

**Performance Audit:
Renew Atlanta and TSPLOST**

August 2020

**City Auditor's Office
City of Atlanta**

File #20.02



CITY OF ATLANTA

City Auditor's Office
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Performance Audit:

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What We Found

Renew Atlanta is on track to overspend its administrative budget, which could harm its ability to deliver the re-baselined projects. The re-baselined budget allocated \$65 million for administrative overhead. From the beginning of the program through December 2019, administrative costs totaled \$49.3 million, leaving \$15.7 million for the program through 2024. Monthly administrative costs averaged \$1.1 million from February through December 2019. Cash flow projections developed in early 2019 spread administrative costs evenly over the remaining life of the program. Without a proper cash flow plan for administrative costs, the program lacks the means to monitor these costs.

Renew Atlanta lacks a detailed, up-to-date procedural manual that reflects current business practices. The absence of well-defined, comprehensive policies creates risk of discontinuity should the department experience staff turnover, in addition to increased risk of improper or inconsistent business practices.

Renew Atlanta's current controls over payments to design consultants and construction contractors are functioning as designed to prevent overpayments and ensure proper review and approval. Renew Atlanta has replaced the Project Control Board with a new set of dashboards to communicate key project and program information. These dashboards serve as a more effective means of communicating complete and timely project and program information to decision-makers.

Why We Did This Audit

Resolution 15-R-3343 required the City Auditor to establish a capital project and construction audit function to monitor the Renew Atlanta Infrastructure Bond program over its lifespan. This audit reassesses controls as the city implements the Department of Transportation.

What We Recommended

To avoid a funding shortfall, Renew Atlanta should:

- review administrative costs to identify areas of potential cost savings and/or adjustments to the budget
- revisit the planned cashflow to spread administrative costs by period according to projected needs
- adjust the dashboards to flag when administrative costs exceed planned value beyond a defined threshold

To ensure consistency in the change order process, Renew Atlanta should:

- update written policies to clearly define responsibilities and requirements for change order review and approval.

To ensure that current Certificates of Liability Insurance and Builder's Risk are on file, Renew Atlanta should:

- coordinate efforts with Risk Management

To allow for analysis and tracking of change orders, Renew Atlanta should:

- implement and maintain a master list of change orders

To ensure that design consultants submit all required deliverables, Renew Atlanta should:

- update written policies on plan review checklists for design submittals

To ensure that work proceeds according to contract requirements, Renew Atlanta should:

- update written policies for the use of daily inspection reports
- develop written policies on material delivery tickets

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1:	We recommend that Renew Atlanta review administrative costs to identify areas of potential cost savings and/or adjustments to the budget.	
Response & Proposed Action:	An analysis of OH costs will be done as Renew Atlanta/TPLOST transitions to ATLDOT.	Agree
Timeframe:	September 2020	
Recommendation #2:	We recommend that Renew Atlanta revisit the planned cashflow to spread administrative costs by period according to projected needs.	
Response & Proposed Action:	After analysis of OH is complete, cash flow projections will be updated to reflect expected monthly costs.	Agree
Timeframe:	November 2020	
Recommendation #3:	We recommend that Renew Atlanta adjust the dashboards to flag the project category of "PM, city staff & general services" when the XPI for that category represents paid amounts greater than planned value beyond a defined threshold.	
Response & Proposed Action:	XPI icon will be removed from published reports.	Partially Agree
Timeframe:	September 2020	
Recommendation #4:	We recommend that Renew Atlanta write updated policies and procedures to clearly define responsibilities and requirements for change order review and approval.	
Response & Proposed Action:	Policies and procedures will be updated.	Agree
Timeframe:	December 2020	
Recommendation #5:	We recommend that Renew Atlanta coordinate efforts with the Office of Risk Management to include ensuring the certificates identify specific project(s), policy periods cover the appropriate time periods, and insurance limits comply with contract terms.	
Response & Proposed Action:	Track and monitor status and limits of contractor insurance.	Partially Agree
Timeframe:	March 2021	
Recommendation #6:	We recommend that Renew Atlanta maintain a master list of change orders.	
Response & Proposed Action:	Develop and maintain a Program-level Change Order Log.	Agree
Timeframe:	March 2021	
Recommendation #7:	We recommend that Renew Atlanta update written policies to require the use of preliminary and final field plan review checklists for the preliminary and final design submittals.	
Response & Proposed Action:	Policies and procedures will be updated.	Agree
Timeframe:	December 2020	

Recommendation #8:	We recommend that Renew Atlanta update written policies to identify when a daily inspection report should be generated, what format should be used, and where they should be stored.
Response & Proposed Action:	Policies and procedures will be updated. Agree
Timeframe:	December 2020
Recommendation #9:	We recommend that Renew Atlanta develop written policies to identify when delivery tickets are required, what documentation is necessary, and where it should be stored.
Response & Proposed Action:	Policies and procedures will be updated. Agree
Timeframe:	December 2020



CITY OF ATLANTA

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AUDIT COMMITTEE
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August 21, 2020

Honorable Mayor and Members of the City Council:

We conducted this audit to reassess controls over Renew Atlanta/TSPLOST projects as the city transitioned projects to the newly created Atlanta Department of Transportation. Our recommendations focus on reducing and monitoring administrative costs, tracking change orders, and better documenting existing practices to ensure consistency.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. Public release was delayed by Executive Order 2020-27, which postponed meetings of city boards while city facilities are closed during the pandemic response. We sent the draft report to management April 28, 2020, and received the final response June 29, 2020. The response is appended. We appreciate the courtesy and cooperation of city staff throughout the audit. The team for this project was Ijegayehu Jones, Brandi Bell, and Matthew Ervin.

Amanda Noble

City Auditor

Marion Cameron

Chair, Audit Committee

Renew Atlanta and TSPLOST

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Introduction

City Council passed resolution 15-R-3343, which requires the City Auditor to establish a capital project and construction audit function to monitor the Renew Atlanta Infrastructure Bond program over its five-year lifespan, issuing reports at regular intervals. The first two reports focused on contract terms, which establish controls in the contract environment, and on the design of internal controls in the Renew Atlanta program. The third and fourth reports focused on roadway resurfacing projects and fire station renovations. The fifth report released by our office was a review of Renew Atlanta and TSPLOST expenditures through July 2018. We also contracted for closeout construction audits of the Martin Luther King Jr. Aquatic and Recreation Center and the Northside Drive Pedestrian Bridge, which were projects administered by the Department of Parks and Recreation and the Department of Public Works, respectively. For links to our website, featuring the seven full reports and summaries of each report, see Appendix B.

When planning this audit, the eighth published by our office about the Renew Atlanta program, we considered findings, recommendations, and follow-up from the seven prior audits of Renew Atlanta controls, practices, and projects. This audit focuses on risk areas we had not previously covered, new and replacement controls that Renew Atlanta staff has implemented since our prior audit work, previously noted areas of concern, and a reassessment of which controls worked well and which did not as the city moves toward implementation of the new Department of Transportation.

Background

The city identified a more than \$1 billion backlog of transportation and facility projects as of January 2015. To begin to address this backlog, the city held a vote to authorize bonds to fund about a quarter of the work. Citizens voted in favor of the \$250 million Renew Atlanta Infrastructure Bond on March 17, 2015.

Transportation projects, including bridge and sidewalk repair and reconstruction, account for \$186.5 million (75%) of the \$250 million. Facility projects, such as renovation and repair of municipal facilities and recreation centers, account for \$63.5 million (25%) of bond funds. The city supplemented the \$250 million with state

grants and other funding sources to partially address the remaining backlog.

The projects are split into citywide projects and local projects for council districts. Citywide projects total nearly \$182.4 million (73%); local projects account for the remaining \$67.6 million (27%), with approximately \$5.6 million allocated to each council district. Renew Atlanta broke ground on its first project in late July 2015.

