

**CITY DIVISIONS IN CLUSTER A AND THE CITY MANAGER'S OFFICE
OUTSTANDING RECOMMENDATION WITH POTENTIAL COST SAVINGS**

Division: City Manager's Office
Report Date: 05/01/2014
Report Title: Cost Benefits of Extended Warranties for Construction Projects Are Unknown

No.	Recommendation	Potential Cost Savings
01	City Council request the City Manager review the costs and benefits of the standard use of a two year warranty period in construction contracts.	Based on premiums charged by surety companies and 2013 expenditures for constructions companies of approximately \$710 million, the City could potentially save between \$514,000 and \$786,000 with a change from the current two-year warranty to one year.

Division: Shelter, Support & Housing Administration
Report Date: 06/02/2014
Report Title: Strengthening the City's Oversight of Social Housing Programs

No.	Recommendation	Potential Cost Savings
03	<p>City Council request the General Manager, Shelter, Support and Housing Administration to develop a strategy to deal with potential social housing tenant fraud which as a minimum should include the following:</p> <ul style="list-style-type: none"> a. policies and procedures setting out standards for staff performing investigations; b. guidelines for housing providers on the steps to be taken in situations where tenant fraud is suspected; c. provide tools and training for provider and City staff assigned to detecting and investigating irregular activities; and d. ensure the divisional Fraud Action Plan addresses the potential for tenant fraud. 	<p>In 2012 the Chief Internal Auditor of TCHC reported that complaints substantiated identified \$529,000 of Rent Geared to Income (RGI) assistance issued to individuals who were not eligible and \$35,000 of this was recovered.</p> <p>Effective prevention and detection procedures generally serve as a deterrent to fraud and irregular activities.</p> <p>There is a potential for cost avoidance or recovery from prevention or detection of potential fraud.</p>