



Closeout Construction Audit: Northside Drive Pedestrian Bridge February 12, 2020

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Objectives, Scope and Methodology

- Assess compliance with contract terms, obligations and deliverables:
 - Contract Management
 - Cost Management
 - Quality Control Review
 - Closeout Activities



Findings Overview

- Georgia Bridge complied with the terms and obligations of the executed agreement. The lump sum contract was paid in full at \$23.2 million.
- Variance between accounting records and Open Checkbook
- Contract allowance used to pay interest charges
- No written approval to use allowance to pay for construction costs for MARTA parking
- Two instances of overpayment, which Georgia Bridge identified and reconciled

Contractor Complied with Contract Terms

- Georgia Bridge complied with contract terms
- Total cost \$23.2 million



Open Checkbook Overstated Payments by \$10.4 Million

- Open Checkbook erroneously showed \$33.6 million spent on the bridge as of July 2019
- Unreconciled difference after accounting for error

Recommendation:

- The chief financial officer should work to identify the remaining \$487,125 difference and make adjustments accordingly. Additionally, the City should strive to ensure future transactions posted to Atlanta's Open Checkbook website reflect executed transactions (e.g. payments made to third parties).

\$14,257 of Contract Allowance Paid Interest on Late Payments

- City paid \$14,257 in interest charges on late payments
- Initial legislation did not seek authorization for full contract amount

Recommendation:

- The commissioner of the Department of Public Works and the chief financial officer should identify the cause for the late payments to Georgia Bridge.

No Prior Written Approval for \$318,885 Costs Related to MARTA Parking

- Costs paid from contract allowance without prior written approval
- Lack of documents to verify the cost of work was reasonable

Recommendation:

- The commissioner of the Department of Public Works should confirm whether Georgia Bridge submitted the appropriate cost proposals for the MARTA parking improvements
- For future projects, the Department of Public Works should adhere to the contract provisions for changes to projects including usage of allowances that should include approval prior to commencing work.

Contractor Identified and Corrected Overpayments Totaling \$154,402

- City made two overpayments
- Final invoice reconciled previous payments

Recommendation:

- The commissioner of the Department of Public Works and the chief financial officer should review the accounts payable processes in place for construction contracts to determine the cause of the overpayments to reduce risk in future projects.

Questions?

Full Report:

<http://www.atlaudit.org/audit-reports.html>

