



City of Albuquerque

Office of Internal Audit

THIRD FOLLOW-UP DEPARTMENT OF MUNICIPAL DEVELOPMENT ON-CALL CONTRACTORS REPORT NO. 20-11-104F December 11, 2019

INTRODUCTION

The Office of Internal Audit (OIA) performed a third follow-up of the Performance Audit No. 11-104, Department of Municipal Department (DMD) On-Call Contractors. The purpose of the follow-up is to report the progress made by the DMD in addressing the outstanding audit findings and recommendations, which remained “In Process” or “Not Implemented” after the second follow-up.

The scope was limited to actions taken to address the audit recommendations from the second follow-up report dated December 9, 2015 through October 23, 2019. A follow-up is substantially less in scope than an audit. Follow-up procedures rely on the department providing the current status and supporting documentation for addressing the recommendations.

BACKGROUND

The on-call contracting process at the City of Albuquerque (City) is a contracting methodology used by departments to procure goods and construction or design services from vendors on an "as-needed basis." According to the DMD Project Managers Handbook §3.04, dated June of 2012, an on-call consultant is retained to provide specific types of technical/professional services at the direction of the City. Currently, the City has established on-call contracts for architectural and engineering services; facilities construction; landscape construction; and prototype median landscape program and construction.

SUMMARY

Of the two recommendations remaining in the second follow-up, both are in process.

The status of the recommendations is identified by the symbols in the following legend:

 Fully Implemented  Resolved  In Process  Not implemented

Recommendation	1
Original Report Recommendation	DMD should develop comprehensive written policies & procedures for the on-call contract process.
Status as of First Follow-Up	 Partially Implemented DMD has partially implemented the recommendation by expanding the Project Managers Handbook to include greater detail for on-call design and construction contracts. However, with the exception of Section 15: <i>Architectural/Engineering (A/E) Contracts</i> , the handbook does not provide criteria on how the determination is made to issue a contract as on-call. In addition, the updated Project Managers Handbook does not discuss how work will be distributed when there is more than one on-call vendor that provides the same type of services.
Status as of Second Follow-Up	 In Process DMD has not taken additional action since completion of the original follow-up.
Current Status	 In Process DMD recognizes the importance of maintaining such policies and procedures and will continue to revise the on-call section of the Project Managers Handbook as needed. DMD has developed policies and procedures for the on-call contract process. However, with the exception of Section 15: <i>Architectural/Engineering (A/E) Contracts</i> , the handbook does not provide criteria on how the determination is made to issue a contract as on-call. In addition, the updated Project Managers Handbook does not discuss how work will be distributed when there is more than one on-call vendor that provides the same type of services.

Recommendation	4
Original Report Recommendation	DMD should ensure that written policies match intended business practices.
Status as of First Follow-Up	<p> Not Implemented</p> <p>Signature authority outlined in the Project Managers Handbook, updated in June of 2012, was not updated to include "approval of the Director of DMD or the Department Director." In addition, a dollar limit on the authority of the Director of DMD is not included within the Project Managers Handbook. Finally, language on signature authority within the Project Managers Handbook is not consistent with signature authority language within Administrative Instructions 1-1 A1 and 1-1 D1.</p>
Status as of Second Follow-Up	<p> In Process</p> <p>DMD has included signature authority language for the On-Call Design Contracts in the Project Managers Handbook. The policy requires the signature authority be consistent with Administrative Instruction 1-1 A1 and 1-1 D1. However, the Handbook is a draft and has not been formally approved.</p>
Current Status	<p> In Process</p> <p>The Project Managers Handbook has not been formally approved.</p>

Third Follow-up
Department of Municipal Development
On-Call Contractors
December 11, 2019

20-11-104F

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