



# Florida Department of TRANSPORTATION

## Office of Inspector General Kristofer B. Sullivan, Inspector General

Audit Report No. 25P-003  
FY 24/25 Triennial Enterprise Contract Audit

DocuSigned by:

*Kristofer B. Sullivan*

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June 2, 2025

### What We Did

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As part of the Department of Transportation's (Department) Office of Inspector General (OIG) fiscal year (FY) 2024-2025 audit work plan, we conducted a compliance audit of the Department's contract procurement procedures. This audit satisfies the requirements of Section 287.136(2), Florida Statutes (F.S.), which requires a periodic risk-based compliance audit of all contracts executed by a state agency for the preceding three fiscal years and to identify any trends in vendor preferences. To accomplish this, we:

1. evaluated Department contracts and purchase orders for compliance with Chapter 287, F.S., and other applicable procurement statutes;
2. analyzed the Department's contracting process to identify any trends in vendor preference; and
3. assessed the status of corrective actions taken by the Department to address the finding(s) and recommendation(s) included in the OIG's 22P-003 House Bill 1079 Compliance Audit.<sup>1</sup>

The scope of this audit was limited to all contracts<sup>2</sup> and purchase orders executed in state FY 2021-22, 2022-23, and 2023-24.

### What We Found

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Between July 1, 2021, and June 30, 2024, the Department executed 10,385 contracts totaling over \$25.9 billion. For the same period, the Department executed 13,055 purchase orders for over \$691.6 million.

**We determined** the sampled contracts and purchase orders selected for testing complied with Chapter 287, F.S., and other applicable procurement statutes for FY 2021-22, 2022-23, and 2023-24.

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<sup>1</sup> Issued April 12, 2022

<sup>2</sup> Contract procurement types included Grant Disbursement Agreement, Master Agreement, Memorandum of Agreement/Understanding or Interagency Agreement, Multi-Agency Participation Agreement, No Ceiling/Rate Agreement, Settlement Agreement, Standard Two-Party Agreement by Statute, and Three or More-Party Agreement.

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**We determined** from a sample of contracts and purchase orders there were no identified trends in vendor preference for FY 2021-22, 2022-23, and 2023-24.

**We determined** there were no prior findings from OIG Report 22P-003, House Bill 1079 Compliance Audit issued April 12, 2022, that required corrective action.

**What We Recommend**

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We have no recommendations at this time, as we found the areas under review to be compliant.

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**BACKGROUND AND INTRODUCTION**

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As part of the Department of Transportation's (Department) Office of Inspector General (OIG) fiscal year (FY) 2024-2025 audit work plan, we conducted a compliance audit of the Department's contract procurement procedures. This audit satisfies the requirements of Section 287.136(2), Florida Statutes (F.S.), which requires a periodic risk-based compliance audit of all contracts executed by a state agency for the preceding three fiscal years and to identify any trends in vendor preferences.

The state's purchasing laws are designed to promote fair and open competition in the public procurement process. The goal is to reduce the appearance and opportunity for favoritism and foster public confidence that contracts are awarded equitably and economically. Use of state term contracts<sup>3</sup> is mandatory for Florida agencies in accordance with Section 287.056, F.S. Purchase orders are used by the Department to procure a wide variety of commodities and services authorized under Section 287.057, F.S.<sup>4</sup>

Between July 1, 2021, and June 30, 2024, the Department procured goods and services through the execution of 10,385 contracts totaling over \$25.9 billion.<sup>5</sup> In addition, the Department executed 13,055 purchase orders in the same period, totaling over \$691.6 million.

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<sup>3</sup> A state term contract is a contract that is competitively procured by the Florida Department of Management Services, Division of State Purchasing, for selected products and services for use by state agencies and eligible users.

<sup>4</sup> Examples include, but are not limited to automobiles, computer maintenance, janitorial services, legal services and office equipment rental/lease.

<sup>5</sup> Source: Department of Financial Services' (DFS) Florida Accountability Contract Tracking System (FACTS).

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## **RESULTS OF REVIEW**

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The purpose of this audit was to:

1. evaluate Department contracts and purchase orders for compliance with Chapter 287, F.S. (2024), and other applicable procurement statutes;
2. analyze the Department's contracting process to identify any trends in vendor preference; and
3. assess the status of corrective actions taken by the Department to address the finding(s) and recommendation(s) included in the OIG's prior HB 1079 Compliance Audit.

The following findings address these objectives.

### **Finding 1 – Department Contract and Purchase Order Compliance with Chapter 287, F.S.**

**We determined** the sampled contracts and purchase orders selected for testing complied with Chapter 287, F.S., and other applicable procurement statutes for FY 2021-22, 2022-23, and 2023-24.

