



Department of Environmental Protection Office of Inspector General

September 9, 2024

Report A-2324DEP-022

Audit of Purchase Order C19FCD with Professional Service Industries for Verification Sampling

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an Audit of Purchase Order C19FCD (Purchase Order) with Professional Service Industries (Contractor) for verification sampling. 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 activities and financial records associated with the Purchase Order between the Department and the Contractor to perform groundwater and soil verification sampling, via the Environmental Forensic Site Investigation and Other Technical Support Services Contract (Contract), at Tampa Bay Marina, Inc, Facility Identification Number 298842337 (Facility).

The objectives of the audit were to:

- Determine whether approved payments were supported by documentation as required by deliverable completion, Purchase Order, and the Contract.
- Evaluate management oversight of the Contractor, Purchase Order, and terms of the Contract.

To achieve our audit objectives, our methodology included:

- Reviewing the Purchase Order's tasks, deliverables, and due dates.
- Reviewing Contractor invoices, deliverables, and supporting documentation associated with the Purchase Order.
- Reviewing state statutes, state administrative codes, standard operating procedures, and Petroleum Restoration Program (PRP) guidance.
- Reviewing the Contract and its amendments.
- Contacting the Contract Manager and PRP contacts, as necessary.

BACKGROUND

The Purchase Order requested the Contractor to perform groundwater and soil verification sampling, by means of the Contract, at the Facility located at 205 South Hoover Blvd, Tampa, FL. The Purchase Order had a Start Date of April 28, 2023, and an End Date of October 9, 2023, and consisted of two tasks with associated deliverables. The Contract is a five-year renewable contract between the Department and Contractor to provide environmental forensics site investigation and other technical support services, verification assessment, baseline data collection, special case studies, statistics and data evaluation, tank abandonment, and/or tank removal. The Department's PRP was responsible for oversight over the Purchase Order.

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RESULTS OF AUDIT

During the audit, we reviewed the Purchase Order, Contract, Contract amendments, invoices, deliverables, and supporting documentation for the audit period. The total amount of the Purchase Order was \$9,296.38. The cost breakdown for each task, in the Purchase Order, was as follows: Task One - \$342.82 and Task Two - \$8,953.56. The Contractor submitted two invoices under this Purchase Order, one for \$342.82 and one for \$6,348.98.

Task One Deliverable

The Task One deliverable had a due date of June 5, 2023, and consisted of the Contractor preparing and submitting a Health and Safety Plan and providing an email or letter, with the owner copied, indicating that a separate site access agreement has been executed or that the owner no longer wants such an agreement. Our review found this deliverable was completed in accordance with the Purchase Order.

Task Two Deliverable

The Task Two deliverable had a due date of August 7, 2023, and consisted of the Contractor mobilizing to the Facility to conduct groundwater and soil sampling and submit a Professional Engineer/Professional Geologist Certified Quarterly Natural Attenuation Monitoring Report. The Contractor submitted the Task Two deliverable on August 5, 2023. The Site Manager notified the Contractor that the deliverable was incomplete and noted minor discrepancies that needed to be addressed. The Contractor submitted revised deliverables which were accepted. However, our review noted the following:

Required Documentation

A review of the Task Two deliverable found some discrepancies within the required documentation for Pay Item 19-7 which was for *Natural Attenuation or Post RA Monitoring Report, Quarterly or Non-Annual*. Based on the PRP Agency Term Contractor Report Guidance requirements for this pay item, we noted the following:

- **Copy of executed site access agreement(s)**: A copy of the Facility's executed site access agreement was not included within the *Natural Attenuation or Post RA Monitoring Report, Quarterly or Non-Annual* Report as required.
- **Field notes**: PRP's Field Note Guidance document states, *All field activities must be properly documented in field books... and, The requirements of this section must be followed for all petroleum contaminated sites...* Based on our review, we noted the following deficiencies with the field book documentation:
 1. Each logbook entry must be clearly marked in military time or with a.m. or p.m., followed as applicable by EST if Eastern Standard Time or CST if Central Standard Time. While the Contractor's logbook notates the military time, the Standard Time is not notated.
 2. Any corrections to logbook errors in all or part of a page, requires a single line to be drawn through the mistake so it is still legible, and the correct information must be entered and initialed or signed by the person making the correction. Corrections, by method of rewriting over the incorrect data, were made on the Contractor's field notes.
 3. No blank lines between entries and no blank pages are allowed in the logbook. If any blank area one inch or greater is left by mistake, it must be lined through and initialed. Under the collection of Depth to Water details, the Contractor's logbook has a blank space underneath which does not adhere to the field note guidance.

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4. The start and end time of each activity should be documented in the logbook and reference is to be made when the data collected is on a separate information sheet. Clear and precise start and end times for the soil boring were not documented within the field notes and no reference was made that the data was notated on the Boring Log.
 5. The signature of the person maintaining the logbook is to be present on the bottom of each page. Page 14 of the logbook does not have a signature at the bottom.
 6. At minimum, the field note guidance states that for State-funded work, a reference should be made to the applicable Work Order (WO) or Task Assignment (TA). The field notes do not provide any reference to a Purchase Order, WO, or TA.
 7. For State-funded work, abbreviations of the applicable labor category (based on qualifications) are to be listed behind each field person's name. A review of the logbook provided only the names of personnel onsite and does not provide their labor category.
- Water sampling log (per guidance): Based on requirements listed in the Guidance for Completing the Groundwater Sampling Log, we noted the following:
 1. The Site Location field is to include the facility's address listed on the work order or task assignment; however, some logs provided only the city and state of the facility.
 2. The Specific Conductance data, located in the Groundwater Sampling Logs, are to have the units of values listed for Conductance circled; however, some logs did not have the Conductance units of measure circled.
 3. Any corrections to logbook errors in all or part of a page, requires a single line to be drawn through the mistake so it is still legible, and the correct information must be entered and initialed or signed by the person making the correction. Errors in the Groundwater Sampling Logs were found to be overwritten and did not have a single line through them and were missing the initials or signature next to them.

Field Work Notifications

According to the PRP field work notification document found on the Department's website under PRP's Templates, Forms, Tools, and Guidance Quick Link, *the Contractor shall contact in writing the Site Manager and all applicable persons a minimum of seven calendar days prior to the proposed field activities*. Based on our review, we noted the Contractor's notification was missing the following required components: facility address, Purchase Order or WO number, Task or Event number, estimated time of arrival, field contact name, and field contact number. The applicable site operator, site owner/responsible party, and the PRP Inspector were not included on the Contractor's email notification that was sent to the Department. Upon receipt of the fieldwork notification, the Site Manager did inform the Contractor that any future fieldwork notifications were to include the PRP Inspector.

Subcontractor Invoice

The PRP *ATC Payment of Subcontractors Documentation Procedure* states that subcontractors are paid, except for final payment, within thirty working days of receiving payment from the Department. Invoices submitted for payment require redaction of all financial routing and account numbers. Our review found the Purchase Order's Task 2 final invoice, located within OCULUS¹, did not have the required redactions for financial information. During the audit, we notified PRP staff, and the unredacted invoice was removed and a revised redacted invoice was reinserted back into OCULUS.

Analytical Turnaround Time

The Contract states the maximum laboratory sample analytical turnaround time shall be three weeks. Based on our review, laboratory samples were relinquished to the lab on July 6th and 7th,

¹ OCULUS is the Electronic Document Management System used by the Department to store documents.

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2023. Three weeks calculated using the July 7th date would be July 28, 2023. However, the analytical laboratory report was not generated until August 1, 2023.

