

**Los Angeles Unified School District
Office of the Inspector General**

**Incurred Cost Audit
ACC Environmental
Consultants, Inc.**

**CA 23-1409
August 31, 2023**

**Sue Stengel
Inspector General**





Los Angeles Unified School District
Office of the Inspector General

Jackie Goldberg, President
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Superintendent

Sue Stengel
Inspector General

August 31, 2023

Mr. Christopher Mount, Chief Procurement Officer
Procurement Services Division
Los Angeles Unified School District
333 S. Beaudry Avenue, 28th Floor
Los Angeles, CA 90017

RE: ACC Environmental Consultants, Inc.
Contract No. 4400005405

Dear Mr. Mount:

This is the report on our audit of ACC Environmental Consultants, Inc. for contract no. 4400005405.

Please contact our office if you have any questions.

Sincerely,

Austin Onwualu

Austin Onwualu, CPA, CIG
Deputy Inspector General, Audits

Sue Stengel, Esq., CIG
Inspector General

c: Cheri Thomas
Ivory King
Jorge Ballardo

Attachment



**Audit of ACC Environmental Consultants, Inc.
Contract No. 4400005405**

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Audit of ACC Environmental Consultants, Inc. Contract No. 4400005405

Introduction

The Office of the Inspector General (OIG) audited Contract Number 4400005405 (Contract) awarded by the Los Angeles Unified School District (District) to ACC Environmental Consultants, Inc. (ACC) for providing comprehensive asbestos, lead-containing material, mold, and hazardous materials consulting services to support the District's construction projects. Work performed by ACC, under the Contract, was authorized through time-and-material task orders. The Contract had a not-to-exceed amount of \$2,700,000 and a Contract period from March 1, 2017, through February 28, 2022. We performed this audit because asbestos testing services were identified as a potentially high-risk area based on the OIG's annual risk assessment.

Scope and Objectives

During the Contract period, from March 1, 2017, through February 28, 2022, ACC submitted 561 invoices totaling \$1,997,527 to the District. The objectives of this audit were to determine the following:

- (i) Whether the amounts billed were adequately supported and in accordance with Contract terms and conditions.
- (ii) Whether the contractor provided the services as required by the task orders.

Methodology

To accomplish our objectives, we performed the following procedures:

- Interviewed District personnel from the Facilities Environmental Technical Unit (FETU) and ACC's management to understand the Contract requirements and the respective internal control processes related to the Contract.
- Validated the billed rates on the invoices against the Contract's Fee and Payment Schedule.
- Traced the number of billed hours and laboratory service units per invoice to the corresponding staff's timesheets and laboratory invoices.
- Traced the number of hours on ACC's timesheets to payroll registers.
- Validated the project locations per the timesheets.
- Verified District approval of hours and laboratory service units billed by ACC.
- Reviewed sub-consultants' invoices to verify that the rate billed for sub-consultants' work was limited to cost plus a 5% markup, as allowed by the Contract.
- Validated overtime hours to confirm these hours were properly approved by District representatives and to verify that the number of billed hours did not exceed the authorized hours.



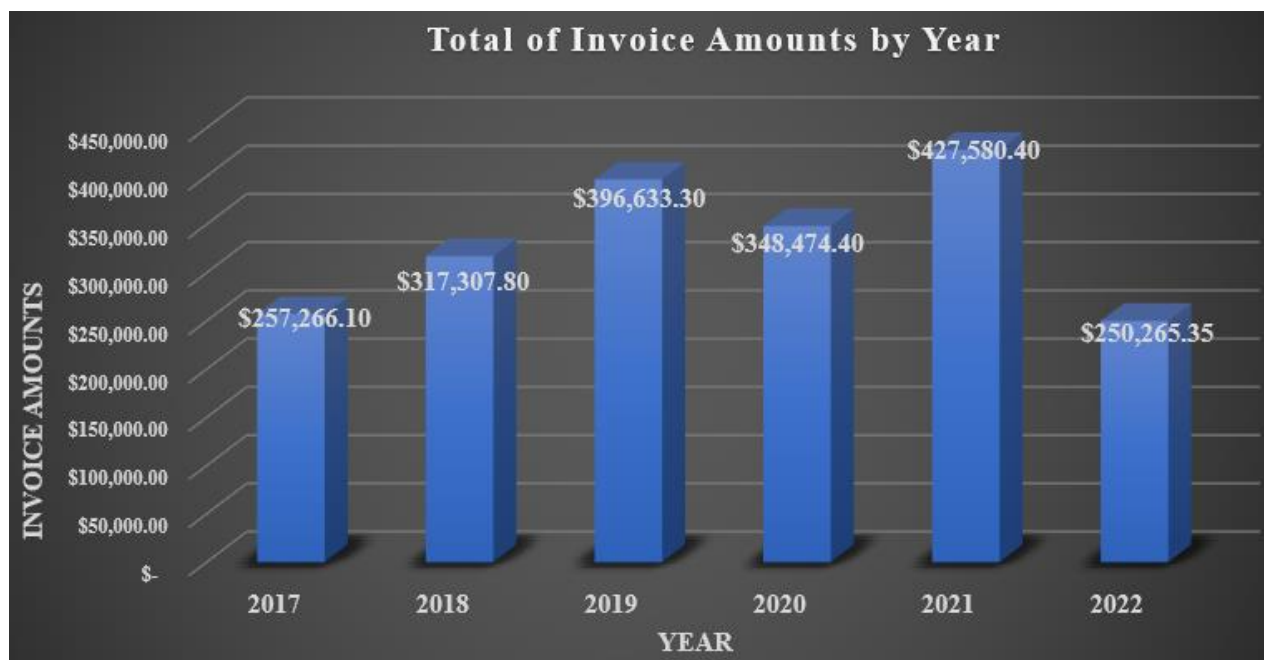
Audit of ACC Environmental Consultants, Inc. Contract No. 4400005405

