
**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

ITSD PUBLIC SAFETY
AUDIT OF RADIO SYSTEM CONTRACT
PROJECT NO. AU24-034
JUNE 24, 2024

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CITY AUDITOR



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of Information Technology Services Department (ITSD) Public Safety, specifically the Radio Contract for the Alamo Area Regional Radio System (AARRS). The audit objective and conclusion follow:

Determine if agency agreements for the public safety radio system are adequately monitored to ensure compliance.

The agency agreements for the public safety radio system are adequately monitored to ensure compliance. ITSD has effective procedures in place to ensure the Contract Administrative Plan (CAP) utilized to monitor the agency agreements contained accurate information from key sections of the agreement. Also, ITSD has effective controls to ensure Dailey & Wells Communications, Inc. (DWC) provided the appropriate deliverable for each milestone.

Additionally, ITSD has adequate procedures in place to verify DWC invoices were properly approved, the system costs met the budget, and the system costs were accurately appropriated among the radio system owners. Lastly, ITSD has sufficient controls in place to ensure the radio system tower sites are physically secured.

We made no recommendations to ITSD Public Safety, consequently, no management responses are required. Management's Acknowledgement of these results is in Appendix B on page 7.

Background

The City of San Antonio (COSA) entered into a Public Safety Radio Systems Agreement with Dailey & Wells Communications, Inc. (DWC) in March 2018. Under this agreement, DWC was to construct and deliver a new P25 Radio System, referred to as the Alamo Area Regional Radio System (AARRS). This project was organized into multiple milestones, with each milestone having a cost budget and a target date for completion. The AARRS was selected to replace the legacy Enhanced Digital Access Communication System (EDACS).

AARRS is a newer, more technologically advanced radio network for the region which allows public safety responders and more than 23,000 subscribers to communicate with each other across more than 50 agencies, including smaller police departments, schools, universities, and volunteer fire departments. AARRS is expected to transmit more than 90 million push-to-talk communications annually, which is more than double the number of communications transmitted in prior years. The new radio system increased the number of radio towers from 12 to 28 and provides improved audio quality and enhanced coverage across more than 1,200 square miles of the city and county with extended coverage beyond the county. On September 23, 2022, the AARRS was placed in service, and technicians began to program and migrate users from the EDACS to AARRS. On June 30, 2023, EDACS was turned off and decommissioned. The AARRS cost was \$80 million to purchase and install and \$28 million for 15 years of ongoing maintenance and support.

DWC monitors AARRS using a Network Operations Center (NOC) that runs 24 hours a day, 365 days a year. The Radio Services team of the Information Technology Services Department (ITSD) is the sole City department responsible for AARRS. Radio Services works in conjunction with DWC with all communication handled by the IT Manager. Police and Fire are considered customers of Radio Services and thereby hold no responsibilities with AARRS.

An Interlocal Agreement (ILA) was also executed between COSA, Bexar County, and City Public Service Energy (CPS) to establish shared ownership of the new radio system. Ownership percentages were delegated as COSA-56%, Bexar County-22%, and CPS-22%. DWC typically invoiced COSA for 100% of the system costs. COSA then invoiced Bexar County and CPS each for 22% of the costs. The ILA also provided for two committees, the Executive Committee (EC) and the Joint Operations Committee (JOC), which continue to meet regularly to discuss AARRS operations, maintenance, and any pending issues.

Audit Scope and Methodology

The audit scope included all documents and systems used to monitor the agency agreements for the AARRS and covered FY 2022 through FY 2023.

To gain an understanding of the AARRS and the agency agreements, we interviewed ITSD personnel and conducted walkthroughs of the Radio Services Agreement and Interlocal Agreement terms, including the milestones and budgets of the project, contract monitoring, ownership of the radio system and equipment, and the physical security of the tower sites. The Radio Services Agreement and the Interlocal Agreement were our primary criteria for this audit. We assessed internal controls relevant to the audit objective. This included a review of policies and procedures for monitoring the agreements.

We reviewed the contract administration plan (CAP) for this agreement to determine if the CAP included the required contract elements and key contract terms and if ITSD was addressing non-compliance issues. We also reviewed the completion dates of project milestones to determine if milestone target dates were met per the Radio Systems agreement. Additionally, we reviewed invoices submitted by DWC for system costs to verify accuracy and to verify milestone budgets were met. Furthermore, we reviewed COSA payments to DWC to verify accuracy and to verify the appropriate reimbursements were received from Bexar County and CPS. Lastly, we tested tower sites to determine if the tower sites are properly secured.

We relied on computer-processed data in SAP to validate the system costs paid by each radio system owner. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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.

Audit Results

ITSD has effective procedures in place for monitoring key contract provisions of the Radio Services Agreement. We reviewed the contract administration plan (CAP) for this agreement and determined the CAP contained accurate information from all the required elements per the Administrative Directive and the key sections of the agreement.

In addition, ITSD has effective controls in place to ensure DWC provided a complete, functioning, and supported radio system. We reviewed and discussed 12 project milestones with ITSD to confirm the expected deliverable for each milestone. We determined DWC provided the appropriate deliverable for each of the 12 milestones.

Furthermore, ITSD has adequate procedures for verifying the radio system costs met the projected milestone budgets and were accurately invoiced by DWC. For the 12 milestones, we reviewed 13 invoices totaling \$20,511,459 submitted by DWC for system costs. We determined the 13 invoices were properly approved, the system costs for all 12 milestones matched the budgets assigned, and the system costs were accurately appropriated. We also reviewed the payments made by COSA for these 13 invoices. We determined the payments were processed for the correct amount, and the appropriate reimbursements were received from Bexar County and CPS.

Lastly, ITSD has sufficient controls in place to ensure the radio system tower sites are secured. Of the 28 total tower sites, we physically visited 16 tower sites and determined the perimeters of the tower sites are properly secured by fences with razor wire and locked gates. We also determined the shelters located at the tower sites are adequately secured by a locked door with an alarm that notifies the Network Operations Center when it is opened.

Appendix A – Staff Acknowledgement

Buddy Vargas, CPA, CIA, CFE, Audit Manager
Michael Gutierrez, Auditor in Charge
Kaycie Requejo, Auditor
Jeffrey Barrs, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

June 10, 2024

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of ITSD Public Safety Radio System Contract

The Information Technology Services Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

The Information Technology Services Department:

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

R. Craig Hopkins Jr.

Craig Hopkins
Chief Information Officer
Information Technology Services Department

10 Jun 2024

Date

Ben Gorzell

Ben Gorzell
Chief Financial Officer
City Manager's Office

6/11/2024

Date

