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January 30, 2024

Mr. George Holland
City Auditor
City of Corpus Christi
121 Leopard Street
Corpus Christi, TX 78401

RE: Interim Audit Report: Williams Lift Station, Project No. 21143

Dear Mr. Holland:

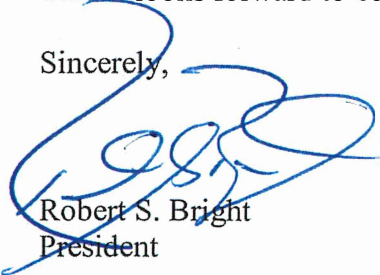
Attached please find Talson Solutions, LLC's Interim Audit Report, dated January 29, 2024, for the Williams Lift Station, Project No. 21143, which has been contracted with Associated Construction Partners, Ltd. (ACP) as the general contractor and engineering design services provided by Urban Engineering. The Interim Audit Report includes our executive summary, project background, audit scope, work performed, engagement findings, observations, recommendations, and corresponding management responses from the City of Corpus Christi Engineering Services.

Talson audit activities commenced in November 2023 and concluded in January 2024, inclusive of receipt and review of management responses. The audit resulted in one finding and six observations. Talson continues to recommend that the City of Corpus Christi request verification from ACP for all projects with the City regarding its compliance efforts to the 2022 Texas Statue for Government Code; Title 10 General Government Code Section 2252.032 specifically relating to allowable retainage withholding.

Talson's audit report is based on verifiable information provided by the City, ACP, and Urban Engineering prior to completion of the audit. Any subsequent documentation, post issuance of this report, provided by ACP and/or the City has not been assessed or verified.

Talson looks forward to continuing its support of the Office of the City Auditor.

Sincerely,



Robert S. Bright
President

Enclosures



Interim Audit of
Williams Lift Station
Project No. 21143

for

City of Corpus Christi



ISSUE DATE: January 24, 2024 – PRELIMINARY REPORT

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EXECUTIVE SUMMARY

Talson Solutions, LLC (Talson), an independent construction auditing and advisory firm, conducted an interim audit of City of Corpus Christi's (the City) Williams Lift Station Improvements to Wastewater Systems Project No. 21143 (Project). Associated Construction Partners, Ltd. (ACP) is serving as the general contractor under a fixed price agreement (Contract) for named components with an initial value of \$11.6 million. Engineering design services are being provided by Urban Engineering. ACP and Urban Engineering are currently engaged by the City on other capital projects in various design and construction phases.

The interim audit primarily focused on contractual compliance by ACP but also included assessing the City's construction and engineering management of capital program areas including construction cost and change management, project administration, progress status and cost reporting. Talson's audit objectives were to verify ACP's compliance to the Contract, adherence to established controls and procedures, and assess the completeness and allowability of construction costs. The audit focused on the City, ACP, and Urban Engineering's activities from Project commencement through November 2023.

Overall audit activities revealed that the Project is making beneficial progress despite the challenges experienced with delays to the delivery of long-lead materials and equipment. The communication between the City, ACP, and Urban Engineering was deemed adequate, timely, and the Project Team was aware of the Project's progress and challenges. However, the audit resulted in one finding of contract non-compliance related to the City experiencing an excessive amount of time executing change orders and making payment for completed change order work. Six observations in the areas of change management, cost management and project administration were also noted.

As a result of the audit, ACP acknowledged the discrepancy of withholding ten percent (10%) retainage, totaling \$152,364 for the Project, from subcontractor payments which is not compliant with the City's contract or the State of Texas statute governing the allowable five percent (5%) retainage withheld on Public Works projects. ACP, who has over \$39 million of City public works contracts, committed to immediately provide retainage releases to its subcontractors for all City projects and not exceed the allowable retainage amount. See Observation No. 1 for further details.

Although not listed as an observation, Talson continues to be unable to obtain any documentation to determine if a formal risk assessment (Risk Management Procedure QA.2) was performed for the Project by Engineering Services. Talson is aware that Engineering Services has committed that future Projects will include the assessment.

The audit included detailed review of various Project documents and interviews with representatives of the City and ACP. The City Auditor's Office and Engineering Services Department were accessible and provided beneficial support to the audit.

