



Office of the Auditor

# Transfer Station Operating Controls Follow-Up

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## SUMMARY

Metro made progress implementing recommendations from the 2023 audit *Transfer Station Operating Controls: Strengthen management practices to reduce risks*. Eleven recommendations were fully implemented and nine were in process. Increasing monitoring activities will help the Waste Prevention and Environmental Services Department fully implement in process recommendations.

## BACKGROUND

Metro's Waste Prevention and Environmental Services Department (Department) employs roughly 200 full-time equivalent employees and had an adopted annual budget of about \$127 million in Fiscal Year (FY) 2025-26. The Department manages two publicly owned solid waste transfer stations in the region. Transfer station operations include safety, financial, and environmental risks. Our September 2023 audit outlined several concerns in these areas.

The 2023 audit found the effectiveness of the health and safety program was reduced by shared responsibilities. Oversight was insufficient and required training was not completed. This put employees and the public at higher risk of injury and Metro at risk of noncompliance with legal requirements.

Contract management roles were undefined and risk management tools were used inconsistently. This resulted in overpayments and significant compliance issues with some contracts. Unfulfilled roles and responsibilities also reduced the completeness of contract documentation in Metro's document management system.

Roles and responsibilities related to monitoring cash controls were also unclear. This reduced the effectiveness of some controls. The point-of-sale system that processed over 1,000 transactions per day was outdated and presented several risks.

Finally, the 2023 audit found that both transfer stations faced uncertainty about long-term operations. Potential changes to Metro's role in the solid waste system were under consideration that could impact Department costs, personnel, and public services.

The Department created the Asset & Environmental Stewardship division in 2022. The division was expected to centralize the Department's health and safety program and contract management functions. In 2025, the division was dissolved and employees were shifted to other Department teams.

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## RESULTS

The Department made progress developing policies and procedures. Nine recommendations from the 2023 audit were in process and eleven were fully implemented. Several examples during the audit indicated stronger monitoring processes were needed. Ineffective oversight prevented the Department from fully implementing some audit recommendations.

Lack of monitoring appeared to be a root cause for the continued weaknesses we identified. During the 2023 audit, oversight of contract management and health and safety was assigned to a new Asset & Environmental Stewardship division (division). At that time, division roles and responsibilities related to contract management and health and safety were evolving and undefined. This meant that specific monitoring activities to make sure employees carried out required tasks were also undefined. The division was dissolved in 2025.

After the division was dissolved, employee and oversight responsibilities were reassigned and continued to evolve. Several employees in oversight positions were still learning their roles and responsibilities. As a result, monitoring activities to ensure employees carried out required tasks continued to be undefined.

The 2025 Regional System Facilities Plan outlined a 20-year investment strategy to change Metro's waste management role. Fully implementing the remaining audit recommendations will strengthen controls and improve oversight as Metro considers changes.

### Health and safety oversight responsibilities were not carried out

Stronger oversight was needed to ensure health and safety controls worked as intended. Oversight responsibilities for the Department's health and safety program were assigned (recommendation 1a) but had been reassigned twice over the past year. This increased the risk that requirements could get overlooked.

More work was needed to document policies and procedures for the health and safety program and train employees on them (recommendations 2a and 3a). Job hazard analyses were completed, and a training matrix was drafted. The training matrix included 42 trainings and outlined which positions were required to take them. However, the matrix was not finalized and employees continued to miss training. An annual review of policies and procedures was in place but some policies and procedures were in draft form, which could make it difficult to effectively train employees.

**Exhibit 1 Stronger oversight was needed to implement health and safety recommendations.**







1. Formally assign oversight responsibility for: a. WPES health and safety program	<b>Implemented</b> (Implemented)
2. Document policies and procedures including checklists for each role and update them when operations change a. WPES health and safety program	<b>In process</b> (In process)
3. Train employees on policies and procedures a. WPES health and safety program	<b>In process</b> (In process)
4. Establish annual policy and program reviews	<b>In process</b>

*Source: Auditor Office summary of Department documents and interviews.*

**Trainings were not completed**

More work was needed to establish consistent training expectations, identify required classes, and ensure employees take required classes. We reviewed a sample of classes and confirmed instances where they were not completed by some employees. This meant some employees may not have had the annual training they needed to safely carry out their work.

