



Department of Environmental Protection Office of Inspector General

February 28, 2025

Report A-2324DEP-023

Audit of Agreement RP897 with Forestech Consulting, Inc.

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Agreement RP897 (Agreement) with Forestech Consulting, Inc (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 the audit included requirements, deliverables, task assignments (TAs), and payments by the Department associated with the Agreement for resource management services procured from the Contractor. The objectives of the audit were to:

1. Determine whether approved payments for the Agreement were for eligible costs, supported by sufficient documentation, and in compliance with the Agreement and Task Assignments.
2. Evaluate the Contractor's compliance with the Agreement and TAs.
3. Evaluate the Department's oversight of the Agreement and TAs.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, Department procedures, and other authoritative documents.
- Reviewing the requirements of the Agreement and TAs.
- Reviewing costs to confirm they were accurate and eligible.
- Interviewing appropriate Department personnel and management regarding the processes and controls used during the Agreement.
- Reviewing Department and Contractor records.

BACKGROUND

The Agreement established resource management services to be provided by the Contractor. The variety of services, detailed in Attachment 3 Scope of Work, were to provide the Department staff with the tools necessary to accomplish resource management goals identified in Unit Management Plans. The Agreement was executed on December 21, 2020. Under the Agreement, work was authorized on a TA basis as funding became available. A review of the Florida Accountability Contract Tracking System¹ (FACTS) at the beginning of the audit process revealed that there was a total of forty-six (46) TAs that had been authorized for a total budget of \$9,542,986.18 with 465 payments to date totaling \$5,397,109.66.

¹ FACTS is an online system used by the State of Florida to track payment and Contract information as part of the Transparency Florida Act.

The Contractor was compensated for completion of services as specified in the Scope of Work under the terms of this Agreement on a cost-reimbursement basis and the hourly labor rates by personnel title established in the Agreement. Reimbursable costs were limited to miscellaneous expenses and travel. The Agreement was managed by the Division of Recreation and Parks (Division).

An amendment executed on June 15, 2022, expanded upon allowable costs in the Agreement. The amendment added authorization for the Contractor to negotiate in the best interest of the State on a fixed price, fixed unit rate when subcontracted work was not covered by the labor rates established in the original Agreement. The Contractor would be reimbursed 5% above the subcontractor invoice amount. The amendment also included authorization for the Contractor to seek reimbursement for the use of certain vehicles during the completion of the TAs.

RESULTS OF AUDIT

During the audit, we reviewed the Contractor's compliance with the requirements of the Agreement, including, deliverables, TAs, and payments associated with the Agreement. A summary of our review is as follows:

Subcontracting

According to the Agreement, the Contractor could not subcontract any work under this Agreement without the prior written consent of the Department's Contract Manager. Based on our review of the TAs and subcontractor documentation, we found written consent was not provided by the Contract Manager for subcontractors as required. During conversations with the Division, the Contract Manager stated that any subcontractors included in the solicitation process were considered by the Division to have received prior written consent. This interpretation was based on the Division's prior practice in the previous Agreement with the Contractor. There were additional subcontractors utilized that were not a part of the solicitation. These subcontractors received prior written consent through emails; however, the approval came from the Task Manager associated with the specific TA rather than the Contract Manager. As a follow up from a prior audit for the previous Agreement, the Division advised that no subcontracting was occurring with the current Agreement. Based on our review in this audit, we found the Division's response in the prior audit conflicts with the documentation reviewed during this audit.

Additionally, the Agreement required that any subcontract made in performance of this Agreement must include the same conditions specified in this Agreement including a release of any rights, claims, or liabilities against the Department. An exception of these required conditions is the level of insurance, which should be at the discretion of the Contractor. Two of the subcontracts reviewed did not include the required conditions specified in the Agreement including a release of any rights, claims, or liabilities against the Department.

Task Assignment Review

We reviewed 13 of the 46 TAs issued during the audit period. Below are the results of our review.

Kickoff Meetings

As part of the implementation phase of multiple TAs, kickoff meetings were to be held on-site prior to the commencement of work and to include the Contractor, subcontractor, and Division staff. Our review of the sampled TAs and the associated kickoff meeting inspection reports determined that the Contractor was not documented as attending the meetings for three of the TAs, as required.

Timeliness of Task Start and Completion Dates

The Agreement established the Contract Manager's responsibilities including ensuring that established project timelines are monitored and met. Most TAs under this Agreement established

a project timeframe including a start date and completion date for the project. Of the TAs that we sampled, we determined the Contractor did not meet the established dates on four TAs. Three TAs had the Contractor begin the associated projects after the established start date. On the fourth TA, the Contractor did not meet the start date or completion date. The Contract Manager stated that one of the TAs start time was delayed due to lack of availability of the necessary material, but no documentation was provided to document an extension of established timelines or Change Order to the TA. Additionally, no documentation was provided for the other three TAs regarding the missed deadlines.

Deliverables Review

Each TA established financial consequences that noted *No payment will be made for unsatisfactory deliverables*. For unsatisfactory deliverables, the Division should notify the Contractor and convey the reasons why the deliverable was unsatisfactory. The Contractor would then have fifteen consecutive days to correct the deficiencies needed for submittal of a satisfactory deliverable. During our review of the sampled TAs, there were multiple deliverables found to be missing or not compliant with TA deliverable requirements; however, the Contractor still received payment for related work. Below is a summary of our review.

