



Department of Environmental Protection

Office of Inspector General

August 2, 2024

Report A-2223DEP-021

Audit of Agreement RP894 with US eDirect, Inc for the Park Business System

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Agreement RP894 (Agreement) with US eDirect, Inc (Contractor) for the Park Business System (PBS) for the Division of Recreation and Parks (Division). 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 this audit included requirements, oversight, deliverables, disbursements, reports, and park records associated with the Agreement for a PBS between the Contractor and the Department. The audit covered the period from date of execution November 30, 2020, to June 30, 2023, as well as current activities and records as necessary.

The objectives of this audit were to:

1. Determine whether required deliverables and Contractor responsibilities were completed in accordance with the Agreement.
2. Evaluate the Department's oversight of the Agreement, payments disbursed, and completion of Department responsibilities listed in the Agreement.

To achieve our audit objectives, our methodology included:

- Reviewing the Department's voucher packages and associated documentation.
- Creating a spreadsheet analyzing payments and assessments to confirm compliance with Agreement standards.
- Reviewing the Project Management Plan for the required information and the established PBS implementation deliverable milestone delivery dates.
- Reviewing deliverable and milestone documentation that was submitted within the Scope and associated submission dates.
- Creating a spreadsheet to review deliverable documentation to confirm conformity with acceptance criteria, delivery dates, and Agreement requirements.
- Reviewing the Recreation Dynamics and Tableau websites to review a selection of reports.
- Creating a spreadsheet to test selection of the reports against the Agreement requirements.
- Interviewing the Contractor's Project Manager to request any additional information and address questions.
- Interviewing the current Contract Manager regarding controls and procedures in place to confirm compliance with the Agreement.
- Conducting a site visit at a state park and sending out a survey to determine whether controls and procedures were in place when using the PBS.

BACKGROUND

The Agreement was awarded to the Contractor through Solicitation No. 2019001 in July 2020. The Agreement was executed on November 30, 2020, for an integrated, turn-key PBS. The PBS would include a Central Reservation System capable of supporting online, in-person, and call center reservations for multiple locations statewide on a 24/7 basis. The PBS will have a day-use Point of Sale system (POS) capable of supporting over \$70 million in financial transactions on an annual basis with a capacity for growth. The Division provided oversight for this Agreement. The Contractor was to begin work within fourteen calendar days after the Agreement was issued or the agreed upon date between the Department and Contractor. All deliverables were to be provided to the Department electronically using the following software standards: Microsoft Word, Microsoft Excel, Microsoft PowerPoint, and Microsoft Project 2013 or later and PDF. All report deliverables must include an executive summary that will discuss recommendations and present the report finding and recommendations in non-technical terms. Deliverables would be submitted by the dates specified in the Department approved project schedule and the Department Contract Manager. The Department shall pay the Contractor on a fixed unit rate basis, specified in Attachment 5, Price Sheet, for the completion of services as specified in the Scope of Work. The total Agreement cost was budgeted as \$275 million and initially set up as a six-year Agreement.

Project Management Deliverables

The Agreement states: *Contractor shall submit a project management methodology that ensures completion of deliverables to specified quality standards. The Contractor shall manage this project to ensure quality, success, long-term viability, and optimal cost of ownership.* There were two deliverables associated with the project management portion of the Agreement. Each deliverable had acceptance criteria that covered information that had to be included in order to be considered acceptable.

1. Deliverable PM-1 - Project Management Plan
2. Deliverable PM-2 - Ongoing Status Reporting and Performance Reviews

Implementation Tasks/Deliverables

The Agreement also included ten deliverables required during the implementation phase of the project and an implementation task. The task and each deliverable had acceptance criteria to be met in order to be accepted as complete.

1. Deliverable 3 – Security and Risk Management Plan
2. Deliverable 4 – Requirements Confirmation Document
3. Deliverable 5 – Solution Design Package
4. Deliverable 6 – Data Conversion/Migration Plan
5. Deliverable 7 – Infrastructure Configuration and Operations Management Plan
6. Deliverable 8(a), (b), (c) – System Component Test Plan
7. Deliverable 9 – Release and Deployment Plan
8. Deliverable 10 – Training Plan
9. Deliverable 11 – System Support Services
10. Deliverable 12 – Call Center Services
11. User Acceptance Testing (UAT), Project Acceptance, and Successful Deployment

Implementation Performance Timeframe

The Agreement states the Contractor and Department shall agree upon any necessary changes to the production schedule and delivery requirements within thirty days of the Agreement's execution. The timeline set forth for delivery of the PBS is essential to the Agreement. The Contractor shall be liable for liquidated damages to the Department for failing to deliver on time.

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Operational Phase – Maintenance and Management Tasks and Deliverables

The Agreement states that warranty services would be provided for repairing initial errors/defects of the Contractor developed applications that are discovered within three months of the application or enhancement being placed into the production environment. These services would be completed at no charge to the Department and include any activities necessary to keep programs performing in accordance with documented specifications.

Reports

The Agreement requires the Contractor to provide and maintain multiple reports during the duration of the Agreement. This included 82 reports under seven categories.

Payments

Our review of the invoices related to the audit period revealed there have been 26 payments made for this Agreement totaling \$4,375,700.16.

