



Memorandum



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To: Honorable Mayor Carlos A. Gimenez
Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General

Date: September 30, 2014

Subject: Transmittal and Executive Summary of the OIG's Final Audit Report on the *Building Better Communities General Obligation Bonds Program Park and Recreational Facilities Fund – Project 89-70530, City of Homestead Mayor Roscoe Warren Municipal Park*; Ref. IG12-28

Attached please find the above-captioned final audit report issued by the Office of the Inspector General (OIG). This report presents the results of our audit of the City of Homestead's (City) use of grant funds received from Miami-Dade County's Building Better Communities (BBC) General Obligation Bonds (GOB) Program Park and Recreational Facilities Fund (Fund). The City was awarded a BBC GOB grant in an amount not to exceed \$3.509 million to convert a former landfill site into the Mayor Roscoe Warren Municipal Park (Project).

A copy of this report, as a draft, was provided to the City; the City's contractor, Resource Reclamation Services, Inc. (RRS); and to the County's Office of Management and Budget (OMB) for their discretionary written responses. Responses were received from the City and OMB and are attached to this report as Appendix A and Appendix B, respectively; no response was received from RRS. We reviewed the responses and believe that no further action is warranted. Accordingly, we consider this audit closed.

Lastly, the OIG would like to thank the City and OMB for their cooperation during this review and for making available their records and time. For reading convenience, a one-page executive summary of the report follows.

Attachment

cc: Ed Marquez, Deputy Mayor
Jennifer Moon, Director, Office of Management and Budget
Cathy Jackson, Director, Audit and Management Services Department
Charles Anderson, Commission Auditor
Jeff Porter, Mayor, City of Homestead
George Gretas, City Manager, City of Homestead
Julio A. Brea, Director, Public Works and Engineering Department, City of Homestead
Tomas Mestre, President, Resource Reclamation Services, Inc.
c/o Neal Sandberg, Esq.

EXECUTIVE SUMMARY — FINAL AUDIT REPORT Ref: IG12-28

This report presents the results of an audit by the Miami-Dade County Office of the Inspector General (OIG) of the City of Homestead's (City) use of grant funds received from the Miami-Dade County's Building Better Communities (BBC) General Obligation Bonds (GOB) Program's Park and Recreational Facilities Fund (Fund). The City of Homestead (City) was awarded a BBC GOB grant in an amount not to exceed \$3.509 million to convert a former landfill site into the Mayor Roscoe Warren Municipal Park (Project). This award was memorialized in the original grant agreement between Miami-Dade County (County) and the City, dated February 16, 2006, which was later supplemented by two grant agreements, dated December 9, 2010 and January 31, 2012, as funding cycle allocations became available.

The OIG's audit originated after we received a complaint regarding this Project. OIG investigators initially looked into this complaint but, after evaluation, the review was referred to OIG auditors. Complaint issues included that the Project was over budget due to a substantial change order; that certain planned Project elements were not installed; and that the City did not maintain [or cause to be maintained] subcontractor invoices.

As to the first two original complaint issues (that the Project was over budget and that certain amenities were not installed), the OIG found that the Project's total cost to-date is not over budget relative to the Project contractor's initial price submission, but was over-budget relative to the estimates in the grant agreements. According to City representatives, the City decided to construct the park in phases, as funding became available. The initial construction contract included 16 line items (scopes of work) for \$3.2 million. Two subsequent change orders for \$1.7 million and \$1.4 million added additional scopes of work and brought the total construction expenditures to \$6.3 million. However, amenities described in the grant agreement such as racquetball courts, soccer fields, and a canoe launch were never funded in either the initial contract or in the change orders. We recognize that the park Project, as described in the grant agreement, has not fully materialized.

The OIG has determined, however, that the full amount of the GOB grant (\$3.509 million) has been used by the City towards the project. The City also supplemented the County's grant funds with funds of its own. What the OIG has not been able to verify, however, is the reasonableness of the construction costs. The City and/or its contractor could not produce contractor and subcontractor invoices, subcontractor agreements, records of payments (e.g., cancelled checks, etc.) to subcontractors and for material costs, and other records documenting the handling and use of \$3.509 million of GOB funds. Notwithstanding the fact that a municipal park was constructed and that it is open for use by the public, the lack of records precluded the OIG from concluding that the City's use of GOB funds complied with its grant agreement and the BBC GOB Administrative Rules (Administrative Rules). In addition, because the subject construction contract—while not expressly titled as a “bid waiver”—was a non-competitive contract award, the lack of records is of particular concern to the OIG. We believe that the material changes (both in work scope and in the project team composition, i.e., retaining new and different architects) substantially modified the original Project award that resulted from a competitive design/build procurement process. As such, we believe that the contract award for the actual construction of the park (awarded in a separate contract ten years later in 2010) should have warranted a new competitive procurement. Had the 2010 contract values been established as a result of a competitive process, i.e., construction bids, the reasonableness of the Project's eventual price tag would have been objectively assessed.

Our concern is further heightened because indirect costs made up 43% of the initial \$3.2 million contract value. By Project's end (to-date), the final schedule of values (including change orders 1 and 2) shows that there was \$1.6 million of Project indirect costs. These indirect costs consisted of \$289,876 for pre-construction activities, \$425,275 for mobilization, \$478,953 for site management and construction quality assurance, \$239,477 for project management, \$33,890 for plans and design, and \$105,963 for a payment and performance bond. These indirect costs collectively made-up 25% of the total Project expenditures (totaling \$6.3 million) that were reimbursed to the contractor. We believe this is excessive.

In summary, City records should document that it was a prudent custodian and disbursing officer of GOB funds and that the process that it followed provided for price competition, transparency, and accountability in its handling and use of those funds. The OIG, through this audit, observed that the City did use GOB funds to pay for the park's construction, but, collectively, the lack of pre-and post-award records made it impossible to determine whether the City's actual costs were necessary and reasonable.

Miami-Dade County

Office of the Inspector General



Final Audit Report

**Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park**

**IG12-28
September 30, 2014**

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

I.	INTRODUCTION	1
II.	RESULTS SUMMARY	1
III.	AUDITEE RESPONSES & OIG REJOINDERS	2
IV.	TERMS USED IN THIS REPORT	8
V.	OIG JURISDICTIONAL AUTHORITY	8
VI.	BACKGROUND	9
VII.	OBJECTIVES, SCOPE AND METHODOLOGY	9
VIII.	PROJECT SUMMARY	10
	Table 1 Summary of Grant Agreements—Mayor Roscoe Warren Park	11
IX.	FINDING	12
	The City of Homestead did not maintain or cause to be maintained adequate books, records, and records documenting its handling and use of \$3 million of GOB funds.	
	Table 2 Chronology of Contract and Construction-related Activities	14
	Table 3 Summary of Contractor’s Construction Activities and Costs	17
APPENDIX A	City of Homestead Response	
APPENDIX B	Office of Management and Budget Response	
SCHEDULE 1	Schedules of Values (SOVs) Analysis	
SCHEDULE 2	Comparison of Preliminary Cost Estimate to Approved SOVs	

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

I. INTRODUCTION

This report presents the results of an audit by the Miami-Dade County Office of the Inspector General (OIG) of the City of Homestead's (City) use of grant funds received from Miami-Dade County's Building Better Communities (BBC) General Obligation Bonds (GOB) Program's Park and Recreational Facilities Fund (Fund). The City of Homestead (City) was awarded a BBC GOB grant in an amount not to exceed \$3.509 million to convert a former landfill site into the Mayor Roscoe Warren Municipal Park (Project). This award was memorialized in the original grant agreement between Miami-Dade County (County) and the City, dated February 16, 2006, which was later supplemented by two grant agreements, dated December 9, 2010 and January 31, 2012, as funding cycle allocations became available.

The OIG's audit originated after we received a complaint regarding this Project. OIG investigators initially looked into this complaint but, after evaluation, the review was referred to OIG auditors. Complaint issues included that the Project was over budget due to a substantial change order; that certain planned Project elements were not installed; and that the City did not maintain [or cause to be maintained] subcontractor invoices.

II. RESULTS SUMMARY

As to the first two original complaint issues (that the Project was over budget and that certain amenities were not installed), the OIG found that the Project's total cost to-date is not over budget relative to the Project contractor's initial price submission, but was over-budget relative to the estimates in the grant agreements. According to City representatives, the City decided to construct the park in phases, as funding became available. The initial construction contract included 16 line items (scopes of work) for \$3.2 million. Two subsequent change orders for \$1.7 million and \$1.4 million added additional scopes of work and brought the total construction expenditures to \$6.3 million. However, amenities described in the grant agreement such as racquetball courts, soccer fields, and a canoe launch were never funded in either the initial contract or in the change orders. We recognize that the park Project, as described in the grant agreement, has not fully materialized.

The OIG has determined, however, that the full amount of the GOB grant (\$3.509 million) has been used by the City towards the project. The City also supplemented the County's grant funds with funds of its own. What the OIG has not been able to verify, however, is the reasonableness of the construction costs. The City and/or its contractor could not produce contractor and subcontractor invoices, subcontractor agreements, records of payments (e.g., cancelled checks, etc.) to subcontractors and for material

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

costs, and other records documenting the handling and use of \$3 million of GOB funds. Notwithstanding the fact that a municipal park was constructed and that it is open for use by the public, the lack of records precluded the OIG from concluding that the City's use of GOB funds complied with its grant agreement and the BBC GOB Administrative Rules (Administrative Rules). In addition, because the subject contract was a non-competitive award, the lack of records is of particular concern to the OIG.

We observed that the contract was awarded to the Project contractor as a bid waiver, albeit it was not expressly called a "bid waiver." The 2010 construction contract's values did not result from a process where prices were competitively determined, in other words, prices were set via a non-competitive process. Our concern is further heightened because indirect costs made up 43% of the initial \$3.2 million contract value. By Project's end (to-date), the final schedule of values (including change orders 1 and 2) shows that there was \$1.6 million of Project indirect costs (see OIG Schedule 1). These indirect costs consisted of \$289,876 for pre-construction activities, \$425,275 for mobilization, \$478,953 for site management and construction quality assurance, \$239,477 for project management, \$33,890 for plans and design, and \$105,963 for a payment and performance bond. These indirect costs collectively made-up 25% of the total Project expenditures (totaling \$6.3 million) that were reimbursed to the contractor. We believe this is excessive.