- Meeting minutes were required in multiple TAs for scheduled, formalized meetings involving the Division and the Contractor. We determined that meeting minutes were not provided for all of the documented meetings. Through discussions with the Contract Manager, we were advised that the missing minutes were not required for the documented meetings either because they were considered unofficial meetings, or the meeting was with the Bureau of Natural and Cultural Resources.
- Periodic progress reports were also required in some of the TAs that we reviewed; however, we found instances where the progress reports were not provided. For some of the TAs missing the progress report, the Division advised they did not require the Contractor to create reports; however, the TA was not updated. In addition, we determined that some progress reports were not submitted within the required timeframe.
- A Monthly Approval Form tracking work completed at the management zones of the project area was required in a portion of the TAs that we reviewed. The Division advised that they only required the Contractor to complete the form when work was completed by subcontractors. Some of the reviewed TAs with the Monthly Approval Form deliverable not submitted did not include the specification that the deliverable was only required for subcontracted work.
- There were several instances found during the sampled review of TAs where the required Geographic Information System (GIS) files were not provided. The Contract Manager stated they would only require this deliverable from the Contractor when the GIS data was being used to determine the acreage treated for the project. This description did not match the deliverable language. There were other instances where the GIS files were not provided within the TAs required timeframe.
- Photos were required to be provided depicting before, during, and after conditions of the project site for multiple TAs. We found multiple instances where the provided photos for a TA did not depict the conditions during all three timeframes of the project site.
- TA 1 had unique projects for each location that had timber sales. For each project, the Contractor was required to prepare and submit a sale Scope of Work (SOW), sale bid package, timber sale agreement, and final closeout reporting to include post-sale map of area treated, summary sheet and total acreage per management zone. One project was missing the required sale SOW, sale bid package, and timber sale agreement. Another project was missing the summary sheet. Multiple projects were missing the post-sale map

or total acreage per management zone. The Contract Manager stated they did not request the Contractor to provide the map or total acreage information unless there was a change of scope of work and timber collected. The deliverable language was not updated to match this, although the noted projects did have changes to scope and timber collected.

- TA 6 required all data and information deliverables to be delivered on or before December 31, 2023. The data and information deliverables would be considered delivered when the Contract Manager received written notification from the Contractor that the deliverables were uploaded to the Division's Microsoft SharePoint, and the Contract Manager provided written notification to the Contractor confirming receipt. No documentation was available showing that the Contractor provided written notification or that the Contract Manager provided written notification of receipt to the Contractor.
- TA 20 required the Contractor to complete and provide Exhibit F – Post Burn Evaluation monthly; however, no Post Burn Evaluations were provided. The Contract Manager stated they only required the Contractor to complete the forms when a subcontractor executed the burns. The TA does not specify the form was only to be completed when subcontractors were utilized.
- TA 29 required the Contractor to fill out Exhibit D – Weekly Progress Report for Invasive Plant Control; however, Exhibit D was not submitted by the Contractor for the completed mechanical treatments.
- TA 49 required the Contractor to provide Global Positioning System (GPS) track logs on a weekly basis and fill out Exhibit F – Weekly Progress Report for Invasive Plant Control. The GPS files were not provided on a weekly basis. The Exhibit F - Weekly Progress Report was not signed by the Division's site manager, had dates that conflicted with other documentation, and was not used for all work completed.

Payment and Billing Analysis

We selected a sample of payments to review and evaluate compliance with the Agreement. Based on our review, we found the following:

Travel Reimbursement

Based on our review of travel reimbursements, we found the Contractor did not always comply with Florida Statutes or the Reference Guide for State Expenditures.

Section 112.061(7)(d)1, Florida Statutes (F.S.) stated that whenever travel was by a privately owned vehicle, a traveler shall be entitled to either a mileage allowance or the common carrier fare for such travel if it is determined by the agency head or designee to be more economical. One travel had a *premium* class SUV, and the majority of the other reimbursements utilized map mileage for privately-owned vehicles. No documentation was provided with the reimbursements describing the class of travel utilized as the most economical.

Per Section 112.061(7)(d)3., F.S., *All mileage shall be shown from point of origin to point of destination and, when possible, shall be computed on the basis of the current map of the Department of Transportation.* A review of mileage claimed within the travel voucher against the current map on the Department of Transportation (DOT) website indicated the DOT map was not used for calculations as required by statute.

The Reference Guide for State Expenditures required *Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid.* Multiple lodging receipts provided with the Contractor's reimbursement requests were reservations instead of finalized receipts that showed payment had been made.

Billed Hours vs Budgeted Hours

We reviewed hours billed on sampled Performance and Cost (PC) Reports and invoices against the budgets established on the associated TA. Below is a summary of our review.

Each project associated with TA 7 had a dedicated budget with a 10% contingency. Based on our review of the hours billed by the Contractor, we noted several instances where the hours billed exceeded the budgeted hours including the 10% contingency. On other reviewed TAs, we identified tasks that were billed for personnel not identified in the related budget. In addition, we noted that the Contractor utilized personnel with a higher hourly rate to perform tasks budgeted to personnel with lower hourly rates.

Subcontractor Costs Documentation

The Agreement required that the Contractor paid all subcontractors under this Agreement within seven working days from the date of receipt of payment from the Department, excluding the final payment. No documentation was available to confirm that the Contractor complied with this requirement and the Division did not have a process in place to ensure compliance.

The Agreement required that the Contractor submit lien waivers or other documentation of payment from each subcontractor with each invoice where the subcontractor performed during the previous invoice period. A review of the payment vouchers for this Agreement showed that the Contractor did not provide the required documentation showing payment from each subcontractor. The Division was unable to confirm if there were controls in place to enforce or address this requirement.

