

**Audit of Agreement 18PB7
with the City of Boca Raton for the
Central Boca Raton Beach Nourishment Project**

Report: A-2021DEP-006

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000

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Office of Resilience and Coastal Protection



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The Florida Department of Environmental Protection (Department), Office of Inspector General (OIG) conducted an audit of Agreement 18PB7 between the Department of Environmental Protection (Department) Office of Resilience and Coastal Protection (ORCP) and the City of Boca Raton (City) for the Central Boca Raton Beach Nourishment Project (Project). This audit was initiated as a result of the Fiscal Year (FY) 2020-2021 Annual Audit Plan.

Scope and Objectives

The scope of this audit included activities and funding associated with Agreement 18PB7 as well as other Agreements which provided related funding for Project activities.

The objectives were to:

- determine whether payments were made for activities and required deliverables in accordance with Agreement 18PB7
- evaluate management oversight and control over the City's compliance with Agreement 18PB7 and management of the Project

Methodology

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, and under the authority of Section 20.055, (F.S.). Our procedures included a review of statutory requirements, Agreement requirements, authoritative documentation, Agreement activity documentation, and interviews with ORCP and City staff.

Background

The Project is located along 1.47 miles of Atlantic Ocean shoreline between Department reference monuments R216 and R222 (northern jetty of Boca Raton Inlet). Initial restoration was

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completed in April 2004 and included the placement of 747,000 cubic yards of sand onto 1.5 miles of shoreline. The restoration also included construction of a groin and modification to the weir in the northern jetty of the Boca Raton Inlet. In March 2006, a storm damage repair project was completed in response to erosion caused by storms during the 2004 hurricane season. The 2006 event placed approximately 325,000 cubic yards of sand on the shoreline. In 2013, the Project was permitted along with the North Boca Raton Beach Nourishment Project in Joint Coastal permit (JCP) No. 0261499-004-JM and was completed in March 2017.

Funding for the Project was originally requested through the Department’s Beach Management Funding Assistance Program for FY 2015-2016. The City’s funding request estimated total Project costs to be \$9,398,600 for FY 2015-2016. The City was awarded \$1,700,000 in funding towards the Project. Agreement 16PB2, which was executed on October 19, 2016, provided funding on a cost-share basis for design, permitting, and construction of the Project, with the placement of 514,000 cubic yards of sand on the Project shoreline. Tasks, Department funding under Agreement 16PB2, and required City cost share were as follows:

Agreement 16PB2				
Task	Eligible Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Estimated Project Cost
2.0	Design and Permitting			
2.1	Beach Design	\$61,174.83	\$83,378.17	\$144,553.00
	Plans and Specifications	\$18,267.43	\$24,897.57	\$43,165.00
3.0	Construction			
3.1	Beach Nourishment	\$1,620,557.74	\$2,208,737.49	\$3,829,295.23
	Total Project Costs	\$1,700,000.00	\$2,317,013.23	\$4,017,013.23

Funding for the Project was subsequently requested for FY 2017-2018. The City’s funding request estimated total Project costs to be \$11,666,300 for FY 2017-2018. The City was awarded \$3,260,455 in funding towards the Project for FY 2017-2018. Agreement 18PB7 was executed on June 15, 2018 and included post construction monitoring tasks associated with the

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2006 storm damage repair project, and the design, construction, and post construction monitoring tasks associated with the Project’s 2017 nourishment. Tasks and Agreement funding and required City cost share for Agreement 18PB7 were as follows:

Agreement 18PB7				
Task	Eligible Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Total Project Cost
1	Design	\$86,164.00	\$117,437.13	\$203,601.13
2	Construction	\$3,116,016.00	\$4,246,970.77	\$7,362,986.77
3	Monitoring	\$58,275.00	\$79,425.85	\$137,700.85
	Total Project Costs	\$3,260,455.00	\$4,443,833.75	\$7,704,288.75

The Agreement expired on January 1, 2021. Of the total \$3,260,455 in Project funding available under the Agreement, the Department has reimbursed the City \$3,018,628.32. The Department has executed two subsequent Agreements (Agreements 19PB9 and 20PB4) for additional Project related monitoring activities.

