



Public Works - Construction-Related Vendors Audit- #869

Executive Summary

Why CAO Did This Review

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, we conducted an audit of contracts awarded and payments made to the three construction-related vendors that were paid the most from October 1, 2016, through September 30, 2020.

The Public Works Department is the primary caretaker of all city-owned properties and infrastructure. The department's responsibilities include, but are not limited to, the planning and engineering of public works projects and streets maintenance, which were the areas the three vendors above were servicing. The Public Works Department works with the Procurement Division of the Finance and Administration Department to select a contractor to complete the project. The Procurement Division then oversees the bidding and purchasing process. Once a contractor is approved, a contract is drafted by the Office of the General Counsel and executed between the City and contractor. After this is complete, a notice to proceed can be sent to the contractor from Public Works Department so that construction can begin. The Public Works Department then typically uses third-party consultants and inspectors to assist in managing and overseeing contracts. The consultant is typically responsible for inspecting the work completed and signing off on any of the contractor's payment requests. The payment requests are then approved by the Public Works Department's managers and processed by the Accounting Division.

What CAO Found

Overall, construction contracts appeared to be procured in a proper manner in accordance with Chapter 126 of the Municipal Code and payments to the construction contractors were consistent with the contract, properly supported, properly authorized, and accurately calculated.

However, we found issues with payment timeliness as well as other issues that need to be addressed.

- Public Works lacked standard operating procedures regarding the awarding and managing of construction contracts.
- Change orders to extend contracts were approved after contract expiration and there were instances where work related to change orders was paid prior to the change order being approved.
- Procurement had issues with calculating bid amounts (did not impact who was awarded).
- Retainage was not being tracked in the financial system.

What CAO Recommends

In addition to implementing procedures to help ensure payments are processed in a timely manner, we recommend that:

- Written standard operating procedures be developed by Public Works related to the awarding and managing of construction projects.
- Public Works needs to track contracts in a manner that helps ensure change orders are sought in a timely manner to avoid being approved after expiration. Additionally, there should be no payment for work related to the change order until after the change order is approved.
- Procurement needs to establish a process that would ensure bid amounts are being submitted accurately on the front end.
- Retainage needs to be tracked in the financial system.
- Planning and budgeting for roadway resurfacing needs to be improved.



Council Auditor's Office

**Public Works
Construction-Related Vendors Audit**

April 22, 2022

Report #869

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EXECUTIVE SUMMARY

AUDIT REPORT #869

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OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



April 22, 2022

Report #869

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, we conducted an audit of contracts awarded and payments made to the three construction-related vendors that were paid the most from October 1, 2016, through September 30, 2020. The Public Works Department is the primary caretaker of all city-owned properties and infrastructure. The department's responsibilities include, but are not limited to, the planning and engineering of public works projects and streets maintenance, which were the areas those three vendors were servicing.

Construction projects that meet the requirements of Section 122.602 of the Municipal Code (over \$100,000, one-time outlay, on City Property, etc.) are included in the five-year Capital Improvement Plan, which is annually approved by the Council. The total Capital Improvement Plan budget for the City in FY 2021/22 was over \$500 million.

The projects that were included in our audit were managed mainly by the Engineering & Construction Management Division and the Right of Way and Stormwater Maintenance Division in the Public Works Department. Those areas work with the Procurement Division of the Finance and Administration Department to select a contractor to complete the project. The Procurement Division then oversees the bidding and purchasing process. Once a contractor is approved, a contract is drafted by the Office of the General Counsel and executed between the City and contractor. After this is complete, a notice to proceed can be sent to the contractor from Public Works Department so that construction can begin. The Public Works Department then typically uses third-party consultants and inspectors to assist in managing and overseeing contracts. The consultant is typically responsible for inspecting the work completed and signing off on any of the contractor's payment requests. The payment requests are then approved by the Public Works Department's managers and processed by the Accounting Division.

STATEMENT OF OBJECTIVES

The objectives of the audit were as follows:

1. To determine if construction contracts were procured in a proper manner and in accordance with Chapter 126 of the Municipal Code.
2. To determine if payments to the construction contractors were consistent with the contract, properly supported, properly authorized, accurately calculated, and timely paid.

STATEMENT OF SCOPE AND METHODOLOGY

We compiled all City payments from October 1, 2016, through September 30, 2020 by vendor. We identified the three construction-related vendors that were paid the most during that period. The highest was paid \$96 million, the second highest was paid \$41 million, and the third highest was paid \$27 million. The scope of the audit included all payments made to those three vendors from October 1, 2016, through September 30, 2020, as well as any contracts and other agreements related to those payments.

To gain an understanding of the processes involved with procuring and making payments on construction-related contracts, we conducted staff interviews with the Public Works Department, Procurement Division, Municipal Code Compliance Division, Equal Business Opportunity Office, Accounting Division, and Budget Office. We reviewed applicable laws, regulations, rules, and written policies and procedures. We also performed an analysis of different risk factors and applied various procedures to assess internal controls used to mitigate those risks. We performed the audit procedures outlined below to reach each of our conclusions.

Unless specifically stated otherwise, based on our selection methods and testing of testing transactions and records, we believe that it is reasonable to project our results to the population and ultimately draw our conclusions on those results when samples were used. Additionally, for proper context we have presented information concerning the value and/or size of the items selected for testing compared to the overall population and the value and/or size of the exceptions found in comparison to the items selected for testing.

Objective 1

We identified all contracts and agreements related to the payments made during our audit scope for the three vendors selected. We included each of the contracts and agreements in our procurement testing except for 2 purchase orders/contracts that were executed in 2009 and were subsequently replaced during our audit scope with newer contracts, which were tested. This left us with 27 purchase orders/contracts for which the procurement process was tested. Since one of the contracts had two awards, the count of items tested in Objective 1 was 28. Within our audit scope, payments related to the purchase orders/contracts selected for tested amounted to over \$150 million.

We started testing by identifying the procurement mechanism used and confirming that the formal purchase process was used. We then reviewed the procurement documentation provided to bidders and confirmed that this documentation included sufficient details and was approved by the applicable procurement committee. Next, we assessed the advertisement process for reasonableness and compliance with applicable legal requirements. We then reviewed proposals submitted by vendors (and other documentation produced by the City during the evaluation process) to confirm that all submitted bids were properly evaluated and that the lowest cost or the highest graded bidder was awarded, as applicable. Lastly, we reviewed any change orders related to selected contracts to confirm they were reasonable and properly approved.

