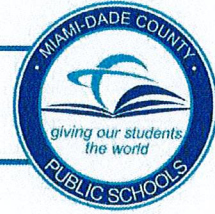





Miami-Dade County
OFFICE OF THE INSPECTOR GENERAL
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To: Honorable Chairman Dr. Lawrence S. Feldman
and Members, Miami-Dade County School Board

Alberto Carvalho, Superintendent, Miami-Dade County Public Schools

From: Mary T. Cagle, Inspector General 

Date: June 15, 2017

Subject: OIG Final Report of Inspection of Selected Contracts' S/MBE Utilization
Goals; GOBIG-0013

Attached please find a copy of the Miami-Dade County Public Schools (M-DCPS) Office of the Inspector General's (OIG) Final Report of Inspection. This inspection was initiated to validate selected Small/Micro Business Enterprises (S/MBE) construction utilization goal percentages reported to the 21st Century Bond Advisory Committee at its November 29, 2016 meeting. The S/MBE construction utilization goals reported in the School Board items approving the project's final Guaranteed Maximum Price (GMP) were, in some cases, significantly higher than the original goals established by the M-DCPS Goal Setting Committee.

Our inspection found no exceptions to how the goals amounts were reported to the School Board and to the Bond Advisory Committee. We did find, however, some discrepancies that were clarified by staff and/or the contractors that we contacted; these instances did not have a material impact on the overall projects' goals and are further explained in our report.

This report, as a draft, was provided to Mr. Jaime G. Torrens, Chief Facilities Officer, for his review and comment. A copy of his response is attached. The OIG appreciates the cooperation of the Office of School Facilities and the Office of Capital Improvement Projects (OCIP) during this inspection. The OIG will continue in our contract oversight efforts to provide this Board and the Bond Advisory Committee with relevant and timely results of our investigations, inspections, and reviews.

Attachment

cc: Jaime G. Torrens, Chief Facilities Officer
Raul Perez, Asst. Superintendent, Construction Mgmt., OCIP
Jose Montes de Oca, Chief Auditor, Office of Management & Compliance Audits
Walter J. Harvey, School Board Attorney
Roberto Martinez, Chairman
and Members, 21st Century Schools Bond Advisory Committee

MIAMI-DADE COUNTY PUBLIC SCHOOLS OFFICE OF THE INSPECTOR GENERAL
OIG FINAL REPORT
Inspection of Selected Contracts' S/MBE Utilization Goals

I. INTRODUCTION & SYNOPSIS

At the November 29, 2016 21st Century Schools Bond Advisory Committee meeting, Miami-Dade County Public Schools (M-DCPS) staff gave a presentation on the status of the General Obligation Bond (GOB) Program. As part of the presentation, the Office of School Facilities provided handouts, compiled into a multi-page briefing packet, and an oral report on the status of current and past projects. The Office of School Facilities reiterated its commitment to establishing economic opportunities for Small and Micro Business Enterprise (S/MBE) firms and increasing diversity within subconsulting and subcontracting teams.

Such accomplishments were further supported in the briefing packet where eight current GOB projects were identified as having S/MBE construction utilization goals well above the amounts originally established by the M-DCPS Goal Setting Committee (GSC). These newly established S/MBE construction goals (resulting from the awarding of subcontracts through the guaranteed maximum price [GMP] bid process) ranged from 29% to 89% of the construction value¹ – compared to the 15% to 25% range originally established by the GSC.²

The OIG initiated this inspection to validate some of the S/MBE percentages reported to the Bond Advisory Committee. From the eight projects highlighted in the packet, the OIG selected four Construction Manager At-Risk (CMR) projects for further inspection and testing. We sought to obtain independent assurances that the identified S/MBE firms actually have agreements with the CMR prime firm, and that those agreements contain an identified scope of work for an identified and mutually agreed to dollar amount. The four projects selected by the OIG are listed in Table 1 below.

TABLE 1: OIG Selected GOB Projects for Review
Comparison of the GSC-established S/MBE Goals vs. CMR-contracted S/MBE Goals

| No. | Project Description | Project No. | Contractor | GMP \$ Amount | GSC-est S/MBE Goal | CMR-contr'd S/MBE Goal |
|-----|------------------------------|-------------|------------------------------|---------------|--------------------|------------------------|
| 1 | Henry H. Filer Middle School | 01433700 | Stobs Bros. Construction Co. | \$2,210,882 | 20% | 79.25% |

¹ A project's construction value is the total of all the construction scopes of work (whether they be contracted to a subcontractor or self-performed by the prime). It does not include General Conditions, insurance, bond premiums, the CMR firm's fee, and the owner's contingency account.

² See pages 18 through 25 of the briefing package titled *21st Century Schools Bond Committee November 29, 2016 Meeting*.

