



Audit of the Administration of General Engineering Services Contracts

Report # 07-03

Prepared by
Office of Inspector General

John W. Williams, Esq., Inspector General
J. Timothy Beirnes, CPA, Director of Auditing
Jankie Bhagudas, CPA, Lead Consulting Auditor



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

3301 Gun Club Road, West Palm Beach, Florida 33406 • (561) 686-8800 • FL WATS 1-800-432-2045 • TDD (561) 697-2574
Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

February 7, 2007

Audit Committee Members:

Ms. Alice J. Carlson, Chair
Ms. Irela Bagué, Member
Mr. Michael Collins, Member
Mr. Nicolás Gutierrez, Jr. Esq.

Re: Audit of Administration of
General Engineering Services
Contracts
Report # 07-03

This audit was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. The audit focused on determining whether General Engineering Services contract work orders are being distributed equitably among contractors; whether contractors are complying with their commitments to utilize Minority/Woman Business Enterprise Program subcontractors, and whether contractors' performances are being evaluated as required. Field work was conducted from October 2006 through December 2006. This report was prepared by Jankie Bhagudas and Tim Beirnes.

Sincerely,

John W. Williams, Esq.
Inspector General

JW/jb

GOVERNING BOARD

Kevin McCarty, *Chair*
Irela M. Bagué, *Vice Chair*
Miya Burt-Stewart

Alice J. Carlson
Michael Collins
Nicolás J. Gutiérrez, Jr., Esq.

Lennart E. Lindahl, P.E.
Harkley R. Thornton
Malcolm S. Wade, Jr.

EXECUTIVE OFFICE

Carol Ann Wehle, *Executive Director*

TABLE OF CONTENTS

BACKGROUND.....	1
OBJECTIVE SCOPE AND METHODOLOGY.....	3
AUDIT RESULTS.....	4
Executive Summary.....	4
Process in Place to Ensure Work Orders are Assigned Equitably Among GES Contractors	5
Inadequate Monitoring of Contractors’ MBE Commitments	7
Improvement Needed in Completing Contractors’ Performance Evaluations.....	9
Recommendations.....	10
 APPENDICES	
Appendix 1	
Appendix 2	

BACKGROUND

In accordance with the Office of Inspector General's Fiscal Year 2007 Audit Plan, we conducted an Audit of the Administration of the General Engineering Services (GES) Contracts.

The District's Procurement Department (Procurement), situated within Corporate Resources, is responsible for acquiring goods and services, and establishing other contractual relationships in support of District programs, projects and operations within the parameters of applicable laws, rules, policies and procedures.

The District's demand for general engineering services is, largely due to restoration programs and the need to maintain existing facilities, which exceeds the capacity of District staff. During the fiscal year 2004 budget development process, multi-department coordination and planning activities resulted in the identification of a variety of engineering, planning, permitting and modeling functions in which support services were needed to effectively implement the Comprehensive Everglades Restoration Plan, Everglades Construction Project, Water Supply Plans, and refurbish District facilities and infrastructure.

As a result, GES work order contracts, valued at \$181 million, were executed through the Consultants' Competitive Negotiation Act (CCNA) - Request for Proposal (RFP) process. The purpose of the RFP was to contract with multiple vendors capable of providing engineering support services for various engineering disciplines through work order contract awards. The disciplines include the following: civil and structural engineering; electrical and mechanical engineering and communications; environmental engineering, planning and permitting; modeling; and full services which are reserved for Acceler8 projects.

In total, 46 contracts were executed with 35 prime contractors to provide general engineering services on an "as-needed basis" for three-year terms, with two one-year renewal options to be exercised at the District's option. The contracts are grouped into three categories: existing infrastructure, new initiatives, and full services. Within the three categories are a total of eight pools containing anywhere from three to seven

contractors who were pre-qualified in the various disciplines. Each contract contains the negotiated rates for firm staff. When a project is assigned to a contractor, the only items left to be negotiated are the level of effort (the number of hours a particular task will take and the level of staffing) and other direct expenses. Work orders issued under the GES are executed within 15 to 60 days, depending on complexity.

As of October 13, 2006, approximately \$132 million of the \$181 million in GES authorized contract funding has been expended or encumbered through 185 executed work orders. The GES contracts will expire on various dates during June 2007 through August 2007. The District is in the process of renewing most of the GES contracts until September 30, 2008; a few will be renewed until the completion of specific projects. In December 2006, the District issued a RFP to solicit proposals for new GES contracts.

