



Internal Audit of Program Management FY 2019-2020 Q1

January 30, 2020



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TRANSMITTAL LETTER

January 30, 2020

Joris Jabouin, Chief Auditor
Broward County Public Schools
600 SE 3rd Avenue, 8th Floor
Fort Lauderdale, Florida 33301

Pursuant to the approved internal audit scope of work, submitted August 23, 2019, we hereby submit our FY 2019-2020 Q1 internal audit report of the Program Management function. We will be presenting this report to the Audit Committee at the next scheduled meeting on January 30, 2020.

Our report is organized in the following sections:

Executive Summary	This section provides a brief background and a summary of the observations related to our internal audit of the Program Management function.
Prior Findings Follow Up	This section provides an update and current status of remediations related to prior noted findings.
Objectives and Approach	The objectives and approach of the internal audit are explained in this section.
Appendix	This section includes documentation provided by the OR/PM in response to prior observations.

We would like to thank all those involved for their assistance in connection with the FY 2019-2020 Q1 internal audit of the Program Management function at Broward County Public Schools.

Respectfully Submitted,

[RSM US LLP]



EXECUTIVE SUMMARY

Background, Objectives and Scope

RSM has provided various operational and construction auditing services through agreement with District's Office of the Chief Auditor ("OCA") since 2012. In March of 2017, RSM began providing quarterly evaluation reports of the District's Program Management team directly to the District's Office of Facilities and Construction ("OFC"). During our engagement we worked closely with OFC and members of the ATKINS and CBRE-HEERY Program Management team to improve the District's design and construction control environment, and encourage transparency and accuracy in reporting. In November 2018, contractual oversight and management of our work shifted from OFC, back to the OCA. RSM works with OCA on a quarterly basis to define an audit plan for upcoming quarter.

The objective of our engagement is to verify that the District's Program Management Consultant ("PM" - Atkins) and Owner's Representative ("OR" - CBRE-HEERY) are providing deliverables and services in conformance with the terms and conditions of their respective agreements / RFP. Our procedures included testing of PM/OR compliance with District standard operating procedures and industry leading practices. Our scope included activities performed during the period July – September 2019.

Observations

Procedures performed during the current period did not yield any new, reportable observations.

However, during execution of our current period procedures for non-CMAR invoices, we noted instances of missing lien waivers. Considering this issue is directly comparable to our prior observation related to missing support for CMAR invoices, rather than create a new observation, we have added this to follow up Observation #2 from Q4 2018-19 on page 9 herein.

Approach

Our audit approach consisted of the following:

Program Manager (Atkins)

- Obtained and reviewed deliverables submitted in accordance with PM monthly reporting requirements derived from RFP Article 6.4.2.6.
- Reviewed Atkins monthly invoicing for contractual compliance, proper supporting documentation, and mathematical accuracy
- Followed up on prior findings

Owner's Representative (CBRE-Heery)

- Obtained and reviewed deliverables submitted in accordance with PM monthly reporting requirements derived from RFP Article 6.4.3.10.
- Selected a sample of project(s) for control assessment and testing
- Tested the sample projects for compliance with District Standard Operating Procedure and best practices. In-Scope processes for this period included:
 - Construction Invoice – Non-CMAR
 - Supplier Diversity Outreach Program / Economic Development & Diversity Compliance
- Performed an analysis of OR and sub-consultant billings, compare to original contract scope (and amendments), identify specific funding mechanisms, and communicate results to the Facilities Task Force and Audit Committee
- Reviewed CBRE-HEERY monthly invoicing for contractual compliance, proper supporting documentation, and mathematical accuracy

Reporting

At the conclusion of our procedures, we summarized our findings related to the Contract Administration process. We have reviewed the results of our testing with OCA, OFC, the PM/OR team, and incorporated management's response into our report.



