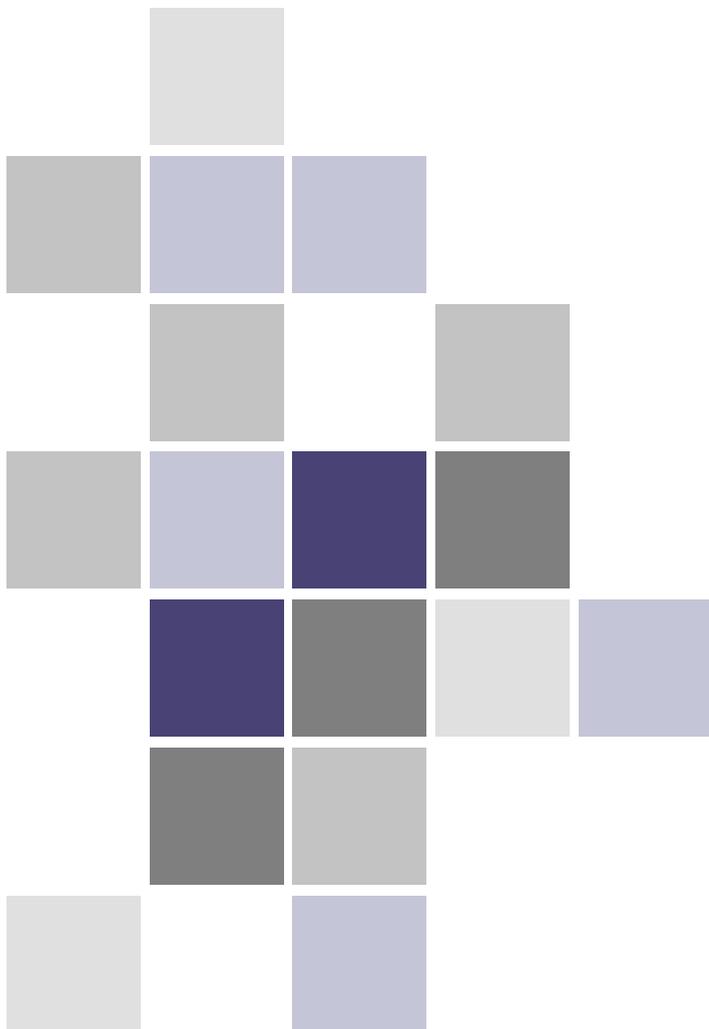




PERFORMANCE AUDIT OF COLLIER COUNTY

Final Report
September 4, 2018



Performance Audit of Collier County

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CHAPTER I. INTRODUCTION

Collier County (County) was established in 1923 under the constitution and laws of the State of Florida. The Board of County Commissioners (BCC) is the chief legislative body for the County, and its general duties and responsibilities are outlined in Chapter 125 of the Florida Statutes. The BCC is composed of five County Commissioners elected by voters. The BCC approves the County budget, adopts local ordinances and resolutions, and establishes high-level policies that govern the County and ensure the health, safety, and welfare of the citizens. The BCC is also responsible for hiring a County Manager to oversee the day-to-day operations of the County in line with BCC policy. The County Manager sets administrative policy associated with the day-to-day operations. The BCC conducts budget workshops during June of each year as part of its annual budgeting process.

The County's economic base is concentrated in tourism, agriculture, fishing, ranching and forestry, with a growing services economy and an emerging technology sector. The County has the largest area of any county in Florida at 2,026 square miles. With a population of 372,880 in 2018 (an 18 percent increase over the last 10 years), the County has been one of the fastest growing counties in Florida over the last 10 years. The County provides its citizens with a wide range of services that include law enforcement; emergency management; fire and Emergency Medical Services (EMS) services; library; museum and cultural services; parks and recreation operations; as well as road maintenance and construction. In addition, the County owns and operates a water and wastewater utility; a solid waste landfill gas to energy facility; three airports; and a transit system.

Pursuant to the requirements of Ch. 2018-118, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability has contracted with MGT Consulting Group (MGT) to conduct a performance audit of the programs associated with the surtax ordinance adopted by the Collier County Board of County Commissioners on April 24, 2018. This performance audit of the County focused on program areas related to construction, repair or maintenance of roads, bridges, signals, sidewalks, parks, as well as evacuation shelters, governmental, mental health, and emergency services facilities; and the acquisition of land and construction support for workforce housing and career and technical training, veterans' nursing home(s), and expanded mental health facilities.

The audit was conducted in accordance with Generally Accepted Government Auditing Standards. Those standards require planning and performance of the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit activities included interviews with key personnel, review of relevant information (including capital planning documents, proposals and bid tabulations, project invoices and status reports, appraisals, policies, laws and other documentation), site visits, and benchmarking. MGT believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the defined audit objectives.

Our audit included performing procedures to gain an understanding and evaluate significant internal control within the context of our audit objectives. Our consideration of internal control was limited to controls relevant to our audit objectives and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CHAPTER 2. REPORT SUMMARY

Pursuant to the scope identified in the Request For Quotes, the audit focused on the program areas related to:

- ♦ Construction, repair or maintenance of roads, bridges, signals, sidewalks, parks, as well as evacuation shelters, governmental, mental health, and emergency services facilities; and
- ♦ the acquisition of land and construction support for workforce housing and career and technical training, veterans' nursing home(s), and expanded mental health facilities.

The audit therefore is organized according to the program areas within the County organizational structure relevant to the domains above: specifically, Transportation Engineering and Facilities Management. To assess the respective levels of performance of these elements of County operations, the audit team evaluated the following six key aspects of the program areas:

- ♦ Economy, efficiency, and effectiveness
- ♦ Structure or design
- ♦ Methods of providing services and products
- ♦ Goals, objectives and performance measures
- ♦ Adequacy of public documents and reports
- ♦ Process for ensuring compliance with policies, rules, and laws

For each key aspect, MGT performed procedures to assess program performance. Audit procedures disclosed several key areas in which the Transportation Engineering and Facilities Management divisions performance passed the criteria for satisfactory performance for the scope of the information that was examined (i.e., included in findings areas no. 1, 2, 3, 4, 5, and 6) and two areas in which an adverse key finding was identified (i.e., findings no. 2 and 3).

LIST OF FINDINGS

FINDING 1: ECONOMY, EFFICIENCY, AND EFFECTIVENESS

The Transportation Engineering and Facilities Management projects that were tested were evaluated by County personnel using performance and cost information that is adequate to monitor project performance and cost. These projects were also completed on-time, within budget, and at a reasonable cost. Additionally, program administrators have taken reasonable

and timely actions to address any deficiencies in program performance and cost identified in audits.

FINDING 2: STRUCTURE OR DESIGN

The Transportation Engineering and Facilities Management programs' organizational structures have clearly defined units, minimize overlapping functions and excessive administrative layers, and have lines of authority that minimize administrative costs. Additionally, current staffing levels appear reasonable given the nature of the services provided and program workload based on a thorough budgeting and staff planning process; however, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need.

FINDING 3: METHODS OF PROVIDING SERVICES AND PRODUCTS

The overall execution of the Transportation Engineering and Facilities Management projects indicate that these projects have been executed efficiently with a mix of in-house and external help. However, the programs do not have a formal process for evaluating the effectiveness of alternative methods of providing services including in-house, contracted, and privatized services.

FINDING 4: GOALS, OBJECTIVES AND PERFORMANCE MEASURES

The Transportation Engineering and Facilities Management programs' goals and objectives are clearly stated and are consistent with the County's strategic plan. Management uses adequate measures to evaluate program performance and cost. Additionally, the internal controls evaluated by the audit team are adequate to provide reasonable assurance that program goals and objectives are met.

FINDING 5: ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS

The Transportation Engineering and Facilities Management programs have processes in place to ensure the accuracy and completeness of relevant program performance and cost information provided to the public. Additionally, the public has access to information that is useful, timely, readily available and easy to locate.

FINDING 6: PROCESS FOR ENSURING COMPLIANCE WITH POLICIES, RULES, AND LAWS

The Transportation Engineering and Facilities Management programs have processes in-place to assess their compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. In addition, the programs have taken reasonable and timely actions to assess if planned uses of the surtax comply with applicable state laws, rules, and regulations.

CHAPTER 3. OBSERVATIONS, FINDINGS, AND RECOMMENDATIONS

Findings of the performance audit focus on two program areas within the County – Transportation Engineering and Facilities Management – which oversee all functions relevant to the stated potential uses of the surtax funds. Each of the six research tasks associated with the audit are explored for both domains of the County’s operations, with findings presented as follows.

- ◆ Aspects of performance that **pass audit criteria** for the scope of information reviewed are identified by area of review and accompanied by a brief description of the current situation.
- ◆ Alternately, aspects of the organization that **did not pass audit criteria** (adverse findings) also include the same characterization of the areas of review and summary of current circumstances, but also include further detail and MGT’s associated recommendation for remediation of these adverse conditions.

To assess the performance of these programs, MGT reviewed extensive reports and documentation regarding the organization, supplemented and informed by interviews with key staff including:

- ◆ County Administrator
- ◆ Director, Transportation Engineering
- ◆ Manager Finance and Operations, Operations Support Division
- ◆ Deputy Director, Facilities Management
- ◆ Senior Financial Analyst, Facilities Management Division
- ◆ Project Manager

Findings regarding the performance of the Transportation Engineering and Facilities Management programs within the organization are summarized below.

FINDING 1: ECONOMY, EFFICIENCY, AND EFFECTIVENESS

The Transportation Engineering and Facilities Management projects that were tested were evaluated by County personnel using performance and cost information that is adequate to monitor project performance and cost. These projects were also completed on-time, within budget, and at a reasonable cost. Additionally, program administrators have taken reasonable and timely actions to address any deficiencies in program performance and cost identified in audits.

TRANSPORTATION ENGINEERING

The focus of the Transportation Engineering Division is to maintain safe traffic operation on the County's roads, implement capital improvements for the transportation network, and to acquire needed property for capital programs. Within the Transportation Engineering Division there are four sections that work in conjunction to these ends: Traffic Operations, Roadway and Bridge Project Management, Right-of-Way Acquisition, and Road Construction/Construction Engineering Inspection (CEI). Within their distinct disciplines, they also work to promote the quality, safety, and the efficiency of the County's road network through sound engineering principles, quality construction, diligent oversight, and effective maintenance. The duties and responsibilities of each of these sections are as follows:

- ♦ **Traffic Operations** - installs, inspects and maintains traffic signals, roadway lighting, and signs and also identifies, plans, designs, and oversees construction of intersection, safety, and capacity improvements, such as turn lanes, median modifications, sidewalk improvements and small drainage projects. These improvements are limited to small-scale, low-cost projects that will enhance traffic flow and/or promote safety.
- ♦ **Roadway and Bridge Project Management** - oversees consultants in the study, design and permitting of capital improvements on major roadway and bridge projects. The process begins with consultant selection and proceeds through 30%, 60%, 90% and 100% design plan stages, with public information meetings typically being held at each of these milestones. It is the responsibility of this section to coordinate with a variety of agencies to ensure compliance with all applicable governmental regulations.
- ♦ **Right-of-Way Acquisition** - responsible for acquiring property required for new roads, widening existing roads and for the construction and maintenance of canals, stormwater sites and water control structures. This section works closely with the County Attorney's Office to acquire land and/or easements via negotiated purchase, or when necessary, condemnation, in order to grant legal access for the County's contractors to enter upon theretofore private property to construct roadway, drainage, and utility improvements necessary to maintain acceptable levels of service for the residents of Collier County.
- ♦ **Road Construction/CEI** – responsible for ensuring that all Transportation Engineering capital projects are constructed in conformance with approved plans and specifications, whether it be roadway, bridge, sidewalk, stormwater outfall, or traffic signal. The team's focus in oversight of contractors and consultants is quality construction that is on schedule and within budget.