Payments Made 9/30/2021 through 9/14/2023		
Date	Invoice Period	Payment Amount
September 30, 2021	May 25-May 31, 2021	\$41,317.63
September 30, 2021	June 1-June 30, 2021	\$173,409.66
October 20, 2021	July 1-July 31, 2021	\$263,889.02
December 3, 2021	August 1-August 31, 2021	\$128,535.91
January 21, 2022	September 1-September 30, 2021	\$122,979.87
January 21, 2022	October 1-October 31, 2022	\$131,568.76
January 21, 2022	November 1-November 30, 2021	\$123,666.75
March 9, 2022	December 1-December 31, 2021	\$169,101.54
March 17, 2022	January 1-January 31, 2022	\$162,395.70
June 20, 2022	February 1-February 28, 2022	\$222,162.30
June 20, 2022	March 1-March 31, 2022	\$241,702.52
June 20, 2022	April 1-April 30, 2022	\$217,338.33
July 18, 2022	May 1-May 31, 2022	\$191,434.50
August 19, 2022	June 1-June 30, 2022	\$179,491.55
September 13, 2022	July 1-July 31, 2022	\$210,833.28
October 14, 2022	August 1-August 31, 2022	\$169,354.69
November 15, 2022	September 1-September 30, 2022	\$101,502.12
December 7, 2022	October 1-October 31, 2022	\$98,255.41
January 20, 2023	November 1-November 30, 2022	\$104,661.61
February 22, 2023	December 1-December 31, 2022	\$143,162.66
April 12, 2023	January 1-January 31, 2023	\$202,153.22
May 4, 2023	February 1-February 28, 2023	\$190,605.53
August 24, 2023	March 1-March 31, 2023	\$272,812.08
August 25, 2023	April 1-April 30, 2023	\$180,936.29
August 28, 2023	May 1-May 31, 2023	\$166,503.21
September 14, 2023	June 1-June 30, 2023	\$165,926.03
	TOTAL	\$4,375,700.16

RESULTS OF AUDIT

During the audit we reviewed documentation provided by the Contractor and Contract Manager, the Agreement, related payments, and conducted a site visit. Based on our review we found the following:

Deliverables and Milestones

We reviewed documentation to determine whether implementation deliverables and milestones were completed in compliance with the Agreement and acceptance criteria in the Scope of Work. The documentation was also reviewed to confirm if the Division complied with the Chief Financial Officer (CFO) Memorandum number 5, regarding contract monitoring and documenting Contractor performance. *The contract manager's file must contain all documentation that is required by this memorandum and the contract agreement. The contract file must also document the contract manager's activities to verify that the deliverables were received and were in compliance with criteria established in the agreement. The monitoring activities provided by the contract manager must be adequate to provide reasonable assurance that contract deliverables have been provided as required by the agreement.* Our review included comparing the timeliness of deliverables and milestones against delivery dates established by the Project Management Plan and Scope of Work. Deliverable and milestone completion was tracked primarily through bi-weekly Project Status Reports. However, these reports did not provide documentation showing exact dates of the deliverables and milestones acceptance/delivery. The Scope of Work established a plan for weekly liquidated damages for deliverables and milestones not completed in a timely manner (see table below).

PBS Implementation Deliverable Milestones and Liquidated Damages		
Milestone/Deliverable	Delivery Date	Weekly Liquidated Damages ¹
Project Kick-Off Meeting	December 10, 2020	\$500/\$100
Project Management Plan	December 29, 2020	\$5,000/\$1,000
Ongoing Status Reporting & Performance Reviews	December 29, 2020	\$5,000/\$1,000
Security and Risk Management Plan	January 20, 2021	\$5,000/\$1,000
Requirements Confirmation Document	January 11, 2021	\$5,000/\$1,000
Solution Design Package	January 19, 2021	\$5,000/\$1,000
Data Conversion/Migration Plan	January 27, 2021	\$5,000/\$1,000
Infrastructure Configuration and Operations Management Plan	January 27, 2021	\$5,000/\$1,000
System Component Test Plan	January 29, 2021	\$5,000/\$1,000
Release and Deployment Plan	March 9, 2021	\$5,000/\$1,000
Training Plan	January 25, 2021	\$5,000/\$1,000
System Support Services	April 5, 2021	\$5,000/\$1,000
Call Center Services	March 12, 2021	\$5,000/\$1,000
Bi-Weekly Project Status and Reporting Reviews	Bi-Weekly December 29, 2020 through May 7, 2021	\$500/\$100
UAT of Training and Production Environment Complete	March 15, 2021	\$5,000/\$1,000
Approved Training Environment Delivered	April 2, 2021	\$5,000/\$1,000
Approved Production Environment Delivered	April 9, 2021	\$5,000/\$1,000
Staff Training Begins	February 11, 2021	\$5,000/\$1,000
Staff Training Ends	April 9, 2021	\$5,000/\$1,000
Final, Pre- Go-Live, Data Migration Implemented	April 9, 2021	\$5,000/\$1,000

¹ The amount assessed if not delivered by 10:00 am on the delivery date/and for every seven (7) calendar days or part thereof thereafter until delivery occurs.

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Successful Deployment of Park Business System	May 5, 2021	\$30,000/\$6,000
System Acceptance	Within 90 days of the system's successful deployment	\$30,000/\$6,000

According to the Agreement, *If the Contractor fails to deliver on time, the Contractor shall be liable to the [Department], not as a penalty, but as liquidated damages as per Contracted terms. [The Department] may deduct liquidated damages from any monies due the Contractor under the terms of the Contract.* The deliverables and milestones that do not meet all specification requirements do not constitute delivery unless specifically accepted by the Division. The following deliverables and milestones were completed timely: the Project Kick-Off Meeting, Approved Training Environments, Bi-Weekly Project Status and Reporting Reviews, and System Acceptance. The remainder of the deliverables and milestones were not completed timely. Our review found that no liquidated damages were assessed for any late deliverables or milestones.

Project Kick-Off Meeting

The first milestone was a Project Kick-Off Meeting between the Contractor and the Division. Multiple kick-off meetings were held prior to the required delivery date. Supplemental kick-off meetings were held after the delivery date.

