



**Follow-up of the Audit of
Public Works Department's
Mowing Services Contracts**



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www.occompt.com



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The vision of the Orange County Comptroller's Office is to be recognized as a highly competent, cohesive team leading the quest for continuing excellence in the effective safeguarding and ethical management of public funds, assets, and documents.



TABLE OF CONTENTS

TRANSMITTAL LETTER	1
INTRODUCTION	2
Background.....	2
Audit Scope, Objective, and Methodology	3
Implementation Status of Prior Audit Recommendations	4
FOLLOW-UP TO RECOMMENDATION FOR IMPROVEMENT	5
1. The County Should Establish Written Procedures for the Contractor Prequalification Process ...	5
2. Public Works Should Not Include Recommended Minimum Bid Clauses In Future Ground Maintenance Contract Bid Invitations	6
3. One-time Clean Up Tasks Should Be Limited and Authorized Only When Necessary	6
ACTION PLAN	8



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February 12, 2020

Jerry L. Demings, County Mayor
And
Board of County Commissioners

We have performed a follow-up of the Audit of Public Works Department's Mowing Services Contracts (Report 447). The original audit, issued March 2015, included the period from October 2013 through September 2014. Testing of the status of the previous recommendations was performed for the period from January 2019 through March 2019.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Follow-up to Previous Recommendations for Improvement summarizes the previous audit's findings and recommendations. Following each recommendation is a summary of the current status as determined in this review.

We appreciate the cooperation of Public Works Department personnel during the course of the audit.

Phil Diamond, CPA
County Comptroller

c: Byron Brooks, County Administrator
Chris Testerman, Deputy County Administrator
Joe Kunkel, Director, Public Works Department

INTRODUCTION

Background

The Public Works Department is responsible for maintaining all County roadways, pedestrian walkways, and properties owned by the County. Mowing services are a large portion of the Department's total ground maintenance costs. The Department outsources all mowing services to private contractors.

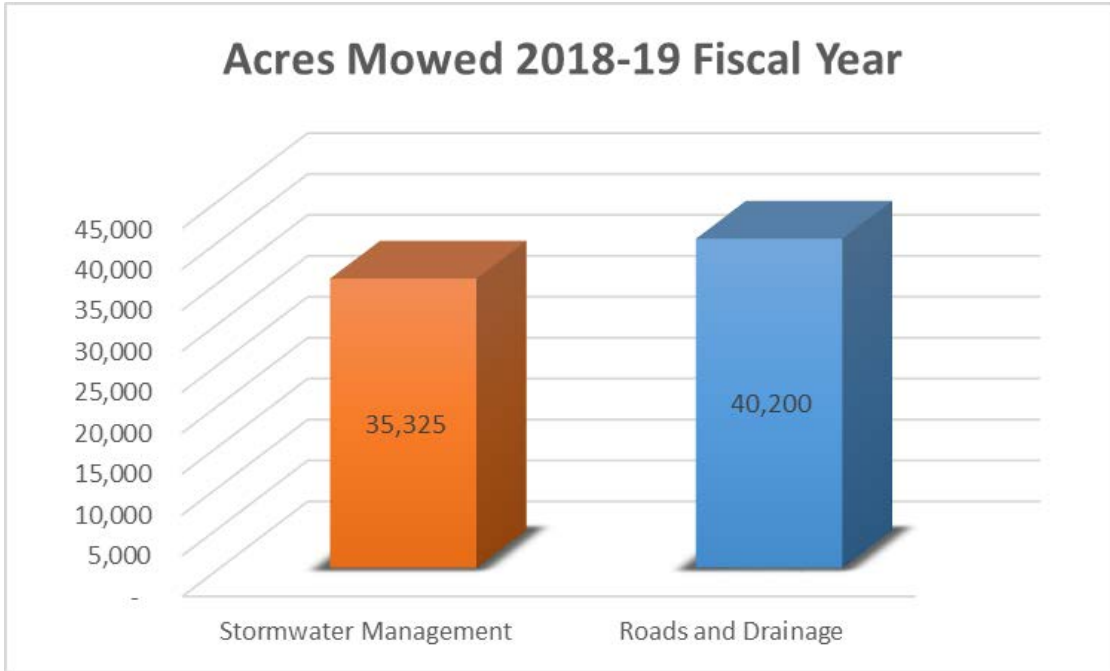


Two separate Public Works divisions monitor these mowing contracts. The Roads and Drainage Division manages mowing contracts for County road right-of-ways and secondary canals and ditches. The Stormwater Management Division oversees mowing contacts for retention ponds and primary canals.

These divisions monitor the mowing service contracts by performing periodic inspections. Inspection dates and photos are maintained to document work performed.