PRIOR OBSERVATIONS FOLLOW UP



PRIOR OBSERVATIONS FOLLOW UP

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q3

OBSERVATION	FY 2018-19 Q3 (Observation #1) PM/OR Compliance with Reporting Requirements
DETAIL	We noted exceptions to reporting requirements. In January 2019, the RFI aging report was not provided and as of February 2019 the post project completion reporting had not been provided.
RECOMMENDATION	<p>To comply with section 6.4.2.6 of the Program Manager RFP, we recommend the Program Manager report on post project stakeholder satisfaction. If stakeholder satisfaction assessments are not currently solicited, we recommend OFC and Atkins co-develop a survey for distribution to stakeholders as part of the project closeout process.</p> <p>In addition, we recommend OFC issue an addendum, memorandum of understanding, or similar to the CBRE-Heery contract specifying that reporting requirements have been modified to include project specific schedule reporting, as a replacement to the program level reporting specified in section 6.4.3.10 of the Owner's Representative RFP.</p>
MANAGEMENT'S RESPONSE	<p>Response: The post project completion report has been drafted by CPCM for review by OFC and the ORPM. Upon approval the report will be submitted in the CPCM monthly reporting. The January 2019 RFI report has since been provided to OFC and the office of the Chief Auditor.</p> <p>The group of stakeholders has been selected with some questions customized to each stakeholder. Consensus on the stakeholder questions should be reached on 9/13 Interdepartmental Meeting.</p> <p>Original estimated completion date: July 2019</p> <p>Estimated completion date: January 2020</p>
OBSERVATION STATUS	<p>Partially Complete – RSM has noted the inclusion of a Financial Closeout report as part of the post project completion reporting in monthly packets from March 2019 - present. However, we also note that stakeholder satisfaction was included as a reporting component in the Program Manager RFP. Establishment of a recurring process for stakeholder satisfaction reporting is still pending. We have obtained evidence that surveys have been distributed to key stakeholders for two closed projects; however, the results of the surveys have not been closed and analyzed by Management or packaged for reporting. As such, this observation remains open.</p> <p>In addition to the above, we noted that vendor performance evaluation reporting was omitted from the June, July, and August 2019 monthly packages provided to OFC. Although the summary reporting was omitted, we noted that evaluations were still conducted, and applicable reporting was available through e-Builder. We will continue to test monthly reporting for compliance with the established reporting requirements.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q3

OBSERVATION	FY 2018-19 Q3 (Observation #3) PM/OR Adherence to Design Phase Timeline
DETAIL	We noted instances of non-compliance related to the Design Phase SOP. The OR team did not track or maintain evidence of compliance with the timeline detailed in the SOP. The procedures noted in SOP 3.3 related to design review milestones (Scope Validation, 30%, 50%, 90% and 100%) were not followed for all 5 sample selections. Additionally, the architect did not submit responses prior to the design meeting as required in the SOP for 21 of 24 milestones reviewed.
RECOMMENDATIONS & NEXT STEPS	<p>Given the design delays identified for the 5 projects we sampled, we recommend the PM/OR develop an approach to identifying and addressing design phase schedule delays as they arise.</p> <p>In addition, we noted that for 5 of 5 projects sampled, the PSA contained an option for the District to pursue damages for unexcused delay caused by the design consultant. As such, we further recommend the OFC analyze each project within the program to determine whether (1) damages for delay were included in each PSA, and (2) whether delays from the established design schedule existed. For variances noted between the timeline established in the PSA and/or accompanying NTP, the District should perform an analysis to identify the cause(s) of delay, and whether pursuit of damages is warranted.</p> <p>Considering the Building Department's review of 100% documents occurs after the OR Atlanta Team's review, RSM intends to interview the Building Department during our next quarter's audit procedures in an effort to identify the full review timeline, and more clearly define the root cause(s) of noted delays.</p>
MANAGEMENT'S RESPONSE	<p>Response: Regarding the monitoring of deliverables, every design phase project is managed by the PM per deliverable. We will now be utilizing the language of the PSA to assess delay charges at \$100/day. Notice was given to the consultants initially in December 2018.</p> <p>In addition, the PSA language allows for assessment of damages on plan reviews past (2) cycles. This will be enacted and these charges will go back to January 1, 2019 and be assessed going forward.</p> <p>We have reports that are used to track the status of Revise/Re-submit cycles which the PM will use to initiate notice of assessment.</p> <p>Regarding analysis of delay causes, there is on-going review of delay cause action. There has been a significant learning curve for all parties. The OR-PM team is working closely with the OFC and the Building Department to continually identify issues and determine subsequent improvements.</p> <p>As an example, a study of common issues that were surfacing during design reviews resulted in a document that was shared with all designers in December 2018 in order to pre-empt repetitive mistakes.</p> <p>Original Completion Date: N/A</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q3