PM-1 Project Management Plan

Deliverable PM-1 was for the Contractor to submit a Project Management Plan with a clearly defined scope listing all tasks, deliverables, staff resources, durations, and anticipated start and end dates for the project tasks. The acceptance criteria for the deliverable included a project schedule document and a plan having seven sections with each section having its own specific criteria. The project schedule was required to be submitted in Microsoft Project (.mpp) and PDF format. Any adjustments to the due dates established by the approved Project Management Plan were required to be handled by demonstration of the Division's written acceptance of the updated plan. The Contractor provided a plan that had each of the seven required sections with all the required information. The initial project schedule document was provided in Excel format and in .mpp format a few months later. The Contractor did not provide the project schedule in a PDF format as required. The initial submission was provided timely but was not provided in the required format. Updated plans were submitted multiple times; however, our review found that none of the updated plans had the required written acceptance from the Division. Only the initial submission and timeline were properly approved. The initial submitted plan also included changes to the requirements for deliverables. The Scope of Work's description of the project management plan does not appear to authorize the document to change the requirements of deliverables. No amendment to the Agreement was submitted to reflect these changes. The deliverable was submitted one day after the delivery date; however, our review found no liquidated damages were assessed.

PM-2 Ongoing Status Reporting and Performance Reviews

Deliverable PM-2 required the Contractor to perform bi-weekly status and performance reviews to ensure standards and practices are being followed and progress has been achieved. The ongoing status reporting and performance reviews had multiple acceptance criteria covering required information to be included. The deliverable had an initial delivery date for the first report then was required to be submitted bi-weekly through a date set by the Project Management Plan. The first report was submitted three days late; however, our review found that no liquidated damages were assessed. The remainder of the bi-weekly reports were submitted within two weeks of each other. We reviewed a sample of bi-weekly project status reports. The sample reports reviewed did not meet all of the acceptance criteria. Missing acceptance criteria included missing proper branding, the Agreement number, and meeting information. A few of the initial reports did not include proposed or planned resolutions to issues and risks. This was corrected

on later reports. The updated project schedule on the reports did not include actual and planned start/end dates tracked against approved baselines.

Deliverable 3 – Security and Risk Management Plan

Deliverable 3 required the creation of a Security and Risk Management Plan which was required to include information covered by several acceptance criteria. The plan was submitted by the Contractor and had all of the required information. The deliverable was submitted one day after the delivery date; however, our review found no liquidated damages were assessed.

Deliverable 4 – Requirements Confirmation Document

Deliverable 4 required the Contractor to document a review and confirmation of provided requirements. The document would include sections for each of the three delivery components: *Point of Sale/Camper Check In, Reservation System (website), and Administrative & Reporting (website)*. The acceptance criteria described the information required within the document. The documentation submitted by the Contractor met all of the acceptance criteria. The Contract Manager stated that the requirements confirmation documents were broken down into more specific categories than the three required delivery components. Our review found the deliverable was submitted 16 days late; however, no liquidated damages were assessed.

Deliverable 5 – Solution Design Package

The Agreement states the Contractor shall be responsible for the design, development, testing, and deployment of automated interfaces and file transmissions between the proposed system and the Division's current systems. The Contractor shall complete a solution design package covering this and solution information with sections for each delivery component. Acceptance criteria for this deliverable covered the information required in the package and documentation requirements. The solution design package documentation was broken down into more specific categories than the three delivery components. The submitted documentation met some of the required acceptance criteria but did not include the Contractor's ongoing maintenance activity expected of Division staff, process flow including role definitions and statuses, discussion of issues related to maintainability, and upgradability and projected growth requirements. The Contract Manager stated this information was covered by Operational Volume III provided with the Agreement. As this was part of the Agreement, it could not be used to satisfy the deliverable. The deliverable was noted as late in a Project Status Report two months after the delivery date, then it was provided to the Division another month later for a total of 90 days beyond the delivery date. No liquidated damages were assessed.

Deliverable 6 – Data Conversion/Migration Plan

The Agreement states the *Contractor shall be responsible for performing any and all required data conversion and migration activities associated with the project* and to submit a Data Conversion/Migration Plan that identifies the process used to migrate data. The acceptance criteria included specific information required to be included in the plan and also notes that the process established is reviewed and approved by the Department's Office of Technology and Information Services (OTIS) database administration section. The Contractor submitted a Data Conversion/Migration Plan. All of the acceptance criteria were met with the exception of the process for migrating the data being reviewed and approved by the OTIS database administration section. A related Project Status Report noted a pending approval by OTIS; however, the Contract Manager was unable to provide the approval documentation. The deliverable was noted as approved 39 days beyond the delivery due date; however, no liquidated damages were assessed.

Deliverable 7 – Infrastructure Configuration and Operations Management Plan

Deliverable 7 required the Contractor to provide an Infrastructure Configuration and Operations Management Plan for the delivered solution and perform activities necessary to establish and test the infrastructure required to operate the system. The acceptance criteria included the information

to be included in the plan. The Contractor submitted an Infrastructure Configuration and Operations Management Plan which met the acceptance criteria. However, the deliverable was provided 108 days after the delivery due date; however, no liquidated damages were assessed.

Deliverable 8(a)(b)(c) – System Component Test Plan

Deliverable 8 was to prepare a System Component Test Plan documenting the systematic approach to User Acceptance Testing of system changes and/or new enhancements. A separate document was to be created/reviewed/approved for each of the three delivery components: 8(a) Point of Sale/Camper Check In, 8(b) Reservation System (website), and 8(c) Administrative and Reporting (website). The acceptance criteria included what information was to be included with the deliverables. The Contractor submitted a single system component test plan document broken down by modules instead of the delivery components. The provided documentation met most of the acceptance criteria with the exception of the confirmation of the testers' availability and willingness to test in accordance with the prepared test plan and documented procedures. The process of confirming testers' availability and willingness was handled through Microsoft Teams meetings by the Operational Manager on the project. Documentation of this process was not retained or included with the Master Test Plan required for the deliverable. The deliverable was provided 32 days after the delivery due date; however, no liquidated damages were assessed.