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| No. | Project Description | Project No. | Contractor | GMP \$ Amount | GSC-est S/MBE Goal | CMR-contr'd S/MBE Goal |
|-----|------------------------------|-------------|-------------------------------------|---------------|--------------------|------------------------|
| 2 | Madie Ives Elementary School | 01337500 | Munilla Construction Management LLC | \$13,123,902 | 25% | 29.53% |
| 3 | Norland Elementary School | 01439500 | D. Stephenson Construction, Inc. | \$2,492,886 | 20% | 59.39% |
| 4 | Springview Elementary School | 01435400 | Link Construction Group, Inc. | \$3,265,058 | 20% | 89.50% |

Our inspection of the contracted S/MBE utilization goals did not find any exceptions to how these goal amounts were reported in the handout presented during the November 26, 2016 BAC meeting. In other words, we recognize that, through the GMP bid process, the CMR firms have done a good job to increase the amounts awarded to S/MBE contractors over the amounts originally established by the GSC. We did find, however, 11 instances where the subcontractor's bid amounts did not match the final GMP amount, and five instances where the S/MBE's subcontract agreement amount did not match the final GMP amount. While these differences did not have a material impact on the overall project goals, we did, during the course of our inspection, bring these instances to the attention of the Office of Capital Improvement Projects (OCIP); and as such, they are being reported herein. Throughout this inspection, OCIP staff has timely responded to our requests for clarifications and supporting documentation. Additionally, this report, as a draft, was provided to Mr. Jaime G. Torrens, Chief Facilities Officer, for his review and comment. Mr. Torrens concurred with our observations. A copy of his response is attached as Appendix A. The OIG appreciates the cooperation of OCIP staff and the Office of School Facilities during this inspection and throughout the OIG's oversight and monitoring efforts.

II. OIG JURISDICTIONAL AUTHORITY

The OIG provides inspector general services to M-DCPS pursuant to an Interlocal Agreement (ILA) between Miami-Dade County and the Miami-Dade County School Board. The ILA governs the scope and jurisdiction of the OIG's activities. Among the authority, jurisdiction, responsibilities and functions conferred upon the OIG through the ILA is the authority and jurisdiction to investigate M-DCPS affairs, including the power to review past, present, and proposed programs, accounts, records, contracts and transactions. The OIG shall have the power to require reports and the production of records from the M-DCPS Superintendent, School Board members, School District

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departments and allied organizations, and School District officers and employees, regarding any matter within the jurisdiction of the OIG.

III. SELECTION, OBJECTIVES, SCOPE & INSPECTIONAL ACTIVITIES

The four projects selected had S/MBE construction goals ranging from 29% to a high of 89% of the construction value. These four projects were selected because they all shared the same attributes of being an open competition award (as opposed to a sheltered market award) for a CMR firm,³ and where the project cost is established by a GMP. Our inspectional objective was to obtain an independent assurance that the actual subcontracted amounts with the S/MBE firms did total the amounts reported by M-DCPS – in other words, that the new higher utilization goals being reported were not illusory. By contacting several S/MBE subcontractors, we verified that actual agreements (with mutually agreed to scopes of work and payment amounts) were in place, and that the S/MBEs were on board to do the work. It is important to note that this OIG inspection involved verifying subcontracted bid amounts and contract agreement amounts. Our inspection did not verify actual construction work and payments, as the projects were incomplete at the time. This will be the objective of later audits, inspections and reviews conducted by the Office of Economic Opportunity (OEO), the Office of Management and Compliance Audits (OMCA), and/or by the OIG.

OIG staff met with staff from OCIP and requested supporting documentation for the four projects that were selected for further testing. We reviewed and verified key aspects of each project's GMP process, including subcontractor-submitted bids, the CMR's bid tabulations, the subcontractor participation Letters of Intent (LOIs), and the final GMP amounts. Additionally, OIG staff reviewed related School Board agenda items for CMR commissioning and GMP awards, verified S/MBEs' certification status through the OEO vendor certification directory, as well as verified each S/MBEs' corporate status through the Florida Division of Corporation's website.

We also contacted (either by telephone or in person) several S/MBE subcontractors from each of the four projects.⁴ We asked each of them a series of questions relating to their firm, including ownership interests and number of employees; their bid on the project; their contract or other written agreement with the CMR firm; their monetary expectations, and the genuineness of their signature on the supplied LOIs. The subcontractors that we selected for further testing included the following scopes of work

³ Two of the selected four firms, D. Stephenson Construction and Link Construction Group, are minority-owned business enterprises; however their resulting contract awards (for the identified construction projects) were through an open, non-restricted competitive process.

