

CITY OF CITRUS HEIGHTS OVERSIGHT OF CONTRACT SERVICES

Issue

Is the City of Citrus Heights held accountable for completion of municipal services for which it contracted? Are adequate procedures in place to monitor projects in progress and to ensure complete compliance with contracts?

Reason for the Investigation

The City of Citrus Heights contracted with a vendor to demolish a house and haul away the debris. Two years later a substantial amount of debris was found buried on the site. The City denied accountability.

Method of Investigation

The Grand Jury interviewed the following:

- Complainant

City of Citrus Heights:

- Chief Building and Safety Inspector
- Chief Building Official
- Community Enhancement Manager
- Community Development Director
- Administrative Services Director
- City Attorney

The Grand Jury reviewed:

- Abatement warrant and permits
- Service agreements, supporting material
- Documents for building actions and inspections
- Documents relevant to this claim against the City of Citrus Heights
- Relevant correspondence
- Photographs of the subject site

Background and Facts

The City of Citrus Heights routinely contracts with vendors for services. On March 6, 2003 the Neighborhood Enhancement Department (NED) contracted with a trucking company to demolish a house, remove all resulting debris, and clear all junk, trash, and overgrown vegetation from the property. Work began on March 21, 2003 and was completed on the same day. No building inspector or NED staff was present while the work was in progress. Upon the completion of the job, a building inspector verified that the site was cleared, and utilities, water lines, and sewer lines were capped.

The property changed ownership, and the new owner proceeded to build a house on the site. In July 2005, while digging in preparation for the foundation, a large amount of debris consisting of concrete, wood, metal, and household material was found buried on the site. In order to proceed with construction of the new house, the owner was required to obtain a permit, remove the debris, and re-compact the soil.

The City of Citrus Heights denied responsibility for the incomplete job of debris removal, and no action was taken against the original vendor. To recoup costs of the July, 2005 clearing, the owner filed a claim against the City of Citrus Heights. The Citrus Heights Risk Management Division denied the claim, even though its investigation found that the vendor did not perform according to the contract, and that the debris was relevant to the former residence at the site. Once a claim is denied, there is no appeal process. A citizen's only recourse is to file a lawsuit against the City of Citrus Heights.

Findings and Recommendations

Finding 1. In this case, the City of Citrus Heights Neighborhood Enhancement Department did not exercise adequate oversight of contract services, nor did it demonstrate adequate job completion follow up. No one from the City of Citrus Heights monitored the job in progress and there was no confirmation that all the debris had been removed from the site.

Recommendation 1. The city should institute an effective system of monitoring and overseeing contracts. The final inspection should require more than a cursory check of the capping of utilities and water lines. The city should assign qualified staff to check on jobs in progress, and conduct thorough inspections of each job upon completion to confirm that the work was fully performed in accordance with the contract requirements.

Finding 2. Given the substantial quantity of the debris found on the site by the new owner, it is unreasonable to conclude that either the previous owner, or unknown parties, buried it there subsequent to the 2003 demolition and debris removal. When the situation was reported to the City of Citrus Heights Neighborhood Enhancement Department, it denied responsibility.

Recommendation 2. The City of Citrus Heights should assume accountability whenever a vendor with whom it contracts does not comply with the contract.

Response Requirements

Penal Code sections 933 and 933.05 require that specific responses to both the finding and recommendations contained in this report be submitted to the Presiding Judge of the Sacramento Superior Court by October 1, 2006 from:

- **Citrus Heights City Manager**
- **City of Citrus Heights City Council**