Deliverable 9 – Release and Deployment Plan

The Agreement states that the Contractor shall create a Release and Deployment Plan for the release of system components to production. The acceptance criteria included specific information to be included in the plan. The Contractor provided the plan which complied with all acceptance criteria. The plan was initially submitted 10 days after the delivery due date. The Contract Manager noted that revisions were needed prior to the documentation being accepted. The revisions were made and the plan was resubmitted 26 days after the delivery date. No liquidated damages were assessed.

Deliverable 10 – Training Plan

The Agreement states that the Contractor shall create and submit a Training Plan detailing training that will be available and methodology to be used to ensure all Department end users have the capabilities necessary to use the system effectively. The acceptance criteria included specific information to be included in the plan. The Contractor provided a Training Plan. The Contract Manager noted that revisions were needed to the plan prior to the documentation being accepted. An updated plan was subsequently submitted and noted as approved. The plan was submitted 19 days after the due date; however, no liquidated damages were assessed.

Deliverable 11 – System Support Services

The Agreement states that the Contractor shall provide staff with a telephone Help Desk and staff to resolve system-related problems. The deliverable required the Contractor to create a system support services document detailing this and including the information required by the acceptance criteria. The Contractor provided a System Support Service document; however, the plan was submitted 41 days after the delivery due date. No liquidated damages were assessed. The Contract Manager noted that revisions were needed prior to the documentation being accepted. The revised documentation along with supplemental documentation submitted as a part of Deliverable 12 appeared to meet all the acceptance criteria.

Deliverable 12 – Call Center Services

The Agreement states that the Contractor shall maintain a network of reservation agents to provide telephone reservation services to visitors wishing to stay overnight at Division Parks. The deliverable required the Contractor to create a Call Center Services document to include specific information required by the acceptance criteria. Our review found the Contractor created a Call Center Services document; however, the deliverable was submitted 21 days after the delivery

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due date and required additional information. After the requested changes, the deliverable was accepted by the Contract Manager. However, no liquidated damages were assessed.

Additional Milestones

The Agreement set forth additional milestones to be met throughout the implementation timeframe. Acceptance criteria were not established for the milestones, only delivery dates and weekly liquidated damage amounts. Based on our review, most milestones were not received timely; however, no liquidated damages were assessed for any of the late milestones.

Milestone	Summary of Review
UAT ² of Training Environment	The documentation covering UAT of both the training and production environments were provided at the same time. They were submitted 32 days after the delivery due date and noted as completed 53 days after delivery date.
UAT of Production Environment	
Approved Training Environment Delivered	The approved training environment was noted as brought online with links provided through a Project Status Report. The milestone was completed timely.
Approved Production Environment Delivered	The production link was noted as late by the Contract Manager in a Project Status Report 28 days after delivery date. The milestone was noted as completed the following week, and a link provided shortly afterwards, 34 days after delivery date.
Staff Training Begins	Training began 32 days after the delivery due date.
Staff Training Ends	Training was noted as being complete 13 days after the delivery due date.
Final, Pre- Go-Live, Data Migration Implemented	The Final Data Export was noted in a Project Status Report as completed 45 days after delivery due date.
Successful Deployment of Park Business System	The Go-Live date was noted within a Project Status Report as 20 days after the delivery due date.
System Acceptance	The 90 day acceptance period was noted as completed/concluded within 90 days of the Go-Live date, as required.

UAT, Project Acceptance, and Successful Deployment

The Agreement established overall acceptance criteria for the Project, stating *the system will be accepted using criteria agreed to by the Contractor and the [Department]*. Our review found the acceptance criteria was met with the exception of the following:

1. *Full system testing is completed by the Contractor prior to opening the system for UAT:* The Project Status Reports were used to track some system testing and system functionality before UAT; however, no documentation was retained to show the completion of this testing by the Contractor.
2. *[The Department] has given final approval of the application in the test environment:* Neither the Contractor nor Contract Manager were able to provide documentation showing this approval.
3. The Contractor needed to complete a 90 consecutive day acceptance period to achieve the acceptance criteria. The acceptance period would begin after the Contract Manager verifies and signs the “Acceptance to Deploy” document and the system is successfully deployed. The acceptance period was tracked through Project Status Reports and noted

² UAT, User Acceptance Testing, is the testing of the Contractor’s systems by end users.

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as completed. However, based on discussions with the Contract Manager and the Contractor, no "Acceptance to Deploy" document was created.

4. *Contractor shall conduct a final operational readiness assessment including a failover test:* Based on our review, neither the Contract Manager nor Contractor was able to provide documentation to demonstrate the completion of this criterion.

Payment Process

The Agreement was executed on November 30, 2020. The price sheet established no payment to be paid during the first year of the Agreement during implementation. After implementation, the Department will pay the Contractor a 4.75% fee based on revenue collected. The Transparency Florida Act, (Section 215.985, Florida Statutes (F.S.)) requires payments made for Agreements to be posted to the Florida Accountability Contract Tracking System³ (FACTS) within thirty days of Agreement execution or amendment. Expenditures processed through the Florida Accounting Information Resource System⁴ (FLAIR) can be posted in FACTS.

Based on our review, all payments made to the Contractor were reconciled and supported. However, the first fourteen payments, totaling over \$2 million, are not shown in FACTS as the payments were processed through a clearing account and not through FLAIR. The clearing account contained revenue earned by the Department for the PBS. These first 14 payments were made through the clearing account because of a lack of budget appropriation for the fiscal year the Contract was initiated. The establishment of a clearing account was authorized by the Department of Financial Services (DFS) on April 12, 2021. At the time of approval for the clearing account, permission was requested by the Department to retain 4.75% of all sales processed through the PBS into the clearing account to compensate the Contractor. The first payment made under this Agreement was for the service period of May 25-31, 2021. The payments made through the clearing account were not processed through FLAIR and were not added into FACTS. Therefore, the total amount of payments reflected in FACTS are understated by \$2,368,994.03. Additionally, due to the payments being made outside the FLAIR system, there appears to be no option for retroactively posting the payments into FACTS. The process for making payments to the Contractor was eventually updated, and payments are made through FLAIR and are automatically uploaded into FACTS.

