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Street and Bridge Improvements Audit

February 19, 2021



**City of Fort Worth
Department of Internal Audit**

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Fort Worth, Texas 76102

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The Street and Bridge Improvement Audit (Unit Price Contract) was conducted as part of the Department of Internal Audit's Fiscal Year 2020 Annual Audit Plan.

Audit Objectives

The objectives of this audit were to:

- determine whether the project was completed in accordance with contract terms; and,
- ensure compliance with applicable legislation.

Audit Scope

Our audit included a review of project spending from task order commencement (July 22, 2019) through the final inspection date (June 9, 2020). Specific vendor invoices beyond that period were reviewed as deemed necessary.

Opportunities for Improvement

Verification of quantities billed

Inclusion of applicable contract requirements, then compliance with those contract requirements

Executive Summary

As part of the Fiscal Year 2020 Annual Audit Plan, the Department of Internal Audit conducted an audit of the Street and Bridge Improvements Construction Contract with Urban Infraconstruction, LLC. This unit price contract was a part of the Transportation and Public Works Department's Fiscal Year 2019 Pay-Go Contract Street and Bridge Maintenance Program for work on a task order basis. This contract consisted of two project task orders.

Based on our audit results, we identified a need for improved controls over contractor invoicing, as well as improved controls over work site inspections and approval of work completed. We concluded that the City was overbilled \$22,895.14. Based on a comparison of Internal Audit's field measurements to concrete quantities billed to the City, the City was billed for more work than was performed.

We also concluded that the City's practices were not aligned with contract requirements. Although the City contract required that retainage be withheld from payments, retainage was not withheld. The Transportation and Public Works Department indicated that the practice is to not withhold retainage on renewable task order construction contracts, out of an obligation for timely payment since the task orders can be complete for up to three years before the contract financial closeout. It should be noted that "up to three years" would be applicable to the completion of all task orders, not each separate task order.

The contract also required change orders for substantial changes in the scope of work. However, Internal Audit was informed that the City's practice was to only require change orders when the amount spent exceeds the amount allocated within the task order.

Additionally, the contract stated that at no time should the contract total exceed \$1 million without written approval from the City Council. Although the contract amount was exceeded, Mayor and City Council approval was not obtained for expenses paid in excess of the \$1 million contract amount. The \$27,872.15 excess (which would be reduced to \$4,977.01 when the \$22,895.14 overbilling is corrected) would normally not require City Council approval due to the insignificant dollar amount.

Our audit findings are discussed in further detail within the [Detailed Audit Findings](#) section of this report.

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Background

The Transportation and Public Works Department (TPW) is responsible for assessing and maintaining the condition of City of Fort Worth (CFW) streets, pavement, sidewalks and other infrastructure. The TPW FY2019 Pay-Go Contract Street and Bridge Maintenance Program grouped various types of street and bridge maintenance projects into specific contracts.

The project included crash attenuator, sidewalk, driveway, and curb/gutter construction that resulted in improvements to the City's infrastructure. Task Order #1 included the installation of crash attenuators and metal guard fencing. Task Order #2 included sidewalk, driveway, curb/gutter and barrier-free ramp construction.

Urban Infraconstruction, LLC was the only vendor that responded to the City's Request for Bids (RFB) advertised on November 8, 2018 and November 15, 2018. The project was procured as a unit price contract. During the procurement process and upon contract award, it was unknown as to where and when maintenance construction services would be required. Urban Infraconstruction, LLC was, therefore, contracted to provide construction services on an as-needed, task order basis.

Urban Infraconstruction, LLC submitted a total bid of \$6,501,749.50, based on bid items provided in the City's RFB. However, the total contract spending was limited to \$1,000,000.00, per the authorizing M&C.

As noted in the following table, there were two change orders to Task Order #2. These two change orders increased the total contract amount from \$994,031.00 to \$1,039,855.45. Vendor payments to Urban Infraconstruction, LLC, for this contract, totaled \$981,747.70 as of 10/27/2020. However, additional invoices totaling \$46,124.45 had been received but not paid by the City. This project had not been closed as of the end of our audit fieldwork.