Several planning functions guide the operations of this program. The Metropolitan Planning Organization (MPO) is a planning entity which includes representatives from the Board of Collier County Commissioners, the City of Naples, Everglades City, and the City of Marco Island. The MPO develops the long-range transportation plan for cost feasible transportation projects and helps set priorities for implementing projects listed in the transportation improvement program. It conducts public workshops, uses traffic models, and receives input from the public through its

board and through citizen input to determine transportation needs. The MPO's long-range transportation plan is utilized by the County's Growth Management Department (GMD) in planning and coordinating projects with other entities in the County.

In addition to the long-range transportation plan, the County has an Annual Update and Inventory Report (AUIR) and Capital Improvement Element (CIE) each year to start the budget process for capital projects. Both processes focus on the schedule of capital improvements for the County. The AUIR is an annual status report on public facilities and the CIE is a planning document that identifies public facilities that will be required during the next five or more years. The CIE is the foundation of the County's annual Capital Improvement Program (CIP).

The Five-Year Work Program lists the proposed projects that are funded for each fiscal year. These are developed with the input of staff to fund the prioritized capital projects in the County and they are presented to the public, to the Planning Commission, and finally approved by the BCC. Repair and maintenance functions include rebuilding or paving roads, overseeing the replacement or rehabilitation of bridges when necessary, and for repairing and maintaining traffic signals and sidewalks.

As part of audit testing, MGT selected a sample of eight (8) projects that were, or are being, performed by the Transportation Engineering Division during the period June 1, 2015, through May 31, 2018. (see **Table 1 – Summary of Project Sample for Transportation Engineering** below).

TABLE 1 - SUMMARY OF PROJECT SAMPLE FOR TRANSPORTATION ENGINEERING

PROJECT NAME	ESTIMATED COST	ACTUAL COST TO DATE	PROJECT SCOPE	PROJECT STATUS
Collier Boulevard	\$31,206,592.00	\$30,713,406.45	Roadway	Complete
Golden Gate Boulevard	\$30,492,132.00	\$30,229,883.61	Roadway	Complete
Intersection Capacity Improvement	\$24,137,086.37	\$21,582,235.42	Intersection	Complete
Vanderbilt Beach Road	\$53,553,459.00	\$18,789,770.37	Roadway	Design
Chokoloskee Bridge Replacement	\$9,137,982.44	\$7,581,038.98	Bridge	Construction
Vanderbilt Drive Memorial Pathway	\$2,417,573.64	\$2,949,759.78	Sidewalk	Complete
Golden Gate Parkway Bearing Repairs	\$130,040.00	\$130,029.00	Bridge	Complete

PROJECT NAME	ESTIMATED COST	ACTUAL COST TO DATE	PROJECT SCOPE	PROJECT STATUS
Repairs on Bridge 030149	\$74,104.00	\$52,080.90	Bridge	Design

MGT interviewed County personnel and reviewed supporting documentation (e.g., executive summary, monthly estimate reports, invoices, and other relevant information) related to each project to gain an understanding of the project requirements, performance, and cost. Audit procedures disclosed that:

- ◆ For all eight (8) projects, management evaluated project performance and cost using information that is adequate to do so.
- ◆ For all eight (8) projects, the performance management appeared reasonable. The projects are monitored regularly through on-site inspections as well as progress meetings. Once complete, projects are evaluated for compliance with the contract. Progress was also reviewed by program administration before approving payments to the project contractors.
- ◆ The five (5) projects that have been completed were all completed on-time and within budget when taking into consideration change orders. Some projects were not completed by the estimated completion date or estimated budget, but the time/cost additions or subtractions were introduced through the change order process. For such projects, MGT reviewed the change orders related to these projects and determined that there were unforeseen conditions or scope additions that required additional time or cost to complete and determined that the additional time or cost to complete the project was reasonable. One example of such a project is the Intersection Capacity Improvement project, which exceeded the contract schedule. Schedule changes for the Intersection Capacity Improvement Project were approved using the change order process – for example, change order number three added additional time and cost due to unforeseen field conditions – this included a stormwater structure alignment that needed to be updated because of a survey error and a conflict with a new stormwater pipe because an existing water line was shallower than expected.
- ◆ The five (5) projects that have been completed were completed at a reasonable cost. A competitive bidding process provides a fair representation of the market value of the services that were provided. For each of these projects, MGT reviewed documentation and determined that all five projects went through the competitive bidding process and the vendor selected provided reasonable assurance that the cost was reasonable – either the lowest qualified option or within the ranges of costs submitted.

- ♦ MGT also reviewed change orders associated with these projects to assess whether the reason(s) for the change orders appeared reasonable. MGT concluded that the change orders received appropriate oversight and authorization.

There were no prior adverse audit findings for this segment of County operations relevant to this surtax.

FACILITIES MANAGEMENT

The Division of Facilities Management is comprised of 10 major functions: Building Management; Facilities Capital Renovations and Construction; Space Planning and Allocation; Grounds Management; Janitorial Services; Building Operations; Security; Real Property; Conservation Collier; and Indoor Air Quality. The Division is responsible for the maintenance of all County-owned and -operated buildings including some leased structures. Additionally, the Division is responsible for managing an operation and capital budget of \$19.15 million, of which \$5.15 million is for capital construction. Included below are summaries of the roles of each of these functions in County operations.

- ♦ **Management and Oversight:** Responsible for the overall management and direction for the Facilities Management Division. This program drives the Division's vision and objectives through the utilization of short- and long-term strategic planning, financial planning, energy management, annual update and inventory reporting, master space planning, and emergency management planning. Directs the functions and activities of the Division, including Building Management, Construction Management, Real Property Management, and Government Security.
- ♦ **Building Repair and Maintenance:** Responsible for the logistical management, maintenance, financial compliance, sustainability and condition assessment of Collier County government buildings and structures. Building management costs include operating, personnel, and capital expenses. Through continuously improving preventative and predictive maintenance programs, Facilities Management strives to provide safe, secure, and well-maintained facilities that are accessible to all persons. This section:
 - Manages the maintenance functions and activities of the Division, including electrical, low-voltage, plumbing, heating, ventilation, and air conditioning (HVAC), structural repairs, physical energy plant, pest control, as well as fire systems maintenance and compliance;
 - Coordinates the preventative maintenance programs for the County's structures and building related assets, which in return avoids emergency repairs and prevents loss of public services and County staff productivity; and
 - Ensures County facilities are clean, safe, and productive through indoor air quality services, which include investigations and remediation.
- ♦ **Capital Construction/Renovation:** Responsible for the management of Collier County vertical construction and renovation projects that provide high-quality, best-value

- government facilities to residents, visitors, and staff. This section delivers project management services to the Board of County Commissioners as well as the constitutional offices that include the Clerk of the Courts, Supervisor of Elections, Property Appraiser, Tax Collector, and the Collier County Sheriff's Office. It also provides in-house construction administration services, and project management for BCC-owned and -leased facilities, including new vertical construction, space renovations, roof replacements, HVAC system replacements, and warranty work.
- ♦ **Campus Utilities:** Provides funds for payments to utility companies for portions of electrical, trash, water and sewer costs for County facilities.
 - ♦ **Contract Services:** Provides clean, safe, and productive work environment for the residents, visitors, and staff, through collaboration between County staff and contracted vendors. Custodial services deliver competitive janitorial cleaning, trash removal, and recycling services to 132 buildings. Grounds maintenance provides competitive landscape services to the County's main campus and 47 satellite properties, including irrigation, fertilization, and mulching. Government security delivers the necessary resources for the detection of contraband and the protection of residents, visitors, employees, judges, and elected officials. Government Security is comprised of security checkpoint staffing, interior and exterior patrols, along with security building audits for the Main Courthouse and Government Center, Building F, Building H, Immokalee Government Center, North Collier Government Center, GMO Planning and Regulation, and the Emergency Services Center. The Division additionally provides contract maintenance services for HVAC preventative maintenance, water system maintenance, pest control, elevator maintenance, air filter replacements, and fire system certifications.
 - ♦ **Government Security:** Provides the necessary resources for detection of contraband and the protection of judiciary officials, elected officials, employees, and visitors with optimum customer service. This includes, but is not limited to, security checkpoint staffing as well as interior and exterior foot patrols at county facilities, specifically the Main Courthouse and Government Center, Building F, Building H, Immokalee Government Building, North Collier Government Center, and the Emergency Service Center.
 - ♦ **Real Property Management:** Provides land acquisition services to County client departments. The Real Estate Services section of Facilities Management Division is responsible for the negotiation and purchase of land, except right of way land purchases, for client County departments. Some of the key activities of this section are:
 - Researches to identify land owners, communication with land owners and the County Attorney's Office regarding land purchases. Prepares market analysis, obtains appraisals from internal and external appraisers, if necessary, based on purchase amount.
 - Negotiates between land owner and County client that funds the land purchase.

- Requests environmental studies, reviews zoning, and obtains approvals needed for anticipated County uses, prepares contract, obtains land owner’s signature, prepares Executive Summary and submits to BCC for approval and contract execution, BCC approves.
- Researches and obtains removal of all encumbrances, prepares closing documents, requests funds, closes and records documents, orders title policy, releases site to client and closes file.

New construction facilities-related projects are initiated by growth management plans, land development code, citizen requests, population growth, and other relevant factors. Projects are prioritized by life and health safety, revenue-generating budget availability, and enhancement of quality of life for residents. Depending on the project size, the project manager, in-house inspection, or contracted CEI services can all monitor large construction projects. Repair and maintenance functions include repair and maintenance of roofs, HVAC, and general building repairs.

As part of audit testing, MGT selected a sample of 20 projects that were, or are being, managed by the Facilities Management Division during the period June 1, 2015, through May 31, 2018 (see **Table 2 - Summary of Project Sample for Facilities Management** below).

