



**MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL**

**2021
ANNUAL REPORT**





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MESSAGE FROM YOUR INSPECTOR GENERAL



I am pleased to submit our Annual Report summarizing the work and accomplishments of the Office of the Inspector General (OIG) for fiscal year 2021. During this period, my office has continued to provide important oversight of County operations, including COVID-19-related issues. Our Contract Oversight staff has monitored several programs receiving federal relief funds and our Investigations Unit is participating in a federal task force investigating CARES Act and other pandemic relief program fraud. Our Audit Unit continued its work on pool contracts, a commonly used procurement method for buying regularly accessed items or services including emergency procurements. These are just a few of the many investigations, audits and contract oversight cases conducted by the Office of the Inspector General during the past fiscal year.

Although the office by nature is very complaint driven, we strive, particularly through our contract oversight function, to be more proactive in our monitoring of high dollar procurements and programs that have a significant impact on our residents such as transportation, housing, and utilities.

As the primary recipient of whistleblower complaints in accordance with the Employee Protection Ordinance, we have recently updated our training video. It is mandatory for all County employees and is available on the e-Learning link on the Human Resources Department's Training & Development page. I look forward to the return of in-person onboarding of new employees where I may once again meet with them face-to-face to tell them about the ordinance and the OIG. As a small office we depend on the eyes and ears of our fellow County employees to come forward when they suspect fraud, waste or abuse, knowing that they will be protected from retaliation. I am extremely proud of our accomplishments during this period, and I am grateful for the support we have received from the Mayor, Chairman Diaz and the members of the Board of County Commissioners. During this difficult time, we remain committed to detecting, preventing, and reporting any fraud, waste, abuse, and mismanagement of County programs and operations.

Respectfully,

Felix Jimenez
Inspector General

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ABOUT THE OIG

ABOUT US

Autonomous and independent, the Miami-Dade County Office of the Inspector General (OIG) was created by the Board of County Commissioners to serve as a watchdog over County practices. Through three distinct yet overlapping functions – audits, investigations and legal/contract oversight – the OIG investigates fraud, waste and abuse, rendering findings based on facts and evidence.

MISSION

To detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, and seek appropriate remedies to recover public monies.

VISION

To detect, investigate and prevent fraud, waste, mismanagement, misconduct, and abuse of power through independent oversight of County affairs, and seek appropriate remedies to recover public monies.

I. THE OIG EXECUTIVE TEAM



Inspector General Felix Jimenez is the head of the organization; his Executive Team includes Deputy Inspector General/General Counsel Patra Liu, Assistant Inspector General for Investigations Hector Ortiz, Deputy General Counsel Marie Perikles and Director of Data Analytics James Schlotzhauer.

Assistant Inspector General for Investigations Hector Ortiz leads the

Investigations Unit. The Miami-Dade County OIG Investigations Unit consists of three squads of experienced Special Agents supported by a team of skilled Investigative Analysts. When investigations of fraud, waste and abuse of authority reveal criminal wrongdoing, the Assistant Inspector General for Investigations coordinates with state and federal criminal prosecutors to shepherd OIG cases to a successful legal resolution. Ms. Liu also manages the Legal Unit with Deputy General Counsel Marie Perikles and three additional attorneys.

The Legal Unit provides continuous support and guidance to all OIG personnel from the moment a complaint is received to case closure, which oftentimes involves the issuance of public reports and memoranda. OIG attorneys provide counsel on jurisdictional questions and help assess the strengths and weaknesses of OIG cases for potential civil, administrative or criminal implications. OIG attorneys review all subpoenas issued by the Inspector General, and all public reports prior to release.

Ms. Liu also manages the OIG's Contract Oversight and Audit Units. Four Contract Oversight Specialists are deployed countywide. Their work includes active monitoring and random inspections of contracting and construction activities to ensure fairness in the procurement process and compliance with contract specifications. The Audit Unit consists of a team of certified professionals with a wide range of government and private sector experience. Ms. Liu formulates the OIG's annual Strategic Work Plan and oversees audits, inspections, and reviews. The Audit Unit frequently coordinates with the Investigations Unit and/or Contract Oversight Unit. All three units work together to advance the mission of the Office.

As the Director of Data Analytics, James Schlotzhauer has the primary responsibility to ensure the alignment, development and integration of data analytics, business intelligence and artificial intelligence necessary to support the mission, vision, strategies, objectives, and goals of the OIG. Mr. Schlotzhauer organizes and assembles resources necessary to address the current and future analytical needs of the OIG.

II. OPERATING BUDGET AND DELIVERABLES

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 17-18	Actual FY 18-19	Budget FY 19-20	Projection FY 19-20	Budget FY 20-21
Advertising	0	0	0	0	0
Fuel	0	0	0	0	0
Overtime	0	0	0	0	0
Rent	0	0	0	0	0
Security Services	1	1	2	2	2
Temporary Services	0	0	0	0	0
Travel and Registration	45	35	52	35	52
Utilities	28	25	30	24	25

OPERATING FINANCIAL SUMMARY

FY 2020 - 21 Adopted Budget and Multi-Year Capital Plan

(dollars in thousands)	Actual FY 17-18	Actual FY 18-19	Budget FY 19-20	Adopted FY 20-21	(dollars in thousands)	Total Funding Budget FY 19-20	Total Funding Adopted FY 20-21	Total Positions Budget FY 19-20	Total Positions Adopted FY 20-21
Revenue Summary					Strategic Area: General Government				
General Fund Countywide	1,174	721	1,631	862	Inspector General	6,721	7,374	38	40
Carryover	1,589	1,671	565	1,469	Total Operating Expenditures	6,721	7,374	38	40
Departmental Oversight (MOUs)	669	866	825	977					
Fees and Charges	3,941	4,438	3,700	4,066					
Interest Earnings	36	62	0	0					
Miscellaneous Revenues	36	33	0	0					
Total Revenues	7,445	7,791	6,721	7,374					
Operating Expenditures Summary									
Salary	4,261	4,672	4,932	5,381					
Fringe Benefits	1,262	1,438	1,496	1,646					
Court Costs	0	0	1	1					
Contractual Services	0	0	2	2					
Other Operating	133	124	184	209					
Charges for County Services	85	59	62	76					
Capital	33	33	44	59					
Total Operating Expenditures	5,774	6,326	6,721	7,374					
Non-Operating Expenditures Summary									
Transfers	0	0	0	0					
Distribution of Funds In Trust	0	0	0	0					
Debt Service	0	0	0	0					
Depreciation, Amortizations and Depletion	0	0	0	0					
Reserve	0	0	0	0					
Total Non-Operating Expenditures	0	0	0	0					

FY 2020 - 21 Adopted Budget and Multi-Year Capital Plan

DIVISION: INSPECTOR GENERAL

The OIG's principal objective is to promote honesty and efficiency in government and to prevent and detect misconduct, fraud and abuse in County programs and contracts. The OIG strives to ensure that taxpayers get a fair and honest accounting of their money and, where possible, seeks appropriate remedies to recover public funds.

- Investigates, audits and inspects programs, projects and contracts to detect and prevent fraud, mismanagement, waste and abuse
- Publicly reports findings and initiates or makes civil, administrative and criminal referrals where necessary
- Communicates the Office's accomplishments through report distribution, website communication and public awareness initiatives
- Provides all professional support to these functions including publicly reporting findings

Key Department Measures, Strategic Objectives and Resiliency Drivers

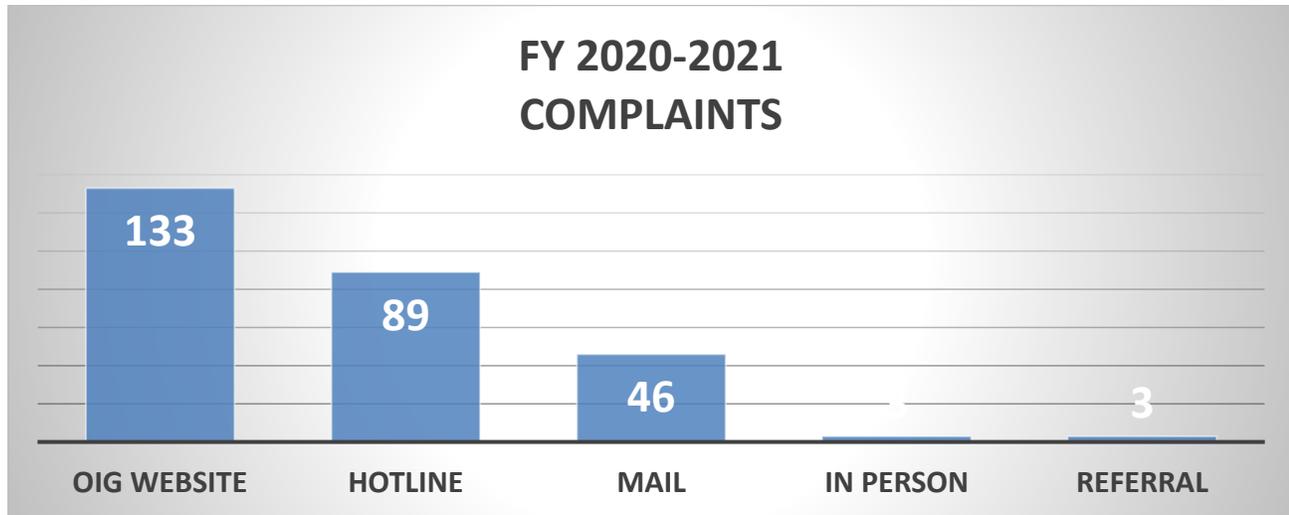
Measures	SO	RD	Type	Good	FY 17-18	FY 18-19	FY 19-20	FY 19-20	FY 20-21
					Actual	Actual	Budget	Projection	Target
Contracts/programs audited and reviewed	GG1-2	LS-2	OP	↔	30	47	30	30	30
Reports issued	GG1-2	LS-2	OP	↔	11	7	15	15	18
Advisory memoranda issued	GG1-2	LS-2	OP	↔	26	22	20	15	20
Complaints received*	GG1-2	LS-2	IN	↔	344	312	300	250	300
Percentage of complainants receiving feedback about initial disposition of complaint within 30 days**	GG1-2	LS-2	OC	↑	N/A	95%	95%	95%	98%

* The decrease indicated by the FY 2019-20 Projection is attributable to COVID-19 and the County's State of Emergency

** This measure considers only complainants providing contact information; this performance measure started being monitored in FY 2018-19

III. COMPLAINTS AND DISPOSITION OF COMPLAINTS

The Office received 274 complaints in Fiscal Year 2020-2021. Of these, 133 were made using our website's On-line Complaint Form, 89 were received through our Hotline, 46 by mail, 3 as a referral and 3 were received as walk-ins.



8% of complaints resulted in Preliminary Investigations, Audits, Contract Oversights or Investigations, 16% were referred to the appropriate County departments or other governmental agencies that could directly address the complaint and the remainder, 76% complainants were assisted and/or complaint warranted no further action.



IV. INVESTIGATIONS UNIT

The Investigation Unit works toward accomplishing the OIG’s mission by conducting investigations of fraud, waste, abuse, and misconduct related to County programs, operations, contracts, and employees. OIG Special Agents have a wide variety of experience from law enforcement and regulatory agencies. They are experienced in conducting investigations of white-collar crimes, financial fraud, and public corruption. The Investigations Unit coordinates with the Miami-Dade State Attorney’s Office, the United States Attorney’s Office, and other local, state, and federal law enforcement agencies to leverage resources and fraud-fighting efforts. Our investigations often lead to criminal cases, administrative reports with recommendations, and monetary recoveries.

Our Analyst Unit directly supports investigations conducted by the Investigation Unit, through intelligence gathering and analytical support. OIG Investigative Analysts are dedicated to maintaining relationships with organizations such as the Florida Department of Law Enforcement and the Financial Institution Security Association.

In addition to investigative support, the Analyst Unit conducts criminal history background checks of advisory board nominees as mandated by the Miami-Dade County Code. The Miami-Dade County Board of County Commissioners has created 105 advisory boards comprised of volunteers nominated by individual commissioners. As part of the appointment process, the OIG Analyst Unit conducts State of Florida criminal history background checks on advisory board nominees. In 2021, 212 criminal history background checks were conducted. The OIG Analyst Unit also manages the OIG Hotline that allows the public, stakeholders, and others to report suspected fraud, waste, and abuse.

