



Audit of the Agreement with  
Keolis Transit Services, LLC. for Shuttle Bus  
and Other Transportation Services at the Fort  
Lauderdale-Hollywood International Airport

# Office of the County Auditor

## Audit Report

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**County Auditor**

**Audit Conducted by:**

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**Report No. 22-07**  
**June 1, 2022**



**OFFICE OF THE COUNTY AUDITOR**

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June 1, 2022

Honorable Mayor and Board of County Commissioners

At the request of the Broward County Aviation Department (BCAD), we conducted an audit of the agreement with Keolis Transit Services, LLC. (Keolis) for shuttle bus and other transportation services at the Fort Lauderdale-Hollywood International (FLL) Airport (Agreement).

The objectives of our audit were to determine whether Keolis is compliant with the Agreement and whether the terms and provisions of the Agreement are reasonable and appropriate.

Except as noted in our report, we conclude that Keolis is compliant with the Agreement and the terms and provisions of the Agreement are reasonable and appropriate. Opportunities for Improvement are included in the report.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the cooperation and assistance provided by BCAD and Keolis staff throughout our audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton  
County Auditor

cc: Monica Cepero, County Administrator  
Andrew Meyers, County Attorney  
Mark Gale, Director, Aviation Department

**Broward County Board of County Commissioners**

Torey Alston • Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Jared E. Moskowitz • Nan H. Rich • Tim Ryan • Michael Udine  
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# INTRODUCTION

## Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

At the request of the Broward County Aviation Department (BCAD), we conducted an audit of the agreement with Keolis Transit Services, LLC. (Keolis) for shuttle bus and other transportation services at the Fort Lauderdale-Hollywood International (FLL) Airport (Agreement). Our objectives were to determine whether:

1. Keolis is compliant with the Agreement.
2. Terms and provisions of the Agreement are reasonable and appropriate.
3. Any Opportunities for Improvement exist.

To determine whether Keolis is compliant with the Agreement, we reviewed the Agreement; tested a sample of invoices, timecards, payroll registers, and Daily Vehicle Inspection Reports; and interviewed BCAD and Keolis staff. We also reviewed subcontracts, background checks, driver licenses, personnel and training records, living wage review records, certificates of insurance for Keolis and its subcontractors, and Airport Concessions Disadvantaged Business Enterprise (ACDBE) Quarterly Activity Reports.

To determine whether terms and provisions of the Agreement are reasonable and appropriate, we reviewed the Broward County Motor Carriers Ordinance and the Broward County Living Wage Ordinance; consulted with the Office of Economic and Small Business Development, the Risk Management Division, and other County agencies as considered necessary; observed shuttle operations at the FLL Airport; and conducted surveys of shuttle service operations of selected airports.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was June 12, 2019, through December 31, 2020. However, transactions, processes, and situations reviewed were not limited by the audit period.

**Overall Conclusion**

Except as noted in our report, we conclude that Keolis is compliant with the Agreement and the terms and provisions of the Agreement are reasonable and appropriate. Opportunities for Improvement are included in the report.

**Background**

On March 28, 2019, the Board of County Commissioners entered into an agreement with Keolis Transit Services, LLC. (Keolis) for shuttle bus and other transportation services at the Fort Lauderdale-Hollywood International (FLL) Airport (Agreement). The Agreement commenced on June 12, 2019, for a five-year initial term and five optional one-year extensions, with an estimated total value of \$161 million for the initial five years. These services include:

- Shuttle transport of passengers to and from the FLL Airport terminals and the Rental Car Facility.
- Shuttle transport of employees to and from the FLL Airport terminals and the Employee Parking Lot.
- Tram transport of passengers within the Palm and Hibiscus parking garages.

**Contract Amount and Services**

The initial five-year term of the Agreement is for a Not-To-Exceed amount of \$161 million which includes services based on a Fixed Fee, In-Service Hourly Fees, plus Reimbursable Expenses. The total contract amounts for the services/items are summarized in **Figure 1**.

**Figure 1  
Total Contract Amounts by Services/Items**

Services/Items	Not-To-Exceed Amount for the Initial Term
<b>Fixed Fee</b>	\$ 10,619,020
<b>In-Service Hourly Fee</b>	106,164,572
<b>Reimbursable Expenses</b>	44,228,955
<b>Total</b>	<b>\$ 161,012,547</b>

*Source: Prepared by the Office of the County Auditor with information obtained from the Agreement.*

**Fixed Fee:** The Agreement requires the County to pay Keolis a fixed annual fee in 12 equal monthly payments. The Fixed Fee includes payroll, vacation, payroll taxes, badges and other related expenses of key personnel and profit for providing services.

**In-Service Hourly Fee:** In addition to the Fixed Fee, the County pays Keolis a fee for each hour that a vehicle in the Core Bus Fleet is used for shuttle bus services. The Agreement provides hourly rates for each type of vehicle ranging from \$35.60 to \$59.27 per hour. The In-Service Hourly Fee mainly includes the following:

- payroll and related expenses,
- uniforms for all staff including drivers, mechanics, and customer service personnel, and
- other expenses, such as:
  - Vehicle fuel costs.
  - Vehicle licensing and registration.
  - Maintenance, repairs, tires, and parts.
  - Required insurance.

Invoices for the In-Service Hourly Fees are billed twice monthly. The first invoice covers the period from the first day to the fifteenth day of the month and the second invoice covers the period from the sixteenth to the last day of the month.

**Reimbursable Expenses:** The Agreement also provides for Reimbursable Expenses to Keolis that must be approved in advance and in writing by the Contract Administrator, substantiated by invoices and proof of payment, and not otherwise prohibited by the Agreement. Reimbursable Expenses include the following:

- Hourly rates for providing supplemental fleet services.
- Costs and expenses associated with the lease of the Core Bus Fleet.
- Costs and expenses associated with lease of off-airport optional facilities.
- Unanticipated costs and expenses approved in writing in advance.

### **Contract Amendment**

On May 28, 2020, the Director of BCAD approved the first amendment to the Agreement, which replaced Exhibit H – Supplemental Bus Fleet with Exhibit H1 – Supplemental Bus Fleet. The amendment established minimum specifications for the supplemental fleet and stated, unless otherwise agreed to in writing by the Contract Administrator, a) van type vehicles shall be no

more than two model years old and shall not have an excess of 100,000 actual odometer miles, and b) supplemental buses shall be no more than five model years old and shall not have an excess of 200,000 actual odometer miles.

## **Leases of Buses and Trams**

### *Lease of Core Bus Fleet*

At the start of the Agreement, the Core Bus Fleet included forty-five (45) 40-foot El Dorado Axess buses that were owned by the County and were between 13 to 15 years old. As part of the Agreement, Keolis was required to lease a new Core Bus Fleet for exclusive use, and to transition buses into the fleet as they become available. On May 6, 2020, Keolis executed a 49-month lease agreement with Banc of America Leasing & Capital, LLC. for forty-eight (48) 40-foot Eldorado Axess buses. The new fleet is ADA compliant and includes buses equipped with:

- Vehicle logic unit (VLU) hardware and VLU SPOT software.
- GPS/ Cellular communications.
- Mobile data terminal (MOT) hardware touch screen.
- Stereoscopic automatic passenger counter.
- Integrated monochromatic interior digital sign LED display technology.