Section 8d of Attachment 1 stated, *All charges for services rendered or for reimbursement of expenses authorized by the Department pursuant to the Scope of Work shall be submitted to the Department in sufficient detail for a proper pre-audit and post-audit to be performed.* Every Contractor invoice that included subcontracted costs at negotiated rates lacked backup documentation or itemization for subcontracted rates and the Contractor's 5% reimbursement rate. On some occasions, it was possible to confirm that the rate on the Contractor invoice matched the associated subcontract or bids plus the 5% reimbursement rate. There were other examples that did not have sufficient detail to confirm the costs matched the subcontractor's negotiated rate. The Contractor stated they received verbal direction from the Division that they did not need subcontractor invoices for any subcontracted costs. The lack of additional documentation from subcontractors for subcontracted costs reduced the detail available for the purpose of pre- and post-audit to be performed.

On one invoice reviewed; the Contractor billed the Department for estimated subcontractor costs. All documentation provided noted that the subcontracted costs were *Estimated*. The Reference Guide for State Expenditures stated that invoices must clearly identify specific deliverables that were completed. Estimated expenses did not indicate completion of deliverables.

Costs for vehicle reimbursement were established within Amendment 1 under the reimbursement category *Miscellaneous Costs* for the Contractor. For miscellaneous cost, the Division followed the documentation requirements in paragraph 9 of Section 1, of the Agreement. This Section directed the Division to adhere to the Reference Guide for State Expenditures which required deliverables that were paid on a cost reimbursement basis to have itemized paid invoices. The Division was also required to maintain detailed supporting documentation. Our review of a sample of invoices found that the Contractor billed for the use of vehicles by two subcontractors. One of the subcontractors had the vehicle reimbursement negotiated in their subcontract; however, the other subcontractor did not. Neither of the vehicle reimbursements included supporting documentation meeting the Reference Guide for State Expenditures requirement.

Per Section 215.422(3)(a), F.S., invoices should document the dates of receipt of services. Our review of a sample of invoices with subcontractor costs found examples where the supporting

documentation provided conflicted with each other regarding service dates. As there was not supporting documentation from the subcontractor with itemization, it was not possible to confirm the service dates.

PC Report Analysis

The PC Reports were provided with invoices and included information regarding the work completed, the hours worked on a task, the TA that the work was related to, and the personnel title of the employee that completed the work. The PC Reports noted billed hours by personnel title but did not indicate the employee that completed the work. This reduced the ability to audit if an employee was double billing across multiple invoices and TAs or had conflicting billed work across TAs. Per Section 5, Attachment 1 of the Agreement, *The Contractor warrants that: (1) the services will be performed by qualified personnel.* The provided PC Report's format reduced the ability to confirm that the employee completing the work under a specific personnel title had the qualification and experience established within the Contractor's response to solicitation.

CONCLUSION

During the audit, we reviewed the Contractor's compliance with the requirements of the Agreement, including, deliverables, TAs, and payments associated with Agreement. Based on our review, it appeared that sufficient documentation was not always provided to support work completed on TAs. Our review also noted areas where Division oversight and internal controls could be strengthened. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Deliverables not Completed – Multiple deliverables were incomplete, lacked supporting documentation, or were missing.

Each TA established financial consequences that noted *No payment will be made for unsatisfactory deliverables*. For unsatisfactory deliverables, the Division should notify the Contractor and convey the reasons why the deliverable is unsatisfactory. The Contractor would then have fifteen consecutive days to correct the deficiencies needed for submittal of a satisfactory deliverable. During our review of the sampled TAs, there were multiple deliverables found to be missing or not compliant with TA deliverable requirements; however, the Contractor still received payment for related work. Each TA established financial consequences that noted *No payment will be made for unsatisfactory deliverables*. Below is a summary of our review.

- Meeting minutes were required in multiple TAs for scheduled, formalized meetings involving the Division and the Contractor. We determined that meeting minutes were not provided for all of the documented meetings. Through discussions with the Contract Manager, we were advised that the missing minutes were not required for the documented meetings either because they were considered unofficial meetings, or the meeting was with the Bureau of Natural and Cultural Resources.
- Periodic progress reports were required in some of the TAs that we reviewed; however, we found instances where the progress reports were not provided. For some of the TAs missing the progress report, the Division advised they did not require the Contractor to create reports; however, the TA was not updated. In addition, we determined that some progress reports were not submitted within the required timeframe.
- A Monthly Approval Form tracking work completed at the management zones of the project area was required in a portion of the TAs that we reviewed. The Division advised that they only required the Contractor to complete the form when work was completed by

subcontractors. Some of the reviewed TAs with the Monthly Approval Form deliverable not submitted did not include the specification that the deliverable was only required for subcontracted work.

- There were several instances found during the sampled review of TAs where the required GIS files were not provided. The Contract Manager stated they would only require this deliverable from the Contractor when the GIS data was being used to determine the acreage treated for the project. This description did not match the deliverable language. There were other instances where the GIS files were not provided within the TAs required timeframe.
- Photos were required to be provided depicting before, during, and after conditions of the project site for multiple TAs. We found multiple instances where the provided photos for a TA did not depict the conditions during all three timeframes of the project site.
- TA 1 had unique projects for each location that had timber sales. For each project, the Contractor was required to prepare and submit a sale SOW, sale bid package, timber sale agreement, and final closeout reporting to include post-sale map of area treated, summary sheet and total acreage per management zone. One project was missing the required sale SOW, sale bid package, and timber sale agreement. Another project was missing the summary sheet. Multiple projects were missing the post-sale map or total acreage per management zone. The Contract Manager stated they did not request the Contractor to provide the map or total acreage information unless there was a change of scope of work and timber collected. The deliverable language was not updated to match this, although the noted projects did have changes to scope and timber collected.
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- TA 29 required the Contractor to fill out Exhibit D - Weekly Progress Report for Invasive Plant Control; however, Exhibit D was not submitted by the Contractor for the completed mechanical treatments.
- TA 49 required the Contractor to provide GPS track logs on a weekly basis and fill out Exhibit F - Weekly Progress Report for Invasive Plant Control. The GPS files were not provided on a weekly basis. The Exhibit F - Weekly Progress Report was not signed by the Division's site manager, had dates that conflicted with other documentation, and was not used for all work completed.

