



Internal Audit Department On-Call Services Agreement Follow-Up Audit A2026-04

Objective

The objective of the Follow-Up Audit was to ensure that corrective action was taken by the Capital Improvement Department (CID) management to address the recommendations for the four (4) Findings identified in the original Audit Report titled *On-Call Services Agreement Audit* dated February 27, 2025.

Scope

The Follow-Up Audit was limited to a review of the four (4) Findings in the Original Audit report titled *On-Call Services Agreement Audit* dated February 27, 2025. The audit period covered operations from August 1, 2025 through March 2, 2026.

Finding 1

Original Finding

Report dated February 27, 2025

A review of the Capital Improvement Department's (CID) internal procedures "for the selection of Professional Services" identified the following:

- The procedures do not have an "effective date."
- The procedures reference the former job title of the Business Contracts Manager.
- The Sam.gov weblink cited in the procedures for debarment checks is no longer active.

Finding 1

Original Finding (Cont.)

Report dated February 27, 2025

- The procedures unique to the selection of On-Call Consultants do not reflect the current practices in place. The procedures do not address:
 - Specific steps in performing City indebtedness verifications.
 - Specific steps in performing vendor debarment checks.
 - The methodology used for rotating the selection of Consultants.
 - The review process of proposals for Task Orders.
 - Situations when a Consultant's price quote for Task Orders do not match the approved hourly rates in the Consultant's On-Call Agreement.
 - How CID staff monitor the progress of Task Orders.

Finding 1

Current Observation

CID has updated their *Procedures for the Selection of Professional Services* to include:

- An effective date of March 2025.
- Current job titles and active working weblinks.
- The following procedures that reflect current practices in place for the selection of On-Call Consultants:
 - Steps for performing and documenting City indebtedness verifications.
 - Steps for performing and documenting vendor debarment checks.
 - Methodology used for rotating the selection of On-Call Consultants.
 - The review process of proposals for Task Orders.

Finding 1

Current Observation (Cont.)

The *Procedures for the Selection of Professional Services* were not updated to include:

- Situations when a Consultant's Task Order price quote does not align with the approved hourly rates in the Consultant's On-Call Agreement.
 - According to CID, staff must ensure that all quoted rates match the Business Contracts Manager's fee schedule on file before submitting a PO for approval.
- How CID staff monitor the progress of Task Orders.
 - Procedures were not incorporated because the monitoring of Task Orders occurs after the steps outlined in the *Procedures for the Selection of Professional Services*.
 - Guidance on how CID staff monitor the progress of Task Orders is provided in the *2017 Project Delivery Manual*.

Finding 2

Original Finding

Report dated February 27, 2025

Five (5) *On-Call Agreements for Professional Services* awarded to 18 Consultants were selected for review with the following results:

- Eighteen (18) out of eighteen (18) On-Call Consultant (100%) files did not contain evidence that a debarment check was conducted.
- Twelve (12) out of eighteen (18) On-Call Consultant (66.67%) files did not contain evidence of verification of indebtedness to the City.
- Three (3) out of eighteen (18) On-Call Consultants (16.67%) did not submit all required certificates of insurance. The On-Call Consultants were:

#	On-Call Consultant	Professional Service	Insurance Policy Missing
1	Countryman & Co	Architecture	Auto & Worker's Compensation
2	MNK Architects	Architecture	Auto & Worker's Compensation
3	CARDINA Engineering	Mechanical & Electrical	Auto Insurance

Finding 2

Current Observation

Two (2) On-Call Agreements awarded after August 1, 2025 to a total of seven (7) Consultants were selected for review with the following results:

- Seven (7) out of seven (7) On-Call Consultants (100%) had debarment checks and indebtedness verifications on file.
- Six (6) out of seven (7) On-Call Consultants (85.71%) submitted all required certificates of insurance.
 - One (1) On-Call Consultant's (14.29%) Certificate of Liability Insurance did not name the City of El Paso as an "Additional Insured." The City of El Paso is listed as a Certificate Holder but not as an additional insured in the description section.

Status: In Progress – No additional follow-up audits are deemed necessary.

