

# Memorandum



CITY OF DALLAS

DATE: June 30, 2006

TO: Honorable Mayor and Members of the City Council

SUBJECT: Follow-Up Report of the May 13, 2005, City of Dallas Recycling Program

We have conducted this audit under the authority of Chapter IX of the City Charter and according to applicable government auditing standards. We conducted tests of records and reviewed program guidelines and procedures that we considered necessary in the circumstances.

Our objective was to determine whether the Director of Sanitation implemented the audit's recommendations or taken other acceptable actions to remedy the control weaknesses identified in the original audit report.

The original report contained one finding with two recommendations. Management has implemented the two recommendations.

**1. The City's recycling contract contains few performance benchmarks and does not specify defined performance verification methods.**

**We recommended** that the Director of Sanitation:

- A. Include benchmark and verification mechanisms in future recycling contracts. Future contract inclusions, which describe desired results (i.e. benchmarks), should be tied to agreed methods of verification by the City. Generally used benchmarks maybe available, but specific City expectations for actions and methods of verifications should be included in the contract. **(Implemented)**

*We found that the current Sanitation Department contract for recycling has not expired. The current contract has been extended for the bridging period (FY 2006) and blue bags are provided free to residents. A Request for Bid (RFB) for Collections and Processing for a new seven year initial contract term, with up to three additional one-year renewal periods is in process for the recycling program. Sanitation management anticipates that the RFB will be rewarded by August 2006, and the vendor will begin recycling services by October 2006. The benchmarks and verification mechanisms for the future contracts are outlined in the briefings submitted to the City Council and to the City Committees and in the RFB for Collections and Processing.*

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- B. Evaluate program enhancements such as vehicle signage and using larger containers for future recycling program. **(Implemented)**

*We found that the Sanitation Department has incorporated the vehicle signage in the RFB for Collection and Processing. The Sanitation Department has also incorporated the purchase of 155,000 ninety-six (96) gallon recycling roll carts with signage in a second RFB for the Supply and Delivery Agreement for Roll Carts. Incorporating the signage requirements and the roll cart option in the RFBs is anticipated to promote recycling.*

We appreciate management's cooperation in this follow-up. If you have any questions, please contact me at (214) 670-3223.

*Paul T. Garner*

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Assistant City Auditor

c: Mary K. Suhm, City Manager  
Mary Nix, Director of Sanitation