Task Order	Scope of Work	Budget	Total Charged
#1	Crash Cushion Attenuators and Metal Beam Guard Fence	\$98,425.00	\$87,500.00
#2	Curb/Gutter, Driveway, Sidewalk and Barrier Free Ramps	895,606.00	894,247.70
	Subtotal as of 10/27/2020	\$994,031.00	\$981,747.70
	Net Change Order#1 and #2 [Task Order #2]	\$45,824.45	
	Incurring, but not paid		\$46,124.45
	Totals	\$1,039,855.45	\$1,027,872.15

Sources: Task Orders, Change Orders, TPW files, CFW general ledger

The contract was for not more than 365 days, plus extensions as authorized by change orders. The contract could be renewed up to one additional term, under the same terms, conditions and unit prices.

Task Order #1 had a 7/22/2019 commencement date, with work to be completed in 30 days (i.e., by August 21, 2019). Work designated under Task Order #2 had a 9/3/2019 anticipated start date, with the work to be completed in 180 calendar days (i.e., by March 2, 2020). Additionally, Urban Infraconstruction, LLC was authorized to increase the contract time by 40 calendar days.



Objectives

The objectives of this audit were to:

- determine whether the project was completed in accordance with contract terms; and,
- ensure compliance with applicable legislation.

Scope

Our audit scope included a review from task order commencement (July 22, 2019) through the final inspection date (June 9, 2020). Activity beyond this period was reviewed as deemed necessary.

Methodology

To achieve the audit objectives, the Department of Internal Audit performed the following:

- interviewed key TPW personnel regarding vendor selection, adherence to contractual terms, and project execution dates, policies and procedures;
- reviewed the bidding and contract award process, as well as records for compliance with law and CFW policies, including bonding and warranty requirements;
- reviewed the contract and contract general conditions to identify requisite contract terms and conditions;
- observed and inquired about change orders, project monitoring, and inspections;
- performed site visits and observed on-line images, within Headlight (a construction document management system), to confirm that work quality and quantities met the standards documented within the task orders;
- verified that payments made to the contractor were approved by management, and were consistent with the unit price contract terms;
- determined whether the 5% retainage, stipulated in the contract, was withheld;
- searched records and interviewed contractor personnel and the City's Diversity and Inclusion Department's employees to determine compliance with MBE requirements;
- reviewed BIM360 (construction project management software) files to determine if the project was properly completed and accepted by CFW; and,
- evaluated internal controls related to construction contracts.

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.



Chapter XXVIII of the Fort Worth City Charter established the City of Fort Worth’s Department of Internal Audit. Our department was established independent of management, reporting directly to the Fort Worth City Council. We utilized the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework when evaluating internal controls. The following internal control components and corresponding principles were considered significant to the audit objectives.

Internal Control Component	Principles
Control Environment	Managerial oversight, integrity, ethics and responsibility; staff recruitment, development, retention, performance and accountability
Risk Assessment	Clearly-defined objectives to identify risks, define risk tolerances, and implement necessary controls (e.g., written policies and procedures)
Control Activities	Policies, procedures and systems
Information and Communication	Communicate the necessary quality information
Monitoring	Monitor and evaluate the effectiveness of internal controls

Audit Results

The project resulted in the construction of crash attenuator, sidewalk, driveway, curb/gutter and other improvements to the City's infrastructure. However, based on the difference in quantities of items measured by Internal Audit and the quantities of items billed by the contractor, the City was overbilled \$22,895.14.

We concluded that retainage was not withheld from payments as specified in contract documents. Also, pay item quantities, that varied significantly from bid quantities, were not supported with a change order(s).

This project was advertised/solicited as required by City policy, with only one vendor bidding on the contract. Internal Audit was unable to determine whether this sole bidder's unit prices were the most economical, or whether the CFW would have received better pricing if more vendors had bid on the contract. Internal Audit was also unable to determine whether the bid specifications could (or should) have been revised to attract additional bidders.

Internal Audit observed construction work that appeared incomplete or unsatisfactorily constructed. Without engineering drawings or plans to use as assessment criteria, Internal Audit was not able to objectively determine whether the construction work performed met contract specifications. However, the daily logs and reports in BIM360 (construction project management software) documented that the inspector visited the sites daily, and assessed and requested that the contractor amend or improve construction deficiencies that were identified. For example, the inspector identified 36 deficient items on June 9, 2020. As of September 24, 2020, the contractor had not corrected the deficiencies. TPW indicated that the contractor's final payment would be withheld until deficiencies were corrected, as per TPW's standard operating procedures. The following images depict workmanship issues observed by Internal Audit.



