



OFFICE OF INSPECTOR GENERAL
City of Albuquerque

Melissa Santistevan
Inspector General

P.O. Box 1293, Suite 5025
Albuquerque, New Mexico 87103
Telephone: (505) 768-3150
Fax: (505) 768-3158

Investigative Informative Case Synopsis

FILE NO: 22-0123-C

SUBJECT MATTER: Contract mismanagement resulting in waste.

STATUS: Final

INVESTIGATOR: M. Santistevan

DocuSigned by:
Melissa R. Santistevan
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MELISSA SANTISTEVAN
INSPECTOR GENERAL
OFFICE OF INSPECTOR GENERAL

August 1, 2022
Date of Completion

DocuSigned by:
C. Jack Emmons
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C. JACK EMMONS, VICE CHAIR
ACCOUNTABILITY IN GOVERNMENT
OVERSIGHT COMMITTEE

8/29/2022 | 1:08 PM PDT
Date of Approval

DISTRIBUTION:

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EXECUTIVE SUMMARY

According to City Ordinance 2-17-2, the Inspector General's goals are to (1) Conduct investigations in an efficient, impartial, equitable, and objective manner; (2) Prevent and detect fraud, waste, and abuse in city activities including all city contracts and partnerships; (3) Deter criminal activity through independence in fact and appearance, investigation and interdiction; and (4) Propose ways to increase the city's legal, fiscal and ethical accountability to insure that tax payers' dollars are spent in a manner consistent with the highest standards of local governments.

On June 29, 2022, the Office of Inspector General (OIG) received an online complaint alleging the City's mismanagement of the contract with C1, whereby C1 did not meet the requirements of the contract, resulting in "waste". The OIG determined that the allegation contained elements of potential fraud, waste, or abuse and that it was appropriate for the OIG to conduct a fact-finding investigation. The purpose of the investigation was to determine if the terms of the contract were met and whether any requirement of the contract was not performed and if payment of the contract resulted in mismanagement of contract 201900752 with C1.

While conducting our fact-finding investigation, the OIG Investigator reviewed the information provided in the complaint, reviewed the complaint to identify each allegation, reviewed contract 201900752 between C1 and ONC, and requested and reviewed all supporting documentation from C1, requested all documentation for contract 201900752 from ONC, and conducted interviews.

As a result of the investigation, the OIG could not substantiate *allegation 1* pertaining to C1 not meeting the requirements of contract 201900752 resulting in waste. Additionally, the OIG could not substantiate *allegation 2* pertaining to the City's mismanagement of contract 201900752 between C1 and the ONC.

ABBREVIATIONS

OIG: Office of Inspector General
CITY: City of Albuquerque
ONC: Office of Neighborhood Coordination
NEP: Neighborhood Engagement Process
NARO: Neighborhood Association Recognition Ordinance
C1: Contractor
E1: ONC Employee

INVESTIGATION

Background

Since 2018, the Albuquerque City Council and the Office of Neighborhood Coordination (ONC) have been engaged in the Neighborhood Engagement Process (NEP). The purpose of the NEP is designed to 1) identify community needs to inform updates to the Neighborhood Association Recognition Ordinance (NARO); and 2) to initiate an ongoing dialogue and long-term, reciprocal relationship between the ONC and each of the 263 neighborhood associations. Phase I Involved peer city review of NARO equivalents and conducting preliminary interviews with city staff from all departments whose work relates to the NARO. Phase II established a capacity assessment survey of neighborhood associations and stewardship interviews of association presidents/residents who are engaged in their community. Phase III focuses on engagement sessions with stakeholders to collect your voices and expertise to give meaningful input to update the NARO. The contract initiated in 2018 for phase I and phase II was completed under a separate contract that is not the subject of this fact-finding investigation. On February 14, 2019, the City's ONC engaged a contractor to perform an analysis of data collected in Phase III and Phase IV of the Neighborhood Engagement Process and to produce a report at the conclusion of each phase.

Allegation 1: C1 did not comply with the terms of the contract by maintaining the NEP survey data and flash polling data, resulting in waste.

Authority: Contract 201900752 Clause 16 Establishment and Maintenance of Records. Records shall be maintained by the contractor in accordance with applicable law and requirements prescribed by the City with respect to all matters covered by this Agreement. Except as otherwise authorized by the City, such records shall be maintained for a period of three (3) years after receipt of final payment under this Agreement.