For all tasks identified in the Grant Work Plan, the City was to provide detailed scopes of work including a narrative description of work to be completed, a corresponding cost estimate, and a proposed schedule of completion for the proposed work and associated deliverables. Through a request for proposals, the City entered into an agreement with a consultant for professional engineering services in 2008 for a five-year term. The agreement was renewed for an additional five-year term. The City entered into a subsequent agreement with the consultant in September 2019 for a five-year term. Work overseeing the engineering, design, permitting, and monitoring of the Project was tasked to the consultant through Work Orders. Construction for the Project was awarded to a construction contractor through competitive bid.

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Results

Design Tasks

Multiple Department Agreements were used to pay for the City’s consultant Work Orders and construction contract for the Project. Under Agreements 16PB2 and 18PB7, tasks for design and permitting included deliverables which in turn, funded Work Orders as follows:

Agreement 16PB2 (Executed October 19, 2016)	Project Cost per Task/ Work Order	Agreement 18PB7 (Executed June 15, 2018)	Project Cost per Task/ Work Order
(Task 2) Design and Permitting Deliverables	\$187,718.00	(Task 1) Design Deliverables	\$203,601.13
<ul style="list-style-type: none"> • Submission of a signed JCP application and supporting documentation as well as a Notice to Proceed to be issued for the Project. • Submission of the certification of final plans and specification and supporting documents for the Project 	Department Share: \$79,442.26 (42.32%)	Certification of Completion including documentation of submittal affirming that the final design document was submitted to the Department	Department Share: \$86,164.00 (42.32%)
City Consultant’s Work Order 31 (Split funded with Agreement 14PB3) Executed July 5, 2013 Tasks	\$289,106.00	City Consultant’s Work Order 25 Executed July 13, 2012 Tasks	\$54,269.00
<ul style="list-style-type: none"> • Plan view and cross sections of beach design • Plan view and cross section drawings of borrow area • City meeting minutes • JCP Application • Biological Assessment • Regulatory Environmental Assessment • Consultation with United States Army Corp of Engineers (USACE) • Respond to FDEP Request for Information • Respond to USACE Public Notice items • Respond to National Marine Fisheries Service (NMFS) Request for information • Respond to United States Fish and Wildlife Service (USFWS) • Borrow Area Survey • Cultural Resource Report 		<ul style="list-style-type: none"> • Development of design • Delineation of borrow site • JCP Application submittal 	
City Consultant’s Work Order 36 Executed July 22, 2015 Tasks	\$43,351.00		
<ul style="list-style-type: none"> • Construction plans • Construction specification and bid package • Facilitation of bidding and selection • Beach profile and borrow area survey 			

For funding under Agreement 18PB7, all costs pertaining to design and permitting were outlined in Work Order 25. For funding under Agreement 16PB2, all costs pertaining to design and permitting were outlined in Work Order 31 and 36. Costs included in the City’s

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reimbursement request for Work Order 31 included costs split evenly between design tasks in Agreement 16PB2 and Agreement 14PB3 (North Boca Raton Beach Nourishment Project).

We compared budgeted costs outlined in Work Orders 25, 31, and 36 to City invoices for design, permitting, and plans and specifications tasks as follows:

Agreement 18PB7 Design and Permitting (Work Order 25)					
Task¹	Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Submitted Cost	Budgeted Costs
1	Development of Design	\$11,299.52	\$15,400.67	\$26,700.19	\$33,104
2	Delineation of Borrow Site	\$7,421.88	\$10,115.65	\$17,537.53	\$19,452
4	JCP Application Submittal	\$724.79	987.86	\$1,712.65	\$1,713
	Total Project Costs	\$19,446.19	\$26,504.18	\$45,950.37	\$54,269