#### **Contracts**

The Department executed 10,385 contracts in FY 2021-22, FY 2022-23, and FY 2023-24, totaling over \$25.9 billion. To identify the testing sample, we applied the HB 1079 Implementation Guidance supplied by the State of Florida, Office of the Chief Inspector General (OCIG). In part, the guidance stated:

*“Based on conversation with stakeholders, this is the Office of the Chief Inspector General's (OCIG) interpretation of the elements of the bill...*

- *Contract type includes standard two-party agreements, three or more party agreements, revenue agreements, purchase orders, renewals, and master agreements;*
- *Excludes grant agreements, memoranda of understanding, data sharing agreements, settlement agreements, and multiagency participation agreements;*
- *Method of procurement only includes contracts procured or exempted from procurement under Chapter 287; and*
- *Contracts fitting the preceding criteria and having an execution date within fiscal years 2021-2022, 2022-2023, and 2023-2024.”*
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Removing any contracts per the OCIG's guidance or contracts less than \$5,000, we identified 1,679 contracts totaling over \$4 billion as our population. We selected a statistical sample<sup>6</sup> of 234 contracts totaling over \$672.7 million and proportionally

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<sup>6</sup> Our statistical sample was calculated with a 90 percent confidence level and a margin of error of five percent.

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distributed the sample by District based on each District's percentage of total dollar amount for the combined years.

We identified the following requirements from Chapter 287, F.S., to determine compliance:

- Section 287.057(1)(a) – Invitation to Bid;
- Section 287.057(1)(b) – Request for Proposals;
- Section 287.057(1)(c) – Invitation to Negotiate;
- Section 287.057(3)(a – e) – Category 3-5 Exclusions;
- Section 287.057(14) – Contracts Not To Exceed 3 Years or Original Contract Term;
- Section 287.057(17) – Contract in Excess of Category Four;
- Section 287.0571(4) – Projects in Excess of \$10 Million Within a Single Fiscal Year;
- Section 287.0571 – Business Case to Outsource; Applicability;
- Section 287.058 – Contract Document;
- Section 287.059 – Private Attorney Services;
- Section Rule Chapter 60A-1.002 – Purchase of Commodities or Contractual Services; and
- Rule Chapter 60A-1.045 – Alternative Purchasing Methods.

We identified and reviewed if the Department documented the following select requirements of Chapter 287, F.S.:

- method of procurement;
- exempt/not exempt from procurement; if exempt, reason for exemption and authorization form with signature (if applicable);
- procurement method justification form (if applicable);
- scope of work;
- public postings;
- solicitation document (ITB,<sup>7</sup> RFP,<sup>8</sup> or ITN<sup>9</sup>) and justification form (if applicable);
- question and answer addendum;
- received responses;
- award determination;
- notice of award;
- protests;
- negotiating team list; and
- signed conflict of interest form for negotiating team members.

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<sup>7</sup> Invitation to Bid

<sup>8</sup> Request for Proposal

<sup>9</sup> Invitation to Negotiate

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Our evaluation of 234 statewide Department executed contracts sampled for FY 2021-22, 2022-23, and 2023-24, disclosed 100 percent were compliant with the selected requirements of Chapter 287, F.S.

**Purchase Orders**

The Department executed 13,055 purchase orders in FY 2021-22, 2022-23, and 2023-24, totaling \$691,636,672. To identify the testing sample, we applied the HB 1079 Implementation Guidance supplied by the OCIG used in the Contracts section.

We applied the OCIG's guidance and identified 9,388 purchase orders totaling over \$51.9 million as our population. We selected a statistical sample of 97 purchase orders totaling over \$9.7 million, and proportionally distributed the sample by District, based on each District's percentage of total dollar amount for the combined years.

We identified the following requirements from Chapter 287, F.S., to determine compliance:

- Chapter 287 – Commodities, Insurance and Contractual Services;
- Section 287.056 – Purchases From Purchasing Agreements and State Term Contracts; Vendor Disqualification; and
- Section 287.058 – Contract Document;

We identified and reviewed if the Department documented the following select requirements of Chapter 287, F.S.:

- method of procurement;
- method of payment;
- travel expenses;
- terms and conditions of agreement;
- exempt/not exempt from procurement; if exempt, reason for exemption and authorization form with signature (if applicable);
- procurement method justification form (if applicable);
- scope of work;
- financial consequences;
- public postings;
- solicitation document (ITB, RFP, or ITN) and justification form (if applicable);
- received responses;
- award determination;
- notice of award;
- protests;
- negotiating team list;
- signed conflict of interest form for negotiating team members; and
- multiple purchase orders within period of review.

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Our evaluation of 97 Department executed purchase orders sampled for FY 2021-22, 2022-23, and 2023-24, disclosed 100 percent were compliant with Chapter 287, F.S.

We have no recommendation at this time, as we found the area under review to be compliant.

