



Audit of Surtax-Funded
Municipal Transportation Project:
City of West Park SW 25th Street
Complete Street Improvement

Office of the County Auditor

Audit Report

Robert Melton, CPA, CIA, CFE, CIG
County Auditor

Audit Conducted by:

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Report No. 25-06
January 6, 2025



OFFICE OF THE COUNTY AUDITOR

115 S. Andrews Avenue, Room 520 • Fort Lauderdale, Florida 33301 • 954-357-7590 • FAX 954-357-7592

January 6, 2025

Honorable Mayor and Board of County Commissioners

Pursuant to the Fiscal Year 2024 Annual Audit Plan, we have conducted an audit of the Surtax Funded Municipal Transportation Project: City of West Park SW 25th Street Complete Street Improvement (Project).

Our objectives were to determine whether the Project was compliant with the respective "Interlocal Agreement Between Broward County and City of West Park for Surtax-Funded Municipal Transportation Project: SW 25 Street Complete Street Improvement" (Project Funding Agreement) / (PFA) and whether the work performed for the Project was adequate.

We conclude that the Project was compliant with the respective PFA and, except as noted, the work performed for the Project was adequate. Opportunities for Improvement are included in the report.

We appreciate the cooperation and assistance provided by the Mobility Advancement Program (MAP) Administration, City of West Park, and Highway and Construction Engineering Division 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
Dr. Kimm Campbell, Deputy County Administrator
Kevin Kelleher, Assistant County Administrator
Gretchen Cassini, MAP Administrator

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INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's (County) 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.

We conducted an audit of the Surtax Funded Municipal Transportation Project: City of West Park SW 25th Street Complete Street Improvement (Project). Our Fiscal Year 2024 Annual Audit Plan included a municipal contract audit, and our selection of this specific project was based on various factors including Mobility Advancement Program (MAP) referral of resident concerns over the Project.

Our audit objectives were to determine whether:

1. The Project was compliant with the respective "Interlocal Agreement Between Broward County and City of West Park for Surtax-Funded Municipal Transportation Project: SW 25 Street Complete Street Improvement" (Project Funding Agreement) / (PFA).
2. The work performed for the Project was adequate.
3. Other Opportunities for Improvement exist.

To determine whether the Project was compliant with the respective PFA, we reviewed the PFA, agreement between the City of West Park (City) and contractor, City payment requests, contractor payment applications, and selected monthly, quarterly, and annual reporting submittals by the City to the County. We interviewed Mobility Advancement Program (MAP) and City staff.

To determine whether work performed for the Project was adequate, we reviewed Project design plans, performed on-site observations, and interviewed MAP and City staff and County subject matter experts.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards except for the requirement for an external peer review which is planned for the current fiscal year. The 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

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audit objectives. We believe that the evidence obtained provides a reasonable basis for our 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 from the submittal of the Project estimate in Fall, 2019 through on-site observations in March and October 2024. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that the Project was compliant with the respective PFA and, except as noted, the work performed for the Project was adequate. Opportunities for Improvement are included in the report.

Background

Transportation Surtax

Broward County voters approved a 30-year, one percent sales surtax in November 2018 for the purpose of improving transportation throughout Broward County (Transportation Surtax). Florida Statute Section 212.055, Discretionary Sales Surtaxes, and County Ordinance Section 31½, Taxation, Article V, Broward County Transportation Surtax (Transportation Surtax Ordinance), established the Transportation Surtax Trust Fund and related requirements and oversight functions. The County has a detailed, 30-year Mobility Advancement Plan to implement the Transportation Surtax. The Plan is designed to reduce traffic congestion, improve roads and bridges, enhance traffic light timing, develop safe sidewalks and bike paths, expand mass transit, fully fund special needs/on-demand services, fully fund community shuttles, connect multi-use paths, enhance school safety zones, and fund a variety of city transportation projects.

Independent Transportation Surtax Oversight Board

The Transportation Surtax Ordinance established the Independent Transportation Surtax Oversight Board (Oversight Board) to ensure accountability and transparency in the expenditure of Transportation Surtax proceeds. The Oversight Board is responsible for reviewing and approving all proposed expenditures of Transportation Surtax proceeds.

Mobility Advancement Program (MAP) Administration

The Mobility Advancement Program (MAP) Office administers the Transportation Surtax. Part of MAP's responsibilities includes administering funding for eligible Municipal Capital Projects.

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Application and Award of Transportation Surtax Proceeds to Municipal Projects

The Transportation Surtax Ordinance provides a process by which any municipality within Broward County may apply for project funding from Transportation Surtax Proceeds. The process includes the municipality applying to the Broward Metropolitan Planning Organization (BMPO) for project review and ranking based upon established criteria. The ranking and award are subject to approval by the Oversight Board and Board of County Commissioners. The County entered into a first Interlocal Agreement, and subsequent amendments, with both the BMPO and Municipalities and a second Interlocal Agreement, and subsequent amendments, with only the BMPO to further outline and establish the ranking and award process. To receive Transportation Surtax proceeds for a permissible project, the municipality must execute a project-specific interlocal agreement with the County that includes specific required elements.

City of West Park SW 25th Street Complete Street Improvement Project

One of the projects awarded as a part of the initial phase, was the City of West Park SW 25th Street Complete Street Improvement Project. The scope of work consisted of the complete street improvement along the corridor of SW 25th Street, from State Road 7 to SW 40th Avenue, in the City of West Park. The approximate western half consists of commercial properties and the approximate eastern half consists of residential properties. Project elements included clearing/grubbing, concrete sidewalks, sodding, pavement milling and resurfacing, grading, drainage, signing and pavement marking in accordance with the contracted engineering design plans. The Project also included improvements such as bike lanes (by reducing the width of existing swales and length of driveways and shifting the center of the street), traffic calming devices, and decorative paving features.

