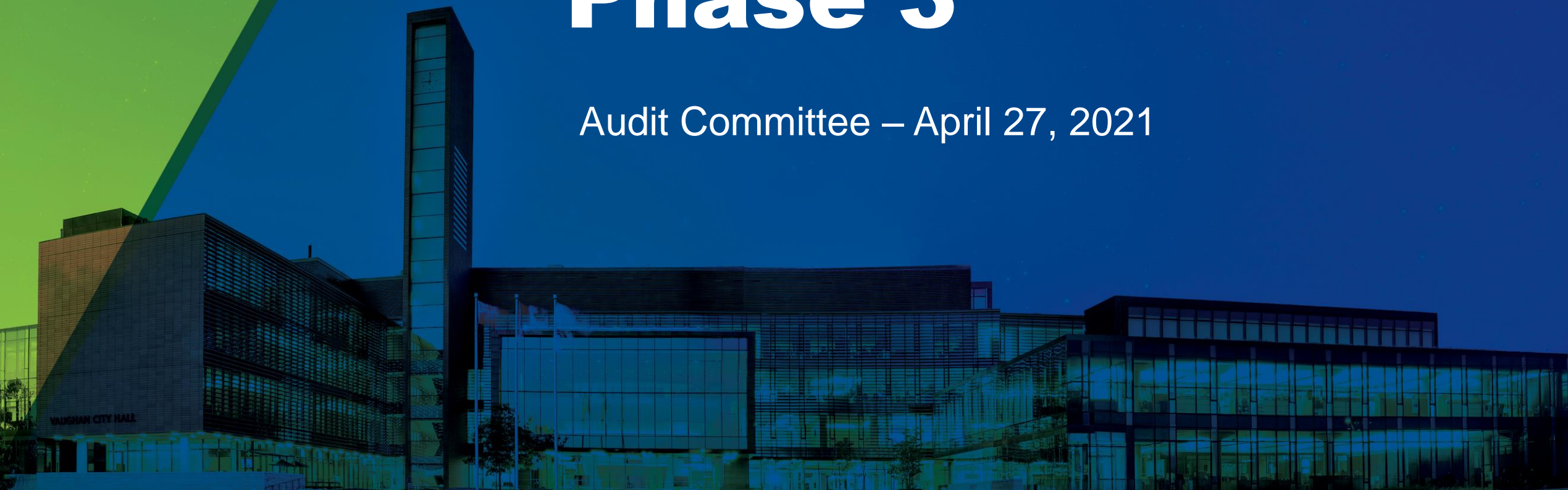


Construction Audit of Fire Station 7-4: Phase 3

Audit Committee – April 27, 2021



Today's Presentation

- Audit Objective
- Scope and Methodology
- Issues and Observations (Phase 3)
- Audit Conclusion
- Management Action Plans
- Next Steps
- Questions

Audit Objective

To evaluate the effectiveness of construction management policies and procedures related to the fiscal, operational, and administrative controls over construction activities, including project scope, cost, schedule and quality.

Audit Scope & Methodology

- Planning and Design, and Bid and Procurement Phases (Phase 1)
 - June 6, 2018
- Construction Phase (Phase 2)
 - January 21, 2020
- Close Out Phase (Phase 3)
 - April 27, 2021

Audit Scope & Methodology

- Contract Requirements for Closeout.
- Deficiency Inspections and Disposition.
- Warranty Administration Process.
- Key Construction Documents and Manuals.
- Post-completion Evaluations.

Issues & Observations (Phase 3)

1. Extend the holdback obligations to encompass the warranty period.
2. Ensure that Facility Maintenance is formally engaged as a key stakeholder throughout the project.
3. Investigate the feasibility of securing as built drawings and manuals digitally during key milestones of the project.
4. Proactively implement and monitor the vendor suspension process as defined in the Vendor Performance Evaluations procedure (PP-14).