OBSERVATION	FY 2018-19 Q3 (Observation #3) PM/OR Adherence to Design Phase Timeline (continued)
MANAGEMENT'S RESPONSE	<p>As a result of issuing charges to Design Consultants, a reduction in the Design Consultants purchase order is to be completed which reduces the Basic Design Fee in their Professional Service Agreement (PSA) accordingly. There is a written process that is followed and executed by the Project Manager that is used to reduce the purchase order. The close-out of charges from the first round of issued charges is in progress. Once complete, copies of the Purchase Order Reduction Memo can be provided.</p> <p>There were 61 letters issued to design firms triggered by design phasing that required revise/resubmit cycles exceeding two (2) in July and closing letters were sent on December 10th and 11th, 2019.</p> <p>As a result of the December communication:</p> <ul style="list-style-type: none"> A. Nineteen (19) of the notices were issued to firms with contracts of an earlier version that do not have the Non-Conforming Design penalty language. A subsequent letter was sent and corrected the original notice and removed the charges. B. Thirteen (13) of the notices were protested. Upon review with the design firms, these charges were removed. C. Fifteen (15) of the notices had charges that were assessed. The Purchase Order Reduction memos are being processed and will be completed by the end of January 2020. D. Fourteen (14) of the Notices, involving four (4) firms, have requested a further view of the charges. Review meetings have been or are being set. Resolution is expected by the end of January 2020. <p>Assessments levied from Item (C) total \$6,056. Assessments pending from Item (D) total \$4,160.</p> <p>The second batch of notices regarding revise/resubmit assessments was delivered on December 23, 2019. At that time, 19 notices were sent. The process of reviewing protests will follow.</p> <p>Estimated completion date: November 2019</p>
OBSERVATION STATUS	<p>Closed – As of this report, fee reductions have been processed for five projects. We reviewed executed amendments to each contract, that were approved by the board, and reduced design fees by a total of \$96,100. We will continue to monitor fee reductions processed going forward.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #1) PM/OR Adherence to SOP for Construction Services Minor Projects (CSMP)
DETAIL	<p>We noted instances of non-compliance related to the Construction Services Minor Projects SOP. Procurement and Warehouse Services were no longer involved in the CSMP contractor selection. We obtained the CSMP contract log utilized in the selection of the “best available contractor” and noted that the log does not include evidence of justification for each project’s vendor selection.</p> <p>The OR-PM also indicated that for projects over \$30,000, an estimate is performed by the PC-Estimator for comparison to the vendor’s proposal. While this may help mitigate the risk of unreasonable vendor proposals, the review by the PC-Estimator does not include assessment of prior contract distribution among vendors</p>
RECOMMENDATION	<p>We understand the OR-PM is providing resources to supplement Procurement and Warehouse Services staff in order to process the large volume of contracts necessary for the Program. As such, we recommend the OR-PM note reasoning and maintain documentation for the justification of vendor selection for each CSMP contract assigned, as contemplated by the PWS role in the SOP. We further recommend OFC and the PM-OR update relevant portions of SOP 10.80 to reflect the current process.</p>
MANAGEMENT’S RESPONSE	<p>Response: The recommendations for SOP 10.80 have been reviewed and modifications have been made accordingly.</p> <p>The CSMP Contract Log has been under modification. The recommendations were already under consideration and will be implemented into the Log for documentation purposes.</p> <p>The prior refinement to SOP 10.80 step # 4, was to remove Procurement from the action of assigning specific CSMP contractor. It is important to understand that this change reflects what has been the practice throughout the SMART Program.</p> <p>The involvement of Procurement, while not present in the assignment of work, is clearly and undoubtedly present through-out the CSMP process. The process begins with the solicitation of CSMP contractors. Procurement is directly responsible for this part of the process which includes analyzing potential CSMP contractors, assessing qualifications, ranking contractors, and ultimately presenting a contract award recommendation for SBBC review and approval. Once solicitation, selection, and approval is completed, the end-users (SMART Program/Facilities/Physical Plant Operations) become responsible for the assignment of work. Once the assignment is recognized, the actual contractual obligation again shifts to Procurement. Procurement is responsible for compliance, issuing the Purchase Order, executing final signature on the Notice to Proceed (NTP) and finally, mailing documents such as the Purchase Order and NTP to the contractor.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #1) PM/OR Adherence to SOP for Construction Services Minor Projects (CSMP) (continued)