Objective 2

Within our scope, there was a total of \$150,470,358 in payments related to the 27 purchase orders/contracts identified above. For our population of testing in Objective 2, we excluded a few payments that were related to hauling and asphalt millings or supplies. This brought the testing population total to \$150,038,319 made from 1,201 payments.

We selected a sample of 123 payments (all payments over \$1 million (23 payments) and 100 randomly selected payments). Since a payment in our population could have been related to various invoices, we identified all invoices related to the 123 payments selected for testing. As a result, 149 invoices totaling over \$61 million were represented in the sample. This represented approximately 41% of the population from a dollar perspective and related to 22 out of 27 purchase order/contracts (81.5%) being tested.

We reviewed the supporting documentation to determine if payments were consistent with the contract/agreement. We verified payments were properly supported by verifying that payment requests were submitted on approved forms with sufficient supporting documentation included. We verified that payments were properly authorized by confirming that invoices were approved by appropriate consultants and Public Works Department employees, as applicable. We verified that payment amounts were accurate by comparing the amounts billed to the rates agreed to in the contract (as applicable), ensuring that total amount paid did not exceed the maximum agreed to amount, and reviewing data to identify any potential duplicate amounts paid. Lastly, we checked if payments were made in a timely manner by comparing the payment date against the date the invoice was marked as received or invoice date, if not date stamped as to when received.

REPORT FORMAT

Our report is structured to identify Internal Control Weaknesses, Audit Findings, and Opportunities for Improvement as they relate to our audit objective(s). Internal control is a process implemented by management to provide reasonable assurance that they achieve their objectives in relation to the effectiveness and efficiency of operations and compliance with applicable laws and regulations. An Internal Control Weakness is therefore defined as either a defect in the design or operation of the internal controls or is an area in which there are currently no internal controls in place to ensure that management's objectives are met. An Audit Finding is an instance where management has established internal controls and procedures, but responsible parties are not operating in compliance with the established controls and procedures. An Opportunity for Improvement is a suggestion that we believe could enhance operations.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDITEE RESPONSES

Responses from the auditee have been inserted after the respective finding and recommendation. We received final responses from the following individuals on the specified date:

- Steven D. Long, Director of Public Works, on April 19, 2023;
- Dustin Freeman, Chief of Procurement Division, on May 26, 2023;
- Marcia N. Saulo, City Comptroller, on April 18, 2023; and
- Thomas Register, Chief of Municipal Code Compliance, on April 14, 2023.

AUDIT CONCLUSIONS

By Objective:

1. Overall, construction contracts appeared to be procured in a proper manner and in accordance with Chapter 126 of the Municipal Code; however, we did find issues that need to be addressed.
 2. Overall, payments to the construction contractors were consistent with the contract, properly supported, properly authorized, and accurately calculated. However, we found issues with payment timeliness as well as other issues with the payment process that need to be addressed.
-

OVERALL ISSUE

Overall Internal Control Weakness 1 – Lack of Written Policies and Procedures

We requested all written policies and procedures from the Public Works Department regarding the awarding and managing of construction contracts. Per the Public Works Department, no such documents existed. While it may have been possible for many areas of the City to rely on policies and procedures approved and distributed by the Procurement and Accounting Divisions for some of these items, given the number and dollar amount of contracts and payments approved by the Public Works Department, this area needs to have specific policies and procedures related to the following functions to help properly award and manage contracts:

1. Roles and Responsibilities
2. Procurement and Bid Evaluation
3. Document Control
4. Kick-off and Progress Meetings
5. Reporting
6. Site Visits
7. Construction Quality Management
8. Payment Request Review & Processing
9. Retainage
10. Contingency
11. Change Orders

- 12. Jacksonville Small and Emerging Business Program Compliance
- 13. Insurance Compliance
- 14. Project Closeout

Recommendation to Overall Internal Control Weakness 1

We recommend that the Public Works Department develop comprehensive standard operating procedures related to the awarding and managing of construction projects that address the areas noted above and other areas, as needed.

Public Works Department Response to Overall Internal Control Weakness 1

Agree Disagree Partially Agree

The Public Works Department is actively working on procedures related to the Procurement of contracts and related payments. Revised procedures will be comprehensive and will include specific detailed requirements regarding forms, approvals, etc.

AUDIT OBJECTIVE 1

To determine if construction contracts were procured in a proper manner and in accordance with Chapter 126 of the Municipal Code.

Finding 1-1 – Bid Tabulation Issues

We noted some issues with the calculation of the total bid when a company was required to submit a bid for a list of items with costs listed for each. Sometimes those bid amounts were calculated inaccurately by the bidders, and it was the Procurement Division’s responsibility to catch the errors, calculate the correct bid amount, and use the correct amount in the tabulation process when determining the lowest bidder. To recalculate the bid amount, the Procurement Division manually entered the line-item bid amounts in a tabulation sheet, and input errors occurred during this process as well. While none of these errors appeared to be significant compared to the amount bid (i.e., would not change who would have been awarded the contract), it is important that bid amounts are accurately tabulated to help ensure the correct bidder is awarded the contract.

We found that tabulation was not performed accurately for 5 of 20 (or 25%) awards that needed to be tabulated. Specific issues were due to input errors by the Procurement Division staff during the tabulation process (e.g., entering the unit cost as \$337 instead of \$377 or \$16 instead of \$160). Overall, the impact of the input errors was as follows:

1. A bid was understated by \$90,000 while being \$217,418 higher than the winning bid.
2. A bid was understated by \$51,120 while being \$871,792 higher than the winning bid.
3. A bid was overstated by \$10,000 while being \$585,590 higher than the winning bid.
4. A bid was overstated by \$7,200 while being \$67,835 higher than the winning bid.
5. A bid was overstated by \$30 while being \$1,072,532 higher than the winning bid.

Recommendation to Finding 1-1

We recommend that Procurement work to have a process in place that ensures proper calculation on the front-end (e.g., bid pricing information being input by the bidder directly into the procurement system, which is then calculated by the system, or a spreadsheet being provided to the bidder to submit the bid pricing that is set-up in a manner that prevents calculation errors). In the meantime, we recommend that the bid tabulations be recalculated and signed-off by two employees of the Procurement Division and not approved until the two amounts agree in total for each bid.

