

INTERNAL AUDIT REPORT

**Audit of Procurement and Warehousing Services'
Purchasing Card (P-Card) Services for Period from
July 1, 2015 through September 30, 2015**



To be presented to the:

**Audit Committee on
November 17, 2016**

**The School Board of Broward County, Florida on
December 20, 2016**

By

The Office of the Chief Auditor



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November 10, 2016

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
Mr. Robert W. Runcie, Superintendent of Schools

Robert W. Runcie
Superintendent of Schools

Ladies and Gentlemen:

In accordance with the Office of the Chief Auditor's (OCA) 2016-2017 Audit Plan, we reviewed the Procurement and Warehousing Services' Purchasing Card (P-Card) Services for the period from July 1, 2015 through September 30, 2015.

The primary objectives of the audit were to determine and confirm that P-Card purchases were valid and justified only for business purposes and in accordance with the School District's Policies and State regulations; determine whether purchasing and receiving function controls were adequate; verify that purchases were approved by the appropriate level of authority; review the reconciling process of the P-Card purchases by Cardholders, Principals and Department Heads or designees; review the Purchasing Card contract with District Bid 53-077V which is a piggyback with Polk County Board of Commissioners RFP 08-002RGH-Procurement Card Services; verify the District received a rebate check in accordance with contract terms; review all payments made to determine if amounts paid were accurate and in compliance with Purchasing Card Policies and Procedures; review credit limits to determine that P-Card holders complied with established credit limits and verify whether credit limit increases were properly authorized prior to making purchases; compare district payroll records to current cardholders to verify P-Cards were not active for employees no longer employed within the district or who had changed positions or responsibilities; determine if internal controls were adequate for P-Card purchases and verify that P-Cards were safeguarded and purchases were tracked in addition to the timely deactivation of P-Cards when necessary; follow-up on the prior audit Review of Purchasing Card Purchases and Expenditures within the Physical Plant Operations Department dated October 16, 2014 and report recommendations to the administration, if needed.

The OCA audited the Purchase Card (P-Card) Services' contract, expenditures, invoices and timeliness of cancellation of P-Cards for the period July 1, 2015 through September 30, 2015. It was determined that the District was using an expired contract and did not receive a rebate check for calendar year 2015 until May 19, 2016. During our review of P-Card purchases, invoices and supporting documentation, we identified some areas of non-compliance with the Purchasing Card Program Policies and Procedures Manual related to deactivation of P-Cards, Approval of Credit Limits and P-Card Statement Reconciliation Processes. We reviewed three hundred and five (305) P-Card transactions, in which policies and procedures pertaining to P-Card purchases were followed for the majority of purchases.

In addition, a follow up to our prior audit findings related to the PPO Department showed issues with oversight of carpet projects. We noted problems with carpet replacement procedures in two (2) of the four (4) carpeting projects reviewed. As a result of our audit, we provided findings/recommendations to District management. Additionally, we assisted the PPO staff on identifying invoice errors which required refunds from a vendor.

It is the opinion of the Office of the Chief Auditor that management should strengthen specific internal controls over the Districts' Purchasing Card (P-Card) Services, as noted in the report. We also recommend management consider additional staffing in the Purchasing Card (P-Card) Services due to the expansion of the P-Card program to enable enhanced monitoring and services. Our audit identified five (5) findings/recommendations, which are included in the report.

This report will be presented to the Audit Committee at its November 17, 2016 meeting and will be presented to the School Board at its December 20, 2016 meeting.


Sincerely,

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

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EXECUTIVE SUMMARY

In accordance with the Office of the Chief Auditor's (OCA) 2016-2017 Audit Plan, we reviewed the Procurement and Warehousing Services' Purchasing Card (P-Card) Services for the period from July 1, 2015 through September 30, 2015.

OBJECTIVES

The primary objectives of the audit were to:

- Determine and confirm that P-Card purchases were valid and justified only for business purposes and in accordance with the School District's Policies and State regulations;
- Determine whether purchasing and receiving function controls were adequate;
- Verify that purchases were approved by the appropriate level of authority;
- Review the reconciling process of the P-Card purchases by Cardholders, Principals and Department Heads or designees;
- Review the Purchasing Card contract with District Bid 53-077V which is a piggyback with Polk County Board of Commissioners RFP 08-002RGH-Procurement Card Services;
- Verify the District received a rebate check in accordance with contract terms;
- Review all payments made to determine if amounts paid were accurate and in compliance with Purchasing Card Policies and Procedures;
- Review credit limits to determine that P-Card holders complied with established credit limits and verify whether credit limit increases were properly authorized prior to making purchases;
- Compare district payroll records to current cardholders to verify P-Cards were not active for employees no longer employed within the district or who had changed positions or responsibilities;
- Determine if internal controls were adequate for P-Card purchases and verify that P-Cards were safeguarded and purchases were tracked in addition to the timely deactivation of P-Cards when necessary;
- Follow-up on the prior audit Review of Purchasing Card Purchases and Expenditures within the Physical Plant Operations Department dated October 16, 2014;
- Report recommendations to the administration, if needed.

SCOPE AND METHODOLOGY

This audit of the District's Purchasing Card (P-Card) Services includes an examination of three hundred and five (305) transactions for the period from July 1, 2015 through September 30, 2015. Additionally, the Office of the Chief Auditor (OCA) performed a follow-up to the prior P-Card audit issued to the Board on November 12, 2014; specifically, P-Card purchases for carpet projects that were made by the PPO department. OCA staff visited four (4) facilities with carpet projects which included an examination of PPO work order documents and vendor invoices. In addition, we performed site visits and verification of the work performed under District BID 53-087R, Floor Coverings with Related Supplies, Equipment and Services, which is a piggyback with the State

of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract was approved by the School Board on March 18, 2013.

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The aforementioned standards require that we plan and perform the audit to ensure a reasonable basis for our judgments and conclusions regarding the function under audit. An audit includes assessments of applicable controls and compliance with the requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

It is our responsibility to perform the review under generally accepted auditing standards and Government Auditing Standards, as well as provide recommendations to improve operations, strengthen internal controls and ensure compliance with the requirements of laws, rules and regulations in matters selected for review. It is the administration's responsibility to implement recommendations, to maintain an internal control environment conducive to the safeguarding of District assets and to preserve the District's resources, and to comply with applicable laws, regulations and School Board policies.

The procedures used to satisfy our objectives in this audit included the following:

- Reviewed School Board Policy 3320-Purchasing Policies and the Purchasing Card Program Policies and Procedures Manual;
- Reviewed P-Card purchases, invoices and payments;
- Reviewed the Purchasing Card contract with District Bid 53-077V which is a piggyback with Polk County Board of Commissioners RFP 08-002RGH-Procurement Card Services;
- Conducted interviews with District management and personnel;
- Reviewed employee separation dates against active open P-Card lists;
- Reviewed District Bid 53-087R Floor Covering with Related Supplies, Equipment and Services;
- Examined four (4) carpet projects including verification of vendor estimates, quantities purchased, invoices, and total project costs;
- Performed other auditing procedures as deemed necessary.

BACKGROUND

The use of Purchasing Cards (P-Card) has been widely implemented to expedite the purchasing of goods and services. The use of the P-Card allows for the purchase of goods and services directly from the suppliers without the need to use a formal procurement process, such as a requisition/purchase order. The use of the P-Card significantly streamlines and reduces the cost of the purchasing process for small purchases and provides improved turn-around time on the delivery of goods and services. Currently the P-Card program has been expanded to include multiple types of purchases including the payment for the District's utility bills and the Business

Support Center's use of P-Cards for schools to pay for merchandise, field trips and different activities for the students. The SBBC has eight hundred and ninety-one (891) P-Cards currently assigned to District employees. Currently, the Purchasing Card Services is being staffed with two employees, a Purchasing Card Program Administrator and a Purchasing Card Assistant. The purchases made with the P-Card are subject to the same rules and regulations outlined in School Board Policy 3320-Purchasing Policies. Additionally, guidelines for P-Card activity are found in the Purchasing Card Program Policies and Procedures Manual. Cardholders are issued a monthly spending limit as well as a single purchase spending limit. The Purchasing Card Program Administrator is responsible for managing the P-Card program for the District. The Program Administrator also coordinates the bill payment with Bank of America, maintains reports and monitors the overall activities and cardholder maintenance of the program. As part of the P-Card program with Bank of America, the District received a rebate check in the amount of \$419,885.11, dated May 19, 2016 (see Exhibit 1, page 27). This amount was based on the total expenditures made using the P-Card during calendar year 2015 of \$31,934,040.72. The District used the Purchasing Card contract with District Bid 53-077V, which is a piggyback with Polk County Board of Commissioners RFP 08-002RGH-Procurement Card Services. The contract expired on January 22, 2015 (see Exhibit 2, pages 28-29). The District did not have a Procurement Card contract from January 23, 2015 through August 16, 2016. The current Purchasing Card Services contract is a piggyback with the Florida Department of Management Services' contract 84121500-15-01 awarded to Bank of America N.A. Bid 57-002V, which was approved by the School Board of Broward County on August 16, 2016, Board item EE-10 (see Exhibit 3, pages 30-34). In addition, a follow-up to the prior P-Card audit was performed, which included P-Card purchases made by the PPO Department for carpet projects. The School Board of Broward County (District) Bid 53-087R, Floor Coverings with Related Supplies, Equipment and Services, is a piggyback with the State of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract allows for the direct purchase of floor coverings with related supplies, equipment, and services from a pool of manufacturers. Bid 53-087R was approved by the District as a piggyback contract on March 18, 2013. We audited four Physical Plant Operations (PPO) Work Orders for compliance with Bid 53-087R. The four (4) Work Orders audited were:

1. Work Order No. FM 16287, Cooper City High School
2. Work Order No. J707403, Cypress Bay High School
3. Work Order No. SA23063, William Dandy Middle School
4. Work Order No. SA31508, Ramblewood Middle School

The OCA visited the four (4) sites to observe the work performed and to take field measurements to compare with the measurements provided in the PPO documents. In addition, we audited the invoices and payments made to the vendor. The OCA identified errors with the Cypress Bay High School and William Dandy Middle School carpet projects. These errors are detailed in Findings Four (4) and Five (5). The Ramblewood Middle School and Cooper City High School projects were in compliance with contract terms and services and were properly completed and paid by the PPO staff.

OPINION AND SUMMARY OF RESULTS

The OCA audited the Purchase Card (P-Card) Services' contract, expenditures, invoices and timeliness of cancellation of P-Cards for the period July 1, 2015 through September 30, 2015. It was determined that the District was using an expired contract and did not receive a rebate check for calendar year 2015 until May 19, 2016. During our review of P-Card purchases, invoices and supporting documentation, we identified some areas of non-compliance with the Purchasing Card Program Policies and Procedures Manual related to deactivation of P-Cards, Approval of Credit Limits and P-Card Statement Reconciliation Processes. We reviewed three hundred and five (305) P-Card transactions, in which policies and procedures pertaining to P-Card purchases were followed for the majority of purchases.

In addition, a follow up to our prior audit findings related to the PPO Department showed issues with oversight of carpet projects. Some of the prior observations regarding internal controls over access to P-Card purchases stored within the warehouse prior to distribution to maintenance workers have not been corrected. Also, we noted problems with carpet replacement procedures in two (2) of the four (4) carpeting projects reviewed. As a result of our audit, we provided findings/recommendations to District management. Additionally, we assisted the PPO staff on identifying invoice errors which required refunds from a vendor.

It is the opinion of the Office of the Chief Auditor that management should strengthen specific internal controls over the Districts' Purchasing Card (P-Card) Services, as noted in the report. We also recommend management consider additional staffing in the Purchasing Card (P-Card) Services due to the expansion of the P-Card program to enable enhanced monitoring and services.

We summarized our findings below:

1. The District did not Consistently Comply with Policies and Procedures for the Cancellation of P-Cards
2. The Audit Identified Eleven (11) of Twenty-Three (23) Purchasing Card Purchases Made by PPO that Exceeded the Single Purchase Credit Limit without Supporting Documentation of Approval
3. Several Locations did not Comply with the Purchasing Card Reconciliation Processes. The Purchasing Card (P-Card) Services does not Currently have an Adequate System of Filing and Reconciling P-Card Statements and Supporting Documentation
4. The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for Cypress Bay High School's Carpet Project
5. The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for William Dandy Middle School's Carpet Project

We have provided recommendations, which can be found at the end of each finding in the audit report.

We would like to thank the Purchasing Card Department, PPO and all District personnel who aided in the completion of this report.

Submitted by:

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

Audit Performed By: Meredith Filcman
Robert Goode
Gerardo Usallan

SECTION I

FINDINGS

FINDING No. 1

The District did not Consistently Comply with Policies and Procedures for the Cancellation of P-Cards

CONDITION

During our review of fifty (50) Purchasing Cards (P-Cards) which required deactivation, we noted forty (40) of the P-Cards were not cancelled in a timely manner. We compared the P-Card cancellation dates with the Bank of America Purchase Card database against the employees' payroll records. A total of forty (40) P-Cards were left activated from 3 to 1,997 days, with an average of 292 days after an employee's separation before being cancelled. Of the forty (40) P-Cards left activated, thirty (30) P-Cards were cancelled more than thirty (30) days after the employees' separation of employment date (see Exhibit 4, page 35). Some of the reasons for separation included retirement, transfers, termination, death, or other types of employment leaves. The Purchasing Card Program Administrator stated that some schools and departments are not notifying him when a P-Card needs to be cancelled. The Purchasing Card Program Administrator is currently accepting notification that a P-Card needs to be cancelled by either an email or a phone call from the Cardholder's Principal, Department Head or designee, in lieu of the SBBC Purchasing Card Notification of Personnel Change Form (Exhibit 5, page 36). The Purchasing Card Program Administrator did not consistently enforce policies and procedures requiring a SBBC Purchasing Card Notification of Personnel Change form, which is enclosed in the Purchasing Card Program Policies and Procedures Manual.

CRITERIA

The Purchasing Card Program Policies and Procedures Manual states "Cardholder Account Closure, The Program Administrator is required to close an account if a Cardholder: (a) transfers to a different location; (b) moves to a new job; (c) terminates employment; (d) retires. The SBBC Purchasing Card Notification of Personnel Change Form should be filled out and submitted to Purchasing Card Services to document all Purchasing Card cancellations along with the cancelled card cut in half."

We noted in September of 2016, the Purchasing Card Program Policies and Procedures Manual was changed to state "The location will notify the Program Administrator within two (2) weeks so card can be closed for any employee that has transferred, retired or is no longer with the District."

CAUSE

The Purchasing Card Program Policies and Procedures Manual was not consistently followed by the Cardholders, Principals, Department Heads or designees and Purchasing Card Program Administrator. The SBBC Purchasing Card Notification of Personnel Change Form and P-Cards cut in half were not sent to Purchasing Card Services, as required.

IMPACT

The Purchasing Card Program Policies and Procedures Manual was not consistently followed. Purchasing Card Services did not consistently identify P-Cards which needed to be cancelled. Unauthorized charges and financial loss can occur without adequate oversight and controls over P-Card deactivation, if they are allowed to remain active.

