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**Patricia LeBlanc Park
Playground Construction
Audit**

November 11, 2016



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

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Fort Worth, Texas 76102

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The Patricia LeBlanc Park Playground Construction Audit was conducted as part of the Department of Internal Audit's Fiscal Year 2016 Annual Audit Plan.

Audit Objective

The objective of this audit was to determine whether the Patricia LeBlanc Park project was completed in accordance with the terms and conditions of the contract.

Audit Scope

Our audit covered the period from March 2, 2015 (contract award) through August 31, 2016 (end of fieldwork).

Opportunity for Improvement

Filing of formal final inspection and acceptance letter

Executive Summary

As part of our FY2016 Annual Audit Plan, the Department of Internal Audit conducted an audit of the Patricia LeBlanc Park playground construction project. Our audit covered the period from March 2, 2015 (effective date of the contract), through August 31, 2016 (end of fieldwork).

Patricia LeBlanc Park has a universally accessible playground that can be enjoyed by children of all ability levels. Replacement of the playground was ranked high on the Park and Recreation Department's prioritization list for renovation based on the condition and age of the equipment and the needs of the community.

On February 11, 2014, the Mayor and Council authorized a contract to purchase park and recreational equipment from multiple vendors using a Texas Association of School Boards (TASB) cooperative agreement.

- The Council authorized purchases of up to \$500,000 per year with two optional one-year renewal terms with installation to be performed by Park and Recreation Department staff. It should be noted that this particular agreement was not specific to any City park.
- A subsequent contract, which referenced the aforementioned agreement, had an effective date of March 2, 2015, and provided for the purchase and installation of playground equipment at Patricia LeBlanc Park using the TASB cooperative agreement. The contract was amended to increase the contract amount (\$272,112) by \$69,242.

The initial playground construction project by the contracted vendor (GameTime) was completed in September 2015. However, additional improvements were constructed by Park and Recreation Department employees through August 2016.

The park reconstruction project budget included 2014 Bond funding of \$460,000, donated funds of \$68,027, and \$48,329 from the Park System Endowment Gas Lease fund for a total budget of \$576,356.

Vendor payments to GameTime totaled \$562,046, while \$9,576 was paid to vendor (Child's Play), for equipment under the TASB cooperative agreement. The payment to Child's Play was to add equipment not available through GameTime. Total vendor payments for the project were \$571,622, in separate years of the purchase agreement, which did not exceed the \$500,000 annual limit.

Park and Recreation Department employees appear to have performed adequate inspections to identify and resolve minor deficiencies. However, there was no evidence of a formal final inspection or letter of acceptance to the vendor.

This finding is discussed in further detail within the [Detailed Audit Finding](#) section of this report.

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Background

Patricia LeBlanc Park is located in Council District 6 in southwest Fort Worth. In February 1992, the City Council accepted a gift of an accessible playground for Patricia LeBlanc Park from Playground Unlimited, Inc., a Fort Worth based non-profit. The playground was considered unique at the time, because it permitted access for the mobility-impaired and was designed to encourage side-by-side play for persons with different abilities.

Years after the initial construction, the Park and Recreation Department maintained the playground (i.e., touch-ups and part replacements). The Patricia LeBlanc Park playground was a wood/timber based structure. Documentation reviewed during the audit indicated that the typical life span for a wood playground structure is approximately 20 years, after which time the wood begins to splinter and warp.

The replacement of the original playground structure was reportedly a priority. As a result, \$400,000 for the replacement was included in the 2014 Bond Program initial implementation plan. It was later deemed necessary to allocate an additional \$60,000 from the 2014 Bond Program fund. Funding also included \$68,027 in donated funds and a \$48,329 disbursement from the Park System Endowment Gas Lease fund, bringing the total funding available for the project to \$576,356.

Reconstruction was scheduled to begin no later than February 16, 2015 and to be completed no later than April 9, 2015. However, due to significant weather delays, the contract was amended to be completed no later than July 3, 2015. The playground work was completed in September 2015 with additional work completed by Park and Recreation personnel in August 2016. Vendor payments for the project totaled \$571,622. The following images reflect before and after renovation of the playground.

