

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2004	<b>Airport Terminal Area Redevelopment Construction Contract</b>		Issued: <b>6/4/2020</b>	
1A	The Aviation Director should ensure adequate supporting documentation is provided to evaluate the reasonableness of proposed general conditions costs, approve a detailed budget of allowable costs and incorporate the budgeted costs into the contract documents.	Dec 2020: The Aviation department has developed a new Construction Manager at Risk process manual. This guidance addresses reviewing general conditions costs and requiring a detailed cost breakdown to aid in this cost evaluation. Auditors reviewed documents for a recent Aviation CMAR contract, which included the general conditions cost breakdowns and typical types of costs.	Implemented	<input checked="" type="checkbox"/>
1B	The Aviation Director should ensure that all allowances are identified and included in the Allowance Log.	Dec 2020: The Aviation department's new CMAR manual includes requiring the CMAR to submit requests for allowance use with supporting documentation. Further, allowances are to be logged and monitored throughout the project. Auditors reviewed an example from a recent Aviation contract.	Implemented	<input checked="" type="checkbox"/>
1C	The Aviation Director should use independent cost estimate results and reviews of the GMP proposal when negotiating the GMP amount and document the negotiations.	Dec 2020: The Aviation department's new CMAR manual requires independent cost evaluation of CMAR costs that did not involve at least three bids. Also, the related cost review and negotiation documentation is to be retained. Auditors reviewed example cost documentation from a recent Aviation project.	Implemented	<input checked="" type="checkbox"/>
1D	The Aviation Director should ensure detailed subcontractor selection plans are submitted with RFQ proposals and evaluate them during contractor selection.	Dec 2020: The Aviation department's new CMAR manual requires the contract administrator to ensure subcontractor selection plans are submitted as part of the Statement of Qualifications and evaluated by the CMAR selection committee. Auditors reviewed the subcontractor selection plan submitted by the awarded contractor for a recent Aviation CMAR RFQ. As well, the manual states the contract administrator should confirm the CMAR is using its subcontractor selection plan during the awarded contract.	Implemented	<input checked="" type="checkbox"/>

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2A	The Aviation Director should ensure supporting information is provided for modifications to the approved Schedule of Values and changes are reviewed and approved. Further, Aviation should seek reimbursement for overpaid amounts.	Dec 2020: The Aviation department's new CMAR manual requires the contract administrator to approve all Schedule of Values changes, and this is to be verified as part of the pay application review process. As well, the department is working to recover overpaid amounts from this CMAR, including evaluating any additional information provided. Most recently, while the CMAR agreed that some change orders and back-charges were not properly processed or reported, it wants to retain those amounts to cover "unfunded" costs. May 2021: The department reported it is currently using its new CMAR process manual for another ongoing project. Additionally, the department and the CMAR contractor settled the questioned costs, with Airport receiving a check for \$91,000.	Implemented	<input checked="" type="checkbox"/>
2B	The Aviation Director should monitor and verify the use of allowances.	Dec 2020: The Aviation department's new CMAR manual requires that the CMAR submit requests for use of allowances with supporting documentation. Allowance requests are to be logged and monitored, and costs are reviewed before the contract administrator will decide whether to approve. (This log is also being used to track contingency funds.)	Implemented	<input checked="" type="checkbox"/>
2C	The Aviation Director should establish procedures for submitting, reviewing, and approving change requests.	Dec 2020: The Aviation department's new CMAR manual states each change order request must have supporting documentation. After a cost review and negotiation, the contract administrator will evaluate approval. These change orders or contingency fund uses will be logged and monitored along with allowances.	Implemented	<input checked="" type="checkbox"/>

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2D	<p>The Aviation Director should establish procedures for verifying the accuracy of amounts submitted for reimbursement on monthly pay applications, such as ensuring adequate supporting documentation is provided and tracking cumulative amounts invoiced. Additionally, Aviation should seek reimbursement for overpaid amounts.</p>	<p>Dec 2020: The Aviation department's new CMAR manual states that the contract administrator will review pay applications for accuracy and supporting documentation. For example, specifically mentioned are the general conditions, insurance, bonds and fee; percentages of completed work; subcontractor amounts; and uses of allowances and contingencies. Further, the department is working to recover overpaid amounts and review any additional information provided by the CMAR. May 2021: The department reported it is currently using its new CMAR process manual for another ongoing project. Additionally, the department and the CMAR contractor settled the questioned costs, with Airport receiving a check for \$91,000.</p>	Implemented	<input checked="" type="checkbox"/>
3	<p>The Aviation Director should adopt policies and procedures for the retention of contract-related documents.</p>	<p>Dec 2020: The Aviation department had established document retention guidelines. Some documents are retained in print form (particularly procurement and contract-related files), while most construction-related files are retained electronically. Auditors observed the current electronic project file set up on the City's network. Electronic as-builts are to be sent to CPM, Facilities and GIS, and the print documents stored in the department's Archive room after project closeout. As well, the department is now obtaining project inspection reports as they are completed rather than at the project's end.</p>	Implemented	<input checked="" type="checkbox"/>