Invoice Review and Approval

As defined in the Contract, the Contract Manager shall have five business days, unless a longer period is determined, to inspect and approve an invoice. A review of both the Task One and Task Two/Final deliverable review letters show that the Contract Manager did not review nor provide the payment approval for the Task One and Task Two/Final deliverables. Both deliverable review letters were composed and approved by a Site Manager that was not listed in the Contract, or by Contract Amendment, as the designated Contract Manager. Contractor invoices are currently reviewed and approved by PRP Accounting and sent directly to the Bureau of Finance and Accounting for payment processing. Based on a discussion with the Contract Manager, the Contract Manager did not approve the invoice as required by the Contract.

Certificate of Liability Insurance

The Contractor is to secure and maintain, or provide self-insurance evidence, comprehensive general and automotive liability coverage, as well as professional liability coverage during the life of the Contract and any renewals. As a Contract requirement, the Contractor is to provide a certificate of insurance that contains a provision that the insurance cannot be cancelled, for any reason, on less than a thirty-day written notification to the Contract Manager. The Contractor's insurance is also to include the State of Florida, the Department, and the Program Area as certificate holders and include the State of Florida Board of Trustees of the Internal Improvement Trust Fund, as an Additional Insurer for the entire length of the Contract along with referencing the Contract Number. The Contractor's Certificate of Liability Insurance was found to be missing the required provision that states insurance cannot be cancelled, for any reason, on less than a thirty-day notification to the Contract Manager. The insurance certificate also did not include the State of Florida Board of Trustees of the Internal Improvement Trust Fund, as an Additional Insurer and did not make the required reference to the Contract's number, which was GC906.

CONCLUSION

Based on our review of documentation, discussions with PRP Staff, the activities and financial records associated with the Purchase Order, we found some areas where internal controls could be strengthened. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Division Oversight – The Contractor did not always comply with the requirements of the Purchase Order.

Required Documentation

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- A copy of the Facility's executed site access agreement was not included within the *Natural Attenuation or Post RA Monitoring Report, Quarterly or Non-Annual* Report as required.
- Field notes were not always maintained in accordance with the requirements listed in PRP's Field Note Guidance.

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- Water sampling logs were not always maintained in accordance with the requirements listed in the Guidance for Completing the Groundwater Sampling Log.

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Recommendations:

We recommend the Division provide training to, and work with, the Contract Manager to ensure Contractor's provide all required documentation that is complete, timely, and submitted in accordance with requirements of the Purchase Order and guidance documents. We also recommend the Division review their invoice review and approval process and ensure the process is compliant with the Contract's requirements.

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Management Response:

The Petroleum Restoration Program agrees that training would be beneficial for both Division employees and Contractors to reinforce the requirements for all required documentation be submitted prior to approval and payment for work performed. On August 06, 2024, the Forensic Contract Manager provided training to all Forensic Technical Support Services Contract Managers and the forensics site (task) manager of the Department's requirement for adherence to contractual obligations as well as Department guidance including, but not limited to:

- Required Documentation for Invoicing (see SPI tab "Required Documentation")
- Timely Submittal of Deliverables and Change Orders
- Invoicing Process
- Field Work Notification Requirements
- Groundwater Sampling/Installation/Calibration Log Requirements
- Field Note Requirements
- Inclusion of Site Access Agreements in Reports as Required

The Petroleum Restoration Program agrees that additional steps should be taken to delegate the authority for deliverable and invoice approval to the Program Task/Site Managers and will seek an amendment to the contract. In the interim, the Contract Manager will add the following language in Ariba on Demand to each Purchase Order when issued "I, Contract Manager Name, certify by evidence of the attached Contract Summary Form, that I am the Contract Manager and the information on this form is true and correct. The designated site manager as listed in the purchase order is an authorized delegate for the Contract Manager and may act on behalf of the Contract Manager for review and approval of all associated deliverables/invoices/change orders associated with this purchase order issued under contract GC904/GC905/GC906/GC907/GC908.

STATEMENT OF ACCORDANCE

Statement of Accordance

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

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

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

Candie M. Fuller,
Inspector General