



OFFICE OF INSPECTOR GENERAL

FLORIDA DEPARTMENT OF TRANSPORTATION

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Robert E. Clift
Inspector General


December 4, 2012

Contracts Administration Office Staffing Review Advisory Report No. 13P-1002

EXECUTIVE SUMMARY

At the request of the Secretary, the Office of Inspector General (OIG) reviewed the staffing of the Contracts Administration Office (CAO). The scope of our review was limited to the CAO operations, excluding the Market Analysis Section, from July 1, 2011 through June 30, 2012.

The CAO performs the duty of ensuring the integrity of the public contracting process for the Florida Department of Transportation (department) as described in the background section of this report. The CAO appears to be meeting their objectives despite the cyclical work flows of the majority of their responsibilities.

A result of this cyclical workload is that the Contractor Prequalification Section is staffed for the peak workload of May and June. The workload is not sufficient to support four full time equivalents (FTEs) the remaining 10 months of the year. We recommend the two administrative assistant positions be merged allowing for the reassignment or elimination of one position. We further recommend existing CAO or qualified department staff be cross-trained to assist during the peak workload. Further staffing changes are not proposed at this time because the impact of recent legislative changes cannot be determined.

In addition, the workload of the Administrative Assistant for the CAO manager is not sufficient to support a FTE. The duties could be reassigned to existing staff allowing this position to be reassigned or eliminated through attrition.

Additionally, the CAO staff cannot give an accurate accounting of the time attributed to specific duties of their workload. Management should be able to identify the time requirements of the duties and responsibilities that cannot be measured by the "output" of specific applications or forms processed. We recommend the CAO manager implement a system to track staff time by responsibility or function. Implementing such a system could be a valuable tool for equitably distributing the workload and recognizing trends, which could lead to future efficiencies.

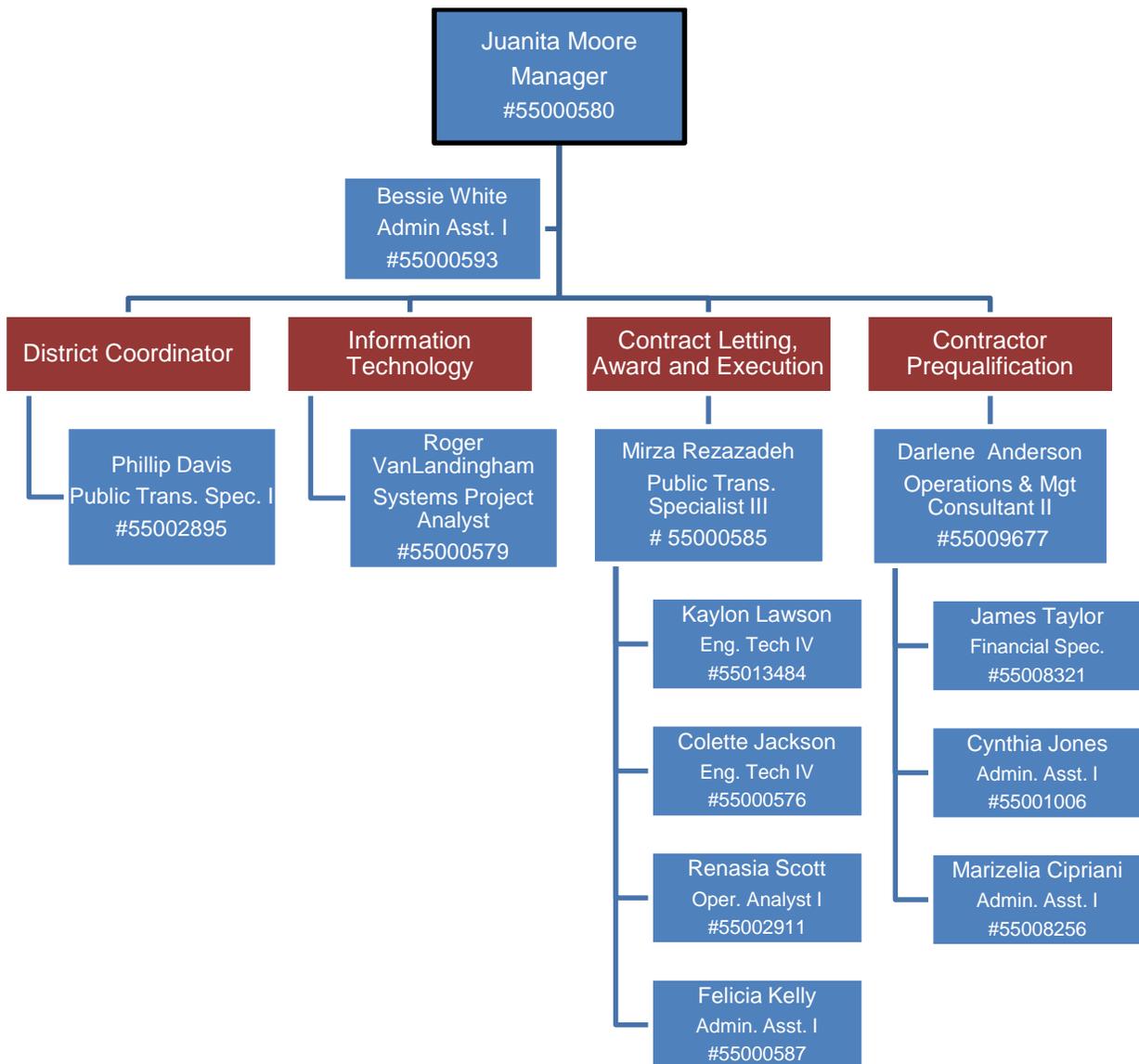
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BACKGROUND AND INTRODUCTION