The purchase cost of these buses was approximately \$22.6 million, which includes sales taxes, shipping, installation, and other related expenses. The leasing expense for each vehicle will be approximately \$470,900, over the lease period. Actual leasing costs incurred will be paid to Keolis by the County as a Reimbursable Expense.

### *Lease of Trams*

On May 6, 2020 and June 10, 2020, Keolis executed lease agreements with Banc of America Leasing & Capital, LLC. for four 2020 Trams International People Mover passenger power cars with tram trailers for base terms of 49 and 48 months. The total cost of the four Trams was approximately \$1,134,300, which included sales taxes, shipping, installation, and other related expenses. The leases require monthly installment payments totaling approximately \$21,300.

### *Average Aggregate Annual Mileages*

The lease agreement provides for a per mileage surcharge of \$0.10 if the annual average exceeds 60,000 miles per bus and 24,000 miles per tram at the end of the lease period.

Early Buy-Out

The lease agreement of Core Bus Fleet provides for the early buy-out of equipment by the County after the 36<sup>th</sup> installment payment is made and requires a notice to the lessor of at least 180 days prior to the early buy-out date.

**Shuttle Operations at the FLL Airport**

The shuttle bus operations include six routes: Employee Parking Lot, Rental Car Center, Loop, Tram, Hardstand (transporting passengers from the airplane to the terminals when gates are fully utilized), and ADA van. All routes transport passengers and employees to and from the terminals except for the Tram route, which operates in the parking garage facilities. **Figure 2** shows a summary of the shuttle bus routes and hours of operations.

**Figure 2**  
**The FLL Airport Shuttle Bus Routes and Hours of Operation**

Routes	Hours of Operations
Employee Parking Lot	24/7
Rental Car Center	24/7
Loop	24/7
Tram	24/7
Hardstand	As Needed
ADA Van	As Needed (Note 1)

**Note 1:** The ADA route is no longer in operation after the new Core fleet of buses was placed in service.

**Source:** Prepared by the Office of the County Auditor with information obtained from BCAD.

Transport to/from Rental Car Center, Terminals, and Within Garage Facilities

In service shuttle buses have a display that identifies the assigned route, such as: Employee Parking Lot, Rental Car Center (RCC), etc. For the RCC, passengers typically board buses at shuttle stops located at the lower level of each terminal and are transported between terminals and the RCC, as follows:



- Arriving passengers at Terminals 2, 3, and 4 planning to rent cars from the Rental Car Facility may board shuttle buses at the ground transportation areas on the lower levels between the terminals.
- Passengers returning rental vehicles at the Rental Car Facility may board buses there and receive transportation to the departure levels of Terminals 2, 3 and 4.
- Due to its close proximity to the Rental Car Facility, passengers arriving to/departing from Terminal 1 are required to utilize the pedestrian walkway between the terminal and the Rental Car Facility.

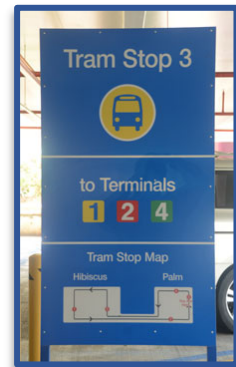


*A Shuttle Bus*



*Tram No. 3664*

For service between the parking garages and terminals, tram 'stops' are designated on the first floor of the Palm and Hibiscus garages to transport passengers to and from the garages or between terminals. Some trams are equipped with trailers to facilitate the transportation of luggage.



*Tram Stop Sign*

### Transport of Employees to/from Employee Parking Lot to Terminals

Airport employees are authorized to park in the Employee Parking Lot west of the FLL Airport and, typically, would be transported via shuttle buses to and from terminals; however, during the COVID pandemic, this route was suspended, and employees were allowed to park at the parking garages at the terminals.

### **Billing and Invoice Review Process**

Since the inception of the Agreement, Broward County has paid Keolis approximately \$31.54 million. **Figure 3** shows amounts paid to Keolis for each calendar year from June 2019 to August 2021.

**Figure 3**  
**Amounts Paid to Keolis from June 2019 to August 2021**

Period	Amount
<b>June - December 2019</b>	\$ 8,061,657
<b>January - December 2020</b>	13,795,941
<b>January - August 2021</b>	9,679,093
<b>TOTAL</b>	<b>\$31,536,691</b>

*Source: Prepared by the Office of the County Auditor with information obtained from BCAD.*

On a monthly basis, Keolis prepares three types of invoices for Fixed Fee, In-Service Hourly Fees, and Reimbursable Expenses, as discussed previously.

Fixed Fee Invoices

Keolis bills the County a Fixed Fee for their services each month. After BCAD personnel reviews the invoices, all invoices are entered in PeopleSoft (the County’s financial system), approved, and processed for payment.

In-Service Hourly Fee Invoices

For In-Service Hourly Fees, invoices are received twice monthly based on hourly contract rates multiplied by the total actual In-Service hours. In order to document In-Service hours for billing, at the start of each shift, before leaving the lot, drivers are required to perform a pre-trip vehicle inspection and complete a Daily Vehicle Inspection Report (DVIR), noting the condition and starting mileage of the vehicle. Once the inspection is completed, the DVIR is time stamped by the dispatcher to document the start of the billing period. At the end of the shift, the driver performs a post-trip vehicle inspection, documents the end of shift mileage, and the dispatcher time stamps the DVIR to document the end of the billing period.

Daily, the dispatchers prepare an electronic spreadsheet to record the information from each DVIR, such as the bus number, driver’s name, start and end shift times and calculation of total In-Service hours by route. Bi-monthly, the spreadsheets are tallied and forwarded with the invoice packages to BCAD for payment.

BCAD asserts that its personnel review the bi-monthly In-Service invoice, compare total hours documented on the invoice to the hours billed for each route on the spreadsheets, and verify the accuracy of invoices prior to approval.

Reimbursable Expense Invoices

Keolis is required to obtain written approval from the Contract Administrator before incurring Reimbursable Expenses and must provide documentation of the expense and proof of payment along with the reimbursement request submitted to the County. BCAD asserts that when the invoice is received, its personnel review to determine the appropriate approval, proper documentation, and proof of payment.

**Impact of COVID-19 Pandemic**

COVID-19 pandemic considerably disrupted the shuttle operations at the FLL Airport, resulting in a 60% reduction in the Keolis’s workforce and approximately 75% reduction in billable hours. On March 26, 2020, the Contract Administrator reduced the service requirements for Rental Car Center shuttles, suspended the Employee Parking Lot service (employee parking was temporarily moved to the garages), reduced Tram route services from two trams to one, and suspended Hardstand operations.

