



Travis County Commissioners Court Agenda Request

Meeting Date: February 18, 2014

Prepared By/Phone Number: J. Lee Perry/512-854-9724; M. Brice, CPPB, 854-9765

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Consider and take appropriate action on Auditor Review of NE Metro Park Amenities Phase III Project – Contract No. 4400000128. (Executive Session)

- The purpose of the NE Metro Park Amenities Phase III project was to build a new park road and other amenities (restrooms, picnic shelters, landscaping, etc.) at the NE Metro Park, to be used in conjunction with the park's new skatepark facility. This project was awarded to the lowest bidder (the "Contractor") for \$2,298,923.46 on September 27, 2011. To date, the Contractor has been paid this amount, plus \$214,453.56 on three change orders requested by the Contractor, less \$29,000 in retainage held by the County.
- On August 23, 2013, the Contractor submitted a 4th request for additional compensation. Due to this event and also because of the numerous issues that have arisen during this project, the Purchasing Agent and the Transportation and Natural Resources department requested that the Auditor's Office perform a review of the project in accordance with Contract Item 10.2, *Maintenance of and Right of Access to Records*. The findings from this review are as outlined in the attached letter from the County Auditor and Purchasing Agent.
- We would like to discuss the audit findings with the Court so that an informed decision can be made related to the Contractor's pending claim of \$10,429.23 and outstanding retainage still held by Travis County in the amount of \$29,000.
- **Contract Expenditures:** \$2,484,377.02 has been spent against this contract/requirement.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to agenda@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

➤ **Contract-Related Information: N/A**

Award Amount:

Contract Type:

Contract Period:

➤ **Contract Modification Information: N/A**

Modification Amount:

Modification Type:

Modification Period:

➤ **Solicitation-Related Information:**

Solicitations Sent: N/A

Responses Received: N/A

HUB Information: N/A

% HUB Subcontractor: N/A

➤ **Special Contract Considerations:**

- Award has been protested; interested parties have been notified.
- Award is not to the lowest bidder; interested parties have been notified.
- Comments: N/A

➤ **Funding Information: N/A**

- Shopping Cart/Funds Reservation in SAP:
- Funding Account(s): N/A
- Comments: N/A

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR



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To: Commissioners Court

From: Nicki Riley, Travis County Auditor
Cyndy Grimes, Travis County Purchasing Agent

Date: January 10, 2014

Re: Auditor Review of NE Metro Park Amenities Phase III Project - Contract #4400000128

Background:

The purpose of the NE Metro Park Amenities Phase III project was to build a new park road and other amenities (restrooms, picnic shelters, landscaping, etc.) at the NE Metro Park, to be used in conjunction with the park's new skatepark facility. This project was awarded to the lowest bidder (the "Contractor") for \$2,298,923.46 on September 27, 2011. To date, the Contractor has been paid this amount, less \$29,000 in retainage still held by the County, as well as \$214,453.56 on three claims made by the Contractor for additional compensation.

On August 23, 2013, the Contractor submitted a 4th claim for additional compensation. Due to this event and also because of the numerous issues that have arisen during this project, the Purchasing Agent and the Transportation and Natural Resources department requested that the Auditor's Office perform a review of the project in accordance with Contract Item 10.2, *Maintenance of and Right of Access to Records*. The findings from this review are below.

Findings of Review of Contract:

Contractor's 4th claim for additional compensation - Contractor provided no valid evidence in accordance with the contract to support their 4th claim for additional compensation.

50% labor contribution compliance - The Contractor did not meet its contractual requirement to provide 50% or more of the labor on this project. Contractor employees contributed only 13.4% of the labor on this project, most of which was administrative and managerial in nature.

Subcontractor contract compliance - A number of the subcontractors on this contract have not yet been completely paid for services and products provided in accordance with the contract. Many subcontractors stated that they have had difficulty receiving payments from the Contractor.

Prevailing wage compliance - The Contractor did not retain supporting documentation related to prevailing wage payments as required by this contract and by statute.

Quality of Work - There were numerous issues with the quality of work performed on this project, both during construction and the warranty period. Some warranty issues have yet to be repaired or were repaired by Travis County employees at an additional expense to Travis County taxpayers. Costs to repair and increased maintenance costs to the park will be incurred due to the poor quality of the Contractor's work.

Conclusion:

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We would like to make the Court aware of these audit findings so that an informed decision can be made related to the Contractor's pending claim of \$10,429.23 and outstanding retainage still held by Travis County in the amount of \$29,000. We recommend not utilizing this Contractor for future projects due to the issues that occurred on this project and other past projects.