Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2005	**Facilities Management Contract Administration**	Issued:	**1/13/2020**	
1A	The Facilities Management department management should develop written policies and procedures and provide training to require contract administrators to ensure the billed amounts agree to the contract pricing amount and billed services are authorized and documented in the contract file. Facilities Management should also work with the City Attorney's office to recover all overpayments.	Sept 2020: The Facilities Management director reported that contract administrators have been advised it is their responsibility to verify invoiced amounts to contract pricing where applicable, and further training will be addressed in the policy creation process. The department has implemented further use of the Archibus system to log invoices and invoice and payment tracking spreadsheets for tracking invoices and change orders. Further, the director reported that staff has been reviewing and vetting past invoices for the overpaid contractor, and they will work with the vendor and Purchasing for credits as applicable, and with guidance of the City Attorney's office as necessary. Jan 2021: The department reported its staff is continuing to pay and track invoices as described in September 2020. Also, digital storage of invoices has improved, and invoices are being tracked in Archibus as well. While the department reported progress with its process improvement, it plans to begin writing policies and procedures in April for completion by July 1, 2021. Due to turnover in key positions, the department has not made progress on overpayment recovery. May 2021: The department reported it has created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated all staff have been made aware of and trained on the policies and procedures. The overpayment will not be pursued as the department decided only $15,000 was an overpayment but the company is no longer a City contractor. Auditors have requested supporting documentation for review. September 2021: The department reported staff training occurs through biweekly staff meetings. They do not intend to pursue any overpayment as they believe all services were provided although the verification process was not clear.	Part Impl'd	☑

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1B	The Facilities Management department management should develop written policies and procedures and provide training to require contract administrators to retain the agreed-upon scope of work and pricing quote in the contract file and verify that the work performed matches the agreed-upon scope and the billed amounts match the agreed-upon pricing.	Sept 2020: The Facilities Management director reported that contract administration staff has started training in Sharepoint use. When all users are proficient, they plan to develop written procedures for the Sharepoint site requirements. Also, they have created a project requirement checklist to ensure the required contract documents for each project/contract are in its electronic folder. Also, staff have created standard folder naming conventions and setup the Sharepoint site organization. They are working with Purchasing to create standard templates, including scope of work, suitable for use with City and other government contracts. Jan 2021: The department reported it has not yet developed policies and procedures but is making progress in developing organized document storage in Sharepoint. This includes storing the standard templates developed with Purchasing. The department also reported that a project folder checklist is now in place and will be used to ensure document retention compliance. In addition, some work order requests are being tracked in Archibus. Auditors will review again as invoice review procedures are developed and formalized. May 2021: The department reported it has created two standard operating procedures for contract coordinators on annual contracts and project management. These include a project folder checklist of required documentation. The department also stated all staff has been made aware of and trained on the new policies and procedures. Auditors have requested supporting documentation. Sept 2021: Auditors reviewed the standard operating procedures and documentation stored in the department's SharePoint.	Implemented	☑

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2A	The Facilities Management department management should develop policies and procedures and train its contract administrators to document contract requirements and contractor performance measures, monitor contractor performance, and consistently and effectively address performance concerns, including use of potential financial and other penalties when appropriate.	Sept 2020: The Facilities Management director reported that custodial performance will be monitored using Archibus and management is in the process of training contract administrators on proper methods of documenting poor contractor performance. Management has created a City Daily Report, which can be used for certain contracts' management such as construction projects. Recently, the department has used two part-time employees from the Parks and Recreation department to assist with monitoring custodial vendor work. Due to the high volume of custodial work being performed across the City, the director believes another contract administration position is needed to assist with workload. Jan 2021: The department reported that the two loaned City employees are assisting with verifying custodial services performance, including pictures of poor or acceptable performance. Auditors reviewed documentation maintained to address recent problematic contractor performance. The department still plans to develop written procedures to help assure consistent monitoring, documentation and problem resolution. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. As well, the department noted that the two loaned employees have been trained and continue to monitor vendor performance. Auditors will review implementation of the new procedures and related documentation, such as vendor performance and invoice review and tracking. Sept 2021: Auditors reviewed the standard operating procedures and the monitoring documentation maintained in the department's SharePoint.	Implemented	☑

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2B	The Facilities Management department management should develop policies and procedures and train its contract administrators to retain documentation in the contract file as required by AR 215, Contract Administration, and as needed based on the applicable contract's terms.	Sept 2020: The Facilities Management director reported that they have created standards for contract files and documentation in Sharepoint. Document types have been created for contractor performance documents and staff will be trained on how to upload and properly name documents for the new process. Additionally, as new scope of work documents are created, performance deficiency remediation language will be included, with Purchasing's and Legal's approval. Jan 2021: The department reported its process of developing standardized documents and records retention is still underway. It also noted while performance deficiency language is currently in place for most contracts, improvement is still needed for better control of underperforming contractors. Based on auditor review, the department has begun to centrally retain documentation, but some files did not yet include the contract, contractor communications or other related documents. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated staff has been made aware of and trained on the new policies and procedures. Auditors will review documentation of the department's implementation of the new procedures. Sept 2021: Auditors reviewed the department's procedures and related documents now maintained in its SharePoint repository.	Implemented	☑