**Exhibit 2 Sampled employees did not always complete training.**

<b>Training</b>	<b>All sampled employees completed training</b>
Radiation	
Bloodborne pathogens	
Asbestos awareness	
Hazard communications	
Gun Safety	
Hazardous Waste Operations Emergency Response refresher	

*Source: Auditor's Office analysis of Department training records for sampled employees and trainings.*

Training expectations were not aligned across the Department. For example, the draft training matrix required radiation training for the team managing traffic at one of the transfer stations. However, a training log for that team did not include radiation training as a required class.

Systems to ensure employees took required trainings were not in place. For instance, one supervisor we spoke with had not developed a tracking system for training. Three employees in that group did not take the bloodborne pathogens training. The Occupational Safety and Health Administration requires annual bloodborne pathogens training for some employees. This example shows the importance of having a finalized training matrix.

The gun safety training did not take place for any of the employees we reviewed. We were informed this was because this training was new and there were scheduling delays with the provider.

There were additional indications the Department's draft training matrix needed refinement. For example, we were informed some classes were not required for certain employees. The matrix identified those classes as required. This could result in staff completing training that is not relevant to their job duties.

Employers are responsible for training employees and preparing them for potential work hazards. Inadequate training can result in workplace injuries and put the public at risk. To be effective, the Department should refine the matrix and strengthen monitoring to ensure employees take required training.

## Oversight of shared programs was not clearly assigned




Metro's safety programs were updated and a process was in place to review them annually. However, annual inspections of the lockout tagout program did not take place as required. Unclear procedures and oversight responsibilities between Department and agencywide guidance may have contributed to this noncompliance. For these reasons, recommendation 4 was in process.

Safety programs help Metro meet legal requirements, such as those outlined by the Occupational Safety and Health Administration. Programs include policies and procedures to help employees manage hazardous work situations and can apply to an agency, department, and specific work groups. Guidance needs to be consistent to help employees understand roles and responsibilities.

Required inspections for one of Metro's safety programs were not completed. Federal regulations require annual inspections of energy isolation programs, sometimes known as the lockout tagout program. This program is important to reduce the risk of hazardous energy being released when equipment is maintained or cleaned. By law, the annual inspection needs to be certified.

Differences between agencywide and site-specific guidance may have contributed to noncompliance. Metro’s 2025 lockout tagout program required a specific form to document the certification. It was unclear who was responsible for completing the form or if transfer station employees were required to use it. A separate 2024 lockout tagout procedure for household hazardous waste stated supervisors and maintenance employees were responsible for certification. That procedure stated that certification could be documented in quarterly safety inspection forms.

**Exhibit 3 Agencywide and Household Hazardous Waste lockout tagout guidance conflicted.**

Criteria	Agencywide Guidance	Household Hazardous Waste Guidance
Documentation 	Energy Isolation Evaluation form	Quarterly Safety Inspection form
Responsibilities 	Authorized employee performs inspection	Facility supervisors and maintenance ensure annual certification
Oversight 	Supervisor ensures compliance  Department Director audits compliance	Department representative ensures compliance

*Source: Auditor’s Office analysis of agencywide lockout tagout safety program (2025) and Household Hazardous Waste lockout tagout safety program (2024).*

We were informed that the 2025 inspection and certification did not take place because site-specific maintenance procedures had not been finalized. The Department reportedly finalized them in November 2025. Full compliance was not expected until early 2026. It will be important for the Department to ensure roles and responsibilities are consistent across all related policies and procedures.

**Stronger oversight of contract management was needed**

More work was needed to finalize the Department’s contract risk management procedures. While most contract management plans were updated, some contract management activities were not carried out. This emphasized the need to incorporate monitoring and oversight responsibilities into policies and procedures.

Focusing on the Department's role in contract administration will be important to fully implement remaining recommendations. Metro's procurement division helps departments during the procurement process. It also provides contract administration resources. However, it is each department's responsibility to administer their own contracts.