A project specific Interlocal agreement, "Interlocal Agreement Between Broward County and City of West Park for Surtax-Funded Municipal Transportation Project: SW 25 Street Complete Street Improvement" (Project Funding Agreement) / (PFA), was executed on July 14, 2021, providing an initial award amount of approximately \$1.6 million. In accordance with the Agreement, the Municipality was required to provide quantifiable, measurable, and verifiable units of all deliverables within invoices. Invoicing and payments were required to be performed in quarterly increments, with each quarter being paid in advance less any unexpended funds from the prior quarterly payment. The City of West Park (City) was required to submit an updated progress schedule, documentation of all invoices received from, or payments made to Contractors or Consultants, and a certification that all funding amounts sought are statutorily eligible for funding under Section 212.055, of the Florida Statutes. The PFA also required the resulting contract between the City and contractor to be competitively bid and the awarded Contractor responsible for furnishing all labor, materials, supplies, and equipment to construct the project. The PFA was

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amended on January 27th, 2023, resulting in an additional award payment of \$140,561 to help offset inflation costs experienced by the City.

Total final cost for the project was \$2,321,019 with Transportation Surtax funding representing \$1,779,548 and the difference of \$541,471 paid with other funding secured by the City.

OPPORTUNITIES FOR IMPROVEMENT

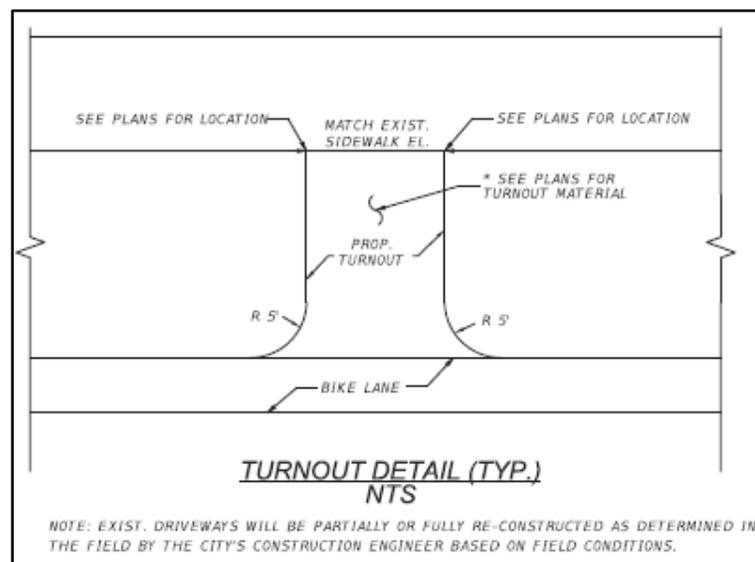
Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive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

1. Additional Oversight is Needed to Ensure Quality of Work Standards are Met.

We performed on-site observations approximately eight months following project completion, compared those observations to Project Design Plans and other criteria, and identified the following Project elements that did not meet quality of work standards:

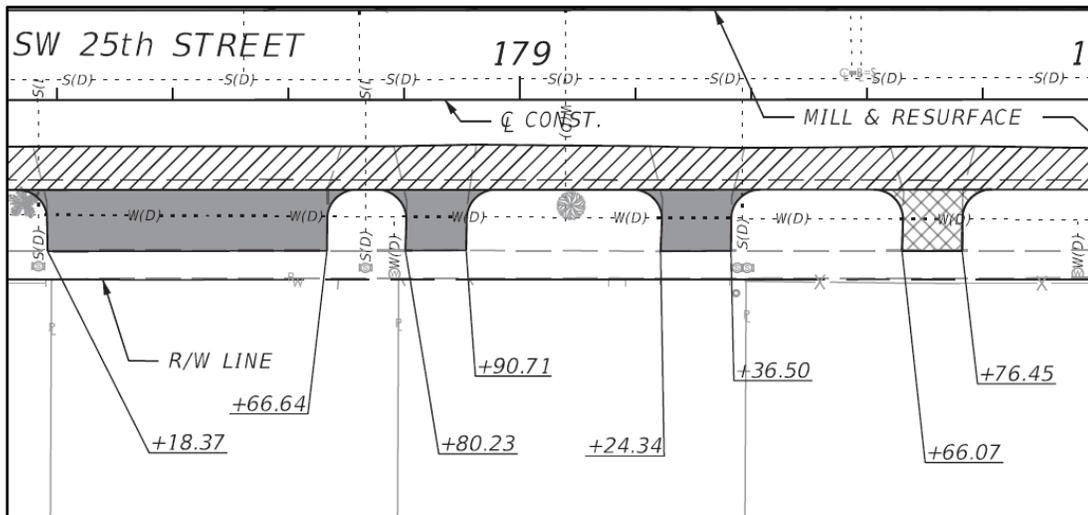
- A. Driveway turnout radiuses were not always installed. A driveway turnout radius is the curved distance from the edge of a driveway entrance where it “flares outward” as it meets the roadway. It enables vehicles to smoothly turn in or out of the driveway. Figure 1a and 1b shows excerpts from the Project Design Plans calling for installation of driveway turnout radiuses.

Figure 1a – Project Design Plans Driveway Turnout Radius



Source: Project Design Plans.

Figure 1b – Project Design Plans Driveway Turnout Radius



Source: Project Design Plans.

The Project required driveway entrances to be removed and replaced; however, we observed that some new driveways do not have the required turnout radii. Figure 2 shows examples of two driveways from our observation.

Figure 2 –Driveway Turnout Radius Observations

Driveway Turnout Radius Example 1



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Driveway Turnout Radius Example 2



Source: Office of the County Auditor observation.

Driveway turnout radiuses are standard elements that should be visible and were required by the Project Design Plans. Without a visible radius, vehicles may not smoothly enter and exit driveways and vehicle tires may run across the swale where the radius would otherwise be located. This could damage existing sod and create potholes in the swale. Vehicle tires running across the depressed swale and over the driveway edge could also cause deterioration and cracking to the defined driveway edge, particularly for asphalt driveways, where the turnout radius is missing.