RECOMMENDATIONS

1. The Purchasing Card Services staff should review Board agenda items (G. Office of Human Resources) related to employment changes after each Board meeting to ensure procedures for timely cancellation of P-Cards have been completed for employees when they have separated from their departments or locations.
2. The Purchasing Card (P-Card) Services should require that all Cardholders comply with the policies and procedures. They should ensure the SBBC Purchasing Card Notification of Personnel Change Form is completed and forwarded to the Purchasing Card Administrator along with the cancelled P-Card cut in half, as required.
3. Periodically, the Purchasing Card Administrator should send out a blast email to Cardholders, Principals, Department Heads or designees reminding them of the importance of completing the SBBC Purchasing Card Notification of Personnel Change Form in a timely manner, when a location incurs a transfer, termination, retirement or other type of employee leave.

MANAGEMENT'S RESPONSE FROM PROCUREMENT & WAREHOUSING SERVICES

1. **RECOMMENDATION:** The Purchasing Card Services staff should review Board agenda items (G. Office of Human Resources) related to employment changes after each Board meeting to ensure procedures for timely cancellation of P-Cards have been completed for employees when they have separated from their departments or locations.

MANAGEMENT'S RESPONSE: Disagree. PWS does not consider it an effective measure for the P-Card team to consistently check the Regular School Board agenda for changes in personnel (leave, transferences, or retirements) since doing so does address the root cause of the problem. It is preferred that this responsibility stay within the user group.

ALTERNATIVE ACTION: Procurement & Warehousing Services will commit to reiterate, during training sessions, the procedures to be followed when a change in

personnel occurs. Also, the recommendation to send out periodic reminders to card holders, principals, and department heads will be executed.

2. **RECOMMENDATION:** The Purchasing Card Services should require that all Cardholders comply with the policies and procedures. They should ensure the District's Purchasing Card Notification of Personnel Change Form is completed and forwarded to the Purchasing Card Administrator along with the cancelled P-Card cut in half, as required.

MANAGEMENT'S RESPONSE: Agree. All procedures should be followed by the employees, including the use of the Notification of Personnel Change form to address changes in personnel.

ALTERNATIVE ACTION: PWS will commit to reiterate during training sessions, the procedures that are to be followed when a change in personnel occurs. Staff believes it is better to invest in continuous education efforts to achieve better results moving forward.

3. **RECOMMENDATION:** Periodically, the Purchasing Card Administrator should send out a blast email to cardholders, principals, department heads or designees reminding them of the importance of completing the District's Purchasing Card Notification of Personnel Change Form in a timely manner, when a location incurs a transfer, termination, retirement, or other type of employee leave.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: PWS will send quarterly email blasts to cardholders, principals, and department heads reminding them that once employees are terminated, the P-Card Administrator is to be contacted to cancel the card.

OCA's FOLLOW UP TO MANAGEMENT'S RESPONSE

OCA noted that management did not disagree with Finding No. 1; however, they disagreed with OCA's Recommendation No. 1 regarding the PWS staff's review of Board agenda items (G. Office of Human Resources). We still strongly recommend the PWS review the agenda items related to employment changes after each Board meeting, since the current system is not adequately capturing the cancellation process that we identified in the audit.

FINDING No. 2

The Audit Identified Eleven (11) of Twenty-Three (23) Purchasing Card Purchases Made by PPO that Exceeded the Single Purchase Credit Limit without Supporting Documentation of Approval

CONDITION

During our review of the Purchasing Cards, a sample of three hundred and five (305) P-Card transactions were selected between July 1, 2015 and September 30, 2015. Based on our sample, we identified twenty-three (23) purchases by PPO which exceeded the approved credit limit. There were eleven (11) of the twenty-three (23) P-Card transactions that were not documented with a request or approval for a credit limit increase (see Exhibit 6, page 37). When the P-Cards are issued to the Cardholders, spending controls are set in accordance with the pre-determined spending limits disclosed on the approved SBBC Purchasing Card Agreement Form. We noted credit increase requests were not consistently forwarded to the Director of Procurement & Warehousing Services for authorization, as required per the Purchasing Card Program Policies and Procedures Manual.

CRITERIA

Purchasing Card Program Policies and Procedures Manual, Spending Controls, states “The Purchasing Card is to be used only for the purchase of goods. SBBC’s Purchasing Policy 3320 governs all purchases. Whenever available, SBBC contracts must be used as the primary source of supply. Additional spending parameters for a Purchasing Card may be set by the department/school. Spending controls are set on a merchant, transaction limit, and monthly volume limit for each card. Any modification to the P-Card Spending Controls must be approved by the Cardholder’s Principal, Department Head or designee before requesting the Director of Procurement & Warehousing Services to authorize the Program Administrator to change the Cardholder’s profile at Bank of America.” Purchasing Card Program Policies and Procedures Manual, Cardholder Responsibilities, states “The Cardholder Must: 4. Adhere to the purchasing limits and restrictions of the Purchasing Card and ensure the total transaction amount of any single transaction does not exceed the department/school spending parameters.”

CAUSE

The Cardholders and Purchasing Card Program Administrator did not consistently comply with the Purchasing Card Program Policies and Procedures, which required credit limit increase requests be forwarded to the Director of Procurement & Warehousing for authorization, as required per policy.

IMPACT

The Purchasing Card Program Policies and Procedures were not consistently complied with by the Program Administrator regarding the P-Card spending controls. When unsupported credit limit increases occur, this escalates the risk of P-Card misuse and/or unauthorized purchases.

RECOMMENDATIONS

We recommend the Purchasing Card Department:

1. Obtain written approvals by the Cardholder's Principal, Department Head or designee and communicate the credit limit change request to the Director of Procurement & Warehousing Services staff prior to changing the Cardholder's single purchase credit limit profile, as required by the Purchasing Card Program Policies and Procedures Manual.
2. Maintain records of Cardholder profiles on an electronic database to ensure quick identification of P-Card spending limit controls.
3. Increase staff to assist in the monitoring of daily transactions in order to comply with the Purchasing Card Program Policies and Procedures Manual and manage the large volume of P-Card documentation.

MANAGEMENT'S RESPONSE FROM PROCUREMENT & WAREHOUSING SERVICES

1. **RECOMMENDATION:** Obtain written approvals by the cardholder's principal, department head or designee and communicate the credit limit change request to the Director of Procurement & Warehousing Services staff prior to changing the cardholder's single purchase credit limit profile, as required by the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Disagree. PWS Management disagrees with the P-Card purchases made by PPO exceeded the single purchase credit limit without the supporting documentation of approval. PWS evaluated the audit report within the P-Card Program team. During the analysis, all eleven (11) items that were missing backup documentation were found (additional support from the departments was requested and promptly provided). Staff validated that all audit trail documentation was being kept on paper copies only; this process was immediately re-defined.

ALTERNATIVE ACTION: All approvals, documentation, and any other important backup files will be saved in a specific folder in the shared drive, keeping the backup in an electronic format.

2. **RECOMMENDATION:** Maintain records of cardholder profiles on an electronic database to ensure quick identification of P-Card spending limit controls.

MANAGEMENT’S RESPONSE: Agree.

ALTERNATIVE ACTION: All maintenance and validation of cardholder profiles is currently saved in the official P-Card system (Works).

3. **RECOMMENDATION:** Increase staff to assist in the monitoring of daily transactions in order to comply with the Purchasing Card Program Policies and Procedures Manual and manage the large volume of P-Card documentation.

MANAGEMENT’S RESPONSE: Disagree. At this time, additional staff is not required.

ALTERNATIVE ACTION: In order to properly manage the large volume, as mentioned in the recommendation, PWS will implement in 2017 the expense report system, available with Bank of America. This system allows all P-Card holders the ability to digitally attach receipts/comments and submit through an approval workflow, to be defined by the District, all expenditures occurred in the usage of the P-Cards. This tool is free and will add a great value to the P-Card Program, as well as support all audit efforts.

OCA’s FOLLOW UP TO MANAGEMENT’S RESPONSE

OCA noted that management disagreed with Finding No. 2.

Regarding Recommendation No. 1, during the audit, eleven of the twenty-three P-Card transactions we noted exceeded the P-Card single purchase credit limit without supporting documentation of approval, as required by the Purchasing Card Program Policies and Procedures manual. At the time of the audit, the documentation was not provided. Subsequent to the audit, management responded that “all eleven (11) items that were missing backup documentation were found (additional support from the departments was requested and promptly provided)”.

FINDING No. 3

Several Locations did not Comply with the Purchasing Card Reconciliation Processes. The Purchasing Card (P-Card) Services does not Currently have an Adequate System of Filing and Reconciling P-Card Statements and Supporting Documentation

CONDITION

During our review of the P-Card program, we sampled three hundred and five (305) P-Card transactions selected between July 1, 2015 and September 30, 2015. The Purchasing Card Services staff did not keep track of the large volume of P-Card statements and invoices they received from each location. The process for filing P-Card statements is not adequate because P-Card Service staff are simply filing P-Card statements by month and there is no indication which location has not transmitted their P-Card statements and supporting documentation each month. There was no system in place to determine if each location was submitting their P-Card statements with supporting documentation, as required by the Purchasing Card Program Policies and Procedures Manual. Additionally, the P-Card statements were not consistently signed and/or approved correctly by the Cardholders, Principals, Department Heads or designees.

CRITERIA

The Purchasing Card Program Policies and Procedures Manual, Reconciliation and Approval, states “4. Principal, Department Head or designee reviews Cardholder original statement and receipts for compliance, signs the statement and sends to Program Administrator by the 15th of the month. A copy of the statement and receipt shall be retained by the bookkeeper/budget keeper for record keeping and auditing purposes; 5. If purchases are made on the P-Card by a Principal or Department Director, the bank statement must be approved by their immediate supervisor. All bank statements must be returned to the Program Administrator with 2 signatures (Cardholder and immediate Supervisor); 6. Program Administrator performs a statistical audit of statements and receipts to monitor compliance with Policy and Procedures.”

CAUSE

Our review of the P-Cards disclosed the Purchase Card Services, Principals, Department Heads and designees did not consistently comply with the Purchasing Card Program Policies and Procedures Manual.

IMPACT

Due to the Principals, Department Heads and designees’ non-compliance with the proper P-Card Policies and Procedures, the Purchasing Card Services staff was unable to consistently audit the invoices. The Purchasing Card Services staff was unable to properly manage the approval and documentation process, since they did not have adequate procedures to account for the large

volume of P-Card statements and invoices being received from the District issued P-Card users. The signed P-Card statements with supporting documentation are intended to provide evidence that the purchases were reviewed and approved by the Principals, Department Heads or designees.

RECOMMENDATIONS

We recommend the Purchasing Card Services staff:

1. Provide training to all Principals, Department Heads and designees on the requirements of the Purchasing Card Program Policies and Procedures Manual.
2. Maintain a comprehensive log noting monthly P-Card activity and have a system of identifying locations that have not submitted their monthly P-Card statements with supporting documentation.
3. Add additional staff due to the increased volume of P-Card activity to ensure all P-Card statements are reviewed and filed in a systematic way.
4. Deactivate P-Cards for non-compliance with the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE FROM PROCUREMENT & WAREHOUSING SERVICES

1. **RECOMMENDATION:** Provide training to all principals, department heads, and designees on the requirements of the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: As mentioned previously, PWS will keep investing in continuous education activities to reiterate the program policy and procedures.

2. **RECOMMENDATION:** Maintain a comprehensive log noting monthly P-Card activity and have a system of identifying locations that have not submitted their monthly P-Card statements with supporting documentation.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: PWS will implement features currently available in the system (Works) to properly control the large volume of transactions, reconciliation activities, and management of the program.

3. **RECOMMENDATION:** Add additional staff due to the increased volume of P-Card activity to ensure all P-Card statements are reviewed and filed in a systematic way.

MANAGEMENT'S RESPONSE: Disagree. At this time, additional staff is not required.

ALTERNATIVE ACTION: The Works application is a Web-based, user-friendly electronic card payment management service that automates, streamlines, and integrates existing payment authorization and reconciliation processes while providing management reporting and spending controls.

4. **RECOMMENDATION:** Deactivate P-Cards for non-compliance with the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: The recommendation of deactivating P-Cards for non-compliance will be adopted, per the Purchasing Card Program Policies and Procedures Manual.

OCA's FOLLOW UP TO MANAGEMENT'S RESPONSE

OCA noted that management did not disagree with Finding No. 3; however, they disagreed with OCA's Recommendation No. 3 regarding the additional staff needed. Although there will be enhancements to the filing system with the Works application, with only two people handling all procurement processes, additional staff may still be needed in the future to handle the expansion of the P-Card program and the existing 891 P-Card holders.

FINDING No. 4

The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for Cypress Bay High School's Carpet Project

CONDITION

On June 15, 2015, a Notice to Proceed (NTP) in the amount of \$49,226.70 was issued by the School Board of Broward County's Physical Plant Operations Department (PPO) to Patcraft Commercial Carpet for the removal of 870 square yards of existing carpet, and the installation of 860 square yards of new carpet tiles. In addition, the project included installation of 1,339.80 square feet or 148.86 square yards of new Luxury Vinyl Tile (LVT), and the removal and installation of 600 linear feet of cove base in multiple rooms (301, 301A, 301B, 301E, and 301F) (see Exhibit 7, page 38-40). The work was inspected and approved by PPO on July 15, 2015 (see Exhibit 8, pages 41). The Office of the Chief Auditor's (OCA) staff visited the school on July 20, 2016 in order to verify that the work listed in the NTP was completed and that the field installation measurements and quantities matched the vendor's June 10, 2015 estimate and quantities (see Exhibit 9, page 42). The OCA calculated a total of 873 square yards (including 5% waste) of the area to receive new carpet tiles. Subsequent to our visit to the school, PPO provided their flooring estimate worksheet and a Negative Labor Adjustment Change Order to Shaw Integrated Solutions requesting a credit to the District for labor costs for carpet tile installation not performed in the amount of \$893.16. As a result of our audit, this credit was requested by PPO on August 17, 2016, over a year after the completion of the carpet project (see Exhibit 10, page 43). The reason for this Negative Labor Adjustment Change Order was the 1,339.80 square feet or 148.86 square yards of LVT that was not deducted from the total area of 860 square yards originally measured and priced for carpet tile installation. This resulted in an overpayment of \$893.16 for 148.86 square yards of carpet tile installation labor costs at \$6.00 per square yard.

In addition, we determined the District elected to keep excess carpet tiles at the school for future repairs. We determined 104 square yards were left at the school and there was approximately 45 square yards attributable to waste during the installation. However, the Attic Stock/Receipt of Materials Form required by the contract for excess material was not used to document the excess carpet tiles.

CRITERIA

The School Board of Broward County (District) Bid 53-087R, Floor Coverings with Related Supplies, Equipment and Services, is a piggyback with the State of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract was approved by the School Board on March 18, 2013 (see Exhibit 11, pages 44-45).

CAUSE

The District did not verify the flooring scope of work installed at the job site against the vendor's approved estimate of cost and quantities. This led to the District's approval of the vendor's invoice for work not performed.

IMPACT

The District made an overpayment totaling \$893.16, consisting of carpet tile installation labor costs on the Cypress Bay High School Carpet Project.

