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Office of the City Auditor

Audit Report

**AUDIT OF CONSTRUCTION-RELATED
PROCUREMENTS
(Report No. A18-001)**

October 20, 2017

City Auditor

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Executive Summary

The Department of Dallas Water Utilities¹ (DWU), one of six City of Dallas (City) departments with construction procurement authority (see textbox), had well documented internal controls in place and supporting documentation to demonstrate Administrative Directive 4-05, *Contracting Policy* (AD 4-05) was consistently followed. The AD 4-05 establishes City policy for:

- Complying with applicable State of Texas laws governing construction contracting processes
- Ensuring fair competition for City contracts and that the City receives: (1) the most qualified architectural, engineering, or land surveying services (professional services) at a fair and reasonable price; and, (2) the lowest responsible bid for construction projects

The DWU's internal controls provided the City with reasonable assurance that construction-related procurements were conducted in a uniform, transparent, and equitable manner while reducing the risk of fraud, waste, or abuse.

The City, however, does not have sufficient internal controls to ensure that all departments² consistently follow AD 4-05 for construction-related procurements, specifically:

- The remaining five departments³ with construction procurement authority (see textbox) and the Office of Procurement Services (OPS), formerly known as the Department of Business Development and Procurement Services, either: (1) had no formal (written, approved, signed, and dated) policies and procedures; (2) the existing policies and procedures were inaccurate, inconsistent, incomplete or out

Background Summary

The six departments authorized to conduct architectural, engineering, or land surveying services (professional services) and construction procurements (construction-related procurements) include:

- 1) Department of Dallas Water Utilities (DWU)
- 2) Department of Equipment and Building Services (EBS)
- 3) Department of Park and Recreation (PKR)
- 4) Department of Public Works (PBW)
- 5) Department of Sanitation (SAN)
- 6) Department of Trinity Watershed Management (TWM)

The Office of Procurement Services (OPS), formerly known as the Department of Business Development and Procurement Services, facilitates the advertisements for construction-related procurements.

Source: AD 4-05, City Code

¹ During Fiscal Year (FY) 2014 and FY 2015, the DWU awarded 17 professional services contracts totaling \$33.3 million and 23 construction projects totaling \$432.5 million.

² During FY 2014 and FY 2015, DWU, PBW, PKR, and TWM were responsible for most construction-related procurements. The Department of Equipment and Building Services (EBS) and the Department of Sanitation (SAN) were occasionally responsible for these types of procurements (see Table I in Appendix I). Recent City organizational changes moved the former PBW Facilities, Construction, and Engineering division to EBS. As a result, EBS' responsibilities for construction-related procurements are now significantly increased.

³ During FY 2014 and FY 2015, these five departments awarded a combined 64 architectural and engineering (professional services) contracts totaling \$17.4 million and 87 construction contracts totaling \$310.7 million (see Table I in Appendix I).

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of date; or, (3) did not have sufficient documentation to demonstrate appropriate procurement steps were followed

- The practices of the Department of Public Works (PBW), the Department of Trinity Watershed Management (TWM), and the Department of Park and Recreation (PKR) resulted in the distribution of professional services contracts among multiple firms that were not transparent, consistent, documented, nor compliant with AD 4-05
- The PBW, TWM, and PKR did not adequately document the department Directors'⁴ reasoning for selecting firms when the professional services procurement selection process resulted in a tie or when the firm selected was not the most highly qualified firm recommended by the selection committee

Without appropriate internal controls, including supporting documentation, the City cannot be assured that construction-related procurements are conducted in a uniform, transparent, and equitable manner and the risk for fraud, waste, or abuse is increased.

The audit objective was to determine the effectiveness of internal controls for construction-related procurements approved by the City Council during Fiscal Year (FY) 2014 and FY 2015; however, certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

We recommend the City Manager implements the recommendations contained in this report to ensure City departments, authorized to conduct construction-related procurements, and OPS have internal controls in place to uniformly follow AD 4-05.

Management's response to this report is included as Appendix III.

⁴ The TWM was a co-sponsor for PBW's and TWM's Request for Qualifications for Professional Engineering, Surveying, and Consulting Services, BDZ1318; however, the TWM Director did not participate in the final tie-breaking decision.

Audit Results

Department of Dallas Water Utilities' Internal Controls for Construction-Related Procurements Were Considered Best Practices

The Dallas Water Utilities (DWU) used specific internal controls designed to ensure architectural, engineering, or land surveying services (professional services) and construction procurements (construction-related procurements) were consistently conducted in accordance with Administrative Directive 4-05, *Contracting Policy* (AD 4-05) and were adequately documented. These internal controls were generally more robust than AD 4-05 requirements and were considered best practices⁵. The DWU's internal controls provided the City of Dallas (City) with reasonable assurance that construction-related procurements were conducted in a uniform, transparent, and equitable manner while reducing the risk of fraud, waste, or abuse.

Based upon a review of State of Texas laws, AD 4-05, and departmental policies and procedures, auditors identified and tested attributes a department must follow to demonstrate compliance (45 attributes for professional services procurements and 17 attributes for construction procurements). A judgmental sample of:

- Five of 17, or 29 percent, of DWU's professional services awards showed documentation was available for all but one of the 225 attributes. These awards represented \$10 million of \$33.3 million, or 30 percent, of DWU's total professional services awards made during Fiscal Year (FY) 2014 and FY 2015 (see Table II in Appendix I).
- Five of 23, or 22 percent, of DWU's construction awards showed the documentation was available for all 90 attributes. These awards represented \$261 million of \$432.5 million, or 60 percent, of DWU's total construction awards made during FY 2014 and FY 2015 (see Table II in Appendix I).

The following are examples of DWU's internal controls:

- **Confirming the advertisement** – The DWU confirms newspaper advertisements by: (1) requesting the Office of Procurement Services (OPS), formerly known as the Department of Business Development and Procurement Services, copy relevant DWU staff when the request to advertise is sent to the Dallas Morning News; and, (2) assigning responsibility to the DWU Technical Section to download and retain the actual advertisement
- **Ensuring fair and equitable dissemination of addendum information** – The DWU requires potential firms to submit questions using the addendum form provided in the Request for Qualifications and / or bid specifications. When a potential firm poses a question to OPS, the DWU responds and OPS sends the answers to all the vendors.

⁵ State of Texas Contract Management Guide, Revision 1.16, dated September 1, 2016, and International Organization of Standardization (ISO) 9001:2008 criteria for a quality management system.