In summary, City records should document that it was a prudent custodian and disburser of GOB funds and that the process that it followed provided for price competition, transparency, and accountability in its handling and use of those funds. The OIG, through this audit, observed that the City did use GOB funds to pay for the park's construction, but, collectively, the lack of pre-and post-award records made it impossible to determine whether the City's actual costs were necessary and reasonable.

III. AUDITEE RESPONSES AND OIG REJOINDERS

A copy of this report, as a draft, was provided to the City of Homestead (the City); the City's contractor, Resource Reclamation Services, Inc. (RRS); and to the County's Office of Management and Budget (OMB) for their discretionary written responses. The City's response is attached to this final report as Appendix A. The City's response included a cover letter and seven appendices. We have reviewed its response in full but are not attaching to this final report all of the appendices due to their size.¹ However, we have attached the City's Appendix 7, as it relates to the legal issues

¹ The City's response included a three-page cover letter and seven appendices (in total 172 pages). Appendix 1 is 88 pages containing copies of cancelled checks payable to RRS and RRS payment applications 1 – 11. These records had been previously provided to the OIG. Appendix 2 is 21 pages containing subcontractor waivers and releases of liens. These records had been previously provided to

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

raised in our report. A response was also received from OMB and it is attached to this final report as Appendix B. No response was received from RRS.

City of Homestead Response

The City responds to three issues raised by the report. The City's first issue is that the report was issued without recommendations. The City asks that, should the OIG add recommendations to the final report, that it be given the opportunity to review and comment on the recommendations, prior to the issuance of the final report.

The City's second issue deals with the OIG's finding that it did not maintain, or cause to be maintained by the contractor, adequate books and records documenting its handing and use of \$3 million of GOB funds.

The City does not dispute the fact that it should have been more insistent in demanding records, books and other documents from RRS (the Park Contractor) pursuant to Section 20.2 of the City Project specifications. Further, the City recognizes that such Contractor records are the property of the City and should have been provided to the City on a regular basis and in timely manner.

Notwithstanding, the City explains that its payments to the contractor were based on standard construction practices and documents. Moreover, the City states that while it did not require sub-contractor invoices or cancelled checks, the City ensured that appropriate releases of lien were submitted with each pay request. In addition, the City presented a pair of schedules of values (SOV) for Project construction costs. The City's design consultant prepared one SOV and the City's contractor (RRS) prepared the other. The City uses these SOVs to explain its underlying rationale for accepting certain indirect project costs that the OIG mentioned in its report (e.g., mobilization, pre-construction services, and project management). In addition, the City explains away the OIG's observation about the timing between the

the OIG. Appendix 3 is 12 pages containing a project cost estimate prepared by T.Y. Lin and an RRS (CH2M Hill) project schedule of values. These records had not been previously provided to the OIG, but, upon close examination, they do not change our observations. Appendix 4 is seven pages containing records related to the Landfill Closure project. These records had been previously provided to the OIG. Appendix 5 is six pages containing the February 2010 City Council Agenda Item related to the Mayor Roscoe Warren Municipal Park. These records had been previously provided to the OIG. Appendix 6 is 24 pages containing the Project's final punch list and a set of project design plans from 2006. These records had not been previously provided to the OIG, and again, do not change our conclusions. Appendix 7 is 11 pages containing a four-page legal opinion prepared by the City's attorney (Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.), as further described above, as well as a copy of the 2006 First Amendment to the original Landfill Closure and Redevelopment Agreement. The OIG's Rejoinder to the City's response, addresses the City Attorney's assessment.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

conclusion of landfill closure activities and the initiation of Project construction activities.

The City's third issue is with the OIG's position that it engaged in a non-competitive contracting process, i.e., a bid waiver, related to the subject Project.

The City is adamant in its position that the prime contractor responsible for building the park did not receive this contract through a bid waiver.

To defend its position, the City Attorney (Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.) prepared a multi-page document that was attached as Appendix 7 to the City's response. Their response states that the City's original intent was to complete the collective scope required for landfill closure and site redevelopment, as part of one design/build contracting action. In addition, the City Attorney contends that the resultant competitive selection process and contract that was awarded in 2000 was compliant with Florida Statutes for design/build projects [see Fla. Stats. §287.055(9)] and approved City guidelines. It is also their opinion that the subsequent multi-stage, multi-year process to complete the combined scope was consistent with the original contract's intent.

Next, the City Attorney argues that the 2006 assignment of the contract from ATC to RRS was not a bid waiver.

Furthermore, when the City entered into a contract with RRS to assume the role of prime contractor under the agreement and develop the property as a public park, this was the result of the 1999 teaming agreement between ATC and RRS. Specifically, a Teaming Agreement between ATC and RRS dated September 20, 1999 as amended by an addendum dated June 20, 2000 and by a letter dated December 17, 2003 transferred ATC's duties under the original 2000 Agreement to RRS but ATC agreed to remain as a party under the Agreement. (See Attached Agreement) The City, which had the right to reject this assignment, did not object and RRS was authorized by the City to assume this role.

To describe this arrangement as a bid waiver by the City is a mischaracterization of the process employed by the City to close and redevelop the landfill.

The City's attorney also takes issue with the OIG's comments regarding a 2009 price proposal (SOV) for the eventual site redevelopment (i.e., the construction of the Mayor Roscoe Warren Municipal Park) by stating that:

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

The [OIG's] assertion that a price proposal submitted to [sic] 2009 almost ten years after the professional consultant selection process took place somehow demonstrates a failure to adhere to a competitive process is erroneous. The Draft Report criticizes the City for the length of time from the date of the initial professional consultant selection process from the submittal of the price proposal. . . . It would not have been prudent to require the parties to submit a price proposal or lock them into prices at an earlier time given the multi-faceted aspects of this complex project, particularly after it was discovered that commercial uses would be prohibited. Simply put, the design/build process utilized by the City fully complied with applicable law, including sections of 255.20 and 287.055(9), F.S.

OIG Rejoinder

The City's first issue that it be allowed to review and comment on any OIG recommendation(s) added to its final report is moot, as the OIG makes no recommendations to the City, in its final report.

The second issue raised by the City relates to the OIG's finding that it did not maintain or cause to be maintained adequate books and records documenting its handling of GOB funds. The OIG reaffirms this finding. The City is obligated, pursuant to the grant agreement and the Administrative Rules, to have ensured that adequate records supporting Project costs were kept. This requirement is not associated with the City's processing and approval of contractor payment applications. In essence, it is an auditing requirement that ensures that a project's history (cost documentation) can be evaluated after the project is finished to account for the expenditure of public funds.

Regarding the preliminary cost estimate supplied by the City in its response to the OIG, we have carefully reviewed this document and concluded that it does not change our assessment of the Project's indirect costs.² This schedule was presumably provided to us as a rationale for accepting RRS' SOV indirect costs. The estimate, prepared by T.Y. Lin International (T.Y. Lin) one of the City's A/E consultants on this project, shows mobilization costs at \$400,000. This amounts to only 7.23% of total project's estimated construction costs.³ T.Y. Lin's cost estimate did not include such indirect cost categories such as pre-construction activities, site management, and project management. These three line items, in addition to a line item for mobilization, was proposed in RRS' SOV, which was accepted by the City. (See OIG Schedule 2 for a

² This document had not been previously provided to OIG by the City.

³ The total cost estimate was \$8,295,053.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

comparison of T.Y. Lin's cost estimate to the approved SOV.) As mentioned in our report, RRS's SOV indirect costs were approximately 43% of total project costs (original contract value) and was 25% at project's end (including two change orders). We affirm our observation that Project indirect costs were excessive.

Notwithstanding the City's defense of its park project mobilization costs, the OIG still finds this a problematic issue. Landfill closure activities were all but completed in mid-2009 and park construction activities were imminent. By this time, the City had already begun receiving GOB funds, pursuant to its initial grant agreement, dated February 16, 2006 for this project and had already agreed to contract with RRS to construct the park, pursuant to the First Amendment, dated February 15, 2006. Thus, in mid-2009, both the City and RRS knew that, in the foreseeable near future, RRS would need the much the same infrastructure, e.g., construction trailers, equipment, utility connections, etc., that were used for landfill closure that it would be using again for park construction. According to the City's response, park mobilization costs were calculated using a "general industry standard" (i.e., percentage of direct construction costs). However, importantly, we note that the transition from landfill closure to park construction was not standard because it was certainly foreseeable that the same contractor would be awarded—without competition—the subsequent project. Accordingly, we reaffirm our observations about mobilization costs in the approved schedule of values.

As to the third issue, the City argues that the 2006 First Amendment's assignment to RRS was not a bid waiver. The OIG agrees. Our position is, and has been, that the 2010 contract for the construction of Mayor Roscoe Warren Municipal Park was, in fact, a bid waiver. We reaffirm this position. The construction contract, scope of work, and make-up of the parties cannot be tied back to the design/build selection process that took place in 1999, and resulted in the contract to ATC in 2000.

The OIG does not take issue with the City's initial award in 2000 of a design/build contract to complete the collective scope required for landfill closure and site redevelopment. The OIG acknowledges in its report that the original agreement resulted from a competitive professional consultant selection process.

As for the 2006 First Amendment, the OIG does not take issue with the City's assignment of the contract from ATC to RRS. We do, however, note the while the landfill closure scope was unchanged, the intended redevelopment scope changed from being a mixed-use commercial redevelopment and construction project that would generate employment opportunities and revenues for the City mostly paid for by private funds into a public redevelopment and construction project of a municipal park paid for by public funds. But, the change in future end-use does not invalidate—or call into question—the 2006 amendment. That is because, the 2006 amendment did not

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

commit the contractor, RRS, to a scope of work or price proposal for a yet to be designed project—a new park. It only committed RRS to the immediate project (the engineering design and construction closure of the landfill). While there was talk of a future park to be built on that land, RRS was not contractually committed to building it. The First Amendment only highlighted how the City thought it might be accomplished in the future.