Results of Audit

1. Determine whether the amounts billed were adequately supported and allowable according to the Contract terms and conditions.

From the contract's inception, March 1, 2017, through February 28, 2022, ACC submitted 561 invoices totaling \$1,997,527. ACC's billing was on a time and material basis in accordance with the Contract's Fee and Payment Schedule. Chart No. 1 illustrates the total billed invoice amounts by year:

Chart No. 1 – Invoice Amounts Billed by Year



We statistically selected a sample of thirty invoices totaling \$387,861 for detailed testing. This sample represented 19.42% of the billed invoices within the Contract period. From this sample, we performed the following testing.

Testing of Professional Services Billed

There were 4,084 direct labor hours billed under the Contract. We reviewed these direct labor hours for overtime and regular non-overtime hours billed. We found that 99.31% of the hours billed were for regular non-overtime hours, with only twenty-eight hours billed for overtime. We validated the District's prior approval of these billed overtime hours.

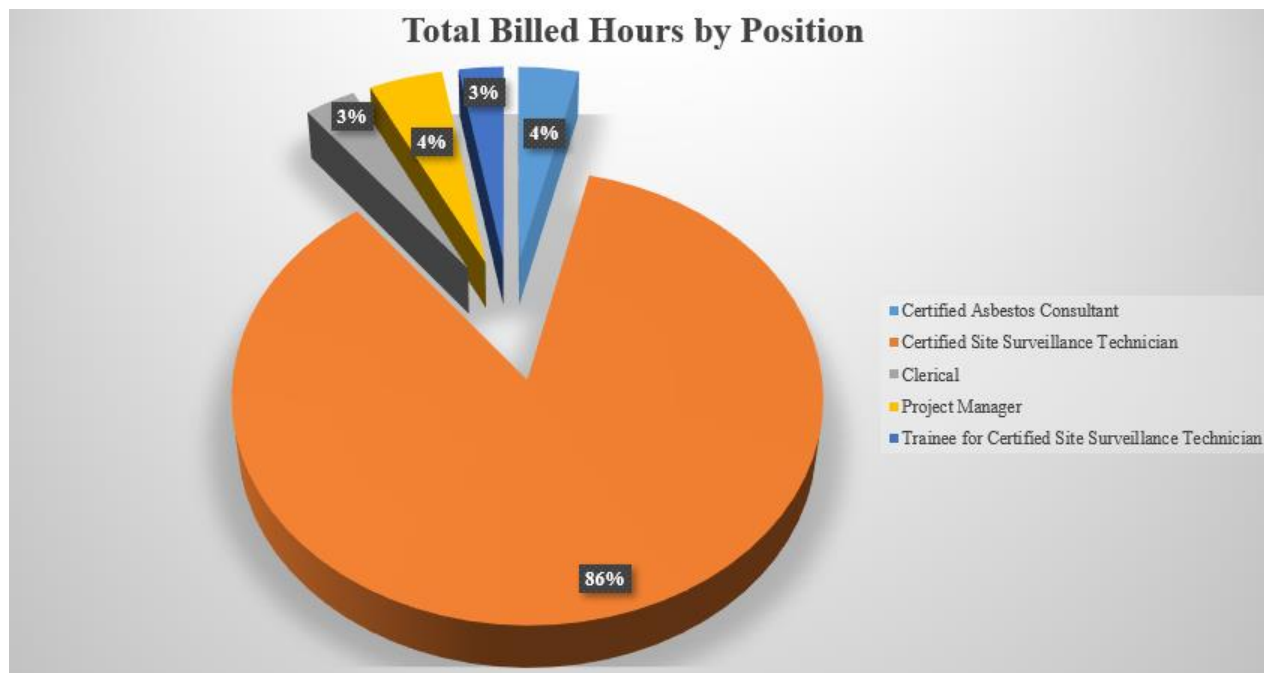
Chart No. 2 illustrates the percentage of total hours billed during the Contract period by position



Audit of ACC Environmental Consultants, Inc. Contract No. 4400005405

classification.