- **Using unique identification numbers for project tracking** – The DWU uses the three-letter designations from OPS⁶ followed by a sequential number DWU assigns from its own set of sequential contract numbers. After advertising, DWU bridges that numbering system with a contract number for all subsequent documentation, such as tying the contract number to contractor payments.
- **Ensuring appropriate management review and approval** – The DWU uses a multi-level approach that reflects DWU's review and monitoring during the construction-related procurement process as follows:
 - Cover sheets that show DWU management reviewed the contents
 - Approval signatures from appropriate DWU organizational levels (i.e., Director, Assistant Director, etc.)
 - Standardized forms that include a review function
 - References to DWU management oversight requirements interlaced throughout the International Organization for Standardization's (ISO) procedures to ensure the composition and level of staff are right for the screening and selection committees
 - Periodic internal ISO and external audits to identify additional opportunities for improvement
- **Minimizing conflicts of interest** – The DWU prohibits members of the screening committee to also serve on the selection committee, and project managers cannot participate in the selection committee's ranking and selection of firms. The DWU, however, does not require committee members to formally document that they do not have a conflict of interest prior to participating on either committee.
- **Using a checklist for completeness** – The DWU uses a consultant selection checklist that includes all steps in the design procurement process on one page. On the checklist, each step:
 - Sources back to a procedure that provides additional detailed work instructions
 - Identifies the level of DWU management involved
 - Estimates the timeframe for completion

⁶ The OPS uses a log with three-letter designations followed by the assigned sequential numbering used in each advertisement.

- **Developing and maintaining current procedures** – The DWU uses ISO work instructions and an easy-to-follow manual that reflect AD 4-05 requirements. The DWU's ISO process helps ensure procedures stay current with changes to AD 4-05. For example, when the dollar threshold for City Council approval was raised to \$70,000, DWU updated the ISO procedure that pertained to City Council approval.

City Council Resolution 88-3428 requires departments to establish internal controls in accordance with the standards established by the Comptroller General of the United States pursuant to the Federal Managers' Financial Integrity Act of 1982 (FMFIA). The FMFIA requires the General Accounting Office (GAO) to issue standards for internal control in government. These standards are stated in the *Standards for Internal Control in the Federal Government* established by the United States Government Accountability Office, issued September 2014 (Green Book).

Per Administrative Directive 4-09, *Internal Control* (AD 4-09), each department is required to establish and document a system of internal control procedures specific to its operations, mission, goals, and objectives. The AD 4-09 requires each department to establish internal controls in accordance with the Green Book. The Green Book identifies established policies and procedures as a control activity needed to manage risk.

Recommendation I

We recommend the City Manager requires all departments involved in construction-related procurements adopt uniform internal control best practices, such as those used by DWU, to ensure compliance with State of Texas laws and AD 4-05.

Please see Appendix III for management's response to the recommendation.

Formal Construction-Related Policies and Procedures Were Nonexistent, Inaccurate, Inconsistent, Incomplete, or Out-of-date

Five of the six departments authorized to conduct construction-related procurements and OPS either had no formal policies and procedures (written, approved, signed, and dated) for construction-related procurements, or the existing policies and procedures were inaccurate, inconsistent, incomplete, or out-of-date. Only DWU had complete, up-to-date policies and procedures that include strong internal controls.

Without current formal policies and procedures that are accurate, consistent, and complete, departmental management must rely on employees' institutional knowledge or customary practices to carry out day-to-day responsibilities. Employees' knowledge and customary practices cannot ensure: (1) effective internal controls are in place; (2) internal controls are operating as intended; and, (3) employees are performing their duties consistently to reduce the risk of financial loss and contract noncompliance. Specifically:

- The Department of Equipment and Building Services (EBS) does not have formal policies and procedures for construction-related procurements. Although authorized, EBS rarely conducted construction-related procurements during the audit period. Recent City organizational changes moved the former PBW Facilities, Construction, and Engineering division to EBS. As a result, EBS' responsibilities for construction-related procurements are now significantly increased.
- The Department of Park and Recreation (PKR) procedures do not always align with AD 4-05, contained inaccuracies, inconsistencies, and were incomplete. For example,
 - The PKR's procedures for professional services procurements are depicted through flowcharts without a narrative explanation of the steps involved. In these flowcharts:
 - A one-step professional services process does not correspond to required procedures in AD 4-05, Section 9, which involves contracts for architectural and engineering planning services greater than \$50,000
 - The terminology is inconsistent, such as referring to the same document sometimes as a statement of qualifications and at other times as a proposal
 - There is no explanation of the screening and selection committees' composition
 - Responsible officials are identified by their first names instead of their positions
 - The process depicted in the flowchart to award the consultant contract showed both pathways as "under the dollar threshold" rather than reflecting

one path as under the dollar threshold and one path as above the dollar threshold. This error occurred more than once.

- The process does not provide a method for selecting the next most highly qualified firm if price negotiations are not successful with the first firm
- The dollar threshold requirements for City Council approval of construction contracts are out-of-date, stating an amount of \$50,000, rather than current amount of \$70,000
- The PKR's procedures manual contains a checklist that begins the professional services procurement process by stating the division manager assigns consultants from the "pool" for design projects. There is no discussion of how PKR initially developed the "pool" of consultants.
- The PBW used procedures during the audit period that were inconsistent or out-of-date. The Engineering and Surveying division used procedures that had not been updated since 1990, while the Facilities, Construction, and Engineering division used flowcharts created by a contractor who was hired in 2006 to develop standardized City-wide procurement practices⁷; however, since flowcharts lack detail, if a PBW project manager had a question about the procurement process, he or she would refer to either the 1990 Project Management Procedures Manual (1990 PMPM) or AD 4-05.
- The Department of Sanitation (SAN) does not have policies and procedures for construction-related procurements. Although authorized, the SAN rarely conducts construction-related procurements. The SAN had a division that was already ISO certified; however, the SAN procedures did not include construction-related procurements. After the auditor brought this oversight to the Director of SAN's attention, the Director instructed the SAN division managers to develop ISO procedures for construction-related procurements before SAN commences another procurement.
- The Department of Trinity Watershed Management (TWM) did not have policies and procedures for construction-related procurements. Beginning in 2009 when TWM was formed, TWM lacked its own policies and procedures, and TWM managers informally adopted the practices of the departments from which the managers had transferred (e.g., PBW). The TWM projects included in this audit used these adopted practices for construction-related procurements. The TWM is now developing policies and procedures through an ISO certification process.
- The OPS did not have policies and procedures for construction-related procurements. The OPS which is responsible for issuing AD 4-05 has no policies and procedures for its role in construction-related procurements. The OPS management said it assigned itself a minor role in facilitating construction-related

⁷ In 2006, the City contracted with Starr Solutions to recommend ways to standardize the contracting process among the City's departments. Only one division, Facilities, Construction, and Engineering of PBW, adopted the standardized process and developed a policy statement as well.