MANAGEMENT'S RESPONSE	<p>In summary Procurement is involved and responsible from the beginning of the process with the solicitation for the pool of qualified firms and later through the issuance of the NTP and Purchase Order. Strategic conversation has been on-going with Procurement and from those discussions, it is clear the District intends to continue to consider the development and use of an automated, digital tool to enhance the assignment process.</p> <p>The goal in the selection of a Continuing Contractor is to provide an equitable opportunity for work through the term of the contract. A determining factor in the selection process is based upon the percentage of current commitments. If a Contractor with the lowest percentage declines the project, then Staff will proceed to the next Contractor with the lowest percentage of awarded projects. In addition, the time since last award is a factor in the selection process. If multiple contractors have equal lowest percentages of work awarded to date, then the selection will be based on a weighted criteria which includes evaluations and input from Procurement.</p> <p>In the short term, the focus has and will continue to be on ensuring that staff is responsible for maintaining the CSMP Logs by tracking and documenting the reason for selection or de-selection each time a CSMP contractor is considered and/or awarded work in the SMART Program.</p> <p>Long term solution, as stated, the intent is to create an automated, digital tool to support the selection process. A target date must be established in collaboration with Procurement and Warehouse Services.</p> <p>Original estimated completion date: October 2019</p> <p>Estimated completion date: TBD</p>
OBSERVATION STATUS (PLEASE REFER TO APPENDIX A FOR NEW CSMP SOP)	<p>Closed – We received the updated SOP (approved 1-13-20), which was developed in conjunction between OFC, PM/OR, and PWS, and included the following modifications:</p> <ul style="list-style-type: none"> The purpose section included modifications to clarify that Purchasing and Warehouse Services (PWS) is responsible for procuring the pool of vendors/contractors. Procedures were modified to note that CSMP selection is determined utilizing the CSMP-CMAR Selection Matrix rather than a log maintained by PWS. Procedures were modified to note that the OR-PM, OR-Contract Admin, and the OR-PD work together to select the next available contractor. <p>We also received the updated CSMP-CMAR Selection Matrix via e-Builder reporting, and noted that commentary was included as justification for the vendor selection process.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #2) Construction Invoice Supporting Documentation
<p>DETAIL</p>	<p>During our testing of Construction Manager at Risk “CMAR” invoicing, we noted insufficient supporting detail was provided for the sample of invoices tested from 3 active CMAR projects. All three projects were considered cost-plus contracts, with the subcontractors classified as a director cost. We noted the following instances of insufficient support:</p> <ul style="list-style-type: none"> • For 2 of 5 applicable invoices, subcontractor pay applications were not included in supporting documents • For 1 of 3 applicable invoices, a cover was provided, but no corresponding schedule of values was provided with the subcontractor pay applications • For 1 of 5 invoices, no lien releases were provided for either the prime contractor or subcontractors • For 2 of 5 invoices, the prime contractor's lien release did not agree to the pay application • For 1 of 4 applicable invoices, signed subcontractors lien releases for \$10 were provided as supporting documentation, although no related subcontractor costs were invoiced <p>For five (5) sample projects related to non-CMAR invoices, we obtained all approved pay applications as of our testing date to complete a rollforward and review of supporting documentation. The following instances of insufficient support were noted:</p> <ul style="list-style-type: none"> • For 2 of 5 projects, project management did not obtain general contractor lien waivers in a timely manner for any of the pay applications approved. <ul style="list-style-type: none"> ◦ Per review of the lien releases provided, the liens were dated after RSMs request date for the missing documentation. Additionally, for one (1) of the projects, the lien release provided was the amount due for the three pay applications combined • For 1 of 5 sampled projects, subcontractor lien releases were not provided for 1 of 4 of the project's approved invoices • For 1 of 5 sampled projects, subcontractor lien releases were not provided for 1 of 3 of the project's approved invoices. However, five (5) subcontractor lien releases were provided for \$10.00 for services through 2/28/19. This occurred before the first pay application period of 3/1/19 – 3/31/19.