City Officials stated that the design plans allow discretion on whether to install radiuses and cited a design plan statement that “Exist[ing] driveways will be partially or fully re-constructed as determined in the field by the city’s construction engineer based on field conditions.” According to City Officials, because the driveways and swales were shortened to accommodate the new bicycle lanes, the driveway turnout radius is present but extends into the bicycle lane where there is not a visible demarcation between the turnout radius and the bicycle lane. They stated that vehicles should be turning into the driveway from the roadway, not the bicycle lane and; therefore, the tire should not drag over the swale upon entry. However, according to County subject matter experts, this explanation is inconsistent with standard practice for installing driveway turnout radiuses and inconsistent with the Design Plans which, as shown in Figure 1a and 1b, call for the driveway turnout radiuses to be installed and present prior, not into, the bicycle lane.

City Officials also stated that a) turnout radiuses were not installed for driveways that were on a property line because the radius would extend over property line, and/or b) driveways were replaced the way they originally were (i.e. if there was no turnout radius on the original

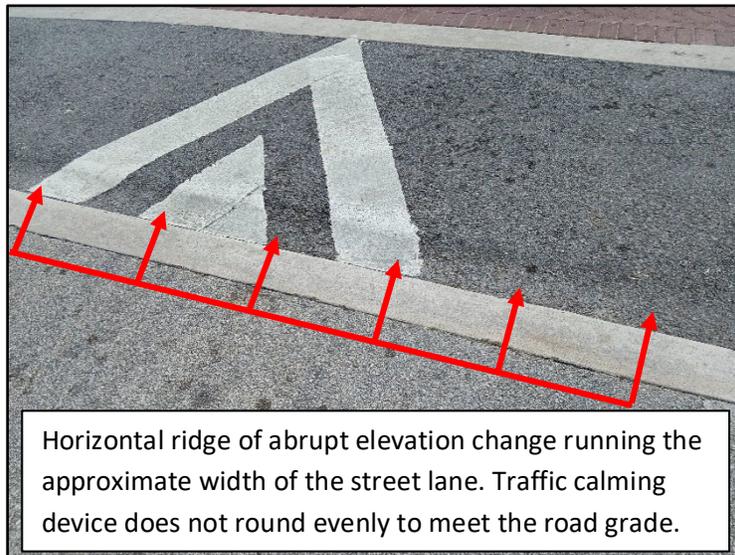
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driveway then no turnout radius would be installed on the new driveway). However, we identified properties where the driveway was not on the property line and the original driveway had a turnout radius, but no turnout radius was subsequently installed. We also note that the swale is not private property and the design plans in Figure 1b show turnout radiuses extending over the purported property line.

- B. Traffic calming devices are not smoothly and consistently rounded; there are abrupt changes in height. Figure 3 shows three examples from two separate traffic calming devices from our observation.

Figure 3 –Traffic Calming Device Observations

Traffic Calming Device 1, Example 1

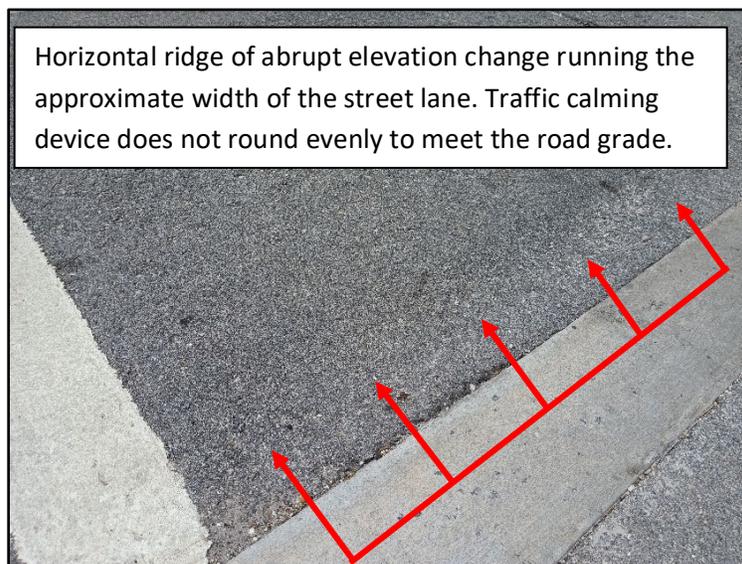


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Traffic Calming Device 1, Example 2



Traffic Calming Device 2, Example 3



Source: Office of the County Auditor Observation

Traffic calming devices should be smoothly and consistently rounded to achieve the desired effect of slowing traffic while not creating sudden elevation changes. Based on discussions with City Officials and County subject matter experts, it appears that the issues were most likely due to insufficient compaction of base material prior to applying the asphalt.

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- C. Driveway edgings are not clearly defined and have loose and crumbling gravel. Figure 4 shows five examples from three separate driveways from our observation.

Figure 4 – Driveway Edging Observations

Driveway Edging 1, Example 1 and 2



Driveway Edging 2, Example 3 and 4



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Driveway Edging 3, Example 5

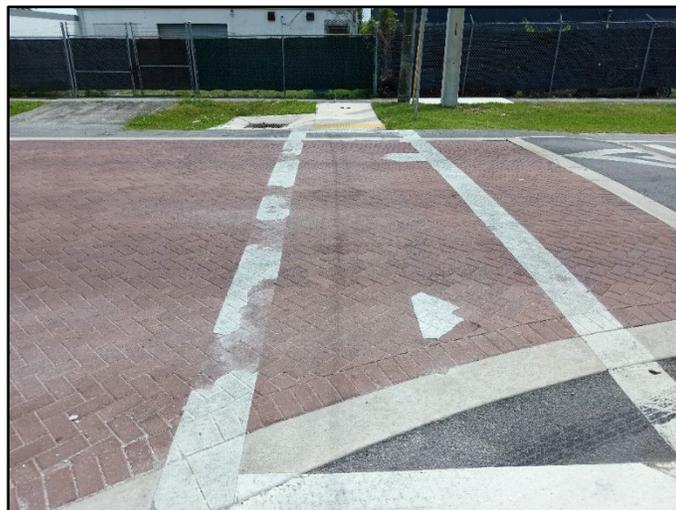


Source: Office of the County Auditor Observation

Driveway edging should have defined lines with underlying based material extending beyond the edges. When material such as asphalt extends beyond the underlying base material in an uneven fashion, crumbling and cracks can form on the edges and continue into the rest of the driveway.

