



Hillsborough  
County **Florida**



# PERFORMANCE AUDIT OF HILLSBOROUGH COUNTY AND HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

DATE:

**September 5, 2018**

SUBMITTED TO:

**Mr. Michael Merrill, County Administrator  
Hillsborough County**

601 E. Kennedy Blvd., 26th Floor, Tampa, Florida 33602

**Mr. Jeffrey Seward, Interim Chief Executive Officer  
Hillsborough Area Regional Transit Authority**

1201 E. 7<sup>th</sup> Avenue, Tampa, Florida 33605

SUBMITTED BY:



**McCONNELL & JONES LLP**  
CERTIFIED PUBLIC ACCOUNTANTS



September 5, 2018

Mr. Michael Merrill  
County Administrator  
Hillsborough County, Florida  
601 E. Kennedy Blvd., 26<sup>th</sup> Floor  
Tampa, Florida 33602

Mr. Jeffrey Seward  
Interim Chief Executive Officer  
Hillsborough Area Regional Transit Authority  
1201 E. 7<sup>th</sup> Avenue  
Tampa, Florida 33605

Dear Mr. Merrill and Mr. Seward:

McConnell & Jones LLP (MJ) is pleased to submit our final report of the performance audit of Hillsborough County (the County) and the Hillsborough Area Regional Transit Authority (HART) pursuant to *Florida Statute* 212.055(10). In accordance with the requirements of Ch. 2018-118, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MJ to conduct a performance audit of the programs associated with the discretionary sales surtax proposed by citizen initiative. S. Davis & Associates, P.A. (SDA) and Texas A&M Transportation Institute (TTI) augmented MJ's project team. SDA functioned as the Vendor Principal and TTI assessed HART.

We conducted this performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of s. 212.055(10) *Florida Statutes*. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed surtax adoption. The audit must be conducted at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit. The subject auditees for this performance audit were the Hillsborough County Public Works Department and supporting departments (PW) and HART.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program
2. The structure or design of the program to accomplish its goals and objectives
3. Alternative methods of providing services or products
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments
5. The accuracy or adequacy of public documents, reports, and requests prepared by the County, which relate to the program
6. Compliance of the program with appropriate policies, rules, and laws

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Executive Summary and discussed in detail in Section 1-Public Works and Section 2-HART of the report.

Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, with the exception of the findings discussed in the report and based upon the work performed, PW and HART have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in *Florida Statute 212.055(10)*.

This report is intended for the information and use of Hillsborough County and HART. As required by *Florida Statute 212.055(10)*, this report must be posted on the County's and HART's website at least 60 days before the referendum is held and kept on the respective websites for two (2) years from the date posted.

We appreciate the opportunity to conduct the performance audit and look forward serving the County and HART again in the near future.

Firm Signatures



Houston, Texas  
September 5, 2018



Hollywood, Florida  
September 5, 2018

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## EXECUTIVE SUMMARY

### COUNTY OVERVIEW

Hillsborough County, Florida, (the County) is a political division of the State of Florida established in 1834 and recognized as the fourth most populous county in Florida. It is governed by an elected seven member Board of County Commissioners (BOCC), County Administrator, and five elected constitutional officers (clerk of the circuit court, property appraiser, sheriff, supervisor of elections, and tax collector) in accordance with State statutes and regulations. The county administrator, appointed by the BOCC, is responsible for the implementation of policies created by the BOCC, financial planning of the county government, and budgets for the County. The BOCC also serves as the Environmental Protection Commission. The estimated population for the County in 2017 was 1,379,302.

### 2018 BUDGET SUMMARY

According to the Hillsborough County Fiscal Year 2017 budget document, the County maintained a secure financial position in comparison to other similar governments that are in challenging financial situations. During Fiscal Year 2017, ad valorem tax revenues rose, and other major revenues posted improvements, including the half-cent sales tax and tourist development taxes. Additionally, the County's general obligation credit rating remains AAA, as determined by the three national credit rating agencies.

**Figure ES-1** presents the BOCC adopted Fiscal Year 2018 budget that is balanced without using reserves, reducing the workforce, or impacting service to customers. The County's budget for Fiscal Year ending September 30, 2018 totals \$5.118 billion. A comparison of the budget for the past three years includes the following allocations by departments (in millions):

**Figure ES-1**  
**Hillsborough County Fiscal Year 2018 Budget**  
**Amounts in Millions**

Description	FY 2018	FY 2017	FY 2016
Reserves	\$ 1,201.9	\$ 1,072.7	\$ 967.9
Operating Services	\$ 1,339.5	\$ 1,369.0	\$ 1,298.6
Capital Improvement Program & Debt	\$ 1,037.8	\$ 1,032.6	\$ 1,216.6
Transfers	\$ 909.2	\$ 936.9	\$ 841.5
Elected Officials/Other Agencies	\$ 629.8	\$ 524.9	\$ 507.1
Total	\$ 5.118 billion	\$ 4.936 billion	\$ 4.832 billion

Source: Hillsborough County Fiscal Year 18-Fiscal Year19 Adopted Budget.



## DISCRETIONARY SALES SURTAX

According to Florida Revenue, the official website of the Florida Department of Revenue, the discretionary sales surtax (DSS) is imposed by most Florida counties and applies to most transactions subject to sales tax. The referendum that will be on the November 2018 ballot proposes a one cent sales surtax increase that would generate funding to improve transportation in the county. The referendum is a result of more than 77,000 resident signatures on a petition spearheaded by the citizen's group, All for Transportation, to alleviate traffic congestion and lack of transit options for county residents.

In Fiscal Year 2016, the BOCC adopted a transportation funding policy that commits \$812 million in new transportation expenditures over the next 10 years. During Fiscal Year 2017, county transportation programs received \$36.7 million in additional funding. According to an article "After Making the Ballot, All for Transportation Launches Hillsborough Campaign" published in the *Tampa Bay Times* on August 9, 2018, "the increased surtax is expected to help address county transportation issues in addition to the proposed 10-year plan by the County."

If approved by voters, the tax will raise an estimated \$280 million per year, which would be distributed to HART, Hillsborough County, Tampa, Temple Terrace, Plant City, and Metropolitan Planning Organization (MPO) for road and bridge improvements, pothole repair, sidewalks, bike lanes and projects to ease congestion. The money would be spent on projects identified in a long-range transportation plan developed by the Hillsborough MPO. The specific distribution of DSS proceeds is as follows:

1. **General Purpose Portion:** 54% to the County and the municipalities
2. **Transit Restricted Portion:** 45% to Hillsborough Area Rapid Transit (HART)
3. **Planning and Development:** 1% to Hillsborough Metropolitan Planning Organization (MPO)

## HILLSBOROUGH METROPOLITAN PLANNING ORGANIZATION

The MPO is an independent governmental body with a separate board from the County that focuses on transportation policy and is mandated by federal and state law. The MPO is directly responsible for ensuring federal and state dollars are spent on existing and future transportation projects and programs are based on a feasible transportation planning process. The MPO is also responsible for meeting short-term (next 5 years) and long-term (20+ years) transportation needs for Tampa, Temple Terrace, Plant City and unincorporated sections of the County. The MPO board and committees are guided by a set of by-laws and certified by the federal government every four years.

## GOVERNANCE IMPLICATIONS OF SURTAX PASSAGE

As proposed, an independent oversight committee will supervise the efforts of fund recipients to improve transportation conditions. As funding is received, this oversight committee will ensure the newly acquired surtax dollars are appropriately spent to improve congestion and transportation options for the County. A performance audit is required to ensure proper procedures and controls are in place for the receipt of funding.

## AUDIT OBJECTIVE

McConnell & Jones LLP (Team MJ) completed a performance audit of the County and HART. The objective of the audit was to fulfill the requirements of *Florida Statute 212.055(10)*. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed surtax adoption. The audit must be conducted at least 60 days before the referendum is held.

Specific audit objectives are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program;
2. The structure or design of the program to accomplish its goals and objectives;
3. Alternative methods of providing services or products;
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments;
5. The accuracy or adequacy of public documents, reports, and requests prepared by the County which relate to the program; and
6. Compliance of the program with appropriate policies, rules, and laws.

The performance audit included a review of program areas related to transportation improvements including road and bridge improvements; the expansion of public transit options; fixing potholes; enhancing bus service; relieving rush hour bottlenecks; improving intersections; and improved safety of walking and biking.

## PROJECT SCOPE

The subject auditees for the performance audit were the Hillsborough County Public Works Department (PW) and HART. The performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit be conducted in a manner to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions.

## METHODOLOGY

Fieldwork was conducted from August 7 – August 17, 2018. Audit team members conducted interviews and focus groups with a total of 40 executive and management-level staff from Hillsborough County Administration, PW, and HART. In addition, audit team members reviewed relevant operational and financial data and reports in order to document and report findings and conclusions.

Because the referendum has not actually been voted on or passed, we identified project funding similar to the surtax, such as Community Investment Tax funds, and examined projects supported by those funds as a means of determining the adequacy of the County's stewardship for managing and overseeing public dollars. The Community Investment Tax (CIT) rate is .5 percent, while the sales surtax rate will be 1 percent. The CIT is a one-half percent sales tax on the price of taxable goods, as defined by state statute, sold within the County. Approved for a thirty-year period by public referendum in 1996. Use of this tax is restricted to acquiring, constructing, and improving infrastructure and purchasing equipment with a useful life of at least five (5) years to promote the health, safety, and welfare of Hillsborough County residents. This tax expires on November 30, 2026.

The CIT closely mimics the discretionary surtax in terms of how it is received, distributed, and reported. Should the referendum pass in November 2018, the County processes, procedures, systems, and controls that currently exist to administer CIT funds will be employed to administer and provide accountability over the discretionary surtax funds. Accordingly, our fieldwork review focused on existing processes, procedures, systems, and controls. It is these structures and systems to which the CIT is currently subject and to which the discretionary surtax will be subject.

For HART, the audit team reviewed federal and state grants with comparable administrative guidelines. These grants were funded by the Federal Transit Administration and the Florida Department of Transportation.



## SUMMARY OF RESULTS – PUBLIC WORKS

The County and several municipalities will receive 54 percent of the surtax proceeds. PW is the County’s administrative unit that will receive the County’s portion of the funds. **Figure ES-2** through **Figure ES-7** present a summary of the overall results of the performance audit for PW in the six research tasks required by statute. The six research tasks contain a total of 25 subtasks. Team MJ’s assessment of PW’s performance when evaluated against the subtasks revealed that 23 of the 25 subtasks were met or partially met and two (2) were not met.

### RESEARCH TASK 1 – The Economy, Efficiency, or Effectiveness of the Program

#### **Finding Summary:** Overall, Hillsborough County’s PW meets Task 1

PW uses various reports that are adequate to monitor project performance and cost. PW periodically evaluates its programs using performance information and other reasonable criteria to assess program performance and cost. Findings and recommendations were included in relevant internal and external reports on the performance and cost of PW activities. PW management has taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in audits and evaluations. Performance and costs are evaluated based on reasonable measures. Sampled projects were completed within budget and costs were reasonable; however, enforcement of project management requirements could be improved. Finally, written policies and procedures exist to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

**Figure ES-2**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>1. The Economy, Efficiency, or Effectiveness of the Program</b>			
<b>1.1</b>	Our work revealed no issues or concerns related to management reports/data that program administrators use on a regular basis to monitor program performance and cost.	<b>Met</b>	N/A
<b>1.2</b>	Our work revealed no issues or concerns related to whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	<b>Met</b>	N/A

**Figure ES-2**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>1.3</b>	Our work revealed no issues or concerns related to findings and recommendations included in relevant internal or external reports on program performance and cost.	<b>Met</b>	N/A
<b>1.4</b>	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	<b>Met</b>	N/A
<b>1.5</b>	Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.	<b>Met</b>	N/A
<b>1.6</b>	Although current program efforts demonstrated that a sample of projects were completed within budget and costs were reasonable, the project files provided indicated inconsistency with project management and close out procedures as required by the department's Project Management Delivery Team Manual.	<b>Partially Met</b>	PW should enforce compliance with project management requirements and include authorized management's approval for any pre-approved exceptions.
<b>1.7</b>	Our work revealed no issues or concerns related to whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	<b>Met</b>	N/A

## RESEARCH TASK 2 – The Structure or Design of the Program to Accomplish its Goals and Objectives

### **Finding Summary:** Overall, Hillsborough County's PW meets Task 2

PW maintains an organization structure at the department, division, and section levels to identify the defined units within the organization and lines of authority. However, there are a significant number of vacant positions in the Transportation Operations and Technical Services Divisions which could be eliminated from the department's budget if not filled within the required time period.

**Figure ES-3**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>2. The Structure or Design of the Program to Accomplish its Goals and Objectives</b>			
<b>2.1</b>	Our work revealed no issues or concerns related to the program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.	<b>Met</b>	N/A
<b>2.2</b>	In assessing the reasonableness of current program staffing levels given the nature of the services provided and program workload, Team MJ determined that while PW focuses on addressing staff vacancy rates, such high rates still exist. These high vacancy rates create a risk that the County will be unable to maintain quality service levels.	<b>Partially Met</b>	PW should consider using employment agencies or other sourcing methods to minimize staff vacancies and potential overtime.

## RESEARCH TASK 3 – Alternative Methods of Providing Services or Products

### **Finding Summary:** Overall, Hillsborough County's PW partially meets Task 3

The County did not demonstrate that it has a formal means of evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services. There are efficient means of assessing contracted and/or privatized services; however, there was no evidence of contractor assessments performed for the purpose of achieving cost savings. No evidence was provided to demonstrate that PW conducts formal evaluations/assessments of service delivery methods that could lead to changes to reduce program costs without affecting service quality. Finally, PW management identifies possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

**Figure ES-4**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>3. Alternative Methods of Providing Services or Products</b>			
<b>3.1</b>	The County's transportation program does not have a formal means of evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determining the reasonableness of their conclusions.	<b>Not Met</b>	Procurement Services and PW should collaborate to develop a formal means of evaluating suitable in-house services and activities to assess, where practical, the feasibility of alternative methods of providing services, such as outside contracting and privatization.
<b>3.2</b>	County program administrators have an efficient means of assessing contracted and/or privatized services to verify contractor effectiveness. However, the County provided no evidence of contractor assessments performed for the purpose of achieving cost savings.	<b>Partially Met</b>	PW, when practical, should include documented cost savings in evaluations of contractor performance.

**Figure ES-4**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>3.3</b>	The County provided no evidence that it conducts formal evaluations/ assessments of service delivery methods that could lead to changes that result in reduced program costs without significantly affecting service quality.	<b>Not Met</b>	PW engineers are required to evaluate the cost effectiveness of alternative right-of-way alignments on transportation projects. When practical, PW should adopt the same principle for other types of procurement and service delivery methods.
<b>3.4</b>	Our work revealed no issues or concerns related to management identifying possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).	<b>Met</b>	N/A

## RESEARCH TASK 4 – Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

### **Finding Summary:** Overall, Hillsborough County’s PW meets Task 4

The County uses performance measures to evaluate program performance. Policies and procedures are comprehensive and well documented, and internal controls exist to provide reasonable assurance that program goals and objectives will be met.