TABLE 2 - SUMMARY OF PROJECT SAMPLE FOR FACILITIES MANAGEMENT

PROJECT NAME	ESTIMATED COST	ACTUAL COST TO DATE	PROJECT SCOPE	PROJECT STATUS
Eagle Lakes Community Aquatic Center	\$9,230,657	\$8,471,760	Aqua Center	In-Process
Sherriff's Office Orange Tree Substation	\$2,487,411	\$2,487,411	Sherriff's Off	Complete
EMS 76 Construction	\$1,546,697	\$1,546,697	EMS Unit	Complete
Cocohatchee River Park Marina Renovation	\$1,391,000	\$1,374,777	Marina Reno	In-Process
Big Corkscrew Island Regional Park	\$3,631,979	\$1,156,656	Park	In-Process
Base Bid Administration Building	\$986,537	\$986,537	Renovation	Complete
CH 1st Floor Phase I Probation Offices	\$924,443	\$924,443	Probation Off	Complete
CH 1st Floor Phase II Courtroom	\$920,848	\$920,848	Courtroom	Complete
Freedom Memorial Monument	\$766,814	\$766,814	Monument	Complete

PROJECT NAME	ESTIMATED COST	ACTUAL COST TO DATE	PROJECT SCOPE	PROJECT STATUS
East Naples Community Park Pickle Ball	\$744,018	\$744,018	Pickle Ball Crt	Complete
DMP for Granit for Freedom Park	\$682,957	\$682,957	DMP-Granite	Complete
Clam Pass Bch Park Electrical Upgrade	\$603,500	\$574,106	Electric Upgd	In-Process
NITY Park Soccer Field	\$573,516	\$573,516	Soccer Field	Complete
Clam Pass Parking Renovations	\$506,464	\$506,464	Parking Reno	Complete
Clam Pass Boardwalk Repair	\$498,084	\$498,084	Boardwalk Re	Complete
Immokalee Fitness Center Expansion	\$354,477	\$354,477	Fitness Ctr Ex	Complete
ENCP Pickle Ball Court	\$345,756	\$345,756	Pickle Ball Crt	Complete
Elevator Modernization Support CC Court	\$175,596	\$175,596	Elevator Mod	Complete
Architect and Engineering Services	\$105,675	\$72,375	Engineering	In-Process
5 Microsoft Office Professional Plus	\$1,561	\$1,561	Software Lic.	Complete

MGT interviewed County personnel and reviewed supporting documentation for each project (e.g., executive summaries, monthly estimate reports, invoices, appraisals and other relevant information) to gain an understanding of the project requirements, performance (e.g., quality of the work was acceptable and tasks were completed on-time), and cost. Audit procedures disclosed that:

- ♦ For all 20 projects, management evaluated project performance and cost using information that was adequate to do so.
- ♦ For all 20 projects the performance management appeared reasonable. The projects are monitored regularly through on-site inspections as well as progress meetings. Once complete, projects are evaluated for compliance with the contract. Progress is also reviewed by program administration before approving payments to the project contractors.
- ♦ The 15 completed projects were completed on-time and within budget when taking into consideration change orders. For some projects, there were unforeseen conditions or scope additions that required additional time or cost to complete. For such projects, MGT reviewed the change orders related to these projects and determined that there were unforeseen conditions or scope additions that required additional time or cost to complete and the additional time or cost to complete the

- project appeared reasonable (e.g., for the Freedom Memorial Monument project, change order 1 reduced the cost of the project because the County decided to purchase the granite for the monument directly, which resulted in substantial sales tax savings).
- ♦ The 15 completed projects were completed at a reasonable cost. A competitive bidding process provides a fair representation of the market value of the services that were provided. For each of these projects, MGT reviewed documentation and determined that all 15 projects utilized the competitive bidding process. The projects all received multiple bids, and the lowest bid was the one chosen for all of the projects. Since the projects were bid competitively, we can infer that the project costs were at the current market value at the time the projects were procured. Additionally, where information was available, project costs were compared to the cost of similar projects in other counties. For example, Collier County constructed an EMS Station at an average cost per square foot of \$290.68, compared to Lee County in which an EMS Station was completed at an average cost per square foot of \$467.
 - ♦ MGT also reviewed change orders associated with these projects to assess whether the reason(s) for the change orders appeared reasonable. MGT concluded that the change orders received appropriate oversight and authorization.

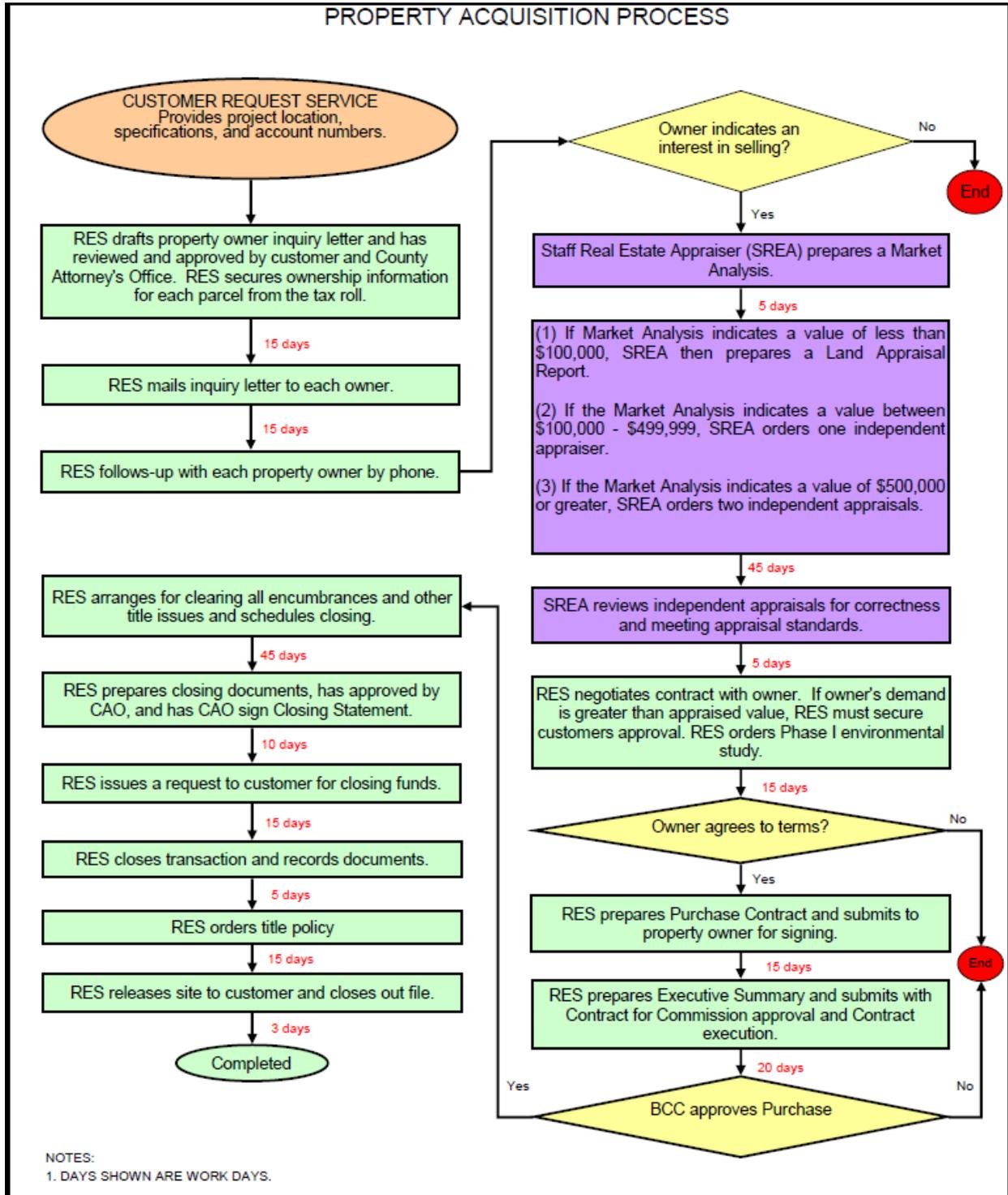
MGT also selected two (2) land purchases performed by the Real Estate Services section of the Facilities Management Division for testing (see **Table 3 – Land Purchases**).

TABLE 3 – LAND PURCHASES

PROJECT NAME	AVERAGE APPRAISAL	PURCHASED PRICE	PURCHASED OVER/UNDER AVERAGE APPRAISAL
Land Purchase-FGUA Utility Acquisition	\$21,056,642	\$20,936,642	Under - \$120,000
Land Purchase-Sports Park-City Gate	\$14,195,000	\$12,000,000	Under - \$2,195,000

For these two (2) land purchases, MGT interviewed the Manager of the Real Estate Services section, reviewed policies and procedures, flowcharts, executive summaries, appraisals, and other relevant documents to gain an understanding of the land purchasing process (see **Exhibit 1 – Property Acquisition Process**). This allowed a determination of whether the land purchases followed stated procedures, were completed at a reasonable cost, and approved by the Board of County Commissioners (BCC).

EXHIBIT 1 – PROPERTY ACQUISITION PROCESS



(Source: Real Estate Services Section, Facilities Management Division)

MGT concluded that:

- ◆ Due to the dollar amount of the purchases, outside appraisals were required by policy (i.e., market analysis indicates a value of over \$100,000).
- ◆ A mix of internal and external appraisals were used to determine market value of the land purchases.
- ◆ These land purchases followed internal policies and procedures based on the amounts of the purchases.
- ◆ Both purchases were acquired below the average appraised value.
- ◆ Both purchases were approved by BCC.

MGT reviewed relevant internal and external audit reports (e.g., Comprehensive Annual Financial Reports, Single Audit Reports, and reports issued by the Collier County Internal Audit Department of the Clerk's Office) to gain an understanding of the deficiencies identified relevant to our audit objectives. The Collier County Clerk's Office issued *Audit Report 2017-3 Facilities Management Division: 2015 Fiscal Year-End Inventory* on February 22, 2017. In this report, deficiencies were found regarding inventory controls, proper inventory counts and a lack of controls around consumables. In response to these findings, new policies and procedures were instituted, additional staff was hired to comply with the new procedures and a new inventory control system is being implemented this coming fiscal year. Based on these actions, MGT concluded that it appears that program administrators took reasonable and timely action to address the prior findings identified.

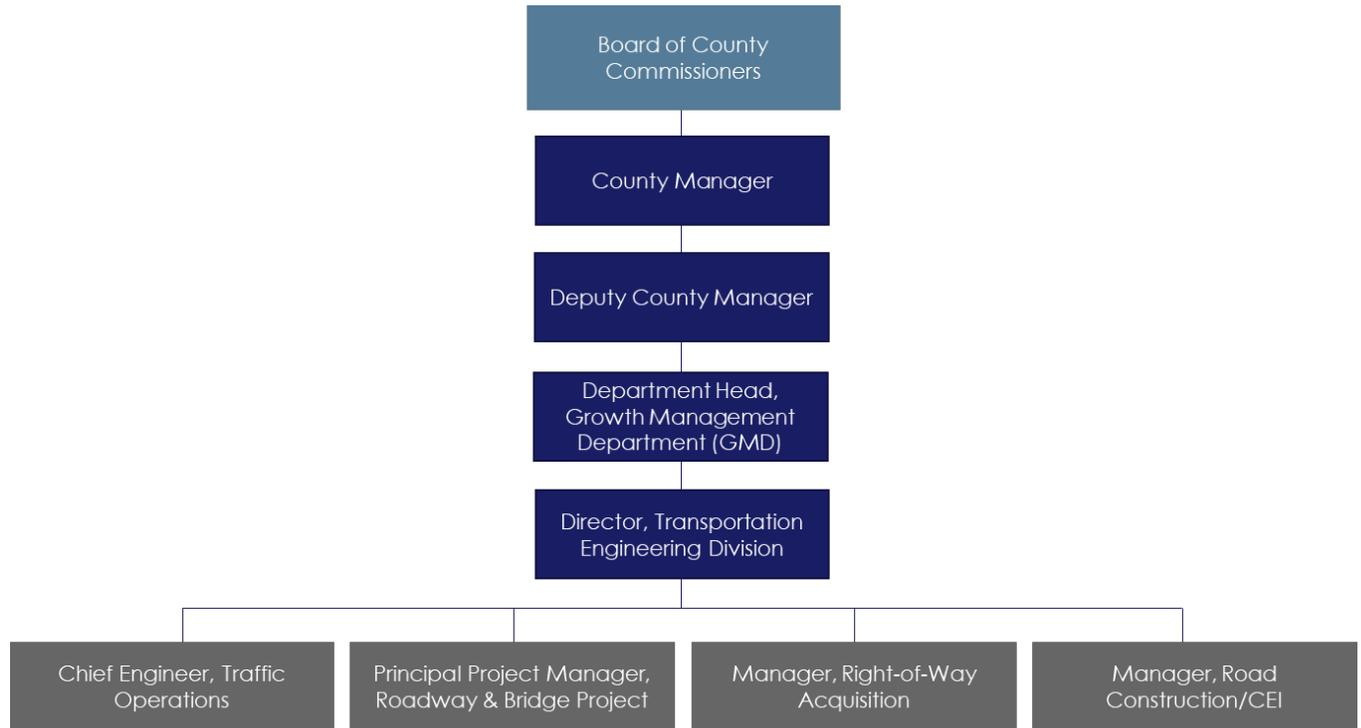
FINDING 2: STRUCTURE OR DESIGN

The Transportation Engineering and Facilities Management programs' organizational structures have clearly defined units, minimize overlapping functions and excessive administrative layers, and have lines of authority that minimize administrative costs. Additionally, current staffing levels appear reasonable given the nature of the services provided and program workload based on a thorough budgeting and staff planning process; however, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need.

