

PARKS SUBCONTRACTOR

PERFORMANCE AUDIT

Exit Conference Date: January 9, 2020

Release Date: January 10, 2020

Report No. 20-03

City of Orlando Office of Audit Services and Management Support

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MEMORANDUM OF TRANSMITTAL



To: Lisa Early, Families Parks and Recreation Director

From: George J. McGowan, CPA
Director, Office of Audit Services and Management Support

Dates: Exit Conference: January 9, 2020
Release: January 10, 2020

Subject: Parks Subcontractor Performance Audit (Report No. 20-03)

The Office of Audit Services and Management Support performed an audit of the Parks Division's oversight and management of subcontractor performance. The audit objectives were to determine whether the City parks were properly maintained by the Parks Division's subcontractors.

We conducted this performance audit in accordance with the International Standards for the Professional Practice of Internal Auditing. 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.

The following report contains the issues identified during the audit, recommendations for improvement and management's replies regarding actions taken/planned to be taken with respect to the identified issues.

We appreciate the cooperation and courtesies extended by the staff of Families Parks and Recreation Department during the course of this audit.

GJM/PG

c: The Honorable Buddy Dyer, Mayor
Jody Litchford, Deputy City Attorney
Kevin J. Edmonds, Chief Administrative Officer
F. J. Flynn, Deputy Chief Administrative Officer
John Perrone, Parks Division Manager

SUMMARY OF RECOMMENDATIONS, MANAGEMENT RESPONSES AND ACTION PLAN



		MANAGEMENT RESPONSE & ACTION PLAN				
#	RECOMMENDATIONS	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
1.	Parks Division develop formal policies and procedures for the oversight and management of contractors to ensure consistency and efficiency in its operations.	X			Parks Will review and formalize our Policy and Procedures to provide more transparent information on our operations, procedurs and standards.	May 2020
2.	Parks Division enhance its current vendor oversight process to better ensure City vendors are properly performing their duties.	X			Using our newly acquired Plan IT GEO software, Parks is currently working on a procedure checklist to address items in Parks so contractors in the field can follow and complete tasks.	June 2020

		MANAGEMENT RESPONSE & ACTION PLAN				
#	RECOMMENDATIONS	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
3.	Parks Division fully enforce the contract requirements to ensure that the City is protected from any possible legal exposures.		X		Parks Division enforces the maintenance contract to better ensure that the City is protected from any legal exposure. However, we will never be able to absolve all the City's legal exposure because we are unable to control park patrons, and natural occurrences which may adversely affect conditions in the park.	Immediate Action/ Continous
4.	Parks Division develop and maintain a recordkeeping system to ensure vendor communication is properly documented and retained.	X			Record keeping will be done through e-mails, logged phone calls, and text messages that will be formatted as an e-mail then logged in the Parks Division's contract folder N: Drive under Contract Management.	Immediate Action/ Continous



ISSUES, RECOMMENDATIONS AND MANAGEMENT ACTIONS



ISSUES, RECOMMENDATIONS AND MANAGEMENT ACTIONS

BACKGROUND

The Office of Audit Services and Management Support performed an audit of the Parks Division's oversight and management of subcontractor performance. The audit objectives were to determine whether the City parks were properly maintained by the Parks Division subcontractors.

The Families Parks and Recreation Department mission is to provide safe and comfortable spaces throughout the City where citizens can enjoy green spaces, lakes, community centers and more. The Parks Division is responsible for the maintenance of ninety-one (91) public parks and/or green spaces throughout the City of Orlando.

Maintenance of City parks and green spaces is a joint effect between the Parks Division and its subcontractors. The subcontractors are tasked with providing landscaping services, as well as keeping parks free from debris, cleaning trash receptacles and restrooms, and maintaining park amenities. The Parks Division provides vendor oversight to ensure the City and its citizens are able to utilize the highest quality parks facilities.

OBJECTIVES AND SCOPE

The audit objectives were to determine whether the City's parks are properly maintained by the Parks Division subcontractors. The scope of this audit focused on the performance of the Parks Division's subcontractors and its oversight of the subcontractors. We focused on the four (4) major subcontractors that service the City parks daily.

During the review we had several discussions and ride alongs with the Parks department management team, where we gained an understanding of their day-to-day operations related to the maintenance of the City parks. We found the team to be both knowledgeable and professional.

