



Audit of
Parking Management Services
Contract at Port Everglades

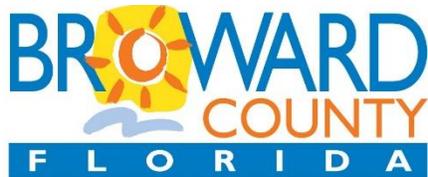
Office of the County Auditor
Audit Report

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Report No. 21-01
November 19, 2020



OFFICE OF THE COUNTY AUDITOR

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November 19, 2020

Honorable Mayor and Board of County Commissioners:

Pursuant to the fiscal year 2020 Annual Audit Plan, we conducted an Audit of Parking Management Services at Port Everglades.

The objectives of our audit were to determine whether all parking revenues have been received by the County and accounted for properly, to determine whether the parking management services operator, SP Plus Corporation, Inc. (SP Plus), complied with the terms of the contract, and to determine whether user administrative and privileged access controls are adequate for the Port Parking Revenue Control Application.

We conclude that parking revenues were received by the County and accounted for properly. Except as noted in our report, we conclude that SP Plus complies with the terms of the contract. In addition, we determined user administrative and privilege access controls are not adequate for the Port Parking Revenue Control Application. 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.

Broward County Board of County Commissioners

Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Dale V.C. Holness • Nan H. Rich • Tim. Ryan • Barbara Sharief • Michael Udine
www.broward.org

We appreciate the cooperation and assistance provided by Port Everglades and SP Plus staff throughout our audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton". The signature is written in a cursive, flowing style.

Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Monica Cepero, Deputy County Administrator
Kevin Kelleher, Assistant County Administrator
Andrew Meyers, County Attorney
Jonathan Daniels, Chief Executive Officer/Director, Port Everglades Department

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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.

We conducted an audit of parking management services at Port Everglades (Port). Our objectives were to determine whether:

1. All parking revenues were received by Broward County (County) and accounted for properly.
2. The parking management services operator, SP Plus Corporation, Inc. (SP Plus), complied with the terms of the contract.
3. User administrative and privileged access controls are adequate for the Port Parking Revenue Control Application.
4. Any Opportunities for Improvement exist.

To determine whether all revenues were received by the County and accounted for properly, we reviewed SP Plus's Parking Management Contract (contract) and Volume 3: Cash Handling and Deposit of County Administrative Policies and Procedures (CAPP). We tested a sample of parking transactions, tickets, reports, and bank statements. We analyzed validated tickets (non-cash, discount, and non-revenue transactions), ticket reports, and financial information. We also interviewed Port employees and staff from SP Plus and its subcontractor.

To determine whether SP Plus complied with the terms of the contract, we reviewed the contract, Broward County Administrative Code, Broward County Living Wage Ordinance, and annual budget documents. We tested a sample of invoices, timecards, payroll registers, background checks, drivers' license records, and living wage records. We analyzed productivity and daily shift reports, and trends and fluctuations in revenues and expenses.

To determine whether user administrative and privileged access controls are adequate for the Port Parking Access Revenue Control System, we reviewed policies and procedures for user

access management, backups, and audit logs. We also reviewed all the users with current access to the system and evaluated security access controls.

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 deemed necessary. The audit period was July 1, 2018 through December 31, 2019; however, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that parking revenues were received by the County and accounted for properly. Except as noted in our report, we conclude that SP Plus complies with the terms of the contract. In addition, we determined user administrative and privilege access controls are not adequate for the Port Parking Revenue Control Application. Opportunities for Improvement are included in the report.

Background

On June 10, 2014, Broward County (County) entered into a five-year management contract (contract) with SP Plus Corporation, Inc. (SP Plus) for the period of July 1, 2014, through June 30, 2019. The agreement was amended five times, and the Fifth Amendment extended the contract to October 31, 2020. The contract requires SP Plus to provide management services for all parking operations at the Port on a continuous basis, including weekends and holidays. SP Plus is responsible for properly collecting and remitting all gross parking revenues to the County. SP Plus's other responsibilities include general maintenance, monitoring and custodial services for the parking area, submission of routine financial and operational reports, written monthly and annual staffing plans, and submission of annual operating expense budgets. The Port pays SP Plus a monthly management fee and reimburses them for operating expenses.

Port Parking Operations

SP Plus provides management and operator services to all Port parking facilities, including self-parking and employee parking. Upon entry to Port parking facilities, customers retrieve a parking ticket with a magnetic strip that contains the date and time of entry. Upon exiting parking facilities, customers are required to present the ticket to a cashier who enters the ticket into a

validator that computes the amount due. The cashier collects the amount due from the customer and presses the appropriate key to open the cash drawer. The exit gate automatically goes up and the validator prints the transaction information on the ticket.

Revenues are collected and deposited directly to the Port’s operating bank account. While the cashiers occasionally process cash payments, the majority of payments are made with credit cards. Daily revenue reports are provided to the Port’s Accounting Section.

The Port currently has four operational parking facilities located at Northport, Midport, Terminal 18, and Terminal 19, containing approximately 5,500 total parking spaces. **Table 1** shows the numbers of parking space and services for the four parking facilities.

Table 1
Port Everglades Parking Facilities

Port Parking Locations	
	<p><u>North Port Garage</u> Parking Space Availability: 2,500 Services the following Port locations:</p> <ul style="list-style-type: none"> • Greater Fort Lauderdale/Broward County Convention Center • Northport cruise terminals including cruise terminals 2 and 4
	<p><u>Mid Port Garage</u> Parking Space Availability: 2,000 Services the following Port locations:</p> <ul style="list-style-type: none"> • Cruise terminals 19, 21, 25, 26, 27 and 29
	<p><u>Terminal 18 Surface Lot</u> Parking Space Availability: 600 Services the following Port locations:</p> <ul style="list-style-type: none"> • Surface parking lot adjacent to the terminal.
	<p><u>Terminal 19 Surface Lot</u> Parking Space Availability: 400 Services the following Port locations:</p> <ul style="list-style-type: none"> • Surface parking lot located between cruise terminals 18 and 19 • Used when the parking lot at cruise terminal 18 and the Midport garage are full.

Sources: Pictures taken during the on-site visit and obtained through Port Everglades media website

Shuttle Transportation

SP Plus (through its subcontractor) offers a shuttle service to provide transportation for customers, cruise line employees (shore staff), and International Longshoremen’s Association (ILA) workers to and from Port terminals and parking facilities. There is no charge for this shuttle service to cruise line customers, shore staff, and ILA workers. SP Plus submits the subcontractor’s invoices as a reimbursable expense through the Port parking contract. The shuttle service’s rates, terms, and conditions were established in the original contract, but have been periodically amended by SP Plus and Port.

Parking Rates

Parking rates for persons parking their vehicles at the Port are established in Tariff No.12, Item 1135, Issue No.4, Effective October 1, 2016. **Figure 1** is a snippet of the tariff showing details of the parking rates at the Port as of the date of this report.

