



## Department of Environmental Protection Office of Inspector General

June 24, 2025

Report A-2425DEP-004

### ***Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal Years Department-Wide***

#### **INTRODUCTION**

In accordance with the Office of Inspector General (OIG) Annual Audit Plan for Fiscal Year 2024-2025, and Section 287.136, Florida Statutes (F.S.), the Florida Department of Environmental Protection (Department) OIG conducted an audit of procurement activities associated with Department contracts executed during the preceding three fiscal years to identify any trends in vendor preferences.

#### **AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY**

The scope of this audit included procurement activities associated with Department contracts executed between July 1, 2021, and June 30, 2024.

The objectives of this audit were to:

1. Evaluate controls over procurement pursuant to requirements under Section 287, F.S., and other applicable procurement statutes.
2. Identify any trends in vendor preference.

To achieve our audit objectives, our methodology included:

- Reviewing relevant statutes, regulations, Department policies, procedures, and processes;
- Interviewing relevant management and staff that conduct procurement and contract activities for the Department; and
- Reviewing sampled contracts and purchase orders procurement activities.

#### **BACKGROUND**

The state's purchasing laws are designed to promote fair and open competition in the public procurement process. The goal is to reduce the appearance and opportunity for favoritism and foster public confidence that contracts are awarded equitably and economically. Section 287.136(2), F.S., requires that, beginning October 1, 2021, and every 3 years thereafter, each agency Inspector General complete a risk-based compliance audit of all contracts executed by the agency for the preceding 3 fiscal years. The audit must include an evaluation of, and identify any trend in, vendor preference.

Chapter 287, F.S., establishes agency procurement requirements for commodities and services. These requirements are further outlined under Rule 60A-1, Florida

**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

Administrative Code (F.A.C.). The Department's procurement function is primarily managed through the Division of Administrative Services (DAS) Bureau of General Services (BGS). However, the following program areas manage their own procurement activities:

- Division of Waste Management (DWM) Petroleum Restoration Program (PRP)
- Division of Recreation and Parks (DRP) Bureau of Design and Construction (BDC)
- DRP Bureau of Natural and Cultural Resources (BNCR) (timber sale contracts)
- DRP Bureau of Operational Services (BOS) (concession contracts)
- Leases managed through Division of State Lands (DSL) and DAS
- DSL Bureau of Appraisal

Between July 1, 2021, and June 30, 2024, the Department executed 818<sup>1</sup> contracts totaling \$516,223,612.08, and 25,001 purchase orders totaling \$743,859,501.64. The method of procurement for these contracts and purchase orders were documented in the Florida Accountability Tracking System (FACTS)<sup>2</sup> as required by Section 215.985(14), F.S.

---

***RESULTS OF AUDIT***

---

For the audit period, we reviewed all Department contracts and purchase orders in groups by the method of procurement and selected a judgmental sample of 46 contracts totaling \$242,172,931.32 and 130 purchase orders totaling \$71,099,484.99 for detailed testing, with respect to the documented procurement method or exemption.

**FACTS, Section 215.985, F.S.**

As part of the Transparency Florida Act established under Section 215.985, F.S., Department contracts and procurement documents are required to be posted in FACTS, which is maintained by the Department of Financial Services. The statute requires certain information and documentation be posted to FACTS within 30 calendar days after executing a contract and within 30 calendar days after executing an amendment to an existing contract. Purchase orders issued through Ariba on Demand<sup>3</sup> are automatically uploaded to FACTS when executed. Department procurement staff upload contract documents not executed through Ariba on Demand. Our review found two of the sampled contracts did not have a vendor's name listed in FACTS. In addition, 19 contracts and 9 purchase orders were recorded with the incorrect procurement method. Lastly, some contracts were missing the required documentation or had documentation added into FACTS beyond the 30-day requirement.

---

<sup>1</sup> This count does not include Department Grant Agreements, Memorandum of Understanding Agreements, Multiagency Participation Agreements, Settlement Agreements, or procurement where law prescribes with whom the Department must contract.

<sup>2</sup> FACTS is an online system used by the State of Florida to track payment and contract information as part of the Transparency Florida Act.

<sup>3</sup> Ariba on Demand is the online procurement processing system for the State of Florida.

**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

**Multiple Award Procurement**

Chapter 287, F.S., establishes agency procurement requirements for commodities and services. These requirements are further outlined under Rule 60A-1, F.A.C. Within our audit sample, we reviewed solicitations that resulted in the awarding of multiple contracts. Our review found that the solicitations described the process for how the assignment of work would be distributed. Further review of the work assignments found the work was distributed as required. One solicitation we reviewed noted that due to the emergency response nature of the work assignments, it would be necessary to make decisions outside of normal procedures and work assignments would largely be dependent on response time of vendors awarded contracts. A review of the contracts awarded for this solicitation found that the amount awarded to each vendor aligned with their rankings on the tabulation of evaluations.

