

AUDIT REPORT

CITY AUDITOR

Date:	February 25, 2020
Department:	Mesa Police Department (MPD)
Subject:	Jail services contract
Lead Auditor:	Kate Witek, Sr. Internal Auditor

OBJECTIVES

This audit was conducted to determine whether:

- The contractor (CoreCivic, Inc.) is complying with all contract terms and meeting the City's performance expectations.
- Expected net savings are being realized as a result of the contract.

SCOPE & METHODOLOGY

The scope of the audit was July 1, 2018 to June 30, 2019.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards, which 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.

To accomplish our objectives, we:

- Reviewed the contract, as well as other documents and sources, to identify service requirements and performance expectations.
- Interviewed City and CoreCivic personnel.
- Observed operations at CoreCivic and at the Mesa PD holding facility.
- Identified and evaluated the MPD's contract monitoring processes.
- Tested transactions to verify the accuracy of contract payments.
- Analyzed financial data to determine if expected net savings were realized.

BACKGROUND

In June 2017, the City entered into a 3-year contract with CoreCivic, Inc. to provide jail services, including related transportation, for pre- and post-adjudicated misdemeanor inmates. This contract does not apply to felony inmates, as those individuals are still being housed at jails run by the Maricopa County Sheriff's Office (MCSO). The initial term of the contract ends on May 31, 2020, at which time the City will have the option to renew it for an additional two years.

The switch to a private jail service provider was expected to result in significant cost savings, but it was also expected to address certain operational challenges and inefficiencies, such as those related to transporting inmates to and from the MCSO jails and the Mesa Municipal Court. The following additional information includes our discussion and analyses of the impact the contract has had on both cost and efficiency. It is intended to supplement and provide context for our observations and recommendations.

ADDITIONAL INFORMATION

Impact of Using Contracted Jail Services

The CoreCivic jail services contract has benefited both the City and the inmates housed at the facility, in several ways. The City has realized significant cost savings, but has also gained efficiencies in holding facility operations. For inmates, the benefits include more consistent and timely transportation to the Municipal Court, as well as a newer, cleaner, and less crowded facility (as compared to MCSO jails).

Financial Impact

In FY 2019, the switch to CoreCivic from MCSO yielded a net savings of \$1.4M. However, future savings will fluctuate annually based on the number of inmates housed and the evolving cost structure at MCSO. The fixed cost structure of the CoreCivic contract has helped the City to more accurately budget for jail costs, as MCSO rates have gone up substantially each year.

Another key difference in the cost structure is that when an inmate is sent to MCSO, the City pays a "booking rate" for the first day, and a "housing rate" for each subsequent day spent at that facility. When an inmate is sent to CoreCivic, there is no "booking rate", and the "housing rate" is considerably lower than the rate charged by MCSO. A 3-year comparison of these rates is shown below, along with an example of what the total cost would be for a 5-day stay at each facility.

Daily Cost per Inmate				Total Cost for 5 Days		
FY	MCSO		CoreCivic	MCSO	CoreCivic	Difference
	Booking Rate (Day 1)	Housing Rate (Days 2+)	Housing Rate (All Days)	5 Days	5 Days	5 Days
2018	\$ 325.65	\$ 101.72	\$ 67.96	\$ 732.53	\$ 339.80	\$ (392.73)
2019	\$ 341.57	\$ 100.04	\$ 67.96	\$ 741.73	\$ 339.80	\$ (401.93)
2020	\$ 366.51	\$ 105.15	\$ 67.96	\$ 787.11	\$ 339.80	\$ (447.31)

The 5-day stay cost above would be for a typical inmate housed the entire stay. The cost for a work release inmate may be less, depending on the MCSO cost structure. MCSO has billed varying amounts over the previous 6 months for work release inmates (full day, half day, and hourly)

and it is unclear what they will determine the appropriate rate will be for work release and how it will affect the estimated savings to the City.