PROJECT BACKGROUND

The Project consists of the rehabilitation of the Williams Lift Station to extend its service life, reduce long-term maintenance costs, improve flows and meet Texas Commission on Environmental Quality (TCEQ) guidelines including reducing sanitary sewer overflows. Major elements of the scope of work includes temporary control of flow pumping, replacement of suction and discharge piping, new pumps and controls, new hoist and bridge cranes, electrical improvements and odor control.

On April 20, 2022, the City of Corpus Christi entered into an agreement with ACP for construction services at a fixed price of \$11.6 million. Substantial completion is to occur within 240 calendar days from the Notice to Proceed date of May 16, 2022. The City has issued two change orders amending the contract value and duration to \$11.7 million and 1,019 calendar days, respectively. As of Payment Estimate No. 16 for the period of September 1-30, 2023, ACP has invoiced fifty-one percent (51%) of the adjusted contract value.

Change Order No. 2 dated, August 16, 2023, adds 779¹ days to the contract duration for delays associated with switching PLC manufacturers and changes made to the medium voltage switchgear. The original Substantial Completion date of January 11, 2023, is now February 28, 2025. ACP continues making progress with the work and is investigating ways to minimize the impacts of the material delays.

AUDIT SCOPE

Talson conducted the audit in alignment with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Those standards require planning and performing the audit to obtain sufficient and appropriate evidence to provide reasonable basis for observations and conclusions within a detailed audit plan based on the audit objectives. Talson believes that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Talson utilized a comprehensive risk-based approach to assess compliance with contract provisions and identify any risks to successful Project completion, specifically within budget and on-time. Talson assessed Project Management's (e.g., City, general contractor, designers, and subcontractors) alignment with industry best practices throughout the engagement, facilitated knowledge sharing discussions, and collaborated with the project teams to ensure transparency of the audit work but also maintained independence.

¹ (A) Additional 159 calendar days were granted for the change in PLC manufacturer from Schneider Electric to Allen Bradley. (B) Additional 620 calendar days were granted for the fabrication and delivery of the medium voltage switchgear in accordance with the Engineer's review comments of the submittal data.

WORK PERFORMED

Talson initiated the review of Project documents at its Philadelphia and Denver offices, followed by fieldwork at City of Corpus Christi on November 14 & 15, 2023. Fieldwork consisted of an on-site visit to the Williams Lift Station at 6602 Williams Drive, documentation review and Project team interviews. Specific audit activities included reviewing the following:

1. Construction Agreement between City of Corpus Christi and ACP inclusive of terms, conditions, and deliverables.
2. Certified payroll reports verifying hourly wage rates comply with Davis-Bacon Wages for the project.
3. Executed Owner Change Order No. 1 and 2 confirming proper approval, reasonableness, and appropriateness of change to ensure not duplicated work. Review of contract allowed costs and mark-ups, review of subcontractor support documentation included and timely billing by ACP.
4. ACP's Payment Estimate Nos. 13 and 16, inclusive of supporting documentation for subcontractor work, lien waivers, insurance premium charges, fee calculations, and status of other schedule of value costs.
5. Other project documentation: RFIs, submittals, meeting minutes and monthly schedule update to determine any potential risks that may warrant further review.
6. Professional Services Agreement between the City of Corpus Christi and Urban Engineering, including terms, conditions, Scope of Services and task list with a billing breakdown by phase.
7. Executed Amendments 1A to 1G confirming proper approval, reasonableness and appropriateness of fee and mark-ups.
8. Urban Engineering's invoice No. 84942 dated August 24, 2022, inclusive of supporting documentation.
9. Assessed project administration by the City, ACP and Urban Engineering.

A complete list of documents reviewed and interviews conducted is listed in Appendix A.

SCHEDULE OF FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

As a result of noted contractual and procedural areas of non-compliance, the audit yielded one Finding and six Observations. Associated recommendations to the Finding is also provided for consideration by the City. The following classifications are provided to ensure alignment within our approach and methodology. For the purpose of this assessment, the definition of a ***Finding*** and an ***Observation*** are as follows:

- ***Finding*** is an issue where a party (the City or other) is non-compliant with a contractual provision, a stated policy, or procedure. A finding may also be identified in situations of impact to the schedule or budget, or an immediate control risk has been identified. Corrective action must be taken, and a management response provided.
- ***Observation*** does not mean there is an issue of non-compliance; however, the auditor has determined that the issue poses a potential risk of becoming a finding in the future and ***may*** require a management response. An observation might also be a process enhancement that can be incorporated in a project going-forward or on future capital projects.