Resource shall serve as the engineering and construction team, for the remediation of the site, and shall have the responsibility of ... designing and implementing Landfill Closure on a design-build basis ... Resource hereby agrees to provide for all necessary engineering services that may be required for Landfill Closure ... It is specifically contemplated that the City will enter into a contract with Resource for the construction of the Park ... with a design firm of the City's choosing. (OIG emphasis)

RRS may have remained the prime contractor both for the landfill closure and park construction, but the original unified work scope was bifurcated into two distinct scopes. One was the original design/build scope related to landfill closure; the other was the new construction for the park, which was to be designed by “design firm of the City’s choosing.” The Mayor Roscoe Warren Municipal Park Project was now a distinct project not tied back to the design/build selection process of 1999-2000. While RRS was still the “design/build” contractor for landfill closure, it would be in the future, only the “build” contractor for the park. The “design” portion of this work scope, now under a separate contract, would be given to a third party that was not a member of the landfill closure design/build team.

In summary, the design/build site development (in conjunction with landfill closure) originally contemplated under one contract with one design/build firm, had been transformed. The transformed contract would incorporate the “old” contract scope and contract team for landfill closure. However, a “new” contract scope and a new team comprised of two distinct entities—(1) the “old” construction contractor and (2) a “new” design consultant—would be needed to complete the new site redevelopment scope that was to become the Mayor Roscoe Warren Municipal Park. Clearly, the City’s requiring a new work scope and new team comprised a substantial modification to the original contract and, as such, warranted a new competitive procurement. Therefore, the City’s election to give a contract to RRS for construction services absent a competitive process was, in fact, a bid waiver, even if it was not called a bid waiver.

Lastly, it is the absence of a competitive bid process that the OIG is concerned with. Given the deficiency of contractor records documenting actual project costs, the presence of price competition would have at least provided some gauge that the construction costs involved for this Project were reasonable.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

OMB Response

OMB states that it has reviewed the report and agrees with the findings and that it will continue to improve upon the administration of the GOB program.

OIG Rejoinder

The OIG appreciates OMB's timely response to our report. The OIG recognizes the efforts made by OMB to improve its administration of the GOB Program.

IV. TERMS USED IN THIS REPORT

BBC	Building Better Communities
BCC	Board of County Commissioners
City	City of Homestead
County	Miami-Dade County
Exhibit 1	Project Budget and Description attached to the grant agreement
Fund	Park and Recreational Facilities Fund
GOB	General Obligation Bonds
OIG	Office of the Inspector General
OMB	Office of Management and Budget
Project	Mayor Roscoe Warren Municipal Park (Project No. 89-70530)
SOV	Schedule of Values

V. OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions; conduct reviews and audits of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

In accordance with the BBC Administrative Rules, grant recipients are notified that the County, or any of its authorized representatives, shall have the right to access any pertinent books, documents, papers or other records to conduct such audits. Specifically, the Administrative Rules identify the OIG as an authorized authority to conduct audits and reviews of these grants, request records for copying and inspection, and report on the performance of the grantee.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

VI. BACKGROUND

The BBC GOB Park and Recreational Facilities Fund was authorized by the Board of County Commissioners (BCC) in 2004, pursuant to Resolution No. 913-04, in an amount not to exceed \$680.258 million. From this Fund, grants were awarded to various municipalities and unincorporated municipal service areas for the construction or improvement of park and recreational facilities. This resolution was one of eight companion resolutions authorizing special elections for the issuance of bonds that collectively totaled \$2.9 billion and is known as the Building Better Communities General Obligation Bond Fund.⁴ On November 2, 2004, the electorate of Miami-Dade County approved all eight of the proposed components of the BBC program.

VII. OBJECTIVES, SCOPE AND METHODOLOGY

We evaluated whether GOB Funds were expended in accordance with the terms and requirements of the grant agreements and the accompanying Administrative Rules; whether GOB Funds were used for the purpose intended; and whether the County/public got the value of what the GOB Funds were intended. We also evaluated whether supporting documentation for reimbursement requests was submitted and reviewed in accordance with grant agreement terms and BBC GOB Administrative Rules.

The audit scope encompasses the period beginning July 2004 through June 2012, which includes the award of funds, the execution of the grant agreements, the usage/reimbursement of funds, and the completion and closeout of the Project.

We reviewed grant records maintained by the County including, but not limited to, the City's reimbursement request submittal packages, County resolutions, GOB Administrative Rules and the grant agreement. In addition, we traveled to the City to review records that it maintained for the Project.

OIG investigators conducted a site visit to the Project's location as part of this GOB review.⁵ The visit included a visual inspection of the park and its amenities. In addition, as part of an earlier audit of a related project (a landfill closure grant) at this site, OIG auditors had been on site and observed work-in-progress on the park project. Overall, we observed that a park had been constructed on the site; however, amenities

⁴ The eight companion resolutions are: R-912-04; R-913-04; R-914-04; R-915-04; R-916-04; R-917-04; R-918-04; and R-919-04.

⁵ OIG auditors used reports and documentation compiled by OIG investigators who originally opened this case.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

described in the grant agreement as Phase 1 deliverables, such as a racquetball and tennis complex, canoe launch, and grills, had not been constructed.

This audit was conducted in accordance with the Principles and Standards for Offices of Inspector General promulgated by the Association of Inspectors General. The AIG Principles and Standard are in conformity with the Government Auditing Standards issued by the Comptroller General of the United States (December 2011 Revision).

VIII. PROJECT SUMMARY

The City received a total grant award not to exceed the amount of \$3.509 million, from the Park and Recreational Facilities Fund, to convert a former landfill site⁶ into a municipal park to serve the Homestead community. The \$3.509 million of GOB funds was released in funding cycle allocations, in the amounts of \$400,000, \$625,000, and \$2.484 million, respectively. These funding cycle allocations were documented by three separate grant agreements between the County and the City.

Each grant agreement contained a two-page Exhibit 1. In each of the three Exhibit 1s, the section entitled *Overall Project Narrative/Description* reads the same. Likewise, the section entitled *GOB Total Funding Allocation Narrative/Description* is also the same on each of the three Exhibit 1s. They all describe a Phase 1 and a Phase 2 of the Project.

Phase 1 of the park design calls for multiple outdoor pavilions, shade structures, tot-lot (2-5) playground, playground (5-12), basketball, racquetball and tennis complex, dog park, canoe launch, benches, picnic tables, waste cans, grills, fencing, entrance features, signage, irrigation, landscaping, potable water, sanitation and parking facilities.

Phase 2, which focuses on redevelopment of the closed landfill, will include a two-story looking house/community building, maintenance facilities, four soccer fields, lighting, additional benches, picnic tables, waste cans, bleacher seating, fencing, irrigation, landscaping, lighted parking and stormwater treatment.

⁶ The closure of the landfill was funded by a \$7.5 million County grant that was administered by the County's Department of Public Works and Waste Management. The OIG's audit report of the landfill grants, which included this site, was issued in February 2012 and can be accessed at <http://www.miamidadeig.org/Reports2012/IG10.53finalLandfill.pdf>. The contractor that undertook the landfill closure, Resource Reclamation Services, Inc., is the same contractor used by the City to construct the park on the site. The main audit finding pertaining to the Homestead Landfill Grant was also the absence of records to verify construction costs.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

However, each grant agreement’s Exhibit 1 contained a unique description of the specific uses for that particular funding allocation. Table 1, on the next page, restates each grant’s allocation and usages.

Table 1 Summary of Grant Agreements – Mayor Roscoe Warren Park

Agreement No.	Agreement Date	GOB Funding Allocation Amount	GOB Funding Source	Grant Agreement Exhibit 1 GOB Funding Allocation/Description
1	Feb. 16, 2006	\$400,000	Series 2005 A Bonds	GOB funds will pay for pre-design, planning, and preliminary engineering (\$238,000), design (\$137,000), dry run permit (\$10,000), and partial construction (\$15,000).
2	Dec. 9, 2010	\$625,000	Series 2008 B Bonds	GOB funding will complete the design and begin construction of Phase I of the project.
3	Jan. 31, 2012	\$2,484,000	Series 2011 A Bonds	GOB funding will complete the construction of Phase I of the project.
Total		\$3,509,000		

Total Project expenses, as depicted on all three of the Exhibit 1s, were estimated at \$3,902,000 (with \$3,509,000 coming from GOB funds and \$393,000 coming from contributions obtained by the City from local developers⁷). GOB funds were further supplemented from a County grant of \$109,487 from the Safe Neighborhood Program. In addition, approximately \$3.540 million in City funds from impact fees, land and water, enterprise and general funds was applied towards the Project. Project costs totaled approximately \$7.570 million, which is significantly higher than the estimate depicted in the grant agreements.

GOB funds in the amount of \$3.509 million were ultimately disbursed to the City for this Project, and the GOB Project was officially closed in June 2012.

⁷ Ultimately, however, City records show that the actual contributions from local developers totaled \$412,000.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

IX. FINDING: The City of Homestead did not maintain or cause to be maintained adequate books, records, and records documenting its handling and use of \$3 million of GOB funds.

The OIG found that that the City and/or its contractor did not have contractor and subcontractor invoices, subcontractor agreements, records of payments (e.g., cancelled checks, etc.) to subcontractors and for material costs, and other records documenting the handling and use of \$3 million of GOB funds. Notwithstanding that a park was constructed and it is open for public use, the lack of records precluded the OIG from concluding that the City's use of GOB funds complied with its grant agreement and the BBC GOB Administrative Rules. While the grant agreement and Administrative Rules may have allowed for the payment of contractor invoices based upon an agreed upon schedule of values (SOV), the requirement for auditable records is not alleviated by the format in which payment is requested or approved. Moreover, because the subject construction contract with RRS was a non-competitive award, the lack of records is of particular concern to the OIG.

