

Office of Inspector General
Robert E. Clift, Inspector General



Contract Modification Review No. 16C-1001
Turnpike Enterprise Contract E8M60

December 1, 2015

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted a contract modification review of Contract E8M60, Supplemental Agreement (SA) 43, between the Florida Department of Transportation (department) and GLF Construction Corporation (GLF) of Miami, Florida.

The original amount of Contract E8M60 was \$56,648,757. Contract E8M60 was awarded to GLF for widening Veterans Expressway (SR 589) from four lanes to eight lanes from south of Linebaugh Avenue to south of Gunn Highway in Hillsborough County. This widening will result in three general toll lanes and one express lane going north and three general toll lanes and one express lane going south.

SA 43 added a total of \$206,958 to the contract amount and no additional days. SA 43 was executed to compensate GLF for plan sheet modifications that resulted in multiple pay item revisions (such as quantity changes for construction materials). The work mix for SA 43 included construction of an offsite drainage system along the right-of-way north of Gardner Road.

We determined SA 43 complied with applicable regulations, as well as department policies and procedures. We also determined the Turnpike Enterprise adequately monitored contract E8M60 and the associated contract changes resulting from SA 43.

Office of Inspector General
Florida Department of Transportation

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BACKGROUND AND INTRODUCTION

The Florida Department of Transportation (department) and GLF Construction Corporation (GLF) of Miami, Florida, entered into Contract E8M60 on March 1, 2013. A major purpose of the contract is to reduce traffic congestion on Veterans Expressway by introduction of express lanes and conversion to an All Electronic Tolling system. Contract E8M60 is expected to be completed in May 2016.

The original amount of Contract E8M60 was \$56,648,757. Supplemental Agreement (SA) 43, executed on November 7, 2014, increased the total contract amount by \$206,958 and no contract days. The SA 43 offsite drainage system contained precast reinforced concrete pipe products, such as round and elliptical drainage pipes, that comprised approximately 44 percent of the total cost (\$91,062) of this SA. Precast concrete drainage structures, such as inlets and manholes, constituted approximately 36 percent of the total cost (\$74,505) of SA 43. Attachment 1 contains pictures of SA 43 work in progress, including a 30 inch precast reinforced concrete drainage pipe with a properly affixed internal Quality Control (QC) stamp.

We obtained and reviewed Contract E8M60 and SA 43 documentation through the department's Electronic Document Management System (EDMS) and directly from Turnpike Enterprise personnel. We analyzed and performed tests on this documentation to ensure it complied with applicable state regulations and department policies and procedures. Additionally, a field site visit was conducted to meet with project management and to verify progress of the project to date.

RESULTS OF REVIEW

We assessed the conformity of SA 43 with applicable Florida Statutes, the department's Standard Specifications for Road and Bridge Construction (2013 Edition), and Construction Project Administration Manual (CPAM). We reviewed SA 43 documents, such as the Engineer's Estimate and Funds Approval Letter, located in the department's EDMS System. In addition, we obtained SA 43 supporting documents, such as Notice To Proceed and GLF's Labor Burden Rate, from Turnpike Enterprise. **We confirmed Turnpike Enterprise met department SA approval requirements found in the 2013 Standard Specifications and CPAM.**

Contract E8M60 had three Disadvantaged Business Enterprise (DBE) subcontractors with DBE Credit amounts of \$1,000,000 or more. GLF (the prime contractor), Rummel Klepper & Kahl, LLP (RK&K) (CEI firm for Contract E8M60), Turnpike Enterprise Contract Compliance Office, and the department's Equal Opportunity Office (EOO) shared responsibility for monitoring these DBE subcontractors. We gathered DBE monitoring documents, such as the EOO DBE Affirmative Action Plan Approval and Daily Work Reports, to provide written evidence of DBE oversight. **We concluded there was adequate monitoring of Contract E8M60 DBE subcontractors by all parties.**

GLF was required to meet the following three E-Verify requirements for Contract E8M60: enrollment in E-Verify, displaying an E-Verify poster at their job site, and including E-Verify contract requirements in their Subcontractor Agreements. **We confirmed GLF met the E-Verify requirements of Contract E8M60.**

Quality Control (QC) activities for the precast concrete products used in SA 43, such as materials certification and product inspection, were the responsibility of the product manufacturers. Quality Assurance (QA) activities for these products, such as independent assurance and sampling, were the joint responsibility of the District Five and Turnpike Enterprise Materials Offices. We gathered and reviewed precast concrete QC and QA documents prior to and during a plant visit to Rinker Materials Pipe Division (Rinker) in Apopka, Florida. **We concluded there was ongoing monitoring and inspection of precast concrete products used by GLF and their subcontractors.**

We identified numerous ongoing and periodic project oversight tools used by Turnpike Enterprise and RK&K. These project monitoring tools included Daily Work Reports, biweekly Construction Progress Meetings, monthly Turnpike District Construction Engineer/Project Manager Construction Coordination Meetings, monthly Contractor's Past Performance Ratings Reports, Turnpike Enterprise Final Estimates Qualification Performance Report (30 percent level), and CEI Quality Assurance Reviews. **We concluded Turnpike Enterprise and RK&K regularly monitored the project activities associated with SA 43.**

APPENDIX A – Purpose, Scope, and Methodology

Section 20.055, Florida Statutes, established the OIG to coordinate audits, 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 SA 43 from November 2014 through June 2015.

Our **methodology** consisted of:

- reviewing applicable laws, rules, regulations, and procedures, including Florida Statutes and department publications such as CPAM and Standard Specifications for Road and Bridge Construction (2013 edition);
- 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
- visiting the construction project field site.

APPENDIX B – Contractor Response

GLF's Construction Project Manager responded by email on November 18, 2015 that he had no further comments to add to the report.

APPENDIX C – Management Response

The Turnpike Enterprise Construction Project Manager responded by email on November 20, 2015 that she had no further comments to add to the report.

**Office of Inspector General
Florida Department of Transportation**

DISTRIBUTION, PROJECT TEAM, AND STATEMENT OF ACCORDANCE

Distribution:

Diane Gutierrez-Scaccetti, Turnpike Enterprise Executive Director

Information Distribution:

Jim Boxold, Secretary of Transportation

Mike Dew, Chief of Staff

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

David Sadler, P.E., Office of Construction

Turnpike Enterprise:

Paul Wai, P.E., Turnpike Enterprise Director of Transportation Operations

Peter Nissen, P.E., Turnpike Enterprise Construction Engineer

Tracie Rose, P.E., Turnpike Enterprise Construction Project Manager

Mike Hill, Tampa Area Manager, GLF Construction Corporation

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

Project Team:

Engagement was conducted by Richard Pearson, Auditor in Charge

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.

Office of Inspector General
Florida Department of Transportation

ATTACHMENT 1 – SA 43 Field Site Photographs

Photo 1: Bridge overpass construction on Veterans Expressway project



(Source: Field Site Visit Photograph)

Photo 2: Precast reinforced concrete pipe with internal Quality Control stamp



(Source: DVD pipe video supplied by CEI firm)