



Department of Environmental Protection Office of Inspector General

October 11, 2023

Report A-2223DEP-018

Audit of Petroleum Restoration Program Agency Term Contract Purchase Order BA12F1 for Source Removal Activities with Groundwater & Environmental Services, Inc.

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Division of Waste Management (Division) Petroleum Restoration Program (PRP) Agency Term Contract GC814 (ATC) and Purchase Order BA12F1 (Purchase Order) for Source Removal Activities with Groundwater & Environmental Services (Contractor). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2022-2023.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included activities and financial records associated with the Purchase Order for source removal at Mikes Bait & Tackle (Facility). The Purchase Order was assigned to the Contractor. The scope may also include related purchase orders and activities for the Facility.

The objectives of the audit were to:

- Determine whether the Contractor complied with the requirements of the Purchase Order and ATC;
- Determine whether approved payments were supported by documentation as required by the Schedule of Pay Items and deliverable completion; and
- Evaluate management oversight of the Purchase Order, Facility, and Contractor.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and internal operating procedures.
- Reviewing the ATC and the Purchase Order; including deliverables, invoices, supporting documentation, and Remedial Action Plan (RAP).
- Interviewing appropriate Division staff and management regarding the processes and controls used in the procurement and contracting process.

BACKGROUND

The Inland Protection Trust Fund (IPTF) was created under § 376.3071, Florida Statutes (F.S.), to provide funding for the Department to respond to incidents of inland contamination related to the storage of petroleum and petroleum products. The PRP manages activities necessary to prioritize, assess, and clean up facilities contaminated by discharges of petroleum and petroleum-

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based products from stationary petroleum storage systems. In accordance with § 376.3071, F.S., the Department has implemented rules and procedures to administer the PRP through Agency Term Contractors and other contracted professional services. The PRP oversees environmental remediation cleanup activities for State-funded facilities under several cleanup programs and initiatives. These facilities are assigned Site Managers to manage all aspects of oversight for work performed. The Division utilizes Site Manager Standard Operating Procedure (SOP) guides to assist Site Managers and other Program staff with navigating the PRP facilities through the cleanup and closure process.

Per the Purchase Order, the Contractor was selected to perform source removal at the Facility, located at 7989 Highway 90, Sneads, Florida. The Purchase Order was issued on November 2, 2021, and included four tasks as summarized in the table below:

Task	Deliverable Description	Total
1	Updated Health and Safety Plan.	\$0
2	Conduct a Pre-Construction Meeting with the Contractor, subcontractors, the Department, county, and Responsible Party/Owner in attendance. Submit meeting minutes and notes with information about any participating parties, photos, confirmation by the Agency Term Contractor that the Owner understands the Scope of Work, summary of conclusions and recommendations. During this meeting, confirm and measure the location of LDAs (large diameter augers) and complete a figure showing the LDAs with the necessary overlap, as well as the plume and proposed LDAs. Secure permits, preburn, groundwater, and backfill samples. Abandon wells MW-6R, MW-6RR, and MW-19. Prepare a Remedial Action Interim Report.	\$9,615.75
3	Secure permits for LDA Source Removal per the RAP, the Source Removal Table, and the approved LDA figures from Task 2. Request that the LDA logs be submitted to the Site Manager daily for review. Up to 8 hours of Professional Engineer (PE) work is approved for LDA Source Removal, with the purpose of the P.E. to prepare field note observations and site times to be submitted with the report. Prepare a Source Removal Report.	\$212,954.49
4	No pre-drilling meeting or teleconference required. Secure permits and re-install MW-6RR per the attached Soil Boring and Well Sampling Table. Prepare a Letter/National Pollutant Discharge Elimination System (NPDES) Report with a summary of field work, photo documentation, updated figures, field notes, well logs, permits, recommendations and conclusions.	\$11,418.75
Total		\$233,988.99

The Purchase Order final cost estimate was \$233,988.99. Three Change Orders were submitted and approved during the Purchase Order and work was completed on October 3, 2022, with a final cost of \$241,068.26. The total was comprised of three payments as follows:

Payment	Date Paid	Amount
1	April 25, 2022	\$8,258.35
2	August 8, 2022	\$216,578.82
3	October 3, 2022	\$16,231.09
Total		\$241,068.26