Service Level Agreement (SLA) Performance Standards

The Agreement states the Department *requires the Contractor to meet all standards outlined in the Contract's SLA Performance Standards, attached as Attachment 3-B, Service Level Agreements....* An assessment/credit will be assessed for occurrences where the Contractor does not meet these performance standards. Reconciliation, by the Contractor, of the SLA assessment against the payments shall occur monthly and shall be provided in an itemized statement or SLA report to the Contract Manager. We conducted an analysis of the SLA reports to confirm the accuracy of SLA credits listed on the Contractor's invoices and the consistency of SLA application. The SLA reports and credits were compared against Attachment 3-B, Service Level Agreement. Below is a summary of our review. The first invoice for May 2021 did not include any assessments for non-compliance with any SLA performance standards. However, subsequent to payment of the first invoice, there was a corrective action notice sent out documenting multiple SLA performance standards were out of compliance. Some of the standards were also noted as being

³ FACTS is an online system used by the State of Florida to track payment and Contract information as part of the Transparency Florida Act.

⁴ FLAIR is a double entry, computer-based, general ledger accounting system, which is utilized to perform the State's accounting and financial management functions.

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out of compliance in the associated monthly SLA report. No documentation could be provided showing actions taken or response given by the Contractor regarding the corrective action notice. Performance standard SLA08 was for no verified instances of a violation of documented business rules. The Contractor would be assessed \$500 for each violation, \$1,000 if it is related to taxes, \$500 for corrective action plan (CAP) if not provided and implemented within 24 hours and each additional day after the initial timeframe. There were three SLA08 violations in August, September and October 2021 that did not have an assessment equal to the amounts outlined in the Agreement. The violations did not include the assessment of \$500 for each additional day beyond the allotted 24 hour timeframe to provide a CAP to the Division. During August 2022, an amount was assessed for an SLA08 violation that occurred during June 2022. This assessment was based on a calculation of the uncollected revenues caused by the violation rather than the assessment method established in Attachment 3-B. This calculation method was used again with uncollected revenue during May 2023 as an itemized deduction with no SLA08 assessment. The calculation used for the assessment appears to be authorized under Section 19, Remedies under Attachment 1. *The Department may, in addition to other remedies available to it at law or in equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.*

Performance Standard SLA22 was to provide the monthly SLA report by the 10th of the following month. When not in compliance, the Contractor would be assessed \$500 for every five days or part thereof. For the June 2022 period, the report was provided on July 26, 2022. The damages were incorrectly calculated based on the 10th workday rather than the 10th calendar day. For the January 2023 period, the SLA report was provided on the 14th of the month, but no damages were assessed.

Some SLA's, related to Call Center and Support Services (SLA24, SLA29, SLA33), were consistently out of compliance with required standards during the audit period. Each of these SLA standards required a performance of service level of 80% and average speed of answer (ASA) of 30 seconds. Non-compliance with these standards leads to an assessment of \$1,000. During July 2022, there was an SLA33 violation related to Support Services. During August 2022, there were violations of SLA24, SLA29, and SLA33. The violations during these two months were not noted on the invoice reconciliation but showed as out-of-compliance on the SLA report for the months. SLA29 was not handled consistently throughout the Agreement. The measurement of SLA29 non-compliance was changed when the Contract Manager for the Division changed. The new Contract Manager stated SLA29 violations should be tied to the standard not being met due to staffing issues. The first example of this was in January 2023 when SLA29 was below the 80% ASA standard, but no damages were assessed. SLA24 was noted as being out of compliance the same month due to staffing issues. This scenario reoccurred for multiple months.

The SLA37 standard is for security level 3 incidents that are non-system wide outages to be resolved within 24 hours after being reported. The assessment would be \$50 for each hour the SLA is not met. During February 2022, the damages for the SLA37 non-compliance were calculated based on 8-hour business weekdays that occurred during the timeframe of the violation being resolved. This calculation does not match assessment calculation on Attachment 3-B and does not take into account the Contractor's support team business hours of 7AM-11PM, seven days a week.

Reports

Pursuant to the Agreement, the Contractor was required to provide several reports within seven categories. A majority of the reports were required to be available on-demand and appear to have been provided as required. We compared the reports provided by the Contractor to the

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requirements listed within the Scope of Work. Our review included the on-demand reporting system (Tableau), invoice reconciliation back-up documentation, and discussions of reports with the Contractor and Contract Manager. Our review found some issues that appear to have been in non-compliance with the SLA20⁵ performance standard, including some reports containing technical or calculation errors. Based on interviews with the Contract Manager, it does not appear that reviews have been conducted to confirm that the Contractor has provided all of the reports required by the Agreement and with the required information. The Contract Manager stated there are some quality assurance tests in place for reports provided by the Contractor. However, these tests only cover the financial reports used for invoice reconciliation by the Division to ensure the data they pull is consistent. Below is a summary of the results of this analysis.

