



# City of Galveston

## City Auditor's Office

Audit Plan 2022

7/14/2022

CMS2022-1

## City of Galveston Construction Contract Management

### **Why We Did This Audit**

On August 26, 2021, the Mayor and City Council approved the City Auditor's Audit Plan for the 2022 fiscal year. This Audit Plan requires the performance of an audit for examining the existing Policies, Procedures, Best Practices, and Controls for Construction Contract Management.

### **What We Used to Evaluate the Construction Contract Management**

We compared the City of Galveston's "*written*" Contract Management Handbook to compliance with Governmental Standards and the Texas State Procurement and Contract Management Guide.

### **What We Found**

We found an exceptionally well-written and accurate Contract Management Handbook for the City of Galveston. This Handbook includes complete detail and supplies tremendous benefit to The City of Galveston for Construction Contract Management.

### **Highlights of The City of Galveston's Contract Management Handbook**

1. The specific instructions for the practice of issuing renewals and non-renewals, negotiating and issuing contracts, updating and streamlining contract and bid documents to include current laws and statutes, and the emphasis on correctness and transparency to the Mayor and City Council.
2. The utilizing of a Document Management System that will rate the risk of each contract as either high, medium, or low. This will allow management to place controls as needed on each contract based upon its rating and more efficiently administer the use of employees' time.
3. The Contract Management Handbook comprises Policies, Procedures, and Best Practices for all types of contracts. The Handbook encompasses definitions, acronyms, training, ethical standards, conflict of interest requirements, planning, preparing, publishing, solicitations, evaluations, awards, and formations of contracts. Sample forms are included at the end of the Handbook.

### **What to Look for in the Future**

The Purchasing Department and the Information Technology Department are diligently working to improve the Document Management System to include Contract Performance Metrics. This will greatly enhance Contract Milestones and Revenue Collections.



# City of Galveston

## City Auditor's Office

Audit Plan 2022

7/14/2022

CMS2022-1

## City of Galveston Construction Contract Management

**City Manager's Office Comment** – The Manager agrees with the comments prepared by the Auditor's office. City management and staff have worked diligently to upgrade controls and systems in this area and the findings of this review are reflective of the positive outcome of their efforts.