Procurement Division Response to Finding 1-1

Agree Disagree Partially Agree

This is a process that can be easily implemented within procurement, with two Analysts performing the calculations before validating and sending them to the using agency for recommendation. This issue will self-correct once formal sourcing is built into ICloud. It will allow suppliers to input pricing directly into the system and the system will conduct the calculations, eliminating human error.

Finding 1-2 – Missing Signed Procurement Rules Affidavits

We found some members of the procurement committees approved awards without signing the affidavit that affirms the member will adhere to the Florida Sunshine Law, Procurement Code, and Ethics Code. Per the Procurement Division, the affidavit was instituted in 2016. This document required members of the procurement committees to read the document and sign an affidavit stating they would carry out the functions as described in the document. It appeared that the policy was to have the members sign this affidavit just once when they became a member of the committee. For 16 of 17 (or 94%) awards made after the affidavit was implemented, at least one committee member had not yet signed the affidavit.

Recommendation to Finding 1-2

We recommend that the Procurement Division ensure that all members of the procurement committees sign the affidavit that they have read and understood the “Procurement Committee Rules & Guidelines.” Additionally, the Procurement Division should obtain an updated signed version from each member on a periodic basis (e.g., annually).

Procurement Division Response to Finding 1-2

Agree Disagree Partially Agree

The Procurement Committee Procurement Rules and Guidelines was created by procurement as nothing existed previously to provide guidance to committee members. It took time to implement and acquire signatures from all members. We initially began implementing this by just covering the details of the document via a presentation with incoming or incumbent members and did not

require a signature. Procurement eventually started requiring a signature and has cured and is up to date on this finding.

Finding 1-3 – Bid Advertisements Not in Compliance with Florida Statutes

Per Florida Statute 255.0525(2), “the solicitation of competitive bids or proposals for any county, municipality, or other political subdivision construction project that is projected to cost more than \$500,000 shall be publicly advertised at least once in a newspaper of general circulation in the county where the project is located at least 30 days prior to the established bid opening.”

We found that 3 of 21 (or 14%) projects with an estimated cost of over \$500,000 were not originally advertised at least 30 calendar days before the advertised bid opening. Subsequently the bid opening date was delayed for two of the projects past the 30 calendar day requirement; however, that does not change the fact that the advertisement was placed incorrectly in the newspaper.

Recommendation to Finding 1-3

We recommend the Procurement Division ensure all invitation to bid advertisements comply with all notice requirements.

Procurement Division Response to Finding 1-3

Agree Disagree Partially Agree

Procurement agrees the advertisements were placed incorrectly in the newspaper. After the posting of these notices, it was discovered that the established bid opening dates were incorrect based on the dollar threshold, resulting in procurement issuing an addendum correcting the dates and advertising for the required 30 days. The implementation of formal sourcing in ICloud will assist with managing these notices, eliminating the human factor. Procurement will also conduct additional training with the bid room.

Finding 1-4 – Procurement Documentation Not on File

We found various issues with the retention of documentation in procurement files.

- 5 of 18 (or 28%) applicable procurement files did not have a capital improvement program verification form on file. Per Procurement’s Quick Reference Guide, a verification form needs to be submitted for any projects listed in the capital improvement program and estimated to be \$200,000 or more.
- 21 of 25 (or 84%) bid specifications did not have an approval by the Risk Management Division of the insurance requirements on file. Per the Procurement Manual Section VII(C) on formal purchases, the using agency must obtain the written approval from the Risk Management Division regarding insurance and indemnification requirements applicable to the project when procurement is done through the Competitive Sealed Proposal Evaluation Committee. Of 25 bid specifications, 9 were procured via the

committee, of which 5 did not have approval from Risk Management on file. While we did not find the same requirement in the Procurement Manual for the remaining 16 items, based on Section 128.601 (a)(2) of the Municipal Code it appears that Risk Management approval was also required for those items while none had the approval on file.

- The winning bid for 1 of 28 procurements reviewed was missing a completed and signed form named “Full and Fair Consideration of Ex-Offenders for Awarded Contractor Direct Hiring” that was required per bid specifications. Two other companies that were interested in this project and submitted a bid signed and included such form in their bids. On the form, it is stated that failure to submit the form at the time of bid submission may be grounds for determining a bid submission as “non-responsive,” resulting in rejection of non-responsive bid(s). This requirement is driven by Municipal Code Sec. 126.112(c) which states that no contract in an amount of \$200,000 or greater for construction, remediation, or capital improvements shall be awarded unless the Contractor agrees in writing on a bid form provided by the City to certain conditions related to ex-offenders’ employment.

Recommendation to Finding 1-4

We recommend that Procurement Division ensure that all steps of the procurement process are properly followed and documented.

Procurement Division Response to Finding 1-4

Agree Disagree Partially Agree

Procurement understands the appearance from an audit standpoint and will work to make sure capital improvement program verification forms, Ex-Offender forms, and Risk Approvals are received and incorporated in the appropriate bid files, being the custodians of these files. Formal implementation in 1Cloud will cure this finding as these files will be digitized, uploaded and will not be subject to misplacement by citizens and using agencies inspecting the files.

Procurement will also work with Risk in the development of procedures for when and what type of approvals are needed when soliciting goods and services, and when standard Risk pre-approved templates can be used by procurement.

Finding 1-5 – Change Orders Approved After Contract Expiration Date

It is not uncommon for a construction contract to be extended via a change order. We found that 9 of 82 (or 11%) change orders/renewals/amendments were approved after the contract had expired based on the original expiration or revised expiration date, as applicable. Of those 9 change orders approved after expiration, 6 had expired before the change order was even initiated.

Recommendation to Finding 1-5

We recommend that Public Works Department initiate change orders before contract expiration with enough time left for all the parties to sign off on an approved change order before the contract expires.

Public Works Department Response to Finding 1-5

Agree Disagree Partially Agree

The Public Works Department is not currently processing time only change orders on contracts due to the volume of transactions that would be required. We will work with the Office of General Counsel to modify the definition of Contract Expiration Date in the specifications to ensure a contract is in effect throughout the life of the project. This will include an allowance of time to process change orders before the contract expires.

Finding 1-6 – Requests to Use Design-Build Method Did Not Include Required Information

The Procurement Manual required requests for design-build projects (where only one contractor is responsible for both design and construction) to include sufficient justification as to why this method is preferred, a statement that outlines the specific method to be used, and a graphic comparison that demonstrates that it is more advantageous.

