



Department of Environmental Protection Office of Inspector General

July 26, 2024

Report A-2324DEP-013

Audit of Select Task Assignments Under Contract GW387 with Department of Health

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Contract GW387 (Contract) between the Department and the Florida Department of Health (Contractor). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2023-2024.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this audit includes activities and financial records associated with the Contract between the Department and the Contractor to provide potable water well survey, sampling, and laboratory analysis. Our review was limited to Task Assignment DWM-2 for fiscal year 2022-2023. The objectives of the audit were to:

1. Determine whether the Contractor, complied with the requirements of the Contract;
2. Determine whether approved payments were supported by documentation as required by the Contract and deliverable completion and;
3. Evaluate management oversight of the Contractor and Contract.

To achieve our audit objectives, our methodology included:

- Reviewing Contract requirements.
- Reviewing applicable statutes, rules, internal operating procedures, and directives.
- Reviewing payments, invoices, deliverables, and supporting documentation.
- Reviewing task requests sent to the Contractor.
- Interviewing appropriate Division staff, including the Contract Manager, Program Task Managers, and Program area contacts.

BACKGROUND

The Contract was executed on January 31, 2020, for a five-year term to provide potable water well survey, sampling, and laboratory analysis for programs within the Division of Waste Management (Division) and the Division of Water Restoration Assistance. The Division provides oversight for the Contract via a Contract Manager. During the scope of the audit, there were multiple Task Assignments (TA) issued pursuant to the Contract. We reviewed TA DWM-2 as part of our audit. TA DWM-2 was executed on June 20, 2022, and expired on June 30, 2023, and included funding for several Division programs. A separate TA (TOX19) was issued to provide funding for the Division of Water Restoration Assistance, which was not included in our review.

RESULTS OF AUDIT

During the audit we interviewed the Contract Manager and other appropriate staff. We also reviewed the Contract, the TA, task requests, approved invoice payments, and supporting documentation for the audit period. The following is a summary of our review.

Programs Utilizing Contract Services

The Contract was entered into to provide potable water well survey, sampling, and laboratory analysis for the Water Supply Restoration Funding and Programs within the Division of Waste Management to include Petroleum Restoration Program (PRP), the Drycleaning Solvent Cleanup Program (DSCP), and the District & Business Support Program (DBSP), and the Division of Water Restoration Assistance to include the Water Supply Restoration Program (WSRP). See chart below regarding the Contract’s description of each program. The DSCP is a specific section within the Waste Cleanup Program. Based on our review, other sections within the Waste Cleanup Program, that were not specifically identified within the Contract, appear to be utilizing the Contract’s services.

Programs listed in the Contract	
PROGRAM	DESCRIPTION
Division of Waste Management	
District and Business Support (DBSP)	Provides technical support to the Division’s District offices. This includes site assessment, human health and ecological risk assessment, and remedial action for all types of site cleanups, including district-led cleanup, and cross-over issues in the Resource Conservation and Recovery Act and solid waste programs.
Drycleaning Solvent Cleanup Program (DSCP)	State-funded cleanup program in the Division, for eligible drycleaner and wholesale supply facilities established by section 376.3078, Florida Statute (F.S.).
Petroleum Restoration Program (PRP)	The PRP is a program within the Division that encompasses the technical oversight, management, and administration activities necessary to prioritize, assess, cleanup sites contaminated by discharges of petroleum and petroleum products from stationary petroleum storage systems.
Division of Water Restoration Assistance	
Water Supply Restoration Program (WSRP)	The WSRP is a program in the Department’s Division of Water Restoration Assistance that is responsible for the restoration of safe drinking water to well owners impacted with the potential health hazards due to man-made contamination.

Program Task Managers

A Program Task Manager is defined in the Contract as the Department assigned individual responsible for assigning work, reviewing invoices, and who has delegated authority under the Contract to authorize payment. Per the Contract, *A Program Task Manager with the [PRP], the [DSCP], or [DBSP], in the Division of Waste Management, or the [WSRP] in the Division of Water Restoration Assistance will request the Contractor...to provide well surveys and sampling of potable water wells in proximity to a specific risk source of contamination or specific area of interest.* Additionally, the Contract lists specific Department staff that serve as the Program Task Manager for each of the four programs listed in the Contract. Our review found some task requests were sent directly to the Contractor by staff who were not a designated Program Task Manager and were from programs other than the four listed in the Contract. Additionally, we found the Program Task Managers listed in the Contract were not kept up to date with staff changes.