D. Crosswalk markings are peeling as shown in Figure 5.

Figure 5 – Crosswalk Marking Observation



Source: Office of the County Auditor Observation

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City Officials and County subject matter experts agreed that the required reflective material does not adhere to concrete pavers well. Alternative measures are needed to ensure that crosswalks have reflective markings to ensure compliance with safety standards.

As noted above, there were various potential causes for the quality of work issues identified. These include, in varying degrees for each issue, potential deficiencies in design; construction; Construction, Engineering, Inspection (CEI) firm inspection; and City inspection. The project specific Interlocal agreement, "Interlocal Agreement Between Broward County and City of West Park for Surtax-Funded Municipal Transportation Project: SW 25 Street Complete Street Improvement" (Project Funding Agreement) / (PFA), includes many controls and safeguards to ensure adequate quality of work. These include the hiring of a professional CEI firm to perform inspections and various report submittal requirements from the City to Broward County (County). Additional measures should be explored to ensure the quality of work and that the work being funded was properly delivered.

We recommend management

A, B, C, & D.

1. Work with the City to determine which safety issues and other deficient work need correction.
2. Explore options to ensure the quality of work and that work being funded is properly delivered. Such options may include updating governing Surtax documents to provide appropriate emphasis and oversight over quality of work and implementing procedures for periodic and/or final on-site inspections of Surtax funded projects prior to final payment of awarded amounts.

2. An Inflation Adjustment Payment of \$140,561 Benefited the Contractor Rather than the City.

The County awarded an additional \$140,561 in Surtax funding to the City to help offset inflation costs; however, the City paid the entirety of this amount to the contractor. Therefore, the additional awarded Surtax funds did not offset any inflation costs experienced by the City.

Specifically, as shown in Figure 6 (See "Original" column), the original PFA awarded \$1.64 million in Surtax funding to the City and the City, in turn, contracted with and paid \$2.18 million to the CEI firm and Contractor. The difference of \$0.54 million between Surtax funding and actual payments was covered by the City through City funds and acquired grants. Subsequently, (See "Amended" column), the County awarded an additional \$140,561 in Surtax funding to the City to

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help offset inflation costs which the City paid to the contractor. This resulted in the same \$0.54 million covered by the City (See “Total” column).

Figure 6 – Project Funding

	Original	Amended	Total
County Surtax Payments to City	\$ 1,638,987	\$ 140,561	\$ 1,779,548
City Payments to CEI Firm and Contractor	\$ 2,180,458	\$ 140,561	\$ 2,321,019
Balance Covered by City	\$ (541,471)	\$ -	\$ (541,471)

Source: Office of the County Auditor analysis of payments.

- A. The program establishing the inflation adjustment payment was intended to benefit municipalities, not contractors. The Broward County City Manager Association (BCCMA) Surtax Subcommittee expressed concerns to the County over escalating inflation costs and requested inflationary adjustments. In response, the County Administrator issued a letter dated April 18, 2022, establishing parameters for additional funding of up to 11.9% of construction costs for eligible projects. The response acknowledged that “delays have impacted Cycle 1 construction cost estimates”. The estimates were submitted for funding consideration in Fall, 2019; however, the delays caused solicitations and price submittals (bids) to be submitted substantially later. As a result, municipalities would have been receiving higher bids than originally contemplated by the estimates. The inflation adjustment payment was to help the municipalities meet the higher bid prices, not provide additional monies in excess of submitted bids.
- B. Inflation impacted the City more than the contractor. The City’s cost estimate was impacted by 26 to 28 months of unexpected inflation whereas the contractor’s bid was impacted by three months of expected inflation. Figure 7 shows a timeline of the original estimate, contractor bid, construction start date, and construction end date. The City submitted its estimate in the Fall, 2019 which was the basis for the \$1.6 million Surtax funding award. Inflation was low and future inflation was unanticipated at the time of the bid. However, due to delays in the program, including finalizing the PFA and advertising the solicitation for contractors, the contractor’s bid was not obtained until 26 to 28 months later on February 18th, 2022. The contractor’s bid would have reflected cost escalations over the past two plus years. Those cost escalations were an impact to the City which was using a 2019 estimate but not the contractor, which was being paid the current bid price. The contractor started construction three months after the bid submittal and any labor and material cost escalation incurred by the contractor during that short period should have been contemplated within the contractor’s bid price. Although the construction period then spanned 14 months, any labor and material cost escalation during that period should have also been contemplated

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within the contractor’s bid price. At the time of the contractors bid submittal in February 2022, inflation was known and should have been included in the bid.

Figure 7 – Timeline of Original Estimate, Contractor bid, and Construction Start/End



Source: Office of the County Auditor analysis

- C. Providing the Contractor with additional funds for inflationary cost increases after a construction contract has been established based on a competitive bid and award process is inconsistent with standard procurement practices and other County contracts. As stated above, the contractor’s bid should have already anticipated and included any labor and material cost escalations. To the extent that the contractor’s bid did include considerations for cost increases, it is not the County’s responsibility to compensate the contractor for that omission. The purpose of a solicitation and bid is to establish a fix price whereby the contractor bears the risk for any supply cost increases (or the reward for any supply cost decreases). Other County contracts do not compensate contractors for supply cost changes post bid.

Based on the rapidly changing market and newly created program, City and County contract administrators may have lost sight of the overall intent and initial need for the program. The contractor requested the additional funds under the program and provided supporting documentation showing supply cost increases. While the contractor’s supply cost increases were valid, it was not readily apparent that those cost increases should have already been contemplated in the contractors bid and that the City was the party who should have benefited from the inflation adjustment payment.

We recommend management ensure future program adjustments to contemplate inflation impacts be focused on inflationary impact to the City between the time of project estimate and bid submission.