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3A	The Facilities Management department management should develop written policies and procedures that outline the necessary contract administration documentation to retain in the contract file, train its contract administrators on the City and departmental requirements, and develop a monitoring process to verify the requirements are met.	Sept 2020: The Facilities Management director reported that they are developing written policies to address records retention using Sharepoint. Starting this fiscal year, a project requirement checklist has been created to ensure minimum contract documents will be retained in each electronic project folder. Further, the director noted that while standards have been created for this fiscal year, any changes will not be implemented until next fiscal year. Jan 2021: The department reported document retention and organization is still underway. Further, the Facilities Service Area Manager will be responsible for checking completeness of the digital folders. However, policies and procedures have not yet been written. Based on auditor review, the files do not yet have an organized file naming structure so it's difficult to determine if documentation is complete, and there was not yet evidence of management review. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. Also, new SharePoint files have been created for all of this year's new projects, and they will be moved to Archibus in a completed-not verified status until the Service Area Manager verifies information is complete. Auditors will review documentation for implementation of the new procedures. Sept 2021: The department reported it is still working on setting a timeline for the Service Area Manager completing the final project documentation review. Dec 2021: The department reported it has established two automatically generated reports that will begin on February 1, 2022, to remind the Service Area Manager to review the contract coordinator's Sharepoint project documentation. Mar 2022: Staff marks projects as Completed-Not Verified upon completion, and Archibus emails an alert to management for project review. Auditors reviewed the Completed-Not Verified report that runs automatically every 60 days and can also be run manually to check open items.	Implemented	☑

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3B	The Facilities Management department management should establish a timely, consistent management review process to verify that contract administration files are complete and accurate.	Sept 2020: The Facilities Management director reported that contract administrators will be responsible for self-auditing their contract files using the project folder checklist. The Facilities Service Area Manager overseeing the Contracts and Projects team will be responsible for ensuring each contract administrator is maintaining files accordingly. The Archibus project will not be closed unless the minimum documentation required by Administrative Regulation 215 has been included in the Sharepoint project file. Jan 2021: The department reported it plans to have written procedures in place by July 1, 2021. They have added Archibus links to the project information page for each project to the Sharepoint documents. Also, their goal is to have two layers of review prior to closeout. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated all staff has been made aware of and trained on the new policies and procedures and a project folder checklist and review process will help ensure files are complete. Auditors will review documentation of implementation of the new procedures. Sept 2021: Auditors reviewed the department's procedures and documentation maintained in its SharePoint repository. The department reported it is still working on setting the timeline for the Service Area Manager to complete the final project documenation review. Dec 2021: The department reported it has established two automatically generated reports that will begin on February 1, 2022, to remind the Service Area Manager to review the contract coordinator's Sharepoint project documentation. Mar 2022: Staff marks projects as Completed-Not Verified upon completion, and Archibus emails an alert to management for project review. Auditors reviewed the Completed-Not Verified report that runs automatically every 60 days and can also be run manually to check open items.	Implemented	☑

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3C	The Facilities Management department management should develop written policies and procedures for prioritization, planning and scheduling its contracted service, maintenance and repair projects.	Sept 2020: The Facilities Management director reported that Archibus has a project prioritization feature and a written policy for prioritization can eventually be established and used when creating projects. Management will work with the Contracts and Projects team on prioritizing their projects based on predetermined criteria, such as seasonal work, critical work, level of disruption, immediate need, etc. Jan 2021: The department reported that the first draft of project prioritization has been established, and it will be used for project identification, scheduling and budgeting for all deferred projects identified in the Facilities operating budget. The process will be used for future projects and not for previously completed projects. Currently the priority numbers range from 1 - Life Safety/Code/Immediate ADA Compliance to 5 - Client Wishlist Requests. Additional priority levels or subpriorities will be needed to forecast work for the year once the approved project list is distributed to staff, such as seasonal work, immediate need, etc. May 2021: The department reported it is still working on drafting its prioritization and plans to complete it by July 1. In addition to the previously noted priorities, other prioritization considerations will be budget availability, event scheduling, scope of work, timeline to complete, weather, vendor availability and customer needs. Sept 2021: The department has drafted two versions of schedules to use with project and work order prioritization. They expect to complete the documents within the next 90 days. Dec 2021: The department provided its project and workload (work order) prioritization schedules. They do not currently plan to also write a policy or procedure as they will be using these prioritization schedules as guidance.	Implemented	☑