



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of July 29, 2025

DATE: July 11, 2025
TO: Roland Barrera, Audit Committee Chair
FROM: George Holland, City Auditor
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**Motion to accept FU25-002 Engineering – Junior Beck Drive Closeout
Review Follow-Up Report**

CAPTION:

Motion to accept FU25-002 Engineering – Junior Beck Drive Closeout Review Follow-Up Report.

PURPOSE:

Discuss follow-up results for FU25-002 Engineering – Junior Beck Drive Closeout Review Fee Follow-Up Report.

BACKGROUND:

As part of our annual audit plan, we conducted a follow-up review of the AU23-002 Engineering, Construction Contract Closeout Audit of the Junior Beck Drive Audit, dated June 4, 2024. The primary objective of the follow-up review is to verify that management has taken effective action to address the findings and recommendations from an audit.

The original report concluded that the contractor is non-compliant with the requirements for requesting time extensions to Contract Time. The City's Policy E17, Project Closeout Procedure, does not guide the duration required for various types of contracts (lump sum, unit price, and GMP) to complete the project closeout phase. The punch list documentation produced by Urban Engineering is missing industry-standard information. Incomplete Change orders are unsupported by a detailed cost estimate, change order procedure, or an opinion from Urban Engineering with supporting documentation. The progress meeting minutes are deficient in detail, failing to record the meeting attendees, the project status, and missing documentation of verbal directions given, as well as any issues or outstanding items that may impact the timely completion of the project. Talson was unable to obtain any documentation to determine if a formal risk assessment was performed for the project by Engineering Services.

The original report made seven recommendations for improvement across five areas for department management. The five areas included contract compliance, change management, cost management, progress status, and project administration.

On June 13, 2025, management indicated that six of the seven recommendations had been implemented. We reviewed the submitted information and concluded that six of the seven testable recommendations have been implemented, while one has not.

ALTERNATIVES:

The Audit Committee may reject all or part of this audit report as presented.

FINANCIAL IMPACT:

N/A

FUNDING DETAIL:

N/A

RECOMMENDATION:

Staff recommends that the Audit Committee accept the FU25-002 Engineering – Junior Beck Drive Closeout Review Follow-Up Report.

LIST OF SUPPORTING DOCUMENTS:

- FU25-002 Engineering – Junior Beck Drive Closeout Review Follow-Up Report