



# LANDSCAPING CONTRACTS AUDIT

PRESENTATION TO CITY UTILITIES COMMITTEE

NOVEMBER 14, 2023

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# FROM FY21 TO FY23, THE CITY PAID ABOUT \$18.7 MILLION TO THREE LANDSCAPING CONTRACTORS

Contractor	Amount Paid	User Departments
Ed Castro Landscape, Inc.	\$6,628,320.46	<ul style="list-style-type: none"> <li>• Aviation</li> <li>• Public Works</li> </ul>
ECL/RAC Green Infrastructure JV	\$5,060,322.18	<ul style="list-style-type: none"> <li>• Watershed Management</li> <li>• Public Works</li> <li>• Parks &amp; Recreation</li> <li>• Enterprise Asset Management</li> </ul>
Russell Landscape, LLC	\$7,058,416.98	<ul style="list-style-type: none"> <li>• City Planning</li> <li>• Public Works</li> <li>• Transportation</li> </ul>
<b>Total</b>	<b>\$18,747,059.62</b>	

Source: Oracle

# OBJECTIVES

- How are individual departments managing the work of Ed Castro Landscape, Inc., Russell Landscape LLC, and ECL/RAC Green Infrastructure JV?

# FINDINGS OVERVIEW

- Noncompliance with financial procedures could increase costs
- Following best practices would help protect the city against substandard work