**Figure ES-5**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>4. Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments</b>			
<b>4.1</b>	Our work revealed no issues or concerns related to if program goals and objectives are clearly stated, measurable, can be achieved within budget, and are consistent with the county's strategic plan.	<b>Met</b>	N/A
<b>4.2</b>	Our work revealed no issues or concerns related to whether the measures the County uses to evaluate program performance are sufficient to assess program progress toward meeting its stated goals and objectives	<b>Met</b>	N/A
<b>4.3</b>	Our work revealed no issues or concerns related to evaluating internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	<b>Met</b>	N/A



## RESEARCH TASK 5 – The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County, which Relate to the Program

### **Finding Summary:** Overall, the County meets Task 5

The County prepares and makes available in the public domain a wealth of relative PW financial and non-financial information that is useful, adequate, and accurate. PW plans for and prepares detailed budget and cost information for all projects. Program performance data is not widely accessible to the public. The County provided multiple examples that demonstrated both formal and informal processes to ensure that program and cost information available to the public is accurate and complete. The County has a standard operating procedure in place and provided evidence that the process to correct erroneous and incomplete information is performed timely.

**Figure ES-6**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County which, Relate to the Program</b>			
<b>5.1</b>	Our work revealed no issues or concerns related to whether the program has a process to assess its compliance with applicable (i.e., related to whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public).	<b>Met</b>	N/A
<b>5.2</b>	Our work revealed no issues or concerns related to whether available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests by the County related to the program.	<b>Met</b>	N/A

**Figure ES-6**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>5.3</b>	PW makes some budget and cost data for projects, as well as service statistics such as roadways resurfaced (based on lane miles), available to the public on the County website. However, evidence of detailed budget and cost information or program performance information for most projects was not widely assessable via the website, which is the most common means of accessing public data.	<b>Partially Met</b>	PW should, when practical, prepare program performance data for major projects and make both performance data and detailed budget and cost data more widely accessible to the public.
<b>5.4</b>	Our work revealed no issues or concerns related to whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	<b>Met</b>	N/A
<b>5.5</b>	Our work revealed no issues or concerns related to the program process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	<b>Met</b>	N/A

## RESEARCH TASK 6 – Compliance of the Program with Appropriate Policies, Rules, and Laws

### **Finding Summary:** Overall, Hillsborough County's PW meets Task 6

The County Attorney's Office (CAO) provides PW with a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The CAO stays abreast of federal, state, and local legislation that could impact County departments, including PW. The Board of County Commissioners approves all policies that impact the County. The CAO is responsible for determining whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

**Figure ES-7**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>6. Compliance of the Program with Appropriate Policies, Rules, and Laws</b>			
<b>6.1</b>	Our work revealed no issues or concerns related to whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	<b>Met</b>	N/A
<b>6.2</b>	Our work revealed no issues or concerns related to program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	<b>Met</b>	N/A
<b>6.3</b>	Our work revealed no issues or concerns related to whether program administrators have 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 evaluations, audits, or other means.	<b>Met</b>	N/A

**Figure ES-7**  
**Summary of Public Works Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>6.4</b>	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax (Team MJ used the CIT as the prototype) are in compliance with applicable state laws, rules, and regulations.	<b>Met</b>	N/A

## SUMMARY OF RESULTS – HART

The following presents a summary of the results of the performance audit of HART in the six research areas required by statute. **Figure ES-8** through **Figure ES-13** presents a summary of the overall results of the performance audit for HART in the six (6) research tasks required by statute. The six (6) research tasks contain a total of 25 subtasks. Team MJ’s assessment of HART’s performance when evaluated against the subtasks revealed that 24 of the 25 subtasks were met or partially met and one (1) was not met.

### RESEARCH TASK 1 – The Economy, Efficiency, or Effectiveness of the Program

#### **Finding Summary:** Overall, HART meets Task 1

HART administrators evaluate transit services using key performance indicators and other reasonable criteria to assess program performance and cost. HART administrators report monthly data to the HART Board of Directors. HART administrators have taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in monthly progress reports and external audits.

**Figure ES-8**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>1. The Economy, Efficiency, or Effectiveness of the Program</b>			
<b>1.1</b>	Our work revealed no issues or concerns related to management reports/data that program administrators use on a regular basis to monitor program performance and cost.	<b>Met</b>	N/A
<b>1.2</b>	Our work revealed that HART periodically evaluates program performance and cost using performance information and other reasonable criteria.	<b>Met</b>	N/A
<b>1.3</b>	Our work revealed no issues or concerns related to findings or recommendations included in relevant internal or external reports on program performance and cost.	<b>Met</b>	N/A

**Figure ES-8**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>1.4</b>	Our work revealed HART program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	<b>Met</b>	N/A
<b>1.5</b>	Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.	<b>Met</b>	N/A
<b>1.6</b>	Our work reviewed a sample of project progress reports to confirm HART current program efforts are of reasonable cost and completed well, on time, and within budget. Our work revealed no issues or concerns about the progress reports.	<b>Met</b>	N/A
<b>1.7</b>	Our work revealed HART has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	<b>Met</b>	N/A



## RESEARCH TASK 2 – The Structure or Design of the Program to Accomplish its Goals and Objectives

### **Finding Summary:** Overall, HART meets Task 2

The HART organizational structure has clearly defined units that minimize overlapping functions and excessive administrative layers. HART uses reasonable procedures to determine staffing levels given the level of transit services operated. The administrative layers result in a low ratio of administrative staff to operational employees for each department.

**Figure ES-9**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>2. The Structure or Design of the Program to Accomplish its Goals and Objectives</b>			
<b>2.1</b>	Our work found that the HART organizational structure has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs while also complying with required independence of functions for equal employment opportunity, compliance and safety.	<b>Met</b>	N/A
<b>2.2</b>	Our work revealed HART uses reasonable procedures to determine staffing levels given the level of transit services operated.	<b>Met</b>	N/A

## RESEARCH TASK 3 – Alternative Methods of Providing Services or Products

### **Finding Summary:** Overall, HART partially meets Task 3

HART conducted a comprehensive operations analysis in 2017 to improve efficiencies and reduce costs. The outcome of the comprehensive operations analysis was a more efficient route structure, removal of redundant service, and elimination of under-performing routes. HART program administrators have pursued opportunities for alternative service delivery methods and technology innovations to reduce costs and improve service. However, HART staff has not evaluated existing bus or paratransit services to determine if contracted or privatized services could improve effectiveness or save costs without significantly affecting the quality of services.

**Figure ES-10**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>3. Alternative Methods of Providing Services or Products</b>			
<b>3.1</b>	Our work revealed that HART program administrators evaluated existing in-house services to assess the feasibility of alternative methods of providing services and documented reasonable conclusions in the 2018 Transit Development Plan. r	<b>Met</b>	N/A
<b>3.2</b>	Our work revealed that HART program administrators have not evaluated existing bus or paratransit services to determine if contracting or privatization could improve effectiveness or save costs. HART did evaluate the (fare) count room function and decided to outsource the responsibility to save cost.	<b>Not Met</b>	HART should develop a methodology and criteria to assess if contracted or privatized services can improve the effectiveness or reduce the cost of directly operated transit services. Legal or labor constraints should be considerations in the evaluation.
<b>3.3</b>	Our work revealed HART program administrators made changes to service delivery methods when their evaluations/ assessments found that such changes would reduce program cost without significantly affecting the quality of services.	<b>Met</b>	N/A

**Figure ES-10**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>3.4</b>	Our work revealed that HART program administrators are evaluating the feasibility of collaboration with private companies for new services and technologies with the potential to reduce program costs without significantly affecting the quality of services, based on similar programs in peer entities (e.g. other transit authorities).	<b>Met</b>	N/A

## RESEARCH TASK 4 – Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

### **Finding Summary:** Overall, HART meets Task 4

The HART Charter provides a sound basis to establish goals and objective for HART transit services and projects. The authority has effective measures in place to evaluate transit service performance. HART has adopted protocols and procedures for capital projects and development activities and reports progress each month.

**Figure ES-11**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>4. Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments</b>			
<b>4.1</b>	Our work revealed no issues or concerns related to program goals and objectives being clearly stated, measurable, achievable within budget, and consistent with HART’s strategic plan.	<b>Met</b>	N/A
<b>4.2</b>	Our work revealed no issues or concerns related to measures HART uses to evaluate program performance and assessment of program progress toward meeting stated goals and objectives.	<b>Met</b>	N/A
<b>4.3</b>	Our work revealed no issues or concerns related to internal controls, including policies and procedures, providing reasonable assurance that program goals and objectives will be met.	<b>Met</b>	N/A

## RESEARCH TASK 5 – The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the HART, which Relate to the Program

### **Finding Summary:** Overall, HART partially meets Task 5

HART staff has a process to create the operating and capital budgets each year and reviews the information with the HART Board of Directors to request budget approval. However, HART does not publish a program budget and a five-year capital improvement program each year. HART reports useful monthly financial and non-financial information to the public. However, HART does not have formal processes to ensure the accuracy, timeliness, and completeness of program performance and cost information provided to the public. HART does not have a standard operating procedure to correct erroneous and/or incomplete information.

**Figure ES-12**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the HART which, Relate to the Program</b>			
<b>5.1</b>	Our work revealed no issues or concerns about financial and non-financial information systems that provide useful, timely, and accurate information to the public.	<b>Met</b>	N/A
<b>5.2</b>	Our work revealed no issues or concerns about evaluation of the accuracy or adequacy of public documents.	<b>Met</b>	N/A
<b>5.3</b>	Our work revealed that HART staff prepares the annual operating and capital budgets consistent with statutory requirements; however, budget documents are not published with the same level of information or quality of presentation each year.	<b>Partially Met</b>	The HART Interim CEO confirmed that the Fiscal Year 2019 Operating and Capital Budget will be prepared with the level of detail and presentation similar to the Fiscal Year 2015 budget. HART plans to include program, performance, and financial information, including the five-year CIP, in the annual operating and capital budget to make identification of information easier for the public.

**Figure ES-12**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>5.4</b>	Our work revealed that HART does not have formal processes to ensure the accuracy and completeness of program performance and cost information provided to the public.	<b>Partially Met</b>	HART should formalize the standard operating procedure for review of information released to the public to ensure the accuracy and completeness of the information. The standard operating procedure should identify the schedule for producing and posting monthly reports to ensure the information is available regularly on the same schedule.
<b>5.5</b>	Our work revealed that HART does not have a standard operating procedure to correct erroneous and/or incomplete program information.	<b>Partially Met</b>	HART should formalize a standard operating procedure and outline staff responsibilities to correct erroneous or incomplete public information as soon as the error is identified on the HART website, in electronic media, or in printed material.



## RESEARCH TASK 6 – Compliance of the Program with Appropriate Policies, Rules, and Laws

### **Finding Summary:** Overall, HART meets Task 6

HART has a process to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. HART has developed procedures manuals to comply with federal and state grants management requirements. HART develops a Transit Development Plan (TDP) annually to provide the planning basis for the development of the federal and state grant programs. Federal transit grant recipients are required to obtain the services of an independent auditor to conduct a single audit each year. The auditor did not find any material weaknesses in Fiscal Year 2017, but did identify three deficiencies that were not considered material weaknesses. HART staff acknowledged the deficiencies, indicated acceptance, and documented the action taken to resolve the deficiency. The corrective action plan prepared by HART management to address the findings in the single audit demonstrates that management takes reasonable and timely actions to address any noncompliance identified by an external audit.

**Figure ES-13**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
<b>6. Compliance of the Program with Appropriate Policies, Rules, and Laws</b>			
<b>6.1</b>	Our work revealed no issues or concerns related to whether HART has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	<b>Met</b>	N/A
<b>6.2</b>	Our work revealed no issues or concerns related to program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.	<b>Met</b>	N/A
<b>6.3</b>	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and	<b>Met</b>	N/A

**Figure ES-13**  
**Summary of HART Research Results**

Research Subtask	Research Results	Conclusion	Recommendation
	regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.		
<b>6.4</b>	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax (Team MJ used selected Federal Transit Administration grants as the prototype) are in compliance with applicable state laws, rules, and regulations.	<b>Met</b>	N/A

## SECTION 1 – HILLSBOROUGH COUNTY PUBLIC WORKS DEPARTMENT (PW)

### SECTION INTRODUCTION

This section of the report provides background and introductory information about the Hillsborough County Public Works Department (PW). The purpose of this section is to provide context and perspective for the work McConnell & Jones (Team MJ) performed related to the six research tasks outlined in the Florida law requiring this performance audit.

Section 212.055 of the *Florida Statutes* (the Act) authorizes the imposition of a discretionary sales surtax (DSS) of one percent. The statute requires that for any referendum held on or after the effective date of the Act to adopt the DSS, an independent certified public accountant (CPA) must conduct a performance audit of the program associated with the surtax adoption. The performance audit must include a review of program areas related to transportation improvements including road and bridge improvements; the expansion of public transit options; fixing potholes; enhancing bus service; relieving rush hour bottlenecks; improving intersections; and making walking and biking safer. The CPA must conduct the performance audit of the program areas within the administrative unit(s) that will receive surtax funds. The expansion of public transit options and enhancing bus service are within the purview of HART, which is reviewed in Section 2 of this report.

PW is the administrative unit responsible for transportation improvements, including road and bridge improvements, fixing potholes, improving intersections, relieving rush hour bottlenecks, and making walking and biking safer. Accordingly, PW is the County's administrative unit that will receive the County's portion of the surtax proceeds. The statutory distribution of the surtax funds is shown in **Figure 1-1**.

**Figure 1-1**  
**Distribution of Discretionary Surtax Proceeds**

Category	Description	Percentage
<b>General Purpose</b>	Distributed to the County and to each municipality in accordance with their relative populations as calculated using a distribution formula defined in the statute and be expended by the County and each municipality in accordance with statute.	54%
<b>Transit Restricted</b>	Distributed to HART and be expended in accordance with applicable state law.	45%
<b>Planning &amp; Development</b>	Distributed to the Metropolitan Planning Organization (MPO) described in the statute whose jurisdiction includes the County. To be expended on planning and development purposes, including data collection, analysis, planning, and grant funding to assist the agencies and the independent oversight committee in carrying out the purpose set forth in the statute.	1%
<b>Total Allocation</b>		<b>100%</b>

Source: Referendum Ballot: Funding for Countywide Transportation and Road Improvements by County Charter Amendment-Full Text of the Proposed Charter Amendment.

PW maintains County roadway systems to make roads safer, to provide functional stormwater systems that protect the public, and to cost-effectively collect and sustainably dispose of trash. The department is responsible for maintaining more than 3,300 miles of roadway; 255 bridges; 1,300 miles of pipes, 1,224 miles of ditches, and 143 miles of channels; and for servicing over 280,000 residential customers of trash disposal services over an area of almost 1,000 square miles. The department's operations that are relevant to this audit include transportation maintenance and improvements related to roads, bridges, and walking and bike trails. These activities are accomplished through three of the department's seven divisions. The three divisions relevant to this performance audit are described below.