During this past fiscal year, the Investigations Unit completed numerous investigations and reviews. The Investigation Unit’s work has resulted in arrests and prosecutions, corrective actions, and procedural reforms. The following pages highlight some of the Investigations Unit’s cases.

A. ARRESTS, PROSECUTIONS, AND SENTENCINGS

Former WASD Employee Sentenced for Submitting Fraudulent CARES Act Small Business Loan Application



A former Systems Network Manager II at the County’s Water and Sewer Department (WASD) was sentenced to 6 months in federal prison, followed by 6 months of home confinement and 6 months of supervised release, after pleading guilty to a single count of wire fraud in connection with a fraudulent scheme to secure \$160,000 in Emergency Injury Disaster Loan (EIDL) proceeds intended for eligible

small businesses affected by the COVID-19 outbreak. The longtime (19-year) County employee was arrested as part of a joint investigation by the OIG, the U.S. Attorney’s Office, the FBI, the Small Business Administration Inspector General, Miami-Dade Police and other law enforcement agencies investigating fraud in the CARES (Coronavirus Aid, Relief and Economic Security) Act small business loan program. The former WASD employee resigned in June 2021.

The CARES Act EIDL small business loan program required an applicant to certify, under penalties of perjury, information about the small business' operations, including gross revenues, cost of goods sold, and number of employees for the 12-month period preceding January 31, 2020. On the loan application, the former employee falsely overstated and certified the amount of gross income, cost of goods sold, and number of employees employed by the business, and falsely certified the date the business was established. At the time of the application, the former employee was also working his full-time County job and receiving a full-time salary and benefits. As a result of the former employee's false and fraudulent application, the SBA disbursed a \$10,000 advance via Electronic Funds Transfer and later \$150,000 in loan proceeds intended for deposit at the former employee's account at a local financial institution. The \$150,000 loan proceeds were rejected by the financial institution and returned to the SBA. The former employee contacted the SBA and unsuccessfully attempted to have the proceeds re-routed to a different bank.

Small Business Contractor Pleads Guilty to Defrauding His Employees and the County

The Miami-Dade County's Small Business Division referred information to the OIG for investigation, alleging that an electrical subcontractor underpaid its employees in violation of both the Responsible Wage Act and its subcontract, and then submitted false employee affidavits attesting to the supposed wage repayment. It was alleged this was done to fraudulently satisfy a County-issued Notice of Violation. The electrical subcontractor was hired by the prime contractor, to perform electrical work as part of the Atrium and Tower renovation at the Joseph Caleb Center. As part of its subcontract, it was required to comply with the County's Responsible Wage Act.

The OIG investigation found that the employee wage repayment affidavits were fraudulent. None of the employees spoke English fluently nor understood what they were signing. The workers testified to the OIG that while they did receive a repayment check, the electrical subcontractor made them deposit the funds in their bank accounts, withdraw cash, and return the cash using duress and improper influence. While each affidavit appeared to be notarized, the workers stated, under oath, that no notary was ever present at the time they signed the document. By engaging in these fraudulent acts, the electrical subcontractor underpaid its workers over \$86,000.

The electrical subcontractor's owner was arrested and pled no contest to Organized Scheme to Defraud, Notary Fraud, and Uttering Forged Instruments. The Court adjudicated the company owner guilty. Prior to the plea, the electrical subcontractor repaid the back wages. It was also required to pay costs of investigation and agreed not to obtain any new contracts with the County, as either a prime or subcontractor, during the period of probation.

Former Clerk of Courts Employee Arrested and Sentenced for Stealing Child-Support Payments

After a child-support payor complained to the Miami-Dade County Clerk of Courts (COC) that his \$1,000 payment was not credited to his account and produced his official COC receipt for payment, the COC initiated an audit and requested that the OIG investigate.

The OIG investigation confirmed the COC audit finding that a former clerk—who had worked for the County since 2014—pocketed the original \$1,000 child-support payment. Further, in an effort to hide the original theft, she proceeded take cash from 18 subsequent child-support payors to use their funds to apply to the previous payor-victim’s account, similar to a check kiting scheme.

The former Court clerk was arrested and pled to criminal misdemeanor charges of Petit Theft and Exploitation of Official Position. Prior to the plea, the former clerk paid \$1,000 in restitution to the Clerk’s office. She also stipulated that she is ineligible for future government employment.

Former MDAD Employee Sentenced for Theft and Exploitation of Official Position

A 19-year employee of the Miami-Dade Aviation Department (MDAD) was arrested on charges of Exploitation of Official Position and Petit-Theft— both misdemeanors, following an OIG and Miami-Dade State Attorney’s Office joint investigation. The employee pled no contest to the charges and was sentenced this past February.

MDAD’s Compliance Division referred information to the OIG for investigation. The information alleged that the employee had fraudulently obtained two MDAD SunPass devices and used them without MDAD authorization. The OIG investigation substantiated these allegations and determined that the employee had been using the SunPass devices for his personal vehicles from 2014 – 2019, racking up \$4,187 in tolls debited to MDAD.

The former employee was sentenced to a year probation, was required to perform community service hours and ordered to stay away from all MDAD properties unless he is a ticketed passenger. Additionally, as part of his sentence, the former employee paid full restitution to MDAD and paid costs of investigation and waived any rights he might have to future County employment. Lastly, due to the employee’s breach of the public trust, he forfeited his accrued leave.

B. INVESTIGATIONS CASES RESULTING IN IMPROVEMENTS TO COUNTY PROCESSES AND PROCEDURES

Department of Public Housing and Community Development Adopts Best Practices & Procedures Following OIG Investigation

The OIG initiated an investigation into allegations that a department of Public Housing and Community Development (PHCD) Selection Committee deviated from County policies and State open-government laws governing the Request for Applications (RFA) process for the FY 2017 Documentary Stamp Surtax (Surtax) Funding and State Housing Initiatives Partnership (SHIP) Funding. PHCD administers funding from the SHIP and County's Surtax programs to further the building of affordable housing units by private developers. The RFA at issue involved estimated Surtax/SHIP funding awards totaling over \$38 million.

The alleged deviations and non-compliant practices involved the RFA evaluation process as overseen by PHCD. The OIG investigation substantiated three allegations involving state laws including the application of the Florida Sunshine Law and the requirement that certain meetings—such as the annual RFA competitive selection process—be publicly noticed and conducted in the open. The OIG found allegations relating to the lack of audio recorded meetings and the failure of Selection Committee Members to complete Neutrality Affidavits, were unfounded as they do not apply to the RFA annual funding process. As a result of the OIG investigation, these requirements, which are mandated for competitive procurement selections, will be considered by PHCD as best practices, and implemented in future RFAs.

As part of a holistic approach, our Contract Oversight Unit, at the conclusion of this investigation, began monitoring the FY 2020 RFA process. The evaluation process began with a kick-off meeting on November 18, 2020, soon after the expiration of the Governor's Executive Order EO 20-69. The Executive Order provided an exemption for physical quorums, allowing public meetings to be conducted virtually via communications technology. This meeting was among one of the first, in County government, to be conducted wherein a physical presence of the Selection Committee voting members would be required while still under social-distancing guidelines and recommendations in place during the COVID-19 pandemic. In all, the OIG was physically present at 2 regular meetings, reviewed the audio recording of the missed meeting and also attended 2 additional meetings.

While attending regular meetings and reviewing the audio recording of the missed meeting, the OIG observed and noted procedural shortcomings. These shortcomings were subsequently reviewed with PHCD, along with the County Attorney's Office. In order to correct these shortcomings, an additional meeting of the Selection Committee was convened to take the necessary corrective actions. In our final report, issued on April 12, 2021 entitled "Public Housing and Community Services Committee Meeting of April 15, 2021, Agenda Item 3E, - FY 2020 Documentary Stamp Surtax Funding and State Housing Initiatives Partnership Funding and Home Investment Partnerships Funding Allocation; OIG Ref: 20-0017-O" the OIG noted that we do not believe, that they (short comings), in any way, affect the scoring and ranking of proposals.

Overall, the investigation demonstrated that there was a lack of knowledge of the laws and regulations pertaining to competitive selection processes. Further, there were no standard procedures governing the process. As a result of the OIG's investigation, PHCD implemented new procedures. The OIG will be monitoring the future RFA cycles and providing input to ensure a fair, transparent and compliant process.

Review of Associate Medical Examiner's Outside Employment Sheds Light on Internal Administrative Procedures

The OIG initiated an investigation based on a complaint alleging several potential violations of the County Conflict of Interest and Outside Employment ordinances by an Associate Medical Examiner (AME). The complaint also raised various operational issues regarding the Miami-Dade Medical Examiner's Department (ME's Office) relationship with a privately owned tissue-bank vendor that had provided histopathology laboratory services in return for rental rights to an autopsy suite inside the ME's Office.

The OIG investigation found the AME was generating substantial sums of outside employment income, including from medicolegal consulting, private autopsies, and consultation cases in the Caribbean Islands. The AME consistently under-reported the outside employment income on mandatory annual financial disclosures over several years. From 2013 through 2017, the AME under-reported outside income from medicolegal consulting, private autopsies, and island consult cases by approximately 54% and as much as 91%. The AME's declared outside employment income in 2018 and 2019, exceeded his base salary in those years. The OIG also substantiated several examples where the AME used County materials, and supplies, including a bone saw, and received more than \$17,000 worth of free histopathology lab tissue-processing services from the County vendor, for the benefit of the AME's business ventures over several years. The AME subsequently negotiated a plea with the Commission on Ethics & Public Trust on two counts of failing to file accurate annual outside employment financial disclosures and paid a fine.

The investigation found lax managerial oversight of the AME's outside employment activities and identified areas of operational concern, including several areas where the ME's Office needed to address years of historic practice and "unwritten rules", by requiring clearly defined standards so that everyone from the Chief Medical Examiner to entry-level clerks would know what is – and is not – expected of them.

The OIG recommended that the ME's Office craft, implement, and enforce new policies clearly defining what constitutes permissible and prohibited outside employment and procedures that mandate up-front disclosure by the employee prior to accepting any work that might create a real or perceived conflict. Another area of operational concern involved the security and control of morgue equipment, supplies and other inventory, which may require the installation of new security measures as well as stronger policies and procedures aimed at inventory control and tracking of expensive equipment such as the bone-saws, blades and chemicals unique to the ME's Office's practice. It was recommended that the ME's Office clearly define when employees may take specific County supplies off-site for previously authorized non-County work and develop a parallel set of policies and procedures by which the employees reimburse taxpayers for use of those items on a case-by-case basis. The ME's Office has concurred with most the OIG recommendations, and we will continue our monitoring of the ongoing process improvements.

Two Investigations of Underreporting Gross Revenues Result in Oversight Changes at the Miami-Dade Aviation Department and Increases in Transparency, Accuracy, and Consistency

The OIG investigated two separate cases of businesses underreporting their gross revenues. Generally, whether pursuant to a direct contract to provide services, a lease agreement, or a permit to operate a business on Miami-Dade Aviation Department (MDAD) property, gross revenues must be self-reported to MDAD. The reported revenues are used by MDAD to calculate various fees due to the County. Two OIG investigations ended in 2021 and resulted in various OIG recommendations to improve County oversight and help ensure accurate and transparent reporting of revenues. In the first case, the OIG reviewed the operations of a luggage wrapping service operating at MDAD pursuant to a contract with the County. The OIG scrutinized the company's Monthly Reports of Gross Revenue (MRGR) from October 2013 to March 2017, as it appeared from the reported numbers that gross revenues might be underreported. The probe determined that the company accurately reported monies collected. However, it inaccurately reported an artificially inflated number of bags wrapped due to its internal accounting system. An OIG Audit revealed the company's reporting of discounts and coupons was not transparent using the current MDAD MRGR.

The OIG recommended that MDAD review specific historical and current aspects of its revenue reporting process and a company's sale of products and services. The OIG further recommended that MDAD address the company's confusing use of the MRGR forms as it relates to coupons and discounts to ensure mutual understanding of how coupons and discounts are being reported. The MDAD Airport Director responded to the OIG, acknowledging follow-up action and MDAD review of sales and revenue reporting processes.