**Figure 1
Port Everglades Tariff No. 12 – Parking Fees**

PORT EVERGLADES TARIFF NO. 12	
Item No. 1135–Parking fees.	
Issue No. 4	
Effective Date: October 1, 2016	
<p>The Port Everglades Department has designated areas and facilities for parking vehicles of passengers embarking and debarking on cruise ships at Port Everglades, for patrons of the Convention Center, and for the general public. Parking fees per vehicle are detailed below.</p> <p>Within the parking garages and surface parking lots the charges are as follows:</p>	
Length of Stay	Parking Charge
Up to 1 hour or portion thereof	\$3.00
Up to 5 hours or portion thereof	\$6.00
Up to 6 hours or portion thereof	\$7.00
Up to 7 hours or portion thereof	\$8.00
Up to 9 hours or portion thereof	\$10.00
Up to 11 hours or portion thereof	\$12.00
Up to 12 hours or portion thereof	\$13.00
Over 12 hours & up to 24 hours	\$15.00
Maximum Daily Rate	\$15.00
<p>For special events, such as heavily attended graduations and large conferences, where the majority of vehicles will be arriving or departing the parking facility at approximately the same time, daily flat fee parking rates, in lieu of the hourly parking rates above, will be charged. The Port Everglades Chief Executive will determine in consultation with the Convention Center staff what events and locations the flat fee parking rates will apply to.</p> <p align="center">Rates as Follows:</p> <ul style="list-style-type: none"> • For events expected to take up to five hours.....\$ 5.00 • For events expected to take more than five hours.....\$ 10.00 <p>The above rates will apply to those vehicles that can be accommodated within a standard sized width, length, and height parking space.</p>	

Source: Port Everglades website (www.porteverglades.net)

As mentioned earlier, shore staff and ILA workers do not pay for parking. Currently, these employees obtain a parking ticket which is then stamped and signed by the employee’s supervisor. Upon exiting the garage each day, they provide the signed ticket to SP Plus in lieu of paying parking fees. ILA and shore staff are also required to show their Port IDs when exiting parking facilities, and SP Plus waives fee collection. This process is expected to change with installation of the new parking system.

Amendments to the parking rates require a change to the tariff. As such, changes to the tariff requires a vote by the Broward County Board of County Commissioners.

Parking Revenue

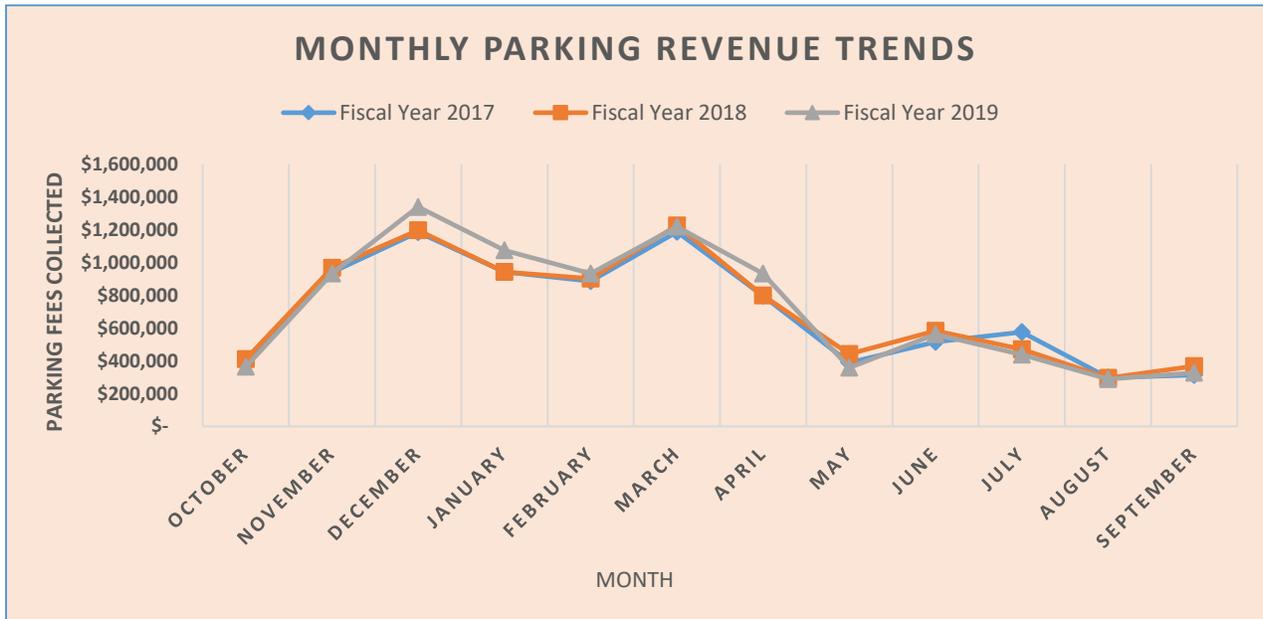
All monies received from parking services are collected by SP Plus and deposited into the Port’s operating bank account. The County remits all required sales tax on all collections to the State. Gross revenues generated from parking services for fiscal years (FY) 2017, 2018 and 2019 are summarized in **Table 2 and Figure 2** below.

Table 2
Monthly Gross Revenues for Fiscal Years 2017, 2018 and 2019

Month	FY 2017	FY 2018	FY 2019
October	\$394,879	\$411,185	\$ 364,694
November	\$940,875	\$967,141	\$932,624
December	\$1,185,991	\$1,197,080	\$1,339,700
January	\$942,444	\$941,652	\$1,075,235
February	\$886,335	\$901,048	\$933,819
March	\$1,187,374	\$1,225,945	\$1,217,395
April	\$797,296	\$798,438	\$933,782
May	\$388,891	\$441,482	\$357,698
June	\$514,876	\$583,640	\$562,441
July	\$576,537	\$471,495	\$436,881
August	\$297,506	\$295,464	\$288,662
September	\$313,023	\$368,119	\$326,238
Total	\$8,426,027	\$8,602,689	\$8,769,170

Source: Prepared by the Office of the County Auditor with information obtained from PeopleSoft Financial Reporting Module for Fiscal Years 2017, 2018, and 2019

Figure 2
Port Everglades Monthly Gross Parking Revenue Trend



Source: Prepared by the Office of the County Auditor with information obtained from PeopleSoft Financial Reporting Module for Fiscal Years 2017, 2018, and 2019

Parking Expenditures

The County pays SP Plus a monthly management fee plus bi-weekly expense reimbursement. The monthly management fee is for management and operation of the Port’s public parking facilities. Bi-weekly, reimbursable expenses mainly include salaries and wages, payroll taxes and benefits, contract cleaning services, armored car services, equipment rentals, general/liability insurance, and office supplies. As shown in **Table 3**, the County paid approximately \$1.95 and \$1.93 million to SP Plus for parking management services for FY 2018 and FY 2019, respectively.