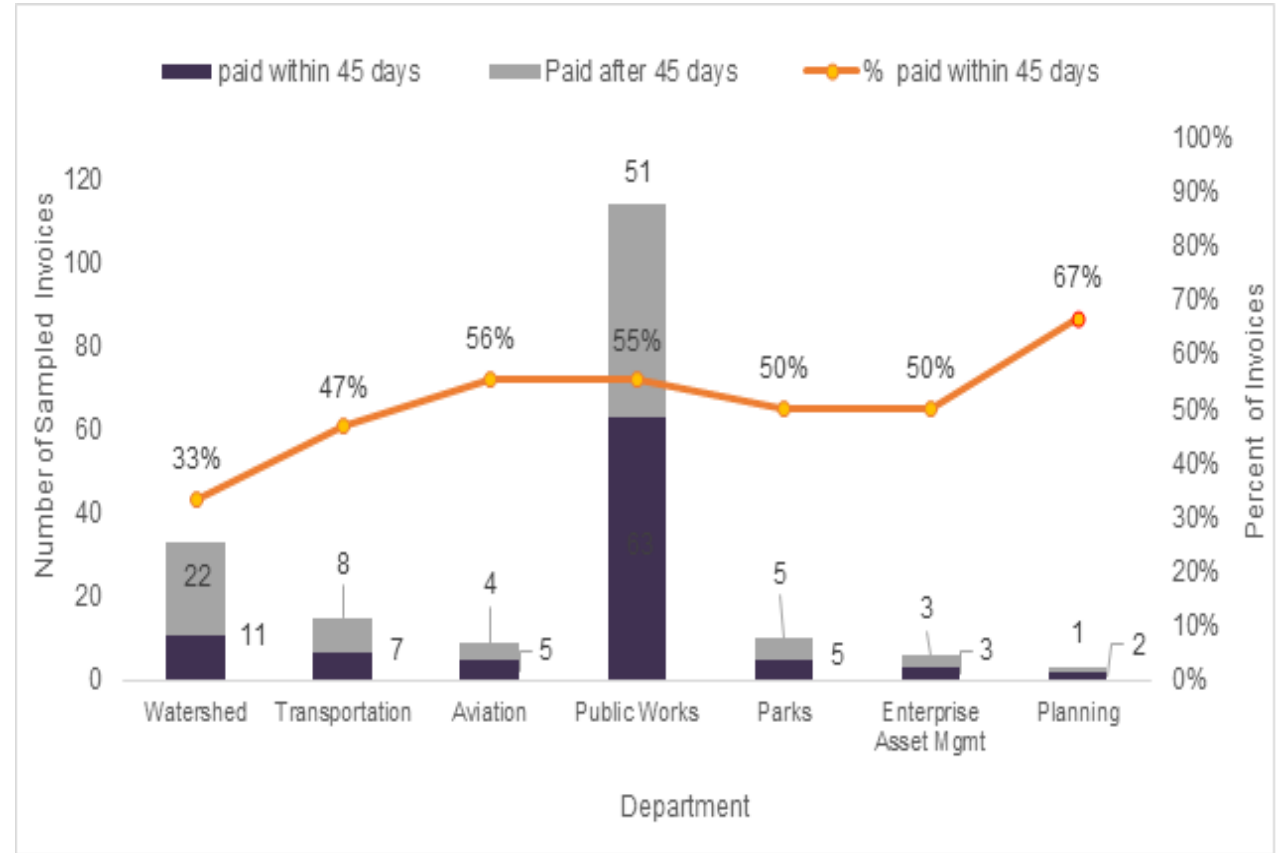
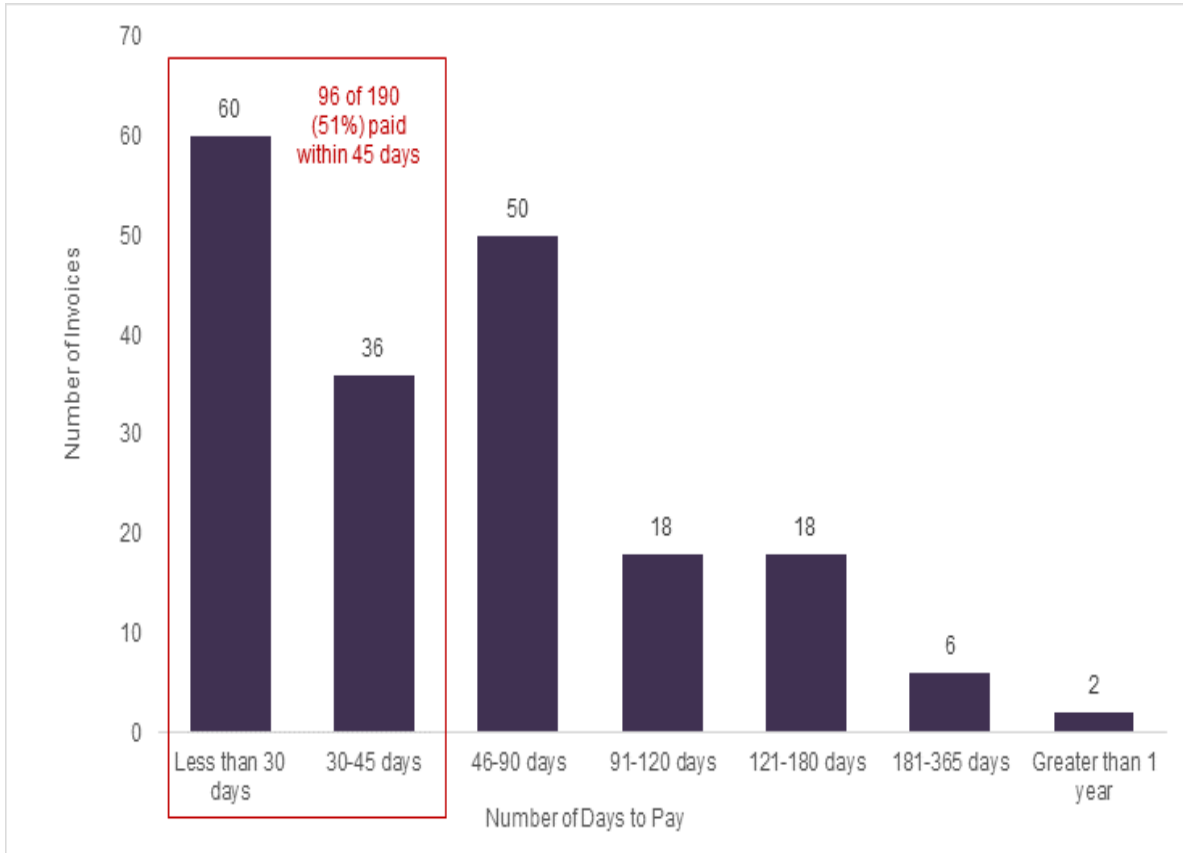
## PUBLIC WORKS COULD IMPROVE ITS INVOICE VERIFICATION PROCESS

