

OFFICE OF THE CITY CONTROLLER



**PUBLIC WORKS & ENGINEERING DEPARTMENT
CONTRACT COMPLIANCE REVIEW
BAKER & LAWSON, INC. - CONTRACTOR
FOR THE PERIOD OF JANUARY 24, 1996
THROUGH JANUARY 31, 2000**

Sylvia R. Garcia, City Controller

Judy Gray Johnson, Chief Deputy City Controller

Steve Schoonover, City Auditor



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

SYLVIA R. GARCIA

July 7, 2000

The Honorable Lee P. Brown, Mayor
City of Houston, Texas

SUBJECT: Public Works and Engineering Department
Contract Compliance Review – Baker & Lawson, Inc.
(Report No. 00-07)

Dear Mayor Brown:

In accordance with the City's contract with Mir Fox & Rodriguez, P.C. (MFR), MFR has completed a review of Contract Number 36129, a design contract between the City and Baker & Lawson, Inc. for improvements on Mykawa Road from South Wayside to Southcrest.

MFR designed the review to determine whether the contractor's design services were performed in compliance with contract terms; the Public Works and Engineering Department's (Department) systems of internal control were adequate; and funds were appropriately charged to the proper contract. Their report, attached for your review, noted no significant findings.

We appreciate the cooperation extended to the MFR auditors by Department personnel during the course of the review.

Respectfully submitted,


Sylvia R. Garcia
City Controller

xc: City Council Members
Albert Haines, Chief Administrative Officer
Cheryl Dotson, Chief of Staff, Mayor's Office
Thomas J. Rolen, Acting Director, Public Works and Engineering Department
Sara Culbreth, Acting Director, Finance and Administration Department

June 2, 2000

Honorable Sylvia R. Garcia, City Controller
City of Houston
901 Bagby, 8th Floor
Houston, Texas 77002

Dear Controller Garcia:

We have completed a review of the design contract number 36129 (Design Contract) in the total amount of \$580,075 between the City of Houston (City) and Baker & Lawson, Inc. (Baker). The Design Contract represents a lump sum contract for design of improvements on Mykawa Road from South Wayside to Southcrest. The initial Design Contract was awarded by City Council on January 24, 1996 and as of January 31, 2000, the City had paid \$580,075 for the engineering design work.

Our review was limited to determining if Baker's engineering design services were performed in compliance with the Design Contract terms. The objectives of our review included:

- Determining that Baker met the objectives of their contract and were in compliance with the terms of their contract.
- Determining that Public Works & Engineering (PW&E) personnel responsible for the administration of the contract were in compliance with the City's policies and procedures to ensure that the work performed by Baker was within the scope of the Design Contract approved by the City and that Baker's work was adequately tested.
- Determining that goods and services acquired through the provisions of the contracts were in compliance with the City and State of Texas procurement laws.
- Determining if PW&E's systems of internal control relating to the Design Contract was adequate.
- Determining if funds have been appropriately charged to the proper Design Contract.

The scope of our review was from January 24, 1996 to January 31, 2000 and consisted of the following procedures:

- Reviewing the Design Contract, correspondence files and deliverables.
- Reviewing insurance information for adequacy and compliance with City policies and procedures.
- Testing supporting documentation to payments made by the City.
- Identifying the source of funds used to pay the Design Contract being tested and determining the appropriateness of such funding.


Honorable Sylvia R. Garcia, City Controller
June 2, 2000
Page 2

Our procedures were performed through May 26, 2000 and have not been updated since that date. Based upon the procedures performed, we determined that Baker's engineering design services were performed in compliance with the terms of the Design Contract. No significant findings were noted.

Mir•Fox & Rodriquez, P.C. is pleased to have assisted you with this project and we appreciate the assistance and cooperation of the Department of Public Works & Engineering personnel.

Very truly yours,

Mir•Fox & Rodriquez, P.C.

A handwritten signature in black ink, appearing to read "Gasper Mir, III". The signature is written in a cursive style with a prominent flourish at the end.

Gasper Mir, III
Principal

GM/jh