The GES contracts were awarded based on several factors including contractors' commitment to use District certified Minority/Woman Business Enterprise (MBE) vendors as subcontractors. Prime GES contractors were awarded up to 20 points in the RFP evaluation process for their proposed MBE subcontractor participation. It is important to note that 12 (26 percent) of the 46 GES contracts were awarded to MBE prime contractors and 61 of the 185 executed work orders were awarded to these MBE prime contractors. However, the District repealed its MBE contracting rule in February 2005 because of court rulings against such programs. In its place, the District developed and implemented a Small Business Enterprise (SBE) Program in August 2006 that is race and gender neutral and designed to help small business participate in District procurement and contract activities.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective focused on determining whether the GES work orders are being distributed equitably among contractors; whether contractors are complying with their commitments to utilize MBE subcontractors; and whether contractors' performances are being evaluated.

To accomplish our objective we obtained an understanding of the administration GES contracts by interviewing key personnel in Procurement and reviewing relevant policies and procedures, e.g., GES Procedures for Project Managers. We also analyzed GES work orders awarded to GES contractors, from July 2004 through October 13, 2006, to determine whether work was being distributed in an equitable manner. In instances, where it appeared that work was not spread equitably amongst the contractors, we obtained explanations from Procurement staff. In addition, we determined whether contractors were adhering with their Minority/Woman Owned Business Enterprise (MBE) utilization commitments¹ and whether project managers are evaluating contractors' performances as required. It should be noted that our analyses did not include full services contractor since these are primarily for Acceler8 related projects and most full services contractors are assigned a project from start to finish.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards.

¹ The District repealed its Minority/Woman Business Enterprise contracting rule in February 2005 because of recent court rulings against such programs. In its place, the District implemented a Small Business Enterprise program that is race and gender neutral. Nevertheless, the District urged contractors with existing MBE commitments to comply with their MBE obligations.

AUDIT RESULTS

Executive Summary

Overall, our audit revealed that there are adequate controls in place to ensure that GES work orders are distributed equitably among contractors considering the many factors that may affect the amount of work assigned to a contractor. Work order assignments are determined by Procurement and closely monitored by the District Leadership Team to ensure compliance with the Governing Board's policy of fostering equitable distribution of work.

Our review also disclosed that although the District's MBE program was repealed, the District encouraged prime contractors to honor their contractual commitments to use MBE subcontractors. We noted that a four month backlog (June 2006 – September 2006) of data had not been entered into the Supplier Diversity Outreach database, which tracks subcontractor utilization. Procurement staff explained that they have been short staffed and efforts have been concentrated on implementing the new Small Business Enterprise (SBE) Program. As a result, MBE utilization was not fully monitored. Consequently, we could not perform sufficient audit procedures to determine whether prime contractors were complying with their MBE utilization commitments. After our audit commenced, Procurement hired a temporary staff to assist in updating and confirming the database information for all GES contracts. A preliminary review of the updated information for completed work orders disclosed that the prime contractors did not comply with their MBE utilization obligations in 7 out of 11 (63%) work orders we reviewed.

We also found that GES contractors are not being evaluated as required. Our review of work orders disclosed that 60% of the performance evaluations were never completed (82 out of 137 work orders reviewed). Evaluations help ensure satisfactory contractor performance and provides valuable information in evaluating future proposals.

Process in Place to Ensure Work Orders are Assigned Equitably Among GES Contractors

Overall, our audit revealed that there are adequate controls in place to ensure that GES work orders are distributed equitably among contractors. Work order assignments are determined by Procurement and closely monitored by the District Leadership Team to ensure compliance with the Governing Board's policy of fostering equitable distribution of work. In addition, project managers are not allowed to contact contractors until the selection is confirmed by Procurement or approved by the District Leadership Team.

As part of our audit tests, we determined the total amount of work awarded to each pool (based on discipline) and the percentages awarded to each contractor within the different pools (as discussed in the following page). Refer to Appendix 1 for the results of our analysis. At first glance, it may appear that work is not assigned equitably because in some cases there were significant variances in the amounts awarded to contractors in the same pool, for example, a contractor assigned to Pool C was awarded 0.44% of the total work order assigned to Pool C contractors while another Pool C contractor was assigned 39.04% of the total work assigned. Discussions with Procurement staff revealed there is a process in place to ensure that work is awarded equitably and in most instances they provided justifications for the variances in work awarded among contractors within the different pools. However, we noted a few instances where the amount of work assigned to certain contractors were not equitable. Procurement staff stated that efforts are underway to ensure a more equitable distribution of work.

We concluded that several factors may affect the amount of work assigned to a contractor. Listed below are some measures used by Procurement to ensure that work orders are awarded equitably among contractors. It should be noted that these results are examined collectively to determine which contractor should be awarded the work.

- *Analysis of Work Awarded to Contractors within the Pool:* Prior work awarded to contractors is just one of the factors used to determine which contractor should be awarded upcoming work; contractors with the least amount of work will not necessarily be assigned the upcoming work.

- *Analysis of Total Work Assigned if Contractor has Multiple Contracts:* If the recommended contractor is a prime contractor in multiple pools, the total amount of work assigned to the contractor is a factor used by Procurement to determine whether that the contractor will be recommended for additional work.