Agreement 16PB2 Design and Permitting (Work Order 31)					
Task²	Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Submitted Cost	Budgeted Costs
1	Development of Design	\$3,866.14	\$5,269.36	\$9,135.50	\$22,498
4	JCP Application Submittal	\$3,244.05	\$4,421.48	\$7,665.53	\$45,625
5	Biological Assessment	\$3,077.20	\$4,194.06	\$7,271.26	\$53,719
7	Consultation with USACE	\$3,008.14	\$4,099.95	\$7,108.09	\$6,409
8	Respond to FDEP Request for Additional Information (RAI)	\$1,187.41	\$1,618.39	\$2,805.80	\$20,720
9	Respond to Public Notice Items	\$4,944.39	\$6,738.96	\$11,683.35	\$9,648
10	National Marine Fisheries Service RAI	\$97.40	\$132.74	\$230.14	\$10,999
11	Review and Respond to USFWS Statewide Programmatic Biological Opinion (SPBO)	\$622.57	\$848.53	\$1,471.10	\$3,270
	Total for 16PB2	\$20,047.31	\$27,323.47	\$47,370.77	\$289,106

Agreement 16PB2 Plans and Specifications (Work Order 36)					
Task	Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Submitted Cost	Budgeted Costs
1	Construction Plans	\$1,736.47	\$2,366.71	\$4,103.18	\$9,666
2	Construction Specifications and Bid Packages	\$3,526.27	\$4,806.12	\$8,332.39	\$8,438
3	Facilitation of Bidding and Selection	\$2,952.42	\$4,023.99	\$6,976.41	\$4,979
4	Beach Profile & Borrow Area Survey	\$6,569.03	\$8,953.26	\$15,522.29	\$20,268
	Total Project Costs	\$14,784.18	\$20,150.09	\$34,934.27	\$43,351

¹ Tasks 3,5,6,7,8, and 9 were removed per amendment to Work Order 25.

² Tasks 2,3,6,12, and 13 all did not have any costs attributed to them on submitted invoices.

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Based on our review of submitted costs, as well as amounts allocated between the City and Department and split costs for Work Order 31 between Agreement 16BP2 and 14PB3, approved Department payments represented funding allocation percentages consistent with both Agreements. In addition, we verified that payments did not represent duplicated costs. However, the costs for Work Order activities were not always consistent with Agreement task and deliverables. Approved costs funded under Agreement 18PB7 for the JCP Application Submittal were part of the Task 2 deliverable under Agreement 16PB2. In addition, since Work Order 31 represented work for both the North and Central Boca Raton Beach Nourishment Projects, a portion of the costs billed under Agreement 16PB2 were for activities related to federal activities unrelated to the funded Project.

According to the Grant Work Plan for Agreement 18PB7, the City was required to provide *a certification of completion including documentation of submittal affirming that the final design document was completed and submitted to the Department*. We verified that the City provided the certification of completion from its contracted consultant for the design tasks. According to this certification, the specific design parameters, borrow area design, and borrow area analysis were included with the April 16, 2013, submittal of the JCP application, which was also part of the design deliverable under Agreement 16PB2.

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Payments for Agreement Activities and Required Deliverables: Construction

Under Agreements 16PB2 and 18PB7, tasks for construction included deliverables which in turn, funded the Work Order and construction contract as follows.

Agreement 16PB2 (Executed October 19, 2016)	Project Cost per Task/ Work Order	Agreement 18PB7 (Executed June 15, 2018)	Project Cost per Task/ Work Order
(Task 3) Construction Deliverables	\$3,829,295.23	(Task 2) Construction Deliverables	\$7,362,986.77
<ul style="list-style-type: none"> • Construction activity package with an itemized summary of the work along with proof of payment • Certification from the City’s Project manager regarding the cost, payment and performance of work on the Project. • Certification signed and sealed by the engineer responsible for overseeing construction for completion of the Project in compliance with the construction contract. • Certification of completion from a Florida-licensed Professional Engineer indicating construction was completed in accordance with the design. 	Department Share: \$1,620,557.74 (42.32%)	Certification of completion by a Florida-registered Professional Engineer with documentation of submittal to the Department affirming construction was completed in compliance with the construction contract.	Department Share: \$3,116,016.00 (42.32%)
		City Consultant’s Work Order 54 Executed December 2, 2016 Tasks	\$379,519.00
		<ul style="list-style-type: none"> • Biological Monitoring – pre-construction • Borrow area and beach professional survey- pre-construction • Permit-required submittals and regulatory coordination • Biological Monitoring – during construction • Construction observation and contractor coordination • Physical monitoring – immediate post construction • Biological monitoring – immediate post-construction survey and report 	
City’s Construction Contract December 1, 2015			\$10,767,500.00
<ul style="list-style-type: none"> • Mobilization and demobilization • Dredging and placement • Beach tilling 		<ul style="list-style-type: none"> • Night sea turtle nest monitoring • Vibration controls and monitoring 	