The second case of potential gross revenue underreporting involved a management company that operated and managed hospitality lounges at Miami International Airport (MIA) for two airlines. The OIG reviewed two years of the management company's invoices to one airline and found that the company failed to pay opportunity fees to MDAD consistent with the then-current permit agreement's definition of gross revenues. The investigation revealed that the management company was reporting gross revenues regarding one airline's hospitality lounge gross revenues, but only net revenues regarding the other airline's hospitality lounges. Yet, the language used in both permit agreements was the same. The management company disputed the OIG's finding of underreported revenues and claimed it had a tacit agreement with MDAD to only report and pay opportunity fees based upon its net revenues.

This investigation spurred MDAD to review how management companies operating hospitality lounges report revenue to MDAD. After review, MDAD elected to implement a new policy for a select group of permittees— hospitality providers servicing MIA airline lounges pursuant to a management agreement. The new definition of gross revenues now excludes operating expenses, labor, overhead, and costs of goods sold. This new definition ensures that all similar hospitality lounge management companies are treated equally.

OIG Finding of Outside Employment Violations by a Construction Contractor’s General Manager Leads to Removal and Adoption of Increased Ethics Provisions in Future Contracts

The OIG concluded an investigation of a complaint that raised serious conflict of interest concerns surrounding a Miami-Dade Aviation Department (MDAD) construction contractor’s general manager. At the time of the complaint, the general manager was overseeing the Miscellaneous Construction Contract 8-10 (MCC-8-10) for MDAD. MCC-8-10 is a contract vehicle whereby the prime general contractor, is assigned construction projects valued up to \$5 million and is responsible for soliciting bids, awarding construction subcontracts, and overseeing the subcontractor’s work at MDAD. The contract requires that the prime general contractor hire a general manager dedicated solely to MCC-8-10 oversight. The general manager may not participate in outside employment without first obtaining written permission from MDAD.

The OIG found that the general manager was actively engaged in personal, for-profit County construction projects, while also responsible for the MCC-8-10 contract administration and oversight. Moreover, the general manager hired some of the same MCC-8-10 subcontractors for use in his private business. The general manager’s outside employment (private business activities) was not disclosed to MDAD project managers, in violation of the contract. In total, from 2012 to 2018, the general manager’s private company bid on at least 24 County construction projects as the prime contractor, was awarded six contracts and was paid \$2.2 million. This created a conflict of interest fraught with ethical hazards and gave the perception of an unfair competitive advantage among subcontractors under his supervision. It is noted that the contracts awarded to the general manager’s private company were not from the MCC-8-10. Instead, the contracts were from County pool contracts— MCC-7040 and MCC-7360. The manager was subsequently removed. MDAD concurred with OIG recommendations for better oversight and supervision of outside ownership and vested business interests of key management staff involved in managing County construction projects. Stronger ethics provisions will be incorporated into future MCC contracts.



OIG Investigation Results in the Miami-Dade Aviation Department Enacting New Procedures

The OIG initiated an investigation into possible theft of fuel (diesel and other non-jet fuel) at the Miami Executive Airport (MEA), formerly the Tamiami Executive Airport, a General Aviation Airport. In addition to managing operations at Miami International Airport, the Miami-Dade Aviation Department (MDAD) also operates four General Aviation Airports in the County. The OIG determined there was insufficient evidence to conclude fuel was stolen, or even missing, from MEA. However, the OIG investigation found deficiencies in the fuel facility's internal controls.

Based on the OIG's investigation and recommendations, MDAD took swift action and enacted new Departmental Standard Operating Procedures (DSOP) for Fuel Management at General Aviation Airports including the outsourcing of non-jet fueling facilities to the County's Internal Services Department.

C. OTHER INVESTIGATIONS UNIT CASES AND REVIEWS

Review of Pros Lease Agreement with Red Fish Grill

The OIG initiated a review of a fee imposed by the Parks, Recreation and Open Spaces Department (PROS) on Hammock Marine Corporation (Hammock Marine). Hammock Marine has been the lessee and operator of the Red Fish Grill Restaurant at Matheson Hammock Park since 1992. The review was based on a complaint by the former owners of Hammock Marine. They alleged that upon seeking transfer of ownership approval from the County, in accordance with the lease agreement, PROS required a fee of 8% of the sales price as a condition of its approval. The OIG reviewed the circumstances regarding the imposition of the fee to determine if there were any violations of County policies or ordinances and found none.

However, the review found that the lease agreement with Hammock Marine did not contain a specific provision for the imposition of a fee conditioned on the approval to transfer ownership. PROS advised the OIG it considered the fee as being in the best interest of the County. PROS had to go through a vetting process with the new owners after concluding months-long lease renewal negotiations, which included concessions based on its long-standing partnership with Hammock Marine. PROS had not been advised of the proposed transfer of ownership until after the option to renew the lease agreement had been approved by the Board of County Commissioners. The OIG's review also found that PROS allowed Hammock Marine to operate under an expired lease agreement. The OIG recommended that PROS establish a policy regarding fees for its process of transfers of ownership and review its procedures to track the expiration of lease agreements to ensure leases are timely renewed. PROS agreed with the OIG recommendations, and although asserting that PROS acted in the best interest of the County, the department decided to honor the longstanding partnership with the former owners and return the fee.

OIG Performs Due Diligence Review of Company Seeking Arena Naming Rights

The OIG was asked by County Administration to conduct a due diligence review of a company vying for the naming rights of the County-owned professional basketball arena, currently the home of the National Basketball Association team, the Miami Heat. The OIG agreed to assist in a limited scope due diligence review. From the outset, the review was limited primarily because of the time constraint by which the Administration required the information. Additionally, the OIG did not look at the financial strength of the company or its proposed offer as those assessments were performed by the County Administration. The OIG's limited scope review focused on the County's reputational risk with doing business with the company seeking the naming rights.

In conducting its due diligence review, the OIG obtained information related to the company and its affiliates directly from the company as well as from numerous databases. The OIG presented the Administration with a comprehensive eight-part report providing information such as the searches conducted, corporate history, office locations, licensing information, regulatory actions, litigation history, biographical backgrounds, and internet/social media information about the company, its affiliates as well as its majority principal and minority owners. The review contained no opinions, assessments or conclusions but was conducted to provide information to assist the County's assessment of the offer for sponsorship of the arena.

Having reviewed the information provided by the OIG, the County Administration recommended approval of a Marketing Partnerships Naming Rights Agreement to the Board of County Commissioners (BCC). The naming rights agreement was approved by the BCC for a term of 19 years with the resulting revenues to the County in the amount of \$135 million over the term of the Naming Agreement. A large portion of those funds have been designated to combat gun violence and enhance economic prosperity.

V. AUDIT UNIT

The OIG Audit Unit supports the mission of the OIG by conducting audits, inspections and evaluations to detect fraud, waste, and mismanagement. Audit engagements generally conclude with the issuance of a Final Audit Report that provide the OIG's findings, observations, and recommendations involving the audited subject matter. The Final Report also include the auditee's response to those findings and recommendations. When questioned costs, opportunities for savings, and other financial impacts are uncovered, OIG auditors will make targeted recommendations to mitigate identified risks and recover public monies as appropriate. Most importantly, the OIG Audit Unit follows up with the County entities responsible for implementing those recommendations to ensure that appropriate action is taken to address any noted deficiencies and adverse conditions.

Most of the audits performed are derived from complaints received by the OIG or initiated at the direction of the OIG Executive Team when, in the course of other oversight work performed by the OIG, an area of interest is discovered warranting an in-depth audit of the subject. The OIG's audit authority is guided by Section 2-1076(d)(6) of the Code of Miami-Dade County that enables the OIG to conduct random audits of county contracts. The Audit Unit also assists other OIG units by providing financial, accounting, or analytical research as needed.

The Audit Unit conforms with the Association of Inspectors General (AIG) Principles and Standards for Offices of Inspector General (Green Book) and the Generally Accepted Government Auditing Standards (GAGAS aka Yellow Book). The Association of Inspectors General conducted its most recent Peer Review of our office in October 2019, to determine compliance with the Green Book and the Yellow Book. The peer review was passed satisfactorily. Our next peer review is scheduled for Fall of 2022.

The Audit Unit is presently comprised of two supervisors and four auditors under the direction of the Deputy Inspector General. The team is a diverse group of individuals with various backgrounds, and all members, including the Deputy Inspector General, hold the AIG's Certified Inspector General Auditor designation. Additional designations held by Audit Unit members include that of Certified Public Accountant, Certified Fraud Examiner, Certified Internal Auditor, Certified Construction Auditor, Certified Risk Management Assurance Auditor, Certified Government Auditing Professional, and Certified Government Financial Manager.

The following summarizes our audit activities completed in 2021 and provides a glimpse into some of our on-going audit activities.

Prior and On-Going Pool Contracts

Through a solicitation for qualifications, potential contractors, suppliers, and vendors, are screened to develop a pool of qualified firms who will then compete to render goods and/or services, through spot market quotations, on an as-needed basis. Pool contract utilization is governed by County procurement policies and procedures, the contracts themselves, as well as each contract's unique roadmap. Individual County departments receive dollar allocations based on their expected level of use of the pool contract for each term. One of the main objectives for establishing pool contracts is to make the process for buying regularly accessed items or services simpler and faster to procure. Pools also provide more contracting opportunities to a larger number of firms, and based on the estimated value of the procurement, pools allow for sheltered contracting opportunities to certified small business enterprises (SBEs).

As of December 31, 2020, the County had 211 pool contracts with durations ranging from one to 15 years and a cumulative contract award value of over \$3.3 billion.

As part of an ongoing effort to evaluate the overall use and effectiveness of pool contracts within the County, the OIG has been reviewing various pool contracts. These audits assess departmental compliance with the contract, the corresponding roadmap, and SBE preferences, when applicable.

This past year the OIG issued two audit reports of pool contracts - Contract No. 5745-2/14: Parts and Repair Services for Transit Buses and other Support Equipment, and a second audit report involving Contract No. 8757-1/18-1, Electrical and Electronic Components, Tools, Parts, and Supplies. Report summaries for these two reports appear below. The OIG has also recently initiated audits of the Emergency Response Team (ERT) Pool under the Miscellaneous Construction Contracts (MCC) Program.

Department of Transportation and Public Works' Utilization of Contract No. 5745-2/14-2:2 Bus Parts and Repair Services for Transit Buses

This contract, which was in effect from March 2009 through June 2020, provided bus parts and bus repair services to several county departments, however the Department of Transportation and Public Works (DTPW) as one would expect, was by far the greatest user of the contract. For the 11-year period that the contract was in effect, the total awarded contract value was \$285 million, of which, DTPW made purchases totaling \$277 million (or 97%) of total contract amount. The contract was split into two groups: Group 1 for the purchase of parts and Group 2 for the purchase of repair services.

This audit tested DTPW's compliance with contract terms and conditions, and with the contract's roadmap, which guides purchasing agents and buyers how to obtain price quotes from vendors in the pool. Additionally, the audit evaluated DTPW's maintenance of purchasing records identifying the criteria used to select the pre-qualified firms, the types of items ordered, or services rendered, and that payment reflected the shipment received or services performed.

Our audit resulted in four findings and three recommendations. The first finding, which involved testing Group 1 parts acquisitions, found 12 testing exceptions with questioned costs amounting to \$870,000. These exceptions generally involved failures to adhere to the contract roadmap, such as awarding purchases to vendors who submitted their quotes after the deadline; awarding to vendors not pre-qualified to provide a certain piece of equipment; and Invitations to Quote (ITQs) being sent to less than four vendors despite more vendors being approved to provide the part.

The second finding resulted from DTPW's use of blanket purchase orders. The purchase order created in the financial system of record lacked the exact price and quantities that had been quoted and accepted by DTPW and instead were created for a much larger blanket sum. In one invoice, the purchase order lacked the unit price and quantities which resulted in the vendor overcharging the County for the item procured.

A third finding resulted from a lack of transparency in DTPW's service process and documentation therein. Due to the lack of documentation evidencing the service process, it was difficult to determine why vendors were chosen for service-related work within this pool contract. The lack of transparency paved a path for our fourth finding— inconsistencies in invoices and supporting documentation proved difficult to verify charges.

Those issues allowed one vendor to overcharge the County from the application of inconsistent discount rates, labor totals and list prices. Questioned costs amounting to \$4,739 resulted from just one invoice.

