



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 3

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 AU22-005 Audit of Citywide Contractor Pools.

SUMMARY:

Determine if spending within Contractor Pools is evenly distributed based on past expenditures for services provided.

BACKGROUND INFORMATION:

Background

Contractor pools are a type of ordinance agreement used by the City. They are created when City Council approves a single ordinance agreement to conduct business with multiple contractors who perform similar services. Departments may refer to contractor pools as job order contracts (JOC), on-call contracts, task-order contracts, annual contracts, or indefinite delivery/indefinite-quantity

(IDIQ) contracts. These contract types operate in similar ways within the City. Some advantages are time and cost savings. It is more efficient for departments to select an approved contractor from the contractor pool when recurring services are needed.

The City may award contracts to two or more contractors, especially when the expected volume exceeds the capacity of a single contractor, or the scope of services required is outside that of a single contractor. Approximately 200 contractors participate in the City's contractor pools.

Departments are responsible for selecting a contractor from the contractor pools based on department needs, contractor expertise, and available contract capacity. Additionally, departments ensure performance of the agreed-upon services.

Scope and Methodology

The audit scope covered all active ordinance agreements for services provided to City departments as of March 2023. We reviewed a sample of City departments to determine if policies and procedures existed for documenting contractor selection methods, recording past performance, and monitoring remaining contract capacity within contractor pools. We also obtained the approximate total expenditures for a sample of 40 contractors included in 8 contract pools to determine if expenditures were reasonably balanced amongst the contractors participating in the pool.

Conclusions

Overall, spending on Contractor Pools is evenly distributed among contractors based on past expenditures. We determined that expenditures for contractor services provided within contractor pools were reasonably balanced and were not disproportionately allotted to one contractor over another. However, we identified administrative opportunities related to citywide policies and procedures, specifically processes associated with documenting contractor selection methods, recording past performance, and monitoring remaining contract capacity.

We made recommendations to improve these opportunities. 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.