City of Las Vegas

Agenda Item No.: **7.**

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 21, 2010

DEPARTMENT: CITY AUDITOR'S OFFICE
DIRECTOR: RADFORD SNELDING ☐**Consent** ☒ **Discussion**

SUBJECT:
Discussion and possible action on Audit of Professional Services Contract No. 080236 - DC, Southern Nevada Environmental Inc. (SNEI) (3100-0910-07)

Fiscal Impact
☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**
Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
To review the audit report Audit of Professional Services Contract No. 080236 -- DC, Southern Nevada Environmental Inc. (SNEI) (3100-0910-07)

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
1. Audit of Professional Services Contract No. 080236 - DC, Southern Nevada Environmental Inc. (SNEI) (3100-0910-07)
2. Submitted at Meeting - PowerPoint Slides 11 through 17 by Staff

Motion made by PAUL WORKMAN to Accept the report

Passed For: 4; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
STEVE WOLFSON, PAUL WORKMAN, MICHAEL W. KERN, LOIS TARKANIAN;
(Against-None); (Abstain-None); (Did Not Vote-None); (Excused-JOSE TRONCOSO)

Minutes:
Michael Mandolfo, Audit Intern, briefed the Committee using PowerPoint, specifically Slides 11 -17, regarding the audit of the Professional Services Contract with Southern Nevada Environmental, Inc. Management is supportive of the recommendations and has provided an action plan to remedy the exceptions. A comprehensive Policy and Procedures is in process and was due to be completed by December 31, 2009.

Member Tarkanian asked if the policy was in fact completed by the due date. Mr. Mandolfo responded that a draft copy of the policy was received by the due date and staff is currently working to finalize it. The Audit Team is following up and will inform the Audit Committee when it is complete. City Auditor Snelding added that staff is implementing a training program for Project Managers as well as the Action Plan and Policy and Procedures.

Member Wolfson reiterated the same type of concerns with this contract and potential City liability as with the last audit. Chairman Kern and City Auditor Snelding discussed the unusual aspects of this contract and the administration of it.

Chairman Kern asked how the deficiencies discovered in this audit were overlooked by the A&E Committee. City Auditor Snelding responded that there was a definite disconnect between the assigned departmental project managers and the Purchasing and Contracts Division as to who was doing what. He believes that Recommendation No. 2 of the report will delineate who is responsible for what in the future.

Cheri Edelman, Public Works Engineer, concurred with City Auditor Snelding that Policy and Procedure changes will prevent these types of deficiencies from recurring. Existing contracts are also being checked.

It was noted that this contractor is not in full compliance as they do not currently possess a City business license. The contractor does not believe that they should be required to obtain a business license. Public Works is working with Purchasing and Contracts to exercise the City's option to terminate this contract and will be undergoing a new RFQ for this project.

This contract is a task-oriented one and no further tasks are being assigned to this contractor until they either come into compliance or the contract is terminated and reissued to another contractor. Chairman Kern indicated the use of a checklist would be instrumental. Member Wolfson clarified that an earlier response that the contractor has been in compliance related to work performed and not to the licensing compliance, which the contractor has advised the project manager is not required and has not worked with the City's licensing division.