### **Transportation Maintenance Division (TMD)**

The Transportation Maintenance Division (TMD) provides safe and efficient roads, sidewalks, bridges, traffic signals, pavement markings, street signs and roadway lighting in the County. These transportation assets are provided by maintaining the public rights of way by mowing, tree trimming, cleaning ditches, and maintaining storm water detention ponds and the roadway surface. Additionally, TMD is a major participant in emergency support functions in declared states of emergency with the primary responsibility to ensure that roadways are opened and traversable for other emergency response.

### **Technical Services Division (TSD)**

The Technical Services Division (TSD) is responsible for managing transportation and stormwater capital improvement projects in various stages of planning, design and construction. Managing and administering these projects involves the work of technical review, design, and construction capital delivery teams made up of professional engineers, para professional engineering specialists, and technicians. TSD is also responsible for the following:

- planning and asset management of bridges, sidewalks, and pavement;
- long-term planning of stormwater systems;
- stormwater investigations;
- traffic engineering;
- traffic investigations;
- hazardous mitigation; and
- customer service requests.

### **Transportation Planning and Development Division**

This division of PW serves as a bridge between long-range plans and engineering of capital projects. It identifies projects for capital investment that further the economic vitality of the County. It ensures that the infrastructure constructed through the Capital Improvement Program (CIP) helps create value to the community by optimizing capacity needs and land development patterns for a better return on infrastructure investments. This division also collaborates with the Hillsborough County Metropolitan Planning Organization (MPO) and the

Hillsborough County-City Planning Commission to ensure that long range transportation and land use plans work in harmony to create a built environment in accordance with the Board of County Commissioners (BOCC's) Guiding Principles.

For Fiscal Years 2018 and 2019, PW established a goal to increase investment in infrastructure to repair, preserve, and maintain roadways, sidewalks, and stormwater systems. The department cites as one of its Fiscal Year 2016 and 2017 accomplishments the initiation of numerous safety and maintenance projects including roadway resurfacing and sidewalk repairs that were previously unfunded. The BOCC made this achievement possible by approving a policy that prioritizes \$812 million of funding for transportation projects allocated over 10 years. These transportation projects will be accomplished through the County's CIP.

The CIP is the County's financial plan of proposed capital projects, their costs, and timing over a six-year period in the first year of the biennial budget, and over a five-year period in the second year of the biennial budget. The CIP is designed to meet County infrastructure needs in a strategic and efficient manner and is reviewed and updated annually.

The County categorizes capital improvements into the following eight programs:

1. Fire Services
2. Government Facilities
3. Libraries
4. Park Facilities
5. Solid Waste Enterprise
6. Stormwater
7. Transportation
8. Water Enterprise

Each municipality is responsible for its own transportation planning; however, major roads determined to have a countywide importance may be designated as county roads, with the County primarily responsible for their maintenance and improvement. Capital needs associated with these roads, as well as all transportation needs in the unincorporated area of the County are evaluated for inclusion in the annual capital budget and CIP.

The adopted Fiscal Year 2016 through 2021 transportation program budget totals \$318.9 million. The program is funded with a combination of fuel tax, Community Investment Tax (CIT) financing, and general fund revenues. Ongoing maintenance costs include pothole patching, lane and crosswalk re-striping, sign and traffic signal replacement, and roadside right-of-way mowing and maintenance. Funding for capital projects comes from a variety of sources, but generally falls into one of the following categories:

- Ad Valorem Taxes;
- Communications Services Tax;
- Community Investment Tax;

- Gasoline Taxes;
- Enterprise Fees;
- Special Assessments;
- Impact Fees, and
- Grants or Financing.

The CIT is a one-half percent sales tax on the price of taxable goods, as defined by state statute, sold within the County. Approved for a thirty year period by public referendum in 1996, use of this tax is restricted to acquiring, constructing, and improving infrastructure and purchasing equipment with a useful life of at least five years to promote the health, safety, and welfare of the County residents. This tax expires on November 30, 2026.

The CIT closely mimics the discretionary surtax in terms of how it is received, distributed, and reported. Should the referendum pass in November 2018, County processes, procedures, systems, and controls that currently exist to administer CIT funds will be employed to administer and provide accountability over the discretionary surtax funds. Accordingly, where the research tasks in this section refer to “program”, Team MJ focused its research on the County’s and PW’s existing processes, procedures, systems, and controls. It is these structures and systems to which the CIT is currently subject and to which the discretionary surtax will be subject.



## RESEARCH TASK 1

### **The Economy, Efficiency, or Effectiveness of the Program**

**Finding Summary – Overall, Hillsborough County’s Public Works Department (PW) meets Task 1. PW uses various reports that are adequate to monitor project performance and cost. PW periodically evaluates its programs using performance information and other reasonable criteria to assess program performance and cost. Findings and recommendations were included in relevant internal and external reports on the performance and cost of PW activities. PW management has taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in audits and evaluations. Performance and costs are evaluated based on reasonable measures. Sampled projects were completed within budget and costs were reasonable; however, enforcement of project management requirements could be improved. Finally, written policies and procedures exist to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results section below for details regarding these conclusions.

#### **SUBTASK 1-1**

Our work revealed no issues or concerns related to management reports/data that program administrators use on a regular basis to monitor program performance and cost.

#### **SUBTASK 1-2**

Our work revealed no issues or concerns related to whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.

#### **SUBTASK 1-3**

Our work revealed no issues or concerns related to findings and recommendations included in relevant internal or external reports on program performance and cost.

#### **SUBTASK 1-4**

Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.

## **SUBTASK 1-5**

Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.

## **SUBTASK 1-6**

**Condition:** Subtask 1.6 Partially Met

***Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.***

Although current program efforts demonstrated that a sample of projects were completed within budget and costs were reasonable, the project files provided indicated inconsistency with project management and close out procedures as required by the department's Project Management Delivery Team Manual.

**Cause:** Exceptions allowed in complying with policies and procedures for project management including timely completion of the Certificate of Substantial Completion.

**Effect:** As a result of inconsistent compliance, there were examples of the lack of timely completion of the Certificate of Substantial Completion and missing document such as the Project Management Plan.

**Criteria:** The Project Management Delivery Team Manual defines the processes and documents required for project initiation through project closeout.

## **RECOMMENDATION 1-6**

**PW should enforce compliance with project management requirements and include authorized management's approval for any pre-approved exceptions.**

## **SUBTASK 1-7**

Our work revealed no issues or concerns related to whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below the list:

- Capital Improvement Plan (CIP) Quarterly Report-March 2018
- Community Investment Tax Accountability Report-Inception thru Fiscal Year 2016
- Hillsborough County Quarterly Joint CIP Update
- Top-20 Report
- Director Project Report
- Executive Summary
- Various Transportation Program Analysis Reports (Intersection, Pedestrian, Roadway, Sidewalk Repair, Standalones, and Misc.)

### **CIP Quarterly Report**

The Management & Budget (M&B) Department produces the CIP quarterly report. The department provides analysis assistance and recommendations to create a balanced County budget. The department also develops fiscal management practices to allocate resources for current and future budget needs. Team MJ noted that the March 2018 quarterly CIP report was distributed to the County administrator and 62 other individuals throughout the County.

Components of the March 2018 CIP report include the following:

- Estimated Fiscal Year 2018 Expenditures
- Number of Active Projects
- Started Construction
- Construction Completed
- Current Estimates vs. Annual Adopted CIP
- Annual Baseline Forecasted Variance Report

**Figure 1-2** provides an excerpt from the report that provides a program overview and a summary of project information. Team MJ concludes that the CIP report is adequate to monitor project performance and cost.

**Figure 1-2**  
**March 2018 Capital Improvement Program Report**

Capital Improvement Program (CIP) Quarterly Report  
2<sup>nd</sup> Quarter FY18  
Public Works Department

Program Overview

Achievements:

During the 2nd Quarter of FY 18 a total of (56) sub-projects and (0) stand alone projects began construction. Also during this time (42) sub-projects and (0) stand alone projects completed construction. Currently there are (40) active Stand Alone projects in the Public Works Department. There are a total of (617) projects that are either in planning, design, procurement, construction or closeout status. Projects and their status are more fully described hereinafter.

Numerical Summary of Projects:

Project Type	Active * Projects	Total * Projects	Projected FY18 Expenditures \$000
Transportation	325	335	\$69,732
Stormwater	289	297	\$25,511
Solid Waste	3	3	\$ 506
Total	617	635	\$95,749

\*Active - projects, with activity within the next 12 months, approved for funding in the current Capital Improvement Program (CIP) that have not achieved "Project Completion." Total Projects include those having achieved operational completion and progressing to Fiscal Closeout.

Construction Started / Completed – 2<sup>nd</sup> Quarter FY18:

Description	Quantity	Project / Sub-Project
Construction Started	56	See attached list
Construction Completed	42	See attached list

Exceptions:

Schedule Variance (extended delivery timeframe):

69643 Apollo Beach Blvd I-75 Overpass  
69112 Bell Shoals Road Widening (Bloomingdale to Boyette)  
63520 Orient Road/Sligh Avenue Traffic Signal

Cost Variance (over original budget):

61043 Bruce B. Downs (Pebble Creek To Pasco County) Road Widening  
69112 Bell Shoals Road Widening (Bloomingdale to Boyette)  
63520 Orient Road/Sligh Avenue Traffic Signal

Alerts: None reported this period.

Source: Hillsborough County Public Works Department, August 2018.

### **Community Investment Tax (CIT) Accountability Report**

The CIT tax can be used as prototype of the discretionary sales surtax (DSS) because it has similar characteristics. The CIT is based on one-half percent of sales while the DSS is based on one percent of sales. However, both the CIT and the DSS are subject to a distribution requirement and both will provide funding for the County's CIP. The CIT is the closest funding mechanism available for comparison to the DSS, which voters are yet to approve.

Team MJ reviewed the Fiscal Year 2016 and 2017 CIT reports noting that they provide information about how CIT funds have been spent since inception of the program in 1997. In particular, Team MJ noted how County funds earmarked for transportation were expended. Since its inception in 1997 through September 30, 2017, the County has spent \$1.4 billion for CIT-funded projects. The 2017 report shows that about \$480.3 million of CIT funds have been spent on transportation projects to improve roads, bridges, intersections, and sidewalks. The 2017 report also indicates that the County had funded 90 transportation-related projects, 60 percent of which were completed. Such projects include road construction and widening, traffic management improvements, pavement treatment programs, school safety access, traffic signals, road resurfacing, intersections, and sidewalks.

**Figure 1-3** presents a comparison of budgeted versus actual expenditures by project category from the Fiscal Year 2017 CIT Accountability Report. The budget information in the report is an example of information used by PW program administrators on a regular basis that is adequate to monitor program financial performance and costs.

**Figure 1-4** presents a summary of the Transportation Program by status. This report is an example of information used by PW program administrators on a regular basis that is adequate to monitor program performance in terms of project completion status.

Team MJ concludes that the CIP report is adequate to monitor project performance and cost.

**Figure 1-3**  
**CIT Accountability Report Budget versus Actual Expenditures-Inception**  
**(1997-Fiscal Year 2017)**

Project Category	Budgeted Expenditures	Actual Expenditures	Difference (Over) / Under Budget as of September 30, 2017
<b>Transportation Uses</b>			
Transportation	\$ 377,175	\$ 353,106	\$ 24,069
Intersections	160,498	104,834	55,664
Sidewalks	22,736	22,339	397
<b>Total Transportation</b>	<b>\$ 560,409</b>	<b>\$ 480,279</b>	<b>\$ 80,130</b>
<b>Other Uses</b>			
Debt Service	\$ 454,300	\$ 454,300	\$ 0
Parks	111,144	95,435	15,709

**Figure 1-3**  
**CIT Accountability Report Budget versus Actual Expenditures-Inception**  
**(1997-Fiscal Year 2017) (Cont'd)**

Project Category	Budgeted Expenditures	Actual Expenditures	Difference (Over) / Under Budget as of September 30, 2017
Government Facilities & Equipment	77,430	74,773	2,657
Stormwater	53,883	48,244	5,639
Fire Services	32,689	32,689	0
Public Utilities	30,137	30,137	0
Public Safety	186,720	181,895	4,825
Library	12,410	12,410	0
Aging & Social Services	7,135	7,135	0
Children's Services	4,276	4,276	0
Animal Services	2,608	2,603	5
<b>Total Other Uses</b>	<b>\$ 972,732</b>	<b>\$ 943,897</b>	<b>\$ 28,835</b>
<b>County CIT Funds Grand Total</b>	<b>\$ 1,533,141</b>	<b>\$ 1,424,176</b>	<b>\$ 108,965</b>

Source: Hillsborough County Public Works Department, August 2018.

**Figure 1-4**  
**CIT Accountability Report-Project Transportation Project Status-**  
**(1997-Fiscal Year 2017)**

Project Status	As of September 30, 2017		
	Actual	Number of Projects	Percentage
Completed	\$ 352,058	54	60%
Unfunded	1,190	8	9%
Funds Allocated to HART	29,126	5	6%
Canceled	4,633	4	4%
On-Going	49,474	3	3%
Funds Allocated to Tampa	7,300	3	3%
Funds Allocated to Temple Terrace	2,759	3	3%
Construction	12,936	2	2%
Funds Allocated to Plant City	1,624	2	2%
Land Acquisition	11,526	1	1%
Deferred	3,646	4	4%
Project Design	4,007	1	1%
<b>County Transportation Total</b>	<b>\$ 480,279</b>	<b>90</b>	<b>100%</b>

Source: Hillsborough County Public Works Department, August 2018.