Oversight of contract administration was newly assigned to a manager in the Department's Policy and Compliance division (recommendation 1b). Work was underway to clarify roles and responsibilities and develop contract administration procedures. For these reasons, recommendations 2b, and 5a were in process. Because policies and procedures were still in development, training on them had not taken place (recommendation 3b).

Several recommendations in this group were implemented. The Department identified the contract for the transportation and disposal of household hazardous waste as high risk (recommendation 9). The contract administration team developed contract administration plans for high-risk contracts. Plans included checklists and other guidance to help staff manage contracts. (recommendation 11). Additionally, the team managing revenue, reconciliations and contracts met regularly to discuss contract issues. The Department Director and Metro's Chief Financial Officer had a standing meeting to discuss issues if they were elevated (recommendation 13).

We saw examples of employees who had not carried out their roles as assigned. Although most contract administration plans were updated, some of them contained outdated tasks. The Department was drafting procedures to require regular review of plans by contract managers and stakeholders. For these reasons, recommendations 10 and 12 were in process.

**Exhibit 4 More work was needed to fully implement five contract-related recommendations.**

1. Formally assign oversight responsibility for: b. Contract risk management policies and procedures	<b>Implemented</b>  (Implemented)
2. Document policies and procedures including checklists for each role and update them when operations change b. Contract risk management policies and procedures	<b>In process</b>  (In process)
3. Train employees on policies and procedures b. Contract risk management policies and procedures	<b>In process*</b> (Not Implemented)
5. Redefine the Asset and Environmental Services division’s system planners as business analysts with responsibility for monitoring: a. Contract administration	<b>In process</b>  (In process)
8. Assess all transfer station related contracts against FRS contract risk criteria	<b>Implemented</b>
9. Designate the HHW transport and disposal contract as a high risk contract to increase oversight	<b>Implemented</b>
10. Update contract administration plans at least annually for each high-risk contract	<b>In Process</b>
11. Develop checklists and other guidance for each contract administration plan	<b>Implemented</b>
12. Train employees who are assigned roles in the contract administration plans	<b>In process</b>
13. Meet regularly to monitor compliance with [contract risk management] policies and procedures and initiate any corrective actions that may be needed	<b>Implemented</b>
14. Finalize policies, procedures, and guidance to ensure complete documentation of contract files are available in Content Manager	<b>Implemented</b>

*Source: Auditor’s Office summary of Department documents and interviews. \*The overall status of grouped recommendations is based on all sub-parts in the group. As a result, some overall conclusions may differ from sub-part conclusions.*

**Some contract administration tasks were not carried out**

Some contract administration plan tasks we reviewed were not carried out as required. For example, Metro was supposed to provide written approval for one contractor’s wage ranges but did not. Another contract required updated equipment weights twice per year, but this was not done. Other contract administration tasks lacked detail to ensure tasks would be carried out

consistently by different employees. This increased the Department's risk of treating contractors differently in the event of employee turnover.

In some instances, tasks were not carried out because guidance was outdated. For example, one of the contracts and contract administration plans we reviewed required quarterly diversity progress updates. We asked for a copy and were informed this was no longer a requirement because an annual report met this need.

For another contract, Metro required the contractor to provide evidence that hazardous waste was properly disposed. Evidence was supposed to be provided within 12 or 24 months depending on the material type. Metro shipped these materials together and tracked whether materials were disposed of within 24 months. In this case, it was not clear if the contract and contract administration plan should be updated, or if practices should change to match the contract and contract administration plan.

We also saw opportunities for the Department to better document tasks that required professional judgement. For example, minor variations were expected for testing and payment reconciliations for Metro's fuel contract. Employees used their expertise to determine if the variations were acceptable. Documenting the threshold for allowable differences would help the Department know if the contractor was in compliance.

## Certificates of insurance were not managed

Processes to obtain and manage contractor proof of insurance were insufficient. Insurance helps Metro reduce financial risks involved with contracted work. In 2024, the Department reviewed 36 contracts for risk and compliance (recommendation 8). That review found current documentation of insurance was not available for 28 of the contracts, or 78%.