Evidence: Contract 201900752 and Exhibit A Scope of Work reveal requirements for Phase III and Phase IV obtained from Purchasing.

Phase III requires Gathering Events Design, Execution, and Facilitation

- Establish messaging baseline of seeking proactive input for redrafting NARO

- Design facilitation plans and conduct outreach, visits, and /or dialogue events in all 263 neighborhood association sites

- Coordination with neighborhood associate leadership

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- Event site development/preparation
- Review vision and mission of ONC with each association
- Deliver Feedback Summary Report to neighborhood association sites
- Identify neighborhood association priorities for recommendations to City Ordinance

Phase IV requires Project Data Synthesis, Analysis, and Final Report Writing

- Integrate all data from the community engagement/ data-gathering dialogue events
- Develop comprehensive list of recommendations
- Conduct comparative analysis of all quantitative and qualitative data
- Map Strategic Priorities
- Prepare draft documents and policy recommendations for core project management team review
- Capturing and synthesizing all of the pertinent dialogue information in summary documents for analysis
- Present all raw data collected during the NEP
- Integrate feedback from draft reviews
- Prepare final documents to City Council

C1 provided the NEP Process Graphic & Scope indicating five (5) phases.

Phase I Pre-assessment through interviews with ONC Staff, interviews with City Council, determining the design community readiness model components, and identifying, meeting, and determining schedules for meetings with the core project management team.

Phase II Assessment, Data Collection & Analysis through field interviews, field/online surveys, small group meetings, document review analysis report, collection demographics on neighborhood associations, and conducting Stakeholder analysis.

Phase III Planning Events, Preparation & Post Event Analysis through outreach, visits/dialogue events in all 263 neighborhood association sites, event site development/preparation, review of vision & mission of ONC with each association, delivering feedback summary report to neighborhood association sites, and identify neighborhood association priorities for recommendations to city ordinance.

Phase IV Integrating Data & Documenting Strategic Priorities through integrating all data from the planning events, developing a comprehensive list of recommendations, conducting a comparative analysis of all quantitative and qualitative data, mapping strategic priorities, and publishing draft documents for core project management team review.

Phase V Final Publication & Implementation Technical Assistance through integrating feedback from draft reviews, publishing final documents, presenting final documents to the ONC project management team, and presenting final documents to City Council.

C1 provided a list of associations and analytics indicating that outreach was made to two hundred twenty-two (222) Neighborhood Associations and Homeowners Associations. Of the two hundred twenty-two (222) associations, ninety-three (93) or forty-two percent (42%) of those associations completed the choice dialogues. Forty-six (46) associations or twenty-one percent (21%) had interactions but did not complete the choice dialogue. Eighty-three (83) associations or thirty-seven percent (37%) did not respond to attempted contact.

C1 provided the written guidelines/instructions for the dialogue process.

C1 provided a blank form utilized in collecting the data from each association.

C1 provided the Phase III Report.

C1 provided the Phase IV Report.

C1 brought the NEP unprocessed data and Flash Polling unprocessed data for review.

Discussion: C1 is a sole proprietor and the integrity of the community engagement process is paramount to C1's success as a business. C1 explained the NEP Process Graphic & Scope and demonstrated how phase III outreach, visits, and/or dialogue with 222 of the 263 Association sites were coordinated, conducted, and documented. C1 stated that the NEP process defined that each Association equaled one voice, despite the fact that associations may belong to a larger coalition and that those coalition leaders could not speak on behalf of the associations they represent. C1 stated that many of those contacted shared concerns of retaliation for their participation and that in order to ensure their participation, C1 advised each participant that the data would be accumulated and presented to avoid any perceived retaliation. The information obtained throughout phase III was aggregated and presented in the Phase III Report.

The OIG considered the fact that the NEP Process Graphic & Scope showed five (5) phases while the Scope of work revealed only four (4) phases. The NEP Process Graphic broke out Phase IV of the Scope of work between what C1 was responsible for and what the ONC was responsible for. The breakout on the NEP Process Graphic did not appear to alter the scope of work per the contract.

C1 presented the OIG with a thirty-eight (38) page aggregation of transcribed comments obtained through the survey process. Additionally, C1 presented the OIG with a five (5) page aggregation of transcribed flash polling responses that were conducted at community centers across the City.

