FOLLOW-UP

TRI-CENTENNIAL TOWERS INVESTIGATION

REPORT NO. 07-06-105F
January 31, 2007

Accountability in Government Oversight Committee  
City of Albuquerque  
Albuquerque, New Mexico

Follow-Up:  Tri-Centennial Towers Investigation  
07-06-105F

FINAL

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) performed a Follow-up of 06-105, Tri-Centennial Towers Project issued December 16, 2005. The purpose of our follow-up is to report the final cost and funding sources associated with the Towers. We also followed up on the annual status report on construction in progress.

The Tri-Centennial Towers were approved as an Interstate Corridor Enhancement plan project on October 8, 2003 by the Albuquerque Arts Board. The Department of Municipal Development (DMD) managed the median enhancement project which consisted of two sixty five foot Tri-Centennial Towers and two six feet by six feet three dimensional wall scones located at Rio Grande and I-40.

In November 2005 the Albuquerque City Council (Council) approved a maximum cost of $882,000 for the Tower’s project.

SCOPE, OBJECTIVES, AND METHODOLOGY

Our follow-up procedures consist of inquires of City Personnel and review and verification of applicable documentation to assess the status of our investigation findings. Our follow-up is substantially less in scope than an investigation.
Our objectives were to determine:

- The final cost associated with the project.
- If appropriate funding sources were used.
- If the annual status report on construction in progress was provided to Council in December 2005.

The scope of the follow-up was to determine the actions taken by the City regarding the Towers since our original investigation report dated December 16, 2005. We did not reexamine the findings noted in the original report. We limited our scope to test the subsequent events concerning the Towers from December 16, 2005 through the end of our field work dated January 19, 2007.

**FINDING – TOTAL COST:**

City of Albuquerque Resolution 2005-381 states that the cost for the Tri-Centennial Towers project is “not to exceed $840,000 plus 5% contingency” for a maximum cost of $882,000. On December 16, 2005, OIAI reported that the City of Albuquerque had exceeded the maximum approved cost by $36,638.

By the end of the project, the City of Albuquerque had spent a total of $966,228 on the Towers. As a result, the project was over budget by $84,228.

![Approved vs. Actual Cost](chart.png)

In September 2006 the City of Albuquerque Mayor Charity Ball contributed $3,250 and the Albuquerque TriCentennial Committee contributed $2,400 to the City for the Towers. In November 2006, Forest City Covington NM, LLC provided $80,000 to the City in exchange
for the two models of the Towers. Forest City Covington NM. LLC requested that the models continue to be displayed at the Albuquerque Museum until a permanent location could be located at Mesa Del Sol. The City obtained sufficient funding to bring the cost within the approved budget for the Towers.

During the review of the funding sources for the Tri-Centennial Towers project OIAI noted three expenditures for a total of $13,605 that were paid out of three separate funding sources that were not appropriated for use on the Towers project. In October 2006 DMD reclassified the $13,605 to the funding source designated for the Towers project.

FINDING – ANNUAL STATUS REPORT ON CONSTRUCTION IN PROGRESS:

The Albuquerque Code of Ordinances chapter 2, article 12, section 5, requires an annual status report on construction in progress on each capital improvement project to be completed and delivered to City Council by the first Council meeting in September. DMD did not meet the September deadline; however they had completed the report in late November 2005 and DMD was to present the report to City Council in December 2005, three months late.

The City Council’s legislative file noted that the annual status report prepared by DMD was provided to Council on December 5, 2005.

CONCLUSION

DMD has obtained private funding totaling $85,650 which sufficiently covers the Tri-Centennial Towers project budget overrun. DMD has resolved both findings relating to the Tri-Centennial Towers Project.

We appreciate the assistance and cooperation of DMD personnel during the follow-up investigation.