<p>RECOMMENDATION</p>	<p>We recommend the OR-PM enforce the supporting documentation requirements of the CMAR and non-CMAR agreements, and require contractors to provide subcontractor invoices, and all related lien releases with each application for payment. Invoices should not be approved or processed for payment prior to receipt of all appropriate supporting documentation. To aid in the completeness of review a checklist should be utilized by the OR-PM, and all reviewers to document receipt and review of all applicable supporting documents.</p> <p>Further, we recommend for the projects where this support has not been provided, a retrospective audit be performed to ensure the District has not been overbilled for tradework actually performed.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #2) Construction Invoice Supporting Documentation (continued)
MANAGEMENT'S RESPONSE	<p>Response: The Checklist has been reviewed by staff, cross-referenced with the General Condition requirements for CMAR and ITB projects and are in the process of being revised. A review/refresher of pay invoice document requirements is planned for Friday, October 25th, 2019 as part of the weekly Project Managers meeting. In the long term, the invoice workflow in e-Builder is in the process of being improved. The end result is to increase checks and balances at the submittal stage for the vendor, thus reducing the opportunity for submitting invoices lacking complete supporting documentation. The outcome is expected to reduce rejected pay-applications and thus increase the speed of vendor payment processing. The target for completion and roll-out in January 2020. In addition, Capital Budget and staff have provided training on the proper processing of Direct Owner Purchases in the invoice system to project managers and contractors. This was another area where improper processing caused rejections of pay-applications.</p> <p>Original Estimated completion date: October 2019</p> <p>Estimated completion date: March 2020</p>
OBSERVATION STATUS	<p>Partially Complete – Management provided an updated pay application checklist and minutes from a PM staff meeting, showing discussion of procedures for reviewing pay applications and utilization of the new checklist. This observation remains open, pending RSM testing of future pay applications for conformance with the updated checklist and review procedures.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #3) Ineffective interim plan reviews & lapses in project management during the Building Department review process
DETAIL	<p>During our Q3 testing, we identified instances of significant variance between the design phase timeline, as stated in the design Authorization to Proceed, versus actual deliverable submission. We obtained access to the Building Department's plan review tracking software (ISS) to obtain the detailed population and timing of review comments from the Building Department and responses/resubmissions from the designers for all 9 disciplines. The significant effort and time required to obtain an approved design may suggest the review conducted by the PM-OR design review team is not effective in identifying issues prior to submission to the Building Department. Conversely, if issues are identified by the PM-OR design team, Designers are not held accountable to address comments appropriately prior to submission to the Building Department.</p>
RECOMMENDATION	<p>We recommend the OFC, OR-PM, and Building Department meet to evaluate the efficacy and necessity of the OR-PM design review process. To quantify the effectiveness, we recommend the teams co-develop Key Performance Indicators ("KPI"), for use in continuing evaluations of the review process.</p> <p>If the OR-PM design review process is ultimately deemed ineffective, the District may consider modifying requirements of the agreement, to re-deploy the OR-PM resources used for the design review to other areas of greater need.</p>
MANAGEMENT'S RESPONSE	<p>Response: Management is in agreement with the ongoing task to evaluate the alignment of the design review process. To that end, a design summit was held involving the Building Department, OFC and the CBRE Heery Design Review Team.</p> <p>As a result, common understanding of what the Building Department prioritizes was further developed. Ongoing analysis of the Building Department comments will be part of the CBRE Heery Design review teams work.</p> <p>The goal will continue to be the delivery of Construction Documents that require less review time by the Building Department in order to obtain an LOR.</p> <p>A comprehensive review of comments and concerns was completed by the CBRE Heery Design Review Team. A twelve (12) page document was produced and shared with all designers on 7/31/2018.</p> <p>A second major effort focused on design review improvement was held as the Design Review Conference (Summit) on 3/21-22 2019.</p> <p>As a result of this conference the following actions were taken:</p> <p>1) New Building Department comments not included in the 7/31/18 document are communicated directly to the design consultants by the CBRE Heery Design Review Team.</p> <p>The 7/31/18 document will be re-issued to reinforce the use of this constitutional knowledge.</p>



