



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 5

Agenda Date: November 14, 2023

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU23-024 Audit of ITSD Contract Administration.

SUMMARY:

Determine if ITSD vendor contracts for equipment and services are monitored and deliverables are being met.

BACKGROUND INFORMATION:

Background

The Information Technology Services Department (ITSD) provides technology services for the City of San Antonio (COSA) to include acquisition, implementation, and oversight of hardware and software solutions.

Procurements can vary widely from equipment such as laptops and monitors; to facilities maintenance services; to software planning, creation, and implementation. These services and equipment are generally acquired in one of two ways: through the Texas Department of Information Resources (DIR) or through City-issued contracts. Procuring through the DIR allows the City to obtain the cost benefits of negotiations by the State by leveraging its purchasing power to negotiate better discounts and save time in procuring needed services while maintaining compliance with state and local procurement laws and regulations, including the ability to procure locally.

ITSD manages these contracts through assigning ownership to various managers throughout the department (contract owners). These contract owners are the responsible individuals for ensuring contracts comply with stated terms; performance is monitored; and deliverables are being met, and are provided on-time, and within budget.

Scope & Methodology

We assessed internal controls relevant to the audit objective. This included a review of contract administration plans. Additionally, we reviewed insurance requirement monitoring, Small Business Economic Development Advocacy (SBEDA) monitoring, and existence of relevant bond documentation. Additionally, we reviewed controls over vendor performance and fiscal controls over contract budgets and payments.

Conclusions

While contract owners are monitoring for performance and payment under the contract, responsibilities for specific contract administration tasks are not always clearly delineated within ITSD. Additionally, ITSD is not adequately monitoring insurance requirements and insurance requirements for DIR contracts are not consistent with City-issued contracts. Finally, SBEDA monitoring for IT contracts was not consistent.

We made recommendations to improve these areas. Management agreed with the recommendations and developed positive corrective action plans.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

N/A

ALTERNATIVES:

None

RECOMMENDATION:

Staff recommends acceptance of this report.