



# **CITY OF SAN ANTONIO**

P.O. Box 839966  
SAN ANTONIO TEXAS 78283-3966

March 2, 2017

**Ivy R. Taylor**  
Mayor

**Rebecca J. Viagran**  
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Councilman, District 6

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Councilman, District 9

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Councilman, District 1

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Councilman, District 10

**Alan E. Warrick, II**  
Councilman, District 2

**Shirley Gonzales**  
Councilwoman, District 5

**Ron Nirenberg**  
Councilman, District 8

**SUBJECT: Audit Report of Transportation and Capital Improvements Sidewalks Infrastructure**

Mayor and Council Members:

We are pleased to send you the final report of the Audit of Transportation and Capital Improvements Sidewalks Infrastructure. This audit began in May 2016 and concluded with an exit meeting with department management in February 2017. Management's verbatim response is included in Appendix C of the report. The Transportation and Capital Improvements management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

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

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Tom Nichta, Audit Committee Member

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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of Transportation and Capital Improvements

Sidewalks Infrastructure

Project No. AU16-027

March 2, 2017

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

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of the Transportation and Capital Improvements (TCI) Department, specifically sidewalk infrastructure. The audit objectives, conclusions, and recommendations follow:

**Determine if the TCI sidewalks program is effectively managed to include oversight of contractors and adequate inspection and QA processes.**

Yes, the TCI Department's sidewalks program is effectively managed to include oversight of contractors and adequate inspection and QA processes. Additionally, they have monitoring controls in place to ensure that sidewalk projects meet the requirements of each phase from approval to completion. Specifically:

- Processes are in place to ensure approval of sidewalk projects
- Appropriate procurement processes are being followed
- Reviews are taking place to ensure compliance with contract terms
- Routine inspections and material testing are conducted
- Quality assurance reviews are conducted at project completion

No recommendations were made for this audit.

TCI Management Department's verbatim response is in Appendix C on page 8.

# Table of Contents

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Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	2
Audit Results and Recommendations .....	4
A. TCI’s sidewalks program is effectively managed .....	4
Appendix A – Supplemental Information.....	6
Appendix B – Staff Acknowledgement.....	7
Appendix C – Management Response .....	8

## Background

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The Transportation & Capital Improvements (TCI) Department is responsible for developing and maintaining the publicly owned infrastructure of the City of San Antonio to include streets, buildings, alleys, drainage, traffic signals, sidewalks, and storm water infrastructure.

TCI's sidewalk program is one of various initiatives the department has in place to ensure it meets the needs of residents both in building and maintaining the City's infrastructure. Sidewalk projects are geared to close sidewalk gaps within the City, repair existing sidewalks, and construct sidewalks and crosswalks in compliance with the 2009 Americans with Disabilities Act (ADA).

TCI oversees the completion of various sidewalk project types to include Infrastructure Management Program (IMP) projects, Bond projects, Neighborhood Access Mobility Program projects, Community Development Block Grant (CDBG) projects, and in-house sidewalk repairs. Each project type goes through a different selection process with ultimate approval obtained from City Council. The total actual amount spent on sidewalk projects for FY 2016 was \$14,169,820. Refer to Appendix A for additional detail regarding project types.

Project Managers utilize the Project Reporting Integrated Management Enterprise Link (PrimeLink) system as a project management tool to manage the progress and completion of sidewalk projects. This includes but not limited to the issuance of task orders to vendors, approval of payment requests made by the vendor, contract change requests made due to unforeseen circumstances and storage of documents such as material testing reports. It is integrated with SAP for payment processing and project budget data.

## Audit Scope and Methodology

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The audit scope was October 2014 to June 2016 and included sidewalk projects completed and funded through the Infrastructure Management Program (IMP), 2012-2017 Bond Program, Neighborhood Access Mobility Program (NAMP), Community Development Block Grant (CDBG), and General Fund for in-house repairs.

To obtain an understanding of internal controls we conducted interviews and walkthroughs with key personnel in various TCI departments including Street Operations, Capital Projects, Asset Management, Inspections, Contract Services, and PrimeLink Helpdesk. Additionally, we interviewed TCI fiscal staff to obtain an understanding of the accounting processes for project expenses and funding requirements.

We reviewed TCI's Procurement/Contracting Policy and Procedures Manual, TCI's Design Guidance Manual, TCI Labor Compliance Manual, 2012-2017 Bond Program Information Guide, Adopted IMP documents, TCI standard operating guidelines, 2009 Americans with Disabilities Act, construction contracts, consulting agreements, and action plans from prior audits. In addition, we performed physical observation of construction site safety precautions at several active project locations.

Testing criteria included review of Engineer evaluation sheets, related City ordinances approving projects and funding, procurement files, insurance certificates, labor compliance site interviews, Inspector daily progress logs and checklists, final walkthrough item punch lists, material testing reports, warranty checklists, and notices to the Public.