3. MAP Should Continue with Current Updates to Program Documents.

The Mobility Advancement Plan and related Surtax processes are relatively new and involve multiple parties including the County, municipalities, the Metropolitan Planning Organization (MPO), and other stakeholders. Accordingly, various changes to the program have occurred and MAP is coordinating with the various stakeholders to implement additional updates. These updates will be reflected within the Interlocal Agreements between the County, MPO, and

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municipalities; the project specific agreement standard forms with the municipalities; and MAP internal policies and procedures. We encourage MAP to continue to evaluate the programs and processes. Our audit pertained to one specific project funding agreement and did not include a comprehensive review of all the programs and processes; however, we identified certain limited elements that should be considered when updating the various program documents.

A. Considerations when updating form documents for project specific agreements include:

- Streamlining of duplicative language within narratives or exhibits. For example, certain financial reporting requirements in Section 6.1 of the PFA are repeated rather than clarified in the Exhibit C.
- Clarification of whether sample forms and reports shown in the exhibits are required for suggested examples and alignment with contract language.
- Consolidating funding and project schedules shown in Exhibit A and B to minimize confusion or contradictory information.
- Clarification of whether dates or milestones take precedent for payment, significance / necessity of established payment dates, and consequences for not meeting established dates.
- Streamlining of required elements within monthly, quarterly, and annual reports to reduce administrative costs while maintaining necessary monitoring. Currently, many submittals are required with some duplicative elements.
- Clarification of the term quarterly throughout. In some circumstances, quarterly refers to a calendar period and other circumstances it refers to four equal payments of the total surtax award.

B. Considerations when updating policies and procedures include:

- Completing a final, authoritative, dated draft with established periods for re-review and renewal.
- Specification of required documentation to retain for each PFA (for example, CEI and contractor agreements), file naming convention, review requirements, and retention requirements.
- Qualifications, training, and continuing education requirements for MAP personnel.
- Conflict-of-interest disclosure requirements for MAP personnel.
- Alignment with and guidance for monitoring compliance with each PFA provision.

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- Invoice and payment review procedures including specific “checklist” items.
- Participant responsibilities section addressing roles of parties such as the MAP, Legal, OESBD, Oversight Board, MPO, and participating Municipalities.
- Sample MAP specific reports, such as internal tracking spreadsheets/documents, checklists used during the contract administration process, and performance scorecards.

We recommend management incorporate the above considerations when updating program documents.

APPENDIX A



Gregory Perry, P.E.
Director of Engineering

December 5, 2024

Robert Melton, County Auditor
Broward County Office of the County Auditor
115 S. Andrews Avenue, Room 520
Fort Lauderdale, Florida 33301

RE: RPT. 9.1 Audit of Surtax-Funded Municipal Transportation Project - SW 25th Street Complete Street Improvement

Pursuant to the “Opportunities for Improvement” excerpt contained within the final Audit of Surtax Funded Municipal Transportation Project – SW 25th Street Complete Street Improvement, the City of West Park remains open and committed to working with MAP administration in the future to ensure continued success on these collaborations.

For SW 25th Street, the licensed designers did their due diligence and took all appropriate measures with regard to the preparation of the construction documents and obtained all required state, county and local reviews and permits prior to the construction phase. The certified general contractor performed their duties in strict accordance with the plans and specifications where practical, and the licensed CEI team ensured that the work was completed in full compliance with the scope of work and engineering and construction standards as applicable. This careful collaboration resulted in the successful completion of a transformational \$2.1 Million improvement project that spans 1.5 miles from SR-7 to SW 40th Avenue. The project, delivered on-time and under budget, not only provided enhanced infrastructure for vehicles, pedestrian, and cyclists, but also alleviated cut-through traffic, severe speeding and drag racing in the residential area, and brought order and control to the light industrial/commercial segment with streamlined on-street parking.



Photo 1a: Before



Photo 1b: After



Photo 2a: Before



Photo 2B: After

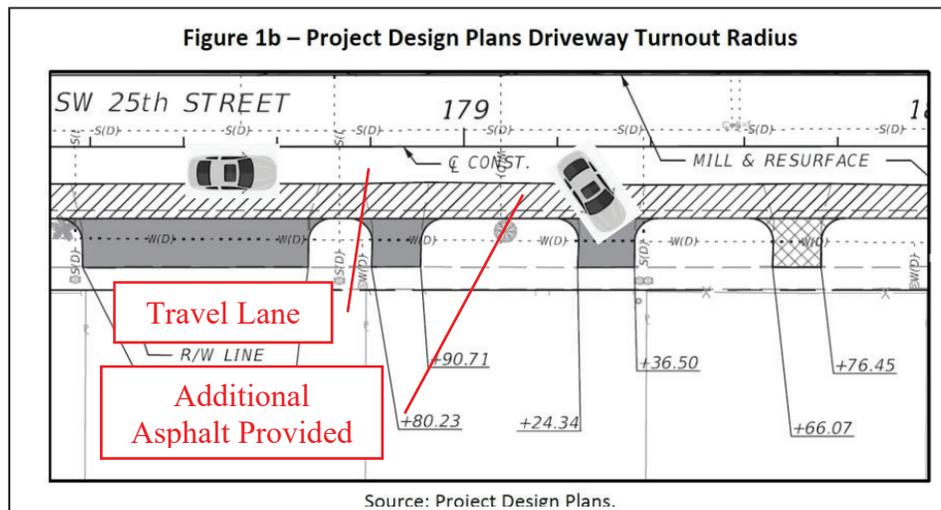
We find these accomplishments to be particularly significant as this project, which was designed years prior to the July 2021 execution of the city's Interlocal Agreement (ILA) with Broward County, did not have the benefit of the more recently amended policies and procedures. In many ways, the SW 25th Street improvements served as one of the pilot projects as many on the outside were able to observe what may or may not be viable from an administrative, design, or construction standpoint in the infancy stages of the surtax program.

