

**City of Shreveport
Internal Audit Office
Limited Scope Review (IAR) 030014-07**

Date: December 31, 2014

To: Dorothy Farnell, Director
Property Standards Department

Subject: **Review of Terminated Weed Abatement Contractors**

Introduction

The Internal Audit Office has completed a limited scope review of weed abatement contractors that were terminated for cause during the 2013 calendar year. This work began as the result of a complaint received on the City's **Fraud Hotline** by a terminated contractor alleging that their contract was terminated without justification. Upon the Property Standards Department request, this review is an expansion of the initial **Fraud Hotline** response. The expansion of the Fraud Hotline work includes determining if all three weed abatement contractors who were terminated during the 2013 contract year were terminated in compliance with policies and procedures. (The contract year runs from November 1, 2012 through October 31, 2013)

The methodology used included interviewing the Property Standards Director and Management Assistant and reviewing each of the files pertaining to the three contractors that were terminated during the 2013 grass cutting season (contract year). Each terminated contract, along with Department's policies and procedures incorporated therein by reference, was reviewed by Internal Audit Staff, along with the associated work assignment, performance, reporting and billing files, for evidence supporting termination. Once Property Standards determined that a contractor was in violation of their contractual obligations, they were notified in writing.

Our review was performed in accordance with generally accepted government auditing standards, except that a peer review has not been performed. A review is substantially less in scope than an audit, the objective of which is an expression of opinion on the subject matter as a whole. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the termination of these three weed abatement contractors in 2013 was not, in all material respects, in conformity with the terms and conditions of their contract, and the Department's policies and procedures incorporated therein by reference.

Background

The City of Shreveport Property Standards Department is responsible for protecting the safety and welfare of the community by working to reverse and alter trends of deterioration in neighborhoods. City Ordinance requires that grass and weeds not



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exceed 12 inches in height. The Department utilizes weed abatement contractors to fulfill the expectation of the community as set forth in the Ordinance. The Department has established policies and procedures to govern these contracts which are communicated to the contractors both verbally and in writing. The weed abatement contractors agree in writing to meet all of the guidelines set forth by the policies and procedures. Work orders are issued to the contractors as work becomes available, and the contractors are graded on their performance of each work order. If one lot on a single work order does not meet the standard, the contractor gets a rating (bad report) for the entire work order. At the end of grass-cutting season the ratio of acceptable work orders to total work orders is used to determine the contractors' final percentages. The minimum acceptable grade is 70%. If the cumulative grade of work performed during a single grass-cutting season is less than 70%, the contractor is terminated. The following formula is used to determine the performance grade:

**% Performance = $\frac{WO - U}{WO}$, where WO = number of total work orders performed
and U= Unacceptable work orders**

Criteria

The principal criteria contained in the contract include but are not limited to the following:

- Affidavits that contractor is not indebted to the City and does not own any adjudicated property.
- Certificates of proper liability and workers comp insurance.
- Certification that contractor has all equipment required by the Department.
- Only lots designated on the plat(s) contained in the work order packet are to be cut.
- Contractor must clear fence lines, sidewalks, curbs and driveways bordering the site and cut grass so that the maximum height after cutting is no higher than three (3) inches.
- Contractor must provide before and after color photos, focused, no smaller than 5 x 7 that are dated by digital camera and clearly identify the worksite.
- Work orders are to be completed within five (5) business days, unless precluded by weather, in which case a written extension request must be submitted to, and approved by, the Department.
- Contractor must have magnetic business signs clearly visible and mounted on either side of his or her vehicle(s).



Findings

Three contractors were terminated for the 2013 contract season.

- One contractor failed the equipment inspection conducted at the beginning of each grass season. Photos taken by the Property Standards personnel show that this contractor did not have proper signage on vehicles. The contractor was not allowed to continue in the contracting process; and therefore did not receive or execute any work orders.
- The other two contractors received and processed work orders during the season. One received a total of twelve work orders and did not pass five (58% grade) of them. These twelve work orders included a total of 345 lots, or an average of 29 lots per work order. At least one lot on each of the five failed work orders did not pass inspection, or the work order performance had other infractions of the contractual obligations.
- The second contractor received a total of nine work orders and did not pass three (67% grade) of them. These nine work orders included a total of 222 lots, or an average of 25 lots per work order. At least one lot on each of the three failed work orders did not pass inspection, or the work order performance had other infractions of the contractual obligations.

More specifically, we observed and documented specific non-compliance with contractual requirements and obligations in the performance of work orders by the latter two contractors as follows:

- In two instances, the terminated weed abatement contractors cut lots that were not on the plats associated with the assigned work order packets.
- A number of the submitted before and after photos were dark, blurry, and unclear as to whether the before and after shots were of the same location.
- More than five (5) business days elapsed between every before and after photo submitted with one invoice and work order.
- All the pictures associated with another work order were submitted without any dates.
- Contractors submitted "after" pictures that showed excess grass, debris, and clutter that was not removed from the lot and bordering areas.

To put these findings in perspective, 24 contractors received and performed work orders during the 2013 grass contract season. Two (8%), as reported above, did not receive a passing grade and were terminated. The number of work orders performed by the 24 contractors averaged 16. Additionally, the two terminated contractors requested eight extensions and two extensions respectively, all of which were granted.



Effect

Violation of contractual obligations reduces the contractor's overall grading percentage. Too many violations relative to the number of work orders fulfilled makes it more likely that the cumulative grade in a single season will fall below 70%, thus terminating the contract.

Cause

The terminated weed abatement contractors did not follow contract obligations and Department guidelines set forth by the Property Standards Department; and therefore, did not meet contractual obligations.

Conclusion

The Property Standards Department followed its stated policies and procedures in terminating the three weed abatement contractors reviewed. The **Fraud Hotline** allegations were not supported by the evidence obtained.

Prepared by:

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