We also looked at whether or not the contract resulted in any increase or decrease in MPD holding facility costs. We concluded that, while there were 6 new positions added to the holding facility during FY 2018, these positions were needed to address a pre-existing critical staffing shortage, which had been identified by the MPD Inspections Unit in 2016. Therefore, this was not considered a factor when calculating the net savings attributable to the CoreCivic contract.

Efficiency Impact

Previously, when Mesa inmates were housed only at MCSO, City personnel spent a significant amount of time transporting inmates between the holding facility, the MCSO jails, and the Municipal Court. According to both MPD and Court staff members, transportation delays and logistical issues commonly experienced while processing inmates in and out of the County jails can result in fewer inmates being transported to court each day. In contrast, the more efficient CoreCivic transport process helps prevent these unnecessary delays, which may mean fewer days spent in jail for some inmates.

Unfortunately, there were some unforeseen challenges experienced in the process of transporting inmates for work release purposes. These inmates (approximately 31 inmates per month) needed to be processed in and out of custody daily at the MPD holding facility, which was not set up, or staffed, to accommodate the high volume of activity and other issues this created. Therefore, in June 2019, having determined that the risks and costs associated with housing these inmates at CoreCivic outweighed the benefits, MPD began housing work release inmates at MCSO.

Contractor performance

There are several ways in which MPD staff members continuously monitor the services provided by CoreCivic to ensure expectations are met. These include onsite monthly inspections of the facility, regular communications with management, and prisoner surveys. Continuous improvement in the use of these tools will help to ensure the continued success of this program.

CONCLUSION

In our opinion, CoreCivic is complying with the contract terms, but the tools used by MPD to monitor their performance could be improved and used more consistently, to ensure all expectations are being consistently met. Significant cost savings have been achieved, but were slightly less than expected, due to work release changes and updated cost assumptions. Our observations and recommendations are summarized below. For additional details, please see the attached Issue and Action Plans.

SUMMARY OF OBSERVATIONS & RECOMMENDATIONS

- 1. Observation:** Monthly inspection procedures did not provide detailed guidance or criteria for inspectors to objectively evaluate the facility and services provided, and there were no formal follow up procedures in place to ensure issues identified during inspections were appropriately addressed.

Recommendation: Management should clearly define the criteria to be used when performing inspections and assessments of the contractor's performance. Also, they should develop and implement detailed procedures for performing inspections, and for documenting, addressing, and following up on issues to ensure they are resolved.

- 2. Observation:** Prisoner surveys were not consistently distributed to inmates upon release as required by department policy, and follow up actions taken to resolve issues were not documented.

Recommendation: MPD staff should ensure all prisoners are asked to complete the survey, as required by department policy. Issues raised on the surveys, and corresponding follow up actions, should be documented and reviewed by management.

Issue and Action Plan #1

Issue #1: Inspection procedures need improvement.

Observation: Monthly inspection procedures did not provide effective guidance or detailed criteria for use by inspectors to objectively evaluate performance in all critical areas. Also, there were no formal follow up procedures in place to ensure issues identified during inspections were appropriately addressed.

Criteria: Inspection procedures should include specific standards/criteria by which to evaluate the subject. They should also include procedures for documenting, responding to, and following up on issues identified during inspections.

Comments: Inspections were performed monthly, and were documented on a form, which included general areas such as transportation, security, cleanliness, medical care, various programs/services, etc. However, the form did not specify what criteria was to be used to evaluate those areas. A review of the completed inspection forms confirmed that no specific criteria were used, and the process was not consistent from month to month.

The form also requires the inspector to report the status of ongoing issues from the prior month's inspection form. However, this was not consistently done, and there was no formal process to follow up on these issues.

Without detailed criteria-based evaluations and issue-tracking, MPD management may not identify and address important concerns in a timely manner.

**Recommendations
and Management's
Action Plans:**

Recommendation #1-1: MPD should develop more detailed inspection procedures, with clearly defined criteria to be used to evaluate each performance area. They should also ensure all relevant performance aspects are included in the inspection process.

