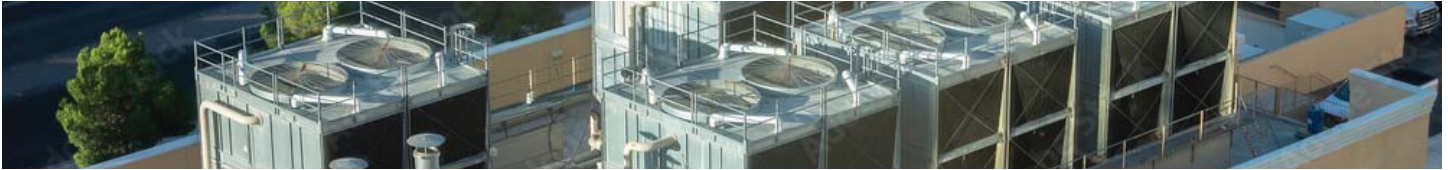




## General Services Department (GSD) Comfort Systems Contract Compliance Audit



### OBJECTIVES

The primary objectives of the audit were:

- Review and validate compliance with the key terms and conditions of the contract.

### AUDIT RESULTS

#### 3 FINDINGS

- No Performance Bond on Contract
- Non-Compliance with Change Order Procedures
- Invoices Not Properly Reviewed and Adequately Supported Prior to Presentation and Approval for Payment

### BACKGROUND

The General Services Department (GSD) provides centralized facility management for most of the facilities in the City of Houston's portfolio.

The Houston Airport System (HAS) maintains the operational condition of each airport facility, airfields, and grounds.

GSD and HAS entered multi-year contracts with Comfort Systems USA South Central on behalf of the City, to provide heating, ventilation, and air conditioning maintenance services.

#### 3 RECOMMENDATIONS

The audit team's conclusions included the following recommendations to GSD and HAS management:

- Designate an employee to serve as a contract liaison;
- Establish internal control measures related to ensure:
  - forms are filled out completely and accurately on every change order
  - proper supervisor review and approval is implemented on all change orders
  - milestones related to change orders are set to monitor costs
- Establish an internal control measure to ensure:
  - contractor work is reviewed and approved
  - appropriate documentation is reviewed and signed prior to payment
  - centralize and securely maintain documentation
  - Ensure initials/signatures can be identified and traced to an employee

**Chris Brown**  
City Controller

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