The audit process, which began a year after some project elements were already completed, appeared to meticulously look beyond the overall accomplishment as a whole, and instead focused in on items incidental to the main intent of the complete street initiative. These included portions of driveway approaches in city right-of-way, asphalt ramps connections at a few traffic calming devices, and brick paver striping at a pedestrian crosswalk. It is our position/opinion that the auditor's assertion that there may have been insufficient oversight regarding these elements, does not consider all the proper context and information necessary to arrive at the conclusions presented in their report.

More specifically regarding 1A-D:

The City of West Park and the Engineer of Record did not require all driveway approaches to be reconstructed. The intent was to restore only those directly impacted during the construction. The detail, presented as *Figure 1a.* in the report, was included as a guideline to be used at the discretion of the city's engineering team on a case-by-case basis based on differing field conditions. As referenced in the report, the note included beneath the detail clearly states "*Exist[ing] driveways will be partially or fully re-constructed as determined in the field by the city's construction engineer based on field conditions*". No other agency or subject matter expert(s), regardless of jurisdiction, was able to present an official standard pertaining to this particular application.

Further, as shown below on the exhibit below pertaining to the drawing presented in the report as *Figure 1b.*, the square footage of asphalt for the effective turning radii of vehicles entering/exiting each property was significantly increased as a result of the roadway widening. This reduced any chances of vehicles crossing into the grass swale during proper turning movements. Any additional asphalt placed at the mouth of the approach would have been "extra" and in some cases more aesthetic than functional. As this was a unit price contract, quantities that were not installed, were not paid for by any of the funding sources.



Approach Exhibit

Nevertheless, as this may have the potential to be a topic of further discussion moving forward, on future projects the city will make the decision to add the radii/flare where possible and whether functional or not. The cost of this addition will be included within the cost estimate submitted to surtax for project funding unless otherwise instructed.

During restoration, the widths of the previously existing approaches were matched exactly on the underlying limerock base and there were no requirements to extend the base six inches beyond the original location. In situations such as the one shown in the photograph presented in the report as *Figure 4*, any attempt to extend would have resulted in unnecessary destruction of adjacent trees/landscaping. It is important to point out that it is not always possible to delay residents from disturbing freshly placed asphalt in the approaches until such time that the crew properly compacts and finishes their work. Attempts to do so sometimes presents an inconvenience to the residents and business owners and may require additional coordination and documentation when accommodating persons less cooperative.

For some ramps at the speed humps, the possibility of minor asphalt settlement where it abuts the concrete is something that is being monitored and currently addressed as part of our annual maintenance program for traffic calming. No issues were present at the completion of the construction as the contractor performed the installation as specified. Recent studies at all locations revealed no difficulties of issues with the performance of the devices. However, we are currently having internal discussions regarding the benefits of utilizing the non-surtax eligible concrete bands for these ramps in the future.

With regard to the crosswalk presented as *Figure 5*, the designer and contractor followed the county requirement to install thermoplastic markings on the concrete pavers; an application that was destined to yield short-term results. While it is clear that alternative measures are needed, it would be most beneficial to all if the preferred striping material for brick/concrete along with precise installation method, could be specified by the jurisdictional signing and marking permitting agency (Broward

County) to the designer during the design permit application process. In the meantime, the city has included an alternate re-installation of this item as part of its ongoing citywide maintenance program for traffic calming devices.



Photo 3: Crosswalk Re-striping

In the final analysis, it is our sincere belief and professional opinion that the aforementioned situations were not associated with any failure to ensure quality of work and proper project delivery, but rather the end result of adherence to specified criteria along with necessary field decisions and adjustments for non-typical applications. Surtax documents required, and the contractor and CEI effectively met all periodic, substantial, and final inspection requirements per Exhibit A of the ILA and Form 10 of the construction contract.

We greatly appreciate the working relationship with the MAP team since the inception of the program and look forward to continued success in the immediate future.

Sincerely,

Gregory Perry

Digitally signed by Gregory Perry
DN: cn=Gregory Perry, o=City of West Park, email=gperry@cityofwestpark.com, c=US
Date: 2024.12.05 12:55:15 -0500

Greg Perry, P.E.

Director of Engineering & Capital Improvements

Cc: Ajibola Balogun, City Manager, City of West Park
Gretchen M. Cassini, MAP Administrator
Jedidiah Shank, CPA, Audit Manager
Kathie-Ann Ulett, Office of the County Auditor
Ferris Ziadie, Office of the County Auditor

MANAGEMENT'S RESPONSE



KEVIN KELLEHER, Assistant County Administrator
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7320 • FAX 954-357-7360

MEMORANDUM

DATE: December 24, 2024
TO: Robert Melton, CPA, CIA, CFE, CIG
County Auditor
FROM: Kevin B. Kelleher 
Assistant County Administrator
RE: Management Response to Audit of Surtax-Funded Municipal Transportation Project: City of West Park SW 25th Street Complete Street Improvement

The Mobility Advancement Program’s Administration (MAP Admin) and County Administration have reviewed the Office of the County Auditor’s Report on the Audit of Surtax-Funded Municipal Transportation Project: City of West Park – SW 25th Street Complete Street Improvement and submits the following as Management’s response.

As background, beginning in mid-2023, MAP Admin directly and indirectly received a series of allegations regarding a surtax-funded municipal project being constructed in the City of West Park. MAP Admin acts as the Contract Administrator for municipal surtax project agreements. In October 2023, the MAP Administrator requested the assistance of the Office of the County Auditor (OCA or Auditor) to review the allegations. In December 2023, the OCA determined it would perform an audit of the City of West Park’s (City) SW 25th Street Complete Street Improvement (WPRK-004) municipal capital project that was ranked and recommended for construction funding by the Broward Metropolitan Planning Organization (MPO) during Cycle 1 (August 2020).

The following is Management’s response to the Audit Draft received on November 21, 2024.

Opportunity for Improvement 1: Additional Oversight is Needed to Ensure Quality of Work Standards are Met.