On April 7, 2020, BCAD further reduced the RCC Shuttle service from seven to five shuttles and suspended the terminal Loop shuttle until further notice. Through October 2020, the only routes running were the RCC route and Tram service in the parking garage. The number of shuttles in operation slowly increased to respond to increased air travel and the necessity of maintaining social distancing requirements. Hardstand operations, which were suspended for approximately 11 months, returned in mid-March 2021; however, the volume remained significantly reduced. **Figure 4** shows the impact of the pandemic on shuttle service staffing levels comparing levels pre-COVID, and as of May 31, 2021, and August 31, 2021.

**Figure 4**  
**COVID Pandemic Impact on Shuttle Services Staffing Levels for**  
**Pre-COVID, as of May and August 2021**

Personnel	Pre-COVID	May 31, 2021	August 31, 2021
<b>Drivers</b>	155	56	124
<b>Other Staff</b>	<u>46</u>	<u>24</u>	<u>27</u>
<b>Total</b>	<b>201</b>	<b>80</b>	<b>151</b>

*Source: Prepared by the Office of the County Auditor with information obtained from BCAD.*

Prior to COVID, both Keolis and its subcontractors provided Customer Service Representatives that assisted guests and FLL Airport employees throughout the FLL Airport. The pandemic

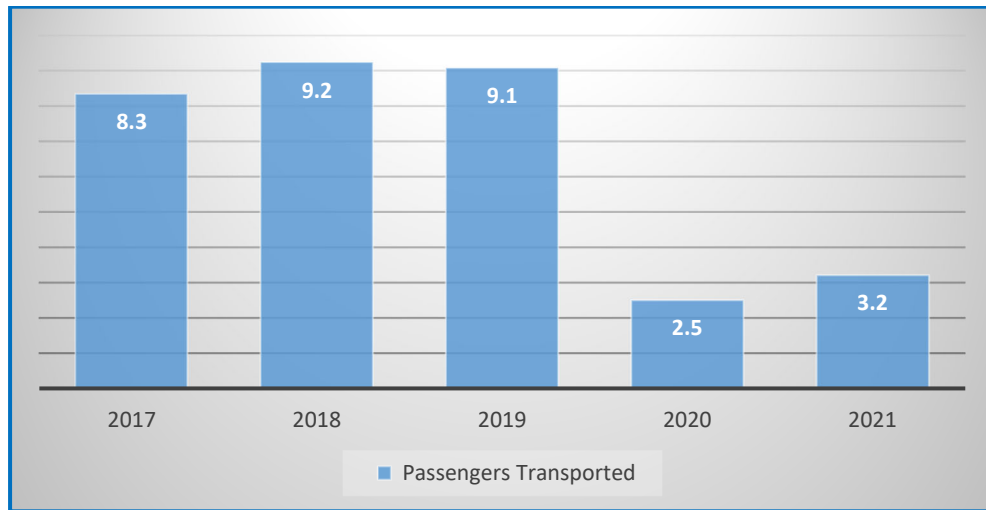
reduced Keolis’s ability to provide these services, including front line communication and directions to passengers.

Operationally, BCAD experienced approximately 65% decrease in guests that were transported via shuttles since the pandemic started. Also, social distancing restrictions impacted the number of guests able to be transported on each shuttle. In turn, this increased the number of times shuttles had to complete the route around the terminal roadway system in order to safely transport all passengers. Tram service reductions impacted passengers as they experienced longer wait times to utilize the system.

Number of Guests Transported

Pre-COVID, the annual number of passengers and employees transported by shuttle services averaged 8.9 million persons for each of the three years of 2017 through 2019 and was significantly reduced in 2020 and through August 2021. **Figure 5** shows the total numbers of persons transported annually by the shuttle service for the last four years of 2017 through 2020 and eight months ended August 2021.

**Figure 5**  
**Passenger Transported Annually**  
**Years of 2017 Through 2020 and Eight Months Ended August 2021 (in millions)**



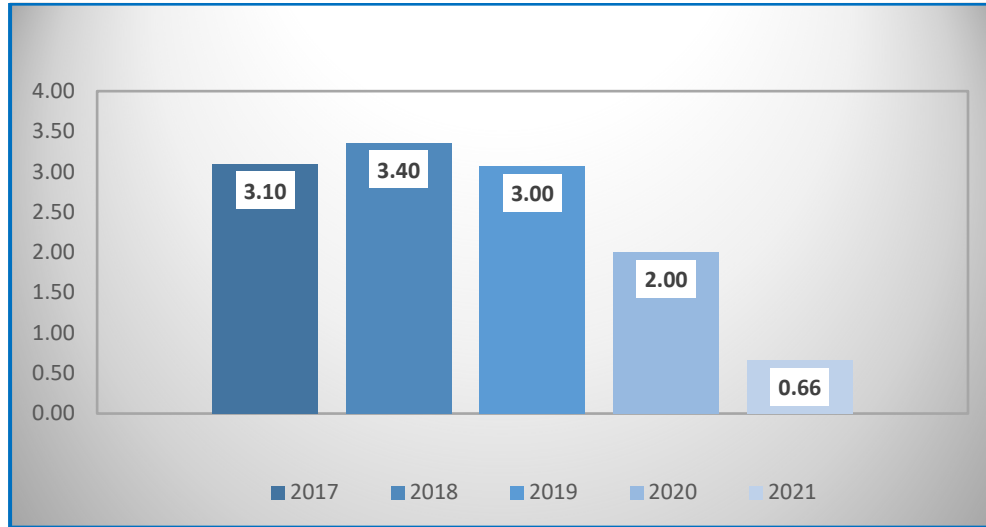
*Source: Prepared by the Office of the County Auditor with information obtained from BCAD.*

Number of Miles Driven

From 2017 to 2019, the total miles driven annually by the entire shuttle fleet averaged 3.2 million miles. This amount was significantly reduced in 2020 and through August 2021, due to the COVID

pandemic. **Figure 6** shows the total miles driven annually by the shuttle fleet for the last four years of 2017 through 2020 and eight months ended August 2021.

**Figure 6**  
**Annual Shuttle Fleet Miles Driven**  
**Years of 2017 Through 2020 and Eight Months Ended August 2021 (in millions)**



**Source:** Prepared by the Office of the County Auditor with information obtained from BCAD.

# OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

## **1. Driver Records Should Consistently Comply With the Contract Requirements.**

Keolis's drivers play an important role in providing transportation services at the FLL Airport. Our review revealed that some driver records did not comply with the requirements of the Agreement. We reviewed a sample of ten drivers, six were hired prior to, and four were hired after the effective date of the current Agreement. Our review found non-compliance with some requirements of the Agreement. Specifically:

- A. Some drivers sampled did not possess the required endorsements/clearances and licenses.
  - i. One bus driver does not have Customs and Border Protection decal/clearance. Failure to obtain Customs and Border Protection decal/clearance could prevent the contractor from using the driver for airside shuttle routes.
  - ii. Three tram drivers have regular licenses but do not possess the Commercial Driver Licenses (CDL) as required. The tram drivers also do not have Ramp Driving Endorsements and Customs and Border Protection decal/clearances.

Keolis explained that tram drivers are "off road drivers;" therefore, they do not require a CDL, Ramp Driving Endorsement and Customs and Border Protection decal/clearance. However, the Agreement does not establish separate requirements for shuttle bus and tram drivers.

