THE CITY OF
CALGARY
CITY AUDITOR'S OFFICE

Procurement Response under the State of Local Emergency Audit

October 29, 2014

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Executive Summary

From June 20, 2013 to July 4, 2013, The City of Calgary (The City) operated under a State of Local Emergency (SOLE) due to extensive flooding. The Calgary Emergency Management Agency (CEMA) was designated as responsible for combating and alleviating the effects of the flood. CEMA's top priorities during the SOLE were the preservation of life and protection of critical infrastructure. At the same time an ongoing key priority for The City was to manage costs efficiently[1]. During the SOLE period 768 purchase orders (PO) were created[2] totalling $61.6M, and $1.6M spent on 2,343 credit card payments to ensure critical goods and services were effectively delivered.

As per Alberta Emergency Management Act (The Act) R.S.A 2000 c E-6.8, Calgary's Municipal Emergency Plan and the North West Partnership Trade Agreement, the City's regular procurement process was not utilized due to the declaration of the SOLE. There was limited access to The City's information systems and goods and services had to be urgently acquired and received immediately. Given these circumstances, CEMA utilized other methods to acquire and deploy resources for the event. These methods included the use of direct PO, increased credit card transaction limits, and leveraged relationships with existing vendors. The direct PO process was executed to ensure prompt coordination of action in order to protect the safety, health or welfare of people or to limit damage to property.

Regular procurement processes such as the requisition process by the business unit (BU), the open bid process - public Request for Proposal, and three-way matching were not performed. Three-way matching is a recognized control to ensure The City is paying in accordance with agreed rates and prices and invoices are aligned with goods and services received. In lieu of three-way matching, CEMA proactively implemented new controls including the use of an order tracking spreadsheet, designed to support two-way matching of invoice to request, and expansion of the use of the warehouse to manage receipt and delivery of rental items.

The purpose of this audit was to assess the effectiveness of processes implemented by CEMA that supported timely procurement and subsequent payments related to the SOLE. We assessed the timeliness of procurement and the adequacy of risk mitigation processes to address potential financial and reputational exposure. These risks include the purchase of non-flood related items, waste or duplicate purchases, and overpayment for goods and services.

SOLE processes supported timely and almost immediate procurement of goods and services. Based on our sample of purchase orders (PO), 57% of goods and services were provided within 24 hours of initial request, and 71% were provided within 48 hours.

[1] One of Council's priorities in the 2012-2014 Fiscal Plan is becoming a more effective and disciplined organization, which includes restraining expenditures and increasing transparency and accountability.
[2] 2013 Flood Purchase Orders containing reference code CW0025 (2013-06-20 Water Event). The invoiced amount of the purchase orders is $37.4M as at March 21, 2014.

Overall we assessed the risk mitigation effectiveness of the SOLE procurement processes as reasonable. Based on our review of activity and detailed sample analysis we estimated The City's likely financial risk exposure on procurement activities during the SOLE to be between $700K and $1.5M[3] (Sections 4.1 & 4.5). While this level of risk exposure may be acceptable under the extraordinary circumstances of the flood, we raised recommendations to further mitigate the risk exposure should a future emergency event occur. Improving recordkeeping on procured items and tracking and communication of rental equipment held should reduce the risk exposure without slowing down the speed of emergency response.

The use of a tracking spreadsheet implemented by CEMA did not allow The City to successfully perform two-way matching with vendors' invoices. Information recorded on the tracking spreadsheet was incomplete (i.e. missing key information). Improving recordkeeping will facilitate the tracking of procured items and matching of information on vendors' invoices to terms agreed by CEMA and The City.

Receipt of goods and services was validated by the receiver for 50% of sampled PO. For the remaining 50%, receiving documents were either incomplete or not reviewed prior to payment. As a result, there is a risk that The City paid for goods and services that were not received. Validation of goods and services by BU during an emergency based on established criteria and review of documentation prior to payment will reduce this risk.

CEMA acquired resources including rental items (e.g. hydrovac trucks) and stored them at Supply's Warehouse to support the emergency effort. These items were available to BU representatives at the Emergency Operations Centre (EOC) and were tracked on a spreadsheet. Communication between the Warehouse and the EOC was assessed as being effective. However, direct communication links between the BU and the Warehouse were not in place. The City paid for missing rental items and may have made duplicate purchases.