⁴ We did not contact every S/MBE subcontractor on each project. The subcontractors were judgmentally selected. Collectively, for four projects selected, there were 25 different S/MBE firms, as some firms were listed on more than one project's GMP listing. By contacting 15 of the 25 S/MBE subcontractors, we reached 60% of them.

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and construction trades: acoustic ceiling, dry wall, fencing, concrete, electrical, HVAC, masonry, painting, plumbing, and general site work. OIG Exhibits 1 through 4 (attached) provide detailed information for each project, including the GMP breakdown, each subcontractor's scope, its GMP amount, and its S/MBE percentage goal. The exhibits also identify the S/MBE subcontractors that we contacted as part of our inspectional verification work.

IV. OIG OBSERVATIONS

As stated in our *Introduction & Synopsis*, this review did not find any exception to M-DCPS' reporting of the CMR-contracted constructional utilization goals, which – for three of the four projects selected – far exceeded the GSC-established utilization goals. That being said, our inspection did yield some discrepancies, which did not affect our overall assessment. These discrepancies were brought to the attention of OCIP staff, and they, in conjunction with the CMR contractors, were able to provide sufficient documentation to explain the discrepancies. The sections that follow provide our observations and include further detail and information.

Bids, Bid Tabulations, and GMP Amounts

For the four projects reviewed, 11 instances were noted where the subcontractor's bid amounts did not match the final GMP amount. According to supporting documentation provided by OCIP, eight instances were the result of "reduction per Alternate No. 1 and addition of the ADA bathrooms" for the Henry H. Filer Middle School project. For the remaining three instances (all related to the Madie Ives Elementary School project) the differences were a combination of the following: added scope per revision requirements, increased amount due to error on the subcontractor bid, and the subcontractor voluntarily reducing its price due to budget issues. No instances relating to this observation were noted for Norland Elementary School and Springview Elementary.

Subcontractor LOIs, Contract Agreements and GMP Amounts.

The OIG contacted 15 S/MBE subcontractors, in person and via telephone. Each subcontractor was asked to confirm whether it provided a bid, received notification of award, signed and submitted an LOI, had a contract or other written agreement with the CMR stating an agreed to scope and compensation terms, and whether it was already working on the project. The subcontractors were also requested to provide copies of their signed LOIs and contract agreements.

Four subcontractors were contacted from each of the Springview Elementary, Henry Filer H. Middle, and Norland Elementary school projects. Three subcontractors were contacted from the Madie Ives Elementary project. (See OIG Exhibits 1-4 for

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identification of the subcontractors that were contacted.) As of March 30, 2017, 11 of the 15 subcontractors were currently working on their respective projects; while four subcontractors have yet to start working.

All subcontractors confirmed that they provided a bid, received confirmation of award and received and signed an LOI. The subcontractors also provided copies of their LOIs and contract agreements. As for the LOIs provided, there were minor differences noted on some of the stated percentages and dollar amounts when compared to the amounts shown on the School Board agenda items. As mentioned, however, these were minor differences and do not affect our overall assessment.⁵

All 15 S/MBEs contacted by the OIG provided copies of their agreements to us. Of the 15 S/MBE agreements, nine contract agreement amounts matched the subcontractors' amounts noted in the GMPs. The contract agreement amounts for the remaining five subcontractors differed from the GMP amounts.

According to supporting documentation provided by OCIP, two differences were the result of a reduction in scope after the GMP was finalized. These two occurred on the Norland Elementary and Henry Filer Middle School projects. For the Henry Filer project, the reduction was not material to the overall S/MBE goal percentage. For the Norland Elementary project, the subcontractor selected for acoustic ceiling work had its scope significantly decreased as post-GMP inspections determined that a portion of the ceiling work was in good order and did not need to be replaced. Even with this reduction, the overall project's S/MBE goal was not materially affected.⁶

For the other three of the five instances where the subcontractor's agreement amount did not match the GMP, these were due to the transferring of scope from one subcontractor to another. In one case (Henry Filer Middle School project), the transfer was from a non-S/MBE to an S/MBE in order to consolidate the work scopes to a fewer number of subcontractors due to work space constraints.⁷ This actually increased that

⁵ This may have been due to the fact that the LOIs were issued and signed by the subcontractors prior to the GMP amount being finalized.

⁶ The S/MBE's original bid amount was \$5,879 based on the original scope of work. During the bid process, the scope was increased to include additional work and proposers revised their bids. This S/MBE's bid increased to \$20,349 and they were found to be the lowest, responsive bid, and the GMP was finalized using this bid amount. Subsequently, inspections revealed that a large section of ceiling acoustical tiles were in good order and did not need to be replaced. The S/MBE's contract amount was reduced back to the original bid amount of \$5,879. While this by itself was a 71% reduction to this firm, it did not adversely impact the overall S/MBE percentage, as the total construction value for this project was \$1.8 million. The deleted value of \$14,470 will be processed as a deduct change order, which will credit this amount back to M-DCPS. The deduct change order will also result in a decrease of the project's GMP.