- *New Work not Assigned to Full Services Contractors (Acceler8 Contractors):* Four of seven full services contractors are also prime contractors in other pools. As of mid-October 2006, these contractors have been awarded work ranging from \$4.2 million to \$14.3 million. A management decision was made not to award work in other pools to these four contractors unless absolutely necessary since they have been awarded a disproportionate amount of work when compared to other contractors. It should be noted that full services contractors may provide all work associated with a specific project.

- *Project Manager's Recommendation:* A project manager may recommend a contractor for specific work. Note that this does not mean the recommended contractor will be awarded the work order.

We concluded that the variances in the amount awarded to contractors in the same pool were due to several reasons. Some of these reasons are as follows:

- *Dollar Amount of Work Order:* In some instances contractors were awarded a large multi-year work order and subsequent work orders assigned to other contractors were for smaller amounts.

- *Unsuccessful Negotiation/Contractor Declined Work:* In some instances, Procurement may have recommended a certain contractor; however, the contractor did not perform the work because of unsuccessful negotiations or because the contractor declined the work.

- Continuation of Work: In instances where projects are completed in phases, it is often more cost efficient for the same contractor to continue the project.
- Contractor's Location and Capabilities: In some instances contractors declined work because of location logistic issues. Consequently, other contractors received the work.

In addition to the above measures used to ensure that work is equitably distributed, every week Procurement provides the District Leadership Team with a Cumulative Award Status List, which summarizes the work orders amounts assigned and pending assignments to each contractor. In addition, the District Leadership Team's Procurement Subcommittee must approve certain work orders. For example, the District Leadership Team must approve work orders over \$500,000 before the work order is executed.

Inadequate Monitoring of Contractors' MBE Commitments

Although the District's MBE program was repealed, the District encouraged prime contractors to honor their contractual commitments to use MBE subcontractors. The GES prime contractors initially responded to the Request for Proposal offering MBE utilization ranging from 30 percent to 63 percent for any work awarded by the District. However, the MBE utilization may vary from work order to work order depending on the nature of the work. Procurement staff stated that prime contractors are required to use MBE subcontractors to the perform percentage of work indicated on each executed work order.

To determine whether prime contractors were complying with their MBE utilization commitments, we selected a sample of contracts and performed a preliminary review. Based on the results of our review and our discussions with Procurement staff, the MBE utilization data was no complete. Specifically, a four month backlog (June 2006 – September 2006) of data had not been entered into the Supplier Diversity

Outreach database due to the workload of implementing the Small Business Enterprise Program. In addition, we concluded that in some instances the database information did not reflect the information in Procurement's files. Procurement staff explained that they have been short staffed and efforts have been concentrated on implementing the new Small Business Enterprise Program. As a result, efforts have not been focused on determining whether GES contractors are complying with their MBE commitments. Consequently, we could not perform sufficient audit procedures to determine whether prime contractors were complying with their MBE utilization commitments. According to the Director of Procurement, a staff person will be needed to assist with monitoring the utilization of small businesses.

Procurement staff also stated that in the past prime contractors were asked to confirm payments to MBE subcontractors and the MBE subcontractors were requested to confirm the payments reported by the prime contractors. However, prior to our audit, these confirmations were not done for any of the GES contracts.

Our review also disclosed the Supplier Diversity Outreach database is not capable of providing analytical reports for all contractors, e.g., listing of contractors not complying with their utilization commitments. As a result, to determine compliance Procurement will have to separately analyze each contract which would be a rather time consuming task. Procurement staff stated that are plans to more efficiently monitor prime contractors' utilization of small businesses. Specifically, for upcoming contracts where prime contractors are obligated to use small businesses certified under the Small Business Enterprise Program, data will be maintained in the District's new (SAP) financial system, which will be used to generate various analytical reports.

After our request for updated subcontractor utilization data, Procurement hired a temporary staff to assist in updating and confirming the database information for all GES contracts. As part of the confirmation process, Procurement is sending letters to the GES prime contractors to confirm MBE subcontractor payments they have reported to the District. In addition, requests are also being sent to MBE subcontractors to confirm payments reported by the prime contractors.

Subsequently, we examined the information confirmed by the prime contractors for 11 completed work orders and concluded that the prime contractors did not comply

with their MBE utilization obligations for 7 of the 11 (63%) work orders. (Confirmation by all subcontractors were not returned to Procurement as our January 12, 2007, testing cutoff date.) Our review also disclosed that the confirmation process was beneficial because in some instances the database utilization amounts were inaccurate. We were unable to perform a more detailed utilization analysis because the information was not available.

Improvement Needed in Completing Contractors' Performance Evaluations

Based on District policies, project managers are required to complete interim performance evaluations for all GES contractors 90 days after a work order is executed and every 180 days thereafter. A final evaluation is required at the end of the work. Procurement notifies project managers when performance evaluations are overdue and the staff responsible to track performance was instructed to also notify the project managers' immediate supervisors.