The OIG issued three recommendations to assist the Department in bettering its control processes. Specifically, the OIG recommended that DTPW develop an originating form to document service needs. This originating document should clarify if services are to be competitively procured or whether other extenuating circumstances, such as warranties, require that the service be performed by a particular vendor. Second, the OIG recommended that DTPW develop a detailed checklist for completing the ITQ. This checklist should document the vendors that were invited to quote and which ones responded. Third, we recommended that DTPW reduce its use of blanket purchase orders and create unique purchase orders resulting from each ITQ process.

The Department agreed to develop the recommended form and checklist and concurred with the OIG's assessment about blanket purchase orders. The OIG requested that DTPW provide a 120-day status report showing how the recommendations have been implemented. Currently, DTPW is in the process of completing the status report.

Audit of Contract No.8757-1/18-1, Electrical and Electronic Tools, Parts, and Supplies

This contract, which was in effect from April 2014 through March 2019, allowed for the purchase of electrical and electronic components, tools, parts and supplies on an as-needed basis. During the contract period, over 20 County departments accessed this contract and collectively purchased over \$46 million in goods from this contract. The OIG selected four County departments for audit testing: the Miami-Dade Public Library System, the Public Housing and Community Development Department, the Seaport Department, and Department of Solid Waste Management. The audit reviewed departmental access, usage and compliance with the contract's terms and conditions, including following the contract roadmap and adherence to the Small Business Enterprise (SBE) requirements.

The first observation addressed each department's use of the contract and their compliance with contract requirements. We identified instances where one department did not comply with the Contract's SBE requirements; another department made purchases from non-competitively established blanket purchase orders outside of the contract's scope for goods and services; and another department's competitive purchases did not comply with the County's Cone of Silence. Additionally, one department did not timely acknowledge its receipt of items purchased, resulting in extra time spent to determine if goods were received and invoices could be paid.

The second observation addressed the application of the County's Collusion Affidavit requirements. Throughout the audit, we noted non-uniform and irregular application of the Collusion Affidavit. Most departments required that the winning vendor submit the Collusion Affidavit, but one department did not require it for competitive quotes that resulted in one bid. For another department, the recommendations for award were not accompanied with a Collusion Affidavit. We also noted one irregularity where the Collusion Affidavit was signed by the notary nine months prior to the vendor award notification

The OIG determined that this vendor reused this Affidavit eleven times for awards issued by different departments. The OIG recommended that the departments take advantage of training as offered by the Internal Services Department (ISD) to ensure compliance with County and contract requirements, as well as seek clarification and instructions on contract requirements that are not clear. The OIG further recommended that ISD provide additional guidance and training to all user departments on the Collusion Affidavit, specifically on when it is actually required—for it is only required for awards over \$250,000. The OIG recommended that any changes to Collusion Affidavit requirements should be a joint policy decision in consultation with the County Attorney. ISD responded positively to the recommendations noting recent improvements to the Invitation to Quote (ITQ) form and that it has made efforts to enhance its procurement training for departmental purchasing staff. ISD also noted that in addition to regularly scheduled training for all purchasing agents, individual departments may request "on-demand" training for its procurement liaisons who should then communicate this information to other members within their own department. As to the Collusion Affidavit, ISD noted

that improvements to the affidavit would be underway and, most notably, the title of the form would be changed to the Non-Collusion Affidavit.

Excerpt of ISD's Response Regarding the Collusion Affidavit

ISD-SPD has reviewed this issue at length. Certain changes are imminent, in light of the guidance received from the U.S. Department of Justice (DOJ) during the Procurement Professionals Seminar hosted by ISD-SPD on March 6, 2020, and pursuant to Federal Acquisition Regulation (FAR 48 C.F.R. § 52.203-2). Research of nationwide public entities revealed that only the County titles its affidavit as a "Collusion Affidavit." As such, the title of the affidavit will be changed to "Non-Collusion Affidavit," in line with other public entities. Further, the content of the affidavit will be edited to align with public procurement best practices to obtain more concise data from the proposer/bidder. The existing affidavit gives the option for proposers/bidders to select a check box to affirm they are either related or are not related to the other proposers/bidders who responded to the solicitation. The revised affidavit will provide proposers/bidders with specific examples of collusive activities which they must affirm they did not partake in. This revised document and guidance thereof will be shared with all procurement staff across departments.

THE MCC PROGRAM 7040 AND 7360 PLANS

The OIG has initiated several audits involving the County's Miscellaneous Construction Contracts (MCC) Program. The MCC Program was established, by ordinance passed in 2009, to create a permanent procurement vehicle to expedite construction contracting for projects under \$5 million and to further enhance contracting opportunities for certified Small Business Enterprise (SBE) – Construction firms. The MCC Program comprises the 7040 Plan and the 7360 Plan. The 7040 Plan is a 100% set-aside pool for SBE construction firms. The 7360 Plan is an open non-restricted pool for all construction firms and is to be used only when federal funding is involved or when there are not sufficient firms available in the 7040 Plan. The Small Business Development Division, a division of the Internal Services Department, is responsible for promoting and administering the MCC Program.

The MCC Program works as a pool contract where pre-qualified contractors—whether they be general contractors or trade-specific contractors—bid on construction projects. County departments accessing either the 7040 or 7360 plans solicit bids via Requests for Price Quotes (RPQs). The MCC Program is the primary contracting vehicle to award contracts for new construction, renovations, repairs, and maintenance projects with a maximum value of up to \$5 million.

Within the MCC Program, non-competitive contracts may be awarded on an emergency basis when there are unforeseen, unanticipated, or urgent construction service needs where the protection of life, health, safety, and welfare of the community are at stake. The Emergency Response Team (ERT) is a sub-pool within the Program where departments in need of contractors for emergencies may contact firms directly to engage them for the work needed. Firms are to be contacted based on a rotational listing maintained in the County's Capital Improvements Information System (CIIS) database. Both the 7040 Plan and 7360 Plan have ERTs to allow for emergency awards.

Currently, the OIG has initiated audits at three County departments to evaluate their compliance with the MCC Program's procurement requirements. At present, the OIG has nearly completed its review of the Public Housing and Community Development Department's and Fire Rescue Department's utilization of the MCC Program ERT for emergency projects. These two audit reports will be issued in 2022. A third more encompassing audit of the Parks, Recreation and Open Spaces Department's accessing of the 7040 and 7360 Plans, as well as the ERT has just commenced. Audits at additional departments may be initiated.

Follow-Up Review of Miami-Dade Aviation Department's Permit Application, Extension, and Renewal Process

In October 2021, the OIG issued a report that detailed our audit follow-up activities involving the Miami-Dade Aviation Department's (MDAD) process for issuing permits to companies wanting to do business at Miami International Airport. The original OIG audit commenced in 2015 in response to the Board of County Commissioners' directives aimed at increasing revenue accountability at MDAD.

The objectives of our original audit were to evaluate the operation, internal controls, and revenue reporting of the permit process as a whole. Two reports were issued containing a total of 14 recommendations. The objectives of this follow-up review were to determine if the OIG audit recommendations accepted by MDAD were fully implemented and whether they have been effective.

Permits, a revenue generating activity for the County, are issued by MDAD under authority of Miami-Dade County's Administrative Order No. 8-5, to companies providing services to tenants on airport properties. These companies—permit holders a.k.a. "permittees"—must satisfy certain requirements for the opportunity to do business at the airport. Notably, permittees are required to remit "opportunity fees" to MDAD that are based on a percentage of the gross revenues that the company earned from its business dealings at the airport.

Since the initiation of our audit in January 2015, the number of airport permittees has grown from 143 to 288 in FY 2021. Accordingly, the total amount of opportunity fees paid to MDAD has also grown. The amount of permittee opportunity fees paid to MDAD has increased from \$24,711,846 in FY 2015 to \$31,195,998 in FY 2019. A decline in the amount

of opportunity fees paid in FY 2020 (\$21,227,641) is attributed to the reduction in permittees' gross revenues earned during the COVID-19 pandemic.

Our review shows that MDAD has taken favorable actions to implement our previous audit recommendations. Two noteworthy recommendations addressing process control and accountability have been successfully implemented as verified in the course of this follow-up review.

The second recommendation, led to MDAD's development and implementation of a significant protocol that establishes a formal process for handling misrepresentations of reported gross revenues and assists MDAD management in making informed decisions for each instance. As recommended by the OIG, the protocol requires detailed information regarding the incident, and provides a process to determine if penalties, fees or other sanctions should be assessed. It also sets forth an evaluative process to determine if the details of the incident should be referred to the County's Audit and Management Services Department or to the OIG for further examination.

As a result of this audit follow-up, the OIG made two additional recommendations based on current observations. First, we noted that while the MDAD Properties and Finance divisions made great strides in improving communications involving the administration and oversight of permittees, due to the COVID-19 pandemic, weekly meetings between MDAD Properties and Finance staffs had been suspended and replaced with informal discussions on an as needed basis. The OIG recommended that MDAD Finance and Properties resume regularly scheduled meetings, whether weekly or bi-weekly, and either virtually or in person (in compliance with the appropriate health/safety recommendations) to continue the enhanced communication and sharing of permittee customer and gross revenues information that had been established. The OIG believes that a regular meeting schedule will ensure constant oversight over the permit administration and revenue collection function.

Second, we observed that because permittees self-report their revenues, great reliance has been placed on the fact that permittees must have an annual audit attested to by a certified public accounting (CPA) firm. This requirement, however, only applies to permittees reporting gross revenues greater than \$250,000 annually. The OIG notes that the vast majority of permittees (71 percent) report annual gross revenues below the \$250,000 threshold and thus, are not required to submit CPA- certified audits. These companies only need to submit an attestation/certification by an officer or owner of the company that the gross revenues reported during the year are accurate.

The OIG recommended that MDAD Finance implement a program of "spot- inspections" or verifications of the gross revenues reported by these permittees. These verifications should include a cross-check against the reported figures from the Tenant/Vendor Letter. The OIG's observations and recommendations were shared with MDAD prior to the issuance of our final report. MDAD had no comments and stated that they agreed with the recommendations. The OIG has requested a report from MDAD regarding the status of

implementing these two recommendations. We are expecting to receive this report later this month.

OIG Follow-Up on Its Previously Made Audit Recommendation to the Water and Sewer Department Regarding Contract Requirements for Professional Services Agreements

In July 2021, the OIG re-voiced our recommendation that the Water and Sewer Department (WASD) include language in its Professional Services Agreements (PSAs) that requires prime consultants, and their subconsultants, maintain internal project records that identify the employees that actually performed the work and track the specific hours worked throughout the duration of lump sum projects. While these records would not need to be submitted to the department along with its monthly invoice—on Lump Sum Task Authorizations (TAs)—consultants would be required to maintain them internally and these records would be subject to audit.

The OIG recommendation was originally made in our audit of a consulting company for Program Management Construction Management Services for WASD’s Pump Station Improvement Program (PSA No.13NCI001). In that audit, issued in September 2020, we found that the lack of time utilization and payroll information for personnel working pursuant to Lump Sum TAs hindered our ability to verify that the service level of effort and experience level of the personnel actually providing services comported with the levels proposed in the TAs. The OIG recognized that while many consultants do maintain these records, the PSA does not specifically require that they be maintained.

The consultant explained that it keeps that information when the work is compensated based on time and material (i.e., its invoices the department for the time spent by its employees and those of its subconsultants), but it did not keep this information for work performed when the work is issued on a lump sum basis. Because the compensation amount for any given Lump Sum TA is based on proposals of the number of personnel and labor hours expected to be expended on the task, the absence of these records is detrimental to determining whether the County got what it paid for. From an audit perspective, the availability of that data is crucial to determining whether the personnel identified in the TA proposals (e.g., Senior Construction Manager) actually performed the services at the level of effort projected (e.g., 40 hours per week).

WASD declined to implement this recommendation stating that the lump sum method is used, in part, to reduce paper flow and to transfer the risk and reward of using too many—or too few—labor hours to the engineering firm. WASD stated that it would continue to utilize the lump-sum approach for contracting absent additional time tracking requirements. The OIG reiterated that this would be an internal documentation requirement and noted that most consultants already maintain this information. The OIG was not suggesting that this information be submitted with the consultant’s monthly pay requisition.