Our current review found that processes and oversight continued to be insufficient to ensure ongoing compliance with insurance requirements. Although we were able to obtain current insurance information for all contracts we reviewed, documentation was not readily available. In some cases, contract managers obtained some, but not all, of the required insurance documents. For most of the contracts we reviewed, contract managers or other employees did not obtain current proof of insurance until after we requested it.

Some guidance suggested contract documents could be stored on SharePoint, an internal website. Some guidance suggested certificates were supposed to be maintained by contract administrators and stored in contract files. However, contractors were expected to submit updated documents to a centralized procurement email. This meant that contract administrators may not be receiving updated certificates.

We also heard updated insurance certificates were supposed to be stored in Metro’s document management system. We did not find them there. Procurement services finalized guidance to ensure complete contract documentation was available in Metro’s document management system (recommendation 14). However, this guidance did not appear to apply to annually updating insurance certificates.

We were informed the Department planned to develop a centralized tracking system for insurance certificates. It will be important for that system to clearly outline roles, responsibilities, and documentation expectations.

**Exhibit 5 It was unclear where evidence of insurance was supposed to be stored.**



Contract files



Procurement email



Document management system



SharePoint

*Source: Auditor’s Office analysis of contract administration plans, Metro’s internal procurement website, and staff feedback.*

**The point-of-sale system was implemented before controls were finalized**

Most recommendations related to the point-of-sale system (system) were implemented. The Department created a change management plan (recommendation 20) and finalized related procedures (recommendations 2c and 2d). Oversight responsibilities for system controls were shared. Responsibilities were understood among the assigned employees (recommendations 1c and 1d). However, the Department did not finalize some basic controls before it implemented the system in May 2025.

Procedures were not formally approved until October 2025. As a result, employees were trained on draft procedures when the new system was implemented. The Department planned to retrain employees on the finalized procedures. For these reasons, recommendations 3c and 3d were in process.

Undocumented controls led to a recommendation from Metro’s financial auditor in 2025. The financial auditors found that management’s approval of access permissions was not formally documented before the system was implemented. Access permissions reduce the risk of fraud by ensuring no employee has control over all phases of a transaction. Although procedures were currently in place to maintain access permissions, they were not finalized until five months after the system was implemented.

## Exhibit 6 Most point-of-sale recommendations were implemented.

1. Formally assign oversight responsibility for: c. Transaction management policies and procedures d. Point-of-sale system controls	<b>Implemented</b> (Implemented) (Implemented)
2. Document policies and procedures including checklists for each role and update them when operations change c. Transaction management policies and procedures d. Point-of-sale system controls	<b>In process*</b>  (Implemented) (Implemented)
3. Train employees on policies and procedures c. Transaction management policies and procedures d. Point-of-sale system controls	<b>In process</b> (In process) (In process)
20. Assign responsibility for creating and managing a change management plan to implement the new point of sale system.	<b>Implemented</b>

*Source: Auditor's Office summary of 2023 Audit and analysis of Department documents and interviews. \*The overall status of grouped recommendations is based on all sub-parts in the group. As a result, some overall conclusions may differ from sub-part conclusions.*

### Progress was made to prepare for the future

Metro Council approved the Regional System Facilities Plan (System Plan) in March 2025 (recommendation 15). It outlined at least \$273 million in facility investments and about \$52 million in ongoing annual costs (in 2024 dollars). At the same time, existing operations continued to need financial investments.

The Department made progress developing controls to help balance priorities. Responsibilities for operational changes were assigned (recommendation 5c). Metro continued to evaluate costs and benefits for how transfer stations would be operated (recommendation 19). However, detailed strategies to implement the System Plan were not available during this follow-up audit. As a result, recommendation 16 was in process.

The Department's five-year capital improvement plan helps management balance investment priorities between new and existing assets. Facility condition assessments are a best practice to renew or replace existing assets. The Department finalized facility condition assessments for the transfer stations in March 2024 (recommendation 17). These assessments were one of the considerations in developing the department's five-year capital improvement plan (recommendation 18). Other factors included strategies outlined in the Systems Plan.