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The Contract also states that each program invoice, including appropriate supporting documentation, shall be submitted via email to the respective Program Task Manager, and lists the Program Areas and the names of the Program Task Manager for each. Our review found that the Contractor submits invoices directly to the Contract Manager instead of the appropriate Program Task Manager. Upon receipt, the Contract Manager forwards the invoice for review and payment approval; however, the invoices were not always forwarded to the designated Program Task Manager listed in the Contract.

Reimbursement for Unauthorized Work

Based on our review, the Contractor invoiced the Department for pay items that were not approved for funding. Task Assignment DWM-2 did not provide funding for any Division Programs to request or process payment for the pay item listed as “Multiple Samples” (more than 3 samples from the same well) or “GPS Well Points.” Our review found the Contractor invoiced for these pay items under PRP and DBSP Program areas. Additionally, in one instance, a Change Order was requested and approved after the work had been completed, which is not allowed under the Contract. Per the Contract, *Contractor, or its subcontractors if authorized under this Contract, shall not commence Work until the Contract, and any necessary, Task Assignment Notification Form, Amendments or Change Orders, have been fully executed by both Department and Contractor. Contractor, or its subcontractors if authorized under this Contract, shall not commence Work until either a 1) TA/TACO has been fully executed, by the Department and Contractor or 2) a PO or PO Change Order (“CO”) has been issued.*

Contract Invoice Submittal Requirements

As specified in the Contract, *The Contractor shall submit invoices to the appropriate Department program areas on a quarterly basis, due on or before the 12th business day following the end of a quarter unless otherwise specified in a Task Assignment.* While the fourth quarter invoice was submitted timely, we found the Contractor’s first, second, and third quarter invoices were not submitted timely (see table below).

Invoice	Invoice Number	Invoice Due Date	Date Stamped as Received by Department	Late by how many business days?
First Quarter	AF2310015	October 18, 2022	October 31, 2022	10
Second Quarter	AF2302005	January 17, 2023	February 20, 2023	25
Third Quarter	AF2304007	March 31, 2023	April 24, 2023	17
Fourth Quarter	AF2407006	July 18, 2023	July 14, 2023	0

Task Requests and Deliverables

Under the Scope of Work, the Contract consists of nine tasks that the Division can request to be performed by the Contractor. Each of the Contract’s tasks has different deliverables and associated documentation requirements. We reviewed a sample of task request emails and found that none of the requests contained a reference as to which task was being requested. Additionally, there does not appear to be any central location or documentation maintained to allow the Contract Manager or Program Task Managers to review all task requests that have been made to the Contractor. For Tasks 1, 3, 5, and 6, the Contract requires each request sent to the Contractor to include a Potable Well Survey and Sampling Request Cover Email (as provided in Exhibit A of the Contract). The cover email template includes information that should be sent to the Contractor with each request, including *Task Requested*. Our review found the cover email was never used when requests were sent to the Contractor. For Tasks 2, 4, 7, 8, and 9, the Contract does not require a task number to be included in requests sent to the Contractor. Due to the lack of the Division’s utilization of the Potable Well Survey and Sampling Request Cover Email and the Contract not requiring task numbers to accompany all task requests sent to the

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Contractor, we were unable to determine which of the Contract's tasks was being requested to be performed. Further, we reviewed deliverable and documentation requirements for a sample of task requests sent to the Contractor during the audit period; however, as stated previously, due to the inability to determine which of the nine Tasks the Division requested the Contractor to perform, we were unable to determine Contractor compliance with the deliverable and documentation requirements. Therefore, the Division may be unable to determine or review Contractor compliance of task, deliverable, and documentation requirements.

Payments

We reviewed Contract payments to determine whether approved payments were supported and in compliance with the Contract's deliverables, documentation, and rates. In accordance with the Contract, invoices are to be submitted with sufficient detail for pre-and post-audit review and it is the Contractor's responsibility to submit detailed invoices, with supporting documentation. Contractor invoices are to be broken down by each Program Area's tracking number (FDEP Program Facility Identification Number, EPA Tracking Number, non-point source identification number, or similar FDEP program-specific tracking number), and be itemized by task and amount spent for each Program Area's site tracking number. Based on our review, the well sampling spreadsheets provided with the quarterly invoices only provided well identification numbers and do not have the Program Area's tracking number associated with it. When comparing task requests sent from the Division to the invoiced pay items for well sampling, the facility associated with the well sampling could not be determined.