Regular procurement processes, although resulting in greater turnaround time, are designed to ensure fairness and transparency, compliance with trade agreements, and protection of tax dollars. While the majority of SOLE procurement processes have different requirements, we raised one recommendation to support greater cost efficiencies by including rental versus lease versus full purchase cost analysis as part of the current procurement request guidance. Supply has evaluated our recommendation and determined that a cost analysis is the responsibility of individual BU.

In addition, we raised six recommendations that focus on reducing the risk exposure for a future emergency event. Management has agreed to implement action plans by no later than June 30, 2015.

Testing conducted during this audit involved staff across many lines of business. We would like to thank City staff for their assistance and support throughout this audit.

[3] Total includes risk exposure related to direct PO ($520K to $1.3M) and payment for missing equipment ($180K).

1.0 Background

On June 20, 2013 at 10:16 am, a State of Local Emergency (SOLE) was declared for The City of Calgary (The City) due to rising water in the Bow and Elbow Rivers. The rivers overflowed their banks resulting in extensive flooding around the rivers and beyond. The City's second-ever[4] SOLE occurred over a two-week period, ending on July 4, 2013 at 10:16 am.

The Alberta Emergency Management Act (The Act) R.S.A 2000 c E-6.8 and the Calgary's Municipal Emergency Plan assign the responsibility for the coordination of disaster planning, response and recovery to the Calgary Emergency Management Agency (CEMA). The City designated the Fire Chief as the Director of CEMA. The Act allows The City to procure assets and resources to prevent, combat or alleviate the effects of an emergency or disaster, restore essential facilities, distribute essential supplies, and provide, maintain and coordinate emergency medical, welfare and other essential services. The City's two top priorities during an emergency are the preservation of life and protection of critical infrastructure.

While the focus during the SOLE was on the top priorities, The City holds itself accountable to the priority[5] of being an effective and disciplined organization. As such it was important to implement appropriate procurement controls to ensure that goods and services were delivered in a cost effective manner. Finance & Supply took direction from CEMA to follow the SOLE processes. During the two week period of SOLE 768 purchase orders totalling $61.6M were created[6], and $1.6M was spent on 2,343 credit card payments[7].

2.0 Audit Objectives, Scope, and Approach

2.1 Audit Objectives

The main objective of this audit was to assess the effectiveness of processes implemented by CEMA that supported timely procurement and subsequent payments related to the SOLE. Specifically we assessed the adequacy of risk mitigation processes related to the following potential risks:

- Purchases of non-flood related goods and services;
- Waste in the purchase of goods; and
- Overpayments for goods and services.

An additional objective was to identify potential opportunities to improve the current procurement process based on the SOLE procedures and lessons learned.

[4] A state of local emergency was declared in June 2005 due to flooding.
[5] One of Council's priorities in the 2012-2014 Fiscal Plan is becoming a more effective and disciplined organization, which includes restraining expenditures and increasing transparency and accountability.
[6] 2013 Flood Purchase Orders containing reference code CW0025 (2013-06-20 Water Event). The invoiced amount of the purchase orders is $37.4M as at March 21, 2014.
[7] Credit Card Data, Activity 896006 Flood, Transaction Date June 20 to July 4, 2013.

2.2 Audit Scope

The audit scope included all purchase orders and credit card transactions that used the flood reference codes. Internal staff labour expenses were not included in this review.

2.3 Audit Approach

We reviewed relevant emergency response policies and procedures. We documented and compared procurement processes utilized during the SOLE to regular processes to identify controls adjusted to expedite procurement. We then assessed the design and operating effectiveness of these mitigating controls.

We reviewed purchase order and credit card transactions for the period under the SOLE and the processes supporting subsequent payment of those transactions. Our audit approach included the following:

- Data analysis on entire population of purchase order and credit card transactions to identify anomalies such as items that were potentially non-flood related, duplicate or over priced goods and services. Specific testing included the review of purchase documentation and conducting interviews with employees in Finance & Supply, Infrastructure & Information Services, Information Technology, Calgary Fire Department, Risk & Management Claims Division, Roads, and CEMA.
- Assessment of inventory and warehouse information available during the period of the SOLE to identify potential duplicate purchases. Specific testing included warehouse inventory management reports and interviews with employees in Warehouse, Finance & Supply, CEMA, Corporate Properties & Buildings, Transit, and Water Resources.
- Sample testing of subsequent payments from the list of purchase orders over $50,000 and credit card transactions over $5,000. Testing evaluated evidence to support the following mitigating controls:
    - The review and approval by the Dept ID owner or Project Manager prior to payment;
    - The validation of purchases to ensure alignment with the terms agreed during the SOLE;
    - Risk & Management Claims Division's review of invoices to ensure that payment was supported by appropriate documentation; and
    - Supply's review process to categorize and validate the SOLE-related invoices paid by Supply.

3.0 Results

The City's regular procurement process includes policies and guiding principles to ensure that procurement is fair, open and transparent; protects the interests of citizens by requiring best value for each dollar spent; and complies with legislation and trade agreements. The regular process includes the creation and approval of requisitions and purchase orders (PO) in The City's financial system, and requests for goods and services that support a competitive tender/bid process. Three-way matching is an established control to protect The City from

overpayment of goods and services. In a three-way match, information on vendor invoices such as quantities, price and terms is compared to information on PO and receiving documents to ensure that the information on these three documents is consistent.

3.1 Timeliness & Flood Related Purchases

During the SOLE, regular procurement processes were not followed. Purchases were coordinated through CEMA ($5.3M in direct PO, $310K in credit card transactions through Supply) since there was no financial system access at the beginning of SOLE and limited access thereafter. Staff had to adjust quickly by implementing new processes and controls. To ensure timely procurement CEMA with support from The City:

- Created a tracking spreadsheet that would allow a two-way match;
- Increased credit card transaction limits; and
- Used direct PO that skipped the requisition stage by the BU and three-way matching.

In addition, in our sampled PO and credit card transactions, CEMA, with support from Supply, leveraged the relationship with an existing vendor to ensure prompt delivery of small goods such as rubber boots, flashlights and booster cables.

Procurement processes during the SOLE were effective in supporting timely procurement and CEMA's response to the emergency. Based on our sample review of 14 PO transactions ($3M), 57% of goods and services were provided within 24 hours of initial request and 71% were provided within 48 hours.

We also looked at a report by the Conference Board of Canada[8] to determine if concerns about the timeliness of the response had been raised. We did not identify any concerns.

Our analysis of all purchase order and credit card transactions determined that purchases were for flood related items (e.g. generators, pumps, food) and there were no duplicate charges.

3.2 Effectiveness of Financial and Reputational Risk Mitigation

There was a higher risk of financial events (e.g. overpayments, purchase of duplicate items, paying for items not received) and the associated reputational impact of those events occurring. We identified control improvements that will reduce The City's risk exposure during an emergency event without compromising the response effort.

CEMA used direct PO ($5.3M) which resulted in reliance on the accuracy of physical documentation as not all information (e.g. price and quantity details) was entered in The City's financial system. CEMA implemented a tracking control by creating a spreadsheet to capture information on procured items. However, the majority of key information recorded

[8] The Conference Board of Canada: Forewarned and Forearmed - The Calgary Emergency Management Agency and the 2013 Flood.

was incomplete and details on vendor invoices received subsequent to the flood could not be easily matched to original terms agreed by CEMA. There was also insufficient information to match the credit card transactions to the tracking spreadsheet. As a result of the potential discrepancies we estimated The City's likely risk exposure associated with direct PO to be between $524K and $1.254M[9]. We identified opportunities to improve the effectiveness of this control (Section 4.1).

Receipt of goods and services was not validated for 50% of sampled PO since receiving documents were either incomplete or not reviewed prior to payment. Time permitting, many of these could have been verified at the time of delivery or when services were provided. We recommended improvements to the verification process implemented by CEMA during an emergency to ensure that The City is only paying for goods and services received (Section 4.2).

Sampled invoices for direct PO ($917K) and credit card ($115K) purchases coordinated by CEMA, with support from Supply, at the EOC were approved for subsequent payment by Supply without documented review and approval by the BU. Improved post emergency invoice approval processes that include review by the requestor will help to minimize financial and reputational risk (Section 4.3).

3.3 Warehouse and Inventory Information

During the SOLE, CEMA expanded the use of the Warehouse to include rental items (e.g. pumps, trucks, generators) to support the emergency response. Effective communication was established between the Warehouse and the EOC regarding the availability of both inventory and rental items. However, there was inconsistent communication between the EOC and BU that resulted in BU acquiring a few duplicate items and services directly from outside vendors. In our sample we identified two instances where duplication might have occurred potentially reflecting additional expenses of $57K.

