



Office of the City Auditor

Date: January 23, 2008

To: Deb Hermann, Chair, and Members of the Finance and Audit Committee

From: Gary White, City Auditor *G. White*

Subject: Timeline of Consultant's Contracts and Contracting Recommendations

On January 16th, the Finance and Audit Committee asked for a timeline of the consultant's contracts and a list of the contracting recommendations we referred to in our audit, *City Manager Needs to Strengthen RFP Contracting Practices*. The timeline and the list of recommendations are attached.

If you have any questions, please let me know.

cc: Mayor Mark Funkhouser
Members of the City Council
Wayne Cauthen, City Manager

Attachments

TIMELINE FOR CONSULTANT'S CONTRACTS

<u>DATE</u>	<u>ACTIVITY</u>
October 4, 2004	First contract with consultant. Signed by the contractor and an Assistant to the City Manager. Compensation: will not exceed \$100,000. Contract Term: September 1, 2004 to August 31, 2005.
October 8, 2004	\$25,000 payment to consultant.
January 21, 2005	\$25,000 payment to consultant for second advance.
May 6, 2005	Consultant's work on the Document Management RFP begins.
August 30, 2005	Consultant's invoice for \$8,192.50 including \$4,237.50 for work completed for Document Management RFP.
September 28, 2005	Consultant's invoice for \$3,562.50 for work completed on Document Management RFP.
February 26, 2006	Notification from Law Department to former director of Finance that the contractor does not have a contract with the city.
May 10, 2006	Consultant invoice for \$25,679 (including parking) for work completed for Document Management RFP.
May 16, 2006	Second round of Document Management RFP interviews held. Second contract signed by the contractor and the budget officer. Compensation: will not exceed \$35,000. Contract Term: October 1, 2005 to July 31, 2006.
June 30, 2006	Consultant's invoice for \$3,853 (including parking) for work completed on Document Management RFP.
July 20, 2006	Amendment to second consultant contract extending term of contract to September 30, 2006.
August 29, 2006	Contractor sends Notice of Termination of services to the budget officer. Final invoice for \$5,100 for work completed on Document Management RFP.