Data can be used to help decision makers understand tradeoffs between priorities. The Department assigned responsibilities for monitoring operational trends (recommendation 5b). The Department also developed

monthly management reports and quarterly meetings to discuss and manage challenges. We were informed those reports and meetings were paused in February 2025 and May 2024, respectively, and would continue once stakeholder needs were identified. As a result, recommendations 6 and 7 were in process.

**Exhibit 7 Progress was made to help Metro prepare for the future.**

<p>5. Redefine the Asset and Environmental Services division’s system planners as business analysts with responsibility for monitoring:</p> <ul style="list-style-type: none"> <li>b. Operational trends</li> <li>c. Strategic planning for operational changes</li> </ul>	<p><b>In process*</b></p> <p>(Implemented) (Implemented)</p>
<p>6. Develop a formal quarterly management report that includes standard data and analysis of operations</p>	<p><b>In process</b></p>
<p>7. Distribute the report among stakeholders throughout the chain of command (oversight, management, employees) and hold quarterly meetings to discuss and manage challenges</p>	<p><b>In process</b></p>
<p>15. Complete the garbage and recycling systems plan as soon as possible.</p>	<p><b>Implemented</b></p>
<p>16. Develop a plan to prepare Metro to implement new or changed operations resulting from the plan</p>	<p><b>In process</b></p>
<p>17. Finalize the facility condition assessments for Metro South and Metro Central</p>	<p><b>Implemented</b></p>
<p>18. Update the WPES capital improvement plan based on finalized condition assessments</p>	<p><b>Implemented</b></p>
<p>19. Continue to evaluate the costs and benefits of switching to entirely Metro run transfer station operations to inform future decision making</p>	<p><b>Implemented</b></p>

*Source: Auditor’s Office summary 2023 audit and analysis of Department documents and interviews. \*The overall status of grouped recommendations is based on all sub-parts in the group. As a result, some overall conclusions may differ from sub-part conclusions.*

## SCOPE & METHODOLOGY

The purpose of this audit was to follow up on the status of September 2023 audit recommendations. The audit scope included Department work since the prior audit through March 2026. Specific audit objectives were to:

1. Determine if health and safety controls are operating effectively.
2. Determine if contract risk management practices reduce Metro's risk.

To determine the status of prior audit recommendations, we interviewed employees to understand progress made since the prior audit. We reviewed the department's response to the annual status of recommendations survey and other documents including policies, procedures, plans, and organizational charts. To determine the status of recommendation 5 we evaluated whether responsibilities for monitoring contract administration, operational trends, and strategic planning for operational changes were clear. We did this because the Asset and Environmental Services division was dissolved.

For the first objective, we tested a sample of 16 employees to determine if they took six trainings. We selected five trainings from the Department's draft training matrix based on the prior audit and one training based on potential risk. Employees were randomly selected based on work location and job classification. Job classifications were verified with organizational charts, Metro's email system, and human resources data. We reviewed training documentation (manual and electronic records and training rosters) for selected employees to determine whether they took annual trainings in 2025. We obtained training documentation from Department staff and Metro's online learning system. Results were not intended to be statistically significant. As such, sample results were not representative of all trainings and all employees.

We also reviewed three of Metro's safety programs to ensure program evaluations occurred as required. We judgmentally selected three programs reviewed in the prior audit. Two were selected based on documentation requirements for annual evaluations. One was selected because oversight responsibilities were shared.

For the second objective, we judgmentally selected a sample of contracts Metro identified as high risk. We judgmentally selected a sample of tasks in the contract administration plans for those contracts to see if required tasks were carried out. Tasks were selected randomly, based on risk, and based on distribution of task ownership.

We also selected a judgmental sample of contracts that did not have contract administration plans based on high-risk materials and dollar amount. We reviewed those contracts for compliance provisions to determine if compliance was monitored. Provisions were selected based on previously

identified compliance issues. The sample was not statistically significant, and results were not intended to represent all contracts and administration plans.