Chart No. 2 – Percentage of Total Hours Billed by Position Classification



We compared the billed hourly rates for professional services provided by ACC’s staff with the Contract-Authorized staff rates. We traced the hours billed to ACC’s timesheets and payroll registers. We found that the billed hourly rates were consistent with authorized staff rates,¹ and ACC’s timesheets supported the billed number of hours.

For professional services provided by the sub-consultant, we reviewed the sub-consultant’s invoice to verify that the rate billed was limited to cost plus a 5% markup, as allowed by the Contract. We also confirmed that the work performed by the sub-consultant had prior written approval from the District. We found no exception.

We reviewed the staff’s certifications for the positions billed. We found that the staff had the applicable certifications.

Testing of Laboratory Services Billed

Chart No. 3 represents the 1,918 units of billed laboratory services separated by type of laboratory

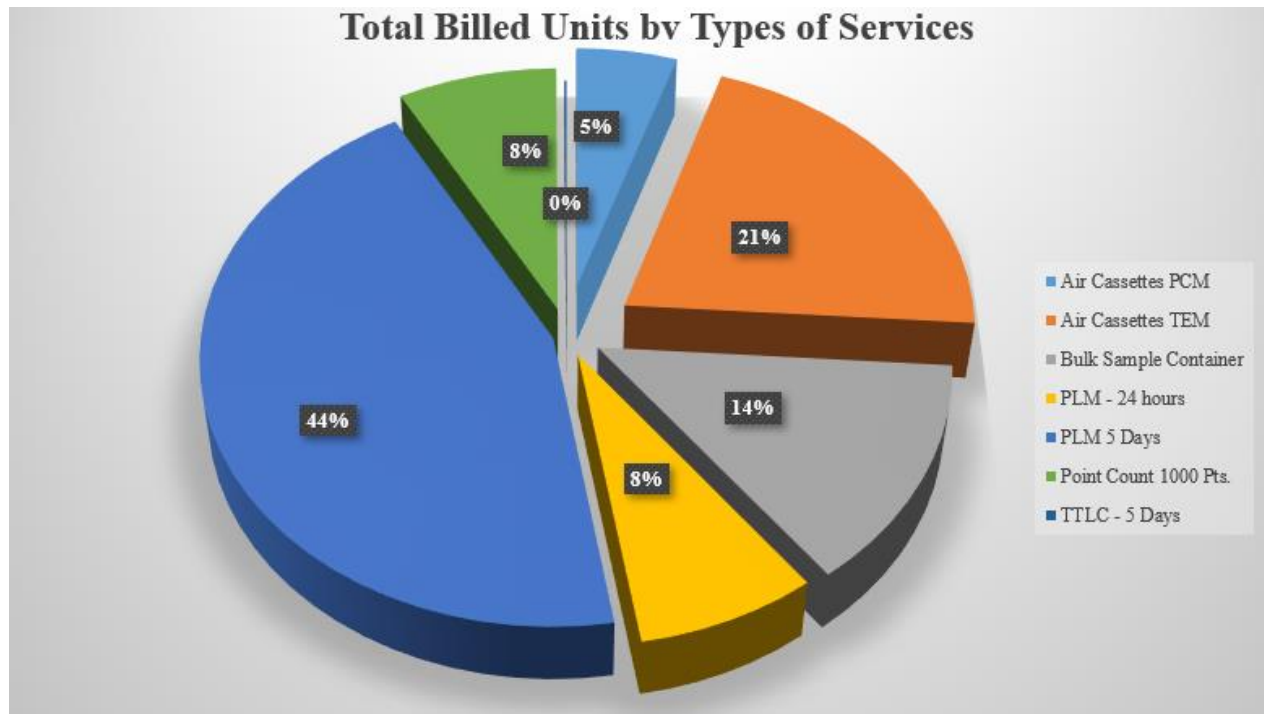
¹ The staffing billing rates were determined based on the OIG Contract Audit Report CA 16-1048 for Environmental Consulting Services Rate Survey, December 21, 2015.



