

AUDIT FINDING – CONTRACT AWARD

Temporary Steel Repairs – Richmond District

 Lisa Pride, Chief of Administration

February 2025

Background

- Auditor of Public Accounts completed audit testing for FY24 - a contract for temporary bridge repairs was awarded without CTB review and authorization
 - IFB 158275/Contract 51143 for Temporary Steel Repairs – Richmond District
- On-call contract to provide temporary steel repairs to address safety concerns until permanent repairs are performed. *(includes labor, equipment, materials and traffic control)*
- The bid received was \$9.8M yearly *(based on estimated quantities)* with 4 renewal options (\$49.5M life of contract)
- Curtis Contracting was selected as the contractor for this work and the contract was awarded on August 28, 2023

Temporary Steel Repair Contract

- Five (5) Task Orders Issued over 16 months - \$4.5M in total work
 - Four (4) completed - \$4.1M
 - One (1) still on going - \$450K (expected)
- Scope of work is the same for all task orders except for location and quantities.
- Work involves installation of new steel at existing deteriorated steel beam ends as a temporary measure until they are replaced or undergo major repair.

| Task Order # | Route | Issued Date | Completion Date | Work Location | Final Cost* |
|---------------------|-------|-------------|-----------------|---|---------------------|
| 1 | 85 | 9/25/2023 | 9/27/2024 | I-85 NBL over Meherrin River; Brunswick Co. | \$ 1,468,396 |
| 2 | 85 | 9/25/2023 | 9/27/2024 | I-85 SBL over Meherrin River; Brunswick Co. | \$ 1,362,463 |
| 3 | 85 | 9/25/2023 | 4/15/2024 | I-85 NBL over Route 1; Brunswick Co. | \$ 748,458 |
| 4 | 85 | 9/25/2023 | 3/21/2024 | I-85 SBL over Route 1; Brunswick Co. | \$ 511,724 |
| 5 | 678 | 4/2/2024 | 2/27/2025 est | Rte 678 over NS Railway; Brunswick Co. | \$ 450,000 est |
| Total --> | | | | | \$ 4,541,042 |

After Action Review

- **Administrative Services Division (ASD) procures *goods, services, technology, and facility design and construction***
- **Reviewed 965 contracts awarded in FY24 – 2 of 3 requiring CTB review and approval were submitted appropriately**
- **Actual contract usage \$4.5M over 16 months is lower than estimated quantities bid**
- **Procurement office failed to flag procurement request as one that would require CTB approval at any time during the procurement process.**
- **Insufficient administrative oversight resulted in contract execution without CTB review and approval.**

Next Steps & Future Mitigation

- **Cancelled contract on January 17, 2025. Final open task order expected to be completed February 27, 2025.**
- **New contract will be advertised and responsive bid(s) brought forward for CTB review and approval, as appropriate.**
- **A new database field has been added to the procurement request tracking system to flag requests with estimates greater than \$5M when they are received.**
- **ASD director will:**
 - **Review all procurement requests received greater than \$5M to ensure compliance.**
 - **Discuss detailed scope of work with division/district on all contracts greater than \$5M and ensure CTB review and approval, when required.**