

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



June 5, 2013

Randy Lovett, Director  
Department of Public Works  
750 South Fifth Street  
Nashville, Tennessee 37206

Dear Mr. Lovett:

Please find attached the Monitoring Report for the Department of Public Works. This report explains the results of the agency's federal and state grant and other financial assistance for the fiscal year 2012. Staff from the Office of Financial Accountability completed the fieldwork for this review on May 20, 2013.

We appreciate the assistance provided by your department during the course of the review. If you have any questions, please call me at 615-880-1035.

Sincerely,

*Fred Adom*

Fred Adom, CPA  
Director

cc: Sharon Wahlstrom, Department of Public Works  
Mark Macy, Department of Public Works  
Billy Davis, Department of Public Works  
Richard M. Riebeling, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts  
Mark Swann, Internal Audit  
Kevin Brown, Office of Financial Accountability  
Essie Robertson, Office of Financial Accountability  
Brad Thompson, Office of Financial Accountability



**Metropolitan Government of Nashville and Davidson County**

# **DEPARTMENT OF PUBLIC WORKS**

## **◆ Monitoring Report ◆**

Conducted by



**Office of Financial Accountability**

June 5, 2013

# MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the federal and state grant and contract administered by the Department of Public Works. The monitoring process included a review of the contract in effect during the fiscal year ending June 30, 2012. The contract reviewed is listed in Appendix A. The OFA conducted the monitoring review along the major compliance areas identified in the Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” and in compliance with the OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments.”

### About the Department of Public Works

The Department of Public Works delivers a wide range of services that help the quality of life for residents of Nashville/Davidson County. The department employs over 300 employees that work to ensure a safe, clean, and convenient transportation network of public streets and alleys, and to provide an efficient system for managing trash and other waste in Davidson County. Among the assets managed each day by the employees of Public Works are: over 2,200 miles of public roadway; more than 800 signalized intersections; over 6,000 named public streets; over 300 bridges; over 2,000 parking meters and approximately 18,000 parking spaces in Metro-owned garages; 13 community recycle drop-off sites and three recycle convenience centers for waste disposal; and collection of an average one million pounds of refuse annually from more than 125,000 homes in the urban service district.

### Grant Reviewed

#### Tennessee Department of Transportation ARRA Resurfacing Grants

The Department of Public Works was awarded the following three (3) ARRA Resurfacing Grants from the Tennessee Department of Transportation:

- ARRA Group 1 Resurfacing in the amount of \$2,255,931.00 was for the resurfacing of the following roads: Trousdale Dr. from Harding Place to Hogan Rd.; Abbott Martin Rd from Hillsboro Pike to City Limits; Bowling Ave. from West End to Woodlawn Dr.; Hickory Hollow Pkwy. from I-24 to Bell Rd.; Foster Ave. from Murfreesboro Pike to Thompson Lane; and Tusculum Rd. from Nolensville Pike to Colemont Dr.
- ARRA Group 2 Resurfacing in the amount of \$2,176,391.00 was for the resurfacing of the following roads: Jefferson Street to Dr. DB Todd Jr. Blvd.; Elliston Place from Church St. to 25<sup>th</sup> Ave. N.; Ed Temple Blvd. from Clarksville Pike to Buchanan St.; Church St. from 22<sup>nd</sup> Ave. N. to 15<sup>th</sup> Ave. N.; Dr. DB Todd Jr. Blvd. from Jefferson St. to Buchanan St.; Edgehill Ave. from 12<sup>th</sup> Ave. S. to 21<sup>st</sup> Ave. S.; 40<sup>th</sup> Ave. N. from Dr. Walter S. Davis Blvd. to Charlotte Ave.; and Hart Lane from Dickerson Pike to Ellington Pkwy.

## INTRODUCTION

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- ARRA Group 3 Resurfacing in the amount of \$2,828,403.00 was for the resurfacing of the following roads: Central Pike from Old Hickory Blvd. to Dodson Chapel Rd.; S. Graycroft Ave. from Old Hickory Blvd. to Due West Ave.; Elm Hill Pike from Donelson Pike to Pvmt. just east of Briley Pkwy.; Andrew Jackson Pkwy. from Lebanon Pike to Saundersville Rd.; Due West Ave. E from I-65 to Gallatin Pike; and Neely's Bend Rd. from Gallatin Pike to Second Neely's Bend Circle.

### Tennessee Department of Economic and Community Development

The Department of Public Works was awarded \$700,000.00 from the Tennessee Department of Economic and Community Development to assist the Nashville Entrepreneur Center with the renovation of Rolling Mill Trolley Barns. The funds were to be utilized for rehab and renovation of the trolley barns as part of the FastTrack Infrastructure Development Program (FIDP).

### Harding Place Pedestrian Network Phase I

The Department of Public Works was awarded \$1,933,300.00 from the Tennessee Department of Transportation for construction of 4,800 linear feet of pedestrian enhancements along Harding Place from Nolensville Pike to Tampa Drive.

## OBJECTIVES, SCOPE AND METHODOLOGY

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A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Department of Public Works and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Department of Public Works or the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”). The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements, and non-profit organizations that receive appropriations from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The overall monitoring objective was to determine the department’s compliance with grantor and Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether activities and costs of the program were made in accordance with OMB Circular A-87; the minimum federal, state and local requirements; and grantor guidelines.
- To determine whether the minimum requirements for local matching contributions and/or adequate level of expenditures by other sources of funds are met.
- To determine whether grant funds were used exclusively during the period in which the funds were authorized.
- To determine the reliability and timeliness of the financial and programmatic reporting.
- To determine whether federal compliance requirements regarding sub-recipient oversight were met and whether the sub-recipient performed in accordance with the contract terms.
- To determine whether civil rights requirements are met.
- To determine whether program objectives were met.
- To determine whether the various Metro regulations were followed.

The scope of the work included the grant listed in Appendix A. The grant period was July 1, 2011 through June 30, 2012. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

The methodology adopted by the OFA encompassed various interviews and an objective review of fiscal and programmatic files, including:

- Financial transactions and supporting documentation
- Contract agreements and related amendments
- Federal and/or state financial reports
- Program reports and supporting documentation
- Correspondence between related parties.

## RESULTS OF MONITORING REVIEW

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The Office of Financial Accountability's review did not reveal any discrepancies or instances of non-compliance with policies and/or grant requirement guidelines.

## APPENDIX A

Grant	Contract # or PIN #	Grant Period		Award Amount	Findings
ARRA Group 1 Resurfacing 09-15	112682	6/8/2009	9/30/2015	\$2,255,931	No
ARRA Group 2 Resurfacing 09-15	112683	6/8/2009	9/30/2015	\$2,176,391	No
ARRA Group 3 Resurfacing 09-15	112686	6/8/2009	9/30/2015	\$2,828,403	No
Nashville Entrepreneur Center: Fast Track Infrastructure Development 11-16	RS2012-148	12/28/2011	11/30/2016	\$700,000	No
Harding Place Pedestrian Network Enhancement Phase 1	114944	8/15/2011	8/1/2016	\$1,933,300	NA**

\*\*Note\*\* At the time of the monitoring review the Department of Public Works was actively trying to acquire the properties and had not received a notice to proceed for construction. Since the grant was for construction only, the OFA was unable to review for compliance.