Improve contract management query

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
<i>A Model for Public/Private Competition</i>		<i>August 1996</i>
City Manager		The city manager should establish a process to handle bid protests that includes an outside hearing officer so the process avoids the appearance of conflict.
City Manager		The city manager should draft for City Council consideration a resolution that defines the concept of public/private competitive contracting, establishes the city's intent to open selected city services to competition, and defines the city's policy regarding displaced employees.
City Manager		The city manager should review existing administrative regulations regarding contracting to ensure that they are up-to-date and consistent with the policy of public/private competitive contracting.
City Manager		The city manager should review and strengthen contract monitoring procedures to ensure that penalties for poor performance are enforced.
Law		The city attorney should review provisions in the City Charter and Administrative Code regarding contracting to identify potential barriers to public/private competitive contracting and recommend changes.
City Manager		The city manager should establish a public/private competitive process that defines the appropriate roles of different city departments and divisions. We recommend that he adopt the process outlined in this report.
City Manager		The city manager should work with the city auditor to develop procedures for reviewing in-house bids, including scheduling and forms to be used.
<i>Arena Construction Manager Selection</i>		<i>January 2005</i>
City Manager		The City Manager should ensure that agreements with AEG, Sprint, the NABC, and any other agencies identified as partners or tenants in the downtown arena clearly define the partner's or tenant's role in the completion of the downtown arena project. The City Manager should submit all negotiated agreements to the City Council for deliberation and approval.
City Manager		The City Manager should develop procedures for soliciting proposals for construction projects using the construction manager/general contractor at risk method and add the procedures to the city's contract guidebook.
<i>Capital Improvements Management Office</i>		<i>February 2005</i>
City Manager		The City Manager should continue to monitor the contract closely and should ensure that CIMO staff document process changes.
<i>City Manager Needs to Strengthen RFP Contracting Practices</i>		<i>January 2008</i>
City Manager		The city manager should reject the four proposals received in response to the Document Output Management and Mail Services RFP and begin again with a new RFP and a new selection committee.
City Manager		The city manager should provide ethics training for city staff involved in contracting, including members of selection committees.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
City Manager		The city manager should strengthen the city's contracting culture and practices. The city manager should consider incorporating best practices from outside authorities, prior audits, and reports of city commissions and committees.
<i>City's Housing Program and the Role of HEDFC</i>		<i>August 2004</i>
City Manager		We recommend that the City Manager ensure that the scopes of work and performance standards in all housing contracts are sufficiently clear so that the City can effectively manage, monitor and report on the contractor's performance. Contracts should clarify how much discretion the contractor may exercise in carrying out activities on behalf of the City.
City Manager		We recommend that the City Manager clearly define the packages of housing services the City plans to contract for and develop a competitive process to award all housing contracts.
HUD		We recommend that the HUD Director, Office of Community Planning and Development ensure the City structures its future contracts with clear scopes of work and performance standards so that the City can effectively manage and monitor contractor performance.
<i>Clay-Platte Baseball League Contract Compliance Audit</i>		<i>October 1992</i>
Neighborhood and Community Services		We recommend that new guidelines set forth in Resolution 920232 be adhered to, especially with regard to the criteria described for selection of NTDF projects and councilmember requests for exceptions to contract requirements.
Neighborhood and Community Services		We recommend that the City Manager develop a proposal for approval by the City Council that would provide sufficient staff to the Neighborhood and Community Services Department to ensure adequate monitoring of contracts.
Neighborhood and Community Services		The Department of Neighborhood and Community Services should revise contracts and increase monitoring efforts regarding financial activities on contracts including the following: A. prohibit commingling of NTDF funds received by agencies with more than one funding source. At the very least, contract terms should be revised to include a provision which requires sponsoring agencies to provide a separate accounting for disbursement of NTDF funds. B. Perform at least limited review of invoices submitted for reimbursement including random comparison of the vendor's original invoices with those submitted by the contracting agency. C. Discontinue reimbursing for amounts which exceed budgeted amounts within budget categories unless prior approval has been sought and received by the contracting agency. Reimbursed amounts within budget categories should not exceed budgeted amounts even though reimbursing for the higher amount would not exceed the total contract amount. Had the NCSD taken such action in the case of Clay-Platte Baseball League, trophy reimbursements, for example, would have been much closer to the amount actually needed for NTDF-funded tournaments and would not have included trophy expenditures for non-NTDF-funded activities. D. Ensure that financial information required by contracts is provided to NCSD by NTDF-funded agencies including proof that agencies have fulfilled all various tax obligations.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Neighborhood and Community Services		The Department of Neighborhood and Community Services should revise contracts in an effort to improve the type of program documentation required. Such documentation should support the fact that funded events attracted tourists to the City, or at the very least that good-faith efforts were made to attract tourists. For sporting events similar to the Clay-Platte tournaments, such documentation should include tournament schedules, related correspondence, team names and locations and the name of a contact person from participating teams which would enable verification of events.
Neighborhood and Community Services		The NCSD staff should vigorously enforce contract terms in an effort to protect the City from unauthorized uses of NTFD funds. For example, NCSD staff should withhold reimbursement payments until certain documents are provided by the contractor if the contract indicates such measures are permitted.
Neighborhood and Community Services		The department's monitoring efforts should be improved by uniformly applying funding guidelines to all grantees and determining the reasonableness of grant requests in light of planned activities. We also recommend that NCSD staff provide information regarding the reasonableness of grant requests to the NTFD Committee to ensure a more informed decision.
<i>Community Improvement District Reporting Needs Improvement</i>		<i>December 2007</i>
City Manager		The city manager should assign staff to monitor contracts and enforce the terms of city contracts, including CID contracts.
<i>Comparative Analysis of Capital Improvement Projects</i>		<i>November 1992</i>
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should better document reasons for delays and indicate whether the City or the contractor is responsible for the delay.
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should closely monitor the length of time it takes to complete capital improvement projects and assess liquidated damages when the City is entitled to them. In addition, there should be adequate documentation to support the number of days charged for liquidated damages as well as adequate documentation for the decision to waive liquidated damages.
Parks and Recreation		The Director of Parks and Recreation should take the necessary actions to ensure that documents related to the construction contract are retained in the construction contract file and not the project file.
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should review change orders closely so that change orders are not used to significantly change the scope of a project and preclude a competitive bid process.
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should periodically review storage conditions to ensure that records are secure from damage.