**Competitive Procurement Exemptions**

Many of the Department's contracts and purchase orders are exempt from competitive procurement by the Department. We reviewed a sample based on procurement type as described below.

**PRP Low Score Site Initiative (LSSI), Rule 62-772.401(1), F.A.C.**

We reviewed a sample of contracts executed related to the LSSI, as established in Section 376.3071(12)(b), F.S. Our review determined that all required documentation was included and met statutory requirements. A review of the procurement documentation and vendor selection process showed that the Department complied with the requirements of Rule 62-772, F.A.C., for both vendor qualification and selection of vendors.

**Alternate Contract Source (ACS), Section 287.042(16), F.S.**

Section 287.042(16), F.S., allows the DMS to *evaluate contracts let by the Federal Government, another state, or a political subdivision for the provision of commodities and contract services, and, if it is determined by the Secretary of Management Services in writing to be cost-effective and the best value to the state, to enter into a written agreement authorizing an agency to make purchases under such contract.* A total of 21 purchase orders procured through ACS were reviewed and we determined the purchase orders were generally procured in compliance.

We also reviewed a sample of contracts procured through ACS, the majority of which were related to continuing contracts procured by DMS and utilized by BDC. Pursuant to Rule 60D-15.002(1), F.A.C., *All state agencies serving as the managing agency of a state-owned facility or a state construction site are authorized to utilize the services of any current [DMS] contract through activation.* Rule 60D-15.002(2), F.A.C., also requires that *All agency activations shall be implemented through an agency contract that is exclusive between the agency and a continuing contract entity.* Further, an agency contract is defined as *a proprietary construction project contract between a state agency and a construction management entity under continuing contract with the [DMS].* Our review included a sample of continuing contracts utilized by BDC; however, we found there were no agency contracts in FACTS for these types of contracts. Documentation in FACTS for our sample of continuing contracts included a one-page Contract Review Form and an Activation Letter, both signed by Department staff only. While it appeared the Department was authorized by DMS to use the continuing contract, the Department had

**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

not executed any agency contracts between the Department and the continuing contract entity, as required by Rule 60D-15.002(2) F.A.C.

Additionally, Rule 60D-15.002(7), F.A.C., requires the Department to submit form FP-01 "Agency Continuing Contract Activity Quarterly Report" to DMS. Based on communication with BDC staff, the Quarterly reporting to DMS had been paused but they planned to provide the reports going forward. The last documented occurrence of BDC submitting the required quarterly report was in 2021.

State Term Contracts (STC), Section 287.056, F.S.

Many of the Department's purchases are made without competitive procurement because they are purchased from a state term contract authorized for agency use by DMS. We reviewed a sample of purchase orders documented as STC. Based on our review, all were generally approved and applicable to state term contracts. However, one purchase order reviewed referenced an unrelated STC and the vendor did not have an active STC at the time of execution.

Single Source Purchases Over \$35,000, Section 287.057(3)(c), F.S.

Per Section 287.057(3)(c), F.S., purchases available only from a single source may be exempted from competitive solicitation requirements. We reviewed one contract and four purchase orders procured through a single source. Each procurement conformed with all statutory requirements and the documentary requirements of Rule 60A-1.045 F.A.C.

Informally Quoted Purchases Not Exceeding Category Two

We reviewed a sample of purchase orders that exceed \$2,500 but were less than or equal to the threshold for Category Two (\$35,000). Rule 60A-1.002(3), F.A.C., established that purchases within this threshold may be made using written quotations, written records of telephone quotations, or informal bids opened upon receipt. A justification must be included if less than two quotes were received, or it was determined that purchase was only available from a single source. Based on our review, we found all of the reviewed purchase orders within the cost threshold had documented the quotes received or provided justification for less than two quotes received. However, we also determined that some purchase orders were above the Category Two threshold. Two purchase orders were initially procured under the threshold but change orders for unforeseen costs brought the total above the threshold. Four purchase orders appeared to be under the incorrect method of procurement. One purchase order over the threshold followed the process of requesting quotes and received a single responsive quote which was above Category Two. DAS stated that this purchase order should have been denied and the Program Area directed to initiate a formal competitive procurement.

Exempt Procurements, Section 287.057(3)(e), F.S.

Section 287.057(3)(e), F.S., detailed purchases that were exempt from competitive procurement. Our review determined the majority of the contracts and purchase orders noted as exempt under this statute fit the noted exemptions. Under Section 287.057(3)(e)12, F.S., services or commodities provided by government entities are not subject to competitive procurement requirements. There were 547 purchase orders in our audit scope that were recorded with this procurement exemption. Our review determined all but 2 of the vendors appeared to have been government entities. The 2 vendors, which

**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

were not government entities, were listed as not-for-profit organizations under the Department of State's Division of Corporations. One of the vendors had three purchase orders issued for a total of \$450, and the second vendor had two purchase orders issued for a total of \$50,000.

