

# BEWARE: 8 COMMON PROGRAM MANAGEMENT PITFALLS THAT STATE AND LOCAL GOVERNMENTS SHOULD AVOID

To take full advantage of federal funding opportunities for infrastructure projects, state and local governments need to watch out for – and plan to mitigate – these eight program management pitfalls that can hinder efforts to fund, initiate, and execute projects.



## Pitfall #1 - Operational inefficiencies:

Operational inefficiencies can result in devastating programmatic consequences for infrastructure projects. Are you confident in your capacity to navigate a dynamic program environment with consistently changing guidance and requirements?

**Tip:** Make sure that your staff has the capacity and policy knowledge to catch inefficiencies early. If you do not have the in-house capacity, get a quality assurance/quality control (QA/QC) monitor to provide the in-depth policy knowledge to your program.

**Tip:** Performing QA/QC or even capacity audits is a best practice regarding file review. Checking that everything complies along the way takes immense pressure off program closeout.

## Pitfall #2 - Inspector general findings:

Poorly managed files can lead to negative audit findings, repayment of funds, and unwanted media attention. Will your program be on the hook for previously distributed or expended federal funding if your files and processes face audit scrutiny?



## Pitfall #3 - Recoupment of funds:

Recoupment of federal funding is the worst-case scenario in any grant program. Are you confident that your program is defended against recoupment of funding as a result of audit or programmatic review?

**Tip:** Have a strong programmatic monitoring plan in place at the beginning of a program to drastically decrease chances of findings.

**Tip:** An overreliance on contractors can be an issue, especially if the program is not on track. Make sure you have in-house capacity to monitor, or get a QA/QC vendor to do it for you.

## Pitfall #4 - Excessive reliance on contractors:

You hired a contractor to help manage your program, but does your staff have the experience and availability to monitor them to make sure they are doing their job?



## Pitfall #5 - Staffing shortages:

You procured a contractor with a turnkey solution. To meet benchmarks, the vendor will need to staff up and train quickly, which can result in pitfalls such as poor production, operational deficiencies, fraud, waste, and abuse, and ultimately recoupment of funds. Does your vendor have adequately trained staff to meet your time and delivery goals?

**Tip:** Staffing shortages are one of the prime reasons that programs fail – you just do not have enough people. Especially for large-scale infrastructure projects. Evaluate program benchmarks and whether your vendor has sufficient staff to meet your goals.

**Tip:** Make sure that you not only are advertising where to report fraud, waste, and abuse, but also have an SOP written that addresses what your program is doing to prevent them.

## Pitfall #6 - Fraud, waste, and abuse:

Given the potential scale of infrastructure funding, the potential for fraud, waste, and abuse is also massive. Inspectors general and auditors expect to see controls in place specific to safeguarding against these pitfalls. Do you have an anti-fraud plan? How is your program monitoring and reporting suspected fraud, waste, and abuse?



## Pitfall #7 - Negative publicity:

With such high-profile projects, there are numerous regulatory, community, and environmental requirements to meet, such as “Buying American,” and it can be difficult to highlight the successes of a program when overshadowed by failures. Who is looking out for your agency should your contractor fail?

**Tip:** Having reporting capabilities that can foresee these problems before they become front-page news is not just a strategic advantage, it is vital in establishing public trust for these programs. Make sure you are getting accurate reporting that not only makes sense to you, but also can stand up in a Senate hearing.

**Tip:** Many contracts have great penalties written in for missed deadlines. However, none of the penalties mean anything unless the deadlines are being tracked and monitored, and, most importantly, your vendors are being held accountable for lack of compliance.

## Pitfall #8 - Missed deadlines:

Deadlines are written in contracts for a reason. How do you ensure that your vendors are meeting their deadlines and keeping to the benchmarks you set?



## The biggest pitfall

Although the above pitfalls can be devastating to an infrastructure project, the biggest pitfall is not discovering these pitfalls in time to prevent wasting funding and staffing resources, as well as risking your organization's reputation. We urge public agencies to create a transparent program with stringent controls, perform regular benchmarking to confirm that your program is on target with your goals, and reach out for assistance when you need it.

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