

Renew Atlanta Roadway Resurfacing

Preliminary Audit Responses

Controls to Keep Projects On-Time and On-Budget Did Not Always Function as Intended

Legacy

In order to facilitate and implement construction as expediently as demanded, the program used existing resurfacing contracts in place by the City. At the onset of the program, there were no set procedures established yet. Projects were required to be built without necessary controls in place. Upon implementing the controls, it was difficult to go backwards to ensure compliance with those procedures. For projects that were managed and/or implemented by others, this proved even more challenging.

Industry Understanding

Both the FC-6945 and FC-8831 resurfacing contracts were bid under different requirements and not specifically let to industry standards. Furthermore, the variations in the contracts make it difficult to implement. There are clauses in these contracts that are not ordinary to this type of construction. We are moving away from these contracts to more standardized contracts that will improve quality through consistent and more uniform standards. Constructing resurfacing contracts under typical standards will help contractors understand the requirements as well as reinforce and complement the expectations of the program in moving forward.

Opportunities for Improvement

Although there will always be a slight variance in reporting on the PLIP and PIP as well as entries in Oracle due to the timing of events and meetings, it is the goal of this program to minimize these as much as possible. Basic controls have been established for the program through the Program Management Plan. The Project Control Board meets regularly to help facilitate this process. Program Controls and Finance will work closely with the Program Management Officers to ensure sufficient internal controls. These controls are dynamic in nature and we are constantly working to improve our processes and procedures. The new resurfacing contracts have been let to GDOT standards and are consistent. Scope, schedule, and budget are clearly defined and will be implemented as such. If issues are found in the new contracts that have been let, the program will work to include and/or clarify any anomalies in future contracts.

Improved Controls Are Mitigating Risks, But Lack of Documentation of Early Work Allowed Overpayment and Potential Noncompliance

Legacy

Again, initial projects were constructed without the necessary controls in place. Payment was made based upon quantities installed by the contractor. All of the necessary submittals were not obtained by the contractor and insufficient inspection staff was not in place to ensure that measurements,

calculations, and documentation were all in order to back up all of the payments made to the contractor.

Industry Understanding

For the different streets that give the appearance of identical billings, it was determined the amounts paid were not in error and due to the contractor. Tickets and items documented were for a group of streets instead of documenting each individually. These quantities and subsequent costs were divided among the roads. Although there appears to be duplication, this is in fact a split cost and the contractor was not overpaid.

For the instances relative to mobilization and traffic control, Renew Atlanta has researched the matter of perceived duplicate payments and overpayments with the Department of Procurement and the Department of Law as this appears to be matter of contract interpretation and that payments were appropriately paid to the contractor. There are instances where multiple payments were made for mobilization and traffic control. These payments were made due to the fact that the City requested that the contractor demobilize and remobilize due to circumstances beyond the contractors control. Subsequently, it was necessary to install traffic control multiple times. Also, there were instances where the roads were not assigned at the same time so the radius areas as indicated (even though they appear overlapping), would not have occurred concurrently so in these instances, mobilization payments would apply. There are a couple of isolated cases where the mobilization should not have applied. These costs will be recovered with funds currently being withheld as retainage.

Special Provisions have been written to cover any special conditions and to handle any instances where City of Atlanta details should over-ride GDOT standards. Requirements have been written for timeframes related to interim completions and damages and details specific to striping, debris removal, traffic control, etc. At the onset of construction, each road segment will be walked with the contractor and specifically field engineered prior to construction activities.

Opportunities for Improvement

The program management team upon coming on board, performed an internal audit. Our findings are consistent with the findings in this audit. Renew is currently in the process of correcting any deficiencies. In cases where overpayments appear to be made, these will be corrected prior to issuing final payments and releasing retainage. As stated in the audit findings, no close out PIP's have been issued thus far. These will be done as soon as true and accurate payments are made. In cases where we were directed to pave roads under these contracts but funds were not encumbered appropriately, these will be corrected as necessary. Any inconsistencies will be cleared through the Project Control Board and PLIP's and PIP's will clearly document the sequence of events.

Renew will use the pavement condition assessment data as well as field evaluations to prepare bid documents for future resurfacing projects. Once active construction begins, engineering and inspection staff monitor construction. Construction monitoring includes collecting tickets, preparing daily reports showing detailed measurements, pictures, and other pertinent information, performing material testing to ensure compliance with the submittals and industry standards, and obtaining daily reports from contractors. These documents are reviewed for consistency with our daily reports. Payment verification is based upon these record documents and field verified measurements. These

measurements are now clear and concise proving to the taxpayers that payments are true, accurate, and easily verifiable.

Orion was found to be insufficient. We are in the process of acquiring E-builder. This will allow for full electronic documentation of our records. Until this system is online, records will be kept in the files (electronically on a shared server as well as in paper format) until they can be uploaded into the new system.

Daily reports will be more detailed and will include specific information such as the location of each asphalt load placed, temperatures, spread rates, tolerances, etc. This information will provide a complete record of what is placed in the field. There will be both QA and QC testing performed. Payment will only be made for verified quantities and qualified materials. At completion official punch lists will be issued. Once the City is satisfied that the project meets all requirements, a final acceptance letter will be issued and project close-out will occur. During this close-out process, all of the financial records, PIP's, and PLIP's will be reconciled with the Project Control Board.

In summary, it is the goal of Renew Atlanta to be consistent with design and execution of all projects. This consistency will help to improve competitive bid pricing and quality of installation. As we are constantly trying to improve, processes and procedure may be updated as we strive to provide the best to the City of Atlanta and its constituents.