For funding under Agreement 18PB7, all costs pertaining to construction were outlined in the City’s Work Order 54 and construction contract. Of the total, construction costs of \$3,127,553.80 were paid under Agreement 16PB2 and the remaining \$7,315,308.60 were paid under Agreement 18PB7.

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We compared budgeted costs outlined in Work Order 54, and the construction contract for construction tasks as follows:

Agreement 18PB7 Funding for Construction (Work Order 54)					
Task	Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Project Cost	Budgeted Costs
1	Biological Monitoring – Preconstruction	\$33,909.53	\$46,216.96	\$80,126.49	\$75,177.00
2	Borrow Area and Beach Prof Survey	\$5,911.69	\$8,057.34	\$13,969.03	\$17,875.00
3	Permit Required Submittals	\$8,598.06	\$11,718.71	\$20,316.77	\$21,001.00
4	Bio Monitoring During Construction	\$35,510.47	\$48,398.96	\$83,909.43	\$103,620.00
5	Observation and Contractor Coordination	\$17,964.86	\$24,485.19	\$42,450.05	\$42,563.00
6	Physical Monitoring Report	\$13,321.39	\$18,156.37	\$31,477.76	\$31,558.00
7	Biological Monitoring – Report	\$32,186.82	\$43,869.00	\$76,055.82	\$87,725.00
	Total for 18BP7	\$147,402.82	\$200,902.53	\$348,305.35	\$379,519.00

City's Construction Contract Funded Under Agreements 16PB2 and 18PB7						
Item	Description	Budget	Agreement 16PB2 Billing 1 and a portion of Billing 2	Agreement 18PB7 Remaining portion of Billing 2 and Billings 3 and 4	Department Cost Share (Total for both Agreements)	City Cost Share (Total for both Agreements)
1	Mobilization and Demobilization	\$4,175,000.00	\$2,505,000.00	\$1,670,000.00	\$1,766,860.00	\$2,408,140.00
2	Dredging and Placement	\$6,466,000.00	\$567,043.80	\$5,585,318.60	\$2,603,679.77	\$3,548,682.63
3	Beach Tilling	\$46,500.00	\$11,010.00	\$35,490.00	\$19,678.80	\$26,821.20
4	Nighttime Sea Turtle Monitoring	\$30,000.00	\$16,500.00	\$4,500.00	\$8,887.20	\$12,112.80
5	Vibration Controls and Monitoring	\$50,000.00	\$30,000.00	\$20,000.00	\$21,600.00	\$28,840.00
	Total	\$10,767,500.00	\$3,129,553.80	\$7,315,308.60	\$4,420,265.77	\$6,024,596.63

Based on our review of submitted costs, as well as amounts allocated between the City and Department for Agreement 16BP2 and 18PB7, approved Department payments for construction tasks totaling \$4,567,668.59 represented funding allocation percentages consistent with both Agreements. In addition, we verified that payments did not represent duplicated costs. However, the costs for Work Order 54 activities were not outlined in Agreement 18PB7 Task 2 description or deliverables.

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According to the Agreement 18PB7 Grant Work Plan, the City was required to provide *a certification of completion by a Florida-registered Professional Engineer with documentation of submittal to the Department affirming the construction task was completed in accordance with construction contract documents*. We verified that the City provided the certification of completion from the City's consultant. The certification was also previously received as part of the construction task requirement under Agreement 16PB2.