We reviewed five requests and found that:

- Four of five (or 80%) requests did not appear to provide sufficient justification.
- Two of five (or 40%) requests did not include a statement on the specific method.
- Five of five (or 100%) requests did not provide a graphic comparison.

Recommendation to Finding 1-6

We recommend the Public Works Department follow the Procurement Manual requirements and the Procurement Division enforce those requirements.

Procurement Division Response to Finding 1-6

Agree Disagree Partially Agree

2 of 5 (or 40%) did not include a statement on the specific method to use for awarding the bid:

This is required if a specific method is chosen, in many instances the Using Agency will work with the Procurement Analyst to help make that determination after the request is made.

5 of 5 (or 100%) did not provide a graphic comparison of the time, costs, and risk between procurement methods.

This is unnecessary and the requirement will be removed in the next version of the manual.

Four of five (or 80%) requests did not appear to provide sufficient justification.

Procurement understands the appearance from an audit standpoint and will work to make sure sufficient justifications are received and incorporated in the appropriate bid files, being the custodians of these files. Formal implementation in ICloud will cure this finding as these files will be digitized and uploaded and will not be subject to misplacement by citizens and using agencies inspecting the files.

Public Works Department Response to Finding 1-6

Agree Disagree Partially Agree

The Public Works Department will standardize the language on design-build procurement requests and address this issue in the new procedures to ensure all required elements are included.

Finding 1-7 – Award Criteria Unclear

We found 1 of 25 (or 4%) bid specifications included two conflicting grading criteria. In one standard section it was stated that the lowest cost bidder would be awarded (preferred method for the City), and in the other section that related to the federal funding, it was stated that the bidders would be ranked on a scale from 0 to 100 and the one with the most points would be awarded. The winner was picked based on the lowest cost (City’s preferred method). Since there was only one qualified bidder, it appears that possible noncompliance with the federal requirements was avoided.

Recommendation to Finding 1-7

We recommend the Public Works Department and Procurement Division ensure bid specifications do not contain conflicting award criteria so it is clear how a winner will be selected.

Public Works Department Response to Finding 1-7

Agree Disagree Partially Agree

Federally funded awards will be addressed in the new procedures and the Public Works Department will work with the Procurement Division to ensure there are no conflicting grading criteria in bid specifications going forward.

Procurement Division Response to Finding 1-7

Agree Disagree Partially Agree

When developing the solicitation documents, Procurement reviews the recommended scope, specifications, minimum requirements, and award criteria to ensure there are not any conflicting language in the solicitation documents, particularly as it relates to state & federal requirements

that are included in the bids. Procurement will conduct more training of staff and reenforce that all bids include a basis of award or award of contract that states the award will be to the lowest responsive, responsible bidder for invitations to bid and invitations to quote or award will be to the highest scoring bidder based on the criteria set forth in Attachment B of the specifications for request for proposals, as well as the requirements in state and federal grants.

Finding 1-8 – Issues with Performance and Payment Bond Requirements

We reviewed the bid specifications for performance and payment bond requirements for consistency and found that:

- 7 of 19 (or 37%) bid specifications with bond requirements did not require a bond agency to be approved by the Risk Management Division.
- 12 of 12 (or 100%) awards where bid specifications required an approval of bond surety by the Risk Management Division, a bond agency was not approved by the Risk Management Division. The Risk Management Division explained that it did not get involved in this process.

Recommendation to Finding 1-8

We recommend that the Procurement Division work with the Risk Management Division to determine when payment bond requirements need to be included in bid specifications and what procedures need to be followed by the Procurement Division and/or the Risk Management Division based on the circumstances.

Procurement Division Response to Finding 1-8

Agree Disagree Partially Agree

7 of 19 (or 36.8%) RPFs did not require the bond surety to be approved by Risk Management.

This is old language that needs to be removed from the template. Procurement will also work with Risk, Office of General Counsel, and the Using Agency to develop clear procedures on variuos roles and responsabilites as it relates to bond surety requirments.

12 of 12 (or 100%) awards (where bid specifications required an approval of bond surety by the Risk Management Division), a bond surety was not approved by the Risk Management Division (per Risk, they did not get involved in this process).

This is old language that needs to be removed from the template. Procurement will also work with Risk, Office of General Counsel, and the Using Agency to develop clear procedures on variuos roles and responsabilites as it relates to bond surety requirments.

Finding 1-9 – Issues with Certificates of Insurance

We reviewed the certificates of insurance on file for the winning bidders and found that there was not a certificate of insurance on file with the Procurement Division for 3 of 24 (or 13%). Of the 21 with a certificate of insurance on file with the Procurement Division, we found that 10 (or 48%) of the certificates did not meet at least one of the insurance requirements listed in the bid specifications:

- worker's compensation and employer's liability coverage requirements not met (2 instances)
- builder's risk coverage requirements not met (3 instances)
- pollution liability coverage requirements not met (1 instance)
- design professional liability coverage requirements not met (1 instance)
- certificate of insurance was not endorsed to the City of Jacksonville (1 instance)
- certificates of insurance did not include the requirement that 30-days' notice of cancellation be given (7 instances)

It should be noted that we found no issues with certificates that were approved by the Risk Management Division (6 certificates that we reviewed were approved by the division).

Recommendation to Finding 1-9

We recommend the Procurement Division work with the Risk Management Division to create policies and procedures to assign responsibility and detail the process to help ensure certificates of insurance are being handled properly. This would include who is responsible for reviewing the documents.

Procurement Division Response to Finding 1-9

Agree Disagree Partially Agree

Procurement agrees on the need for developing standard operating procedures addressing the process for collection of certificates of insurance. Procurement will work with Risk, Office of General Counsel, and the Using Agency to develop such procedures.

Finding 1-10 – Issues with Bid Bonds

When bidding for a contract, a company must usually submit a bid bond which is usually 5% of the bid amount. A template for the bid bond was usually provided in the bid specifications. We found issues with bid bonds for 4 out of 18 (or 22%) procurements (none were related to the bidders who won a contract, but all were accepted bids):

- 1 was missing a bid bond.
- 1 included a bid bond without the Power of Attorney document showing that a person who signed the bid bond as surety was appointed by the surety company to represent the company.
- 2 included bid bonds that were not on the bid bond form in the bid specifications.

