



Florida Department of TRANSPORTATION

Office of Inspector General
Kristofer B. Sullivan, Inspector General

A handwritten signature in black ink, appearing to read "KSullivan".

Audit Report No. 19C-5001
Transportation Data and Analytics Contract Review

October 24, 2019

What We Did

As a part of the Office of Inspector General's annual risk assessment, the Florida Department of Transportation's Civil Integrated Management Officer identified a risk regarding in-house consultants having too much influence in scope development for contracts within the Transportation Data and Analytics (TD&A) Office.

We reviewed:

- procurement files for eight contracts to determine whether contracts managed by the TD&A Office were procured in compliance with applicable laws, rules, regulations, and procedures; and
- meeting invitation records to determine whether any in-house consultants participated in contract scope development for active Professional Services contracts for which their firm had submitted a Letter of Response.

What We Found

We determined:

- all eight contracts tested¹ were procured in compliance with applicable laws, rules, regulations, and procedures; and
- no in-house consultants participated in contract scope development for active Professional Services contracts. Additionally, a Letter of Response was not received by consulting firms for which a consultant was housed at the TD&A Office.

¹ Contractual Service Agreement BE417 was identified by TD&A management as an active contract near the completion of our audit testing and was excluded from the test sample. See Background on page 4.

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BACKGROUND AND INTRODUCTION

The Florida Department of Transportation's (Department) Civil Integrated Management Officer identified a risk regarding conflict of interest within the Transportation Data & Analytics (TD&A) Office during the Office of Inspector General's (OIG) annual risk assessment for fiscal year 2018-19. The identified risk was related to in-house consultants having too much influence over determining the scope and deliverables of contracts let by the TD&A Office. In-house consultant involvement in the scoping of contracts or the procurement process could provide an unfair advantage over other consultants or vendors.

The TD&A Office is the central clearinghouse and principal source for highway, traffic, and roadway characteristics data. The TD&A Office is comprised of four divisions: Transportation Monitoring Program, Spatial Data & Analytics, Transportation Data Inventory, and Administration. Within the TD&A Office, there are 21 Department employees, 10 in-house consultants, and 2 staff augmentation² employees.³

The District Offices throughout the state of Florida collect data such as permanent and temporary traffic counts, along with data collected from Weigh-in Motion Stations. The data is uploaded nightly for Central Office access. Central Office TD&A personnel conduct quality control of the data collected by the Districts and publish the data on outward facing websites, for use by other divisions within the Department and by the public. Data analyzed, with exception,⁴ is public in nature and available by a public records request.

Each division includes a contract manager that is responsible for developing the scope and deliverables for each contract. Once the contract is advertised, Procurement Office staff work closely with the contract managers to ensure Technical Review Committees (TRC) and Selection Committees are documented and conducted in compliance with regulations and Department policies and procedures. The Procurement Office maintains records of the entire procurement process for all professional and contractual service contracts procured within the Department.

The TD&A Office managed four professional services contracts with a contract limit totaling \$20,000,000, and four contractual services contracts with a contract limit totaling \$9,000,000. See Table 1:

² Staff Augmentation are Department of Management Services approved vendors contracted for hourly information technology staff augmentation services, typically a one-year contract that can be renewed. This differs from a consultant, which is awarded a contract based on the procurement process.

³ See Attachment 1 for TD&A Organizational Chart.

⁴ Port Everglades and bridge data is confidential, and exempt from public records requests. Based on interviews with TD&A management, consultants do not have access to this information.

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Table 1: Active Contracts Within the TD&A Office as of April 8, 2019

Contract Number	Execution Date	Contract Type	Scope	Contract Limit
C9X97	2/13/2018	Professional Services	Technology and Data Support for Emerging Transportation Systems	\$5,000,000
C9T46	2/20/2017	Professional Services	Field Support	\$5,000,000
C9R04	9/22/2016	Professional Services	Transportation Data Support	\$5,000,000
C9Y96	5/8/2018	Professional Services	Roadway Characteristics Inventory / Highway Performance Monitoring System Support	\$5,000,000
BE108	2/3/2016	Contractual Services	Technical Support for Traffic Monitoring Site Installation and Maintenance Services	\$5,000,000
BE331	3/6/2017	Contractual Services	Technical Support for HI TRAC Emu3 Traffic Equipment	\$1,000,000
BE404	6/12/2017	Contractual Services	Technical Support for Delivery of Traffic Monitoring Equipment	\$500,000
BE418	6/19/2017	Contractual Services	Technical Support for Modems	\$500,000

Source: TD&A Office Manager; Department's Enterprise Information Portal

Contractual Service Agreement BE417 was identified by TD&A management as an active contract near the completion of our audit testing. Since there were no findings from the eight contracts tested, we did not include contract BE417 in our testing sample.

Contract Governance

Procedure No. 375-030-002-k, Acquisition of Professional Services, states:

Section 1, Definitions:

It is permissible for Consultants to serve as technical advisors to the TRC, however, no employee of a Consultant or its affiliate that is competing for a project may serve as a technical advisor for the same project . . . No member of the TRC may serve on the Selection Committee for the same project.

Section 2, Advertisement:

Any Consultant or its' affiliate that developed the scope of services, the Request for Proposal (RFP) or other solicitation documents for a particular project phase is ineligible to compete for that phase of the project for which they developed the documents.

