

Fort Worth



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**Miscellaneous Sewer Main
Extensions, Replacements &
Relocations Contract**

August 14, 2015



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

1000 Throckmorton Street
Fort Worth, Texas 76102

Audit Staff

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The audit of a unit price construction contract for Miscellaneous Sewer Main Extensions, Replacements & Relocations was conducted as part of the Department of Internal Audit's Fiscal Year 2014 Annual Audit Plan.

Audit Objective

The objective of this audit was to determine whether individual projects/work orders were completed in accordance with the contract terms.

Audit Scope

Our audit covered the period from July 13, 2010 (contract inception) through the date of final work under the audited contract.

Opportunities for Improvement

- Require that developers pay the full amount of costs incurred by the developer
- Document authorization of cost estimates
- Require substantiation for payments/billings in excess of initial cost estimates
- Proper recording within the City's financial records
- Extend contracts via formal process

Executive Summary

The Department of Internal Audit has conducted an audit of the City of Fort Worth's unit price construction contract with William J. Schultz, Inc., dba Circle "C" Construction Company. Our audit covered the 365-day contract period through the date on which the final expenditure was charged against the contract.

The City of Fort Worth contracted with Circle "C" Construction Company in the amount of \$2 million. The contract was for sewer main extensions, replacements, and relocations.

Circle "C" Construction was paid \$1,991,555.76 for the completion of 60 separate projects. Although approximately \$367,910.10 of this amount was paid by developers, we identified projects where the City of Fort Worth paid expenses that should have been billed to the developer. These net under-billings (totaling approximately \$71,000.00) resulted because developers were billed based on initial cost estimates rather than final cost, or the developer was not billed.

During our audit, we concluded that cost estimates and changes to those cost estimates did not include evidence of managerial review and/or approval.

We identified 17 projects that were started and completed after the initial contract end date. The total cost of these projects/work orders was \$342,830.34. Authorization for projects subsequent to the contract end date was based on informal contract extensions between the City of Fort Worth and Circle "C" Construction. Various projects within the contract concluded as late as 468 days after the initial contract end date of July 12, 2011.

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

Table of Contents

Background.....	1
Objective.....	4
Scope.....	4
Methodology.....	4
Audit Results.....	5
Overall Risk Evaluation.....	6
Detailed Audit Findings	7
Acknowledgements.....	16
Exhibit I - Initial Cost Estimate versus Final Cost Paid to Contractor	
Exhibit II - Cost and Payment Information for Developer-Only Projects	

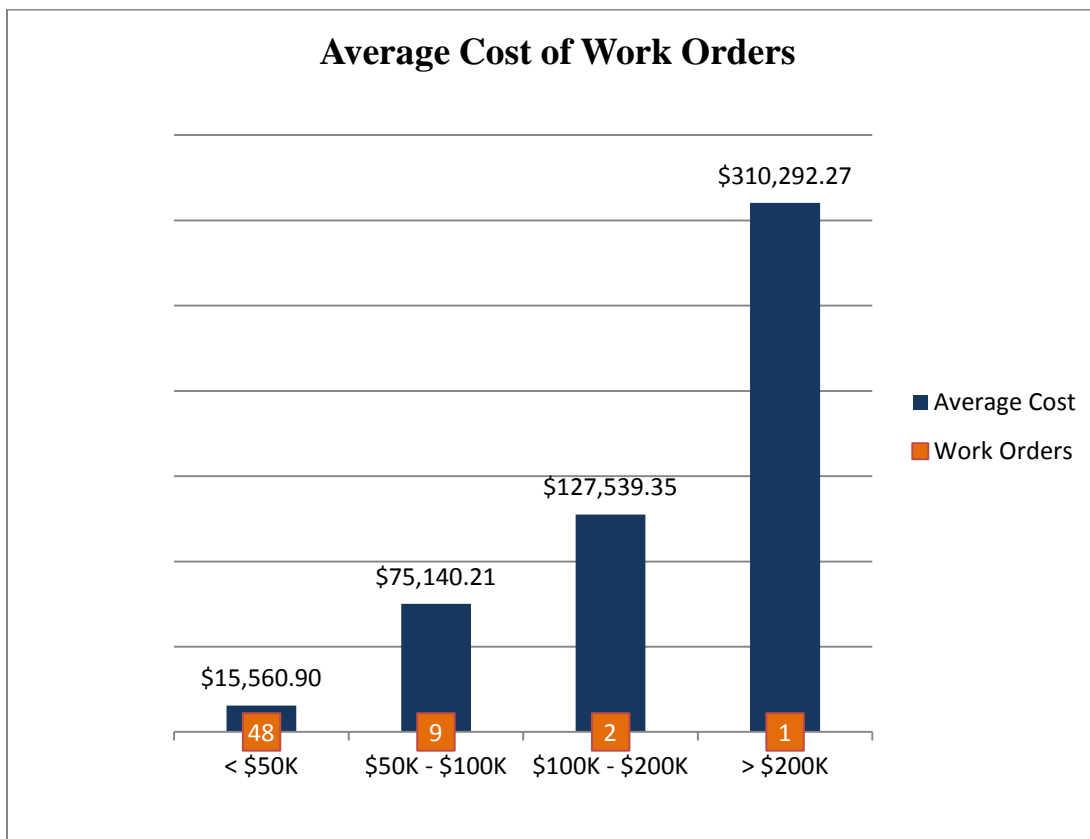


Background

The City of Fort Worth (CFW) entered into a contract with William J. Schultz, Inc., dba Circle “C” Construction Company, for sewer main extensions, replacements, and relocations. The contract, which consisted of various projects that were undefined at the time of contract award, provided a method of routinely performing various “small-scoped” projects without the need for individual bid solicitation and contract award by the Mayor and City Council.