### **Hillsborough County Quarterly Joint CIP Update Report**

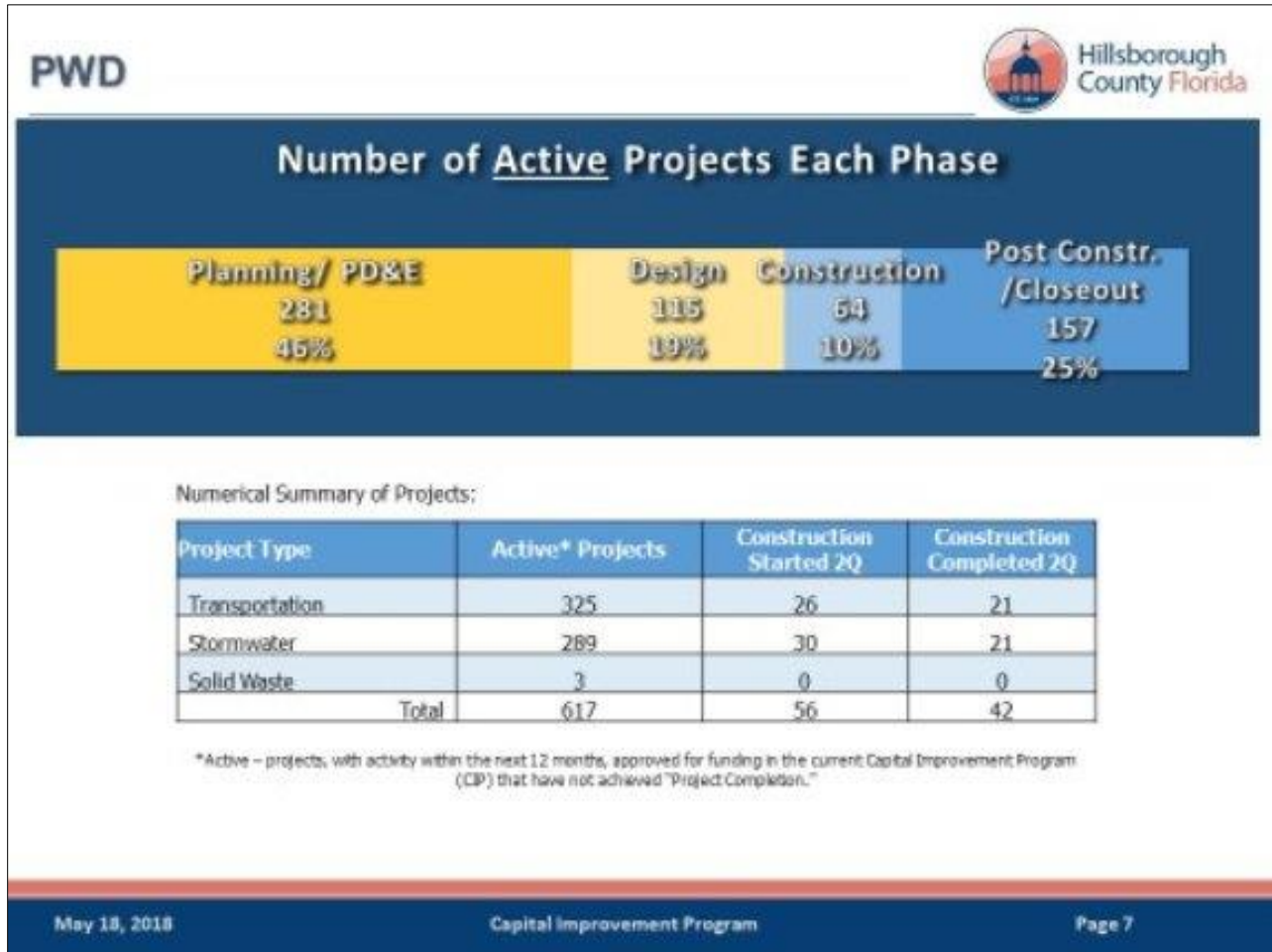
The Hillsborough County Quarterly Joint CIP Update Report provides information to enable the PW, the Public Utilities Department (PUD), and Real Estate & Facilities Services (REFS) to monitor and assess the financial and operational performance of the programs included in the report. Not only does the report include actual expenditure information, but it also includes planned expenditure and procurement information. This report is adequate to monitor program performance and cost because it consists of historical and projected financial and CIP performance information.

Team MJ reviewed the Hillsborough County Quarterly Joint CIP Update report dated May 18, 2018. The report contains graphic depictions of Fiscal Year 2018 projected and actual CIP expenditures for PW, PUD, and REFS combined. The report shows actual, projected, and planned expenditures for transportation, stormwater, and solid waste, expenditures. It shows the number and percentage of active projects in the planning, design, construction, and post-construction close-out phases. It also breaks projects out by program (transportation, stormwater, and solid waste) and by project phase and provides the number of active projects as well as those for which construction started and completed during the quarter.

Other information includes: active projects by dollar value, various water statistics, spend projections by program (transportation, stormwater, and solid Waste). The report also includes "CIP Procurement Look Ahead" information, which shows for each PW, PUD, and REFS project: bid advertise date, anticipated award date, program, procurement method, and department.

**Figure 1-5** provides an excerpt from the report that shows active CIP projects by phase from the May 2018 Quarterly Joint CIP Update Report. **Figure 1-6** provides an excerpt from the report that shows active CIP projects by dollar value. Team MJ concludes that the CIP report is adequate to monitor project performance and cost.

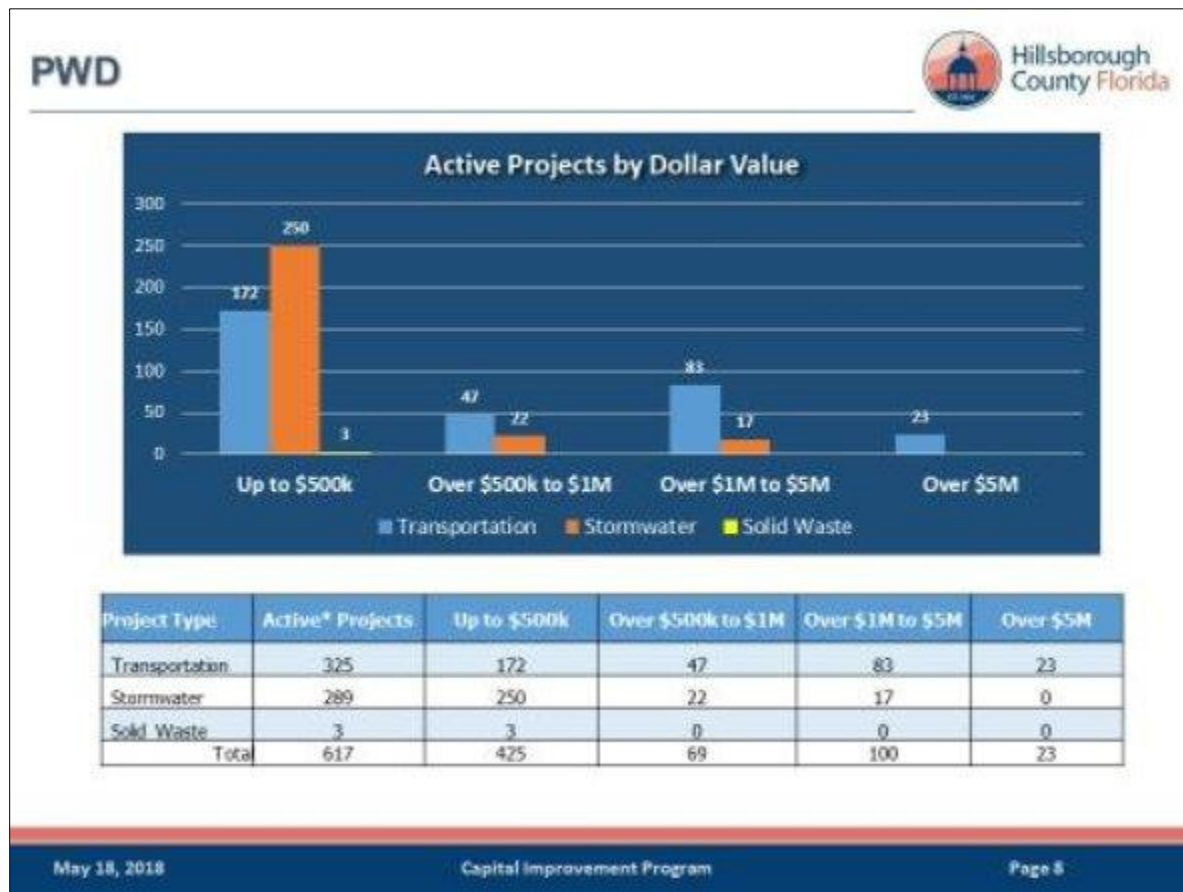
**Figure 1-5**  
**Hillsborough County Public Works Division Active CIP Projects by Phase-**  
**May 2018 Quarterly Joint CIP Update Report**



Source: Hillsborough County Public Works Department, August 2018.



**Figure 1-6**  
**Hillsborough County Public Works Division Active CIP Projects by Dollar Value-**  
**May 2018 Quarterly Joint CIP Update Report**



Source: Hillsborough County Public Works Department, August 2018.

### **Top-20, Director Project, and Executive Summary Reports**

The Technical Services Division (TSD) administers the County's Capital Improvement Program, for which the BOCC approved a 10-year CIP plan estimated to cost \$812 million. Members of TSD management have monthly production meetings to discuss projects and various related reports. Team MJ reviewed some of these reports noting their usefulness as reports effective for monitoring and managing financial and operational performance.

For example, the Top 20 Report shows baseline, projected, and actual expenditures for the Top 20 CIP projects.

The Director Project Report is a one page summary of most frequently-asked-about projects from the public, commissioners aides, and others. The report is produced on a monthly basis and contains the most current schedule and budget information of the projects. It is intended to be utilized by the technical services director as a quick reference to be able to provide a 20-30 second update on these projects.

The Executive Summary Report is a monthly high-level overview of program targets against actuals, encumbrances, and spend projections. The report presents data for PW's transportation, stormwater, and solid waste programs. The PW director reviews the report each month to gauge the progress of projected spending targets. The data is compiled quarterly basis and is shared during the CIP Quarterly Briefing presentation.

### **Transportation Program Analysis Reports**

The transportation program analysis reports are by project and project manager presentations of financial information for each of PW's programs including bridge, intersection, pedestrian, roadway pavement, sidewalk repair, standalones, and other. The report provides the program, project ID and description, project manager, actual expenditures and encumbrances, available funds, projected expenditures, and variances.

There is also a work order aging report that allows managers to prioritize and monitor work requests. It shows request number, creation date, initiator, amount, vendor, days open, assigned to, and an explanation.

Team MJ concludes that the reports discussed above are adequate to monitor project performance and cost.

### **Subtask 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.**

To address the requirements of this subtask, Team MJ reviewed a PowerPoint report entitled: Bridge Management Program Review dated March 2016. This report is a condition assessment of the County's bridge program. The following factors drove the bridge condition assessment:

1. Board of County Commissioners (BOCC) minimum condition of "Fair"
2. Bridge closures
3. Repair & maintenance backlog
4. Funding relative to inventory age


The report includes an overview of bridge inventory statistical information such as the number of bridges, an estimate of the number of vehicles carried each day, and average and total replacement value. The report provides a summary of material types and structure as well as an overview of bridge condition based on the National Bridge Inventory General Condition Rating Guidance scale. A rating of 7-9 indicates good to excellent condition calling for preventive maintenance. A rating of 5-6 indicates fair to satisfactory condition, which requires preventive maintenance and/or repairs. A rating of 0-4 indicates failed to poor condition calling for rehabilitation or replacement.

Figure 1-7 provides an overview of the condition of Hillsborough County bridges from the report.

**Figure 1-7**  
**Hillsborough County Bridge Management Program Review-March 2016**

# Overview: Bridge Condition

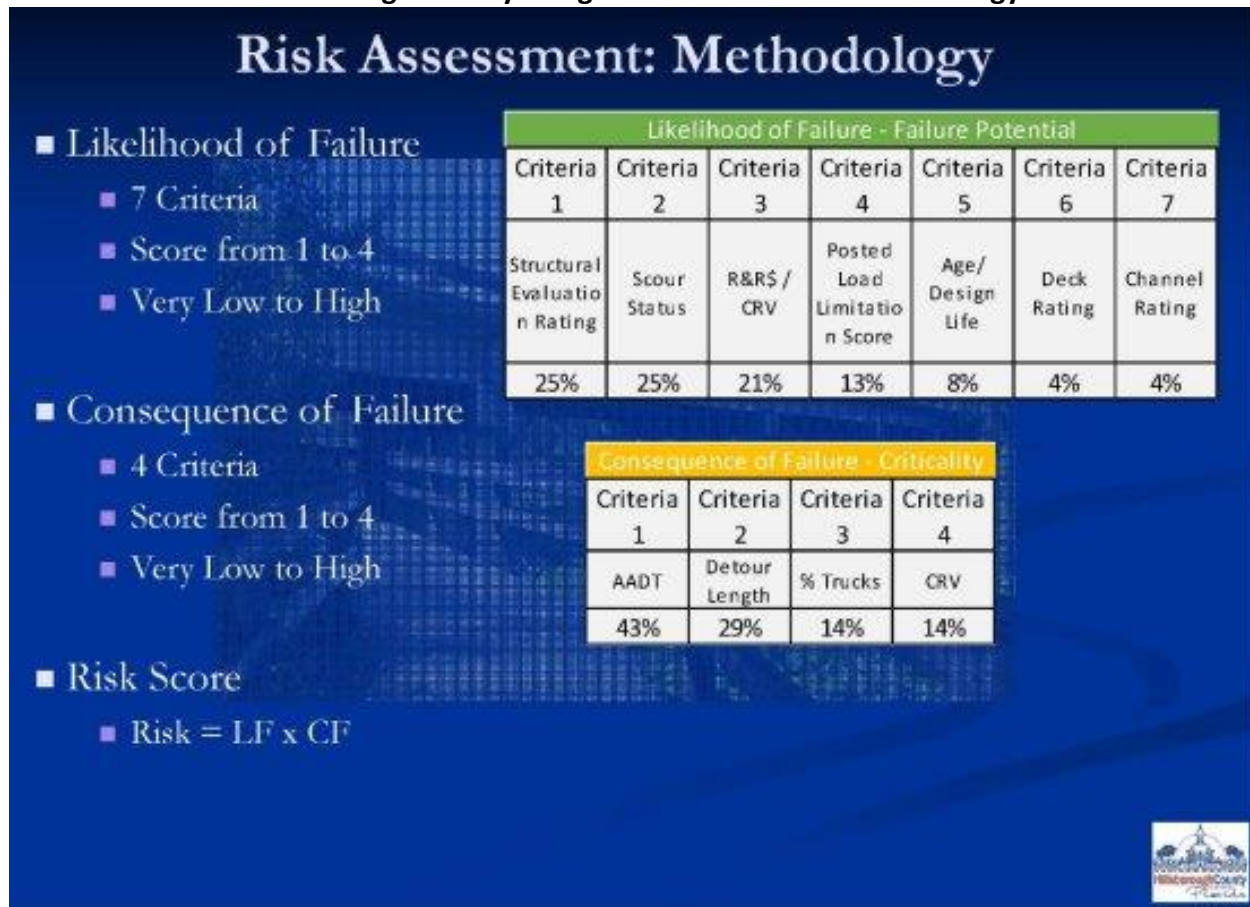
Bridge Type	Average Age	Design Life	Number of Bridges					2016 Condition		
			Total	Struct. Defic.	Funct. Obsol.	Posted	Closed	Poor	Fair	Good
Concrete Bridges										
Slab	28.4	50 or 75 yrs	51	0	8	1	0	0	16	35
Multi-beam or Multi-girder	30.2	50 or 75 yrs	41	1	2	0	1	1	5	35
Tee Beam, or Double Tee Beam	64.0	50 or 75 yrs	1	0	1	0	0	0	1	0
Arch - Deck	76.0	50 or 75 yrs	1	0	0	0	0	0	0	1
Culvert	33.6	40 years	63	1	1	1	0	2	22	39
Channel Beam	47.5	40 years	82	0	24	4	1	2	41	39
Steel Bridges										
Multi-beam or Multi-girder	76.0	50 or 75 yrs	1	0	1	0	0	0	1	0
Truss - Thru or Pony (pedestrian)	10.0	50 or 75 yrs	1	0	0	1	0	n/a	n/a	n/a
Movable - Bascule	90.0	50 or 75 yrs	1	0	1	0	0	0	1	0
Movable - Swing	90.0	50 or 75 yrs	1	0	0	0	0	0	1	0
Culvert	52.4	40 years	5	0	0	0	0	0	4	1
Aluminum Bridges										
Culvert	28.5	40 years	2	0	0	0	0	0	1	1
Wood or Timber Bridges										
Slab	21.0	40 years	1	0	0	0	0	0	0	1
Summary Totals			251	2	38	7	2	5	93	152
Percentage (%)				1%	15%	3%	1%	2%	37%	61%



Source: Hillsborough County Public Works Department, August 2018.