All department staff making decisions, approvals, disapprovals, or recommendations regarding the contract procurement is required to complete the Conflict of Interest Certification, and attest to the absence of a conflict of interest on the project. The ***Conflict of Interest Certification, Form No. 375-030-50*** is required to be completed and signed by every Technical Review Committee member, the Professional Services Administrator (PSA), and the Procurement staff involved in the contract acquisition process for every new procurement undertaken.

Commodities and Contractual Services Procurement Manual, Topic No. 375-040-020, Chapter 2, Procurement Authority & Ethics, provides guidance over evaluation, award, and documentation of procurement process for contractual services agreements.

Section 2.2 states:

The ***Conflict of Interest Certification – Form No. 375-030-50***, must be completed and signed by each individual involved in the development of the specifications of scope of work, the development or selection of criteria to be used for evaluation, the evaluation process, and the award process for all procurements of commodities/services that cost more than the dollar threshold amount for Category Two.⁵ For the Department, this applies to all procurements in excess of Category Two, not just to procurements accomplished without competition.

⁵ Categories, Purchasing Threshold: Categories related to specific dollar amounts established by Section 287.017, F.S. Currently, \$35,000.

Section 2.3 states:

Employees and consultants/subcontractors performing work for the Department are expected to safeguard their ability to make objective, fair, and impartial decisions, and therefore may not accept benefits of any sort under circumstances in which it could be inferred by a reasonable observer that the benefit was intended to influence a pending or future decision of theirs, or to reward a past decision. Employees and consultants/subcontractors performing work for the Department should avoid or mitigate any conduct (whether in context of business, financial, or social relationships) which might undermine the public trust, whether or not that conduct is unethical or lends itself to the appearance of ethical impropriety.

Based upon Department policies and procedures referenced above, all Conflict of Interest Certification forms and documentation of TRC and Selection Committee meetings for both professional and contractual service agreements must be included in the procurement file.

RESULTS OF REVIEW

Review of Procurement Files

We reviewed procurement files for eight contracts within the TD&A Office to determine whether they were procured in compliance with applicable laws, rules, regulations, and procedures. We specifically tested the procurement files to determine:

- if any TRC member for the contract was also a member of the Selection Committee;
- whether in-house consultants who were TRC members were employed by firms who submitted a Letter of Interest⁶ or Letter of Response⁷ for the project; and
- whether TRC members, Selection Committee members, the Professional Services Administrator, and the Procurement staff involved in the contract acquisition process completed and signed a Conflict of Interest form.

We determined the eight contracts tested were procured in compliance with applicable laws, rules, regulations, and procedures. Additionally, no Letters of Response were received by consulting firms which had a consultant housed at the TD&A Office. There were no findings to report; however, there is one observation regarding a missing Conflict of Interest form.

Observation – Missing Conflict of Interest Form

Our audit observed the procurement file for contract BE331 executed on March 6, 2017, with vendor ROADSYS, LLC, did not include a Conflict of Interest form. Based on audit inquiry with the Procurement Office we confirmed there is no record of the Procurement Office requesting or receiving a Conflict of Interest form from individuals involved in procurement of the contract. There is no indication this is a systemic issue; therefore, we do not have any recommendations to note.

Review of Scope Development

We analyzed meeting invitations provided by the TD&A Manager to determine if any in-house consultants were included in contract scope development for active professional services contracts for which their firm submitted a Letter of Response. We determined that all scope development meetings related to the professional services contracts were in compliance with all applicable procedures. There was no indication in-house consultants were included in the development of scope for any active professional services contracts within the TD&A Office.

⁶ Letter of Interest refers to Contractual Services Agreements.

⁷ Letter of Response refers to Professional Services Agreements.

APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this audit was to address risks, as identified by management, and to determine whether:

- all active TD&A contracts (at the time of audit) were procured in compliance with applicable laws, rules, regulations, and procedures;
- Technical Review Committee (TRC) members, the Professional Services Administrator (PSA), Selection Committee members, and the Procurement staff involved in the contract acquisition process for all active contracts (at the time of audit) have completed and signed the Conflict of Interest Certification Form;
- in-house consultants who were TRC members for active contracts (at the time of audit) were employed by firms who submitted a Letter of Interest or Letter of Response for the project;
- any TRC member for an active contract was also a member of the Selection Committee; and
- any in-house consultants participated in contract scope development for active Professional Services contracts for which their firm had submitted a Letter of Response.

The **scope** of this audit included eight active contracts managed by sections within the TD&A Office as of April 8, 2019.

The **methodology** included:

- reviewing relevant laws, rules, regulations, and Department policies and procedures;
- interviewing 17 full time Department employees, 1 staff augmentation, and 8 in-house consultants⁸ within the Administration, Transportation Monitoring Program, and Transportation Data Inventory sections of TD&A. We documented each individual's response regarding nature of work, reporting structure, inclusion in scope development meetings for contracts, perceived risks, and daily responsibilities;
- reviewing procurement files for required documentation; and
- reviewing documentation files relevant to the scope development and planning of the eight active contracts within the scope.

⁸ Spatial Data and Analytics section managed no active contracts.

APPENDIX B – Management Response

On October 14, 2019, the Civil Integrated Management Officer responded via e-mail he had no comments regarding the report.

On October 18, 2019, the Transportation Data and Analytics Office Manager responded via phone call he had no comments regarding the report.

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PROJECT TEAM

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STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the DOT team.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.

ATTACHMENT 1 – TD&A Organizational Chart

