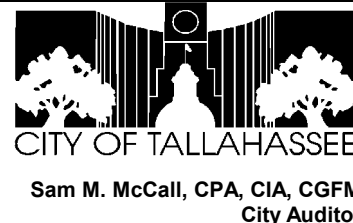


Audit

Follow up

As of March 31, 2000



“The City’s Annual Tree Trimming Price Agreement with Asplundh Tree Expert Company”

(Report #9804, Issued February 19, 1999)

Report #0002

May 18, 2000

Summary

Electric Operations has made significant progress to implement action steps management identified in our previously issued Report #9804, Audit of the City’s Annual Tree Trimming Price Agreement with Asplundh Tree Expert Company. In that audit, issued February 19, 1999, we identified several areas where administration of the price agreement with Asplundh could be improved and strengthened. Electric Operations management was receptive to the issues raised in the audit and has implemented most (85%) of the scheduled action plan steps to date.

effectively and efficiently administer the line clearance agreement.

Report #0002

This audit follow up focuses on the action plan steps that Electric Operations reported as implemented by Electric Operations. We reviewed the documentation provided by Electric Operations.

Previous Conditions and Current Status

In Report #9804, we identified four main areas in the administration of the contract that management needed to address: planning, controlling, reporting, and contract issues.

The current status of tasks due is as follows:

Scope, Objectives, and Methodology

Report #9804

The scope of Report #9804 was a review of the City’s annual price agreement with Asplundh Tree Expert Company (Asplundh). The primary objectives of the audit were to determine if:

- Electric Operations and the Contractor were operating in compliance with the terms of the annual price agreement; and
- Electric Operations had established adequate controls and processes to

Tasks Due and Completed by Department

Responsible Department	# Tasks due by 3/31/2000	Completed	Percent Completed
Treasurer-Clerk’s Office	3	1	33%
Procurement Services	1	0	0%
Electric Operations	23	22	95%
Total	27	23	85%

**Table 1
Conditions Identified in Report #9804 and Current Status**

Previous Conditions	Current Status
Planning	
<ul style="list-style-type: none"> • Short and long range planning for the Line Clearance Program needs improvement. 	<ul style="list-style-type: none"> ✓ Short and long range plans have been developed and approved by management. Information is being maintained to identify the number of man hours and cost to trim each substation and circuit.
Controlling	
<ul style="list-style-type: none"> • Monitoring practices by Electric Transmission and Distribution staff should be improved. 	<ul style="list-style-type: none"> ✓ A settlement was reached with the contractor to adjust future billings for previous over billings, adjust inflationary increases, and extend the contract.
<ul style="list-style-type: none"> • Electric Transmission and Distribution should ensure all services are included in the price agreement. 	<ul style="list-style-type: none"> ✓ An amended price agreement has been executed that clarifies definitions and services that are to be provided.
<ul style="list-style-type: none"> • Monthly invoice review practices and reconciliation to the database need improvement. 	<ul style="list-style-type: none"> ✓ Procedures for monthly review on invoices and related billing practices have been developed.
Reporting	
<ul style="list-style-type: none"> • The process for evaluating and reporting contractor performance should be improved by establishing benchmarks and evaluating monthly/quarterly performance. 	<ul style="list-style-type: none"> ✓ Quarterly and yearly performance indicators have been established.
<ul style="list-style-type: none"> • The Line Clearance Report should be enhanced by submitting timely, accurate, and relevant information on the Program. 	<ul style="list-style-type: none"> ✓ An annual report on the results of the impact of the revised tree trimming guidelines has been developed.
Contract Issues	
<ul style="list-style-type: none"> • Job site labor costs should be clearly defined in the agreement. 	<ul style="list-style-type: none"> ✓ The revised agreement addressed and clarified the issues identified in the audit.
<ul style="list-style-type: none"> • The Purchasing Policy and Procedures Manual, City Commission Signature Policy, and the Electric Administrative Procedures Manual do not contain procedures for contract extension. 	<ul style="list-style-type: none"> ✗ Procurement Services, Treasurer-Clerk's Office, and Electric Operations have each indicated that changes to the manuals and policies will be completed during the next six months.

Table Legend:

- Issue addressed in the original audit
- ⇒ Issue sub-components

- ✓ Issue addressed and resolved
- ✗ Issue not resolved

Outstanding Issues

As noted above, only one issue involving three departments remains due, and it is scheduled for completion during the next six months. The tasks require a process to extend contracts, determine appropriate approval levels, obtain City Commission approval, and revise the Electric Administrative Procedures Manual.

We appreciate the assistance provided by Electric Operations in this audit follow up.

Appointed Officials Response

Treasurer-Clerk's Response: As noted in the report, the Treasurer-Clerk's Office is working with a committee primarily composed of Procurement staff to address several procedural

and policy issues relating to contracts. One of the committee's goals is to examine the current policies relating to approving and administering contracts as well as to make recommendations on the authorization levels for contract approval, extensions, and signature requirements. The committee has made rapid progress over the past three months and anticipates completing the majority of its tasks by late summer in order to facilitate the Commission's approval of recommended changes by October 1, 2000.

City Manager's Response: We thank you for your assistance towards the improvement of our contract administration functions. Your auditors have been an invaluable help in this cooperative process.

Copies of this Audit Follow Up or audit report #9804 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@mail.ci.tlh.fl.us).

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