Contractors are evaluated on eight items, such as, staff capacity, staff effectiveness, promptness of deliverables/milestones/reports, report quality, and quality of work completed. Each item is rated on a scale from 1 to 5 as follows: exceptional (5), very good (4), satisfactory (3), marginal (2), and unsatisfactory (1). Procurement maintains a running average score of all work orders awarded under each contract and a contract can be terminated if the average score fall below a 3.0 (satisfactory). The completed evaluations are also used in the evaluation process of future solicitations.

While our review of the average score of the work orders under each contract disclosed that all except one of the GES contractors' performances were rated satisfactory or better, we noted that performance evaluations for numerous work orders were not completed as required. Consequently, the running averages are based on incomplete data. We also noted that two contracts have not been evaluated. Specifically, our review of Procurement's GES Evaluation Tracking Sheets, dated November 21, 2006, disclosed that work order evaluations were not completed for 82 of the 137 (60%) work orders being tracked by Procurement. (Note that our analysis did not include the work order

awarded under the full services contracts.) The following table summarizes our audit results.

Performance Evaluation Status	Number
Work orders completed – No evaluations completed	37
Work orders completed – No final evaluation (including some missing interim evaluations)	20
Active work orders – No evaluations completed or evaluations not up to date	25
Total Number of Work Orders Missing Evaluations	82

Furthermore, we noted that in the 37 instances where evaluations have not been prepared for completed work orders, as of November 21, 2006, these evaluations were overdue anywhere from 52 to 480 days. In addition, in the 20 instances where final evaluations and some interim evaluations have not been prepared the evaluations have been overdue anywhere from 37 to 586 days. It should be noted based on the Request for Proposal solicitation for the new GES contracts, performance records will be one of the factors in determining whether a past contractor was responsible. Therefore, it is important that all required performance evaluations are completed.

Recommendations

- 1. Ensure that those contractors we have identified as not receiving an equitable amount of work are considered for upcoming work.**

Management Response: Management agrees with the audit findings and recommendation. Of the 46 general engineering services contracts, only 39 were analyzed [excluding seven (7) full service contracts] by the Inspector General Auditor’s staff. Three (3) of the 39 general engineering services contracts were identified as not adequately having participated in an equitable distribution of work. There are procedures in place to ensure that work is distributed equitably from the beginning of the contract through contract close-out. Firms that have received the

least amount of work within a discipline are always recommended when a work order assignment is in process. Occasionally, the needs of the South Florida Water Management District (District) require a specific firm to perform the work, and sometimes a firm is unable to perform a work order due to team skill sets or firm size and workload capacity.

Responsible Department: Procurement Department

Estimated Completion: There will be on-going efforts to spread work equitably. Each work order's assignment to a firm is completed with a review of the volume of work assigned throughout the discipline.

- 2. Complete confirmation of MBE utilization with prime contractors and subcontractors, and update the supplier Diversity Outreach database so that MBE utilization can be effectively analyzed. Take appropriate action in instances of non-compliance with MBE utilization commitments.**

Management Response: Management agrees with the audit recommendation. As of this date, all data has been brought up to date. A listing of all general engineering services contracts illustrating prime contractor payments to date, minority business enterprise subcontractor payments, and the percentage of minority utilization is attached (Appendix 2). It is important to note, that to-date, the District's general engineering services contracts have achieved an average overall minority business enterprise utilization of 38%. To date, of the 46 general engineering services contracts listed, 20 contracts totaled 28% or more minority business enterprise utilization, 11 contracts totaled between 15% to 27% minority utilization, and only 14 contracts totaled below 15% minority utilization. It should be noted that ten (10) of the 46 prime contractors are minority business enterprises.

The Procurement Department presently has dedicated two (2) staff to ensure compliance of existing contracts under the Minority Business Enterprise Program and future contracts that will be awarded under the Small Business Enterprise Program.

The compliance process of minority/small business enterprise participation is determined by comparing the original prime contractor proposed minority business enterprise participation percentage with the reported payments to minority/small business enterprises. In a work order contract, the District expects the prime contractor to achieve the goal over the cumulative value of all work orders issued to the prime contractor. Therefore, a prime contractor may not meet the goal on a given work order, but must have a plan to exceed the goal on some subsequent work orders in order to reach the over all goal by the end of the contract. The attached General Engineering Services Minority Business Enterprise Compliance Report (compiled January 26, 2007) shows current minority business enterprise utilization for all general engineering services contracts.

The plan for implementing solutions to ensure compliance and monitoring existing contracts with minority/small business enterprise participation will include augmenting staff and implementing processes in the SAP systems for tracking, monitoring and reporting purposes.