Exhibit A - Scope of Services, Sections 3. E. i and ii of the Agreement state that the Contractor represents and warrants that all drivers at all times during the term of this Agreement possess (1) the Ramp Driving Endorsement, (2) the Customs and Border Protection decal/clearance, and (3) a CDL at least 3 years prior to hire.

- B. All 10 drivers did not have Broward County Chauffeur's Registrations as required by the Agreement, which refers to Chapter 22½, Broward County Code of Ordinance for compliance standards. We reviewed Chapter 22 ½ - Motor Carriers of the Broward Code

of Ordinances and noted that the Chauffeur's Registration requirement is excluded for operators of vehicles with the passenger capacity of 19 or more, which are the buses and trams currently used for shuttle services at the FLL Airport. However, prior to the receipt of the new fleet in 2020, Keolis utilized small vans with capacity of less than 19 for transporting ADA passengers. As a result, drivers who operated the smaller vehicles may not have met the requirements for the Broward County Chauffeur's Registration.

Exhibit A - Scope of Services, Sections 3. E. i. of the Agreement states that the Contractor represents and warrants that all drivers at all times during the term of the Agreement possess a valid Broward County Chauffeur's Registration in accordance with Chapter 22 ½, Broward County Code of Ordinance.

- C. Six of the drivers sampled were hired between 2012 and 2017, prior to the start of the Agreement. A review of their records indicate Keolis failed to perform periodic reviews of their driving records to ensure ongoing compliance with the terms of the Agreement.

Exhibit A - Scope of Services, Section 3. E. ii. of the Agreement states that the Contractor may not employ or retain any driver whose driving record, as compiled by the Department of Motor Vehicles of the State of Florida, does not meet the requirements of the Agreement.

Failure to perform periodic review of driving records could allow drivers with poor driving records to operate buses, exposing passengers to the risk of injury and Broward County to the potential liability.

- D. Keolis performed employment background verifications that covered a 7-year period (prior to providing services at FLL), not a 10-year period, as required by the Agreement. Further, for drivers that were hired prior to the effective date of the Agreement, we requested but were not provided any documentation that showed if the contractor evaluated whether the drivers met the current background verification requirements.

Exhibit A - Scope of Services, Section 3.J. iii. of the Agreement states, "Contractor shall verify the employment history of all representatives, agents, managers, supervisors, drivers, mechanics, and employees of Contractor before such individuals may perform Services under this Agreement, whether such individuals are new to the company or not. Such employment verification shall cover the ten (10) year period preceding the individual's assignment to perform Services under this Agreement. . ."

Failure to conduct a 10-year employment verification for drivers providing services under the Agreement could result in the hire or retention of drivers with negative issues during the additional three years prior to employment.

**We recommend** management:

- A.1 Ensure bus drivers obtain Customs and Border Protection decal/clearance.
- A.2 Ensure Keolis's tram drivers comply with driver requirements or, if determined by Airport management that the current requirements are not appropriate for all drivers, revise the Agreement to establish separate requirements for tram and bus operators.
- B. If appropriate, revise the Agreement to address ambiguities regarding requirements for Broward County Chauffeur's Registration in compliance with the Chapter 22 ½ - Motor Carriers of the Broward Code of Ordinances.
- C. Ensure Keolis performs periodic reviews of the driving records compiled by the Department of Motor Vehicles of the State of Florida for operators assigned to the Agreement at the FLL Airport.
- D. Ensure Keolis complies with requirements of the Agreement by performing 10-year background verifications for new hires and employees assigned to the FLL Airport.

## **2. In-Service Hours Billed to the County by Keolis Should be Accurately and Properly Supported.**

The County is billed twice monthly for In-Service hours based on rates listed in the Agreement. We reviewed the hours billed for the two periods of October 1 to October 15, 2019 and August 16 to August 31, 2020. Our review found that the County overpaid Keolis approximately \$2,790 of the \$566,820 billed in October 1 to October 15, 2019 and supporting documentation for the invoices was incomplete and inaccurate.

- A. We reviewed 2,424 lines of data and found 337 (14%) data entry errors in supporting spreadsheets listing of the In-Service hours for the period from October 1 to October 15, 2019, resulting in an overpayment to Keolis of approximately \$1,990. We performed data analyses comparing shift beginning and end times for each bus, compared information to time entries stamped on the Driver's Vehicle Inspection Reports (DVIR), and found the following types of errors:
  - i. Overlapping time entries: The end of shift times for some drivers overlapped with the start times for subsequent drivers utilizing the same bus. **Figure 7** shows an example of overlapping time entries. In this example, the County was billed for



Driver A whose shift ended at 9:05 AM, and was also billed for the subsequent Driver B on the same bus that started at 8:42 AM. This resulted in an overbilling of 23 minutes.

**Figure 7**  
**Example of Overlapped Time Entries**

ROUTE	OPERATOR	DATE	BUS No.	START OF SHIFT	END OF SHIFT	HOURS BILLED	OVERLAP IN MINUTES
ADA	Driver A	10-05-2019	101	0:35	9:05	8.50	
ADA	Driver B	10-05-2019	101	8:42	15:59	7.28	23

*Source: Prepared by the Office of the County Auditor with information obtained from Keolis’s invoice and supporting documents.*

- ii. Missing and incomplete time stamps: The start of shift and/or end of shift times were not consistently stamped on the DVIRs, precluding us from validating the accuracy of the actual service hours provided and billed. **Figures 8 and 9** show examples of DVIRs that properly include and improperly exclude time stamps, respectively.

**Figure 8**  
**Example of Properly Including Time Stamps on DVIR**

**Keolis**  
 Transit America

**Daily Vehicle Inspection Report (DVIR)**

Print Name: <i>Osobiel Espino</i>		Date: <i>10/03/19</i>	Vehicle ID: <i>212</i>
Start Mileage: <i>137551</i>	Start Time: <i>3:07pm</i>	End Mileage:	End Time: <i>1:17pm</i>

Previous Days DVIR Must Be Reviewed Before Starting Today's Inspection - Did You Do This?  YES  NO

Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.
Fluid Leaks	<input checked="" type="checkbox"/>		Speedometer	<input checked="" type="checkbox"/>		Wheelchair Ramp/Lift	<input checked="" type="checkbox"/>	
Tires / Lugs / Wheels	<input checked="" type="checkbox"/>		Oil / Water Gauges	<input checked="" type="checkbox"/>		Wheelchair Tie Downs	<input checked="" type="checkbox"/>	
Headlights	<input checked="" type="checkbox"/>		Air Pressure Gauge	<input checked="" type="checkbox"/>		<b>BRAKE SYSTEM</b>		
Clearance Lights	<input checked="" type="checkbox"/>		Fire Detection System	<input checked="" type="checkbox"/>		Cut In Pressure	<input checked="" type="checkbox"/>	psi
Turn Signals / 4 Ways	<input checked="" type="checkbox"/>		Gas Detection System	<input checked="" type="checkbox"/>		Cut Out Pressure	<input checked="" type="checkbox"/>	psi
Strobe Lights	<input checked="" type="checkbox"/>		Doors	<input checked="" type="checkbox"/>		Static Pressure Loss PB Off	<input checked="" type="checkbox"/>	psi
Decel Lights	<input checked="" type="checkbox"/>		Farebox	<input checked="" type="checkbox"/>		Applied Pressure Loss	<input checked="" type="checkbox"/>	psi
Brake Lights	<input checked="" type="checkbox"/>		Headsign	<input checked="" type="checkbox"/>		Low Air Warning	<input checked="" type="checkbox"/>	psi
Reverse Lights	<input checked="" type="checkbox"/>		VMS	<input checked="" type="checkbox"/>		Parking Brake Engages	<input checked="" type="checkbox"/>	psi
Mirrors	<input checked="" type="checkbox"/>		Fire Extinguisher	<input checked="" type="checkbox"/>		Parking Brake Holds	<input checked="" type="checkbox"/>	
Windshield	<input checked="" type="checkbox"/>		Emergency Triangles	<input checked="" type="checkbox"/>		Door Interlocks	<input checked="" type="checkbox"/>	
Clean Exterior	<input checked="" type="checkbox"/>		Accident Packet	<input checked="" type="checkbox"/>		<b>POST TRIP INSPECTION</b>		
Bike Rack	<input checked="" type="checkbox"/>		Insurance / Registration	<input checked="" type="checkbox"/>		Turn Off A/C - Heat		
Driver's Seat / Belt	<input checked="" type="checkbox"/>		Clean Interior	<input checked="" type="checkbox"/>		Turn Off 4-Ways		
Steering Mechanism	<input checked="" type="checkbox"/>		Passenger Seats	<input checked="" type="checkbox"/>		Turn Off Interior Lights		
PA Microphone	<input checked="" type="checkbox"/>		Interior Lights	<input checked="" type="checkbox"/>		Turn Off Engine		
Wiper / Washers	<input checked="" type="checkbox"/>		Hand Rails / Mod. Panels	<input checked="" type="checkbox"/>		Close Windows		
Heat / AC	<input checked="" type="checkbox"/>		Emergency Exits	<input checked="" type="checkbox"/>		Record Mileage		
Horn/Backup Alarm	<input checked="" type="checkbox"/>		Stop Request	<input checked="" type="checkbox"/>		Close Front Door		
Fuel Pressure	<input checked="" type="checkbox"/>	psi	Kneelers	<input checked="" type="checkbox"/>		<b>White Copy of DVIR to Dispatch</b>		

Comments: (Number and place inspection item issues in this section with a detailed description)

Included Time Stamp

*BT 3 15:43*

Source: Prepared by the Office of the County Auditor with information obtained from Keolis.

**Figure 9**  
**Example of Improperly Excluding Time Stamps on DVIR**

**Keolis**  
 Transit America

**Daily Vehicle Inspection Report (DVIR)**

Print Name: JCAZY Date: 10-01-19 Vehicle #: C-3  
 Start Mileage: 20402 Start Time: 1400 End Mileage: 20409 End Time: 2015

Previous Days DVIR Must Be Reviewed Before Starting Today's Inspection - Did You Do This?  YES  NO

Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.
Fluid Leaks	✓		Speedometer	✓		Wheelchair Ramp/Lift	✓	
Tires / Lugs / Wheels	✓		Oil / Water Gauges	✓		Wheelchair Tie Downs	✓	
Headlights	✓		Air Pressure Gauge	✓		<b>BRAKE SYSTEM</b>		
Clearance Lights	✓		Fire Detection System	N/A		Cut In Pressure	✓	psi
Turn Signals / 4 Ways	✓		Gas Detection System	N/A		Cut Out Pressure	✓	psi
Strobe Lights	✓		Doors	✓		Static Pressure Loss PB Offl	✓	psi
Decel Lights	N/A		Farebox	N/A		Applied Pressure Loss	✓	psi
Brake Lights	✓		Headsign	N/A		Low Air Warning	60	psi
Reverse Lights	✓		VMS	N/A		Parking Brake Engages	✓	psi
Mirrors	✓		Fire Extinguisher	✓		Parking Brake Holds	✓	
Windshield	✓		Emergency Triangles	✓		Door Interlocks	✓	
Clean Exterior	✓		Accident Packet	✓		<b>POST TRIP INSPECTION</b>		
Bike Rack	N/A		Insurance / Registration	✓		Turn Off A/C - Heat	✓	
Driver's Seat / Belt	✓		Clean Interior	✓		Turn Off 4-Ways	✓	
Steering Mechanism	✓		Passenger Seats	✓		Turn Off Interior Lights	✓	
PA Microphone	✓		Interior Lights	✓		Turn Off Engine	✓	
Wiper / Washers	✓		Hand Rails / Mod. Panels	✓		Close Windows	✓	
Heat / AC	✓		Emergency Exits	✓		Record Mileage	✓	
Horn/Backup Alarm	✓		Stop Request	N/A		Close Front Door	✓	
Fuel Pressure	✓	psi	Kneelers	✓		<b>White Copy of DVIR to Dispatch</b>		

Comments: (Number and place inspection item issues in this section with a detailed description)

Missing Time Stamp

Source: Prepared by the Office of the County Auditor with information obtained from Keolis.

- iii. Missing DVIR's: We requested and were not provided copies of some DVIRs. As a result we were unable to validate whether the hours billed were actual service hours performed.
  - iv. Incorrect bus numbers: The supporting spreadsheet listed the incorrect bus number when comparing to the bus number on some DVIRs. While this error type did not result in overbilling, it resulted in inaccurate supporting data.
- B. The County also overpaid Keolis \$800 due to errors in the calculation of total service hours provided for the Employee Parking Lot and ADA routes for the period from October 1 to October 15, 2019.

C. We also noted that supporting spreadsheets to the invoices did not include complete names of operators assigned to the Employee Parking Lot, Tram and ADA routes for the period from October 1 to October 15, 2019. Our review found some operators were listed by their first names only, other names were misspelled, or listed using their last name and initial of the first name, while some were listed as “unfilled.” The Keolis representative stated that October 2019 was the first month Keolis provided staffing for the Tram route, as the services were previously outsourced to a subcontractor. However, Keolis staff should have been aware of documentation requirements and ensured compliance with the Agreement. Failure to provide employees’ complete names could prevent proper invoice review and result in disallowed service hours. **Figure 10** shows an example of a DVIR that failed to provide the full name of the operator.