These records (vouchers, bills, sub-contractor invoices, delivery tickets, receipts and canceled checks) are necessary components of an audit trail that would have allowed verification that grant funds were used, as authorized by the grant agreement and the Administrative Rules. Generating and/or acquiring these types of records for a construction project of this size (over \$6 million) is a standard practice. Lastly, examination of these records would have allowed comparison for costs incurred for actual work performed versus grant funds disbursed, which then would have allowed for an assessment on the reasonableness of the prices established under the agreed upon schedule of values.

We note that Section 6 of the City's BBC GOB grant agreement(s) require that:

The Municipality shall maintain adequate records to justify all charges, expenses, and costs incurred which represent the funded portion of the Project for at least three (3) years after completion of the Project. The County shall have access to all books, records, and documents as required in this section for the purpose of inspection or auditing during normal business hours...

The provisions in this Section shall apply to the Municipality, its contractors and their respective officers, agents and employees. The Municipality shall incorporate the provisions in this Section in all contracts and all other agreements executed by its contractors in connection with the performance of this Agreement. (OIG emphasis)

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

In spite of this requirement, the City did not obtain nor did it take steps to ensure that it or the contractor maintained adequate records. The City informed the OIG that it did not receive, did not request, and did not review contractor and subcontractor invoices, receipts for materials, or payment history documentation. The City referred us to the contractor, in an attempt to obtain these records.

Thereafter, the OIG contacted the Project contractor, RRS, to obtain these records. The Project contractor directed us to contact its legal counsel. Initially, the contractor's counsel informed the OIG that all records for the Project were previously provided to OIG.⁸ Upon, assurances from the OIG that records for this Project were not previously provided, contractor's counsel became non-responsive to further OIG's requests for records.

Additionally, we note that Section 20.2 of the City's contract with RRS for the park's construction states that:

All records, books, documents, maps, data, deliverables, papers (the "Records") that result from the Contractor providing the Work to the City under this Contract shall be the property of the City. (OIG emphasis)

Notwithstanding the record retention requirements in the County's BBC GOB agreement with the City and the City's requirement in its construction contract with RRS, the City was unable to provide us with the required records. It is particularly disturbing that the City—the recipient of many similar grants from other local, state, and federal jurisdictions, all with similar records retention requirements—would administer this particular grant in a such a manner. The fact that GOB funds paid for the construction of a municipal park on the site is insufficient justification for the unacceptable recordkeeping. There is no reason why the City and its contractor could not have maintained records and/or made such records available for our review. These records would have documented their handling and use of GOB funds and would have ensured that there was recorded transparency and accountability for the use of those funds. The City, as a prudent and responsible custodian of public funds, had an obligation to meet this standard; and, as a public entity itself, this standard should have been paramount.

Our concern over the lack of records is, in large part, based upon this Project's origination, early history, and the fact that the construction contract with RRS was a non-competitive award. The chronology, on the next page, sets forth the relevant events associated with the City's contract award to RRS.

⁸ In 2011, during the OIG's audit of the landfill closure (see footnote 3), RRS' legal counsel provided some documentation to the OIG pursuant to audit fieldwork requests; however, none of those documents pertain to this Project.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

Table 2 Chronology of Contract and Construction-related Activities

DATE	CONTRACT	WORK SCOPE	AMOUNT	OIG COMMENTS
May 2000	Landfill Closure & Redevelopment Agreement between City of Homestead and ATC, with RRS as a named subcontractor.	Phase I-secure closure funding Phase IIA-professional engineering services Phase IIB-field closure Phase III-secure redevelopment funding Phase IV-implement commercial redevelopment plan	\$315,000 Phase IIA	Contract award resulted from a competitive professional consultant selection process that was qualifications-based, not price-based.
Feb. 2006	First Amendment to Landfill Closure & Redevelopment Agreement	Modify site plan for commercial redevelopment into site plan for public park development	N/A	Remove ATC as team member and prime contractor; designate RRS as prime contractor; scope change; no associated price
Oct. 2009	RRS proposed Schedule of Values of site plan for development of a public park	32 direct and indirect cost elements (items), including contingency	\$9,463,457	Master list of all items with budget amounts, associated with constructing the park.
Feb. 2010	Contract between City of Homestead and RRS for constructing the park	16 direct and indirect items	\$3,216,367	Includes 5 indirect items, totaling about \$1.4 million or 43% of total contract value
Oct. 2010	Change Order 1	Added 5 direct items plus contingency (total 6 items) plus added funding to 2 of the previous 16 items	\$1,691,208	Includes added funding to 1 indirect item, totaling about \$25,000 or 1.5% of change order value
March 2011	Change Order 2	Added 1 indirect and 2 direct items (total 3 items) plus added funding to 10 of the previous 22 (16+6) items	\$1,390,018	Includes new indirect Item not on original SOV and funding plus added funding to 2 previous indirect items, totaling about \$156,000 or 11% of change order value

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

The Project (albeit in a different form) began when the City entered into a Landfill Closure and Redevelopment Agreement, dated May 16, 2000, with ATC Associates Inc. (ATC). The contract award resulted from a competitive professional consultants selection process. This contract itself, while describing the total scope of work planned in five phases, only provided the fee structure for Phase IIA – initial professional engineering and consulting services. ATC had submitted a lump sum fee proposal of \$315,000, which was accepted by the City. ATC was the prime contractor and RRS was a listed subcontractor.

Later, a First Amendment to this agreement, dated February 15, 2006, removed ATC from the agreement entirely and assigned the scope of the landfill closure and site redevelopment work solely to RRS, in its new capacity as prime contractor. The 2006 amendment also brought about one material change to the original contract scope of work. While the landfill closure scope was unchanged, the redevelopment scope changed from being a mixed-use commercial redevelopment and construction project that would generate employment opportunities and revenues for the City mostly paid for by private funds into a public redevelopment and construction project of a municipal park paid for by public funds.

The final scope of work included all the work necessary for 1) the landfill closure that later would be, in part, paid for by a \$7.5 million County grant (see footnote 3), and 2) the construction of the Mayor Roscoe Warren Municipal Park, i.e., the Project subject to this report. Included in the 2006 amendment was Section 3(f) that states, in part:

It is specifically contemplated that the City will enter into a contract with Resource [RRS] for construction of a park or similar use of the property as a public open space.

In October 2009, RRS presented the City with a comprehensive Project *Schedule of Values* (SOV). This proposed SOV listed 32 line items and their associated costs. The SOV contained both direct cost items, such as tennis courts, trees, and lighting; and indirect costs, such as mobilization, site management, and performance bond; plus a contingency allowance, collectively totaling \$9,463,457.

On February 16, 2010, the City and RRS entered into a contract for the construction of the Mayor Roscoe Warren Municipal Park - Phase One on the former landfill site. The construction contract value was \$3,216,367. The contract amount was derived from 16 items included in the earlier submitted proposed SOV.⁹

⁹ Five out of sixteen items were for indirect costs. These indirect costs amounted to \$1,391,910 (or 43% of the contracted amount).

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

According to City representatives, change orders were later approved in order to add scopes of work (i.e., line items), as funding became available. In October 2010, a change order was approved for \$1,691,208 that added six new line items, including a contingency allowance, and added funding to two pre-existing items. In March 2011, a second change order was approved for \$1,390,018 that added three new line items and funding to various pre-existing items. Collectively, the contract now covered 25 items totaling \$6,297,593. (See OIG Schedule 1 for the original proposed SOV, contract items, and items associated with change orders 1 and 2).

We observed that the contract was awarded to RRS as a bid waiver. While not expressly titled as a bid waiver, it was, in fact, a non-competitive award of a construction contract and, as such, a bid waiver. Notwithstanding the City making references to RRS' prior association with the 2000 Landfill Closure and Development Agreement, the OIG does not believe that those ties excuse the City from conducting a competitive procurement process for the improvement of public lands, as required by Florida Statutes.¹⁰ For one, the 2006 amendment modified the site's development from a commercial project with private funding to a public park utilizing public funds. Second, the price proposal was submitted in 2009—almost ten years after the professional consultants selection process (i.e., not price dependent) took place. The resulting 2010 contract for the park was a new construction project, which bore no resemblance—in scope or in contracted parties (construction and A&E services)—to the 2000 Development Agreement. (See OIG Rejoinder, pages 6-7.)

The 2010 contract values that were approved did not result from a process where prices were competitively determined. Importantly, given the absence of any pre-award price competition, we also observed that the contract was awarded without any pre-award price analysis of the proposed SOV amounts. A price analysis is a process that compares the proposed prices with known indicators of reasonableness, such as in-house estimates, industry standards, or previous prices paid for similar work.¹¹

Our concern over the lack of records is further heightened because of certain SOV line items and their values. For instance, the final SOV (including change orders 1 and 2) shows that there was \$1,573,434 of Project indirect costs (see Schedule 1). These indirect costs consisted of \$289,876 for pre-construction activities, \$425,275 for mobilization, \$478,953 for site management/CQA¹², \$239,477 for project management, \$33,890 for plans and design, and \$105,963 for a payment a performance bond. These indirect costs made-up 25% of the total Project expenditures (totaling \$6.297 million) that were reimbursed to the contractor. (See Table 3, on the next page.)