⁷ OIG staff contacted the non-S/MBE subcontractor who confirmed that he submitted a bid, but he never was contacted and told that his bid won.

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S/MBE's contracted amount from 2.82% to 6.71% of the GMP, and will have another upward effect of increasing the project's overall goal. For the other two instances (one at Henry Filer and one at Norland Elementary), both involved a transfer from one S/MBE to another S/MBE. These were both small dollar amounts that did not materially affect each S/MBE subcontractor's percentage goal. No instances relating to this observation were noted for Madie Ives Elementary or for Springview Elementary.

Last, no discrepancies were noted when comparing the firm's information in OEO's vendor certification directory and on the Florida Division of Corporation's website. Each firm's corporate information was also confirmed with the subcontractors when we contacted them.

V. CONTINUING OIG OVERSIGHT ACTIVITIES

As previously mentioned, the OIG did not find any exceptions with the S/MBE goals as noted in the *November 26, 2016 BAC* presentation. It is important to note that this OIG inspection was to verify pre-construction activities. Our inspection did not verify actual construction work and payments. These latter activities will be the core focus of future inspections and audits by the Office of Economic Opportunity (OEO) and the Office of Management and Compliance Audits (OMCA). The OIG will also conduct future inspections and provide continuous oversight, in conjunction with OEO and OCMA. Working independently, yet collaborating with other stakeholders, the OIG strives to improve transparency and strengthen accountability for the overall construction program.

The OIG appreciates the cooperation of the Office of School Facilities and OCIP staff during this review, and throughout our monitoring and oversight endeavors.

**Exhibit 1 – Henry Filer Middle School – Project # #01433700
Guaranteed Maximum Price (GMP) Award for Sub-contractor Firms**

CMR: Stobs Bros. Construction Co. (non-S/MBE per OEO directory)
GMP: \$2,210,882
GMP Award Date: November 23, 2016
Expected Substantial Completion Date: December 22, 2017

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|------------------|------------------------------------------|-----------------------------------|-----------------------|----------------------------|----------------------------------|---------------------------------------------|
| 2.070000 | Selective Demolition | Jampro Demolitions | \$44,058.00 | SBE-AA | 2.61% | 2.61% |
| 2.900000 | Landscaping | SBCC | \$34,750.00 | - | 2.06% | - |
| 2.001000 | Site Contractor | Marks Brothers, Inc. | \$36,180.00 | - | 2.15% | - |
| 3.150000 | Structural Shell | Alta Home Remodeling | \$47,586.00 | MBE-SDV | 2.82% | 2.82% |
| 5.120000 | Structural Misc. Steel | Miami Grandstand | \$14,919.00 | - | 0.89% | - |
| 6.400000 | Architectural Woodwork | Closet by Carlos | \$7,500.00 | - | 0.45% | - |
| 7.525000 | Roofing | Precad Inc., dba Purdents Roofing | \$31,500.00 | - | 1.87% | - |
| 8.110000 | Hollow Metal Doors and Frames | JJAS Doors | \$13,735.00 | MBE-HA | 0.82% | 0.81% |
| 8.800000 | Aluminum Storefront and Entrances | Ocean Doors & Windows | \$531,136.00 | SBE-HA | 31.52% | 31.52% |
| 9.220100 | Drywall and Stucco | RMC Construction | \$96,100.00 | - | 5.70% | - |
| 9.220100 | Allowance Patching Stucco/Media Blasting | BSBC | \$75,000.00 | - | 4.45% | - |
| 9.300000 | Tile | Casino's Flooring | \$49,857.00 | - | 2.96% | - |
| 9.500000 | Acoustical Ceiling | Bergolia, Inc. | \$9,500.00 | SBE-HA | 0.56% | 0.56% |
| 9.900000 | Paint | Curtis Painting | \$108,800.00 | SBE-AA | 6.46% | 6.46% |
| 10.700000 | Toilet Partitions & Accessories | SDI Mardale | \$7,046.00 | - | 0.42% | - |
| 10.400000 | Identification Devices | A&J Sign, Inc. | \$15,780.00 | - | 0.94% | - |
| 12.100000 | Window Treatment | Ford Shutters Shade | \$20,394.00 | - | 1.21% | - |
| 12.360000 | Metal Library Shelving | Mark Products | \$12,780.00 | - | 0.76% | - |
| 15.400000 | Plumbing Sub Contractors | All Hill Plumbing | \$59,350.00 | SBE-HA | 3.52% | 3.52% |
| 15.500000 | HVAC Sub Contract | FXP Corporation | \$272,000.00 | SBE-HA | 16.14% | 16.14% |
| 16.000000 | Electrical Contractor | Super America Electric, Inc. | \$249,500.00 | SBE-HA | 14.81% | 14.81% |
| | DPO (estimated) | | (\$52,364.00) | | -3.11% | |
| | Total Construction Value | | \$1,685,107.00 | | 100.00% | 79.25% |
| | | | | Total S/MBE Dollars | | \$1,335,655.00 |
| | General Conditions | | \$220,080.00 | | | |
| | General Liability | | \$19,052.00 | | | |
| | Payment & Performance Bond | | \$19,242.00 | | | |
| | Contractors Overhead & Profit | | \$155,479.00 | | | |
| | Contingency | | \$111,922.00 | | | |