The bridge assessment used a risk methodology based on two factors: likelihood of failure and consequence of failure. The likelihood of bridge failure consists of seven criteria that are scored from 1 to 4. The consequence of failure consists of four criteria scored also scored from 1 to 4. The two scores are then multiplied together to calculate an overall score for each bridge assessed. **Figure 1-8** on the following page presents an overview of the bridge assessment risk methodology and provides an example of how the Bridge Management Program Review Report demonstrates that the County uses various criteria to evaluate its bridges and rank them according to the risk and consequences of failure.

**Figure 1-8**  
**Hillsborough County Bridge Risk Assessment Methodology**



Source: Hillsborough County Public Works Department, August 2018.

In addition to reviewing the Bridge Management Program Report, Team MJ examined the Pedestrian Facility Improvement Program (PFIP) Report dated January 2018. In 2016, PW began evaluating and updating its programs for making pedestrian facility improvements within the County. Team MJ noted that the PFIP update process involved four activities: (1) review of past and present pedestrian programs; (2) development of a new program methodology, (3) stakeholder review and input; and (4) new program implementation. Various pedestrian related programs over the past ten years were examined and a number of challenges identified. The assessment identified five key needs and opportunity areas for the County to consider in updating the Pedestrian Facility Program. These areas are presented on the following page in **Figure 1-9**.

**Figure 1-9  
Pedestrian Facility Program Update: Needs & Opportunities –  
January 2018**

Area	Need/Opportunity
<b>Safety</b>	Safety for pedestrians and bicyclists will be given special consideration in the new pedestrian program.
<b>Mobility</b>	The new pedestrian program should consider enhancing our pedestrian facilities to improve community health and better support those who are most dependent on alternative modes of travel.
<b>Funding</b>	The new methodology should help direct funding to projects and types of improvements that provide the most value to the community and best achieve the goals of the program. The new program should also identify project needs for pursuit of grants and other future funding opportunities.
<b>Resource</b>	Through collaboration with program partners, the new program methodology needs to utilize existing technology such as GIS and already supported data sets to minimize staff resources needed for implementation and to achieve a sustainable program.
<b>Industry Trends and Best Practices</b>	The new program should utilize a systematic data-driven approach and incorporate the principals of risk and opportunity management. By following federal guidelines the County aims to develop projects that are good candidates for federal and state funding.

*Source: Hillsborough County Public Works Department, August 2018.*

Team MJ concludes that in identifying five need and improvement areas, this report demonstrates that the County used various criteria to evaluate and update its Pedestrian Facility Improvement Program.

The final set of reports Team MJ reviewed to determine whether PW periodically evaluates its programs using performance information are the transportation program analysis reports. The County prepares a financial analysis for each project included in its various transportation programs. PW generates these reports monthly and reviews them during monthly production meetings. There is a financial analysis for the following programs: bridge; intersection; pedestrian; roadway pavement; sidewalk repair; and standalones and miscellaneous.

Team MJ examined the program financial analysis reports dated as of May 31, 2018. The program analysis reports show the program, project ID and description, project manager, actual expenditures and encumbrances, available funds, projected expenditures, and variances, which are color coded according to the variance percentage. Thus, green is up to 5 percent variance, yellow is 6-15 percent variance, and red is over 15 percent variance. The reports also show the project phase. **Figure 1-10** on the following page compares total projected costs from transportation analysis reports to projected expenditures by transportation program through May 2018

Team MJ concludes that the Transportation Analysis Reports demonstrate that the County uses financial criteria to analyze and assess the cost and financial viability of transportation projects.



**Figure 1-10**  
**Transportation Financial Analysis Reports-Selected Financial Information-**  
**As of May 2018**

Program	FY 18 Spending Projection-FY 2018	FY 18 Actual Plus Projected Expenses	FY 18 Projected Variance Under Projection
Bridge	\$ 5,771,755	\$ 2,243,984	\$ (\$3,527,773)
Intersection	10,117,554	5,671,601	(4,445,953)
Pedestrian	1,626,946	745,592	(881,355)
Roadway Pavement	26,731,338	21,991,082	(4,740,257)
Sidewalk Repair	225,420	2,701,702	2,476,282
Standalone/Misc.	52,868,634	28,653,533	(24,215,101)
<b>Grand Total</b>	<b>\$ 97,341,647</b>	<b>\$ 62,007,494</b>	<b>\$ (35,334,157)</b>

Source: Hillsborough County Public Works Department, August 2018.

**Subtask 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost.**

To address the requirements of this subtask, Team MJ again used the Bridge Management Program Review-March 2016, discussed in **Subtask 1.1**. The Bridge Management Program Review Report identified 27 bridges for further evaluation. Team MJ noted the methodology used to rank the bridges categorized the bridges based on metrics involving failure potential and consequential impact. The report included the basis for rehabilitation or replacement and provided a low and high funding estimate.

The report identifies bridges recommended for remedial action based on a rating scale and ranking. As part of the risk assessment, improvement projects are prioritized within funding limits. The review of the recommended remedial actions in the report satisfies the requirements of **Subtask 1.3**.

Team MJ also reviewed the results of a tree trimming audit report. In September 2015, the director of county audit issued an audit report on three contracts for tree trimming and removal services. The objective of the audit was to determine whether or not PW adequately managed the County's tree trimming and removal services agreements with three (3) tree trimming contractors.

Team MJ reviewed the tree trimming report's findings and recommendations. The auditors found that, *"Opportunities exist for the Public Works Department to enhance the control environment over the tree trimming and removal services contract management."* This finding resulted in three recommendations: (1) Implement a written procedure to document the contract management workflow; (2) Require the contractor and the Operations Field Coordinator to sign all quote sheets; and (3) Require a higher level of management and supervision to certify all inspection reports and include the report as support documentation for the payment process. Team MJ's review of the findings and recommendations in this audit report satisfies the requirements of **Subtask 1.3**.

Finally, Team MJ reviewed a grants expenditures audit report. In March 2017, the director of County audit issued a report on an audit of construction invoices for the Bruce B. Downs Boulevard widening project. The County entered into a grant agreement with the Florida Department of Transportation (FDOT) for a road construction project to widen part of Bruce B. Downs Boulevard. The County contracted with two firms for the project.

One company served as construction contractor and performed the physical road work to widen the lanes. The other company was an engineering firm that ensured the work was in compliance with specifications and that the construction contractor's billings to the County were accurate.

The objective of the audit was to determine whether or not adequate and effective controls were in place to ensure that the project's expenditures were in compliance with the terms of the County's agreements with FDOT, the engineering firm, and the construction contractor.

Team MJ reviewed the report's findings and recommendations. The auditors concluded that there were controls in place to ensure that invoicing process was in compliance with the terms of the County's agreements. However, the auditors found that, *"Payment timeliness could be improved to ensure compliance with the Florida Prompt Payment Act.* The auditors recommended that management implement procedures to ensure payments to contractors were made within the required business day deadlines. The auditors also found *opportunity to improve the timeliness of the FDOT reimbursement process* and recommended that reimbursement requests be submitted each quarter to ensure all available grant funding is received timely from the FDOT.

The review of the findings and recommendations in this report satisfies the requirements of **Subtask 1.3.**

**Subtask 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.**

To address the requirements of this subtask, Team MJ referred again to the Bridge Management Program Review-March 2016, discussed in **Subtasks 1.1** and **1.3**. Team MJ noted that the Bridge Management Program Review presentation included an action plan to address bridge deficiencies noted in the report. This action plan is presented in **Figure 1-11** which is shown below.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
<b>1. Develop and Implement an Action Plan For High Risk Bridges</b>			
1a. Procure consultant to conduct detailed structural evaluation and develop rehabilitation and replacement recommendations for targeted high-risk bridges.	Hired consultant engineering firm (KCA) to conduct the evaluation.	See 20170405_KCA_Final_Bridge Assessment Report	Verified implementation of recommendation. Obtained and reviewed the Hillsborough County Bridge Assessment Report dated April 2017 conducted by KCA Kisinger Campo & Associates.
1b. Support appeal to FDOT and FHWA for funding for recently closed bridges and identified critical bridge rehabilitation needs.	PW Staff coordinated with FDOT staff to justify and request funding for the Maydell Bridge Replacement. The effort resulted in the County receiving federal funding for a portion of the replacement costs for the bridge. See copy of FDOT Five Year Work Program attached	See attached file (Maydell Bridge D7-Work-Program-Fiscal Year-2019-2023-ADOPTED)	Verified implementation of recommendation. Obtained and examined the Adopted Five-Year Work Program for Fiscal Year 2019 through Fiscal Year 2023-Florida Department of Transportation-District Seven. Noted FDOT allocation of funding bridge replacement.



**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
1c. Revisit and update the bridge rehabilitation/replace ment candidate list annually as element level condition data analysis is incorporated and as new bridge deficiencies are discovered as a result of continued deterioration and more thorough bridge inspections.	Funding for two CIP program projects (C62120000 Bridge and Guardrail Rehabilitation and Repair, and C69200000 Community Investment Tax (CIT) Funded Bridge Improvements) was included in the County's adopted 2017-2021 Capital Improvement Program; Bridge rehabilitation and replacement candidate projects are evaluated quarterly and included in the Bridge Program Work Plans, see attached program reports.	See attached files (completed-FY17-FY21-adopted-CIP-web) See Bridge Program CIP report document previously provided	Verified implementation of recommendation. Obtained and reviewed the Transportation Projects Summary Schedule noting funding for project C62120000-Bridge and Guardrail Rehabilitation and Repair of \$17.5 million and project C69200000 with funding of \$13.124 million. Verified implementation of recommendation. Reviewed this report in connection with work performed at Subtask 1.4, Activity #1
<b>2. Develop, Promote and Implement A Modernized Bridge Management Plan</b>			
2a. Identify necessary routine and periodic preventive maintenance activities for each bridge type and classification, including frequencies and cost, and generate a preventive maintenance program document.	Ongoing activity in coordination with the Transportation Maintenance Division of the PW.	Open Work Orders by Section 8/17/2018 report meeting summary	Verified implementation of recommendation. Obtained and reviewed Open Work Orders by Section 8/17/2018 report noting presentation of maintenance contract needs beginning on page 5.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
2b. Improve failure potential analysis by evaluating the condition of primary load bearing elements and correlating to the potential for service disruption or bridge failure by implementing AASHTOWARE or similar bridge data management and analysis tool.	Developed a request for proposal for Transportation Infrastructure Management Services, which includes implementation of a brand management software solution.	RFP Questionnaire	Verified implementation of recommendation. Obtained and reviewed Professional Services Questionnaire dated 5/7/2018 outlining a scope of services for engineering economics and software implementation and support services necessary for transportation infrastructure capital planning and management systems.
2c. Expand upon risk analysis and develop bridge capital planning tool and 10 year capital rehabilitation and replacement plan utilizing lifecycle cost/ benefit analysis.	Developed a request for proposal for Transportation Infrastructure Management Services, which includes implementation of a brand management software solution.	RFP Questionnaire.	Verified implementation of recommendation. Obtained and reviewed Professional Services Questionnaire dated 5/7/2018 outlining a scope of services for engineering economics and software implementation and support services necessary for transportation infrastructure capital planning and management systems.
2d. Generate and promote a bridge program annual report to communicate and gain support for bridge program activities and critical needs.	Formal annual report under development and not yet implemented.	Ongoing	The annual report is currently under development and activities are ongoing. Therefore, implementation of this recommendation cannot be verified as complete at this time.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
<b>3. Develop and Administer Sustainable Maintenance, Repair and Rehabilitation Programs</b>			
3a. Partner with TMD-Systems Planning to implement MaintStar for bridge repair and maintenance management.	This activity was completed in early 2016, the Bridge team is utilizing the MaintStar maintenance management system for entering all bridge work requests to the Transportation Maintenance Division.	See discussion of MaintStar Work Requests/Orders in attached meeting summary document (20180816_TSD-TMD_Open Work Orders.pdf)	Verified implementation of recommendation. Obtained and reviewed Open Work Orders by Section 8/17/2018 report noting reference to MaintStar on page 2.
3b. Support systems planning and unit managers in implementing routine bridge maintenance activities.	Completed and Ongoing: participate in systems planning and unit manager meetings as needed to coordinate bridge maintenance activities.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
3c. Partner with TMD-Countywide and TSD-Construction to develop and manage bridge repair and rehabilitation work order contracts.	Completed and Ongoing: participate in TMD-Countywide and TSD Construction hand-off and construction progress meetings.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
3d. Participate in bridge CIP design review and cross-train with construction inspection team to improve value and quality control of bridge improvement projects.	Completed and Ongoing: Bridge team included in design review process and coordinates with construction team on inspection activities.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
3e. Expand bridge team resources through cross training and resource sharing within TSD and TMD.	Completed and Ongoing: resource sharing is conducted on an as needed basis and coordinated through the Division Directors of the two Divisions.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
3f. Invest in bridge team continuing education and participate in professional society activities and bridge management cooperatives	Completed and Ongoing: Bridge team members actively seek and participate in continuing education opportunities and periodic professional society activities. Attended the National Bridge Preservation Conference April 10-12, 2018 in Orlando FL.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
<b>4. Partner with FDOT to Improve the Quality of the County's Bridge Inspections and Leverage the State's Investment in Bridge Management Systems</b>			
4.1 Initiate and attend quarterly coordination meetings with key D7 and central office staff to address inspection quality issues and explore partnership opportunities.	Completed and Ongoing: participate in periodic meetings with FDOT D7 Bridge staff.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
4.2 Pursue joint project to implement AASHTOWARE.	Ongoing: Engaged in several discussions with D7 and central office staff regarding potential for joint project;	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
4.3 Participate in FDOT structural deficiency list development to promote fair assessment and consideration of County bridges.	Completed and Ongoing: participate in periodic meetings with FDOT D7 Bridge staff to discuss structural deficiency list.	Incorporating in to routine coordination activities; No formal documentation.	The implementation of this recommendation involves ongoing, routine activities that occur in real-time and involve no formal, verifiable documentation.
<b>5. Outreach to Key Commerce and Emergency Management Stakeholders to Improve Bridge Criticality Analysis and Explore Joint Improvement Project Opportunities</b>			
5a. Partner with D7 freight coordinator and County Economic Development and Emergency/Hazard Mitigation Managers to identify bridges important to goods movement industry, major employers, and other critical facilities and characterize impacts of potential service disruptions or closures.	Ongoing, not yet implemented.	Initiatives most critical to the foundation of the bridge program have received higher priority and dedication of resources for implementation. This initiative will receive greater focus in future years as implementation of foundational initiatives are completed. Bridge program resources are currently focused on identified and funded bridge repair, rehabilitation and replacement projects, and implementation of a bridge management system software solution.	This recommendation has been prioritized and is not yet implemented. Therefore, implementation of this recommendation cannot be verified as complete at this time.