Table 3
Payments to SP Plus for Parking Management Services for FY 2018 and FY 2019

Parking Payments	FY 2018	FY 2019
Reimbursable Expenses	\$ 1,319,532	\$ 1,337,418
Shuttle Service Expenses	578,054	538,829
Management Fees	49,167	49,244
Total Payments	\$ 1,946,753	\$ 1,925,491

Source: Prepared by the Office of the County Auditor with information obtained from PeopleSoft Financial Reporting Module for FY 2018 & FY 2019.

Parking Revenue Application and Equipment

The Port utilizes a stand-alone application, Federal APD System, to facilitate the parking revenue process. This system integrates the use of various parking equipment throughout the Port, such as proximity card readers, parking ticket readers, lift gate arm controls, vehicle detection sensors and cash registers.

Ticket Reader



Cash Register



Lift Gate Arm



Port utilizes a shared responsibility approach in managing the parking revenue application and equipment. Specifically:

- **Port Information Technology (IT):** Port IT staff provide general technical support to SP Plus to supply and maintain personal computers, printers, and other peripherals. Port IT also performs a back-up of the transactions recorded on the parking revenue application server.
- **Third-Party Application Servicer:** The Port contracts with a third-party servicer, LCN, Inc., dba Consolidated Parking Equipment (Consolidated Parking), to provide routine maintenance and repair to the parking revenue application and equipment.
 - Application maintenance services includes items such as applying security patches, archiving transaction data, application change management and providing other technical services to SP Plus.
 - Equipment maintenance services include routine emergency repair, preparation, and recovery for events such as hurricanes, lighting strikes, and other disasters.
- **Parking Management Company:** SP Plus manages system access, cashier access, proximity card access, and reports for Port Business Administration and Finance.

Port Parking Management Contract Amendment History

The contract between the County and SP Plus was amended five times. The first amendment was executed on August 6, 2015, by the Director of Purchasing. The first amendment revised "Article 5 - Fees, Charges and Accountability" by adding the requirement that SP Plus retain a Certified Public Accountant (CPA) to provide a special report on gross revenues and reimbursable expenses, increased the cleaning fee rate, and modified "Exhibit G - Shuttle Rates". The first amendment also adjusted the total operating budget and amended other administrative details of the agreement, with no increase to the total estimated contract value.

On June 27, 2019, the Director of Purchasing executed the second amendment to the contract. The second amendment required the application of a higher living wage rate for contract services (custodial services) retroactive to April 1, 2019. There was no dollar value increase associated with this amendment since the existing overall maximum budgeted amount was greater than the cost increase for living wage rate increases.

On June 28, 2019, Director of Purchasing executed the third amendment, extending the contract term for an additional three months from the ending date of June 30, 2019, to September 30, 2019. In addition, the amendment provided an option to extend the term for up to five additional one-month periods on a month-to-month basis through February 29, 2020 and increased the contract threshold to \$1,350,000.

On February 25, 2020, the Board of County Commissioners (Board) approved the fourth amendment to formally exercise the five-month extension option of the contract through February 29, 2020. The amendment also provided for additional automatic monthly extensions of up to six one-month periods on a month-to-month basis, for a maximum contract extension through August 31, 2020. An additional operating budget of \$967,214 was approved, which included a fixed-monthly management fee and revised shuttle rates.

The fifth amendment was executed on August 25, 2020 by the Board. This amendment provides for additional automatic monthly extensions of up to 8 one-month periods on a month-to-month basis through October 31, 2020. A reduction in the management fee to \$2,000 per month for all garages and surface lots and revised the operating budget for the period covered by the monthly extensions.

New Port Parking Contracts

On February 25, 2020, the Board approved Agenda Item #35, a motion for Broward County and TIBA Parking Systems to replace the current Parking Access Revenue Control System (PARCS) with an entirely new application and relevant equipment. Replacement of the current system includes, but is not limited to:

- “Pay on Foot” stations to process parking fees.
- Integrated credit card processing.
- Elimination of cashiers and cash registers.
- Elimination of the manual parking validation process.
- New real time reporting and data analysis tools.
- Vehicle license plate recognition cameras.

The Board approved a Request for Proposal (RFP) No. PNC2116816P1 for parking management services on June 4, 2019. Three firms submitted proposals which were evaluated and ranked. On April 10, 2020, the County Administrator approved the final recommendation of the Evaluation Committee and first place ranking of SP Plus, allowing them to continue providing parking management services at the Port. The new contract with SP Plus was approved by the Board on October 20, 2020.

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. SP Plus Parking Staffing Levels Should be Evaluated and Adjusted Based on Actual Service Demand.

Staffing levels for SP Plus cashiers were not efficiently adjusted to reflect service demand for parking fee collections. Our analysis of all transactions processed for December 2019, identified peak operating hours between 6 AM to 6 PM and non-peak operating hours between 7 PM and 5 AM. Further analysis of the non-peak hours revealed the following:

- A. For the month of December 2019, between 7 PM to 5 AM, \$20,409 in parking fees were collected by SP Plus. The cashier salary cost incurred by SP Plus to collect the identified parking fees were \$77,882, which indicated that SP Plus parking staffing levels did not commensurate with non-peak hours of low parking traffic activity.
- B. Further analysis of non-peak hours for December 2019 revealed that no parking transactions occurred between the times of 11 PM to 5 AM. **Table 4** on the next page shows an average count of the transactions and cashiers that worked at Northport and Midport for non-peak hours.

Table 4
Average Number of Transactions and Cashiers
at Northport and Midport Locations Between 7 PM to 5 AM

Time	Northport		Midport	
	Transactions	Cashiers	Transactions	Cashiers
7 PM	4	2	1	2
8 PM	2	2	1	2
9 PM	3	2	4	2
10 PM	1	2	6	2
11 PM	1	2	3	2
12 AM	0	1	0	2
1 AM	0	1	0	0
2 AM	0	1	0	0
3 AM	0	1	0	0
4 AM	0	1	0	0
5 AM	0	1	0	0

Source: Created by the Office of the County Auditor with information obtained from the parking revenue application.

During our site visit on February 27, 2020, we observed three cashiers were staffed at Midport from 7 PM to 1 AM, where less than ten transactions were processed during the entire shift. The shift supervisor informed us that a vessel was delayed due to weather and they are not informed of this change in logistics. As a result, SP Plus continued to fully staff the shift as normal.

Section 7.6.2 of the parking agreement states:

“OPERATOR shall provide the level of staffing at each Port Facility set forth in a written monthly and an annual staffing plan, which may be amended from time to time subject to approval by the Contract Administrator. The monthly plan shall be reviewed with Port Department by the fifteen (15th) of each month prior to the month it covers to ensure all peak or slow periods and holidays are properly accounted for.”