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RESULTS OF AUDIT

Based on our review, we noted the following:

Change Orders

Three Change Orders were approved during this Purchase Order, making changes in Tasks 2 and 3. Change Order 1 added three additional units to Pay Item 9-15: Toxicity Characterization Leaching Procedure (TCLP). Change Orders 2 and 3 increased the units on some pay items and authorized the removal of a canopy support beam to allow Large Diameter Auger (LDA) source removal. All three Change Orders were approved prior to the on-site work for each task. A detailed description of each Change Order and associated costs are displayed below:

Change Order	Description	Total
1	This Change Order applies to Task 2 and was issued to add three additional TCLP Extraction Units (Pay Item 9-15) for the four PreBurn samples to meet the sampling table requirements per deliverable requirements. The deliverable due date remained the same as in the Purchase Order.	\$90.00
2	The second Change Order affected Tasks 2 and 3 and contained three specifications. <ul style="list-style-type: none"> • The first was to remove a horizontal canopy support beam to perform the LDA Source Removal. • The second was to increase units on Pay Items 3-2, 3-4, and 3-6 by two units and Pay Item 4-1. a. by 34 units, which accounted for an extended on-site project duration. • The third transferred any units associated with back-fill sampling from Task 2 to Task 3. The due dates for the Task 2 and 3 deliverables remained the same as in the Purchase Order. 	\$8,357.00
3	The last Change Order affected Task 3 with an increase from 27 to 30 LDA Borings to complete the Source Removal with associated applicable units needed to perform these borings increased as well. Task 3's deliverable due date remained the same.	\$18,348.50
Total		\$26,795.50

Invoices

SPI and Allowed Rates

The Contractor's Scope of Work is supported by detailed Schedule of Pay Items (SPIs) that include project specific pay items, number of units, and negotiated item rates. SPI negotiated rates are based on the fixed rate schedule in Attachment D of the ATC and are updated throughout the course of the ATC via Amendments. We reviewed paid invoices for each task to identify SPIs and amounts paid. We compared the amounts paid to the negotiated item price from Amendment 9 of the ATC to determine whether the amounts paid were allowable. Based on our review, the SPI amounts within the Purchase Order were consistent with the ATC rates.

Required Documentation for SPI Invoicing

For each invoiced pay item, the Contractor is required to submit specific supporting documents (deliverables) as outlined in the SPI. The basis for establishing what documents are required comes from the list of required documents per each pay item provided in Attachment B – SPIs and Other Related Documents. We compared each invoiced item to the SPI required documents under the Contract. Based on our review, we identified some SPIs that were included on the

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invoice, but not supported by the required documentation to demonstrate that the invoiced work had been completed. The total amount paid for pay items that lacked the required documentation during the course of this Purchase Order was \$4,935.00. Specifically, we noted the following:

Task 2, Pay Item 3-6

Description	Required Documentation	Units	Cost
Work Trailer - > 100 miles each way.	Field notes – documenting vehicle type	1	\$180.00

This pay item required documentation in the field notes; however, we found no mention of a Work Trailer in the field notes, but it was included on the invoice.

Task 3, Pay Item 4-1.a

Description	Required Documentation	Units	Cost
Per Diem - For travel > 1 consecutive day (prorated in quarter day increments in accordance with 112.061, 4-1.a. F.S.) - Travel Voucher required and quoted rate should be per person per day	Field notes documenting personnel and travel times to and from site (with properly completed travel voucher)	56.5	\$4,520.00

This pay item was for travel related per diem expenses. The pay item requires field notes as supporting documentation which should include each personnel on-site, dates, and travel times to and from the site, along with a properly completed travel voucher. In accordance with PRP's Field Notes Guidance, at a minimum the field notes should include:

- *Clear documentation of time of arrival and departure at the facility for each person, including break(s) taken (if off-site and/or \geq ½-hour).*
- *The names of all personnel on-site taking part in the field event, including oversight personnel, construction crew, subcontractors, etc., and also of all other people who enter and leave the facility due to their direct or indirect involvement with the work being performed.*

The Contractor submitted an invoice for 56.5 units, which totaled \$4,520 and included travel vouchers as required. However, the names and dates of people provided in the travel vouchers were inconsistent with the names and dates of people who were listed on-site in the field notes. The field notes for this deliverable did not contain names, dates, or arrival and departure times for every person included on the travel vouchers. Specifically, our review noted the following:

- May 2, 2022: Three people that submitted travel vouchers were not recorded in the field notes as being on-site.
- May 3 and 4, 2022: Two people that submitted travel vouchers were not recorded in the field notes as being on-site.
- May 5, 6, 9, 10,11, and 13, 2022: One person that submitted a travel voucher was not recorded in the field notes as being on-site.

