



AUDIT REPORT



DATE April 4, 2018

NO. 2018-001

**PLACIDA ROAD
SAFETY IMPROVEMENTS**

INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of CR775 Placida Road Safety Improvements. The purpose of the audit was to verify that contracts for the project were awarded in accordance with existing County policies and procedures and to determine that vendor invoices were supported by detailed documentation and that this documentation was properly reviewed and approved prior to payment being made.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "D. Mitchell".

Diane Mitchell
Internal Audit Director

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EXECUTIVE SUMMARY

Internal Audit completed the review of CR 775 Placida Road Safety Improvements (Project c410521) from Rotonda Boulevard West to the Cape Haze Causeway. This multi-year, multi-million dollar Capital Transportation project was first proposed in 2005 and selected for inclusion in the 2008 Sales Tax Referendum with \$28 million of sales tax funds originally allocated. In 2015, the funds were reduced by \$18,693,000 that was reallocated to Gasparilla Road Widening.

This review determined that project documentation appears to be proper and that budgeted amounts, expenses/invoices and their payments, and timeframes associated with the project are reasonable and in compliance with contracts as well as supporting and approved documentation.

BACKGROUND

As first proposed, the project consisted of the widening of Placida Road from a two-lane roadway to a four-lane divided road extending from Rotonda Boulevard West to Cape Haze Drive. At that time, the primary need for the project was to enhance the corridor for a hurricane evacuation route and to accommodate increases in traffic volume/flow as a result of development/build-out in the region.

After design was completed and the land needed for right of way was acquired, the Board of County Commissioners (BCC) decided to eliminate the widening based on input of residents opposed to the road expansion. Instead, the BCC amended the project in February 2012 to include only the design and construction of safety and recreational improvements. The project's cost reduction amount generated by this amendment was diverted to the Gasparilla Road Widening.

The safety and recreational improvements included:

- A 10 foot wide multi-use (bicycle-pedestrian) path between Rotonda Boulevard West and the Boca Grande Causeway.
- Northbound protected left turn (signal) green arrow at Rotonda Boulevard.
- Left turn at Bantry Bay.
- Southbound deceleration lane at Cape Haze Drive.
- Mill and resurface between Rotonda Boulevard West and the Boca Grande Causeway.
- Northbound left turn at Panama Drive.

Project Financial Information

The project is being funded with monies from the Transportation Impact Fees, Gas Tax, and Once Cent Sales Tax 2009 Funds. The following is the project's budget information from the FY 2018 Capital Improvements Budgets / FY2018 – FY2023 and the summary of expenses from Project Status Reports in EDEN.

Sources of Funds

Source	Budget	Received	Combined Budget
Fuel Tax	\$(39,792.00)	\$0	\$(39,792.00)
Transportation Impact Fees	\$2,978,823.00	\$146,019.00	\$2,832,803.42
One Cent Sales Tax 2009	\$9,801,344.00	\$0	\$9,801,344.00
Total	\$12,740,375.00	\$146,019.00	\$12,594,355.42

Summary of Expenses

Project Area	Budget	Project Expense	Remaining Budget
Engineering / Design	\$0	\$78,469.04	(\$78,469.04)
Land/ROW acquisitions	(\$2,921,000.00)	\$1,843,071.78	(\$4,764,071.78)
Construction	\$15,661,375.00	\$5,592,615.61	\$10,068,759.39
Internal Costs (Labor)	\$0.00	\$179,079.41	(\$179,079.41)
Total	\$12,740,375.00	\$7,693,235.84	\$5,047,139.16

60% of budget expended, 40% remains.

Project Phases and Status of Completion

This project is comprised of 2 phases: Phase I Design and Permitting and Phase II Construction.

Phase I was 100% complete in December 2016 and Phase II was 49% complete at September 30, 2017 based upon contracted dates.

Construction Start Date 02/20/2017
Construction Scheduled Completion Date 05/16/2018

Project's Hired Contractors and Contracts Costs

Two main contractors were retained by the County for the execution of this project: Giffels-Webster Engineers, Inc. for Phase I and Guymann Construction of Florida, Inc. for Phase II. The following is a summary of the project's contracts costs by phase and contractor:

Design and Permitting (Phase I)

Contractor: Giffels-Webster Engineers, Inc.

Contract #: 2009000177 - Placida Road Widening – Design and Permitting

Type of Contract: Not to Exceed

Original for Design and Permitting	\$2,683,695.74
Amendment #1 – Net of addition of safety improvements/path and revised scope	(\$91,011.46)
Amendment #2 – Services related to Reclaimed and Potable Water Mains	\$269,990.00
Total Not To Exceed Price	<u>\$2,862,674.20</u>

Contractor: Giffels-Webster Engineers, Inc.

Contract #: 2013000159 - Placida Road Roadway and Pedestrian Improvements – Design and Permitting

Type of Contract: Not to Exceed

Original for Design and Permitting	\$181,620.00
Amendment #1 – Services related to Reclaimed Water and Sewer force Mains	\$177,605.00
Total Not To Exceed Price	<u>\$359,225.00</u>

Construction (Phase II)

Contractor: Guymann Construction of Florida, Inc.