Total GMP \$2,210,882.00

The highlighted S/MBE subcontractors were randomly selected for review of S/MBE goals and contract agreement amounts.

¹ S/MBE – Small/Micro Business Enterprise
AA – African American
HA – Hispanic American
SDV – Service-Disabled Veteran

**Exhibit 2 – Madie Ives Elementary School - Project #01337500
Guaranteed Maximum Price (GMP) Award with Sub-contractor Firms**

CMR: Munilla Construction Management, LLC. (non-S/MBE per OEO directory)
GMP: \$13,123,902
GMP Award Date: April 13, 2016
Expected Substantial Completion Date: October 16, 2017

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|---------------|----------------------------------------------------------------------------------------|-----------------------|---------------------|----------------------------|----------------------------------|---------------------------------------------|
| 1700 | Final Cleaning | J Hernandez | \$69,000.00 | - | 0.65% | - |
| 2050 | Demolition-Portable/Building | N&P Construction | \$50,779.00 | - | 0.48% | - |
| 2200 | Selective Demolition | Demcon | \$94,682.00 | - | 0.89% | - |
| 2545 | Hard Court/Running Construction | Choppers Construction | \$48,267.00 | - | 0.45% | - |
| 2600 | Water, Sewer & Drainage | GPE | \$1,545,847.00 | - | 14.49% | - |
| 2831 | Chain-link Fences & Gates | Gomez & Son | \$99,397.00 | SBE-HF | 0.93% | 0.93% |
| 2860 | Primary Play Equipment & Playground | Choppers/Playtech | \$84,254.00 | - | 0.79% | - |
| 2900 | Landscaping & Irrigation & Sodding | Allowance | \$256,424.00 | - | 2.40% | - |
| 3300 | Cast-in-Place Concrete - Miscellaneous | TSG | \$267,581.00 | - | 2.51% | - |
| 3470 | Tilt-Up Concrete | Master Gun | \$873,499.00 | - | 8.19% | - |
| 5120 | Structural Steel | Suncor | \$394,615.00 | - | 3.70% | - |
| 6100 | Rough Carpentry | MCM Budget Estimate | \$52,980.00 | - | 0.5% | - |
| 6400 | Architectural Woodwork | Star Quality | \$92,511.00 | - | 0.87% | - |
| 7255 | Spray Applied Fire Resistive Materials | Safeway Surfaces | \$37,142.00 | - | 0.35% | - |
| 7270 | Firestopping & Smoke Barrier Caulking | By Trade | \$0.00 | - | 0.00% | - |
| 7525 | SBS Modified Bitumin Roofing | A1 Duran | \$313,227.00 | - | 2.94% | - |
| 7900 | Joint Sealers & Fluid Applied Waterproofing | A-1 All Florida | \$21,648.00 | - | 0.20% | - |
| 8110 | Steel/HM Doors & Frames/Hardware | QEP | \$168,161.00 | - | 1.58% | - |
| 8305 | Access Panels | By Trade | \$0.00 | - | 0.00% | - |
| 8520 | Aluminum Windows/Entrances & Storefronts | Mr. Glass Door | \$386,119.00 | SBE-HA | 3.62% | 3.62% |
| 8711 | Installation of Doors & Hardware | HRC | \$20,000.00 | - | 0.19% | - |
| 9200 | Ext Stucco, Hard Ceilings, Metal Framing, Drywall & Finish | BEC Construction | \$823,590.00 | - | 7.72% | - |
| 9310 | Ceramic Tile | Allowance | \$155,831.00 | - | 1.46% | - |
| 9510 | Acoustical Ceilings | Amion Enterprises | \$119,493.00 | SBE-AA | 1.12% | 1.12% |
| 9660 | Resilient Tile Flooring | Allowance | \$120,000.00 | - | 1.12% | - |
| 9730 | Epoxy Flooring | Trident Surfacing | \$20,220.00 | - | 0.19% | - |
| 9900 | Painting | Curtis Painting | \$204,262.00 | SBE-AA | 1.91% | 1.91% |
| 10100 | Marker Boards, Tack Boards, Flag, Lockers, Benches, Bike Rack, Shelving, Corner Guards | Allowance | \$127,328.00 | - | 1.19% | - |