The city sold the Renew Atlanta bonds at a premium, earning an additional \$36.5 million beyond the \$250 million face value. This bond premium was also split into two components—\$27.2 million for horizontal projects and \$9.3 million for vertical projects. City Council allocated \$500,000 of the bond premium to the City Auditor's Office to fund resolution 15-R-3343, which requires the city auditor to establish a capital project and construction audit function to monitor the Renew Atlanta Infrastructure Bond program over its five-year lifespan with the aim of identifying cost savings, compliance and performance risks, and opportunities for improvement.

To fund additional transportation infrastructure projects, the city held a vote to authorize a transportation special purpose local option sales and use tax (TSPLOST) of 0.4 percent. Citizens voted in favor of this sales tax in November 2016, and collection began in April 2017. The sales tax will continue for five years or until \$380 million is collected. The TSPLOST legislation added an additional list of projects, and projects funded by the TSPLOST are administered by the Renew Atlanta program.

Various entities have administered the Renew Atlanta program over its lifetime. In 2015, the program was overseen by a steering committee and projects were administered primarily by the Department of Public Works and the Office of Enterprise Assets Management (now Department of Enterprise Assets Management). In December 2015, the city hired the first General Manager of Renew Atlanta, who proceeded to build a Renew Atlanta team. In July 2016, the City Council approved a PMT (program management team) contract with Atkins North America Inc. to provide pre-construction services, construction management, project management, and a variety of other services in support of the Renew Atlanta program.

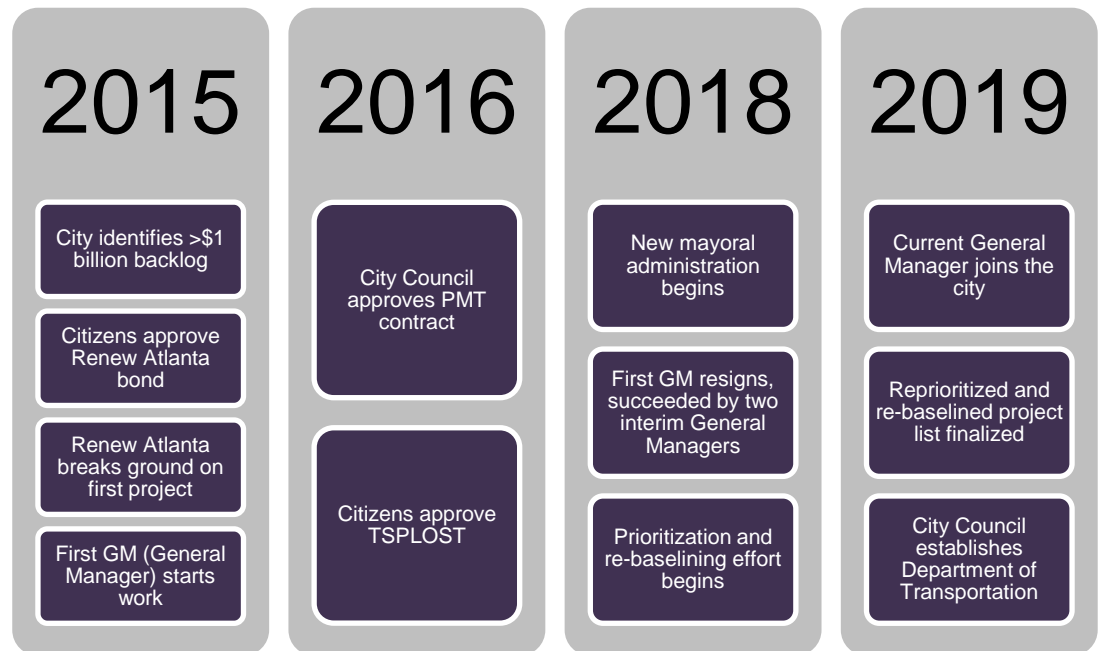
In the last two years, Renew Atlanta staff has made programmatic changes. In the second half of 2018, Renew Atlanta stated it would not be able to deliver all projects promised in previous legislation and on its public-facing website. Renew Atlanta subsequently began a prioritization and re-baselining process. In November 2018, Renew Atlanta published a project status snapshot and met with City Council's Transportation Committee for feedback. Over the next several months, Renew Atlanta staff met with key stakeholders, published a survey, and held a series of public meetings to inform a new prioritized and re-baselined list of projects, which it published in May 2019.

Renew Atlanta has also undergone some reorganization and has implemented new processes and other internal controls. Previously, Renew Atlanta's policies called for a Project Control Board to authorize Renew Atlanta projects at key milestones, to provide oversight and control of project and program level budgets and schedules. During our audit of Renew Atlanta's roadway resurfacing efforts, we found that the Project Control Board was not functioning as designed; however, the Project Control Board has now been replaced by a new dashboard reporting process. This monthly process ensures that decision-makers see updated information more regularly than under the previous Project Control Board system, when project managers would present project data only twice: after preliminary design and at project closeout.

During this re-baselining effort, in June 2019, City Council passed and the Mayor signed legislation to establish a city Department of Transportation, which would consolidate various efforts currently undertaken by Renew Atlanta, the Department of Public Works, and the Department of City Planning. In November 2019, Josh Rowan, the General Manager of Renew Atlanta, was appointed as the first Commissioner of the Department of Transportation.

For a timeline of key events in Renew Atlanta history, see Exhibit 1.

Exhibit 1: Timeline of Key Events in Renew Atlanta History



Source: Developed by auditors based on prior audit work and Renew Atlanta publications

Audit Objectives

This report addresses the following objectives:

- Do transaction-level internal controls function to ensure that payments to construction contractors and design consultants are properly supported and allowable?
- Are entity-level internal controls functioning to ensure that information about project statuses, schedules, and budgets is communicated in a timely and effective manner to decision-makers?
- Are change orders and charges against allowances and contingencies properly supported, reviewed, and approved?
- What is the monthly burn rate for soft costs? Are soft costs on track to match the budgeted amount?

Scope and Methodology

We conducted this audit in accordance with generally accepted government auditing standards. We focused primarily on projects and work from May 2019 through December 2019. In some cases, our audit work covered data from earlier in the program.

Our audit methods included:

- interviewing Renew Atlanta/TSPLOST staff to obtain an understanding of current practices
- reviewing Renew Atlanta/TSPLOST budget change logs
- reviewing one randomly selected design invoice from each of two randomly selected projects that paid design costs between May 2019 and September 2019
- reviewing one randomly selected construction application for payment from each of two randomly selected projects that paid construction costs between May 2019 and September 2019
- reviewing three design change orders executed since May 2019
- reviewing seven construction change orders executed since May 2019
- reviewing design oversight practices for four randomly selected projects that were in the design phase between May 2019 and September 2019
- reviewing construction oversight practices for four randomly selected projects that were in the construction phase between May 2019 and September 2019
- reviewing validation and posting of December 2019 dashboard data for fifteen randomly selected projects
- reconciling financial data presented in dashboards to Oracle for the same fifteen projects
- analyzing Renew Atlanta and TSPLOST expenses by type, as coded by Renew Atlanta/TSPLOST staff, from February 2019 through December 2019 and comparing actual expenses to planned expenses

Generally accepted government auditing 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Findings and Analysis

Current Level of Administrative Spending Could Lead to Shortfall

Renew Atlanta is on track to overspend its budget for administrative costs, which may have an impact on the program's ability to deliver the complete re-baselined list of projects. In May 2019, Renew Atlanta presented a re-baselined program budget to the City Council Transportation Committee, which allocated \$65 million through 2024 for administrative overhead, labeled "PM, city staff, and general services." These administrative costs from the beginning of the program through December 2019 totaled \$49.3 million, leaving \$15.7 million budgeted for the remaining life of the program through 2024.