Payments for Agreement Activities and Required Deliverables: Monitoring

Under Agreement 18PB7, all costs and deliverables pertaining to monitoring were outlined in the City's Work Orders 33, 74, 82. There were no monitoring activities authorized for reimbursement in Agreement 16PB2. Additional monitoring activities are authorized for future billing related to the Project through Agreements 19PB9 and 20PB4. Under Agreements 18PB7, 19PB9, and 20PB4, tasks for monitoring include the following deliverables and activities.

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Agreement 18PB7 (Executed June 15, 2018)	Project Cost per Task/ Work Order	Agreement 19PB9 (Executed August 10, 2018)	Project Cost per Task/ Work Order	Agreement 20PB4 (Executed December 3, 2019)	Project Cost per Task/ Work Order
(Task 3) Monitoring	\$137,700.85	(Task 1) Monitoring	\$35,000.00	(Task 1) Monitoring	\$62,500.00
Activities associated with permit-required monitoring. With each payment, the City was to provide a Task Summary Report containing: <ul style="list-style-type: none"> An itemized listing of all monitoring activities completed or in progress Documentation of submittal to state and federal regulatory agencies of completed monitoring data, surveys and final reports for permit-required work. 	Department Share: \$58,275.00 (42.32%)	Activities associated with permit-required monitoring. With each payment, the City was required to provide a Task Summary Report containing: <ul style="list-style-type: none"> An itemized listing of all monitoring activities completed or in progress Documentation of submittal to state and federal regulatory agencies of completed monitoring data, surveys and final reports for permit-required work. 	Department Share: \$14,812.00 (42.32%)	Activities associated with permit-required monitoring. With each payment, the City was required to provide a Task Summary Report containing: <ul style="list-style-type: none"> An itemized listing of all monitoring activities completed or in progress Documentation of submittal to state and federal regulatory agencies of completed monitoring data, surveys and final reports for permit-required work. 	Department Share: \$26,450.00 (42.32%)
City Consultant's Work Order 33 Executed May 31, 2013	\$30,184.00				
7 th year post construction physical monitoring report – 2004/2006					
City Consultant's Work Order 74 Executed February 2, 2018	\$60,968.00				
1 st year post-construction monitoring – 2018 <ul style="list-style-type: none"> Beach tilling and escarpment leveling Beach profile survey Physical monitoring report 					
City Consultant's Work Order 82 Executed January 9, 2019	\$61,913.00				
2 nd year post-construction monitoring – 2019 <ul style="list-style-type: none"> Beach tilling and escarpment leveling Beach profile survey Physical monitoring report 					

Monitoring costs totaling \$52,068.10 were submitted with the City's invoices under Agreement 18PB7. As of June 2021, no payments had been made under Agreements 19PB9 and 20PB4.

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We compared budgeted costs outlined in Work Orders 33, 74, and 82 to City invoices for monitoring tasks as follows:

Agreement 18PB7 Monitoring (Work Order 33) Invoice Period 4/11/2014-9/5/2014					
Task	Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Project Cost	Budgeted Costs
1	7 th Year Post-Const. Phys Mon Report	\$12,773.83	\$17,410.08	\$30,183.91	\$30,184.00

Agreement 18PB7 Monitoring (Work Order 74) Invoice Period 3/9/2018-12/6/2018					
Task	Eligible Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Project Cost	Budgeted Costs
1	Beach Tiling & Escarpment Leveling	\$6,051.57	\$8,247.97	\$14,299.54	\$15,190.00
2	Beach Profile Survey	\$5,251.03	\$7,156.17	\$12,407.92	\$14,622.00
3	Physical Monitoring Report	\$8,575.71	\$11,688.26	\$20,263.97	\$31,156.00
Total		\$19,878.31	\$27,093.12	\$46,971.43	\$60,968.00