The unit price contract was authorized by the Mayor and City Council on July 13, 2010 in the amount of \$2 million. The contract was for a 365-day period.

Sixty work orders (ranging from \$2,150.00 to \$310,292.27) were processed and one work order was canceled. The average cost of the majority (80%) of work orders was less than \$50,000.00.



Source: CFW Water Department project files



Summary of Work Orders					
Work Order Number	Final Cost	Work Order Number	Final Cost	Work Order Number	Final Cost
1	71,625.25	21	8,660.00	41	10,662.50
2	66,817.30	22	96,175.50	42	21,290.00
3	7,920.20	23	5,350.00	43	62,925.20
4	11,506.40	24	27,786.00	44	17,793.00
5	47,855.00	25	5,723.20	45	9,981.00
6	48,659.00	26	2,150.00	46	19,549.00
7	13,277.60	27	6,250.00	47	6,961.80
8	25,621.90	28	5,664.00	48	83,460.00
9	95,133.60	29	3,000.00	49	35,140.83
10	65,053.00	30	18,898.50	50	17,628.60
11	310,292.27	31	11,220.00	51	32,011.30
12	61,912.00	32	38,424.40	52	41,994.40
13	138,470.80	33	2,905.00	53	3,361.00
14	116,607.90	34	35,056.40	54	2,534.00
15	29,875.00	35	7,055.00	55	9,504.99
16	2,600.00	36	11,301.80	56	5,173.80
17	12,480.00	37	3,010.00	57	12,302.47
18	<i>Cancelled</i>	38	8,200.00	58	21,368.80
19	74,160.00	39	23,128.70	59	6,510.00
20	9,903.50	40	17,634.50	60	7,363.75
				61	16,675.60
				Total	1,991,555.76

Source: CFW Water Department project files



Some work orders were the sole responsibility of developers. Other work orders were either the City's responsibility or were the responsibility of both the City and developers. For developer-requested jobs, the CFW assesses an additional 10% to reimburse the City for administrative and engineering design services. This 10% fee is added to the Cost Estimate and Project Authorization forms.



Objective

The objective of this audit was to determine whether individual projects/work orders were completed in accordance with the contract terms.

Scope

Our audit covered the period from July 13, 2010 (contract inception) through the date of final work under the audited contract.

Methodology

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

- reviewed the contract between the City of Fort Worth and William J. Schultz, Inc., dba Circle “C” Construction Company;
- interviewed key personnel within the CFW Water Department regarding authorization and supervisory construction management procedures;
- traced unit prices noted on cost estimates to unit prices bid by the contractor;
- traced developer payments to the general ledger and Water Department records;
- compared cost estimates, project authorizations and work orders to payments made to the contractor;
- compared wage rates the contractor paid to construction employees to wage rates specified in the contract; and,
- obtained proof of insurance, contract completion and acceptance.

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

The Department of Internal Audit concluded that payments made to Circle “C” Construction (for miscellaneous sewer main extensions, replacements and relocations) totaled \$1,991,555.76. However, approximately \$367,910.10 (18.5%) of that amount was paid by developers.

Audit results indicated that the CFW does not bill nor require payment from developers when the final job cost exceeds the City’s initial estimate. The developer’s payment is based solely on the initial estimate. In one instance, the City never received payment from the developer for construction-related costs. The Department of Internal Audit concluded that the current practice resulted in the CFW paying approximately \$71,000.00 that should have been billed to/paid by developers.

Although individual projects executed under this contract are initiated with the creation of a cost estimate, evidence of supervisory review of cost estimates did not exist. We identified variances that were as small as .1% and as large as 312%, when comparing initial cost estimates to the final cost. Additionally, documentation did not exist to support the rationale for variances between the initial cost estimate and the final cost.

The contract between the CFW and Circle “C” Construction was for a 365-day period ending July 12, 2011. However, we identified work orders that were executed beyond one year of the contract end date. Correspondence from Circle “C” Construction evidenced an agreement with the Water Department to extend the contract. However, the contract extension was not formally executed.