Renew Atlanta classifies its costs into five categories: design, right of way, utilities, construction, and administrative costs. We analyzed the breakdown of Renew Atlanta's categorized expenses from February 2019 through December 2019, comparing actual costs to planned values and comparing overall design and administrative costs to actual construction cost. We did not verify the categorization of costs, relying on Renew Atlanta's reports.

Renew Atlanta averaged monthly administrative costs just over \$1.1 million from February through December 2019, nearly triple the planned amount. Roughly two-thirds of the administrative costs were for the PMT (program management team) contract. If administrative costs continue at the current rate, Renew Atlanta will overrun the total budget for administrative costs.

Administrative costs for the program include, but are not limited to:

- program city employees' salaries and benefits
- PMT (program management team) contract
- staff augmentation using A/E contracts
- phones, computers, fleet, copier leases, etc.
- travel reimbursements
- public notices, signs, website hosting, etc.
- consulting at the beginning of the program (i.e., Program Management Plan development)
- e-Builder implementation

When Renew Atlanta developed cash flow projections in early 2019, administrative costs were spread evenly over the remaining life of the program through 2024; as a result, the projection does not account for administrative costs that might scale up or down with

the needs of any given period. Furthermore, without a proper cash flow plan for administrative costs, the program lacks the means to monitor these costs during the lifetime of the program.

As of December 2019, Renew Atlanta’s dashboards showed the program had spent 46% of the total re-baselined budget. However, it had spent 76% of the current budget for the “PM, city staff, and general services” category. To avoid a funding shortfall that could impact the delivery of projects, we recommend Renew Atlanta review administrative costs to identify areas of potential cost savings and/or adjustments to the budget. We also recommend Renew Atlanta revisit its planned cashflow to spread administrative costs according to projected needs. We further recommend that Renew Atlanta adjust its dashboards to flag the “PM, city staff, and general services” category when the expenditure performance indicator (XPI) for that category represents paid amounts greater than planned value beyond a defined threshold.

Budgeted Soft Costs Are Reasonable Relative to Budgeted Construction Costs

The Renew Atlanta Program Management Plan established a goal that design costs not exceed 15% of the cost of construction and a target for non-project specific soft costs of 5% of the total \$250 million, with additional project-specific soft costs up to 10% of the cost of construction. This agrees with industry standards for architecture and engineering design fees, which found the expected design cost was no higher than 12%-17% of the estimated cost of construction. Further, this is consistent with a review by the Transportation Research Board of estimated and actual soft costs for over 50 public transportation projects, which found average actual soft costs were 31.3% of the cost of construction—12.4% for preliminary engineering and final design, 15.1% for project management and construction administration, and 3.8% for insurance and other soft costs.¹ In total, we might expect reasonable soft costs to be no higher than 30-40% of the cost of construction—12-17% for design costs and 18-23% for administrative costs (primarily project management and construction administration).

Renew Atlanta’s current planned values and budgets appear to hold soft costs within this range—roughly 33% of the cost of construction (see Exhibit 2). This breaks down into about 13% for design and 21%

¹ National Academies of Sciences, Engineering, and Medicine 2010. *Estimating Soft Costs for Major Public Transportation Fixed Guideway Projects*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/14369>.

for administrative costs. Renew Atlanta staff told us that they anticipated additional funds not yet reflected in the budget, none of which they planned to use to augment the “PM, city staff, and general services” budget. If the program obtains these additional funds and budgets them for construction, the administrative budget would be a lower percentage of the construction budget.

Exhibit 2: Budgeted Soft Costs Are Reasonable Relative to Budgeted Construction Costs

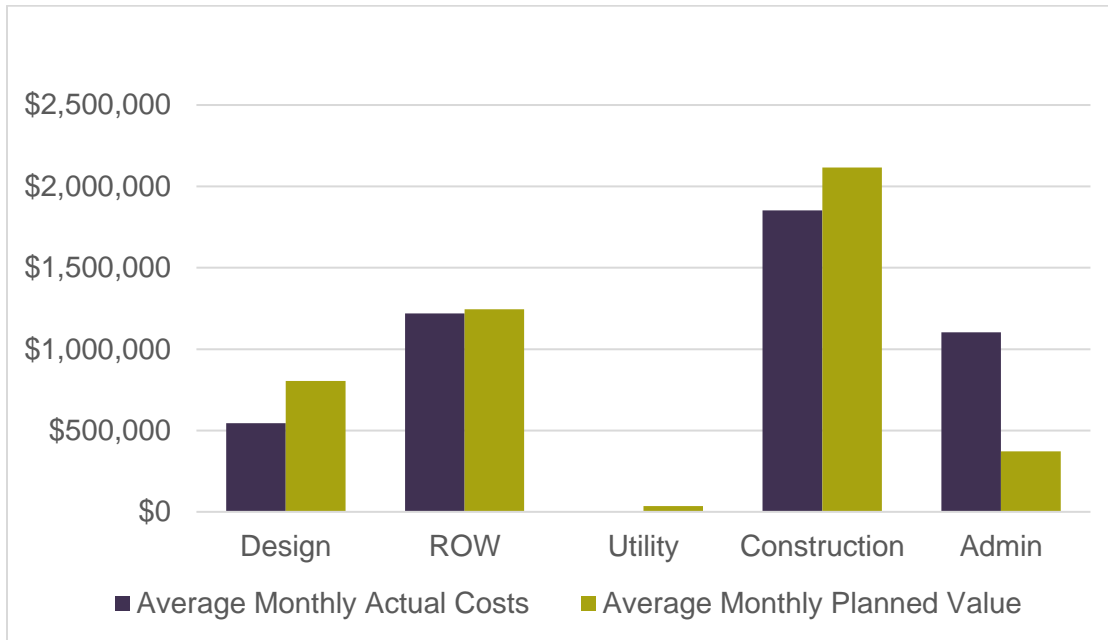
Soft Costs as Percentage of Construction Costs			
	Design	Administrative	Total Soft Costs
Benchmarks	12-17%	18-23%	30-40%
Program Budget/Planned Values	12.7%	20.5%	33.2%

Source: Renew Atlanta Program Management Plan, City Auditor’s Office Audit of Fire Station Renovations, Transportation Research Board; Renew Atlanta Dashboards and Cashflow Plan