Source: Auditor photograph
(Trip hazard Loving Avenue)



Source: Auditor photograph
(Backfilling on 21st NW and Prospect Ave)

The contractor paid wage rates that were compliant with applicable law and the City's contract. The contractor also provided necessary security bonds.



The MBE specifications section of the contract states that the City's MBE goal was 16 % of the total bid value of the contract. However, based on our audit results, actual MBE participation totaled only 8.39%. Urban Infraconstruction, LLC indicated they did not meet the MBE commitment because they did not expect the contract award (\$1 million) to be substantially less than what was communicated in their proposal (\$6,501,749.50).

Under the terms of City Ordinance #20020-12-2011 that was in effect at the time of this contract, Urban Infraconstruction, LLC (although a certified MBE vendor) was required to subcontract with other MBEs. However, a new ordinance that allows MBE prime contractors to count their self-performance towards meeting MBE subcontracting contracting goal(s) went into effect on January 1, 2021.



Overall Risk Evaluation

High	Medium	Low
<u>CFW billed for construction services not performed</u>		
<u>Construction management practices not aligned with contract requirements</u>		



Detailed Audit Findings

1. The CFW was overcharged \$22,895.14.

Based on Internal Audit’s physical measurements, quantities of concrete work (e.g., sidewalks, curbs, etc.) that Urban Infraconstruction, LLC billed to the City of Fort Worth exceeded quantities that were measured at the construction locations. A variance totaling approximately 1,337 square feet resulted in the City being overcharged \$22,895.14.

Variances Between Internal Audit Measurements and Quantities Billed to the City							
Project Area	Sidewalk, includes Lead Walk (SF)	Sidewalk, Adjacent to Curb (SF)	Driveway, includes Radius (SF)	Curb & Gutter (LF)	Retaining Wall Face (SF)	Retaining Wall Sidewalk (SF)	Totals
Quantity Measured							
Lee Avenue	5,204.17	4,138.48	9,488.47	1,005.42	71.68	0.00	19,908.22
Prospect Avenue	6,250.09	2,902.97	7,065.13	680.67	298.33	721.25	17,918.44
Loving Avenue	6,864.54	1,004.67	3,720.45	1,395.75	0.00	0.00	12,985.41
Total Quantity Measured	18,318.80	8,046.12	20,274.05	3,081.84	370.01	721.25	50,812.07
Total Quantity Charged to the City	18,838.41	7,491.13	21,404.80	3,309.13	415.05	918.00	52,376.52
Total Quantity Variance-Measured (less)/more	(519.61)	554.99	(1,130.75)	(227.29)	(45.04)	(196.75)	
Unit Price Per Pay Item	\$ 7.00	\$ 15.00	\$ 11.00	\$ 45.00	\$ 48.00	\$ 14.00	
Total Vendor (Over)/Undercharge	\$ (3,637.27)	\$ 8,324.85	\$ (12,438.25)	\$ (10,228.05)	\$ (2,161.92)	\$ (2,754.50)	\$ (22,895.14)

Source: Final Pay Request and Internal Audit Measurements

Although Urban Infraconstruction, LLC invoices were authorized for payment, City staff did not certify that the invoiced work was correct prior to payment. For example, Urban Infraconstruction, LLC submitted Application and Certificate for Payment forms to the City. The Application and Certificate for Payment forms had a designated place for a City representative to affix his/her signature to certify the work noted by the contractor and billed to the City. However, City representatives did not sign these forms. Internal Audit was informed that the City’s certification/verification is now electronic. Based on our review of TPW’s electronic files, two TPW staff members are required to review progress payments prior to payment. Internal Audit concluded that two TPW staff members electronically enabled the payments. However, we saw no evidence that the billed quantities were reviewed for verification. The \$22,895.14 net overcharge (noted in the preceding table) was not detected.

The TPW Department Capital Project Delivery Manual states that the City Inspector is responsible for verifying quantities. Additionally, the City’s General Accounts Payable Guidelines state that departments are responsible for verifying invoice quantities and amounts.

Task Order #2 states that payments will be issued based on verified quantities installed, or efforts performed. Construction management processes that do not include physical verification of work reported as being completed (and compared to documented plans and measurements) increase the risk of erroneous billings not being detected.