- **On-demand Reports:** Five reports were provided with the required information but did not appear to be provided on-demand. The Agreement does not provide a definition for “on-demand”; however, a system was created to host reports for the Division to access whenever they needed. These were provided in other formats to the Contract Manager and not within the system. We requested copies of reports that were required to be provided on-demand, and the Contractor took extended periods of time to provide reports or were not able to provide copies.
 - The Monthly Statistical Report and FL Monthly Export Report were provided with the required information but were provided monthly with invoice reconciliation information as Excel Spreadsheets.
 - Per the Contract Manager, three reports were discussed and reviewed during regular meetings with the Contractor, but copies were not provided. This included the following Call Center Reports: Call Center Visitor Survey Report, Call Disposition Summary Report, and Operator Statistics Report.
- **Missing Reports:** Thirteen reports were not provided in any format.
 - This included two reports that would not load within the Tableau due to technical issues: the Fee Adjustment/Detail Summary Report and the Occupancy Report by Primary Occupant’s Visitor Type.
 - The Contractor stated that some reports were not actively kept but could be generated if requested by the Contract Manager. Those reports were never requested, thus never created, and include the following: Support Center Call Log – Call Center/Help Desk, Call Center Problem Resolutions Report, and Call Center Summary Report. They were requested during the audit and were not provided by the Contractor.
 - The remaining missing reports were not available in any format. Visitors by County/Zip Code; Missing Documentation Report; POS Product Inventory Management Report; Reservation Closure Report; Reservation vs Walk-in Report; Rule Override Report; Site Availability Report; Fee Adjustment Detail/Summary Report; Occupancy Report – by Primary Occupant’s Visitor Type; Reservation Trends (Lead Time) Report.
- **Reports Missing Required Information:** Twenty reports were provided but did not have all the required information. Some of these reports included calculation issues.
 - Visitor List Report; Park Profile Report; User Access Report; Cash/Credit Report; Visitor Balance Report; Deposit Adjustment Report; Gift Card Sales Report; Liability Report; Tax Exempt Report; POS Product Sold Detail/Summary Report; 7-Day Campers Report; Daily Facility Management; Daily Facility Management Data Report; Facility Void-Cancel Request; Occupancy Report – Daily Monthly;

⁵ SLA20 is a violation that occurs when the Department has identified a reporting need not adequately met by the Contractor’s system.

Park Visitation Report; Reservation by Visitor Location Report; Weekly Campers Report; Yield Management Report; Yield Management by Site Report.

CONCLUSION

Based on our review, most deliverables and milestones appear to have been completed; however, most were not completed timely. Additionally, we found issues with required Contractor reports and Department payments. Our review noted some areas where internal controls could be strengthened. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Late Deliverables and Milestones – Most deliverables and milestones were not provided timely, in accordance with the approved Project Management Plan.

Delivery dates were established for deliverables and milestones through both the Scope of Work and the approved Project Management Plan, deliverable PM-1. The delivery dates could be adjusted through demonstration of the Division's written acceptance of an updated Project Management Plan. The Scope of Work also established weekly liquidated damages for items that were not delivered by the delivery date. Our review found the Contractor submitted updated Project Management Plans, changing delivery dates. However, these plans did not receive written acceptance from the Division nor were the plans signed. The Contractor stated they received verbal approval and updated the timeline on the bi-weekly status reports to reflect changes. The updated plans also appeared to have been submitted after deliverables or milestones were already late.

According to the Agreement, *If the Contractor fails to deliver on time, the Contractor shall be liable to the [Department], not as a penalty, but as liquidated damages as per Contracted terms. [The Department] may deduct liquidated damages from any monies due the Contractor under the terms of the Contract.* The Deliverables and milestones that do not meet all specification requirements do not constitute delivery unless specifically accepted by the Division. The following deliverables and milestones were completed timely: the Project Kick-Off Meeting, Approved Training Environments, Bi-Weekly Project Status and Reporting Reviews, and System Acceptance. The remainder of the deliverables and milestones were not completed timely; however, our review found that no liquidated damages were assessed for any late deliverables or milestones.

Completion of deliverables and milestones was tracked through the bi-weekly Ongoing Status Reports. The initial submission for deliverable PM-2 Ongoing Status Reporting and Performance Reviews was submitted late, but the following bi-weekly reports were timely. Deliverable 1, and 3 through 12, were also submitted after their respective delivery dates. Additionally, all milestones were completed after delivery dates except for the Approved Training Environment Delivery and System Acceptance. Based on our review, no liquidated damages established by the Scope of Work were assessed for the late deliverables and milestones. Estimated Liquidated Damages⁶ are shown in the table below.

⁶ Any calculated liquidated damages in the analysis are based on submission dates noted in the Progress Status Reports. No documentation was provided showing communication between the Contractor and Contract Manager regarding submission/acceptance.

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Milestone/Deliverable	Weeks (part thereof) Late	Estimated Liquidated Damages (Based on Bi-Weekly Reports)
Project Kick-Off Meeting	Timely	N/A
Project Management Plan	1	\$6,000
Ongoing Status Reporting & Performance Reviews	1	\$6,000
Security and Risk Management Plan	1	\$6,000
Requirements Confirmation Document	3	\$8,000
Solution Design Package	13	\$18,000
Data Conversion/Migration Plan	11	\$16,000
Infrastructure Configuration and Operations Management Plan	16	\$21,000
System Component Test Plan	5	\$10,000
Release and Deployment Plan	2	\$7,000
Training Plan	3	\$8,000
System Support Services	6	\$11,000
Call Center Services	3	\$8,000
Bi-Weekly Project Status and Reporting Reviews	Timely	N/A
UAT of Training Environment Complete	5	\$10,000
UAT of Production Environment Complete	5	\$10,000
Approved Training Environment Delivered	Timely	N/A
Approved Production Environment Delivered	5	\$10,000
Staff Training Begins	5	\$10,000
Staff Training Ends	2	\$7,000
Final, Pre-Go-Live, Data Migration Implemented	7	\$12,000
Successful Deployment of Park Business System	3	\$48,000
System Acceptance	Timely	N/A
Total Estimated Liquidated Damages:		\$232,000

Recommendations:

We recommend the Division strengthen internal controls to ensure the timeliness of deliverables and milestones completed by the Contractor. We also recommend the Division ensure any updates to deadlines/delivery dates are properly implemented and approved, as required by the Agreement.

Management Response:

The Division concurs with the finding and will strengthen internal controls to ensure the timeliness of deliverables and milestones completed by the Contractor and ensure any updates to deadlines/delivery dates are properly implemented and approved, as required by the Agreement.

Finding 2: Acceptance Criteria Not Met – The acceptance criteria were not met for multiple deliverables and tasks.