Actual Administrative Costs Significantly Exceed Planned Value

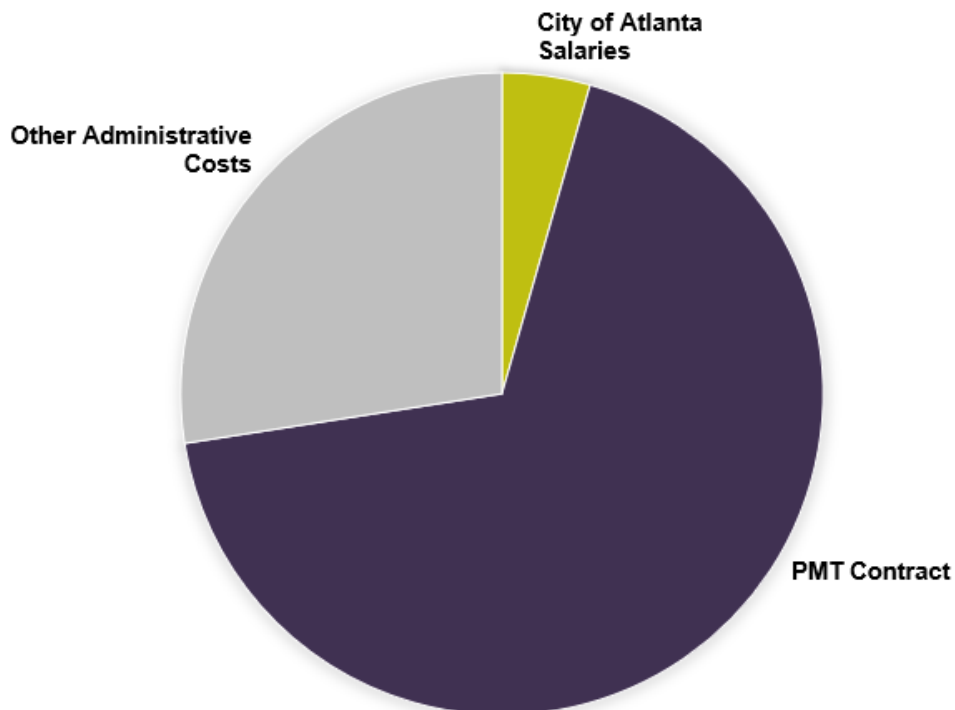
In early 2019, Renew Atlanta projected total administrative costs through December 2019 to be \$41.9 million; however, actual total administrative costs were \$49.8 million, nearly 19% over the total planned value. Renew Atlanta’s planned cash flow included a monthly average of just under \$375,000 in administrative costs for the eleven-month period from February through December 2019; average monthly administrative costs were just over \$1.1 million, nearly triple the planned amount (see Exhibit 3). Roughly two-thirds of the administrative costs were for program management and support services rendered by a consulting firm (the PMT contract). Other administrative costs and city personnel salaries make up the remaining one-third of administrative costs (see Exhibit 4). For comparison, over the same eleven-month period, actual design costs were 68% of planned design value and actual construction costs were 88% of planned construction value. If Renew Atlanta continues to spend on administrative costs at this rate, the program will overspend the budget for those costs.

Exhibit 3: Administrative Costs Were Higher Than Planned February–December 2019



Source: Auditor analysis of project cost data received from Renew Atlanta

Exhibit 4: PMT Accounts for Majority of Administrative Costs



Source: Auditor analysis of program administrative costs based on data received from Renew Atlanta, February 2019–December 2019

Cash Flow Plan Does Not Provide Means to Monitor Administrative Costs

When Renew Atlanta developed the cash flow projections in early 2019, the administrative costs were spread evenly over the remaining life of the program through 2024; as a result, the projection does not account for administrative costs that might scale up or down with the needs of any given period. Furthermore, without a proper cash flow plan for administrative costs, the program lacks the means to monitor these costs during the lifetime of the program. As of December 2019, Renew Atlanta's dashboards showed the program had spent 46% of the total re-baselined budget, but had spent 76% of the current budget for "PM, city staff, and general services." Administrative costs from the beginning of the program through December 2019 totaled \$49.3 million, leaving \$15.7 million budgeted for the remaining life of the program through 2024.

Dashboard Metric Not Functioning as Intended for Administrative Costs

Renew Atlanta generates and distributes dashboards monthly to communicate project and program information to decision-makers. One key performance indicator is the expenditure performance index (XPI), which compares total paid costs to total planned value for each project category (see Exhibit 5). The XPI is calculated by dividing the paid amount by the planned value (PV) at a given point in time. Each project category with an XPI of 0.90 or above is marked with a green checkmark.

Exhibit 5: December 2019 XPI from Dashboards

Project Category	Budget	Paid	PV	SV	XPI
01 - Complete Streets	\$128.6M	\$20.6M	\$23.6M	(\$3.0M)	0.87
02 - Bridges	\$25.3M	\$8.8M	\$8.1M	\$0.6M	1.08
03 - Resurfacing	\$75.4M	\$43.9M	\$47.0M	(\$3.1M)	0.93
04 - Multi-use Trails	\$95.8M	\$57.8M	\$58.9M	(\$1.0M)	0.98
05 - Traffic Signals	\$40.9M	\$17.1M	\$19.3M	(\$2.1M)	0.89
06 - Roadway Improvements	\$27.5M	\$3.2M	\$3.4M	(\$0.2M)	0.93
07 - Sidewalks & Mobility Improvements	\$16.0M	\$5.5M	\$5.7M	(\$0.2M)	0.96
08 - Unallocated Local Funding	\$10.8M	(\$0.0M)	\$0.0M	(\$0.0M)	
09 - Vertical Projects	\$61.4M	\$44.6M	\$41.3M	\$3.3M	1.08
10 - PM, City Staff & General Services	\$65.0M	\$49.3M	\$41.9M	\$7.4M	1.18
11 - Program Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M	
Total	\$546.5M	\$250.9M	\$249.3M	\$1.6M	1.01

Source: Excerpt from the Renew Atlanta December 2019 Cash Flow Report

As shown in Exhibit 5, the overall program-wide XPI is 1.01 (just over 100%) which indicates the program's total costs of nearly \$251 million were aligned with projections of \$249.3 million at the end of December 2019. However, the category breakdown includes an XPI of 1.18 (118%) for administrative costs ("PM, city staff, and general services" category), which is marked with the green checkmark. While an XPI over 0.90 might be positive for most project categories, indicating that planned work is on schedule, the green checkmark could be misleading for administrative costs, which do not themselves represent completed projects. Further, Renew Atlanta staff told us that they spread the administrative costs evenly over the remaining life of the program rather than projecting actual needs for a given period, impacting the usefulness of the XPI metric for monitoring administrative costs over time.

As of December 2019, Renew Atlanta's dashboards showed the program had spent 46% of the total re-baselined budget. However, it had spent 76% of the current budget for the "PM, city staff, and general services" category. To avoid a funding shortfall that could impact the delivery of projects, we recommend Renew Atlanta review administrative costs to identify areas of potential cost savings and/or adjustments to the budget. We also recommend Renew Atlanta revisit its planned cashflow to spread administrative costs according to projected needs. We further recommend that Renew Atlanta adjust its dashboards to flag the project category of "PM, city staff & general services" when the XPI for that category represents paid amounts greater than planned value beyond a defined threshold.

Lack of Current Policies Results in Inconsistent Practices

Renew Atlanta lacks a detailed, up-to-date procedural manual that reflects current business practices. Renew Atlanta staff described various policies to us, but most were informal steps with unclear requirements or based primarily on institutional knowledge of experienced staff. For example, Renew Atlanta staff described a process for review and approval of change orders; however, we identified inconsistencies in supporting document requirements and staff responsibilities. Additionally, Renew Atlanta has not maintained current standard operating procedures to address pertinent functions of the design and construction oversight processes, such as the proper use of field plan checklists and inspection reports, when material delivery tickets are needed, and use of the program's document management system.

The absence of well-defined, comprehensive policies creates a high risk of discontinuity of program operations should the department experience staff turnover, in addition to an increase in the risk of improper or inconsistent business practices. Policies and procedures covering key business transactions and related internal controls should be clearly documented and periodically reviewed and updated.

Controls Over Change Orders Should Be Clarified in Policy

Controls were mostly functioning to ensure proper review and approval before change order execution. However, Renew Atlanta has not maintained updated and comprehensive policies and procedures to reflect current business practices concerning change order management. This leads to ambiguity in the process, and consequently inconsistencies in practice.