**Figure 10**  
**Example of DVIR Showing Informal Name of the Operator**

**Keolis**  
 Transit America

**Informal Name of Operator** Daily Vehicle Inspection Report (DVIR)

Print Name: Timmy Date: 10-1-19 Vehicle #: 101 Keolis  
 Start Mileage: 390.62 Start Time: 4:00 PM End Mileage: End Time: 12:30 AM

Previous Days DVIR Must Be Reviewed Before Starting Today's Inspection - Did You Do This?  YES  NO

Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.	Inspection Item	OK	Needs Attn.
Fluid Leaks	<input checked="" type="checkbox"/>		Speedometer	<input checked="" type="checkbox"/>		Wheelchair Ramp/Lift	<input checked="" type="checkbox"/>	
Tires / Lugs / Wheels	<input checked="" type="checkbox"/>		Oil / Water Gauges	<input checked="" type="checkbox"/>		Wheelchair Tie Downs	<input checked="" type="checkbox"/>	
Headlights	<input checked="" type="checkbox"/>		Air Pressure Gauge	<input checked="" type="checkbox"/>		<b>BRAKE SYSTEM</b>		
Clearance Lights	<input checked="" type="checkbox"/>		Fire Detection System	<input checked="" type="checkbox"/>		Cut In Pressure	<input checked="" type="checkbox"/>	psi
Turn Signals / 4 Ways	<input checked="" type="checkbox"/>		Gas Detection System	<input checked="" type="checkbox"/>		Cut Out Pressure	<input checked="" type="checkbox"/>	psi
Strobe Lights	<input checked="" type="checkbox"/>		Doors	<input checked="" type="checkbox"/>		Static Pressure Loss PB Off	<input checked="" type="checkbox"/>	psi
Decel Lights	<input checked="" type="checkbox"/>		Farebox	<input checked="" type="checkbox"/>		Applied Pressure Loss	<input checked="" type="checkbox"/>	psi
Brake Lights	<input checked="" type="checkbox"/>		Headsign	<input checked="" type="checkbox"/>		Low Air Warning	<input checked="" type="checkbox"/>	psi
Reverse Lights	<input checked="" type="checkbox"/>		VMS	<input checked="" type="checkbox"/>		Parking Brake Engages	<input checked="" type="checkbox"/>	psi
Mirrors	<input checked="" type="checkbox"/>		Fire Extinguisher	<input checked="" type="checkbox"/>		Parking Brake Holds	<input checked="" type="checkbox"/>	
Windshield	<input checked="" type="checkbox"/>		Emergency Triangles	<input checked="" type="checkbox"/>		Door Interlocks	<input checked="" type="checkbox"/>	
Clean Exterior	<input checked="" type="checkbox"/>		Accident Packet	<input checked="" type="checkbox"/>		<b>POST TRIP INSPECTION</b>		
Bike Rack	<input checked="" type="checkbox"/>		Insurance / Registration	<input checked="" type="checkbox"/>		Turn Off A/C - Heat		
Driver's Seat / Belt	<input checked="" type="checkbox"/>		Clean Interior	<input checked="" type="checkbox"/>		Turn Off 4-Ways		
Steering Mechanism	<input checked="" type="checkbox"/>		Passenger Seats	<input checked="" type="checkbox"/>		Turn Off Interior Lights		
PA Microphone	<input checked="" type="checkbox"/>		Interior Lights	<input checked="" type="checkbox"/>		Turn Off Engine		
Wiper / Washers	<input checked="" type="checkbox"/>		Hand Rails / Mod. Panels	<input checked="" type="checkbox"/>		Close Windows		
Heat / AC	<input checked="" type="checkbox"/>		Emergency Exits	<input checked="" type="checkbox"/>		Record Mileage		
Horn/Backup Alarm	<input checked="" type="checkbox"/>		Stop Request	<input checked="" type="checkbox"/>		Close Front Door		
Fuel Pressure	<input checked="" type="checkbox"/>	psi	Kneelers	<input checked="" type="checkbox"/>		<b>White Copy of DVIR to Dispatch</b>		

Comments: Number and place inspection item issues in this section with a detailed description.

**Source:** Prepared by the Office of the County Auditor with information obtained from Keolis.

The Agreement allows Keolis to invoice the County for In-Service hours. As a good business practice, hours billed should be properly documented and reviewed for accuracy before being invoiced to the County. Further, the support for hours billed should be adequately reviewed by

BCAD personnel to detect billing errors prior to approval of payments. Failure to detect errors resulted in overpayments to Keolis by the County.

**We recommend** management ensure:

- A. BCAD obtains reimbursement of the overbilled amount of \$2,790.
- B. For future invoices, Keolis performs quality assurance reviews of the DVIRs and supporting spreadsheets to ensure data entries accurately reflect billable service hours.
- C. Invoices submitted by Keolis are properly reviewed prior to payment.
- D. Supporting documentation of revenue hours is properly completed to include the employees' first and last names.

### **3. Keolis Should Consistently Comply With Insurance Requirements as Specified in the Agreement.**

Our audit found that Keolis and five of the six subcontractors reviewed did not consistently comply with the insurance requirements as specified in the Agreement. We reviewed the Certificates of Insurance (COI) for compliance with Article 6 of the Agreement and noted the following issues during our review period:

- A. Sixteen insurance certificates for Keolis and four subcontractors did not include provisions for the 30-day written notice of cancellation.
- B. Neither Keolis nor the Contract Administrator appeared to have thirteen COIs for four subcontractors on file at the time of our requests. The thirteen COIs submitted later appeared to be copies recently obtained from the insurance companies, dated after our requests.
- C. Two insurance certificates for two subcontractors did not name Broward County as the additional insured/certificate holder.
- D. One subcontractor did not have workers' compensation coverage required by the Agreement.
- E. The 2020 - 2021 insurance certificate for a subcontractor shows General Liability coverage with both "Claims-Made" and "Occurrence" boxes checked. This conflicts with the Agreement that requires the "occurrence" basis.

Article 6, Insurance and Bonds, of the Agreement requires insurance certificates for the contractor and subcontractors to include:

- Written notice of any cancellation or restriction of insurance at least thirty (30) days prior to the date of expiration, or ten (10) days prior to the date of expiration for cancellation due to nonpayment.
- Broward County as a certificate holder for all coverages and as an additional insured for its General Liability, Excess Liability, and Pollution coverages.
- Workers' compensation and employer liability coverage as required by the Florida Statutes.
- Commercial General Liability Insurance written on an "occurrence" basis only.

Failure to ensure compliance with insurance requirements for Keolis and its subcontractors could increase risks and liability to the County. Failure to ensure compliance with the 30 day cancellation requirement could prevent timely notification of cancellations to the County, and subsequent actions to prevent exposure to liability.

**We recommend** management ensure Certificates of Insurance for Keolis and its subcontractors:

- A. Include the required 30-day written notice of cancellation.
- B. Are provided on a timely basis to the Contract Administrator.
- C. List Broward County as a certificate holder/additional insured.
- D. Provide for workers' compensation coverage, if applicable, as required by the Florida Statutes.
- E. Require General Liability coverage to be on the "occurrence" basis only.

#### **4. Mechanics Should be Qualified to Provide Maintenance of Vehicles as Required by the Agreement.**

Keolis relies on its Mechanics to provide maintenance services for the fleet of vehicles. The Agreement includes specific certification requirements for mechanics providing such services under this Agreement. During our audit, there were two Mechanics and one Maintenance Manager utilized by Keolis under this Agreement. We reviewed the files for them and found:

- A. The Mechanics do not have Automotive Service Excellence (ASE) certifications relating to transit buses, are not certified by an accredited trade school as transit bus technicians, do not have at least three ASE certificates of competence in transit bus maintenance, or are not evaluated for equivalent training or experience, and did not receive the written Contract Administrator's approval. Both Mechanics were hired by Keolis prior to the effective date of the Agreement.