The CAO is responsible for contractor prequalification; advertising, letting and award of major construction contracts as well as other types of competitively bid contracts; statewide District Contracts Program coordination; administration of district construction and maintenance contracting activities; and quality assurance reviews of district contracting activities.

The CAO currently consists of 13 full time equivalent positions as shown below:¹



¹ This organizational chart reflects how the CAO functions.

Contractor Prequalification Section – Administers the department’s programs for contractor pre-qualification as required by Section 337.14, Florida Statutes and Rule Chapter 14-22, Florida Administrative Code. Contractors must be prequalified with the department to bid on road, bridge or public transportation construction contracts greater than \$250,000. Once approved, prequalified contractors are issued a Certificate of Qualification indicating their approved work classes and maximum dollar capacity rating.

Contract Letting, Awards and Execution Section – Provides information regarding planned road and bridge projects. The section creates and publishes the “Bid Solicitation Notice” to advertise road, bridge and other construction projects for acceptance of bids. Posting the bid and contract documents to the department website and the award and execution of construction and maintenance contracts let-to-bid by the department’s Central Office are the main responsibilities.

In addition to the two sections, the CAO has a Public Transportation Specialist I, a Systems Project Analyst and an Administrative Assistant assigned directly to the office manager. These positions are responsible for duties which are not covered within the other two sections.

Public Transportation Specialist I – Primarily responsible for providing oversight to the districts regarding contracting activities. Conducts quality assurance reviews as required by the department’s Quality Assurance and Quality Control Policy 001-260-001 and also reviews and provides analysis of legislative bills.

Systems Project Analyst – Serves as the principal liaison with the Office of Information Systems regarding application development. The duties of this position also include serving as the office expert for all office computer systems and applications.

Administrative Assistant to CAO Manager – Maintains monthly letting files, procures goods and services, performs monthly P-card reconciliations and monitors/forwards emails that come to the general CAO email account. The duties also include maintaining personnel files.

FINDINGS AND RECOMMENDATIONS

Audit Finding 1 – Contractor Prequalification Section

Objective

To review the workload of the Contractor Prequalification Section to determine if the workload is sufficient to support four FTEs.

Conclusion

The workload of the Contractor Prequalification Section is not sufficient to support four FTEs. For 10 months of the year, the combined workload of the two administrative assistants totaled 4 to 4½ days a week. Further staffing changes are not proposed at this time because the impact of recent legislative changes² cannot be determined.

Recommendation

We recommend the two administrative assistant positions be merged allowing for the reassignment or elimination of one administrative assistant position. Additionally, we recommend existing CAO or qualified department staff be cross-trained to assist during the peak season.

**Condition
(Supporting
Evidence)**

As noted in previous OIG reports, most recently report No. 11P-1001, the Contractor Prequalification Section has a very cyclical workload and is currently staffed for the peak workload. This workload is based on the following main duties:

Contractor Prequalification

In fiscal year 2011/2012, half of the 731 contractor prequalification applications were completed in May and June. As demonstrated in the table below, the remaining 50 percent are processed throughout the remaining 10 months, with approximately 5 percent being processed in each of the remaining months. Given this cyclical workload, the prequalification staff spends 1/5 of their time (one day a week) in the remaining 10 months on prequalification applications.

² Effective July 2012, the legislature changed part of the prequalification criteria. Reviewed, rather than audited financial statements can now be used for those companies wishing to bid on projects under \$1,000,000.

