



# City of San Antonio

## Agenda Memorandum

**File Number:**17-5180

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**Agenda Item Number:** 7.

**Agenda Date:** 9/19/2017

**In Control:** City Council A Session

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### **AUDIT COMMITTEE SUMMARY**

**September 19, 2017**

#### **Audit of SAPD Growdon Vehicle Storage Facility Contract Administration**

Report Issued August 3, 2017

#### **Audit Objective**

Determine if contract administration is effective to monitor compliance with key terms of the City contract for the Growdon vehicle storage facility.

#### **Background**

The Growdon Rd. Vehicle Storage Facility (Growdon VSF), a City-owned property, is used to hold impounded vehicles. In 2008, an operations and maintenance agreement between United Road Towing, Inc. (UR) and the City was approved by City Council for a 62-month term with an optional renewal for a 2-year period. In April 2015, City Council chose to extend the contract through September 30, 2017, which coincides with another contract extension provided to UR for its auction-services agreement.

In fiscal year 2015, approximately 26,000 vehicles were impounded, while approximately 29,000 vehicles were impounded in fiscal year 2016.

An SAPD contract coordinator monitors UR's Growdon VSF operations and property management for compliance with key terms of the agreement. Monitoring activities include regular site visits as well as annual performance reviews. UR provides monthly reports to the SAPD that include a detailed list of all impounded vehicles, detailed revenue reports, and summary reports of activities at the Growdon VSF.

#### **Audit Scope & Methodology**

The audit scope was October 1, 2014 through September 30, 2016 and also included site visits performed in fiscal year 2017 (during this audit).

We reviewed monitoring efforts related to hiring practices, the release of vehicles, customer complaints, operational efficiency, environmental concerns, property maintenance, and security.

#### **Audit Conclusions**

Contract administration is effective to monitor compliance with key terms. The SAPD performed an extensive fiscal year 2015 contract compliance review and performed follow-up monitoring as needed.

However, the current contract makes SAPD's contract administration less effective because it lacks performance metrics, penalties for non-compliance, and requirements related to staff background checks. Additionally, we observed that potable water is not adequately supplied to the Growdon VSF.

SAPD agreed with the audit observations and has developed positive action plans to address them.