METHODOLOGY

We reviewed a list of existing subcontractors and selected the four (4) major subcontractors that service to the parks daily. In addition, we reviewed the city's website which is used by residents to report incidents that occur in the parks.

ISSUES AND RECOMMENDATIONS

Formal policies and procedures for day-to-day oversight of contractors are needed

During this review, we requested to review the current internal policies and procedures which regulate the actions of Parks management in its oversight of subcontractor performance. We were informed that that there are no formal policies and procedures. When necessary, new employees are trained by working side-by-side with the manager responsible for subcontractor performance.

Formal policies and procedures keep the Division and its employees up-to-date with industry best practices, promotes knowledge transfer between seasoned and new employees, and enhances day-to-day operations by keeping the processes consistent and effective.

Recommendation 1

The Parks Division should develop formal policies and procedures for the oversight and management of contractors to ensure consistency and efficiency in its operations.

Management Response

Parks will review and formalize our Policy and Procedures to provide more transparent information on our operations, procedurs and standards.

Subcontractors are not maintaining the parks as specified in the contract

We visited selected City parks on two occasions to determine whether the Parks subcontractors, Crew Labor (MMG), Groundtek and Final Touch Janitorial Services, were performing their duties according to the terms specified in the executed contracts. We found that Final Touch Janitorial Service had no issues; however, we noted

that the other two subcontractors had reportable issues. At Hankins Park, which is maintained by Groundtek, we found that a shrub located in front of the recreation center was dead. Subcontractor Crew Labor had three instances where debris was present in the parks we visited (Big Tree, Beardall and Loch Haven). At Loch Haven Park a trash can was overflowing with garbage, at the Beardall Senior Center an overgrown tree blocked a traffic sign located at the entrance and two shrubs appeared to be dead.

Improperly maintained parks can cause residents to foster negative opinions about the City and the quality of its parks. This can lead to complaints and poor reviews of the City's services.

Recommendation 2

Parks Division should enhance its current vendor oversight process to better ensure City vendors understand and properly perform their duties.

Management Response

Using our newly acquired Plan IT GEO software, Parks is currently working on a procedure checklist to address items in Parks so contractors in the field can follow and complete tasks.

Contract requirements are not being enforced by Parks staff

We reviewed the requirements and specifications included in the contracts over parks maintenance and noted instances where the Parks Division did not fully enforce the contract expectations. We found that Crew Labor has never provided the Parks Division with the monthly irrigation schedules as the contract requires. In addition, the individuals responsible for overseeing this contractor did not obtain an updated list of its new employees with associated license numbers for those who operated machinery or applied herbicides, fungicides and insecticides as required by the state of Florida.

The contract requirements ensure that the subcontractors are providing the proper service to the City and residents. Those overseeing contractor performance should enforce these specifications and keep proper documentation.

Recommendation 3

Parks Division should fully enforce the contract requirements to ensure that the City is protected from any possible legal exposures.

Management Response

Parks Division enforces the maintenance contract to better ensure that the City is protected from any legal exposure. However, we will never be able to absolve all the City's legal exposure because we are unable to control park patrons, and natural occurrences which may adversely affect conditions in the park.

Some interactions between Parks staff and the contractors are not documented

We reviewed the process for vendors to report incidents at the Parks including but not limited to vandalism and graffiti. The Parks Division employees responsible for oversight stated that the vendor sends a brief text with pictures to the Parks Divisions representatives to report and document such incidents. We found that these text messages are not uploaded to a database to create a permanent record of the report. Management also noted that sometimes the texts are deleted.

In further inquiry into this area, we found that the Parks Division does not maintain documentation related to damages caused by the vendors to park property. We found three instances where the vendors MMG and Groundtek caused damage to areas in the parks. Although management confirmed that the one repair was conducted and the other two would be repaired by the vendor at their cost,

documentation of the damage and the actions planned to be taken by the vendor was not available.

An effective recordkeeping system will completely document the actions of the vendors, including details of incidents, and are necessary to limit the City's exposure to false claims. The Parks Division should ensure all vendors communications are documented for future reference.

Recommendation 4

Parks Division should develop and maintain a recordkeeping system to ensure vendor communication is properly documented and retained.

Management Response

Record keeping will be done through e-mails, logged phone calls, and text messages that will be formatted as an e-mail then logged in the Parks Division's contract folder N: Drive under Contract Management.