



# *City of Albuquerque*

## **Office of Internal Audit**

### THIRD FOLLOW-UP ECONOMIC DEVELOPMENT DEPARTMENT ALBUQUERQUE CONVENTION & VISITOR'S BUREAU REPORT NO. 20-12-106F October 23, 2019

#### **INTRODUCTION**

The Office of Internal Audit (OIA) performed a third follow-up of Performance Audit No. 12-106, Economic Development Department – Albuquerque Convention & Visitor's Bureau (ACVB). The purpose of the follow-up is to report the progress made by the Economic Development Department in addressing the audit findings and recommendations, which remained "In Process" or "Not Implemented" after the second follow-up.

The scope was limited to actions taken to address the audit recommendations from the second follow-up report dated December 9, 2015 through September 26, 2019. A follow-up is substantially less in scope than an audit. Follow-up procedures rely on the department providing the current status and supporting documentation for addressing the recommendations.

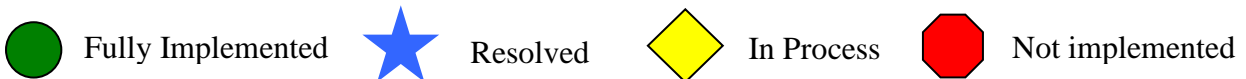
#### **BACKGROUND**




ACVB is a non-profit 501(c)6 organization contracted with the City to "market and promote Albuquerque as a destination for tourism." ACVB has been in charge of marketing Albuquerque for over 30 years. In 2004, the City Council mandated that the marketing contract be put out for competitive bid. Following the formal evaluation process, ACVB was selected by the City Administration and was once again responsible for marketing Albuquerque as a destination. The initial contract following the bid expired June 30, 2009. The current contract between the City and ACVB is for the period of February 25, 2016 through June 30, 2019 and includes two 1-year extensions. The first 1-year extension was selected, and the current contract with ACVB expires June 30, 2020.




#### **SUMMARY**

Of the two recommendations remaining in the second follow-up, both have been fully implemented.

The status of each recommendation is identified by the symbols in the following legend:



<b>Recommendation</b>	<b>1</b>
Original Report Recommendation	<p>The CAO should:</p> <ul style="list-style-type: none"> <li>• Ensure that future contracts include measures which are directly connected to the contract’s Scope of Services.</li> <li>• Develop clear, concise performance-based statements that will:                             <ul style="list-style-type: none"> <li>○ be tied to goals, objectives, and purpose of the work to be performed;</li> <li>○ measure program results or accomplishments; and</li> <li>○ be reliable, verifiable, and understandable.</li> </ul> </li> </ul>
Status as of First Follow-Up	 In Process – The ACVB Fiscal Year (FY) 2014 contract extension includes additional performance measures for reporting purposes as well as a benchmark for the Return on Investment performance measure. As a Request for Proposal (RFP) will be announced, and a new contract negotiated, for FY 2016, the City should ensure that future performance measures are directly connected to the contract’s Scope of Services as detailed by the related contractual exhibits.
Status as of Second Follow-up	 In Process – The City issued a RFP for a new contract. The responses have been evaluated and the recommendation was made to award the contract to ACVB. The new contract will have performance measures tied to the scope of service; however, the contract is not yet finalized.
Current Status	 Fully Implemented - The new contract was signed on February 25, 2016 and has performance measures tied to the scope of services. Section 2.A of the contract identifies the Key Performance Measures that are tied to the goals, objectives, and purpose of the work to be performed, which measure program results and accomplishments.

<b>Recommendation</b>	<b>6</b>
<b>Original Report Recommendation</b>	The CAO should ensure that all future contracts with the ACVB include a statement regarding the provisions of the Inspector General Ordinance.
Status as of First Follow-Up	 Not Implemented – Though the ACVB contract includes verbiage regarding compliance with the Accountability in Government Ordinance (§2-10-1 ROA 1994), the contract extension does not make reference to the Inspector General Ordinance (§2-17-1 ROA 1994) as required by §2-17-12 (C) ROA 1994, which states:  <i>Every city contract, bid, proposal, application or solicitation for a city contract and every application for certification of eligibility for a city contract or program shall contain a statement that the individual understands and will abide by all provisions of the Inspector General Ordinance.</i>
Status as of Second Follow-up	 In Process – According to the CAO and EDD the new contract, once finalized, will have the provisions of the Inspector General Ordinance.
Current Status	 Fully Implemented - The new contract was signed on February 25, 2016 and makes reference to the Inspector General Ordinance (§2-17-1 ROA 1994).

Third Follow-up  
Economic Development Department  
Albuquerque Convention & Visitors Bureau  
October 23, 2019

20-12-106F

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