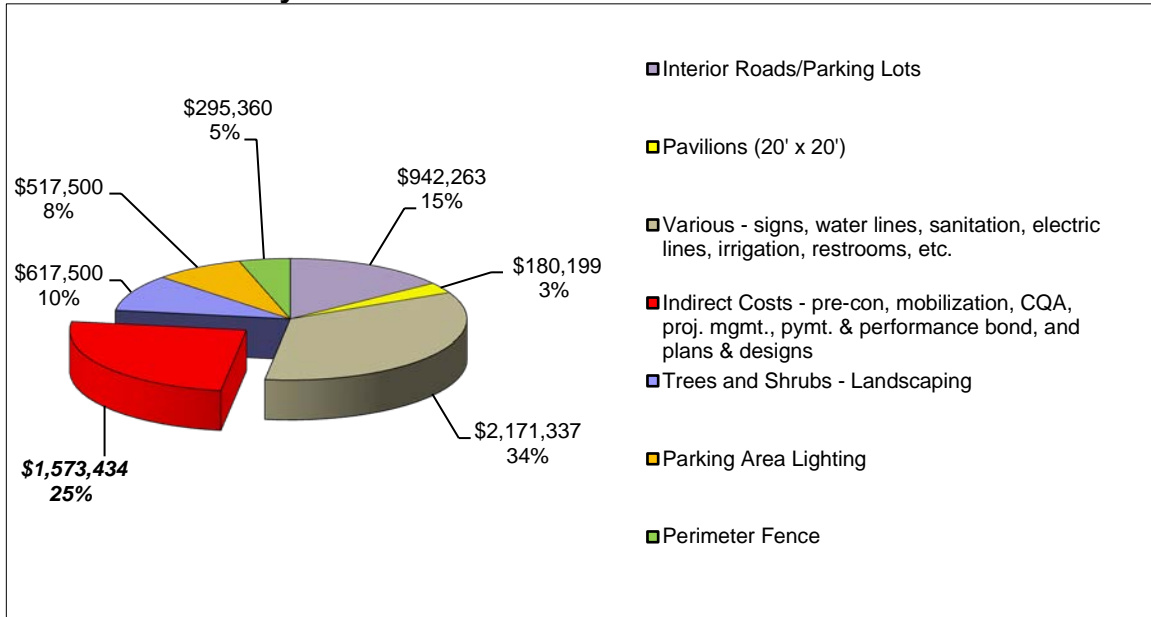
¹⁰ See Florida Statutes Section 255.20

¹¹ In its response to the draft report, the City provided a preliminary cost estimate prepared by one of its A/E consultants. This estimate had not been previously furnished to the OIG. (See OIG Rejoinder, page 5 and footnote 2.)

¹² Acronym for construction quality assurance.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

Table 3 Summary of Contractor’s Construction Activities and Costs



The OIG makes observations that question the reasonableness of some of these costs. For example, in its initial proposed SOV (total amount approximately \$9.5 million), the line item cost for the Payment and Performance Bond (Bond) was \$105,963. When the contract was initially approved in February 2010, the cost for the Bond stayed the same even though the contract was only one-third the size and value (in construction activities) as originally proposed. We also question why there is both \$400,000 for Mobilization and \$289,876 for Pre-construction Activities. The two items—on their face—seem the same. Moreover, the OIG questions why any funds were paid for mobilization when the contractor was already on site. As earlier mentioned, RRS was the contractor for the landfill closure project. At the time the initial SOV proposal was presented, RRS was completing its work on the landfill closure. RRS knew that it would be awarded a new contract for the park’s construction. The fact that the City agreed to these costs is of concern to the OIG. (See OIG Rejoinder page 5.)

The final percentage of indirect costs to total contract expenditures was 25%. However, the percentage only dropped to 25% due to the addition of \$3.1 million in change order costs. As change orders, there was no guarantee that these additional scopes of work would have been added. Initially, the percentage of indirect costs was actually 43% of the approved contract’s value. While 43% would have been outrageous, the final percentage of 25% is still, we believe, excessive.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

We note that a not to exceed grant imposes a responsibility on the grantee to exercise its best efforts to ensure the propriety and reasonableness of grant expenditures. In the subject instance, one way to have accomplished this objective, in the absence of price competition, was to have taken steps—prior to contract award—such as performing some form of price analysis, as we mentioned earlier. Another way would have been, after award and during performance, the review of contractor Project cost records.

For example, contractor/subcontractor invoices for those vendors that performed the actual Project closure and remediation work would have illustrated the actual cost of the work performed on the Project versus the amount of the GOB funds paid out to the contractor. The Project cost payment history from the contractor would have been an important record to verify that sound cash management practices were used. This payment history would have also allowed auditors to perform analyses to verify that the firms that ultimately received these funds spent them properly, and to test for possible misappropriation of monies.

Contractor/subcontractor invoices, receipts for materials used for construction, and payment histories could also be used to assess the reasonableness of the contractor's overhead and profit margins. Additionally, examination of these records would allow comparison of costs incurred for actual work performed versus grant funds disbursed and allow for an assessment on the reasonableness of the prices established under the agreed upon SOV. As noted earlier, these records may not be necessary to process contractor payments, but they are necessary to establish the propriety and reasonableness of project costs and contractor expenditures.

In summary, the City should have been more diligent in creating or in causing a paper trail to be created that shows that Project costs and/or expenditures paid for with GOB funds, were reasonable and necessary. When asked, the City (and its contractor) should have been able to provide records, such as pre-award price negotiations, contracts, invoices, and receipts for those items or services paid for with GOB funds. Incomplete records impaired our (or any other auditor's) ability to identify areas of weakness or vulnerability to fraud, waste, or abuse of taxpayer funds. These records could have also provided the County and the City with valuable information in a post-completion assessment of the reasonableness of the project cost budget and as a benchmark for future park construction and improvement projects. In short, City records should document that it was a prudent custodian and disbursing officer of GOB funds and that the process that it followed provided for price competition, transparency, and accountability in its handling and use of GOB funds.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
OIG FINAL AUDIT REPORT
Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
City of Homestead Mayor Roscoe Warren Municipal Park

The OIG hopes that this report's observations and procurement analysis will provide insight into grant administration issues, where, we believe, opportunities exist to improve grantee contracting processes and record keeping responsibilities so that all entities involved in the administration of GOB funds may be more responsible stewards of public funds.

* * * * *

The OIG would like to thank OMB personnel for making themselves and their records available to us in a timely manner and for the courtesies extended to the OIG during the course of this review. The OIG would also like to thank the City of Homestead for their courtesies and facility access extended to OIG auditors.

Miami-Dade County
Office of the Inspector General



Schedule 1

Schedule of Values Analysis

**Audit of the Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
Mayor Roscoe Warren Municipal Park**

IG12-28

**Office of the Inspector General
Schedule 1
Mayor Roscoe Warren Municipal Park
Schedule of Values Analysis
IG12-28**

Description	Proposed Schedule of Values (SOV)	Original Contract SOV	Change Order 1 SOV	Change Order 2 SOV	Combined Contract and Change Orders Actual Expenditures	Combined Contract and Change Orders as % of Proposed SOV
Payment & Performance Bond	\$105,963	\$105,963	\$0	\$0	\$105,963	100%
Pre-Construction Activities	\$289,876	\$289,876	\$0	\$0	\$289,876	100%
Mobilization	\$531,594	\$400,000	\$25,275	\$0	\$425,275	80%
Site Management & COA	\$752,484	\$397,381	\$0	\$81,572	\$478,953	64%
Project Management	\$376,232	\$198,690	\$0	\$40,787	\$239,477	64%
Plans and Design	\$0	\$0	\$0	\$33,890	\$33,890	N/A
Interior Roads/Parking Lots	\$350,772	\$350,772	\$0	\$591,491	\$942,263	269%
Entryway/Palm Drive	\$112,332	\$112,332	\$0	\$0	\$112,332	100%
Sidewalks	\$145,096	\$145,096	\$0	\$44,569	\$189,665	131%
Markings/Signs/Bumpers	\$17,552	\$17,552	\$0	\$16,615	\$34,167	195%
Electric Lines	\$72,548	\$72,548	\$0	\$0	\$72,548	100%
Pavilions (20' x 20')	\$180,199	\$180,199	\$0	\$0	\$180,199	100%
Irrigation	\$468,050	\$347,569	\$120,481	\$0	\$468,050	100%
Entry Towers	\$64,056	\$64,056	\$0	\$0	\$64,056	100%
Perimeter Fence	\$295,360	\$295,360	\$0	\$0	\$295,360	100%
Stormwater Retention	\$204,748	\$204,748	\$0	\$0	\$204,748	100%
Removal of Unsuitable Materials	\$34,225	\$34,225	\$0	\$0	\$34,225	100%
Water lines	\$176,689	\$0	\$176,689	\$18,462	\$195,151	110%
Sewer Lines/Manholes	\$83,079	\$0	\$83,079	\$9,646	\$92,725	112%
Sanitary Pump Station	\$245,000	\$0	\$245,000	\$0	\$245,000	100%
Trees and Shrubs - Landscaping	\$724,044	\$0	\$495,000	\$122,500	\$617,500	85%
Parking Area Lighting	\$585,063	\$0	\$250,000	\$267,500	\$517,500	88%
Contingency	\$364,283	\$0	\$295,684	\$56,457	\$352,141	97%
Restroom Slab/Rough-in Construction	\$175,519	\$0	\$0	\$79,897	\$79,897	46%
Restroom MEP Construction Finishes	\$58,506	\$0	\$0	\$26,632	\$26,632	46%
Racquetball Courts	\$113,502	\$0	\$0	\$0	\$0	0%
Sand Volleyball Courts	\$54,996	\$0	\$0	\$0	\$0	0%
Tennis Courts	\$122,863	\$0	\$0	\$0	\$0	0%
Soccer Fields	\$435,287	\$0	\$0	\$0	\$0	0%
Pavilions (40' x 40')	\$82,500	\$0	\$0	\$0	\$0	0%
Athletic Field Lighting	\$1,690,245	\$0	\$0	\$0	\$0	0%
Switchgear	\$500,814	\$0	\$0	\$0	\$0	0%
Equipment O&M Manual	\$50,000	\$0	\$0	\$0	\$0	0%
Totals	\$9,463,477	\$3,216,367	\$1,691,208	\$1,390,018	\$6,297,593	67%
Total Indirect Costs as % Total	\$2,056,149	\$1,391,910	\$25,275	\$156,249	\$1,573,434	77%
%	22%	43%	1%	11%	25%	

Miami-Dade County
Office of the Inspector General



Schedule 2

Comparison of Preliminary Cost Estimate to Approved SOVs

**Audit of the Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
Mayor Roscoe Warren Municipal Park**

IG12-28

Office of the Inspector General
Schedule 2
Mayor Roscoe Warren Municipal Park
Comparison of Preliminary Cost Estimate to Approved SOVs
IG12-28