Agreement 18PB7 Monitoring (Work Order 82) Invoice Period 3/2/2019-11/7/2019					
Task	Eligible Project Tasks	Department Cost Share (42.32%)	City Cost Share (57.68%)	Project Cost	Budgeted Costs
1	Beach Tiling & Escarpment Leveling	\$5,504.00	\$7,501.68	\$13,005.68	\$16,135.00
2	Beach Profile Survey	\$6,127.19	\$8,351.04	\$14,478.23	\$14,622.00
3	Physical Monitoring Report	\$7,784.77	\$10,610.25	\$18,395.02	\$31,156.00
Total		\$19,415.96	\$26,462.97	\$45,878.93	\$61,913.00

Based on our review, approved Department payments represented funding allocation percentages consistent with the Agreement. In addition, we verified that payments did not represent duplicated costs. However, the task for monitoring in Agreement 18PB7 did not describe the specific monitoring activity or require deliverables applicable to the Work Order monitoring activity. In addition, costs associated with monitoring activities under Work Order 33 had been paid by the City in 2014, prior to the execution of the Department’s prior Agreement 16PB2. Under Agreement 18PB7 Grant Work Plan, the City was required to provide *a task summary report containing; 1) An itemized listing of all monitoring activities completed or in progress during the payment request period and, 2) Documentation of submittal to state and*

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federal agencies of completed monitoring data, surveys and final reports for permit-required work under this task description. We verified that the Department received task summary reports along with payment reimbursement requests for all Work Order activities.

Additional Agreement Requirements

Per the Agreement standard terms and conditions, Attachment 1(10), *the Grantee shall submit status reports quarterly, unless otherwise specified in the Attachments, on Exhibit A, Progress Report Form, to the Department's Grant Manager describing the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, and proposed work for the next reporting period. Quarterly status reports are due no later than twenty (20) calendar days following the completion of the quarterly reporting period. For the purposes of this reporting requirement, the quarterly reporting periods end on March 31, June 30, September 30, and December 31. The Department will review the required reports submitted by the Grantee within thirty (30) days.* We verified that all seven quarterly reports required during the Agreement period were submitted to the Department in a timely manner and contained the required information. Additionally, the standard terms and conditions require the City to provide adequate commercial liability insurance coverage, workers' compensation and employer's liability coverage, and commercial automobile insurance. We verified that the City maintained the required insurance.

Conclusions

Based on our audit, approved payments were made for Project activities and deliverables associated with Agreement 18PB7 and were calculated using the required match funding allocation. Approved payments were not duplicated with Project costs funded under prior or

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subsequent Agreements. However, we noted control weaknesses in Department Agreement Task descriptions and deliverables and the resulting activities and Work Orders funded under the Department’s Agreements with the City.

Finding and Recommendation

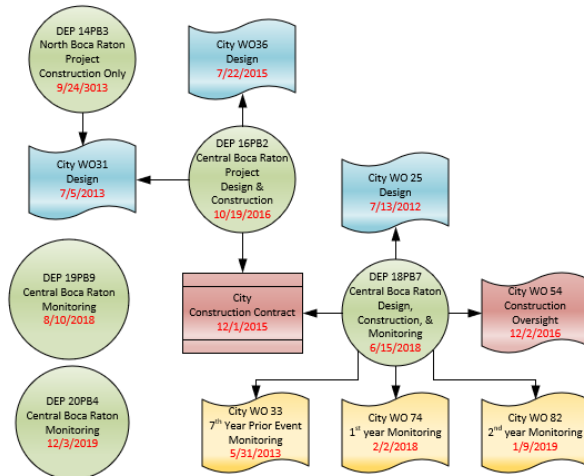
Finding: Grant Work Plan Requirements and Deliverables

According to Section 215.971, F.S., Department Agreements that provide state financial assistance must include:

- a) *a provision specifying a scope of work that clearly establishes the tasks that the recipient or subrecipient is required to perform.*
- b) *A provision dividing the Agreement in quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.*

All of the Agreements used for Project funding contained provisions specifying the scope of work. Grant Work Plans in each Agreement divided funding in quantifiable units of deliverables related to the scope of work. However, both Agreements 16PB2 and 18PB7 included Tasks for design and permitting as well as construction for the same Project with the same general deliverables and performance criteria. Agreement 16PB2 provided funding

Executed Funding Mechanisms Used for the Project



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towards work that was split funded under Agreement 14PB3 for the North Boca Raton Project³.

