

Memorandum



DATE: May 8, 2020

TO: Mark Duebner, Director – Department of Aviation
Chhunny Chhean, Director – Office of Procurement Services

SUBJECT: Independent Report on Agreed-Upon Procedures for the Department of Aviation Construction Project Procurement – Reconstruction Runway 13R-31L/Taxiway C Phase 1 at Dallas Love Field Solicitation No. CIZ 1891

Attached for your review is the *Independent Report on Agreed-Upon Procedures for the Department of Aviation Construction Project Procurement – Reconstruction Runway 13R-31L/Taxiway C Phase 1 at Dallas Love Field Solicitation No. CIZ 1891*. The agreed-upon procedures are included in [Attachment 1](#). No exceptions were noted.

We have performed the agreed-upon procedures which were approved by the Department of Aviation and Office of Procurement Services, solely to assist the City of Dallas City Council in evaluating compliance with Administrative Directive 4-05, *Contracting Standards and Procedures*, relevant State of Texas statutes, and City of Dallas contracting and delivery procedures.

If you have any questions, please contact me at (214) 670-3222 or by email at mark.swann@dallascityhall.com.

Sincerely,



Mark S. Swann
City Auditor

Attachment

C: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Christopher J. Caso, City Attorney
Kimberly Bizer Tolbert, Chief of Staff
Elizabeth Reich, Chief Financial Officer

This page is intentionally blank



Independent Report on Agreed-Upon Procedures
for the Department of Aviation Construction
Project Procurement – Reconstruction Runway
13R-31L/Taxiway C Phase 1 at Dallas Love Field
Solicitation No. CIZ 1891

May 8, 2020

Mark S. Swann, City Auditor

Mayor

Eric Johnson

Mayor Pro Tem

Adam Medrano

Deputy Mayor Pro Tem

B. Adam McGough

Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West



Executive Summary

Objective and Scope

The objective of the agreed-upon procedures is solely to assist the City of Dallas City Council in evaluating the Department of Aviation's and Office of Procurement Services' compliance with Administrative Directive 4-05, *Contracting Standards and Procedures*, relevant State of Texas statutes, and City of Dallas contracting and delivery procedures.

The Department of Aviation requested this attestation in accordance with Administrative Directive 4-05, Section 9.5.5, *Attestation Engagement Requirement for All Construction Projects \$50 Million and Greater*.

Background

Runway 13R-31L is the longer of two parallel runways at the City of Dallas, Dallas Love Field airport. The condition of the existing pavement is below the airport's critical Pavement Condition Index Level and needs reconstruction. In addition, electrical and drainage infrastructure will also be upgraded.

Taxiway C serves the 13R-31L runway and also needs reconstruction, as it is deteriorating at a similar rate. The project includes the first of two phases of the taxiway reconstruction.

The project was estimated to cost between \$110 million and \$140 million with a Disadvantage Business Enterprise goal of 28.61 percent.

The Department of Aviation is seeking approval from the City of Dallas City Council to award \$124,279,998 to Flatiron Constructors, Inc., the lowest of four bidders.

What We Found

No exceptions were found for the 17 agreed-upon procedures. See [Attachment 1](#) for the list of 17 agreed-upon procedures.

Results:

Independent Agreed-Upon Procedures Report

The Office of the City Auditor conducted the procedures described in [Attachment 1](#), which were agreed to by the Department of Aviation and the Office of Procurement Services, solely to assist the City of Dallas City Council in evaluating the Department of Aviation's and Office of Procurement Services' compliance with Administrative Directive 4-05, *Contracting Standards and Procedures*, relevant State of Texas statutes, and City of Dallas contracting and delivery procedures. The Department of Aviation and Office of Procurement Services are responsible for the establishment and execution of operational procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in [Attachment 1](#) either for the purpose for which this report has been requested or for any other purpose.