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procurements, such as advertising; therefore, OPS had no need to create policies and procedures. The AD 4-05, however, repeatedly mentions OPS' role in facilitating construction-related procurements.

The absence of City oversight and monitoring of how well these departments have followed AD 4-05 requirements is an underlying cause contributing to inadequate policies and procedures. Documentation was not available to support whether the City has conducted oversight and monitoring of how well these and other departments have carried out AD 4-05 and the associated internal controls.

Per AD 4-09, each department is required to establish and maintain an internal control system. The AD 4-09 requires each department to establish internal controls in accordance with the Green Book. The Green Book identifies established policies and procedures as a control activity needed to manage risk.

Recommendation II

We recommend the City Manager ensures the City departments authorized to conduct construction-related procurements have formal (written, approved, signed, and dated) policies and procedures.

Recommendation III

We recommend the City Manager ensures the Director of OPS develops formal (written, approved, signed, and dated) policies and procedures that describe OPS' responsibilities for facilitating construction-related procurements.

Please see Appendix III for management's response to the recommendations.

Sufficient Internal Controls Are Not in Place to Ensure City Contracting Policy Is Uniformly Followed

The City does not have sufficient internal controls to ensure that all departments⁸ with construction-related procurement authority consistently follow AD 4-05. Specifically, five of the six authorized departments do not uniformly follow AD 4-05. During FY 2014 and FY 2015 these five departments awarded:

- Sixty-four professional services projects totaling \$17.4 million
- Eighty-seven construction projects totaling \$310.7 million

Without appropriate internal controls, including supporting documentation, the City cannot be assured that construction-related procurements are conducted in a uniform, transparent, and equitable manner and the risk for waste, fraud, or abuse is increased.

A judgmental sample of ten construction-related procurements managed by PKR showed:

- Five of 16, or 31 percent, of PKR's professional services awards documentation was not available for 218 of 225⁹, or 97 percent, of the attributes¹⁰ tested. These awards represented \$1.5 million of \$2.8 million, or 53 percent, of PKR's total professional services awards made during FY 2014 and FY 2015 (see Table II in Appendix I).
- Five of 23 construction awards, or 22 percent, of PKR's construction awards showed the documentation was not available for 40 of 85¹¹, or 47 percent, of the attributes tested. These awards represented \$20 million of \$32.2 million, or 62 percent, of PKR's total construction awards made during FY 2014 and FY 2015 (see Table II in Appendix I).

City Contracting Policy

The AD 4-05 establishes the City's policy to:

- Comply with applicable laws regulating the contracting process
- Establish a method to ensure that all contracting activities are conducted in a uniform and equitable manner
- Conduct business with vendors and consultants who do not have conflicts of interest
- Prohibit City employees and officials from having a direct or indirect financial interest in any contract with the City
- Encourage competition, prevent favoritism, and obtain the best price
- Create and maintain adequate, complete, and user-friendly documentation for contracting activities.

Source: AD 4-05

⁸ During FY 2014 and FY 2015, DWU, PBW, PKR, and TWM were responsible for most construction-related procurements. The EBS and the SAN were occasionally responsible for these types of procurements (see Table I in Appendix I). Recent City organizational changes moved the former PBW Facilities, Construction, and Engineering division to EBS. As a result, EBS' responsibilities for construction-related procurements are now significantly increased.

⁹ Five professional services awards multiplied by 45 attributes equals 225.

¹⁰ The attributes tested were based upon requirements specified in State of Texas laws, AD 4-05, and DWU's Policies and Procedures.

¹¹ Five construction awards multiplied by 17 attributes equals 85.

The following are examples of the absence of uniformity in the departments' policies, procedures, and practices:

- The DWU selected the most highly qualified firms, as required by AD 4-05, while PBW and TWM did not consistently do so during FY 2014 and FY 2015
- The DWU prohibited members of the screening committee¹² to also serve on the selection committee, to minimize conflicts of interest, while other departments permitted the participation by the same individuals on both committees. The AD 4-05 advises against appointing screening and selection committee members who may have a direct or indirect conflict of interest, but does not provide specific guidance on how to avoid such conflicts.
- The DWU prohibited project managers from participating in the selection committee's ranking and selection of firms to minimize potential conflicts of interest
- The PKR and TWM allowed the project manager to be on the selection committee, but did not allow the project manager to participate in the scoring process
- The PBW's procedure, which was based upon the 1990 PMPM, required the project manager to be on the selection committee; however, the policy did not specify whether the project manager can participate in scoring. In practice, the PBW project manager did score firms when serving on the selection committee.

The AD 4-05 states the specific individual who will be directly responsible for administering the contract, such as the project manager, can only serve as a non-voting member of the selection committee. This requirement is designed to protect against conflicts of interest.

The absence of uniformity among the departments in following AD 4-05 is due to: (1) AD 4-05's complexity; (2) the lack of, or inconsistency among, departmental policies and procedures; and, (3) the lack of City monitoring to ensure departments uniformly adopt and implement appropriate internal controls over construction-related procurements.

The AD 4-09 requires each department to follow the Green Book by: (1) implementing control activities through written policies and procedures that include documenting the internal controls; (2) monitoring internal controls to help internal controls remain aligned with changing objectives, environment, laws, resources, and risks; and, (3) creating a process to regularly assess the effectiveness of internal controls by comparing actual results to expectations. The Green Book identifies policies and procedures as a control activity needed to manage risks.

¹² The DWU Screening Committees are responsible for reviewing the responses to the Requests for Qualifications and preparing a short list of the most highly qualified firms. Then, DWU uses a Request for Proposals process to obtain specific information, such as specific expertise, proposed approach, other obligations, and Business Inclusion and Development from each of the short-listed firms. A DWU Selection Committee evaluates the responses to the Request for Proposals based upon predetermined criteria to recommend a finalist to the DWU Director for approval.

