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

**CENTER CITY DEVELOPMENT AND OPERATIONS
DEPARTMENT**
AUDIT OF GO RIO SAN ANTONIO CONTRACT
PROJECT NO. AU24-005
AUGUST 29, 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 Center City Development and Operations (CCDO) Department, specifically the Go Rio San Antonio Contract. The audit objectives, conclusion, and recommendations follow:

Determine if the Go Rio San Antonio contract is adequately monitored and key terms are complied with.

CCDO has adequate contract monitoring procedures in place. River barge concession revenue is accurate and properly supported. River barge maintenance and inspections are performed, Go Rio staffing levels and compensation are in accordance with the contract, and Small Business Economic Development Advocacy (SBEDA) subcontracting goals are being met.

However, existing controls could be improved over training. Go Rio barge drivers are not trained in accordance with contractual requirements.

We provided recommendations to management to strengthen controls and resolve identified issues. CCDO management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix C on page 9.

Background

CCDO’s mission is to initiate and facilitate livability, commerce, infrastructure, and prosperity for a vibrant Center City. The Contracts and Concessions Division, supports that mission by overseeing the Downtown San Antonio River Barge Concessions Contract (Go Rio San Antonio Contract).

Go Rio San Antonio (Go Rio) was originally awarded a 10-year river barge concession contract with the City, effective October 1, 2017, which has since been extended to September 30, 2030. To promote San Antonio tourism, Go Rio operates 44 battery powered river barges to offer multiple fixed tour and taxi services and rotates a number of unique experiences for guests. Among these services are 35-minute narrated cruises, dining cruises, chartered cruises, river shuttles and most recently, seasonal kayaking and paddle boarding. Refer to Appendix A on page 7 for the pricing schedule.

The City of San Antonio (City) receives a percentage of revenue generated from these services and operating fees from Go Rio. **Table 1** details these percentages and fees.

Table 1. Revenue Allocation by Fiscal Year

Type	Revenue Allocation to the City		
	2022	2023	2024
River Barge Services	52%	53%	53%
Food, Drink and Merchandise	15%	15%	15%
Barge Use Fee	\$66,250 per month	\$66,250 per month	\$66,250 per month
River Barge Improvement Fee ¹	0%	0%	20%
Homeless Fee	\$0.50 per ticket	\$0.50 per ticket	\$0.50 per ticket
Go Rio Utilities	Varies by usage	Varies by usage	Varies by usage
City Property Lease	\$376.00 per month	\$413.60 per month	\$454.96 per month

Note 1: This fee, assessed at \$0.75 per ticket and \$30.00 per charter, is now split 80-20 in favor of Go Rio. The fee is intended to be utilized for barge maintenance and improvements.

Source: Go Rio San Antonio Contract and Amendments

This contract generated the City of San Antonio \$11,121,331 and \$7,688,197 in revenue for fiscal years 2023 and 2024 (through May 31, 2024) respectively.

Go Rio is responsible for safety by ensuring training, barge maintenance, and general upkeep of facilities is performed. The contract is assigned to a CCDO Contract Monitor who reviews Go Rio’s compliance with key terms of the agreement through the use of a Contract Administration Plan.

Audit Scope and Methodology

The audit scope was fiscal year 2022 through May 2024 and included CCDO contract monitoring efforts, accuracy of barge revenue and fees received, barge maintenance, management of Go Rio personnel, and SBEDA compliance.

To gain an understanding of contract monitoring operations, we interviewed CCDO, Go Rio, and Economic Development Department (EDD) personnel and conducted walkthroughs over contract monitoring processes, revenue calculation review, and river barge operations and maintenance. The Go Rio San Antonio Contract and subsequent amendments were our primary criteria for this audit.

We assessed internal controls relevant to the audit objective. This included a review of the contract, amendments, and the Contract Administration Plan. In addition, as part of our testing procedures we examined the following areas:

- Determined if correct payments were made to the City per review of the concession reports.
- Confirmed annual reviews are performed by an independent accounting firm to assess the accuracy of payments to the City.
- Verified river barge inspections and maintenance are performed.
- Confirmed Go Rio facilities have an adequate Best Practices Management Plan to address the Clean Water Act.
- Confirmed adequate staffing levels are maintained and personnel training is conducted by Go Rio.
- Determined if Go Rio is in compliance with SBEDA subcontracting goals.

We relied on computer-processed data in the SAP system to validate the accuracy of barge revenue and operating fees. 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 and Recommendations

CCDO is adequately monitoring Go Rio and key contract terms are complied with. We reviewed the current Contract Administration Plan (CAP) and confirmed key contract requirements are being monitored and addressed. Further, we confirmed requirements such as insurance, letter of credit, and annual review by an independent accounting firm were fulfilled by Go Rio for FY 2023.

River barge concession revenue was accurate and properly supported. We confirmed the accuracy of calculations for barge ticket sales, merchandise, food and beverage revenue, river barge improvement fees, and homeless fees. Our review included four months during FY 2023 through 2024, totaling \$3,005,660 in revenue.

Furthermore, we confirmed Go Rio is performing river barge maintenance and inspections. We reviewed documentation for a sample of 10 barges and confirmed barge daily checks were performed, preventative maintenance was conducted, and annual inspections were completed. Additionally, we conducted a site visit of Go Rio facilities and determined the battery storage area was organized and product safety sheets were available for chemicals utilized.

Lastly, we determined Go Rio employee management and SBEDA compliance is in accordance with the contract. We reviewed Go Rio's personnel and confirmed they meet the required staffing levels as outlined in the contract. Further, for a selection of 25 Go Rio employees, we verified they were appropriately compensated, and eligible employees were offered benefits in accordance with contractual requirements. We also confirmed Go Rio was meeting their SBEDA subcontracting goal of 16% as of March 2024.