Description	T.Y. Lin Estimate ¹ (as of July 2009)	Baseline RRS SOV (as of Oct. 2009)	Baseline SOV Greater (Less) Than Lin Estimate	Actual Expenditures Pursuant to Later Approved SOVs (labeled as Phases 1A & 1B)	Unexpended Overexpended SOV (Baseline SOV - Actual)
Pre-construction/Site Preparation					
Mobilization	\$600,000	\$531,594	(\$68,406)	\$425,275	\$106,319
Clear & Grub	\$59,250	\$0	(\$59,250)	\$0	\$0
Erosion Control	\$15,900	\$0	(\$15,900)	\$0	\$0
Embankment	\$40,000	\$0	(\$40,000)	\$0	\$0
Subtotal--Pre-construction/Site Preparation	\$715,150	\$531,594	(\$183,556)	\$425,275	\$106,319
Asphalt Paving					
Interior Roads/Parking Lots and Entryway	\$288,800	\$463,104	\$174,304	\$1,054,595	(\$591,491)
Sidewalks	\$294,385	\$145,096	(\$149,289)	\$189,665	(\$44,569)
Marking/Signs/Bumpers	\$11,225	\$17,552	\$6,327	\$34,167	(\$16,615)
Subtotal--Asphalt Paving	\$594,410	\$625,752	\$31,342	\$1,278,427	(\$652,675)
Utilities					
Water Lines	\$162,100	\$176,689	\$14,589	\$195,151	(\$18,462)
Sewer Lines and Manholes	\$91,040	\$83,079	(\$7,961)	\$92,725	(\$9,646)
Electric Lines (see Lighting)	\$0	\$72,548	\$72,548	\$72,548	\$0
Sanitary Pump Station	\$300,000	\$245,000	(\$55,000)	\$245,000	\$0
Subtotal--Utilities	\$553,140	\$577,316	\$24,176	\$605,424	(\$28,108)
Athletic Courts					
Basketball Courts (2)	\$75,000	\$0	(\$75,000)	\$0	\$0
Racquetball Courts (2)	\$120,000	\$113,502	(\$6,498)	\$0	\$113,502
Sand Volleyball Courts	\$40,000	\$54,996	\$14,996	\$0	\$54,996
Tennis Courts (4)	\$120,000	\$122,863	\$2,863	\$0	\$122,863
Soccer Field (remove exist, new sand bed, & Bermuda sod)	\$400,000	\$435,287	\$35,287	\$0	\$435,287
Subtotal--Athletic Courts	\$755,000	\$726,648	(\$28,352)	\$0	\$726,648
Park Stations					
Playground	\$78,000	\$0	(\$78,000)	\$0	\$0
Fitness Trail Components	\$50,000	\$0	(\$50,000)	\$0	\$0
Dog Park Components	\$100,000	\$0	(\$100,000)	\$0	\$0
Subtotal--Park Stations	\$228,000	\$0	(\$228,000)	\$0	\$0
Restrooms					
Restroom Buildings (2)	\$224,000	\$234,025	\$10,025	\$106,529	\$127,496
Subtotal--Restrooms	\$224,000	\$234,025	\$10,025	\$106,529	\$127,496
Pavillions					
Storage Bins	\$14,000	\$0	(\$14,000)	\$0	\$0
40' x 40' Pavillion (1)	\$88,000	\$82,500	(\$5,500)	\$0	\$82,500
20' x 20' Pavillions (7)	\$154,000	\$180,199	\$26,199	\$180,199	\$0
Subtotal--Pavillions	\$256,000	\$262,699	\$6,699	\$180,199	\$82,500
Landscaping and Irrigation					
Trees and Shrubs	\$600,000	\$724,044	\$124,044	\$617,500	\$106,544
Bahia Sod	\$208,000	\$0	(\$208,000)	\$0	\$0
Irrigation	\$420,000	\$468,050	\$48,050	\$468,050	\$0
Subtotal--Landscaping and Irrigation	\$1,228,000	\$1,192,094	(\$35,906)	\$1,085,550	\$106,544
Site Lighting/Site Electrical					
Athletic Fields	\$1,529,390	\$1,690,245	\$160,855	\$0	\$1,690,245
Parking Areas	\$918,620	\$585,063	(\$333,557)	\$517,500	\$67,563
Switchgear	\$102,000	\$500,814	\$398,814	\$0	\$500,814
Subtotal--Site Lighting/Site Electrical	\$2,550,010	\$2,776,122	\$226,112	\$517,500	\$2,258,622
Entry Feature/Fencing					
Entrance Feature	\$60,000	\$64,056	\$4,056	\$64,056	\$0
Fence Columns	\$215,000	\$0	(\$215,000)	\$0	\$0
Perimeter Fencing	\$266,500	\$295,360	\$28,860	\$295,360	\$0
Subtotal--Entry Feature/Fencing	\$541,500	\$359,416	(\$182,084)	\$359,416	\$0
Construction Total	\$7,645,210	\$7,285,666	(\$359,544)	\$4,558,320	\$2,727,346
Traffic Control (1%) ²	\$76,452	\$0	(\$76,452)	\$0	\$0
Contingency (Lin--7.5%; RRS--5%) ²	\$573,391	\$364,283	(\$209,108)	\$352,141	\$12,142
Grand Total--T.Y. Lin Estimate	\$8,295,053	\$7,649,949	(\$645,104)	\$4,910,461	\$2,739,488
RRS SOV Added Items					
Permits/Plans/Design	\$0	\$0	\$0	\$33,890	(\$33,890)
Payment & Performance Bond	\$0	\$105,963	\$105,963	\$105,963	\$0
Pre-construction Activities	\$0	\$289,876	\$289,876	\$289,876	\$0
Equipment O & M Manual	\$0	\$50,000	\$50,000	\$0	\$50,000
Site Management & CQA (10%) ²	\$0	\$752,464	\$752,464	\$478,953	\$273,511
Retention Area	\$0	\$204,748	\$204,748	\$204,748	\$0
Removal Unsuitable Materials	\$0	\$34,225	\$34,225	\$34,225	\$0
Project Management (5%) ²	\$0	\$376,232	\$376,232	\$239,477	\$136,755
Subtotal--RRS SOV Added Items	\$0	\$1,813,508	\$1,813,508	\$1,387,132	\$426,376
Grand Total--Baseline RRS SOV and Actual	\$8,295,053	\$9,463,457	\$1,168,404	\$6,297,593	\$3,165,864

¹ amounts do not include contractor overhead and profit

² percent of direct costs (i.e., direct labor and materials)

Approved SOVs		
Phase 1A (Part 1)	Original Contract	\$3,216,367
Phase 1A (Part 2)	Change Order #1	\$1,691,208
Phase 1B	Change Order #2	\$1,390,018
	Total	\$6,297,593

Feb. 2010
Oct. 2010
Mar. 2011

Miami-Dade County
Office of the Inspector General



Appendix A

City of Homestead's Response

**Audit of the Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
Mayor Roscoe Warren Municipal Park**

IG12-28



August 25, 2014

Ms. Mary T. Cagle, Inspector General
Miami Dade County Office of the Inspector General
19 West Flagler Street, Suite 220
Miami, Florida 33130

City Hall

650 N.E. 22 Terrace
Suite 100

Homestead, FL 33033

305-224-4400

www.cityofhomestead.com

RE: City of Homestead OIG Draft Report, IG12-28 – Response

Dear Ms. Cagle:

The City of Homestead (“City”) has reviewed the Miami-Dade County Office of Inspector General’s Draft Report, IG 12-28, dated July 25, 2014 (the “OIG Report”) and hereby provides this response in accordance with Section 2-1076(f) of the Miami-Dade County Code.

OVERVIEW

We do not contest that fact that the OIG has the statutory authority to issue said report because Miami-Dade County General Obligation Bond funds were used by the City in the construction of the City of Homestead Roscoe Warren Municipal Park. We acknowledge that the OIG issued a report regarding the first phase of this project in 2011 – the closing of the landfill – and took no further action on this matter after the final report was issued.

The bulk of the OIG Report addresses recording keeping, documentation of files, work orders and invoices. In fact, the OIG Report contains only one finding (OIG Report at page 6) and alleges the City did not maintain or cause to be maintained adequate books, records, and records documenting its handling and use of \$3 million of GOB funds. Although not identified as a finding, the OIG also expressed concerns about the legality of the processes utilized by the City to procure services to design and build Roscoe Warren Municipal Park. (See OIG Report at page 11) Accordingly, our responses will be broken down into two sections – 1) documentation and record-keeping and 2) contract award and agreements post-award. Although the City’s response will cover both areas, I am limiting my response to the OIG finding on page 6. The section on the legality of the city’s processes appears in Appendix 6 and was drafted by David Wolpin and Robert Meyers with the Office of the City Attorney.

Before offering explanations to many of the observations contained in the OIG Report, I note that the OIG Report fails to supply recommendations and indicates the recommendations will be included in the Final Report. The City believes it has the right to respond to the recommendations but will lose the opportunity to do so, if they are part of the final report, as opposed to being incorporated into the draft report. In fact, the City takes the position that in order for the OIG to be consistent with its

procedure for finalizing reports and recommendations which make findings (See Section 2-1076 (f)), the recommendations should have been included in the draft report. Consequently, should the OIG determine in a subsequent report that recommendations are necessary to address the issues covered in the draft report, the City hereby respectfully requests that it be given time to respond to these recommendations before the Final Report is issued. If no such recommendations are made concerning this audit, the City does not question the authority of the OIG to release a final report as provided by law.

DOCUMENTATION AND RECORD-KEEPING

The City does not dispute the fact that it should have been more insistent in demanding records, books and other documents from RRS (the Park Contractor) pursuant to Section 20.2 of the City Project specifications. Further, the City recognizes that such Contractor records are the property of the City and should have been provided to the City on regular basis and in a timely manner.