TRANSPORTATION ENGINEERING

As of July 31, 2018, the Transportation Engineering Division consisted of approximately 68 employees under the direction of the Department Head who directly reports to the Deputy County Manager (see *Exhibit 2 – Transportation Engineering Organizational Chart*). The Transportation Engineering Division is responsible to maintain safe traffic operation on the County's roads, implement capital improvements for the transportation network, and to acquire right of way property for capital programs. The Transportation Engineering Division utilizes a combination of in-house staff and contracted vendors to perform its functions.

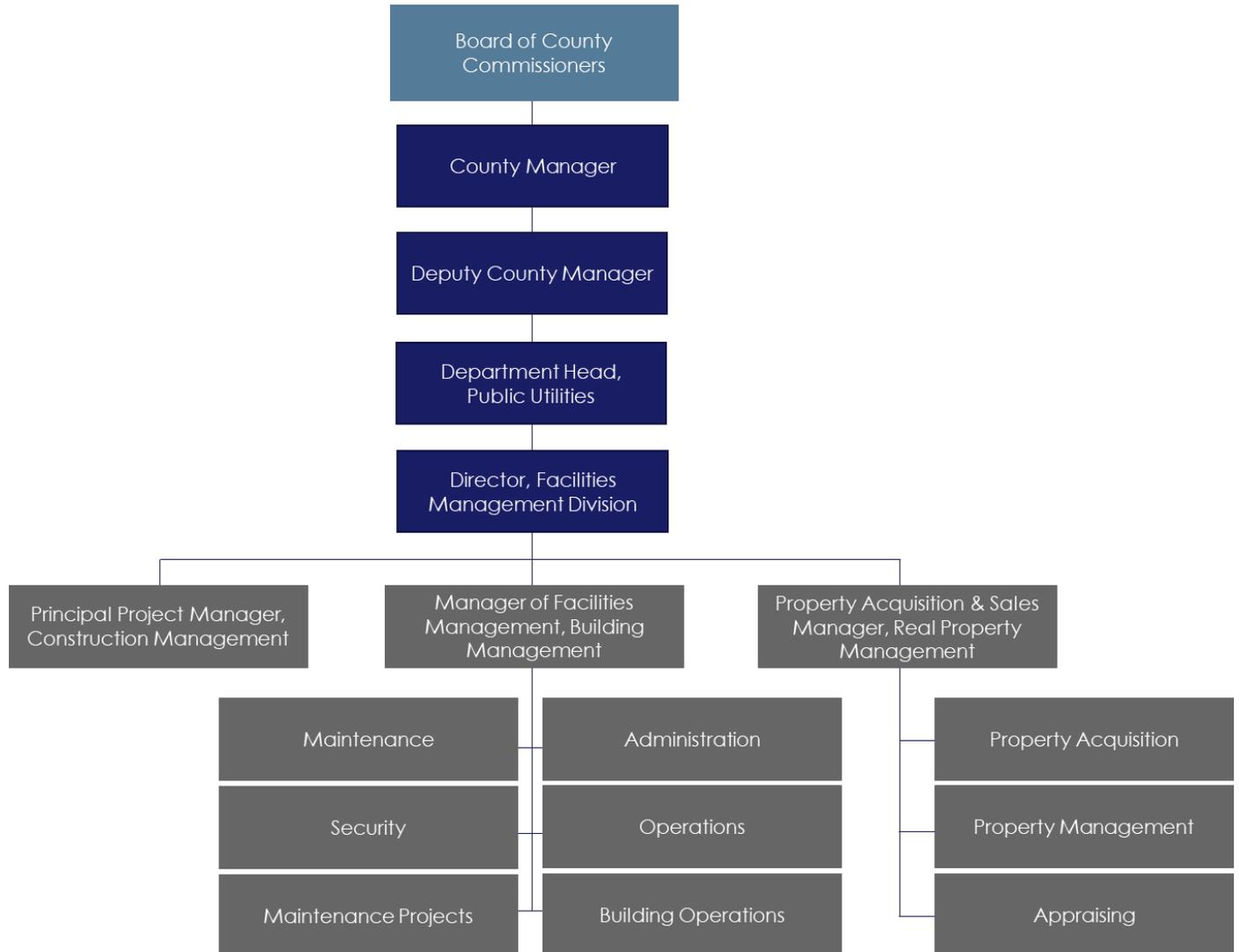
EXHIBIT 2 – TRANSPORTATION ENGINEERING ORGANIZATIONAL CHART



FACILITIES MANAGEMENT PROGRAMS

As of July 31, 2018, the Facilities Management Division consisted of approximately 64 employees under the direction of the Department Head who directly reports to the Deputy County Manager (see **Exhibit 3 – Facilities Management Organizational Chart**). The Facilities Management Division is responsible for the maintenance of all County-owned and operated buildings including some leased structures, and to acquire needed property for capital programs. The Facilities Management Division utilizes a combination of in-house staff and contracted vendors to perform its functions.

EXHIBIT 3 – FACILITIES MANAGEMENT ORGANIZATIONAL CHART



EVALUATION AND FINDINGS

As it relates to the Transportation Engineering and Facilities Management programs organizational structures and designs, MGT’s audit procedures included:

- ◆ Observations of a budget process that reviews workload and Full-Time Equivalent (FTE) levels, which is brought forward from department leaders and approved by the Board.
- ◆ Observations of sample job / position descriptions to ensure minimal duplication of effort.
- ◆ The review of organizational charts relative to peer counties (identified by Collier County management as Broward, Lee, and Monroe) to confirm that other peers have similar departments and management levels.
- ◆ Interviews with HR management to ensure the fidelity to established processes.

Audit procedures revealed that even though the County does not go through workload analysis or specific individual utilization reviews, they consider staffing levels throughout the year, which are summarized and reviewed by management, public, and the BCC annually. The County demonstrates thoughtfulness in the process of staffing levels by going through an annual budget process, including FTE review per department, and both the budget and salary schedule (i.e., Pay & Classification Plan for FY2018) are reviewed and approved by the Board. The charts and descriptions provided as **Exhibits 4 – Employment Summary** and **Exhibits 5A through 5D – Fiscal Year 2018 Adopted Budget** below show the employment summary, budgeting and FTE process (from Collier County budget documentation), respectively. This information is publicly available, is open for public comment, and ensures that management is reviewing staffing levels annually with Board approval.

Additionally, the County's program budgets provide a brief description of the program, the priority of each program in a department, the number of FTE positions necessary to perform the program, Fiscal Year (FY) dollars necessary for the program, offsetting revenues generated by each program, and the net cost of each program. The administration/overhead program encompasses the minimum level of service that is mandated by Federal or State law or judicial order and is necessary to protect the health and safety of the County residents or necessary to maintain capital asset value for a department.

With regards to expanded positions, the County Manager's Agency added 41 FTEs to the operation as part of the FY 2018 approved budget. These positions were distributed relatively equally throughout the agency reflecting the continued need to invest in human capital among various strategic position categories to address service demands and agency initiatives. As part of the decision to make major organizational, service or other changes, an analysis is undertaken by the County (executed at the division level but managed by Human Resources) that includes review of the customer needs, the organizational structure, the underlying processes and service delivery models and the proper full-time equivalent employee mix. Outcomes included streamlined business processes, elimination of any wasted effort in the processes, and a management and staffing structure that is expected to be able to deliver the required services.

For FY 2019, departments will carefully consider expanded positions since proposed operating expenditure guidance will likely require a significant re-prioritization of current budget. Any expanded requests will be limited to mission critical functions, such as but not limited to capital project execution, asset maintenance and replacement execution, asset management implementation and front-line service delivery. All expanded positions and programs will be reviewed by the County Manager and his recommendations will be presented as part of FY 2019 budget workshop discussions in June. Additionally, expanded position requests will be limited to mission critical functions, fully vetted with the Board and enumerated within the Budget document including details of expanded operational costs and any offsetting program revenue.

Based on the information reviewed, MGT confirmed that the Department's budgeting and staff planning processes appear reasonable given the nature of the services provided and program workload and promote the accomplishments of program goals and objectives by considering

staffing levels throughout the year and addressing staffing levels per strategic program goals. However, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need.

EXHIBIT 4 – EMPLOYMENT SUMMARY

**Collier County Government
Fiscal Year 2018 Adopted Budget**

Employment Summary

The chart below provides a breakdown of the 3,786.20 FTE's funded in the FY 2018 budget. This includes employees working within the County Manager's Agency, within the agencies of the Elected Public Officials; grant funded position and Court-related operations funded by the State. The majority of employees are concentrated within the County Manager's Agency and the Sheriff's Office.

