

INVESTIGATION REPORT

OF THE

TRI-CENTENNIAL TOWERS PROJECT

REPORT NO. 06-105



CITY OF ALBUQUERQUE
OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS



City of Albuquerque
Office of Internal Audit and Investigations
P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

December 16, 2005

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Investigation: Tri-Centennial Towers Project
Department of Municipal Development
06-105

AMENDED FINAL

Introduction

The Tri-Centennial Towers were approved as an Interstate Corridor Enhancement plan (ICEPlan) project on October 8, 2003 by the Albuquerque Arts Board. This median enhancement project will consist of two sixty five foot Tri-Centennial Towers which will be located at the northwest and the southeast corners of Rio Grande and I-40. Also included in this project are two six feet by six feet three dimensional wall scones which will be located at the northeast and southwest corners of Rio Grande and I-40.

Scope

The scope of the Tri-Centennial Tower's investigation began with the Albuquerque Arts Board approval as an Interstate Corridor Enhancement plan project on October 8, 2003 through December 8, 2005. During our investigation we answered each of the stated objectives.

Methodology

The methodology used during this investigation included documentation review of information pertinent to the Tri-Centennial Towers project and inquiry of City of Albuquerque employees and others who were deemed necessary to attain a conclusion regarding our objectives.

Objectives and Findings

Objective: Did the City of Albuquerque violate the March 22, 1999 Stipulation Disposition Agreement?

Finding: No exceptions were noted.

Objective: Did the City of Albuquerque misuse public funds in regard to the Tri-Centennial Towers project?

Finding: No exceptions were noted.

Objective: Did the City of Albuquerque violate City of Albuquerque Resolution 2005-381 regarding the cost of the Tri-Centennial Towers?

Finding: City of Albuquerque Resolution 2005-381 states that the cost for the Tri-Centennial Towers project is “not to exceed \$840,000 plus 5% contingency” for a maximum cost of \$882,000. The 5% contingency is reserved primarily for electrical costs associated with the Tri-Centennial Towers project which have yet to be incurred or encumbered. We discovered during our test work previously paid invoices totaling \$78,180 which were not included in the \$840,000 cost detail prepared by the Department of Municipal Development. Based on the additional cost discovered this will bring the current costs excluding contingencies to a total of \$918,638. This amount exceeds the City Council’s approved maximum cost by \$36,638.

Objective: Did the City of Albuquerque violate the City’s procurement code in regards to the Tri-Centennial Towers project?

Findings: The on-call contract states that “prior to issuance of any Work Order, the Owner will meet with the Contractor to review the scope of the proposed Work Order and to establish a reasonable cost based on the RS Means Cost Information, a reasonable time and schedule for completion of Work.” The RS Means cost information provided by the Department of Municipal Development was dated ten days subsequent to the issuance of the Work Order.

Objective: Is the land for the Tri-Centennial Towers owned by the City of Albuquerque? If not, are the proper agreements in place?

Finding: Proper agreements appear to be in place. No exceptions were noted.

Objective: Did the Mayor submit the required annual status report on each capital improvement project as required by the City Ordinance 2-12-5 during the September 2005 meeting?

Finding: The City of Albuquerque is not in compliance with Albuquerque Code of Ordinances chapter 2 article 12 section 5. The required annual status report on construction in progress on each capital improvement project was completed in late November 2005 and will be presented to City Council in December 2005, which is three months late.

Objective: Is there evidence of inappropriate acts relating to the Tri-Centennial Towers project?

Finding: No exceptions were noted.

Conclusion

We noted several concerns that need to be addressed and resolved by the Department of Municipal Development prior to further construction and the installation of the Tri-Centennial Towers. The City of Albuquerque has overspent or overcommitted the City Council's maximum approved cost. The required progress report on each capital improvement project was not submitted to City Council during the September meeting.

We appreciate the cooperation of the Department of Municipal Development staff during our investigation.

Senior IT Auditor

Senior Auditor

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