

Final Audit

Follow up

As of March 31, 2001



CITY OF TALLAHASSEE

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“The City’s Annual Tree Trimming Price Agreement with Asplundh Tree Expert Company” (Report #9804, Issued February 19, 1999)

Report #0124

June 5, 2001

Summary

This is the final follow up on the Audit of the City’s Annual Tree Trimming Price Agreement with Asplundh Tree Expert Company (#9804), issued February 19, 1999.

All of the issues we identified in that audit have been addressed. Electric Operations, the Treasurer-Clerk’s Office, and the Department of Management and Administration have implemented all of their action plan steps.

Scope, Objectives, and Methodology

Report #9804

The scope of Report #9804 was a review of the City’s annual price agreement with Asplundh Tree Expert Company (Asplundh). The primary objectives of the audit were to determine if:

- Electric Operations and the Contractor were operating in compliance with the terms of the annual price agreement; and
- Electric Operations had established adequate controls and processes to effectively and efficiently administer the line clearance agreement.

Report #0124

This report is the last follow up that will be performed on report #9804 and closes out that project. The purpose of this final follow up is to report on the progress and/or status of efforts to implement recommended action plan steps. To verify and validate reported progress, we conducted interviews with key department staff and reviewed and examined supporting documentation.

Previous Conditions and Current Status

In Report #9804, we identified four main areas in the administration of the contract that management needed to address: planning, controlling, reporting, and contract issues.

The current status of tasks due is as follows:

Tasks Due and Completed by Department			
Responsible Department	# Tasks due by 3/31/2001	Completed	Percent Completed
Treasurer-Clerk’s Office	3	3	100%
Procurement Services	1	1	100%
Electric Operations	23	23	100%
Total	27	27	100%

**Table 1
Conditions Identified in Report #9804 and Current Status**

Previous Conditions	Current Status
Planning	
<ul style="list-style-type: none"> • Short and long range planning for the Line Clearance Program needs improvement. 	<ul style="list-style-type: none"> ✓ Short and long range plans have been developed and approved by management. Information is being maintained to identify the number of man-hours and cost to trim each substation and circuit.
Controlling	
<ul style="list-style-type: none"> • Monitoring practices by Electric Transmission and Distribution staff should be improved. 	<ul style="list-style-type: none"> ✓ A settlement was reached with the contractor to adjust future billings for previous over billings, adjust inflationary increases, and extend the contract.
<ul style="list-style-type: none"> • Electric Transmission and Distribution should ensure all services are included in the price agreement. 	<ul style="list-style-type: none"> ✓ An amended price agreement has been executed that clarifies definitions and services that are to be provided.
<ul style="list-style-type: none"> • Monthly invoice review practices and reconciliation to the database need improvement. 	<ul style="list-style-type: none"> ✓ Procedures for monthly review on invoices and related billing practices have been developed.
Reporting	
<ul style="list-style-type: none"> • The process for evaluating and reporting contractor performance should be improved by establishing benchmarks and evaluating monthly/quarterly performance. 	<ul style="list-style-type: none"> ✓ Quarterly and yearly performance indicators have been established.
<ul style="list-style-type: none"> • The Line Clearance Report should be enhanced by submitting timely, accurate, and relevant information on the Program. 	<ul style="list-style-type: none"> ✓ An annual report on the results of the impact of the revised tree trimming guidelines has been developed.
Contract Issues	
<ul style="list-style-type: none"> • Job site labor costs should be clearly defined in the agreement. 	<ul style="list-style-type: none"> ✓ The revised agreement addressed and clarified the issues identified in the audit.
<ul style="list-style-type: none"> • The Purchasing Policy and Procedures Manual, City Commission Signature Policy, and the Electric Administrative Procedures Manual do not contain procedures for contract extension. 	<ul style="list-style-type: none"> ✓ Electric Operations, Procurement Services, and the Treasurer-Clerk's Office have adopted policies and procedures for contract extensions.

Table Legend:

- Issue addressed in the original audit
- ⇒ Issue sub-components

- ✓ Issue addressed and resolved
- ✗ Issue not resolved

Outstanding Issues

As noted above, all action plan steps have been implemented.

We appreciate the assistance provided by the Department of Management and Administration, the Treasurer-Clerk's Office, and Electric Operations in this audit follow up.

Response from Appointed Officials

City Manager: I'm pleased that all action steps have been completed. Completion of all action plans reflects our commitment to improved effectiveness and efficiency. I thank staff and the auditors in this cooperative effort.

Interim City Treasurer-Clerk: The Treasurer-Clerk is pleased that all actions required by this report have been completed.

Copies of this Final Audit Follow Up or audit report #9804 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

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