
CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of Convention & Sports Facilities

Alamodome Event Services

Project No. AU19-005

April 28, 2020

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of Convention & Sports Facilities (CSF) specifically Alamodome event service contracts. The audit objectives, conclusions, and recommendations follow:

Determine if Alamodome event services contracts are adequately managed.

Alamodome event service contracts are adequately managed. CSF management have contract administration plans in place. Overall, performance bonds and SBEDA are adequately monitored. CSF management are adequately reviewing compliance for background checks and certifications. Further, CSF management are adequately monitoring contractors' on-sight. Finally, payments to contractors are accurate and adequately monitored. However, we observed some improvements which should be made to strengthen contract monitoring efforts.

We recommend that the Convention & Sports Facilities Director:

- Work with Staff Pro to ensure all security staff who have not attended training attend. In addition, establish monitoring procedures to verify contractor requires all security staff to attend all-staff training sessions.
- Ensure contractor completes, and department receives, monthly drug tests of 5% of staff
- Work with subcontractors to ensure they obtain adequate insurance coverage and ensure sufficient monitoring of all subcontractors

CSF Management agreed with the audit findings and have developed positive action plans to address them. Management's verbatim response is in Appendix B on page 8.

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Background

The Convention and Sports Facilities Department (CSF) oversees the operation and management of the City-owned Alamodome, which opened in May 1993. It is used for conventions, sporting events, corporate events, trade shows, and concerts.

CSF has entered into 6 contracts which provide event related services. These services help support the smooth functioning of events and provide a comfortable, safe experience for patrons. Contract monitoring staff review contract administration tasks, including procurement, contract execution, insurance, bonds, and development of contract administration plans. Alamodome operational staff monitor the day-to-day activities of the contract including requesting services for events, ensuring that sufficient staff are available, verifying contractors are performing appropriately under the contract, and reviewing and approving invoices prior to payment.

The following services are provided under these contracts:

- Staff Pro (now doing business as Allied Universal) provides event attendant and event security services as two separate contracts. Event attendants aid patrons by providing directional guidance between entry points, seating areas, or other patron areas. Additionally, they provide assistance during emergency situations, assist guests with issues, greet guests upon arrival, review tickets upon entry, and provide wheelchair assistance. Additionally, Staff Pro provides supplemental security staff for events. They play an integral role in ensuring that patrons are screened when entering the Alamodome, perform bag checks, secure restricted areas, and provide a visible security present during events and specified non-event days.
- Selrico provides two services: custodial and conversion work. Custodial staff ensure the cleanliness of the Alamodome before, during, and after events and on a daily basis. This includes stocking of public restrooms, emptying trash and recyclables, sweeping, mopping, dusting, and other tasks. Supplemental conversion staff augment city staff in the transition from one event to another. Their tasks include setting up tables, chairs, and scaffolding, cleaning up setups, and other special projects such as installing and removing basketball courts or ice rinks.
- US Safety Services provides event emergency medical services. They provide for all necessary goods, materials, and equipment to perform required services. US Safety Services can provide two types of EMS

crews: Basic Life Support (BLS), which is basic EMS services, or Advanced Life Support (ALS), which typically includes an ambulance. In addition, US Safety Services provides a “muleulance” which is a medical cart used to transport individuals in need of medical services.

- PMI provides audio/visual support services to the Alamodome for various events. Contractor staff provide a supplement to City staff with positions including camera operators, technical directors, producers, audio technicians, and production assistants.
- Upstage Center provides rigging services for the Alamodome. Rigging refers to the methods and equipment used to hold other equipment such as lighting, audio, video, video screens, and set pieces in the correct position, often suspended overhead. Rigging services are provided to transition from one event to another at the Alamodome and other special projects, or maintenance and repair tasks.

During FY2019, CSF made approximately \$3.8 million in payments to event services contractors. Two contractors, Staff Pro (now doing business as Allied Universal) and Selrico, comprise 81% of the payments, or approximately \$3 million.

Audit Scope and Methodology

The audit scope was FY2019. To conduct this audit, we reviewed relevant event services contracts. Additionally, we interviewed CSF staff regarding administration of event services contracts and roles and responsibilities. Additionally, we reviewed CSF contract compliance manuals and policies and procedures. Finally, we reviewed pertinent documentation related to the processes under audit. Relevant testing criteria included the event services contracts, City Administrative Directives, and CSF policies and procedures.

For testing, we verified that contract administration plans were reasonable, insurance was adequate, bonds were sufficient, and SBEDA requirements were monitored. Additionally, we verified that CSF staff were monitoring to ensure background checks, drug tests, and certifications were in compliance with the contracts.

We verified that oversight over contractors during events was sufficient, including on-sight compliance visits and performance inspections. Additionally, we reviewed training documentation to verify training requirements were being met. Finally, we tested a sample of payments to contractors to ensure they were adequate, supported, and appropriately reviewed.

In accordance with generally accepted government auditing standards, we assessed and documented the significance of internal control to the extent necessary to address audit objectives. From our assessment, we identified the following internal control components and principles as significant within the context of this audit.