Responsible Department: Procurement Department

Estimated Completion: Confirmation of minority business enterprise subcontractor payments has been confirmed with thirty-six (36) of the general engineering services prime contractors that proposed minority business enterprise participation. Note that the remaining ten (10) of the 46 general engineering contracts are minority business enterprise prime contractors. Minority Business Enterprise prime contractor payments are tracked in the District's financial system. Confirmation of minority business enterprise subcontractor payments, are in the process of being verified by the minority business enterprise subcontractors.

It is anticipated that this compliance confirmation process will be performed at least one (1) more time before the end of this general engineering services contract cycle.

3. Re-institute the practice of periodically requesting prime contractors to verify payments made to MBE and SBE subcontractors to confirm the amounts reported by the prime contractors.

Management Response: Management agrees with the audit findings and recommendation. The practice of periodically requesting prime contractors to verify payments made to minority business enterprise and minority and small business enterprise subcontractors to confirm the amounts reported has been re-instituted. This process will be completed at least one (1) more time before the end of this general engineering services contract cycle.

With the repeal of the Minority Business Enterprise Program in 2005, the Supplier Diversity and Outreach database will experience a decline in activity as contracts are completed and closed.

There will be similar compliance processes incorporated into the Small Business Enterprise Program. Currently the plan includes periodically requesting prime contractors and minority/small business enterprise subcontractors to verify reported payments. This process will be supported in two ways: staff augmentation and the inclusion of small business enterprise subcontractor payments into the District's SAP systems. Procurement staff is working with District Information Technology staff to design all the necessary fields required to provide monitoring, tracking and reporting capabilities for the new Small Business Enterprise Program.

Responsible Department: Procurement Department

Estimated Completion: The practice of periodically requesting prime contractors to verify payments made to minority/small business enterprises has been instituted and will be an on-going responsibility. In addition, SAP staff is working to complete all requirements to provide monitoring, tracking and reporting capabilities. It is estimated that SAP training procedures and the design of all necessary fields required to provide monitoring, tracking and reporting capabilities for the new Small Business Enterprise Program will be completed in four (4) to six (6) months.

4. Supplement Procurement staff to monitor SBE utilization process.

Management Response: Management agrees with the audit findings and recommendation. Management recognizes the level of activity of the minority/small business enterprise participation in contracting, and the need to hire dedicated staff to perform compliance duties and to augment the existing staff of two (2). Initially, it is the intent of management to procure services that will support the compliance process. Permanent resources will be requested during the development of the 2008 budget.

Responsible Department: Procurement Department

Estimated Completion: In approximately thirty (30) days contracted services will be procured to provide a short-term solution for the minority/small business enterprise compliance process; however; a long-term solution will require full-time employees that will be requested during the development of the 2008 budget.

5. Consider implementing procedures that will hold project managers more accountable if contractors' performance evaluations are not completed as required.

Management Response: Management agrees with the audit findings and recommendation and is considering implementing the following:

- Elevating requests for evaluations from non-responsive project managers to upper management;
- Refusing assignments of additional work orders for project managers until existing evaluations are up-to-date;
- Investigating the development of an automatic system that verifies receipt of the final invoice, identifies items for which contractor performance evaluations have not been received, and notifies project managers to submit required documentation; and
- Including, as part of the annual performance review process, procedures that appropriately rate non-responsive project managers.

Responsible Department: Procurement Department

Estimated Completion: One (1) month from acceptance of implementation plan.

APPENDIX 1

**Audit of the Administration of General Engineering
Analysis of the Distribution of General Engineering
Services Contract Work Orders, As of October 13, 2006**