**Exhibit 2 – Madie Ives Elementary School - Project #01337500
Guaranteed Maximum Price (GMP) Award with Sub-contractor Firms**

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|---------------|-------------------------------------------------------|--------------------------|------------------------|----------------------------|----------------------------------|---------------------------------------------|
| 10170 | Toilet Partitions | Allowance | \$60,000.00 | - | 0.56% | - |
| 10200 | Wall Louvers | Construction Specialties | \$12,314.00 | - | 0.12% | - |
| 10400 | Internal Signage | Allowance | \$40,000.00 | | 0.37% | |
| 10522 | Fire Extinguishers | Triangle Fire | \$4,000.00 | - | 0.04% | - |
| 10532 | Walkway Covers | Allowance | \$60,000.00 | - | 0.56% | - |
| 10625 | Operable Partitions | Acousti Doors | \$10,300.00 | - | 0.10% | - |
| 11400 | Food Service Equipment | Lace Food | \$166,926.00 | - | 1.56% | - |
| 11600 | Laboratory Casework & Equipment | Mark Products | \$65,780.00 | - | 0.62% | - |
| 12510 | Window Treatment | National Stage | \$20,865.00 | - | 0.20% | - |
| 14200 | Conveying Systems/Elevators | Allowance | \$78,000.00 | - | 0.73% | - |
| 14420 | Wheelchair Lifts | Garaventa | \$16,486.00 | - | 0.15% | - |
| 15300 | Fire Protection | Arfran, Inc. | \$85,170.00 | MBE-HA | 0.80% | 0.80% |
| 15400 | Plumbing | David's Plumber | \$619,500.00 | MBE-AA | 5.81% | 5.81% |
| 15500 | HVAC | Hyvac | \$1,487,730.00 | - | 13.94% | - |
| 16000 | Electrical, Lightening Protection, Low Voltage | Kendall Electric | \$1,636,732.00 | SBE-HA | 15.34% | 15.34% |
| ALLOWANCE | Pre-Existing Code Violations | - | \$25,000.00 | | 0.23% | |
| ALLOWANCE | Chiller Room OH Coiling Door for Chiller Upgrade | - | \$7,500.00 | | 0.07% | |
| | DPO (Based on Total Direct Cost | | (\$173,491.00) | | (1.63%) | |
| | Total Construction Value | | \$10,669,669.00 | | 100.00% | 29.53% |
| | | | | Total S/MBE Dollars | | \$3,150,673.00 |
| | GL Insurance | | \$119,134.00 | | | |
| | P&P Bond | | \$120,325.00 | | | |
| | CM Fee | | \$595,487.00 | | | |
| | General Requirements | | \$1,070,175.00 | | | |
| | Owner's Construction Contingency | | \$549,112.00 | | | |

Total GMP \$13,123,902.00

The highlighted S/MBE subcontractors were randomly selected for review of S/MBE goals and contract agreement amounts.

¹ S/MBE – Small/Micro Business Enterprise
AA – African American
HA – Hispanic American
HF – Hispanic Female

**Exhibit 3 – Norland Elementary School Project #01439500
Guaranteed Maximum Price (GMP) Award for Sub-contractor Firms**

CMR: D. Stephenson Construction Inc. (M/WBE - African-American; not a certified S/MBE per OEO directory)
 GMP: \$2,492,886
 GMP Award Date: May 11, 2016
 Expected Substantial Completion Date: July 14, 2017