Recommendations:

We recommend the Division implement processes to ensure that deliverables are completed prior to the approval of payment to the Contractor. We also recommend that the Division implement controls or processes to ensure that corrective actions are taken for deliverables not conforming with the Contract or Task Assignment.

Management Response:

The Division will implement processes to ensure that deliverables are completed prior to the approval of payment to the Contractor. The DRP will also implement controls or processes to ensure that corrective actions are taken for deliverables not conforming with the Contract or Task Assignment.

Contractor's Response:

See attached, the Contractor's response and OIG comments.

Finding 2: Travel and Subcontractor Costs – Supporting documentation related to travel reimbursements and subcontractor costs were insufficient and did not meet statutory requirements or Department guidelines.

Travel Reimbursement Documentation

Based on our review of travel reimbursements, we found the Contractor did not always comply with Florida Statutes or the Reference Guide for State Expenditures.

Section 112.061(7)(d)1., F.S. stated that whenever travel was by a privately owned vehicle, a traveler shall be entitled to either a mileage allowance or the common carrier fare for such travel if it is determined by the agency head or designee to be more economical. One travel had a *premium* class SUV, and the majority of the other reimbursements utilized map mileage for privately-owned vehicles. No documentation was provided with the reimbursements describing the class of travel utilized as the most economical.

Per Section 112.061(7)(d)3., F.S., *All mileage shall be shown from point of origin to point of destination and, when possible, shall be computed on the basis of the current map of the Department of Transportation.* A review of mileage claimed within the travel voucher against the current map on the Department of Transportation (DOT) website indicated the DOT map was not used for calculations as required by statute.

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Subcontractor Costs Documentation

Section 8d of Attachment 1 stated, *All charges for services rendered or for reimbursement of expenses authorized by the Department pursuant to the Scope of Work shall be submitted to the Department in sufficient detail for a proper pre-audit and post-audit to be performed.* Every Contractor invoice that included subcontracted costs at negotiated rates lacked backup documentation or itemization for subcontracted rates and the Contractor's 5% reimbursement rate. On some occasions, it was possible to confirm that the rate on the Contractor invoice matched the associated subcontract or bids plus the 5% reimbursement rate. There were other examples that did not have sufficient detail to confirm the costs matched the subcontractor's negotiated rate. The Contractor stated they received verbal direction from the Division that they did not need subcontractor invoices for any subcontracted costs. The lack of additional documentation from subcontractors for subcontracted costs reduced the detail available for the purpose of pre- and post-audit to be performed.

On one invoice reviewed; the Contractor billed the Department for estimated subcontractor costs. All documentation provided noted that the subcontracted costs were *Estimated*. The Reference Guide for State Expenditures stated that invoices must clearly identify specific deliverables that were completed. Estimated expenses did not indicate completion of deliverables.

Costs for vehicle reimbursement were established within Amendment 1 under the reimbursement category *Miscellaneous Costs* for the Contractor. For miscellaneous cost, the Division followed the documentation requirements in paragraph 9 of Section 1, of the Agreement. This Section directed the Division to adhere to the Reference Guide for State Expenditures which required deliverables that were paid on a cost reimbursement basis to have itemized paid invoices. The Division was also required to maintain detailed supporting documentation. Our review of a sample of invoices found that the Contractor billed for the use of vehicles by two subcontractors. One of the subcontractors had the vehicle reimbursement negotiated in their subcontract; however, the other subcontractor did not. Neither of the vehicle reimbursements included supporting documentation meeting the Reference Guide for State Expenditures requirement.

Per Section 215.422(3)(a), F.S., invoices should document the dates of receipt of services. Our review of a sample of invoices with subcontractor costs found examples where supporting documentation provided conflicted each other regarding service dates. As there was not supporting documentation from the subcontractor with itemization, it was not possible to confirm the service dates.

Recommendations:

We recommend the Division provide training to Contract Managers and strengthen internal controls to ensure that travel-related costs comply with Florida Statutes. We also recommend the Division strengthen internal controls over documentation for subcontractor and travel costs ensuring the reimbursement documentation meets the requirements in the Reference Guide for State Expenditures.

Management Response:

The Division will determine appropriate training for Contract Managers, with the intent to strengthen internal controls to ensure that travel-related costs comply with Florida Statutes. The Division will strengthen internal controls over documentation for subcontractor and travel costs ensuring the reimbursement documentation meets the requirements in the Reference Guide for State Expenditures.

Contractor's Response:

See attached, the Contractor's response and OIG comments.

Finding 3: Billed Costs – Billed costs exceeded or did not match the established budget.

Billed Hours vs Budgeted Hours

We reviewed hours billed on sampled Performance and Cost (PC) Reports and invoices against the budgets established on the associated TA. Below is a summary of our review.

Each project associated with TA 7 had a dedicated budget with a 10% contingency. Based on our review of the hours billed by the Contractor, we noted several instances where the hours billed exceeded the budgeted hours including the 10% contingency. On other reviewed TAs, we identified tasks that were billed for personnel not identified in the related budget. In addition, we noted that the Contractor utilized personnel with a higher hourly rate to perform tasks budgeted to personnel with lower hourly rates.

Recommendations:

We recommend the Division implement controls to ensure that work completed by the Contractor is billed at a rate appropriate to the task completed and that the Contractor works within the established budget.

Management Response:

The Division will review the finding and consult with Office of General Counsel to determine next steps. The Division intends to implement controls to ensure that work completed by the Contractor is billed at a rate appropriate to the task completed and that the Contractor works within the established budget.