Renew Atlanta has a process for the review and approval of change orders, which is primarily accomplished through three forms:

- Task Order/Work Order Review Routing Slip (see Exhibit 6)
- Invoice Administrator Checklist for Task Order/Work Effort (see Exhibit 7)
- Routing Slip for Managerial Review and Approval (see Exhibit 8)

Project managers attach various supporting documents to the Task Order/Work Order Review Routing Slip. Project managers then send the change order package to the various listed parties for review and comment. Each of the ten executed change orders we reviewed had a completed Task Order/Work Order Review Routing Slip. However, we noted several inconsistencies in the use of this form across the ten change orders:

- different versions of the routing slip were in use by different project managers, with no one clearly correct version
- one routing slip had one missing review signature, marked not applicable
- several apparently missing supporting documents—such as schedules and legislation

Renew Atlanta staff explained that the missing supporting documents and signature were not necessary due to the specific nature of those change orders—for example, when no legislation was required or when there was no schedule change in a change order—but while other items are marked “if applicable” on the Task Order/Work Order Review Routing Slip, these are not.

Exhibit 6: Task Order/Work Order Review Routing Slip and Attached Instructions

TASK ORDER/WORK ORDER - REVIEW ROUTING SLIP	
FOR YOUR REVIEW AND CONCURRENCE	
Project Manager:	
Project Name:	
Quote/Contract Number:	Project & W.B.S. Number(s):
Task Order/ Work Order Number (or Amendment if applicable):	
Consultant/Contractor:	Date:
Design/Consulting: <input type="checkbox"/> Construction: <input type="checkbox"/> Traffic: <input type="checkbox"/>	
REVIEWER	COMMENTS
Scheduler _____ Date _____	
Estimator _____ Date _____	
Environmental _____ Date _____	
Utility Coordinator _____ Date _____	
Traffic Manager _____ Date _____	
Project Manager should confirm, initial, and provide supporting documentation for the following:	Cost Code
Scope of Service is attached _____	Design: <input type="checkbox"/>
WBS Number is identified _____	ROW: <input type="checkbox"/>
Funding available (Attach Signed FAS) _____	Utilities: <input type="checkbox"/>
Legislation is attached _____	Construction: <input type="checkbox"/>
Preliminary Contract Review _____	Admin: <input type="checkbox"/>
Schedule is attached _____	
Payment and Performance Bonds _____	
Estimate is attached _____	
Executed LOI (if applicable) _____	
Plans, ROW, & G-DOT Local Let Reimb Forms _____	
Section Manager _____ Date _____	
Return to Project Manager	

TASK ORDER/WORK ORDER - REVIEW ROUTING SLIP	
<u>Steps</u>	
<ol style="list-style-type: none"> Task Order/Work is received for Professional/Construction Services <ol style="list-style-type: none"> Project Manager Distributes Task Order/Work Order for Review (The following areas will review the appropriate scope and hours: Environmental, Utility Coordinator, Traffic Manager, Scheduler, Estimator, if applicable) Task Orders should reference Professional Services (Consultants) and Work Orders should reference Construction (Contractors). Project Manager (obtains, initials, and attaches the following) <ol style="list-style-type: none"> Scope of Services Task Order/Work W.B.S. number Funding - PM checks with Finance for availability of funds. (Budget Analyst provides a signed copy of Financial Activity Summary) Legislation (executed copy) Schedule Estimate If amendment, original task order/work and all previous amendments/change orders should be attached. Payment and Performance Bonds (if applicable) Executed LOI (if applicable) Plans, ROW, and G-DOT Local Let Reimbursement Form (if applicable) Project Manager compiles comments from checklist, resolves issues within five days, and returns to Consultant/Contractor/Vendor (if applicable). Resolved comments should be signed and dated. Obtain Section Manager Approval and Signature: <ol style="list-style-type: none"> Design - _____ Construction - _____ Traffic - _____ Attach Task Order/Work Review Routing Slip and all supporting documents (to include original documents/routing slips with comments) to Purchasing Request. 	
Return to Project Manager	

Source: Renew Atlanta Pre-Construction and Construction Directors

Renew Atlanta uses the Invoice Administrator Checklist for Task Order/Work Effort as a quality review to confirm provided documentation is complete and accurate before the final managerial review and approval. The Routing Slip for Managerial Review and Approval documents the various levels of review before the change order is executed. The use of these forms was not stipulated in written policy; however, they were provided by Renew Atlanta staff when we asked for change order supporting documents. Eight of the ten change orders we reviewed in our sample had these two forms attached as support. Two construction change orders on one project did not have these two forms attached. While neither of these two change orders increased the value of the contract (related costs were charged against existing owner's allowance), other change orders that did not increase the value of the contract did have these two forms attached.

Exhibit 7: Invoice Administrator Checklist for Task Order/Work Effort

RENEW ATLANTA/TSPLOST
INVOICE ADMINISTRATION
CHECKLIST FOR TASK ORDER/Work Effort

Contract Number _____ Document Number _____

Task Order/Work Effort signed by Consultant or Contractor

Requestion Form with Vendor Number – Circle form that (PME)	Yes	No	N/A
Legislation and/or threshold summary is attached (if applicable)	Yes	No	N/A
Has the Contract Value been exceeded?	Yes	No	N/A

Design/Professional	Construction	ROW/Utilities	Traffic	Administration
---------------------	--------------	---------------	---------	----------------

Has the Contract expired?	Yes	No	N/A
Form Identified (Contract/Task Order)	Yes	No	N/A
Does the Contract/Task Order require a bond (payment and performance)? If so, has the PM attached documentation?	Yes	No	N/A
If Amendment, has the bond value been adjusted accordingly? (yes/no attached)	Yes	No	N/A
Letter Classifications and Bill Rates compliant to task order and/or contract	Yes	No	N/A
Expense categories broken down and identified	Yes	No	N/A
Subconsultants on approved list	Yes	No	N/A
Calculations Verified	Yes	No	N/A
Totals match on Requestion, Task Order, and legislation (if applicable)	Yes	No	N/A
Are all referenced attachments included	Yes	No	N/A
If Amendment, revised total is correct	Yes	No	N/A
If Amendment or Change Order, include P&B on top of Previous Document	Yes	No	N/A
If Amendment, Amendment Number is correct	Yes	No	N/A
If Amendment, all amended Amendments are attached, along with original	Yes	No	N/A
Task Order/Work Review Routing Slip has been completed by all parties and is attached	Yes	No	N/A
In the <u>Performance</u> Project List Budget Sheet is attached by PM	Yes	No	N/A

Comments:

Invoice Administrator Reviewed _____ Date _____

Requestion Clerk Reviewed _____ Date _____

Rev. 4/22/18

Source: Renew Atlanta Financial Manager

Exhibit 8: Routing Slip Completed by Managerial Staff

ROUTING SLIP
FOR SOURCE/REVIEW AND APPROVAL
(Routed through highlighted persons ONLY!)

Contract Name/Number:		TO/WHO/Quoted:	
Consultant/Contractor:		Project Name:	
(INVOICE) / (BISC BIDDING ALLOWANCE) / (CONTRACT) / (QUOTE)		Comments:	
1st Project Manager	Initial/Date Reviewed		
2nd Finance Manager	Initial/Date Reviewed	Initial/Date Reviewed	
3rd Contract Administrator	Initial/Date Reviewed	Initial/Date Reviewed	
4th Deputy Project Controls Director	Initial/Date Reviewed	Initial/Date Reviewed	
5th PM	Initial/Date Reviewed	Initial/Date Reviewed	
6th General Manager	Initial/Date Reviewed	Initial/Date Approved	

Return To: _____ Date: _____

Additional Comments (if needed)

ROUTING SLIP Renew Atlanta

Source: Renew Atlanta Pre-Construction and Construction Directors

Renew Atlanta has implemented controls regarding the review and approval of change orders. However, the lack of updated and complete policies and procedures causes a lack of clarity regarding staff responsibilities and what documents are required under what circumstances to approve a change order. Currently, only forms, internal notes, and emails exist to provide guidance; but do not completely reflect present business practices.