Months after the final audit report was issued, the OIG was apprised of the consultant's request to be released from its contractual obligations for the Pump Station Improvement Program. The remaining work consisted of the last two task authorizations in its PSA. These two TAs were proposed to take the work through completion of the program in July 2022 and had a proposed total cost of \$5,140,091. Extensive schedule delays were identified for the work remaining on TAs #14 and #15 (a slippage of 118 days and 254 days per WASD's PSIP Project Manager). In other words, come July 2022 all the money would have been paid to the consultant (because lump sum TAs are paid on a pro rata basis) and not all the work would have been completed. At the time of these discussions, unused funds remaining to complete the task orders was \$567,168.

In a memorandum to WASD in July of 2021, the OIG emphasized that because the PSA with the consultant does not require that prime consultants, and by virtue their subconsultants, maintain project records that identify the employees and tracked their hours, and because the consultant had not been maintaining those records themselves, there was no reasonable manner for WASD to determine if it received the level of effort for which it paid Nova. Had the consultant been required to maintain this information, WASD would have been able to request this supporting documentation in its negotiations with the consultant. This information would have been useful to determine the level of effort expended on these lump sum tasks prior to releasing the consultant of its contractual obligations to finish managing the program.

WASD has since accepted our recommendation and will require prime consultants and their subconsultant maintain these internal records.



VI. CONTRACT OVERSIGHT

The OIG's Contract Oversight function stems directly from the duties and responsibilities stated in its enabling ordinance. Section 2-1076 of the Code of Miami-Dade County expressly authorizes the OIG to:

- Review and recommend whether a particular program, contract, or transaction is necessary, and assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need.
- Monitor, oversee and inspect procurement processes to include the establishment of project design and bid specifications, bid submittals, and activities of the contractor.
- Attend procurement selection and negotiations meetings and pose questions and concerns consistent with the functions, authority, and powers of the Inspector General.
- Monitor existing projects or programs and report whether they are on-time, within budget, and in conformity with plans, specifications, and applicable law.
- Ensure compliance with contract specifications.

Contract Oversight provides real-time monitoring of procurement activities, including the evaluation and selection of bids and proposals, the negotiation of contracts, and other due diligence efforts eventually resulting in a contract award.

The Contract Oversight group helps ensure vendors, contractors and firms interested in doing business with Miami-Dade County are able to compete on a level playing field. There are over 14,000 active vendors registered to do business with Miami-Dade County and Jackson Health System. It is not uncommon for a vendor to contact the OIG to complain about specific bid qualifications, or to question selection criterion that appear to provide an unfair advantage to a competitor.

Contract Oversight Specialists, exempt from Cone of Silence restrictions, are uniquely positioned to timely address these concerns during a procurement process.

The work of the Contract Oversight Specialists does not end when contracts are awarded. To protect the public's interest throughout the term of a contract, the OIG monitors contract implementation and contractor performance to ensure compliance with the contract's terms and conditions, that expenditures are justified and that contracted deliverables have been received.

When Contract Oversight Specialists encounter inappropriate, unsuitable, or non-compliant procurement practices and contract activities, it is their job to question them. Sometimes, these observations involve nothing more than unconventional or nonconforming practices that

may be appropriate and justified. Other times, our observations may reveal unacceptable practices that need to be rectified. Depending on the preliminary findings, County administrators may be advised to take immediate corrective actions. Other oversight assignments may result in a formal report documenting our findings that include OIG-offered recommendations. Oversight assignments involving procurement monitoring may result in a memorandum issued to County decision makers (often the Board of County Commissioners or the Mayor) that provide our observations and comments on the procurement process and resulting recommendation to award.

Contract Oversight observations can result in identified savings, cost avoidance, and recommendations for improvement. In other words, the OIG is tasked with and given the authority and responsibility to promote integrity and accountability in the County's procurement processes and contracting activities.

The Contract Oversight Unit is comprised of four specialists and overseen by the Deputy Inspector General. Contract Oversight Specialists have diverse and varying professional backgrounds ranging from budget and finance, policy and public administration, to construction management and architecture. The following pages highlight some contract oversight activities performed in 2021.

Contract Oversight Virtually Deployed in 2021

Returning to a new normal for County operations began in November 2020 after the expiration of the Governor's Executive Order, EO 20-69, that had previously allowed for public meetings to take place in the virtual world. Beginning in November 2020 and continuing through 2021, both the County and the OIG quickly made adjustments in work requirements to comply whenever a physical presence was required while maintaining public health and safety guidelines.

The OIG previously noted that the statutory requirement to return to a physical presence at public meetings was scheduled to happen on November 1, 2020, in the middle of oral presentations for the procurement of the Court Case Management System. In preparation for this change, the OIG reviewed county procedures to ensure that proposers would be treated alike during their oral presentations, to minimize or eliminate any potential for a proposer to claim an unfair disadvantage during their presentations.

The OIG understands the logistics of utilizing physical locations that would be sufficiently large to accommodate Selection Committee members and to the extent possible, members of the public for public meetings. These locations would also need to be adequately equipped to enable communications technology should it be required for simultaneous participation from staff members or the public at large.

Previously, Implementing Order IO 3-34 required that all Competitive Selection Committee voting members be physically present at their meetings. On May 4, 2021, the BCC adopted

Resolution 471-20 amending IO 3-34 providing that “A simple majority of the voting members of a Committee shall constitute a quorum necessary to hold meetings and take any action. Unless an exception is made in writing by the County Mayor or County Mayor’s designee, all voting members of a Committee shall attend all meetings at which vendor presentations are made and proposals are evaluated. Attendance at Committee meetings through the use of remote media technology, where otherwise permitted by state and County law, shall be permitted provided a physical quorum of voting members of a Committee are present.”

For meetings other than the aforementioned requiring physical presence, the previous 24 months have demonstrated the benefits of continuing the use of communications technology for conducting meetings. Through our observation only—without definitive metrics—we note that the elimination of travel time has had a positive impact in meeting attendance. The meetings themselves also appear to run more efficiently. Screen sharing documents and real-time editing of documents while in shared mode has also had a positive impact on work efficiency and effectiveness.

Utilizing virtual attendance, the OIG’s Contract Oversight Specialists have been able to be more productive by increasing our oversight coverage. Attending procurement meetings back-to-back is now possible due to the elimination of travel. Pandemic or not, the virtual meeting is here to stay.

Providing Oversight Value to Our MOU Departments

Three of the County’s largest operational departments are also OIG strategic partners. The County’s Aviation, Water and Sewer, and Transportation and Public Works departments have all entered into Memorandum of Understandings (MOUs) with the OIG. These MOUs go back decades.

The Miami-Dade Aviation Department (MDAD)

The OIG’s first MOU was entered into with the Miami-Dade Aviation Department in 2000 shortly after the passage of Resolution R-1203-99 by the Board of County Commissioners that “directed the County Manager to provide the necessary resources to the OIG to conduct a thorough investigation and review of existing contracts at MIA.” The OIG has maintained a satellite office at Miami International Airport (MIA) since 2000.

The aviation industry has historically been a driving force of the economy of Miami-Dade County and continues to be today. MDAD manages and operates Miami International Airport and four General Aviation Airports. MDAD must be responsive to a wide range of stakeholders, including the elected county officials who govern the airports, airline executives, federal authorities, the traveling public, shopkeepers, maintenance workers, and ramp agents on the tarmac. In this dynamic milieu of competing interests, routine procurement of goods and services often is not routine. For this reason, the OIG invests considerable time on MDAD procurement. Below is a sampling of some recent activities.

Financial Relief at MIA Due to the Effects of Covid-19

While overseeing procurement initiatives at MIA, the OIG recognized that the proposed COVID-19 pandemic general relief measures for concessions and duty-free businesses at MIA would impact ongoing competitive selection processes. In addition to the prior relief applicable to rents and minimum annual guarantees, the proposed relief included multiple-year extensions of these agreements. Incumbent vendors competing for new contracts were among the businesses eligible for term extensions.

In reviewing the relief measures being considered, the OIG also noted the repeal of a decades-long policy of ensuring competitive pricing of products and services being sold to the traveling public and the thousands of public and private sector employees working at MIA. To repeal this policy as a means of providing economic relief seemed to be an invitation to increase prices for a captive market of travelers and workers.

In advance of the Chairman's Council on Policy Meeting on November 10, 2021, the OIG issued a memorandum to the Mayor and Board of County Commissioners highlighting these concerns. Ultimately, on December 1, 2021, the BCC kept the competitive pricing policy in place and separately considered the appropriate relief measures for several firms identified by the OIG with unique circumstances. Two of these firms were incumbents in on-going active procurements and the resulting effect of these relief measures was to cancel those active procurements.

Specialized Services for the Capital Improvement Program

The 2020-2035 Capital Improvement Program (CIP) approved by the BCC in June of 2019 includes over \$5 billion of airport-wide projects to be completed over the next 15 years. On December 16, 2019, MDAD issued a Notice to Professional Consultants to submit proposals for Specialized Services to assist with the implementation of the CIP. This solicitation successfully concluded with the award of two Professional Service Agreements (PSAs) on June 15, 2021. Each of these PSAs have a total compensation amount of \$35,839,375 and a total contract term of five years with two five-year options to renew. While, the oversight case of this procurement process has concluded, the OIG will continue to monitor the implementation of this \$5 billion capital program as an ongoing responsibility we have to protect the public treasury.

Interactive Computer-Based Training

In April 2021, MDAD finally implemented a long-awaited interactive, computer-based training for the Security Division. This computer-based training replaced the in-person classes that individuals were required to attend when seeking to obtain an MDAD identification (ID) badge. The newly implemented training modules also replaced the authorized ID badge signatory class, which is required to be taken on an annual basis. The OIG's involvement in

this project began in 2020 with the receipt of a complaint alleging that the vendor, under contract with the County, was not performing pursuant to its contract terms and conditions and that delivery of the computer-based training was over 18 months delinquent. A review by an OIG Contract Oversight Specialist verified the complaint and identified structural issues impeding project implementation. Apparently, the vendor also had a different approach to completing the project, which was not compliant with its contract.

Moreover, there may have been efforts to rescope the project and its equipment configuration, which would have necessitated contract changes. However, no decision was made on these proposals, thus stalling the project for an extraordinary length of time.

The OIG's approach to monitoring this contract involved us advising MDAD executives of the complaint received and some of the above-noted issues in an effort to right-track this project and bring about the completion of contract-required services and product deliveries. To that end, the OIG issued two requests for information (pursuant to Section 2-1076(d)(2) of the Code of Miami-Dade County) seeking MDAD's responses to OIG inquiries as to project status and its intended schedule for completion.

After receiving the responses, the OIG periodically sought updates from MDAD regarding remaining punch list items and final payments under the contract. MDAD informed the OIG that on May 6, 2021, it successfully went "live" with the training modules on April 6 and was making the required payments. The OIG received a final status update on July 1, 2021, that the project was complete and that the final payment was made.

The Water and Sewer Department (WASD)

WASD became the OIG's second strategic partner when, in March 2000, WASD provided the OIG office space for a permanent on-site oversight presence at its administrative headquarters building. An MOU with the department followed shortly after. Since our creation, the OIG has always been involved in providing oversight and inspectional services for WASD's capital improvement programs, including the original pump station improvement program in 1999; the high yield disinfection program in the mid-2000s; and the current capital program highlighted by the federal consent decree filed in 2013, the successor pump station improvement program, and the State of Florida's ocean outfall legislation.

Throughout 2021, the OIG continued its contract oversight and investigative presence at WASD; 2021 also saw the renewal of the MOU for an additional seven years. Due to the mid-year retirement of the WASD-assigned Contract Oversight Specialist (COS), the OIG acted early and expeditiously to hire and onboard a new COS to smoothly transition the ongoing oversight activity at WASD. The OIG's new COS brings with him decades of building and construction experience as a LEED certified, State of Florida Registered Architect and Certified General Contractor[PL1]. Additionally, as part of the onboarding process, the OIG met with WASD CIP leadership staff, Procurement Chiefs and external Program Managers in order to revisit the multiple, yet shared, goals of the Department. The following summaries highlight some of our more notable oversight activities.