RECOMMENDATIONS

The Office of the Chief Auditor recommends:

1. The Physical Plant Operations Department manage and ensure vendor compliance with the terms and conditions of District contracts.
2. The PPO staff visit the site in order to verify quantities installed and document any excess materials as compared to the vendor's approved estimate of quantities and cost.
3. The PPO department should ensure that the Attic Stock/Receipt of Materials Form required by the contract is completed to document the excess carpet tiles.

MANAGEMENT'S RESPONSE FROM PHYSICAL PLANT OPERATIONS

Regarding Recommendation Number 1: Physical Plant Operations agrees with Office of the Chief Auditor and will ensure compliance with terms and conditions of all District contracts.

Regarding Recommendation Number 2: Physical Plant Operations agrees with the Office of the Chief Auditor and will visit every project before, during, and after the work to verify quantities installed and document any excess materials.

Regarding Recommendation Number 3: Physical Plant Operations has requested and obtained a credit for the overpayment of \$893.16 due to "double payment" of \$6.00 per square yard for the 148.86 square yards of Luxury Vinyl Tile. There is not an overpayment for 48.86 square yards of carpet. That amount of carpeting, about 5 percent of the total, was the amount of scrap carpeting created in executing the complex flooring pattern designed for the Media Center (please refer to the attached Cypress Bay Floor Plan, Attachment C). At the completion of the work, the remaining 104 square yards of carpet were left at Cypress Bay as "attic stock" for future needs or repairs.

To minimize errors in calculating the correct cost of installation on complex projects, a new **Flooring Verification Form** (Attachment A) will be used on all projects involving flooring. This form will include the Notice to Proceed (with project scope clearly defined), the work order

number, the bid number, and two dated field inspections documenting quantity verification by PPO Staff.

To ensure that all stakeholders concur on the amount of attic stock remaining on site, all future flooring projects will include a signed **Bin Receipt Document** (Attachment B), acknowledging receipt of remaining flooring by the project school. An authorized representative from the school and the Flooring Department will sign the Bin Receipt Document and a copy of the form will be retained at the location with the remaining flooring.

Attachment A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations Flooring Verification Form

Last Update 11/02/2016

The undersigned District Maintenance Staff, certify and attest to the following:

- A. That I/We have reviewed the scope and costs for Work Order Number _____ - _____ and Bid Number _____ and scope and cost are in accordance with the amounts contained in the Contractor's accepted bid.
- B. That I/We made field inspections to the job site(s) to verify receipt of Contractor's services per specifications on Notice to Proceed:
First Field Inspection by: _____ Date: _____
Final Field Inspection by: _____ Date: _____
- C. Upon inspection, it was determined that the work was completed in accordance with the contracted and approved specifications; and scope issued in the attached Notice to Proceed.
- D. I/We understand that a review of this information will be conducted and that I/We will be held accountable for any deficiencies detected during such review.
- E. The following School staff acknowledges has signed BIN receipt for any remaining carpet and/or tile to be retained on site. Name: _____
School: _____

COMMENTS:

I/We verified that the total flooring systems and labor were charged correctly per the Notice to Proceed issued on, Date: _____, according to the inspection report. (See attached Notice to Proceed with scope).

Signature: _____ Signature: _____
Mechanic/Lead Man Date Trades Foreman Date

Signature: _____
Trades Manager Date

Attachment B

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Bin Receipt Document

Last Update 10/26/2016

Bill of Materials

(Acknowledging receipt of "Attic Stock" materials left over from floor project)

School Name:

Work order number:

Date:

Bid/Contract number:

Description of Materials	Total Yardage Required	Total usable remnants Yardage	Remarks

Supervising Mechanic:

Date:

Received By:

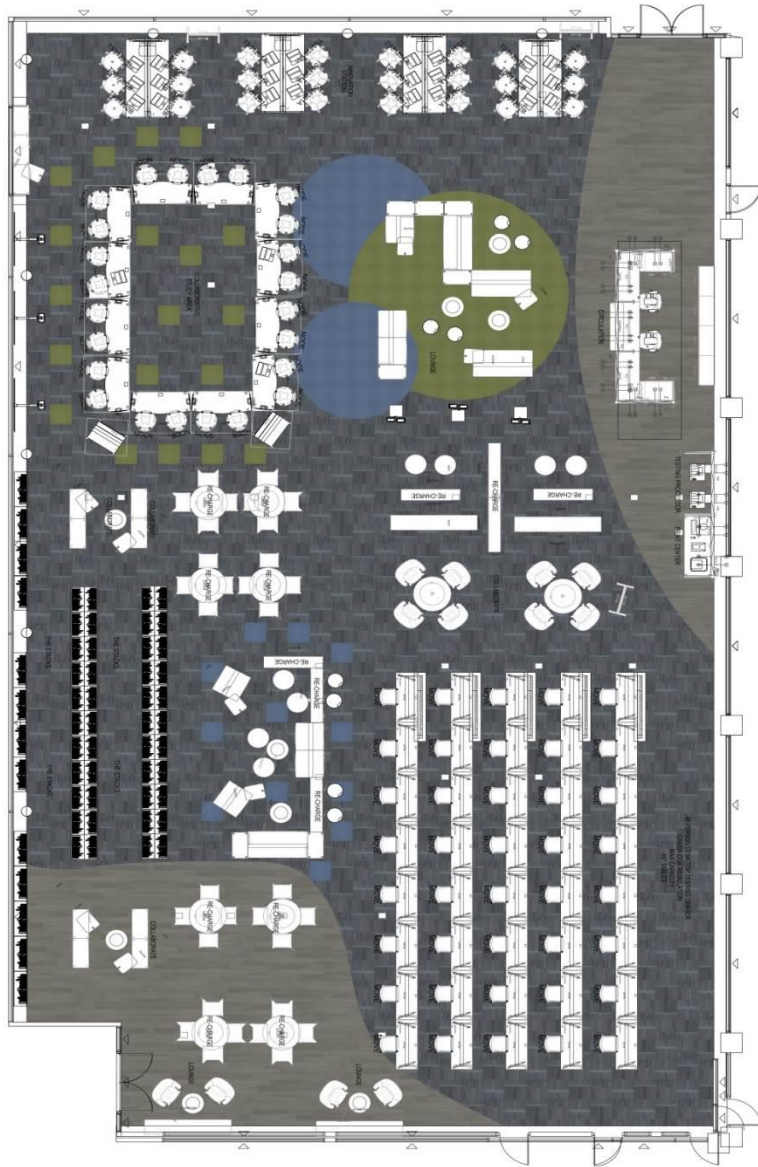
Date:

Attachment C

patcraft.
Customer Connect: 1-800-241-0242

The layout and tables included in this floor plan may not be an exact representation of the actual layout. Dimensions, colors, and materials are provided for design purposes and should not be used for ordering. Seating or exact layout details. An estimate must be completed by a professional to accurately ordering and layout information.

Copyright © 2020



FINDING No. 5

The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for William Dandy Middle School's Carpet Project

CONDITION

On May 6, 2015, a Notice to Proceed (NTP) in the amount of \$43,655.10 was issued by the School Board of Broward County's (District) Physical Plant Operations Department (PPO) to Shaw Integrated Solutions for the removal and replacement of 938.66 square yards of carpet and installation of 1,080 linear feet of cove base in rooms (131, 131A, 132, 132A-E, 133) (see Exhibit 12, page 46). The OCA noted the labor cost included in this estimate was for the removal, installation, disposal and night & weekend premium labor costs for 1,160.66 square yards, reflecting an unexplained increase of 222 square yards (see Exhibit 13, page 47-48). The OCA staff visited the school on July 20, 2016, in order to verify that the work listed in the NTP was completed and that field installation measurements and quantities matched the vendor's April 2, 2015 estimate and quantities. The OCA calculated a total quantity of 938.53 square yards (including 5% waste) of area to receive new carpet tiles. Subsequent to our visit to the school, PPO provided their flooring estimate worksheet and a Negative Labor Adjustment Change Order to Shaw Integrated Solutions, Inc. requesting a credit to the District for carpet removal, disposal, installation, and night & weekend premium labor costs not performed in the amount of \$2,672.88 for 222 square yards (see Exhibit 14, pages 49-50). As a result of our audit, a credit was requested by PPO on August 23, 2016, over a year after the completion of the carpet project.

In addition, during our site visit, the OCA also observed that no work was performed in room 133 (see Exhibit 15, page 51). The value of the carpet and cove base work not installed in room 133 was \$531.55. Subsequent to the audit, management confirmed that room 133, originally scheduled for carpet installation on the NTP, was not performed; however, management stated that corridor 001C was carpeted instead. The two areas required the same quantity of carpet; therefore, there was no additional charge or credit. We verified that no excess carpet tiles were left at the school.

CRITERIA

The School Board of Broward County (District) Bid 53-087R, Floor Coverings with Related Supplies, Equipment and Services, is a piggyback with the State of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract was approved by the School Board on March 18, 2013 (see Exhibit 11, pages 44-45).

CAUSE

The PPO did not verify the flooring scope of work installed at the job site against the vendor's approved estimate of cost and quantities. This lead to the District's approval of the vendor's invoice for work not performed.

IMPACT

The District made an overpayment totaling \$2,672.88, consisting of carpet removal, disposal, installation, and night & weekend premium labor not performed on the William Dandy Middle School Carpet Project.

RECOMMENDATIONS

The Office of the Chief Auditor recommends:

1. The Physical Plant Operations Department manage and ensure vendor compliance with the terms and conditions of District contracts.
2. The PPO staff visit the site in order to verify quantities installed and document any excess materials as compared to the vendor's approved estimate of quantities and cost.
3. The PPO department should properly document any changes to the original scope of work.

MANAGEMENT'S RESPONSE FROM PHYSICAL PLANT OPERATIONS

Regarding Recommendation Number 1: Physical Plant Operations agrees with Office of the Chief Auditor and will ensure compliance with terms and conditions of all District contracts.

Regarding Recommendation Number 2: Physical Plant Operations agrees with the Office of the Chief Auditor and will visit every project before, during, and after the work to verify quantities installed and document any excess materials.

Regarding Recommendation Number 3: Physical Plant Operations has requested and obtained a credit for the overpayment of \$2,672.88. There is not an overpayment for work not performed in FISH 133. The school opted to have corridor 001C carpeted instead of carpeting the Server Equipment Closet (FISH 133). Please refer to the William Dandy Floor Plan (Attachment D) for the area. These two areas require the same quantity of carpet so there was no additional charge or credit. By the same token there was no additional leftover material. Please see the note regarding cost-neutral changes (below).

To minimize errors in calculating the correct cost of installation on complex projects, a new **Flooring Verification Form** (Attachment A) will be used on all projects involving flooring. This form will include the Notice to Proceed (with project scope clearly defined) the work order number, the bid number, and two dated field inspections documenting quantity verification by PPO Staff. Additionally, PPO will use the COMMENTS section of the **Flooring Verification Form** to memorialize all cost-neutral changes requested by School Administration to avoid future confusion. Note that changes which are not cost-neutral will affect the Notice to Proceed and will be recorded on that document.

To ensure that all stakeholders concur on the amount of attic stock remaining on site, all future flooring projects will include a signed **Bin Receipt Document** (Attachment B), acknowledging receipt of remaining flooring by the project school. An authorized representative from the school and the Flooring Department will sign the Attic Stock/Receipt of Materials Form and a copy of the form will be retained at the location with the remaining flooring.

Attachment A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Flooring Verification Form

Last Update 11/02/2016

The undersigned District Maintenance Staff, certify and attest to the following:

- C. That I/We have reviewed the scope and costs for Work Order Number _____ - _____ and Bid Number _____ and scope and cost are in accordance with the amounts contained in the Contractor's accepted bid.
- D. That I/We made field inspections to the job site(s) to verify receipt of Contractor's services per specifications on Notice to Proceed:
First Field Inspection by: _____ Date: _____
Final Field Inspection by: _____ Date: _____
- C. Upon inspection, it was determined that the work was completed in accordance with the contracted and approved specifications; and scope issued in the attached Notice to Proceed.
- D. I/We understand that a review of this information will be conducted and that I/We will be held accountable for any deficiencies detected during such review.
- E. The following School staff acknowledges has signed BIN receipt for any remaining carpet and/or tile to be retained on site. Name: _____
School: _____

COMMENTS:

I/We verified that the total flooring systems and labor were charged correctly per the Notice to Proceed issued on, Date: _____, according to the inspection report. (See attached Notice to Proceed with scope).

Signature: _____ Signature: _____
Mechanic/Lead Man Date Trades Foreman Date

Signature: _____
Trades Manager Date

Attachment B

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Bin Receipt Document

Last Update 10/26/2016

Bill of Materials

(Acknowledging receipt of "Attic Stock" materials left over from floor project)

School Name:

Work order number:

Date:

Bid/Contract number:

Description of Materials	Total Yardage Required	Total usable remnants Yardage	Remarks

Supervising Mechanic:

Date:

Received By:

Date:

SECTION II

EXHIBITS

CHECK DATE 05/19/16

VENDOR NO. 1025417 SCHOOL BOARD OF BROWARD COUNTY

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	AMOUNT
5/12/16PCARD REBATE	05/11/16	PCARD REBATE FOR 2015	419,885.11
<div data-bbox="610 890 958 968" data-label="Text"> <p>This rebate check is for calendar year 2015</p> </div>			
TOTAL			419,885.11

Board of County Commissioners
Polk County, Florida
PO Box 988
Bartow, Florida 33831-0988

Wells Fargo Bank, N.A.
San Francisco, CA
Operating Account

Check No. 242338
11-24
1210

DATE

19-MAY-16

AMOUNT

\$419,885.11

PAY ***Four Hundred Nineteen Thousand Eight Hundred Eighty-Five Dollars And Eleven Cents***

This check must be presented for payment within 120 days.

AUTHORIZED IN OPEN SESSION

TO THE
ORDER
OF

SCHOOL BOARD OF BROWARD
COUNTY
7720 W OAKLAND PARK BLVD
STE 323
SUNRISE FL 33351



John E. Hall CHAIRMAN
Shirley M. Butterfield CLERK

⑈ 24 2338 ⑈ ⑆ 121000248 ⑆

4377479407⑈



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

7720 WEST OAKLAND PARK BOULEVARD, SUITE 323, SUNRISE, FLORIDA 33351 • TEL 754-321-0501 • FAX 754-754-0936

SUPPLY MANAGEMENT & LOGISTICS
RUBY CRENSHAW, CPPO, DIRECTOR
www.browardschools.com

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NORA RUPERT

ROBERT W. RUNCIE
Superintendent of Schools

January 10, 2014

Mr. Evan Tullos
Bank of America
13099 US Highway 41 SE
Fort Myers, FL 33097

Phone: 239-433-6105
Fax: 239-433-6180

Renewal Acceptance: Letter and Request for Certificate of Insurance
Reference Number: 53-077V
Contract Number: Polk County Board of Commissioners RFP 08-002RGH – Procurement Card Services
Contract Renewal Term: January 23, 2014 – January 22, 2015

Dear Mr. Tullos:

As Director of Supply Management & Logistics Department for The School Board of Broward County, Florida (SBBC), I have been authorized to renew contracts on behalf of the School Board. This letter is to advise you that I am accepting your offer to continue to provide Procurement Card Services, in accordance with the terms and conditions of the above-referenced RFP and contractual agreements.