This audit was included in the FY 2025-26 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



# Memo

Date: May 22, 2026  
To: Brian Evans, Metro Auditor  
From: Marissa Madrigal, Chief Operating Officer  
Andrew Scot, Deputy Chief Operating Officer  
Marta McGuire, Director Of Waste Prevention and Environmental Services  
Subject: Management Response to Transfer Station Operating Controls Follow-up Audit

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Management appreciates the Auditor’s Office follow-up review of the Transfer Station Operating Controls audit and the recognition of the significant progress made in implementing recommendations since the 2023 audit. The original audit identified important opportunities to strengthen oversight, operational controls, contract administration, and safety management practices across Metro’s transfer station operations. The recommendations from the original audit have guided substantial operational improvement efforts across the Waste Prevention and Environmental Services (WPES) department over the last several years.

Management supports the core recommendations of both the original audit and the follow-up review. Transfer station operations involve significant safety, financial, operational, and environmental risks, and management agrees that strong oversight systems, clear accountability structures, and consistent operational controls are essential to ensuring safe, reliable, and resilient service delivery.

### **Progress on 2023 Recommendations**

As noted in the follow-up audit, the department has made meaningful progress implementing recommendations from the original audit. Management agrees with the audit’s conclusion that eleven recommendations were fully implemented and nine recommendations remain in process.

Management appreciates the auditor’s recognition of improvements in several areas, including assignment of oversight responsibilities, development of contract administration plans, establishment of regular contract coordination meetings, development of operational procedures, advancement of safety program documentation, and implementation of updated point-of-sale systems and operational controls.

The department also appreciates the audit’s recognition that many of the remaining recommendations involve continued refinement, operationalization, and monitoring of systems and processes already underway.

### **Organizational changes to strengthen oversight**

The department made organizational changes during the implementation period to strengthen oversight, clarify accountability, and improve coordination across operational support functions. Responsibilities related to safety, contract administration, and operational

support were reassigned and restructured to create clearer lines of responsibility and better align oversight functions with day-to-day operations. While these changes created a period of transition as new roles and processes were implemented, they were intended to strengthen long-term operational oversight and coordination across the department.

Management also appreciates the audit's recognition that several recommendations moved from a condition where responsibilities and practices were previously undefined toward a more formalized operational structure. In many cases, implementation work required building entirely new systems, processes, and coordination practices while simultaneously maintaining ongoing transfer station operations.

### **Training systems and operational procedures**

Management agrees that continued improvement is needed to strengthen training coordination, assignment, tracking, and monitoring systems. The department also believes it is important to clarify that the training matrix reviewed during the audit was still in draft form and was being actively refined during implementation. As part of this process, the department evaluated which trainings were appropriate for specific operational assignments and work environments to better align training requirements with actual job duties and exposure risks. As a result, the matrix should not be interpreted as a finalized set of mandatory training requirements or as evidence that employees missed required training as those conclusions are not accurate.

Similarly, several operational and safety procedures referenced in the audit were intentionally developed iteratively with operational staff to ensure they reflected actual field practices, operational conditions, and the evolving waste stream. Management agrees that the next phase of implementation requires monitoring to ensure consistent implementation across operational teams.

### **Actions to address recommendations still in progress**

For recommendations that remain "In process," management has identified actions to move these items toward full implementation. These actions include:

#### **Recommendation 2: Document policies and procedures including checklists for each role and update them when operations change.**

WPES worked with Metro's centralized Risk and Safety team to develop operational standard operating procedures (SOPs) and checklists for transfer station operations. Since the original audit, the department has also established a more formalized SOP management structure intended to support ongoing review, updates, and operational consistency across facilities and workgroups. Management agrees that this work is ongoing and we will continue to implement the department's SOP management system, including standardized processes for document development, review, approval, and version control.