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The OIG reviewed the pages, noting that the participant's comments appeared to be explicitly stated and intact. The comments did reveal information that may lead a participant to believe that one could be subject to retaliation by the City, their neighbors, association leaders, and coalition leaders. In consideration of the integrity of the process, C1, and given the sensitive nature of this information, the OIG determined that a physical inspection of the data was sufficient evidence indicating that the work was performed to support the final report.

The OIG considered the fact that the NEP Process Graphic & Scope showed five (5) phases while the Scope of work revealed only four (4) phases. The NEP Process Graphic broke out Phase IV of the Scope of work between what C1 was responsible for and what the ONC was responsible for.

C1 presented the OIG with the Phase IV report which was cumulative of all phases. C1 indicated that the contract requirements were fulfilled once this report was presented to the ONC.

E1 provided the OIG with a statement that C1 met the requirements of contract 201900752. E1's explanation included the City's expectations for the main objectives and each methodology used to meet the objective as outlined in the Scope of Work as follows:

Phase III Gathering Events Design, Execution, and Facilitation

- Establish messaging baseline of seeking proactive input for redrafting NARO – Completed and detailed in Phase III report
- Design facilitation plans and conduct outreach, visits, and/or dialogue events in all 265 neighborhood association sites – Completed and detailed in Phase III reports, as well as attached lists of NAs contacted who responded and NAs contacted who did not respond.
- Coordination with neighborhood association leadership – Completed using lists of NA leaders provided by ONC as specified in Phase I Report titled Document Review and Analysis.
- Event site development/preparation – No deliverable anticipated
- Review vision and mission of ONC with each association – Completed during face-to-face outreach
- Deliver Feedback Summary Report to neighborhood association sites – Completed as Phase III Report.
- Identify neighborhood association priorities for recommendations to City Ordinance – Completed and detailed in Phase III Report

Phase IV Project Data Synthesis, Analysis, and Final Report Writing

- Integrate all data from the community engagement/data-gathering dialogue events – Completed and detailed in Phase III Report
- Develop comprehensive list of recommendations - Completed and detailed in Phase III Report
- Conduct comparative analysis of all quantitative and qualitative data – Results embedded in Phase III Report

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- Map Strategic Priorities – Completed and detailed in Phase III Report
- Prepare draft documents and policy recommendations for core project management team review (ONC and consultants) – Completed
- Capturing and synthesizing all pertinent dialogue information in summary documents for analysis – Completed and presented in Phase III Report
- Present all raw data collected during NEP – Results imbedded in Phase III Report
- Integrate feedback from draft reviews – Completed and integrated into Phase III Report

The OIG’s review of contract 201900752 revealed that the only deliverables were reports on the design, execution, and facilitation of events including the analysis of the data obtained and recommendations to the City.

Allegation 1 Conclusion: The OIG could not substantiate the allegation that the C1 did not comply with the terms of the contract because they did not maintain the NEP survey data and the flash polling data. Contract 201900752 required the contractor to “Provide data analysis for the ONC in accordance with the Scope of Work. The Scope of Work has two main objectives that included 1) Gathering Events design, execution, and Facilitation and 2) Project Data Synthesis, Analysis, and Final Report Writing. The evidence the OIG reviewed revealed that the requirements of the contract were met.

Allegation 2: The City mismanaged contract 201900752 with C1, resulting in waste.

Authority: Contract 201900752 Clause 1. Scope of Services states “The Contractor shall perform the following services (hereinafter referred to as the “Services”) in a satisfactory and proper manner, as determined by the City:

- A. Provide data analysis for the Office of Neighborhood Coordination in accordance with Exhibit A, attached hereto and incorporated herein.”

Evidence: Contract 201900752 terms require the City to pay fees totaling \$75,000 inclusive of gross receipts tax if the scope of work was completed within the prescribed deadline of December 31, 2019.

City payments on Contract 201900752, between July 23, 2019, and January 29, 2020, totaling \$75,000.

Discussion: The evidence obtained by the OIG revealed that the Scope of Work and the terms of the contract were met and that the City fulfilled its obligations with regard to the contract.

Allegation 2 Conclusion: The OIG could not substantiate the allegation that the City mismanaged contract 201900752 between C1 and ONC, resulting in waste. The evidence reviewed to support that the terms of the contract were met by C1 also revealed that the City did not mismanage the contract and therefore payment under the contract terms could not be considered waste by the City.

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