Public Works		The Director of Public Works should take the necessary actions to ensure that once the contract file is closed, it contains all documents relating to the construction contract.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should document when the construction of a project is considered to be complete so that the number of days it took to complete the project can be determined and the contractor's performance can be assessed.
Aviation/Parks/Public Works/Water		The Directors of Aviation, Parks and Recreation, Public Works and Water and Pollution Control should take steps to ensure that all documentation relating to a capital improvement construction contract is included in the contract file.
<i>Comparative Analysis of Capital Improvement Projects Follow-up</i>		<i>February 1996</i>
City Manager		The City Manager should consider revising Administrative Regulation 3-23 by increasing the \$20,000 contract amount requiring City Council approval to at least \$50,000.
<i>Component Units' Legal Services Procurement and Monitoring</i>		<i>September 2006</i>
Component Units (through City Manager's Office)		Component units should annually report in a public manner basic information on their legal services contracting practices.
Component Units (through City Manager's Office)		Component units should ensure that staff understand the importance of contract monitoring and develop and implement monitoring procedures.
Component Units (through City Manager's Office)		Component units should periodically evaluate their need for and method of obtaining legal services.
Component Units (through City Manager's Office)		Component units should execute written contracts with legal service providers that establish the scope of work, the contract term, reasonable fees and expenses, and an applicable city ordinance conflict of interest restriction.
Component Units (through City Manager's Office)		Component units that use vendors for legal services should establish an open and competitive selection process, negotiate fees, and ask for discounts.
<i>Contract Renewal Options</i>		<i>April 1998</i>
City Manager		The city manager should develop and implement a citywide contracting management system in which contracting responsibility is concentrated in the Purchases and Supplies Division.
Finance		The commissioner of purchases and supplies should develop written procedures on contracting, with specific instructions relating to contract renewals. At a minimum, the guidelines should include: A. A requirement that the contracts be reviewed prior to their expiration to determine whether they should be renewed or re-bid. The rationale should be documented and approved by the commissioner in writing. B. A requirement that contract renewal be at the sole discretion of the city. C. A requirement that contracts be re-bid annually when there is price uncertainty and volatility. If renewal options would be beneficial, the city should seek a single price for the term of the contract. Price changes should not exceed an agreed upon consumer index, such as the Consumer Price Index. D. A timeline identifying necessary steps to ensure that contracts are renewed or re-bid prior to their expiration. E. Procedures to ensure that vendors have met code requirements before being added to the city's vendor table and that annual requirements are up-to-date and consistently documented. F. A system of obtaining and documenting written feedback about vendor performance from using departments. This information should be used in determining whether to exercise a renewal option.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
<i>Controls Over TIF Expenditures</i>		<i>September 2003</i>
EDC		The President and Chief Executive Officer of the Economic Development Corporation should ensure that written agreements are executed before moneys are paid.
EDC		The President and Chief Executive Officer of the Economic Development Corporation should ensure that state law is followed and execute and maintain copies of all Commission contracts. Contract terms should be established in writing and followed.
EDC		The President and Chief Executive Officer of the Economic Development Corporation should ensure that copies of executed agreements and contracts are maintained in a systematic manner and are used to identify obligations and serve as the basis for reimbursements.
EDC		The President and Chief Executive Officer of the Economic Development Corporation should ensure that future TIF agreements reflect the most recent street construction contribution levels established by the city.
City Manager		The City Manager should include provisions in the city's annual contract with the Economic Development Corporation that require the establishment of an internal control system adequate to protect the interests of the city and implementation of the recommendations contained in this report.
EDC		The President and Chief Executive Officer of the Economic Development Corporation should develop a system to track and enforce all developer obligations.
<i>Domestic Violence Victim Assistance Program</i>		<i>January 1992</i>
Law		The Program Director should ensure that salaries paid by the program are in accordance with the contract. The director should review advocates' salaries to determine whether their level of pay is justified and should improve controls over contract workers to ensure that the maximum number of funded hours are worked. The Program Director should also review timesheets for accuracy and verify her review by signing the timesheets.
Law		The Program Director should implement proper internal controls and procedures to ensure accuracy in accounting and reporting program expenditures. Controls should also be implemented to ensure that resources are used in accordance with conditions set forth in grant contracts.
<i>Emergency Medical Services System</i>		<i>January 2000</i>
MAST		The MAST executive director should recommend that the MAST Board conduct another market study to determine whether the contractor provides a good value and whether the ambulance service should be put out for bid.
MAST		The MAST executive director should develop procedures for the MAST Board to take an active role in monitoring the continued financial viability of the contractor to ensure it can remain in operation over the term of the contract.
<i>Fire Department: Fire Suppression Contracts</i>		<i>November 1990</i>
Fire		The Director of Fire should review the need for inspections of fire hydrants in the contract areas and if necessary, assure that the inspections are performed and documented and that their cost is included in the contract rates.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Fire		The Director of Fire should review the provisions of the fire suppression agreements and consider revising them to include an additional charge for incidents not included in the scope of service and to require compliance with appropriate fire safety and building codes as a condition of the contracts.
Fire		The Director of Fire should administer all fire suppression agreements based on the Kansas City fiscal year. Contract periods should begin on May 1 and end on April 30, and the full payment should be received by the beginning of the contract period.
Fire		The Director of Fire, with assistance from the Director of Finance, should review the fire suppression contract rates annually to assure that they are comparable to the levy on Kansas City property that would produce the amount of Fire Department expenditures relevant to the services required by the contract.
Fire		The Director of Fire, with assistance from the Director of Finance, should revise the fire suppression contract rates so that they are based on the total value of property protected by the contract. The rates should be calculated as a levy per \$100 or \$1,000 of assessed value of real property. However, once the total charge has been determined, it is up to each contract community to decide how the total contract payment is to be assessed and collected in their jurisdiction.
Fire		The Director of Fire should assure that documentation of all fire suppression agreements is maintained, including signed contracts, authorizing ordinances, records of payment and records of annual rate reviews.
<i>Fire Suppression Contracts Follow-up</i>		<i>March 1994</i>
City Manager		The City Manager should negotiate with representatives of the contract communities to determine the scope of services to be covered by the contracts. If the contract communities choose not to purchase the full range of emergency services provided by the Fire Department, the City should stop responding to these incidents.
<i>Garage Storeroom Privatization Contract</i>		<i>September 1997</i>
Water Services		If subsequent garage storeroom contracts are determined by the city attorney to contain lease-like agreements, the director of the Water Services Department should submit those contracts for approval to the City Council to assure that the city's interest is protected to the Council's satisfaction in regulation of the contractor's use of city-owned real estate.