An equipment tracking spreadsheet was used to track available rental items procured from the beginning of SOLE. Although, the spreadsheet was updated regularly, key information was not included that would have improved its effectiveness in identifying item location and recipient. This information would have been helpful to track misplaced rental items. The City accepted and paid for $180K of missing rental equipment on one invoice billing.

We raised two recommendations to improve Warehouse and Inventory processes during a future emergency (Sections 4.4 and 4.5).

[9] The selection of the audited sample was judgmental and cannot be easily generalized to the entire population. The risk exposure was calculated based on observable discrepancies and may be higher than the calculated amount.

3.4 Opportunity to Improve Current Procurement

The audit raised one recommendation to improve current procurement processes based on the SOLE processes. Generally we concluded that current procurement cannot be significantly altered without impacting the objective of the process to be fair, open, and transparent and provide best value for citizen's tax dollars.

The SOLE process relied heavily on the use of short-term rentals rather than long term leases or purchases. Our assessment noted an opportunity to improve regular procurement processes by including cost analysis (short-term rental versus lease or purchase) in regular Procurement Guidance to ensure that expenditures are cost effective (Section 4.6).

We noted additional isolated purchase exceptions during the SOLE and have communicated these to the Director, Finance to support improving guidance for future emergency events.

4.0 Observations and Recommendations

The procurement process during the SOLE was expedited by reducing the controls in order to achieve the primary objectives of preserving life and protecting critical infrastructure. As a result, The City acknowledged an increase in the likelihood of financial and reputational risk associated with potentially paying for goods and services not received, overpaying for goods and services, and/or making unnecessary purchases.

Recommendations 1 to 6 focus on reducing this risk exposure for a future emergency event (Sections 4.1-4.5). The last recommendation focuses on improving current procurement processes based on lessons learned during the SOLE (Section 4.6).

4.1 Tracking Spreadsheet

The order tracking spreadsheet implemented to record information on procured items for invoice control matching purposes was inconsistently completed and did not contain all reference data required for an effective two-way match of invoice to original order. As a result, The City was unable to use the spreadsheet to fully verify billed invoices to goods and services requested. Improved record keeping during a future event will help to minimize financial and reputational risk.

CEMA used direct purchase orders (PO) at the EOC to expedite the procurement process. Direct PO skip the requisition stage by the business unit (BU) in The City's financial system (i.e. no tracking is created in the financial system for procured items, which eliminates the automation of a three-way matching control). Absent the use of requisitions by BU, CEMA created a tracking spreadsheet to capture key information on the procured items, specifically: date, requestor, description of requested resources, selected contractor, and PO number.

The majority of key information recorded on the tracking spreadsheet was incomplete. Out of a total of 524 requests listed on the spreadsheet, 457 did not contain the PO number, 164 did not include the selected contractor, 90 lacked information quantifying required resources, and seven did not list the requestor. As a result, The City was unable to easily verify details on vendor invoices to terms agreed by CEMA.

During the SOLE, $5.3M direct POs were created. We sampled six direct POs from Supply and an additional 12 for a total invoiced amount of $1.3M. Although 9% of sampled paid invoices matched the details on the CEMA tracking spreadsheet, 53% of sampled paid invoices did not match full details due to missing information on the spreadsheet such as unit price, quantity and duration of service. In one case, The City questioned the reasonableness of the premium paid for services. The rate for one provider was not specified on the CEMA database and was on average more than twice (217%) the rate charged by similar service providers during the SOLE.

In our sample of invoices, 38% matched some details on the CEMA database. However, the details on supporting invoices for items such as security services, fence rental, and hydrovac services exceeded the information on the tracking spreadsheet with respect to details such as rates, quantities and duration of services.

Discrepancies totalled $126K, which represents a discrepancy rate of 26%. We used this discrepancy rate to roughly estimate the risk exposure associated with unique procurement processes implemented during the SOLE. Given the use of $5.3M of direct POs, the difficulty in matching invoice details from vendors to the tracking spreadsheet and the observed discrepancy rate, The City's likely risk exposure was between $524K ($5.3M X 38% X 26%) and $1.254M ($5.3M X 91% X 26%).