Overall Risk Evaluation

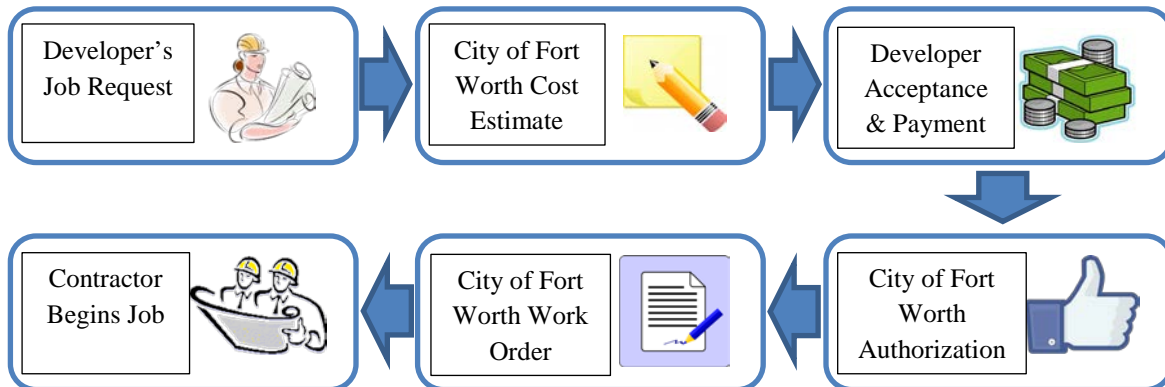
High	Medium	Low
<u>Developers not billed for actual costs incurred</u>		<u>Contract extensions not formally executed</u>
<u>Managerial review of cost estimates not documented</u>		
<u>Non-substantiation for payments in excess of cost estimates</u>		
<u>Developer payments for capital projects recorded in operating account(s)</u>		

Detailed Audit Findings

1. The CFW paid construction costs that were incurred by developers.

In addition to the City maintaining and operating the current water utility system, developers routinely require work related to sewer extensions, replacements and relocations. When such work is required, developers submit their requests and plans to the City's Water Design/Engineering Division. City engineers/technicians then prepare a Cost Estimate, based on unit prices quoted by the City's contractor.

The Cost Estimate is forwarded to the CFW's Water Development Division so that applicable fees (e.g., impact and meter deposits) can be added. Once the fees have been added, the Water Development Division informs the developer of the estimated job cost. Upon acceptance, the developer submits payment in the amount of the initial cost estimate. A representative from Water Development later documents the amount received, date of payment, etc. onto a Project Authorization form, and forwards the Project Authorization form to Water Design/Engineering for preparation of the Work Order. The Work Order is then sent to City's contractor and the work is begun.



If the final cost of the job exceeds the initial Cost Estimate, the CFW does not bill the developer for the additional costs incurred. Instead, the CFW pays the variance. Alternatively, the CFW does not refund the developer when the final cost is less than the amount paid by the developer.

In one instance, a project (work order #4) was estimated to cost a developer \$11,506.40. Internal Audit's review of the City's general ledger and the Water Department's system that is used to record payment activity by project (CISCO), did not evidence the City's receipt of the \$11,506.40 nor the 10% administrative fee of \$1,150.64. City records (general ledger and CISCO) only reflected the developer's payment of \$25,254.68. This \$25,254.68 payment, per supporting documents, was for water and sewer extension fees of \$4,774.00 and \$20,480.68, respectively.



Billing developers solely on initial cost estimates results in over and underpayments, while not billing developers results in underpayments only. During our review of the 60 work orders processed under the referenced contract, we concluded that the City paid \$70,962.92 for construction costs that should have been billed to the developer (See [Exhibit II](#)). This \$70,962.92 represents the net amount of developer overpayments (not refunded) and developer underpayments (not billed). Sound internal controls dictate that there is an accurate accounting of all charges for both developers and the CFW, and that charges and payments be reviewed and adequately tracked to ensure the City only pays for legitimate City costs.

There was one instance where the City's Aviation Department requested work under this contract. Although the cost of the work performed totaled approximately \$5,000.00, there was no evidence that monies were transferred from the Aviation Department to the Water Department. Due to the amount of time that had lapsed and lack of adequate supporting documentation, no definite determination could be made as to whether the Water Department was ever reimbursed for the costs incurred. See [Exhibit II](#) (work order #47) for more detailed information.

Recommendation 1A: *The Water Department Director should require that developer billings cover the entire cost that is incurred by and allocable to developers.*

Auditee's Response:

Concur. Staff concurs with the recommendation that all costs incurred by the developer be billed to the developer. Developer charges are assessed based on pre-bid unit prices. Developers pay construction costs and applicable fees. Projected costs are presented to the developer using a project authorization form, which outlines the work to be done and requires the developer's signature. Initial payment is made based on the estimate. Once the project is initiated in the field, the City may experience a change in scope based on actual conditions. Conditions may result in extended footage and added appurtenances. In some cases, the total final project may extend beyond the needs of the developer. In those cases, the City would pay the contractor for the difference, since it is not the developer's responsibility.

The changes in scope and cost estimates are currently documented in the inspector's notes to the project plans. In response to the audit recommendation, staff will initiate a new procedure improving the documentation and customer payment process. First, the inspector will send an email noting all changes and developer concurrence, if appropriate. That email will be printed, signed by the appropriate supervisor and included in the project file. An updated project authorization will be prepared documenting the final cost. The authorization form will be sent to Water Development staff, who will contact the developer to collect additional fees or reimburse as appropriate for the revised project.

