
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Building and Equipment Services Department

Maintenance and Custodial Service Contracts

Project No. AU17-C01

November 6, 2017

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 Building and Equipment Services Department (BESD), specifically maintenance and custodial service contracts and associated monitoring. The audit objective, conclusions, and recommendations follow:

Determine if contract administration is effective to ensure compliance with key terms of contracts for maintenance and custodial services for City facilities.

Yes, contract administration is effective to ensure compliance with key terms of contracts for maintenance and custodial services for City facilities. BESD is adequately monitoring contracts with respect to:

- Vendor Compensation
- Performance of Services
- Regulatory Compliance
- Insurance and Bond Coverage
- Contractor Qualifications
- Small Business Economic Development Advocacy Program (SBEDA) Compliance

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

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Background

The Building and Equipment Services Department (BESD) is composed of two main divisions; Facilities Management and Fleet Services. These divisions are responsible for the operation and maintenance of buildings, vehicles, and equipment for the City of San Antonio.

The Facilities Management division is responsible for a variety of building operations, maintenance, and custodial services including:

- Scheduled maintenance
- Trade services such as carpentry, electrical, plumbing and painting
- Maintaining heating, ventilation, and air conditioning (HVAC) systems
- Certain limited facility renovations and upgrades
- Trash and recycling collection
- General office, restroom, and window cleaning

BESD utilizes various types of solicitations to procure contracts with outside vendors to facilitate some of these services as shown in the table below.

Services Provided
Fire Extinguisher Purchase, Inspection, and Maintenance
Building Automation System Preventative Maintenance
Landscape and Irrigation Service
Window Cleaning
Burglar Alarm Monitoring and Maintenance
Generator Maintenance and Repair
Water Treatment
Fire Alarm Inspections, Maintenance, and Repair
Pest Control Service
Elevator Maintenance and Repair
Preventative Maintenance for Automatic Gates
Tree Trimming Service
Automatic, Manual, and Overhead Door Service
Commercial Garbage Collection, Disposal, and Recycling
Fire Sprinkler Systems Inspection, Maintenance, and Repair

These contracts are assigned to a team of BESD personnel who monitor the services performed as well as the financial components related to these service contracts. Monitoring activities include performing random site inspections, reviewing reports submitted by contractors, and corresponding with City Department Designated Representatives (CDDR) who communicate service issues to BESD.

Audit Scope and Methodology

The audit scope was June 1, 2016 through May 31, 2017 and included reviewing 18 maintenance and custodial services contracts and associated monitoring activities.

We interviewed BESD management and staff involved with maintenance and custodial service contracts. We reviewed all available monitoring documentation found in vendor contract files which included the Contract Administration Plan (CAP), email correspondence, vendor invoices, insurance and bond certificates, and Quality Assurance Surveillance Plans (QASP) used to validate that services are performed. Criteria for testing our audit objective were based on contract agreements, CAPs, and the City Procurement Policy and Procedures Manual.

We relied on computer-processed data in the City's SAP application to obtain a report of invoice transactions for all vendors from the audit scope period. We selected a judgmental sample of invoices from this population based on the highest non-recurring and recurring invoice amounts for each contractor. We used this sample in testing for accuracy of purchase orders, vendor invoices, and the City's payment for services performed.

Our reliance on SAP was based primarily on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of additional testing of 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

BESD is effectively monitoring compliance with key terms of contracts for maintenance and custodial services. Specifically, BESD:

- reviews invoices and remits accurate and timely payments to contractors.
- effectively monitors contractors to validate that services are performed.
- ensures compliance with state regulations through validation of qualified third-party reviews.
- ensures current insurance and bond coverage is adequate with respect to contract requirements.
- verifies that contractors are current on required certifications and licenses.
- ensures applicable contractors are compliant with SBEDA requirements.

There are no findings. Consequently, we make no recommendations to BESD management.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Daniel Kuntzelman, CIA, Auditor in Charge

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

October 23, 2017

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

RE: Management's Acknowledgement of its Review of the Audit of Building and Equipment Services
Department Maintenance and Custodial Services Contracts

The Building and Equipment 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.

Building and Equipment Services:

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,



Jorge A. Perez
Director
Building and Equipment Services

10/23/17
Date



Roderick Sanchez
Assistant City Manager
City Manager's Office

10-24-17
Date