Contractor's Response:

See attached, the Contractor's response and OIG comments.

Finding 4: Subcontractor Documentation and Agreements – There were multiple subcontracts that did not conform to Agreement requirements and subcontractor documentation was not provided.

The Agreement required that the Contractor submit lien waivers or other documentation of payment from each subcontractor with each invoice where the subcontractor performed during the previous invoice period. A review of the payment vouchers for this Agreement showed that the Contractor did not provide the required documentation showing payment from each subcontractor. The Division was unable to confirm if there were controls in place to enforce or address this requirement.

According to the Agreement, the Contractor could not subcontract any work under this Agreement without the prior written consent of the Department's Contract Manager. Based on our review of the TAs and subcontractor documentation, we found written consent was not provided by the Contract Manager for subcontractors as required. During conversations with the Division, the Contract Manager stated that any subcontractors included in the solicitation process were considered by the Division to have received prior written consent. This interpretation was based on the Division's prior practice in the previous Agreement with the Contractor. There were additional subcontractors utilized that were not a part of the solicitation. These subcontractors received prior written consent through emails; however, the approval came from the Task Manager associated with the specific TA rather than the Contract Manager. As a follow up from a prior audit for the previous Agreement with this Contractor, the Division advised that no subcontracting was occurring with the current Agreement. Based on our review in this audit, we found the Division's response conflicts with the documentation reviewed during this audit.

The Agreement required that any subcontract made in performance of this Agreement must include the same conditions specified in this Agreement including a release of any rights, claims, or liabilities against the Department. An exception of these required conditions is the level of insurance, which should be at the discretion of the Contractor. Two of the subcontracts reviewed did not include the required conditions specified in the Agreement including a release of any rights, claims, or liabilities against the Department.

Recommendations:

We recommend the Division implement review processes for subcontracts and controls to ensure that the Contractor conforms with Agreement requirements for subcontractors.

Management Response:

The Division will implement review processes for subcontracts and controls to ensure that the Contractor conforms with Agreement requirements for subcontractors.

Contractor's Response:

See attached, the Contractor's response.

Finding 5: Task Assignment Requirements – The Contractor did not meet certain Task Assignments requirements.

Kickoff Meetings

As part of the implementation phase of multiple TAs, kickoff meetings were to be held on-site prior to the commencement of work and to include the Contractor, subcontractor, and Division staff. Our review of the sampled TAs and the associated kickoff meeting inspection reports determined that the Contractor was not documented as attending the meetings for three of the TAs, as required.

Timeliness of Task Start and Completion Dates

The Agreement established the Contract Manager's responsibilities including ensuring that established project timelines are monitored and met. Most TAs under this Agreement established a project timeframe including a start date and completion date for the project. Of the TAs that we sampled, we determined the Contractor did not meet the established dates on four TAs. Three TAs had the Contractor begin the associated projects after the established start date. On the fourth TA, the Contractor did not meet the start date or completion date. The Contract Manager stated that one of the TAs start time was delayed due to lack of availability of the necessary material, but no documentation was provided to document an extension of established timelines or Change Order to the TA. Additionally, no documentation was provided for the other three TAs regarding the missed deadlines.

Recommendations:

We recommend the Division implement controls to ensure that the Contractor conforms with Task Assignment requirements.

Management Response:

The Division will implement controls to ensure that the Contractor conforms with Task Assignment requirements.

Contractor's Response:

See attached, the Contractor's response and OIG comments.

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 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

CONTRACTOR RESPONSE

ForeTech Consulting, Inc. dba F4 Tech
Response to Preliminary Audit Report of RP897

February 19, 2025

Responses to the report specifically refer to each finding by the IG in the following pages.

Finding 1: Deliverables not Completed – Multiple deliverables were incomplete, lacked supporting documentation, or were missing.

Meeting minutes as a deliverable is the standard language in all TAs. There are no formalized meetings for most TAs. Any field level meetings are documented as pre-bid, kick-off and field inspection reports that are submitted as deliverables under each TA. The Department schedules monthly contract and weekly project update meetings from time to time. Notes from those meetings and any recon visits for projects without a designated TA# are included as deliverables in Project Admin and Scoping TAs (e.g. TA2, TA74 and TA83). It's important to note that the monthly contract meetings and meeting minutes are services that are not charged to the Department as per the contract.

Regarding periodic progress reports, other than monthly Performance & Cost (P&C) reports, no other reports are required by the Department. The monthly P&C report summarizes tasks performed by individuals and associated costs for each TA within the invoice period. P&C reports are sent to the Department staff every month for approval and are also uploaded to the Department's SharePoint site.

The report references a "Monthly Approval Form." The name of this form is actually the "Project Approval Form" which can be found in Section V, B, (2), I. of most of the task assignments. Monthly does not appear in its name in most task assignments.

Rather than filling out the Project Approval Forms monthly to track the work progress, it is filled out for pre-agreed invoice period/s between F4 Tech and the subcontractor. This form is only utilized for field work done by subcontractors. This form is not used for F4 Tech hours, which is approved via the P&C report. The language in the task assignments makes it appear that this form should be submitted only when work is being done in the field. Every subcontractor invoice will have this form attached as a proof of the work completed but a separate copy may have been submitted for some TAs.

Regarding required GIS files not being provided, for many projects the acreage or feet in a project is directly from DEP's GIS and no changes occurred in the project that would alter the location or boundaries of the GIS layers, thus no change in quantity. Maps are created via drone, or GPS if there is a change in quantity, (Acres, feet, etc.) from the GIS or if the location indicates a shift in position. In large projects, GPS or drones may be used if a portion of a management zone is completed in a month.