City Manager		In general support of the recommendations presented in the Red Flag Commission Report, January 1997, it is recommended that the city manager perform a thorough review of the city's procedures for all types of contracts. As part of this review, he should develop new rules and procedures that, at a minimum, accomplish the following: A. Establish consistent definitions, procedures, and responsibilities associated with contract types such as common use, special use, and service contracts. B. Establish dollar levels triggering the need for interdepartmental review and approval of contracts in their entirety, regardless of the type of contract. C. Assure city attorney review as to form for all contracts in compliance with the city charter, Section 28.
City Manager		The city manager should require cost/benefit analyses following certain minimum standards to be prepared and reviewed prior to privatization attempts. Future contracts for existing in-house services should observe the model process presented in the city auditor's Special Report on Public/Private Competition, August 1996, adopted by the City Council under committee substitute for resolution number 961410.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
City Manager		The city manager should develop and implement a contracting management system in which contracting responsibility is more concentrated in the Division of Purchases and Supplies.
Water Services		The director of the Water Services Department should, in cooperation with the Division of Purchases and Supplies, quantify the costs and benefits of the present and future Water Services garages storeroom contracts using appropriate accounting procedures and should develop performance measures for this and subsequent garage storeroom contracts to provide meaningful comparisons to past performance and to other available alternatives.
<i>Human Relations Department</i>		<i>March 1989</i>
Human Relations		To improve the reliability of the affirmative action code information used by the Departments, the Human Relations Department and the Finance Department should develop and begin assigning a unique vendor identification number to vendors maintained on their respective computer applications to more easily identify files maintained in both systems on the same vendor and to improve the reliability of the information.
Human Relations		The Human Relations Department should establish procedures to ensure reimbursement requests under the federal worksharing agreements are promptly completed and submitted according to the terms of the annual contracts.
Human Relations		The Human Relations Department's Contract Compliance Division should require that vendors who are exempted from the affirmative action requirements, because they employ six or less employees, submit annual proof that they continue to meet the exemption requirement.
Human Relations		The Human Relations Department's Contract Compliance Division should develop a means of regularly updating the affirmative action codes of vendors once their certifications expire.
Human Relations		To improve the Contract Compliance Division's effectiveness in monitoring efforts on area businesses, the Human Relations Department should initiate a detailed analysis of the vendor files of the Human Relations Department and the Purchasing Division to determine why vendors appear in one particular system and not the other, and develop a master listing for both systems.
Human Relations		To improve the Contract Compliance Division's effectiveness in monitoring efforts on area businesses, the Human Relations Department should identify all vendor files listed in both computer systems with different affirmative action codes and eliminate these discrepancies.
Human Relations		The Human Relations Department should establish procedures to ensure that the vendor files contain the necessary hard copy documents to support the affirmative action codes reflected in the City's computer systems.
Human Relations		To improve compliance with the City's affirmative action requirements for all contractors, the Commissioner of Purchases and Supplies should ensure that the Purchasing Division staff award contracts to vendors in accordance with the City's affirmative action requirements.
Human Relations		To improve the reliability of the affirmative action code information used by the Departments, the Human Relations Department and the Finance Department should work with the Data Processing Division to develop a method which will ensure a more accurate and complete input of information to the vendor files. One suggestion would be the development of some type of batch input so that the accuracy of all entries can be checked prior to their application to the on-line data.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Human Relations		To improve the reliability of the affirmative action code information used by the Departments, the Human Relations Department and the Finance Department should consider creating a single system that allows the Human Relations Department and the Purchasing Division to maintain total control over their own sensitive and pertinent vendor information and to share nonsensitive information, for improved communication and coordination between the two entities.
<i>Human Relations Department Follow-up</i>		<i>December 1991</i>
Human Relations/Finance		We recommend that the Human Relations Department and the Purchases and Supplies Division ensure that the following functions are automatically performed by the Extended Purchasing System: A. Change of affirmative action codes to ineligible status upon expiration. B. Summation of purchase orders awarded to vendors limited to \$5,000 of City business per fiscal year and, if the limit is exceeded, change of affirmative action codes to ineligible status.
<i>Implementation of the Red Flag Commission's Recommendations</i>		<i>December 1998</i>
City Manager		The city manager should develop a policy requiring that a central contracting authority review contracts, maintain a master contract file, and provide contracting assistance to operating departments.
City Manager		The city manager should develop a policy requiring his office and the City Council to be informed of decisions regarding all contracts that are exceptions to regular procedures.
City Manager		The city manager should incorporate all referenced guidelines into the relevant administrative regulations.
City Manager		The city manager should incorporate the "Elements of a Good Monitoring System" into all relevant administrative regulations relating to contracts.
City Manager		The city manager should assign responsibility for updating the contract guidebook and for training staff on city contracting procedures.
<i>Kansas City Cable Partner's Cable TV Franchise</i>		<i>March 1991</i>
Finance/Law		We recommend the Law and Finance Departments Review the terms of the present agreement as restricted by the 1984 Cable Act and prepare a plan for renegotiating the existing agreement. Items to be considered for inclusion in a new agreement should include, at a minimum: Increasing the franchise fee rate to the five percent maximum allowed under federal law.
Finance/Law		We recommend the Law and Finance Departments Review the terms of the present agreement as restricted by the 1984 Cable Act and prepare a plan for renegotiating the existing agreement. Items to be considered for inclusion in a new agreement should include, at a minimum: Language which clearly identifies earned gross revenue as the basis of the franchise fee, with accounting practices prohibited which serve to decrease the revenue base.
Finance/Law		We recommend the Law and Finance departments review the terms of the present agreement as restricted by the 1984 Cable Act and prepare a plan for renegotiating the existing agreement. Items to be considered for inclusion in a new agreement should include, at a minimum: A requirement that KCCP maintain a written description of the procedure used to develop the Kansas City, Missouri, franchise fee base. This procedure should include an annual reconciliation of the City's fee base to the recorded gross revenue in KCCP's general ledger, to be submitted each year to the Director of Finance.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Finance/Law		We recommend the Law and Finance Departments Review the terms of the present agreement as restricted by the 1984 Cable Act and prepare a plan for renegotiating the existing agreement. Items to be considered for inclusion in a new agreement should include, at a minimum: Requirements for the provision of free or reduced-rate cable service, with the City's right of access to the records of those receiving such service clearly defined.