Component	Principle
Control Environment	Commitment to competence
Risk Assessment	Risk identification & analysis
Control Activities	Policies & procedures Invoice reviews Compliance reviews
Information & Communication	External party communication regarding internal control
Monitoring	Evaluates and communicates internal control deficiencies in a timely manner
	Selects, develops, and performs on-going evaluations

We relied on computer-processed data in the Incident Management System (IMS) to review complaints and requests for services and SAP for payment data. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing of ISS

data included determining how complaints were resolved. We utilized SAP to verify contractor payments. SAP's general and application controls are reviewed by the Office of the City Auditor in separate audits. We do not believe that the absence of testing general and application controls for ISS had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Overall Monitoring

CSF monitoring of event services contractors is adequate. Contract administration plans for all 6 contracts included key contract provisions for monitoring. Additionally, required performance bonds were obtained in sufficient amounts for each contract which required it. We reviewed 2 contracts which had SBEDA goals and verified they were reviewed monthly. As well, we verified CSF is monitoring background checks and certification requirements as detailed in their respective contracts.

Further, we determined on-sight monitoring is adequate. We took a sample of 5 events and reviewed Incident Management System logs, response times, and on-sight compliance visits. In addition we reviewed social media complaints and performance inspections results to verify that if any issues were identified, they were addressed. We identified no issues.

Finally, payments to contractors were accurate and supported. We reviewed a sample of 5 events for Staff Pro and Selrico and 2 events for US Safety Services, PMI, and Upstage. We determined that payments to contractors, overall, were accurate and matched the supporting documents and contract requirements, to include labor rates. In addition, we sampled one event to ensure that all staff who were listed on the invoice, were paid for their work, which ensures that all staff listed actually worked the event and worked it for the amount of time invoiced. We found no exceptions.

Recommendations

None.

B. Contract Monitoring Improvement

Contract monitoring efforts could be improved over security training, drug testing, and subcontractor insurance.

Event security training is not being conducted per the contract. Approximately half of security staff did not attend training in FY2019. Per the Staff Pro Supplemental Event Security contract, contractor staff shall attend a minimum of 2 all-staff training sessions per year provided by the contractor. CSF staff are not effectively monitoring training requirements to verify all-staff training sessions are conducted, nor following up that all staff have attended.

Additionally, monthly drug tests monitoring is not consistently occurring. The Staff Pro Event Attendant and Supplemental Event Security contracts require that 5% of staff be tested for drug use on a monthly basis and the results reported to CSF. We tested a sample of three consecutive months during FY2019. However, CSF could only provide documentation that 5% of event attendant staff were tested for drug use for one month. Less than 5% or no random drug testing had occurred for the remaining months.

Finally, 2 subcontractors have inadequate insurance. The insurance certificates provided did not meet the requirements as defined in the contract. In addition, CSF staff did not complete an insurance checklist for 2 subcontractors. CSF's monitoring of subcontractor insurance was insufficient.

Inadequate monitoring could result in ineffective event services or increased liability to the City.

Recommendations

The CSF Director should:

- Work with Staff Pro to ensure all security staff who have not attended training attend. In addition, establish monitoring procedures to verify contractor requires all security staff to attend all-staff training sessions.
- Ensure contractor completes and department receives monthly drug tests of 5% of staff
- Work with subcontractor to ensure they obtain adequate insurance coverage and ensure sufficient monitoring of all subcontractors

Appendix A – Staff Acknowledgement

Baltazar Vargas, CIA, CFE, Audit Manager
Nastasha Leach, CIA, CGAP, Auditor in Charge
Elizabeth Reyes, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

April 21, 2020

Kevin W. Barthold, CPA, CIA, CISA
 City Auditor
 San Antonio, Texas

RE: Management's Corrective Action Plan for Alamodome Event Services Contracts

Convention & Sports Facilities has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<p>Contract Monitoring Improvements</p> <ul style="list-style-type: none"> Work with Staff Pro to ensure all security staff who have not attended. In addition, establish monitoring procedures to verify contractor requires all security staff to attend all-staff training sessions Ensure contractor completes, and department receives, monthly drug tests of 5% of staff Work with subcontractors to ensure they obtain adequate insurance coverage and ensure sufficient monitoring of all subcontractors 	5	Accept	Patricia Muzquiz Cantor / CSF Director	4/8/2020

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p>Action plan: The Convention & Sports Facilities has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.</p> <p>CSF Staff is actively working with Staff Pro to ensure that training is complete. Staff has updated monitoring procedures in the Contract Administration Plan to verify that all security staff attends all-staff training sessions no later than 60-days after the Mayor's Emergency Executive Order is lifted.</p> <p>CSF has worked with Staff Pro's corporate office to ensure that policy and procedures are in place to avoid any future lapse in the monthly 5% drug testing requirement. The lapse in such monitoring was due to a lack of reporting by Staff Pro caused by a health emergency and then resignation of the Staff Pro employee responsible for such reporting. Staff Pro implemented procedures for monthly drug test of 5% staff on February 21, 2020.</p> <p>CSF will work with Staff Pro to ensure that 2 of their subcontracts provided adequate insurance coverage required by the contract no later than 60-days after the Mayor's Emergency Executive Order is lifted.</p> <p>We are committed to addressing the recommendations in the audit report and the plan of actions presented above.</p>				

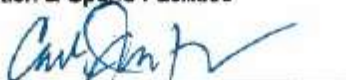
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Patricia Muzquiz Cantor
 Director
 Convention & Sports Facilities

4/21/2020
 Date



Carlos Contreras
 Assistant City Manager
 City Manager's Office

4/22/20
 Date