**Figure 1-11**  
**Bridge Condition Assessment Action Plan-Bridge Management Program Review –**  
**March 2016 (Cont'd)**

Recommendations	PW Action Taken	PW's Evidence of Implementation	Team MJ Verification
5b. Partner with willing stakeholders to identify and pursue bridge funding opportunities.	Ongoing, not yet implemented.	Initiatives most critical to the foundation of the bridge program have received higher priority and dedication of resources for implementation. This initiative will receive greater focus in future years as implementation of foundational initiatives are completed. Bridge program resources are currently focused on identified and funded bridge repair, rehabilitation and replacement projects, and implementation of a bridge management system software solution.	This recommendation has been prioritized and is not yet implemented. Therefore, implementation of this recommendation cannot be verified as complete at this time.

Source: Hillsborough County Public Works Department, August 2018.

Team MJ also reviewed auditor recommendations from the tree trimming audit noting that PW management concurred with the auditor's recommendations and stated that the following action would be taken by January 15, 2016:

*"The Public Works Department will implement a written procedure to document the contract management work flow with specific requirements for the contractor and the operations field coordinator (OFC) to sign all quote sheets when practical. The unit manager will certify all inspection reports and submit as part of the support for payment."*

To verify implementation of the recommendation, Team MJ obtained and reviewed the tree trimming procedure and related documentation noting that it was drafted before the January 15, 2016 deadline and included all of the elements that the audit report recommended. Team MJ's review verified that PW management took action to implement the auditor's recommendations.

Finally, Team MJ reviewed auditor recommendations from the March 2017 Bruce B. Downs Grant Expenditures Audit and noted that PW management concurred with the recommendations. The report states management completed the following action in January 2017.

*“The Department has implemented procedures to track actions required by FDOT agreements for quarterly invoicing for grant reimbursements. An additional position was created and filled in the Fiscal Section with responsibility for documenting and monitoring submittal dates for all grants. Staff has been cross-trained to cover absences. Team MJ’s review verified that Public Works management took action to implement the auditor’s recommendations.”*

**Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices.**

To address the requirements of this subtask, Team MJ reviewed the January 2018 MaintStar Monthly Report noting a variety of program metrics and statistics that management uses to measure and evaluate performance. MaintStar is the software application the County uses to manage its diverse infrastructure assets from PW, utilities, and parks and recreation, fleet, buildings, equipment and facilities. Monthly reports are generated from the system showing various workload statistics. This program is considered to be a best practice among governmental entities for the management of their infrastructure assets.

Information from the system can be used to manage activities and costs by service unit across a broad range of work activities, which are organized on the report as programs. Using this report, PW managers can evaluate the performance of each program based on work units, plan versus actual days, labor days, and planned versus actual costs.

**Figure 1-12** provides a page from the system’s Work Overview by Administrative System Report. Team MJ concludes that the County’s best practice infrastructure asset management program allows the evaluation of program performance and cost based on reasonable measures.

**Figure 1-12**  
**Work Overview by Administrative System Report –**  
**January 1, 2018 through January 31, 2018**

06/15/18  
Page 1 of 23

Hillsborough County  
Work Overview by Administrative System  
01/01/18 - 01/31/18

Administrative System Program Activity		This Period		Labor Days		Total Cost	
	Wk Unit	Plan Days	Act Days	Annual Plan	Y-T-D Actual	Annual Plan	Y-T-D Actual
<b>0000112 - West Service Unit</b>							
<b><u>10 - ADMIN/SUPERVISION</u></b>							
1000 - MEETINGS	HR	2.1	2.5	25.0	27.3	\$3,068	\$6,867
1003 - SUPERVISION	HR	2.0	0.0	23.5	0.0	\$6,971	\$0
1004 - TRAINING	HR	7.3	24.5	88.1	55.1	\$26,754	\$15,729
1010 - TRAINING - SAFETY	HR	10.3	0.0	123.4	1.4	\$31,282	\$334
<b><u>Program 10 TOTAL</u></b>		<b><u>21.7</u></b>	<b><u>27.0</u></b>	<b><u>260.0</u></b>	<b><u>83.7</u></b>	<b><u>\$73,076</u></b>	<b><u>\$22,930</u></b>
<b><u>11 - ASPHALT MAINTENANCE</u></b>							
1101 - HOT ASPHALT PATCHING - POTHOLE	TN	62.3	55.2	627.7	292.1	\$269,261	\$77,895
<b><u>Program 11 TOTAL</u></b>		<b><u>62.3</u></b>	<b><u>55.2</u></b>	<b><u>627.7</u></b>	<b><u>292.1</u></b>	<b><u>\$269,261</u></b>	<b><u>\$77,895</u></b>
<b><u>12 - MOWING &amp; TREES</u></b>							
1201 - MOWING BY HAND	HR	22.9	5.5	264.0	50.8	\$147,114	\$12,644
1202 - ROADSIDE MOW	AC	92.9	63.8	1115.0	258.9	\$885,563	\$142,196
1203 - SLOPE MOWING	AC	50.4	36.9	605.0	212.7	\$284,132	\$104,856
1207 - TREE AND BRUSH TRM - HAND	LF	88.8	54.5	970.4	221.8	\$399,260	\$61,025
1208 - CANAL MOWING	AC	35.0	11.9	420.0	74.7	\$192,716	\$42,024
<b><u>Program 12 TOTAL</u></b>		<b><u>281.1</u></b>	<b><u>172.6</u></b>	<b><u>3374.5</u></b>	<b><u>818.9</u></b>	<b><u>\$1,908,785</u></b>	<b><u>\$362,745</u></b>
<b><u>13 - INFRASTRUCTURE MAINTENANCE</u></b>							
1300 - SIDEWALK REPAIR	SY	37.5	74.3	450.1	78.5	\$238,140	\$23,843
1303 - INLET REPAIR	EA	18.3	27.2	124.1	53.3	\$88,550	\$14,250
1304 - END TREATMENT REPAIR	EA	13.1	0.0	157.5	16.5	\$71,044	\$5,172
1308 - SIDEWALK GRINDING	EA	64.8	7.8	777.8	44.6	\$269,354	\$11,504
1314 - PIPE REPAIR - SIDE DRAIN	LF	28.6	29.7	250.0	43.7	\$77,362	\$14,295
<b><u>Program 13 TOTAL</u></b>		<b><u>148.5</u></b>	<b><u>138.9</u></b>	<b><u>1759.5</u></b>	<b><u>236.6</u></b>	<b><u>\$744,449</u></b>	<b><u>\$69,063</u></b>
<b><u>15 - SHOULDERS &amp; ROW</u></b>							
1503 - WASHOUT REPAIRS	CV	41.9	22.8	502.9	195.2	\$288,173	\$31,280
<b><u>Program 15 TOTAL</u></b>		<b><u>41.9</u></b>	<b><u>22.8</u></b>	<b><u>502.9</u></b>	<b><u>195.2</u></b>	<b><u>\$288,173</u></b>	<b><u>\$31,280</u></b>
<b><u>16 - DRAINAGE &amp; STORMWATER</u></b>							
1601 - BRIDGE AREA VEG CLEAN	EA	34.9	2.0	418.5	2.0	\$94,553	\$798
1602 - CANAL CLEAN (LIGHT)	LF	50.4	3.4	251.7	64.3	\$279,655	\$52,379
1603 - CANAL CLEAN (HEAVY)	LF	48.0	0.0	240.0	0.0	\$149,501	\$0
1604 - INLET CLEAN - MECH	EA	5.5	9.2	66.0	34.8	\$40,876	\$17,741
1607 - PIPE CLEAN	LF	28.9	69.2	346.6	193.7	\$165,297	\$95,073
1608 - DITCH CLEAN	LF	80.8	109.8	976.0	332.4	\$344,653	\$118,081
1609 - LIMITED ACCESS MOWING	LF	45.0	30.1	225.0	58.6	\$243,426	\$45,647
<b><u>Program 16 TOTAL</u></b>		<b><u>293.5</u></b>	<b><u>214.7</u></b>	<b><u>2517.8</u></b>	<b><u>685.9</u></b>	<b><u>\$1,317,961</u></b>	<b><u>\$329,720</u></b>

Source: Hillsborough County Public Works Department, August 2018.



To address **Subtask 1.5** further, Team MJ reviewed the county's customer resolution unit standard case handling procedure dealing with potholes and resurfacing. The County maintains over 3,000 miles of roads across the County. The goal of the County's pavement management program is to maintain the roads in a serviceable condition for the most economical cost to the County. This goal is achieved through routine inspections, patching / repairs, and road rehabilitation projects.

Team MJ noted that the customer resolution unit standard case handling procedure lists four case types and the various steps taken to process each case type using the County's Customer Relationship Management (CRM) and MaintStar system. The case types are: Level 1- Pothole; Level 2 Resurfacing; Level 3-Resurfacing (To be determined), and Level 4-Resurfacing/CIP.

The procedure outlines responsibilities and detailed steps that need to be taken to resolve customer issues and complaints. It is a reasonable means of internal control that enables the County to improve customer service while evaluating staff against pothole program effectiveness and performance. Therefore, Team MJ concludes that The County's customer resolution unit standard case handling procedure allows the evaluation of program performance and costs based on reasonable measures.

**Subtask 1.6 Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.**

Team MJ selected three projects for review from the list of 54 transportation program projects in the FY18-FY23 Adopted Capital Improvement Program. Expenditures as of FY 17 for the three projects totaled \$80,396,000 out of a population total of \$306,397,000 or 26 percent. Two additional projects completed in FY 2016 and FY 2017 were also selected for review.

In addition to evaluating a sample of projects, Team MJ reviewed the quarterly Capital Improvement Program report for the period ending March 31, 2018 noting 73 percent of the 11 transportation program projects included in the performance metric calculations were ahead or on schedule; and 54 percent of the projects were under or within budget as summarized in **Figure 1-13**.

**Figure 1-13**  
**Summary of Transportation Projects with Performance Metric Calculations**

Status	No. Projects		Percent	Explanation
Projects ahead of schedule	4		36%	
Projects on schedule	4		37%	
Projects behind schedule	3		27%	Regulatory matters, land issues, or other issues
Projects over budget		5	46%	Scope change or market conditions/ escalation
Projects under budget		5	45%	
Projects within budget		1	9%	
<b>Total</b>	<b>11</b>	<b>11</b>		

Source: Team MJ

Audit procedures for the sample projects included reviewing project files from the department including the invitation to bid, board agenda item, board approval documentation, sealed bid tabulation, recommendation letter from Procurement, approved project management plan, examples of periodic site inspections, and certificates of substantial and final completion. We conducted these reviews to ascertain whether the project was completed well and for compliance with sections of the department's Project Management Delivery Team Manual.

**Figure 1-14** presents a summary of the results generally indicating that the projects were of reasonable cost in comparison to the selected vendor's bid amount and completed well, on time and within budget or if the project was ongoing, no issues were reported. The department's construction estimate is compared to the bid estimate at the beginning of the project and to final costs at the completion of the project to determine if costs were reasonable.

**Figure 1-14**  
**Summary of Projects Reviewed**

Project Number	C61045000	C61153000	C6931000	C69360000	C69607000
<b>Project Description</b>	Bruce B. Downs (Bearss Avenue to Palms Springs) Road Widening	Dangerous Intersection/ Pedestrian Safety Program	Roadway Pavement Preservation Program	Gunn Highway and Linebaugh Avenue Intersection Improvements	CR579 Mango Road I-4 to Sligh Avenue
<b>Scope of Services</b>	One of three phases of the Bruce B. Downs Road widening from Bearss Avenue to the Pasco County Line. The project involves widening of Bruce B. Downs from 4 to 8 lanes as determined by the Project Development and Environmental (PD&E) study managed by FDOT. The widening includes a bridge, new storm sewer systems, ponds, flood plain and wetland mitigation.	To improve safety for pedestrians and bicycles as identified in the Pedestrian and Bicycle High Crash Area Strategic Plan for Unincorporated Hillsborough County Roads.	Annual pavement condition inspection, routine repairs, preventive maintenance treatments, and road repairing projects necessary to maintain the County's roads in a safe and serviceable condition for the lowest cost to the community.	Roadway and signal improvement to the intersection of Gunn Highway and Linebaugh Avenue, including additional right turn lanes along Linebaugh, an additional left turn lane along Gunn Highway and lengthening a turn lane along Gunn Highway. This project also included pavement widening, resurfacing, pavement overbuild, drainage improvements, sidewalk, curb, and signalization.	Roadway widening improvements of CR 579 (Mango Rd) from I-4 to Sligh Avenue. This project widening a 2 lane undivided roadway to a 4 lane divided roadway, including intersection improvements at CR 579 and Sligh Ave, pavement widening, resurfacing, pavement overbuild, drainage improvements, sidewalk, curb, and signalization.

**Figure 1-14**  
**Summary of Projects Reviewed (Cont'd)**

Project Number	C61045000	C61153000	C6931000	C69360000	C69607000
<b>Expenditures as of FY 17</b>	\$52,491,000	\$2,550,000	\$25,355,000	n/a	n/a
<b>Percent of CIT Funding</b>	1%	92%	0%	24%	5%
<b>Competitive Bid vs Construction Estimate</b>	Bid was about \$800,000 less than construction estimate; CIP Project Initiation Form and Project Management Plan not provided	Bid was 4.96%, or \$232,563.04 higher than construction estimate. CIP Project Initiation Form and Project Management Plan not provided	Bid was less than construction estimate; CIP Project Initiation Form and Project Management Plan not provided	CIP Project Initiation Form and Project Management Plan not provided	CIP Project Initiation Form and Project Management Plan not provided
<b>Board Agenda</b>	Agenda Item No. B-1; 10/1/2014	Agenda Item No. B-7; 11/1/2017	Agenda Item No. B-5; 11/2/2016	Not reviewed	Not reviewed
<b>Initial Contract Amount</b>	\$36,148,000	\$4,922,411.10	\$4,427,573.59 and \$5,071,168.40 (2 Contractors)	Not reviewed	Not reviewed
<b>Completion status</b>	Close out – 04/30/2018	About 31 percent complete.	Various subprojects completed or ongoing	Closed out.	Closed out.
<b>CIP Quarterly Report Status</b>	As of 3/31/18, days ahead – 235 Approved Budget – \$58,256,366 Estimated at Completion Cost - \$54,815,649 Estimated Under Budget \$3,440,717	No scheduled completion date on CIP report; costs running under budget	No scheduled completion date on CIP report; costs running under budget. The estimated completion cost for one subproject C6931000.081 was estimated under budget.	As of 9/30/17, days ahead – 55	As of 9/30/17, days ahead – 116
<b>Final budget vs cost status</b>	The original construction contract amount was \$36,148,000.00 The final construction contract amount is \$36,462,074.15	N/A; in progress	The original construction contract amount was \$467,461.02 The final construction contract amount is \$454,404.80	The original construction contract amount was \$2,428,528.79 The final construction contract amount is \$2,333,315.90	The original construction contract amount was \$4,502,489.37 The final construction contract amount is \$4,330,724.08

