



Florida Department of TRANSPORTATION

Office of Inspector General
Robert E. Clift, Inspector General

A handwritten signature in blue ink that reads "Robert E. Clift".

Construction Contract Review No. 15C-1001
District Three Contract T3375

January 29, 2015

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted a construction contract review of Contract T3375, Supplemental Agreement (SA) 11, between the Florida Department of Transportation (department) and Scott Bridge Company (Scott) of Opelika, Alabama. The contract was awarded to Scott for replacing the SR 10 bridges, which span the White River and Bass Hole Cove in Santa Rosa County.

The original amount of Contract T3375 was \$14,736,078. SA 11 added a total of \$91,423 to the contract amount and 0 additional days. SA 11 was initiated to relocate temporary barrier walls and install artificial coverings/rolled erosion control products at the White River and Bass Hole Cove bridge spans being repaired.

We determined District Three Construction Office adequately monitored contract T3375 and the associated contract changes resulting from SA 11.

We conducted the review as part of the OIG's annual risk assessment.

Office of Inspector General
Florida Department of Transportation

TABLE OF CONTENTS

| | |
|----------------------------------------------------------------------|----|
| <u>BACKGROUND AND INTRODUCTION</u> | 3 |
| <u>RESULTS OF REVIEW</u> | 4 |
| <u>APPENDICES</u> | |
| A. Purpose, Scope and Methodology | 6 |
| B. Contractor Response | 7 |
| C. Management Response | 8 |
| <u>DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE</u> | 9 |
| <u>ATTACHMENT</u> | |
| 1. SA 11 Field Site Photographs | 10 |

BACKGROUND AND INTRODUCTION

The Florida Department of Transportation (department) and Scott Bridge Company (Scott) of Opelika, Alabama, entered into Contract T3375 on April 5, 2012. The first purpose of the contract is to replace older structurally deficient bridges spanning the White River and Bass Hole Cove in Santa Rosa County. The second is to repair the newer White River and Bass Hole Cove bridge spans. The project is expected to be completed in July 2015.

The original amount of Contract T3375 was \$14,736,078. SA 11, executed on May 24, 2013, increased the total contract amount by \$91,423 and 0 contract days. SA 11 was initiated to relocate temporary barrier walls and install artificial coverings/rolled erosion control products at the White River and Bass Hole Cove bridge spans being repaired. Attachment 1 contains pictures of SA 11 work in progress.

We obtained Contract and SA 11 documentation through the department's Electronic Document Management System (EDMS) and directly from District Three Construction Office personnel. The audit team analyzed and performed tests on this documentation to ensure it complied with applicable state regulations and department policies and procedures. Additionally, we conducted a site visit to meet with project management and to verify progress of the project to date.

RESULTS OF REVIEW

We assessed the District Three Construction Office's conformity with applicable Florida Statutes, the department's Standard Specifications for Road and Bridge Construction (2010 Edition), Construction Project Administration Manual (CPAM) and the department's Bridge and other Structures Inspection and Reporting procedure. **The documents located in the department's EDMS and obtained from District Three Construction Office and Bridge Inspection Office (BIO) personnel demonstrated District Three's adherence to requirements found in these criteria.**

We evaluated labor, equipment and materials costs associated with SA 11. Construction equipment rates used by Scott in their Contractor's Quote for the removable barrier wall were compared with the Equipment Watch Blue Book rental rates and were found to be equitable. Scott's estimation of labor hours and materials costs related to SA 11 artificial coverings was adequately explained at the field site visit. **We considered SA 11 costs to be fair, reasonable and in compliance with requirements delineated in the department's CPAM.**

We reviewed the reporting of overall and monthly percentages of work completed by Scott in monthly Progress Pay Estimates for accuracy. District Three construction and financial personnel and personnel from Volkert Incorporated (the Construction Engineering and Inspection (CEI) firm for Contract T3375) created a flowchart depicting the contractor payment process. Supporting documentation such as Daily Work Reports and pay item tracking sheets were obtained from EDMS and Volkert, respectively. **We determined sufficient oversight and separation of duties existed throughout the contractor payment process.**

We verified payments from Scott to subcontractors for work performed on Contract T3375. Scott provided documentation showing payment was made to all subcontractors that had performed work to date. The audit team sent an email to a random sample of contract subcontractors requesting positive confirmation of payment by Scott. **We found no issues regarding prompt payment of subcontractors.**

We reviewed the Bridge safety and quality control activities performed by the District Three BIO. **We confirmed that BIO conducted regular biyearly inspections of the older and newer White River and Bass Hole Cove bridge spans.** Furthermore, BIO submitted documentary evidence verifying all of their bridge inspectors met State of Florida and Federal certification requirements. Finally, BIO submitted an updated Office Quality Control Plan that satisfied the requirement of the department's Office of Maintenance.