Recommendation IV

We recommend the City Manager ensures City departments, authorized to conduct construction-related procurements, and OPS implement the internal controls needed to ensure AD 4-05 is uniformly followed by:

- Decreasing the complexity of AD 4-05 and / or clarifying the requirements by developing an implementation guide. The result should specify:
 - Professional services procurement requirements, such as the process departments must use after the Request for Qualifications to select the most highly qualified firm (i.e., Request for Proposals, negotiations, etc.)
 - Screening and selection committee composition requirements to minimize potential conflicts of interest, including documentation such as a signed conflict of interest statement
 - Allowable exceptions to the procurement process, such as when the most highly qualified firm is not selected
- Requiring departments to develop consistent policies and procedures
- Monitoring departments for conformity with AD 4-05 for construction-related procurements

Please see Appendix III for management's response to the recommendations.

Department Practices to Distribute Professional Services Among Multiple Firms Were Not Transparent, Consistent, Documented, Nor Compliant with City Requirements

The PBW's, TWM's, and PKR's practice of distributing¹³ professional services among multiple firms was not transparent, consistent, documented, nor compliant with AD 4-05. In addition, the practice was not included in departmental policies and procedures. As a result, there is an increased risk that the City's procurement process was not equitable and the most highly qualified firms were not consistently selected.

The PBW and TWM Distributing the Work Practices

The PBW and TWM used a Request for Qualifications process to identify a list of firms qualified to provide professional services. These firms, however, were not qualified based upon the requirements for specific projects. Then, rather than follow the process described in AD 4-05 to issue a Request for Proposals after the most highly qualified firm is identified, these departments selected firms from the list of initially qualified firms and assigned these firms to projects and then negotiated a price¹⁴.

Specifically:

- The PBW and TWM did not directly follow the professional services procurement process described in AD 4-05. Instead, PBW and TWM combined professional services projects to allow for distributing the work. For example, during FY 2013, the PBW and TWM advertised a Request for Qualifications for 213 professional services projects (estimates for professional services and construction costs were \$167.3 million) and received responses from 86 firms. The initial Request for Qualifications showed these 213 professional services projects combined into 47 project groups.

After the firms' responses to the Request for Qualifications were received, the PBW and TWM identified an additional 26 projects and the associated funding for

Distributing the Work

Distributing the work is a practice used by PBW, TWM, and PKR to distribute professional services contracts among multiple firms. According to management, this practice:

- Results in a more efficient process than issuing Request for Proposals as required by AD 4-05
- Allows smaller and / or newer firms to gain experience on City projects
- Provides a balance to the City's procurement selection criteria that otherwise allows the more experienced firms to score higher based on their experience
- Helps to ensure City projects are completed timely as the City is not dependent upon the same large firms to provide professional services

Source: The PKR, PBW, and TWM

¹³ Other Texas cities contacted also use distributing the work practices to distribute professional services; however, their processes for matching the qualified firms with projects are more transparent and systematic (e.g., rotation).

¹⁴ AD 4-05 requires a two-step process: (1) a Request for Qualifications to identify the most highly qualified firms; and, (2), a Request for Proposals process to select the most highly qualified firm from the list of firms identified in step one for contracts greater than \$50,000.

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a total of 239 professional services projects (estimates for professional services and construction costs were \$174.3 million). The PBW and TWM created 63 project groups, including two “Special Projects” – the West Dallas Gateway project and the Houston Street Viaduct project.

- The PBW and TWM did not document the criteria used to classify the professional services projects into these 61 groups, excluding the two “Special Projects”. The PBW management, however, said projects were grouped based on the location, estimated costs of up to approximately \$4.5 million, and the need to make the group of projects large enough to attract competition.
- The PBW and TWM did not fully document how the selection committee determined 70 of 86 firms submitting responses to the Request for Qualifications satisfied the requirements as:
 - Only two members of the selection committee, one of whom was the project manager, scored all the 70 firms on all aspects of the required qualifications
 - One committee member’s scores were not counted because 46 of the 70 firms, or 66 percent, were not scored
 - One committee member did not score 19 of the 70 firms, 27 percent; however, the score was counted

The PBW and TWM matched each of the remaining 61 top-ranked firms with one of the project groups and awarded the projects. The nine lower-ranked firms received no project awards.

The PKR's Distributing the Work Practices

In January of 2007, the PKR issued a Request for Qualifications for \$343.2 million of proposed capital projects. The Request for Qualifications clearly outlined PKR's intent to distribute the work among professional services firms by assigning projects over the next four-and-one-half years to a pre-approved "pool" of consultants (see textbox). It was not clear the criteria PKR planned to use to make these assignments.

At some point after the Request for Qualifications was issued and qualified firms were selected, PKR began following AD 4-05 requirements to issue Request for Proposals to the "pool" of approved consultants for specific projects. For example, in January 2013, the PKR issued a Request for Proposals to the firms qualified six years earlier for the Bachman Recreation Center Renovation. The AD 4-05 does not specifically state how soon Request for Proposals should be issued after a department qualifies firms; however, limiting the opportunity to offer a proposal to firms qualified six years earlier does not appear to promote competition as new professional services firms formed after 2013 were excluded from the procurement process.

City of Dallas' Department of Park and Recreation Request for Qualifications for 2006-2010 Capital Projects

*"It is the intent of the City of Dallas Park and Recreation Department to establish a group or "pool" of approved consultants within each of eight disciplines to provide professional services for undesignated projects. The group of consultants for each discipline will vary in size according to the quantity of projects anticipated for that discipline. **Firms ultimately selected will have gained a position in the "pool," from which project assignments will be drawn over the next four and a half years as the bonds are sold.... Park Staff will make every effort to utilize each firm in the "pool"; however, this cannot be guaranteed.**"*

"Following the selection process of the consultant "pools", project assignments will be made for the first-year bond sale projects. Fee negotiations will commence with the selected firm for each assigned project."

Source: The PKR

The DWU Encourages Relationships Between Large and Small Firms

The DWU directly follows AD 4-05. In addition to following the City's policy regarding Minority / Women Business Enterprise (M/WBE) contract participation, the DWU encourages larger professional services firms to sub-contract with smaller firms so that the smaller firms can gain City experience. The DWU also encourages smaller firms to contact the larger firms to identify project participation opportunities.