Credit card transactions during the SOLE totalled $1.6M. CEMA used corporate credit cards to expedite the procurement process. We sampled ten credit card transactions for a total of $200K, including three from Supply ($115K). Although Supply's purchases were made on behalf of CEMA with some information being recorded on the tracking spreadsheet, there was insufficient information to support matching the three credit card transactions to the CEMA tracking spreadsheet.

Recommendation 1

The Manager of Supply should work with CEMA to establish procedures and accountability to ensure that sufficient information is captured on a tracking spreadsheet, which can be utilized by approvers to validate invoice details to spreadsheet information (two-way matching).

Management Response

Action Plan	Responsibility
Agree The Manager of Supply will work with CEMA to review the sourcing tracking process used during the SOLE event, develop improvements to capture the appropriate information to more effectively perform a two-way match and process invoices. .	Lead: Supply and CEMA Support: Business unit CEMA representatives Commitment Date: 2015 June 30

Recommendation 2
The Manager of Supply should work with CEMA to provide standard tracking spreadsheets and procedural guidance to BU during an emergency to ensure they capture information on their purchases for subsequent two-way matching of terms with invoices from vendors.

Management Response

Action Plan	Responsibility
Agree The Manager of Supply will work with CEMA to review the sourcing tracking spreadsheet used during the SOLE event, develop improvements to capture the appropriate information to more effectively perform a two-way match and process invoices.	Lead: Supply and CEMA Support: Business unit CEMA representatives Commitment Date: 2015 June 30

4.2 Validation of Goods and Services Received

Receipt controls to document and validate goods and services received were inconsistently applied. As a result, The City may have paid for goods and services not received. Even during an emergency, CEMA should have processes in place to minimize financial and reputational risk based on established criteria such as PO transactions over a specified amount.

In our sample of 14 PO ($3M) there was insufficient documentation of receipt of goods and services for seven PO. This included one PO related to the approval of an invoice for the payment of water pumping services of approximately $58K. The vendor provided the BU with daily Labour, Equipment and Material (LEM) sheets describing the type of work,

number of hours and types of equipment and material used. However, although the work was performed over the course of ten days, only one LEM sheet was signed as approved. The remaining six PO ($917K) related to direct PO through Supply where there was no review and approval of the invoices by receivers of goods or services prior to payment. Control processes related to direct PO through Supply are discussed under Section 4.3.

Recommendation 3

The Director of Finance should work with CEMA to ensure that in an emergency, BU recipients confirm receipt of goods and services based on established criteria. This could be stated as part of Supply and CEMA's procedures.

Management Response

Action Plan	Responsibility
Agree If feasible, the Manager of Supply will work with CEMA to develop procedures for the receipt of goods and services based on appropriate criteria.	Lead: Supply and CEMA Support: Business unit CEMA representatives Commitment Date: 2015 June 30

4.3 Invoice Review

Second party approval of invoices by Supply of transactions approved by CEMA without direct verification with requestors or receivers of goods and services was noted in sampled invoices totalling over $1M. As a result, it is unknown whether The City paid for goods and services not received or incorrect invoices. Improved post emergency approval processes will help to minimize financial and reputational risk.

We reviewed a sample of six invoices ($917K) from vendors related to direct POs through Supply and a sample of three purchases ($115K) through Supply's corporate credit cards. These transactions were approved by CEMA and payment was approved by Supply with no evidence of review and approval of the invoices by requestors, or receivers of goods or services. In order to reduce the risk exposure that The City was overcharged, paid for inappropriate goods or services, or for goods and services not received, The City should have additional control processes to ensure invoices are also validated by either the requestor or receiver.

Recommendation 4

In the absence of a three-way match control process, the Manager of Supply should work with CEMA to implement post emergency approval procedures that include consultation with requestors or receivers of goods and services.

Management Response

Action Plan	Responsibility
Agree The Manager of Supply will work with CEMA to determine the feasibility of implementing a post emergency approval process which includes requestor or receivers consultation. If feasible, the Manager of Supply will work with CEMA to develop the post emergency approval procedure and communicate to Business Units.	Lead: Supply and CEMA Support: Business unit CEMA representatives Commitment Date: 2015 June 30

4.4 Communication of Availability of Warehouse Goods and EOC Services

In some cases, although materials were available at the Warehouse, duplicate goods were ordered by BU resulting in unnecessary expenses. The availability of warehouse inventory and rental goods should be communicated to BU to ensure that items can be procured efficiently (i.e. no duplicate purchases).