A facility's Well Survey Report has a list of the potable wells associated near the requested facility and provides details on what potable wells were sampled, the date sampled, the sample identification number, and the lab analysis performed. Based on our review of the PRP invoice review process, they use an internal tracking well survey and sample spreadsheet to reconcile what is invoiced by the Contractor and compare with what PRP requested. We were informed that the PRP Program Task Manager (also the Contract Manager) associates invoiced well samplings with the well surveys being invoiced on the same quarterly invoice. However, our review found there were instances of well samplings being invoiced a quarter prior to the well survey being invoiced. During the audit, we requested all supporting documentation associated with task requests sent to the Contractor by each Program Task Manager during fiscal year 2022-2023. We reviewed the four quarterly invoice submissions for required supporting documentation. Of the four quarterly invoices sent by the Contractor in fiscal year 2022-2023, three of the invoices were missing the program specific survey and sampling detailed supporting documentation, as required by the Contract. Additionally, for some surveys and well samples, we were unable to locate an associated Division task request in the documentation provided by the Division.

Contract Management Oversight

As provided in section 287.057(15)(a), F.S. *For each contractual service contract, the agency shall designate an employee to function as contract manager who is responsible for enforcing performance of the contract terms and conditions and serves as a liaison between the contractor and the agency.... The primary responsibilities of a contract manager include:*

1. *Participating in the solicitation development and review of contract documents.*
2. *Monitoring the contractor's progress and performance to ensure procured products and services conform to the contract requirements and keep timely records of findings.*
3. *Managing and documenting any changes to the contract through the amendment process authorized by the terms of the contract.*
4. *Monitoring the contract budget to ensure sufficient funds are available throughout the term of the contract.*
5. *Exercising applicable remedies, as appropriate, when a contractor's performance is deficient.*

Statutorily, a Contract Manager's responsibility is to monitor and ensure the Contractor's progress and performance conform to the Contract when providing products and services. As detailed within our review, we found oversight of the Contract lacked adequate internal controls regarding change orders, invoice submission timeliness, documentation of task requests, task requests for programs not listed on the Contract, task requests submitted by individuals who are not the designated Program Task Manager, and overall review of invoices and supporting documentation.

CONCLUSION

Based on our review of documentation and discussions with the Contract Manager and appropriate Division staff, we noted Division oversight could be strengthened related to the monitoring of this Contract and the review of Contractor performance. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Division Programs and Program Task Managers – Some Division Programs not listed in the Contract were utilizing the Contract's services, and task requests and invoices were not always sent by or reviewed by the designated Program Task Manager, as required by the Contract.

The Contract was entered into *to provide potable water well survey, sampling, and laboratory analysis for the Water Supply Restoration Funding and Programs within the Division of Waste Management to include Petroleum Restoration Program (PRP), the Drycleaning Solvent Cleanup Program (DSCP), and the District & Business Support Program (DBSP), and the Division of Water Restoration Assistance to include the Water Supply Restoration Program (WSRP)*. The DSCP is a specific section within the Waste Cleanup Program. Based on our review, other sections within the Waste Cleanup Program, that were not specifically identified within the Contract, appear to be utilizing the Contract's services.

A Program Task Manager is defined in the Contract as the Department assigned individual responsible for assigning work, reviewing invoices, and who has delegated authority under the Contract to authorize payment. Per the Contract, *A Program Task Manager with the [PRP], the [DSCP], or [DBSP], in the Division of Waste Management, or the [WSRP] in the Division of Water Restoration Assistance will request the Contractor...to provide well surveys and sampling of potable water wells in proximity to a specific risk source of contamination or specific area of interest*. Additionally, the Contract lists specific Department staff that serve as the Program Task Manager for each of the four programs listed in the Contract. Our review found some task requests were sent directly to the Contractor by staff who were not a designated Program Task Manager and were from programs other than the four listed in the Contract. Additionally, we found the Program Task Managers listed in the Contract were not kept up to date with staff changes.

The Contract also states that each program invoice, including appropriate supporting documentation, shall be submitted via email to the respective Program Task Manager, and lists the Program Areas and the names of the Program Task Manager for each. Our review found that the Contractor submits invoices directly to the Contract Manager instead of the appropriate Program Task Manager. Upon receipt, the Contract Manager forwards the invoice for review and payment approval; however, the invoices were not always forwarded to the designated Program Task Manager listed in the Contract.