<i>KC Cable Partners' Cable TV Franchise Follow Up</i>		<i>July 1994</i>
City Manager		The City Manager should work to ensure that the following provisions are included in the proposed ordinance when presented to the City Council: A requirement permitting the City access to records necessary to determine operator compliance with the ordinance and franchise agreement.
<i>KCATA: An Effective Regional Transit System is Needed</i>		<i>March 1997</i>
Public Works		The Public Works director should ensure that future Kansas City Area Transportation Authority contracts: <ul style="list-style-type: none"> A. Seek to implement the developed public transportation policy, B. Include performance measures to determine success in meeting these goals and increasing ridership, C. Specifically state the city is not a party in any labor negotiations with the Amalgamated Transit Union (Local 1287), D. Establish a formal mechanism for communications between the city and KCATA to discuss significant operational changes in the system. These would include changes in Kansas City routes, such as the recently authorized conversion of selected routes to small buses.
<i>KCI News and Gift Concessionaire Selection Process</i>		<i>December 2001</i>
City Manager		The City Manager should either add a new section to the contract guidebook, or expand the current professional services section to explicitly address concession RFPs.
City Council		The City Council should consider regulating members' contacts with proposers and others seeking to do business with the city.
City Manager		The City Manager should consider ways to enhance the credibility of the RFP evaluation process addressing: the timing and formalization of the evaluation process; when to use a selection committee and the diversity of membership; accurate and timely communication of the process to proposers; the regulation of contacts between proposers, their representatives and staff; and the confidentiality of information obtained or developed during the selection process.
<i>KCI Terminal Improvement Project</i>		<i>May 2004</i>
City Manager		The City Manager should direct the Contract Guidebook Committee to consider the use of closed-end contracts to control project costs.
City Manager		The City Manager should direct the Contract Guidebook Committee to establish minimum timeframes for responses to requests for proposals and requests for qualifications.
City Manager		The City Manager should ensure oversight committees are established for major construction projects.
<i>Land Trust of Jackson County</i>		<i>February 2000</i>
Land Trust		We recommend the Board of Trustees: Accept the highest offers made on properties, with any exceptions explained and documented.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Land Trust		We recommend the Board of Trustees: Establish a formal procurement policy and ensure competitive bids are solicited for all significant purchases. Land Trust should develop and implement procedures to verify and document that mowing services billed were actually performed.
Land Trust		We recommend the Board of Trustees: Solicit proposals for banking services every two years and enter into a written agreement with the depository bank. Any trustee associated with a bank bidding for the services should abstain from the selection process to avoid a potential conflict of interest. That abstention should be documented in the board minutes.
Land Trust		We recommend the Board of Trustees: Ensure the offers considered and approved sales are posted and/or publicly disclosed in some other manner.
<i>MAST Financial Viability</i>		<i>July 2003</i>
MAST		The MAST Executive Director should prepare formal, written agreements for MAST to enter into with each jurisdiction it serves.
<i>Minor Home Repair Program</i>		<i>June 1994</i>
Housing and Community Development		The Director of the Housing and Community Development Department should design and implement procedures to ensure enforcement of program contractor participation requirements, including: 1) certificate of insurance; 2) occupation license; 3) contractor's license; 4) affirmative action plan; and 5) City earnings or gross profits tax.
Housing and Community Development		The Director of the Housing and Community Development should increase competition for MHR jobs by soliciting bids from more than three contractors on each job.
Housing and Community Development		The Director of the Housing and Community Development Department should describe all enforcement policies and procedures in detail in internal operating procedure documents.
Housing and Community Development		The Director of the Housing and Community Development Department should develop a system to track the time elapsed from job award to job completion, and enforce reasonable time limits as prescribed in the MHR contract.
Housing and Community Development		The Director of the Housing and Community Development Department should develop clear written standards of conduct for employees engaged in the award and administration of contracts.
Housing and Community Development		The Director of the Housing and Community Development Department should require contractors to obtain building code inspections on permitted work.
<i>Minor Home Repair Program Follow-up</i>		<i>March 1999</i>
Housing and Community Development		The program manager should update the MHR procedures manual. Inconsistencies between information in the procedures manual, information given to contractors, and contract language should be corrected.
Housing and Community Development		The program manager should use information in the database to develop expected contract completion times, routinely track elapsed job times, and enforce contract time limits.
Housing and Community Development		The program manager should develop and implement procedures to ensure that contractor participation requirements are routinely verified, updated, and enforced.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Housing and Community Development		The program manager should work with the Law Department to review and update MHR's standard contract to ensure it contains required language and clauses and that it is in line with efforts to standardize city contracting forms.
<i>Municipal Court</i>		<i>March 1991</i>
Municipal Court		The Court Administrator should increase monitoring efforts involving the outside collection agency. The methods established should allow for evaluating the effectiveness of the agency, verifying that the terms of the city's agreement with the agency are being followed and confirming the agency is remitting the applicable amounts collected to the city.
<i>Neighborhood Tourist Development Fund Follow-up</i>		<i>March 1999</i>
Neighborhood and Community Services		The director of Neighborhood and Community Services should assure that NTDF program managers, with the assistance of the Law Department, review and update contract language to reflect contract requirements that will be enforced.
<i>Port Authority of Kansas City, Missouri</i>		<i>February 1998</i>
The Port Authority		The Authority should follow the City's Affirmative Action ordinance in contract procurement.
The Port Authority		The Authority should comply with Missouri State Statutes and should develop its own purchasing policy.
The Port Authority		The Authority should review the current status of any unpaid claims or liens owed by Hilton to any of its contractors to ensure Hilton is not in violation of its lease agreement.
The Port Authority		The Authority should consider implementing a policy which requires Board approval prior to payment for disbursements in excess of a predetermined amount (i.e., \$25,000) and for payments to contractors in excess of the approved contract amounts.
The Port Authority		The Authority (or its EEOP monitor) should ensure that all the source documentation for the items tested are reviewed and verified to satisfy itself that the participation reports are accurate.
The Port Authority		The Authority should pursue Hilton's compliance with the agreement. This will allow the Authority to accurately determine whether Hilton is providing the Authority with the required payment of percentage rent in a timely manner.
The Port Authority		As part of the contractual process, the Authority should ensure that the developers and contractors agree to make all required documentation available. The Authority should ensure that all developers and contractors involved in the monitoring engagement are aware of, and are complying with, the process.
The Port Authority		As the organization responsible for overseeing and managing the outcome of the project, the Authority should take a leading role in resolving, and possess the final decision-making authority regarding monitoring issues.
The Port Authority		The Board should inform the City Manager and the Blue Ribbon Panel that the grants have been received and are available upon request.
<i>Purchases and Supplies</i>		<i>August 1990</i>