**Figure 1-14**  
**Summary of Projects Reviewed (Cont'd)**

Project Number	C61045000	C61153000	C6931000	C69360000	C69607000
<b>Final scheduled completed date vs actual completion date</b>	The original scheduled completion date was April 14, 2017 The actual completion date is December 19, 2017	N/A; in progress	This is an unusual project, where the contractor actually began and completed the work before the work order and NTP was issued. The original project duration was 60 days to final completion and the actual duration was 39 days The actual completion date is March 2, 2018	The original scheduled completion date was November 3, 2016 The actual completion date was January 6, 2017	The original scheduled completion date was April 25, 2016 The actual completion date was September 6, 2016
<b>Documentation if project was completed well per PW's analysis</b>	Time increased by approximately 31% and the construction costs only increased by 1%. In consideration of construction standards for projects to be completed within 10% of the construction costs, this project was completed well.	N/A; in progress	Time decreased by approximately 39% and the construction costs decreased by 2.8%. In consideration of construction standards for projects to be completed within 10% of the construction costs, this project was completed well.	Time increased by approximately 27% and the construction costs decreased by 4%. In consideration of construction standards for projects to be completed within 10% of the construction costs, this project was completed well.	Time increased by approximately 50% and the construction costs decreased by 3.8%. In consideration of construction standards for projects to be completed within 10% of the construction costs, this project was completed well.
<b>Deficiency Log</b>	No deficiency log for this project.	N/A; in progress	No deficiency log for this project.	No deficiency log for this project.	No deficiency log for this project.
<b>Certificate of Substantial Completion</b>	Contractor elected not to sign the Certificate of Substantial Completion because of issues with additional time on the project, although the PW manager signed.	N/A; in progress	Provided punch list and certificate of substantial completion for subproject C6931000.081.	Signed 1/12/2017; effective 10/19/2016. Signed same day as Final Completion.	Signed 8/15/2016; effective 7/28/2016

**Figure 1-14**  
**Summary of Projects Reviewed (Cont'd)**

Project Number	C61045000	C61153000	C6931000	C69360000	C69607000
<b>Certificate of Final Completion</b>	Contractor signed the Certificate of Final Completion.	No subprojects were substantially completed.	Provided certificate of final completion for subproject C6931000.081.	Signed 1/12/2017; effective 1/6/2017	Signed 9/13/2016; effective 9/6/2016

*Source: Hillsborough County Public Works Department, August 2018 and FY18-FY23 Adopted Capital Improvement Program.*

The review of the files indicated that:

- Project costs were within budget and reasonable.
- Projects exceeded the delivery schedule.
- Project files lacked documents required in the Project Team Delivery Manual including the Project Initiation Form and Project Management Plan.
- The Certificate of Substantial Completion was signed on the same day as Certificate of Final Completion for one project.
- The Contractor elected not to sign the Certificate of Substantial Completion because of issues with additional time for the project, although the PW manager signed the form. PW management indicated that the typical protocol is to continue negotiations when the vendor does not agree with the recommended time extensions. If a vendor still does not agree with the final time added to the project, PW, will proceed with a unilateral change order and approve only the substantiated time. In the case for Bruce B. Downs, PW provided the time extension through final negotiations, which was acceptable to the vendor, and documented through the final change order. This was a rare occurrence and is not typical on PW's capital improvement projects.

Although project costs were within budget and reasonable, there are inconsistencies with complying the requirements of the Project Management Delivery Team Manual.

**Subtask 1.7 – Determine whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.**

To address the requirements of this subtask, Team MJ reviewed the County's procurement policies and procedures. Team MJ noted that the policies are maintained in a separate document from the procedures. Team MJ reviewed both documents noting that the County's policies and procedures are dated effective October 2017.

These documents represents the County's procurement policies and procedures, which the County represents to be consistent with the laws of the State of Florida for the efficient, effective, and transparent procurement of goods, services, and construction. The BOCC adopted the policy and it applies to all agencies governed by the BOCC.

The Procurement Services Department (Procurement Services) provides centralized procurement support to County departments and other designated County agencies and offices that elect to utilize the services of Procurement Services. The mission of Procurement Services is to provide for the procurement of commodities and services in a timely and cost-effective manner and in accordance with the BOCC procurement policy. The procedures manual describes the specific responsibilities and functions of Procurement Services.

Among the 10 underlying purposes of the procurement policy, the following two are directly related to obtaining the best value for the County: (1) To provide increased economy in County procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds of the County; and (2) To obtain in a cost-effective and responsive manner the goods, services, and construction required by County agencies in order for those agencies to better serve the County's residents and businesses.

The procedures manual outlines the responsibilities and functions of Procurement Services. Two such responsibilities include the following: (1) consolidate purchases of like or common commodities or services and enter into term contracts to obtain maximum economic benefits and cost savings; and (2) explore the possibilities of buying in sufficient quantities to take full advantage of quantity discounts. The procedures manual also includes an administrative principle that states: *"The County shall buy at the lowest cost consistent with the quality needed to meet its requirements."*

The County has policies and procedures that state their intended purpose and goal is to obtain the best value for the County consistent with the County's responsibility to properly manage taxpayer dollars. Team MJ concludes that this purpose directly satisfies the research subtask to determine if the County has policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

## RESEARCH TASK 2

### The Structure or Design of the Program to Accomplish its Goals and Objectives

**Finding Summary** – Overall, Hillsborough County’s Public Works Department (PW) meets Task 2. PW maintains an organization structure at the department, division, and section levels to identify the defined units within the organization and lines of authority. However, there are a significant number of vacant positions in the Transportation Operations and Technical Services Divisions, which could be eliminated from the department’s budget if not filled within the required time period.

### SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

#### SUBTASK 2-1

Our work revealed no issues or concerns related to the program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

#### SUBTASK 2-2

**Condition:** Subtask 2.2 – Partially Met

***Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.***

The department’s vacancy status report indicates a total of 39 out of 89 positions have been vacant for at least 160 days; the number of days ranges from 1 to 533 days.

**Cause:** Department management indicated that sometimes it is a challenge to fill positions as a result of the more competitive salaries offered by private companies.

**Effect:** While the PW department focuses on addressing vacancy rates, high vacancy rates create a risk that the County will be unable to maintain quality service levels and positive employee morale with excessive overtime and temporary employees.

**Criteria:** Vacant positions could be eliminated from the department’s budget if not filled within the required time period. The Budgetary Position Control-BOCC Policy 03.02.07.17 states that approved positions that have remained vacant for greater than one year will be eliminated along with related budget appropriation unless continuation of the position(s) is approved by the BOCC.

## **RECOMMENDATION 2-2**

PW should consider using employment agencies or other sourcing methods to minimize vacancies and potential overtime.

## **ANALYSIS RESULTS & CONCLUSION**

**Subtask 2.1 Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.**

To address the requirements of this subtask, MJ reviewed the PW organization structure as follows.

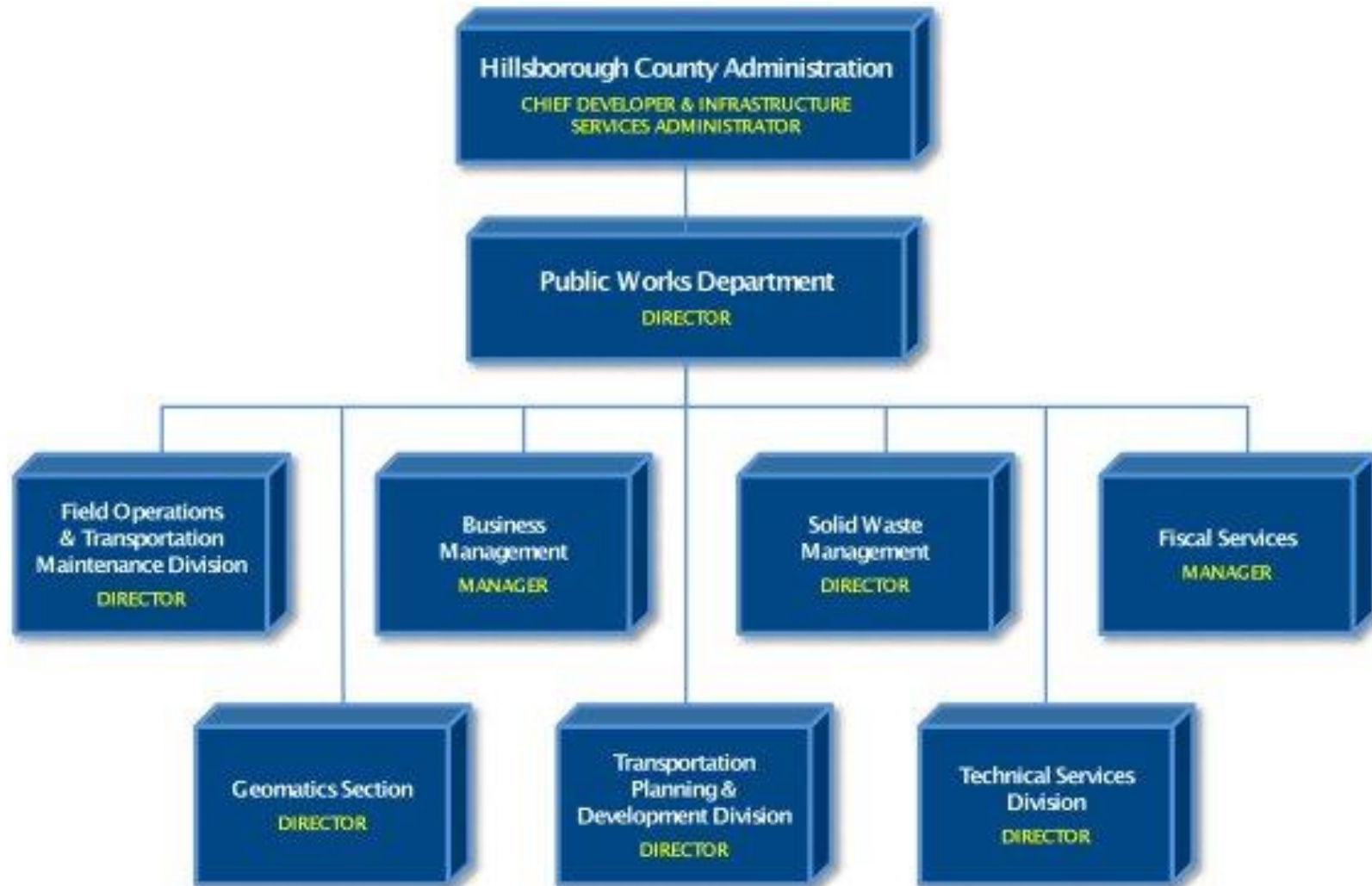
### **Organization Structure**

PW maintains organization charts at the department, division, and section levels to identify the defined units within the organization and lines of authority. The department's policy number PWD-0001.0.2018 Organization and Strategic Planning, states that the department director and direct reports shall use the period preceding the submission of the proposed biennial budget to review the department mission, assignments of functional responsibilities, operational capabilities, programs, and services, regulatory requirements, long-term goals, levels of service, and other indicators to analyze, and if necessary revise, the organizational structure.



Figure 2-1 presents the high-level organizational structure, which indicates defined units and lines of authority.

**Figure 2-1**  
**Hillsborough County Public Works Department Organization Chart**



Source: Hillsborough County Public Works Department, August 2018.

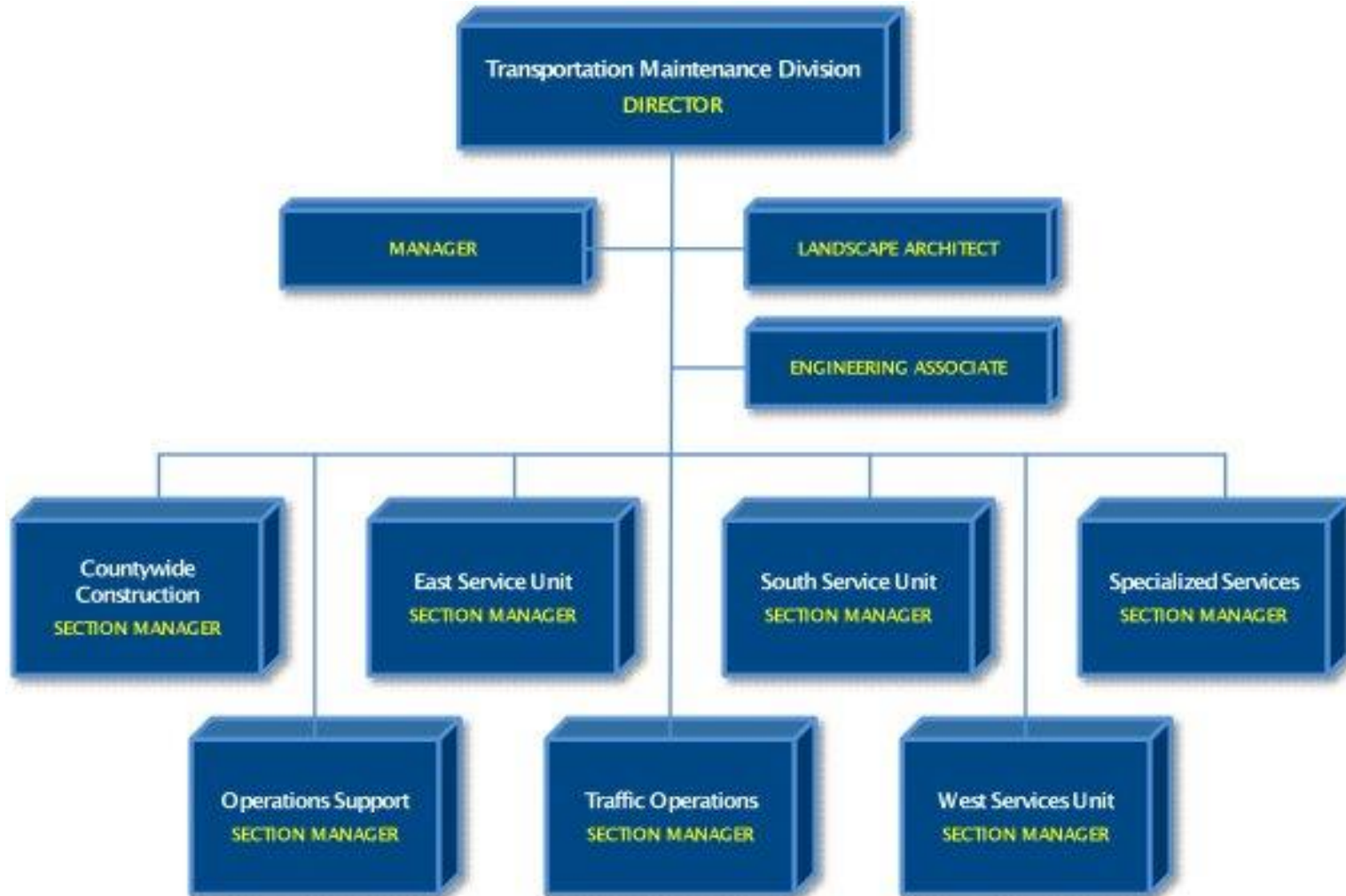
The primary divisions addressed in this audit are the Technical Services Division (capital improvement program) and Field Operations & Transportation Maintenance Division (fix potholes). The organization structure for these two divisions also indicate defined units and lines of authority as depicted in **Figure 2-2** and **2-3**.