**Competitive Procurement**

We reviewed a sample of competitively procured contracts and purchase orders by procurement type for compliance with procurement requirements and indications of vendor preference.

Invitation to Bid, Section 287.057(1)(a), F.S.

We reviewed one contract and one purchase order procured through an Invitation to Bid and determined the Department followed procurement requirements.

Invitation to Bid, Section 255.0525, F.S.

We reviewed six contracts which the Department documented as being procured as a state construction project on public property under Section 255.0525, F.S. Construction projects over the \$200,000 cost thresholds shall be advertised in the Florida Administrative Register (FAR) at least 21 days prior to the established bid opening date. If the project cost exceeds \$500,000, the Department shall advertise in FAR and a newspaper at least 30 days prior to the established bid opening date. The procedure established in DRP's Operations Manual matched the requirements of the statute. Four of the contracts in our sample exceeded the threshold that required public advertisement and two of those did not have documentation available from BDC to confirm they had been advertised. Additionally, the advertisements could not be found upon review of the FAR website. The procurement of these contracts appears to have complied with other statutory and F.A.C. requirements.

Request for Proposal, Section 287.057(1)(b), F.S.

A sample of five contracts and three purchase orders were tested against statutory requirements for Request for Proposal procurement. We determined all were procured in compliance with the requirements with the exception of the criteria used for evaluation of proposals required in Section 287.057(1)(b)3.c., F.S. In accordance with statutory requirement, the criteria used for evaluation of proposals must include *consideration of the total cost for each year of the contract, including renewal years*. The Department's evaluation took into account the total cost of the renewal period and contract term as a whole rather than for each year.

Invitation to Negotiate (ITN), Section 287.057(1)(c), F.S.

The majority of purchase orders documented in FACTS as ITN were purchase orders under DWM's PRP remediation activities under Rule 62-772.400, F.A.C. We sampled 20 purchase orders procured as ITN and determined the Department generally met the requirements under Section 287.057(1)(c), F.S., and Rule 62-772.400, F.A.C.

DRP Concessions Contracts Section 258.007, F.S.

In accordance with Section 258.007, F.S., and through DRP's BOS, the Department enters revenue generating contracts for concession services in state parks. DRP advertised the procurement of concessionaire services through Call for Business Plans



**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

solicitations as detailed in the DRP Operations Manual. We reviewed five concession procurement agreements. Of the sample selected, one was competitively procured and advertised on the *Doing Business with the Parks* website as required by their procedures. The other four were not advertised and considered non-competitive under Section 1.5.2 of Chapter 5.2 of the Operations Manual.

During the audit period, DRP updated their Operations Manual and procurement procedures to include advertisement through the Vendor Information Portal to more closely align advertising with Rule 60A-1, F.A.C. We reviewed one additional concession procurement executed after DRP implemented these changes and determined the procurement was advertised in compliance with the new procedures.

**Additional Requirements under Section 287, F.S. and Rule 60A-1, F.A.C.**

**Receiving Less than Two Bids, Proposals or Replies, Section 287.057(6), F.S.**

Under Section 287.057(6), F.S. the Department may choose to negotiate with a vendor on the best terms and conditions for procurement if the Department receives less than two responses to a competitive solicitation. The Department shall document the reasons it was in the best interest of the state to utilize the vendor rather than resoliciting the procurement. We reviewed two contracts and one purchase order and determined each procurement included documentation stating the reason it was in the best interest of the state to not resolicit for additional responses. In addition, the Department complied with the quarterly reporting.

**Consultants' Competitive Negotiation Act (CCNA), Section 287.055, F.S.**

The acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services were procured through Section 287.055, F.S. Two contracts were reviewed as part of the sample for this procurement method. One of the contracts did not include the required good faith estimate of the proposed work. The statute required the Department to conduct discussions with no fewer than three firms regarding their qualifications then select no fewer than three firms deemed to be the most highly qualified. One of the contracts only had a single vendor respond to the solicitation. The documentation provided indicated the Department contacted DMS to confirm how to move forward with a single response; however, no response from DMS was documented. Both contracts met the remainder of the statutory requirements regarding advertisement, evaluation, and selection process.

---

**CONCLUSION**

---

For the audit period, we reviewed all Department contracts and purchase orders in groups by the method of procurement and selected a judgmental sample of 46 contracts and 130 purchase orders for detailed testing, with respect to the documented procurement method or exemption. Based on our review, we did not find any trends depicting vendor preference. Our findings and recommendations are listed below.