This paragraph is in response to the question regarding photos being provided for before, during and after conditions. Rather than a separate before, during and after condition pictures, pictures were included in Survey123 reports submitted as a pdf document. BNCR does have access to an ArcGIS

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Online group where Survey123 pictures and data are housed. The Department has access to all of the pictures and reports for viewing and download. F4 recently made changes to the Survey123 forms that require the acquisition of pictures for each completed field survey.

Response to TA 1 findings:

SOWs for projects come from the Department and the Department includes them in the TAs when packaged.

There are too many Timber sales and deliverables under TA1 to review as to what these findings are referring to specifically. Without knowing which timber sale, it is difficult to track down the referenced missing bid package.

Regarding the timber sale agreement, timber sale TAs are unique. Unlike other TAs where the contract is between F4 Tech and the vendors/subcontractors, timber sale contracts are directly between the Department and the vendor. F4 Tech only plays the role of a facilitator. The Department provides a copy of the contract for our record.

Response to TA 6 findings:

All deliverables were uploaded to Department's SharePoint site on December 6, 2023. The Department was notified via email on the same day with a list of deliverables (see emails in **Appendix A**). The Department had responded back the same day.

Response to TA 20 findings:

The Post Burn Evaluation form was utilized in contract 352 as an evaluation form for F4 to use to report on subcontractor's performance of prescribed burns. It would be inappropriate for F4 to utilize the form under this contract since the burning has been conducted by F4 personnel. So we would in effect be doing a self-evaluation and thereby creating a report where there is clear conflict of interest.

Response to TA 29 findings:

Our records indicate Exhibit D -Weekly Progress Report was indeed uploaded to the Department's SharePoint site along with other October 2023 deliverables. The pdf document name was "Exhibit D – Oleta River Project.pdf – see attached **Appendix B**". The document is still on the Department's SharePoint site. See attached "Exhibit D – Oleta River Project.pdf" for the report and screenshot "TA29_Oleta River _Exhibit D delivery screenshot.PNG – **Appendix C**" for the location of the report in the Department's SharePoint site as of 2/11/2025.

Response to TA 49 findings:

Based on the Weekly Progress Report and included acres, treatment started on June13, 2023 and completed on June 23 (two weeks). Separate track logs were not provided for each week but GIS track logs for both weeks were uploaded to the DEP SharePoint site in July 2023 (See screenshot "TA49_Atlantic Ridge Trac logs location in DEP SharePoint site.PNG" as **Appendix D**). Two separate track maps were created and based on our records were uploaded to the Department's SharePoint site in July 2023 along with the approval form and Weekly Progress Report (See **Appendix E**).

Based on the two Weekly Progress Reports above, initial treatment date ranged from 6/13/2023 – 6/23/2023, which are well within the kick-off date 06/13/2023 and inspection date 6/22/2023 (95% complete). Approval Form seems to have used 6/30/2023 in general as the completion date but

based on the acres on the Approval Form (1,345.5 acres) and the two Weekly Progress Reports (1,345.5 acres), work seems to have completed on 6/22/2023.

The Weekly Progress Report is a Florida Fish and Wildlife Conservation Commission (FWC) form adopted to document work progress and chemical used by the subcontractors on a weekly basis. The subcontractor is required to have an on-site ground crew supervisor full-time who has a certified herbicide applicator license. The crew supervisor signs as the Contractor Representative field but there is no designated Site Manager under this contract.

Finding 2: Travel and Subcontractor Costs – Supporting documentation related to travel reimbursements and subcontractor costs were insufficient and did not meet statutory requirements or Department guidelines.

In the case of the “Premium Class SUV” from Avis, this was referring to a Ford Expedition. This vehicle was chosen because it was large enough to transport four individuals from the Avis rental car facility in Jacksonville to Camp Helen State Park for a week. This included their luggage and tools required to perform the task of a cultural assessment. If a smaller non-premium class SUV was used, it would not have been large enough to transport all people and materials. In that case two vehicles would have been needed, which would have well exceeded the cost for the lone Ford Expedition. As the statute reads, the expense should be the “most economical” to the State, which in this case it was.

Regarding the finding about multiple hotel receipts missing, F4 currently books hotel reservations through services such as Expedia and Hotels.com. The intention is to get the best prices possible. The hotel does not provide a receipt for these bookings unless something is purchased that was not covered by the online booking agency. We believe in these cases; the booking reservation serves as the receipt.

Another finding mentions that F4 billed the Department for estimated subcontractor costs. The invoice indeed mentions estimated, but the distances are from an actual FDOT survey. Not sure why the word “Estimated” was on the invoice, so appears to be an oversight on our part. We still have the DEP staff signing off on the quantity, which was the case here.

Summary response:

Some nine years ago when we started working for DEP under contract 352, the Contract Manager, Jim Singleton, setup a meeting with Silvia Vaughn, who still works for DEP in State Lands, to train F4 on how to submit the DEP travel vouchers properly. At that time, FDOT did not have the current FDOT Official Highway Mileage Viewer:

<https://fdot.maps.arcgis.com/apps/webappviewer/index.html?id=fcb8b493d1c84f909f94a8ebfafb317>

Instead FDOT published a table, which they still do, that shows official mileage from different communities in the state. As roads have changed, FDOT updates the table, and it appears over time they have added more starting and stopping locations. For example, to the best of our understanding, the FDOT table nine years ago only had one location for Tallahassee as a starting point, probably downtown at the Capitol. Depending on where you lived in town the actual mileage

to a location could be plus or minus 5 miles or so to the destination. The same existed on the destination side. For F4, often we are not going to one spot in a state park. In the case of the Cross Florida Greenway, Fakahatchee Strand, Charlotte Harbor, Myakka, Kissimmee Prairie, and several others, we can end up driving a good number of miles once we arrive at the park or there may be multiple entrances. In some cases, the parks listed above contain more than 75 or 100 square miles. The official DEP Voucher for Reimbursement of Travel expenses has a Map Mileage Claimed and A Vicinity Mileage Claimed column on the form. It was explained that if we had any variation in mileage above the amount on the lookup table or the map interface, the difference went in the Vicinity column. We were allowed to have as much as 50 miles in the vicinity without having to submit a written explanation of the difference.