The Scope of Work established acceptance criteria that were to be met in order for a deliverable or task to be considered acceptable. The following deliverables did not meet the established acceptance criteria.

PM-1 Project Management Plan

Per the deliverable format requirements, project management deliverables were to be provided to the Division in both Microsoft Project (.mpp) and PDF format. The project schedule was initially

provided in Excel format. The schedule was later provided in .mpp format; however, it was never provided in PDF format.

PM-2 Ongoing Status Reporting and Performance Reviews

The Ongoing Status Reporting and Performance Reviews had acceptance criteria covering information to be included in the bi-weekly reports. Several pieces of information across the reports were missing. This included proper branding, the Agreement number, meeting information, proposed or planned resolutions to issues and risks, and the updated project schedule did not include actual and planned start/end dates tracked against approved baselines.

Deliverable 5 – Solution Design Package

The Solution Design Package was required to include information on the Contractor's ongoing maintenance activity expected of Division staff, process flow including role definitions and statuses, discussion of issues related to maintainability and upgradability and projected growth requirements. This information was missing from the package submitted for the deliverable. The Contract Manager stated this information was included in Operational Volume III attached with the Agreement. However, the Operational Volume III was part of the Agreement and could not be used to satisfy the deliverable requirement.

Deliverable 8(a)(b)(c) – System Component Test Plan

This plan was required to be submitted as a separate document for each delivery component; 8(a) Point of Sale / Camper Check In; 8(b) Reservation System (website); 8(c) Administrative & Reporting (website). However, the plan was submitted as a single document not broken out as specified in the Agreement. The Contract Manager requested corrections before accepting the deliverable but did not request the deliverable be submitted as three documents.

Recommendations:

We recommend the Division strengthen internal controls to ensure that deliverables and tasks are completed in accordance with the Agreement prior to authorizing payment.

Management Response:

The Division concurs with the finding and will strengthen internal controls to ensure that deliverables and tasks are completed in accordance with the Agreement prior to authorizing payment.

Finding 3: Lack of Documentation Retention – The Division did not always maintain documentation necessary to substantiate compliance with the Agreement.

The Chief Financial Officer Memorandum (CFO MEMO) number 5 regarding contract monitoring and documenting contractor performance states: *The contract manager's file must contain all documentation that is required by this memorandum and the contract agreement. The contract file must also document the contract manager's activities to verify that the deliverables were received and were in compliance with criteria established in the agreement. The monitoring activities provided by the contract manager must be adequate to provide reasonable assurance that contract deliverables have been provided as required by the agreement.*

During our review, we had issues with documentation not being available from the Contract Manager for multiple deliverables/tasks. This included documentation showing OTIS approval for Deliverable 6, confirmation of tester availability for Deliverable 8, documentation showing the Contractor completed full system testing prior to UAT, final approval of the application in the test environment, an "Acceptance to Deploy" document signed by the Contract Manager, and the

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Contractor's final operational readiness assessment. A document could not be produced to show the response to a corrective action notice sent to the Contractor in response to their May 2021 invoice. The completion of deliverables and milestones were tracked only through bi-weekly progress reports created by the Contractor. No documentation was available from the Contract Manager to show receipt or confirm timeliness of deliverables/milestones. The lack of documentation appears to be related to document retention and employee turnover issues.

Recommendations:

We recommend the Division implement internal controls and processes to ensure maintenance and retention of documentation sufficient to ensure Contractor compliance with the Agreement.

Management Response:

The Division concurs with the finding and will implement internal controls and processes to ensure maintenance and retention of documentation sufficient to ensure Contractor compliance with the Agreement.

Finding 4: SLA Application – There were inconsistencies with the application of SLA's and Agreement requirements.

The Agreement states the Department *requires the Contractor to meet all standards outlined in the Contract's SLA Performance Standards, attached as Attachment 3-B, Service Level Agreements...* An assessment/credit will be assessed for occurrences where the Contractor does not meet these performance standards. Reconciliation, by the Contractor, of the SLA assessment against the payments shall occur monthly and shall be provided in an itemized statement or SLA report to the Contract Manager. We conducted an analysis of the SLA reports to confirm the accuracy of SLA credits listed on the Contractor's invoices and the consistency of SLA application. The SLA reports and credits were compared against Attachment 3-B, Service Level Agreement. Below is a summary of our review.

The first invoice for May 2021 did not include any assessments for non-compliance with any SLA performance standards. However, subsequent to payment of the first invoice, there was a corrective action notice sent out documenting multiple SLA performance standards were out of compliance. Some of the standards were also noted as being out of compliance in the associated monthly SLA report. No documentation could be provided showing actions taken or response given by the Contractor regarding the corrective action notice.

SLA08 performance standard was for no verified instances of a violation of documented business rules. The Contractor would be assessed \$500 for each violation, \$1,000 if it is related to taxes, \$500 for corrective action plan (CAP) if not provided and implemented within 24 hours and each additional day after the initial timeframe. There were three SLA08 violations in August, September and October 2021 that did not have an assessment equal to the amounts outlined in the Agreement. The violations did not include the assessment of \$500 for each additional day beyond the allotted 24 hour timeframe to provide a CAP to the Division. During August 2022, an amount was assessed for an SLA08 violation that occurred during June 2022. This assessment was based on a calculation of the uncollected revenues caused by the violation rather than the assessment method established in Attachment 3-B. This calculation method was used again with uncollected revenue during May 2023 as an itemized deduction with no SLA08 assessment. The calculation used for the assessment appears to be authorized under Section 19, Remedies under Attachment 1. *The Department may, in addition to other remedies available to it at law or in equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.*

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SLA22 standard was to provide the monthly SLA report by the 10th of the following month. When not in compliance, the Contractor would be assessed \$500 for every five days or part thereof. For the June 2022 period, the report was provided on July 26, 2022. The damages were incorrectly calculated based on the 10th workday rather than the 10th calendar day. For the January 2023 period, the SLA report was provided on the 14th of the month, but no damages were assessed.