The following ***Finding*** has been discussed with the City:

Finding No. 1 – Time Extension Requests

ACP is non-compliant with the conditions for requesting time extensions to Contract Time. Evidence includes:

The Contractor has submitted six (6) Change Proposals requesting additional calendar days be added to the Contract Time. The Change Proposals did not include a revised schedule showing the impact of the work on the contract completion date. *General Conditions 27.04 Schedule Revisions requires a revised schedule be included with a Change Proposal if a change in Contract Time is requested.*

Additionally, the City has granted two (2) time extensions totaling 779 calendar days in approved Change Order No. 2 for the revised electrical equipment. An updated schedule showing the impact of the changes to the project completion date was not included in the Change Proposal to support the request. The original contract schedule was 240 calendar days.

Recommendation No. 1

The City should require all future time extension requests include a revised schedule showing the impacts or delays to ensure the critical path and the project completion date are affected by the delay.

Management Response: Management Agrees. All time extension requests are required to have an updated project schedule. Management has been informed that not all change order proposals requesting time extensions come with updated project schedule when submitted. However, all executed change orders (with time extensions) include an updated project schedule. Additionally, project schedules are included with pay estimates and these are uploaded in a folder labeled “project schedules” (see below screen print). The Engineering Department will train staff about the importance of ensuring all change order proposals come with an updated project schedule before they are approved.

Documents For: 21143 - Citywide Lift Station Repairs 2018-2019 (Williams LS) - Gomez

0 Files Checked Out For Editing

Documents \04ConstructionAdministration\04.11 Project Schedules

Name	Date Uploaded	Uploaded By	Company
21143 Williams Schedule 12.31.23.pdf (version 1)	01.18.24 11:36AM	Burl Ritchie	City of Corpus Christi
21143 Williams Schedule 2023.05.31.pdf (version 2)	01.18.24 10:34AM	Burl Ritchie	City of Corpus Christi
21143 Project Schedule 2023.10.31.pdf (version 1)	01.18.24 10:34AM	Burl Ritchie	City of Corpus Christi
21143 Project Schedule 2023.07.31.pdf (version 1)	01.18.24 10:33AM	Burl Ritchie	City of Corpus Christi
21143 Project Schedule 2023.09.30.pdf (version 1)	01.18.24 10:33AM	Burl Ritchie	City of Corpus Christi
1502 Williams Schedule 12.31.22.pdf (version 1)	01.18.24 10:28AM	Burl Ritchie	City of Corpus Christi
1502 Williams Schedule 6.30.22.pdf (version 1)	01.18.24 10:27AM	Burl Ritchie	City of Corpus Christi
(21143) 1502 Williams Schedule 8.31.23.pdf (version 1)	01.18.24 10:26AM	Burl Ritchie	City of Corpus Christi
21143 Schedule 07.31.22.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 1.31.23.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 2.28.23.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
21143 - 1502 Williams Schedule 5.26.22baseline.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 10.31.22.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 8.31.22.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
21143 Schedule - 07.01.22.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
Project Status Report 11-28-2022.docx (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
21143 Project Schedule 2023.06.30.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 3.31.23.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
1502 Williams Schedule 9.30.22.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi
21143 Schedule 4.30.23.pdf (version 1)	03.17.23 11:32AM	Nicholas Trigger	City of Corpus Christi

The following **Observations** have been discussed with the City:

Observation No. 1

During Talson's review of ACP's job cost detail report, it was noted that ACP is withholding ten percent (10%) retention from subcontractor payments. ACP's subcontract agreement specifies that ten percent (10%) will be withheld as retainage from payments. However, ACP's subcontract agreement is not in alignment with the contract between the City and ACP, wherein the retainage amount is established as five percent (5%). In addition, ACP's subcontract agreement includes a flow-down provision (*Article 11 Original Contract Documents*) that incorporates the Construction Agreement between the City and ACP by reference and binds the subcontractor to ACP in the same contract manner ACP is bound to the City. Further evidence includes:

- a) In accordance with the State of Texas Statutes Government Code Section 2252.032: Retainage, law governing public works contracts, a Prime Contractor may not withhold from a subcontractor a greater percentage of retainage than the percentage that may be withheld from the Prime Contractor by the governmental entity under the contract. *In the Agreement, Article 5.02 Progress Payments Retainage* states the retainage is five percent (5%).