- B. The Agreement does not establish qualification requirements for the Maintenance Manager; as a result, we could not evaluate compliance. However, at a minimum, persons responsible for the management of a function, should have qualifications equal to, or better than their subordinate employees.

Exhibit A - Scope of Services, Section 3. F. ii of the Agreement states that “All mechanics must be certified by the National Institute for Automotive Service Excellence (ASE) relating to transit buses, be certified by an accredited trade school as a transit bus technician, have at least three (3) ASE certificates of competence in transit bus maintenance, or have an equivalent amount of training or experience approved by the Contract Administrator in writing.”

Failure to hire qualified Mechanics as required by the Agreement could result in poor vehicle maintenance and increased liability. The lack of qualification requirements in the contract for the Maintenance Manager could result in the hiring of unqualified personnel who could not provide proper supervision to Mechanics.

**We recommend** management:

- A. Require Keolis to ensure Mechanics obtain the ASE transit bus technician certifications required by the Agreement or have the equivalent training and experience approved by the Contract Administrator in writing.
- B. Revise the Agreement to establish hiring requirements for the Maintenance Manager.

**5. Signed and Notarized Copies of Exhibit C - Statement of Compliance and Exhibit E - Certification of Payments Should be Provided by the Contractor to Support Invoices Billed.**

Keolis did not submit notarized copies of Exhibit C - Statement of Compliance (Prevailing Wage Rate Ordinance No. 83-72) and Exhibit E - Certification of Payments to Subcontractors and Suppliers with the October 2019 and August 2020 invoices reviewed. The purpose of these Exhibits is for the Contractor to attest to compliance with Broward County Ordinance No. 83-72 and payments of obligations for labor, services or materials to subcontractors.

Exhibit B - Payment Schedule, Section 5. G. of the Agreement states that “Contractor shall submit with each requisition for payment, a signed and sworn "Statement of Compliance" [Exhibit C] attesting to compliance with Broward County Ordinance No. 83-72. . . .” Exhibit C attests that during the period covered by the application for payment all mechanics, laborers, and apprentices, employed or working on site of the project, have been paid at wage rates, and that

the wage rates of payments, contributions, or costs for fringe benefits have not been less than those required by Section 26-5, Broward County Code of Ordinances.

Exhibit B - Payment Schedule, Section 4 of the Agreement states that the Contractor shall submit Exhibit E - Certification of Payments to Subcontractors and Suppliers, with each invoice for In-Service Hourly Fee and Reimbursable Expenses. This Exhibit requires the Contractor to attest that subcontractors and suppliers have been paid all undisputed contract obligations for labor, services, or materials provided on this project in accordance with the Agreement. Also, Exhibit E requires the Contractor to report the names and addresses of suppliers and subcontractors with disputed contractual obligations, the dates and amounts disputed, and provide a copy of notifications sent to each explaining why payment has not been made.

Failure to submit required Exhibits results in violation of the Ordinance and the Agreement.

**We recommend** management ensure that:

- A. Keolis provides signed and notarized copies of Exhibit C and Exhibit E to support Request for Payment (invoice).
- B. Required documents are submitted by Keolis prior to BCAD's approval for payment.



# MANAGEMENT'S RESPONSE



MONICA CEPERO, County Administrator  
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7354 • FAX 954-357-7360

**MEMORANDUM**

**DATE:** May 31, 2022

**TO:** Robert Melton, CPA, CIA, CFE, CIG  
County Auditor

**FROM:** Monica Cepero  
County Administrator

**RE:** **Audit of the Agreement with Keolis Transit Services, LLC. For Shuttle Bus and Other Transportation Services at the Fort Lauderdale-Hollywood International Airport**

The Broward County Aviation Department (BCAD) has reviewed the above referenced Office of the County Auditor's Audit of Shuttle Bus and Other Transportation Services Agreement and submits the following as Management's response. This audit was performed at the request of BCAD as a quality control measure, and to ensure compliance with its agreement.

In summary, Management generally concurs with the Audit report conclusions, and had identified most of the deficiencies noted in this report in a BCAD internal audit. During the time period of the Office of the County Auditors Audit, BCAD had resolved and/or was working with Keolis to resolve the identified deficiencies. The following are detailed responses to Auditor's recommendations:

**Opportunity for Improvement 1: Driver Records Should Consistently Comply With the Contract Requirements.**

**Auditor Recommendation:**

A.1. Ensure fixed route drivers obtain Customs and Border Protection decal/clearance.

Management Response: **BCAD agrees and resolved.** The County Auditor identified one (1) driver without Customs Clearance which was resolved when the driver was issued a Customs Clearance. In addition, BCAD has worked closely with Keolis to establish procedures to ensure compliance with Agreement requirements.

A.2. Ensure Keolis's tram drivers comply with Driver requirements or, if determined by Airport management that the current requirements are not appropriate for all drivers revise the Agreement to establish separate requirements for tram and bus operators.

Broward County Board of County Commissioners  
Torey Alston • Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Jared E. Moskowitz • Nan H. Rich • Tim Ryan • Michael Udine  
Broward.org

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Management Response: **BCAD agrees.** BCAD Staff will complete an Amendment to the Agreement eliminating the need for tram operators to possess a Commercial Driver License ("CDL") and Customs and Border Protection decal/clearance. BCAD Staff anticipates completing an Amendment in Summer 2022.

B. If appropriate, revise the Agreement to address ambiguities regarding requirements for Broward County Chauffeur's Registration in compliance with the Chapter 22 ½- Motor Carriers of the Broward Code of Ordinances.

Management Response: **BCAD agrees and resolved.** BCAD Staff has addressed this recommendation. The Third Amendment to the Keolis contract was executed on November 30, 2021 and addressed this issue.

C. Ensure Keolis performs periodic reviews of the driving records compiled by the Department of Motor Vehicles of the State of Florida for operators assigned to the Agreement at the FLL Airport.

Management Response: **BCAD agrees and resolved.** In September 2020, BCAD Staff began an internal audit of the Keolis Agreement. During BCAD's audit, it was found that Keolis did not follow the Agreement requirement regarding driving records checks. This information was shared with the County Auditors. On January 25, 2021, Keolis was advised that as required by the Agreement, Keolis shall conduct driving record checks, on each anniversary of the Commencement Date.

Additionally, Keolis has access and receives reports via the *iiX (Verisk)* system. This system notifies Keolis of any activity of motor vehicle record ("MVR") or criminal infractions. Furthermore, Keolis has had access and uses a second system, *Accurate Backgrounds* for all of pre-employment and monitoring needs. On January 21, 2021, BCAD Staff identified that Keolis was deficient in maintaining a steady use of both aforementioned systems. BCAD Staff and Keolis have established agreed upon procedures for both systems and Commencement Date record checks. BCAD Staff will monitor to ensure both systems are being used by Keolis to meet Agreement requirements.