The omission of specific arrival and departure times for each person resulted in the inability to determine the accuracy of the units billed.

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Task 3, Pay Item 21-13

Description	Required Documentation	Units	Cost
P.G. or P.E. Review, Evaluation and Certification of a Soil Source Removal Report That Includes a Recommendation for NFA (No Further Action)	Work performed in accordance with scope; signed and sealed report	1	\$235.00

The ATC states, *A registered P.G. or qualified registered P.E. certification is required to attest to the field work portion of the report only and if the report includes recommendation for no further action (NFA). Within the Source Removal Report, the Contractor, recommends proceeding with future tasks under a new FDEP Purchase Order.* Because a recommendation for further action is included, there is no requirement for a P.G. or P.E. certification and none is included within the Source Removal Report. However, in the Task 3 invoice this certification is billed and paid in the amount of \$235.00.

Field Notes

Our review noted that the field notes submitted within the deliverables for Tasks 2, 3, and 4 did not meet the minimum PRP requirements. Areas in which the field notes should have contained more information than was provided include the facility address, weather conditions on-site, and reference to the applicable Task Assignment. The ATC states, *The Contractor shall maintain detailed field notes for all site activities in accordance with the April 25, 2012 BPSS [Bureau of Petroleum Storage Systems] Field Notes Guidance Document and provide copies of the notes with their deliverables and/or reports as directed.* The PRP Field Notes Guidance states, *All field activities must be properly documented in field books in a manner that is detailed, legible, and coherent. The requirements of this section must be followed for all petroleum contaminated sites.* Our review noted the field notes lacked sufficient information in the following areas:

- In Tasks 2 and 3 the address of the Facility was not recorded in the field notes; therefore, we were unable to verify that the entire book was dedicated to this Facility. The PRP Field Notes Guidance states, *The facility name, facility address, and FDEP Facility ID # must be written at the beginning of the book if the book is dedicated to one single facility or at the beginning of each field event if the book is not dedicated to a single facility.*
- The field notes in Tasks 2 and 3 do not contain a record of any weather conditions. The PRP Field Notes Guidance states, *Information on weather conditions (temperature, whether it is sunny or overcast, etc.) on arrival at the facility. Should the weather change throughout the day(s), then those changes also should be recorded in the field notes.*
- The field notes for Tasks 2, 3, and 4 do not provide a reference to the corresponding Task Assignment. The PRP Field Notes Guidance states, *For State-funded work, a reference should be provided to the applicable Work Order or Task Assignment.*
- As previously mentioned in this report, the names, dates, and times of arrival and departure were not always included in the field notes. The PRP Field Note Guidance states, *Clear documentation of time of arrival and departure at the facility for each person, including break(s) taken (if off-site and/or \geq ½-hour) and, The names of all personnel on-site taking part in the field event, including oversight personnel, construction crew, subcontractors, etc., and also of all other people who enter and leave the facility due to their direct or indirect involvement with the work being performed.*

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Retainage

The Purchase Order's Scope of Work established a retainage amount of 5%, which is withheld from each invoice payment until the completion and approval of all tasks. The Contractor submitted three invoices for payment under the Purchase Order. We verified the Contractor submitted a Release of Claim as required by the Contract with the final invoice and was paid for the retainage withheld.

Subcontracted Work

Under the Purchase Order, the Contractor utilized five subcontractors that provided services for the Source Removal. Pursuant to SOP 10. – Subcontractor Procedures, *the Contractor shall not subcontract any work under the contract, with the exception of those subcontractors authorized by the department, without the prior written consent of the department's contract manager.* Based on our review, all five of these subcontractors were reported on the Subcontractor Utilization Form and were approved by the Department prior to the start of this Purchase Order.