Recommendation to Finding 1-10

We recommend that the Procurement Division ensure that all accepted bids include all required documentation.

Procurement Division Response to Finding 1-10

Agree Disagree Partially Agree

Agree, procurement does this and annotates it on the bid tabs. Per the Procurement Manual, when determining responsiveness to a solicitation or whether minimum requirements have been met, Procurement staff will conduct an administrative review for nontechnical compliance with the solicitation requirements, to include the review of the bid bonds. This is primarily related to non-subjective or non-technical components. Technical review for compliance will be the responsibility of the Subject Matter Expert for the Using Agency.

Opportunity for Improvement 1-1 – Standard Forms and Requirements for Bid Specifications

When the City was seeking bids from contractors for a new project, bid specifications with detailed information and requirements were made available to interested parties. Bid specifications for different construction projects typically included the same standard forms and requirements. However, we found that 10 of 25 (40%) bid specifications for awards tested were missing various standard forms and requirements that were included in most bid specifications. The following were some of the forms and documents we did not find:

- Sample contract (1 instance)
- Payment bond form (5 instances)
- Application for payment (6 instances)
- Affidavit for final payment (6 instances)
- Certificate of substantial completion form (6 instances)
- Surety release letter (6 instances)
- Notification of improvements in progress form (6 instances)
- Contractor’s daily report form (6 instances)
- Request for information form (5 instances)
- As-built certification form (5 instances)
- Executive Order 2013-05 about change orders (1 instance)
- Executive Order 98-01 about disputes (7 instances)
- Ex-offender hiring consideration form (2 instances)
- No bid form (3 instances)

Also, the bid specifications for 14 of the 22 (or 64%) contracts and purchase agreements tested did not include a requirement for the timely submission of invoices. Requiring contractors to submit invoices in a timely manner provides better conditions for the City to resolve any disputes.

Recommendation to Opportunity for Improvement 1-1

We recommend the Procurement Division create a standard set of forms and requirements and then implement a mechanism to ensure that these forms and requirements are included in all bid specifications as applicable. This mechanism could be a checklist that requires explanations for why items are excluded, as applicable.

Procurement Division Response to Opportunity for Improvement 1-1

Agree Disagree Partially Agree

Procurement is currently building these features into the formal solicitation templates in 1Cloud.

Opportunity for Improvement 1-2 – Audit Rights and Record Retention Requirements

During our review of bid specifications and contracts to confirm the City’s audit rights and required record retention of the vendor were included in the agreements, we found the clauses were inconsistent. Overall, we recommend the Procurement Division create standard language that can be utilized in all contracts or all of a certain type of contracts based on the given circumstances. Differences in terms that we found included length of record retention (e.g., 3 years, 5 years, indefinitely) and what the City has access to e.g., (computer discs, documents, reports, timesheets, payroll records). For instance, some specifically mentioned access to computer disks and copies of all other documents versus others also requiring the ability to interview contractor and subcontractor employees.

Recommendation to Opportunity for Improvement 1-2

We recommend the Procurement Division (in consultation with the Office of the General Counsel) develop a standard clause for audit rights and record retention to include in all bid specifications (and contracts) or at least a template with a description of which situations that it should be used in.

Procurement Division Response to Opportunity for Improvement 1-2

Agree Disagree Partially Agree

Procurement is currently building formal solicitation templates in 1Cloud which include an Audit provision.

Opportunity for Improvement 1-3 – Scorecards Signed by Graders

When a contract is awarded to the highest graded bid instead of the lowest-cost bid, selected employees graded the proposals submitted by bidders based on grading criteria listed in bid specifications. These employees filled out a scorecard where a score was calculated for each bidder. There was no requirement or a specific field on the form for a signature; however, it

would be a good practice to require the grader to sign the form to take ownership of their particular scores given and provide better transparency.

Recommendation to Opportunity for Improvement 1-3

The Procurement Division should require any scorecards submitted by departments to be signed by the graders.

Procurement Division Response to Opportunity for Improvement 1-3

Agree Disagree Partially Agree

This is a current practice that needs to be reinforced. The Procurement Manual will reflect this during the next revision.

Opportunity for Improvement 1-4 – Affidavits for Bid Graders

Unless the City employees who graded bids were a member of the procurement committees, they were not required to sign an affidavit that affirms they would adhere to the City’s procurement rules. Per the Procurement Division, they were only verbally made aware of the Florida’s Sunshine Law.

Members of the procurement committees were required to sign an affidavit that affirmed the member read and understood the Procurement Committee Rules and Guidelines that cover the Florida Sunshine Law, Procurement Code, and Ethics Code (See Finding 1-2). Those rules and guidelines specifically explained that committee members must, for example:

- Refrain from discussing any aspect of a procurement item they would be voting on with another member except for in a publicly noticed committee meeting
- Disclose any personal interest in any potential vendor
- Contact a vendor only through the Procurement Division
- Evaluate bids as fairly as possible and set aside all prejudices
- Maintain confidentiality of items marked as “confidential” or “trade secret” by a vendor
- Not disclose any of the contents of a bid or their preliminary conclusions regarding such bid, except in a public meeting

Recommendation to Opportunity for Improvement 1-4

The Procurement Division should consider updating the bid evaluation form to include a statement that graders adhere to the Procurement Committee Rules and Guidelines (major points of which could also be listed on a form) or at least create a separate form applicable to non-committee member graders that could be signed off on periodically.

Procurement Division Response to Opportunity for Improvement 1-4

Agree Disagree Partially Agree

Procurement will include recommended statement on our evaluation forms.

Opportunity for Improvement 1-5 – Establish a Required Number of Graders

The City did not have any requirements on the number of graders who evaluate submitted bids. For example, the emergency debris management contract was a multimillion-dollar contract, but the bids submitted by interested contractors were scored by only two employees.

Recommendation to Opportunity for Improvement 1-5

The City should adopt a requirement for a minimum number of graders for reviewing proposals for purchases based on certain monetary thresholds.

Procurement Division Response to Opportunity for Improvement 1-5

Agree Disagree Partially Agree

Pending the availability of using agency resources, Procurement would like to adopt a requirement for a minimum of 3 evaluators for all evaluated bids. We would also like to see the evaluators change over a period of time if possible, pending the availability of using agency resources.