The Department of Aviation requested this attestation of agreed-upon procedures on November 22, 2019, and the Office of the City Auditor completed the agreed-upon procedures on April 30, 2020. No exceptions were noted for the agreed-upon procedures.

The purpose of this report is intended solely for the information and use by the Dallas City Council and City management and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. The Office of the City Auditor was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance. Accordingly, the Office of the City Auditor does not express such an opinion or conclusion. Had additional procedures been performed, other matters might have been identified that would have been reported.

The agreed-upon procedures were conducted in accordance with the United States generally accepted government auditing standards.

Signature:



Mark S. Swann, CPA
City Auditor
City of Dallas, Texas

May 8, 2020

ATTACHMENT 1: Agreed-Upon Procedures

Independent Report on Agreed-Upon Procedures for the Department of Aviation Construction Project Procurement – Reconstruction Runway 13R-31L/Taxiway C Phase 1 at Dallas Love Field Solicitation No. CIZ 1891

May 8, 2020

Agreed-Upon Procedures

As stated in Administrative Directive 4-05, *Contracting Standards and Procedures*, Section 9.5.5 C. 4.

- (a) Confirm the documentation to support the procurement is provided by the Department of Aviation, Office of Procurement Services, and other applicable City departments.

No Exceptions.

- (b) Confirm the solicitation complied with Administrative Directive 4-05, *Contracting Standards and Procedures*, City ordinances, applicable State law, and departmental policies and procedures.

No Exceptions.

- (c) Confirm the scope of work/specifications were written in a manner that promotes competition and competitive pricing.

No Exceptions.

- (d) Confirm the specifications identify the criteria for with the Department of Aviation could determine that a bid is responsive and responsible.

No Exceptions.

- (e) Confirm that the Department of Aviation performed due diligence when developing the bid specifications by consulting with other departments, such as the City Attorney's Office, and documenting the consultation.

No Exceptions

- (f) Confirm the procurement was advertised appropriately in accordance with State law.

No Exceptions.

- (g) Confirm the Department of Aviation and the Office of Procurement Services used appropriate commodity code(s) to send notifications to the vending community from the City's solicitation system.

No Exceptions.

- (h) Confirm the Office of Procurement Services sent solicitation notices and addenda (if applicable) to the vending community with sufficient time for response.

No Exceptions.

- (i) If the Department of Aviation held a pre-proposal/pre-bid meeting, confirm the meeting was held.

No Exceptions.

- (j) Confirm the specifications were posted for a reasonable period of time on the City's solicitation system.

No Exceptions.

- (k) Confirm the Department of Aviation obtained appropriate nondisclosure and conflict of interest forms for any consultants and/or subject matter experts used in the procurement process, if applicable. Additionally, if applicable, confirm the Department of Aviation included conflict-of-interest and nondisclosure policy language in the scope of work/specifications.

No Exceptions.

- (l) Confirm the City received sealed bids/proposals within the due date and time, opened them, and subsequently read them in compliance with State law.

No Exceptions.

- (m) Confirm the City received and evaluated the bids/proposals and found them to meet the minimum requirements/qualifications for low bid OR that the most advantageous proposer was determined based on the published evaluation criteria.

No Exceptions.

- (n) Confirm the Department of Aviation performed due diligence when a bidder is disqualified in the event of a bid protest by consulting with the City Attorney's Office and informed the City Council of a bid protest and response in accordance with Administrative Directive 4-05, *Contracting Standards and Procedures*, 9.5.3.

No Exceptions.

- (o) Obtain a representation from the Office of Business Diversity that the Office of Business Diversity followed the City's Business Inclusion and Development policies outlined by City Council.

No Exceptions.

- (p) Confirm the Department of Aviation review and evaluation process confirmed the lowest bid or highest ranked vendor, and that the Department of Aviation appropriately documented the determination.

No Exceptions.

- (q) Confirm the Department of Aviation used the Federal System for Award Management website to confirm that the lowest responsible bidder is not currently excluded.

No Exceptions.