<u>Month</u>	<u>Total Number of Applications Processed</u>	<u>Percentage Processed Per Month</u>
July '11	39	5.34
August '11	27	3.69
September '11	26	3.56
October '11	12	1.64
November '11	39	5.34
December '11	15	2.05
January '12	23	3.15
February '12	54	7.39
March '12	43	5.88
April '12	85	11.63
May '12	246	33.65
June '12	<u>122</u>	<u>16.69</u>
Total	731	100.00

50 %

Exempt Document Distribution Agreement (EDDA) Forms

The administrative assistant verifies the information on the EDDA form by checking the appropriate on-line reports from sources such as SunBiz and MyFloridaMarketPlace. Each EDDA form takes approximately 15 to 30 minutes to process. If the form was not completed properly, then it may take longer to validate the data. The EDDA forms do not have to be renewed annually. There were 534 EDDA forms processed between January and June 2012 (average 89 per month). Using an average of 30 minutes per form, the time required to process the EDDA forms is approximately 44.5 hours per month (1 ½ days per week).

Debris Removal Applications

Only eight of the 53 companies prequalified during fiscal year 2011/2012 were prequalified for debris removal only. Debris removal applications can be filed anytime of the year and are not required to be filed within four months of the fiscal year end. The other 45 were prequalified for other types of work with the department, including debris removal. Using an estimate of four hours to process an application and estimating one application per month, it would take ½ day per month for this duty.

Audit Finding 2 – Administrative Assistant to CAO Manager

Objective	To review the duties of the Administrative Assistant to the CAO Manager to determine if the workload is sufficient to support a FTE.
Conclusion	The current duties of the CAO Manager's Administrative Assistant position are not sufficient to support a FTE.
Recommendation	We recommend the duties performed by this position be reassigned and the position either reassigned or eliminated by attrition.
Condition (Supporting Evidence)	<p>Based on our review of this position's workload, we determined the duties performed by this position could be reassigned to existing CAO staff.</p> <p>The Administrative Assistant that reports directly to the manager of the Contracts Administration Office is scheduled to retire in September 2013. This position has a variety of duties from the maintenance of monthly letting files to the procurement of goods and services. These duties include monitoring/forwarding email that comes into the general CAO email account (contracts.admin@dot.state.fl.us)³ to the appropriate person, handling correspondence requesting an extension of time for filing a prequalification application, maintaining office personnel files and performing monthly P-card reconciliations. It appears that many of the duties of the Administrative Assistant could be assumed by other staff.</p>

³ For the six month period, March 16, 2012 through September 16, 2012, 1,792 emails were sent to the general email account. This equates to approximately 15 emails per day that need to be reviewed.

Audit Finding 3 – Time Assigned to Various Duties

Objective	To review the amount of time spent on the various duties of the CAO staff.
Conclusion	The CAO staff cannot give an accurate accounting of the time attributed to specific duties of their workload.
Recommendation	We recommend the CAO manager implement a system to track staff time according to work activities/functions to learn how much time is spent on the various duties, facilitate efficient workload allocation and recognize trends.
Condition (Supporting Evidence)	<p>During interviews of the individual staff members, the employees could not identify how much time was spent on their various duties. For example, how much time was spent answering contractor calls for contract proposal processing (CPP), contractor prequalification (CPQ), interacting with the districts, reviewing pending legislation, time spent on pre-letting, post-letting, etc.</p> <p>While employees do input their time in People First, they do not break it down to specific projects or tasks. Therefore, management cannot determine the distribution of and trending in workload.</p>

APPENDIX A – Management Response

Mr. David Sadler, Director, Office of Construction, stated, “I concur with the findings and recommendations. Juanita and I will work towards implementing the suggested staffing changes and accounting of work time. I appreciate your efforts on this and think the approach taken was valid and reasonable.”

APPENDIX B - PURPOSE, SCOPE and METHODOLOGY

The **purpose** of this engagement was to review the current staffing levels within the CAO.

The **scope** of the advisory was the operations of the CAO for fiscal year 2011/2012. The Market Analysis Section was moved out of the CAO in May of 2012 and is not a part of this advisory memorandum.

The **methodology** included:

- review of prior audit reports and work;
- analysis of the CAO organization structure;
- interviews with all CAO employees;
- review of all CAO position descriptions;
- review of current CAO desk procedures; and
- review of CAO workload.

This engagement was conducted as an advisory service at the request of executive management.

DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Action Official Distribution:

Ananth Prasad, P.E., Secretary

Information Distribution:

Brian Blanchard, P.E., Assistant Secretary for Engineering and Operations

Tom Byron, P.E., Chief Engineer

David Sadler, P.E., Director, Construction Office

Juanita Moore, Manager, Contracts Administration Office

Project Team:

Engagement was conducted by Connie G. Davis, Auditor

Under the supervision of:

Sarah Beth Hall, Audit Manager; and

Kristofer B. 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 International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

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