PRIOR OBSERVATIONS FOLLOW UP – CONTINUED

INTERNAL AUDIT – PROGRAM MANAGEMENT FY19 Q4

OBSERVATION	FY 2018-19 Q4 (Observation #3) Ineffective interim plan reviews & lapses in project management during the Building Department review process (continued)
MANAGEMENT'S RESPONSE CONTINUED	<p>2) CBRE I Heery Design Review Team was given increased access to the Building Department Design Review software platform (I.S.S.).</p> <p>3) All CBRE I Heery comments will/are closed before submitting CD's to the Building Department at 100% design for review.</p> <p>4) The Design Review Team is to produce a letter to go with the 100% submittal to the Building Department. This was not used. Instead an internal checklist has been created and is applied as a check point before CD's are submitted to the Building Department.</p> <p>5) The CBRE I Heery Design Review Team is currently gathering information from reviews of years 3-5 projects. Once this is complete and compiled, the information will be shared with design consultants (Q1-2020).</p> <p>Subsequent to the Conference/Summit, meetings have been held with design consultants. Included in these meeting besides dealing with Non-Conforming Design Documents, was information was shared to continue to assist in providing and/or clarifying the direction and responses needed from the design consultants in the preparation of Design Documents. This focus continues to work toward improvement of timely deliverables and great output.</p> <p>The chart in [prior report] illustrates a positive trend of reducing the number of revisions as well as time to receive the L.O.R. As a follow-up to the described action listed in the previous management response, the fifteen (15) page letter providing direction for Consultants to consider throughout the design process was issued through e-Builder October 24, 2019.</p> <p>In addition, a new lessons learned document (recently issued to Contractors on 10/21/19) was also sent to consultants through e-Builder on October 24, 2019.</p> <p>Original estimated completion date: October 15, 2019</p> <p>Estimated completion date: October 15, 2019</p>
OBSERVATION STATUS	<p>Closed – Management provided the conference agenda and action items resulting from the summit that took place on 3/21/2019 – 3/22/2019. On the first day of the Summit minutes, we noted that the Building Department provided commentary regarding pain points during the design review process. In the action items resulting from the summit, the need was identified to issue the July 2018 design delay letter containing the Building Department's comments to new firms, and to reissue the letter to existing firms. We noted the letter was issued / re-issued to design firms via e-Builder on 10/24/19. As the communications identified by Management have been distributed to the design teams, we recommend closure of this finding.</p>



OBJECTIVES AND APPROACH

Objectives

The objective of our work was to verify that the District's Program Management Consultant ("PM" - Atkins) and Owner's Representative ("OR" - CBRE-HEERY) are providing deliverables and services in conformance with the terms and conditions of their respective agreements / RFP. Further, our procedures included testing of PMOR compliance with District standard operating procedures and industry leading practices.

Approach

Our audit approach consisted of the following:

Program Manager (Atkins)

- Obtained and reviewed deliverables submitted in accordance with PM monthly reporting requirements derived from RFP Article 6.4.2.6 including:
 - Monthly schedule delays / slippage at both program and project level
 - Cash flow – actual vs projected
 - RFI aging and reporting by project
 - Change order reporting – project & program level
 - Vendor performance monitoring
 - Post project completion reporting
 - Project quality – design process revise & resubmits, inspection results
- Reviewed Atkins monthly invoicing for contractual compliance, proper supporting documentation, and mathematical accuracy
- Followed up on prior findings, including eBuilder utilization and workflow rollout

Owner's Representative (CBRE-Heery)

- Obtained and reviewed deliverables submitted in accordance with PM monthly reporting requirements derived from RFP Article 6.4.3.10 including:
 - Updated project schedules – all projects
 - 6 phases report
- Selected a sample of project(s) for control assessment and testing
- Tested the sample projects for compliance with District Standard Operating Procedure and best practices. In-Scope processes for this period included:
 - Construction invoice review – Non-CMAR
 - Supplier Diversity Outreach Program / Economic Development & Diversity Compliance
- Performed an analysis of OR and sub-consultant billings, compare to original contract scope (and amendments), identify specific funding mechanisms, and communicate results to the Facilities Task Force and Audit Committee
- Reviewed CBRE-HEERY monthly invoicing for contractual compliance, proper supporting documentation, and mathematical accuracy

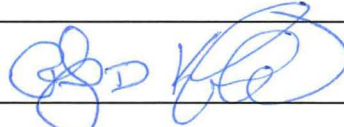
Reporting

At the conclusion of our procedures, we summarized our findings related to the Contract Administration process. We have reviewed the results of our testing with Internal Audit, OFC, the PM/OR team, and incorporated management's response into our report.



APPENDIX A

STANDARD OPERATING PROCEDURES

Document Number:	10.80		Revision No.:	009	
SOP Name:	Construction Services Minor Projects (CSMP)				
Latest Revision Date:	December 12, 2019	Revised by:	Deputy Program Manager Michael Bobby	Approved by:	Program Director Daniel Jardine
Revised items summary:	Revised Purpose statement, Steps #3, #4, #10, and #24 through #34..				
BCPS Approval by:			BCPS Approval Date:	1-13-20	

1. PURPOSE

The purpose of this section is to provide guidance for the use and application of the District's Construction Services Minor Projects (CSMP) delivery method. PWS is responsible for procuring the pool of contractors who will become the board approved vendors eligible for work under a CSMP contract. Throughout the term of this contract, PWS will provide compliance oversight at the time each NTP is issued.

