation required)	Outsourced
<b>Qualitative Factors</b>	Extensive eminent domain litigation mainly through the use of outside counsel. TIFIA loan requirements require strict timelines for acquisition.	The North Carolina Turnpike is part of the NCDOT and conducts extensive ROW acquisition. Nineteen (19) attorneys assigned to ROW division.	No ROW acquisition currently.	Irregular ROW acquisition. Covered by County's legal department. Additionally, Harris County has a separate Right of Way department with 15 full-time staff members.	Extensive ROW acquisition. Agency is part of Florida Department of Transportation and utilizes their legal resources in addition to one resource on-staff.	Very few ROW parcels acquired and most acquired through negotiated settlement.	Beginning a large project, but irregular ROW acquisition in the past. Agency policy encouraging negotiated purchase.

**The above data is based on unaudited information provided to Internal Audit by the agencies. Comparable agencies were judgmentally selected by Internal Audit during the planning phase of the audit.**



## Appendix A – Right of Way Legal Counsel Benchmarking (cont.)

### CFX as compared to the counties and cities represented on the Board:

In general, the Authority’s decision to primarily outsource appears in line with the other county (Osceola) that is most similar to it in terms of size of legal department and spend. Lake County keeps ROW in house and has a legal department that is similar in size, but spend is significantly less than the Authority’s and the complexity of acquisitions is less, as approximately 88% of parcels acquired through negotiated sale prior to eminent domain. The City and the counties with larger in-house staff tend to keep ROW acquisition in-house.

	CFX	Osceola County	City of Orlando	Seminole County	Lake County	Orange County
<b>Size of Legal Department</b>	2	4	30	13	3	16
<b>Counsel Used for ROW</b>	Primarily Outsourced	Outsourced	In-House (unless litigation required)	In-House (unless litigation required)	In-House	In-House
<b>Qualitative Factors</b>	Extensive eminent domain litigation mainly through the use of outside counsel. TIFIA loan requirements require strict timelines for acquisition.	Very irregular and infrequent eminent domain.	Regular ROW acquisition, but filing eminent domain action is irregular. One of the attorneys in the City Attorney’s Office has substantial eminent domain experience. Additionally, the City’s legal department handles a variety of legal matters including police cases.	Infrequent ROW acquisition.	Approximately 20 parcels purchased annually. Approximately 3 parcels involved eminent domain action with no trials.	Few parcels acquired.

The above data is based on unaudited information provided to Internal Audit by the entities identified.

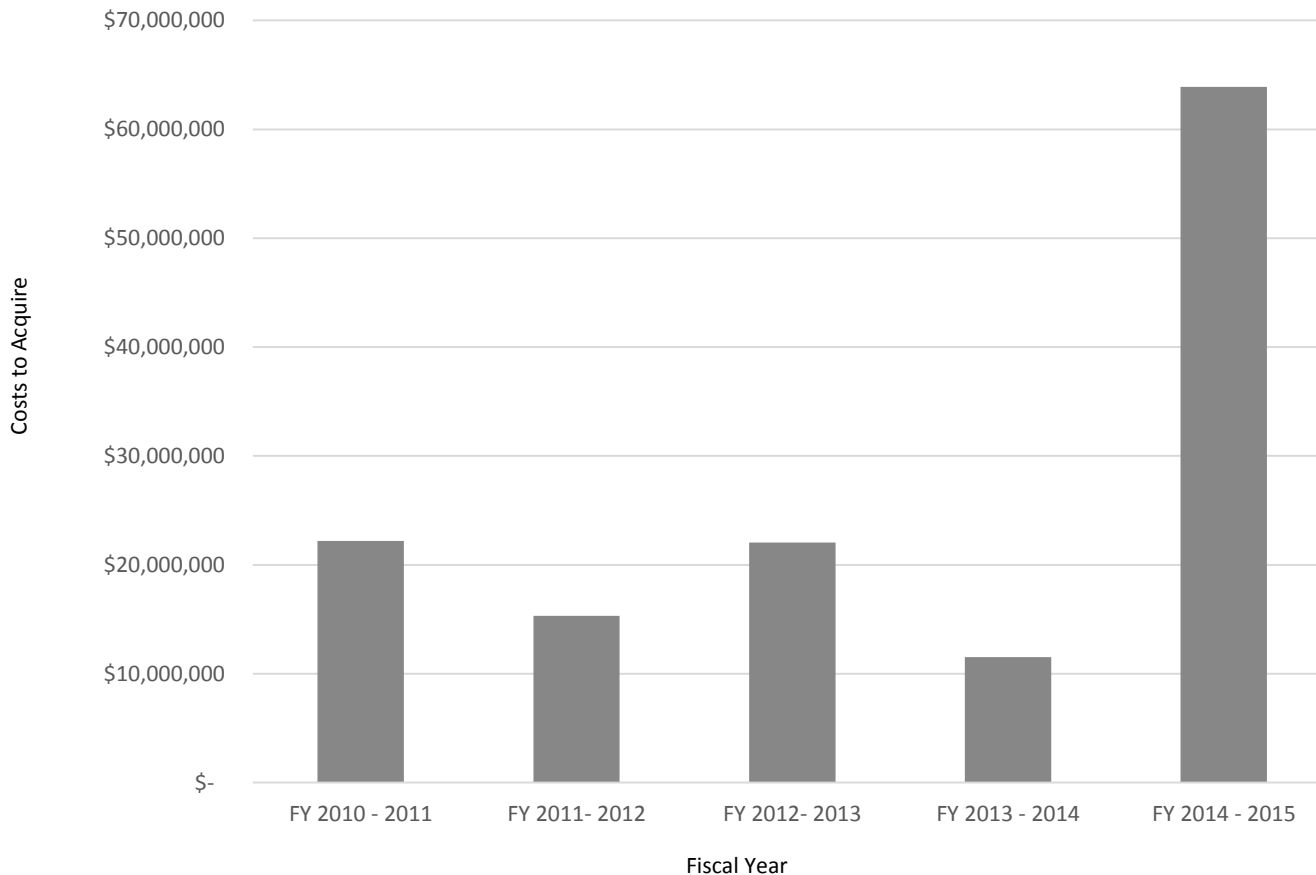
## Appendix B – Benchmarking of Evaluation Criteria – ROW Legal Counsel

