



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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April 23, 2015

Helen D. Haskins, Court Administrator
Circuit Court Administrator's Office
22nd Judicial Circuit Court of Missouri
10 North Tucker
St. Louis, MO 63101-2044

RE: Contract Review – LB&B Associates Inc. (Project No. 2015-CN09)

Dear Ms. Haskins:

The Comptroller's Internal Audit Section has completed a contract review of the Circuit Court Administrator's Office agreement with LB&B Associates Inc. LB&B Associates provides maintenance and limited repair services to the mechanical, HVAC, electrical, plumbing and fire protection systems at the Civil Courts Building, Carnahan Courthouse and the Family Court-Juvenile Division. Enclosed is the report covering the period July 1, 2013 through June 30, 2014. A description of the scope of our work is included in the report.

Fieldwork was completed on February 4, 2015. Management's responses to the observations and recommendations noted in the report were received on March 12, 2015 and have been incorporated in the report.

This review was made under the authorization contained in Section 2, Article XV, of the Charter, City of Saint Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Mohammad H. Adil, CPA, CGMA
Internal Audit Supervisor

Enclosure



CITY OF ST. LOUIS

**22ND JUDICIAL CIRCUIT COURT OF MISSOURI
CIRCUIT COURT ADMINISTRATOR**

CONTRACT REVIEW

LB&B ASSOCIATES, INC.

JULY 1, 2013 THROUGH JUNE 30, 2014

PROJECT # 2015-CN09

DATE ISSUED: APRIL 23, 2015

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
22ND JUDICIAL CIRCUIT COURT OF MISSOURI
CONTRACT REVIEW
LB&B ASSOCIATES INC.
JULY 1, 2013 THROUGH JUNE 30, 2014**

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22ND JUDICIAL CURCUITCOURT OF MISSOURI
CONTRACT REVIEW
LB&B ASSOCIATES INC.
JULY 1, 2013 THROUGH JUNE 30, 2014**

SUMMARY

Background

The purpose of the agreement was to provide maintenance and limited repair services to the mechanical, HVAC, electrical, plumbing and fire protection systems located in the Civil Courts Building, the Carnahan Courthouse and the Family Court-Juvenile Division. The agreement was awarded to LB&B Associates Inc. (the Contractor) by the 22nd Judicial Circuit Court of Missouri (Court). The period of the agreement was one year commencing on July 1, 2010 and expiring on June 30, 2011. Thereafter, it was subject to four (4) successive renewable options of one (1) year each, effective July first of each successive year, based upon a mutually agreed upon agreement amount.

The Contractor has been paid \$1,739,994 from the inception of the contract through June 30, 2014. The breakdown of the payments by fiscal year is listed below:

Fiscal Year	Amount
2010-2011	\$415,580
2011-2012	\$428,488
2012-2013	\$441,343
2013-2014	\$454,583
Total	1,739,994

Purpose

The purpose of Internal Audit's review was to determine if the Contractor complied with the terms, conditions, and various provisions of the agreement.

Scope and Methodology

The scope of the review was from July 1, 2013 through June 30, 2014. Inquiries were made and tests were performed regarding the Contractor's compliance with the agreement approved by the City.

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SUMMARY

Conclusion

The Court did not ensure that the contractor complied with the “Scope of Work” provisions of the agreement.

Current Observations

We noted the following observations and opportunities for improvement:

1. Sprinkler Inspection Report Findings Not Fully Addressed.
2. Sprinkler Inspection Reports Not Signed by Owner.

These observations are discussed in more detail in the *Detailed Observations and Recommendations* section of this report.

Management Response

The Court management declined an exit conference. They subsequently provided the written responses to the observations and recommendations noted in the report on March 12, 2015, which have been incorporated into this report.

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DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. Sprinkler Inspection Report Findings Not Fully Addressed

On May 27, 2014, the Court management hired Tyco Simplex Grinnell Sprinkler to inspect the fire protection systems at the Civil Courts Building and Family Court-Juvenile Division, and furnish a report of their findings to the Contractor and the Court management. Tyco Simplex Grinnell Sprinkler's inspection report identified several areas of deficiencies that needed to be addressed at both locations. These deficiencies are listed by location below.

1. Civil Courts Building

- a) The Standpipe, which is a rigid vertical or horizontal pipe used to connect fire boxes, needed to be flow tested every five (5) years. The Standpipe at the Civil Courts Building had not met this requirement.
- b) The Master Pressure Reducing Valves had not been tested at full flow within the past year.
- c) The report indicated that the Butterfly type Sectional Control Valve was not Supervision Operational.
- d) The Alarm Valve, Water-Flow Alarm Indicators and Retards did not test satisfactorily.