## **Finding 2 –Trends in Vendor Preference**

**We determined** from a sample of contracts and purchase orders there were no identified trends in vendor preference for FY 2021-22, 2022-23, and 2023-24.

### **Contracts**

We reviewed the sample of 234 contracts identified in Objective 1 for the three fiscal years to identify any possible trends in vendor preference. Within the 234 contracts, 203 different vendors were awarded contracts, as shown in Table 1.

**Table 1: Contracts Awarded / Vendors by Fiscal Year for Sample**

<b>Fiscal Year</b>	<b>Number of Contracts</b>	<b>Number of Vendors Awarded Contracts</b>
2021-22	109	88
2022-23	56	53
2023-24	69	62
<b>Total</b>	<b>234</b>	<b>203</b>

Source: OIG created based on information from DFS FACTS.

Additionally, we reviewed the vendor bid sheets to confirm the vendors awarded each contract were the lowest bidders or highest rated respondents. We identified instances where a vendor was awarded more than one contract; however, we confirmed them to be the only bidder, the method of procurement was a state or alternate source contract, and the documentation supported the selection of the awarded vendor. We found no discrepancies between the selected vendors and the vendor bid sheets.

### **Purchase Orders**

We reviewed the sample of 97 purchase orders identified in Objective 1 for the three fiscal years to identify any possible trends in vendor preference. For the 97 purchase orders, 84 different vendors were awarded purchase orders, as shown in Table 2.

**Table 2: Purchase Orders Awarded / Vendors by Fiscal Year for Sample**

<b>Fiscal Year</b>	<b>Number of Purchase Orders</b>	<b>Number of Vendors Awarded Purchase Orders</b>
2021-22	8	7
2022-23	41	34
2023-24	48	43
<b>Total</b>	<b>97</b>	<b>84</b>

Source: OIG created based on information from DFS FACTS.



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Additionally, we reviewed the vendor bid sheets to confirm the vendors awarded each purchase order were the lowest bidders or highest rated respondents. We identified instances where a vendor was awarded more than one purchase order; however, we confirmed them to be the only bidder, the method of procurement was a state or alternate source contract, and the documentation supported the selection of the awarded vendor. We found no discrepancies between the selected vendors and the vendor bid sheets.

We have no recommendation at this time, as we did not identify any trends in vendor preference.

**Finding 3 – No Negative Findings from OIG’s 22P-003 House Bill 1079 Audit**

**We determined** there were no prior findings from OIG Report 22P-003, House Bill 1079 Compliance Audit issued April 12, 2022, that required corrective action.

We have no recommendation at this time, as there was no corrective action required from the prior audit.

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**APPENDIX A – Purpose, Scope, and Methodology**

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The **purpose** of this audit was to:

1. evaluate Department contracts and purchase orders for compliance with Chapter 287, F.S., and other applicable procurement statutes;
2. analyze the Department's contracting process to identify any trends in vendor preference; and
3. assess the status of corrective actions taken by the Department to address the finding(s) and recommendation(s) included in the OIG's 22P-003 HB 1079 Compliance Audit.

The **scope** of this audit was limited to all contracts and purchase orders executed in state FY 2021-22, 2022-23, and 2023-24.

The **methodology** included:

- reviewing the OCIG FY 2024-25 Triennial Enterprise Contracts audit program;
- reviewing applicable state laws;
- reviewing Department manuals, policies, and procedures;
- interviewing appropriate Department and Department of Financial Services (DFS) staff;
- reviewing DFS Florida Accountability Contract Tracking System information;
- reviewing the Department's Contract Funds Management System information;
- reviewing the My Florida Next Generation Vendor Information Portal information;
- reviewing the MyFloridaMarketPlace system information;
- evaluating a selected sample of contracts and purchase orders for compliance with Chapter 287; and
- analyzing the overall Department contracting process to identify any trends in vendor preference.

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**APPENDIX B – Management Response**

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On May 22, 2025, the OIG received an email response from Jason Adank, Comptroller, indicating the Office of Comptroller does not have any comments.

On May 28, 2025, the OIG received an email response from Cindy Capdevila, Interim Director of Administration, indicating the Office of Administration does not have any comments.

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**DISTRIBUTION**

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**Responsible Manager:**

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Manager

Cindy Capdevila, Interim Director, Office of Administration

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James Landsberg, Interim Inspector General

Brandon Spencer, Director of State Purchasing

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**PROJECT TEAM**

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Engagement was conducted by:  
Paul Lowery, Senior Audit Supervisor  
Christina Walker, Auditor

Under the supervision of:  
Amy Furney, Deputy Audit Director for Performance and Information Technology  
Joseph W. Gilboy, Director of Audit

Approved by:  
Kristofer B. Sullivan, Inspector General

**STATEMENT OF ACCORDANCE**

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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 provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

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.