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|---------------|-----------------------------|--------------------|--------------|----------------------------|----------------------------------|---------------------------------------------|
| 02-4150-S | Surveying/As-Builts | D. Stephens Const. | \$5,500.00 | MWBE-AA | 0.30% | - |
| 02-1000-S | Site work | Varoarda | \$106,180.00 | MBE-HA | 5.84% | 5.84% |
| 02-1100-S | Demolition | Varoarda | \$53,500.00 | MBE-HA | 2.94% | 2.94% |
| 02-4500-S | New Driveway | Varoarda | \$89,500.00 | MBE-HA | 4.92% | 4.92% |
| 03-3000-S | Concrete | Varoarda | \$342,081.00 | MBE-HA | 18.82% | 18.82% |
| 04-2000-S | Masonry | Varoarda | \$52,359.00 | MBE-HA | 2.88% | 2.88% |
| 04-2700-S | Glazed Block Alternate | Varoarda | \$14,500.00 | MBE-HA | 0.80% | 0.80% |
| 02-7100-S | Fencing | Gomez & Son | \$8,760.00 | SBE-HA | 0.48% | 0.48% |
| 02-1001-S | Playcourt Resurface | Robertson | \$35,334.00 | - | 1.94% | - |
| 02-1001-S | Playground Turf | Playmore | \$27,000.00 | - | 1.49% | - |
| 06-4100-S | Cabinets/Vanities | Star Quality | \$35,300.00 | - | 1.94% | - |
| 06-6600-S | Misc. Carpentry | D. Stephens Const | \$2,100.00 | MWBE-AA | 0.12% | - |
| 07-2200-S | Fireproofing | D. Stephens Const | \$3,000.00 | MWBE-AA | 0.17% | - |
| 07-5100-S | Roofing | A1Duran | \$103,700.00 | - | 5.71% | - |
| 07-9100-S | Caulking | D. Stephens Const | \$2,500.00 | MWBE-AA | 0.14% | - |
| 08-3600-S | Aluminum Windows | Ocean Door | \$34,375.00 | SBE-HA | 1.89% | 1.89% |
| 08-3800-S | Replace Windows Alternate 2 | Ocean Door | \$46,583.00 | SBE-HA | 2.56% | 2.57% |
| 08-4000-S | Window Shades | Ocean Door | \$14,350.00 | SBE-HA | 0.79% | 0.79% |
| 08-7000-S | Doors, Frames, Hardware | Next Door | \$36,470.00 | - | 2.01% | - |
| 09-1000-S | Stucco | Grelite | \$72,100.00 | - | 3.97% | - |
| 09-2600-S | Drywall/Metal Framing | CL Elias | \$65,171.00 | SBE-W | 3.59% | 3.59% |
| 09-3100-S | Flooring Package - VCT | Supreme | \$12,060.00 | SBE-AA | 0.66% | 0.66% |
| 09-3100-S | Flooring Package - Ceramic | Vassel Tile | \$12,733.00 | MBE-AA | 0.70% | 0.70% |
| 09-5100-S | Acoustical Ceiling | Amion | \$20,349.00 | SBE-AA | 1.12% | 1.12% |

**Exhibit 3 – Norland Elementary School Project #01439500
Guaranteed Maximum Price (GMP) Award for Sub-contractor Firms**

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|---------------|------------------------------------|----------------|------------------------------|----------------------------|----------------------------------|---------------------------------------------|
| 09-9000-S | Painting | Grelite | \$66,426.00 | - | 3.66% | - |
| 10-4010-S | ADA Signage | All Specialty | \$1,296.00 | - | 0.07% | - |
| 10-5000-S | Marker Boards, Tack Boards | FL VDP | \$8,190.00 | - | 0.45% | - |
| 10-8000-S | Toilet Partitions/Bath Accessories | All Specialty | \$5,680.00 | - | 0.31% | - |
| 11-1000-S | Playground | Playmore | \$63,050.00 | - | 3.47% | - |
| 15-4000-S | Plumbing | G&L Plumbing | \$41,900.00 | - | 2.31% | 2.31% |
| 15-8000-S | HVAC | Apex | \$165,000.00 | SBE-HA | 9.08% | 9.08% |
| 16-1000-S | Electrical | State Building | \$285,800.00 | - | 15.73% | - |
| | Subcontractor Bonds | | \$12,558.00 | | 0.69% | |
| | DPO Sales Tax Savings | | (\$28,029.00) | | (1.54%) | |
| | Total Construction Value | | \$1,817,376.00 | | 100.00% | 59.39% |
| | | | | Total S/MBE Dollars | | \$1,079,401.00 |
| | General Liability & Umbrella | | \$27,279.00 | | | |
| | Payment/Performance Bond | | \$24,036.00 | | | |
| | General Conditions | | \$336,897.00 | | | |
| | CM Fee | | \$178,689.00 | | | |
| | Owner Contingency | | \$108,609.00 | | | |
| | Total GMP | | <u>\$2,492,886.00</u> | | | |

The highlighted S/MBE subcontractors were randomly selected for review of S/MBE goals and contract agreement amounts.

¹ S/MBE – Small/Micro Business Enterprise
M/WBE – Minority/Women Business Enterprise
AA – African American
HA – Hispanic American
W – Woman-owned

**Exhibit 4 - Springview Elementary School – Project #01435400
Guaranteed Maximum Price (GMP) Award with Sub-contractor Firms**

