



COUNCILMEMBER VIVIAN MORENO
City of San Diego
Eighth District

MEMORANDUM

DATE: June 28, 2022
TO: Andy Hanau, City Auditor
FROM: Councilmember Vivian Moreno
SUBJECT: Performance Audit Requests for the Upcoming Year

I respectfully request that you consider the following performance audits for the coming year:

- **Performance Audit of Street Maintenance Practices**
 - The city's street maintenance program repairs hundreds of miles throughout the city on an annual basis. It is unclear whether past asphalt overlay and slurry sealing activity have been equitably spread out across all communities. A performance audit of street maintenance equity should examine the following:
 - Do underserved areas of the city, specifically those areas located in CDBG census tracts or Climate Equity Index (CEI) areas, receive the same level of street maintenance investment as more affluent areas?
 - Are asphalt overlay projects, which are more expensive and in greater demand, located in CDBG eligible census tracts and CEI areas at the same rate as other areas of the city?
 - Is the city's policy towards how it considers addressing unimproved streets throughout the city fair and equitable, as many are located in underserved communities? How do other cities similar in size to San Diego address unimproved streets and is the city's current policy best practice?
 - When work begins each year on the annual street maintenance program, is maintenance work, such as slurry sealing, begun in targeted areas that

need the most attention or is work begun in the northern area of the city before moving towards communities in the southern section of the city, and if so how does it affect the services received by the southern part of the city? If funding is exhausted before completing the area targeted to be slurry sealed, does the city complete the work or simply stop work on that specific job, leaving some areas unfinished?

- **Performance Audit of the Brush Management Program**

- Every year the city performs brush management across hundreds of acres of open space and canyons. This work is critical, however it is not clear if the city performs this work in the most efficient and cost effective way and whether the effect of climate change has been taken into account when determining the frequency by which the city maintains these areas. A performance audit should consider, but not be limited to the following:

- Are the number of acres managed per year adequate to reduce the risk of wildfire in city owned open space and canyons? This should consider any trends showing an increase in temperature and drought due to climate change.
- Have the highest risk locations been regularly maintained and has the current program resulted in less wildfire activity in areas maintained by the city? Is the current frequency of brush management activity sufficient to reduce wildfire risk to an acceptable level?
- Does the practice of utilizing a private contractor to perform 2/3 of the city's annual brush management activity provide the city with a greater benefit than using all city crews? Since this activity must be performed every year, would hiring more city employees and continuing to partner with non-profit groups to perform the maintenance result in cost savings to the city, as well as more continuity and coordination of where and how this work is done?
- Has there been any difference in brush management effectiveness in areas maintained by city staff and non-profits versus areas maintained by private contractors?
- Are existing city codes regarding the brush management of private property sufficient given the increased rate of wildfire incidents in California?

- **Performance Audit of Outside Contracting for City Services**

- The city often hires outside contractors for a variety of services ranging from legal services to planning and engineering services. It is critical that the use of outside contracts be limited to services that the city requires and does not have the capacity to perform with its existing workforce and that all proper contracting procedures are followed. The following areas should be considered for performance audits in 2023:

- Contracted Services and City Workforce: In many cases, the city procures outside contracts because they provide services and expertise not available within the city workforce. However, in some cases, it is not clear why the city does not have in-house expertise because some, such as consultant

contracts related to professional environmental services, architectural, community planning services, brush management, legal services for insurance coverage recovery, tree trimming, slurry sealing and others are services the city requires year-in and year-out. The current practice in many cases has been to acquire these services in a series of five-year "As-Needed" contracts that allow city departments to utilize the services and expertise on a case by case basis. It is unclear if the use of these contracts is cost effective or if it would be advantageous to simply hire city employees to perform the work provided through these contracts. Does the city's overall use of outside contracts result in savings to taxpayers, when taking into account the cost of services, the cost of the contracting process (advertisement, evaluation, management, etc.) and any litigation or settlements entered into between the city and outside contractors? Has management evaluated whether hiring city employees to perform the same tasks would result in either efficiencies or budget savings? Has the city relied on outside contracts when simply filling existent vacant positions within a department would provide the services provided through a contract? Are there specific services that, based on costs, efficiencies, and frequency of service, should be provided through either existing classifications or should new employee classification be created to provide such services?

- Sole Source Contracts: The city issues a number of sole source contracts each year. Some contracts are related to emergency services that the city must obtain to effectively respond to an unexpected event, while some are issued because it has been determined that no other entity could provide the services the city requires. Has the city provided sufficient evidence for the use of such contracts over the last ten years? Are sole source contracts often issued to the same contractors? Has the amount spent on sole source contracts increased or decreased over the last ten years? Have the reasons for the issuance of such contracts changed over that time?

Thank you for your attention to and consideration of these items.