Collier County Employment Summary - FY 18
Total County Employees = 3,786.20

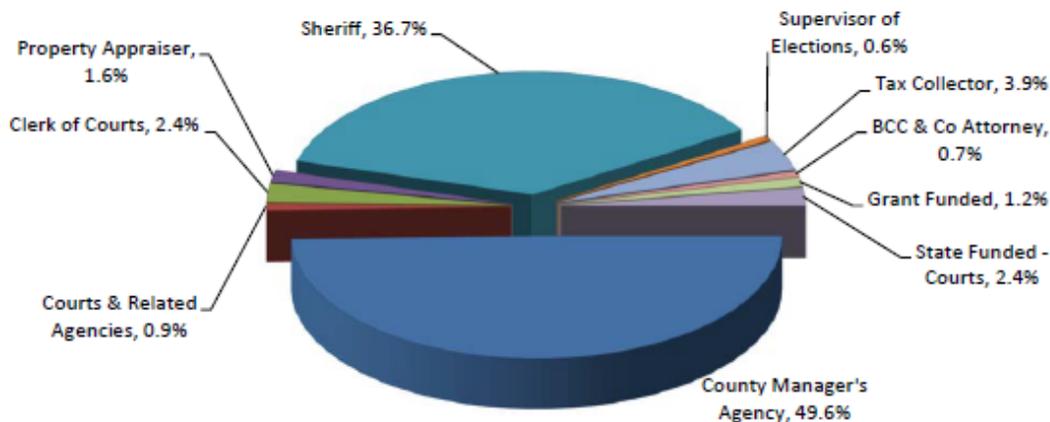


EXHIBIT 5A – FISCAL YEAR 2018 ADOPTED BUDGET

**Collier County Government
Fiscal Year 2018 Adopted Budget**

Full Time Equivalent (FTE) Count Summary

Division	FY 09 (Prior to reorg Authorized)	FY 16 (Funded) Adopted	FY 17 (Funded) Adopted	FY 17 (Funded) Forecast	FY 18 (Funded) Current	FY 18 (Funded) Expanded	FY 18 (Funded) Total	Position Change FY17-FY18
BCC	11.00	10.00	11.00	10.00	10.00	0.00	10.00	(1.00)
County Attorney	34.00	18.00	18.00	18.00	18.00	0.00	18.00	0.00
Total BCC	45.00	28.00	29.00	28.00	28.00	0.00	28.00	(1.00)
Management Offices	300.60	69.75	68.50	73.50	73.50	0.00	73.50	5.00
Administrative Services	193.25	425.00	372.00	348.00	348.00	8.00	356.00	(16.00)
Public Services	470.40	371.00	388.30	389.30	389.30	17.00	406.30	18.00
Public Utilities	406.50	413.00	507.00	514.00	514.00	10.00	524.00	17.00
Growth Management	583.00	487.00	510.00	512.00	512.00	5.00	517.00	7.00
Total County Manager's Agency	1,953.75	1,765.75	1,845.80	1,836.80	1,836.80	40.00	1,876.80	31.00
Courts & Related Agencies	38.60	32.00	32.00	32.00	32.00	1.00	33.00	1.00
Constitutional Officers:								
Property Appraiser	60.00	56.00	56.00	56.00	56.00	4.00	60.00	4.00
Supervisor of Elections	22.00	22.00	22.00	22.00	22.00	0.00	22.00	0.00
Clerk (Non-State Funded)	95.23	86.62	84.26	84.76	85.61	6.50	92.11	7.85
Sheriff	1,369.25	1,387.50	1,389.50	1,389.50	1,387.50	3.50	1,391.00	1.50
Tax Collector	158.00	149.00	149.00	149.00	149.00	0.00	149.00	0.00
Total Constitutional Officers	1,704.48	1,701.12	1,700.76	1,701.26	1,700.11	14.00	1,714.11	13.35
Total Permanent FTE	3,741.83	3,526.87	3,607.56	3,598.06	3,596.91	55.00	3,651.91	44.35
Grant Funded FTE-MPO	5.00	5.00	5.00	5.00	5.00	0.00	5.00	0.00
Grant Funded FTE-Housing Grants	8.05	11.30	13.00	13.00	13.00	0.00	13.00	0.00
Grant Funded FTE-Human Service	2.15	11.80	12.30	12.30	12.30	0.00	12.30	0.00
Grant Funded FTE-Sheriff	10.00	10.00	12.00	14.00	14.00	0.00	14.00	2.00
Clerk (State Funded) FTE	166.77	111.98	114.34	113.84	89.99	0.00	89.99	(24.35)
Total Grant & State Funded FTE	191.97	150.08	156.64	158.14	134.29	0.00	134.29	(22.35)
Grand Total	3,933.80	3,676.95	3,764.20	3,756.20	3,731.20	55.00	3,786.20	22.00

EXHIBIT 5B – FISCAL YEAR 2018 ADOPTED BUDGET (CONTINUED)

Collier County Government
Fiscal Year 2018 Adopted Budget

Growth Management Department – The Growth Management Department increased FTE's by 7.

- Transfer two (+2) FTE's to Planning & Regulatory Administration; (one Senior Operations Analyst) from Building Review and Permitting and (one Operations Coordinator) from Engineering Services.
- Transfer two (+2) FTE's to Addressing & GIS; (one Operations Coordinator) from Building Review and Permitting and (one Senior Environmental Specialist) from Planning/Environmental Services.
- Decrease seven (-7) positions in Zoning & Land Development Review; on March 14th 2017 Item 11C the board approved the creation of two positions: (one Principal Planner and one Senior Planner); nine FTE's were moved to other areas (one Planning Manager) moved to Engineering Services, (one Principal Planner) moved to Engineering Services, (one Senior Planner) moved to Engineering Services, (one Planner) to Planning/Environmental Services, (one Architect) to Engineering Services, (one Principal Project Manager) to Engineering Services, (one Technician) to Planning/Environmental Services, (one Planning Technician) to Planning/Environmental Services and (one Planner) to Building Review & Permitting.
- Transfer four (+4) positions to Building Review & Permitting; transferred in (one Operations Coordinator) from Planning & Regulatory Administration, (one Planner) from Zoning & Land Development Review, (two Permitting Technicians) from Planning/Environmental Services, (one Floodplain Coordinator) from Planning/Environmental Services, (one Planner) from Planning/Environmental Services, transferred out (one Operations Coordinator) to Addressing & GIS, and (one Operations Coordinator) to Planning & Regulatory Administration.
- Transfer four (+4) positions to Engineering Services Fund; transferred in (one Planning Manager) from Zoning & Land Development Review, (one Principal Planner) from Zoning & Land Development Review, (one Senior Planner) from Zoning & Land Development Review, (one Architect) from Zoning & Land Development Review, (one Principal Project Manager) from Zoning & Land Development Review, transferred out (one Senior Operations Analyst) to Planning & Regulatory Administration.
- Decrease three (-3) positions from Planning/Environmental Services; transferred in (one Planner) from Zoning & Land Development Review, (one Planning Technician) from Zoning & Land Development Review, (one Technician) from Zoning & Land Development Review, transferred out (one Planner) to Building Review & Permitting, (two Permitting Technicians) to Building Review & Permitting, (one Floodplain Coordinator) to Building Review & Permitting, (one Operations Coordinator) to Records Management and (one Senior Environmental Specialist) to Addressing & GIS.
- Add four (+4) positions to Landscape & MSTU's Operations; add one Inspector, two Field Supervisor, Seniors and one Maintenance Worker.
- Add one (+1) position to Project Management Support; add one Manager-Tech Systems.
- Decrease one (-1) position in Airport Administration; one position transferred to Immokalee Regional Airport.
- Add one (+1) position in Immokalee Regional Airport; one position transferred from Airport Administration.

Collier County Government
Fiscal Year 2018 Adopted Budget

Administrative Services Department – The Administrative Services Department had a net decrease of sixteen (16) FTE's.

- Transfer in one (+1) position from Facilities Management Division to Administrative Services Department Administration Office.
- Add two (+2) Network Administrators to Information Technology Division, requested by Public Utilities.
- The Procurement Division FTE count remained the same, however, mid-year one Purchasing Technician position was transferred back to the Office of Management and Budget and one FTE was transferred in from Facilities Management Division.
- Transfer one (+1) position from Board of County Commissioners to Communications and Customer Relations Division.
- Add five (+5) positions to Emergency Medical Services (EMS); transferred one position from Emergency Medical Services (EMS) to Bayshore Community Redevelopment Agency (CRA) and added six Paramedics to Emergency Medical Services (EMS).
- Transferred a total of (-25) FTE's from the Fire Districts; Ochopee Fire District (-15 FTE's) and Specialized Grants - Mile Marker 63 Fire Station (-10 FTE's) transferred to Greater Naples Fire & Rescue District (Independent Taxing Authority) per the adopted agreement.

EXHIBIT 5C – FISCAL YEAR 2018 ADOPTED BUDGET (CONTINUED)

Collier County Government							
Fiscal Year 2018 Adopted Budget							
Public Utilities Department							
Facilities Management Division							
Facilities Management (001)							
Program Funding Sources	FY 2016 Actual	FY 2017 Adopted	FY 2017 Forecast	FY 2018 Current	FY 2018 Expanded	FY 2018 Adopted	FY 2018 Change
Charges For Services	10	-	-	-	-	-	na
Miscellaneous Revenues	107,220	-	38,000	38,000	-	38,000	na
Reimb From Other Depts	375,303	100,000	285,400	350,000	-	350,000	250.0%
Net Cost General Fund	13,215,140	13,644,200	13,644,200	14,030,900	-	14,030,900	2.8%
Trans fm 113 Comm Dev Fd	-	85,200	85,200	85,200	-	85,200	0.0%
Trans fm 408 Water / Sewer Fd	-	113,200	113,200	130,000	-	130,000	14.8%
Total Funding	13,697,673	13,942,600	14,166,000	14,634,100	-	14,634,100	5.0%

Forecast FY 2017:

The overall budget forecast is somewhat higher than the adopted budget reflecting the addition of revenue and expenditures from special services performed on a reimbursement basis. The forecast for Personal services is greater than budgeted reflecting the conversion of contracted staff, budgeted as an operating expense, to job bank positions which are budgeted as personal services. The FY 17 position count forecast is reduced by two FTEs reflecting the transfer of position 50002354 to Administrative Services Administration and position 50003744 to Procurement Services.

The budget forecast has a neutral impact relative to the net cost to the General Fund.

Current FY 2018:

The FY 18 personnel count for Facilities Management is reduced by two reflecting the movement of personnel to Administrative Services Administration and the Procurement Division. The personal services budget has increased 11% relative to the FY 17 adopted budget. This increase reflects the addition of ten full time job bank positions and associated payroll taxes and fringe benefits. The budgeted cost is \$584,600.

The operating expense budget is increased by 5.2% or \$219,300. There are a large number of changes both up and down in individual line items. These changes reflect current priorities and recent cost experience. For example, as discussed above, contractual labor has been reduced but IT and Fleet costs absorb the savings. Certain other contractual budgets are reduced while HVAC contract services, Pest Control and Grounds Maintenance are increased. In the case of Pest Control and Grounds Maintenance, the increases reflect new competitively procured contracts. In the case of HVAC contract services, the increase reflects current priorities and utilization trends.

EXHIBIT 5D – FISCAL YEAR 2018 ADOPTED BUDGET (CONTINUED)

Facilities Management Division**Facilities Management (001)**

in compliance with budget guidance with a 4.8% increase in total budget is attributable to the net cost offsets provided by the reduced loan payment discussed above and the inclusion in the budget of \$250,000 in special service reimbursement revenue.

Facilities Management Division**Real Property Management (001)****Mission Statement**

To provide professional property acquisition and management services which exceed customer expectations through courteous, expeditious and knowledgeable handling of real estate transactions.