Your Certificate of Insurance form must be on file in the office of the Risk Management Department within fifteen (15) days of this notification.

It is important that you notify your insurance agent for general liability insurance that the insurance requirements attached to the above RFP requires that The School Board of Broward County, Florida, be included as an additionally named insured under the General Liability Policy. This information must be specifically stated on the Certificate of Insurance submitted by your insurance agent in order for the Certificate to be acceptable. The above reference number and date must appear on the certificate submitted.

The completed Certificate of Insurance must have the stated address on the certificate: RISK MANAGEMENT DEPARTMENT, The School Board of Broward County, Florida, 600 S.E. 3rd Avenue, 11th Floor, Ft. Lauderdale, FL 33301. Any questions about your insurance certificate should be emailed to Suet Cheung at suet.cheung@browardschools.com. Please put the RFP Title/Number/Vendor Name in the subject line of your email. The certificate of insurance must be faxed to TrackCertsNow at 1-866-897-0424 OR you may upload your certificate directly to the following link: <https://www.trackcertsnow.com/tcn/faxUpload/faxUpload.jsp>. DO NOT EMAIL OR MAIL A COPY OF THE CERTIFICATE TO THE RISK MANAGEMENT DEPARTMENT.

A condition of your renewal with SBBC requires that your firm's employees, subcontractors or agents who will be entering onto School Board property as a result of this renewal, wear a photo identification badge issued by SBBC. The renewal application process and form can be found at this link: <http://www.broward.k12.fl.us/supply/vendors/index.htm>.

Sincerely,


Ruby Crenshaw, CPPO, Director
Supply Management & Logistics

RC/ss
Attachment
cc: Suet Cheung, Risk Management Department



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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RUBY CRENSHAW, CPPO, DIRECTOR
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ROBERT W. RUNCIE
Superintendent of Schools

January 10, 2014

Ms. Fran McAskill, Director of Purchasing
Polk County Board of Commissioners
3300 West Church Street
Bartow, Florida 33830

Subject: Renewal Letter of Agreement
RFP: 08-002RGH
SBBC: Agenda E-7, 8/19/08 and Agreement
Description: Procurement Card Services
Renewal Term: January 23, 2014 through January 22, 2015

Dear Ms. McAskill:

As Director of Supply Management and Logistics for the School Board of Broward County, Florida, I have been authorized by the School Board to renew, amend and execute contracts on behalf of the School Board. This letter is to advise you that the above referenced agreement has been renewed for an additional year, subject to the compliance with subject RFP specifications, terms and conditions.

Sincerely,


Ruby Crenshaw, CPPO, Director
Supply Management & Logistics

RC/ss
Enclosure

EXHIBIT 3



AGENDA REQUEST FORM THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

ITEM No.:

EE-10.

MEETING DATE

Aug 16 2016 10:15AM - Regular School Board Meeting

AGENDA ITEM

OPEN ITEMS

CATEGORY

EE. OFFICE OF STRATEGY & OPERATIONS

DEPARTMENT

Procurement & Warehousing Services

Special Order Request

☐ Yes

☒ No

Time

Open Agenda

☒ Yes

☐ No

TITLE:

Piggyback Recommendation of \$500,000 or Less - 57-002V - Purchasing Card Services

REQUESTED ACTION:

Approve the recommendation for the above agreement. Contract Term: August 17, 2016, through January 4, 2021, 4 Years, 4 Months: User Department: Procurement & Warehousing Services; Award Amount: None; Awarded Vendor(s): Bank of America, N.A.; Minority/Women Business Enterprise Vendor(s): None.

SUMMARY EXPLANATION AND BACKGROUND:

The School Board of Broward County, Florida, School Board Policy 3320, Part II, Section M, permits the District to piggyback on contracts awarded by other city or county governmental agencies. This request is to piggyback the Florida Department of Management Services (DMS) contract for purchasing card services to simplify the purchase-to-pay process and improve efficiencies in payment of goods and services. A new contract from the Florida Department of Management Services # 84121500-15-01, Purchasing Card Services will replace the existing contract. A copy of the agreement between DMS and Bank of America, N.A. is available online at http://www.broward.k12.fl.us/supply/agenda/57-002V-DMS_PurchasingCardServices_Contract.pdf

SCHOOL BOARD GOALS:

☐ Goal 1: High Quality Instruction ☒ Goal 2: Continuous Improvement ☐ Goal 3: Effective Communication

FINANCIAL IMPACT:

There is no financial impact to the District, as this is a revenue generating service.

EXHIBITS: (List)

(1) Executive Summary (2) Agreement (3) PCard Purchases by Month

BOARD ACTION:

APPROVED

(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:

Name: Mary C. Coker

Phone: 754-321-0501

Name:

Phone:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA Senior Leader & Title

Maurice L. Woods - Chief Strategy & Operations Officer

Approved In Open
Board Meeting On:

AUG 16 2016

Signature

Maurice Woods

8/8/2016, 4:03:27 PM

By:

Rosalind Angel
School Board Chair

Electronic Signature

Form #4189 Revised 07/16
RWR/ MLW/MCC:as

EXECUTIVE SUMMARY

Piggyback Recommendation of \$500,000 or Less 57-002V - Purchasing Card Services

This request is to approve the recommendation to piggyback from the Florida Department of Management Services' Contract 84121500-15-01 (Contract) awarded to Bank of America, N.A., for a period of five (5) years from January 5, 2016, to January 4, 2021. It is recommended that the District, in accordance with Section 6A-1.012 (5), F.A.C., and School Board Policy 3320, Part II, (M), be authorized to purchase under the Contract.

Bid 57-002V - Purchasing Card Services would be in effect for a period of approximately four (4) years, four (4) months from August 17, 2016, through January 4, 2021. The Purchasing Card program available through this Contract allows entities like ours to establish individual card limits and oversee cardholder usage. Furthermore, this Contract includes training for cardholders, administrators, supervisors, and finance and accounting personnel.

The current Bid 53-077V – Purchasing Card Services (latest contract), was a piggyback from the Polk County Board of Commissioners, which expired on January 22, 2015. With the latest contract, we received a rebate of 1.3 percent of our spend. With the new Contract, we will now receive a rebate of 1.7 percent. In addition to a competitive rebate structure, below is a list of other benefits we will receive:

- Nationally accepted platform (VISA).
- Provides convenience throughout the procurement process.
- Competitive rebate structure.
- Prorated structured rebate effective January 1, 2016.

Despite the fact that the latest contract is expired, the District still received the appropriate structured rebate of 1.3 percent or \$419,885.11. By agreeing to this Contract, rather than maintaining the current contract, this will represent an increase in revenues of 23.5 percent or \$98,673.00 based on last year's rebate. The rebate will be distributed to the general fund.



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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PROCUREMENT & WAREHOUSING SERVICES
MARY CATHERINE COKER, DIRECTOR
www.BrowardSchools.com

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LAURIE RICH LEVINSON
ANN MURRAY
NORA RUPERT

ROBERT W. RUNCIE
Superintendent of Schools

September 1, 2016

Mr. Jeff Winkleblack, Card Account Manager
Bank of America Merrill Lynch
15 S. Calhoun Street
Tallahassee, FL 32301

RE: 57-002V– Purchasing Card Services

To Mr. Jeff Winkleblack:

Attached is the executed Agreement between The School Board of Broward County, Florida (SBBC) and Bank of America, NA. This is the result of the School Board's approval on August 16, 2016, for Item EE-10. Full details of the terms are outlined in this Agreement.

Sincerely,

Mary Catherine Coker, Director
Procurement & Warehousing Services

MCC: rr

Attachments

CC: Mr. Aston Henry, Director, Risk Management
Mr. Al Shelton, Procurement & Warehousing Services, School Board of Broward County
Ms. Colleen Robbs, Coordinator, Supplier Diversity & Outreach Program



Broward County Public Schools

Procurement & Warehousing Services

7720 West Oakland Park Boulevard, Suite 323

Telephone Number: 754-321-0505

Email: purchasinghelpdesk@browardschools.com

CONTRACT AWARD DETAILS

Contract Number: 57-002V
 Contract Title: Purchasing Card Services
 Contract Value: Not Applicable

Contract Start Date: August 17, 2016
 Contract Expiration Date: January 4, 2021

Purchasing Agent: Al Shelton
 E-mail Address: ashelton@browardschools.com
 Telephone Number: (954)321-0520

Background

Piggyback from the Florida Department of Management Services' Contract 84121500-15-01 (Contract) awarded to Bank of America, N.A.

M/WBE Goal and M/WBE Vendors

Not Applicable

Method of Award (MOA)

Award was done thru Intent of Negotiation from the Florida's Department of Managed Services.

Broward County School Board End Users and Point of Contact Information

End User Name & Address	Point of Contact
Procurement & Warehousing Services 7720 West Oakland Park Boulevard Sunrise, Florida 33351	Carmelo Guerra

Awarded Vendor and Contract Pricing

Awarded Vendor's Information
Jeri Winkleblack, CPCP Card Account Manager Bank of America Merrill Lynch FL8-260-02-51 315 S. Calhoun Street Tallahassee, FL 32301 T 850.561.5921 jeri.winkleblack@baml.com

Delivery Requirements

Not Applicable

Contract Addendum and Contract Change Log

The primary purpose of the log is to record/track each procurement action from the date of initial award (this includes amendments, modifications, addition/deletion of award items, transfer of funds between agreements, contract modifications, contract renewals, pre-qualification and/or MWBE certification of vendors, vendor information changes, etc. This log eliminates the requirement to issue separate award sheet addendum.

The following amendments/changes have been implemented subsequent to the award of this contract.

Event No.	Date Issued	Description	Purchasing Agent

Schedule of P-Card Cancellations

Prepared by Office of the Chief Auditor

	P-Card Number	Date of Personnel Change in SAP	Date of P-Card Cancellation	Number of days between personnel change and P-Card Cancellation
1	2547	2/20/2016	2/23/2016	3
2	6082	5/1/2015	5/5/2015	4
3	0779	5/1/2015	5/5/2015	4
4	9922	8/1/2015	8/6/2015	5
5	0737	8/11/2015	8/17/2015	6
6	2497	4/5/2016	4/12/2016	7
7	3271	12/26/2015	1/7/2016	13
8	0363	6/5/2015	6/26/2015	22
9	5757	1/2/2016	1/26/2016	24
10	4251	2/8/2016	3/7/2016	28
11	6579	3/28/2015	4/27/2015	31
12	5360	11/7/2015	12/9/2015	32
13	2332	6/16/2015	7/23/2015	37
14	6342	3/12/2015	4/22/2015	41
15	3482	6/10/2015	7/23/2015	44
16	6733	6/10/2015	7/23/2015	44
17	5306	3/28/2015	5/11/2015	45
18	3271	4/4/2015	5/20/2015	46
19	2830	1/2/2016	2/22/2016	51
20	0182	7/13/2015	9/10/2015	59
21	2977	8/10/2015	10/13/2015	64
22	9887	1/25/2016	3/30/2016	65
23	3858	6/30/2015	9/11/2015	73
24	3525	6/22/2015	10/2/2015	102
25	9133	11/16/2015	3/11/2016	116
26	7423	4/1/2015	9/4/2015	157
27	9152	10/15/2015	4/7/2016	176
28	5028	5/1/2015	11/14/2015	197
29	1081	9/8/2015	4/14/2016	219
30	1964	7/27/2015	4/15/2016	263
31	9852	7/1/2015	3/24/2016	268
32	6017	5/7/2014	6/24/2015	414
33	5817	7/5/2014	11/14/2015	497
34	3508	11/10/2014	4/4/2016	512
35	9667	6/7/2014	11/14/2015	525
36	8132	10/28/2013	9/1/2015	674
37	9329	9/8/2011	11/14/2015	1528
38	0422	8/31/2011	11/14/2015	1536
39	4224	7/1/2011	4/5/2016	1740
40	1422	5/27/2010	11/14/2015	1997

Average of 292 days

**SBBC PURCHASING CARD NOTIFICATION OF
PERSONNEL CHANGE****DATE:** _____**CARDHOLDER NAME:** _____**SCHOOL/DEPARTMENT NAME:** _____**LOCATION NUMBER:** _____**PRINCIPAL/DEPARTMENT HEAD SIGNATURE:** _____**CARD #:** _____**REASON FOR CHANGE:**

- ☐ TRANSFER TO ANOTHER LOCATION
- ☐ NO LONGER REQUIRES CARD
- ☐ RETIREMENT
- ☐ TERMINATION
- ☐ MISUSE
- ☐ FRAUD

**RETURN CARD(S) TO P CARD COORDINATOR IN A SEALED ENVELOPE. ALL CARDS
ARE TO BE CUT IN HALF.**

Schedule of Credit Limits
Prepared by Office of the Chief Auditor

CARD LAST 4 DIGITS	PURCHASE DATE	AMOUNT	VENDOR NAME	SINGLE PURCHASE LIMIT	Auditor's Comments
9857	9/22/2015	\$14,752.68	ACTION SUPPLY COMPANY MAR	\$5,000	No documentation provided
9857	8/10/2015	\$8,700.00	JOHNSTONE SUPPLY	\$5,000	Located and Verified supporting documentation
9857	8/6/2015	\$8,331.43	GRAYBAR ELECTRIC COMPANY	\$5,000	Located and Verified supporting documentation
9857	9/24/2015	\$7,295.36	WORLD ELEC SPLY-POMPANO	\$5,000	No documentation provided
9857	8/26/2015	\$5,593.18	LEHMAN PIPE AND PLUMBING	\$5,000	Located and Verified supporting documentation
5218	9/1/2015	\$5,489.85	ALLIED CONTROLS INCORP	\$5,000	Located and Verified supporting documentation
1899	8/29/2015	\$8,104.86	MECHANICAL SUPPLIES CORP	\$5,000	Located and Verified supporting documentation
1899	9/3/2015	\$5,480.26	LEHMAN PIPE AND PLUMBING	\$5,000	Located and Verified supporting documentation
1899	9/24/2015	\$5,287.05	THE TRANE COMPANY	\$5,000	No documentation provided
5305	8/3/2015	\$5,650.00	VADAR PRODUCTION INC	\$5,000	No documentation provided
0446	9/2/2015	\$5,088.62	TOSHIBA BUSINESS SOLUT	\$5,000	No documentation provided
8631	9/19/2015	\$10,312.19	SIMPLEXGRINNELL	\$5,000	No documentation provided
3006	8/11/2015	\$8,622.00	RICE PUMP AND MOTOR REPAI	\$5,000	Located and Verified supporting documentation
8631	9/23/2015	\$5,788.25	ALLIED CONTROLS INCORP	\$5,000	Located and Verified supporting documentation
0745	7/21/2015	\$5,260.00	SQ. LACE FOODSERVICE CORP	\$5,000	Located and Verified supporting documentation
4767	8/6/2015	\$49,226.70	SHAW CONTRACT FLOOR SERV	\$5,000	Located and Verified supporting documentation
4767	7/13/2015	\$43,655.10	SHAW CONTRACT FLOOR SERV	\$5,000	Located and Verified supporting documentation
4767	9/28/2015	\$38,433.48	INTERFACE SERVICES, INC	\$5,000	Located and Verified supporting documentation
4767	7/31/2015	\$29,054.22	INTERFACE SERVICES, INC	\$5,000	No documentation provided
4767	9/16/2015	\$14,093.10	INTERFACE SERVICES, INC	\$5,000	No documentation provided
4767	9/16/2015	\$9,346.48	INTERFACE SERVICES, INC	\$5,000	No documentation provided
4767	9/16/2015	\$7,015.43	INTERFACE SERVICES, INC	\$5,000	No documentation provided
4767	9/16/2015	\$5,480.13	INTERFACE SERVICES, INC	\$5,000	No documentation provided



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

3810 Northwest Tenth Avenue • OAKLAND PARK, FLORIDA 33309 • TEL 754-321-4634 • FAX 754-321-4675

Physical Plant Operations
Sam R. Bays, Director
www.browardschools.com

SCHOOL BOARD

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ROBERT W. RUNCIE
Superintendent of Schools

COPY

June 15, 2015

Teresa Taylor
Patcraft Commercial Carpet
P.O. Box 2128 Mail Drop WE01
Dalton, Georgia 30722

Re: Revised Notice to Proceed for Cypress Bay High School

Dear Teresa:

I am in receipt of your estimate dated June 10, 2015 in the amount of \$49,226.70. This will be to remove 870 square yards of carpet, and install 860 square yards of carpet, and 1,339.8 square feet of LVT. Then remove and install 600 linear feet of cove base in Fish Number's: 301, 301A, 301B, 301E, and 301F.