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Finance		The Commissioner of Purchases and Supplies should develop a standard number of times that vendors can fail to respond to solicitations, include that number in the "Instructions and Conditions for Invitations for Bid and Request for Quotations", and direct that vendors be removed from the list for that particular product once they reach the standard.
Finance		The Commissioner of Purchases and Supplies should periodically review the "Vendors of Product" list to determine which product names can be consolidated or eliminated.
Finance		The Commissioner of Purchases and Supplies should develop written time standards for processing contract requisitions, informal bid requisitions (for both written and telephone bids), and formal bid requisitions. Management should periodically sample requisitions to determine the processing time, compare the results to the written standards and investigate significant discrepancies.
Finance		The Commissioner of Purchases and Supplies should revise the "Instructions and Conditions for Invitations for Bid and Request for Quotations" to require vendors who do not submit solicited bids to return requests for quotations or invitations for bid marked "NO BID".
<i>Purchases and Supplies Division Follow-up</i>		<i>October 1994</i>
Finance		The Purchasing Manager should develop appropriate written criteria for determining how many and which vendors should be solicited for bids based on the estimated amount of the bid and the number of available vendors and disseminate the criteria to purchasing staff.
<i>Real Estate Lease Agreements</i>		<i>April 1993</i>
City Manager		The City Manager should prepare an ordinance for Council approval that establishes a procedure for the City to lease its surplus property through a competitive bidding process.
<i>Real Estate Lease Agreements Follow-up</i>		<i>April 1997</i>
City Planning and Development		The director of city planning and development should periodically advertise nominal-rent properties for bid, in order to determine actual market interest in the properties and give the City Council a choice between the existing tenants and other actual sale or lease options.
City Planning and Development		The director of city planning and development should periodically appraise or otherwise estimate the market sale and lease values of all city-owned property being leased at below-market rates, and present this information in a report to the City Council or appropriate council committee.
City Manager		The city manager should propose to amend code section 2-1648 to authorize the Aviation and the Parks and Recreation Departments to enter into certain leases without City Council approval, as the department of Convention and Entertainment Centers is authorized to do so.
<i>Report of the Public Safety Radio System Investigation</i>		<i>September 1998</i>
		Future contracts between the city and Ericsson should be drafted by an experienced member of the city attorney's staff. Contract language should clearly establish performance criteria and payments should be tied to the successful completion of the radio project.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
		<p>City staff, in relying on the advice or opinions of outside consultants, should seek the opinion of a second expert when staff confidence in the first consultant waivers or when there are diverse opinions and disagreements of a technical nature beyond the reasonable understanding of staff.</p> <p>Users need to be consulted and their opinions and concerns taken seriously in identifying problems, developing solutions, and selecting equipment.</p> <p>Expert input should be obtained on major capital projects prior to the establishment of budgets.</p> <p>Future maintenance and operational costs should be developed and considered for all city projects.</p> <p>Future contracts between the city and Ericsson should include provisions to ensure that the Ericsson staff assigned to improve the radio system will be committed to this project until it is successfully concluded.</p> <p>City procedures should be developed and followed which provide a systematic method of maintaining a complete set of all contract documents.</p> <p>Careful consideration needs to be taken in identifying appropriate procedures for awarding city contracts. When contracting for engineering expertise, a comparative evaluation of the bidders' professional reputation, experience, technical competence, capacity/capability to perform, past performance, and proximity to project location should be the key factors, not price. The most qualified firm should be identified first and then the city should attempt to negotiate a reasonable price.</p>