Recommendation 1A: *The Transportation and Public Works Director should require that the City’s \$22,895.14 overpayment be withheld from the final payment to Urban Infraconstruction, LLC, or that Urban Infraconstruction, LLC refund the \$22,895.14 if the final payment has been made.*



Auditee's Response: Concur. With the exception that this was not overpaid but overbilled. The contractor overbilled the City on the final pay estimate and as we work through contract close out the overpayment will be resolved as appropriate.

Target Implementation Date: April 30, 2021 (*Final adjustments will be made prior to project closeout*)

Responsibility: Roy Teal Sr. CPO-Construction Services
Monty Hall Assistant Director-Business Support

Applicable Department Head: William Johnson, Transportation and Public Works Director

Applicable Assistant City Manager: Dana Burghdoff

Audit Comment: Based on our test results, the contractor overbilled the City and the City paid what was overbilled. Internal Audit acknowledged that the final payment, to the contractor, had not been made as of the end of our audit fieldwork.

Recommendation 1B: *The Transportation and Public Works Director should require that staff confirm quantities billed by the contractor before authorizing payment.*

Auditee's Response: Concur.

1. All inspectors will receive further training, scheduled for February 2021, in conducting field measurements and storing their calculations and corresponding notes in the City's project document management system.
2. In addition, quality control procedures have been implemented whereby an independent re-measurement of projects will be performed prior to issuing final payments to contractors to ensure accuracy.
3. Additional information used to prepare the total bid quantities such as street-by-street quantity take-offs, or concrete panel replacement surveys will be included in future bid documents as applicable to the maintenance project types to establish a per street baseline that will aide in identifying quantity underruns or overruns. This additional quantity information included would not be a substitute for engineering drawings on maintenance projects.

Target Implementation Date: March 31, 2021

Responsibility: Lauren Prieur, Assistant Director
Roy Teal, Sr. CPO Construction Services

Applicable Department Head: William Johnson, Transportation and Public Works Director

Applicable Assistant City Manager: Dana Burghdoff

2. The City's practices were not aligned with contract requirements.

Retainage: The General Conditions of Contract #52034 (Section 14.02.C.2.) state that retainage shall be 5% for contracts greater than \$400,000.00 at the time of contract execution. However, based on our test results, retainage was not withheld.

As noted in the Background section of this report, a total of \$87,500.00 was paid for Task Order #1, and a total of \$894,247.70 was paid for Task Order #2. An additional \$46,124.45 (associated with Task Order #2) had been billed to the City, but not paid as of 10/27/20.

TPW indicated that task order contracts typically do not have retainage, even if the contract amount exceeds \$400,000.00. The TPW Department's practices, therefore, differed from what was noted within the General Conditions.

Withholding retainage is a common practice within the construction industry. It incentivizes contractors to complete work in accordance with the contract, and helps guarantee that the project will be completed on time, in accordance with project specifications and/or of expected quality. Although the City did not withhold retainage from Urban Infraconstruction, LLC for this project, Urban Infraconstruction, LLC withheld 5% retainage from its construction subcontractor.

During a July 29, 2020 site visit, Internal Audit observed that the contractor failed to address work deficiencies noted in TPW inspection reports. A subsequent site visit on September 24, 2020 indicated that the construction work sites referenced in the inspection reports, plus approximately 32 other punch list (remedial work) items, had not been adequately addressed. As of the end of audit fieldwork, this project had not been finalized.



Source: Incomplete backfilling of a curb at 615 NW 25TH and Prospect, observed by Internal Audit on 07/29/2020

Change Orders: Task Order #2 states that any changes to scope or schedule need to be submitted via the Request For Information (RFI) process, with risk assessment for its approval by the project manager. Additionally, Article 10, Section 10.01A. of the standard construction specification documents states that upon notice of extra work, the contractor shall promptly proceed with the work involved, which will be performed under the applicable conditions of the contract documents (except as otherwise specifically provided). That Article further states that extra work shall be memorialized by a change order, which may or may not precede the order of extra work. Although the task order and contract required a change order, the scope of work noted within the initial contract was altered substantially without a change order.



- A square footage increase of 1,112.16% (from 618 to 7,491 square feet) in 4” Concrete Sidewalk was made without a change order.
- The change in scope of work resulted in a \$103,095.00 increase (bid amount versus final amount paid) for 4” Concrete Sidewalk installation.
- Consequently, 39 of 76 barrier free ramps (which were budgeted at \$79,600.00, and represented approximately 8.89% of the project budget) were not constructed.