Target Implementation Date: August 31, 2015



Responsibility: Tony Sholola, Engineering Manager
Yolanda Gonzalez, Senior Management Analyst

Recommendation 1B: *The Water Department Director should ensure that the 10% fee is retained with the City, and should routinely evaluate whether the fee is reasonable.*

Auditee's Response:

Concur. All fees and charges should be reviewed regularly on a rotating basis.

Target Implementation Date: FY2016

Responsibility: Tony Sholola, Engineering Manager
Jan Hale, Senior Admin Services Manager

Recommendation 1C: *The Water Department Director should either consider requiring that developers execute their own contract with outside contractors who have been pre-authorized by the City of Fort Worth (versus having the developer rely upon the City's contracted vendor) or clarify within the Mayor and Council Communication, that some of the contract amount represents a "pass through" from the developer.*

Auditee's Response:

Partially Concur. Developers currently have the option by City policy to execute a Community Facilities Agreement (CFA) for necessary improvements. This is commonly used for large development projects. Many of the extension projects covered by this contract are small projects initiated by property owners, who can benefit from the pre-bid pricing offered by the City's contract.

Verbiage on the M&C can be refined to indicate that some of the extensions resulting from the contract as at the property owner's request and the contract cost will be reimbursed to the City. The contract is not funded by developer funds so it is not a pass-through cost. It is a reimbursement of operating revenue or proceeds used to fund the contract.

Target Implementation Date: October/November 2016
(following bid process for new contract)

Responsibility: Tony Sholola, Engineering Manager

2. Cost estimates do not show evidence of management approval.

As discussed in Finding #1, construction costs billed to developers and allocable to the CFW are based on cost estimates prepared by City staff. However, cost estimates were not signed by the preparer or management to document review and approval of estimated quantities. Currently, there are no documented policies or procedures requiring such documentation.



Practices to ensure accountability require that documentation be maintained to support managerial review and approval prior to the commencement of work and the incurrence of costs. Without proper documentation to support adequate project review and pre-approval, the City is at risk of paying for work and materials that may be unnecessary, and/or over-paying for work performed.

Recommendation 2: *The Water Department Director should develop and implement policies and procedures that require documentation to support the supervisory review and approval of cost estimates prior to work being performed and/or costs incurred.*

Auditee's Response:

Partially Concur. All cost estimates are currently bound to a Project Authorization sheet, which includes a signature line indicating supervisory review. All Project Authorization sheets are signed prior to work order being issued and prior to delivery of the cost estimate to the developer. To make supervisory approval evident, staff will add a signature line to the cost estimate.

Target Implementation Date: August 15, 2015

Responsibility: Tony Sholola, Engineering Manager
Jim Deeter, P.E

3. Payments in excess of original cost estimates could not be substantiated.

As discussed within the Background section of this report, the City's contract with Circle "C" Construction consists of various work orders/projects which are undefined at the time of contract award. The table in [Exhibit I](#) documents 34 projects in which the final amount paid was different from the original cost estimate. While the Department of Internal Audit is aware that circumstances such as outdated plans and unforeseen obstacles related to the project could result in changes to cost estimates, increases were unsupported.

The Department of Internal Audit noted that of the 60 work order payments processed under this contract, 27 exceeded the initial cost estimate.

- Four jobs exceeded the initial cost estimate by more than 50%, one of which was in excess of 180% and another in excess of 300%.
- Six (6) jobs exceeded the initial cost estimate by between 33.5% and 48.8%.
- The remaining 17 jobs exceeded the initial cost estimate by as little as .1% and as much as 27%.

The Department of Internal Audit also noted seven (7) projects where the actual cost was less than the initial estimate. Variances of actual costs less than initial cost estimates



ranged from less than 1% to as much as 38.2%. [Exhibit I](#) provides more detail regarding cost estimate variances.

Payments to Circle “C” Construction for work performed under this contract exceeded initial job order cost estimates by \$264,458.17, resulting in a total increase over initial cost estimates of over 15%. One work order (#11) was estimated to cost \$200,543.00. However, the contractor was paid \$310,292.27, representing an additional \$109,749.27 (or 54% increase). There was no documentation to support the basis for the additional work or justification for the additional cost. During audit fieldwork, Water Department staff indicated that this particular project required more plumbing and paving than originally anticipated. Water Department staff also indicated that additional plumbing was required for more sewage service outlets from the shopping center, and additional paving was necessary when the shopping center owner became dissatisfied with paving work covering trenches dug near the shopping center. This resulted in a repaving.

After the audit exit conference, Water Department staff provided the following additional information concerning work order #11.

- Work Order #11 was a City-funded project to relocate a deteriorating City sewer line from under the shopping center.
- During construction, City staff discovered there were more existing sewer connections that had to be rerouted to the new sewer lines.
- Circle “C” completed paving repair as directed by the City. Circle “C” was then directed by City staff to expand the pavement repair to provide a better driving surface and to meet citizens’ expectations.
- A portion of the new sewer line was installed along State Highway 183 right-of-way. The Texas Department of Transportation inspector required more grass (hydro-mulch) seeding and sodding than was included in the estimate.