Distributing the work is not described in AD 4-05. In addition, auditor inquiries to the City Attorney's Office did not result in the identification of other City policies that authorized this practice¹⁵. The PBW management said its departmental procedures allowed this practice although the PBW procedures are dated 1990 and pre-date the current version

¹⁵ This practice is not to be confused with the City's Business Inclusion and Development Plan, a plan adopted by City Council to provide additional support to the ongoing efforts to give Minority and Women Owned Business Enterprises (M/WBE) the opportunity to participate in City contracts. This plan applies to all contracts, with special emphasis on those with sub-contracting opportunities. Under the plan, vendors are required to make good faith efforts to include M/WBE participation in sub-contracting under proposed City contracts, consistent with established M/WBE goals, and demonstrate and document good faith efforts to meet the goals when competing for City contracts. **Source:** AD 4-5, Section 4.20.

of AD 4-05 which is dated 2013. (Note: Although TWM did not formally adopt the PBW procedures, TWM followed the 1990 PMPM procedures in practice.)

Recommendation V

We recommend the City Manager ensures City departments, in collaboration with the City Attorney's Office, develop internal controls to ensure distributing the work practices are transparent, consistent, documented, and comply with AD 4-05.

Please see Appendix III for management's response to the recommendation.

Reasons for Certain Procurement Selection Decisions Were Not Adequately Documented

The PBW, TWM, and PKR did not adequately document the reasoning used by the department Directors for selecting firms when the professional services procurement selection process resulted in a tie or when the firm selected was not the most highly qualified firm recommended by the selection committee¹⁶. Without adequate documentation, the risk is increased that the City cannot demonstrate professional services procurements are conducted in a uniform and equitable manner. Specifically:

- The PBW's evaluation of the most qualified firm to conduct the \$546,645 preliminary design Phase I for a joint PBW / TWM project (the approximately \$34 million West Dallas Gateway project) by-passed the required Request for Proposals process and resulted in a tie
 - The departments advertised a Request for Qualifications, followed by formation of a screening committee that scored and ranked the firms and created a short-list of the most highly qualified firms. The announcement called for short-listed firms to submit proposals under a Request for Proposals process; however, PBW informed the short-listed firms that to save time, PBW would skip the Request for Proposals requirement and move forward with interviews.
 - A selection committee was subsequently formed to score and rank the firms based on the interviews. The final scores for the top two firms were only separated by one-half point (on a scale of 100). The scoring results were so close that the selection committee presented the results to the PBW Director as a tie. The only documentation of the Director's decision was the Assistant Director's e-mail congratulating the winning firm.
- The selection committee's recommendation was not accepted for a \$123,830 component of the PKR Feasibility Study and Master Plan for the proposed White Rock Hills Recreation Center
 - The PKR advertised a Request for Qualifications, followed by a Request for Proposals. A selection committee was formed to score and rank the proposals from a short-list of the three most highly qualified professional services firms. The scoring resulted in the selection committee recommending one firm as the most highly qualified firm.
 - The PKR Director did not sign his concurrence with the selection committee's recommendation. Instead, the scores were re-ranked using an alternative method of ranking that resulted in a tie between the firm recommended by the selection committee and another. Then, the PKR Director selected the other firm. The only documentation of the Director's decision was the Assistant Director's e-mail congratulating the winning firm.

¹⁶ The TWM was a co-sponsor for PBW's and TWM's Request for Qualifications for Professional Engineering, Surveying, and Consulting Services, BDZ1318; however, the TWM Director did not participate in the final tie-breaking decision.

The PBW's, TWM's, and PKR's policies and procedures / practices do not require documentation of the reasoning used by the department Directors for selecting a firm when the procurement selection process resulted in a tie or when the firm selected was not the most highly qualified firm recommended by the selection committee.

The AD 4-09 states documentation is required to demonstrate the design, implementation, and operating effectiveness of the internal control system. The AD 4-05, Section 9.3.3, *Architectural/Engineering Contracts; Planning Services Contracts Greater than \$50,000, F* requires the highest ranked proposer to be selected based upon published selection criteria and the interviews, if conducted.¹⁷

Recommendation VI

We recommend the City Manager ensures policies and procedures are developed to require department Directors to document their reasoning for selecting a specific firm when the: (1) selection committee scoring and ranking process results in a tie; or, (2) the firm selected is not the most highly qualified firm recommended by the selection committee.

Please see Appendix III for management's response to the recommendation.

¹⁷ The AD 4-05, Section 9.3.3, *Architectural/Engineering Contracts; Planning Services Contracts Greater than \$50,000, F* states: "After evaluation of the requests for proposals and interviews (if interviews are conducted) of all finalists, the initiating department shall rank each finalist on the basis of the selection criteria listed in the original request for qualifications and the results of the interview (if interviews are conducted). Selection of the successful finalist shall be on a most advantageous award basis, in light of the published selection criteria and the interview (if interviews are conducted). The highest ranked proposer shall be considered the proposer that provides the most advantageous proposal to the City."

Background, Objective, Scope and Methodology

Departments Authorized to Conduct Construction-Related Procurements¹⁸

The following six departments, authorized to conduct construction-related procurements, are named in the City of Dallas' (City) Administrative Directive 4-05, *Contracting Policy* (AD 4-05):

- 1) Department of Dallas Water Utilities (DWU)
- 2) Department of Equipment and Building Services (EBS)
- 3) Department of Park and Recreation (PKR)
- 4) Department of Public Works (PBW)
- 5) Department of Sanitation (SAN)
- 6) Department of Trinity Watershed Management¹⁹ (TWM)

The Department of Housing (HOU), now known as the Office of Housing and Neighborhood Revitalization, was also named in AD 4-05 as authorized to conduct construction-related procurements. The HOU, however, does not directly engage in construction-related procurements. Instead, the City, through HOU, provides funding to eligible homeowners as a “loan” that resembles a grant in that over a period of years, the “loan” is forgiven if the homeowner maintains the home and pays property taxes.²⁰

The Office of Procurement Services (OPS), formerly known as the Department of Business Development and Procurement Services, facilitates the advertisement of construction-related procurements.

¹⁸ For this report, construction-related procurements refer to professional services (i.e., architectural, engineering, or land surveying services) and construction procurements.

¹⁹ Dallas City Code Chapter 2 Section 75.1 Duties of the Director of Trinity Watershed Management.

²⁰ The homeowner signs a contract with a registered builder using a contract approved by City Attorneys. The OPS advertises on behalf of HOU to get builders on the approved list.

Construction-Related Procurements

During Fiscal Year (FY) 2014 and FY 2015, the City Council awarded, through these six departments, 191 contracts totaling \$793.9 million for construction-related procurement. Voter-approved bonds were generally the source of funding for these construction-related procurements.

