



BERTHA W. HENRY, County Administrator
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

DATE: May 6, 2014

TO: Mayor and Board of County Commissioners

FROM: Bertha W. Henry, County Administrator

SUBJECT: **Response to Review of Hourly Billing Rates – Gresham, Smith and Partners Contract for Consultant Services for Terminal Modernization at the Fort Lauderdale-Hollywood International Airport – Report No. 14-03**

County Administration and the Broward County Aviation Department (BCAD) have reviewed the Report/Review of Hourly Billing Rates – Gresham, Smith and Partners (GSP) Contract for Consultant Services for Terminal Modernization at the Fort Lauderdale-Hollywood International Airport (FLL) for the contract period during calendar years 2011 and 2012. The following is the management response to the findings and recommendations of the report:

County Auditor Finding 1: GSP invoiced the County \$15,781 for unallowable markup of independent contractors' costs by two of its subconsultants, representing an overbilling of 8.8% of \$178,318 in sampled invoices.

County Administration Response: Staff agrees. BCAD concurs that the markup is not allowed and has worked with the Office of the County Attorney to make the necessary changes to the contract language to clarify the allowable costs for subconsultants in the GSP Contract.

County Auditor Finding 2: 13 of 17 subconsultants to GSP did not comply with overhead and fringe benefit reporting requirements, resulting in unsupported overhead and fringe benefit billing rates.

1. Three subconsultants' overhead and fringe benefit rates listed in the contract are higher than their actual rates, which resulted in overstated multipliers and an overbilling of \$1,979 during our sample period.
2. Twelve subconsultants (including two subconsultants noted above) did not provide required support for their overhead and fringe benefit rates.

County Administration Response: Staff agrees. BCAD concurs and has obtained all of the support information required by the contract to ensure compliance with overhead and fringe benefit reporting requirements.

County Auditor Recommendations:

To address the issues raised in this report, we recommend the Board of County Commissioners direct the County Administrator to:

1. Require GSP to:
 - Remit the overbilled amounts identified in this report to the County,
 - Submit a revised Exhibit B for Tierra, Lakdas and PMCM2 reflecting their actual overhead and fringe benefit rates identified in this report,
 - Review without cost to the County all prior and subsequent invoices from Lakdas and PMCM2, and remit any additional overpayments identified to the County, and
 - Ensure that future services performed by independent contractors are billed on a reimbursement basis without markup.
2. Require BCAD to take all necessary steps to ensure that all future Exhibit B rates are supported by a FAR report that was certified by a CPA and dated within the required time period after the just completed fiscal year at the time of negotiation, or a request for a waiver has been made to and approved by the County Auditor.

County Administration Response:

Recommendation 1: BCAD has recovered the overpayment of \$7,381.51 (Lakdas) and \$34,197.54 (PMCM2) in the total amount of \$41,579.05 from GSP. Additionally, GSP has resubmitted a revised Exhibit B for Tierra, Ladkas, and PMCM2 reflecting their actual overhead and fringe benefit rates identified in this report. BCAD worked with the Office of the County Attorney to make necessary changes to the contract language to clarify allowable and unallowable markup of independent contractors' cost in GSP contract.

Recommendation 2: BCAD is taking all necessary steps to ensure that all Exhibit B rates are supported by a FAR report that complies with the contract requirements at the time of negotiation, or a request for a waiver will be made to and approved by the County Auditor.

If you have questions or wish to discuss this further, please do not hesitate to contact me.

cc: Evan Lukic, County Auditor
Joni Armstrong Coffey, County Attorney
Rob Hernandez, Deputy County Administrator
Monica Cepero, Assistant County Administrator



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MEMORANDUM

DATE: May 6, 2014

TO: Mayor and Board of County Commissioners

FROM: Bertha W. Henry, County Administrator

SUBJECT: Review of Hourly Billing Rates – The Urban Group, Inc. Consultant Services Contract for Noise Mitigation Program Assistance at the Fort Lauderdale-Hollywood International Airport Report No. 14-04

County Administration and the Broward County Aviation Department (BCAD) have reviewed the Report for Hourly Billing Rates – The Urban Group, Inc. Consultant Services Contract for Noise Mitigation Program Assistance at the Fort Lauderdale-Hollywood International Airport.

County Auditor Finding 1: TUG and five of its subconsultants billed the County \$19,662 at hourly rates in excess of the allowable contract rates.

County Auditor Finding 2: TUG's subconsultant, Creative Edge, Inc., billed for fringe benefits which were not paid by the company.

County Auditor Finding 3: TUG overbilled the County \$3,838 for unallowable markup of non-employees.

County Auditor Finding 4: Three subconsultants did not comply with the overhead and fringe benefit reporting requirements resulting in unsupported overhead and fringe benefit billing rates.

County Auditor Recommendations:

As mentioned in the executive summary, BCAD management has recovered the overbillings identified in this report and additional overbillings from prior and subsequent invoices. Therefore, we recommend the Board of County Commissioners direct the County Administrator to:

1. Require TUG to:
 - Remit the overpayments identified in our review to the County,
 - Review without cost to the County, all prior and subsequent invoices to ensure the rates billed comply with the contract, and remit any additional overpayments identified to the County,
 - Ensure that hourly rates billable to the County are the actual hourly rates paid by TUG and its subconsultants to their employees times the multiplier established in the Exhibit B of the contract, and
 - Ensure that future services performed by independent contractors and contracted staff are billed on a reimbursement basis without markup.