The following excerpts are from State of Texas Statute Government Code Section 2252.032: Retainage:

(2) if the total value of a public works contract is \$5 million or more, a governmental entity may not withhold retainage in an amount that exceeds five percent of the contract price and the rate of retainage may not exceed five percent for any item in a bid schedule or schedule of values for the project, including materials and equipment delivered on site to be installed; and

(d) If, for the purpose of fulfilling an obligation of a prime contractor under a public works contract, the prime contractor enters into a subcontract:

(1) the prime contractor may not withhold from a subcontractor a greater percentage of retainage than the percentage that may be withheld from the prime contractor by the governmental entity under the contract; and

- b) ACP's Job Cost Detail report as of October 30, 2023, shows the retainage withheld from subcontractor payments at 10% resulting in an overage of retainage withheld in the amount of \$152,364.
- c) ACP's subcontractor summary report for C.W. Campbell shows payments made and the retainage withheld at ten percent (10%). The subcontractor summary report is supported by C.W. Campbell's invoice No. 91300-0006 dated June 23, 2023, wherein they invoiced \$54,188 with a deduction of \$5,419 for retainage.

As a result of the audit and ACP's acknowledgment of the discrepancy, Talson recommends that ACP review all subcontractor payment requests and disburse the excess retainage amount in excess of five percent (5%) to the Williams Lift Station project subcontractors. In addition, the City should obtain verification through subcontractor lien waivers provided in ACP's upcoming pay estimate to the City.

As of the March 2023 Construction Status Report, ACP has four active projects totaling \$39.3 million (inclusive of Williams Lift). Due to the excess unallowable retainage withheld by ACP on the Williams Lift Station project, the City should confirm if there is unallowable retainage on the additional City projects and direct ACP to immediately address the required disbursement to its subcontractors.

The City and ACP should independently also consider modifying language within their respective future contract documents to include specific reference to the 2022 Texas Statute for Government Code; Title 10 General Government Code Section 2252.032: Retainage, and ensure Contractors for public work projects comply with the provision.

Contractors withholding a greater percentage of retainage than allowable by the City's contract or by Texas State law presents a reputational risk to the City. Additionally, the excess retainage potentially causes: (1) an unwarranted cash flow burden to the subcontractor, (2) an increase in project cost driven by subcontractor pricing to account of the additional "Cost of Money" over the project duration and (3) a decrease in competitive bidding from the contractor community.

Observation No. 2

Talson noted a lack of timely payment for emergency repair work performed by ACP at another City facility. Evidence includes:

- a) ACP submitted a lump sum proposal in the amount of \$68,800 dated March 27, 2023, for an emergency repair of a water leak at the decommissioned Broadway WWTP.
- b) The City accepted the proposal pricing on the same date, March 27, 2023.
- c) ACP performed the emergency repair work on March 29 & March 30, 2023.
- d) Change Order No. 1 is dated April 28, 2023, but was not officially executed until September 21, 2023.
- e) The delay in executing the change order resulted in ACP waiting to bill for the completed work until October 2023 with payment being made in November 2023.

Observation No. 3

Talson noted a lack of independent cost verification being performed by the City to ensure that costs are fair and reasonable for the local market conditions and contract provisions have been correctly applied. This condition is an opportunity to instill impartiality into how change proposal pricing is evaluated and accepted to ensure the pricing is fair, reasonable, and submitted in accordance with contract provisions. Evidence includes:

- a) ACP submitted a lump sum proposal dated March 27, 2023, for an emergency repair of a water leak at the decommissioned Broadway WWTP. The proposal does not include a detailed breakdown of cost by labor, material, equipment, and contract allowed mark-ups.

- b) The City accepted the proposal on the same date without comment on how the pricing was validated and/or determined to be fair and reasonable.

It is recommended that the City employ means to independently verify change proposal pricing and confirm the correct application of contract provisions for allowable costs as part of the approval process.