As shown in Table I below, during FY 2014 and FY 2015, these six departments managed the construction-related procurements for 81 professional service contracts and 110 construction contracts. The associated contract award amounts for these projects totaled \$50.7 million and \$743.2 million, respectively.

Table I

FY 2014 and FY 2015 Construction-Related Procurements by Department (Unaudited)

Department	Number of Awards			Contract Award Amounts		
	Professional Services	Construction	Totals	Professional Services	Construction	Totals
EBS	2	3	5	\$ 139,800	\$ 1,313,640	\$ 1,453,440
PKR	16	23	39	2,808,926	32,219,111	35,028,037
PBW	42	49	91	12,487,493	180,047,685	192,535,178
SAN	0	0	0	0	0	0
TWM	4	12	16	1,938,790	97,110,886	99,049,676
Subtotals	64	87	151	17,375,009	310,691,322	328,066,331
DWU	17	23	40	33,278,710	432,533,279	465,811,989
Totals	81	110	191	\$ 50,653,719	\$ 743,224,601	\$ 793,878,320

Source: The six named departments

Construction-Related Procurement Process

After each department identifies construction projects through a needs assessment and obtains funding (generally through voter-approved bonds), for projects greater than \$50,000, the initiating department will:

- Prepare Requests for Qualifications for professional services firms
- Request OPS to advertise the Requests for Qualifications
- Receive and evaluate the firms' qualifications and rank them to identify a short-list of the three to five most highly qualified firms

- Issue Requests for Proposals and obtain proposals from the short-listed firms and select the most highly qualified firm
- Negotiate prices with the firm ranked most highly qualified. If a price agreement cannot be reached with the first ranked firm, the department moves to the second ranked firm, and so on.
- Prepare construction bid specifications
- Request OPS to advertise the construction bid
- Obtain sealed bids from construction companies
- Rank the bids to identify the lowest responsible bidder
- Award the construction contract to the lowest responsible bidder

Administrative Directive 4-05, *Contracting Policy*

Administrative Directive 4-05, *Contracting Policy* (AD 4-05) establishes the City policy to:

- Comply with applicable laws regulating the contracting process
- Establish a method to ensure that all contracting activities are conducted in a uniform and equitable manner
- Conduct business with vendors and consultants who do not have conflicts of interest
- Prohibit City employees and officials from having a direct or indirect financial interest in any contract with the City
- Encourage competition, prevent favoritism, and obtain the best price
- Create and maintain adequate, complete, and user-friendly documentation for contracting activities

State of Texas Laws – Construction-Related Procurements

Government Code Sec. 2254.004. *Contract for Professional Services of Architect, Engineer, or Surveyor.*

- (a) In procuring architectural, engineering, or land surveying services, a governmental entity shall:
 - (1) first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and,
 - (2) then attempt to negotiate with that provider a contract at a fair and reasonable price.
- (b) If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the entity shall:
 - (1) formally end negotiations with that provider;
 - (2) select the next most highly qualified provider; and,
 - (3) attempt to negotiate a contract with that provider at a fair and reasonable price.
- (c) The entity shall continue the process described in Subsection (b) to select and negotiate with providers until a contract is entered into.

Excerpts from Texas Government Code Chapter 2269, Contracting and Delivery Procedures for Construction Projects

Sec. 2269.052. NOTICE REQUIREMENTS.

- (a) A governmental entity shall advertise or publish notice of requests for bids, proposals, or qualifications in a manner prescribed by law.
- (b) For a contract entered into by a governmental entity under a method provided by this chapter, the governmental entity shall publish notice of the time and place the bid or proposal or request for qualifications will be received and opened in a manner prescribed by law.
- (c) For a contract entered into by a municipality.... shall publish notice of the time and place the bids or proposals, or the responses to a request for

qualifications, will be received and opened. The notice must be published in a newspaper of general circulation in the county in which the...municipality's central administrative office is located ...once each week for at least two weeks before the deadline for receiving bids, proposals, or responses....In a two-step procurement process, the time and place the second step bids, proposals, or responses will be received are not required to be published separately.

Sec. 2269.055. CRITERIA TO CONSIDER.

- (a) In determining the award of a contract under this chapter, the governmental entity may consider:
 - (1) the price;
 - (2) the offeror's experience and reputation;
 - (3) the quality of the offeror's goods or services;
 - (4) the impact on the ability of the governmental entity to comply with rules relating to historically underutilized businesses;
 - (5) the offeror's safety record;
 - (6) the offeror's proposed personnel;
 - (7) whether the offeror's financial capability is appropriate to the size and scope of the project; and
 - (8) any other relevant factor specifically listed in the request for bids, proposals, or qualifications.

- (b) In determining the award of a contract under this chapter, the governmental entity shall:
 - (1) consider and apply any existing laws, including any criteria, related to historically underutilized businesses; and
 - (2) consider and apply any existing laws, rules, or applicable municipal charters, including laws applicable to local governments, related to the use of women, minority, small, or disadvantaged businesses.

Sec. 2269.101. CONTRACTS FOR FACILITIES: COMPETITIVE BIDDING.

- (a) In this chapter, "competitive bidding" is a procurement method by which a governmental entity contracts with a contractor for the construction, alteration, rehabilitation, or repair of a facility by awarding the contract to the lowest responsible bidder.
- (b) Except as otherwise provided by this chapter or other law, a governmental entity may contract for the construction, alteration, rehabilitation, or repair of a facility only after the entity advertises for bids for the contract in a manner prescribed by law, receives competitive bids, and awards the contract to the lowest responsible bidder.

Sec. 2269.103. PREPARATION OF REQUEST.

The governmental entity shall prepare a request for competitive bids that includes construction documents, estimated budget, project scope, estimated project completion date, and other information that a contractor may require to submit a bid.

Sec. 2269.104. EVALUATION OF OFFERORS.

The governmental entity shall receive, publicly open, and read aloud the names of the offerors and their bids.

Sec. 2269.105. SELECTION OF OFFEROR.

Not later than the seventh day after the date the contract is awarded, the governmental entity shall document the basis of its selection and shall make the evaluations public.