During Fiscal Year 2019, the divisions reported the following:



Audit Scope, Objective, and Methodology

We have conducted a follow-up of the March 2015 Audit of Public Works Department's Mowing Services Contracts (Report No. 447). The prior audit report can be viewed at www.occompt.com/county-audit/audit-reports/. The audit scope and objective were to determine whether the prior audit report's recommendations had been implemented. The audit period for the follow-up audit was January 2019 through March 2019.

During the audit, we performed tests necessary to verify the implementation status. We have described the specific methodologies utilized in the following section of this report.



Implementation Status of Prior Audit Recommendations

After testing the implementation status of the original audit's three recommendations, we noted that all the recommendations have been implemented. The Department has improved its prequalification procedures for bidders, eliminated the use of a "recommended minimum price per acre" clause from Invitation for Bids, and removed the one-time clean up clause from mowing services contracts.

1. The County Should Establish Written Procedures for the Contractor Prequalification Process

Prior Audit Finding:

Public Works and the Procurement Division award mowing contracts based on a prequalification process for bidding. During the prior audit Roads and Drainage and Stormwater Management did not have written procedures detailing certain aspects for prequalifying mowing services contract bidders. As a result, active contractors were not required to reestablish qualifications before bidding on new contracts.

Prior Recommendation:

Public Works, in cooperation with Procurement, establishes written procedures regarding the mowing services contractor qualification process. These procedures should detail when and how vendors apply for prequalification. The procedures should also specify the necessary documentation to show that a contractor is qualified and the term of qualification.

Current Status:

Implemented. In 2017, Procurement issued Internal Procedure Number 1-58 to improve the bidder prequalification process. The procedure specifies that prequalified bidder status is limited to the contract's performance period. If a new contract is required, a new prequalified bidder list must be developed. We reviewed the responses submitted in response to the most recent Request for Qualifications issued in October 2017 (Y18-133-PD). Our review confirmed that all contractors awarded bids in 2018 had requalified in October 2017.

2. Public Works Should Not Include Recommended Minimum Bid Clauses In Future Ground Maintenance Contract Bid Invitations

Prior Audit Finding:

Public Works previously included recommended minimum price per acre (RMPA) clauses in the Invitation for Bids. Public Works stated these RMPA clauses were included to provide bidders with realistic cost guidance in preparing their bids for services. However, 42% of the awarded contracts that we reviewed in the previous audit included pricing that was less than the RMPA amounts. This indicated that the estimated minimums were inaccurate and too high.

Prior Recommendation:

We recommend that Public Works continues to exclude recommended minimum price per acre clauses from Invitations for Bids.

Current Status:

Implemented. We reviewed the Invitations for Bids related to seven mowing services contracts issued between October 2018 and May 2019. We verified the RMPA clauses were no longer included in Invitations for Bids.

3. One-time Clean Up Tasks Should Be Limited and Authorized Only When Necessary

Prior Audit Finding:

All five contracts awarded in 2014 included one-time clean up task rates. This one-time clean up rate was intended to be used for first contract billings if grass conditions required the contractor to do additional work. Contractors were not required to obtain any additional authorization or document unexpected conditions to use this one-time task rate.



In two of the five contracts, the authorized one-time clean up task rate was about 20 percent of the total multi-year contract award. The contractor for one of the two contracts was responsible for the same area in the previous contract. Inspection photos taken approximately 45 days apart showed that no extraordinary effort should have been needed for the first mowing and clean up. In fact, the contractor mowed the entire 220 acre area within normal mowing time guidelines on the first visit.



Prior Recommendation:

We recommend that Public Works no longer includes one-time clean up clauses in mowing service contracts. If one-time clean up tasks are warranted, appropriate documentation of extenuating circumstances requiring substantially more work should be provided.

Current Status:

Implemented. We reviewed seven mowing services contracts issued between October 2018 and May 2019. We verified the one-time clean up clause was not included in any of the seven contracts. We also reviewed payments made under the seven contracts and did not find payments that were based on one-time special rates.



Status of Previous Recommendation for Improvement

NO.	RECOMMENDATIONS	IMPLEMENTATION STATUS		
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
1.	Public Works, in cooperation with Procurement, establishes written procedures regarding the mowing services contractor qualification process. These procedures should detail when and how vendors apply for prequalification. The procedures should also specify the necessary documentation to show that a contractor is qualified and the term of qualification.	✓		
2.	We recommend that Public Works continues to exclude recommended minimum price per acre clauses from Invitations for Bids.	✓		
3.	We recommend that Public Works no longer includes one-time clean up clauses in mowing service contracts. If one-time clean up tasks are warranted, appropriate documentation of extenuating circumstances requiring substantially more work should be provided.	✓		