Before



Source: Park and Recreation Department (date taken: February 5, 2014)

After



Source: Auditor photograph (date taken: October 13, 2016)



Objective

The objective of this audit was to determine whether the Patricia LeBlanc Park project was completed in accordance with the terms and conditions of the contract.

Scope

Our audit covered the period from March 2, 2015 (contract award) through August 31, 2016 (end of fieldwork).

Methodology

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

- interviewed key Park and Recreation personnel regarding vendor selection, policies and procedures related to project execution, and adherence to contractual terms;
- reviewed the base contract and amendments to identify contract terms and conditions;
- identified the cost of similar projects in other cities to verify cost reasonableness;
- verified that project payments were approved by management;
- performed site visits to verify that work was performed adequately and equipment billed to the City was installed;
- inquired about project monitoring and inspections; and,
- verified that payments made to the contractor were consistent with the contract terms.

We conducted this audit in accordance with generally accepted government auditing standards, except for peer review¹. 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.

¹ Government auditing standards require audit organizations to undergo an external peer review every three years. A peer review is planned in 2017 for the three-year period ending December 31, 2016.

Audit Results

As of August 31, 2016, \$571,622 was paid to vendors for the Patricia LeBlanc Park playground reconstruction project. We determined that the project was appropriately selected, having been included in the 2014 Bond Program budget and based on the age and condition of the playground equipment. We also concluded that project payments did not exceed the \$500,000 annual agreement in any given year.

The contract terms and management process for the project differed from street or utility construction projects. However, the project appears to have been adequately monitored. We determined that monitoring occurred throughout the project.

No formal inspection reports were filed after conducting inspections, and there was no formal final inspection of the completed work or letter of acceptance to the contractor. We did note that photographs were taken of work in progress.

An overall inspection of the park by Internal Audit determined that all equipment negotiated on the quote to be purchased was physically present and installed on the playground. We also verified and noted that issues identified by Park management were corrected. The following photographs, taken by Park and Recreation personnel, document construction progress.



Source: Park and Recreation Department (date taken: June 15, 2015)



Source: Park and Recreation Department (date taken: August 3, 2015)



Source: Park and Recreation Department (date taken: September 14, 2015)



Canopy work performed by Park and Recreation (date taken: September 14, 2015)



Source: Park and Recreation Department (date taken: July 25, 2015)



Source: Auditor photograph (date taken: September 1, 2016)



Detailed Audit Finding

A formal final inspection was not held when the playground construction project was completed.

Formal final inspections are required by the City's standard construction specification documents. A formal final inspection is held when construction projects are complete, and is done in order to identify any remaining defects. An acceptance letter, to the contractor, documents project completion and notifies the vendor of the starting term for warranty coverage.

According to Park and Recreation personnel, no formal final inspection was conducted when the Patricia LeBlanc Park playground reconstruction was complete, and no acceptance letter was provided to the contractor. However, the work was inspected throughout the project and defects were resolved when identified. It should be noted that this finding does not indicate that any defects remain in the completed work, because identified defects were remedied during or shortly after construction.

Unlike street and water/sewer projects, there is not a standard process for holding a final inspection or providing an acceptance letter when playground construction projects are completed. Without a formal final inspection, there is not always assurance that defects have been identified. Additionally, without a final inspection or acceptance letter, there is no documentation to support that the City and vendor both have a record of problems identified and resolved.

Recommendation: *The Park and Recreation Director should ensure that a formal final inspection is performed at the completion of all construction projects, with a record of the inspection documented and retained in the project files. An acceptance letter should be provided to the contractor after deficiencies identified during the inspection have been resolved.*

Auditee Response: Concur. Although PARD [Park and Recreation Department] does follow a formal final inspection process on all traditionally let projects (design, bid, build), it is understood that a similar process is necessary for purchase and installation contracts done via Purchasing Agreement. Effective immediately PARD will require all project managers to provide an internal notice of final inspection and subsequent substantial completion correspondence (trigger for warranty period start) to all installation contractors secured through a purchasing agreement.

Target Date: November 9, 2016

Responsibility: David Creek, Assistant Director



Acknowledgements

The Department of Internal Audit would like to thank the Park and Recreation Department for their cooperation and assistance during this audit.