Objective, Scope and Methodology

This audit was conducted under the authority of the City Charter, Chapter IX, Section 3 and in accordance with the FY 2016 Audit Plan approved by the City Council. This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The audit objective was to determine the effectiveness of internal controls for construction-related procurements. The scope of the audit included management operations from FY 2014 through FY 2015; however, certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

To achieve the audit objective, we performed the following procedures:

- Reviewed State of Texas laws²¹, AD 4-05, and compared the relevant provisions to departmental policies and procedures / practices
- Reviewed the State of Texas Contract Management Guide, Revision 1.16, dated September 1, 2016, and the International Organization for Standardization (ISO) 9001:2008 criteria for a quality management system to identify best practices
- Conducted interviews with personnel from the six departments and OPS
- Selected and tested a sample of construction-related procurements for DWU and PKR – the only two departments that had more current documented departmental policies and procedures

The other three departments' files could not be tested because departmental procedures were either absent or were being revised through the ISO certification process.

As shown in Table I on the following page, the sample tested included 58 percent of DWU's and PKR's estimated total of \$500.8 million construction-related procurements awarded during FY 2014 and FY 2015.

²¹ Government Code Title 10. General Government, Subtitle F. State and Local Contracts and Fund Management, Chapter 2254. Professional and Consulting Services, Subchapter A. Professional Services.

An Audit Report on –
Construction-Related Procurements

Table II

**Sample Tested Included 58 Percent of
DWU and PKR Construction Related Procurements**

Department	Procurement Type	Contract Award Amounts	Sampled Contract Award Amounts	Percent Sampled
DWU	Professional Services	\$ 33,278,710	\$ 10,033,730	30
	Construction	432,533,279	261,011,547	60
PKR	Professional Services	2,808,926	1,482,330	53
	Construction	32,219,111	20,076,148	62
Totals		\$ 500,840,026	\$ 292,603,755	58

Source: DWU, PKR, Office of the City Auditor Analysis

* Amounts were rounded

Major Contributors to This Report

Ronald Salo, CISA – Project Manager

Norman Blaiotta, CIA – Auditor

Robert Rubel, CPA, CIA, CISA – Audit Manager

Carol Smith, CPA, CIA, CFE, CFF – First Assistant City Auditor

Theresa Hampden, CPA – Quality Control Manager

Management's Response

Memorandum

RECEIVED

OCT 20 2017

City Auditor's
Office



CITY OF DALLAS

DATE October 20, 2017

TO Craig D. Kinton, City Auditor

SUBJECT **Response to Audit Report: Audit of Construction-Related Procurements dated
September 28, 2017**

The above-referenced report summarizes an audit of construction-related procurements performed for design- and construction-related procurement processes that occurred from October 1, 2013 to September 30, 2015 (FY14 and FY15) (the "Audit"). The Audit Report alleges improper documentation of process and procedures related to "construction-related" contracts, which comprised both Qualifications-based Professional Services contracts for planning and design, in addition to the public proposal and bid process used to solicit construction services. The term "construction-related" is used interchangeably in this report to refer to these two very different types of procurement processes.

Of the 191 contracts valued at \$793.9 million covered in the Audit, 81 contracts valued at \$50.7 million are qualifications-based professional services (design) contracts per state law, and the remaining 110 projects, valued at \$743.2 million, are construction contracts that follow different procedures for public bids and proposals.

During the time frame of the audited procurements, the five identified departments were following the project implementation manuals in place at the time, as referenced in the report. As part of continuous improvement processes occurring within the organization, many of the departments were, and continue to be, in the process of updating internal procedures to conform with International Organization for Standardization (ISO) and other departmental operating procedures for design and construction contract procurement.

In addition, during the last two years (FY15 and FY16), the Office of Procurement Services (OPS) has been working with the City Attorney's Office (CAO) and the affected departments to develop appropriate updates to Administrative Directive (AD) 4-05: Contracting Policy. The updated AD 4-05 will serve as the overarching instructions to ensure compliance with state law is consistent; department work instructions will be tailored to meet the needs of the departments in conformance with AD 4-05. The Design and Construction Procurement Task Force has been directed by the City Manager's Office (CMO) to complete these efforts to ensure the applicable recommendations from this Audit are addressed as a part of this planned update to AD 4-05 and department policies published.

An Audit Report on – Construction-Related Procurements

DATE October 20, 2017
SUBJECT Response to Audit Report: Audit of Construction-Related Procurements dated September 28, 2017

Our responses to the Audit Report recommendations are as follows:

Recommendation I: We recommend that the City Manager require all departments involved in construction-related procurements adopt uniform internal control best practices, such as those used by DWU, to ensure compliance with State of Texas law and AD 4-05.

Management Response/Corrective Action Plan

Agree Disagree

We generally concur with this recommendation. While the DWU internal controls best practices provide a great framework to work from, they generally include specific work instructions to address a specific departments' needs, policies and procedures. These specific work instructions may not directly apply to other departments.

As a part of the Design and Construction Task Force, we are reviewing best management practices across the state, as well as departments' internal control best practices (including DWU) for applicability city-wide. The focus has been on developing a city-wide framework of procurement principles within AD 4-05, allowing each department to develop appropriate individual work instructions that provide finer details of the internal controls and best apply to their processes and procedures within that framework.

Implementation Date

June 30, 2018

Responsible Managers

Majed Al-Ghafry
Kelly High
Rick Galceran
Sarah Standifer
Errick Thompson
Willis Winters

Recommendation II: We recommend that the City Manager ensure the City departments authorized to conduct construction-related procurements have formal (written, approved, signed, and dated) policies and procedures.

Management Response/Corrective Action Plan

Agree Disagree

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An Audit Report on – Construction-Related Procurements

DATE October 20, 2017
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We concur with this recommendation, and anticipate that Task Force efforts to update AD 4-05 will include this effort. The Task Force is focused on updates to AD 4-05 that serve as the overarching instructions to ensure that city-wide consistent compliance with state law. Additionally, through participation in city-wide ISO certification processes, the individual department's work instructions, policies and procedures are tailored to meet the needs of the departments in conformance with AD 4-05. Work instructions, policies and procedures developed in response to changes to AD 4-05 will provide the appropriate level of internal controls documentation to support both qualifications-based consultant selection and construction contract bid-proposal processes.