Nine years ago, we produced a paper travel log that each staff member kept in their vehicle. It had the starting odometer reading and the ending odometer reading for the day, where they are starting from and where they going to, and a comment column. If our odometer reading came up with less mileage than what the lookup table had in it, then we only charged DEP for the actual miles driven, even if the table had a higher number of miles. At the end of each month, the staff turned in these logs and we would assemble the travel vouchers. We used the old lookup tables to populate the map mileage and then calculate any excess that would then go into the vicinity miles. Once the vouchers were produced, each staff member would sign them before the end of the month.

In the fall of 2024, F4 updated their processes to utilize the new FDOT map viewer for populating a spreadsheet with the distance from staff or office starting points to the park for each task assignment. Today F4 staff keep an Excel spreadsheet with date, task assignment number, starting location, time and odometer readings. F4 bills the lesser of odometer reading or the mileage allowed from the FDOT map viewer with the allowable adjustment of vicinity miles. F4 uses the park address listed from the state website for that park as the navigation point.

Finding 3: Billed Costs – Billed costs exceeded or did not match the established budget.

Since this is a time and materials contract with a not-to-exceed for each Task Assignment, we strive to do our best with estimates for each subtask with hours and positions. What happens once land management contracts get underway, which each month we are currently working on approximately 30 of them at a time, is that the gap between the plan and reality on the ground can change due to a wide range of factors. Some of these include, but are not limited to, the following: weather events, staffing changes for both DEP and F4, equipment failures, subcontractor issues, unexpected site conditions, etc.

In any event, we are not allowed to exceed billing on the task assignment amount. We have on two occasions in recent memory had to perform work free of charge due to a mix of the above variables and perhaps even others. The email response to our question regarding specific examples only included this one, *"...the Monthly Performance and Cost Report for the January 2023 period had a Natural Community/Forest Analyst bill for 18 hours toward the Fakahatchee Strand project for TA7. This position was budgeted for 10 hours."*

TA7 was a Timber Assessment project. Timber Assessments are without a doubt one of the more difficult TA's to estimate hours accurately for each position and individual park on the list. For this TA there were no less than 31 parks listed. Each park had anywhere from 3-5 positions with

estimates of time for each. This resulted in providing well over 100 estimates, which in most cases are sight unseen and resulting in a high degree of uncertainty in total for this Task Assignment. For some additional perspective, out of the TA7 total budget of \$166,441 there was a rather large remaining balance of \$65,649.97.

If we were to never be able to exceed the budgeted hours per subtask and position, then total TA budgets would be untenably high and grossly overestimated.

Finding 4: Subcontractor Documentation and Agreements – There were multiple subcontracts that did not conform to Agreement requirements and subcontractor documentation was not provided.

We have learned that this oversight on our part occurred with two TA8 subcontractors, EarthBalance and Ruby and Steven Swett LLC. Somehow the older contract template was mistakenly utilized. This was not intentional and once discovered has since been addressed and corrected so that the same conditions specified in the Agreement, as outlined in the Preliminary Report, applies to all of our subcontractors.

Finding 5: Task Assignment Requirements – The Contractor did not meet certain Task Assignments requirements.

The Survey123 form that is used to document kickoff meetings resides solely on F4 staff smart phones or tablets. Therefore, in order for the kickoff meeting forms to be produced in the first place an F4 employee must be the one who creates it. The failure of the staff to not include their own name as a meeting attendee, while being understandably a concern, is in actuality a technical oversight. We will explore whether their names could be automatically included so as not to cause confusion going forward. In the example for TA 29, the form shows the inspector at the top of the page as TomD@nrpsforesters.com, who is an F4 staff member by the name of Tom Donohoe. Mr. Donohoe's name also appears at the bottom of page 12 along with proof that he took the photos throughout the entire report from his mobile phone.

OIG COMMENTS TO THE CONTRACTOR'S RESPONSE

Based on the Contractor's response to Findings 1, 2, 3 and 5, the following OIG comments serve to clarify audit results. See the Contractor's full response attached to the report.

Response Comments to Finding 1:

Meeting Minutes: In response, the Contractor stated, *Meeting minutes as a deliverable is the standard language in all TAs. There are no formalized meetings for most TAs.* Meeting minutes were required for multiple TAs for scheduled formalized meetings involving the Division and the Contractor. It was noted during our audit that these minutes were missing or not provided in some cases. During our review it was noted that the Department was billed for meetings between the Division and Contractor on multiple occasions. It was also noted that some TAs had task descriptions and budget that specifically mentioned meetings, but meeting minutes were not provided despite work billed to meetings.

Periodic Progress Reports: In response, the Contractor stated, *Regarding periodic progress reports, other than monthly Performance & Cost (P&C) reports, no other reports are required by the Department. The monthly P&C report summarizes tasks performed by individuals and associated costs for each TA within the invoice period. P&C reports are sent to the Department staff every month for approval and are also uploaded to the Department's SharePoint site.* The finding noted that periodic progress reports were required on multiple TAs and we found instances where the progress reports were not provided. The Division advised that they did not require the Contractor to create reports on some TAs; however, the TAs were not amended to reflect that change. It was also noted that the progress reports were not provided within the required timeframe on some TAs. The PC reports were in some cases were separate required deliverable on a TA, did not match the TA description of the periodic progress report deliverable, or were not provided as frequently as required by the TA.