Procurement instructions were communicated verbally to BU representatives within the EOC; however no written communication was sent to BU. We interviewed five representatives from three BU. Two of the three BU interviewed did not receive communication of available warehouse resources. One of the three became aware of the process through a contact at the EOC but did not receive formal communication.

Logistics staff, under the direction of CEMA, did not communicate inventory and rental goods information with BU representatives. The information was solely shared with the EOC and may have resulted in BU inefficiently acquiring items and services directly from outside vendors as they were unaware that the Warehouse already had certain emergency equipment.

We noted two examples potentially[10] resulting in a duplicate cost of $57K:

- Transit: The BU procured $28K in generator rentals and $3K in hydrovac truck services outside the Warehouse.

[10] Due to the limited information in the equipment tracking list, the availability of City resources on specific dates could not be validated to confirm the $57K was a duplicate rental.

- Water Resources: The BU procured $26 K in hydrovac truck services outside the Warehouse.

Recommendation 5
As all communication during the SOLE is coordinated through CEMA, the Director of CEMA should work with the Manager of Supply to provide communication to BU detailing the emergency services provided by the EOC and the availability of Warehouse goods. Communication to the BU should also emphasize that inventory and rental goods information is available with BU representatives at the EOC.

Management Response

Action Plan	Responsibility
Agree The Director of CEMA will work with the Manager of Supply to develop a template communication regarding the availability of Warehouse goods and who to contact for more information.	Lead: CEMA Support: Supply and Business unit CEMA representatives Commitment Date: 2015 June 30

4.5 Warehouse Equipment Tracking Spreadsheet

The rental equipment tracking spreadsheet used by CEMA at the Warehouse during the SOLE did not identify the delivery location of items or the recipient. Equipment tracking spreadsheets should include information such as dates, recipients and destinations to track equipment location and identify accountability/ownership for the equipment.

The tracking spreadsheet was used by CEMA at the Warehouse to update information on rental items such as generators, hoses, pumps, or cables. The spreadsheet was manually updated with quantity, description, and vendor; however, there was no history or log of transactions showing a perpetual list of items as they went out or came back in and no information on the destination of items or the recipient. Without this level of detail the tracking spreadsheet could not be used to trace transactions or identify location of equipment that was not returned and the responsible area. As a result The City received and paid for a vendor invoice for $180K of rental equipment that the vendor claimed was not returned.

Recommendation 6
The Director of CEMA should work with the Manager of Supply to ensure that rental equipment transactions during an emergency are logged on an equipment tracking spreadsheet that includes Warehouse employee name, recipient's name, destination of the items, and recipient signature when taking out and returning items.

Management Response

Action Plan	Responsibility
Agree The Director of CEMA will work with the Manager of Supply to determine the feasibility of implementing an improved rental equipment transaction tracking sheet. If feasible, the Director of CEMA with work with the Manager of Supply to develop the rental equipment tracking work instruction and template and communicate to Business Units.	Lead: CEMA Support: Supply and Business unit CEMA representatives Commitment Date: 2015 June 30

4.6 Rental versus Purchase of Goods

There was a purchase of a vehicle during the SOLE for approximately $53K. The purpose of this vehicle was to provide temporary transportation to flood sites for designated individuals. As such, the business need may have been equally met through a short term rental rather than a long term lease or purchase option. We were informed that the vehicle has since been reassigned and is currently being used by The City.

Our review of the current Procurement Guidance (first released in February 2014, after the SOLE) confirmed that procuring goods and services internally (in-sourcing), is one of The City's principles. This includes a recommendation for BU to check the existence of in-house equipment with Fleet Services. The Procurement Guidance does not include a wider cost analysis promoting the comparison of a short-term rental versus a lease or purchase from outside vendors. A cost analysis should be part of procurement guidance to ensure that expenditures are cost effective.

Recommendation 7

The Manager of Supply should consider the inclusion in The City's procurement guidance of a cost analysis to determine the needs of the requesting BU and the possibility of a short term rental versus a lease or purchase.

Management Response

Action Plan
Partial Agree This is a good suggestion however budget expenditures and cost analysis are the responsibilities of the Business Unit DEPTID and is not within the scope of Supply's governance. Supply will not be moving forward with this recommendation however the Corporation will undertake this analysis. City Auditor's Office Comment: We will continue to support the Corporation as they further analyze this opportunity.