Implementation Date
June 30, 2018

Responsible Managers
Majed Al-Ghafry
Kelly High
Rick Galceran
Sarah Standifer
Errick Thompson
Willis Winters

Recommendation III: *We recommend that the City Manager ensure that the Director of OPS develops formal (written, approved, signed, and dated) policies and procedures that describe OPS' responsibilities for facilitating construction-related procurements.*

Management Response/Corrective Action Plan

Agree Disagree

We concur with this recommendation, and anticipate that the Task Force updates to AD 4-05 will address this definition. The Task Force is working on updates to AD 4-05 that are anticipated to serve as the overarching instructions to ensure that compliance with state law is consistent; the department work instructions will be tailored to meet the needs of the departments in conformance with AD 4-05 and state requirements. We also note that OPS will be working with the CAO and members of the Task Force to ensure that AD 4-05, and the resulting process definitions are consistent with the appropriate Texas Laws, including, but not limited to the Local Government Code, and the Texas Engineering Practice Act. The CMO will work with the CAO and the contracting departments to ensure development of the most efficient contracting process as practicable that meets all applicable and appropriate statutes.

An Audit Report on – Construction-Related Procurements

DATE October 20, 2017
SUBJECT Response to Audit Report: Audit of Construction-Related Procurements dated September 28, 2017

Implementation Date
June 18, 2018

Responsible Manager
Michael Frosch

Recommendation IV: *We recommend the City Manager ensure City departments, authorized to conduct construction-related procurements, and OPS implement the internal controls needed to ensure AD 4-05 is uniformly followed by:*

- *Decreasing the complexity of AD 4-05 and/or clarifying the requirements by developing an implementation guide. The result should specify:*
 - *Professional Services procurement requirements, such as the process departments must use after the Request for Qualifications to select the most highly qualified firm (i.e., Request for Proposal, negotiations, etc.)*
 - *Screening and selection committee composition requirements to minimize potential conflicts of interest, including documentation such as a signed conflict of interest statement*
 - *Allowable exceptions to the procurement process, such as when the most highly qualified firm is not selected*
- *Requiring departments to develop consistent policies and procedures*
- *Monitoring departments for conformity with AD 4-05 for construction-related procurements*

Management Response/Corrective Action Plan

Agree Disagree

We concur with this recommendation, and agree that there is opportunity to develop a more consistent process. We note that as written, this recommendation may primarily relate to the qualifications-based professional services procurement process. The Task Force is working on revisions to AD 4-05 to clarify the over-arching guidelines for qualifications-based professional services-type processes. The department work instructions will be tailored to meet the needs of the departments in conformance with AD 4-05 clarification of the process requirements and related documentation.

Implementation Date
June 30, 2018

Responsible Managers
Majed Al-Ghafry

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**An Audit Report on –
Construction-Related Procurements**

DATE October 20, 2017
SUBJECT Response to Audit Report: Audit of Construction-Related Procurements dated September 28, 2017

Kelly High
Rick Galceran
Sarah Standifer
Errick Thompson
Willis Winters

Recommendation V: We recommend that the City Manager ensure City departments, in collaboration with the City Attorney's Office, develop internal controls to ensure distributing the work practices are transparent, consistent, documented, and comply with AD 4-05.

Management Response/Corrective Action Plan

Agree Disagree

We agree that the current processes may be improved to provide greater transparency and consistency. While this recommendation (as written), primarily relates to qualifications-based selection processes, we anticipate that similar processes may need to be explored related to construction-related procurement opportunities.

It needs to be clarified that the existing City processes are generally consistent with AD 4-05 relative to establishing a qualified pool of consultants for design work. The Request-for-Qualifications process is used to pre-qualify firms in accordance with state law for local government procurement, AD 4-05, and the Texas Engineering Practices Act; qualified firms are then asked to provide a proposal for specific job assignments based upon the information provided in the submitted Statement of Qualifications, with a review of the technical project-specific requirements.

The Task Force is working on updating AD 4-05 which will serve as the overarching instructions to ensure that compliance with state law is consistent and that the department work instructions will be tailored to meet the needs of the departments in conformance with AD 4-05. The Task Force can provide a review of best practices across the state in addition to related DWU processes as a part of developing updates to complete AD 4-05.

Implementation Date
June 30, 2018

Responsible Managers
Majed Al-Ghafry
Kelly High
Rick Galceran
Sarah Standifer
Errick Thompson

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An Audit Report on – Construction-Related Procurements

DATE October 20, 2017
SUBJECT Response to Audit Report: Audit of Construction-Related Procurements dated September 28, 2017

Willis Winters

Recommendation VI: *We recommend that the City Manager ensure policies and procedures are developed to require department Directors to document their reasoning for selecting a specific firm when the: (1) selection committee scoring and ranking process results in a tie; or, (2) the firm selected is not the most highly qualified firm recommended by the selection committee.*

Management Response/Corrective Action Plan

Agree Disagree

We generally concur with this recommendation; however, we also note that there may be extenuating circumstances that may influence this decision. In such instances, the directors shall be required to document their reasoning for such circumstances and decision. We will provide clarification within AD 4-05 relative to appropriate state law concerning the use of local preference with respect to a tie-selection, and required documentation of firm selection processes.

The Task Force is working on revisions to AD 4-05 to clarify the qualifications-based professional services-type procurements, including clarification of the firm selection process requirements and related documentation. The related updates to AD 4-05 will serve as the overarching instructions to ensure consistent compliance with state law; the department work instructions will be tailored to meet the needs of the departments in conformance with AD 4-05.

Implementation Date

June 30, 2018

Responsible Managers

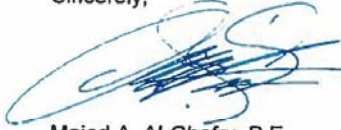
Majed Al-Ghafry
Kelly High
Rick Galceran
Sarah Standifer
Errick Thompson
Willis Winters

We appreciate the time and effort comprised by the Audit. Rest assured, staff involved with the Task Force and related updates to AD 4-05 and department work instructions are expending equivalent effort toward the related process improvements.

An Audit Report on – Construction-Related Procurements

DATE October 20, 2017
SUBJECT Response to Audit Report: Audit of Construction-Related Procurements dated September 28, 2017

Sincerely,



Majed A. Al-Ghafry, P.E.
Assistant City Manager

C: T.C. Broadnax, City Manager
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Joey Zapata, Assistant City Manager
Raquel Favela, Chief of Economic Development & Neighborhood Services
Michael Frosch, Director, Office of Procurement Services
Rick Galceran, Director, Transportation
Kelly High, Director, Sanitation
Terry Lowery, Director, Dallas Water Utilities
Sarah Standifer, Director, Trinity Watershed Management
Errick Thompson, Director, Equipment & Building Services
Willis Winters, Director, Parks & Recreation

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