We noted that Port required one cashier to be staffed at North Port during the overnight hours, and this practice subsequently ended in January 2020. Further, SP Plus informed us the practice to staff multiple cashiers during certain times is to assist in rotation/coverage for shift breaks and restroom breaks.

We noted that while SP Plus provides staffing plans to the Port in a timely manner and receives adequate approval from the Contract Administrator, Port staff does not perform an evaluation to determine the efficiency of staffing levels based on peak and non-peak demand. As a result,

excess staffing cost to the Port may have been incurred throughout the year that could have been avoided. Parking staffing levels should be evaluated and adjusted based on the actual service demand to ensure efficient and effective operations. Additionally, staffing levels should be monitored by the Port, by time period, and parking location, along with numbers of vehicles parked to ensure cost effectiveness is balanced with customer service.

We recommend management review the current staffing plan to determine appropriate staffing levels required to deliver adequate services for Port parking customers, while maintaining cost-efficient operations.

2. Background Checks for SP Plus's Subcontractor Should Have Been Performed for All Employees Hired to Work at Port Parking Facilities.

We found SP Plus's janitorial services subcontractor (subcontractor) did not perform required background checks for its employees hired to work at Port parking facilities. Further, based on our background research, we identified two of 10 (20%) subcontractor employees sampled with potential criminal activities, including felonies such as burglary and grand theft.

During our audit, we selected a sample of 15 SP Plus employees and 10 subcontractor employees to verify whether background checks were performed before being hired to work at Port parking facilities. We found SP Plus's subcontractor did not perform required background checks for its employees. Based on our background research, we identified two subcontractor employees with potential criminal activities as shown in **Table 5**, on the following page, which provides information related to disposition dates, disposition descriptions, and class of crime categories for these individuals.

Table 5
Criminal Activities Resulting from Background Research
for Selected Subcontractor’s Employees

Sub Employee Sample Number	Disposition/ Judgement Date	Disposition	Class
1	10/14/2008	Convicted by plea – adjudicated	3rd degree felony for burglary
	08/27/2009	Convicted by plea – adjudicated	3rd degree felony for grand theft 3rd degree felony for burglary
	05/10/2011	Convicted by plea – adjudicated	3rd degree felony for burglary 2nd degree misdemeanor for petty theft
2	10/21/2013	Convicted by plea – adjudicated	3rd degree felony for grand theft

Source: Results of background research obtained by the Office of the County Auditor

In response to our inquiry of SP Plus, its subcontractor, and Port Business Administration, we were informed that the subcontractor relied on the Port’s ID Office to perform background checks on all individuals applying for a Port identification card, and did not separately initiate their own screening procedures. We inquired with the Port ID Office to determine whether they perform comprehensive background checks for all individuals at the time an application for a Port ID is submitted. We received a response stating that the Port ID Office only performs an active warrant search on all individuals applying for a Port ID, and that comprehensive background checks are performed on a random basis.

Section 5.3.1.2 of the agreement between Broward County and SP Plus states that “SP Plus shall obtain background checks from the State of Florida, Department of Law Enforcement or from other sources approved by the Port Department and submit background checks if so requested by Port Department. Port Department shall have the right to approve or disapprove all personnel.” Also, Section 13.1 of the agreement between Broward County and SP Plus requires that “All Operator and subcontractor personnel servicing these facilities will be required to have a County identification badge, which will be the responsibility of the Operator to obtain. The badge must be visible and worn at all times. This will entail a comprehensive background check for the entire State of Florida, which can be conducted by the Florida Department of Law Enforcement (FDLE).”

The non-compliance with contract provisions related to performing comprehensive background checks increases the Port’s exposure and liability to potential misconduct and criminal activity.

We recommend management:

- A. Require SP Plus and its subcontractors conduct comprehensive background checks on all personnel, upon initial hire and annually, that are deployed at Port parking facilities.
- B. Require SP Plus and its subcontractors to provide all information related to the comprehensive background checks performed for personnel to the Port Business Administration.

3. Armored Car Service Should Perform Daily Pick Up of Parking Revenue as Required.

During our review, we found that the armored car service subcontractor (armored car service) did not pick up 37 deposits totaling approximately \$112,224 for 15 days occurring in late January 2020 and throughout the months of February and March 2020. Based on the monthly fee charged for armored car services, Port was overbilled by SP Plus in the amount of \$625 for the days the armored car service did not pick up deposits.

We conducted an on-site visit to SP Plus offices on Thursday, February 27, 2020. We noted the deposits for February 25th and 26th were not picked up. Accordingly, we expected to observe the armored car pick up the deposit while we were there. However, the armored car did not pick up the deposits on that day either. We were informed by SP Plus that the armored car did not make required daily deposit pick-ups for three days in January 2020.

SP Plus pays the armored car service a flat monthly fee for daily pick up services. Based on the monthly flat fee, we calculated a daily rate for January, February and March 2020 based on the number of days in the month. As a result of this failure to provide services, we determined that the Port was overbilled \$625 for the days the armored car service did not pick up deposits. In addition, we noted the Port reimbursed SP Plus for approximately \$41 in excess bag and excess premise time on the January and February invoices. These extra charges are associated with extra bags and time the armored car service spent on the premises because they did not pick up parking revenues daily in January and February 2020.

During the audit, we shared the issues with Port management and SP Plus. Subsequently, the Port was issued a credit of \$702.10 on the armored car service subcontractor's March 2020 invoice to cover deposits not picked up from January 2020 through March 2020. In addition, excess bag, and excess time on premise fees for the month of March 2020 were not paid to the armored car service subcontractor.

Section 5.6 of the contract between the County and SP Plus requires SP Plus to “collect, account for, and deposit daily, through an armored car service by 11:30 AM, in a bank account designated by the County, in the name of Port Everglades Department...” SP Plus provided us with documentation to show they communicated with the armored car service regarding the lack of compliance with their obligation to pick up deposits daily from the Port. This information was also transmitted to the Port’s Business Administration section. The armored car service reassured SP Plus staff that the issues were resolved, and armored car service would pick up parking revenues as contracted. Despite the armored car service’s reassurances, SP Plus continued to have issues with their service.

In reviewing communication between the armored car service and SP Plus, it was determined the reason parking revenues were not picked-up daily was because the armored car service drivers did not have proper credentials to enter Port property. The armored car service’s inability to access Port property resulted in parking revenues not being deposited timely and resulted in SP Plus having non-compliant status with contract Section 5.6 which requires daily deposit pick-ups.

We recommend management require armored car service perform daily pick up of parking revenue as required by the contract.

4. Port Should Implement Adequate Contract Monitoring of CPA Special Reports, Living Wage Reviews, and Written Approval of the Budget.

Our review noted a lack of adequate contract administration over the SP Plus contract in the areas of CPA Special Reports, Living Wage reviews, and written approval of the budget. Specifically, we noted the following concerns:

- A. Special Certified Public Accountant (CPA) reports were not issued and submitted on time by the CPA firm to SP Plus and Port as required by the contract. We also found that variances exist between the audited revenues and reimbursable expenses reported in the special CPA report and Port’s Financial Reporting Module, Peoplesoft, for Fiscal Years (FY) 2017 and 2018.

