

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
<b>2107</b>	<b>Fire Station Construction Contracts</b>		<b>Issued:</b>	<b>3/24/2021</b>
1A	<p>The Public Works Director should require CPM to review construction phase services acquired through the Design Consultant to evaluate which services are necessary to be contracted rather than performed internally and the level of the services required. Also, establish guidelines to ensure required services are consistently covered from project to project.</p>	<p>Sept 2021: The City Engineer reported that he is working on developing a list of services that can be used as a template when acquiring design services. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer reported that she will prepare a template to serve as a guide when acquiring construction phase services. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported. Aug 2023: Management did not provide an update. Dec 2023: The City Engineer reported that the department is working on a guide for construction design services for project management. April 2024: The department is working on a guide for architectural/engineering service during construction. Sept 2024: A draft is under review. Completion anticipated end of Oct 2024.</p>	In Progress	<input type="checkbox"/>
1B	<p>The Public Works Director should require CPM to ensure the scope of work described in change orders is consistent with the supporting details.</p>	<p>Sept 2021: The City Engineer reported his staff has been reminded to ensure the change order description is consistent with the scope of work. Also, he reported he is reviewing change orders for completeness and accuracy, and staff procedures are being updated. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to procure construction phase services with a change order to the existing design contract and to accurately describe the scope of work being added. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer provided direction to project management staff that change orders should accurately describe the scope of work being added.</p>	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Public Works Director should require CPM to revise department policies and procedures to align with Procurement Code requirements for the authorization of large change orders and clarify policies to ensure contracts are not split to avoid requirements.	Sept 2021: The City Engineer reported that procurement policies have been reviewed and are expected to be updated by the Purchasing department. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will follow up with the Purchasing Director on the Procurement Code requirements. Jan 2023: The City Engineer reported they are working with Purchasing and the City Attorney's office on this Procurement Code requirement. Feb 2023: The City Engineer provided an executed memorandum from the City Manager delegating signature authority for large design and construction change orders requiring his approval by Procurement Code. This authority was delegated to the Public Works Director.	Part Impl'd	<input checked="" type="checkbox"/>
1D	The Public Works Director should require CPM to evaluate the design contracting process to include construction phase services in the contract's scope of work, rather than adding it later as a change order.	Sept 2021: The City Engineer reported that CPM prefers to add the construction phase services when the design is nearly complete to ensure the design consultant has performed satisfactorily prior to awarding more work.	Not Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	<p>The Public Works Director should require CPM to establish approval and communication procedures for change orders funded by force account or contingency funds. Also, work with Purchasing and the City Attorney’s Office to clarify contract language to define the term “force account” along with its allowable uses and to limit allowable change order add-ons.</p>	<p>Sept 2021: The City Engineer reported the department is working with the City Attorney's office and Purchasing to update contract templates to include a definition of a City contingency or Force Account. He also noted procedures have not yet been updated to cover changes funded by the Force Account or contingency funds. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will develop a procedure for applying force account funds. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported. Aug 2023: Management did not provide an update. Dec 2023: The City Engineer reported that CPM is working on creating a Contingency Use Authorization Form. Auditors will verify the implementation at the next follow-up. Updates to contract definitions and allowable uses, as well as department procedures are still needed. April 2024: The department is in the process of creating a contingency use authorization form. Sept 2024: The department is working with legal and Purchasing to update contract definitions. Completion anticipated at the end of Dec 2024.</p>	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	<p>The Public Works Director should require CPM to establish department policies and procedures to ensure substantial completion contractual requirements are consistently applied and evaluate whether adjustments to contractual requirements may be needed.</p>	<p>Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to complete the substantial completion certificates at the appropriate time during construction. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer directed staff via email communications that Substantial Completion forms must be completed by Construction Administration and submitted to project management staff for issuance to the contractor. Policies and procedures relating to substantial completion continue to be under review and have not yet been updated. Aug 2023: Management did not provide an update. Dec 2023: The department is now using a template form for issuing substantial completion certificates. Development of internal procedures for evaluating substantial completion and ensuring that they align with standard contract requirements continue to be in progress. April 2024: The department reported that substantial completion-related procedures will be included in a future revision of the Project Management and Construction Administration manuals. Sept 2024: In progress; completion anticipated by end of Oct 2024.</p>	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2C	<p>The Public Works Director should require CPM to establish policies and procedures for project managers to document causes for delays as they occur, including communications with the contractor regarding the causes and length of delays.</p>	<p>Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to properly document contract time extensions. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer directed project management staff to notify the contractor in writing as projects approach the end of the contract time, and require any time extension requests to be submitted in writing and formally approved or rejected by Construction Administration staff. Policies and procedures have not yet been updated.</p>	Part Impl'd	<input checked="" type="checkbox"/>
2D	<p>The Public Works Director should require CPM to clarify and/or enforce policies and procedures related to the design process, including monitoring deadlines and tracking review comments.</p>	<p>Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will review this finding further for clarification and action. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported. Aug 2023: Management did not provide an update. Dec 2023: This recommendation is in progress. April 2024: The City Engineer reported that a procedure will be issued to ensure that the design tracking sheet is being used. Sept 2024: The City Engineer provided direction to staff on monitoring design schedules and plans to update related processes in the Project Management Manual. Updates to the Manual are expected to be completed in June 2025.</p>	Part Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2E	<p>The Public Works Director should require CPM to update department policies and procedures clarifying records retention requirements and establishing quality control steps to ensure project files are complete at project closeout.</p>	<p>Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will review this finding further for clarification and action. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported. Aug 2023: Management did not provide an update. Dec 2023: The City Engineer reported that a comprehensive update of department policies and procedures is needed. We will review progress at the next follow-up, with development of the construction administration manual being high priority due to anticipated retirements of key personnel. April 2024: The City Engineer is working to update procedures to clarify record retention and project close out. Sept 2024: The City Engineer plans to submit a budget request for Project Management software to aid with record retention and documentation. Updates to project management manual is anticipated to be completed end of June 2025.</p>	In Progress	<input type="checkbox"/>