Contractor	Total Work Orders (Executed & Assigned)	Percent of Total Pool Work Order	Comments/Conclusions (Based on supporting documentation and discussions with Procurement staff)
Pool A: Existing Infrastructure: Civil and Structural Engineering			
Civil Services, Inc. (MBE)	\$ 1,558,038.76	26.30%	Included a work order for \$500,000 which was refused by the contractor. As a result, percentage of total pool work order was reduced to 19.51%. OK
URS Corporation	694,583.37	11.73%	An Acceler8 full services contractor. Contractor has a large Acceler8 contract. As a result, Procurement awards work to other contractors within the pool. OK
Brown, Cunningham & Gannuch, Inc.,	1,000,741.38	16.89%	OK
Post, Buckley, Schuh, & Jernigan, Inc.	1,306,522.00	22.06%	Contractor was assigned a work order for \$500,000 because they performed similar work under a previous contract. Governing Board agreed with the assignment. OK
Black & Veatch Corporation	363,991.50	6.15%	An Acceler8 full services contractor. Contractor has a large Acceler8 contract. As a result, Procurement awards work to other contractors within the pool. OK
Greenhome & O'Mara, Inc.	999,437.60	16.87%	OK
\$ 5,923,314.61		100.00%	
Pool B: Existing Infrastructure: Electrical, Mechanical and Communications			
Brown, Cunningham & Gannuch, Inc.,	\$ 1,264,804.46	25.03%	OK
CSA Southeast, Inc., (MBE)	624,470.00	12.36%	New work orders (ranging from \$690,000 to \$734,000) are currently being negotiated with Hillers Electrical Engineering, Malcolm Pirnie, and Stanley Consultants. Before these work orders, the amount awarded to these three contractors were about the same as the amount awarded to CSA Southeast. Appears to be a timing issue. OK
Hillers Electrical Engineering, Inc. (MBE)	690,000.00	13.65%	Contractor is also a Pool E contractor and a MBE subcontractor for many prime contractors. As a result, Procurement concludes that contractor is getting a reasonable amount of GES contract work. OK
Malcolm Pirnie, Inc.	1,294,279.88	25.61%	Refer to all comments in this pool. OK
Stanley Consultants, Inc.	1,130,122.39	22.36%	Refer to all comments in this pool. OK
Tricon International, Inc	49,615.00	0.98%	Tricon turned down a work order for \$375,000 it deemed "not a good fit for its firm." Tricon is also a contractor in Pool E. Note that three new work orders for the same type of work (structure inspection) previously refused by Tricon are being negotiated with Hillers Electrical Engineering, Malcolm Pirnie, and Stanley Consultants. Tricon was not considered for any of these awards. OK
\$ 5,053,291.73		100.00%	
Pool C: Existing Infrastructure: Environmental Engineering, Planning and Permitting			
Tetra Tech, FW, Inc.,	\$ 3,217,974.46	39.04%	Contractor was awarded a work order for over \$3 million in September 2004 and have not been awarded any GES work order since. Note that it was not possible to split the work order and award to the work to several contractors. OK
Keith and Schnars, PA	36,640.00	0.44%	Contractor was recommended for a \$500,000 work order. However, negotiations were unsuccessful and the work was reassigned to Malcolm Pirnie. It should be noted that contractor is also a contractor in Pool F and work awarded in Pool F is comparable to other contractors. Conclusion: Continue efforts to assign work.
Cherokee Enterprises, Inc. (MBE)	1,460,963.65	17.72%	Within acceptable range of other awards in Pool C. OK
Malcolm Pirnie, Inc.	884,675.45	10.73%	Within acceptable range of other awards in Pool C. OK
Milian, Swain & Associates, Inc. (MBE)	1,234,120.00	14.97%	Within acceptable range of other awards in Pool C. OK
ES Consultants, Inc. (MBE)	1,409,277.00	17.10%	Within acceptable range of other awards in Pool C. OK
\$ 8,243,650.56		100.00%	
Pool D: New Initiatives: Civil and Structural Engineering			
Parsons Water & Infrastructure Inc.	\$ 2,100,111.60	14.45%	An Acceler8 full services contractor. Contractor has a large Acceler8 contract. As a result, Procurement awards work to other contractors within the pool. OK
Wolfberg/Alvarez and Partners, Inc. (MBE)	876,411.53	6.03%	Prior to October 13, 2006, contractor was assigned work several times, however, for one reason or another they could not perform the work (firm is small). Procurement did not maintain any documentation to support these assignments. Contractor was offered the \$500,000 work order refused by Civil Services, Inc. (Pool A contractor) and other several other work orders since October 13, 2006, however, they did not have the capabilities to perform the work. Conclusion: OK. Continue efforts to assign work.
Arcadis G&M, Inc.	5,026,473.67	34.59%	The DLT approved a work order to Arcadis totaling over \$2.9 million for support to O&M's Construction and Engineering Division. Subsequently, three work orders were awarded to Arcadis (two were for Acceler8 work totaling about \$2.2 million). Acceler8 staff made a presentation to the DLT and recommended that the work orders be awarded to Arcadis. DLT approved the assignment. OK
EAC Consulting, Inc. (MBE)	2,150,188.35	14.80%	Within acceptable range of other awards with the Pool D. OK
ADA Engineering, Inc. (MBE)	2,556,191.71	17.59%	Within acceptable range of other awards with the Pool D. OK
TY Lin International	1,823,733.40	12.55%	Within acceptable range of other awards with the Pool D. OK
\$ 14,533,110.26		100.00%	