Report on Audits of Outside Agencies

February 1997

Finance	The director of finance should develop written procedures on monitoring audits of outside agencies and disseminate them to all departments monitoring contracts of \$100,000 or more. The procedures should also require agencies to follow-up within six months on what corrective action has been taken whenever an agency's audits indicate a negative opinion, reportable condition, material weakness, or material noncompliance.
Finance	The director of finance should develop a list, at the end of each fiscal year, identifying all outside agencies receiving over \$100,000 in city funding. The list should be disseminated to monitoring departments, the city attorney, and the city auditor.
City Manager	The city manager should establish procedures to better ensure that all contracts with outside agencies receiving over \$100,000 in city funding include the requirements set forth in Section 2-113 of the Code of Ordinances and that the correct language is consistent in all contracts.

Review of Subrecipient Selection, Monitoring & Reporting

July 2001

Housing and Community Development	We recommend the Director of the Department of Housing and Community Development of the City of Kansas City, Missouri: Establish and implement a formal selection process for awarding Federal grants to subrecipients before the next funding cycle. This process should include: (1) a mechanism, such as an evaluation form, risk analysis, or rating system, that ensures each applicant receives equal consideration in relation to the specific list of criteria established; (2) a requirement to fully document its reasons for recommending or rejecting funding to each applicant, and the amount of funding recommended for award.
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<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Housing and Community Development		We recommend the Director of the Department of Housing and Community Development of the City of Kansas City, Missouri: Establish and implement written policies and procedures for oversight of subrecipients before the next funding cycle. The policies should: (1) be based on HUD's guidance; (2) include policies and procedures for oversight of the City's subrecipients, including direction on actions to take when subrecipients fail to meet performance standards; (3) include specific guidance on validating reported progress through on-site reviews of subrecipients.
<i>Review of Union Station Legal Fees and Expenses</i>		<i>June 1995</i>
City Manager		The City Manager should direct departments entering contracts to specify which expenses will be reimbursed and whenever possible, what the unit price will be. In addition, the contract should include a provision granting the City the right to approve or deny expenditures not specified in the contract, and the method for doing so.
<i>Ryan White Funding Equity</i>		<i>March 1999</i>
Finance		The commissioner of purchases and supplies should improve Ryan White procedural requirements in order to make the process more open and credible by following additional "best practices".
Finance		The commissioner of purchases and supplies should improve documentation of the bid selection process.
Health		The health director with the assistance of the Law Department should create a written procedure for termination of Ryan White services. This procedure should provide Ryan White clients with a right for an appeal to an independent party. Clients should be made aware of the procedure.
<i>Sanitary Sewer Assessment Program</i>		<i>March 2002</i>
City Manager		The City Manager should clarify the sewer special assessment funding agreement between the Public Works and Water Services departments.
<i>Sidewalk Management</i>		<i>April 2006</i>
City Manager's Office		The City Manager should propose language for inclusion in the next Charter election that would permit on-call contracting for sidewalk projects.
Public Works		The Director of Public Works should direct staff to coordinate bidding for sidewalk repair/replacement so that the notice to proceed can be issued by the start of the construction season.
Public Works		The Director of Public Works should ensure that staff identify and coordinate the needs of sidewalk contractors with city departments and utility companies.
Public Works		The Director of Public Works should ensure that construction bidders understand the time requirements contained in sidewalk construction contracts.
<i>Snow Removal Follow-up</i>		<i>July 1999</i>
Public Works		The director of public works should ensure that agreement and contract provisions are enforced.
<i>Snow Removal Program</i>		<i>February 1994</i>