<u>Program Summary</u>	<u>FY 2018 Total FTE</u>	<u>FY 2018 Budget</u>	<u>FY 2018 Revenues</u>	<u>FY 2018 Net Cost</u>
Section Administration/Overhead	0.50	100,398	-	100,398
This program provides for the general administration of the Section and fixed overhead.				
Property Acquisition	5.75	520,271	350,800	169,471
This program provides for the acquisition and appraisal of land and land rights for all County divisions. Some examples are right-of-way for all utility projects, sites for parks, libraries, water treatment facilities, wastewater treatment facilities, EMS facilities, sites under the Conservation Collier program, and sites for administrative offices.				
Property Management and Leasing	0.50	54,820	-	54,820
This program includes the leasing of both improved and unimproved property for County uses, as well as the leasing of County owned property to others for compatible uses and the issuance of licenses to not-for-profit organizations to hold special events on County owned property. Resolving ordinance violations on vacant County owned property also falls within this program.				
Lake Trafford Cemetery	-	25,100	21,700	3,400
This program provides for daily administration of the cemetery, selling burial plots, assigning pre-need plots, arranging for the flagging of plots for all burials, process payment of utilities and other associated costs.				
GAC Land Trust Property	0.25	27,411	-	27,411
This program includes administering the GAC Land Trust Fund, negotiating and processing sales of trust property, and processing requests from divisions for use of trust funds for capital projects that will benefit the residents of Golden Gate Estates. Revenue is from processing fees for sales requests. Sales revenue and expenses are shown in GAC Land Trust Fund (605).				
Current Level of Service Budget	7.00	728,000	372,500	355,500

Additionally, MGT reviewed management staffing levels (i.e., Administrators, Directors, and Managers) to ensure Collier aligned with peer counties to test that there was not excessive overlap of management positions and similar positions across peer counties. A chart of management positions relative to peer counties is provided as **Table 4 – Comparison of Management Titles & Positions** below. As shown in the table, the peer counties have positions that align with those of Collier County in number; however, differences in titles obscure whether these positions have similar functions. As noted, further examination of these functions' workload and productivity could help to assess the operational efficiency of the program.

TABLE 4 – COMPARISON OF MANAGEMENT TITLES & POSITIONS

ORG CHART TITLE COMPARISON - FACILITIES MANAGEMENT

Collier County Management Titles	Lee County Management Titles	Monroe County Management Titles	Broward County Management Titles
County Administrator	County Administrator	Public Works Director	Public Works Director
Public Works Director	Public Works Director	Deputy Public Works Director	Facilities Management Director
Project Manager	Facility Manager	Project Manager	Construction Project manager

ORG CHART TITLE COMPARISON – GROWTH MANAGEMENT DEPARTMENT

Collier County Management Titles	Lee County Management Titles	Monroe County Management Titles	Broward County Management Titles
Department Head - Growth Management Department	Director, Community Development	Dir. of Planning & Environmental Resources	Director - Environmental Protect. & Growth Management
Director, Transportation Engineering Division	Manager, Development Services	Asst. Dir. of Planning & Environmental Resources	Director - Planning & Development Management
Principal Project Manager	Manager, Zoning	Development Review Manager	Construction Project manager

This review of the Transportation Engineering and Facilities Management Divisions' structures and designs showed staffing levels reviewed throughout the year and addressing staffing levels per strategic program confirmed that:

- ♦ The organizational structures have clearly defined units, minimize overlapping functions and excessive administrative layers, and have lines of authority that minimize administrative costs.
- ♦ The current process to budget and plan for staffing levels appeared to be reasonable based on the nature of the services provided, but would benefit from further benchmarking to validate FTE allocations versus need.

RECOMMENDATION:

MGT recommends that the County incorporate further measures of workload or productivity to validate the staffing levels of the organization against need.

FINDING 3: METHODS OF PROVIDING SERVICES AND PRODUCTS

The overall execution of the 8 Transportation Engineering related projects and 20 Facilities Management related projects indicate that these projects have been executed efficiently with a mix of in-house and external help. However, the programs do not have a formal process for evaluating the effectiveness of alternative methods of providing services including in-house, contracted, and privatized services.

TRANSPORTATION ENGINEERING

The Transportation Engineering Division currently uses several alternative methods of delivering services to realize cost savings, including performing the design of certain projects in-house. Per County personnel however, due to limited internal resources, all construction projects are outsourced to qualified contractors/vendors. MGT selected a sample of eight (8) projects that were, or are being, performed by the Transportation Engineering Division as described in **Finding 1: Economy, Efficiency, and Effectiveness**. These projects included projects that were in the design and construction stages, as well as projects that were completed, and included varying types of engagements including construction of roads, bridges, and sidewalks. For each of these, MGT interviewed County personnel and reviewed supporting documentation stored within their records to gain an understanding of the service delivery methods used for each project. MGT also reviewed documentation to determine whether there was evidence that, for services or activities performed in-house, management considered alternative service delivery methods and, for contracted/privatized service or activities, that management verified effectiveness and cost savings achieved. Audit procedures disclosed that:

- ♦ The design of two (2) of the projects selected for testing was/is being performed by in-house staff. In response to audit inquiries, County personnel indicated that the

Transportation Engineering Division internally performs design projects that are estimated to be less than \$1,000,000 in construction costs.

- ◆ Although alternative methods of providing services are often discussed and used, there is no formal process or documentation to support that the most cost-effective method was chosen, when a choice is available. Conditions that determine whether a project can be performed in-house include Chapter 336, *Florida Statutes*, which requires certain construction projects to be outsourced to contractors and whether the County has the resources (e.g., human capital and equipment) required to perform the task.

FACILITIES MANAGEMENT

Per County personnel, due to limited internal resources, all design and construction activities are outsourced to qualified vendors and the Division manages these contracts. MGT selected a sample of 20 projects that were, or are being, performed by the Facilities Management Division as described in **Finding 1: Economy, Efficiency, and Effectiveness**. These projects were in various stages of completion and included projects related to parks, governmental facilities, and emergency facilities. For these 20 projects, MGT interviewed County personnel and reviewed supporting documentation stored within their records to gain an understanding of the service delivery methods used for each project. Audit procedures disclosed that:

- ◆ Two (2) of the projects selected for testing were direct material purchases.
- ◆ Although alternative methods of providing services are often discussed and used, there is no formal process or documentation to support that the most cost-effective method was chosen (e.g., designing the projects in-house rather than outsourcing).

In response to audit inquiries, County personnel indicated that it is often more cost-effective to use in-house staff to provide services than to use alternative methods. However, MGT was not provided documentation to support this conclusion by management. The absence of a formal process for periodically evaluating in-house, contracted, and privatized services increases the risk that cost savings and program efficiency may not be realized.

The Real Estate Services section of the Facilities Management division uses a combination of in-house and contracted services to manage the land acquisition process depending on the nature of the purchase. For example, internal policies and procedures require obtaining one outside appraisal if the market analysis indicates a value of \$100,000-\$499,999 and two outside appraisals if the market analysis indicates a value over \$500,000.

RECOMMENDATION:

MGT recommends that management implement procedures to document and periodically evaluate all services provided and determine whether alternative service delivery methods have the potential to reduce costs without significantly affecting the quality of services.

FINDING 4: GOALS, OBJECTIVES AND PERFORMANCE MEASURES

The Transportation Engineering and Facilities Management programs' goals and objectives are clearly stated and are consistent with the County's strategic plan. Management uses adequate measures to evaluate program performance and cost. Additionally, the internal controls evaluated by the audit team are adequate to provide reasonable assurance that program goals and objectives are met.

TRANSPORTATION ENGINEERING

Per the County's website, the focus of the Transportation Engineering Division is to maintain safe traffic operation on the County's roads, implement capital improvements for the transportation network, and to acquire needed property for capital programs. The Five-Year Work Program is a key document for the division's planning. On an annual basis, the Transportation Five-Year Work Program is included in the AUIR presented to the BCC. The Five-Year Work Program contains information on capital construction and operations improvements projects. The information presented in the Five-Year Work Program includes an analysis of the existing conditions of the transportation system in the County and road financing plan updates. The Five-Year Work Program is the document that drives the Transportation Engineering strategy for the County for the upcoming five-years. In addition, the County has developed a Master Mobility Plan (MMP) to address the transportation mobility needs of the County. The MMP is specifically focused on demand management and coordination to reduce the need for transportation infrastructure.

MGT interviewed County personnel and performed a variety of research to gain an understanding of the program's goals and objectives. Based on the results of our audit procedures, we were able to identify five (5) goals and related objectives and performance measures (see **Table 5 – Transportation Engineering Goals, Objectives and Performance Measures**). The Transportation Engineering Division has established five broad goals related to its functions. The goals address the Division's role in meeting or exceeding the expectations of the Five-Year Work Program, construction projects completion, and maintenance of traffic signs and signals. Each goal has a set of objectives that establishes expectations for the goal as well as multiple performance measures that, taken together, provide reasonable basis to assess whether the objectives have been met.

TABLE 5 – TRANSPORTATION ENGINEERING GOALS, OBJECTIVES AND PERFORMANCE MEASURES

GOALS	OBJECTIVES	PERFORMANCE MEASURES
1. Meet or exceed expectations for the 5-year work plan	a) Complete 100% of programmed design phases for 5-year work plan	<ul style="list-style-type: none"> % of programmed projects completed for 5-year work plan

GOALS	OBJECTIVES	PERFORMANCE MEASURES
2. Construction projects are on time	a) Construction projects are delivered within 20% of time schedule.	<ul style="list-style-type: none"> • % of construction projects that were delivered within 20% of contract time
3. Construction projects are within budget	a) Construction projects are delivered within no more than 10% over project budget	<ul style="list-style-type: none"> • % of construction projects that were delivered with no more than 10% over project budget
4. Traffic signs are maintained in good condition	a) Replace and upgrade all signs that have a condition rating of 2 or below (out of 5) when inspected	<ul style="list-style-type: none"> • % of signs replaced for regular maintenance according to condition rating
5. Traffic signals are maintained in good condition	a) To respond to emergency signal repairs within one hour b) To review or retune 25% of traffic signals each year c) Staff traffic management 11 hours per day	<ul style="list-style-type: none"> • % of emergency signal repairs responded to within one hour • % of traffic signals reviewed or retuned • # hours per day traffic management was staffed

MGT also obtained and reviewed the County’s strategic plan to gain an understanding of the County wide strategy and determine if the program’s goals and objectives are consistent with the County’s strategic plan. The review disclosed one (1) strategic goal and related objectives that is consistent with the goals and objectives identified for the Transportation program. (See **Table 6 – County Strategic Goal Related to Critical Infrastructure and Capital Assets**). For example, the transportation program goals support the County’s strategy to responsibly plan, construct, and maintain the County’s critical public infrastructure and capital assets to ensure sustainability for the future.

TABLE 6 – COUNTY STRATEGIC GOAL RELATED TO CRITICAL INFRASTRUCTURE AND CAPITAL ASSETS

STRATEGIC GOAL	OBJECTIVES
1. To responsibly plan, construct and maintain the County’s critical public infrastructure and capital assets to ensure sustainability for the future.	a) To optimize the useful life of all capital assets and critical public infrastructure. b) To provide appropriate, timely, best-value public facilities and infrastructure that meet both current and future demands. c) To mitigate the impacts of potential disasters on critical infrastructure.

MGT identified and evaluated significant internal controls within the context of the audit objectives. Audit procedures performed to evaluate internal controls included interviewing appropriate personnel, flowcharting processes, and reviewing documentation for evidence of proper approvals (e.g., Board approvals). Audit procedures disclosed that the program has a process and internal controls that promote the achievement of program goals and objectives. MGT's review confirmed that:

- ♦ The Transportation Engineering Division goals and objectives are clearly stated and consistent with the County's strategic plan.
- ♦ The measures used by management to evaluate program performance and cost are adequate to assess program progress toward meeting its stated goals and objectives.
- ♦ The internal controls evaluated appear to be adequate to provide assurance that the program will be able to achieve its goals and objectives.