RFP EVALUATION METRIC USED (Evaluated over a total of 100 points)	CFX*	ORANGE COUNTY, CITY OF ORLANDO, OSCEOLA COUNTY, SEMINOLE COUNTY AND LAKE COUNTY	OTHER TOLLING AND TRANSPORTATION AUTHORITIES
Eminent Domain/Trial Experience	25	20-45	30-90
Local Staff Qualifications	30	20 - 40	10 - 40
Mitigation Approach	25	20 - 25	20 - 30
Cost Proposal	15	20 - 25	-
Minority/Women Business Enterprise Participation	-	10 - 20	0 - 10

\* The Authority's Scoring Metric was last used during the 2015 Right of Way RFP process.

## Appendix C - ROW Acquisition Costs by Fiscal Year\*

ROW acquisition costs include cost of the parcel, legal and expert fees of both owner and the Authority. The below data includes all spend from 2010 through 2015, including parcels for which Final Judgment has not been entered, but deposits have been paid in the amount of the Authority's appraisal and legal and expert fees for all parcels regardless of completion.



\*As recorded by the Central Florida Expressway Authority in the Comprehensive Annual Financial Report (CAFR).

## Appendix D – Key Controls

The following key controls were identified by Internal Audit as part of the Right of Way audit:

### Legal Invoice Review

1. CFX reviews legal invoices and checks rates, description of services, and expenses billed before approving and processing for payment.
2. General Counsel reviews invoices for obvious duplication of tasks or high volume of hours.
3. General Counsel reviews invoices submitted by outsourced legal counsel for activities being billed and the appropriateness of billings related to the status and strategy of the case.

### Monitoring of Parcel Acquisition

4. Deputy General Counsel receives and reviews legal filings of outsourced counsel.
5. ROW Committee must approve all ROW acquisitions settlements before the Board approves payment, with the exception of those cases decided at trial.
6. The Board provides the authorization to initiate eminent domain proceedings.
7. ROW Committee oversees and directs CFX delegation of authority to make offers, negotiate settlements, approve mediation and condemnation settlements.
8. ROW Legal Counsel is responsible for all legal matters pertaining to the property acquisition process, including but not limited to preparing, filing, and prosecuting eminent domain proceedings (upon approval of CFX).
9. ROW Legal Counsel, with oversight from General Counsel's office, is responsible for negotiating settlement agreements achieved after the filing of eminent domain proceedings, and will be responsible for securing approvals of such settlements, through the Right of Way Committee and Board.

## Appendix D – Key Controls

The following key controls were identified by Internal Audit as part of the Right of Way audit:

### Procurement

10. Requests for proposal (RFPs) require specific levels of experience for any firms applying and specifically related to the practice of eminent domain.
11. CFX has developed a Procurement Policy which is available online, as well as a Procurement Procedure Manual. The policy is reviewed and updated at least every two years, and the Procurement Procedure Manual is updated annually.
12. CFX's Procurement Policy and Procurement Procedure Manual establishes a procurement authorization matrix which indicate the level of approval/authorization required at each threshold, as well as number of bids required for each process.
13. Shortlisted firms are interviewed and scored by the Committee members based on technical criteria.
14. Contracts for goods and services shall not exceed an initial term of five years. A renewal clause extending the term for up to five one-year periods may be provided.
15. Standard Authority forms for contracts, amendments, supplemental agreements, renewal and similar documents shall be developed and used whenever possible. It is recognized that, due to their specialized nature, agreements with other governmental agencies, certain services providers and financial institutions preclude the use of such standard documents by the General Counsel must be received prior to their execution.
16. The Authority uses a "Request for Proposal" process which details the work to be performed and qualifications required from responding firms.
17. It is typically the Authority's desire to obtain at least three competitive bids or proposals for each new project; however, it is not required. In the instances where less than three bids are received a document is completed by the Director of Procurement to document the award decision (if applicable).
18. Except for Emergency Purchases, all contracts, supplemental agreements, amendments, purchase orders and contract renewals obligating the Authority to an amount of \$50,000 or more shall have the prior approval of the Authority's Board of Directors.
19. Members of the Authority's Evaluation Committee will be required to complete a disclosure form, in compliance with the Authority's Ethics Policy, identifying any potential conflict of interest and certifying that no outside relationship exists that would adversely affect the member's judgment while serving on the Committee.
20. Price proposals are opened by the Committee following the completion of the technical proposal scoring. A predefined scoring criteria is used to evaluate the price proposals and included in the Scoring Summary Form. The price scores are added to the technical scores for the final ranking based on points.



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