Action Plan #1-1: The Police Department's Holding Facility Section agrees that more detailed inspection procedures should be developed to include clearly defined criterion.

In January 2020, as part of the continuous improvement of the inspection process, the Holding Facility Section reviewed procedures

and finalized some improvements to the Monthly Inspection Report (HFM 5.11F1)

These procedures will be further reviewed with necessary modifications made to further define the criterion applied when evaluating the specific areas of the inspection (Transportation; Security; Cleanliness; Medical Care: Programs/Services, etc.) and ensure this process is consistent from month to month.

Individual or Position Responsible:

Detention Administrator, Christina Vangorden

Estimated Completion Date: June 30, 2020

Recommendation #1-2: MPD should implement a more structured and consistent process for documenting, addressing, and tracking issues identified during inspections (and on prisoner surveys), to ensure they are completely resolved.

Action Plan #1-2: The Police Department's Holding Facility Section agrees that further development is needed to provide for a more structured and consistent process for tracking issues identified during inspections and on prisoner surveys.

A detailed issue-tracking system will be implemented to document ongoing issues found during the monthly inspection and revealed in inmate surveys. This will ensure follow-up measures are taken to address these concerns in a timely manner with documentation to support the actions taken.

Individual or Position Responsible:

Detention Administrator, Christina Vangorden

Estimated Completion Date: June 30, 2020

Issue and Action Plan #2

Issue #2: Use of prisoner surveys has been inconsistent.

Observation: Prisoner surveys were not consistently distributed, as required by Police Holding policy HFM#5.1, and follow up actions taken to resolve issues mentioned were not well documented.

Criteria: The Holding Facility Manual requires the holding facility to ask inmates to complete a questionnaire upon release, or document if an inmate declines to complete the questionnaire.

Comments: The survey asks for input on contractor performance in 3 areas: cleanliness, staff performance, and programs. From November 2017 to February 2019, 9% of 4,008 prisoners completed the survey. MPD staff told us the surveys were not consistently distributed. Also, staff did not consistently document whether any action was taken as a result of issues raised on surveys.

Prisoner surveys may be the only way for some concerns to be identified, so they can be addressed, if necessary. To be effective, this information should be tracked and reviewed by management on a regular basis.

**Recommendation
and Management's
Action Plan:**

Recommendation #2-1: Management should ensure all prisoners are asked to complete a survey, as required by MPD policy. All issues raised, and follow up actions taken, should be documented.

Action Plan #2-1: The Police Department's Holding Facility Section agrees inmate surveys need to be consistently distributed with follow-up actions taken to resolve any issues mentioned in the surveys.

In January 2020, as part of the continuous improvement of the inspection process, the Holding Facility Section reviewed and made enhancements to the questions asked of inmates on the "Mesa Police Holding Questionnaire for CoreCivic" (HFM 5.1.2F1).

These improvements to the survey were implemented to provide additional feedback and identify potential issues that need to be addressed at CoreCivic. (Cleanliness; Professional Treatment; Programs Offered; Other Issues while at CoreCivic, etc.)

Recognizing that inmates are anxious to leave the facility upon their release from custody; experience has shown that inmates are not likely to complete a survey and provide useful information. In response, additional formal communication methods are being explored to allow inmate feedback to be received in a timely manner. They include providing surveys to inmates during the on-site monthly inspections to resolve issues during their stay; and use of an inmate communication system with the Mesa Police Holding Facility.

The Holding Facility will further define the practices and procedures necessary to ensure consistency of the distribution of inmate surveys as well as documentation when an inmate declines to complete the survey. This will include associated training of detention staff and modifications to existing policy to reflect the current practices.

A detailed issue-tracking system will be implemented to document ongoing issues found during the monthly inspection and revealed in inmate surveys. This will ensure follow-up action is taken to address these concerns in a timely manner.

Individual or Position Responsible:

Detention Administrator, Christina Vangorden

Estimated Completion Date: June 30, 2020