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Public Works		The Manager of the Street and Traffic Division should investigate ways to keep contractor costs down. For example, determine whether contractors would be willing to keep annual price increases within a limit set by the Manager if the contractor was able to negotiate a contract period for longer than one year.
Public Works		The Manager of the Street and Traffic Division should solicit bids on all plowing routes, including those traditionally performed by the City. Determine the City's costs of plowing those routes, and determine whether to contract the routes out or continue using City crews. If the routes are to be contracted out, change the contract terms to ensure that arterial routes are plowed quickly. Once all routes are bid and bids are analyzed, City forces should be allocated in a manner designed to minimize total costs.
Public Works		The Manager of the Street and Traffic Division should carefully analyze proposed changes in contract specifications before the specifications are adopted to determine whether the proposed changes will result in the desired outcome.
Public Works		The Manager of the Street and Traffic Division should ensure that contractors who do not comply with contract specifications be sanctioned according to contract stipulations.
<i>Solid Waste Management and Illegal Dumping</i>		<i>August 1996</i>
Law		The city attorney should develop standard waste disposal language in city contracts for projects that generate a certain minimum amount of demolition waste to include clauses requiring contractors to submit landfill receipts or other evidence of proper disposal as a condition of approval for payment. Departments should install controls to ensure consistent enforcement of contract requirements regarding demolition waste disposal.
<i>Starlight Theatre Concession Agreement</i>		<i>December 2005</i>
Parks and Recreation		The Director of Parks and Recreation should establish a monitoring system to ensure contract provisions are enforced.
Parks and Recreation		The Director of Parks and Recreation should determine the market value of the Swope Interpretive Center and the market and business value of Starlight Theatre prior to the competitive contracting process and communicate this information to the Parks Board.
Parks and Recreation		The Director of Parks and Recreation should develop a competitive process to award the Starlight concession contract for adoption by the Board of Parks and Recreation Commissioners.
<i>Street Resurfacing Program Contracts</i>		<i>March 1997</i>
Public Works		The director of Public Works should reduce the number of projects completed under force account by developing separate contracts for street repairs related to water main breaks and for planned activities such as paving city parking lots.
Public Works		The director of Public Works should improve controls over contracting by prohibiting the start of work prior to the issuance of a notice to proceed; removing unenforced contract provisions; and publicly advertising the availability of street lists so that all potential bidders have equal access to information.
Public Works		The director of Public Works should improve contract monitoring by including estimated amounts of asphalt in daily reports, documenting reasons for construction delays, and documenting warranty inspections and the repairs of any deficiencies.

<i>Report Title</i>	<i>Department</i>	<i>Recommendation Text</i>
Public Works		The director of Public Works should improve the accuracy of bid specifications and evaluation. Bids should be evaluated on the items that are likely to be used. Proposals may be requested for the other items, but these should be separated from the items used to evaluate bids.
Public Works		The director of Public Works should improve controls over contracting by ensuring that the asphalt plant scales are certified before work begins and that the certification is documented in the contract files.
<i>Strengthening City Contracts: Aviation Dept. Relighting</i>		<i>October 2001</i>
City Manager		The city manager should revise the Contract Guidebook to strengthen change order contract language and standardize documentation requirements.
City Manager		The city manager should revise the Contract Guidebook to include cost recovery language in the contract requirements.
City Manager		The city manager should revise the Contract Guidebook to include a method for ensuring that contract terms for project completion are monitored by contracting departments. The project files should include documentation of the determination of the project completion date and the decision of whether or not to assess damages for late completion.
City Manager		The city manager should revise the Contract Guidebook to include a method for contracting departments to document all alternate methods and materials proposed by the contractor.
<i>Tax Increment Financing</i>		<i>September 1998</i>
TIF Commission		The executive director of the TIF Commission should review the TIF Commission's annual reports to the director of human relations and ensure that MBE and WBE firms listed in the report are certified by the city.
TIF Commission		The executive director of the TIF Commission should prepare contracting policies and procedures for consideration by the TIF Commission's adoption. These procedures should address compliance with the state statute. At a minimum, the procedures should address: Identifying qualified firms Developing requests for proposals, requests for qualifications, and invitations to bid Advertising requirements Pre-bid conferences and communications Evaluating proposals or bids Documenting contractor selection Monitoring and evaluating contractor performance Maintaining contract files