Not requiring documentation to support additional project costs, combined with the lack of documented pre-authorization, decreases accountability of City funds and increases the risk of fraud.

Recommendation 3A: *The Water Department Director should require documentation to support the rationale for variances between initial cost estimates and final project costs, and should require that appropriate department personnel pre-approve cost estimates prior to additional work being performed and/or costs incurred, provided the work is not emergency-related.*

Auditee’s Response:

Partially Concur. Variances in cost estimates and final project costs are primarily due to unknown field conditions that were encountered during construction. Staff will formalize documentation to add to the project file.



Target Implementation Date: August 15, 2015

Responsibility: Tony Sholola, Engineering Manager
Jim Deeter, P.E

Recommendation 3B: *The Water Department Director should develop and implement procedures to ensure that changes to cost estimates are pre-approved by appropriate departmental personnel prior to additional work performed and/or costs incurred, provided the work is not emergency-related.*

Auditee's Response:

Concur. Staff will formalize documentation and add to the project file.

Target Implementation Date: August 15, 2015

Responsibility: Tony Sholola, Engineering Manager
Jim Deeter, P.E

4. Developer and private business funds were deposited in an operating account instead of a capital account.

Based on project files maintained by the CFW, 28 of 60 projects completed under this contract were the sole responsibility of private businesses and/or developers. As a result, those private businesses and/or developers were to pay costs associated with those projects -- prior to the City authorizing the contractor to start the project.

Fund Accounting guidelines dictate that capital project activity (revenues and expenses) be accounted for in capital accounts. However, developer payments to the City were posted as revenue within a Water Department *operating* account. Payments to the contractor (for these same projects) were posted within a Water Department capital account.

The City would have in excess of \$350,000.00 specified for capital projects if developer payments had been posted to a capital account. There would also be a more transparent accounting for all monies associated with projects completed under this contract.

Recommendation 4: *The Water Department Director should ensure that funds received from developers and private businesses (for capital projects) are deposited into the same capital account from which the expenses are paid; and that the funds related to the 10% administrative costs be deposited into the operating account.*

Auditee's Response:

Partially Concur. To enable contract execution, all miscellaneous contracts are pre-funding using operating revenue or Commercial Paper/Direct Purchase note authority. In most miscellaneous contracts, Operating funds are transferred to a capital fund where the



project/contracts are established. Developer payments are used to reimburse the operating fund for capital expenses incurred. Moving forward all miscellaneous contracts will be prefunded using operating revenue in lieu of a mix of sources. The Water Department will work with Accounting to ensure proper deposit based on the initial funding source.

Target Implementation Date: November 2015

(Miscellaneous extension contracts will be rebid in the October/November timeframe)

Responsibility: Jan Hale, Senior Administrative Services Manager

5. The extension of work beyond the initial contract period was not agreed to, in writing, by both parties.

The contract between the City of Fort Worth and Circle “C” Construction Company was signed on July 13, 2010. Per that written contract, the contract term was to last a total of 365 days, resulting in a contract end date of July 12, 2011.

Sixty (60) jobs, totaling \$1,991,555.76, were performed under the referenced contract. Seventeen (17) of these jobs were started and completed after the July 12, 2011 contract expiration, as noted in the chart on the following page of this report. The 17 jobs totaled \$342,830.34 and represented only 17.2% of the total contract expenditures.

The Department of Internal Audit observed a letter (dated August 3, 2011) where the contractor agreed to extend the contract for an additional 12 months – ending August 2, 2012. Another letter (dated August 3, 2012) was observed where the contractor agreed to extend the contract an additional six months – through February 2, 2013.

Extensions to contracts that were authorized via Mayor and Council action should be executed in the same manner -- on a form, signed and agreed to by both parties, and filed with the City Secretary’s Office. Continuing to perform projects without extending the contract in accordance with established policy could increase the City’s risks related to insurance and other contract requirements. It could also be implied as limiting competition among contractors.

Recommendation 5: *The Water Department Director should ensure that contract extensions are signed, in writing, by both parties and filed in the City Secretary’s Office.*

Auditee’s Response:

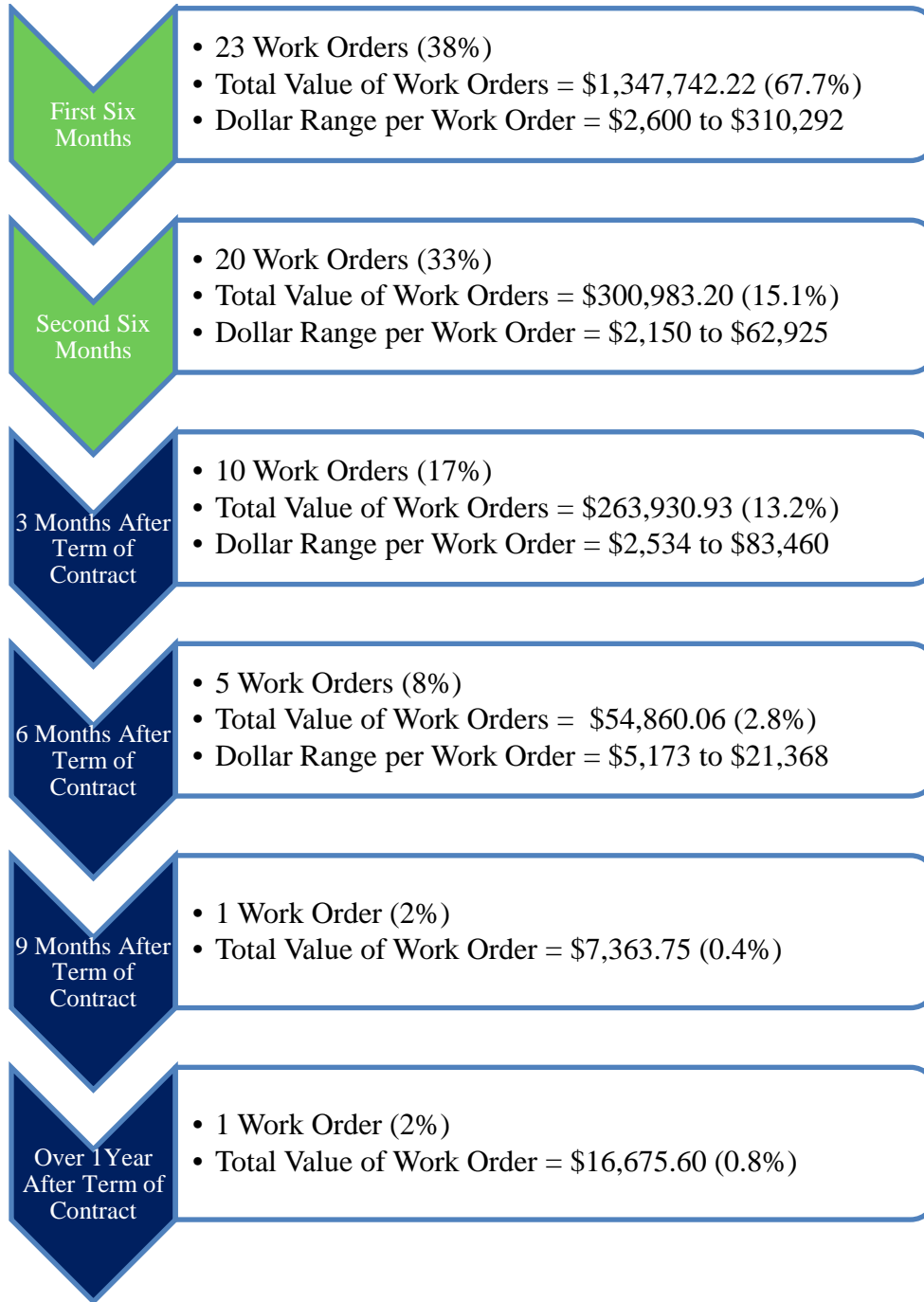
Concur. The contract, as approved by City Council and filed with the City Secretary, allows for term extensions based on the available dollars remaining in the contract. However, the extension document consists of a letter from the contractor agreeing to extend the term. The letter does not contain a signature noting City concurrence. Staff will formalize the process by requesting the extension with City approval and requiring a contractor signature.



Target Implementation Date: August 15, 2015

Responsibility: Tony Sholola, Engineering Manager
Jim Deeter, P.E.

Timeline of Work Orders



Totals for Timeline:	 \$1,648,725.42	 \$342,830.34
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Acknowledgements

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



**Exhibit I - Initial Cost Estimate versus Final Cost Paid to Contractor
All Projects**

Work Order No.	Original Cost Estimate	City Payment to Contractor	City Payment Over/(Under) Original Cost Estimate	Percentage City Payment Over/(Under) Developer Payment
1	\$68,236.83	\$71,625.25	\$3,388.42	5.0%
2	\$66,652.80	\$66,817.30	\$164.50	0.2%
3	\$7,628.20	\$7,920.20	\$292.00	3.8%
4	\$18,618.80	\$11,506.40	(\$7,112.40)	-38.2%
5	\$35,473.00	\$47,855.00	\$12,382.00	34.9%
6	\$48,615.00	\$48,659.00	\$44.00	0.1%
7	\$16,133.50	\$13,277.60	(\$2,855.90)	-17.7%
8	\$22,135.90	\$25,621.90	\$3,486.00	15.7%
9	\$74,916.80	\$95,133.60	\$20,216.80	27.0%
10	\$46,965.20	\$65,053.00	\$18,087.80	38.5%
11	\$200,543.00	\$310,292.27	\$109,749.27	54.7%
12	\$61,857.60	\$61,912.00	\$54.40	0.1%
13	\$136,745.80	\$138,470.80	\$1,725.00	1.3%
14	\$108,315.55	\$116,607.90	\$8,292.35	7.7%
15	\$29,875.00	\$29,875.00	\$0.00	0.0%
16	\$2,600.00	\$2,600.00	\$0.00	0.0%
17	\$6,944.00	\$12,480.00	\$5,536.00	79.7%
18	<i>N/A-Not Done</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
19	\$25,636.00	\$74,160.00	\$48,524.00	189.3%
20	\$8,783.50	\$9,903.50	\$1,120.00	12.8%
21	\$7,350.00	\$8,660.00	\$1,310.00	17.8%
22	\$102,068.00	\$96,175.50	(\$5,892.50)	-5.8%
23	\$5,350.00	\$5,350.00	\$0.00	0.0%
24	\$30,811.50	\$27,786.00	(\$3,025.50)	-9.8%
25	\$5,723.20	\$5,723.20	\$0.00	0.0%
26	\$2,150.00	\$2,150.00	\$0.00	0.0%
27	\$6,250.00	\$6,250.00	\$0.00	0.0%
28	\$5,664.00	\$5,664.00	\$0.00	0.0%
29	\$3,000.00	\$3,000.00	\$0.00	0.0%
30	\$19,208.50	\$18,898.50	(\$310.00)	-1.6%
31	\$11,220.00	\$11,220.00	\$0.00	0.0%
32	\$28,784.40	\$38,424.40	\$9,640.00	33.5%
33	\$2,905.00	\$2,905.00	\$0.00	0.0%
34	\$35,056.40	\$35,056.40	\$0.00	0.0%