All work will be done according to specifications as listed in State Contract # 360-240-12-1. Work will begin on June 15, 2015 and must be completed on July 13, 2015. All changes to work orders must be authorized and approved by the appropriate Manager and Physical Plant Operations Supervisor. Unauthorized work performed will not be approved for payment.

Please refer to Control Number PF229506 on all correspondence including invoices, and direct them to my attention:

Physical Plant Operations Division
3810 NW 10th Avenue
Oakland Park, Florida 33309

Sincerely,

Kurt Wirz, Trades Manager
Physical Plant Operations Division

KW:dm



Shaw Industries, Inc.

PO# P-CARD 135352

School Board of Broward County / 689
John Arcese Trades Supervisor
Physical Plant Operations
3810 N.W. 10th Avenue
Ft Lauderdale, FL 33309

Invoice No: 99957215
Invoice Date: 07/22/2015
Terms: Net 30
Due Date: 08/21/2015

COPY

Customer PO: PF229506
End user Job No: 11446
Customer Job No: ACS 360-240-12-1-NJPA
Salesperson: Farrah Finley

Job: 53361 / (STFLPC) Cypress Bay High

Site Address: 901 N.W. 129th Avenue
Pembroke Pines, FL 33028

INVOICE

Line #	Description	Amount
1	Idea Tile -I0294	\$19,647.25
2	Hue Tile-I0296	\$1,960.48
3	Hue Tile-I0296	\$1,680.41
4	Click Refresh -I600V	\$4,059.59
5	Carpet Tile Installation	\$5,160.00
6	LVT Installation	\$3,288.60
7	Shaw 5100 Pressure Sensitive Adhesive (Tile)	\$550.96
8	Carpet Removal	\$2,610.00
9	Carpet Disposal	\$957.00
10	Base - Install 4"	\$720.00
11	OM-Base - Furnish 4"	\$720.00
12	OM-Dumpster Fee	\$681.82
13	Border Work	\$625.45
14	Nights/Weekends	\$1,783.84
15	Transitions -Install	\$301.09
16	OM-Transitions - Furnish	\$654.55
17	Open Market-Move Book Stacks	\$1,590.91
18	Project Management Fee	\$1,099.53

Control # PF229506
WO# 5707403 Exp CL 5
PO# P-CARD 135352 Loc# 3623
Foreman [Signature] Date 7/29/15
Supervisor John Arcese Date 7/29/15
Director/Manager [Signature] Date 8/3/15

8-6-15

NonTaxable:	\$49,226.70	Taxable:	\$0.00	Sales Tax:	\$0.00
				Care Fee:	\$0.00
Freight:	\$0.00	Payments:	\$0.00	Balance Due:	\$49,226.70

Please make check payable and remit to:

Shaw Integrated Solutions
Mail Drop - 999
P O Box 630862
Cincinnati, OH 45263-0862

We Appreciate Your Business
Please Include Invoice Number With Payment

If you have any questions regarding this invoice, please call: (800) (720-7429) or Fax: (706) (271-0611)
Shaw Industries Group, Inc. | Shaw Transport, Inc. | Shaw Contract Flooring Services, Inc. | Shaw Diversified Services, Inc. | SHX Flooring Inc.

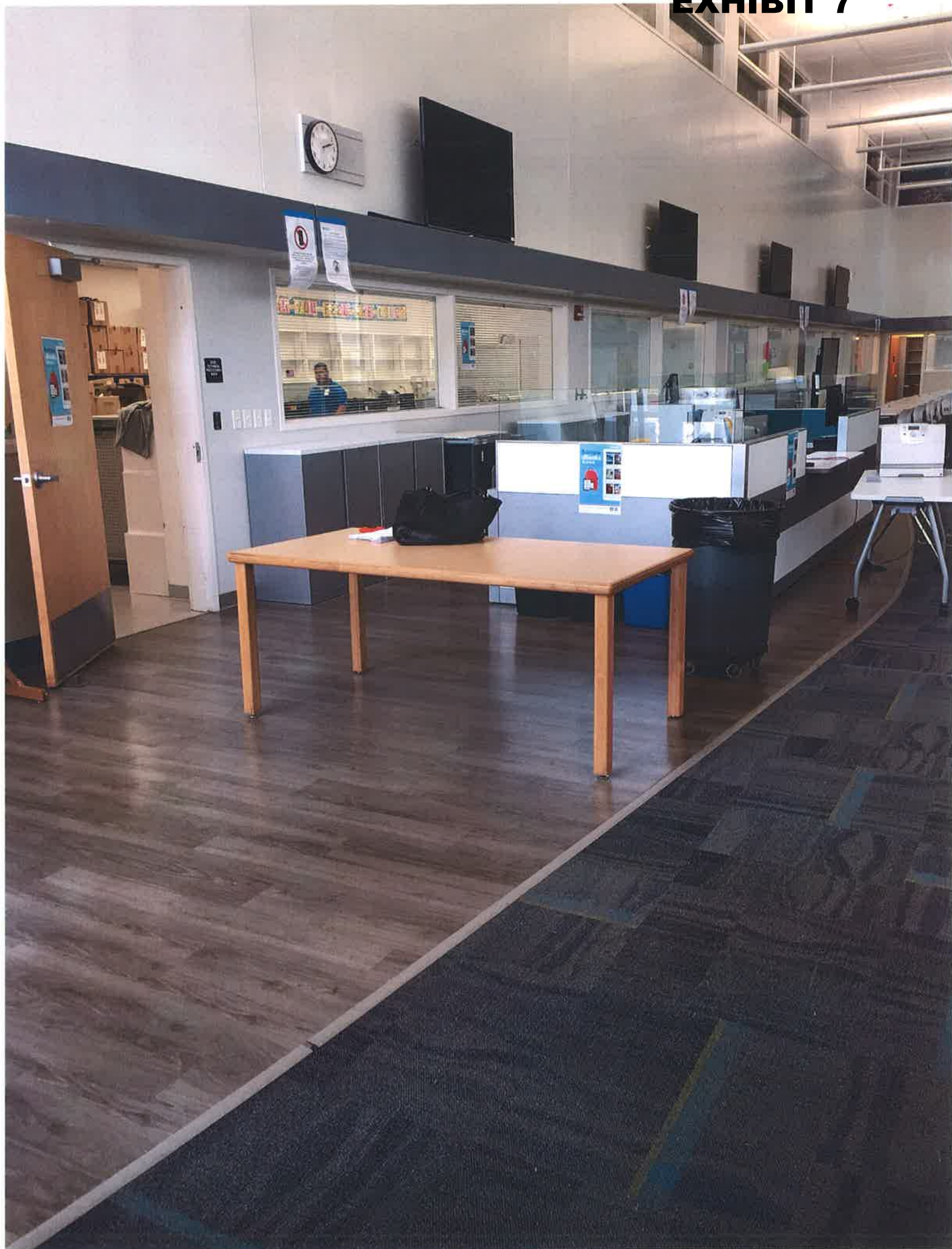


Exhibit A

Shaw Industries, Inc.

Shaw Integrated Solutions
790 Joe Frank Harris Pkwy
Cartersville, GA 30120
Phone: 770-276-7507 Fax: 770-387-8217
Attention: Love Haman

CUSTOMER WORK RELEASE & ACCEPTANCE

PROJECT #: 53361

MILL ORDER #: 031439 & 031631

PROJECT NAME: Job# 53361 SBBC-Cypress Bay High Media Center

The installation has been presented by Corporate Flooring Services for my inspection and approval.
I hereby accept the installation as being complete and satisfactory.

Customer: School Board of Broward County
(Authorized Representative) 7/15/15
Date

BY: Tony Haman
Signature
CF FORWARD
Title

JOB NOTES & PUNCH ITEMS: _____

COMMENTS: _____

Installation Company: #REF!

Installer Signature: _____ Date: _____

EXHIBIT 9

616 Duvall Road Mail Drop OWE
Dalton, GA 30720



Phone: (770) 276-7505
Fax: (706) 532-6135

A Berkshire Hathaway Company

Proposal Submitted To School Board of Broward County		Attention Tony Grayson		Phone (754) 321-4713	Fax (754) 321-4790	Date 06/10/15
Proposal Name Cypress Bay High-Media Center		301 - 301A, B, C, F		Job Name (STFLPC) Cypress Bay High		Job # 53361
Street 901 N.W. 129th Avenue				Job Street 901 N.W. 129th Avenue		Proposal ID 60708
City, State and Zip Pembroke Pines, FL 33028	Architect NJPA	Date of Plans	Add #	Job City, State and Zip PEMBROKE PINES, FL 33028	Customer Job # 11446	Customer PO None

We hereby submit specifications and estimates for:

Item Description	Color	Qty	UOM	Unit Price	Extended Price
Idea Tile -I0294	00450/Inspire	721.00	SY	\$27.25	\$19,647.25
Hue Tile-I0296	00300/Grasshopper	74.62	SY	\$26.27	\$1,960.48
Hue Tile-I0296	00400/Bali	63.96	SY	\$26.27	\$1,680.41
Click Refresh -I600V	00550/Heron	1,339.80	SF	\$3.03	\$4,059.59
Carpet Tile Installation		860.00	SY	\$6.00	\$5,160.00
LVT Installation		1,339.80	SF	\$2.45	\$3,288.60
Shaw 5100 Pressure Sensitive Adhesive (Tile)		8.00	4 Gal	\$68.87	\$550.96
Carpet Removal		870.00	SY	\$3.00	\$2,610.00
Carpet Disposal		870.00	SY	\$1.10	\$957.00
Base - Install 4"		600.00	LF	\$1.20	\$720.00
OM-Base - Furnish 4"		600.00	LF	\$1.20	\$720.00
OM-Dumpster Fee		1.00	Each	\$681.82	\$681.82
Border Work		320.00	SY	\$1.95	\$625.45
Nights/Weekends		918.00	SY	\$1.94	\$1,783.84
Transitions -Install		288.00	LF	\$1.05	\$301.09
OM-Transitions - Furnish		288.00	LF	\$2.27	\$654.55
Open Market-Move Book Stacks		14.00	Each	\$113.64	\$1,590.91
Project Management Fee		1.00	Each	\$1,099.53	\$1,099.53
Freight		1.00	Each	\$1,135.22	\$1,135.22
Base Bid Total:					\$49,226.70

Proposal Inclusions and Exclusions:

1. NJPA Contract# 022712-SII
2. ACS 360-240-12-1-NJPA
3. Local Contact: Susan Farrell. Installation Partner: Corporate Flooring Services
4. Price includes work as specifically stated in the above description for the quantities stated. Any circumstances that require additional labor will be handled through the change order process.
5. Proposal does not include removal of any materials containing asbestos.
6. Price is based on a consecutive installation period without delays and is based on the customer allowing installation crews access to work a minimum of 8 consecutive hours a day until completion. Delays other than "acts of God" will result in charges for down-time.
7. Exclusions: attic stock, major floor prep, furniture moving unless specified in proposal, disconnecting and moving of computers and electronic equipment, vacuuming and protection of finished products.
8. Extensive floor prep is not included in the price but may be necessary due to unforeseen conditions of the sub-floor. This work may include, but is not limited to, leveling or grinding, encapsulation or sealing, or extensive scraping of the sub-floor. Should extensive floor prep be required, you will be notified and a price estimate for the completion of the additional work will be prepared.

EXHIBIT 10

616 E. Walnut Ave. PO Drop 2128
Dalton, GA 30722



Phone: (770) 276-7505
Fax: (706) 428-3293

Copy

A Berkshire Hathaway Company

Proposal Submitted To School Board of Broward County		Attention John Arcese Trades Supervisor		Phone () -	Fax () -	Date 08/17/16
Proposal Name 148.86 s/y Carpet Tile Installation Not performed.				Job Name (STFLPC) Cypress Bay High		Job # 53361
Street Physical Plant Operations 3810 N.W. 10th Avenue				Job Street 901 N.W. 129th Avenue		Proposal ID 60708-A01
City, State and Zip Ft Lauderdale, FL 33309	Architect NJPA	Date of Plans	Add #	Job City, State and Zip PEMBROKE PINES, FL 33028	Customer Job # 11446	Customer PO None

We hereby submit specifications and estimates for:

Item Description	Color	Qty	UOM	Unit Price	Extended Price
Negative labor adjustment -148.86 of Carpet Tile Installation not Performed.		-1.00	SY	\$893.16	(\$893.16)
Base Bid Total:					(\$893.16)

Proposal Inclusions and Exclusions:

1. NJPA Contract# 121715
2. Local Contact: Stephanie Bottfeld. Installation Partner: Corp Flooring Solutions
3. Processed a negative change order to credit SBBC in the amount of \$893.16 for carpet tile installation not performed.
4. 52100000-16-ACS
5. SII License Numbers: AL 50787, AK 40319, AZ ROC300955/ROC300956, CA 1007317, ID RCE-39577/022829-AA-4, MT 216017, NV 0080544/0080545/0080546/0080547, NC 75663, NM 385848, ND 53106, NY 58-2240471C, OR 205839, RI 38919, TN 69109, UT 9531877-5501, VA 2705157974, WA SHAWIII853DO, WV WV054222

We PROPOSE to perform the work complete in accordance with the specifications and as described above for the SUM of:

Signature: Farrah Finley Farrah Finley (\$893.16)
Email: Farrah.Finley@shawinc.com

Conditions of Proposal:

1. This proposal may be withdrawn if not accepted within 30 days of its Issuance. Shaw will consider reasonable requests to engage in negotiations for revisions to this Proposal, including signing a subcontract that incorporates the terms of this Proposal.
2. This proposal is subject to credit review and approval. Payment terms are net 30. Past due Invoices are subject to service charges of 1.5% per month (18% per annum). In the case of any default, Customer shall pay Shaw's reasonable attorney fees and costs, including those on any appeal, even if no suit or action is filed.
3. All work shall be performed in a workmanlike manner according to industry standards. Areas to receive flooring shall be free and clear of debris. Any changes to the work shall be performed only after execution of a written change order.
4. Prior to commencement of Shaw's work: (a) Customer shall test all concrete sub floors receiving flooring for vapor emission levels and alkalinity per manufacturers' recommendations utilizing ASTM F2170 and/or F1899 and provide written results to Spectra, including a list of any sealers applied to the concrete sub floor; (b) If Customer does not provide such reports at least 10 days prior to commencement of Shaw's work, then Customer shall provide Spectra with access to all concrete sub floors for appropriate testing and Customer shall be responsible for the costs of such testing; and (c) Any concrete sub floors not meeting manufacturers' requirements for installation will require correction or the execution of a separate waiver agreement.
5. All work is contingent upon strikes, accidents or delays beyond Shaw's control. Customer shall carry insurance for all hazards, including fire. Shaw's workers are fully covered by Worker's Compensation and Liability Insurance.
6. Customer represents and warrants that: (a) the project site contains no hazardous or other dangerous substances, either exposed or concealed; or (b) Customer has given written notice to Shaw of all such substances and their location(s). To the fullest extent permitted by law, Customer shall indemnify, defend and hold Shaw harmless from any damage, claim, loss, expense and attorney fees related to Shaw's liability, if any, including any federal or state statute related to hazardous or other dangerous substances.

