



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 5

Agenda Date: December 6, 2022

In Control: Audit and Accountability Committee Meeting

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU21-028 Audit of PWD City Hall Renovation

SUMMARY:

Determine if oversight of the City Hall renovation project is adequate to include monitoring of contractors and funding.

BACKGROUND INFORMATION:

Background

In May 2018, City Council approved the City Hall Renovation Project and \$38 million were initially appropriated to this project with Guido Brothers Construction engaged as the primary contractor. In July 2018, City Council members and City employees were relocated to the Plaza de Armas building or temporary modular buildings erected by Davila Plumbing. As of July 2022,

total cost for renovation was approximately \$41 million.

To establish adequate oversight and confirm contractor compliance, various departments were involved. Public Works Department's (PWD) Special Interest Division was responsible for overall project management. Finance's Purchasing Division was responsible for monitoring compliance with contractor requirements such as insurance and bonds. Economic Development Department confirmed compliance with contractual requirements like Small Business Economic Development Advocacy Program (SBEDA) goals and prompt payment to contractors. Finally, the City Manager's Office was responsible for compiling an inventory listing of the furniture and fixtures purchased as part of the renovation.

Scope and Methodology

The audit scope included fiscal years 2018 through 2022. We reviewed contractor requirements such as project management, submission of deliverables, certificates of insurance, and adequate bond coverage. In addition, we confirmed contractor compliance with SBEDA goals. We also reviewed City requirements such as obtaining prior authorizations, site inspection performance, materials/equipment testing, and asset management. Furthermore, we reviewed payment applications to confirm expenses were allowable, approved, and properly supported. Lastly, we reviewed user access listings for projects to confirm user access was appropriate.

Conclusions

Oversight of the City Hall renovation project is adequate to include project management. PWD performs routine site inspections, reviews project deliverables, and confirms testing is performed over materials and equipment throughout the project.

However, there are opportunities to improve contract monitoring, specifically reviewing contract requirements such as insurance and bonding.

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 and Accountability Committee.

FISCAL IMPACT:

None

ALTERNATIVES:

N/A

RECOMMENDATION:

Staff recommends acceptance of this audit report.