Oversight of Deliverables

We reviewed the deliverables for each task as identified in the Purchase Order. The deliverable due dates were compared to the dates in which the deliverable was submitted to the Department. Site Manager approval time of submitted deliverables was also evaluated by using the PRP Staff Deliverable Review Turnaround Times (TAT) table. Both the initial deliverable submissions and the revised deliverable submissions occurred within the due dates. The Site Manager reviewed the deliverables within the time frames outlined in the TAT. All invoices were submitted to the Department within thirty days of the Site Manager's approval of the revised deliverables. Payment to the Contractor upon Department receipt of the invoices occurred within the 20-day window outlined in § 215.422, F.S. While timeliness of the deliverables and invoices appeared to be adequate, our review noted management oversight of required supporting documentation submitted within the deliverables could be improved.

Contractor Performance Review

In accordance with Rule 62-772.300(6), Florida Administrative Code, Contractor performance on state-funded petroleum cleanup projects shall be evaluated, monitored, and documented after each Task Assignment or Purchase Order. The Contractor Performance Evaluation (CPE) must be completed by the Site Manager after the final invoice has been submitted for each Work Order or Purchase Order. According to Section 19.1 of the PRP SOP Site Manager Guide, CPEs should be completed within 30 days of the final Purchase Order invoice payment. The final invoice for the Purchase Order was received by the Department on September 15, 2022.

We verified that the CPE was completed by the Site Manager on September 30, 2022. The Site Manager documented the Contractor's performance as *top*. The Site Manager contacted the owner of the Facility with a survey form for their input, but no response was received. This communication was recorded in OCULUS.

SPI Changes

Based on our review, changes were made to the SPIs between the RAP from July 28, 2020, the PRP Assignment Email to the Contractor on October 20, 2021, and the Purchase Order from November 2, 2021. These changes involved adding pay items related to soil and water testing as well as changing the type of deliverable required in Tasks 2 and 4. Department approval of these changes are reflected in an email between the Site Manager and PRP Contracts section.

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CONCLUSION

Based on our review of documentation, discussions with PRP staff, and the activities and financial records associated with the Purchase Order, it appears the Contractor generally completed the Scope of Work in the Purchase Order. However, our review revealed management oversight of the Purchase Order could be improved regarding SPI documentation and field note requirements. Our findings and recommendations are listed below.

Finding 1: SPI Documentation - The Contractor received payment for some pay items that were not supported by the required documentation.

For each invoiced pay item, the Contractor is required to submit specific supporting documents as outlined in the SPI. The basis for establishing what documents are required comes from the list of required documents per each pay item provided in Attachment B – SPIs and Other Related Documents. We compared each invoiced item to the SPI required documents under the Contract. Based on our review, we identified some SPIs that were included on the invoice, but were not supported by the required documentation to demonstrate that the invoiced work had been completed. Our review found \$4,935.00 was paid to the Contractor for pay items that lacked the required supporting documentation. Specifically, we noted the following:

Task 2, Pay Item 3-6, was for a Work Trailer; however, we found no mention of a Work Trailer in the field notes, but it was included on the invoice.

Description	Required Documentation	Units	Cost
Work Trailer - > 100 miles each way.	Field notes – documenting vehicle type	1	\$180.00

Task 3, Pay Item 4-1a, was reimbursement for travel-related per diem expenses. Based on our review, the field notes did not support the travel vouchers submitted. The omission of specific arrival and departure times for each person resulted in the inability to determine the accuracy of the units billed.

Description	Required Documentation	Units	Cost
Per Diem - For travel > 1 consecutive day (prorated in quarter day increments in accordance with 112.061, 4-1.a. F.S.) - Travel Voucher required and quoted rate should be per person per day	Field notes documenting personnel and travel times to and from site (with properly completed travel voucher)	56.5	\$4,520.00

The pay item required documentation in the field notes to include personnel on-site and travel times to and from the site, along with a properly completed travel voucher. The Contractor submitted an invoice for 56.5 units, which totaled \$4,520 and included travel vouchers as required. However, the names and dates of people provided in the travel vouchers were inconsistent with the names and dates of people who were listed on-site in the field notes. Specifically, our review noted the following:

- May 2, 2022: Three people that submitted travel vouchers were not recorded in the field notes as being on-site.
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- May 5, 6, 9, 10,11, and 13, 2022: One person that submitted a travel voucher was not recorded in the field notes as being on-site.

