

AUDIT REPORT TRACKING SYSTEM (ARTS)

| SECTION I: SUMMARY INFORMATION | |
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| Audit Title: TWS Technical Services, LLC Improperly Certified as a Minority Business Enterprise Department: Human Relations Department Director: Phillip Yelder Contact Person/Phone: | Audit Release Date: 06/19/2013 Last Report Date: First ARTS Report This Report Date: 10 05 2016 |
| SECTION II: RECORD OF IMPLEMENTED RECOMMENDATIONS | |
| 1. Implemented July 2013 2. Implemented August 2013 3. Implemented August 2013 | 4. Implemented August 2013 5. Implemented August 2013 |
| SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS | |
| <p>Recommendation 1: The director of human relations should identify and correct department procedures and processes that permitted the improper certification of TWS as an MBE qualified to perform excavation, hauling, grading or sewer construction projects.</p> <p><i>Status of Recommendation: Implemented July 2013</i> HRD has revised our certification process to include more in-depth research and analysis for firms seeking MWBE/DBE/SLBE certification. Specifically, HRD request copies of contracts in scopes of work a firm is seeking certification; worker's compensation insurance documenting the firm are performing the services; certified payroll records of the company's employees demonstrating the work is performed by the certified firm, and conduct site visits in order to verify firms are performing a commercial useful function.</p> | |
| <p>Recommendation 2: The director of human relations should determine actions to be taken to protect the city's MBE and DBE programs from future submissions for certification by the owner of TWS.</p> <p><i>Status of Recommendation: Implemented August 2013</i> TWS certification expired in July 2010, The company did not renew their certifications, and they are no longer certified as a MBE or DBE. The Ordinance does not contain any provisions for refusing to accept a firm's application, but a review of the owner's ability to control a firm is spelled out:</p> <ul style="list-style-type: none"> (1) Determinations concerning control. In determining whether the minority or women owners control a firm, the director must consider all the facts in the record, viewed as a whole. (17) The director may consider, in making certification decisions, whether a firm has exhibited a pattern of conduct indicating its involvement in attempts to evade or subvert the intent or requirements of the MBE/WBE program. <p>If received, HRD will closely review the owner of TWS for any MWBE certification.</p> | |
| <p>Recommendation 3: The director of human relations should evaluate any reported construction participation for TWS as an MBE performing excavation, hauling, grading, or sewer construction projects.</p> <p><i>Status of Recommendation: Implemented August 2013</i> HRD monitors all construction contracts meeting the dollar threshold for MWBE compliance. Currently, HRD has not found any evidence of TWS being listed on any KCMO or statutory project since the POA project in 2007.</p> | |
| <p>Recommendation 4: The director of human relations should notify the Port Authority about the problems with TWS's certification.</p> <p><i>Status of Recommendation: Implemented August 2013</i> HRD informed the POA of the certification status of TWS</p> | |

Recommendation 5: The director of human relations should determine what steps need to be taken to notify others who could have relied on certification information or the improper certification of TWS.

Status of Recommendation: Implemented August 2013

HRD received one inquiry from a certifying entity regarding the certification status of TWS. HRD informed the entity that TWS was no longer certified as a DBE firm, and no other inquiries have been received by this office.

In addition, HRD produces a daily MWBE certification directory that list firms that are currently certified for participation credit on KCMO and statutory agency projects. Since July 2010, TWS has not been listed in the City certified directory. As a result, any entity seeking to utilize TWS on a KCMO or statutory agency project would find their certification is no longer valid.

SECTION IV: ADDITIONAL OUTCOMES