WASD Multi-Year Capital Improvement Program (CIP)

With 81 capital projects, 2021 witnessed the peak of the construction activities of the \$1.9 billion Consent Decree Program while the \$2.1 billion Ocean Outfall Legislation (OOL) Program and its 24 capital projects reached a peak in design and began its push into construction. Almost half of the funding for the OOL Program will be provided by the federal government through low-interest loans. Significant oversight was also conducted for various construction procurements for the removal & replacement of sanitary sewer mains, as well as the rehabilitation of sanitary sewer mains by various special lining methods.

Funding Reallocation Request by the Consent Decree (CD) Program Manager

As part of our on-going oversight of WASD's CD Program, the OIG learned that WASD's contracted Program Manager (PM) was looking to reallocate available contract funds designated for outer years to cover shortfalls in Fiscal Year (FY) 2020 and projected shortfalls in FY2021.

Two years earlier, in March 2019, the County approved Amendment 1 to the PM's professional services agreement, which increased the maximum fees from \$91,149,497 to \$139,395,000. After the passage of Amendment 1, WASD imposed a yearly budget upon the PM covering fiscal years 2020 through 2027 (CD Program completion). The purpose of this budget was to help both WASD and the PM manage the remaining funds to ensure program completion within the newly approved fee ceiling.

OIG Contract Oversight personnel closely monitored these discussions throughout 2020 and provided WASD executives with our independent assessment. Towards the end of 2020, this matter had still not been adequately resolved. Through various discussions with new WASD management in 2021, the OIG reaffirmed our commitment to providing WASD with our independent oversight and contract perspective. In April 2021, WASD invited the OIG to a virtual presentation illustrating different approaches to the PM's request for \$1,879,451 in additional fees for FY 2020 services. WASD sought the OIG's unbiased opinion on the different approaches. Pros and cons were discussed and the OIG also proffered another suggestion that was included by WASD in its settlement discussions with the PM. Ultimately, in July 2021, a fair and sound resolution was reached with WASD agreeing to reallocate \$1,410,678 from outer years' budgets to cover FY2020's additional staffing needs. WASD also assessed a 10% disallowance (totaling \$198,291) for Program Level Management.

The OIG will be closely monitoring prospective budgets and project expenditures as any additional reallocations and adjustments can negatively impact the final years of completing the CD Program on time and within budget.

Bidder Complaint Regarding Request for Price Quotes Results in Transparent and Fair Rebid of Project

In September 2020, the OIG received a complaint regarding the procurement for a Consent Decree project entitled “Emergency Generators 1 through 4 Rehabilitation at the South District Wastewater Treatment Plant.” The Request for Price Quote (RPQ) contained a special provision in the contract documents that the awarded contractor use a specific subcontractor to perform specific scopes of work on the project generators to ensure continuity of warranty coverages. The post-award complaint received by the OIG, which came from a participating bidder, alleged that the low bidder did not include the required price from the subcontractor in its bid and, thus, resulted in the low bidder’s price being artificially lower than the other bids received. Upon OIG review it was proven that the above did occur and that the low bidder made its acceptance of the contract award contingent on the use of another vendor in place of subcontractor required by the contract. We questioned why WASD would continue down this path knowing that a change order was already imminent.

In December 2020, the OIG met with WASD Procurement to discuss the findings and recommend terminating the subject procurement and rebidding the project. In addition, if the project was rebid, the OIG recommended adding a dedicated allowance account to the bid instead of making a third-party vendor responsible for critical bid information.

Furthermore, the OIG recommended that individuals representing the required subcontractor appear at WASD Procurement’s mandatory pre-bid meetings so that all competitors were made aware of the special requirements and could ask questions about the other vendor’s participation in the subject project. WASD was receptive to OIG’s recommendations and decided to rescind the award recommendation and rebid the project.

Accordingly, in July 2021 after a second procurement process, the successful low bidder was recommended for award by WASD, and provided a Notice to Proceed in September 2021.

WASD Visitor Identification Badges

In 2021, the OIG finalized a review involving WASD’s issuance of one-day visitor identification (ID) badges. The review was based on a complaint alleging a prospective contractor’s improper access to a WASD facility.

In years prior to this inspectional review, the OIG had conducted two separate audits of WASD’s badging and facility security practices and informed WASD of deficiencies found. At the time this review was initiated, most of the facility security issues had been addressed, however, the ID badging procedures remained unfinalized. The OIG’s review included conducting interviews of WASD’s Security staff, reviewing security guard service contracts, and reviewing procedures used by Procurement personnel for contractor site visits.

During the review, the OIG learned that WASD’s Standard Operating Procedures (SOP) Manual, containing procedures regarding visitor IDs, was still a draft and had not been issued and circulated to staff. As a result of this review, WASD has advised the OIG that the SOPs will be approved and distributed to staff. The OIG will continue monitoring WASD security-related activities including the pending issuance of the official SOP Manual.

CD Program Manager Conflict of Interest



Based on information provided to the OIG from a registered lobbyist working for a WASD contractor, an apparent conflict of interest was identified to the OIG. The conflict involved WASD’s Consent Decree Program Manager (CD PM) and another business unit of the CD PM located in Doral (Doral Unit). The WASD contractor, in moving forward with its WASD awarded project, had engaged the Doral Unit to assist it with obtaining a permit through DERM. Although the value of the work was small, the OIG determined a conflict of interest

arose because it resulted in the CD PM approving invoices for work submitted by its separate but related Doral Unit on behalf of the contractor.

The OIG met with the CD PM and was provided the company’s “Conflicts of Interest Policies and Procedures”. The CD PM advised the OIG that comprehensive procedures were already in place at the company to address such circumstances. Although the OIG determined the conflict occurred, and that it was avoidable had the CD PM employees exercised proper due diligence, it was found to be inadvertent and not detrimental to WASD. WASD’s CD PM has advised the OIG that more care will be taken so that such a scenario is not repeated.

The Department of Transportation and Public Works

Although our Investigations and Audit staff engage our MOU with DPTW, our Contract Oversight Unit has a more extensive involvement regarding multiple transportation matters with contract values exceeding several billion dollars. These include projects such as the Smart Plan, comprised of six rapid transit corridors; the acquisition of electric and natural gas- powered buses; automated traffic control systems; rail systems; and other contracts and procurements.

Continuing Negotiations on the Rapid Mass Transit Solution for the Beach Corridor Trunk Line

On October 15, 2020, the OIG issued a memorandum entitled “Proposed Interim Agreement for the Rapid Mass Transit Solution for the Beach Corridor Trunk Line - RFP 01353, Ref. IG-19-0011-O”. In that memorandum, we provided comments on the Interim Agreement along with issues for the BCC’s consideration prior to entering into the Interim Agreement.

On October 20, 2020, the BCC adopted Resolution No. 1080-20 that approved the Interim Agreement for the Rapid Mass Transit Solution for the Beach Corridor Trunk Line with MBM Partners, LLC. The purpose of this agreement is to provide a fixed period of time (eighteen months plus an option for one six-month extension) during which MBM would conduct due diligence on designs and negotiate the final project agreement with the County for a shuttle monorail system between the mainland (Herald Plaza) and the City of Miami Beach (5th Street between Meridiam and Lennox). In addition to that which was presented by the Administration, the BCC requested DTPW and MBM to consider an additional station on Miami Beach on 5th Street between Collins and Washington Avenues while maintaining the specified 5-minute headways.

Rapid Mass Transit Solutions for the North Corridor

The procurement for RFP-01432 for the “Rapid Mass Transit Solution for the North Corridor” was issued in June 2020 and four proposals have been received. All four proposals have been “short-listed” for further consideration, and this procurement is still under the County’s Cone of Silence. The OIG will continue monitoring the results of RFP-01432 and the future development of this corridor.

South Dade Rapid Transit Corridor’s Design-Build Project in Progress

The Notice to Proceed (NTP) for this project was issued on February 2, 2021. Since then, the OIG has been monitoring the development of this design-build project. The OIG has had meetings with DTPW personnel to be updated on progress towards completion of the design of this project. Should the OIG observe any issues of concern, these would be brought to the attention of the department.

RFP to Acquire 60-Foot Electric Buses

The OIG has been monitoring this procurement effort for almost two years. The intent is to acquire 100 electric buses that will provide platform-loading capability for bus rapid transit service being developed for the South Dade corridor. Initially, the OIG monitored the specification development to ensure that there would be adequate competition in this

upcoming procurement. There were two bids received in response to RFP- 01501 for Battery-Electric Articulated Buses and a Charging System. Both bids were rejected in June of 2021 for being non-responsive to the solicitation.

A New Solicitation for Janitorial Services Along the South Miami-Dade Transitway

In February 2020, during the early stages of the COVID-19 pandemic, the OIG received a complaint that bus stations along the South Dade Transitway were not being cleaned according to contractual specifications. Addressing this complaint became more urgent since public transit services, compounded with the fear of COVID, were being provided along the transitway. The OIG requested and was escorted by DTPW on visits to selected stations along the transitway between SW 104th Street and Florida City. The OIG determined that further review was warranted despite a third cleaning shift having been added for increased cleaning.

Following discussions with DTPW, ISD, SBD, and review of the proposed solicitation for a replacement provider, the OIG recommended revisions to proposed specifications to ensure that the selected vendor clearly understands the required level of service required and is held responsible for providing the required services. On August 1, 2021, a new provider commenced providing janitorial services at bus stops along the South Dade Transitway.

Delayed Initiation of the Tri-Rail Downtown Miami Link Commuter Service

In January 2021, the OIG initiated an oversight assignment to review the circumstances delaying the introduction of Tri-Rail commuter service into downtown Miami at the Miami Central Station. Our review was predicated on a request from the Citizens' Independent Transportation Trust (CITT) Executive Director to understand the factors contributing to the delays.

By way of background, in 2015, the Miami-Dade County Board of County Commissioners allocated \$13.9 million in Transportation Surtax funds for this project via an interlocal agreement with the South Florida Regional Transportation Authority (SFRTA). SFRTA then passed these funds (along with other public funds) to Florida East Coast Industries (FEI) / aka Brightline, as the developer/operator of the MiamiCentral Station. At the time of the grant award and interlocal agreement, it was anticipated that revenue service on the Tri-Rail trains into downtown Miami would commence in 2017.

On October 26, 2021, the OIG issued a memorandum informing the CITT Board that the SFRTA had not satisfied numerous technical requirements to operate its trains on the rail corridors. The CITT was also advised the MiamiCentral Station platforms for Tri-Rail were built, but not yet accepted by SFRTA due to concerns about insufficient clearance for Tri- Rail rolling stock. The OIG informed the CITT a consulting firm had been retained by SFRTA to survey and map the clearance problem. We continue our review.

Criminal Justice, Public Safety and the Courts

The County's financial obligations and responsibilities for maintaining safety, security, and justice within our community goes far beyond funding and operating the Police, Fire Rescue, Code Enforcement, environmental and resilience efforts. Pursuant to the Constitution of the State of Florida, and as stated in Section 29.008, Florida Statutes, the County is also responsible to funding many of the services required to maintain our justice system.

Sec. 29.008, Fla. Stat. County funding of court-related functions.

(1) Counties are required by s. 14, Art. V of the State Constitution to fund the cost of communications services, existing radio systems, existing multiagency criminal justice information systems, and the cost of construction or lease, maintenance, utilities, and security of facilities for the circuit and county courts, public defenders' offices, state attorneys' offices, guardian ad litem offices, and the offices of the clerks of the circuit and county courts performing court-related functions.

As part of these responsibilities, in coordination with many external agencies, the County continues to fulfill these obligations by recently awarding two (2) multi-million dollars projects as required by statute. These projects, now in the process of being implemented, are the new Civil and Probate Courthouse and the new Court Case Management System. Due to the County's involvement in these and other aspects, the OIG maintains a vigilance to ensure that taxpayers' dollar are spent wisely, while ensuring that vendors are performing as contractually required.



A Contract for a New Court Case Management System is Awarded

On April 29, 2021, the OIG issued a memorandum providing our observations and comments on what had been an over 2-year long process to procure a new system to replace the soon-to-be obsolete 30-year-old Criminal Justice Information System (CJIS). This case management system is relied upon by the criminal and juvenile courts, the Clerk's Office, State Attorney's Office, the Public Defender's Office, and the County's criminal justice agencies—namely the police and corrections departments. It is the lifeline to the criminal justice megaplex. With so many independent stakeholders involved and the fact that the project will be spearheaded by the County's Information Technology Department (ITD), the OIG noted the logistical difficulties in completing the evaluation of firms proposing for this contract. We noted that the Competitive Selection Committee members were engaged, that their deliberations were thoughtful, and the resulting negotiations were thorough. There were no exceptions observed. In our memorandum, we lauded the work of staff and observed that the process was conducted in a fair and transparent manner.