Monthly Approval Form: In response, the Contractor stated, *The report references a "Monthly Approval Form." The name of this form is actually the "Project Approval Form" which can be found in Section V, B, (2), I. of most of the task assignments. Monthly does not appear in its name in most task assignments.* The Monthly Approval Form was included in multiple TAs as a deliverable. Specifically, some TAs state that the Contractor will provide to the Department *Exhibit C - Monthly Approval Form that will accompany the contractor's monthly invoice.* Other TAs include an Exhibit E which is titled Monthly Approval Form. However, our finding noted that the deliverable was not provided on a monthly basis as required.

GIS Files: Multiple TAs required GIS files to be submitted as a deliverable. Our finding noted that these files were missing from multiple TAs. The Contract Manager stated they only required this deliverable when the data was used to determine acreage treated for a project. In response to this finding, the Contractor had a similar response regarding GIS files. They mentioned not providing the files when no changes occurred with documented

project boundaries. However, this interpretation does not match the requirement language of the TAs.

Photos: Photos were required to be provided depicting the before, during, and after conditions of the project site for multiple TAs. In response, the Contractor stated that rather than providing separate before, during, and after condition photos, they were included with their Survey123 reports (inspection reports). Our audit review included the inspection reports and noted that photos were missing on multiple occasions.

Response Comment, Finding 1 - TA 1

TA 1 had multiple deliverables for each project location. Multiple deliverables including sale scopes of work (SOW) and timber sale agreements were noted as missing in the finding. In response, the Contractor noted that SOWs for projects come from the Department and stated that timber sale agreements were handled directly between the Department and vendor. However, this does not match the TA deliverable language requirements.

Response Comment, Finding 1 - TA6

The finding noted that all data and deliverables were to be delivered by December 31, 2023; however, we were unable to obtain written notification from the Department of date of receipt. In response to this finding, the Contractor provided a copy of an email communication with the Division. As noted in our finding, we requested the Division provide this documentation on multiple occasions but it was not provided during our review.

Response Comment, Finding 1 - TA20

TA 20 required the Contractor to provide *Exhibit F – Post Burn Evaluation Form that will accompany the Contractor’s monthly invoice* and also requires the Department and Contractor to sign-off on the form after inspection of the work completed by the Contractor. However, no Post Burn Evaluation Forms were provided. In response, the Contractor stated that they did not complete the forms as they viewed them as a conflict of interest. However, the Contractor was required to submit these forms in accordance with the terms of the TA and change order, and the Department was required to sign-off on the form approving the work completed.

Response Comment, Finding 1 - TA29

TA 29 required the Contractor to fill out Exhibit D - Weekly Progress Report for Invasive Plant Control; however, Exhibit D was not submitted by the Contractor for the completed mechanical treatments. In response, the Contractor provided documentation regarding the required Weekly Progress Report and indicated in their response that the documentation was provided to the Department’s SharePoint site. This project included both herbicide and mechanical treatment. Based on the inspection reports and kickoff reports provided by the Contractor, the documentation (Appendix B of Contractor’s response) appears to be for the herbicide as noted in our audit. This documentation does not address the audit finding regarding the Weekly Progress Report for mechanical work that began in December 2023.

Response Comment, Finding 1 - TA 49

TA 49 required the Contractor to provide GPS track logs on a weekly basis and fill out Exhibit F - Weekly Progress Report. However, the GPS logs were not provided on a weekly basis and the Exhibit F - Weekly Progress Report was not signed by the Division's site manager, had dates that conflicted with other documentation, and was not used for all the work completed. In response, the Contractor confirmed that the GPS track logs for two weeks of treatment were provided as a single document instead of weekly.

Response Comments to Finding 2:

Travel Reimbursement Documentation: Our review determined the Contractor's supporting documentation for travel reimbursements did not always comply with Florida Statutes or the Reference Guide for State Expenditures. In response, the Contractor provided supplemental justification for a vehicle rental and lack of hotel receipts.

- **Premium Class Vehicle Rental:** No justification was provided during our audit or prior to the Contractor receiving payment, as required.
- **Hotel Receipts:** During the audit, the Contractor provided documentation showing hotel reservations instead of paid receipts. The Contractor responded that they did not have receipts due to using a third-party reservation system. However, the examples we provided to the Contractor (upon request) were for hotel reservations made directly through the hotel. Lodging receipts provided by the Contractor for reimbursement did not meet the requirement from the Reference Guide for State Expenditures to include documentation indicated the item was paid.

Response Comments to Finding 3:

As noted in a portion of this finding, each project associated with TA 7 had a dedicated budget with a 10% contingency. Based on our review of the hours billed by the Contractor, we noted several instances where the hours billed exceeded the budgeted hours including the 10% contingency. In response to this finding, the Contractor provided an explanation for potential inconsistencies or variability with costs. This explains the potential volatility of costs but does not address exceeding budgets without amendments to the TA.

Response Comments to Finding 5:

As noted as part of this finding, kickoff meetings were required as part of the implementation phase of multiple TAs and were to include the Contractor, subcontractor, and Division staff. Our review of the sampled TAs and the associated kickoff meeting inspection reports determined that the Contractor was not documented as attending the meetings for three of the TAs, as required. In response to the finding, the Contractor stated, *The failure of the staff to not include their own name as a meeting attendee, while being understandably a concern, is in actuality a technical oversight.* The Contractor also noted that one of the examples provided had a Contractor staff member noted on the kickoff meeting documentation. Our review indicated this employee was not an employee of the Contractor, but rather an employee of a subcontractor.