Audit of ACC Environmental Consultants, Inc. Contract No. 4400005405

service; Air Cassettes² utilizing Transmission Electron Microscopy (TEM)³ & Phase Contrast Microscopy (PCM),⁴ Bulk Sample⁵ Container, 1,000 Point Counts,⁶ Polarized Light Microscopy (PLM) analysis,⁷ and Total Threshold Limit Concentration (TTLC)⁸ 5 Days.

Chart No. 3 – Billed Laboratory Service Units – By Service Type



² Air Cassettes are devices that are used to collect and measure the atmospheric makeup of air in a particular environment or indoor area. Once the sample of air particle distribution is collected, it is then sent to a laboratory where it is examined by professionals.

³ Transmission Electron Microscopy (TEM) is a methodology used to analyze air samples as described under the 1987 Environmental Protection Agency (EPA) rule, “Asbestos-Containing Materials in Schools,” [40 Code of Federal Regulations Part 763, Subpart E, Appendix A](#).

⁴ Phase Contrast Microscopy (PCM) is performed on air filter samples that were collected to monitor asbestos conditions prior to, during, and after asbestos remediation.

⁵ Bulk Sample is conducted to determine the asbestos content of a building material wherein a piece of the material is extracted and sent to a laboratory to be analyzed.

⁶ The 1,000-point count analysis includes testing of bulk building materials for asbestos by performing 1,000-point counts, which is used in estimating asbestos in building materials.

⁷ Polarized Light Microscopy (PLM) is a methodology used to analyze air samples as described under “Determination of Asbestos in Bulk Building Material,” EPA/600/R-93/116, “Interim Method of the Determination of Asbestos in Bulk Insulation Materials,” [40 Code of Federal Regulations Part 763, Subpart E, Appendix E](#), and [Section 285.33\(1\) of the National Institute of Standards and Technology \(NIST\) Handbook](#) 150. (see 6.1.2.8)

⁸ Total Threshold Limit Concentration (TTLC) is performed to determine the total amount of a compound in the sample.



Audit of ACC Environmental Consultants, Inc. Contract No. 4400005405

The Contract's Fee and Payment Schedule stipulated multiple billing rates for different laboratory services. The Contract required ACC to use the District laboratory whenever possible. If the District laboratory could not accommodate required tests, ACC could use a laboratory other than the District's laboratory and would be reimbursed for the actual cost with a maximum allowable amount as listed on the Fee and Payment Schedule. We compared the billed unit rates with the Contract-Authorized rates and traced the units of laboratory services billed to the laboratory reports and invoices. We found no exceptions.

2. Determine whether the services were provided as the task orders require.

There were 214 completed task orders issued and billed within the audit period. We selected a sample of ten task orders and reviewed the abatement and in-place management project close-out documents/reports for those task orders. Our review of those reports showed that the services were provided without exception.

We also confirmed the completion of the task orders with the District user departments. We determined that the services were provided as required based on the test work performed.

Audit Team

The following auditors performed this audit:

Mark Pearson, Audit Manager
Mark Po, Principal Auditor
Vilma Baquir, Senior Auditor



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Members of the Board

Alberto M. Carvalho
Superintendent of Schools

Sue Stengel
Inspector General

Independent Auditor's Report

We have examined the amounts billed by ACC Environmental Consultants, Inc. (ACC) under Contract number 4400005405 (Contract) for the period from March 1, 2017, through February 28, 2022. ACC's management is responsible for the amounts billed and for complying with the terms and conditions of the Contract. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting ACC's compliance with the Contract requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on ACC's compliance with the specified requirements.

In our opinion, the amounts billed under the Contract, by ACC, for the period from March 1, 2017, through February 28, 2022, were adequately supported and in accordance with the Contract terms and conditions in all material respects, and the services were provided as required by the task orders.

Austin Onwualu

Austin Onwualu, CPA, CIG
Deputy Inspector General, Audits

August 9, 2023

333 South Beaudry Avenue, 12th Floor, Los Angeles, California 90017
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Inspector.general@lausd.net

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Maybe you are a school District employee, parent, or concerned citizen. Regardless, you can make a difference!

Maybe you know something about fraud, waste, or some other type of abuse in the school district.

The Office of the Inspector General has a hotline for you to call. You can also email or write to us.

If you wish, we will keep your identity confidential. You can remain anonymous, if you prefer. And you are protected by law from reprisal by your employer.

Whistleblower Protection

The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To ensure the reporting of any action that threatens the efficient administration of the LAUSD, reports that disclose improper governmental activities shall be kept confidential.

General Contact Information

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