Auditor Recommendation: We recommend management:

- 1. Work with the City to determine which safety issues and other deficient work needs correction.*
- 2. Explore options to ensure the quality of work and that work being funded is properly delivered. Such options may include updating governing Surtax documents to provide appropriate emphasis and oversight over quality of work and implementing procedures*

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for periodic and/or final on-site inspections of Surtax funded projects prior to final payment of awarded amounts.

Response: *Management partially agrees.*

The City, MAP Admin, and the OCA met on November 26, 2024, to discuss the preliminary findings specific to *Opportunity for Improvement #1*. The City also provided a direct formal, written response to the Auditor on December 5, 2024 (Attachment 1). Management agrees to explore options to ensure the quality of work and that work being funded is properly delivered; however, management believes the responsibility for delivering such work rests solely with the individual municipality receiving surtax funds. It is the responsibility of the contractor(s) and subcontractor(s) to construct the project as designed and the role of the City to oversee the completion of awarded projects based on the terms and conditions of an interlocal agreement.

The municipal surtax project program was established as a discretionary grant program. Each municipality receives a separate agreement specific to every recommended, approved, and awarded project. Construction projects, like WPRK-004, cannot be closed out until permits are received and an engineer of record signs off on the required documents. In the case of WPRK-004, Construction Engineering Inspection (CEI) services were completed. On June 5, 2023, an official “punch list” communication was sent by EAC Consulting, Inc. to HG Construction Development & Investment delineating a series of deficiencies that had to be corrected before the project could be final accepted (Attachment 2). The City communicated with MAP Admin/Contract Administrator once the project’s final acceptance occurred on February 23, 2024 (Attachment 3). Subsequently, MAP Admin closed out the project on April 29, 2024 (Attachment 4), which is the appropriate role of a funder.

Opportunity for Improvement 2: *An Inflation Adjustment Payment of \$140,561 Benefited the Contractor Rather than the City.*

Auditor Recommendation: We recommend management ensure future program adjustments to contemplate inflation impacts be focused on inflationary impact to the city between the time of project estimate and bid submission.

Response: *Management agrees.*

The City was required to provide a project cost estimate to the MPO in fall 2019 in order to be recommended for funding as part of Cycle 1. The project cost estimate for surtax funding was \$1,638,987 when it was awarded in August 2020. The municipalities were required to wait to receive project funding agreements until the Second Amendment to and Restatement of the Transportation System Surtax Interlocal Agreement (Second Amendment) became effective in 2021. As one of the first municipal surtax project agreements to be executed and effective in July 2021, the bids for this construction project were received by the City in February of 2022. Inflation experienced in the

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construction industry between the time of project estimate (fall 2019) and bid submission (February 2022) was substantial and well documented. The accepted bid for WPRK-004 was \$2,378,454. The time between the project's cost estimate and the bid submission was nearly three years.

The inflationary impact to the City between the time of the project estimate and bid submission was significant. The County instituted an administrative process for evaluating and approving inflationary adjustments based on market conditions on April 18, 2022; two months after the bids were received by the City. Following the required process outlined by the County, the City was approved to receive up to \$167,700 in reimbursable cost escalation at the conclusion of the project. In the absence of surtax funding approved for inflation experienced by WPRK-004, the City would have paid the contractor \$140,561 (actual cost escalation) from a non-surtax funding source. Consequently, the cost escalation payment made to the City did not benefit the contractor, but was instead a reimbursement to the City.

Future program adjustments, including any inflationary impacts, are anticipated to be addressed in a Third Amendment, which is currently being discussed with the municipalities (see below response to *Opportunity for Improvement #3*).

Opportunity for Improvement 3: *MAP Should Continue with Current Updates to Program Documents.*

Response: *Management agrees.*

Management is incorporating a series of improvements to the municipal surtax project program in what will be a Third Amendment to and Restatement of the Transportation System Surtax Interlocal Agreement (Third Amendment), as well as a revised standard form PFA.

Thank you for the opportunity to respond and provide Management's comments to the Audit. If the County Auditor modifies substantive elements of the existing draft, please provide us the opportunity to review prior to issuance. Should you have any questions, please contact me.

Attachments

c: Monica Cepero, County Administrator
Dr. Kimm Campbell, Deputy County Administrator
Gretchen Cassini, Mobility Advancement Program Administrator
Margaret Dalley-Johns, Finance Manager, MAP Administration
Alexander Mayorga, Senior Program Project Coordinator/Municipal Liaison
Andrew Meyers, County Attorney
Nathaniel Klitsberg, Transportation Surtax General Counsel

ATTACHMENT 1

Management's Attachment 1 has been included within Report Appendix A – City of West Park Response.

June 5, 2023

Mr. Al Garcia
HG Construction Development & Investment
4806 SW 74th Court
Miami, FL 33155

**Re: SW 25 Street from SR-7 to SW 40 Ave – City of West Park
Official Punch List**

Dear Mr. Garcia:

Find attached list of deficiencies that must be corrected before the project is Final Accepted.

General Project Wide: Clean entire project area. Remove all excess asphalt, concrete waste, debris, rocks, dead vegetation, and other items from the site. Sweep all driveway approaches, parkways, sidewalks, curb/gutter, and asphalt pavement areas. Remove all debris from planters and inlet grates.

Concrete Sidewalk, Curbs and Gutters: **1.** Remove/clean all concrete from sewer valve covers and cleanouts in sidewalk area between SW 56th Ave and SR7. **2.** Clean plastic film from all detectable warning surfaces. **3.** Repair damaged joints along valley gutter and concrete curb & gutter locations. **4.** Patch/repair concrete sidewalk at entrance near # 5900. **5.** Backfill drop-off adjacent to sidewalk ramp at SW 56th Terr. **6.** Repair cracks in Type D curb at planters located at NW corner of SW 56th Terrace, and SE corner of SW 58th Avenue. **7.** Clean/remove melted plastic from sidewalk at # 5780. **8.** Backfill drop-off at back of sidewalk at # 5628 and # 5712. **9.** Fix cracked sidewalk at east property line at # 5700. **10.** Patch concrete apron at NE corner of SW 58th Terrace. **11.** Repair cracked apron at NE corner of SW 58th Way.