FACILITIES MANAGEMENT

Per the County's website, the mission of the Facilities Management Division is to deliver to the residents and visitors local government services that exceed expectations and its vision is to be the most responsive, technically proficient and effective team in the facilities management field. On an annual basis, the County is required to prepare and present to the BCC the AUIR and adopt a five-year CIE. The CIE is the foundation of the County's annual CIP, which includes projects of the Facilities Management division. As previously indicated, the Real Estate Services (RES) section within Facilities Management is charged with securing land and land rights necessary for the construction of County infrastructure and supporting facilities.

MGT interviewed County personnel and performed a variety of research to gain an understanding of the programs' goals and objectives. Based on the results of our audit procedures, we were able to identify six (6) goals and related objectives and performance measures for the Facilities Management program and four (4) goals and related objectives and performance measures for the Land Acquisition program (see **Table 7 – Facilities Management and Land Acquisition Goals, Objectives and Performance Measures**). The goals address the Facilities Management and Land Acquisition programs' role in the construction and maintenance of critical public infrastructure and management of community growth, respectively. Each goal has a set of objectives that establishes expectations for the goal as well as performance measures that, taken together, provide reasonable basis to assess whether the objectives have been met.

TABLE 7 – FACILITIES MANAGEMENT AND LAND ACQUISITION GOALS, OBJECTIVES AND PERFORMANCE MEASURES

FUNCTION	GOALS	OBJECTIVES	PERFORMANCE MEASURES
Facilities Management	1. Efficiently complete work orders.	a) To efficiently complete work orders within five (5) business days.	<ul style="list-style-type: none"> • # of days to complete work orders. • # of work orders over 30 days old.
Facilities Management	2. To have licensed and knowledgeable trades workers.	a) To have licensed and knowledgeable trades workers.	<ul style="list-style-type: none"> • # of Licensed Trades workers.
Facilities Management	3. Efficiently maintain records of assets and inventory.	a) To have accurately recorded and identified County assets and inventory.	<ul style="list-style-type: none"> • Perform annual inventory and asset count. • Spot check inventory and asset count for accuracy with requirement of 95% or greater accuracy.
Facilities Management	4. Ensure work orders are effectively addressed.	a) To inspect closed work orders and ensure they are closed out at the highest quality.	<ul style="list-style-type: none"> • 95% or greater work orders inspected with no issues identified.
Facilities Management	5. Ensure accuracy of work order documentation.	a) To ensure work orders are closed out properly with accurate labor hours, parts, invoices, notes, and assets.	<ul style="list-style-type: none"> • 95% or greater work orders inspected with no issues identified.
Facilities Management	6. Projects are completed within Budget and Deadline.	a) To ensure project is completed within budgetary allowance. b) To ensure project is completed within established deadlines.	<ul style="list-style-type: none"> • # of change orders issued. • \$ value over budget. • # of days passed deadline.

FUNCTION	GOALS	OBJECTIVES	PERFORMANCE MEASURES
Land Acquisition	7. Efficiently and effectively acquire land for County purposes and dispose lands designate as surplus.	a) To close real estate transaction within 120 days pursuant to Florida Statutes and County policies and procedures. b) To follow all appraisal requirements pursuant to Florida Statutes and County Ordinances. c) Clear all encumbrances on property acquisitions to reduce the County's liability. d) To ensure monetary compensation for acquisitions and dispositions are best value for transactions.	<ul style="list-style-type: none"> • # days to close RE transactions • # of land interests acquired • # of appraisals prepared and reviewed
Land Acquisition	8. Efficiently & effectively complete lease requests for the County as Tenant and Landlord	a) To efficiently secure leased space for County as Tenant pursuant to Florida Statutes and County policies and procedures. b) To efficiently process requests and leases with County as Landlord pursuant to Florida Statutes and County policies and procedures.	<ul style="list-style-type: none"> • # days to complete lease requests

FUNCTION	GOALS	OBJECTIVES	PERFORMANCE MEASURES
		c) To ensure that the monetary compensation for transactions is based on market value.	
Land Acquisition	9. Efficiently & effectively manage leased property for the County	a) As Tenant, to oversee that lease provisions are adhered to by both parties. b) As Landlord, to ensure that the lease terms are adhered to.	<ul style="list-style-type: none"> # square feet managed for leased space
Land Acquisition	10. Effectively respond to internal and external inquiries	a) To research and provide detailed information to all requests within 8 business hours, dependent on the complexity of the inquiry.	<ul style="list-style-type: none"> # of informational requests replied to

MGT also obtained and reviewed the County’s strategic plan to gain an understanding of the County wide strategy and determine if the programs’ goals and objectives are consistent with the County’s strategic plan. The review disclosed two (2) County strategic goals and related objectives that are consistent with the goals and objectives identified for the Facilities Management and Land Acquisition functions. (See **Table 8 – County Strategy Goal Related to the Facilities Management and Land Acquisition Functions**). For example, the Facilities Management goals support the County’s strategies to responsibly plan, construct and maintain the County’s critical public infrastructure and capital assets to ensure sustainability for the future.

TABLE 8 – COUNTY STRATEGY GOAL RELATED TO THE FACILITIES MANAGEMENT AND LAND ACQUISITION FUNCTIONS

STRATEGIC GOAL	OBJECTIVES
1. To responsibly plan, construct and maintain the County's critical public infrastructure and capital assets to ensure sustainability for the future.	a) To optimize the useful life of all capital assets and critical public infrastructure. b) To provide appropriate, timely, best-value public facilities and infrastructure that meet both current and future demands. c) To mitigate the impacts of potential disasters on critical infrastructure.
2. To responsibly plan and manage community growth, development, redevelopment, and protect the natural environment	a) Enforce current development standards and maintain relevant plans that reflect the needs and desires of a growing community. b) Conserve, preserve, monitor, and manage natural resources in partnership with external stakeholders. c) Manage development and redevelopment in harmony with efficient mobility, habitat preservation, water resource management and a sustainable ecology. d) Evaluate, monitor, and plan for the effects of sea level rise. e) Develop integrated and sustainable plans that protect and manage the natural environment, water resources, and solid waste.

MGT identified and evaluated significant internal controls within the context of the audit objectives. Audit procedures performed to evaluate internal controls included interview with appropriate personnel, flowcharted processes, and review documentation for evidence of proper approvals (e.g., Board approvals). Audit procedures disclosed that the program has a process and internal controls that promote the achievement of program goals and objectives. MGT's review confirmed that:

- ◆ The Facilities Management and Land Acquisition programs goals and objectives are clearly stated and consistent with the County's strategic plan.
- ◆ The measures used by management to evaluate the programs' performance and cost are adequate to assess the programs' progress toward meeting its stated goals and objectives.
- ◆ The internal controls evaluated appear to be adequate to provide assurance that the programs will be able to achieve their goals and objectives.

FINDING 5: ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS

The Transportation Engineering and Facilities Management programs have processes in place to ensure the accuracy and completeness of relevant program performance and cost information provided to the public. Additionally, the public has access to information that is useful, readily available and easy to locate.

TRANSPORATION ENGINEERING

Pursuant to Section 119.01, Florida Statutes, all State, county, and municipal records are open for personal inspection and copying by any person and providing access to public records is a duty of each agency. As such, citizens can obtain County information by submitting a public record request. In addition to public records request, the Transportation Engineering Division provides information to the public via its website. MGT interviewed County personnel to gain an understanding of the information that is readily available to the public via the website. The process for posting information on the website is described below:

- ◆ Each Project Manager (PM) is responsible for generating the information provided on the webpage. The PM forwards the information to the operations administrative assistant.
- ◆ The administrative assistant reviews, formats, dates, and then posts the information to the website.
- ◆ After the information is posted to the website, the PM again reviews for accuracy.
- ◆ If the PM notices information is not up to date, he provides the most updated information to the operations administrative assistant and the information on the website is updated.

MGT also researched the Transportation Engineering website to gain an understanding of the information that is readily available to the public. The research disclosed that:

- ◆ The Transportation Engineering's webpage provides general overviews of the major road, bridge, intersection and sidewalk projects that are in design or construction.
- ◆ When a Public Information Meeting is held on a project, the meeting notice and often the graphics displayed at the meeting are posted.
- ◆ The project specific information posted on the website included information on the Vanderbilt Beach Road project, which is one of the eight (8) projects that were selected for testing as described in **Finding 1: Economy, Efficiency, and Effectiveness**. The project specific information for the Vanderbilt Beach Road project on the website includes:
 - project description;
 - status update (e.g., percent of completion);
 - status of project funding; and

- the slide show from the public information meeting held on June 26, 2018 (the slide show includes information related to project goals and schedule).
- ♦ MGT compared the information posted on the website to relevant information provided by the County for the specific project and determined that the information posted on the website related to the Vanderbilt Beach Roach project appears to be accurate.

Audit procedures confirmed that the program has processes in-place to ensure that the public has access to program performance and cost information that is useful, readily available and easy to locate.

FACILITIES MANAGEMENT

As indicated above, all the County's records that are subject to public records request are open for personal inspection and copying by any person and providing access to public records is a duty of each agency. When a citizen or visitor request public information, the request is communicated by a Public Information Officer. The Project Manager of the project associated with the request works with the Communication and Customer Relations Division to provide the appropriate documentation.

In addition to public records request, the Facilities Management Division provides information to the public via its website. MGT inquired with County personnel to gain an understanding of the information that is available to the public on the website. Per County personnel:

- ♦ There are two administrators within the Facilities Management Division that manage the Division's website.
- ♦ The corresponding manager reviews the information on the website for accuracy.
- ♦ Additionally, all information is reviewed and approved by the corresponding director or department head after the manager's approval.

MGT researched the Facilities Management division (which includes the RES section) website to gain an understanding of the information that is readily available to the public. The research disclosed that:

- ♦ The Facilities Management's webpage provides general overviews of the major projects that have been completed and on-going during the current fiscal year.
- ♦ The website gives the public the opportunity to submit service requests or complaints online.
- ♦ The website also has project specific information on certain projects, such as the Courthouse Annex and Chiller Plant Expansion project; BCC Fleet Management project; and CCSO Special Operations project. The information on these projects include:
 - designer,

- construction contractor,
 - project manager,
 - budget,
 - estimated construction cost,
 - square footage,
 - design start date,
 - construction start date,
 - anticipated construction completion date, and
 - photos of the site.
- ◆ The RES section of the website provides general information on the responsibilities of the Property Acquisition, Property Leasing, and Real Estate Appraising teams. In addition, the website provides contact information of County personnel that can be contacted by any individual or organization that is interested in buying, selling, or leasing real estate to/from the County

In addition to the three projects referenced above, the website also included links to major construction projects for this fiscal year. Two (2) of the major construction projects for this year were projects that were included in our sample of projects tested as described in **Finding 1: Economy, Efficiency, and Effectiveness**. For these two (2) projects, the audit team researched the County’s website to determine what, if any, information was readily available and easy to locate. Audit procedures disclosed that the two projects were listed on the Parks and Recreation Division’s Capital Projects and Descriptions list. The list includes:

- ◆ an update from the project manager,
- ◆ projected substantial completion date,
- ◆ status, and
- ◆ next critical milestone.