Internal Audit was informed that the purpose for task orders is to increase competitive pricing by locking in vendor pricing, while having the ability to increase contract quantities. Internal Audit was also informed that the City’s practice is to execute a change order when the amount spent exceeds the amount allocated within the task order.

Pay Items with Quantity Changes Greater than 24%

Item No.	Description	Unity Of Measurement	Quantity Ordered	Quantity Billed	Quantity Variance	Percentage Variance	Unit Cost	Value Of Variance
4	0241.0300 Remove ADA Ramp	EA	76.00	37.00	(39.00)	(51%)	\$600.00	(\$23,400.00)
22	3123.0101 Unclassified Excavation	CY	200.00	475.75	275.75	138%	\$40.00	\$11,030.00
29	3211.0113 Flexible Base, Type A, GR 1	SY	250.00	689.91	439.91	176%	\$40.00	\$17,596.40
40	3213.0311 4" Conc Sidewalk, Adjacent to Curb	SF	618.00	7,491.13	6,873.13	1,112%	\$15.00	\$103,096.95
41	3213.0401 Remove and Replace 6" Concrete Driveway	SF	17,232.00	21,404.80	4,172.80	24%	\$11.00	\$45,900.80
42	3213.0501 Barrier Free Ramp, Type R-1	EA	42.00	28.00	(14.00)	(33%)	\$2,400.00	(\$33,600.00)
44	3213.0503 Barrier Free Ramp, Type M-1	EA	4.00	0.00	(4.00)	(100%)	\$1,900.00	(\$7,600.00)
45	3213.0504 Barrier Free Ramp, Type M-2	EA	6.00	0.00	(6.00)	(100%)	\$1,700.00	(\$10,200.00)
47	3213.0506 Barrier Free Ramp, Type P-1	EA	20.00	8.00	(12.00)	(60%)	\$1,800.00	(\$21,600.00)
48	3213.0507 Barrier Free Ramp, Type P-2	EA	3.00	0.00	(3.00)	(100%)	\$2,200.00	(\$6,600.00)
120	3292.0100 Block Sod Placement	SY	650.00	0.00	(650.00)	(100%)	\$12.00	(\$7,800.00)

Source: Task Order #2 and pay estimates

TPW staff indicated that task order contracts have a set dollar amount, but no set quantities or geographical limitations. Quantities noted within the bid specifications are, therefore, initial quantities that are intended to get one or more tasks started. While TPW did not know, in advance, where and what maintenance construction would be required, City funds were set aside to finance specific jobs as the need arose, via task orders.

Mayor and City Council Approvals: Article 3 of the standard construction specifications states that at no time shall the contract total exceed \$1 million without written approval from the City of Fort Worth City Council. However, total project costs exceeded the \$1 million requirement, without City Council approval.



Task Order #	Scope of Work	Budget	Total Spent or Due
#1	Crash Cushion Attenuators and Metal Beam Guard Fence	\$98,425.00	\$87,500.00
#2	Curb/Gutter, Driveway, Sidewalk and Barrier Free Ramps	895,606.00	894,247.70
	Subtotals as of 10/27/2020	\$994,031.00	\$981,747.70
#2 (Change Orders)	Concrete-related	45,824.45	46,124.45
	Totals:	\$1,039,855.45	\$1,027,872.15

Source: CFW General Ledger and BIM360 records

The project manager acknowledged that work associated with the change order caused the contract to exceed \$1 million. However, the City Attorney’s Office stated that despite M&C C-29021 authorizing a contract maximum of \$1 million, the contract could be increased due to the amount of work ordered and transacted through change order. Management, therefore, deemed it acceptable to exceed the original contract amount via change order, and without Mayor and Council approval.

The City Attorney’s Office also stated that administrative approval was sufficient for the Change Order #2 amount, since the dollar amount was less than \$100,000. Based on our audit results, the City Manager’s Office signed Change Order #2 on June 1, 2020. The work was completed by March 31, 2020, two months before the change order was signed. Our audit results, therefore, support that the work was completed before the change order was authorized.