PRP Field Notes Guidance states field notes should include the following:

- *Clear documentation of time of arrival and departure at the facility for each person, including break(s) taken (if off-site and/or ≥ ½-hour).*
- *The names of all personnel on-site taking part in the field event, including oversight personnel, construction crew, subcontractors, etc., and also of all other people who enter and leave the facility due to their direct or indirect involvement with the work being performed.*

Task 3, Pay Item 21-13, was for a P.G. or P.E. certification. Based on our review there was no requirement for a P.G. or P.E. certification; however, in the Task 3 invoice, this certification was included, and the Contractor was paid \$235.00.

Description	Required Documentation	Units	Cost
P.G. or P.E. Review, Evaluation and Certification of a Soil Source Removal Report That Includes a Recommendation for NFA (No Further Action)	Work performed in accordance with scope; signed and sealed report	1	\$235.00

The ATC states, *A registered P.G. or qualified registered P.E. certification is required to attest to the field work portion of the report only and if the report includes recommendation for no further action (NFA). Within the Source Removal Report, the Contractor, recommends proceeding with future tasks under a new FDEP Purchase Order.* Because a recommendation for further action is included, there is no requirement for a P.G. or P.E. certification and none is included within the Source Removal Report.

Recommendation:

- 1.1 We recommend the Division work with PRP and the Site Manager to review payments made for the questioned SPI costs, and request reimbursement for the SPI costs where required documentation was not provided.

Management Response:

Per the OIG’s recommendation, in response to this finding in a previous audit, PRP provided training after this instance on the evaluation of required items for Invoicing in the November 15, 2022, Program Teleconference and PRP also revisited this topic in the September 14, 2023, Program Teleconference. In both instances PRP followed up with notes from the teleconference which were distributed to all site managers. In addition, reimbursement of the \$1,455.00 associated with these items was requested from the Contractor on September 15, 2023.

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Finding 2: Field Notes – The field notes submitted with some deliverables did not contain all the required components as required by the ATC and as specified by PRP guidance.

Our review noted that the field notes submitted within the deliverables for Tasks 2, 3, and 4 did not meet the minimum PRP requirement. Areas in which the field notes should have contained more information than was provided include the facility address, weather conditions on-site, and reference to the applicable Task Assignment. The ATC states, *The Contractor shall maintain detailed field notes for all site activities in accordance with the April 25, 2012 BPSS Field Notes Guidance Document and provide copies of the notes with their deliverables and/or reports as directed.* The PRP Field Notes Guidance states, *All field activities must be properly documented in field books in a manner that is detailed, legible, and coherent. The requirements of this section must be followed for all petroleum contaminated sites.* Our review noted the field notes lacked sufficient information in the following areas:

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- The field notes in Tasks 2 and 3 do not contain a record of any weather conditions. The PRP Field Notes Guidance states, *Information on weather conditions (temperature, whether it is sunny or overcast, etc.) on arrival at the facility. Should the weather change throughout the day(s), then those changes also should be recorded in the field notes.*
- The field notes for Tasks 2, 3, and 4 do not provide a reference to the corresponding Task Assignment. The PRP Field Notes Guidance states, *For State-funded work, a reference should be provided to the applicable Work Order or Task Assignment.*
- As previously mentioned in this report, the names, dates, and times of arrival and departure were not always included in the field notes. The PRP Field Note Guidance states, *Clear documentation of time of arrival and departure at the facility for each person, including break(s) taken (if off-site and/or ≥ ½-hour) and, The names of all personnel on-site taking part in the field event, including oversight personnel, construction crew, subcontractors, etc., and also of all other people who enter and leave the facility due to their direct or indirect involvement with the work being performed.*

Recommendation:

- 2.1** We recommend the Division work with PRP and Site Managers to ensure field notes are adequately reviewed and contain all required components as required by PRP guidance and the ATC.

Management Response:

Per the OIG's recommendation, PRP provided training on Field Notes in the September 14, 2023, Program Teleconference and followed up with notes from the teleconference which were distributed to all site managers. In addition, PRP sent correspondence to all Agency Term Contractors instructing them to assure that field teams are familiar with and following the Petroleum Restoration Program Field Notes Guidance and that the employee's names on site and dates must match the submitted travel vouchers to be approved and paid.

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 Shelby Bremigan and supervised by Susan Cureton.

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