Source: CFW Water Department project files



**Exhibit I - Initial Cost Estimate versus Final Cost Paid to Contractor
All Projects (Continued)**

Work Order No.	Original Cost Estimate	City Payment to Contractor	City Payment Over/(Under) Original Cost Estimate	Percentage City Payment Over/(Under) Developer Payment
35	\$7,055.00	\$7,055.00	\$0.00	0.0%
36	\$10,301.80	\$11,301.80	\$1,000.00	9.7%
37	\$3,010.00	\$3,010.00	\$0.00	0.0%
38	\$8,200.00	\$8,200.00	\$0.00	0.0%
39	\$23,128.70	\$23,128.70	\$0.00	0.0%
40	\$17,634.50	\$17,634.50	\$0.00	0.0%
41	\$10,662.50	\$10,662.50	\$0.00	0.0%
42	\$21,290.00	\$21,290.00	\$0.00	0.0%
43	\$47,130.20	\$62,925.20	\$15,795.00	33.5%
44	\$4,315.00	\$17,793.00	\$13,478.00	312.4%
45	\$9,981.00	\$9,981.00	\$0.00	0.0%
46	\$19,549.00	\$19,549.00	\$0.00	0.0%
47	\$4,679.00	\$6,961.80	\$2,282.80	48.8%
48	\$83,460.00	\$83,460.00	\$0.00	0.0%
49	\$31,641.41	\$35,140.83	\$3,499.42	11.1%
50	\$17,243.60	\$17,628.60	\$385.00	2.2%
51	\$32,011.30	\$32,011.30	\$0.00	0.0%
52	\$41,060.40	\$41,994.40	\$934.00	2.3%
53	\$3,361.00	\$3,361.00	\$0.00	0.0%
54	\$2,534.00	\$2,534.00	\$0.00	0.0%
55	\$9,505.00	\$9,504.99	(\$0.01)	0.0%
56	\$5,173.80	\$5,173.80	\$0.00	0.0%
57	\$11,515.00	\$12,302.47	\$787.47	6.8%
58	\$22,093.80	\$21,368.80	(\$725.00)	-3.3%
59	\$6,300.00	\$6,510.00	\$210.00	3.3%
60	\$5,282.50	\$7,363.75	\$2,081.25	39.4%
61	\$16,761.60	\$16,675.60	(\$86.00)	-0.5%
TOTALS	\$1,727,097.59	\$1,991,555.76	\$264,458.17	15.3%

