



DATE: January 23, 2024

TO: Kenney McDowell, Director of Engineering & Inspections

FROM: Internal Audit Division

SUBJECT: U-5306 B Battleground/Westridge Intersection Review
(No Response Required)

The Internal Audit Division has completed a review of North Carolina Department of Transportation (NCDOT) Award U-5306 B. The purpose of the agreement was to fund improvements to the intersection at Battleground Avenue and Westridge Road. The funds were allocated by the Federal Highway Administration (FHWA) and administered by NCDOT.

The total amount of award funds authorized was \$12,959,788.00. As of November 30, 2023, total expenditures are \$12,493,882.10.

The objectives of our review were to:

- Obtain copies of the Municipal Agreement and applicable contracts. Review the Municipal Agreement and contracts to identify allowable expenditures and guidelines.
- Test a sample of expenditures for the project to ensure that they are allowable according to the Municipal Agreement and service contracts.
- Verify that bills to NCDOT were calculated correctly and that amounts have been received.

Agreements

The Municipal Agreement is between the North Carolina Department of Transportation (NCDOT) and the City of Greensboro. The date of the initial agreement was October 13, 2011 and the original amount of the award was \$3,530,000.00. The amount was comprised of a Federal award of \$2,824,000.00 and \$706,000.00 of State funding.

The project was described as improving intersection approaches to include access management and sidewalk construction. The project limits were Battleground Avenue from approx. 1800 feet north of Westridge Road south from Old Battleground Road to Whitehurst Road. Funding was provided for the following items:

- Right of Way Acquisition
- Utility Relocation
- Construction

There was no local match required. The contract stated the project should be completed by March 1, 2015. The award was approved by City Council on December 13, 2011.

There were 5 supplemental agreements to the original contract.

The first supplemental agreement, dated November 29, 2012 extended the completion date to December 31, 2016.

The second supplemental agreement, dated December 17, 2013, changed the project limits to Battleground Avenue from approx. 1,800 feet north of Westridge Road south to Old Battleground Road and on Westridge Road from Old Battleground Road to Whitehurst Road and on Old Battleground Road on the eastern side from Battleground Avenue to the intersection with Westridge Road. The agreement also noted the City should complete the pre-construction activities including the environmental document, Right of Way Certification and PS&E (Plans, Specifications and Estimates) by April 30, 2015.

The third supplemental agreement, dated April 17, 2015, extended the completion date again. The new completion date was noted as five years from the authorization of Federal Right of Way funds.

The fourth supplemental agreement, dated December 13, 2018, increased funding for the project. Federal funding was noted as up to \$8,452,250.00 (80%) and State funding was increased to \$2,113,063.00 (20%). That made total funding up to \$10,565,313.00.

The fifth supplemental agreement, dated December 10, 2019, revised funding for the project and extended the completion date to five years from the authorization of construction or June 20, 2023. The total funding was increased by \$2,394, 475.00. The agreement provided an additional \$1,915,580.00 of Federal funds and \$478,895.00 of State funds. After this agreement, total funding was \$10,367,830.00 of Federal funding and \$2,591,958.00 of State funding for total funding of \$12,959,788.00.

The construction contract, dated July 16, 2019, was between Atlantic Contracting Company, Inc. and the City of Greensboro for the Battleground Avenue (US 220) at Westridge Road Intersection Improvements. The amount was \$7,594,923.50. The completion date was noted as 820 consecutive calendar days from the notice to proceed date. The notice to proceed date was subsequently noted as September 9, 2019.

Sampled Expenditures

We reviewed two items that had \$2,424,906.36 charged to the grant, representing 19.4% of total expenditures of \$12,493,882.10, as of November 30, 2023. The first item was Estimate #13 from Atlantic Contracting Company for construction between October 1, 2020 and October 31, 2020 in the amount of \$1,157,102.78 (all charged to the grant). The second item reviewed was Estimate #17 from Atlantic Contracting Company for construction between March 1, 2021 and March 31, 2021 for \$1,267,803.58, all charged to the grant.

For both selected items, we reviewed the supporting documentation, agreed amounts to the construction contract on a test basis and recalculated amounts on a test basis. Supporting documentation appears proper and amounts appear to be allowable expenditures.

Reimbursements

As of November 30, 2023 Total Grant revenue is \$12,395,589.53. This is comprised of \$10,037,409.55 of Federal grant revenue and \$2,358,179.98 of State grant revenue.

We reviewed two invoices to NCDOT that totaled \$2,418,628.85 or 19.5% of grant revenue.

Invoice 2200298430 included a Federal amount of \$920,811.10 and a State amount of \$230,202.77, for a total invoice amount of \$1,151,013.87. The invoice was dated April 29, 2021. Invoice 2200305470 included a Federal amount of \$1,014,091.98 and a State amount of \$253,523.00, for a total invoice amount of \$1,267,614.98. The invoice was dated November 2, 2021.

For both invoices, we agreed expense items to Infor financial amounts and recalculated amounts billed to NCDOT without exception.

We verified both amounts appear to be received. From the Infor Receivables Transaction History Report, we noted the \$1,151,013.87 was posted on May 21, 2021 and \$1,267,614.98 was posted on December 1, 2021.

Amounts submitted for reimbursement appear to be calculated correctly and appear collected.

We would like to thank the staff of the Engineering and Inspections Department for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager