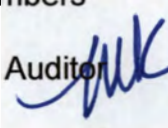




CITY AUDITOR'S OFFICE

TO: Mayor and Council Members
THRU: Margaret L. Krym, City Auditor 
DATE: April 28, 2015
SUBJECT: UEP North 2 – Agreement Review

We have reviewed the proposed professional engineering services agreement between the City of Cape Coral and Greeley and Hansen LLC for the delivery of design services for the Utilities Extension Project (UEP) area designated as North 2 and illustrated in Agreement Schedule A.

The objective of our review was to ensure that the terms of the agreement were sufficient for City representatives to adequately control and safeguard the use and disbursement of City assets for the scope of services covered by the agreement.

We verified that the agreement contains the following terms and best practice language as Mr. Rich Townsend of Townsend and Associates recommended to the City and as it was included in the City's agreement with Tetra Tech Inc. in the Southwest 6 and 7 UEP areas.

- Article 11.1 – Basic Compensation
- Article 11.6 – Reimbursable Expenses
- Article 11.8.8 – Compensation for Additional Professional Services
- Article 21.6 – Business Ethics Expectations
- Article 22 – Engineer's Records
- Article 23 – Right of Audit – Examination of Records
- Schedule E – Greeley and Hansen LLC and CDM Smith Rate Schedule

We also performed various analytical procedures to ensure that the calculations used to arrive at the allowable hourly and overtime billable rates and the overall not to exceed contract amount were performed correctly. Additionally, we visited the offices of both Greeley and Hansen LLC and CDM Smith and conducted a pre-contract audit review of their payroll records for a representative sample of their employees to test the accuracy of the employee wage rates provided in Schedule E. All were confirmed and verified as actual.

We wish to commend the City staff team members who participated in the preparation of this contractual agreement because they had included these best practice terms into the agreement prior to our review of the document.

Conclusion

We believe the commercial terms contained in the proposed Professional Engineering Services Agreement as reflected in Resolution 47-15 contain sufficient provisions to allow City representatives to adequately control and safeguard the use and disbursement of City assets for the scope of services covered by the agreement.

C: John Szerlag, City Manager
Michael Ilczyszyn, Assistant City Manager
Dolores Menendez, City Attorney
Rebecca van Deutekom, City Clerk
Paul Clinghan P.E., Utilities Extension Manager
Audit Committee