



City of Albuquerque

Office of Internal Audit

FOLLOW-UP
CITYWIDE AUDIT
ADVANTAGE BARRICADE & ROADMARKS, LLC
Report No. 20-16-102F
February 27, 2020

INTRODUCTION

The Office of Internal Audit (OIA) performed a follow-up of Performance Audit No. 16-102, Citywide Audit, Advantage Barricade & RoadMarks, LLC (Advantage Barricade). The purpose of this follow-up is to report on the progress made by the Chief Administrative Officer (CAO), the Department of Finance & Administrative Services (DFAS), and the Department of Municipal Development (DMD) in addressing the audit findings and recommendations. Our follow-up procedures rely on the departments providing the status of the recommendations.

A follow-up is substantially less in scope than an audit. The objective is to report on the status of corrective action regarding the audit's findings and recommendations. The scope was limited to actions taken to address the audit recommendations from the final audit report dated October 26, 2016 through the submission of actions on December 6, 2019.

BACKGROUND

The City requires barricading services for a number of reasons, including traffic control, street maintenance, sidewalk construction, and park maintenance. As more than one department may need barricading services, the contract with Advantage Barricade is considered a citywide contract. Over the 9-month audit period, the City paid Advantage Barricade approximately \$100,000 for barricading services.

Barricading services may be classified as either critical or non-critical. Critical services involve situations which present an immediate danger to the public, all pre-scheduled work requests with less than four hours' notification prior to set up, and all work orders for traffic control installations on major city streets. Non-critical services involve all special events and barricading requests not on a major city street.

On October 28, 2019, the contract with Advantage Barricade expired. The City is no longer using Advantage Barricade for on-call barricading services.

SUMMARY

Of the three recommendations addressed in the original audit report, three have been resolved.

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



Fully
Implemented



Resolved



In
Process



Not
Implemented

Recommendation #1

The CAO should:

- Emphasize to all user departments during the Director's Meeting the importance of effective contract monitoring. Contract monitoring includes:
 - Verification of billed rates, prior to authorizing payment,
 - Awareness of contract requirements,
 - Holding the vendor accountable when errors occur.
- Instruct the Department of Finance & Administrative Services to request a refund from Advantage Barricade for the \$652.93 overcharge.

RESPONSE FROM THE CAO

"The CAO will emphasize at the next Directors Meeting, to all user departments the importance of effective contract monitoring. Contract monitoring includes:

- *Verification of billed rates*
- *Awareness of contract requirements and*
- *Holding the vendor accountable when errors occur."*

"The CAO will instruct the Department of Finance & Administrative Services (DFAS) to request a refund from the vendor for \$652.93 overage."

ESTIMATED COMPLETION DATES

"Two weeks from the date Audit No. 16-102 is finalized."

Status Reported by CAO:

"CPO has been providing trainings to buyers and fiscal staff/managers which covers monitoring."

Status Reported by DFAS:

"Overages were refunded immediately."



Resolved

Overcharges were reimbursed to the City. Minutes to the Directors Meetings are not available, however, contract monitoring has been emphasized in the Purchasing Division's routine procurement training. OIA considers the recommendation resolved.

Recommendation #2

DFAS should:

- Issue a Purchase Order Adjustment to include the various delivery and pick-up charges, and
- Specifically address charges for delivery, add-on delivery, partial pick-up and complete pick-up in future barricading contracts.

RESPONSE FROM DFAS

"DFAS, Purchasing Division will ensure that a Purchase Order Adjustment is issued, that it will include various delivery and pick-up charges, and that it will specifically address charges for delivery, add-on delivery, partial pick-up and complete pick-up in future barricading contracts."

ESTIMATED COMPLETION DATES

"Two weeks from the date Audit No. 16-102 is finalized."

Status Reported by DFAS:

"The contract with Advantage Barricade expired on October 28, 2019. The Purchasing Division acknowledges that delivery charges were not part of the original bid request or on the contract. The City moved to using a State Price Agreement with Highway Supply, LLC. Currently the contract in the City's system only shows one line for service. Purchasing will create an itemized list of services provided in the Highway Supply contract so user departments can provide a detailed order. The itemized list will match the list provided in the State Price Agreement, including delivery and pick up rates per mile."



Resolved

The contract with Advantage Barricading expired on October 28, 2019. The City is now using a State Price Agreement with Highway Supply, LLC for barricading services. OIA considers the recommendation resolved.

Recommendation #3

DMD should issue work order numbers for each barricading request and provide them to Advantage Barricade.

PRD should provide Advantage Barricade with a corresponding work order number for each barricade service request.

RESPONSE FROM DMD

"DMD/Street/Storm will request work order numbers generated by CRM (311)/Streets for each barricade request. The Work Order/311 number will be included on the invoice from the barricade vendor. Today, the invoice simply shows the supervisor who called in the barricades. DMD/Street/Storm will verify each invoice to be sure the charges are in line with the current contract prices."

ESTIMATED COMPLETION DATES

"Two weeks from the date Audit No. 16-102 is finalized."

RESPONSE FROM PRD

"A CRO/POR number is issued at the beginning of each month, requests for service are made to the Park Management clerical staff by the area supervisor, or maintenance employees in the field as circumstances dictate. The request is logged on a spreadsheet for reconciliation with the

invoice. The number of barricades, or the flagging required, is ordered based on site needs. A project management (PM) number is issued for each request made. Staff notifies the barricading company of the request and the process requires that the PM number be conveyed at that time. When barricades are no longer needed it is the Supervisor's responsibility to notify the Material Manager or clerical staff to have the barricading company pick of [sic] the material used and it is the Supervisor's responsibility to ensure that action happens timely."

ESTIMATED COMPLETION DATES

"Two weeks from the date Audit No. 16-102 is finalized."

Status Reported by DMD:

"The contract with Advantage Barricading has expired. DMD considers this item resolved."



Resolved

The contract with Advantage Barricading expired on October 28, 2019. The City is now using a State Price Agreement with Highway Supply, LLC for barricading services. OIA considers the recommendation resolved.

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Citywide Audit
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SUBMITTED:

Connie Barros-Montoya, Staff Auditor
Office of Internal Audit

APPROVED/REVIEWED:

Ken Bramlett, Interim City Auditor
Office of Internal Audit

APPROVED FOR PUBLICATION:

Edmund E. Perea, Chairperson
Accountability in Government
Oversight Committee