ACCEPTANCE OF PROPOSAL: The above prices, specifications, and conditions are satisfactory and are hereby ACCEPTED.
You are authorized to do the work as specified.

Customer: School Board of Broward County Signed: _____ Date: _____

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT**

**ROBERT W. RUNCIE
SUPERINTENDENT OF SCHOOLS**

March 18, 2013

TO: School Board Members

FROM: Maurice L. Woods *M.W.*
Chief Strategy & Operations Officer

VIA: Robert W. Runcie *Runcie*
Superintendent of Schools

SUBJECT: NOTIFICATION OF BIDS AWARDED FOR LESS THAN \$1,000,000 AND
RFPS AWARDED FOR LESS THAN \$500,000 PURSUANT TO SCHOOL
BOARD POLICY 3320, PART II, RULES (D), (N), (T)

In accordance with School Board Policy 3320, please find listed below those bids awarded for less than \$1,000,000 and awards for the utilization of state contracts or piggy-back of other governmental agency contracts less than \$1,000,000.

Notification to the Board of these amounts does not mean that the amounts shown will be spent. These amounts represent the estimated contract value and purchases will be made from available funds in various school/department/center budgets and do not require any changes to the District budget.

New Bid Awards

<u>BID</u>	<u>TITLE</u>	<u>LOCATION</u>	<u>AMOUNT</u>
13-044T	Pool Chemicals and Supplies Contract period: April 1, 2013 through March 31, 2016	Various Locations	\$600,000

Note: Includes an award recommendation to one certified M/WBE Vendor:
Gomez Chemicals, Inc., d/b/a Beach-O-Rama (Hispanic-American M/WBE:
Lauderhill, Florida)

*53-087R	Floor Coverings with Related Supplies, Equipment and Services Contract period: March 18, 2013 through March 31, 2016 or as renewed	Physical Plant Operations	\$800,000
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EXHIBIT 11

The School Board of Broward County, Florida Supply Management & Logistics Department

RFP No.:	<u>53-087R</u>	Board Meeting:	<u>P- MARCH 18, 2013</u>		
Description:	<u>FLOOR COVERINGS WITH RELATED SUPPLIES, EQUIPMENT AND SERVICES</u>	Notified:	<u>NA</u>	Downloaded:	<u>NA</u>
	<u>TERM CONTRACT</u>	Bids Rec'd:	<u>NA</u>	No Bids:	<u>NA</u>
For:	<u>PHYSICAL PLANT OPERATIONS</u>	Bid Opening:	<u>NA</u>		
	<u>(School/Department)</u>	Advertised Date:	<u>NA</u>		
Fund:	<u>DEPARTMENT'S OPERATING BUDGET</u>				

RECOMMENDATION/TABULATION

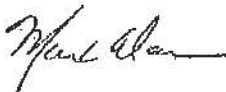
VENDOR NAMES

BENTLEY PRINCE STREET
CONTINENTAL FLOORING CO.
INTERFACE AMERICAS, INC.
MILLIKEN SERVICES, L.L.C.
MOHAWK CARPET DISTRIBUTION, INC.
SHAW INDUSTRIES, INC.
TANDUS FLOORING US, L.L.C.

IN ACCORDANCE WITH THE DEPARTMENT OF EDUCATION RULE 6A-1.012(5) AND SCHOOL BOARD POLICY 3320, PART II, RULE N, THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA MAY PARTICIPATE IN THE AWARD BY THE STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES ALTERNATIVE CONTRACT SOURCE 360-240-12-1 AND NATIONAL JOINT POWERS ALLIANCE CONTRACT NO. 022712. RECOMMEND THE AWARD BE MADE TO THE ABOVE BIDDERS MEETING SPECIFICATIONS, TERMS AND CONDITIONS AS AWARDED BY THE STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES ON JANUARY 18, 2013.

CONTRACT PERIOD: MARCH 18, 2013 THROUGH MARCH 31, 2016 OR AS RENEWED.

By:



Date: 03/18/13

(Purchasing Agent)

The School Board of Broward County, Florida, prohibits any policy or procedure which results in discrimination on the basis of age, color, disability, gender expression, national origin, marital status, race, religion, sex or sexual orientation. Individuals who wish to file a discrimination complaint, may call the Executive Director, Benefits & EEO Compliance at 754-321-2150 or Teletype Machine (TTY) at 754-321-2158.

Individuals with disabilities requesting accommodations under the Americans with Disabilities Act (ADA) may call the Equal Educational Opportunities (EEO) at 754-321-2150 or Teletype Machine (TTY) at 754-321-2158.

REVISED: 3/13/12



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

3810 Northwest Tenth Avenue • OAKLAND PARK, FLORIDA 33309 • TEL 754-321-4634 • FAX 754-321-4675

Physical Plant Operations
John Arcese, Evening Trades Supervisor I
www.browardschools.com

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ABBY M. FREEDMAN
PATRICIA GOOD
LAURIE RICH LEVINSON
ANN MURRAY
NORA RUPERT

ROBERT W. RUNCIE
Superintendent of Schools

May 6, 2015

Shaw Integrated Solutions
616 Duvall Road
Mail Drop OWE
Dalton, GA 30720

RE: Notice to Proceed for William Dandy Middle, #1071.

Dear Ms. Susan Farrell,

I am in receipt of your estimate for \$43,655.10 dated April 2, 2015 for William Dandy Middle, #1071. This will be to remove and replace 938.66 sq. yds. of carpet and 1080 in. ft. of cove base in FISH numbers 131, 131A, 132, 132A, 132B, 132C, 132D, 132E and 133.. Work will be done by an outside vendor in accordance with the State Contract for flooring installation.

All work will be done according to specifications as listed in State Contract #360-240-00-1. Work will begin on June 8, 2015 and must be completed by July 3, 2015. All changes to work orders must be authorized and approved by the appropriate Manager and Physical Plant Operations Supervisor. **Unauthorized work performed will not be approved for payment.**

All correspondence including invoices must include the Control Number **PF-228238** along with the Work Order number **SA23063**.

Please send all correspondence, including invoices, to me at the following address:

Physical Plant Operations
3810 N.W. 10th Avenue
Ft. Lauderdale, Fl. 33309

If you have any questions, please do not hesitate to contact me at 754-321-4640.

Sincerely Yours,

John Arcese, Trades Supervisor EF
Physical Plant Operation Division

cc: Tony Grayson, Foreman EF

JA:drm

"Maintaining Excellence"

Educating Today's Students for Tomorrow's World
Broward County Public Schools Is An Equal Opportunity/Equal Access Employer

EXHIBIT 13

516 Duvall Road Mail Drop CWE
Dallan, GA 30720



Phone: (770) 276-7555
Fax: (706) 612-6136

A Berkshire Hathaway Company

Proposal Submitted To School Board of Broward County	Attention Wylie Edwards	Phone (754) 321-7555	Fax ()	Date 04/02/15
Proposal Name William Dandy School-Media Center	Job Name (STFLPC) SBBC William Dandy			Job # 50878
Street Broward Co. Schools 703 SW 26th St	Job Street 901 N.W. 129th Avenue			Proposal ID 57930
City, State and Zip Fort Lauderdale, FL 33306	Architect NJPA	Date of Plans	Add #	Job City, State and Zip PEMBROKE PINES, FL 33028
		Customer Job # None		Customer PO None

We hereby submit specifications and estimates for:

Item Description	Color	Qty	UOM	Unit Price	Extended Price
Big Splash! Modular-ID-168	00415/Execution	938.66	SY	\$22.40	\$21,025.92
Carpet Tile Installation		1,160.66	SY	\$6.00	\$6,963.96
LokDot Adhesive		6.00	Each	\$300.00	\$1,500.00
Carpet Removal		1,160.66	SY	\$3.00	\$3,481.98
Carpet Disposal		1,160.66	SY	\$1.10	\$1,276.73
Base - Install 4"		1,080.00	LF	\$1.20	\$1,296.00
QM-Nights & Weekends		1,160.66	SY	\$1.94	\$2,255.37
Open Market-Base - Furnish 4"		1,080.00	LF	\$1.20	\$1,296.00
QM Cove Base Removal		1,080.00	LF	\$0.67	\$613.64
Furniture Moving Hours		40.00	SY	\$55.00	\$2,200.00
Transitions - Install		24.00	LF	\$1.05	\$25.00
Open Market-Transitions - Furnish		24.00	LF	\$1.51	\$36.24
Open Market-Book Stacks		4.00	Each	\$125.00	\$500.00
Freight		1.00	Each	\$1,184.14	\$1,184.14
				Base Bid Total:	\$43,665.10

Proposal Inclusions and Exclusions:

1. NJPA Contract# 022712-SII
2. ACS 360-240-12-1-NJPA
3. Local Contact: Susan Farrell, Installation Partner: Corp Flooring Solutions
4. Price includes work as specifically stated in the above description for the quantities stated. Any circumstances that require additional labor will be handled through the change order process.
5. Proposal does not include removal of any materials containing asbestos.
6. Price is based on a consecutive installation period without delays and is based on the customer allowing installation crews access to work a minimum of 8 consecutive hours a day until completion. Delays other than "acts of God" will result in charges for down time.
7. Exclusions: attic stack, major floor prep, furniture moving unless specified in proposal, disconnecting and moving of computers and electronic equipment, vacuuming and protection of finished products.
8. Extensive floor prep is not included in the price but may be necessary due to unforeseen conditions of the sub-floor. This work may include, but is not limited to: leveling or grinding, encapsulation or sealing, or extensive scraping of the sub floor. Should extensive floor prep be required, you will be notified and a price estimate for the completion of the additional work will be prepared.
9. Material title and risk of loss passes to the purchaser at the time of material delivery at owner provided address.
10. Please fax your Purchase Order to Shaw Integrated Solutions at fax # 770-307-0212 to initiate the order process. A purchase order is required before materials can be shipped.



P.O.# P-CARD 135352

School Board of Broward County / 689
John Acrrese
3810 NW 10th Avenue
Ft Lauderdale, FL 33309

Invoice No: 99956264
Invoice Date: 06/12/2015
Terms: Net 30
Due Date: 07/12/2015

Customer PO: PF-228238
End user Job No: NJPA#11446
Customer Job No: ACS 360-240-12-1-NJPA
Salesperson: Farrah Finley

Job: 50878 / (STFLPC) SBBC William Dandy
Site Address: 901 N.W. 129th Avenue
Pembroke Pines, FL 33028

INVOICE

Line#	Description	Amount
1	Big Splash! Modular-I0166	\$21,025.92
2	Carpet Tile Installation	\$6,963.96
3	LokDot Adhesive	\$1,500.00
4	Carpet Removal	\$3,481.98
5	Carpet Disposal	\$1,276.73
6	Base - Install 4"	\$1,296.00
7	OM-Nights & Weekends	\$2,255.37
8	Open Market-Base - Furnish 4"	\$1,296.00
9	OM Cove Base Removal	\$613.64
10	Furniture Moving Hours	\$2,200.00
11	Transitions - Install	\$25.09
12	Open Market-Transitions - Furnish	\$36.27
13	Open Market-Book Stacks	\$500.00
14	Freight	\$1,184.14
		\$43,655.10

Control # PF228238
AWO# SA23063 Exp CL P
PO# P-CARD 135352 Loc# 1071
Foreman [Signature] Date 6/24/15
Supervisor John Acrrese Date 6-24-15
Director/Manager [Signature] Date 6/25/15

135352
CS

7/13/15 (BW)

NonTaxable:	\$43,655.10	Taxable:	\$0.00	Sales Tax:	\$0.00
				Care Fee:	\$0.00
Freight:	\$0.00	Payments:	\$0.00	Balance Due:	\$43,655.10

Please make check payable and remit to:

Shaw Integrated Solutions
Mail Drop - 999
P O Box 630862
Cincinnati, OH 45263-0862

We Appreciate Your Business
Please Include Invoice Number With Payment

If you have any questions regarding this invoice, please call: (800) (720-7429) or Fax: (706) (271-0611)

Shaw Industries Group, Inc. | Shaw Transord, Inc. | Shaw Contract Flooring Services, Inc. | Shaw Diversified Services, Inc. | SHX Flooring Inc.

