



CITY OF SAN ANTONIO

P. O. BOX 839966
 SAN ANTONIO, TEXAS 78283-3966

City Auditor
 San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of the *Public Works' Contract Administration Process*

City Management and the Office of Public Works have reviewed the audit report and have developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
Detail Report					
1	Split Change Order We recommend that the Deputy City Manager ensure Project Managers are properly trained to prevent split change orders from being processed.	3	Accept	Debbie Sittre Contract Administrator	11/15/07
<p>Action plan: The CIMS Department hosted a meeting of all staff on 10/30/07 where the Contract Administrator provided refresher training on Change Order legal requirements including the unlawfulness and possible ramifications of intentionally splitting change orders. The CIMS Department continues to emphasize the need to follow all state and local statutes related to contracting.</p> <p>In addition, the Web Portal System, which was implemented in September 2006, provides for a routing and tracking system that creates accountability and assists Project Management staff in ensuring that Change Orders are processed appropriately. The Web Portal System includes a workflow process in which Project Managers, Inspectors and administrative staff each review the Change Order and have the ability to see prior Change Orders in the system which would allow them to determine if a change order had been split prior to approval.</p>					
2	Wage and Hour Non-Compliance	4			

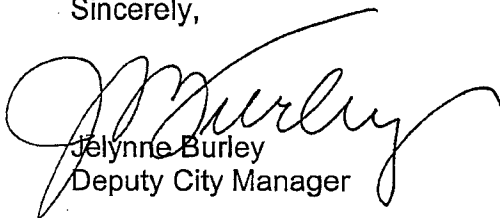
Recommendation					
#	Description	Audit Report Page	Accept Partially Accept Decline	Responsible Person's Name/Title	Completion Date
	We recommend that the Deputy City Manager direct the Wage and Hour Auditor to collect the balance of \$8,700 in penalties from contractors for the wage and hour violations identified.		Accept	Debbie Sittre Contract Administrator	12/31/07
<p>Action plan: Wage & Hour Office is actively pursuing collection of the balance of \$8,700 in penalties from contractors for the wage and hour violations identified. Additionally, as a result of this audit, the Wage & Hour Office has reviewed additional projects and identified outstanding penalties in the amount of approximately \$20,000. Wage & Hour Office is actively pursuing collection of approximately \$20,000 in penalties from contractors for the additional wage and hour violations identified.</p>					

Recommendation					
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	Detail Report				
3	Missing and/or Incomplete Weekly Certified Payroll Reports	5			
	We recommend that the Deputy City Manager direct the City's Wage and Hour Auditor to develop a systematic process for ensuring receipt and review of certified weekly payroll reports regarding Public Works contracts. Also, the Wage and Hour Auditor should follow-up on missing weekly reports. In instances of continuous noncompliance and as allowed in the City's contract, payment should be withheld from the contractor until such time that missing reports are received.		Accept	Debbie Sittre Contract Administrator	01/31/08
<p>Action plan: The Fiscal Year 2008 adopted budget provides an improvement to the Wage & Hour Office which adds 2 permanent full time positions, for a total of 3 permanent full time positions dedicated to compliance with Davis Bacon and Chapter 2258 of the Texas Government Code. The CIMS Department is planning to have the 2 new positions filled by December 31, 2007. Additionally, by January 31, 2008, the Wage & Hour Office will implement new software that contractors and subcontractors will use to submit certified payrolls. This software will automate certified payrolls through a web-based system and will allow the Wage & Hour Office to audit by exception and run monthly reports. The system will also provide e-mail notices on a weekly basis to the contractor/subcontractor if a certified payroll is missing.</p>					

Recommendation					
#	Description	Audit Report Page	Accept Partially Accept Decline	Responsible Person's Name/Title	Completion Date
4	Required Documents were Missing in Project Files	7	Accept	Debbie Sittre Contract Administrator	01/31/08
<p>We recommend that the Deputy City Manager ensure Contract Administration staff continue to move towards full utilization of the current electronic filing system. The electronic filing system provides better document control and security for project files.</p> <p>Action plan: The task of maintaining project records is currently decentralized, with each division keeping their own hard-copy records in their own filing areas. Because the majority of the project files are now the responsibility of the CIMS Department, CIMS is moving forward with consolidation of records using the SharePoint System that Contracts Services Division began implementing in December 2006. A representative from each Division at CIMS will designate one administrative staff person as the records coordinator responsible for ensuring that their division's records are stored in SharePoint. The Contracts Services Division will take the lead in training all staff the proper way to use the system. The Web Portal Division has provided a standard naming convention for documents for ease in searching. Records coordinators will be mobilized in November and work to complete the tasks in three phases. The first phase consists of identifying closed project files and archiving them at the Municipal Records Facility. The second phase will include a systematic approach to placing all existing open project files in SharePoint. The third phase focuses on maintaining the system in which each division records coordinator places documents electronically into the appropriate folder in SharePoint as the documents are created.</p>					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Jelynnne Burley
Deputy City Manager