AUDIT OBJECTIVE 2

To determine if payments to the construction contractors were consistent with the contract, properly supported, properly authorized, accurately calculated, and timely paid.

Finding 2-1 – Change Order Work Paid Before Change Order Was Approved

Of the 149 invoices in our sample, 75 invoices were related to contracts that had change orders. We found that some of the costs included in 7 of those 75 (or 9%) invoices were related to the subsequent change orders, which were paid before the change orders were approved. The portion of those 7 invoices associated with change orders approved after payment totaled \$1,498,998.

This issue appears to be related to Finding 1-5 where we found that some change orders were approved after the contract had expired based on the original expiration or revised expiration date.

Recommendation to Finding 2-1

We recommend the Public Works Department ensure no payments are made for work related to change orders until after the change order is properly approved. Additionally, change orders should be properly approved prior to the work being performed, but, if not possible, the reason it could not be approved prior to the work being performed should be documented in the change order request.

Public Works Department Response to Finding 2-1

Agree Disagree Partially Agree

Approval and payment of change orders will be addressed in procedures. If work must be performed before change order execution, the circumstances will be documented on the change order request.

Finding 2-2 – Prices Charged Did Not Match Contract Prices

Of the 129 invoices with unit prices, 3 (or 2%) invoices had unit prices that did not agree to the amounts in the contract. These payments were all related to the demolition of unsafe properties contract that was managed by the Municipal Code Compliance Division.

Per the division, an increase in the cost of the City’s construction permits made the contract economically unviable for the contractor, so the rates were adjusted. However, it appears that the adjustment performed by the Municipal Code Compliance Division did not go through the Procurement Division and was not approved by the applicable awards committee as required by Section 126.201(d)(7) of the Municipal Code. Those three invoices amounted to \$45,560 while \$19,273 (or 42%) of that amount was due to the adjusted rates.

Recommendation to Finding 2-2

We recommend the Municipal Code Compliance Division adhere to the Municipal Code and use the Procurement Division processes to make changes to the executed contracts.

Municipal Code Compliance Division Response to Finding 2-2

Agree Disagree Partially Agree

The employees that may have bypassed the procurement process previously are no longer with the division. The Municipal Code Compliance Division (MCCD) will discuss all contractual deviations, discrepancies, or disagreements with the procurement division before attempting to change any contracts.

Finding 2-3 – Issues with Payment Authorization

In reviewing the supporting documentation on file with the Accounting Division for the payment requests and invoices, we found the following issues:

- 11 of 127 (or 9%) invoices did not have a signature from an inspecting consultant employee as required.
- 7 of 127 (or 6%) invoices with a checklist on file were not signed by a Public Works Department’s manager.

Recommendation to Finding 2-3

The Public Works Department should establish standard operating procedures that would describe the process for reviewing and approving payment requests and invoices and should also ensure that those procedures are followed.

Public Works Department Response to Finding 2-3

Agree Disagree Partially Agree

Review and approval of payment requests and invoices will be addressed in procedures, to include the number and level of required approval signatures.

Finding 2-4 – Payments Not Made in a Timely Manner

We found 42 of 149 (or 28%) invoices were not paid in a timely manner. The City is required to make timely payments pursuant to the Florida Prompt Payment Act and by bid specifications, as applicable. The invoices that were paid late were on average paid 31 days after the applicable due date. The timing delays appeared to mainly be caused by delays before the documentation was submitted to the Accounting Division. Invoices were not date stamped as received in all instances, so it was difficult to determine the exact cause and length of delays in each area for each invoice.

Recommendation to Finding 2-4

We recommend the Public Works Department (responsible for 36 of 42 issues) and Municipal Code and Compliance Division (responsible for 6 of 42 issues) ensure they are completing their review in an amount of time that ensures requirements of the Florida Prompt Payment Act and/or bid specifications are able to be followed. We also recommend that the Public Works Department ensures that all parties, including third-party inspecting consultants and Public Works Department’s employees stamp any invoices with the date received as required by the Florida Prompt Payment Act. If support provided with an invoice is inadequate and a request for additional information is made, a note should be added on the invoice.

The Public Works Department and the Procurement Division should also consider using Florida Statute requirements in the bid specifications to make timeliness requirements uniform across the

projects and therefore improve the likelihood of compliance with the Florida Prompt Payment Act.

Public Works Department Response to Finding 2-4

Agree Disagree Partially Agree

Review and approval of payment requests and invoices will be addressed in procedures, to include processing in a timely manner and date stamping invoices to allow accurate tracking. If payment requests or invoices are received electronically, the email date will serve as date received. When payment support received from the contractor is inadequate, notes will be made on the invoice to specify the date and information requested.

The Public Works Department will work with the Procurement Division and discuss the possibility of using Florida Statute requirements in bid specs to promote consistency.

It should be noted that a significant number of the payments tested had invoice dates that fell within the first half of calendar year 2020. The City implemented a new ERP system and directed staff to begin working remotely in March of that year due to the pandemic. The test period was not reflective of normal operations.

Municipal Code and Compliance Division Response to Finding 2-4

Agree Disagree Partially Agree

The Municipal Code Compliance Division (MCCD) will complete our review timely, stamp all invoices when they are received, and provide any notation to the invoice when the payment is delayed for any reason.

Finding 2-5 – Mark-up Amount Not Discretely Disclosed

The contract for design-build services for horizontal design-build projects was a blanket contract that used contract amendments to release funds for specific projects. The bid specifications included the percentages the contractor was allowed to charge as mark-up based on the total cost of the project (i.e., 15% for projects under \$100,000, 10% for projects between \$100,000 and \$500,000, and 7.5% for projects over \$500,000).

We found the amendment only included the cost as a lump sum amount in the supporting documentation for 5 of 21 (or 24%) amendments. Therefore, it was not clear how much was charged as mark-up by the contractor and whether the mark-up amount was consistent with the bid specifications.

Recommendation to Finding 2-5

We recommend the Public Works Department ensure that mark-up information and amounts are clearly stated in the procurement documentation (i.e., amendment) and compliance with the bid specifications (or contractual requirements) is verified.

Public Works Department Response to Finding 2-5

Agree Disagree Partially Agree

The Public Works Department will address the need to include a breakout of costs on all procurement documentation so adherence to contract terms can be verified. This will be included in procedures.