We noted that the special CPA reports for FY 2017 and FY 2018 were received by the Port on September 18, 2018 and October 23, 2019, respectively, which was 223 days and 265 days later than the contract requirements. Through our inquiry with SP Plus and Port staff, we found that no follow-up was conducted with the CPA firm to determine why the special CPA report was consistently received outside the timeframe as required by the contract.

Contract Section 5.8.1 requires SP Plus to retain an independent Certified Public Accountant (CPA) firm to conduct a special report of gross revenues and reimbursable expenses (special CPA report) for the period of October 1 through September 30. The special CPA report is required to be issued jointly to Port Business Administration Division and SP Plus no later than 120 days after September 30 of each period covered under the contract.

We also found that variances exist between both audited revenues and reimbursable expenses reported in the special CPA report as compared to Port’s Financial Reporting Module, Peoplesoft, for FY 2017 and FY 2018. **Table 6** and **Table 7** below contain identified variances in these financial figures for FY 2017 and FY 2018. We reported the variances to management at SP Plus and Port Business Administration. Both parties were unaware of reported variances as they do not have any reconciliation procedures in place.

Table 6
Variance Between Actual Revenues Recorded in PeopleSoft
and Special CPA Reports for FY 2017 and FY 2018

Period	Revenues Reported in the Special CPA Report	Revenues Reported in PeopleSoft	Difference Over/(Under) Reporting
FY2017	\$ 8,974,287.83	\$ 8,944,730.75	\$ 29,557.08
FY2018	\$ 9,121,152.30	\$ 9,127,661.29	(\$6,508.99)

Source: Prepared by the Office of the County Auditor with information obtained from Special CPA Reports for FY 2017 and FY 2018 and Parking Revenues Recorded in PeopleSoft.

Table 7
Variance Between Reimbursable Expenses
Recorded in PeopleSoft and Special CPA Reports for FY 2017 and FY 2018

Period	Reimbursable Exps. Reported in Special CPA report	Reimbursable Exps. Reported in PeopleSoft	Difference Over/(Under) Reporting
FY2017	\$ 1,690,103.69	\$ 1,768,834.38	(\$78,730.69)
FY2018	\$ 1,943,401.04	\$ 1,935,070.04	\$ 8,331.00

Source: Prepared by the Office of the County Auditor with information obtained from Special CPA Reports for FY 2017 and FY 2018 and parking reimbursable expenses recorded in PeopleSoft.

The Port paid a total of \$14,510 for the reimbursement of Special CPA reports in FY 2017 and FY 2018. Such reports should have been submitted timely and properly utilized by the Port staff including reconciliation to the revenues and expenses recorded in PeopleSoft for accuracy and completeness.

- B. Port staff and SP Plus did not comply with Section 26-102(d)(6) of the Broward County Living Wage Ordinance (Ordinance) related to required documentation that SP Plus should have provided to the Port. Specifically, this provision of the Ordinance allows an employer to pay an employee the lower living wage rate with health care benefits if a covered employee declines health care coverage. The Ordinance further stipulates that the employer must provide the County with written proof of the covered employee's declination. SP Plus did not provide this documentation to the Port and Port staff failed to request the required information.

We reviewed wage rates for SP Plus and the subcontractor's employees. We found that three SP Plus cashiers were paid a lower living wage rate than the other cashiers, because they declined to receive the health care benefits. The cashiers' decision to decline health care benefits allowed SP Plus to pay them a lower living wage rate similar to employees who receive benefits. We requested and obtained written documentation evidencing that the cashiers declined health care benefits when the benefits were offered by SP Plus.

Compliance with the Ordinance required SP Plus to provide this information to the Port at the time the living wage review occurred. When this information was not provided, the Port should have requested the required documentation.

- C. We noted Port Business Administration did not provide SP Plus with written approvals for the annual expense budgets submitted. Each year SP Plus is required to provide its budget for the upcoming fiscal year to Port Business Administration by January 31st. Port Business Administration reported to us that they reviewed the annual operating expense budget submitted by SP Plus but did not provide specific written approvals.

Section 5.3.1.1 of the agreement stipulates that annual operating expense budgets submitted by SP Plus shall be subject to approval or disapproval by Business Administration within 30 calendar days of receipt. All approvals or revisions of submitted annual operating expense budgets by Business Administration should be in writing.

Contract administration and management oversight are essential to ensure project objectives and contract requirements are being met, and the County receives what it has paid for. A lack of contract administration and management oversight restricts Port's ability to properly manage the contract and ensure compliance with the contract requirements.

We recommend management:

- A.1 Require SP Plus to ensure that the Special CPA report is submitted timely as required by the contract.
- A.2 Implement procedures to review and reconcile any variances between revenues and reimbursable expenses reported in the Special CPA report and PeopleSoft.
- B. Establish procedures to confirm SP Plus and its subcontractors pay employees the appropriate living wage and provide written documentation of verification when the living wage with health benefits is paid to a covered employee.
- C. Provide written approval for SP Plus's annual operating expense budget and any revisions to the budget.

5. User Access to the Parking Revenue Control Application Should be Adequately Managed.

Port IT, SP Plus, and Consolidated Parking do not have a formal process to manage user access, including periodic review of current user access and verification of access permission privileges to the Port parking revenue application. Specifically, we noted the following:

- A. Port IT and SP Plus do not have a formal process to authorize new access, transfer user access, and remove user access from the parking revenue application. We identified a breakdown in formal communication between SP Plus, Port IT and the external contractor servicing the application, resulting in various users' access in the application being added or removed without a formal process.

Broward County CAPP Volume 7, Chapter 3, Section 7 states, "The access rights of all employees, contractors and third-party users to County data must be role based and follow the County's approval process. Access rights must be adjusted upon change of roles or removed upon termination of employment or contract."

- B. Port IT and SP Plus do not have a formal process to periodically review current user access to the parking revenue application. Neither Port IT nor SP Plus could provide evidence to show a review of user access was performed within the audit period. A periodic review of current user access assists management in identifying users with current active access and their roles in the application. As a result, management cannot identify users who no longer need access.

Broward County CAPP Volume 7, Chapter 3, Section 7.1 states, "All user access rights must be reviewed for accuracy by the agency Security Point of Contact (SPOC) and the data owner to determine if the access rights are correct or must be revised or revoked. Access rights include physical, network, server and application privileges."

- C. During the audit management was unable to demonstrate the roles and permissions that can be assigned to users of the Parking Revenue Control Application. Port IT, SP Plus, and Consolidated Parking has not documented the permissions that are assigned to the roles that a user can be assigned in the Port parking application. We attempted to manually obtain the permissions of each role; however, this endeavor was unsuccessful because system limitations prevented us from determining the exact permissions that a user has when assigned to a role in the parking application. As a result, management is unable to determine whether each user's access is appropriate based on their job function.