Additional areas of concern noted during our review included:

- One change order in the amount of \$115,580.49 did not include a detailed scope as required. The contract also included an owner's allowance of \$48,000 and a line item of \$10,033.45 for the work to be completed in the change order, which were not used prior to the submitted request. The detailed scope was updated in subsequent change orders.
- Official Notice to Proceed (NTP) letters were not consistently provided to contractors/consultants. Currently, project managers send informal change order NTPs by email, consistent with verbal guidance provided by the former Renew Atlanta Contract Administrator.
- Project files for two construction change orders (both on the same project) did not include an NTP from Renew Atlanta. For the first, the change order required legislative approval of a contract amendment, which was sent directly to the contractor by the Department of Procurement in May 2019. Renew Atlanta did not complete the routing slip for managerial review and approval until July 2019. For the other change order, an NTP was not provided for our review.

To ensure consistency in the change order process, we recommend that Renew Atlanta write updated policies and procedures to clearly define responsibilities and requirements for change order review and approval. Such a policy might include:

- required supporting documents, routing slips, and authorizations needed for change order approval, with explanations for omissions
- guidance on the issuance of NTPs and on the processing of change order requests in accordance with GDOT terms, where applicable
- one current version of each required form, to be used by all project managers, with an effective date for any revisions

The city did not maintain current Certificates of Liability Insurance. At the suggestion of Renew Atlanta staff, we asked the Department of Procurement and the Office of Risk Management for Certificates of Liability Insurance for the two construction contracts relating to the seven construction change orders we reviewed. One of the two contracts required a Builder's Risk policy. Neither Renew Atlanta nor the Office of Risk Management provided evidence of a Builder's Risk policy for our review. We noted the certificate of liability insurance for one contract was dated after our request.

The most recent certificate we received for the other contract had expired before one of the change orders had been submitted. Additionally, the certificate (and also the original certificate attached to the contract) showed the limit for commercial general aggregate liability as \$2 million; however, the contract required a limit of \$3 million.

Since change orders can significantly lengthen the schedule of a project, and do not always require additional legislative approval or procurement, the Office of Risk Management may not be aware that a contract has outlasted the original period covered by the insurance on file.

To ensure that current Certificates of Liability Insurance and Builder's Risk are on file prior to the commencement of work, Renew Atlanta should coordinate efforts with the Office of Risk Management to include ensuring the certificates identify specific project(s), policy periods cover the appropriate time periods, and insurance limits comply with contract terms.

Renew Atlanta does not maintain a master list of change orders to track changes to projects program-wide. Such a list would enable it to identify patterns and would allow for further review and analysis. A master change order list would also allow program-level tracking of the time to review and approve change orders. When we requested a list of change orders from Renew Atlanta staff, we were initially informed of five construction change orders executed since May 2019. However, we identified two additional change orders during our review. Renew Atlanta staff told us that change orders are currently tracked by project managers on a project-by-project basis.

To allow for program-wide analysis and tracking of change orders, we recommend that Renew Atlanta implement and maintain a master list of change orders.

Inconsistencies Exist in Design and Construction Oversight

Renew Atlanta staff is providing oversight of design and construction to ensure that consultants are developing adequate design plans and contractors are conducting quality work in compliance with contracts. However, we noted inconsistencies in oversight over both design and construction, likely due to the absence of updated written standard operating procedures.

Renew Atlanta's oversight of design work includes review of the consultant's design plans at two stages. The consultant submits plans at 60% completion for a preliminary review and at 90% completion for a final plan review. Project managers should require consultants to use preliminary and final field plan review checklists to ensure that consultants submit all required deliverables.

The project manager distributes the plans for review and Renew staff and external departments impacted by the project note any concerns on comment sheets. The comment sheets are returned to the consultant for response. If the issues raised require further discussion, the project manager schedules a field plan review meeting to address them.

For each of the four projects in our sample, Renew Atlanta staff reviewed the preliminary and final design submittals received from consultants, and relevant parties completed reviewer comment sheets at each review stage. Project files for three of the four projects included documented responses from the consultants. Preliminary field plan review meetings were held for each of the four projects. Final field plan review meetings were held for each of the two projects that had reached that stage of completion, though we could not locate meeting sign-in sheets.

Consultants did not use preliminary and final plan review checklists. These checklists were first implemented in October 2018, but consultants did not use the checklists for either of the two projects in our sample that reached a review point after that time. The preliminary and final field plan review checklists ensure that time is not lost in reviewing incomplete plans. Without written standard operating procedures, the implementation of the checklists is subject to the discretion of project managers.

To ensure that design consultants submit all required deliverables for each design stage, we recommend that Renew Atlanta update written policies to require the use of the preliminary and final field plan review checklists for the preliminary and final design submittals.

Exhibit 9: Renew Atlanta Uses a Daily Inspection Report Template

Source: Renew Atlanta Pre-Construction Director

Documentation of daily inspections is inconsistent. Inspectors were also inconsistent in the report format. Inspectors recorded some daily reports using the Renew Atlanta daily inspection report template, while others used GDOT pay item report templates not intended for that purpose. Inspectors generated many daily inspection reports, but there also appeared to be reports missing for days the contractor reported work. We could not quantify the number of missing daily reports because reports are not required for

days without work; a day without a report may indicate that no work was done, that the report is stored outside of the project files, or that an inspector was not on site and/or did not generate a report.

Some material delivery documentation was missing. Three of the four projects listed a concrete or asphalt pay item in the contract. Project files contained many delivery tickets, but there were also missing delivery tickets for days when the daily inspection reports or GDOT pay item reports mentioned deliveries. We also identified two forms of tickets; some deliveries had the supplier delivery ticket as required, while some only had a GDOT concrete batch ticket form. The missing tickets either were not collected or are stored elsewhere, electronically or as physical hard copies.

To ensure that work proceeds according to contract requirements and that payments are properly supported, Renew Atlanta should update written policies to identify when a daily inspection report should be generated, what format should be used, and where they should be stored.

To ensure that payments are properly supported and that appropriate materials are used in construction, Renew Atlanta should develop written policies to identify when delivery tickets are required, what documentation is necessary, and where it should be stored.

Renew Atlanta Kept Effective Controls and Replaced Others

Renew Atlanta's current controls over payments to design consultants and construction contractors are functioning as designed to prevent overpayments and ensure proper review and approval. Controls to ensure that payments to design consultants and construction contractors are properly supported, reviewed, and approved remain largely unchanged from the effective controls we reviewed in previous audits.

Renew Atlanta has replaced the Project Control Board with a new set of dashboards intended to communicate key project and program information more completely and timely. Each month, Renew Atlanta reconciles internal financial records with Oracle, the city's financial system. Renew Atlanta controls staff then validates the data to ensure that it is attributed to the correct projects' funding sources. These dashboards serve as a more effective means of communicating complete and timely project and program information to decision-makers monthly. Renew Atlanta has also

maintained a master list of project budget changes, which serves as a key control in tracking funds within the program. Our prior audit work found the Project Control Board framework was not always effective at communicating key information about project and program budgets and financial data to decision-makers.

Dashboards Effectively Communicate Key Information

Renew Atlanta has implemented a dashboard reporting process to ensure the integrity, reliability, and timely reporting of data related to the 107 projects on the re-baselined list. Although the dashboards present information on the 107 projects, many projects are made up of multiple components, which may have different funding sources (Renew Atlanta bond, TSPLOST, etc.). Dashboard information is primarily supported by internal financial data, reconciled to Oracle and reviewed to correct any discrepancies. Renew Atlanta staff validates project data before it is published for review by internal and external parties. Staff certifies changes from the prior month are detected and project components are associated to the correct project and funding source. Once staff has validated the project data, they generate and publish various dashboard reports monthly for review by management and external parties. This monthly process ensures that decision-makers see updated information more regularly than under the previous Project Control Board system, when project managers would present project data only twice: after preliminary design and at project closeout.