2. Family Court – Juvenile Division

- a) The Steel Piping in all of the systems hadn't been checked for obstructive materials.
- b) Gauges had not been tested or replaced in the last five (5) years. The last time they were tested or replaced was March 27, 2009.
- c) Alarm Valves and associated trim had not been internally inspected in the past five (5) years. The last time they were internally inspected was March 27, 2009.
- d) Check Valves had not been internally inspected in the past five (5) years. The last time they were internally inspected was March 27, 2009.

The "Scope of Work" in Exhibit B of the agreement requires the Contractor to:

- Observe all annual inspections by appropriate authorities.
- Implement maintenance and repair as identified by appropriate authority.

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DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. Continued...

- Coordinate repairs and inspections to building fire alarm and prevention systems, including sprinklers.

We inquired about the resolution of the deficiencies identified in the inspection report with the Court's Maintenance Supervisor and determined that the deficiencies had not been addressed by the Contractor as of the fieldwork completion date.

Fire protection systems are critical components to this contract and the safety and security of City property and its residents. Lack of proper maintenance can cause and or contribute to catastrophic consequences.

Recommendation

Internal Audit recommends that the Court management establish a system of internal controls to ensure the Contractor:

- Immediately addresses the outstanding deficiencies noted in Tyco Simplex Grinnell Sprinkler report and update the Court management.
- Follow up on all future inspection reports in a timely manner with a written plan to Court management to resolve any issues identified.

Management Response

The Court agrees with this safety and security recommendation. The Court's Facilities Manager is responsible for promptly reviewing, addressing and following up on Sprinkler Inspection Reports for the Civil Courts Building. The Court's Facilities Manager states that the above deficiencies have now been addressed.

Response to 1. a) through 1. d):

It was Contractor's responsibility under the Court's Fiscal Year 2014 contract to maintain the mechanical systems, to include fire protection, in the Civil Courts Building.

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DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. Continued...

The necessary tests (a and b) listed above were included in a 5-year inspection that was conducted by Engineered Fire Protection, Inc. (EFP) on March 5 and 6, 2015.

This 5-year test of the sprinkler system includes the hydrostatic test of 2 Standpipes, the full flow test of 44 Standpipe hose valves, inspection of (1) check valves and test or replacement of 60 gauges. We currently anticipate receiving a copy of the results of these tests by March 16, 2015. Contractor contracted with EFP to conduct these tests.

Contractor contracted with Engineered Fire Protection, Inc. (EFP) to correct two deficiencies (1. c and d, above) noted in the May 24, 2014 Tyco Simplex Grinnell Sprinkler Inspection Report for the Civil Courts Building. These deficiencies were corrected on February 20, 2015. The Butterfly type sectional control valve and the water-flow alarm indicators and retards were replaced on February 20, 2015.

Contractor is paying EFP for all of the costs.

Response to 2. a) through 2. d):

It was Contractor's responsibility under the Court's Fiscal Year 2014 contract to maintain the mechanical systems, to include fire protection, in the Family Court-Juvenile Division.

Contractor recently contracted with Engineered Fire Protection, Inc. (EFP) to conduct a 5-year Inspection of System Components, a 5-Year Internal Assessment of Internal Condition of piping, and a Fifth Year Inspection, Testing and Maintenance of Fire Suppression Systems. These inspections/tests were completed on January 26, 2015, and contractor is paying for these costs.

The EFP 5-Year Inspection of System Components report of January 26, 2015 states that all system components were in good condition. The 5-Year Inspection of System Components report checked valves, dry & alarm valves, and gauges (gauge was replaced).

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DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. Continued...

In the Assessment of Internal Condition of piping, an inspection of piping and branch line conditions was conducted/completed, and no evidence of foreign material was found at the time of inspection.

The Inspection, Testing and Maintenance of Fire Suppression Systems report did not find any evidence of any type of corrosion or microbiologically influenced corrosion.

2. Sprinkler Inspection Reports Not Signed by Owner

Tyco Simplex Grinnell Sprinkler's inspection report (noted in observation #1 above) was not signed by the Court's representative as acknowledgement that the report results had been reviewed. The report provided space for the owner's signature.

This procedure is critical, as it establishes responsibility for the inspection and test results. If there is no assignment of responsibility, defective items might go unnoticed and impair the safety of the building occupants and the Court's assets.

Recommendation

Internal Audit recommends that the Court management put in place internal controls to ensure that all future reports are reviewed and signed by the appropriate personnel acknowledging the report.

Management Response

The Court agrees. Although the buildings are the property of the City of St. Louis, the Court's Facilities Manager is responsible for acknowledging that he has reviewed the results of such reports, and he should sign off on having done so. Our Facilities Manager should also list the date of his review.

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DETAILED OBSERVATIONS AND RECOMMENDATIONS

2. Continued...

The Court appreciates the work performed by the Internal Audit Section and thanks them for their time and effort in ensuring that City of St. Louis taxpayer funds are appropriately expended.