



City of San Antonio

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Attachments: 1. AU18-C06 Audit of TCI - Storm Water Program Contract

Date	Ver.	Action By	Action	Result
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AUDIT COMMITTEE SUMMARY March 19, 2019 Audit of TCI Storm Water Program Contract Report Issued February 20, 2019

Objective

Determine if the City and vendor are in compliance with the Storm Water Facilities Inspection Contract.

Background

The City of San Antonio's Transportation and Capital Improvement Department (TCI) is responsible for maintaining the City's estimated 700 miles of storm water infrastructure. In order to assess the condition of the storm water infrastructure, an annual goal of 60 televised miles was established. TCI is responsible for televising 20 miles and a contractor was engaged to televise the remaining 40 miles annually. In June 2017, the City entered into a contract with RJN Group Inc. (RJN), in an amount not to exceed \$4,250,000 over three years, to meet the annual 40-mile contractor goal. The primary goals identified were:

- Perform video inspections of storm water infrastructure, condition assessments, and map the storm water system network
- Develop a video inspection and Condition Assessment Master Plan for subsequent years

TCI monitors RJN's progress and fiscal staff review invoices submitted. Furthermore, TCI's Contract Monitoring Division performs monitoring procedures over key contractual requirements. The City's

ultimate goal is to utilize the results to prioritize future maintenance efforts.

Scope and Methodology

The audit scope included contract monitoring efforts from June 2017 through August 2018. We reviewed TCI monitoring processes for compliance with key contract terms. We verified contractual requirements were met related to project deliverables, personnel and equipment requirements, and insurance coverage. In addition, we reviewed TCI's reporting of miles televised on a monthly basis and proposed maintenance plans. Furthermore, we tested invoices from both RJN and subcontractors to determine they were accurate and properly supported. Finally, reviewed user access and data backup procedures related to the PRIMELink system and restricted network drives.

Conclusions

The City and vendor are in compliance with the Storm Water Facilities Inspection Contract. We determined that TCI has monitoring controls to ensure the contractor is meeting project milestones and deliverables. However, there were opportunities to strengthen controls associated with citizen notifications and obtaining detailed support documentation for contractor invoices.

We made recommendations to address the opportunities. Management agreed with the recommendations and developed positive corrective action plans.