While the subject procurement process (RFP-01622) has taken almost a year to complete, we note that given the complexity and technological requirements of this purchase, this was in all practicality an expedited procurement. The amount of human resources (personnel from the Clerk of Courts, Eleventh Judicial Circuit and the Administrative Office of the Courts, State Attorney's Office, Public Defender's Office, and from Miami- Dade County's Information Technology Department and Internal Services Department) expended on this effort is unlike any other procurement monitored by the OIG. For example, we highlight that in addition to the five voting members of the Competitive Selection Committee (CSC), three of whom are non-County employees, there were 32 Technical Advisors from five different agencies. Oral presentations were three-day long product demonstrations. As there were three firms that advanced to the Tier 2 evaluation, CSC members and staff committed to 15 days of presentations.

Again, given the complexity and technological requirements of this purchase, the Negotiating Team held 25 negotiation meetings—in addition to the Team holding 25 internal strategy meetings. This process began with an internal strategy meeting on December 4, 2020 and ended with the final negotiation meeting on March 31, 2021. During this period, there were multiple internal strategy and direct negotiation meetings each week. User agencies were consulted during internal strategy meetings to verify that their needs would be met with the new system. Their concurrence and agreement were also sought regarding the number of the tasks and resources that are required to be committed by each to ensure a smooth transition and implementation of the new CCMS. Implementation of the system will be done in a single phased approach with an anticipated four-year timeline.

New Civil and Probate Courthouse Designed and Ready to be Built

By the summer of 2021, the County's selected contractor had surpassed the 95 percent design completion phase of the new courthouse project and site work was proceeding at a steady clip. This high-profile project to be built across the street from the iconic, historically designated Dade County Courthouse built in 1928, will be the County's first P3 (public, private partnership) project of this size and magnitude. The contractor is not only responsible for the design and construction of the facility, but will also be financing its construction, and operating and maintaining the facility for decades to come. The County will make annual "availability payments" to the contractor for its financing the design and construction, as well as make separate annual operation and maintenance payments.

During 2021, the OIG provided independent oversight as the project proceeded through the necessary infrastructure preparation; these included the identification and relocation of underground utilities, such as Florida Power & Light's duct bank, the County's chilled water lines, verification of potential conflicts with the existing Metrorail pier footings, etc. Other oversight activities included ensuring that Art in Public Places was proceeding in compliance with County Code and contractual requirements.

OIG Contract Oversight Specialists attended over 150 meetings in 2021 related to this project. This oversight activity has included attending the various weekly progress meetings, weekly meetings with other involved County departments, periodic document submittal review meetings, internal County coordination meetings and construction site visits. The open communication lines that have been established with the involved parties have allowed the OIG to effect positive influence in the project development process and enabled productive oversight. As issues arise, the lead Contract Oversight Specialist will provide any comments or recommendations directly to County project staff, including owner- retained consultants, as appropriate and necessary for resolving those issues consistent with the terms of the contract and any related County rules or regulations that may govern.

One such issue of note is the procurement, delivery and installation of all necessary furniture, fixtures, and equipment (FF&E) that would be consistent with the project's timeline. During discussions on the procurement of security equipment, a concern involving a potential for conflict of interest was raised by the County's project management staff. The OIG, in concert with the County Attorney's Office, recommended that the concern be referred to the Commission on Ethics prior to any further action being taken. Furthermore, at this time, the OIG is strongly encouraging that County project managers prioritize all issues involving FF&E to ensure that the projected completion date of 2024 will not be unnecessarily delayed.

Some issues that may impact the procurement and delivery of the FF&E are obvious to all—as they are repeated almost daily in the news. The realities of today’s supply chain, including price increases and longer than normal production and delivery times, must be planned for now.

Comments and reviews of the 95 percent completed design plans are taking place and the plans have also progressed into the permitting phase where they are being presented for review by the appropriate agencies. This process, which involves the design consultants addressing any comments brought up during the reviews, will continue into 2022.

Procurement of Design-Build Services for a New Jail

In early September 2021, the Contract Oversight Unit began procurement oversight activities on the Design-Build Services for Miami-Dade Corrections Replacement Jail-Site 1 Training & Treatment Center. The Internal Services Department had begun the process of seeking a qualified Design-Builder to: (1) demolish the existing Training and Treatment Facility adjacent to TGK at 6950 NW 41 Street, and (2) design and build a new Central Intake, Release, and Administration Building in its place. This project is identified as Site 1 of two sites for the County’s Master Plan Replacement Jail Project. The Tier One meeting, the first evaluation meeting for the selection committee, resulted in two proposers being recommended to the next meeting, the Tier Two – Evaluation of Technical and Price Proposal. It is expected that the County will select a responsible and responsive design-builder for this project in 2022.

Public Safety Procurements

The OIG has been actively involved in the public safety arena with the monitoring of procurements for upgrades to the computer aided dispatch (CAD) and the emergency call (911) systems. In addition, the OIG has been monitoring the procurement of replacement helicopters for the Police Department.

- **Computer Aided Dispatch System.** In May 2021, Internal Services Department requested that that OIG review the long delayed and stymied process for the procurement for a computer aided dispatch system for the Police and Fire Departments. Following a thorough review of that process, the OIG, on June 23, 2021, issued a report entitled “Review of the Procurement Process for a Computer Aided Dispatch Solution - RFP-00589; IG Ref. 21-0007-0” that recommended the subject RFP be withdrawn and re-issued with revised specifications. On December 1, 2021, the BCC, via Resolution- 1155-21, approved the withdrawal of the aforementioned solicitation.
- Since then, as recommended by the OIG, the Internal Services Department and the Fire Rescue Department hosted an Industry Day to allow prospective vendors to ask questions and demonstrate their new technologies and products. The OIG

recommended this approach to assist the County with its market research to develop product specifications. A new solicitation that specifically seeks a CAD solution for the Fire Department is expected to be issued in the near future. The OIG will continue monitoring this procurement.

- E911. In 2021, the OIG has been monitoring the County's acquisition strategies to replace the aged E911 system for the Police Department. This effort, which began in 2019 and was suspended in early 2020, in part due to the impact of COVID, is back on track. The OIG will continue monitoring the County's efforts to acquire the desired technology and implement it successfully.
- Helicopters. Having experienced the potential pitfalls during the recent procurement of helicopters for the Fire Department, the OIG took a pro-active stance and began actively monitoring the procurement of helicopters for the Police Department. This procurement is currently under the Cone of Silence.

OIG Contract Oversight Activities at PortMiami

During the past year, the OIG has become more involved in monitoring the various construction projects taking place at PortMiami. While the COVID-19 pandemic temporarily suspended cruising, construction of cruise terminals and enhancements to ancillary facilities have been progressing at a steady pace. As is usually the case, along with the County project management staff and the selected consultant serving as the owner's representatives, this oversight activity has included attending the various weekly progress meetings, internal County coordination meetings, and limited construction site visits. The open communication lines that have been established with the involved parties have allowed the OIG to effect positive presence in the project development and has prompted the continued requests from the Seaport staff for involvement in other projects.

Review of Terminal B Potential Change Orders

The Seaport requested that the OIG review the labor burden rates being applied on potential change orders (PCOs) related to the new cruise terminal B. The OIG quickly learned of a backlog of PCOs submitted by the subcontractors and trades. The backlog was crippling the overall project administration and the efficient close-out of the project.

This construction project was to be managed by the cruise line operating from the terminal, with the County financial contribution capped at \$239 million inclusive of a \$31 million contingency. The cruise line, aided by its own project engineers, and the construction manager firm, was not expeditiously reviewing the PCOs. As a result, the burden of reviewing them fell on the Seaport and its engineering consultant.

In May 2021, the OIG issued a memo voicing our concern relating to the dysfunctional PCO review process; and commenting on a \$1.4 million change order request by the Construction Manager for additional time after reaching substantial completion. The OIG questioned the adequacy of documentation supporting the change order request; and noted that some claimed costs could not be compensated unless certain terms of the contract were amended. In addition, pursuant to our authority under Section 2-1076(d)(2) of the Code of Miami-Dade County, the OIG requested information and posed critical questions to the Seaport administration.

The OIG's questions related to the amounts paid of the County's contribution of \$239 million and from the contingency. The OIG received a response from the Seaport and immediately witnessed a shift in the administration of the project and the handling of the remaining PCOs.

Amendment No. 1 to the Third Amended and Restated Cruise Terminal Agreement was approved by the Board of County Commissioners on July 20, 2021.

The Mayor's memorandum recommending approval of Amendment No. 1 states: "...it is important to note that the Miami-Dade County Office of the Inspector General has participated in working sessions and provided both oversight and input throughout the negotiation of this first amendment."

Parking Garage Revenue Controls

Predicated on an OIG review completed in 2019, the Seaport issued a request for proposals (RFP) in June 2020 seeking a Revenue Management Solution for its parking garages located throughout the Port. The OIG's involvement with this procurement began with the development of the RFP's specifications to ensure that previously identified shortcomings were addressed. In addition, the OIG monitored the evaluation, selection, and negotiations for the new system to ensure that it adequately meet the current and future needs of the County.

Other Oversight Activities

- Seaport staff requested the OIG to attend the weekly Seaport Change Review Board Meetings which are held to review/discuss all change order activity in ongoing PortMiami construction projects.
- The OIG Contract Oversight Specialist attends the Construction Progress Meetings for the Cruise Terminal "V", which is expected to be completed in early 2022.

OIG Collaboration with the Internal Services Department (ISD) Strategic Procurement Division (SPD)

The work of the OIG Contract Oversight Unit is meant to support and enhance transparency and accountability in the County's procurement process. The Unit's responsibilities go beyond evaluating and monitoring individual procurements; the Unit also reviews, studies, and analyzes government operations and programs for the purposes of providing information for decision-making, and of making recommendations to improve the procurement process. Consistent with that mission, the OIG Contract Oversight Unit collaborated with the Internal Services Department, Strategic Procurement Division (ISD-SPD), and the Commission on Ethics and the Public Trust (COE) to review, revise, and update common procurement practices.

Specifically, the OIG Contract Oversight Unit led the effort to draft a revamped Neutrality Affidavit used to obtain data from prospective Competitive Selection Committee (CSC) Members.

Some key OIG recommendations included in the new form:

- requiring the acknowledgment by initialing of multiple key provisions to ensure that they are read by prospective CSC members.
- a special section for non-County personnel on any CSC.
- requiring ISD to identify proposers (including subcontractors and team members) to assist CSC members in determining and disclosing potential conflicts

The resulting affidavit is designed to elicit more relevant and concise information and aligns with public procurement best practices. The revised form has been adopted by the Board of County Commissioners and ISD-SPD has shared it with County procurement staff across departments.

OIG Contract Oversight Specialists also assisted ISD-SPD in drafting amendments to County Implementing Order 3-34, relating to the Formation and Performance of Selection Committees. The amended Implementing Order was passed by Resolution of the Board of County Commissioners in May 2021. In addition to commenting on ISD-SPD's recommended revisions, the OIG requested the inclusion of a provision that the County Mayor or designee shall endeavor to avoid appointing two or more Committee members that are in a vertical reporting relationship within the same County department.

These recommendations by the OIG's Contract Oversight Specialists to improve programs, policies or procedures are part of our ongoing mission to assess the performance, efficiency and effectiveness of County operations.

During the past 12 months, Contract Oversight Specialists attended and monitored over 260 procurement related meetings that included Competitive Selection Committee Evaluation meetings, internal strategy meetings, and negotiations meetings. For major procurements and capital projects that the OIG monitored through procurement and award, Contract Oversight Specialists continued monitoring through design and implementation/construction phases. In this latter group, we were able to increase our presence by monitoring over 350 construction progress meetings, ensuring that performance is consistent with the terms and conditions of the contracts. The ability of Contract Oversight Specialists to increase the number of meetings monitored, has been an unexpected benefit of the work transitions forced on us during the 2020 COVID lockdown. Although, there has been a return to public meetings being held in-person, where permitted, virtual meetings are continuing and allow our personnel to eliminate travel time between meetings and monitor a greater number.