Observation No. 4

Talson noted that there is an opportunity to enhance the tracking of material on hand within the Pay Estimate workbook for improved transparency. Currently, the material on hand worksheet tracks the individual invoices and the Pay Estimate that costs were paid. The worksheet tracks material on hand cost at a system level but does not tie these costs to specific Schedule of Values (SOV) Items. It is unclear how materials incorporated into the work are being tracked and reduced from the material on hand amounts previously invoiced and paid.

There is an opportunity to enhance the tracking of materials incorporated into the work by associating the appropriate SOV Item to materials being installed each billing period.

Observation No. 5

Based on information received during interviews with City, allowances established in the contract are used as contingency to pay for change order work without going through the formal Change Order process. The use of allowances to pay for Owner added work appears to be very flexible and a City policy with guidance is missing. Without a policy or guidance, it is possible that the allowance amount could be misused or used inappropriately.

The City should develop a policy and procedure for utilization of allowance funding and align the City's practices with contract language across all City capital projects. The City should consider documenting how and when allowance money can be used to fund change order work to ensure that the allowance amount within the construction contract is used appropriately.

Observation No. 6

Talson reviewed the Progress Meeting minutes and determined the minutes are deficient of detail recording the status of the project, missing documentation of verbal direction given, and any issues or outstanding items that may impact the timely completion of the project. Meeting Minutes are an official record of the project's status and progress and can be instrumental in the resolution of claims or disputes, if any. Article 20.04 Progress Meeting indicates that the Owner Authorized Representative (OAR) will prepare minutes of meetings. The meeting minutes are being prepared by Urban Engineering outside of the Construction Administration Services in the Agreement. The City should prepare the meeting minutes in accordance with the contract provisions to ensure project progress, issues and directions given are recorded with sufficient detail that they can be used in the resolution of potential claims or disputes.

Collective Observations Management Response:

Observation #1: Management Partially Agrees. In June 2021, the law changed to require prime contractors and subcontractors to not withhold retainage in an amount greater than the City is legally able to withhold retainage from the prime contractor. Talson found that the City has complied with Texas Govt. Code Sec. 2252.032, but ACP did not. To assist contractors with complying with state law, the City will add a provision to the contract that references Texas Govt. Code Sec. 2252.032 and provide a draft for review by the end of June 2024. The City does not have a duty to proactively ensure that contractors and subcontractors comply with Texas Govt. Code Sec. 2252.032, and interfering in contractual relationships poses a greater reputational risk to the City and causes an increase to the project cost because the cost of the work would require additional administrative resources.

Observation#2: Management Agrees. Engineering was short on staff at that time. Since then, 2 additional Engineering Project Specialists positions were approved by City Council. Since then, one EPS was hired to help with the workload. We continue to work hard to ensure that all Change Orders get executed and paid in a timely manner. Additionally, we are working with HR on a potentially reclass one EPS vacant position to a Senior EPS position. This will allow one senior staff member to focus 100% of his/her time on processing and researching complicated change orders and ensure these are processed in a timely manner and accurately. We expect to have a Senior EPS processing change orders by the end of June 2024.

Observation #3: Management Partially Agrees. The independent cost validation is done; however, it is not being formally documented. Engineering conducts independent cost verifications to ensure costs are fair and reasonable for the local market conditions by comparing the different items to recently purchased materials on other projects. However, management did not formally document the process nor has instructed staff to do so. Engineering will discuss internally on the most efficient way to formally document this independent cost validation without delaying the project progress. This meeting will take place before the end of March 2024.

Observation #4: Management Agrees. The construction team does track the materials on hand and ensures that what's installed matches what's been paid for, but the pay estimate doesn't clearly identify the material on hand status. To help ensure it's clearly identified in the pay estimate package the construction team has created an Inventory Tracking Spreadsheet that will be utilized going forward. This tracker will be updated as pay estimates are submitted, reviewed, and approved. The Inventory Tracking Spreadsheet will include description, quantities, totals, line on bid, and other information that they believe will add value to the process. Staff will work on a draft and management will review and approved by end of March 2024.

Observation #5: Management Disagrees. The contract does not require the use of allowances to go through the change order process. However, the construction team does go through the same process as a normal change order but without the formal signature process. The purpose of the allowances is to give the construction management team the flexibility to add unforeseen work during the construction project without hindering progress due to formal approval outside the construction team. If the allowances are not sufficient to cover the unforeseen work a change order will be initiated, and the formal process will be followed. Engineering will discuss with Legal if the contract language should modify to be more specific on allowances or if our practice is insufficient to cover unforeseen work.

