

Compliance Audit of Traffic Incident Management Services Contractors

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Audit Authorization

- The audit of Traffic Incident Management Services Contractors was approved unanimously by the nine members of City Council present on October 8, 2019. Councilor Huff was absent for the vote.

Background/History

- The City contracts with one or more vendors to provide towing and storage services for disabled or abandoned vehicles. (T.I.M.S.)
- OCGA 40-11 governs the handling and disposal of Abandoned Vehicles in the State of Georgia
- Contractor bills vehicle owner for towing & storage services rendered, based on contractually allowed charges

Background/History

- Columbus Towing And Recovery held the contract for 15+ years
- Bids were requested in 2018 for a five-year contract beginning in 2019
- Bidding process was potentially compromised by contractor/City Council contact during bid process
- Internal Auditor recommended that the bid process be cancelled and re-bid

Background/History

- Bids were reissued, but with a caveat for multiple contractors to be awarded the bid
- Griffin & Griffin Towing Company was the lone bidder and awarded the contract, taking over in June 2019, following a month-to-month extension with Columbus Towing and Recovery

Audit Scope

- As a Compliance Audit with a vendor, the scope is based on Contract Compliance
- Contractual Compliance has several elements:
 - Physical Capability in terms of Building, Equipment, Staffing, & Storage Yard
 - Availability and Timeliness of Service
 - Billing of Customers, consistent with Contractual Terms

Audit Scope

- Contractual Compliance (Continued)
 - Disposal of Abandoned Vehicle Consistent with OCGA 40-11
 - Advertising Notice of Abandoned Vehicles in Legal Organ of Community
 - Requesting Permission of Magistrate Court to Auction Abandoned Vehicles
 - Advertising Public Auction
 - Conducting Public Auction
 - Consummating Sale of Auctioned Vehicles
 - Preparing Summary of Revenue less Allowable Expenses to Determine Money owed to government entities
 - Remitting of Monies Owed to Government(s)

Contractual Compliance

- Customer Service
 - Timely arrival to towing scene
 - Exercising care with the customer's vehicle
 - Charges consistent with contractual agreement
 - Ready access to vehicle during storage or at retrieval time

Audit Process

- Preparation of audit program based on contract specifications and vendor representations during the bidding process
- Entrance Conference with vendor to discuss areas of review and tour vendor facilities
- Statistical Review of performance data
 - Tows per month
 - Elapsed time from Dispatch to Arrival at Towing Scene
 - Elapsed time from arrival to clearing of scene

Audit Process

- Review of Revenue and Expenses and Profit or Loss for each tow
- Review of Abandoned Vehicle Affidavits submitted for Judicial Approval to auction
- Review of Comments and Complaints Received
- Review of Payments made to courts for surplus funds

Audit Process

- Develop a listing of findings and recommendations
- Preparation of Draft Audit Report
- Exit Conference with Auditee
- Incorporation of Auditee Responses

Audit Process

- Preparation of Final Audit Report
- Presentation to City Council

Audit Findings

- Each contractor averages about 50 – 60 tows/month on contract
- Columbus Towing & Recovery made final settlement on last vehicle of \$160 to Magistrate Court at commencement of audit
- Columbus Towing & Recovery operated a 11+ Acre facility on Old Cusseta Road
- Long-term contractor will minimal complaints

Audit Findings

- Columbus Towing & Recovery had ample equipment and staff to provide an Initial Arrival time of 16-17 minutes
- Griffin & Griffin Towing Company won the bid (sole bidder) in June 2019, and immediately began providing service
- Griffin & Griffin Towing Company expanded their Yard from 2.2 Acres to 4.5 Acres

Audit Findings

- Early in the contract, there were a lot of complaints regarding arrival times, damage to cars and fees charged by Griffin & Griffin
- Griffin & Griffin expanded their fleet and staffing to reduce time to arrival
- After consultation by Purchasing Division with vendor, charges were aligned with contractually allowed amounts

Audit Findings

- Abandoned vehicles were auctioned as required by OCGA 40-11 and as approved by Magistrate Court Judge
- Auctions were observed to be professionally managed and also monitored by Columbus Police Department
- Auditor observed the March 16, 2020 live auction (last one held due to Covid-19 Restrictions) Vendor shifted to E-Bay online auctions after restrictions were implemented

Audit Findings

- Griffin & Griffin Towing Company dramatically improved service between March 2020 and September 2020
- Griffin & Griffin storage lot needs to be larger based on the number of vehicles stored; partially improved with off-site storage of vehicles approved for auction

Audit Recommendations

- Comply with all terms of the T.I.M.S. Contract. Request clarification or additional information as necessary
- Expand the storage lot for safer and more efficient storage and removal of vehicles

Auditee Response

- Efforts have been continually made to improve service capabilities and comply with contract by Griffin & Griffin
- Additional space, adjacent to current facility is being acquired to expand vehicle storage space
- Griffin & Griffin Towing Company now offers free, local delivery in Columbus/Phenix City area of vehicles purchased at auction

Questions

- Any questions?