From a population of 145 sidewalk projects (112 IMP, 3 Bond, 17 NAMP, and 13 CDBG) in progress or completed between October 2014 through June 2016, we randomly selected 25 projects based on project type: 10 IMP projects, 3 Bond projects, 6 NAMP projects, and 6 CDBG projects. Additionally, we reviewed the accuracy of payment requests in PrimeLink to ensure total payments did not exceed approved task order amounts and reconciled invoice data (i.e. vendor, date, cost amounts) between PrimeLink and SAP.

We relied on computer-processed data in SAP, the City's accounting system, to ensure that funding for project expenses were transferred from the appropriate funding source and integration between PrimeLink and SAP is operating as intended (i.e. vendor, date, costs).

We also relied on computer-processed data in the PrimeLink system to review project records; specifically, task orders, payment requests, material testing and supporting documentation and user access forms. Our reliance was based on

performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included verifying contractor approval of task orders, reviewing support for user access, verifying approval for payment requests and ensuring an invoice was generated for each payment issued. 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

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### A. TCI's sidewalks program is effectively managed

TCI's monitoring procedures are adequate to ensure that sidewalk projects progress through each phase from approval to completion. This includes obtaining approval for all proposed projects, following the appropriate procurement process, maintaining an approver workflow process in the PrimeLink system, and documenting project development.

We verified that all sidewalk projects had been evaluated by TCI Management, to determine the project's scope and feasibility, prior to final selection. We also verified that projects and their respective funding source had been approved by City Council through ordinance.

Additionally, for each consultant and contractor used in the sidewalk sample selected, we confirmed that TCI Contract Services followed the appropriate procurement process and each contract was approved through City ordinance.

Reviews are taking place within the PrimeLink system to ensure contractor compliance with contract terms (i.e. scope of services, payment requests). We reviewed a sample of 25 sidewalk projects and determined that task orders issued by TCI personnel for each project were approved by the contractor. We also verified that payment requests made by the contractor were approved by TCI personnel before payment was made.

Furthermore, we determined that oversight of contractors is adequate. We reviewed Inspector diaries and Progress Meeting Minutes, which documented project observations and issues, to ensure that project progression and contractor compliance were monitored.

TCI also has sufficient controls in place to ensure that adequate inspections and quality assurance processes are being performed throughout the project.

For the sample of projects selected, we verified that TCI performs routine inspections of sidewalk construction specifications and requirements to reduce defects in contractor work quality. Additionally, we confirmed that material testing was conducted through material testing reports provided as support for payment requests in PrimeLink.

We also reviewed the use of final punch lists to ensure that all parties agreed and signed off on the contractor's work quality of the completed project. In order to further ensure quality assurance, we reviewed warranty punch lists completed by TCI personnel when conducting a review of the jobsite prior to the expiration of the warranty on the contractor's work.

**Recommendation**

None

## Appendix A – Supplemental Information

### SIDEWALK PROJECT EXPENDITURES

Project Type	Description	Funding Source	FY2016 Actuals
Infrastructure Management Program (IMP)	5-year rolling infrastructure maintenance plan designed to construct sidewalks where gaps exist throughout the City	Advanced Transportation District (ATD) Fund	\$ 6,146,098
		Certificates of Obligation	4,322,222
Neighborhood Access Mobility Program (NAMP)	Monies allocated to each Council District for specific projects identified by the respective council member (i.e. sidewalks and other mobility infrastructure improvements)	General Fund – \$200,000 annually per Council District	299,218
Community Development Block Grant (CDBG)	Construction of sidewalk projects assigned to TCI by the Department of Planning and Community Development to preserve and redevelop low-income communities.	Annual entitlement from the U.S. Department of Housing and Urban Development (HUD)	1,239,613
Capital (bond) Projects	Sidewalk improvements recommended by the Public and Community Bond Committees	2012 – 2017 Bond Program	1,392,788
In-house Repairs*	311 sidewalk maintenance and repair requests made throughout the year	General Fund	769,881
TOTAL			\$ 14,169,820

\*In-house expenses include repairs for sidewalks, ramps and brick paver expenses.

## **Appendix B – Staff Acknowledgement**

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Sandy Paiz, CFE, Audit Manager  
Reina Sandoval, Auditor in Charge  
Patricia Perez, Auditor

## Appendix C – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

February 6, 2017

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

RE: Management's Acknowledgement of its Review of Transportation and Capital Improvements  
Sidewalks Infrastructure

The Transportation and Capital Improvements 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.

The Transportation and Capital Improvements Department:


☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

  
Mike Frisbie  
Director  
Transportation & Capital Improvements Department

2-6-17  
Date

  
Peter Zanon  
Deputy City Manager  
City Manager's Office

2-9-17  
Date