Internal Audit noted that although the M&C C-29021 states that the contracted amount was capped at \$1 million, the contract could be increased or decreased due to the amount of work ordered and transacted through change orders. Alternatively, the contract required that at no time should the contract total exceed \$1 million without written approval from the Fort Worth City Council. While Mayor and Council action is not required or expected for transactions that are less than \$100,000.00 and/or for contract increases of less than 25%, the Mayor and Council were contractually obligated to approve or deny this increase of less than \$30,000.00. It should be noted that the contract stipulation was inconsistent with the M&C C-29021. TPW staff appeared to have used a form version other than what was reportedly in the City Attorney’s Office. TPW acknowledged that the “non-standard” form was used, and that training would be provided to reiterate the rules for modifying standard documents.

The requirement to adhere to authorized contract limits cannot be over emphasized. Inconsistency between the contract and the M&C may have contributed to the contract exceeding the cap amount without Mayor and Council approval.

Recommendation 2A: *The Transportation and Public Works Director, in conjunction with the City Attorney’s Office, should require that contracts be reviewed prior to contract execution, to ensure that those General Conditions are applicable to the contract being awarded.*

Auditee’s Response: Concur.

1. The general conditions are not to be modified by staff, however under special circumstances modifications can be made to the general conditions in the supplementary conditions. Based on the type of contract issued, the controlling language will take priority.
 - i. All contracts are reviewed thoroughly prior to execution, however the audit did find a non-standard version of a form that was not found in the review prior to solicitation. Training will be provided again to reiterate the rules for modifications to our standard documents and contracts will be reviewed for version control.



2. Due to the type of contract, retainage would not typically be withheld due to the generally small nature of the task orders which are charged against the overall contract award amount. However, staff is reviewing potential ways to manage retainage in task order contracts in the future.
3. In Unit Price Task Order Contracts, pay item quantities will vary from bid quantities. Bid quantities are used to set the unit price.

Target Implementation Date: April 30, 2021

Responsibility: Lauren Prieur Assistant Director-Capital
Doug Black - Legal Services
Lane Zarate Sr. CPO-Neighborhood Streets

Applicable Department Head: William Johnson, Transportation and Public Works Director

Applicable Assistant City Manager: Dana Burghdoff

Recommendation 2B: *Upon implementation of Audit Recommendation 2A, the Transportation and Public Works Director should require that Transportation and Public Works staff comply with written contract requirements, including the General Conditions.*

Auditee's Response: Concur. TPW believes we have complied with the contract requirements and general conditions that are applicable to unit price contracts. Language referenced that is contrary to the administration of this contract is not the controlling language in our industry for unit price contracts.

- i. General Conditions language requiring retainage are not applicable for a unit price contract. However, staff is reviewing potential ways to manage retainage in task order contracts in the future.
- ii. Quantity changes were deemed "significant" by auditors and therefore subject to certain general conditions language, due to the % increase of a single sidewalk bid item. However, there are multiple items for different types of sidewalks based on site conditions. The sidewalk amount and scope of work did not change significantly when looked at from the broader perspective of the multiple sidewalk line items. TPW does not see the quantity changes as "significant". Furthermore, the controlling language for unit price work is under 11.03 of the general conditions and allows for increased or decreased quantities.
- iii. Change Orders that increase a construction contract amount by a cumulative amount less than \$100K are not required to obtain City Council approval through M&C. Furthermore, it is allowable to change order up to a maximum of 25% of the original contract value. TPW staff have complied with the correct requirement, however, we acknowledge that one non-standard form was used and training will be provided again to reiterate the rules for modifications to our standard documents.

Target Implementation Date: Current Practice

Responsibility: Lauren Prieur AD-Capital, Lane Zarate Sr. CPO-Neighborhood Streets

Applicable Department Head: William Johnson, Transportation and Public Works Director

Applicable Assistant City Manager: Dana Burghdoff

Recommendation 2C: *The Transportation and Public Works Director, in conjunction with the City Attorney's Office, should ensure that language incorporated in M&Cs is worded as intended/appropriately, and that wording within corresponding contracts is consistent with the M&Cs.*



Auditee's Response: Concur. The M&C language includes a standard term "Not to Exceed". This language was intended and has been vetted appropriately in the M&C review process. The change order amends the contract amount from the original amount.

Target Implementation Date: Current Practice

Responsibility: Lauren Prieur AD-Capital
Lane Zarate Sr. CPO-Neighborhood Streets

Applicable Department Head: William Johnson, Transportation and Public Works Director

Applicable Assistant City Manager: Dana Burghdoff



Acknowledgements

The Department of Internal Audit would like to thank the Transportation and Public Works Department for their cooperation and assistance during this audit.