Audit procedures confirmed that the program has processes in-place to ensure that the public has access to program performance and cost information that is useful, readily available and easy to locate.

FINDING 6: PROCESS FOR ENSURING COMPLIANCE WITH POLICIES, RULES, AND LAWS

The Transportation Engineering and Facilities Management programs have a process in-place to assess their compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. In addition, the programs have taken reasonable and timely actions to assess if planned uses of the surtax comply with applicable state laws, rules, and regulations.

TRANSPORTATION ENGINEERING AND FACILITIES MANAGEMENT PROGRAMS

MGT identified and evaluated significant internal controls and processes in-place to assess the programs' compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Examples of audit procedures performed to evaluate internal controls included: interviews with personnel and flowcharted processes, review of contracts, approvals from the BCC, competitive bid process, and review of invoices.

In accordance with County policy, the program's Five-Year Work Program is updated annually and presented to the BCC for review and approval. Per County personnel, all engineering work related to road and bridges and prepared by contractors and consultants hired by the Transportation Engineering program follow standards and requirements promulgated by the:

- ♦ Florida Department of Transportation (FDOT),
- ♦ Federal Highway Administration (FHWA),
- ♦ American Association of State Highway and Transportation Officials (AASHTO), and County.

The land acquisition process (see **Exhibit 1 – Property Acquisition Process**) is governed by Board policies and the Florida Statutes, including:

- ♦ Policies & Procedures Concerning the Purchase of Real Property by Collier County;
- ♦ Checklist for Purchases and Donations;
- ♦ Chapter 73 – Eminent Domain;
- ♦ Chapter 74 – Proceedings Supplemental to Eminent Domain;
- ♦ Chapter 125 – County Government; and
- ♦ Chapter 127 – Right of Eminent Domain for Counties.

The audit team reviewed the 2015, 2016, and 2017 Comprehensive Annual Financial Reports (CAFRs) to determine whether any of the reports identified any noncompliance. Although instances of noncompliance were identified in the 2015 and 2016 CAFRs, the noncompliance were not related to our audit objectives. Additionally, the 2017 CAFR indicates that management took corrective action on all findings and did not identify any new instances of noncompliance.

Further, the County has a process to provide reasonable assurance that it complies with applicable laws and regulations. The compliance process is described below and applies to both programs:

- ♦ Revenue sources that are restricted for specific purpose are set up in separate funds at the highest level, then individual projects are further segregated with unique project numbers within that fund. All requests to expend funds go through a multi-level review process by various trained and knowledgeable staff to ensure proper

budget has been appropriated and only applicable uses of restricted funds are authorized before work begins.

- ♦ The County's centralized OMB Grants Compliance Office (GCO) oversees the administration of all local, state and federal grants. The applicable division (either Transportation Engineering or Facilities Management) and GCO review grant agreements and ensure that there is an understanding of the pre- and post-award requirements of the grant. The County maintains a separate series of grant funds using a Grants Management Module within its financial system (SAP). Additionally, a unique project number is created for each grant agreement. Prior to expending grant funds, procurement actions receive a final review from GCO at the points of solicitation, contract and requisition. The applicable division is responsible for reviewing the requisitions to ensure that it meets all applicable grant requirements before any budgets are appropriated or any funds are expended. In addition, grant agreements require two Board approvals: one to apply for the grant, one to accept and appropriate the grant funding. Invoices go through the same approval process as outlined above, however, draw packages are prepared by the division fiscal staff, reviewed by division management, and finally approved for submittal by the GCO.
- ♦ Contracts are generally created using the template from the Procurement Services Division and, when applicable, the American Institute of Architects payment application is required when Design firms are required to submit invoices for specific projects. In addition to the Division Director's review, Procurement also prepares the contract for legal review by the County Attorney's Office before being brought before the Board for final approval (when applicable and in accordance with the Procurement Ordinance). Once a contract has been approved, all purchase requisitions go through a multi-level review process before work is authorized and funds are expended. As invoices for projects are submitted by vendors/contractors, they go through project management and fiscal support staff, at a minimum, before being reviewed by the Clerk of Courts Finance Department and payment is remitted.

As it relates to the proposed surtax, to ensure that uses of the surtax comply with applicable state laws, rules, and regulations the County Infrastructure Surtax Ordinance requires the creation of the seven-member Surtax Citizen Oversight Committee to provide for citizen review of expenditure of surtax proceeds should the surtax be approved by the voters. The Surtax Citizen Oversight Committee will have a regular review schedule. Additionally, expenditures that will be funded by the surtax will go through a multi-level review process and continue to follow the current procedures to ensure that all expenditures are allowable under applicable laws, rules, and regulations.

Audit procedures disclosed that the programs have review processes and internal controls in place to provide reasonable assurance that the programs comply with applicable federal, state, and local laws, rules, and regulations; grant agreements; and local policies. MGT concluded:

- ♦ The Transportation Engineering and Facilities Management programs have processes to assess their compliance with applicable federal, state, and local laws, rules, and regulations; grant agreements; and local policies.
- ♦ The internal controls evaluated by MGT are reasonable to ensure compliance with applicable with federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.
- ♦ Management has taken reasonable and timely actions to ensure that planned uses of the surtax comply with applicable state laws, rules, and regulations.

CHAPTER 4. OBJECTIVES, SCOPE, AND METHODOLOGY

The scope of this audit focused on the program areas related to construction, repair or maintenance of roads, bridges, signals, sidewalks, parks, as well as evacuation shelters, governmental, mental health, and emergency services facilities; and the acquisition of land and construction support for workforce housing and career and technical training, veterans' nursing home(s), and expanded mental health facilities. The scope period covered the operations of the program areas from the period July 2015 through May 2018.

The audit objectives were:

- ♦ To assess the economy, efficiency, or effectiveness of the program, including the reliability, validity, and relevance of performance and cost measures used to monitor program performance and cost.
- ♦ To determine whether the organizational structure promotes the achievement of the program's goals and objectives.
- ♦ To determine whether alternative methods of providing services and products are evaluated by program administrators and identify opportunities for alternative service delivery methods.
- ♦ To determine whether the program goals and objectives are clearly stated, measurable, achievable within budget, and consistent with the County's strategic plan.
- ♦ To assess the accuracy and adequacy of public documents, reports, and requests prepared by the County.
- ♦ To determine whether the program operations comply with applicable laws, rules and regulations, and policies and whether program administrators have taken reasonable and timely actions to assess if planned uses of the surtax comply with applicable state laws, rules, and regulations.

In conducting the audit, the audit team:

- ♦ Interviewed County personnel and performed researched to gain an understanding of the entity and the transportation and facilities management programs.
- ♦ Held fraud discussions with members of the management team.
- ♦ Interviewed County personnel, reviewed policies and procedures, and created flowcharts to identify and evaluate significant internal controls relevant to the audit objectives and determine whether these controls provide reasonable assurance that program goals and objectives will be met.

- ♦ Reviewed findings, recommendations, and audit results from internal and external reports issued between the period June 1, 2015, through May 31, 2018, to determine whether management has taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in any relevant internal or external report.
- ♦ Selected a sample of eight (8) transportation and 20 facilities-related projects and reviewed project information stored in the County's records to:
 - Determine whether projects are periodically evaluated using performance and cost data adequate to assess performance and cost.
 - Determine whether reports/data used by management on a regular basis is adequate to monitor project performance and cost.
 - Evaluate project performance and cost based on reasonable measures.
 - Evaluate whether the projects were completed on-time, within budget, and at a reasonable cost.
 - Determine whether management formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and the reasonableness of their conclusions.
 - Determine whether management assessed any contracted and/or privatized series to verify effectiveness and cost savings achieved and the reasonableness of their conclusions.
 - Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of series.
- ♦ Selected a sample of two (2) land acquisitions and reviewed project information stored in the County's records to:
 - These land purchases followed internal policies and procedures based on the amounts of the purchases.
 - The two (2) purchases were approved by the Board of County Commissioners (BCC).
- ♦ Reviewed policies and procedures to determine whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.
- ♦ Evaluated the organizational structure and design to assess whether it has clearly defined units, minimizes overlapping functions and excessive administrative layers and has lines of authority that minimize administrative costs.

- ♦ Assessed the reasonableness of current staffing levels given the nature of the services provided and program workload.
- ♦ Reviewed program goals and objectives and determined whether they are clearly stated and consistent with the County's strategic plan.
- ♦ Assessed whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.
- ♦ Reviewed the adequacy of public document and reports prepared by the County related to the program.
- ♦ Reviewed the information posted on the County's website to determine whether the public has access to program performance and cost information that is readily available and easy to locate.
- ♦ Reviewed processes in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.
- ♦ Interviewed County personnel to determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the County and these procedures provide for adequate public notice of such corrections.
- ♦ Reviewed processes to determine whether the program has a process in place to assess its compliance with applicable federal, state, and local laws, and regulations; contracts; grant agreements; and local policies.
- ♦ Interviewed County personnel and created flowcharts to identify and review internal controls in place to determine whether these controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.
- ♦ Determined whether management has taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external audits.
- ♦ Interviewed County personnel to determine whether management has taken reasonable and timely actions to ensure that planned uses of the surtax comply with applicable state laws, rules, and regulations.

APPENDIX A

COLLIER COUNTY MANAGEMENT RESPONSE LETTER



Office of the County Manager
Leo E. Ochs, Jr.

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Robert Holloway, Vice President of Operations
MGT of America Consulting, LLC
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Tallahassee, FL 32301

OFFICIAL MANAGEMENT RESPONSE TO THE PERFORMANCE AUDIT OF COLLIER COUNTY FROM MGT CONSULTING GROUP, AUGUST 31, 2018

Mr. Robert Holloway,

Collier County staff have reviewed the submitted draft final report for the Performance Audit of Collier County Dated August 29, 2018. We prepared this document in response to the findings identified in findings no. 2 and 3.

Finding 2: The County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need.

MGT Recommendation: "MGT recommends that the County incorporate further measures of workload or productivity to validate staffing levels of the organization against need."

Management Response:

The County divisions routinely compare staffing levels with similar peer counties and industry standards. The report indicates that MGT found staffing levels, "reasonable based on the nature of the services provided". The County does see the benefit of incorporating additional productivity measures and performance measures going forward.

Finding 3: The programs do not have a formal process for evaluating the effectiveness of alternative methods of providing services including in-house, contracted, and privatized services.

MGT Recommendation: "MGT recommends that management implement procedures to document and periodically evaluate all services provided and determine whether alternative service delivery methods have the potential to reduce costs without significantly affecting the quality of services."

Management Response:

The County periodically reviews market conditions to determine the best and most cost-efficient delivery model for goods and services. For example; landscape maintenance services were outsourced at the end of the most recent recession; fleet services have been reviewed several times to consider privatization; and currently the County is evaluating insourcing small job general construction services. The staff is also working with the newly formed productivity committee to begin a more in-depth evaluation of insourcing vs outsourcing.

Nick Casalanguida, Deputy County Manager

A handwritten signature in blue ink, appearing to read "Nick Casalanguida".