Source: CFW Water Department project files



Exhibit II - Cost and Payment Information for Developer-Only Projects

Work Order No.	Estimated Construction Cost, per Initial Cost Estimate	Admin Fee (10%)	Total Estimated Construction Cost, per Initial Cost Estimate	Authorized Developer Cost, per Project Authorization Form	Developer Payment to the City	City Payment to Contractor
3	7,628.20	762.82	8,391.02	8,391.02	8,391.02	7,920.20
4 ¹	11,506.40	1,150.64	12,657.04	12,657.07	0.00	11,506.40
8	22,135.90	2,213.59	24,349.49	24,349.49	24,349.49	25,621.90
17	6,944.00	694.40	7,638.40	7,638.40	7,638.40	12,480.00
21	7,350.00	735.00	8,085.00	8,085.00	8,085.00	8,660.00
23	5,350.00	535.00	5,885.00	5,885.00	5,885.00	5,350.00
26	2,150.00	215.00	2,365.00	2,365.00	2,365.00	2,150.00
28	5,664.00	566.40	6,230.40	6,230.40	6,230.40	5,664.00
30	19,208.50	1,920.85	21,129.35	21,129.35	21,129.35	18,898.50
32	28,784.40	2,878.44	31,662.84	31,662.84	31,662.84	38,424.40
34	35,056.40	3,505.64	38,562.04	38,562.04	38,562.04	35,056.40
36	10,301.80	1,030.18	11,331.98	11,331.98	11,331.98	11,301.80
38	8,200.00	820.00	9,020.00	9,020.00	9,020.00	8,200.00
39	23,128.70	2,312.87	25,441.57	25,441.57	25,441.57	23,128.70
43	47,130.20	4,713.02	51,843.22	51,843.22	51,843.22	62,925.20
44	4,315.00	431.50	4,746.50	4,746.50	4,746.50	17,793.00
45	9,981.00	998.10	10,979.10	10,979.10	10,979.10	9,981.00
46	19,549.00	1,954.90	21,503.90	21,503.90	21,503.90	19,549.00
47 ²	4,679.00	467.90	5,146.90	5,146.90	N/A	6,961.80
51	32,011.30	3,201.13	35,212.43	35,212.43	35,212.43	32,011.30
53	3,361.00	336.10	3,697.10	3,697.10	3,697.10	3,361.00
54	2,534.00	253.40	2,787.40	2,787.40	2,787.40	2,534.00
56	5,173.80	517.38	5,691.18	5,691.18	5,691.18	5,173.80
57	11,515.00	1,151.50	12,666.50	12,666.50	12,666.50	12,302.47
58	22,093.80	2,209.38	24,303.18	24,303.18	24,303.18	21,368.80
59	6,300.00	630.00	6,930.00	6,930.00	6,930.00	6,510.00
60	5,282.50	528.25	5,810.75	5,810.75	5,810.75	7,363.75
61	16,761.60	1,676.16	18,437.76	18,437.76	18,437.76	16,675.60
Totals	\$384,095.50	\$38,409.55	\$422,505.05	\$422,505.08	\$404,701.11	\$438,873.02
	Less: Administrative Fee - 10% of Estimated Construction Costs Paid				(36,791.01)	N/A
					\$367,910.10	\$438,873.02

Source: CFW Water Department project files

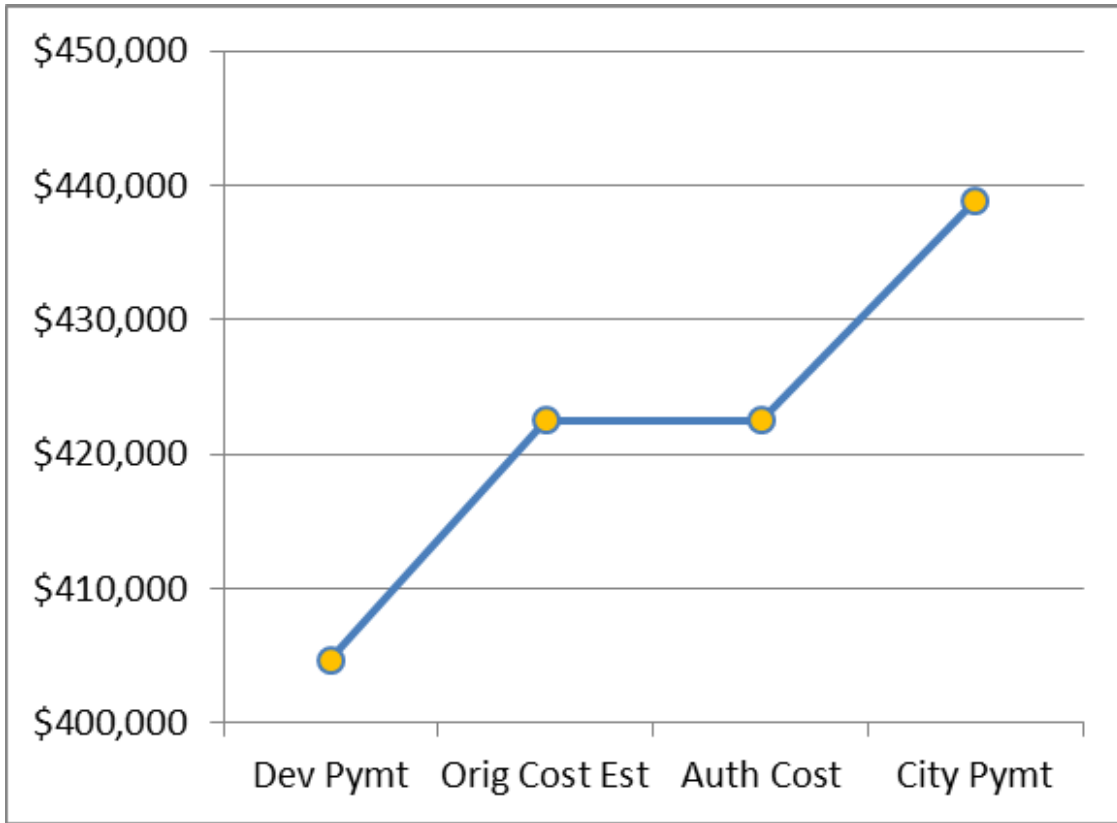
\$70,962.92

¹ Developer payment for construction cost not received by CFW

² No evidence of funds transferred from CFW Aviation Department to Water Department



Exhibit II - Cost and Payment Information for Developer-Only Projects (Continued)



Source: CFW Water Department project files