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Florida Department of Transportation**

We identified multiple ongoing and periodic project oversight tools used by the District Three Construction Office and Volkert. These project monitoring tools included Daily Work Reports, monthly Construction Progress Meetings, monthly District Three Construction Office Coordination Meetings, monthly Contractor's Past Performance Ratings Reports and semiannual CEI Quality Assurance Audits. **We concluded District Three's Construction Office adequately monitored the contract changes for SA 11.**

APPENDIX A – 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 review 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 review was to assess compliance with applicable regulations, as well as department policies and procedures.

The **scope** of our review was Contract T3375 and SA 11 from April 2012 through August 2014.

Our **methodology** consisted of:

- reviewing applicable laws, rules, regulations and procedures, including Florida Statutes and department publications such as the Construction Project Administration Manual, 2010 Standard Specifications for Road and Bridge Construction and Bridge And Other Structures Inspection And Reporting;
- 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;
- interviewing appropriate staff; and
- conducting a site visit.

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APPENDIX B – Contractor Response

Scott Bridge Company's construction project engineer responded by email on January 23, 2015. His email response is below.

From: Bob Gunter [mailto:Bgunter@scottbridge.com]
Sent: Friday, January 23, 2015 1:07 PM
To: O'Connell, Susan
Cc: Tom Lowrey; Pearson, Richard
Subject: RE: OIG Draft Report 15C-1001

Susan,

We have reviewed the draft report and have no issues with it.

Please let us know if you need any further cooperation from us.

Thank you,

Bob Gunter, P.E., P.L.S.
Senior Engineer
Scott Bridge Company

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APPENDIX C – Management Response

The District Three Interim Construction Engineer responded by email on January 23, 2015. His email response is below.

From: Hatcher, Kim **On Behalf Of** Smith, Tim
Sent: Thursday, January 22, 2015 2:38 PM
To: O'Connell, Susan
Cc: Pearson, Richard; Richard, Dominic; Benson, Eric; Luescher, Michael; Gainer, Phillip; Hendrix, Timothy; Sanders, Beverly Renae; Brown, Fred; Hunt, Stephen; Miller, Jimmy
Subject: RE: OIG Draft Report 15C-1001

Dear Ms. O'Connell,

Thank you for the opportunity to respond to the findings of the Office of Inspector General (OIG) on Contract T3375. This construction review was on Supplemental Agreement (SA) 11, between the Florida Department of Transportation and Scott Bridge Company of Opelika, Alabama. The original amount of Contract T3375 was \$14,736,078. SA 11 added a total of \$91,423 to the contract amount and 0 additional days. SA 11 was initiated to relocate temporary barrier walls and install artificial coverings/rolled erosion control products at the White River and Bass Hole Cove bridge spans being repaired.

District Three is please by the findings of the OIG on this construction contract in all aspects of this review. District Three strives to ensure conformity with the Florida Statutes, FDOT policies, procedures, contract documents and guidelines, both Federal and State, on all of our construction contracts. District Three will continue to exercise the highest quality project inspection and monitoring possible along with accurate and concise documentation of contract changes in compliance with applicable regulations, all in a corporative spirit. Thank you again for your review and the opportunity to provide this response.

Tim Smith, P.E.
Florida Department of Transportation
Interim District Construction Engineer
District Three Construction

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DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Action Official Distribution:

James Barfield, P.E., District Three Secretary

Information Distribution:

Jim Boxold, Secretary of Transportation

Mike Dew, Chief of Staff

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Robin Naitove, Comptroller

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

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

District Three:

Phillip Gainer, District Three Director of Transportation Operations

Tim Smith, District Three Interim Construction Engineer

Dominic Richard, Construction Project Manager, Milton Operations

Bill Gunter, P.E., Project Manager, Scott Bridge Company, Inc.

Melinda Miguel, Chief Inspector General, Executive Office of the Governor

Project Team:

Engagement was conducted by Richard Pearson, Auditor in Charge

Craig Bassett, Staff Auditor

Under the supervision of:

Susan O'Connell, 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.

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.

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ATTACHMENT 1 – SA 11 Field Site Photographs

Construction activity at bridge over White River (Source: Field Site Visit Photograph)



Artificial covering at bridge over Bass Hole Cove (Source: Field Site Visit Photograph)