#### **Recommendation 3: Train employees on policies and procedures.**

Management agrees that continued work is needed to strengthen training coordination, tracking, and monitoring practices across the department. As a part of the updates to the standard operating procedures management system, all employees are trained during onboarding on all SOPs and are required to review and signoff annually on procedures required for their role. With regards to safety training and tracking, as noted in the audit, the department developed draft training matrices to standardize role-based training expectations, and initiate improvements to tracking and oversight systems. This work remains in progress as the department continues refining training requirements to better align with operational assignments and exposure risks. Actions underway include:

- Finalize department-wide training matrices, role-based training requirements, and associated tracking systems. (Completion target: FY27)
- Develop and implement clearer management monitoring practices to ensure required trainings and certifications are completed consistently and tracked. (Completion target: Winter 2027)

**Recommendation 4. Establish annual policy and program reviews.**

As noted in the audit, Metro’s safety programs were updated and an annual review process was established. Management agrees that continued work is needed to ensure reviews, certifications, and related documentation are completed consistently across operational areas. To support ongoing implementation and accountability, management will:

- Develop and implement clearer management monitoring and oversight practices to ensure required operational reviews, inspections, and certifications are completed and documented consistently. (Completion target: Winter 2027)

**Recommendation 5: Redefine the Asset and Environmental Services division’s system planners as business analysts with responsibility for monitoring: a. contract administration.**

The Asset Environmental Stewardship division was dissolved in 2025, and its work and teams were reassigned to the organizational units where those responsibilities best fit including the Revenue, Reconciliation and Contracts team that is responsible for managing contracts for operations. The contract administration function is integrated into planner roles and is included in the job description responsibilities that were updated this fall.

**Recommendation 6: Develop a formal quarterly management report that includes standard data and analysis of operations.**

**Recommendation 7: Distribute the report among stakeholders throughout the chain of command (oversight, management, employees) and hold quarterly meetings to discuss and manage challenges.**

Management agrees with the importance of consistent operational reporting and trend analysis to support oversight, decision-making, and operational management. The department has implemented monthly operational performance reporting and regular cross-functional operational review meetings involving WPES leadership, operations staff, FRS, and OMA. These reporting and coordination practices have improved operational visibility and trend monitoring across transfer station operations. Since the follow-up audit, staff have addressed Recommendations 6 and 7 by reestablishing monthly operational reporting beginning in October 2025 and quarterly operational review meetings beginning in January 2026.

**Recommendation 10: Update contract administration plans at least annually for each high-risk contract.**

Management agrees that contract administration plans should be reviewed and updated regularly to reflect current operational practices, contract requirements, and assigned responsibilities. Since the follow-up audit, management has put these practices into place and contracts are reviewed semi-annually.

**Recommendation 12: Train employees who are assigned roles in the contract administration plans.**

Management agrees that employees assigned contract administration responsibilities should receive clear guidance regarding oversight expectations, documentation practices, and assigned responsibilities. Since the original audit, the department established new contract administration plans, oversight roles, and coordination practices associated with high-risk contracts. Additional work is needed to support consistent implementation across operational areas. Actions underway include:

- Develop role-specific training and guidance for employees assigned responsibilities within contract administration plans. (Completion target: Winter 2027)

**Recommendation 16: Develop a plan to prepare Metro to implement new or changed operations resulting from the plan**

Management agrees with the importance of preparing the organization for operational changes associated with implementation of the Regional System Facilities Plan. Since adoption of the plan in March 2025, the department has continued advancing foundational planning intended to support future implementation of system investments and operational changes. This work is ongoing and will continue to evolve as funding capacity, operational priorities and planning advances. Actions underway include:

- Continue development of phased implementation strategies for priority projects identified in the Regional System Facilities Plan, including operational, staffing, and financial planning considerations. (Completion target: Ongoing)
- Develop operational transition and readiness plans for major facility and service changes associated with future System Plan implementation. (Completion target: Tied to individual projects over 20-year implementation timeline)

**Conclusion**

Management appreciates the Auditor’s Office follow-up review and collaborative engagement throughout both the original audit and follow-up process. The audit recommendations have helped strengthen operational practices, clarify oversight responsibilities, and support continued improvement across transfer station operations.

WPES remains committed to implementing the remaining recommendations and continuing to strengthen safety systems, contract oversight, workforce readiness, operational monitoring, and organizational accountability. The department shares the goal of ensuring safe, reliable, transparent, and resilient transfer station operations for the region.