- Public Works paid about \$576,000 for work performed under the two expired yard trimmings contracts
- Public Works matched right-of-way services to a yard trimming purchase order, which resulted in the right-of-way purchase order being overspent by \$76,000

# DEPARTMENTS SHOULD USE PURCHASE ORDER PROCESS

- Enterprise Asset Management made six payments for landscape services using direct payments rather than through a purchase order

# CITY DID NOT ALWAYS PAY INVOICES WITHIN 45 DAYS



**Source:** Auditor analysis based on Oracle database – invoices submitted between December 2020 and June 2023

# CONTRACTOR INVOICES DID NOT ALWAYS DETAIL SERVICES PERFORMED

- The same contractor provided invoices with differing levels of detail to different departments
- Contractor invoices should, at a minimum, include:
  - Date(s) of work and invoice date
  - Purchase order number
  - Worksite(s)
  - Detailed list of services (including hours and task-completion)



# RIGHT-OF-WAY LANDSCAPING CAN BE BETTER COORDINATED

- Public Works is primarily responsible for right-of-way maintenance, except for gateways, which Transportation is tasked with
- Transportation does not have formalized methods or enough staff to maintain its right-of-way maintenance contract

## TWO CONTRACTS SPECIFY PERFORMANCE MONITORING MECHANISMS

- Photographs of completed work must be provided for greenway maintenance services
- A site visit is required for green infrastructure installation, invasive plant removal, and forestry services
- Contractor must provide photographs of completed right-of-way maintenance work to city team member before invoice is approved

# CONSISTENT OVERSIGHT OVER CONTRACTORS COULD ENSURE PERFORMANCE

- Transportation, Aviation, and Enterprise Asset Management complete onsite inspections, but do not keep records of the project inspections for invoice approval
- Parks and Recreation uses Trees Atlanta to manage contractor performance
- Watershed Management could provide supporting documentation for invoices
- Public Works appears to have the most robust documented process to track and monitor contractor performance through the QA/QC team and inspection application

# RECOMMENDATIONS

1. Procurement establishes a deadline or service level agreement for departments to submit requisitions to ensure that purchase orders are created before contractor work is performed.
2. Public Works discontinues work under the expired contracts and works with Procurement and City Council to obtain contract extensions if needed, until the contract is rebid.
3. Public Works improves their invoice verification process to ensure the invoice is being charged to the correct purchase order before approving payment.
4. Enterprise Asset Management ensures that staff use the purchase order process to pay for landscape maintenance invoices instead of the disbursement process as the method of payment to make sure the department uses approved funding for contracted work.
5. Transportation amends its right-of-way contract to transfer right-of-way gateway maintenance responsibilities from Transportation to Public Works to improve coordination of right-of-way landscape maintenance.

# RECOMMENDATIONS

6. Departments require landscape contractors to submit itemized invoices and supporting documentation to allow the city to evaluate whether work is being completed as expected and the contractor is charging based on the rates listed in the contract.
7. Departments attach supporting documentation of work completion in Oracle with the invoices.
8. Departments collaborate with Public Works to develop a similar quality assurance process for internal and contracted work that will allow for better performance monitoring.

# QUESTIONS?

Full Report: [Landscaping Contracts - October 2023 \(atlaudit.org\)](https://atlaudit.org)