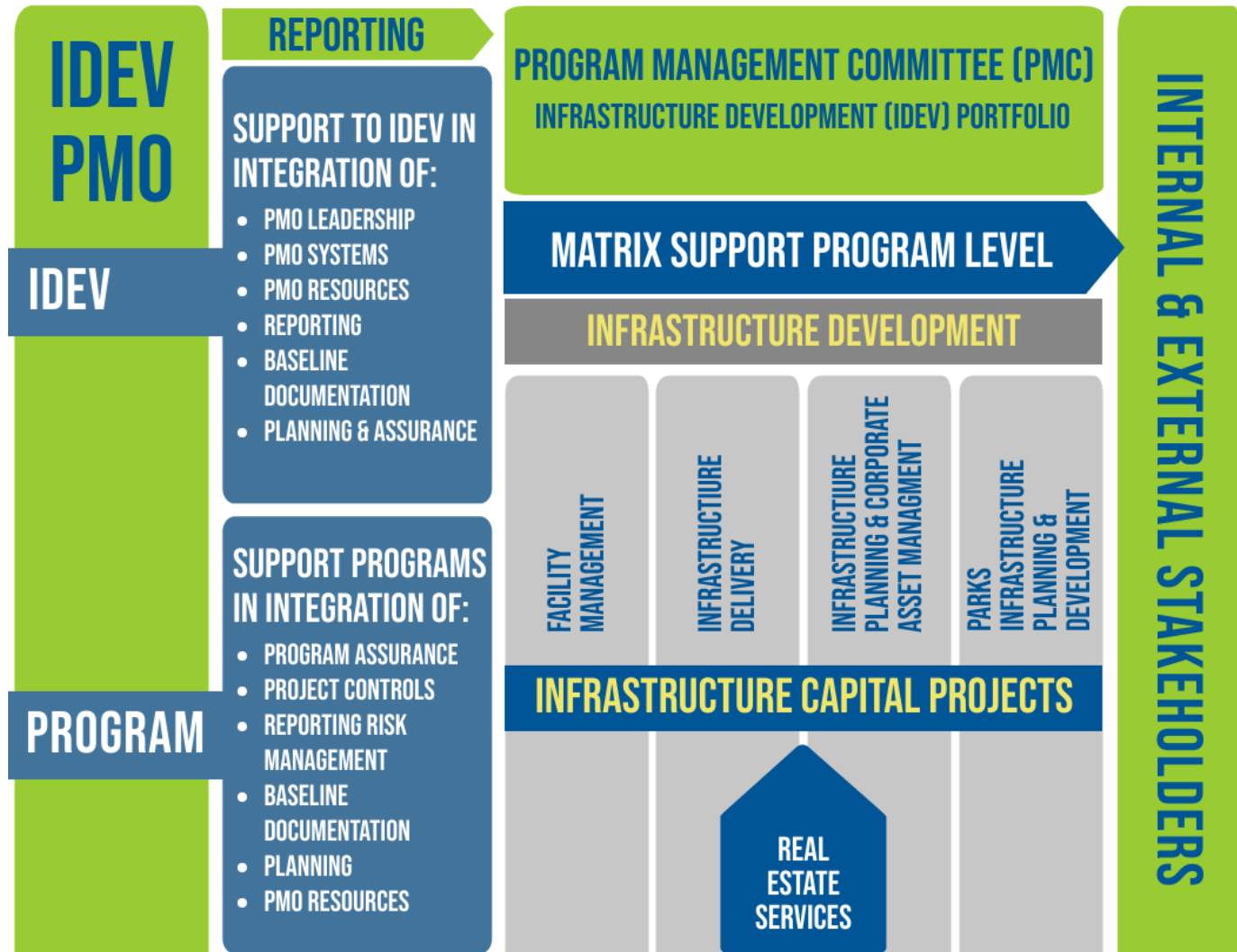
Audit Conclusion

Although contractor issues created operational challenges in completing the project, improvements are recommended to ensure risks related to the execution of the City's construction activities are efficiently and effectively mitigated.