Contract #: 2016000433 - Placida Road Sidewalks and Utility Construction

Type of Contract: Lump Sum

Original for Construction	\$13,407,700.03
Amendment #1 – 8” Main (Directional Drilling) and Two Hydrants	\$74,802.10
Amendment #2 – Pipe Installation at three locations using Directional Drilling	\$13,063.75
Total Lump Sum Price	<u>\$13,495,565.88</u>

The contracts signed with these 2 contractors included not only services associated with this project, but also services for several utilities projects related to reclaim water expansion, water distribution line replacement, water transmission lines, waste water mains expansion, and waste water force main replacement along the Placida Road construction area. The following is a summary of the other projects covered by the contracts:

Department	Project Number	Project Description
Utilities	c331202	1. Water Dist. Pipe Replacement Placida Rd South Water Main. 2. Water Dist. Pipe Replacement Placida Rd North Water Adj.
Utilities	c351203	1. Wastewater FM Replacement Placida Rd South WWFM.
Utilities	c351404	1. Reclaim Water Expansion Gasparilla Rd Reclaim. 2. Reclaim Water Expansion Boca Grande to Cape Haze. 3. Reclaim Water Expansion Reclaim Cape Haze to Rotonda Blvd. 4. Reclaim Water Expansion W Rotonda Blvd Reclaim.
Utilities	c350602	1. Wastewater FM WWFM Boca Grande to Cape Haze.
Utilities	c339702	1. Major Water Transmission WM Cape Haze to Rotonda. 2. Major Water Transmission W Rotonda Blvd Water Main.

AUDIT OBJECTIVES

1. Determine that the project was properly planned, budgeted, and approved according to County policies and procedures.
2. Verify that vendor contracts were competitively awarded in accordance with procurement policies and procedures.

3. Review Capital Improvement Budget information for agreement with approved project budgets, amendments, and purchase orders.
4. Verify that vendor performance was properly monitored by County management.
5. Obtain an understanding of project progression, including contracts and change orders.
6. Verify that payments to vendors and change orders were in accordance with contractual terms and conditions.
7. Determine that documentation adequately supported the Purchasing Division's file and the Clerk Comptroller's Division invoice and payment file.
8. Review project reports to determine reasonableness of sources and uses of project funds.
9. Determine that CIP expenditures were properly supported and approved by County management for in-house labor.

SCOPE

The scope of this audit included the review of documentation associated with the project from the time it was proposed in 2005 through September 30, 2017.

AUDIT METHODOLOGY

1. We reviewed:
 - a. Applicable provisions of Florida Statutes: Title XIX Public Business, Florida Statute 287-Procurement of Personal Property and Services and Florida Statute 286-Public Business: Miscellaneous Provisions; Title X Public Officer, Employees, and Records, Florida Statute 119-Public Records; Title XVIII Public Lands and Property, Florida Statute 255-Public Property and Public owned Buildings; and Title XIV Taxation and Finance, Florida Statute 218-Financial Matters Pertaining to Political Subdivisions.
 - b. Charlotte County Procurement Code.
 - c. Charlotte County Purchasing Manual.
 - d. Clerk Financial System EDEN.
 - e. Charlotte County Government website.
 - f. Project funding sources and uses.
2. We examined:
 - a. Contracts and contract documentation, including bid documents, purchase orders, contractors' pay requests and associated invoices, contract amendments, and contractors' change orders.
 - b. Capital Improvement Program information, including Capital Improvement Budgets related to the project.
 - c. Minutes of the Board of County Commissioner meetings and videos of discussions related to the project.
 - d. We examined budget and forecast reports prepared by the Fiscal Division.

3. We interviewed personnel in the Fiscal Services and Purchasing Divisions, as well as in the Clerk of Court Comptroller's Division.
4. We conducted a risk assessment and performed audit procedures as deemed necessary.

AUDIT FINDINGS

Overall, the audit determined that the project was being completed according to documented contractual terms. We found that contract documents adhered to and complied with the Charlotte County Purchasing Manual, the Charlotte County Procurement Code, County Ordinances, etc. We also confirmed that the contracts included the necessary terms and conditions that allowed the County to monitor the contractors in order to provide assurance of the quality of work performed and that the project is being completed on budget and according to schedule.

Audit concluded that disbursements/payments associated with the project were properly reviewed and approved by authorized personnel, were within budgeted amounts and were in agreement with the terms of the contracts. These payments included all of the invoices received from and paid to the two main contractors (Giffels-Webster Engineers, Inc. and Guymann Construction of Florida, Inc.) as well as a sample of invoices paid to other vendors, and a sample of charges for internal labor, tools, and materials that were provided by Public Works.

We also determined that change orders were properly reviewed and approved and that none of them included tasks that were already contained in the scope of the original contract.

ACKNOWLEDGEMENT

We would like to thank Charlotte County Fiscal Services and Purchasing Divisions and Clerk's Comptroller's Division for their assistance in completing this audit.

Audit performed by:
Orlando Solarte
Senior Internal Auditor

