

AGENDA



Thursday, November 8, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 57**

Subject: Approve ratification of payment to the WORLD CONFERENCE ON INFORMATION TECHNOLOGY for the rental of booths during the 2006 conference in an amount of \$57,548.

Amount and Source of Funding: Funding was available in the 2006-2007 Operating Budget of the Financial and Administrative Services Department.

Fiscal Note: There was no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Leslie Browder, Chief Financial Officer, 974-2283

Purchasing Language: Ratification.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

At the meeting of the Council's Audit and Finance Committee on October 23, 2007, staff indicated bringing an item for Council's consideration to approve the ratification of payment related to the World Conference on Information Technology for the rental of booths during the 2006 conference.

The World Congress on Information Technology (WCIT) conference was a unique opportunity to showcase Austin to technology leaders from around the world. WCIT had been planned for two years, beginning in April 2004 when the City Council approved a resolution pledging \$1,000,000 in cash and in kind support for the 2006 conference and directed the City Manager to facilitate staging of the event at the Austin Convention Center. Unfortunately, due to last minute sponsorship problems and a projected revenue shortfall, the City Council had to approve additional funding of \$500,000 to ensure that the event was held and that vendors providing services for WCIT did not go unpaid.

Because the event organizer had already made commitments to the vendors providing services, the City was not involved in the selection of the vendors. Due to these unusual circumstances, the City did not follow its own established procedures when the vendor payments were processed.

During the course of the 2006 financial audit conducted by KPMG, they took the position that a certain rental of booths for the event was unauthorized, because it exceeded the City Manager's administrative purchasing authority at the time, which was \$47,000 in fiscal year 2006. The total cost for the booths was \$57,548. To address KPMG's concerns, the agenda item will request ratification of the entire \$57,548, although the City Attorney believes that the City Council's authorization of additional funding in April 2006 provided the appropriate authorization for this expenditure.

During discussion at the Council's Audit and Finance Committee on October 23, 2007, committee members suggested that staff explore additional controls that could help prevent unexpected funding problems in the future, such as bonding requirements for large events. Our procurement staff will work with the Convention Center department to determine if there are additional aspects related to event contracting that could potentially be further strengthened. Additionally, we plan to implement

procurement training for our department directors, assistant directors and financial managers in the next several months to reinforce knowledge of our existing procurement and payment processes, and then to require refresher training on a regular basis thereafter.