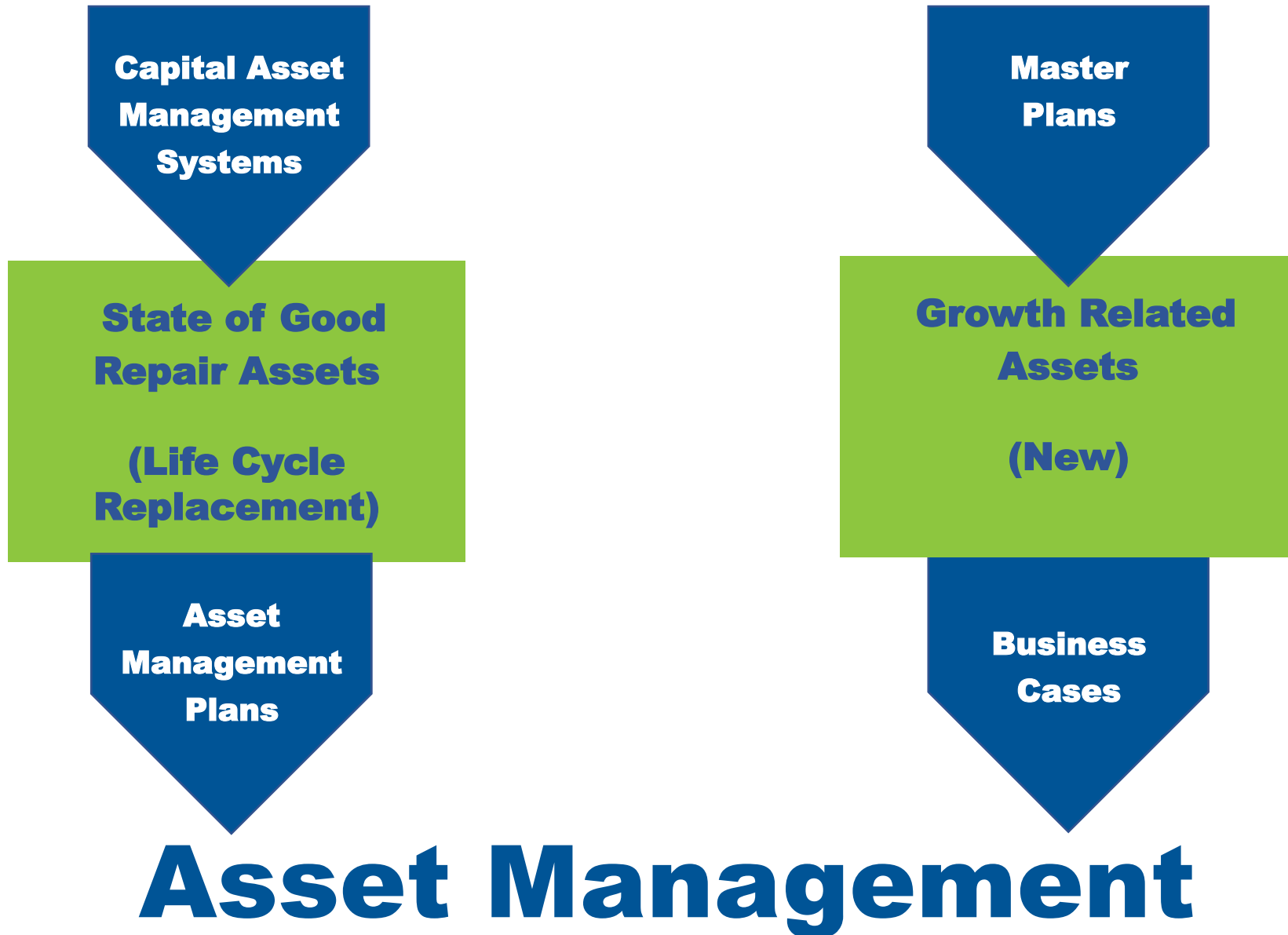
Opportunities for improvement from all the audit phases of the Construction Audit of Fire Station 7-4 be categorized into 3 main themes:

1. Enhancing the project management governance framework.
2. Proactively implementing vendor performance management.
3. Ensuring contract clauses are fully leveraged to protect the City interests.