Contractor	Total Work Orders (Executed & Assigned)	Percent of Total Pool Work Order	Comments/Conclusions (<i>Based on supporting documentation and discussions with Procurement staff</i>)
Pool E: New Initiatives: Electrical , Mechanical and Communications			
Hillers Electrical Engineering, Inc. (MBE)	\$ 162,378.00	11.66%	Contractor is also a Pool B contractor and a MBE subcontractor for many prime contractors. As a result, Procurement concludes that contractor is getting a reasonable amount of GES contract work. OK
Malcolm Pirnie, Inc.	764,829.00	54.91%	Acceler8 management recommended to the DLT that the two work orders totaling about \$700,000 for value engineering be solicited from contractor. These assignments were approved by the DLT. It should be noted that prior to the two value engineering work orders, contractor was awarded only \$75,000 in this pool. OK
Tricon International, Inc.	465,664.00	33.43%	See Tricon International comment in Pool B. OK
\$ 1,392,871.00		100.00%	
Pool F: New Initiatives: Environmental Engineering, Planning and Permitting			
Camp Dresser & McKee Inc.	\$ 8,848,842.76	47.28%	Contractor was awarded a work order (WO #10) totaling about \$4 million in April 2006 for the LOER project and then assigned another work order (WO #11) totaling about \$1.1million for the Lemkin Creek project. According to Procurement staff, there were some delays with the Lemkin Creek project due to land issues and the project negotiations were placed on hold. Subsequently, work order (WO #12) totaling about \$2 million was assigned to the contractor for the second phase of the LOER project. As a result, Procurement planned to reassign WO #12 to another contractor when the Lemkin Creek project resumed. However, when the project resumed there was a change in the project manager and the new project manger negotiated the work order with Camp Dresser and McKee. In sum, WO #12 was awarded to the contractor due to miscommunication. Conclusion: Recent work order awarded to contractor due to miscommunication.
Metcalf and Eddy, Inc.	2,292,806.19	12.25%	Contractor was recently awarded a \$1.2 million work order. Within acceptable range of other awards with the Pool F. OK
Scheda Ecological Associates, Inc. (MBE)	1,885,898.18	10.08%	Within acceptable range of other awards in Pool F. OK
HNTB Corporation	1,512,684.11	8.08%	Contractor was assigned several work orders in fiscal year 2006. Conclusion: Contractor should be considered for upcoming work orders in this pool.
TBE Group, Inc.	1,513,691.00	8.09%	Last work order was awarded to the contractor in May 2005. According to Procurement staff, efforts are underway to assign more work to contractor. Conclusion: Contractor should be considered for upcoming work orders in this pool.
Keith and Schnars, PA	2,660,855.18	14.22%	Within acceptable range of other awards in Pool F. OK
\$ 18,714,777.42		100.00%	
Pool G: New Initiatives: Modeling			
Earth Tech Consulting, Inc.	\$ 2,493,394.00	21.61%	Contractor was awarded a work order for \$2,379,491 in August 2004. Since then contractor has not been awarded any other work. OK
Parsons, Water & Infrastructure, Inc.	1,847,915.96	16.01%	An Acceler8 full services contractor. Contractor has a large Acceler8 contract. As a result, Procurement awards work to other contractors within the pool. OK
SDI Environmental Services, Inc.	1,694,355.00	14.68%	Within acceptable range of other awards in Pool G. OK
Applied Technology and Mgmt Inc.	1,471,569.88	12.75%	Within acceptable range of other awards in Pool G. OK
Marco Water Engineering (MBE)	1,651,602.95	14.31%	Within acceptable range of other awards in Pool G. OK
Taylor Engineering, Inc.	2,381,245.53	20.63%	Within acceptable range of other awards in Pool G. OK
\$ 11,540,083.32		100.00%	
Total	\$ 65,401,098.90		

Legend:

OK - Based on our analysis, we concluded that adequate efforts were made to ensure that work is being spread around.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
PROCUREMENT DEPARTMENT - SMALL BUSEINSS ENTERPRISE SECTION
GES MBE COMPLIANCE REPORT
JUNE 2004 - JANUARY 2007**

