

---

# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of Information Technology Services Department  
Citywide Structured Cabling Contract

Project No. AU16-C02

December 12, 2016

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 the Information Technology Services Department Citywide Structured Cabling Contract. The audit objectives, conclusions, and recommendations follow:

**Determine if the City of San Antonio (City) and Presidio Networked Solutions Group, LLC (Presidio) are in compliance with key terms of the contract and if the City's monitoring of the contract is effective.**

Yes, the Information Technology Services Department (ITSD) is effectively monitoring the day-to-day operations of Presidio under the Texas Department of Information Resources (DIR) Structured Cabling Contract. Through testing, we determined that ITSD communicated with the vendor on a frequent basis, required service documentation was properly maintained, and invoices were paid appropriately based on purchase orders.

We make no recommendations to ITSD; consequently, no management responses are required. Management's acknowledgement of these results is in Appendix B on page 5.

# Table of Contents

---

Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	2
Audit Results and Recommendations .....	3
Appendix A – Staff Acknowledgement .....	4
Appendix B – Management’s Acknowledgement.....	5

## Background

---

The City of San Antonio's (City) Information Technology Services Department (ITSD) provides communication services to approximately 12,000 employees located in over 400 facilities citywide. ITSD also provides free wireless services to the general public in certain buildings and areas of the City.

To support certain communication services including structured cabling, ITSD utilizes a Texas Department of Information Resources (DIR) contract. DIR contracts are negotiated by the State and made available for local government customers (municipalities) to use. Annually, the City Council approves a blanket order for anticipated IT resources to be procured using DIR contracts. The most recent DIR blanket order, approved by council on June 30, 2016, was for \$46M and covers information technology hardware; software; professional and technical services; telecommunication services; and maintenance and support services.

Through the DIR contract, the City utilizes Presidio Networked Solutions Group, LLC (Presidio) to provide citywide structured cabling services. The term of the most recent agreement commenced on September 30, 2015 and was amended to expire on January 1, 2017.

The DIR contract with Presidio is a time and materials contract. The contractor is responsible for: all time and materials, necessary tools, test equipment, testing, and transport to and from job sites. The contractor bills the City labor and materials according to a mutually agreed-upon price schedule separate from the DIR contract.

The scope of work to be performed by Presidio for citywide structured cabling services primarily includes:

- installing and terminating communication cables, fiber optic cables, and copper cables
- providing project management services
- providing a telecommunications design to facilitate the City's communications infrastructures

For the period May 1 to December 31, 2015, the City paid Presidio a total of \$300,543.

## Audit Scope and Methodology

---

The audit scope included contract monitoring efforts and compliance with terms for the period May 1, 2015 to December 31, 2015.

To establish our test criteria and methodology, we examined DIR contract terms, ITSD policies and procedures, and City Administrative Directives.

We interviewed ITSD management and staff, Finance management, Presidio management, and DIR personnel to gain an understanding of the DIR contract obligations. We selected a judgmental sample of purchase orders and tested against contract terms for each associated invoice. We also reviewed the following:

- Payment requirements and regulations
- Project management
- Insurance requirements
- Record retention
- Qualifications and experience
- Discovery and reporting of asbestos

We relied on computer-processed data in SAP, Remedy System, Presidio SharePoint Extranet and Presidio My Orders Intranet to validate payments made to the contractor, invoice history, project management reports, and record retention. Our reliance was based on performing direct tests on the data rather than evaluating general and application controls. We do not believe that the absence of testing general and application controls 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

---

Structured cabling is vital to the City's communication network which allows it to provide essential services to the citizens of San Antonio.

Through testing, we determined the following:

- ITSD communicated with the vendor on a frequent basis regarding actual work performed.
- Required service documentation was properly maintained.
- Invoices were paid appropriately based on purchase orders.
- Contractor and subcontractor were properly qualified and credentials were maintained and documented.


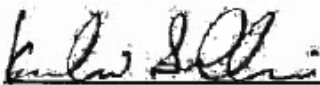
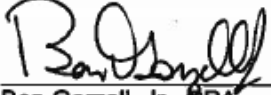
Based on our review, we concluded that the ITSD is effectively monitoring the day-to-day operations of Presidio under the Texas Department of Information Resources (DIR) Structured Cabling Contract.

## **Appendix A – Staff Acknowledgement**

---

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager  
Michael Hurlbut, CISA, Auditor in Charge  
Gabriel Trevino, CISA, Auditor

## Appendix B – Management's Acknowledgement

	
<b>CITY OF SAN ANTONIO</b> SAN ANTONIO TEXAS 78283-3966	
November 4, 2016	
Kevin W. Barthold, CPA, CIA, CISA City Auditor San Antonio, Texas	
RE: Management's Acknowledgement of its Review of the Audit of the Information Technology Services Department Citywide Structured Cabling Contract.	
The Information Technology Services Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.	
Information Technology Services Department:	
<input checked="" type="checkbox"/> Fully Agrees	
<input type="checkbox"/> Does Not Agree (provide detailed comments)	
Sincerely,	
 Kevin Goodwin Interim Director ITSD	11/16/16 Date
 Ben Gorzell, Jr., CPA Chief Financial Officer City Manager's Office	11/21/2016 Date