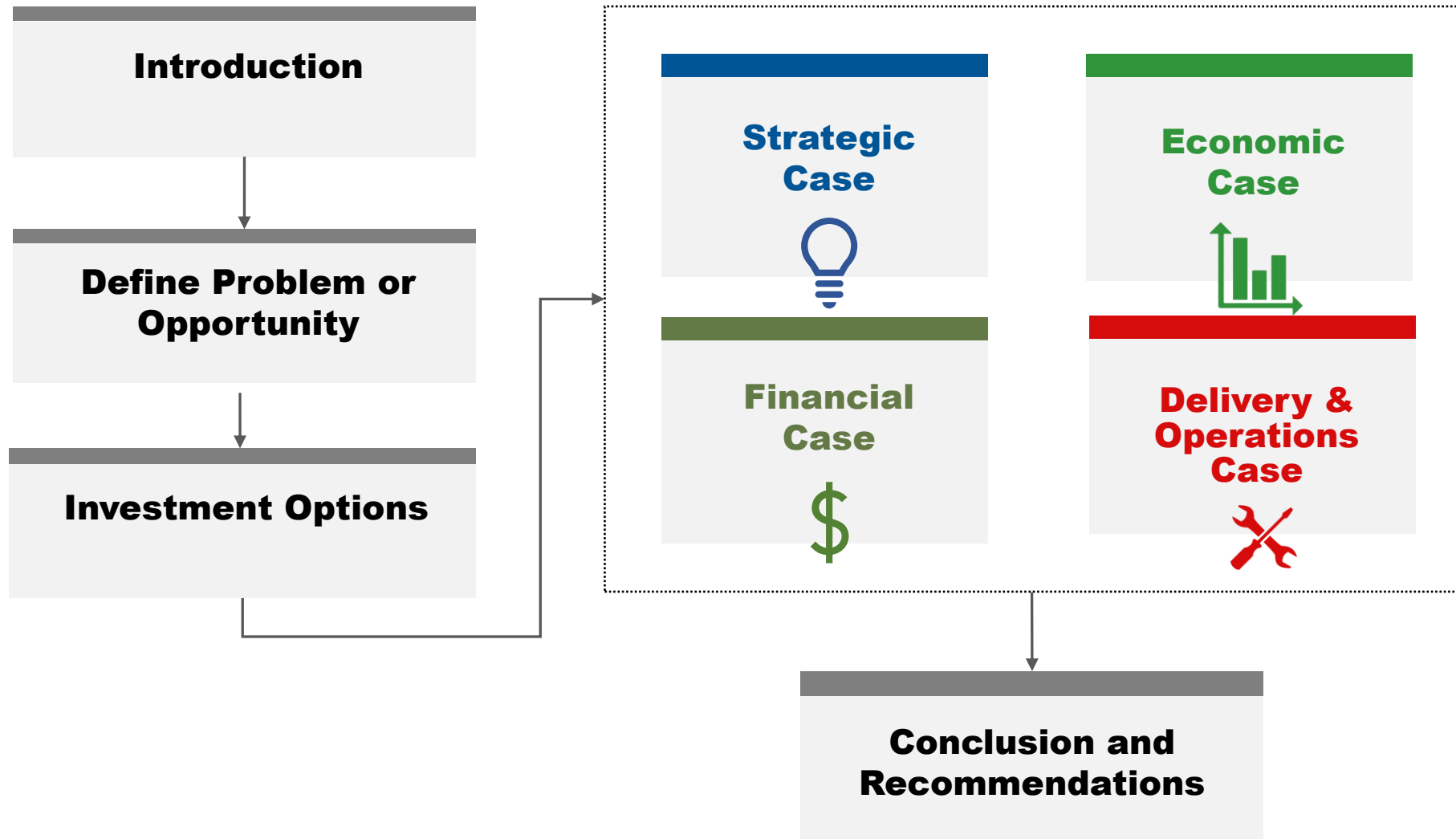
Governance & Assurance Framework



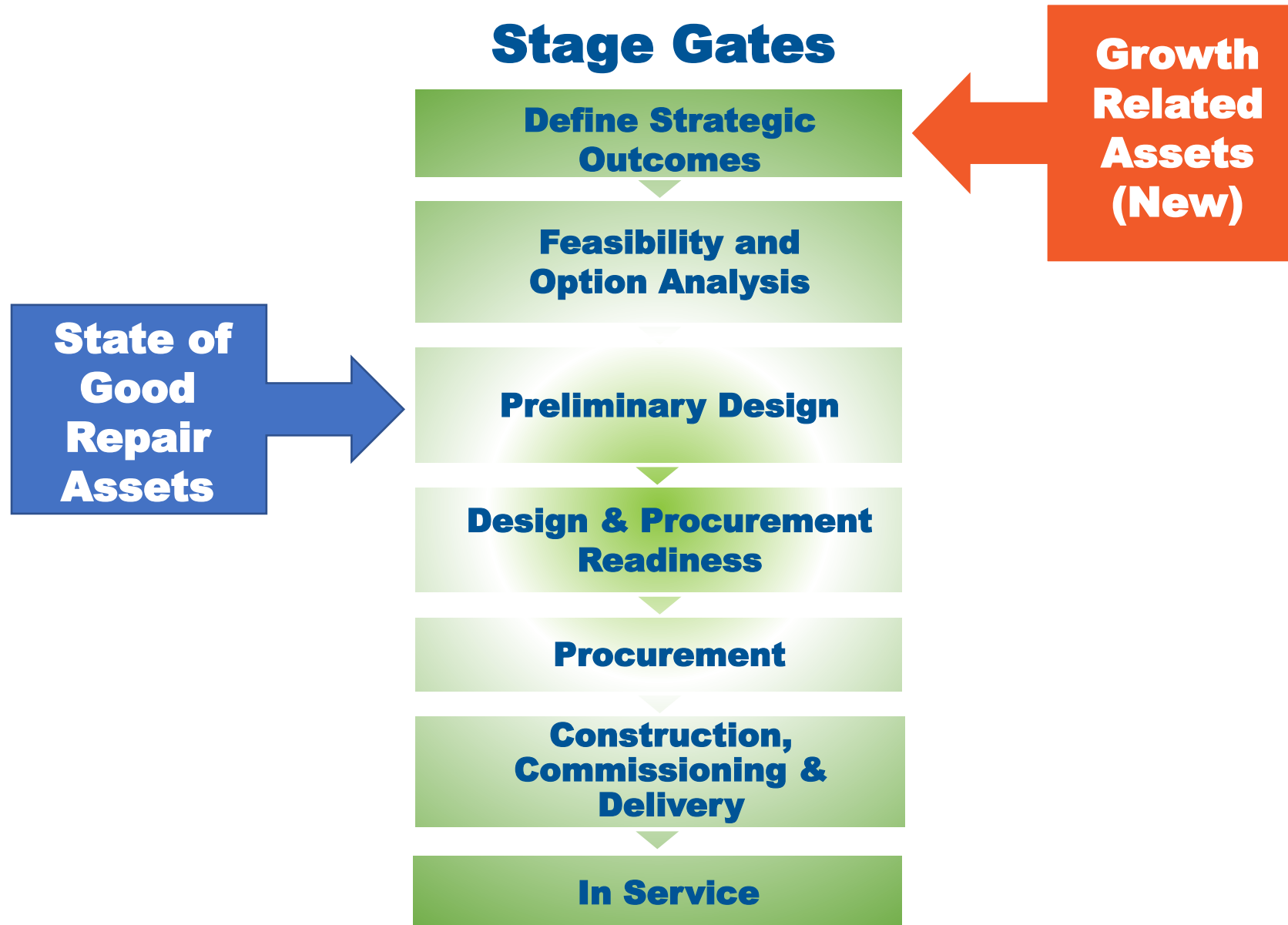