EXHIBIT 14

616 E. Walnut Ave. PO Drop 2128
Dalton, GA 30722



Phone: (770) 276-7505
Fax: (706) 428-3293

Copy

A Berkshire Hathaway Company

Proposal Submitted To School Board of Broward County		Attention John Accrese		Phone (754) 321-4622		Fax ()		Date 08/23/16	
Proposal Name Negative Change Order for Labor not performed.				Job Name (STFLPC) SBBC William Dandy				Job # 50878	
Street 3810 NW 10th Avenue				Job Street 901 N.W. 129th Avenue				Proposal ID 57930-A01	
City, State and Zip Ft Lauderdale, FL 33309		Architect NJPA	Date of Plans	Add #	Job City, State and Zip PEMBROKE PINES, FL 33028		Customer Job # NJPA#11446		Customer PO PF-228238

We hereby submit specifications and estimates for:

Item Description	Color	Qty	UOM	Unit Price	Extended Price
Negative labor adjustment - 222 s/y of Carpet Tile Installation not Performed		-1.00	SY	\$1,332.00	(\$1,332.00)
Negative labor adjustment - 222 s/y of Carpet Removal not Performed		-1.00	SY	\$666.00	(\$666.00)
Negative labor adjustment - 222 s/y of Carpet Disposal not Performed		-1.00	SY	\$244.20	(\$244.20)
Negative labor adjustment - 222 s/y of Nights/Weekends not Performed		-1.00	SY	\$430.68	(\$430.68)
Base Bid Total:					(\$2,672.88)

Proposal Inclusions and Exclusions:

1. NJPA Contract# 121715
2. 52100000-16-ACS
3. Negative change order for labor not performed.

We PROPOSE to perform the work complete in accordance with the specifications and as described above for the SUM of:

Signature: Farrah Finley Farrah Finley (\$2,672.88)
Email: Farrah.Finley@shawinc.com

Conditions of Proposal:

1. This proposal may be withdrawn if not accepted within 30 days of its issuance. Shaw will consider reasonable requests to engage in negotiations for revisions to this Proposal, including signing a subcontract that incorporates the terms of this Proposal.
2. This proposal is subject to credit review and approval. Payment terms are net 30. Past due invoices are subject to service charges of 1.5% per month (18% per annum). In the case of any default, Customer shall pay Shaw's reasonable attorney fees and costs, including those on any appeal, even if no suit or action is filed.
3. All work shall be performed in a workmanlike manner according to industry standards. Areas to receive flooring shall be free and clear of debris. Any changes to the work shall be performed only after execution of a written change order.
4. Prior to commencement of Shaw's work: (a) Customer shall test all concrete sub floors receiving flooring for vapor emission levels and alkalinity per manufacturers' recommendations utilizing ASTM F2170 and/or F1869 and provide written results to Spectra, including a list of any sealers applied to the concrete sub floor; (b) If Customer does not provide such reports at least 10 days prior to commencement of Shaw's work, then Customer shall provide Spectra with access to all concrete sub floors for appropriate testing and Customer shall be responsible for the costs of such testing; and (c) Any concrete sub floors not meeting manufacturers' requirements for installation will require correction or the execution of a separate waiver agreement.
5. All work is contingent upon strikes, accidents or delays beyond Shaw's control. Customer shall carry insurance for all hazards, including fire. Shaw's workers are fully covered by Worker's Compensation and Liability Insurance.
6. Customer represents and warrants that: (a) the project site contains no hazardous or other dangerous substances, either exposed or concealed; or (b) Customer has given written notice to Shaw of all such substances and their location(s). To the fullest extent permitted by law, Customer shall indemnify, defend and hold Shaw harmless from any damage, claim, loss, expense and attorney fees related to Shaw's liability, if any, including any federal or state statute related to hazardous or other dangerous substances.

ACCEPTANCE OF PROPOSAL: The above prices, specifications, and conditions are satisfactory and are hereby ACCEPTED.
You are authorized to do the work as specified.

Customer: School Board of Broward County Signed: _____ Date: _____

Continued: Audit for Flooring Projects
Page 2

3. SA23063

Williams Dandy Middle School

- i: Yes, a discrepancy was found in the amount of carpet installed and a credit was issued, see attached.
- ii: Yes, diagrams are attached.
- iii: Yes, Customer work release and acceptance form is attached.

3. SA31508

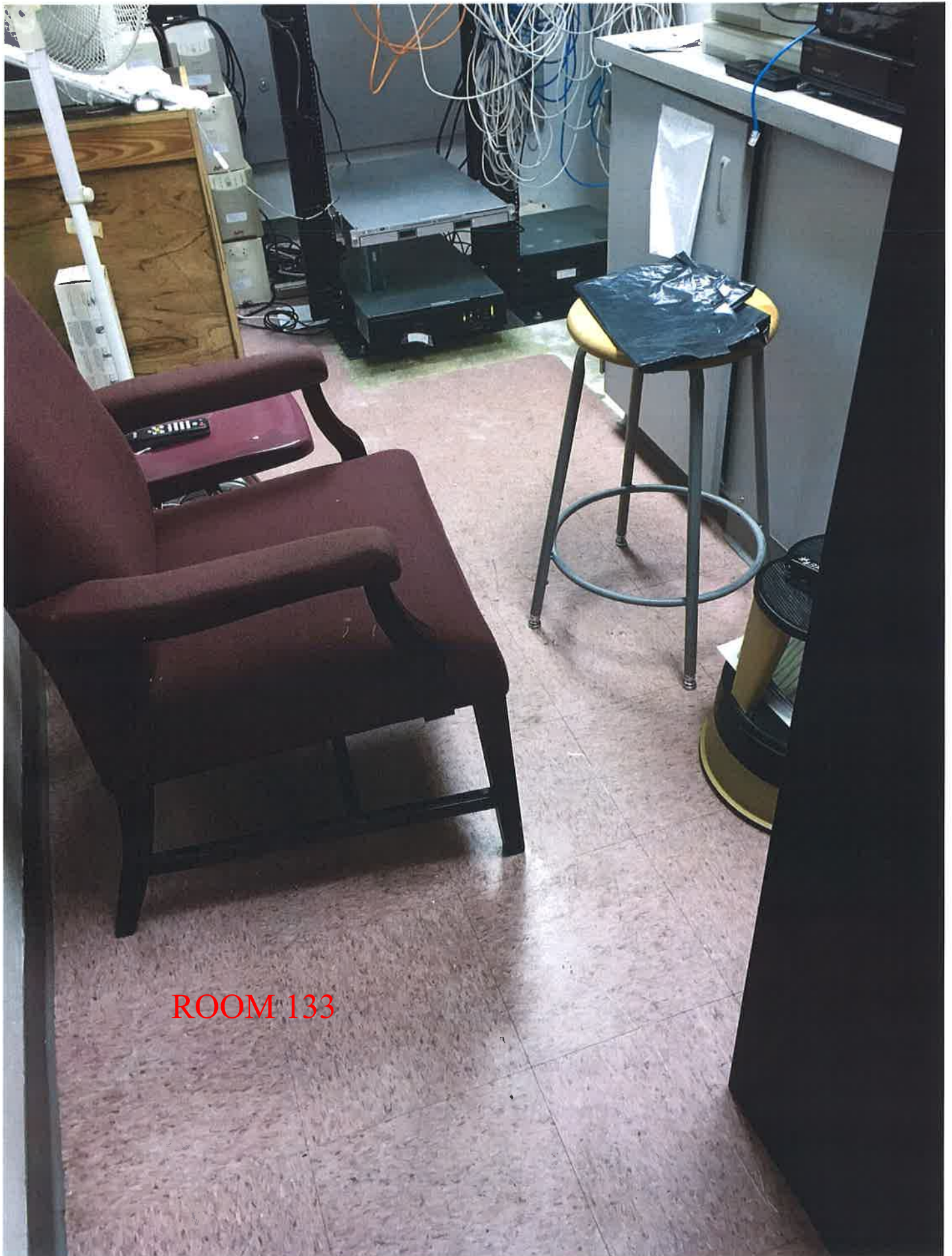
Ramblewood Middle School

- i: No, there were no change orders for this flooring project.
- ii: Yes, diagrams are attached.
- iii: Yes, Customer work release and acceptance form is attached.

If you have any questions, please contact Tony Grayson, Foreman, Evening Flooring at 754-321-4622.

JA:drm

cc: Kurt Wirz, Manager, District Trades
John Arcese, Supervisor I, Evening Trades



ROOM 133

SECTION III


FULL TEXT OF MANAGEMENT'S RESPONSES

OFFICE OF THE CHIEF STRATEGY & OPERATIONS OFFICER

**MAURICE L. WOODS
CHIEF STRATEGY & OPERATIONS OFFICER**

November 7, 2016

TO: Patrick Reilly
Chief Auditor

FROM: Maurice L. Woods 
Chief Strategy & Operations Officer

SUBJECT: **AUDIT OF THE PROCUREMENT & WAREHOUSING SERVICES'
PURCHASING CARD (P-CARD) SERVICES FOR THE PERIOD FROM
JULY 1 2015, THROUGH SEPTEMBER 30, 2015**

The attached written responses from Director Mary Coker, Procurement & Warehousing Services Department, includes management's agreement or disagreement with the Audit Committee's findings and recommendations as well as management's alternative actions. I reviewed management's responses and alternative actions and support the initiatives to strengthen internal controls over P-Card processes.

If you have any additional questions or require additional information, please contact me.

MLW:dsc
Attachment

c: Mary Coker, Director, Procurement & Warehousing Services

November 7, 2016

[Signature on File](#)

TO: Patrick O. Reilly, Chief Auditor
Office of the Chief Auditor

FROM: Mary C. Coker, Director
Procurement & Warehousing Services

SUBJECT: **AUDIT OF THE PROCUREMENT & WAREHOUSING SERVICES'
PURCHASING CARD (P-CARD) SERVICES FOR THE PERIOD FROM
JULY 1 2015, THROUGH SEPTEMBER 30, 2015**

The Procurement & Warehousing Services (PWS) Department has reviewed the purchasing card (P-Card) services audit for the period July 1, 2015, through September 30, 2015, and is providing responses to Findings one, two, and three.

FINDING NO. 1: The District did not consistently comply with policies and procedures for the cancellation of P-Cards.

1. **RECOMMENDATION:** The Purchasing Card Services staff should review Board agenda items (G. Office of Human Resources) related to employment changes after each Board meeting to ensure procedures for timely cancellation of P-Cards have been completed for employees when they have separated from their departments or locations.

MANAGEMENT'S RESPONSE: Disagree. PWS does not consider it an effective measure for the P-Card team to consistently check the Regular School Board agenda for changes in personnel (leave, transferences, or retirements) since doing so does address the root cause of the problem. It is preferred that this responsibility stay within the user group.

ALTERNATIVE ACTION: Procurement & Warehousing Services will commit to reiterate, during training sessions, the procedures to be followed when a change in personnel occurs. Also, the recommendation to send out periodic reminders to card holders, principals, and department heads will be executed.

2. **RECOMMENDATION:** The Purchasing Card Services should require that all Cardholders comply with the policies and procedures. They should ensure the District's Purchasing Card Notification of Personnel Change Form is completed and forwarded to the Purchasing Card Administrator along with the cancelled P-Card cut in half, as required.

MANAGEMENT'S RESPONSE: Agree. All procedures should be followed by the employees, including the use of the Notification of Personnel Change form to address changes in personnel.

ALTERNATIVE ACTION: PWS will commit to reiterate during training sessions, the procedures that are to be followed when a change in personnel occurs. Staff believes it is better to invest in continuous education efforts to achieve better results moving forward.

3. **RECOMMENDATION:** Periodically, the Purchasing Card Administrator should send out a blast email to cardholders, principals, department heads or designees reminding them of the importance of completing the District's Purchasing Card Notification of Personnel Change Form in a timely manner, when a location incurs a transfer, termination, retirement, or other type of employee leave.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: PWS will send quarterly email blasts to cardholders, principals, and department heads reminding them that once employees are terminated, the P-Card Administrator is to be contacted to cancel the card.

FINDING NO. 2: The audit identified eleven (11) of twenty-three (23) P-Card purchases made by Physical Plant Operations (PPO) that exceeded the single purchase credit limit without supporting documentation of approval.

1. **RECOMMENDATION:** Obtain written approvals by the cardholder's principal, department head or designee and communicate the credit limit change request to the Director of Procurement & Warehousing Services staff prior to changing the cardholder's single purchase credit limit profile, as required by the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Disagree. PWS Management disagrees with the P-Card purchases made by PPO exceeded the single purchase credit limit without the supporting documentation of approval. PWS evaluated the audit report within the P-Card Program team. During the analysis, all eleven (11) items that were missing backup documentation were found (additional support from the departments was requested and promptly provided). Staff validated that all audit trail documentation was being kept on paper copies only; this process was immediately re-defined.

ALTERNATIVE ACTION: All approvals, documentation, and any other important backup files will be saved in a specific folder in the shared drive, keeping the backup in an electronic format.

2. **RECOMMENDATION:** Maintain records of cardholder profiles on an electronic database to ensure quick identification of P-Card spending limit controls.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: All maintenance and validation of cardholder profiles is currently saved in the official P-Card system (Works).

3. **RECOMMENDATION:** Increase staff to assist in the monitoring of daily transactions in order to comply with the Purchasing Card Program Policies and Procedures Manual and manage the large volume of P-Card documentation.

MANAGEMENT'S RESPONSE: Disagree. At this time, additional staff is not required.

ALTERNATIVE ACTION: In order to properly manage the large volume, as mentioned in the recommendation, PWS will implement in 2017 the expense report system, available with Bank of America. This system allows all P-Card holders the ability to digitally attach receipts/comments and submit through an approval workflow, to be defined by the District, all expenditures occurred in the usage of the P-Cards. This tool is free and will add a great value to the P-Card Program, as well as support all audit efforts.

FINDING NO. 3: Several locations did not comply with the P-Card reconciliation process. The P-Card Services does not currently have an adequate system of filing and reconciling P-Card Statements and supporting documentation.

1. **RECOMMENDATION:** Provide training to all principals, department heads, and designees on the requirements of the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: As mentioned previously, PWS will keep investing in continuous education activities to reiterate the program policy and procedures.

2. **RECOMMENDATION:** Maintain a comprehensive log noting monthly P-Card activity and have a system of identifying locations that have not submitted their monthly P-Card statements with supporting documentation.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: PWS will implement features currently available in the system (Works) to properly control the large volume of transactions, reconciliation activities, and management of the program.

3. **RECOMMENDATION:** Add additional staff due to the increased volume of P-Card activity to ensure all P-Card statements are reviewed and filed in a systematic way.

MANAGEMENT'S RESPONSE: Disagree. At this time, additional staff is not required.

ALTERNATIVE ACTION: The Works application is a Web-based, user-friendly electronic card payment management service that automates, streamlines, and integrates existing payment authorization and reconciliation processes while providing management reporting and spending controls.

4. **RECOMMENDATION:** Deactivate P-Cards for non-compliance with the Purchasing Card Program Policies and Procedures Manual.

MANAGEMENT'S RESPONSE: Agree.

ALTERNATIVE ACTION: The recommendation of deactivating P-Cards for non-compliance will be adopted, per the Purchasing Card Program Policies and Procedures Manual.

c: Maurice L. Woods
Attachment

MCC:dm

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE CHIEF FACILITIES OFFICER**

**Leo Bobadilla
Chief Facilities Officer**

November 1, 2016

TO: Patrick Reilly, Chief Auditor
Office of the Chief Auditor

FROM: Leo Bobadilla
Chief Facilities Officer



SUBJECT: **RESPONSE TO FINDINGS #4 AND #5 OF THE INTERNAL AUDIT
REPORT OF THE PROCUREMENT AND WAREHOUSING SERVICES'
PURCHASING CARD (P-CARD) SERVICES FOR THE PERIOD OF
7/1/2015 TO 9/30/2015, FOR THE PPO-PHYSICAL PLANT OPERATIONS**

Through this correspondence, we acknowledge receipt and review of findings #4 and #5 of the Internal Audit Report of the Procurement and Warehousing Services' Purchasing Card Services for 7/1/15 to 9/30/15, for the Physical Plant Operations Department (PPO). In addition, we acknowledge receipt of management responses from the department.

The director of PPO, recognizes the findings and has been instructed to ensure that all staff follows through with the corrective actions as proposed by the department.

