



OFFICE OF INSPECTOR GENERAL

FLORIDA DEPARTMENT OF TRANSPORTATION

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District Three Contract Modification
Contract T3238
Attestation Report No. 12C-1004

Robert E. Clift
Inspector General

November 2, 2012

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted an examination of contract T3238, Supplemental Agreement (SA) 13, between the Florida Department of Transportation (department) and Scott Bridge Construction Co., Inc. of Opelika, Alabama. The contract was to replace the bridge over the Perdido River on State Road (SR) 10 (US 90) in Escambia County. The modification was to account for quantity overruns of original pay items due to design errors.

Our review of SA 13 indicates the department received fair and equitable value for the work performed. The costs incurred were adequately supported and the contract change was in compliance with department policies and procedures and state regulations.

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RESULTS OF EXAMINATION

On July 8, 2010, Contract T3238 was executed between the department and Scott Bridge Construction Co., Inc. The purpose of the contract was to construct a replacement bridge across Perdido River on SR 10 (US 90) in Escambia County. The original agreement was for \$7,604,204 and 800 days. Two contract changes increased the total contract amount to \$8,121,079 and 880 contract days. SA 13 represents a 4.9 percent increase in the original contract amount. The project is expected to be completed in January 2013.

District Three received fair and equitable value for the work performed for SA 13. We determined costs of \$371,056.80 were supported with adequate documentation and were in compliance with department policies and procedures and state regulations.

APPENDIX A – Independent Accountant’s Report

We examined District Three billings related to SA 13 for contract T3238 for the period October 12, 2011 through April 18, 2012. District Three management is responsible for the billings for contract T3238. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to Attestation Engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, this engagement included examining, on a test basis, evidence supporting District Three billings and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion.

In our opinion, District Three billings for contract T3238 present, in all material respects, allowable amounts due for the period October 12, 2011 through April 18, 2012, in conformity with the terms of the contract.

APPENDIX B – Purpose, Scope and Methodology

Sections 20.055 and 20.23, Florida Statutes, require the OIG to conduct audits, examinations, investigations and management reviews related to programs and operations of the department. This examination was performed as part of the OIG's mission to promote integrity, accountability and process improvement in the department by providing objective fact-based assessments.

The **purpose** of this examination was to determine whether there was sufficient documentation to support the fair and equitable value of the work performed and to assess compliance with applicable regulations, as well as department policies and procedures.

The **scope** of our examination was Contract T3238, SA 13 from October 12, 2011 through April 18, 2012.

Our **methodology** consisted of:

- reviewing applicable laws, rules, regulations and procedures, including Florida Statutes, the Construction Projects Administration Manual (CPAM) and department Standard Specifications for Road and Bridge Construction;
- examining and testing supporting documentation and management controls, including the Supplemental Agreement, Engineer's Estimate, Entitlement Analyses and other documents used to support contract modifications; and
- interviewing appropriate staff.

APPENDIX C – Management Response

On Monday, October 15, 2012, the OIG received an email from Steve Potter, District Three Construction Engineer, stating he has no comment on the subject report.

DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Action Official Distribution:

Tommy Barfield, P.E., District Three Secretary

Information Distribution:

Ananth Prasad, P.E., Secretary of Transportation

Francis Gibbs, Chief of Staff

Brian Peters, Assistant Secretary, Finance and Administration

Robin Naitove, Comptroller

Brian Blanchard, Assistant Secretary, Engineering and Operations

David Sadler, Director, Office of Construction

District Three:

Phillip Gainer, District Three Director of Transportation Operations

Steve Potter, District Three Construction Engineer

Steve Hunt, District Three Resident Operations Engineer—Milton
Operations

Eric Benson, District Three Resident Construction Engineer-Milton
Operations

Georgina Acierito-Kent, District Three Project Manager-Milton Operations

Project Team:

Engagement was conducted by Alan Sands, Auditor

Under the supervision of:

Susan O'Connell, Audit Manager

Approved by: Robert E. Clift, Inspector General

Statement of Accordance

The mission of the department is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The mission of the Office of Inspector General is to promote integrity, accountability and process improvement in the Department of Transportation by providing objective fact-based assessments to the DOT team.

This work product was prepared pursuant to Section 20.055, Florida Statutes, in accordance with the applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General and the American Institute of Certified Public Accountants and standards contained in Government Auditing Standards issued by the Comptroller General of the United States.

This report is intended for the use of the agency to which it was disseminated and may contain information that is exempt from disclosure under applicable law. Do not release without prior coordination with the Office of Inspector General.

Please address inquiries regarding this report to the department's Office of Inspector General at (850) 410-5800.