Observation #6: Management Agrees. City will work with Legal to modify all new contracts allowing the Owner Authorize Representative to delegate responsibility of the meeting minutes to a member of the City project team. City's contractor and consultant are and will continue to be responsible for specific meeting minutes as required per their contract. Additionally, Engineering will create a Meeting Minutes Template" to include all the potential/significant items that could be discussed during these meetings. If a topic is not discussed during a meeting, it will be noted as "not discussed during the meeting." Engineering estimates to have a complete and approved template by June 30, 2024.

Interim Audit of Williams Lift Station

Appendix A: Documents Reviewed & Interviews Conducted

Documents Reviewed: City of Corpus Christi

Contract Documents for Citywide Lift Station Repairs Williams Lift Station, dated October 22, 2021
Conformed Drawings Williams Lift Station, dated December 3, 2021
City Lift Station Repairs Williams Lift Station Addenda No. 1 – 3, dated Jan. 12, 2022 – Feb. 1, 2022
Agenda Memo, dated March 29, 2022
Meeting Minutes, dated September 9, 2022 – October 12, 2023
Meeting Documents, dated November 11, 2022 & July 24, 2023
Tabulation of Bids, dated February 9, 2022
Daily Activity Reports, dated June 13, 2022 – July 6, 2022
Submittal Log, September 30, 2023
Submittal No. 34, dated February 2, 2023
RFI Log, dated September 30, 2023
Project Schedule, dated September 30, 2023
Pay Estimate Workflow, dated February 3, 2017
Pay Estimate Procedure, dated October 20, 2017
Payment Application Nos. 13 & No. 16, dated July 19, 2023 & October 12, 2023
Executed Change Orders Nos. 1 & 2, dated April 28, 2023 & August 16, 2023
Certificate of Liability Insurance, dated March 24, 2022
Certificate of Interested Parties, dated April 20, 2022
Payment Bond, dated March 29, 2022

Documents Reviewed: Associated Construction Partners, Ltd

Certified Payroll 1 – 64, dated July 2, 2022 – September 16, 2023
C.W. Campbell Subcontractor Agreement, dated March 31, 2022
C.W. Campbell Subcontractor Summary, dated November 8, 2023
C.W. Campbell Invoice, dated June 23, 2023
HCH Roofing Subcontractor Agreement, dated May 4, 2022
HCH Roofing Subcontractor Summary, undated

Documents Reviewed: Urban Engineering

City of Corpus Christi Contract for Professional Services, dated April 18, 2018
City of Corpus Christi Amendment Nos. 1 – 7, dated February 11, 2019 – August 11, 2022

Project Management Team Interviews:

City of Corpus Christi

Brett Van Hazel – Assistant Director Construction Manager
Cinthya Cardenas – Engineering Project Specialist

Associated Construction Partners, Ltd

Shane Simpson – Executive Vice President

January 24, 2024

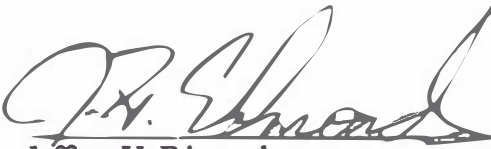
George H. Holland
City Auditor
Corpus Christi, Texas

Re: AU23-001 Williams Lift Station

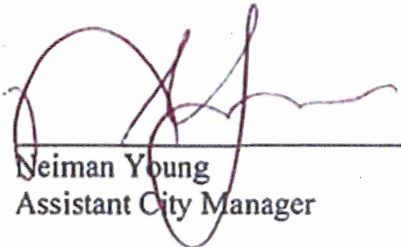
We have carefully reviewed the issues presented in the audit report referenced above, and our plans to correct the issues have been included in the report.

We are committed to correcting the issues in the audit report by implementing the action plans in a timely fashion.


Sincerely,


Jeffrey H. Edmonds
Director of Engineering Services

1/25/24
Date


Neiman Young
Assistant City Manager

29 JAN 24
Date


Peter Zanoni
City Manager

1.6.24
Date