Broward County CAPP Volume 7, Chapter 3, Section 12.2.D states, "User's access must be limited following the "principle of least privilege."

The lack of a formal process to authorize, transfer, remove and review a user's current system access and privileges to the Port Parking Revenue Control Application increases the risk of unauthorized or inappropriate access to County system and data.

We recommend management:

- A. Establish procedures for requesting, removing, and modifying user access to the Port Parking Revenue Control Application and ensure they are consistently followed.
- B. Establish procedures for performing a periodic review of user access. The review should be documented to demonstrate management's due diligence.
- C. Formally determine and document the user roles and permissions in the Port Parking Revenue Control Application that can be assigned to users and ensure that they comply with the principles of least privilege.

6. Port IT and Consolidated Parking Should Maintain Documentation Procedures to Determine Whether Application Data Can Successfully be Restored.

Port IT and Consolidated Parking has not tested that archive files or copied backup files can be successfully restored. Currently, there are no documented policies and procedures to govern the backup of application data and its restoration.

Broward County CAPP Volume 7, Chapter 3, Section 14 states, "County IT systems and data must be backed up and stored securely to ensure that the information is readily available and recoverable as needed."

Without documented policies and procedures to govern the backup of application data and periodically testing the restoration of the backup data, management increases the risk of losing data during an application failure.

We recommend management:

- A. Develop and implement procedures to govern the backup of the Parking Revenue Control Application, its data, and their restoration.
- B. Annually test the backup restoration procedures for the parking application and its respective data.

7. Port Management Should Implement Procedures to Periodically Review Application Logs for Discrepancies or Suspicious Activity.

Port management does not have procedures to periodically review application logs for discrepancies or suspicious activity. Through our own review of transaction logs for one month, we identified that on two separate occasions, Cashiers processed transactions using a generic system user account rather than the account assigned by management. The amounts processed by the Cashier were minimal in value; however, the use of a generic system user account reduces the ability to tie the transactions to a specific individual reducing SP Plus' ability to maintain accountability.

Broward County CAPP Volume 7, Chapter 3, Section 10.4 C states, "Audit records for financial systems, or for systems hosting or processing Personally Identifiable Information (PII), must be reviewed and documented regularly by data owners, as compliance requires."

Without a periodic review of the application logs management does not have timely notification of inappropriate or unauthorized activity.

We recommend management implement procedures to periodically review application logs for discrepancies or suspicious activity and document the review as evidence of their due diligence. Additionally, restrict the use of generic accounts when processing transactions to ensure cashier accountability.

8. Future Port Parking Management Services Contract Should Include Additional Requirements and Controls to Address Relevant Issues Noted in This Report.

The current contract with SP Plus will expire on October 31, 2020. Port Business Administration is working with the Purchasing Division on RFP #PNC2116816P1 for a new contract with SP Plus for parking management services. During our audit, we noted some issues that should be addressed in the new contract with SP Plus. The issues related to background checks, armored car services and Special CPA report are discussed previously in Opportunities for Improvement Nos. 2, 3 and 4A. We also found other issues pertaining to shuttle service rates, unaccounted ticket process and customer complaints that are only addressed here.

- A. The new contract should require SP Plus and its subcontractors to conduct comprehensive background checks with a provision that the Port shall have the right to approve or disapprove all personnel based on the results of the background check. Also, all personnel approvals and disapprovals should be documented in writing. The issue was previously described in Opportunity for Improvement No. 2.
- B. The new contract should require daily pick up of cash deposits by armored car services. The issue was previously described in Opportunity for Improvement No. 3.
- C. The new contract should include penalties for failure to deliver Special CPA reports within the contract requirements. Further, Port management should implement procedures to review and reconcile any variances between revenues and reimbursable expenses reported in the Special CPA report and Peoplesoft. This issue was previously described in Opportunity for Improvement No. 4A.
- D. The current contract with SP Plus contains shuttle fees in "Exhibit G". During invoice review, we discovered that "Exhibit G" was not consistently amended in writing and the Port paid transportation/shuttle rates based on shuttle service rates in the executed contract between SP Plus and its subcontractor. All changes to reimbursable transportation/shuttle services fees as established in the contract should be approved in writing by the Contract Administrator.

- E. Past procedures to calculate and reconcile unaccounted tickets were manual and error prone. Additionally, the process used by SP Plus to calculate the monthly unaccounted tickets lacked appropriate controls over the manual entry of variable data. Specifically, we noted the lack of appropriate controls over manual entry of variable data resulted in 13 of 13 (100%) samples missing supporting documentation to validate variable data entry. The previous Port Parking Revenue Control Application did not accurately record variable situations, such as exit in grace and mute tickets. Additionally, the system did not log when test tickets are generated from the contracted equipment repair company.

Section 5.14 of the Parking Management Contract states "OPERATOR will be assessed a monthly fine for the unaccounted tickets at the maximum daily rate of applicable parking facility per ticket for all tickets over one percent (1%) of tickets issued. OPERATOR's procedure for unaccounted tickets shall be incorporated into OPERATOR's Management and Operations Plan." Without accurate counts of variable data, SP Plus may not be compliant with terms of the unaccounted tickets provision in the Port Parking Management contract.

Port has since addressed this issue by entering into an agreement to provide a new Parking Revenue Control Application that uses automated reports for unaccounted tickets. Additionally, Port and SP Plus have agreed to include contractual language that will specify the process for using the system automated reports in determination of any monthly penalties for unaccounted tickets.

- F. The new contract should require SP Plus to collect customer contact information as part of the complaint documentation. During our review, we found only 3 of 13 (23%) customer complaint records contained contact information. If the customer chooses not to leave contact information, that should be noted on the complaint form. The new contract should require SP Plus to collect contact information as part of the customer complaint documentation and submit the complaint form to Port Business Administration on a monthly basis to facilitate customer complaint follow-up if applicable. Further, Port Business Administration staff should perform periodic follow-up on customer complaints pertaining to the parking services and experiences, especially the complaints involving the Broward Sheriff's Office. Also, from a customer service perspective, Port Business Administration should make every attempt to connect with the parking facility customers that filed a complaint to enhance the customers' parking experience at the Port.

During the audit, we assisted the Port staff with the negotiation with SP Plus for the new parking services management contract. We commend Port Business Administration and SP Plus for addressing the applicable concerns noted in our audit in the new contract that was approved by

the Board on October 20, 2020. Specifically, the new agreement clarifies background checks should be performed for SP Plus employees as well as subcontractors' employees. SP Plus will no longer provide armored car service to the Port. Instead armored car services will be provided under the County's armored car service contract. In addition, the new contract contains provisions to allow for financial penalties when the Special CPA report is not provided timely to the Port and includes attachments to exhibit showing annual shuttle service rates for each of the three initial contract years. Provisions have also been added to address issues pertaining to implementing robust unaccounted ticket process and guidelines for handling customer complaints.