Recommendations:

We recommend the Division work with the Contract Manager to ensure task requests are only sent by a designated Program Task Manager, and invoices and supporting documentation are reviewed and approved by the appropriate designated Program Task Manager, in accordance with the Contract. We also recommend the Division ensure the designated Program Task Managers listed in the Contract are kept up to date, and that only programs listed in the Contract utilize the Contract's services.

Management Response:

DWM [Division of Waste Management] prepared guidance on contract management for the Contract Manager and Program Task Managers and conducted training to all Program Task Managers on July 22, 2024, to ensure task requests are only sent by a designated Program Task Manager, and invoices and supporting documentation are reviewed and approved by the appropriate designated Program Task Manager. In addition, DWM is preparing a contract amendment to update the listed Division Programs and Program Task Managers and adjusted the task assignment process for the current fiscal year to only utilize listed Division Programs.

Finding 2: Task Requests – Task requests sent to the Contractor did not specify which Contract task was being requested; therefore, making it difficult to determine which task was to be performed, and what deliverable and documentation was required.

Under the Scope of Work, the Contract consists of nine tasks that the Division can request to be performed by the Contractor. Each task has different deliverable and associated documentation requirements. We reviewed a sample of Task request emails and found that none of the requests contained a reference as to which Task was being requested. Additionally, there does not appear to be any central location or documentation maintained to allow the Contract Manager or Program Task Managers to determine all task requests that have been made to the Contractor.

For Tasks 1, 3, 5, and 6, the Contract requires each request sent to the Contractor to include a Potable Well Survey and Sampling Request Cover Email (as provided in Exhibit A of the Contract). The cover email template includes information that should be sent to the Contractor with each request, including *Task Requested*. Our review found the cover email was never used when requests were sent to the Contractor. For Tasks 2, 4, 7, 8, and 9, the Contract does not require a task number to be included in requests sent to the Contractor. Due to the lack of the Division's utilization of the cover email and the Contract not requiring task numbers to accompany all task requests sent to the Contractor, we were unable to determine which of the Contract's tasks was being requested to be performed. Additionally, we were unable to determine the Contractor's compliance with the deliverable and documentation requirements. Therefore, the Division may be unable to determine or review Contractor compliance of task, deliverable, and documentation requirements.

Recommendations:

We recommend the Division work with the Contract Manager and Program Task Managers on reviewing all tasks offered within the Contract and providing a task number, with each task requested, to the Contractor. We also recommend use of the Potable Well Survey and Sampling Request Cover Email, when required by the Contract, to ensure the appropriate task is performed and the required documentation and deliverables are provided by the Contractor.

Management Response:

DWM prepared guidance on contract and task management procedures which includes a description of all tasks offered within the Contract. DWM conducted training to all Program Task Managers on July 22, 2024, and discussed procedures for task requests and the use of the required Potable Well Survey and Sampling Request Cover Email for applicable tasks. In addition,

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DWM has created a shared location for all contract-related documents including task requests and guidance documents to be stored so they can be accessed by all Program Task Managers and monitored by the Contract Manager.

Finding 3: Division Oversight - The Contractor did not always comply with the requirements of the Contract.
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During our review, we noted areas where Division oversight of the Contract could be improved to ensure the Contractor's compliance with the requirements of the Contract. As provided in section 287.057(15)(a), F.S. *For each contractual service contract, the agency shall designate an employee to function as contract manager who is responsible for enforcing performance of the contract terms and conditions and serves as a liaison between the contractor and the agency.... The primary responsibilities of a contract manager include:*

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Payments and Supporting Documentation

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Recommendations:

We recommend the Division strengthen internal controls to ensure the Contract Manager and Program Task Managers are aware of the Contract’s requirements and adequately review the invoices to ensure all required documentation is provided, is submitted timely, and is authorized under the Contract, prior to approving payment.

Management Response:

DWM agrees that internal controls should be strengthened and prepared guidance on contract and task management procedures and created a shared location to store all contract related documents including guidance documents, task assignments, invoices, task requests, and budget tracking that is accessible to all Program Task Managers and monitored by the Contract Manager to ensure all tasks are appropriately managed. DWM provided training to all Program Task

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Managers on July 22, 2024, regarding contract requirements which included processes for adequately reviewing invoices and met with the DOH Contract Manager on July 23, 2024, to ensure all parties are aware of the required documentation and timeframes associated with invoice submittals.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by Natasha Toth and supervised by Susan Cureton.

This report and other reports prepared by the OIG can be obtained through the Department's website at <https://floridadep.gov/oig> or by contacting:

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