2. Require BCAD to take all necessary steps to ensure that all future Exhibit B rates are supported by CPA audits at the time of negotiation, or a request for a waiver has been made to and approved by the County Auditor.

County Administrator Response:

Recommendation 1: Staff agrees. BCAD is working with TUG to recover the amount identified in the sampled invoice audit, and has requested that TUG review all prior invoices and repay all amounts over the allowable amount. Additionally, BCAD has requested TUG provide additional assurances with their invoice so that the multipliers used in the fee determination comply with the contract requirements. BCAD is working with the County Attorney to clarify the contract language to ensure future services are billed appropriately.

Recommendation 2: BCAD is taking all necessary steps to ensure that all Exhibit B rates are supported by a FAR report that complies with the contract requirements at the time of negotiation, or a request for a waiver will be made to and approved by the County Auditor.

If you have questions or wish to discuss this further, please do not hesitate to contact me.

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MEMORANDUM

DATE: May 6, 2014
TO: Mayor and Board of County Commissioners
FROM: Bertha W. Henry, County Administrator
SUBJECT: Review of Hourly Billing Rates – Turner Construction Company Contract to Provide Construction Management Services for Terminal 4 Expansion Construction Contracts at the Fort Lauderdale-Hollywood International Airport - Report No. 14-05

County Administration and the Broward County Aviation Department (BCAD) have reviewed the Report of Hourly Billing Rates – Turner Construction Company Contract to Provide Construction Management Services for Terminal 4 Expansion Construction Contracts at the Fort Lauderdale-Hollywood International Airport.

County Auditor Finding 1: Turner overbilled the County \$2,215 for fringe benefits that exceeded Turner's actual cost.

County Auditor Recommendations for Finding 1:

None. Subsequent to the report, BCAD recovered \$40,669 in past overbillings related to this finding inclusive of the \$2,215 identified above and has revised hourly billing rates over the remainder of the contract.

County Auditor Finding 2: Turner did not comply with overhead and fringe benefit reporting requirements resulting in unsupported overhead and fringe benefit billing rates.

County Auditor Recommendations for Finding 2:

We recommend the Board of County Commissioners direct the County Administrator to require Turner to provide support for its overhead and fringe benefit rates.

County Administration response:

Staff agrees. BCAD continues to work with Turner relative to Finding 2 and will provide an update to the County Auditor on the final disposition of this issue.

If you have questions or wish to discuss this further, please do not hesitate to contact me.

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MEMORANDUM

DATE: May 6, 2014
TO: Mayor and Board of County Commissioners
FROM: Bertha W. Henry, County Administrator 
SUBJECT: Review of Hourly Billing Rates – Atkins North America, Inc. (f/k/a PBS&J) Consultant Services Contract for Expansion of Runway 9R/27L at the Fort Lauderdale-Hollywood International Airport
Report No. 14-06

County Administration and the Broward County Aviation Department (BCAD) have reviewed the Report of Hourly Billing Rates – Atkins North America, Inc. (f/k/a PBS&J) Consultant Services Contract for Expansion of Runway 9R/27L at the Fort Lauderdale-Hollywood International Airport.

County Auditor Finding: Atkins invoiced the County for a subconsultant's employee at an inappropriate rate resulting in an overbilling of \$1,549 in our sample period.

County Auditor Recommendation:

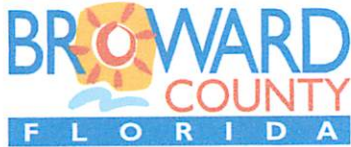
None, subsequent to our field work BCAD recovered \$8,304 in past overbillings inclusive of the \$1,549 identified above and has revised hourly billing rates over the remainder of the contract.

County Administration response:

No recommendation, no action necessary.

If you have questions or wish to discuss this further, please do not hesitate to contact me.

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MEMORANDUM

DATE: May 6, 2014

TO: Mayor and Board of County Commissioners

FROM: Bertha W. Henry, County Administrator 

SUBJECT: **Response to Review of the Review of Hourly Billing Rates – AECOM Technical Services Inc., (f/k/a DMJM Aviation, Inc.) Contract for Program Management Services for New South Runway, Terminal 4 Replacement and Enabling Projects at the Fort Lauderdale-Hollywood International Airport - Report No. 14-07**

County Administration and the Broward County Aviation Department (BCAD) have reviewed the Report for Review of Hourly Billing Rates – AECOM Technical Services, Inc. (f/k/a DMJM Aviation, Inc.) Contract for Program Management Services for New South Runway, Terminal 4 Replacement and Enabling Projects at the Fort Lauderdale-Hollywood International Airport. The following is the management response to the findings and recommendations of the report:

County Auditor Finding: DMJM overbilled the County \$3,055 in sampled invoices for one subconsultant whose multiplier increased more than the 3% permitted by the contract.

Recommendations: Remit the \$3,055 in overbilled amounts identified in this report from DMJM, require DMJM to review without cost to the County the invoices from the subconsultant during the 2nd amendment, and remit to the County any additional overpayments; and require DMJM to ensure that increases to the multipliers for the subconsultants do not exceed those permitted under the contract.

County Administration Response: Staff agrees. BCAD will work with AECOM to recover the amount identified in the sampled invoice audit, as well as to request that AECOM review all invoices from the subconsultant for the 2nd amendment period and repay all amounts over the allowable amount. Additionally, BCAD will request AECOM to provide additional assurances with their invoice that the multipliers used in the fee determination comply with the contract requirements relative to increases.

If you have questions or wish to discuss this further, please do not hesitate to contact me.

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