We recommend management require the new parking services management contract to:

- A. Require SP Plus and its subcontractors to conduct comprehensive background checks on all new employees and share all related information with Port Business Administration. Port Business Administration shall have the right to approve or disapprove all personnel based on the results of the background checks. Also, all personnel approvals and disapprovals shall be documented in writing.
- B. Ensure daily pick up of cash deposits by the armored car service.
- C. Include financial penalties for failure to deliver Special CPA reports within 120 days past the fiscal year end date of September 30.
- D. Require Port Business Administration's written approval for changes in shuttle service rates/costs as established in the contract.
- E. Develop and implement additional controls over the monthly unaccounted ticket reconciliation process.
- F. Require SP Plus to collect customer name and contact information to be included in customer complaint form submitted to Port Business Administration on a monthly basis. If the customer contact information cannot be provided, this should be indicated on the complaint form.

APPENDIX A – MANAGEMENT’S RESPONSE



BERTHA W. HENRY, County Administrator

115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

DATE: November 17, 2020
TO: Robert Melton, County Auditor
FROM: Bertha W. Henry, County Administrator
SUBJECT: Management Response to Office of the County Auditor's Audit of Parking Management Services Contract at Port Everglades

The Port Everglades Department has reviewed the recommendations made by the County Auditor ("Auditor") concerning the subject audit of the parking management services contract between Broward County and SP Plus Corporation ("SP Plus").

In summary, Management accepts the Auditor's Opportunities for Improvement and notes that many of the various Opportunities for Improvement were already being addressed through the implementation of the Port's new Parking Access Revenue Control System ("PARCS") and in a new Parking Management Services Contract with SP Plus.

PARCS is a central data management system with dedicated server and parking control system software to provide automatic monitoring and control of all PARCS devices connected to a secure network; dual camera license plate readers; new entry and exit stations; pay-on-foot stations that can accept multiple forms of payment; and a secure intercom system. PARCS provides the foundation of the management services offered by SP Plus. The new PARCS is still in the process of being implemented and the impacts of the new system have not been fully realized since parking has been closed or significantly reduced due to the pandemic. The PARCS contract was awarded by the Broward County Board of County Commissioners (Board) on February 25, 2020 (Item No. 35). The new PARCS is currently fully operational in the Midport garage, 85% complete at the two surface lots at T-18 and T-19, and is on track to be 100% operational in conjunction with the upcoming opening of the new T2/T4 garage before the end of 2020.

A new Parking Management Services Contract at Port Everglades to SP Plus was approved by the Board at its meeting on October 20, 2020 (Item No. 47). Management negotiated the new contract with SP Plus with specific clauses designed to take advantage of the new PARCS capabilities. Management also ensured that identified findings pertaining to non-PARCS-related items, including background checks, special audit reports, and armored car services, were also addressed. Management acknowledges and appreciates the Auditor's commendation and allowing the audit findings and recommendations to be taken into account during recent negotiations of a new Parking Management Services Contract with SP Plus.

Below, please find detailed responses to each of the Auditor's Opportunities for Improvement.

November 17, 2020

To: Robert Melton, County Auditor

Re: Response to County Auditor's Report -

Parking Management Services Contract at Port Everglades

Opportunity for Improvement 1: SP Plus Parking Staffing Levels Should be Evaluated and Adjusted Based on Actual Service Demand.

Recommendation: Management review the current staffing plan to determine appropriate staffing levels required to deliver adequate services for Port parking customers, while maintain cost- efficient operations.

Management Response: Agree. Until its closure in February 2020, the Port's Northport Parking Garage ("NP") was effectively open to the public 24/7 since it is outside the Port's controlled access area with no gates to secure the garage. During the period reviewed, NP was staffed at all hours. There were in excess of 1,000 cruise passenger and other vehicles in the NP garage each day in December 2019, so the garage needed to be staffed. Other Port parking facilities (Midport, T18, and T19) within the Port's controlled access area were opened per cruise schedules and were not staffed overnight.

Moving forward, the operation of the NP garage will be transitioned to the Convention and Visitor's Bureau as part of the Convention Center Expansion Project. The new T2/T4 parking garage, anticipated to be completed before the end of 2020, is currently within the Port's controlled access area. Additionally, the T2/T4 parking garage is being fitted with gates to allow the garage to be closed and secured when not in use, eliminating any need for parking staff other than for scheduled events or per cruise schedules. Also, the Port's new PARCS is automated, therefore operating without cashiers.

Opportunity for Improvement 2: Background Checks for SP Plus's Subcontractor Should Have Been Performed for All Employees Hired to Work at Port Parking Facilities.

Recommendation:

- A. Require SP Plus and its subcontractors conduct comprehensive background checks on all employees, upon initial hire and/or annually, that are deployed at Port parking facilities.
- B. Require SP Plus and its subcontractors to provide all information related to the comprehensive background checks performed for personnel to the Port Business Administration.

Management Response:

- A. **Agree.** The process for background checks for all SP Plus personnel and subcontractors is addressed in the new Parking Management Services Contract approved by the Board on October 20, 2020.
- B. **Agree.** Port will require SP Plus to provide documentation for all hires for SP Plus and subcontractor employees.

November 17, 2020

To: Robert Melton, County Auditor

Re: **Response to County Auditor's Report -**

Parking Management Services Contract at Port Everglades

Opportunity for Improvement 3: Armored Car Service Should Perform Daily Pick Up of Parking Revenue as Required.

Recommendation: Require armored car service perform daily pick up of parking revenue as required by the contract.

Management Response: Agree and Implemented. Port Management assumed control of armored car services from SP Plus in July 2020, and deposits will be picked up by the County's contracted armored car service as directed by the Port's Contract Administrator. Additionally, it is expected that the new PARCS will have significantly fewer cash transactions.

Opportunity for Improvement 4: Port Should Implement Adequate Contract Monitoring of CPA Special Reports, Living Wage Reviews, and Written Approval of the Budget.

Recommendation:

- A.1 Require SP Plus to ensure that the Special CPA report is submitted timely as required by the contract.
- A.2 Implement procedures to review and reconcile any variances between revenues and reimbursable expenses reported in the Special CPA report and PeopleSoft.
- B. Establish procedures to confirm SP Plus and its subcontractors pay employees the appropriate living wage and provide written documentation of verification when the living wage with health benefits is paid to a covered employee.
- C. Provide written approval for SP Plus's annual operating expense budget and any revisions to the budget.

