CITY OF ATLANTA
City Auditor's Office
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Performance Audit:

Renew Atlanta and TSPLOST

Why We Did This Audit

Resolution 15-R-3343 required the City Auditor to establish a capital project and construction audit function to monitor the Renew Atlanta Infrastructure Bond program over its lifespan. This audit reassesses controls as the city implements the Department of Transportation.

What We Recommended

To avoid a funding shortfall, Renew Atlanta should:
- review administrative costs to identify areas of potential cost savings and/or adjustments to the budget
- revisit the planned cashflow to spread administrative costs by period according to projected needs
- adjust the dashboards to flag when administrative costs exceed planned value beyond a defined threshold

To ensure consistency in the change order process, Renew Atlanta should:
- update written policies to clearly define responsibilities and requirements for change order review and approval.

To ensure that current Certificates of Liability Insurance and Builder's Risk are on file, Renew Atlanta should:
- coordinate efforts with Risk Management

To allow for analysis and tracking of change orders, Renew Atlanta should:
- implement and maintain a master list of change orders

To ensure that design consultants submit all required deliverables, Renew Atlanta should:
- update written policies on plan review checklists for design submittals

To ensure that work proceeds according to contract requirements, Renew Atlanta should:
- update written policies for the use of daily inspection reports
- develop written policies on material delivery tickets

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

What We Found

Renew Atlanta is on track to overspend its administrative budget, which could harm its ability to deliver the re-baselined projects. The re-baselined budget allocated $65 million for administrative overhead. From the beginning of the program through December 2019, administrative costs totaled $49.3 million, leaving $15.7 million for the program through 2024. Monthly administrative costs averaged $1.1 million from February through December 2019. Cash flow projections developed in early 2019 spread administrative costs evenly over the remaining life of the program. Without a proper cash flow plan for administrative costs, the program lacks the means to monitor these costs.

Renew Atlanta lacks a detailed, up-to-date procedural manual that reflects current business practices. The absence of well-defined, comprehensive policies creates risk of discontinuity should the department experience staff turnover, in addition to increased risk of improper or inconsistent business practices.

Renew Atlanta's current controls over payments to design consultants and construction contractors are functioning as designed to prevent overpayments and ensure proper review and approval. Renew Atlanta has replaced the Project Control Board with a new set of dashboards to communicate key project and program information. These dashboards serve as a more effective means of communicating complete and timely project and program information to decision-makers.

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1:	We recommend that Renew Atlanta review administrative costs to identify areas of potential cost savings and/or adjustments to the budget.	
Response & Proposed Action:	An analysis of OH costs will be done as Renew Atlanta/TPLOST transitions to ATLDOT.	**Agree**
Timeframe:	September 2020	
Recommendation #2:	We recommend that Renew Atlanta revisit the planned cashflow to spread administrative costs by period according to projected needs.	
Response & Proposed Action:	After analysis of OH is complete, cash flow projections will be updated to reflect expected monthly costs.	**Agree**
Timeframe:	November 2020	
Recommendation #3:	We recommend that Renew Atlanta adjust the dashboards to flag the project category of "PM, city staff & general services" when the XPI for that category represents paid amounts greater than planned value beyond a defined threshold.	
Response & Proposed Action:	XPI icon will be removed from published reports.	**Partially Agree**
Timeframe:	September 2020	
Recommendation #4:	We recommend that Renew Atlanta write updated policies and procedures to clearly define responsibilities and requirements for change order review and approval.	
Response & Proposed Action:	Policies and procedures will be updated.	**Agree**
Timeframe:	December 2020	
Recommendation #5:	We recommend that Renew Atlanta coordinate efforts with the Office of Risk Management to include ensuring the certificates identify specific project(s), policy periods cover the appropriate time periods, and insurance limits comply with contract terms.	
Response & Proposed Action:	Track and monitor status and limits of contractor insurance.	**Partially Agree**
Timeframe:	March 2021	
Recommendation #6:	We recommend that Renew Atlanta maintain a master list of change orders.	
Response & Proposed Action:	Develop and maintain a Program-level Change Order Log.	**Agree**
Timeframe:	March 2021	
Recommendation #7:	We recommend that Renew Atlanta update written policies to require the use of preliminary and final field plan review checklists for the preliminary and final design submittals.	
Response & Proposed Action:	Policies and procedures will be updated.	**Agree**
Timeframe:	December 2020	

Recommendation #8:	We recommend that Renew Atlanta update written policies to identify when a daily inspection report should be generated, what format should be used, and where they should be stored.	
Response & Proposed Action:	Policies and procedures will be updated.	Agree
Timeframe:	December 2020	
Recommendation #9:	We recommend that Renew Atlanta develop written policies to identify when delivery tickets are required, what documentation is necessary, and where it should be stored.	
Response & Proposed Action:	Policies and procedures will be updated.	Agree
Timeframe:	December 2020	