



## Office of Business Opportunity (OBO) Contract Compliance Performance Audit



### OBJECTIVES

The primary objectives of the audit were to:

- Review current processes
- Determine compliance with guidelines and regulations
- Evaluate efficiency and effectiveness of current processes
- Identify barriers/obstacles
- Identify potential process improvements

### BACKGROUND

The Contract Compliance Division of the Office of Business Opportunity (OBO) plays a key role in ensuring meaningful participation of contractors on projects through monitoring most City of Houston contracts to ensure compliance. For the period included in the audit, the Contract Compliance Division was responsible for monitoring 1,300 City contracts valued at approximately \$8.7B.

**Chris Brown**  
City Controller

**Courtney Smith**  
City Auditor

### AUDIT RESULTS

#### 5 FINDINGS

- Division policies and procedures are outdated and inconsistently implemented
- Inefficient identification of awarded projects and B2G data population
- Ineffective means to enforce contractor compliance
- Lack of standard operating procedures and formal training
- Lack of change history within the LCPtracker system

#### 7 RECOMMENDATIONS

Our report included several recommendations to OBO department management. Recommendations included the following:

- Update policies and procedures.
- Policy and procedure documents should be approved by management.
- All contract data should be set up in B2Gnow via automated upload from SAP.
- Remind project managers and participating departments of the criticality of timely receipt of compliance documentation.
- Standard operating procedures should be developed/updated.
- Minimum training guidelines and materials should be developed. Employees should be provided training.
- Evaluate LCPtracker role-based security definitions as well as change history retention capabilities.