



OFFICE OF INSPECTOR GENERAL

FLORIDA DEPARTMENT OF TRANSPORTATION

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Robert E. Clift
Inspector General

November 6, 2012

District Two Contract Modification Attestation Report 12C-1005

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted an examination of contract T2283, Supplemental Agreement (SA) 20, between the Florida Department of Transportation (department) and Misener Marine Construction, Inc. of Tampa, Florida. This SA compensated the contractor for all materials, manpower and equipment to construct a seawall along the bank of the Matanzas Inlet on State Road A1A in St. John's County. SA 20 was for an additional \$1,489,000 and 80 calendar days.

Our review of SA 20 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

Contract T2283 was executed on July 23, 2009, between the department and Misener Marine Construction, Inc. to construct and improve the road/bridge at State Road (SR) A1A (Summer Haven) over the Matanzas River for a distance of approximately 1.226 miles in St. Johns County. The contract was let for \$11,756,528 and 780 calendar days.

Contract T2283 currently has \$2,003,762 in change orders and 170 days added to the contract time. There were 42 change orders associated with Contract T2283 and seven of those were supplement agreements. The table below depicts the seven supplement agreements and their related increases in the total contract amount and calendar days. SA 20 was selected for review because it represented a 12.67% increase in the original contract amount and a 10.26% increase in original contract days.

Supplemental Agreements associated with Contract T2283

Supplemental Agreement	Amount	% Increase	Days Added	% Increase
011	\$72,343.95	.62	11	1.41
012	\$51,981.15	.44	4	.51
018	\$47,545.30	.40	0	0
019	\$33,990.13	.29	5	.64
020	\$1,489,000.00	12.67	80	10.26
025	\$48,587.39	.41	2	.26
026	\$51,898.25	.44	2	.26

SA 20 compensated the contractor an additional \$1,489,000 and 80 additional calendar days for the construction of a permanent retaining wall (seawall) at the west side of the south bridge over the Matanzas River on SR A1A. The seawall was constructed to address changes in the ground line as a result of erosion along the bank of the Matanzas River Inlet following the original design of the project.

District Two received fair and equitable value for SA 20. We determined the costs associated with the SA was supported by adequate documentation and were in compliance with department policies and procedures and state regulations.

APPENDIX A - INDEPENDENT ACCOUNTANT'S REPORT

We examined costs related to SA 20 for the period of March 16, 2011 through April 12, 2012, based on applicable criteria noted in Appendix B. District Two management is responsible for monitoring the changes to Contract T2283. Our responsibility is to express an opinion based upon 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 the districts compliance with department procedures and performing other procedures as we considered necessary. We believe our examination provides a reasonable basis for our opinion.

In our opinion, the SA selected for examination presented, in all material respects, allowable amounts due for the period of March 16, 2011 through April 12, 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 T2283, SA 20 from March 16, 2011 through April 12, 2012.

Our **methodology** included:

- reviewing applicable laws, rules, regulations and procedures, including Florida Statutes, the Construction Project 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 Analysis and other documents used to support contract modifications; and
- interviewing appropriate staff.

DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Action Official Distribution:

Greg Evans, P.E., District Two 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 Two:

Carrie Stanbridge, P.E., District Construction Engineer

Sharon Griffiths, P.E., Resident Engineer, Palatka Construction

Donald Devenny, Construction Project Administrator, Palatka Construction

Stephen Haney, Project Engineer, JEA Construction Engineering Services, Inc.

Chris Richter, Director of Engineering and Operations, Federal Highway Administration

Project Team:

Engagement was conducted by Myndi Craig, Auditor in Charge

Under the supervision of:

Susan O'Connell, Audit Manager; and

Kristofer Sullivan, Director of Audit

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.