Finding 2-6 – Notice to Proceed Not on File

After the procurement process is completed and the Public Works Department is ready to start the project, a notice to proceed is issued to a contractor to provide notice for them to start the project. This notice was missing for projects related to 5 of 96 (or 5%) invoices tested. These payments were related to five contract amendments for the design-build services where each contract amendment was usually for a separate project.

Recommendation to Finding 2-6

We recommend that the Public Works Department issue all notices to proceed in writing and that copies of the notices be kept in a centralized location.

Public Works Department Response to Finding 2-6

Agree Disagree Partially Agree

All of the exceptions noted are for projects completed under a design-build contract. A notice to proceed (NTP) was not previously required for the design portion of the project. One of the exceptions noted was for an emergency, so the NTP was likely given verbally. Going forward, all NTPs will be issued in writing, or documented in writing when given verbally. NTPs are now required for the design portion of design-build projects and the new procedures will reflect this.

Internal Control Weakness 2-1 – Retainage Not Being Tracked in Financial System

Per discussions with the Public Works Department, the City’s new accounting system was not tracking retainage for the construction projects. In the City’s previous accounting system, a department would process the full amount of the invoice. Part of it was paid out to the vendor, and the required percentage was held as retainage. For example, if a \$100,000 invoice had a 10% retainage requirement, the department would enter \$100,000 and the system would pay the vendor \$90,000, with \$10,000 being held for the retainage payment and recorded as a liability.

In the new system, this was not done. As of March 2021, the Public Works Department would calculate the amount of a payment request that was to be held as retainage and subtract that amount from the amount to be paid. For example, if a \$100,000 invoice had a 10% retainage requirement, the department would process a payment for \$90,000. The department would then make the retainage payment in full when a project was completed. No liability (or expense) for the \$10,000 would be recorded. This meant the system was not properly tracking the amount owed on (or expenses for) a contract. Without these amounts being properly tracked outside of the accounting system, this could also result in the not to exceed amount of the contract needing to be exceeded when it comes time to make the retainage payment.

Recommendation to Internal Control Weakness 2-1

The Public Works Department and Accounting Division should implement a process for tracking retainage amounts withheld and corresponding liabilities in the system.

Public Works Department Response to Internal Control Weakness 2-1

Agree Disagree Partially Agree

The Public Works Department has also expressed concerns that the new accounting system does not allow for tracking of contract retainage. We will work with the Accounting Division to implement a process for recording retainage properly.

Accounting Division Response to Internal Control Weakness 2-1

Agree Disagree Partially Agree

Accounting agrees with tracking retainage payments within the new system and has implemented a 1Cloud process to document retainage payments. When an invoice is submitted to the City of Jacksonville that has a retainage percentage associated with it, the department receipts the full amount of said invoice against the PO. Once the invoice is submitted to Accounting for payment, Payables will then pay the net amount to the supplier, post the full amount to the PO, and move the retainage amount to the retainage liability account. Once the project has been completed, the department would instruct Accounting to payment the retainage balance from the liability account.

Opportunity for Improvement 2-1 – Improving Public Works Payment Request Memo

The current memorandum used by the Public Works Department to support a project payment could be improved to make the amount requested clearer. The request memorandum generally listed balances for each of the following line items in this order:

- Original Contract Amount
- Change Order Amount
- Revised Contract Amount
- Previous Payments
- Amount Due to Contractor

- Retainage
- Total Payments to Date
- Contract Balance

Overall, the amount that is being requested to be paid is in the middle of all of the other information without any different formatting to help highlight it. Additionally, there are other items that are not clear as to what they are intending to show (e.g., total payments to date calculation including the amount being requested in the total). All of the categories are probably needed, and information is useful for review and approval purposes, as well as planning. However, a different set up including naming could be used that could be more logical and visually easier to follow. This will decrease the likelihood of errors during the payment process since any employee who is reviewing this memo would better understand and more easily follow the information presented.

Recommendation to Opportunity for Improvement 2-1

The Public Works Department should update the template for the payment application memorandum used to request a payment as described above.

Public Works Department Response to Opportunity for Improvement 2-1

Agree Disagree Partially Agree

The Public Works Department will revise the payment request form for clarity. We will work with the Accounting Division as the current process requires that invoices and payment requests be electronically uploaded into the accounting system. We need to ensure that any changes are accurately and efficiently read by the system as well.

SUPPLEMENTAL ISSUES

Supplemental Finding 1 – Required Ex-Offender Reports Not Submitted

Within our testing, it was common for a contract to have a requirement about use of ex-offenders, and the compliance with the requirement was to be reported. We found that the payment support for 30 of 127 (or 24%) invoices for contracts with ex-offender requirements did not include the required ex-offender compliance report.

Recommendation to Supplemental Finding 1

We recommend that the Public Works Department establish standard operating procedures that include verifying the ex-offender compliance reports are submitted with the invoice.

Public Works Department Response to Supplemental Finding 1

Agree Disagree Partially Agree

Revised procedures will incorporate use of a checklist to ensure that all required documentation is included before payment is approved and processed.

Supplemental Finding 2 – JSEB Program Compliance Reporting Issues

The Equal Business Opportunity Office reviews the bid specifications for construction projects and recommends the participation goals for the Jacksonville Small and Emerging Businesses for each bid to the Procurement Division. The contractor must submit a monthly report on the usage of Jacksonville Small and Emerging Businesses (JSEBs) if a goal was included in the bid specifications, and the Equal Business Opportunity Office tracks such usage in a spreadsheet.

We found the following issues for the 14 contracts that had JSEB requirements:

- Per the City, monthly reports were not submitted from the contractor for 1 of 14 (or 7%).
- The final monthly report from the contractor for 9 of 13 (or 69%) contained cumulative JSEB participation rates that did not match the rates in the spreadsheet tracked by the EBO Office. We were not provided an explanation for the discrepancy.
- The final monthly report from the contractor for 5 of 13 (or 38%) listed JSEB participation rates that did not meet the requirements per the contract. Per the Equal Business Opportunity Office, they did not enforce compliance in the past. We were informed while we were working on this audit, that they started to monitor compliance and would flag a company if a goal is not met.

Additionally, per the Equal Business Opportunity Office, they did not verify if Jacksonville Small and Emerging Businesses received the amounts listed in the monthly reports submitted to the City by contractors. While there does not appear to be a requirement for such verification, it would be a good practice to verify accuracy of the data reported by contractors on a sample or periodic basis.