Asphalt Pavement: **1.** Mill repave all asphalt intersection tie-ins from SW 56th Terrace through SW 59 Terrace. **2.** Address asphalt deficiency along northside parkway area from Sta. 111+03 to Sta. 112+40 (LT). **3.** Pave small segment of missing asphalt at parkway in front of Motel near Sta. 111+03 (RT). **4.** Address asphalt deficiency along centerline and eastbound lane near Sta. 113+10. **5.** Address asphalt deficiency along parkway area east and west of # 5812 and # 5818. **6.** Address ponding in roadway at valley gutter between Sta. 120+80 and 121+40 approximately, or as necessary to resolve. Coordinate limits of work in field with inspector. **7.** Address standing water near Sta. 119+00 along with parkway asphalt. Coordinate exact limits in field with inspector. **8.** Address asphalt deficiency in southside parkway area at # 5708. **9.** Restore/harmonize asphalt at back of sidewalk area at # 5721. **10.** Adjust manhole in bike lane at Sta. 141+80. **11.** Sweep/cleanup all asphalt deposits along recently paved areas between SW 48th Avenue and SW 40th Avenue. **12.** Repair damaged bricks at speed tables (as marked in the field with paint). **12.** Address asphalt deficiency in northside parkway area at # 5901.

Thermoplastic: **1.** Restripe 6" white sections impacted per recent asphalt paving. **2.** Complete striping east of SW 48th Avenue. **3.** Complete all remaining striping and RPM's project wide once asphalt curing period has expired.

Signs: **1.** Relocate Bus Stop sign at SW 46th Avenue (per plan).

Sodding: **1.** Replace dead sod recently placed at # 5347, and at any other location needed.

Manholes/Inlets: **1.** Clean/remove asphalt from all manholes covers. **1.** Carefully remove filter fabric from all inlets.

Please be advised to continue to take appropriate MOT/Safety measures and be cautious during repair activities so as not to damage completed construction items. Additional inspections and punch lists may be generated by the EOR and Broward County depending upon their findings at the time of the SPM inspection.

Contact me should you have any questions,

Sincerely,

Jenner M. Alfaro
Jenner M. Alfaro, P.E.

Senior Project Engineer

EAC Consulting, Inc.

cc. Greg Perry, PE, City Engineer - City of West Park
Robert Perez, President – HG Construction Development & Investment



Gregory Perry, P.E.
Director of Engineering

February 23, 2024

Gretchen Cassini Contract Administrator
Mobility Advancement Program Administration
One N. University Drive, A1400
Plantation, FL 33324

Re. Project Completion Letter: **WPRK-004: SW 25th Street Complete Street Improvement**

I CERTIFY that all the work under the contract and all amendments to it has been satisfactorily completed. The project was which was issued Notice to Proceed on May 31, 2022, and scheduled to end on July 14, 2023 for its Construction Phase, was completed by the general contractor (HG Construction, Development, and Investment, Inc.) on July 14, 2023, and received final acceptance by the Construction Engineering Inspection (CEI) firm, EAC Consulting, Inc. and the City of West Park on August 25, 2023.

Please accept this communication and the associated Final Invoices, Releases of Lien, Certifications, Reports, Final Permits and As-builts, as evidence of successful completion of the project referenced above.

I understand that pursuant to Section 5.9 of the Project Funding Agreement (PFA) for WPRK-004, we have one-hundred-twenty days after the completion of the project to submit the final invoice for the project. The "final invoice" must contain the documentation detailed in Section 5.9 to initiate the "final reconciliation".

The total final cost for the project was \$ 2,321,019.35. The city received from the County \$1,638,987 in surtax payments and the full amount was expended. The difference of \$682,032.35 was paid with local funds. As there has been no overpayments of the PFA, no refunds are due to the County. In addition, Cost Escalation funding was approved for a reimbursable amount after project closeout of up to \$167,668.37. Consequently, once closeout has been completed, the City will request a Cost Escalation reimbursement for a Surtax eligible expended amount of \$140,560.74.

Thank you,

Gregory Perry

Digitally signed by Gregory Perry
DN: cn=US, o=Florida,
dnQualifier=AD1410D000001888BC19FF8002B1D95,
cni=Gregory Perry
Date: 2024.02.23 18:25:11 -05'00'

Gregory Perry, P.E.

PFA Project Manager/City Engineer

cc: A. Balogun, Chief Administrative Officer, City of West Park
C. Wallace, Chief Financial Officer, City of West Park
A. Mayorga, Senior Program/Project Coordinator, Broward County
File

MEMORANDUM

TO: Gregory Perry P.E., Surtax Point of Contact for City of West Park
FROM: Gretchen Cassini, Municipal Surtax Project Contract Administrator 
RE: WPRK-004 Project Closeout
DATE: 4/29/2024

The Mobility Advancement Program Administration (MAP Admin) has reviewed the project documentation submitted by the City of West Park (City), including all completed project deliverables, evidence of expenditures and payments made, and Final Reconciliation for the construction of project *WPRK-004: SW 25th Complete Street Improvements*.

The total award for the project, inclusive of cost escalation reimbursement, is \$1,806,655.37. The County paid the total amount of \$1,779,547.74, reported and documented by the City as surtax expenditures, of which \$1,638,987 corresponded to advanced payments as indicated in the agreement, and \$140,560.74 corresponded to cost escalation reimbursement after project completion and closeout, as required by Amendment #2 to the agreement.

After project completion and reconciliation of surtax expenditures reported by the City and paid by County, \$27,170.63 remains under agreement; as part of this closeout, this amount will remain within the County's surtax fund.

MAP Admin thanks the City for its partnership and looks forward to continue improving transportation and mobility in Broward County.

Should you have any questions, please feel free to contact us.

C: Nathaniel Klitsberg, Surtax General Counsel
Margaret Dalley-Johns, Finance Manager MAP Admin
Alexander Mayorga, Surtax Grant Contact