Infrastructure



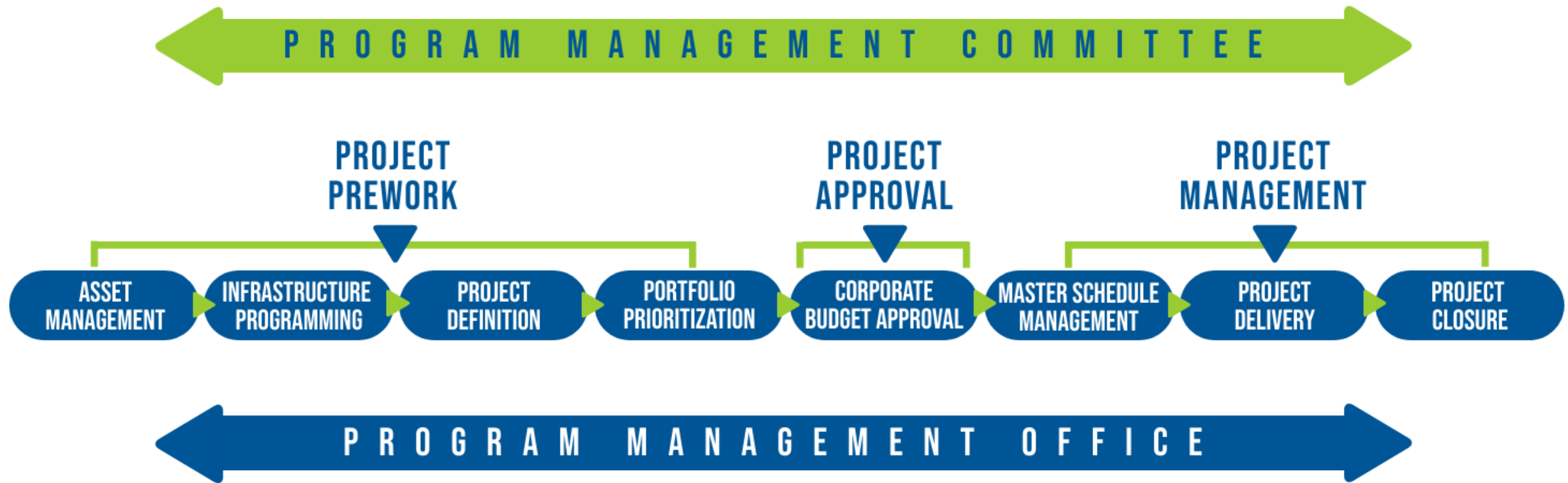
How are Business Cases Developed?