In addition, Agreements 18PB7, 19PB9, and 20PB4 included Tasks for Project monitoring with the same general deliverables and performance criteria. The scopes of work that clearly established the Project tasks that the City performed were outlined in the City consultant’s Work Orders and the City’s construction contract.

Project funding for design and permitting tasks was estimated under Agreements and Work Orders as follows:

Project Design and Permitting Tasks				
Agreement	Design Task Amount	Work Order	Budgeted Total	Submitted Costs
16PB2	\$187,718.00	25	\$54,269.00	\$45,950.37
18PB7	\$203,601.13	31	\$289,106.00	\$47,370.77
		36	\$43,351.00	\$34,934.27
Design Task Total	\$391,319.13	Total	\$386,726.00	\$128,255.41

We noted the following concerns with the activities and funding for design and permitting tasks.

- Although design and permitting costs associated with Work Order 25 were paid in 2013, these costs were not submitted by the City for reimbursement under prior Agreement 16PB2, which was executed October 19, 2016. These costs were part of reimbursement requests under Agreement 18PB7 executed June 15, 2018. Costs associated with the subsequent Work Order 36 were paid under prior Agreement 16PB2.
- The City’s JCP Application and Notice to Proceed was a deliverable under Agreement 16PB2, but not 18PB7. However, the City submitted the JCP Application and Notice to Proceed documentation as a deliverable under both Agreements. Costs associated with the JCP Application submittal was part of Work Order 25, which was billed to Agreement 18PB7.
- Activities under Work Order 31 included design and permitting for two different beach nourishment projects (North and Central Boca Raton Beach Nourishment). As such, costs

³ While outside the scope of this audit, we noted that payments made for Work Order 31 under Agreement 14PB3 were related to design costs, which were not included in the Grant Work Plan tasks for Agreement 14PB3.

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were split evenly between Agreement 14PB3 and 16PB2. This resulted in approved payments under Agreement 16PB2 being used in support of federal activities unrelated to the Project.

- While the cumulative total of all design and permitting related Work Orders was generally consistent with the cumulative total of design and permitting Tasks between both Agreements, the overall Project budget for design and permitting activities was misrepresented in both Agreements.

Project funding for construction tasks was estimated under both Agreements and Work

Orders as follows:

Project Construction Tasks				
Agreement	Construction Task Amount	Work Order/ Contract	Budgeted Total	Submitted Costs
16PB2	\$3,829,295.23	54	\$379,519.00	\$348,305.35
18PB7	\$7,362,986.77	Construction Contract	\$10,767,500.00	\$10,444,862.40
Construction Task Total	\$11,192,282.00	Total	\$11,147,019.00	\$10,793,167.75

We noted the following concerns with activities and funding for construction tasks.

- The City consultant’s costs under Work Order 54 for monitoring, survey, permit required submittals, and regulatory coordination during construction was not outlined as construction related activities in either Agreement 16PB2 or 18PB7.
- The required deliverables for construction tasks were generally the same for Agreements 16PB2 and 18PB7. While the cumulative total budget of the construction related Work Order and construction contract was consistent with the cumulative total of budgeted construction tasks between both Agreements, the overall Project budget for construction activities was misrepresented in both Agreements.

Project funding for monitoring tasks was estimated under Agreements 18PB7, 19PB9,

20PB4, and Work Orders as follows:

Project Monitoring Tasks				
Agreement	Monitoring Task Total	Work Order	Budgeted Total	Submitted Costs
18PB7	\$137,700.85	33	\$30,184.00	\$30,183.91
19PB9	\$35,000.00	74	\$60,968.00	\$46,971.43
20PB4	\$62,500.00	82	\$61,913.00	\$45,878.93
Monitoring Task Total	\$235,200.85	Total	\$153,065.00	\$123,034.27

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We noted the following concerns with the activities and funding for monitoring tasks.