A. Go Rio Training

Go Rio employees are not trained in accordance with contractual requirements. Per the contract, Go Rio shall provide the following (at a minimum) for barge drivers:

- Eight (8) hours of safety instruction to each new barge driver,
- Semi-annual refresher safety classes of no less than four (4) hours in duration,
- Twenty-four (24) hours of training by an experienced barge driver,
- Final certification by a manager, and
- Re-evaluate barge drivers every 90 days.

We selected a sample of 15 barge drivers and determined they received 8 hours of initial safety instruction, 24 hours of training by an experienced driver, and a final certification by a manager. However, the drivers did not consistently receive semi-annual refresher safety classes or 90-day

reevaluations. Of the 15 drivers tested, 9 drivers did not attend a semi-annual refresher safety class during 2022 and/or 2023. Furthermore, 11 drivers did not receive a 90-day reevaluation during 2022 and/or 2023.

CCDO does not have adequate controls in place to confirm Go Rio employees have received all required training. Inadequate training could lead to a poor customer experience and compromise customer safety.

Recommendation

CCDO Director modify existing controls to ensure barge drivers are receiving all required training.

Appendix A – Pricing Schedule

RIVER BARGE (minimum 35 minutes). Price Per Ticket.				
Fiscal Year	Adult	Local Resident	Child	Military & Senior
10/1/21-9/30/22	\$13.50	\$11.50	\$7.50	\$10.50
10/1/22-9/30/23	\$14.50	\$12.50	\$8.50	\$11.50
10/1/23-9/30/24	\$14.50	\$12.50	\$8.50	\$11.50

RIVER BARGE TOUR (minimum 35 minutes). Price per package of 25 tickets.				
Fiscal Year	Adult	Local Resident	Child	Military
10/1/21-9/30/22	288.75	246.25	161.25	225.00
10/1/22-9/30/23	310.00	267.50	182.50	246.25
10/1/23-9/30/24	310.00	267.50	182.50	246.25

RIVER BARGE TAXI SERVICE. Price per tickets.			
Fiscal Year	Taxi Museum Reach & Downtown		
	1 Day Pass	3 Day Pass	Local Resident Monthly Shuttle
10/1/21-9/30/22	\$19.50	\$28.50	\$26.00
10/1/22-9/30/23	\$20.50	\$29.50	\$27.50
10/1/23-9/30/24	\$20.50	\$29.50	\$27.50

CHARTER RATES Rental rate to charter River Barge. Minimum charter period should be one hour. Half hour rate shall represent charge for each half hour or portion of half hour-following first hour charter.				
Fiscal Year	General Public		Schools, Sr. Citizens, Non-Profits	
	Peak Time	Non-Peak Time	Peak Time	Non-Peak Time
10/1/21-9/30/22	\$210/hr	\$160/hr	\$160/hr	\$110/hr
	\$105/half hr	\$80/half hr	\$80/half hr	\$55/half hr
10/1/22-9/30/23	\$220/hr	\$170/hr	\$170/hr	\$120/hr
	\$110/half hr	\$85/half hr	\$85/half hr	\$60/half hr
10/1/23-9/30/24	\$220/hr	\$170/hr	\$170/hr	\$120/hr
	\$110/half hr	\$85/half hr	\$85/half hr	\$60/half hr

Unique Programming Rotates frequently and pricing will vary but is approved by City of San Antonio CCDO Department
Source: Downtown San Antonio River Barge Concession Contract

Appendix B – Staff Acknowledgement

Abigail Estevez, CPA, CIA, CISA, Audit Manager

Rudy Carrasco, Auditor in Charge

Michael Gutierrez, Auditor

Appendix C – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

August 22, 2024

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

RE: Management's Corrective Action Plan for Audit of CCDO Go Rio San Antonio Contract

Center City Development and Operations Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Go Rio Training CCDO Director modify existing controls to ensure barge drivers are receiving all required training.	5	Accept	John Prather, Administrator	Complete

Audit of Center City Development and Operations Department
Go Rio San Antonio Contract

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><u>Action plan:</u></p> <p>CCDO-Contracts has reviewed and accepts Internal Audit's recommendation. Staff has amended the Contract Administration Plan (CAP) to increase monitoring of barge driver training for consistency with contract requirements. The new monitoring efforts include requesting detailed reporting on training from Go Rio twice per fiscal year. Staff will then randomly sample the employee training records of a small number of drivers to confirm accuracy of the provided reporting. Any discrepancies will immediately be brought to the attention of Go Rio and CCDO's executive leadership.</p> <p>Prior to implementing this process improvement, the CAP included a requirement for CCDO contract staff to request training records of a random sample of barge drivers once per year. CCDO-Contracts staff last completed the training verification on February 5, 2024, and that effort showed compliance with most training requirements, with a few sampled employees falling just outside of the 90-day re-evaluation requirement. Audit's in-depth review identified that an adjustment of the CAP is necessary; by implementing this adjustment to the CAP, CCDO will confirm that all employee training is current and consistent with contract requirements. Any deficiencies will be promptly communicated and immediately resolved.</p> <p>Since identification of barge driver training non-compliance, Go Rio has provided a report detailing the status of trainings for all barge drivers. Go Rio has confirmed that all barge driver training is now complete and in compliance. CCDO will next request the training records from Go Rio in November/December and then sample employee training records. The second annual verification effort will initiate in April/May.</p>				

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

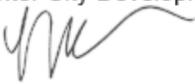
Sincerely,



 John Jacks
 Director
 Center City Development and Operations

8/22/2024

 Date



 Lori Houston
 Assistant City Manager
 City Manager's Office

08/26/202

 Date