Some SLA's related to Call Center and Support Services (SLA24, SLA29, SLA33) were consistently out of compliance with required standards during the audit period. Each of these SLA standards required a performance of service level of 80% and average speed of answer (ASA) of 30 seconds. Non-compliance with these standards leads to an assessment of \$1,000. During July 2022, there was an SLA33 violation related to Support Services. During August 2022, there were violations of SLA24, SLA29, and SLA33. The violations during these two months were not noted on the invoice reconciliation but showed as out-of-compliance on the SLA report for the months. SLA29 was not handled consistently throughout the Agreement. The measurement of SLA29 non-compliance was changed when the Contract Manager for the Division changed. The new Contract Manager stated SLA29 violations should be tied to the standard not being met due to staffing issues. The first example of this was in January 2023 when SLA29 was below the 80% ASA standard, but no damages were assessed. SLA24 was noted as being out of compliance the same month due to staffing issues. This scenario reoccurred for multiple months.

The SLA37 standard is for security level 3 incidents that are non-system wide outages to be resolved within 24 hours after being reported. The assessment would be \$50 for each hour the SLA is not met. During February 2022, the damages for the SLA37 non-compliance were calculated based on 8-hour business weekdays that occurred during the timeframe of the violation being resolved. This calculation does not match assessment calculation on Attachment 3-B and does not take into account the Contractor's support team business hours of 7AM-11PM, seven days a week.

Recommendations:

We recommend the Division implement procedures to ensure that issues noted on SLA reports are handled in compliance with the standards and assessments established by the Agreement. We also recommend the Division implement controls to ensure that the SLA reports and invoice reconciliations are consistent with each other.

Management Response:

The Division concurs with the finding and will implement procedures to ensure that issues noted on SLA reports are handled in compliance with the standards and assessments established by the Agreement and implement controls to ensure that the SLA reports and invoice reconciliations are consistent with each other.

Finding 5: Reporting Requirements – Multiple reports required by the Agreement were either not provided on-demand, missing required information, or were not provided pursuant to the Agreement.

Pursuant to the Agreement, the Contractor was required to provide several reports within seven categories. A majority of the reports were required to be available on-demand and appear to have been provided as required. We compared the reports provided by the Contractor to the requirements listed within the Scope of Work. Our review included the on-demand reporting system (Tableau), invoice reconciliation back-up documentation, and discussions of reports with the Contractor and Contract Manager. Our review found some issues that appear to have been

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in non-compliance with the SLA20⁷ performance standard, including some reports containing technical or calculation errors. Based on interviews with the Contract Manager, it does not appear that reviews have been conducted to confirm that the Contractor has provided all of the reports required by the Agreement and with the required information. The Contract Manager stated there are some quality assurance tests in place for reports provided by the Contractor. However, these tests only cover the financial reports used for invoice reconciliation by the Division to ensure the data they pull is consistent. Below is a summary of the results of this analysis.

- **On-demand Reports:** Five reports were provided with the required information but did not appear to be provided on-demand. The Agreement does not provide a definition for “on-demand”; however, a system was created to host reports for the Division to access whenever they needed. These were provided in other formats to the Contract Manager and not within the system. We requested copies of reports that were required to be provided on-demand, and the Contractor took extended periods of time to provide reports or were not able to provide copies.
 - The Monthly Statistical Report and FL Monthly Export Report were provided with the required information but were provided monthly with invoice reconciliation information as Excel Spreadsheets.
 - Per the Contract Manager, three reports were discussed and reviewed during regular meetings with the Contractor, but copies were not provided. This included the following Call Center Reports: Call Center Visitor Survey Report, Call Disposition Summary Report, and Operator Statistics Report.

- **Missing Reports:** Thirteen reports were not provided in any format.
 - This included two reports that would not load within the Tableau due to technical issues: the Fee Adjustment/Detail Summary Report and the Occupancy Report by Primary Occupant’s Visitor Type.
 - The Contractor stated that some reports were not actively kept but could be generated if requested by the Contract Manager. Those reports were never requested, thus never created, and include the following: Support Center Call Log – Call Center/Help Desk, Call Center Problem Resolutions Report, and Call Center Summary Report. They were requested during the audit and were not provided by the Contractor.
 - The remaining missing reports were not available in any format. Visitors by County/Zip Code; Missing Documentation Report; POS Product Inventory Management Report; Reservation Closure Report; Reservation vs Walk-in Report; Rule Override Report; Site Availability Report; Fee Adjustment Detail/Summary Report; Occupancy Report – by Primary Occupant’s Visitor Type; Reservation Trends (Lead Time) Report.

- **Reports Missing Required Information:** Twenty reports were provided but did not have all the required information. Some of these reports included calculation issues.
 - Visitor List Report; Park Profile Report; User Access Report; Cash/Credit Report; Visitor Balance Report; Deposit Adjustment Report; Gift Card Sales Report; Liability Report; Tax Exempt Report; POS Product Sold Detail/Summary Report; 7-Day Campers Report; Daily Facility Management; Daily Facility Management Data Report; Facility Void-Cancel Request; Occupancy Report – Daily Monthly; Park Visitation Report; Reservation by Visitor Location Report; Weekly Campers Report; Yield Management Report; Yield Management by Site Report.

⁷ SLA20 is a violation that occurs when the Department has identified a reporting need not adequately met by the Contractor’s system.

Recommendations:

We recommend the Division strengthen internal controls to ensure that the Contractor is providing information required by the Agreement. We also recommend the Division review the reports required by the Agreement and consider whether the listed reports are still relevant or if updates need to be made to the Agreement.

Management Response:

The Division concurs with the finding and will review the reports required by the Agreement and consider whether the listed reports are still relevant or if updates need to be made to the Agreement. Following this analysis and any needed updates, the Division will strengthen internal controls to ensure that the Contractor is providing information required by the Agreement.

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.

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