Financial data reconciles to Oracle. Renew Atlanta staff reconciles internal project financial data monthly to Oracle. To test the accuracy and reliability of the data, we reviewed the reported encumbrances and paid costs as of December 31, 2019, for 15 randomly selected projects (126 project components) and compared them to the amounts reported in Oracle. We made certain adjustments for timing—transactions that cleared after the end of the year, pending encumbrances earmarked by Renew Atlanta but still working through the legislative and procurement processes, and encumbrances released because of the Department of Procurement closing purchase orders at the end of the year. Additionally, some tasks in Oracle included amounts from other projects that were not part of our sample; we backed out these costs for reconciliation purposes.

We were able to reconcile the 126 project components (15 projects) with total encumbrances of \$44,299,601 and paid costs of \$23,348,403 that Renew Atlanta reported as of the end of December, noting the following:

- For three project components (in 2 projects), we could not reconcile the total amount of the corresponding Oracle task; but, we were able to agree the amount related to the projects in our sample.
- Paid costs reported within the dashboards were overstated by just over \$13,000 due to a duplicate recording error which Renew Atlanta staff identified and corrected in the subsequent month.

Data are validated and communicated monthly. Once the project encumbrances and actuals have been reconciled to Oracle, a separate team within Renew Atlanta validates budget and cost information against a separately maintained database to ensure the following:

- current budget for each project component is present
- current month project component IDs and project numbers have not changed from prior month
- project components are assigned to the correct project
- any encumbrances or paid costs not already assigned to a project are assigned to the correct project and project component
- project components are assigned to the correct funding source (Renew Atlanta Bond, TSPLOST, or other)

Note that this team does not validate paid and encumbered amounts, as these are already reconciled to Oracle.

After generating dashboards from this validated data, Renew Atlanta staff reviews dashboard data a final time before sending dashboards to management and external parties.

We tested the dashboard validation process to determine whether existing controls were effective. Using the same sample of 15 projects, we confirmed that the project encumbrances and costs flowed through the validation process without alteration and were reported in the December 2019 dashboards. We identified total encumbrances in the amount of \$44,299,601 and paid costs of \$23,361,468 as of December 31, 2019. However, the reported paid

costs did include the overstatement of just over \$13,000. Validation formulas used as described above are functioning effectively. This is an improvement in practice over the now defunct Project Control Board since data are being communicated to decision-makers more completely and timely.

Renew Atlanta maintains a master list of all budget changes, documenting the project, the reason for the change, and dates of required approvals. Additional detail on each budget change is kept in an additional folder specific to that budget change. Of 19 projects with budget changes between May 2019 and September 2019, 15 were explicitly listed in the budget change tracker as of November 2019. Of the other four, two were the unallocated local funding and contingency “projects,” and were implicitly tracked because these were the source of funds for increased budgets in other projects. The other two budget changes were not tracked properly in the log when the changes occurred, but have since been added retroactively. To monitor budget changes effectively, it is important that the budget change tracker is being updated as changes arise, which it appears Renew Atlanta is mostly doing.

Most of the budget changes were due to reallocations of scope from one project to another. Only one of the budget changes was due to a budget overrun, and the budget increase was pulled from contingency funds.

Controls Over Pay Applications are Functioning

Controls over payments continue to function effectively to ensure that payments to design consultants and construction contractors are allowable and supported. These controls to ensure that payments are properly reviewed and approved remain largely unchanged from the effective controls we reviewed in previous audits.

All four payments we sampled were reviewed, approved, and supported prior to payment. When a design consultant or a construction contractor submits a pay application, the invoice administrator and the project manager review it prior to payment. The invoice administrator completes either a consultant or contractor invoice checklist confirming that a notice to proceed (NTP) and purchase order were issued, funding is available, the work done complies with the contract and task order, and other requirements are met (see Exhibit 10). The invoice administrator also reviews the schedule of values to ensure that all calculations are accurate and match the supporting documentation provided,

such as timesheets showing the hours worked for design. For each of the four payments, we confirmed that the invoice administrator had completed the checklist, verified that there was an NTP and purchase order, and confirmed that the payment complied with the terms and rates of the contracts with no mathematical errors.

The pay application is then reviewed and approved by the Renew Atlanta financial manager, the construction manager (for construction payments), the project manager, the program management officer, and the general manager, who each sign a routing slip (see Exhibit 11). Routing slips showed that all required parties had reviewed and approved each of the four payments in our sample.

Once the pay application is approved by all parties, it is returned to the invoice administrator and sent to the city's accounts payable unit to be paid within 30 days of initial receipt of the consultant payment request. The invoice administrator also updates Renew Atlanta's internal financial records. Of the four payments we reviewed, three of them—one design payment and two construction payments—were paid within 30 days, and all four were reflected in Renew Atlanta's internal financial records.

We did note that the routing slips and invoice administrator checklists for the four payments were not stored digitally but were stored as hard copies with the invoice administrator. The version of the pay applications stored digitally is the one sent to Accounts Payable, which does not include the routing slip and invoice administrator checklist because these are internal Renew documents and are not sent to Accounts Payable.

Renew Atlanta kept design costs in line with the stage of design completion. During design, the consultant typically submits plans at 30% completion, 60% completion, and 90% completion. One project had 90% plans with only 77% of the design budget spent, and the other project had 30% plans, with 60% plans in progress, and 41% of the design budget spent. Renew Atlanta's efforts to control design costs reduce the risk of overrunning the design budget.

Exhibit 10: Invoice Administrators Complete Checklists During Invoice Review

RENEW ATLANTA BOND PROGRAM INVOICE ADMINISTRATOR CHECKLIST FOR CONSULTANT INVOICE

Contract Number: _____ Project Name: _____

WBS#: _____ Request for Payment: _____

ITEM DESCRIPTION:	COMPLETE
Funding Available in the Financial Activity Summary	
Available funding in City of Atlanta ORACLE system	
Purchase order number:	
Available Balance:	
Contract, Work Authorization/Task Order, Project and WBS numbers are identified	
Change Orders, Miscellaneous Modifications/Allowances, Amendments and Addendums have been posted correctly	
Notice to Proceed has been issued	
Contract/Work Authorization/Task Order is within scheduled term	
Verified all calculations on invoice and backup documentation	
Verified schedule of values complies with contract requirements	
Retainage (if applicable) has met contractual requirements	
Appropriate documentation is attached to support stored materials	
The basis for payment of each line item complies with contract requirements	
COMMENTS:	

1. Project Manager is responsible for ensuring all applicable deliverables have been received, expenses are within the scope of the approved task order, and work was completed within the schedule of the task order.

Invoiced:	Recommend:	Variance:
Signature:		Date:

RENEW ATLANTA BOND INFRASTRUCTURE PROGRAM INVOICE ADMINISTRATOR CHECKLIST FOR CONTRACTOR INVOICE

Contract Number: _____ Project Name: _____
WBS Number: _____ Pay Request: _____

ITEM DESCRIPTION:	COMPLETE
Authorization For Miscellaneous Modifications / Allowances	
Available funding in Financial Activity Summary	
Available funding in City of Atlanta ORACLE system	
Purchase order:	Available Balance:
Line number:	
Contract and WBS numbers are identified	
Change Orders, Miscellaneous Modifications/Allowance, Amendments and Addendums have been posted correctly	
Notice to Proceed has been issued	
Contract is within scheduled term	
Verified all calculations on invoice and backup documentation	
Verified schedule of values complies with contract requirements	
Retainage meets contract requirements	
Appropriate documentation is attached to support stored materials	
The basis for payment of each line item complies with contract requirements	
COMMENTS:	

1. Project Manager is responsible for ensuring all applicable deliverables have been received, expenses are within the scope of the approved task order, and work was completed within the schedule of the task order.