This procedure helps identify the actions and requirements for:

- A. Soliciting construction proposals from the Construction Services Minor Projects (CSMP) pool of prequalified contractors.
- B. Evaluating the Contractors proposals and required documentation.
- C. Generating, processing for approval, and issuing the Notice to Proceed.
- D. Obtaining a Purchase Order number.

2. SCOPE

This procedure includes all CSMP contracts up to the CSMP cap of \$2,000,000.

3. DEFINITIONS

See section 1.20 and 1.30 for Definitions and Abbreviations.

4. PROCESS MAP

See Attachment 10.80-1 – To be developed.

STANDARD OPERATING PROCEDURES

5. PROCEDURE

STEP	ACTION	RESPONSIBLE
1.	As a CSMP need is identified, the scope, budget, and desired schedule is developed. A CSMP may be identified by other BCPS departments (i.e. PPO) and must be coordinated with the OR-PM to facilitate an accurate record of the CSMP contract value issue to date.	OR-PM
2.	The PC-PD determines the FLCC for the project	PC-PD
3.	The OR-PM informs the OR-ContrAdm, who maintains the CSMP contract log, of the need to select a CSMP contractor.	OR-PM OR-ContrAdm
4.	Together the OR-PM, OR-ContrAdm and the OR-PD identify the next available contractor in the CSMP contract rotation. Contract rotation will be determined by utilizing the CSMP-CMAR Selection Matrix.	OR-PM OR-ContrAdm OR-PD
5.	A Proposal Request (Estimating Order Form – Document 00800a) is prepared by the OR-PM and routed for approval to the OFC-CD	OR-PM
6.	The Proposal Request (Document 00800a) is reviewed, sign, and returned	OFC-CD
7.	Once approved, the OR-PM sends the Proposal Request (Document 00800a) to the Contractor via e-Builder. If CSMP Contractor declines the Proposal Request, return to Step #4.	OR-PM
8.	The Contractor assembles their proposal and submits via email to the OR-PM, along with the following documents: <ul style="list-style-type: none"> • Estimating Order (Document 00800a) • Estimating Recap Form (Document 00800b) • Contractor Proposal • Schedule of Values (Document 00435) • Project Specific Certificate of Insurance • Project Schedule • Statement of Intent to Perform as an S/M/WBE Subcontractor (Document 00470) • S/M/WBE Subcontractor Participation Schedule (Document 00475), or • S/M/WBE Good Faith Effort Form (Document 00480) 	GC
9.	Reviews the Proposal Package for compliance, completeness, and responsiveness. If revisions and/or negotiations are necessary to reach an agreement, the OR-PM shall record for the file any such discussions. If appropriate, a site visit may be scheduled to assist in the preparation of the Contractor's Proposal. The OR-PM will verify that the Contractor is registered with the Building Department.	OR-PM

STANDARD OPERATING PROCEDURES

10.	BCPS Economic Development & Diversity Compliance department (EDDC) reviews and verifies the SMWBE documents listed in step 8 and notifies the OR-PM with written recommendations.	EDDC
11.	For projects over \$30k, the OR-PM forwards a copy of the proposal package to the PC-Est	OR-PM
12.	The PC-Est prepares an estimate of the work based on RS Means cost information and applies the Contractor's multiplier as per their approved bid/contract. The PC-Est. provides any additional commentary.	PC-EST
13.	The PC-PD reviews the Contractor's Proposal package and the PC-Est's estimate to confirm compliance with the budget. If this cannot be confirmed the package is returned to the OR-PM for further revisions/discussions with the Contractor. If agreement cannot be reached, then return to Step #4.	PC-PD
14.	If the CSMP Contractor's Proposal package is accepted, the OR-PM prepares the NTP (Document 00550)	OR-PM
15.	Sends an original NTP to the Contractor for their signature	OR-PM
16.	Reviews the NTP and returns an original, signed copy to the PM. (blue ink only)	GC
17.	Signs the original NTP (blue ink only)	OR-PM
18.	The OR-PD or OR-DPM reviews and initials the NTP package	OR-PD or DPM
19.	Forwards the completed Proposal Package, along with the partially executed NTP, to the OFC for processing & distribution.	OR-DC
20.	Routes a copy of the Proposal Package with the Certificate of Insurance and an original copy of the partially executed NTP to RM.	OFC-DC
21.	The RM reviews/approves Contractor's insurance documentation and signs the original NTP (in blue ink) and returns it to OFC along with the Insurance approval letter. If revisions are necessary, the package is returned to the OR-PM for revision.	RM
22.	The OFC-DC logs and routes the NTP package to the OFC-PM	OFC-DC
23.	The OFC-PM reviews and initials the NTP package	OFC-PM
24.	OFC-ED (Executive Director) signs the original NTP (blue ink only).	OFC-ED
25.	Prepares a Request for Requisition memo, and sends it to Capital Payments, along with a complete copy of the entire NTP.	OFC-DC
26.	CP Bookkeeper reviews and performs a budget analysis. The CP Bookkeeper enter into SAP and generates a requisition. CP Review Supervisor reviews and approves requisition.	CP