## **FINDINGS AND RECOMMENDATIONS**

---

**Finding 1: Compliance with the Florida Transparency Act: Some information was missing, not entered timely, or was incorrect in FACTS.**

As part of the Transparency Florida Act established under Section 215.985, F.S., Department contracts and procurement documents are required to be posted in FACTS, which is maintained by the Department of Financial Services. The statute requires certain information and documentation be posted to FACTS within 30 calendar days after executing a contract and within 30 calendar days after executing an amendment to an existing contract. Purchase orders issued through Ariba on Demand<sup>4</sup> are automatically uploaded to FACTS when executed. Department procurement staff upload contract documents not executed through Ariba on Demand. Our review found two of the sampled contracts did not have a vendor's name listed in FACTS. In addition, 19 contracts and 9 purchase orders were recorded with the incorrect procurement method. Lastly, some contracts were missing the required documentation or had documentation added into FACTS beyond the 30-day requirement.

**Recommendation:**

We recommend the DAS BGS establish additional oversight and training for program and procurement staff providing and entering information in the FACTS in order to ensure Department contracts are entered timely and accurately, as required by Section 215.985, F.S.

**Management Response:**

The Division agrees with the recommendation and prior to this audit we had already updated our internal review process and implemented additional oversight for FACTS entries to include a pre-review of submissions from the program area to identify issues or inaccurate information prior to FACTS entry as well as a post audit of information uploaded.

**Finding 2: Continuing Contract Requirements: The Department utilized DMS continuing contracts without executing an agency contract with the continuing contract entity, as required by Rule 60D-15.002(2), F.A.C.**

Our review included a sample of contracts related to continuing contracts procured by DMS and utilized by BDC. Pursuant to Rule 60D-15.002(1), F.A.C., *All state agencies serving as the managing agency of a state-owned facility or a state construction site are authorized to utilize the services of any current [DMS] contract through activation.* Rule 60D-15.002(2), F.A.C., also requires that *All agency activations shall be implemented through an agency contract that is exclusive between the agency and a continuing contract entity.* Further, an agency contract is defined as *a proprietary construction project contract between a state agency and a construction management entity under continuing contract with the [DMS].*

---

<sup>4</sup> Ariba on Demand is the online procurement processing system for the State of Florida.

**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

Our review found there were no agency contracts executed or uploaded to FACTS for the continuing contracts we sampled. Documentation in FACTS included a one-page Contract Review Form and an Activation Letter, both signed by Department staff only. While it appears the Department was authorized by DMS to use the continuing contracts, the Department had not executed any agency contracts between the Department and the continuing contract entity, as required. Additionally, Rule 60D-15.002(7), F.A.C., requires the Department to submit form FP-01 *Agency Continuing Contract Activity Quarterly Report* to DMS. Based on communication with BDC staff, the Quarterly reporting to DMS had been paused but they planned to provide the reports going forward. The last documented occurrence of BDC submitting the required quarterly report was in 2021.

**Recommendation:**

We recommend BDC ensure that a proprietary construction project contract, between the Department and a construction management entity under continuing contract with DMS, is executed prior to issuing all agency activations, as required by Rule 60D-15.002(2), F.A.C. We further recommend BDC ensure compliance with DMS reporting requirements.

**Management Response:**

The Division will work with the Office of General Council to ensure that a proprietary construction project contract with a construction management firm, operating under a continuing contract with DMS, is fully executed. Additionally, we will ensure full compliance with DMS reporting requirements.

|  |
|--|
| <b>Finding 3: Invitation to Bid Requirements: Some construction projects required to be entered into the FAR were not advertised</b> |
|--|

Section 255.0525, F.S. establishes the required process for advertising competitive bids or proposals. Construction projects over the \$200,000 cost thresholds shall be advertised in the FAR at least 21 days prior to the established bid opening date, and 30 days prior if the project cost exceeds \$500,000. We reviewed six contracts for compliance with this procurement method. Two of the four contracts that exceeded the threshold requiring public advertisement did not have documentation available from BDC to confirm they had been advertised. The advertisements also could not be found upon review of the FAR website. The procurement of these contracts appear to have complied with other statutory and Florida Administrative Code requirements.

**Recommendation:**

We recommend BDC implement internal controls to ensure the requirements for advertising in the FAR, pursuant to Section 255.0525, F.S., are followed and documentation is maintained.

**Management Response:**

The Division concurs with the finding and will establish internal controls to ensure that advertising requirements in FAR are properly followed and that all related documentation is accurately maintained.



**Department of Environmental Protection  
Office of Inspector General  
Risk-Based Compliance Audit of Contracts Executed for the Preceding Three Fiscal  
Years Department-Wide**

---

**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 Section 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 Robert Oakley 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:

Office of Ombudsman and Public Services  
public.services@floridadep.gov  
(850) 245-2118

Candie M. Fuller,  
Inspector General