- The City's three Work Orders for monitoring specified different monitoring activities associated with the 7th year post construction physical monitoring from a 2004-2006 event, and the 1st and 2nd year post construction from the Project's 2017 event. However, the monitoring tasks under all three Agreements included the same general task description and deliverable requirement.
- Costs associated with monitoring activities under Work Order 33 had been paid by the City in 2014. These costs included with the monitoring task under 18PB7 rather than being included in prior Agreement 16PB2.
- While the cumulative total of all design and permitting related Work Orders was generally consistent with the cumulative total of design and permitting tasks between both Agreements, the overall Project budget for design and permitting activities was misrepresented in both Agreements.

Based on discussions with ORCP Beaches Funding Program management, funding for beach nourishment projects are dependent on legislative appropriation. Given limited annual funding availability, Beaches Funding Program management seeks to fund projects by phase. However, Agreements related to the Project did not always fund Project related costs consistent with chronological phases. In addition, task descriptions and deliverables between Agreements were duplicative and did not distinguish specific and separate activities, despite the availability of the City's executed Work Orders and construction contract. While we verified that payments for Project costs were not duplicated between the Agreements, duplicating tasks and deliverables for the same Project among different Agreements exposes department funds to risk of paying for costs external to the funded Project and duplicative billing.

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Recommendation

Going forward, we recommend ORCP work with the City to ensure that Department Agreement Grant Work Plans include tasks and deliverables that outline specific authorized Project Work Order and contract activities which are not duplicative of deliverables in other Agreements. In order to reduce exposure to duplicative payments, and increase organized invoicing, transparency, and accountability in funding Projects by phase, ORCP should work closely with the City to ensure activities are funded under Agreements chronologically. If executed Agreements fund Work Order or contract activities which are split between Projects or Agreements due to joint permitting or limited annual funding, each subsequent Agreement's Grant Work Plan tasks should differentiate the specific activities included in the funded portion of work with separate and distinct deliverables.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Jay Cumbie and was supervised by Valerie J. Peacock.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at (850) 245-3151. Copies of final reports may be viewed and downloaded via the internet at <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. Copies may also be obtained by telephone (850) 245-3151, by fax (850)245-2994, in person or by mail at Department of Environmental Protection, Office of Inspector General, 3900 Commonwealth Boulevard, Mail Station #41, Tallahassee, FL 32399.

*Valerie J. Peacock,
Director of Auditing*

*Candie M. Fuller,
Inspector General*



FLORIDA DEPARTMENT OF Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

Memorandum

TO: Valerie Peacock, Office of Inspector General
FROM: Alex Reed, Office of Resilience and Coastal Protection *AR*
SUBJECT: Preliminary Report: A-2021DEP-006
DATE: October 5, 2021

Preliminary Report: A-2021DEP-006 **Audit of Agreement 18PB7 with the City of Boca Raton**

In accordance with Section 20.055, Florida Statutes, a written response from the Office of Resilience and Coastal Protection has been provided below, within 20 working days after receipt of the preliminary findings (September 13, 2021).

The Office of Resilience and Coastal Protection (ORCP) staff will ensure that all Projects will be funded under Agreements chronologically. The Agreement's Project Background and Project Description of the Grant Work Plan will include the specific Project phases and tasks that will be funded under the Agreement to ensure transparency of the Project timeline and activities. If Project phases or tasks are partially funded during a fiscal year or if Project costs increase during the planning and permitting phase and additional funds are subsequently requested for the same phase or task, then the funds will be amended into the existing Agreement for that Project. This will ensure that the specific deliverables for a single task will be maintained and tracked from a single Project Agreement. If for some reason it is not possible to amend the funds into an existing Agreement, then the tasks and deliverables will be modified to specifically address the authorized scopes of work to ensure there is no duplicative deliverables and payments.

The date for the implementation of these corrective actions was immediately following the meeting between ORCP and OIG staff to discuss the Draft Audit Report on September 10, 2021. ORCP staff will continue to implement the recommendations for the Agreements funded with the current fiscal year 2021/2022 appropriation as well as all future Project Agreements funded under the ORCP Beach Management Funding Assistance Program.