STANDARD OPERATING PROCEDURES

27.	Routes original NTP package to the PWS - Construction Purchasing Agent (CPA).	OFC-DC
28.	<p>PWS – CPA reviews and validates the NTP package for compliance. Validate the following:</p> <ul style="list-style-type: none"> • The Bid No. and Name are accurate, and that contractor is awarded on the contract. • The contractor has not exceeded contract approved limits. • Risk Management has signed the NTP and Certificate of Insurance is present • OFC-ED Signature has signed the NTP. • Contractor's Pre-qualification certificate is active and attached. • NTP amount is substantiated by Contractor's Proposal and Document 800b – Estimating Recap; NTP amount matches M/WBE document total. • Approved Schedule of Values and Schedule are attached. • M/WBE documents are accurate and comply with the contract terms. • SDOP Compliance check has been completed, signed, and attached. • If the NTP is for \$200,000 or more, <ul style="list-style-type: none"> ○ The performance and payment bonds are attached. ○ The amount and the template form used are correct ○ The bonds are recorded with Broward County. • Building Permit is attached. <ul style="list-style-type: none"> ○ If not attached, verify the assignment is for design/build. • Stakeholders to be copied are included on NTP. • The Contractor Selection Matrix was utilized and is signed by OFC-DC. <p>In the event, any item is not in compliance, the NTP Package will be returned for correction and re-validated once returned to OFC-DC.</p>	PWS
29.	Upon completion of the validation for compliance, PWS issues PO. PWS inserts the construction start date of seven (7) days after PO issuance date	PWS
30.	PWS-DP signs the original NTP (in blue ink) and PWS uploads NTP into SAP.	PWS-DP PWS
31.	Distributes fully executed NTP with PO to Contractor, Capital Payments, OR-PM, other stakeholders identified on NTP form, and project file.	OR-PM

STANDARD OPERATING PROCEDURES

32.	The OR-PM conducts a Pre-Construction Conference in accordance with SOP 4.15	OR-PM
33.	Mobilizes Contractor's Team for design and/or construction.	GC
34.	After the NTP is released, Contract/Project Performance issues must be communicated to PWS. Issues related to M/WBE-Certified Firms must be communicated to EDDC.	OR-PM PWS EDDC

6. REFERENCES / RESOURCES / ATTACHMENTS

References:

4.15 Pre-Construction Conference

Attachments:

10.80-1 CSMP Projects Process Map (to be developed)

10.80-2 Estimating Order (Doc. 00800a)

P.Docs\CSMP

10.80-3 Estimating Recap Form (Doc. 00800b)

P.Docs\CSMP

10.80-4 Notice to Proceed (Construction CSMP) (Doc. 00550)

P.Docs\CSMP

10.80-5 Schedule of Values (Doc. 00435)

10.80-6 Statement of Intent to Perform as an S/M/WBE Subcontractor (Doc. 00470) = 1 pg

<http://www.broward.k12.fl.us/constructioncontracts/D0docs.html>

10.80-7 S/M/WBE Subcontractor Participation Schedule (Doc. 00475) = 1 pg

<http://www.broward.k12.fl.us/constructioncontracts/D0docs.html>

10.80-8 S/M/WBE Participation: Good Faith Effort Form (Doc. 00480) = 5 pgs

<http://www.broward.k12.fl.us/constructioncontracts/D0docs.html>

10.80-9 CSMP-CMAR Selection Matrix (Project Controls Specialist USE ONLY)

P.Docs\CSMP



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