With respect to a number of the other significant issues raised in the OIG Report, the City offers the following responses:

- Payment of services and tasks were based on percentage of work completed on the field based on the scheduled of value approved by T.Y. Lin International City's engineer of record and designer on this project. Although the City did not collect invoices and cancelled checks from each of the subcontractors/vendors, the city ensured that release of liens were submitted by RR&S for labor, services or materials with each pay request. See Appendix 1 and 2 (subcontractors, services, materials)
- Regarding schedule of values (SOV) the City's consultant T.Y. Lin International assessed the project costs and those were compared to the SOV by CHM2 Hill the engineer consultant firm working with RR&S. Based on the cost projections prepared by T.Y. Lin International, project designer, engineer of record, and the City's consultant the cost associated with the improvement of the park were accepted.
- As part of its assessment, T.Y. Lin International provided a cost estimate of the preconstruction services, anticipated to be \$715,150. The actual mobilization and pre-construction services activities were a total of \$689,876, as submitted by RR&S under their SOV (referenced page 12 of 14 of the draft report) As such it is important to note that the actual mobilization costs were lower than the City's engineer's estimate. Appendix 3 – copies of the proposed cost of estimate by T.Y. Lin International and SOV submitted by RR&S.
- In reference to the perceived duplication of mobilization between the different phases of the project, the City and representative consultants

acknowledged mobilization between the phases. The work was not the same for each phase. Therefore, the equipment was not to be used from one phase to the next; contractors rely on rented equipment and most likely are concurrently working on other projects as such mobilization cost per each approved phase. It is understandable, as standard practice, in the construction industry as to not keep equipment idle between finish of one phase and start of separate contract waiting for subsequent City approval process, which was required to start of each phase. RR&S submitted its last draw (draw 7) of the park cleanup approximately June 29, 2009 subject request was not approved till November 2009. See Appendix 4 (City National Bank of Florida bank statement October 31, 2009 – November 30, 2009 shows wire transfer-out to the City for final draw #7). Furthermore; the City of Homestead City Council's approval for the construction of the Roscoe Warren Municipal Park Phase 1 was not rendered until Tuesday, February 16, 2010 – 3 months after the contractor received final payment for the cleanup of the landfill. See Appendix 5

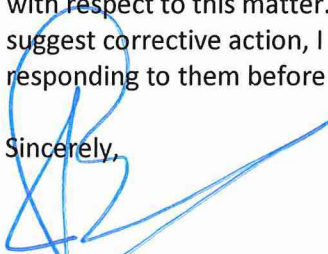
- Additionally, City of Homestead hired Lunacon Construction Group as a full time site representative at the end of the project to ensure 100% compliance with contract document prior to final payment to the contractor. See Appendix 6 (final punch list).

LAWFULNESS OF CITY'S PROCUREMENT PROCESSES DURING THE SCOPE OF PROJECT

The City takes issue with the OIG's claim that the City engaged in non-competitive processes in connection with the closure of the landfill and the redevelopment of this site. The City is adamant in its position that the prime contractor responsible for building the park did not receive this contract through a bid waiver. As stated above, the City has attached a thorough and detailed analysis of the legal issues surrounding the City's decision to close the landfill and redevelop the site. (See Appendix 7)

I trust the forgoing information has advised you of the City of Homestead's position with respect to this matter. Should your office decide to make recommendations or suggest corrective action, I look forward to receiving these recommendations and responding to them before the final report is released.

Sincerely,


Julio A. Brea, P.E.
Director, Public Works and Engineering Department
City of Homestead

cc: George Gretsas, City Manager, City of Homestead
David Wolpin, Esq., Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.

APPENDIX 7

Memo

To: Julio Brea, City of Homestead
Director of Public Works

From: David Wolpin, Esq.
Robert Meyers, Esq.
Office of City Attorney

Date: August 25, 2014

Re: Response to Miami-Dade IG Draft Report (Roscoe Warren Park)

Introduction:

You asked me to review IG 12-28 Draft Report and concentrate my efforts on the section of the Draft Report that finds the City utilized non-competitive processes when closing and redeveloping the landfill, which ultimately was converted into Roscoe Warren Park. In effect, the Draft Report raises a number of concerns: 1) bid waivers were used by the City when the 2006 amendments necessitated the site's development change from a project with private funds to a public park utilizing public funds; 2) the gap between the 2009 price proposal and initial selection process; 3) changes to the project's scope and 4) substitution of Resources Reclamation Services, Inc., ("RRS") for ATC Group Services, Inc. ("ATC").

Utilization Of ATC and Team ATC as Design-Build Contractors

287.055, Florida Statutes, defines the term "design-build contract" as a single contract with a design-build for the design and construction of a public construction project. In essence, design-build contracts rely on a single point of responsibility and are used to minimize risks for the government and reduce the delivery schedule by overlapping the design phase and construction phases of a project. Under state law, agencies are mandated to award design-build contracts in accordance with the procurement, laws, rules and ordinances applicable to the agency. (See 287.055 (9)). In AGO 2009-49, the Florida Office of the Attorney General issued an opinion on whether a Hospital District could contract with an equipment vendor pursuant to its procurement procedure and Section 287.055. The opinion explained design-build contracts, indicating that the general provisions of 287.055 are not applicable; however, there are specific procedures

which must be followed under state law and the agency “must award design-build contracts in accordance with the procurement law, rules and ordinances applicable to the agency.” This opinion is cited to support the proposition that the Florida Attorney General recognizes that the use of the design-build option is a legitimate and lawful approach for public construction projects. Further, Section 255.20 (1), F.S. expressly allows design/build contracts to be utilized.

Consequently when the City of Homestead determined it was necessary to close and redevelop the landfill, it concluded the design-build approach was the most suitable method to accomplish the City’s objectives. When the City advertised RFQ No. 4225 in 1999 seeking firms to submit a Letter of Interest and Statement of Qualification, it complied with its provisions on contracts and purchasing identified in Section 2-411 et. seq. of the City Code. This RFQ clearly put all bidders and the public on notice that the City desired to link closure and redevelopment of the landfill as one project and sought responses from firms that could handle both the closure and redevelopment responsibilities. Moreover, it was understood that the successful firm would complete the project in multiple phases. An approach that would require the City to rebid each phase would be counterproductive, inefficient and runs contrary to the City’s interests in treating this as a design-build project.

Competition and Openness Throughout the Life of Project

It is indisputable that the City’s decision in 1999 to close and redevelop the City of Homestead’s Landfill site was implemented through a competitive selection process. Resolution 99-11-80 specifically accepted the City’s staff recommendation which ranked ATC and its design/build closure and development team (Team ATC) as the number one ranked Proposer and authorized the City Manager to enter into contract negotiations with ATC. The agreement with ATC was finalized on May 16, 2000.

The City and ATC recognized that the scope of the project would require completion in several stages. The initial agreement authorized ATC to provide all necessary engineering services, landfill closure and site preparation services and other professional consulting services that may be required for Landfill Closure and Property Redevelopment. Further, the agreement required ATC and Team ATC to proceed to the next stage only after receiving authorization to proceed from the City Manager, at the City’s discretion. The 2000 agreement spells out the four phases of development of this site.

Thus, when the City notified ATC and Team ATC that it was the top-ranked firm for the closure and redevelopment of the city landfill site, the firm understood that the City reserved the right to delay moving forward to the next phase if it were not satisfied with the work done with respect to an earlier stage or the financing that was available for the next phase. The ATC proposal that was ratified by the City Council included a detailed description and the four phases necessary to complete this project. Furthermore, the budget for each phase would be established by the parties as the project proceeded.

In order to maintain contractor accountability and keeping the project as transparent as possible, the contractor would not be authorized to proceed to each subsequent phase of the project unless first authorized to proceed by the City Manager of the City, at the City's discretion.

RRS Assignment and "Bid Waiver"

The OIG mentions in its draft report that ATC and RRS had a prior association, but suggests that such ties were insufficient to exempt the City for engaging in competitive bidding when the scope of the project changed and refers to that the contract awarded to RRS as a bid waiver, defined in the report as a non-competitive process. The term "bid waiver" is misused in the OIG report because it does not accurately reflect the circumstances under which the landfill was closed and Roscoe Warren Park was constructed. When the City contracted with ATC and Team ATC to close the landfill and redevelop the site, this was accomplished by a competitive process (described above). The City Council did not waive bidding when it entered into an agreement with ATC after ratifying its staff recommendation to select ATC for this project. Furthermore, when the City entered into a contract with RRS to assume the role of prime contractor under the agreement and develop the property as a public park, this was the result of the 1999 teaming agreement between ATC and RRS. Specifically, a Teaming Agreement between ATC and RRS dated September 20, 1999 as amended by an addendum dated June 20, 2000 and by a letter dated December 17, 2003 transferred ATC's duties under the original 2000 Agreement to RRS but ATC agreed to remain as a party under the Agreement. (See Attached Agreement) The City, which had the right to reject this assignment, did not object and RRS was authorized by the City to assume this role.

To describe this arrangement as a bid waiver by the City is a mischaracterization of the process employed by the City to close and redevelop the landfill. The agreement reached by the parties was contemplated by the firms and authorized by the City as early as 1999 and when the City discovered that the deed restrictions on the property prevented developing the site for commercial use, the City contracted with an ATC Team member with sufficient expertise to develop the Property as a public park. Due to the assignment to RRS and the need to revise certain terms and conditions of the Agreement consistent with development of the Property as a public park, the First Amendment was signed by the parties. (See Attached Amendment)

2009 Price Proposal

The Draft Report criticizes the City on account of the price proposal submitted in 2009 – almost ten years after the professional consultant selection process took place. The Landfill Closure and Redevelopment Agreement signed by the City of Homestead and ATC Associates does not specify when the final project would be completed. Given the complexities associated with landfill closures and the involvement of various regulatory authorities, there was no time certain established for this project and there was a reasonable expectation that the redevelopment of the site would not happen quickly. The assertion that a price proposal submitted to 2009 almost ten years after the professional consultant section process took place somehow demonstrates a

failure to adhere to a competitive process is erroneous. The Draft Report criticizes the City for the length of time from the date of the initial professional consultant selection process from the submittal of the price proposal. As discussed above, the project would be completed in stages and each stage or phase had to be authorized by the City Manager before the contractor could move forward. Approval of each phase also required the budgets for each phase to be approved by the City. When the deed restrictions changed the final scope of the project, a price proposal was submitted consistent with the new use of the property. It would not have been prudent to require the parties to submit a price proposal or lock them into prices at an earlier time given the multi-faceted aspects of this complex project, particularly after it was discovered that commercial uses would be prohibited. To the city's credit, it was able to identify other sources of funding (County GOB) to help in the construction of Roscoe Warren Park. Budgets and price proposals were submitted at the appropriate time once the two phases of the Park's construction were finalized. Simply put, the design/build process utilized by the City fully complied with applicable law, including sections of 255.20 and 287.055 (9), F.S.