Procurement Meetings at a Glance

Attended over 260 Selection Committee meetings, pre-bid meetings, negotiation meetings, and internal strategy meetings.

Post-award Construction Meetings at a Glance

Attended over 350 construction meetings, including progress and coordination meetings, stakeholder meetings, and change order review meetings.

VII. OIG PERFORMANCE, ACCOUNTABILITY, SAVINGS AND EFFICIENCY

Identified Financial Impacts

In Fiscal Year 2020-2021, OIG investigations, audits, inspections and other reviews identified \$756,314 in damages and losses due to theft, fraud and abuse and \$1,181,970 in questioned costs. As a result of these cases, and others that began in earlier years, OIG cases in Fiscal Year 2020-2021 have given rise to over \$983,113 in savings and funds put to better use, and have brought \$1,539,362 in recoveries, repayments and court-imposed restitution.

Criminal Charges Filed

In Fiscal Year 2020-2021 resulted in four sentencings and criminal charges filed that include Theft, Exploitation of Official Position, Communications Fraud, Notary Fraud and Wire Fraud.

Publications

The OIG issued 12 public reports and 18 advisory memoranda during Fiscal Year 2020-2021. The reports include audit reports, contract oversight reports and administrative investigative reports. The advisory memoranda typically involve notifications regarding the closure of OIG cases, including dispositions of criminal cases.



VIII. APPENDIX: CODE OF MIAMI-DADE COUNTY Sec. 2-1076 OFFICE OF THE INSPECTOR GENERAL

(a) Created and established. There is hereby created and established the Office of Miami-Dade County Inspector General. The Inspector General shall head the Office. The organization and administration of the Office of the Inspector General shall be sufficiently independent to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the Inspector General.

(b) Minimum Qualifications, Appointment and Term of Office.

(1) Minimum qualifications. The Inspector General shall be a person who:

- (a) Has at least ten (10) years of experience in any one, or combination of, the following fields:
 - (i) as a Federal, State or local Law Enforcement Officer;
 - (ii) as a Federal or State court judge;
 - (iii) as a Federal, State or local government attorney;
 - (iv) progressive supervisory experience in an investigative public agency similar to an inspector general's office;
- (b) Has managed and completed complex investigations involving allegations of fraud, theft, deception and conspiracy;
- (c) Has demonstrated the ability to work with local, state and federal law enforcement agencies and the judiciary; and
- (d) Has a four-year degree from an accredited institution of higher learning.

(2) Appointment. The Inspector General shall be appointed by the Ad Hoc Inspector General Selection Committee ("Selection Committee"), except that before any appointment shall become effective, the appointment must be approved by a majority of the whole number of members of the Board of County Commissioners at the next regularly scheduled County Commission meeting after the appointment. In the event that the appointment is disapproved by the County Commission, the appointment shall become null and void, and the Selection Committee shall make a new appointment, which shall likewise be submitted for approval by the County Commission. The Selection Committee shall be composed of five members selected as follows:

- (a) The State Attorney of the 11th Judicial Circuit for Miami-Dade County;

- (b) The Public Defender of the 11th Judicial Circuit for Miami-Dade County;
- (c) The Chairperson of the Miami-Dade Commission on Ethics and Public Trust;
- (d) The President of the Miami-Dade Police Chief's Association; and
- (e) The Special Agent In Charge of the Miami Field Office of the Florida Department of Law Enforcement.

The members of the Selection Committee shall elect a chairperson who shall serve as chairperson until the Inspector General is appointed. The Selection Committee shall select the Inspector General from a list of qualified candidates submitted by the Miami-Dade County Employee Relations Department.

(3) Term. The Inspector General shall be appointed for a term of four years. In case of a vacancy in the position of Inspector General, the Chairperson of the Board of County Commissioners may appoint the deputy inspector general, assistant inspector general, or other Inspector General's office management personnel as interim Inspector General until such time as a successor Inspector General is appointed in the same manner as described in subsection (b)(2) above. The Commission may by majority vote of members present disapprove of the interim appointment made by the Chairperson at the next regularly scheduled County Commission meeting after the appointment. In the event such appointment shall be disapproved by the County Commission, the appointment shall become null and void and, prior to the next regularly scheduled Commission meeting, the Chairperson shall make a new appointment which shall likewise be subject to disapproval as provided in this subsection (3). Any successor appointment made by the Selection Committee as provided in subsection (b)(2) shall be for the full four-year term.

Upon expiration of the term, the Board of County Commissioners may by majority vote of members present reappoint the Inspector General to another term. In lieu of reappointment, the Board of County Commissioners may reconvene the Selection Committee to appoint the new Inspector General in the same manner as described in subsection (b) (2). The incumbent Inspector General may submit his or her name as a candidate to be considered for selection and appointment.

(4) Staffing of Selection Committee. The Miami-Dade County Employee Relations Department shall provide staffing to the Selection Committee and as necessary will advertise the acceptance of resumes for the position of Inspector General and shall provide the Selection Committee with a list of qualified candidates. The County Employee Relations Department shall also be responsible for ensuring that background checks are conducted on the slate of candidates selected for interview by the Selection Committee. The County Employee Relations Department may refer the background checks to another agency or department.

The results of the background checks shall be provided to the Selection Committee prior to the interview of candidates.

(c) Contract. The Director of the Employee Relations Department shall, in consultation with the County Attorney, negotiate a contract of employment with the Inspector General, except that before any contract shall become effective, the contract must be approved by a majority of Commissioners present at a regularly scheduled Commission meeting.

(d) Functions, Authority and Powers.

(1) The Office shall have the authority to make investigations of County affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts and transactions.

(2) The Office shall have the power to require reports from the Mayor, County Commissioners, Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

(3) The Office shall have the power to subpoena witnesses, administer oaths and require the production of records. In the case of a refusal to obey a subpoena issued to any person, the Inspector General may make application to any circuit court of this State which shall have jurisdiction to order the witness to appear before the Inspector General and to produce evidence if so ordered, or to give testimony touching on the matter in question. Prior to issuing a subpoena, the Inspector General shall notify the State Attorney and the U.S. Attorney for the Southern District of Florida. The Inspector General shall not interfere with any ongoing criminal investigation of the State Attorney or the U.S. Attorney for the Southern District of Florida where the State Attorney or the U.S. Attorney for the Southern District of Florida has explicitly notified the Inspector General in writing that the

Inspector General's investigation is interfering with an ongoing criminal investigation.

(4) The Office shall have the power to report and/or recommend to the Board of County Commissioners whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Any review of a proposed project or program shall be performed in such a manner as to assist the Board of County Commissioners in determining whether the project or program is the most feasible solution to a particular need or problem. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity with plans, specifications, and applicable law.

(5) The Office shall have the power to analyze the need for, and the reasonableness of, proposed change orders. The Inspector General shall also be authorized to conduct any reviews, audits, inspections, investigations or analyses relating to departments, offices, boards, activities, programs and agencies of the County and the Public Health Trust.

(6) The Inspector General may, on a random basis, perform audits, inspections and reviews of all County contracts. The cost of random audits, inspections and reviews shall, except as provided in (a)-(n) in this subsection (6), be incorporated into the contract price of all contracts and shall be one quarter (1/4) of one (1) percent of the contract price (hereinafter "IG contract fee").

The IG contract fee shall not apply to the following contracts:

- (a) IPSIG contracts;
- (b) Contracts for legal services;
- (c) Contracts for financial advisory services;
- (d) Auditing contracts;
- (e) Facility rentals and lease agreements;
- (f) Concessions and other rental agreements;
- (g) Insurance contracts;
- (h) Revenue-generating contracts;
- (i) Contracts where an IPSIG is assigned at the time the contract is approved by the Commission;
- (j) Professional service agreements under one thousand dollars;
- (k) Management agreements;
- (l) Small purchase orders as defined in Administrative Order 3-2;
- (m) Federal, state and local government-funded grants; and
- (n) Interlocal agreements;
- (o) Grant Agreements granting not-for-profit organizations Building Better Communities General Obligation Bond Program funds.

Notwithstanding the foregoing, the Commission may by resolution specifically authorize the inclusion of the IG contract fee in any contract. Nothing contained in this subsection (c)(6) shall in any way limit the powers of the Inspector General provided for in this section to perform audits, inspections, reviews and investigations on all County contracts including, but not limited to, those contracts specifically exempted from the IG contract fee.

(7) Where the Inspector General detects corruption or fraud, he or she shall notify the appropriate law enforcement agencies. Subsequent to notifying the appropriate law enforcement agency, the Inspector General may assist the law enforcement agency in concluding the investigation. When the Inspector General detects a violation of one (1) of the ordinances within the jurisdiction of the Ethics Commission, he or she may file a complaint with the Ethics Commission or refer the matter to the Advocate.

(8) The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the contractor, its officers, agents and employees, lobbyists, County staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud.

(9) The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs, contracts or transactions.

(10) The Inspector General may exercise any of the powers contained in Section 2-1076 upon his or her own initiative.

(11) The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee where any matter relating to the procurement of goods or services by the County is to be discussed. The notice required by this subsection (11) shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four (24) hours prior to the scheduled meeting. The Inspector General may, at his or her discretion, attend all duly noticed County meetings relating to the procurement of goods or services as provided herein, and, in addition to the exercise of all powers conferred by Section 2-1076, may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio tape recorder shall be utilized to record all selection and negotiation committee meetings.

(12) The Inspector General shall have the authority to retain and coordinate the services of Independent Private Sector Inspectors General (IPSIG) or other professional services, as required, when in the Inspector General's discretion he or she concludes that such services are needed to perform the duties and functions enumerated in subsection (d) herein.

(e) Physical facilities and staff.

(1) The County shall provide the Office of the Inspector General with appropriately located office space and sufficient physical facilities together with necessary office supplies, equipment and furnishings to enable the Office to perform its functions.

(2) The Inspector General shall have, subject to budgetary allocation by the Board of County Commissioners, the power to appoint, employ, and remove such assistants, employees and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of the Office.

(f) Procedure for finalization of reports and recommendations which make findings

as to the person or entity being reviewed or inspected. Notwithstanding any other provisions of this Code, whenever the Inspector General concludes a report or recommendation which contains findings as to the person or entity being reported on or who is the subject of the recommendation, the Inspector General shall provide the affected person or entity a copy of the report or recommendation and such person or entity shall have 10 working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation. The requirements of this subsection (f) shall not apply when the Inspector General, in conjunction with the State Attorney, determines that supplying the affected person or entity with such report will jeopardize a pending criminal investigation.

(g) Reporting. The Inspector General shall annually prepare and submit to the Mayor and Board of County Commissioners a written report concerning the work and activities of the Office including, but not limited to, statistical information regarding the disposition of closed investigations, audits and other reviews.

(h) Removal. The Inspector General may be removed from Office upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(i) Abolition of the Office. The Office of the Inspector General shall only be abolished upon the affirmative vote of two-thirds (2/3) of the whole number of members of the Board of County Commissioners.

(j) Retention of the current Inspector General. Notwithstanding any provision to the contrary, the incumbent Inspector General, Christopher R. Mazzella (1), shall serve a four year term of office commencing on December 20, 2009, as provided in the Memorandum of Understanding approved by Resolution No. R-1394-05, and shall not be subject to the appointment process provided for in Section 2-1076(b) (2).

(1) Mr. Chris Mazzella, the County's first Inspector General and the incumbent when this subsection was enacted, retired in April 2013. In August of 2020, an Ad Hoc Selection Committee recommended Felix Jimenez to the Board of County Commissioners as the new Inspector General succeeding Inspector General Mary Cagle who served from February 2014 until her retirement in September 2020 .

(Ord. No. 97-215, § 1, 12-16-97; Ord. No. 99-63,
§ 1, 6-8-99; Ord. No. 99-149, § 1, 10-19-99;
Ord. No. 00-105, § 1, 7-25-00; Ord. No. 01-114,
§ 1, 7-10-01; Ord. No. 05-51, § 1, 3-1-05; Ord. No. 06-88,
§ 2, 6-6-06, Ord. No. 07-165; § 1, 11-6-07)