Recommendation to Supplemental Finding 2

We recommend the Equal Business Opportunity Office establish a procedure for monitoring compliance of the reported data with the bid specifications.

Procurement Division Response to Finding 2

Agree Disagree Partially Agree

The Equal Business Opportunity Office agrees with the recommendation and will establish procedures to ensure monitoring and compliance in this area.

Supplemental Finding 3 – Municipal Code on JSEBs Not Being Followed

Municipal Code Section 126.615(e) required the City to notify the Jacksonville Small and Emerging Businesses (JSEBs) subcontractors when the prime contractor was paid. The prime contractors must then pay the JSEB subcontractors within three days of receiving City funds and must notify the City of the payments. However, it appears these notification requirements were not being followed.

Recommendation to Supplemental Finding 3

Based on the municipal code requirements, we recommend the Equal Business Opportunity Office work with Public Works and the Accounting Division on processes to ensure these requirements are being followed.

Procurement Division Response to Supplemental Finding 3

Agree Disagree Partially Agree

The Equal Business Opportunity Office will work with Public Works and Accounting to establish a process. The Equal Business Opportunity Office is currently receiving this information straight from the Jacksonville Small and Emerging Businesses.

Supplemental Opportunity for Improvement 1 – Procedures on Input Information for Invoices

The City’s new financial system would not allow the same invoice number to be entered twice for the same vendor and purchase order to prevent duplicate payments. However, this control is bypassed if invoice numbers are entered in an inconsistent manner (e.g., “Invoice #1” entered as “1”, “Invoice #1”, and “Invoice 1”). We inquired if this topic was addressed in the Accounting Division’s standard operating procedures topic and found that it was not at the time of our testing.

Another data input issue we noticed was inconsistencies with invoice dates. We found that the invoice date listed in the system did not always agree to the date listed on the actual invoice. We found that 22 of 36 (or 61%) invoices that were processed in the City’s new financial system appeared to have an incorrect invoice date. Per the Accounting Division, the invoice date field would be either prefilled by the system when the invoice was scanned or input by the Accounting Division’s staff if an invoice was not properly scanned. There seemed to be some issue with the invoice date being input as the invoice date on the invoice or sometimes input as the received date. We inquired as to whether this topic was addressed in the Accounting Division’s standard operating procedures and were informed that it was not.

Recommendation to Supplemental Opportunity for Improvement 1

We recommend that the Accounting Division update its standard operating procedures to address inputting invoice numbers and dates into the system. Also, the Accounting Division should

verify that the invoice numbers and dates are correctly scanned by the system.

Accounting Division Response to Supplemental Opportunity for Improvement 1

Agree Disagree Partially Agree

Accounting agrees and has developed a standard operating procedure (SOP) for creating and processing invoices that addresses and outlines how the invoice numbers should be keyed into Payables and which date to use when processing the invoices. This SOP states that the invoice number keyed in ICloud should match exactly to what is on the invoice from the supplier. It also states the date should match the date on the invoice, not the date created in ICloud. As for the scanning, Accounting has upgraded to the Intelligent Document Reader (IDR) in ICloud. The IDR is an interactive learning software that teaches the ICloud system where the information is located on the invoices and the format.

Supplemental Opportunity for Improvement 2 – Planning and Budgeting for Resurfacing

Overall, there appear to be some opportunities for improvement related to planning and budgeting for roadway resurfacing. Municipal Code Section 106.219 states that a minimum of \$12 million (with a target of \$18 million) should be budgeted annually for resurfacing. The City has been in compliance with this requirement, and plans have been made to budget up to \$27 million for FY 2023/24 and FY 2024/25, but reduce to \$18 million after that. However, it is not clear if these amounts are sufficient to address the City’s resurfacing needs as described below.

Benchmarking – Average Road Life Expectancy

As of October 2019, Jacksonville had 3,738 miles of roads to maintain per the Public Works Department. From FY 2015/16 to FY 2019/20, the City resurfaced on average 45 miles per year per the Public Works Department. At this rate, if no changes are implemented, a road will be resurfaced on average every 80 plus years (3,738 miles of road maintained divided by 45 miles resurfaced per year). The average lifespan of an asphalt road is 15-20 years, per the Florida Department of Transportation Design Manual. Using this information as a benchmark, the City would have to resurface between 187 and 249 miles per year. The average cost to resurface one mile of road was \$225,000 in 2020, per the Public Works Department. To meet the goal of resurfacing every road every 15-20 years, the annual resurfacing budget would need to be between \$42 million and \$56 million based on that information.

Benchmarking – Average Road Condition

One approach that some cities have chosen to prioritize roads is based on deciding in what shape an average road should be. Pavement Condition Index (PCI) is often used by municipalities to assess their roads. Using this approach, a municipality would pick an index value for an average road as a goal and budget each year accordingly. The City of Jacksonville used this index for rating roads. However, not every road in the City is rated. Typically, the rating will only occur after complaints are filed with the City. Then the City will use this ratings data to determine which roads to resurface starting with the lowest rated and working up from there until all funding is exhausted. Additionally, the Public Works Department stated that there was no index goal for an average road that the City was trying to maintain or achieve.

Additional Improvement – Increased Use of Microsurfacing

Additionally, once the quantitative goal is considered by the City, the City needs to consider maximizing the use of micro-surfacing in order to make the road maintenance process more cost effective. The microsurfacing extends the life expectancy of low speed/volume residential streets and reduces overall maintenance costs for such roads.

Recommendation to Supplemental Opportunity for Improvement 2

The City should consider adopting a quantitative resurfacing goal to assist in determining how much funding is needed and which roads are resurfaced and microsurfaced each year.

Public Works Department Response to Supplemental Opportunity for Improvement 2

Agree Disagree Partially Agree

During FY 2021, the Public Works Department began a new process of evaluating every City of Jacksonville owned roadway once every two years using an automated rating system. The first pass has been completed. We will continue to use this methodology and will utilize micro-surfacing where practical and beneficial. Our resurfacing budget has increased significantly in recent years under the Curry Administration and has allowed more roadways to be resurfaced and micro-surfaced.

We appreciate the assistance and cooperation we received from the Public Works Department, Procurement Division, Municipal Code Compliance Division, Equal Business Opportunity Office, Accounting Division, and Budget Office throughout the course of this audit.

Respectfully submitted,

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