Contract	Prime Contractor	Payment to Prime	Prime Proposed MBE %	Payment to MBE Subcontractor	MBE Utilization to Date %	
RFP CN04096A Existing Infrastructure Civil Structural						
1	CN040896	Civil Services, Inc.	\$ 360,318.60	100%	\$360,318.60	100%
2	CN040897	URS Corporation	\$ 384,388.27	30%	\$191,048.41	50%
3	CN040898	Brown Cunningham Gannuch	\$ 457,863.20	24%	\$131,102.34	29%
4	CN040899	Post, Buckley, Schuh, & Jernigan, Inc.	\$ 1,306,767.60	30%	\$75,043.00	6%
5	CN040900	Black & Veatch Eng.	\$ 325,285.00	30%	\$228,645.89	70%
6	CN040901	Greenhorne & O'Mara	\$ 749,747.17	58%	\$349,070.50	47%
RFP CN04096B Existing Infrastructure: Elec/Mech/Comm						
7	CN040890	Brown Cunningham Gannuch	\$ 840,966.50	30%	\$140,079.84	17%
8	CN040891	CSA Southeast, Inc.	\$ 569,470.00	30%	\$66,266.00	12%
9	CN040892	Hillers Electrical Engineering, Inc (MBE)	\$ -	100%		100%
10	CN040893	Malcolm Pirnie, Inc.	\$ 458,036.88	40%	\$108,063.00	24%
11	CN040894	Stanley Consultants, Inc.	\$ 400,485.86	30%	\$3,982.92	1%
12	CN040895	Tricon Int'l, Inc.	\$ 49,615.00	30%	\$34,338.00	69%
RFP CN04096C Existing Infrastructure: Env. Planning Permitting						
13	CN040902	Tetra Tech FW, Inc.	\$ 2,561,797.13	30%	\$197,715.00	8%
14	CN040903	Keith & Schnars	\$ -	43%		0%
15	CN040904	Cherokee Enterprises, Inc. (MBE)	\$ 827,440.23	100%		100%
16	CN040905	Malcolm Pirnie, Inc.	\$ 832,725.90	40%	\$366,580.00	44%
17	CN040906	Milian Swain & Associates, Inc. (MBE)	\$ 734,753.77	100%	\$734,753.77	100%
18	CN040907	ES Consultants, Inc. (MBE)	\$ 800,057.27	100%	\$800,057.27	100%
RFP CN04096D New Initiatives: Civil Structural						
19	CN040908	Parsons Water & Infrastructure, Inc.	\$ 1,345,922.00	34%	\$531,399.41	39%
20	CN040909	Wolfberg Alaverz Group	\$ 644,594.42	35%	\$173,816.83	27%
21	CN040910	Arcadis G&M, Inc	\$ 1,894,294.63	30%	\$759,270.42	40%
22	CN040911	EAC Consulting, Inc. (MBE)	\$ 1,933,821.00	100%	\$1,933,821.00	100%
23	CN040912	ADA Engineering, Inc. (MBE)	\$ 2,078,491.37	100%	\$2,078,491.37	100%
24	CN040913	TY Lin International	\$ 1,014,145.13	30%	\$411,546.15	41%
RFP CN04096E New Initiatives: Electrical Mechanical Communicatios						
25	CN040914	Hillers Electrical Engineering, Inc (MBE)	\$ 162,378.00	100%	\$162,378.00	100%
26	CN040915	Malcolm Pirnie, Inc.	\$ 571,995.24	40%	\$0.00	0%
27	CN040916	Tricon Int'l, Inc.	\$ 224,582.00	30%	\$140,374.00	63%
RFP CN04096F New Initiatives: Environmental Planning Permitting						
28	CN040926	Camp Dresser & McKee, Inc.	\$ 5,678,034.34	30%	\$496,856.48	9%
29	CN040927	Metcalf & Eddy	\$ 2,142,837.90	34%	\$106,344.39	5%
30	CN040928	Scheda Ecological Associates, Inc. (MBE)	\$ 1,114,902.95	100%	\$1,114,902.95	100%
31	CN040929	HNTB Corporation	\$ 916,651.24	33%	\$64,197.00	7%
32	CN040930	TBE Group, Inc.	\$ 924,733.69	45%	\$78,366.91	8%
33	CN040931	Keith & Schnars	\$ 2,282,267.05	43%	\$495,121.67	22%
RFP CN04096G New Initiatives: Modeling						
34	CN040920	Earth Tech Consulting	\$ 2,109,810.00	30%	\$386,450.90	18%
35	CN040921	Parsons Water & Infrastructure, Inc.	\$ 1,350,156.16	30%	\$355,937.00	26%
36	CN040922	SDI Environmental Svcs., Inc.	\$ 923,910.07	30%	\$183,590.00	20%
37	CN040923	Applied Technology & Management, Inc.	\$ 1,033,357.86	30%	\$136,127.99	13%
38	CN040924	Marco Water Engineering, Inc. (MBE)	\$ 1,134,050.36	100%	\$1,134,050.36	100%
39	CN040925	Taylor Engineering, Inc.	\$ 1,912,522.33	30%	\$274,584.53	14%
RFP CN04096H New Initiatives: Full Service						
40	CN040932	Black & Veatch Eng.	\$ 10,231,604.42	33%	\$1,549,649.11	15%
41	CN040933	Earth Tech Consulting	\$ 3,000,267.09	31%	\$288,080.34	10%
42	CN040934	Parsons, Brinkerhoff, Quade & Douglas	\$ 6,086,145.37	30%	\$1,796,568.82	30%
43	CN040935	Brown & Caldwell	\$ 8,939,198.19	32%	\$2,435,801.05	27%
44	CN040936	URS Corporation	\$ 10,973,050.32	33%	\$2,048,191.54	19%
45	CN040917	Parsons Water & Infrastructure, Inc.	\$ 8,623,705.00	36%	\$1,584,523.47	18%
46	CN040918	HDR Engineering, Inc.	\$ 12,069,390.68	30%	\$2,037,369.74	17%
		TOTALS	\$ 102,976,537.19		\$26,184,557.37	38%

*Payment to Prime dollars represent data retrieved from LGFS and SAP through 1/26/2007

*Payment to MBE Subcontractor represent amounts entered into the SDO Database through 1/19/2007

*MBE = Minority Business Enterprises