Management Response:

- A.1 **Agree.** Penalties for the failure to submit the CPA Special Report on Gross Revenues and Reimbursable Expenses on time has been included as part of the new agreement with SP Plus. Penalties will be assessed as follows: 30-days late: \$1,000; 60-days late: \$1,500; 90-days late: \$2,000; 120-days late: \$2,500; beyond 120-days late: Audit fee will be waived entirely.
- A.2 **Agree.** The Port's Contract Administrator will work with Port Finance Division using reports from PeopleSoft to reconcile any variances between revenues and reimbursable expenses reported in the Special CPA report.
- B. **Agree and Completed.** The Port's Contract Administrator will continue to review payroll on a biweekly basis and has modified its procedures to request additional documentation for deviations for employees not receiving living wage to ensure that the deviations are appropriate and properly documented.

November 17, 2020

To: Robert Melton, County Auditor

Re: Response to County Auditor's Report -
Parking Management Services Contract at Port Everglades

- C. **Agree.** Previously, Management reviewed the annual operating expense budgets with SP Plus and approved it verbally. In the new Parking Management Services Contract, the Port and SP Plus will develop the annual operating expense budget, and the annual operating expense budget and any changes during the contract year will be approved in writing by the Port's Contract Administrator.

Opportunity for Improvement 5: User Access to The Parking Revenue Control Application Should be Adequately Managed.

Recommendation:

- A. Establish procedures for requesting, removing, and modifying user access to the Port Parking Revenue Control Application and ensure they are consistently followed.
- B. Establish procedures for performing a periodic current user access review. The review should be documented to demonstrate management's due diligence.
- C. Formally determine and document the user roles and permissions in Port Parking Revenue Control Application that can be assigned to users and ensure that comply with the principles of least privilege.

Management Response:

- A. **Agree.** Consistent with the new Parking Management Services Contract, the Port's Contract Administrator will be responsible for processing requests for adding, removing, and modifying user access to the Port PARCS application.
- B. **Agree.** Under the new PARCS application being implemented at the Port, a report can be generated that lists all users and credential access that has been granted. The report will be run and reviewed monthly by the Contract Administrator.
- C. **Agree.** The user roles and permissions in the PARCS will be reviewed monthly by the Contract Administrator.

Opportunity for Improvement 6: Port IT and Parking Consolidated Should Maintain Documentation Procedures to Determine Whether Application Data Can Successfully be Restored.

Recommendation:

- A. Develop and implement procedures to govern the backup of the Parking Revenue Control Application, its data, and their restoration.
- B. Annually test the backup restoration procedures for the parking application and the respective data.

November 17, 2020
To: Robert Melton, County Auditor
Re: Response to County Auditor's Report -
Parking Management Services Contract at Port Everglades

Management Response:

- A. **Agree.** With the new PARCS, a backup activity log is automatically generated and is accessible and reviewable on demand. Procedures for the frequency of the review are being developed by Port staff and anticipate completion by end of calendar year 2020.
- B. **Agree and Partially Implemented.** The new PARCS system has yet to be fully implemented and has not been in place for a year where implemented. However, Port staff and the PARCS vendor have developed a Standard Operating Procedure ("SOP") for the Port's Information Technology Section to annually test the backup restoration procedures for the PARCS application and the respective data.

Opportunity for Improvement 7: Port Management Should Implement Procedures to periodically Review Application Logs for Discrepancies or Suspicious Activity.

Recommendation: Implement procedures to periodically review application logs for discrepancies or suspicious activity and document the review as evidence of their due diligence. Additionally, restrict the use of generic accounts when processing transactions to ensure cashier accountability.

Management Response: Agree and Partially Implemented. Since the parking lots have been closed due to COVID-19, there are no application logs to review. However, the new PARCS has been designed to log all exceptions to normal operations. A report will be generated daily and provided to Port's Finance by SP Plus for review. There are no manual entries for cash or credit card transactions, all transactions will be automatically logged in the PARCS.

Opportunity for Improvement 8: Future Port Parking Management Services Contract Should Include Additional Requirements and Controls to Address Relevant Issues Noted in This Report.

Recommendation:

- A. Require SP Plus and its subcontractors to conduct comprehensive background checks on all new employees and share all related information with Port Business Administration. Port Business Administration shall have the right to approve or disapprove all personnel based on the results of the background checks. Also, all personnel approvals and disapprovals shall be documented in writing.
- B. Ensure daily pick up cash deposits by the armored car services.
- C. Include financial penalties for failure to deliver Special CPA reports within 120 days past the fiscal year end date of September 30.

Audit of Parking Management Services Contract at Port Everglades

November 17, 2020

To: Robert Melton, County Auditor

Re: Response to County Auditor's Report -

Parking Management Services Contract at Port Everglades

- D. Require Port Business Administration's written approval for changes in shuttle service rates/costs as established in the contract.
- E. Develop and implement additional controls over the monthly unaccounted ticket reconciliation process.
- F. Require SP Plus to collect customer name and contact information to be included in customer complaint form submitted to Port Business Administration on a monthly basis. If the customer contact information cannot be provided, this should be indicated on the complaint form.

Management Response:

As indicated in the Audit report, the County and SP Plus have completed negotiations for a new Parking Management Services Contract that was approved by the Board on October 20, 2020. The new Agreement addresses the concerns raised by this Audit Report and has been reviewed by the Auditor's Office. Management appreciates the Auditor's commendation for addressing the concerns in the new Agreement.

Specifically, the new Agreement addresses each of the concerns raised as follows:

- A. **Agree.** Background checks and personnel will be managed as described in Opportunity for Improvement 2, above.
- B. **Agree and Implemented.** Armored car service will be managed as stated in Opportunity for Improvement 3, above.
- C. **Agree.** Penalties for failure to deliver Special CPA report will be managed as described in Opportunity for Improvement 4, above.
- D. **Agree.** As provided in the new Parking Management Services Contract with SP Plus, the Port's Contract Administrator will be responsible for pre-approving any changes to shuttle service rates.
- E. **Agree.** The new PARCS incorporates License Plate Recognition capabilities that will associate each ticket to a license plate. Reports will be run nightly to identify vehicles remaining in the garage. As provided in the new Parking Management Services Contract, SP Plus' procedure for unaccounted tickets will be incorporated by SP Plus into the Management and Operations Plan submitted to the Port's Contract Administrator.
- F. **Agree.** As provided in the new Parking Management Services Contract, SP Plus is required to respond on-site to patron complaints timely, and submit monthly Incident Reports accompanied by the SP Plus' resolution of any such complaints to the Port's Contract Administrator. Incident Reports must provide patron information, date, description of complaint, staff/witness, staff handling complaint, and resolution.

Audit of Parking Management Services Contract at Port Everglades

November 17, 2020

To: Robert Melton, County Auditor

Re: Response to County Auditor's Report -
Parking Management Services Contract at Port Everglades

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.

BH

c: Mayor and Board of County Commissioners
Monica Cepero, Deputy County Administrator
Kimm Campbell, Assistant County Administrator
Kevin Kelleher, Assistant County Administrator
Andrew Meyers, County Attorney
Jonathan Daniels, Chief Executive and Port Director, Port Everglades Department