LB:as
Attachments

cc: Sam R. Bays, Director, Physical Plant Operations Division
Ali Arcese, Manager, Property & Inventory Audits
Meredith Fileman, Manager, Operational Audits

Audit Response – FINDING #4

The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for the Cypress Bay High School's Carpet Project

CONDITION

On June 15, 2015, a Notice to Proceed (NTP) in the amount of \$49,226.70 was issued by the School Board of Broward County's Physical Plant Operations Department (PPO) to Patcraft Commercial Carpet for the removal of 870 square yards of existing carpet, and the installation of 860 square yards of new carpet tiles. In addition, the project included installation of 1,339.80 square feet or 148.86 square yards of new Luxury Vinyl Tile (LVT), and the removal and installation of 600 linear feet of cove base in multiple rooms (301, 301A, 301B, 301E, and 301F) (see Exhibit 7, page 27-29). The work was inspected and approved by PPO on July 15, 2015 (see Exhibit 8, pages 30). The Office of the Chief Auditor's (OCA) staff visited the school on July 20, 2016 in order to verify that the work listed in the NTP was completed and that the field installation measurements and quantities matched the vendor's June 10, 2015 estimate and quantities (see Exhibit 9, page 31). The OCA calculated a total of 873 square yards (including 5% waste) of the area to receive new carpet tiles. Subsequent to our visit to the school, PPO provided their flooring estimate worksheet and a Negative Labor Adjustment Change Order to Shaw Integrated Solutions requesting a credit to the District for labor costs for carpet tile installation not performed in the amount of \$893.16. As a result of our audit, this credit was requested by PPO on August 17, 2016, over a year after the completion of the carpet project (see Exhibit 10, page 32). PPO stated that the reason for this Negative Labor Adjustment Change Order was the 1,339.80 square feet or 148.86 square yards of LVT that was not deducted from the total area of 860 square yards originally measured and priced for carpet tile installation. This resulted in an overpayment of \$893.16 for 148.86 square yards of carpet tile installation labor costs at \$6.00 per square yard.

In addition, we determined the District elected to keep the 148.86 square yards of excess carpet tiles at the school for future repairs. However, we determined only 104 square yards were left at the school. The difference of 44.86 square yards of carpet tile at \$27.25 per square yard resulted in an overpayment of \$1,222.44. The Attic Stock/Receipt of Materials Form required by the contract for excess material was not used to document the excess carpet tiles.

CRITERIA

The School Board of Broward County (District) Bid 53-087R, Floor Coverings with Related Supplies, Equipment and Services, is a piggyback with the State of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract was approved by the School Board on March 18, 2013 (see Exhibit 11, pages 33-34).

CAUSE

The District did not verify the flooring scope of work installed at the job site against the vendor's approved estimate of cost and quantities. This led to the District's approval of the vendor invoice for work not performed.

IMPACT

The District made an overpayment totaling \$2,115.60, consisting of labor and material on the Cypress Bay High School Carpet Project.

RECOMMENDATIONS

The Office of the Chief Auditor recommends:

1. The Physical Plant Operations Department manage and ensure vendor compliance with the terms and conditions of District contracts
2. The PPO staff visit the site in order to verify quantities installed and document any excess materials as compared to the vendor's approved estimate of quantities and cost.
3. The PPO Department request a credit for the overpayment of material in the amount of \$1,222.44, in addition to the prior labor credit in the amount of \$893.16 requested on August 17, 2016.

MANAGEMENT'S RESPONSE - FINDING #4

Regarding Recommendation Number 1: Physical Plant Operations agrees with Office of the Chief Auditor and will ensure compliance with terms and conditions of all District contracts.

Regarding Recommendation Number 2: Physical Plant Operations agrees with the Office of the Chief Auditor and will visit every project before, during, and after the work to verify quantities installed and document any excess materials.

Regarding Recommendation Number 3: Physical Plant Operations has requested and obtained a credit for the overpayment of \$893.16 due to "double payment" of \$6.00 per square yard for the 148.86 square yards of Luxury Vinyl Tile. There is not an overpayment for 48.86 square yards of carpet. That amount of carpeting, about 5 percent of the total, was the amount of scrap carpeting created in executing the complex flooring pattern designed for the Media Center (please refer to the attached Cypress Bay Floor Plan, Attachment C). At the completion of the work, the remaining 104 square yards of carpet were left at Cypress Bay as "attic stock" for future needs or repairs.

To minimize errors in calculating the correct cost of installation on complex projects, a new **Flooring Verification Form** (Attachment A) will be used on all projects involving flooring. This form will include the Notice to Proceed (with project scope clearly defined), the work order number, the bid number, and two dated field inspections documenting quantity verification by PPO Staff.

To ensure that all stakeholders concur on the amount of attic stock remaining on site, all future flooring projects will include a signed **Bin Receipt Document** (Attachment B), acknowledging receipt of remaining flooring by the project school. An authorized representative from the school and the Flooring Department will sign the Bin Receipt Document and a copy of the form will be retained at the location with the remaining flooring.

Attachment A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Flooring Verification Form

Last Update 11/02/2016

The undersigned District Maintenance Staff, certify and attest to the following:

- A. That I/We have reviewed the scope and costs for Work Order Number _____ and Bid Number _____ and both scope and cost are in accordance with the amounts contained in the Contractor's accepted bid.
- B. That I/We made field inspections to the job site(s) to verify receipt of Contractor's services per specifications on Notice to Proceed:
First Field Inspection by: _____ Date: _____
Final Field Inspection by: _____ Date: _____
- C. Upon inspection, it was determined that the work was completed in accordance with the contracted and approved specifications; and scope issued in the attached Notice to Proceed.
- D. I/We understand that a review of this information will be conducted and that I/We will be held accountable for any deficiencies detected during such review.
- E. The following School staff acknowledges has signed BIN receipt for any remaining carpet and/or tile to be retained on site. Name: _____ School: _____

COMMENTS:

I/We verified that the total flooring systems and labor were charged correctly per the Notice to Proceed issued on, Date: _____, according to the inspection report. (See attached Notice to Proceed with scope).

Signature: _____
Mechanic/Lead Man Date

Signature: _____
Trades Foreman Date

Signature: _____
Trades Manager Date

Attachment B

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Bin Receipt Document

Last Update 10/26/2016

Bill of Materials

(Acknowledging receipt of "Attic Stock" materials left over from floor project)

School Name:

Work order number:

Date:

Bid/Contract number:

	Description of Materials		Total Yardage Required		Total usable remnants Yardage	Remarks

Supervising Mechanic:

Date:

Received By:

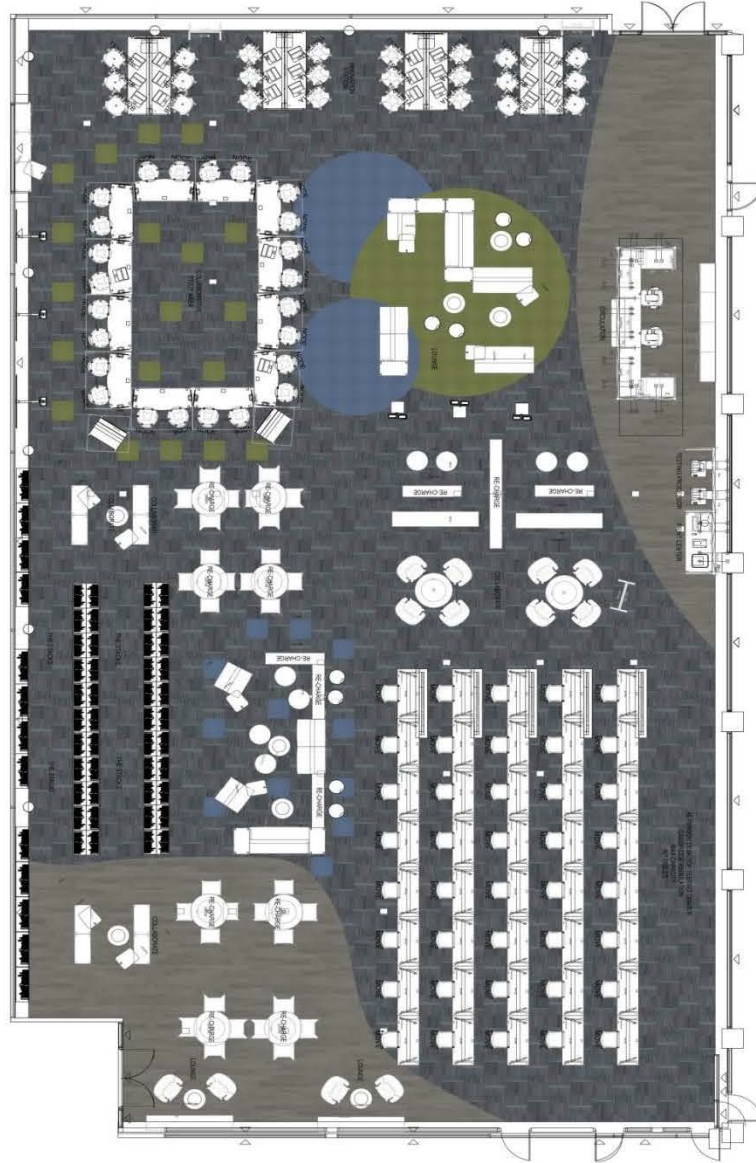
Date:

Attachment C

patcraft
Customer Contact: 1-800-514-0124

The layout and design included in this floor plan may not be an exact representation of the actual layout. The rendering provided is only for design purposes and should not be used for ordering, estimating or exact layout details. An estimate must be completed by a professional for accurate ordering and layout information.

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Audit Response – FINDING #5

The Physical Plant Operations Department did not Adequately Manage and Ensure Compliance with the Terms and Conditions of District Bid 53-087R for the William Dandy Middle School's Carpet Project

CONDITION

On May 6, 2015, a Notice to Proceed (NTP) in the amount of \$43,655.10 was issued by the School Board of Broward County's (District) Physical Plant Operations Department (PPO) to Shaw Integrated Solutions for the removal and replacement of 938.66 square yards of carpet and installation of 1,080 liner feet of cove base in rooms (131, 131A, 132, 132A-E, 133) (see Exhibit 12, page 35). The OCA noted the labor cost included in this estimate was for the removal, installation, disposal and night & weekend premium labor costs for 1,160.66 square yards, reflecting an unexplained increase of 222 square yards (see Exhibit 13, page 36-37). The OCA staff visited the school on July 20, 2016, in order to verify that the work listed in the NTP was completed and that field installation measurements and quantities matched the vendor's April 2, 2015 estimate and quantities. The OCA calculated a total quantity of 938.53 square yards (including 5% waste) of area to receive new carpet tiles. Subsequent to our visit to the school, PPO provided their flooring estimate worksheet and a Negative Labor Adjustment Change Order to Shaw Integrated Solutions, Inc. requesting a credit to the District for carpet removal, disposal, installation, and night & weekend premium labor costs not performed in the amount of \$2,672.88 for 222 square yards (see Exhibit 14, pages 38-39). As a result of our audit, a credit was requested by PPO on August 23, 2016, over a year after the completion of the carpet project.

In addition, during our site visit, the OCA also observed that no work was performed in room 133 (see Exhibit 15, page 38). The value of the carpet and cove base work not installed in room 133 was \$531.55. We also verified that no excess carpet tiles were left at the school.

CRITERIA

The School Board of Broward County (District) Bid 53-087R, Floor Coverings with Related Supplies, Equipment and Services, is a piggyback with the State of Florida, Department of Management Services, Division of State Purchasing, Alternative Contract Source 360-240-12-1 and National Joint Powers Alliance Contract No. 022712. This contract was approved by the School Board on March 18, 2013 (see Exhibit 11, pages 33-34).

CAUSE

The District did not verify the flooring scope of work installed at the job site against the vendor's approved estimate of cost and quantities. This led to the District's approval of the vendor invoice for work not performed.

IMPACT

The District made an overpayment totaling \$3,204.43, consisting of labor and material on the William Dandy Middle School Carpet Project.

- The District paid for work in the amount of \$531.55, which was not performed in room 133.
- Carpet removal, disposal, installation, and night & weekend premium labor not performed in the amount of \$2,672.88.

RECOMMENDATIONS

The Office of the Chief Auditor recommends:

1. The Physical Plant Operations Department manage and ensure vendor compliance with the terms and conditions of District contracts
2. The PPO staff visit the site in order to verify quantities installed and document any excess materials as compared to the vendor's approved estimate of quantities and cost.
3. The PPO Department request an additional credit for the overpayment of material and labor for carpet and cove base work not installed in room 133 totaling \$531.55.

MANAGEMENT'S RESPONSE - FINDING #5

Regarding Recommendation Number 1: Physical Plant Operations agrees with Office of the Chief Auditor and will ensure compliance with terms and conditions of all District contracts.

Regarding Recommendation Number 2: Physical Plant Operations agrees with the Office of the Chief Auditor and will visit every project before, during, and after the work to verify quantities installed and document any excess materials.

Regarding Recommendation Number 3: Physical Plant Operations has requested and obtained a credit for the overpayment of \$2,672.88. There is not an overpayment for work not performed in FISH 133. The school opted to have corridor 001C carpeted instead of carpeting the Server Equipment Closet (FISH 133). Please refer to the William Dandy Floor Plan (Attachment D) for the area. These two areas require the same quantity of carpet so there was no additional charge or credit. By the same token there was no additional leftover material. Please see the note regarding cost-neutral changes (below).

To minimize errors in calculating the correct cost of installation on complex projects, a new **Flooring Verification Form** (Attachment A) will be used on all projects involving flooring. This form will include the Notice to Proceed (with project scope clearly defined) the work order number, the bid number, and two dated field inspections documenting quantity verification by PPO Staff. Additionally, PPO will use the COMMENTS section of the **Flooring Verification Form** to memorialize all cost-neutral changes requested by School Administration to avoid future confusion. Note that changes which are not cost-neutral will affect the Notice to Proceed and will be recorded on that document.

To ensure that all stakeholders concur on the amount of attic stock remaining on site, all future flooring projects will include a signed **Bin Receipt Document** (Attachment B), acknowledging receipt of remaining flooring by the project school. An authorized representative from the school and the Flooring Department will sign the Attic Stock/Receipt of Materials Form and a copy of the form will be retained at the location with the remaining flooring.

Attachment A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Flooring Verification Form

Last Update 11/02/2016

The undersigned District Maintenance Staff, certify and attest to the following:

- A. That I/We have reviewed the scope and costs for Work Order Number _____ and Bid Number _____ and scope and cost are in accordance with the amounts contained in the Contractor's accepted bid.
- B. That I/We made field inspections to the job site(s) to verify receipt of Contractor's services per specifications on Notice to Proceed:
First Field Inspection by: _____ Date: _____
Final Field Inspection by: _____ Date: _____
- C. Upon inspection, it was determined that the work was completed in accordance with the contracted and approved specifications; and scope issued in the attached Notice to Proceed.
- D. I/We understand that a review of this information will be conducted and that I/We will be held accountable for any deficiencies detected during such review.
- E. The following School staff acknowledges has signed BIN receipt for any remaining carpet and/or tile to be retained on site. Name: _____ School: _____

COMMENTS:

I/We verified that the total flooring systems and labor were charged correctly per the Notice to Proceed issued on, Date: _____, according to the inspection report. (See attached Notice to Proceed with scope).

Signature: _____
Mechanic/Lead Man Date

Signature: _____
Trades Foreman Date

Signature: _____
Trades Manager Date

Attachment B

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Physical Plant Operations

Bin Receipt Document

Last Update 10/26/2016

Bill of Materials

(Acknowledging receipt of "Attic Stock" materials left over from floor project)

School Name:

Work order number:

Date:

Bid/Contract number:

	Description of Materials		Total Yardage Required		Total usable remnants Yardage	Remarks

Supervising Mechanic:

Date:

Received By:

Date:

Attachment D