Invoiced:	Recommend:	Variance:
Signature:		Date:

Source: Renew Atlanta Financial Manager

Exhibit 11: Routing Slips for Payment Review and Approval

ROUTING SLIP FOR YOUR REVIEW AND APPROVAL (Routed through checked persons ONLY)

Contract Number:		Document Number:	
Consultant/Contractor:		Project:	
INVOICE / MISC MOD/ ALLOWANCE / TASK ORDER		COMMENTS	
1 st Finance	(Initials / Date)		
2 nd Project Manager	(Initials / Date)		
3 rd PMO	(Initials / Date)		
4 th General Manager	(Initials / Date)		

Return to: _____ Date: _____

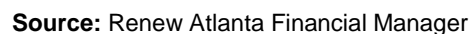
ROUTING SLIP FOR YOUR REVIEW AND APPROVAL (Routed through checked persons ONLY)

Contract Number:		Document Number:	
Consultant/Contractor:		Project:	
INVOICE / MISC MOD/ ALLOWANCE / TASK ORDER		COMMENTS	
1 st Finance	(Initials / Date)		
2 nd Construction Manager	(Initials / Date)		
3 rd Project Manager	(Initials / Date)		
4 th PMO	(Initials / Date)		
5 th General Manager	(Initials / Date)		

Return To: _____ Date: _____

Source: Renew Atlanta Financial Manager

Exhibit 12: Construction Contractor Pay Application Review Process



Renew Atlanta and TSPLOST

Recommendations

In order to avoid a funding shortfall that could impact the delivery of projects, Renew Atlanta should:

1. Review administrative costs to identify areas of potential cost savings and/or adjustments to the budget
2. Revisit the planned cashflow to spread administrative costs by period according to projected needs
3. Adjust the dashboards to flag the project category of “PM, city staff & general services” when the XPI for that category represents paid amounts greater than planned value beyond a defined threshold

To ensure consistency in the change order process, Renew Atlanta should:

4. Write updated policies and procedures to clearly define responsibilities and requirements for change order review and approval. Such a policy might include:
 - required supporting documents, routing slips, and authorizations needed for change order approval, with explanations for omissions
 - guidance on the issuance of NTPs and on the processing of change order requests in accordance with GDOT terms, where applicable
 - one current version of each required form, to be used by all project managers, with an effective date for any revisions

To ensure that current Certificates of Liability Insurance and Builder’s Risk are on file prior to the commencement of work, Renew Atlanta should:

5. coordinate efforts with the Office of Risk Management to include ensuring the certificates identify specific project(s), policy periods cover the appropriate time periods, and insurance limits comply with contract terms

To allow for program-wide analysis and tracking of change orders, Renew Atlanta should:

6. implement and maintain a master list of change orders

To ensure that design consultants submit all required deliverables for each design stage, Renew Atlanta should:

7. update written policies to require the use of the preliminary and final field plan review checklists for the preliminary and final design submittals

To ensure that work proceeds according to contract requirements, that payments are properly supported, and that appropriate materials are used in construction, Renew Atlanta should:

8. update written policies to identify when a daily inspection report should be generated, what format should be used, and where they should be stored
9. develop written policies to identify when delivery tickets are required, what documentation is necessary, and where it should be stored

Appendices

Appendix A: Management Review and Response to Audit Recommendations

Report # 20.02	Performance Audit: Renew Atlanta/TSPLOST	Date: June 2020
Recommendation 1: We recommend that Renew Atlanta review administrative costs to identify areas of potential cost savings and/or adjustments to the budget.		
Proposed Action: An analysis of OH costs will be done as Renew Atlanta/TSPLOST transitions to ATLDOT.		Response: Agree
Person Responsible: Program Manager and Finance Manager		Implementation Date: SEP-20
Recommendation 2: We recommend that Renew Atlanta revisit the planned cashflow to spread administrative costs by period according to projected needs.		
Proposed Action: After analysis of OH is complete, cash flow projections will be updated to reflect expected monthly costs.		Response: Agree
Person Responsible: Deputy Director of Program Controls		Implementation Date: NOV-20
Recommendation 3: We recommend that Renew Atlanta adjust the dashboards to flag the project category of "PM, city staff & general services" when the XPI for that category represents paid amounts greater than planned value beyond a defined threshold.		
Proposed Action: XPI icon will be removed from published reports.		Response: Partially Agree

Person Responsible: Director of Program Controls	Implementation Date: SEP-20
Recommendation 4: We recommend that Renew Atlanta write updated policies and procedures to clearly define responsibilities and requirements for change order review and approval. Such a policy might include required supporting documents, routing slips, and authorizations needed for change order approval, with explanations for omissions; guidance on the issuance of NTPs and on the processing of change order requests in accordance with GDOT terms, where applicable; and one current version of each required form, to be used by all project managers, with an effective date for any revisions.	
Proposed Action: Policies and procedures will be updated.	Response: Agree
Person Responsible: Director of Engineering and Director of Construction	Implementation Date: Dec-20
Recommendation 5: We recommend that Renew Atlanta coordinate efforts with the Office of Risk Management to include ensuring the certificates identify specific project(s), policy periods cover the appropriate time periods, and insurance limits comply with contract terms.	
Proposed Action: Track and monitor status and limits of contractor insurance.	Response: Partially Agree
Person Responsible: Contract Administrator	Implementation Date: MAR-21
Recommendation 6: We recommend that Renew Atlanta implement and maintain a master list of change orders.	
Proposed Action: Develop and maintain a Program-level Change Order Log.	Response: Agree
Person Responsible: Contract Administrator	Implementation Date: MAR-21

Recommendation 7:

We recommend that Renew Atlanta update written policies to require the use of the preliminary and final field plan review checklists for the preliminary and final design submittals.

Proposed Action: Policies and procedures will be updated.

Response: Agree

Person Responsible: Director of Engineering

Implementation Date:
DEC-20

Recommendation 8:

We recommend that Renew Atlanta update written policies to identify when a daily inspection report should be generated, what format should be used, and where they should be stored.

Proposed Action: Policies and procedures will be updated.

Response: Agree

Person Responsible: Director of Construction

Implementation Date:
DEC-20

Recommendation 9:

We recommend that Renew Atlanta develop written policies to identify when delivery tickets are required, what documentation is necessary, and where it should be stored.

Proposed Action: Policies and procedures will be updated.

Response: Agree

Person Responsible: Director of Construction

Implementation Date:
DEC-20

Appendix B: Prior Audit Work

Report Title	Release Date	Location of Summary and Full Report
Renew Atlanta Bond Program Contract Language	June 2016	http://www.atlaudit.org/renew-atlanta-bond-program-contract-language-june-2016.html
Renew Atlanta Bond Program Management Plan	July 2016	http://www.atlaudit.org/renew-atlanta-bond-program-management-plan-july-2016.html
Renew Atlanta Roadway Resurfacing	November 2017	http://www.atlaudit.org/renew-atlanta-roadway-resurfacing-november-2017.html
Renew Atlanta Fire Station Renovations	September 2018	http://www.atlaudit.org/renew-atlanta-fire-station-renovations---september-2018.html
Renew Atlanta and TSPLOST Review of Expenditures	December 2018	http://www.atlaudit.org/renew-atlanta-and-tsplost-review-of-expenditures---december-2018.html
Martin Luther King Jr. Recreation and Aquatic Center	November 2019	http://www.atlaudit.org/martin-luther-king-jr-recreation-and-aquatic-center---november-2019.html
Northside Drive Pedestrian Bridge	February 2020	http://www.atlaudit.org/northside-drive-pedestrian-bridge---february-2020.html