CMR: Link Construction Group, Inc. (M/WBE - Hispanic-American; not a certified S/MBE per OEO directory)
GMP: \$3,265,058
GMP Award Date: November 23, 2016
Expected Substantial Completion Date: March 18, 2018

| Division Code | Description | Subcontractor | GMP Amount | Certification ¹ | Percentage of Construction Value | Percent of S/MBE goal per Board Agenda Item |
|---------------|---------------------------------|------------------------|-----------------------|----------------------------|----------------------------------|---------------------------------------------|
| 02-050 | Demolition | Allowance | \$39,915.00 | - | 1.63% | - |
| 02-100 | Site work | Allowance | \$0.00 | - | 0.00% | - |
| 02-830 | Fencing | Allowance | \$0.00 | - | 0.00% | - |
| 02-900 | Landscape | CA South FI Palms | \$20,000.00 | - | 0.81% | - |
| 03-100 | Concrete | Jireh Concrete | \$183,500.00 | MBE-HA | 7.48% | 7.47% |
| 06-100 | Carpentry & Millwork | Mark Products | \$65,307.00 | - | 2.66% | - |
| 07-500 | Roofing | Allowance | \$15,000.00 | - | 0.61% | - |
| 08-100 | Doors and Frames | JJAS Doors | \$72,622.00 | MBE-HA | 2.96% | 2.96% |
| 08-500 | Glass and Glazing | Arso Enterprises | \$348,357.00 | SBE-HA | 14.19% | 14.19% |
| 09-250 | Painting | Curtis Painting | \$169,000.00 | SBE-AA | 6.89% | 6.88% |
| 09-260 | Flooring | Zaharions Flooring | \$88,222.00 | - | 3.59% | - |
| 09-510 | Acoustical Ceilings | Bergolia | \$22,285.00 | SBE-HA | 0.91% | 0.91% |
| 09-900 | Drywall/Stucco | Eastern Plastering | \$182,952.00 | SBE-HA | 7.45% | 7.45% |
| 10-800 | Specialties | FI Chalkboard | \$48,400.00 | - | 1.97% | - |
| 10-800 | Specialties | SDI | \$16,126.00 | - | 0.66% | - |
| 10-800 | Specialties | Signarama | \$4,159.00 | - | 0.17% | - |
| 12-100 | Window Shades | - | \$20,000.00 | - | 0.81% | - |
| 15-400 | Plumbing | David's Plumber | \$284,596.00 | MBE-AA | 11.59% | 11.59% |
| 15-500 | Mechanical | Rapid ACT | \$640,000.00 | SBE-HA | 26.07% | 26.07% |
| 16-100 | Electrical | Superior Electric | \$294,100.00 | SBE-HA | 11.98% | 11.98% |
| | Tax Savings | | (\$60,000.00) | | (2.44%) | |
| | Total Construction Value | | \$2,454,541.00 | | 100.00% | 89.50% |
| | | | | Total S/MBE Dollars | | \$2,197,412.00 |
| | P&P Bonds | | \$28,354.00 | | | |
| | General Liability | | \$28,637.00 | | | |
| | General Conditions | - | \$380,814.00 | | | |
| | Overhead and Profit | | \$260,311.00 | | | |
| | Owner/Contractor Contingency | | \$112,401.00 | | | |

Total GMP \$3,265,058.00

The highlighted S/MBE subcontractors were randomly selected for review of S/MBE goals and contract agreement amounts.

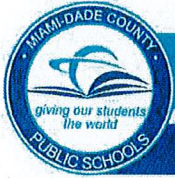
¹ S/MBE – Small/Micro Business Enterprise
M/WBE – Minority/Women Business Enterprise
AA – African American
HA – Hispanic American

**Miami-Dade County Public Schools
Office of the Inspector General**

Appendix A

Response from Chief Facilities Officer Jaime G. Torrens

**OIG Final Report of Inspection
GOBIG - 0013**



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

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Dr. Steve Gallon III
Perla Tabares Hantman
Dr. Martin Karp
Lubby Navarro
Mari Tere Rojas

June 13, 2017

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

SUBJECT: DRAFT REPORT – OIG INSPECTION OF SELECTED CONTRACTS' S/MBE UTILIZATION GOALS - GOBIG-0013

Dear Ms. Cagle:

We have reviewed the above subject report dated May 31, 2017, prepared by your office and concur with the observations and inspection results presented therein.

The ongoing oversight of the General Obligation Bond (GOB) by the Office of the Inspector General is crucial to ensuring the program's accountability, as promised to Miami-Dade taxpayers. As you requested, a presentation by your office will be included in the agenda for the GOB Advisory Committee meeting of June 20, 2017.

If you have any questions or require additional information, please contact me, at 305-995-1607.

Sincerely,



Jaime G. Torrens
Chief Facilities Officer

JGT:cb
L313

cc: Mr. Alberto M. Carvalho
Mr. Walter Harvey
Mr. Jose Montes de Oca
Ms. Ana Rijo-conde
Mr. Raul F. Perez
Ms. Teresa A. Comesana-Alfau

Office of School Facilities

*Mr. Jaime G. Torrens, Chief Facilities Officer • 1450 N.E. 2nd Ave. • Suite 923 • Miami, FL 33132
305-995-1607 • 305-995-1489 (FAX) • jtorrens@dadeschools.net*