D. Ensure Keolis complies with requirements of the Agreement by performing 10-year background verification for new hires and employees assigned to the FLL Airport.

Management Response: **BCAD agrees.** In September 2020, BCAD Staff began an internal audit of the Keolis contract. During BCAD's audit it was found that Keolis did not follow requirement in the contract regarding employment background verifications. In January of 2021, the BCAD audit was focusing on 10-year background verifications. On January 25, 2021, Keolis was notified that they were deficient in this area. This information was shared with the County Auditors. BCAD Staff is currently conducting a follow-up

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BCAD audit to ensure Keolis has completed a 10-year background check for all team members. BCAD Staff anticipates completing this follow-up BCAD audit by Summer 2022.

**Opportunity for Improvement 2: In-Service Hours Billed to the County by Keolis Should be Accurately and Properly Supported.**

**Auditor Recommendation:**

- A. BCAD Obtains reimbursement of the overbilled amount of \$2,790.

Management Response: **BCAD agrees and in progress.** In September 2020, BCAD Staff began an internal audit of the Keolis Agreement. During the BCAD's audit, it was found that Keolis had overbilled BCAD on invoices and invoices contained errors to include incorrect shuttle numbers, etc. On November 13, 2020, January 5, 2021, and January 6, 2021, Keolis was notified of this deficiency. This information was shared with the County Auditors. BCAD Staff is currently auditing all invoices paid to Keolis from the Commencement Date of the Agreement to present day. Any overbilling will be recovered from Keolis. Staff anticipates completing this audit by Summer 2022.

In July of 2021, BCAD Staff and Keolis developed and implemented a *billing formula checking spreadsheet* that assists with locating any duplicate records regarding shuttles number and/or driver name on all routes. Additionally, since the deployment of the new shuttle fleet, which offers onboard technology, BCAD Staff is working alongside Keolis and the technology vendors to automate the billing process which will identify these errors. BCAD Staff anticipates completing the technology review by August 2022.

- B. For future invoices, Keolis performs quality assurance reviews of the DVIRs and supporting spreadsheets to ensure data entries accurately reflect billable service hours.

Management Response: **BCAD agrees and resolved.** BCAD Staff worked alongside Keolis to ensure compliance. As indicated in the response Auditor recommendation 2A above, in July of 2021, BCAD and Keolis implemented a billing formula checking spreadsheet that assisted with locating any duplicate records to support quality assurance with invoices. Additionally, in 2019, Keolis was recruiting for Dispatch Data Coordinator which would assist with quality control measures reviewing DVIRs. Shortly thereafter, the pandemic impacted Keolis staffing ability. In March 2021, Keolis hired a Dispatch Data Coordinator devoted to Operations Coordination to include reviewing DVIRs and other items associated with quality assurance.

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C. Invoice submitted by Keolis are properly reviewed prior to payment.

Management Response: **BCAD agrees and resolved.** In January 2021, BCAD Staff and Keolis have agreed and implemented procedures for proper invoice review.

D. Supporting documentation of revenue hours is properly completed to include the employees' first and last names.

Management Response: **BCAD agrees and resolved.** As of February 2021, supporting documentation of revenue hours is properly completed to include the employee's first and last names.

**Opportunity for Improvement 3: Keolis Should Consistently Comply with Insurance Requirement as Specified in the Agreement.**

**Auditor Recommendation:**

A. Include the required 30-day written notice of cancellation.

Management Response: **BCAD agrees and resolved.** During this audit period, there was a total of fourteen (14) certificate of insurances (COIs) of which thirteen (13) were identified to not contain the 30-day notice of cancellation verbiage. This was resolved as of February 8, 2022.

B. Are provided on a timely basis to the Contract Administrator.

Management Response: **BCAD agrees and resolved.** BCAD Staff has put in place tracking to ensure compliance.

C. List Broward County as a certificate holder/additional insured.

Management Response: **BCAD agrees and resolved.** During this audit period, only one (1) COI was identified that did not name Broward County as additional insured. This was resolved as of February 8, 2022.

D. Provide for workers' compensation coverage, if applicable, as required by the Florida Statutes.

Management Response: **BCAD agrees and was resolved** as of January 10, 2022.

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E. Require General Liability coverage to be on the "occurrence" basis only.

Management Response: **BCAD agrees and resolved** the one (1) COI identified in the Audit Report is now compliant as of February 15, 2022.

**Opportunity for Improvement 4: Mechanics Should be Qualified to Provide Maintenance of Vehicles as Required by the Agreement.**

**Auditor Recommendation:**

A. Require Keolis to ensure Mechanics obtain the ASE transit bus technician certifications required by the Agreement or have the equivalent training and experience approved by the Contract Administrator.

Management Response: **BCAD agrees.** BCAD Staff will complete an Amendment to the Agreement to clarify mechanic requirements. The Amendment will include adding a timeframe for completion of ASE's after hiring and requiring specific training related to the vehicle(s) in use for the Contract. BCAD Staff anticipates completing an Amendment by Summer 2022.

B. Revise the Agreement to establish hiring requirements for the Maintenance Manager.

Management Response: **BCAD agrees.** BCAD Staff will complete an Amendment to the Contract to establish hiring requirements for the Maintenance Manager. BCAD Staff anticipates completing an Amendment by Summer 2022.

**Opportunity for Improvement 5: Signed and Notarized Copies of Exhibit C – Statement of Compliance and Exhibit E – Certification of Payments Should**

**Auditor Recommendation:**

A. Keolis provides signed and notarized copies of Exhibit C and Exhibit E to support Request for Payment (invoice).

Management Response: **BCAD agrees and resolved.** In September 2020, BCAD Staff began an internal audit of the Keolis Agreement. During BCAD's audit, it was found that Keolis did not provide Exhibit C and Exhibit E to support invoices. On January 5, 2021 and January 6, 2021, Keolis was advised of this deficiency. This information was shared with the County Auditors. As of March 2021, Keolis provided BCAD Staff Exhibits C and E for all invoices paid to Keolis since Commencement Date.

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B. Required documents are submitted by Keolis prior to BCAD's approval for payment.

Management Response: **BCAD agrees and resolved.** In September 2020, BCAD Staff began an internal audit of the Keolis contract. During the audit, it was found that Keolis did not meet Contract requirement for on time submittals, organization and lacking supporting documentation for payment. BCAD promptly held meetings with Keolis in December 2020 and January 2021 to outline and come to an agreed upon procedure for invoices that included but not limited to due dates, approved invoice amounts, and supporting documentation requirements.

Thank you for the opportunity to respond and provide Management's comments to the audit. If there are any additions, deletions/omissions, or other changes or modifications to Management's response, please provide us the opportunity to review prior to issuance.

Should you have any questions or require additional information, please do not hesitate to contact me.

C: Mayor and Broward County Board of County Commissioners  
Kevin Kelleher, Assistant County Administrator  
Mark Gale, CEO/Director of Aviation  
Michael Nonnemacher, Aviation Chief Operating Officer