WEISS SEROTA HELFMAN
PASTORIZA COLE & BONISKE, P.A.
ATTORNEYS AT LAW

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MS
MV
JB

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GREGORY A. HAILE
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LILLIAN ARANGO DE LA HOZ*
JAMES E. BAKER
VIVIAN DE LAS CUEVAS-DIAZ
IGNACIO G. DEL VALLE*
ISABEL C. DIAZ
RAQUEL ELEJABARRIETA
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CHAD FRIEDMAN

BROWARD OFFICE
3107 STIRLING ROAD • SUITE 300
FORT LAUDERDALE, FLORIDA 33312
TELEPHONE 954-763-4242 • TELECOPIER 954-764-7770

*OF COUNSEL

February 6, 2006

RECEIVED

FEB 08 2006

CITY MANAGER

Mr. Curtis K. Ivy, Jr.
City Manager
City of Homestead
790 N. Homestead Boulevard
Homestead, FL 33030

Re: Landfill Closure Agreement between City of Homestead and
ATC/RRS

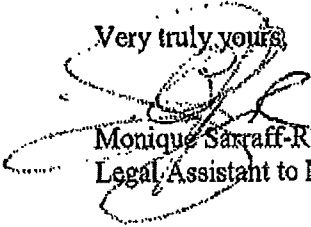
Dear Mr. Ivy:

Please find enclosed the signed First Amendment to Landfill Closure and Redevelopment Agreement ("Agreement"). Upon receipt, please review and execute and also have the City Clerk execute. Once completed, please forward it to Mr. Mestre's office at:

Resource Reclamation Services
T.A. Mestre
14201 S.W. 248th Street
Homestead, FL 33032

Should you have any questions regarding the aforementioned, please contact me at (305) 854-0800, x 248. Thank you.

Very truly yours,


Monique Sarraff-Ravelo, CP
Legal Assistant to Mitchell A. Bierman, Esq.

MAB/ms
031.015
Enclosure

* DATE ON AGREEMENT (1ST PAGE) HAD 2005 CHANGED TO 2006
AND INITIALED PER BIERMAN'S PRST.

SANDY SELVESTRÉ

00-SW-D11F

FIRST AMENDMENT
TO
LANDFILL CLOSURE AND REDEVELOPMENT
AGREEMENT

THIS AMENDMENT is entered into this 15th day of FEBRUARY, ²⁰⁰⁶~~2003~~ ^{21st} (the "Amendment"), between the CITY OF HOMESTEAD, FLORIDA, a Florida municipal corporation ("City"), and RESOURCES RECLAMATION SERVICES, INC., a Florida corporation ("Resource") and ATC Group Services, Inc., a Delaware corporation, d/b/a ATC Associates, Inc. ("ATC").

WITNESSETH

WHEREAS, the City and ATC, with joinder by Resource (collectively "the Team") entered into that certain Landfill Closure and Redevelopment Agreement dated May 16, 2000 (the "Agreement") which sets forth the rights and responsibilities of the parties as they relate to the City of Homestead Landfill site (the "Property" or "Landfill") as more particularly described in the Agreement; and

WHEREAS, pursuant to deeds attached as Exhibit "A" of the Agreement, attached and incorporated herein, restrictions exist on the Property requiring that it be used as a park or public open area and for purposes incidental thereto; and

WHEREAS, notwithstanding the above referenced restrictions, the original Agreement contemplated that ATC would develop and manage the Property in an undefined commercial manner; and

WHEREAS, the aforementioned restrictions prevent such commercial use and in accordance with the restrictions imposed upon the Property and the demographic changes in the City, the use as a public park is an appropriate use for the Property; and

WHEREAS, pursuant to the Teaming Agreement between ATC and Resource dated September 20, 1999 as amended by an addendum dated June 20, 2000 ("Teaming Agreement"), ATC, by letter dated December 17, 2003 attached as exhibit "B", has transferred its duties under the Agreement to Resource and has agreed to remain a party under the Agreement and so advised the City by letter dated May 27, 2004, and the City did not object to Resource assuming the role of prime contractor under the Agreement, and

WHEREAS, the City and Resource desire to enter into this Amendment and ATC acknowledges the desire to enter into this Amendment, with Resource as the prime contractor, to revise certain terms and conditions of the Agreement consistent with development of the Property as a public park;

00-5W-011A

NOW, THEREFORE, in mutual consideration of the following terms and conditions, the parties hereby agree to the following amendments to the Agreement:

1. Recitals. The above recitals are true and correct and are hereby incorporated by reference.

2. Conflict. In the event of any conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall control.

3. This Amendment shall serve to and does hereby:

a. Eliminate any provisions in the Agreement providing for redevelopment of the Property in order to generate employment opportunities and revenues from commercial development for the City; and references in the Agreement to such redevelopment are hereby stricken therefrom and are null and void.

b. Eliminate any provisions in the Agreement requiring that ATC or Resource fund any portion of the redevelopment of the Property, and references in the Agreement to such requirements are hereby stricken therefrom and are null and void.

c. Eliminate any provisions in the Agreement related to redevelopment of the Property for any use other than a public park or open space; all references in the Agreement to redevelopment of the Property for any such other use is hereby null and void.

d. Eliminate any provisions in the Agreement related to the management of the Property subsequent to final closure including any provisions contemplating or obligating the parties to enter into a Management Agreement and all such provisions are hereby stricken therefrom and are null and void.

e. Strike paragraph 7.6 in its entirety.

f. Amend Paragraph 2.1 of the Agreement by striking it in its entirety and substituting the following:

Resource shall serve as the engineering and construction team, for the remediation of the site, and shall have the responsibility of assisting the City in securing all necessary Project funding, and designing and implementing Landfill Closure on a design-build/basis, on the terms and conditions set forth in this Agreement. Resource hereby agrees to provide for all necessary engineering services that may be required for Landfill Closure. The Team shall not be authorized to proceed to any subsequent Phase of the Project unless first authorized to proceed by the City Manager at City's discretion.

CO.SW.011A

It is specifically contemplated that the City will enter into a contract with Resource for construction of a park or similar use of the property as public open space, with a design firm of the City's choosing, at an agreed upon price and subject to the availability of funding. Any agreement between the City and Resource for such construction shall be required to comply with all requirements of any funding source and shall be subject to termination for non-performance, misfeasance, unusual delay or any other causes for termination customary in the construction industry.

g. Amend Paragraph 8.2(a) "Notices" by striking same and substituting the following:

(a) If to Resource: Tomas A. Mestre
Resource Reclamation Services
14201 S.W. 248th Street
Redlands, Florida 33032

and to: Mark Lynch
c/o Sonny Holtzman, Esq.
Holtzman Equels
2601 South Bayshore Drive
Miami, Florida 33133

(b) If to City: Curt Ivy
City Manager
City of Homestead
790 North Homestead Boulevard
Homestead, Florida 33030

and to: David M. Wolpin
City Attorney
Weiss Serota Helfman Pastoriza
Guedes Cole & Boniske, P.A.
2665 South Bayshore Drive
Miami, Florida 33133

(c) If to ATC (only in the event specifically requested by ATC):

Fritz Damveld, PG
ATC Associates, Inc.
9955 N.W. 116th Way
Suite 1
Miami, Florida 33178

00-SW-011A

4. Payment: All payment for work performed by Resource shall be made directly to Resource.

5. Term. This Amendment shall be effective upon execution by all parties and shall continue for a term which coincides with the duration of the Agreement.

6. Amendment. All other terms and conditions of the Agreement, which are not otherwise modified by or inconsistent with the terms and conditions of this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers all as of the date first above written.

ATTEST:

CITY OF HOMESTEAD, a Florida municipal corporation

Sheila Shedd
City Clerk
Sheila Paul Shedd, CMC

By: Antonio K. Lopez, Jr.
City Manager

Signed, sealed and delivered in

RESOURCE RECLAMATION
SERVICES, INC.

The presence of:

WITNESSES:

[Signature]
Print Name: REGINA G. MESTRE

By: [Signature] PRESIDENT

[Signature]
Print Name: Andres Mestre

ATC ASSOCIATES, INC.

By: [Signature]
Fritz Danveld, PG

00.SW-011A

Dated: 5/11/05

Approved as to form and correctness:

By: MWB
City Attorney

000/031015/LANDFILL Issues/ATC matters/Landfill Closure and Development Agreement - FIRST AMENDMENT

00-SW-011A

Miami-Dade County
Office of the Inspector General



Appendix B

Office of Management and Budget's Response

**Audit of the Building Better Communities General Obligation Bonds Program
Park and Recreational Facilities Fund – Project 89-70530
Mayor Roscoe Warren Municipal Park**

IG12-28



miamidade.gov

Management and Budget
111 NW 1st Street • 22nd Floor
Miami, Florida 33128-1926
T 305-375-5143 F 305-375-5168

August 6, 2014

Mary T. Cagle
Inspector General
19 W. Flagler Street, Suite 220
Miami, FL 33130

Dear Ms. Cagle

Thank you for the opportunity to provide a response to the Office of the Inspector General's (OIG) Draft Report IG12-28, dated July 25, 2014 regarding the review of the Building Better Communities General Obligation Bond Program (GOB) Park and Recreational Facilities fund Project 89-70530 for City of Homestead's Mayor Roscoe Warren Municipal Park. The Office of Management and Budget (OMB) has reviewed the report and agrees with the findings. OMB will continue to find ways to improve the administration of the GOB and appreciates and values your evaluations and recommendations.

We look forward to continue to work with your office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Moon". The signature is fluid and cursive, with a prominent initial 'J' and 'M'.

Jennifer Moon
Budget Director