Finding 3

Original Finding

Report dated February 27, 2025

Nine (9) invoices paid by the Capital Improvement Department (CID) from February 29, 2024 to June 25, 2024 for On-Call Professional Services were selected for review. Our review identified the following non-compliance issue with the *City of El Paso Accounts Payable Policy*:

- Four (4) out of nine (9) invoices (44.45%) were not paid within 30 calendar days of receiving the invoice. Payments were posted 32 to 56 days from the date of the invoice.

#	On-Call Consultant	Invoice #	Invoice Amount	Date Invoice Received	Payment Date	# of Calendar Days Payment was made after date Invoice Received
1	In*Situ Architecture	24017	\$48,537.00	5/1/2024	6/25/2024	55
2	Countryman & Co	2024-06.01	\$38,156.00	5/6/2024	6/25/2024	50
3	AECOM Technical Services	2000881589	\$11,556.00	4/25/2024	6/6/2024	42
4	GRV Integrated Engineering Solutions	24-070	\$12,800.00	5/3/2024	6/4/2024	32

Finding 3

Current Observation

A sample of seven (7) invoices paid by CID in January 2026 was selected for review. Four (4) invoices were for projects financed and managed by CID, and three (3) were financed and managed by other City departments. Our review identified the following:

- Three (3) out of seven (7) invoices (42.86%) were not paid within 30 calendar days of receiving the invoice. Payments were posted 32 to 48 days from the date the invoice was received.
 - Two invoices directly related to CID projects were paid 32 to 37 days after the invoice was received.
 - One invoice related to a project overseen by the International Bridges Department was paid 48 days after the invoice was received.

Status: In Progress – No additional follow-up audits are deemed necessary.

Finding 4

Original Finding

Report dated February 27, 2025

Nine (9) invoices paid by the Capital Improvement Department (CID) from February 29, 2024 to June 25, 2024 for On-Call Professional Services were selected for review. Our review identified the following non-compliance issues with the *On-Call Agreements for Professional Services*:

- Three (3) out of nine (9) invoices (33.34%) did not have documentation to confirm that tasks were completed by established deadlines.
- Two (2) out of nine (9) invoices (22.23%) could not be matched to the *Consultant's Fee Proposal & Hourly Rates*.
- One (1) out of nine (9) invoices (11.12%) did not contain the total project budget, amount billed to date, and percentage of completion.

Finding 4

Current Observation

A review of seven (7) invoices paid by CID for January 2026 identified the following:

- Seven (7) invoices (100%) had documentation confirming that tasks were completed by deadlines.
- Six (6) invoices (85.71%) matched to their *Consultant's Fee Proposal & Hourly Rates*.
 - One (1) invoice billed a higher rate for “Project Architect – CA” than the rate listed in the Agreement’s *Consultant's Fee Proposal & Hourly Rates*.
- Six (6) invoices (85.71%) contained the total project budget, amount billed to date, and percentage of completion as required by Section 3.3.1 of their *On-Call Services Agreement*.
 - One (1) invoice did not contain the total project and amount billed to date.
- A training session was held on January 29, 2026 with CID Project Managers to address the evaluation of fee proposals and review of invoices against *On-Call Services Agreements*.

Conclusion

The Capital Improvement Department met the audit objectives in the following areas:

- Updating internal procedures “for the selection of Professional Services” to reflect current practices in place.
- Ensuring debarment checks and indebtedness verifications are conducted and documented for all On-Call Consultants.
- Ensuring insurance confirmations are conducted and documented for all On-Call Consultants.
- Ensuring that there is documentation to support that tasks were completed by established deadlines.

Conclusion (Cont.)

The Capital Improvement Department did **not meet** the audit objectives in the following areas:

- Ensuring On-Call Consultant's Certificates of Liability Insurance list the City of El Paso as an "Additional Insured".
- Ensuring that invoices are paid within 30 days of receiving the invoice.
- Ensuring that invoices:
 - Match the *Consultant's Fee Proposal & Hourly Rates* or notate the cause of variance.
 - Include the details required by the terms in their *On-Call Services Agreement*.

Requested Action

To accept the results of the *On-Call Services Agreement Follow-Up Audit A2026-04* and forward the Audit Report to City Council for action.