Infrastructure Investment Stages



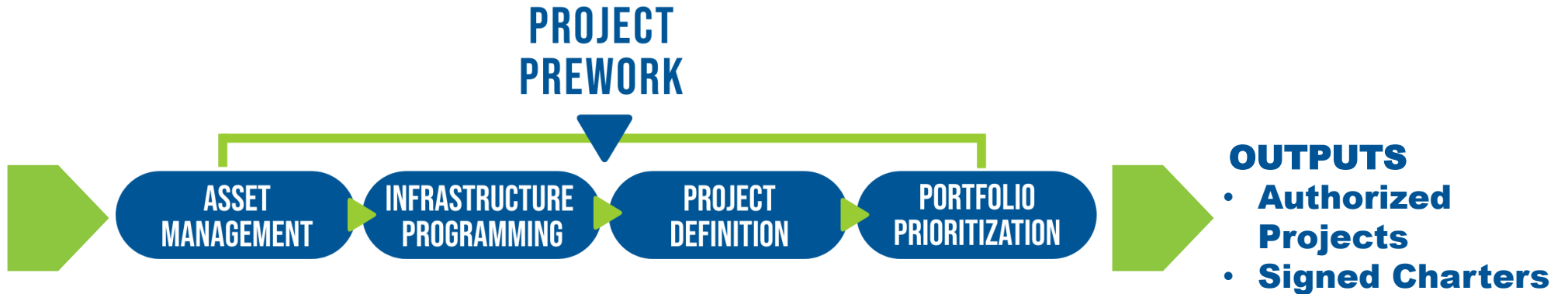
Program Management Process (Delivery)



Program Management Process (Delivery)

INPUTS

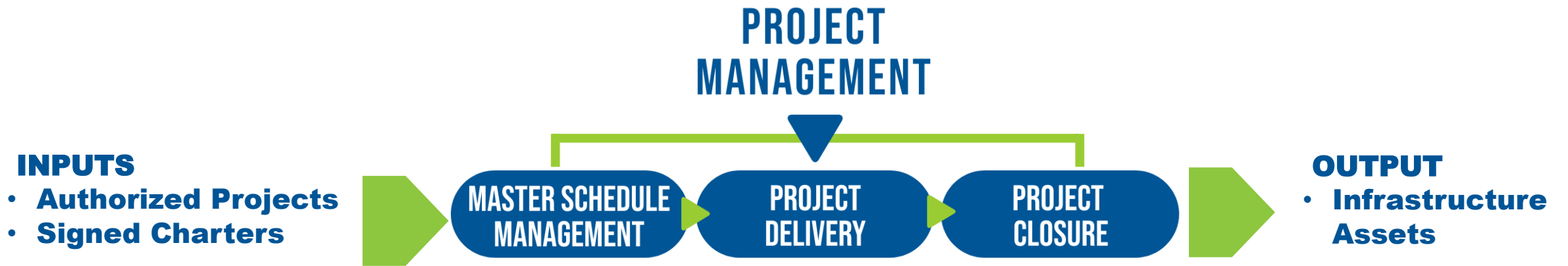
- **State of Good Repair Assets**
- **Business Cases**



Program Management Process (Delivery)



Program Management Process (Delivery)



Governance: Program Management Committee



Next Steps

- Action plans have been developed.
- Implementation is underway or completed.
- Internal Audit will follow up and report on the status of these action plans.



Questions?





Thank You.

