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City of Irvine

Poor Governance of the \$1.7 Million Review of the Orange County Great Park Needlessly Compromised the Review's Credibility

Background

The city of Irvine has been developing the Great Park for over a decade. In 2013, the Irvine City Council retained a firm to conduct a performance review of Great Park contracts (park review) and subsequently approved a second phase of the review that involved issuing subpoenas to individuals involved with developing Great Park. As of December 2015, the city had spent roughly \$1.7 million on the park review and related activities.

Key Findings

- The city did not ensure that the park review was conducted according to the most appropriate industry standards for achieving the city's goals, which would have ensured an independent and more rigorous review.
- Irvine compromised the impartiality and transparency of the process it used in selecting the consultant to perform the park review.
 - » It modified and finalized the process after it had accepted and reviewed bidders' proposals and interviewed selected firms.
 - » It substantially increased the winning bidder's scores after the interview phase, raising the bid from third- to first-place, whereas the scores for the other proposals remained unchanged.
 - » The original contract with the winning bidder almost ensured that the same consultant would receive a second, no-bid contract.
- Irvine's disjointed contract management allowed two consultants to duplicate work, commence work prior to receiving final approvals, and to work beyond the authorized amounts of their respective contracts, which led to cost overruns.
- The city council did not adequately ensure that the two-member advisory subcommittee it formed to oversee the park review undertook its assigned activities—we found little evidence the subcommittee added value to the process.

Our Key Recommendations

Irvine should perform the following:

- Require that consultants follow appropriate, sufficient audit standards when performing audit services.
- Conduct its competitive bidding process in a transparent and fair manner by complying with its selection and evaluation process outlined in requests for proposals and not deviate from the process without adequate notice to potential bidders.
- Conduct self-initiated investigations, reviews, or audits in an open and transparent manner that fosters public confidence in its processes and findings and ensures independence.