**Figure 2-2**  
**Hillsborough County Public Works Department –**  
**Technical Services Division Organization Chart**



Source: Hillsborough County Public Works Department, August 2018.

**Figure 2-3**  
**Hillsborough County Public Works Department –**  
**Field Operations & Transportation Maintenance Division Organization Chart**



Source: Hillsborough County Public Works Department, August 2018.

According to a benchmarking study conducted by the Society for Human Resource Management, the average span of control for executive management is seven direct reports and for middle management is twelve direct reports. The span of control for the department and division directors fall within this range. **Figure 2-4** presents the span of control benchmarking results.

**Figure 2-4**  
**Span of Control Data**

Management Level	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile	Average
	Number of Direct Reports			
<i>Executive Level</i>	4	5	8	7
<i>Middle Management</i>	5	8	14	12

*Source: Society for Human Resource Management, Human Capital Benchmarking Report, December 2017.*

### **Primary Functions of Divisions**

In addition to reviewing the department's organization structure, we obtained a summary of the qualifications, primary functions, and tenure of the seven direct reports to the director as presented in **Figure 2-5**. This summary illustrates a seasoned leadership team and an organization structure designed to minimize overlapping functions and excessive administrative layers.

**Figure 2-5**  
**Hillsborough County Public Works Department Leadership Team's  
Functions and Qualification**

Position/Division/ Certification	Primary Functions of Division's Leaders	Years in Position	Years with County	No. of Years Experience
<b>Director, Technical Services Division/ Professional Engineer</b>	Manages transportation and stormwater capital improvement projects in various stages of planning, design and construction. Oversees design and project management, bridge program, stormwater program, traffic engineering, hazard mitigation, engineering services and construction services.	4	4	23
<b>Director, Transportation Maintenance Division</b>	Oversees providing safe and efficient roads, sidewalks, bridges, traffic signals, pavement markings, street signs and roadway lighting in the county including maintaining roadway surface (pot holes) and the public rights of way by mowing, tree trimming, and cleaning ditches. Also a major participant in emergency response support functions.	7	18	26
<b>Director, Transportation Planning &amp; Development/ Professional Engineer</b>	Oversees transportation policy and planning decisions for the County's CIP. Coordinates development and CIP programs serving as a bridge between long range plans and engineering of capital projects. Also collaborates with the MPO and the Hillsborough County-City Planning Commission to ensure that the long-range transportation and land use plans work comply with the BOCC' Guiding Principles.	5	14	28

**Figure 2-5**  
**Hillsborough County Public Works Department Leadership Team's**  
**Functions and Qualification (Cont'd)**

Position/Division/ Certification	Primary Functions of Division's Leaders	Years in Position	Years with County	No. of Years Experience
<b>Director, Geomatics Division</b>	Manages budget, staff, capital resources, and interfaces with the development community, elected officials, and high-level County employees. Advocates for and provides direction to several different teams which provide a blend of services relating to geography generating Geographic Information Systems (GIS) data.	6	15	21
<b>Director, Solid Waste/ Professional Geologist</b>	Directs the operations of the Solid Waste Division (SWD), the Mosquito Control Division and the Customer Resolution Unit (CRU). Responsible for the safe, efficient, and environmentally sensitive collection and disposal of solid waste generated in the County.	5	5	20
<b>Manager, Business Management/Office Management Certification</b>	Manages administrative and business operations including coordinating and monitoring staff metrics regarding performance reviews, position reclassifications, leave management, progressive discipline, Kronos training, licensure, floor space management, etc.	2	30	31
<b>Manager, Fiscal Services/Certified Public Accountant</b>	Directs accounting, budget, procurement, fixed assets, and reporting areas including Transportation (CIP).	4 months	4 months	18

Source: Hillsborough County Public Works Department, August 2018.

### **Ratio of Administrative Staff**

The administrative specialists are shared resources within the Technical Services Division. In the Transportation Maintenance Division, these resources are exclusive to their assigned service units. Office supervisors in the east, south, and west maintenance units provide oversight of administrative staff and provide direct administrative support to unit section managers. The ratio of administrative staff to the technical staff is minimal as illustrated in **Figure 2-6**.

**Figure 2-6**  
**Hillsborough County Public Works Department-Organization Charts**

Division/Section	Administrative Specialist	Office Supervisor	Administrative Assistant	Administrative FTE	Total FTE	Percent of FTE
<b>Technical Services Division</b>						
Engineering Construction				*		
Hazard Mitigation Program				*		
Stormwater Services				*		
Capital Business Intelligence				*		
Transportation Services				*		
<b>Total FTE</b>				<b>0</b>	<b>119</b>	

**Figure 2-6**  
**Hillsborough County Public Works Department-Organization Charts (Cont'd)**

Division/Section	Administrative Specialist	Office Supervisor	Administrative Assistant	Administrative FTE	Total FTE	Percent of FTE
<b>Transportation Maintenance Division</b>						
Director					1	
Other Management					3	
Countywide Construction	1			1	46	2.2%
East Service Unit	2	1		3	59	5.1%
South Service Unit	1	1	1	3	65	4.6%
Specialized Services			1	1	22	4.5%
Operations Support				*	14	
Traffic Operations	1		1	2	44	4.5%
West Service Unit		1	1	2	60	3.3%
<b>Total FTE</b>				<b>12</b>	<b>314</b>	<b>3.8%</b>

Source: Hillsborough County Public Works Department, August 2018.

\* Administrative support for the Technical Services Division and TMD Operations Support is provided by administrative staff in the Business Management section.

Based on the review of the organization charts and span of control there were no issues or concerns regarding the design of the organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

#### **Subtask 2.2. Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.**

To address the requirements of this subtask, MJ reviewed the department's staffing trends, examples of staff utilization analysis, and methods to address a significant number of vacant positions.

##### **Staffing Level Trend**

The staffing trend for PW increased annually primarily as a result of additional engineering and accounting staff. As a result of the Board approval of the Ten-year transportation plan and two increases of the stormwater fee assessment, the department CIP expenditures are expected to increase from \$15 million to \$75 million for transportation and from \$4 million to approximately \$17 million for stormwater, which is one of the key reasons for the additional staff requirements.

Figure 2-7 presents a summary of the staffing level for three fiscal years.

**Figure 2-7**  
**Hillsborough County Public Works Department – Full-Time Equivalent Positions**

Year	FTE Positions
Fiscal Year 2016	622.00
Fiscal Year 2017	642.00
Fiscal Year 2018	692.85

Source: Hillsborough County Fiscal Year 2018 – Fiscal Year 2019 Adopted Budget.

### Program Staffing Levels

Based on interviews and inquiries regarding determining reasonable staff levels, the department management referred to their utilization analysis reports for construction and engineering.

As shown **Figure 2-8**, over 80 percent of the 119 FTEs in the Technical Services Division are engineers. As an example of how staff resources levels are determined, we obtained the staff allocation model used by the division to monitor the project managers' resource utilization based on the program workload. The resource summary spreadsheet calculates the total project manager hours, utilization, and number and type of projects. The project manager assignments are adjusted to balance the workload, assign projects based on particular project manager strengths, and identify additional resource needs.

**Figure 2-8**  
**Example Calculation of Project Manager's Utilization Rate**

Project ID	Project Type	PM	EAC	FY18 Proj PD&E	FY19 Proj Design	FY19 Proj PD&E	FY 19 Total Engineering	PM Cost % of Total Engineering Cost (2%-4.5%)	PM Cost	PM Hours (\$100/hr Average Rate)	Available Hours (65%)	Utilization
C69638006	Pedestrian	Project Mgr. A	\$400,000	\$8,738	\$33,311	\$11,262	\$44,573	0.045	\$2,006	20	1352	1.5%
C69638003	Pedestrian	Project Mgr. A	\$500,000	\$10,922	\$41,639	\$14,078	\$55,716	0.045	\$2,507	25	1352	1.9%
C69638018	Pedestrian	Project Mgr. A	\$1,200,000	\$13,398	\$99,933	\$46,602	\$146,535	0.045	\$6,594	66	1352	4.9%
C69638017	Pedestrian	Project Mgr. A	\$300,000	\$6,553	\$24,983	\$8,447	\$33,430	0.045	\$1,504	15	1352	1.1%
C69638023	Pedestrian	Project Mgr. A	\$1,300,000	\$14,515	\$108,261	\$50,485	\$158,746	0.045	\$7,144	71	1352	5.3%
C69508006	Pedestrian	Project Mgr. A	\$150,365	\$0	\$0	\$0	\$0	0.045	\$0	0	1352	0.0%
C69638005	Pedestrian	Project Mgr. A	\$200,000	\$2,233	\$16,656	\$7,767	\$24,423	0.045	\$1,099	11	1352	0.8%
C69508007	Pedestrian	Project Mgr. A	\$190,243	\$0	\$0	\$0	\$0	0.045	\$0	0	1352	0.0%

Source: Engineering Staff Resource Utilization Analysis Working File

In addition, management referred to their work load criteria narrative as follows.

### Engineering Staff Resource Utilization Methodology

1. The future year engineering services expenditures by project is estimated from project schedules and budgets (PD&E and Design).
2. The project manager cost for each project is estimated by taking 2%-4.5% of the projected engineering services expenses (based on project scale).
3. The project manager hours required for each project is estimated by dividing the project manager cost by an average loaded salary rate of \$100/hr.



4. The total available project manager hours is calculated by taking 65% of the total annual paid work hours (2080).
5. The project manager utilization percentage for each project is calculated by dividing the project manager hours required by the project manager total available hours.
6. The resource summary sheet calculates the total project manager hours, utilization, and number and type of projects.
7. The project manager assignments are adjusted to balance the workload, assign projects based on particular project manager strengths, and identify additional resource needs.

### **Construction Staff Resource Utilization Methodology**

Projects are identified and assigned at 60% design status based on the scheduled construction start and end dates. The team utilization is taken in consideration with the following estimated hour/project utilization:

1. Engineer: 2 to 5 hours/week/project or contract (depending on complexity).
2. Inspector: 5 to 20 hours/week/project (depending on complexity).
3. The culvert replacement program and sidewalk programs are considered the most complex and takes up most of the time of inspection staff as these project scopes are initiated with many unknowns and modified during construction (similar to a design build type project).
4. Intersection projects are next in complexity due to the traffic impacts and maintenance of traffic concerns.
5. Standalone projects are considered more complex for the engineer because the projects have more defined plans but more claims are addressed with these types of projects.

### **Vacancy Rates**

A significant number of positions are indicated as vacant on the department's organization chart. For technical services, vacancies require the use of outside consulting services in areas such as technical review, scheduling, and traffic investigations. For Transportation Maintenance, vacancies contribute to a reduction in services until filled. Overtime is used to mitigate the reductions in services. In addition, PW maintains a Business Management Division to monitor the vacancy status and assist in recruiting and hiring replacements to minimize the vacancy impact. PW vacancy status report indicates a total of 39 out of 89 positions have been vacant for at least 160 days; the number of days ranges from 1 to 533 days. PW management indicated that sometimes it is a challenge to fill positions as a result of the more competitive salaries offered by private companies. **Figure 2-9** presents a summary of the vacancy rates by division.



**Figure 2-9**  
**Hillsborough County Public Works Department – Vacant Positions**

Division	FTE	Vacancies	Vacancy Rate
Director, Public Works	1	0	N/A
Technical Services Division	117	10	8.5%
Field Operations & Transportation	312	32	10.3%
Business Management	8	2	25.0%
Solid Waste Management	167	20	12.0%
Fiscal Services	16	3	18.8%
Geomatics	52	3	5.8%
Transportation Planning & Development	15	2	13.3%
<b>PUBLIC WORKS</b>	<b>688</b>	<b>72</b>	

*Source: Hillsborough County Public Works Department Organization Charts, August 2018*

Vacant positions could be eliminated from the department's budget if not filled within the required time period. The Budgetary Position Control-BOCC Policy 03.02.07.17 states that approved positions that have remained vacant for greater than one year will be eliminated along with related budget appropriation unless continuation of the position(s) is approved by the BOCC.

## RESEARCH TASK 3

### Alternative Methods of Providing Services or Products

**Finding Summary – Overall, Hillsborough County’s Public Works Department (PW) partially meets Task 3. The County did not demonstrate that it has a formal means of evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services. There are efficient means of assessing contracted and/or privatized services; however, there was no evidence of contractor assessments performed for the purpose of achieving cost savings. No evidence was provided demonstrating that PW conducts formal evaluations/assessments of service delivery methods that could lead to changes to reduce program costs without affecting service quality. Finally, PW management identifies possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.**

### SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

#### SUBTASK 3-1

**Condition:** Subtask 3.1 – Not Met

*Determine whether program administrators have 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 determine the reasonableness of their conclusions.*

The County's transportation program does not have a formal means of evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determining the reasonableness of their conclusions. The director PW indicated that cost is not the only factor the County uses to make procurement decisions; service quality and delivery are also considered. These factors should be balanced. However, currently, the County has no formal, documented method of balancing these sometimes competing concepts.

**Cause:** Procurement Services has no involvement in formally evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services. Procurement Services staff indicated that the end user departments are responsible for making such evaluations. During interviews with PW management, Team MJ learned that the County typically outsources services such as mowing, tree trimming, litter removal, repair work,

sidewalk repair, and heavy construction. However, sourcing evaluations are not formal. Generally the County outsources services when it is determined that it does not have available resources to perform, does not have the capacity or expertise to perform, or outsourcing is deemed to be more cost-effective.

**Effect:** Without a formal means of evaluating existing in-house services and activities to determine the feasibility of alternative service methods, the County might miss opportunities to obtain services that are more cost-effective without sacrificing service.

**Criteria:** Section 1.1.6 of the County's procurement procedures entitled *Procurement Analysis* establishes as one of Procurement Services responsibilities to keep informed of current developments in the field of procurement, including but not limited to prices, market conditions and new products, and secure for the County the benefits of research conducted in the field of procurement by other governmental jurisdictions, national technical societies, trade associations, and private businesses and organizations. Procurement Services is also responsible for conducting value analysis of procurements on an as needed basis and initiate reports, as necessary, for analysis of Procurement Services performance.

### RECOMMENDATION 3-1

**Procurement Services and PW should collaborate to develop a formal means of evaluating suitable in-house services and activities to assess, where practical, the feasibility of alternative methods of providing services, such as outside contracting and privatization.**

### SUBTASK 3-2

**Condition:** Subtask 3.2 Partially Met

***Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.***

County program administrators have an efficient means of assessing contracted and/or privatized services to verify contractor effectiveness. The policies, procedures, and automated systems used to evaluate contractor performance are sound and provide the documentation necessary for management to make reasonable decisions about whether to use a particular contractor given their past performance. However, the County provided no evidence of contractor assessments performed for the purpose of achieving cost savings.

**Cause:** As a service organization, providing quality services is a top priority for PW. Accordingly, service, not price, is the primary driver behind decisions to outsource. The challenge for PW is to find a balance between these sometimes competing interests.

**Effect:** While service is of paramount importance, the impact of costs on service decisions should be included and documented as a part of sourcing deliberations. Otherwise, the County could miss opportunities to balance these two factors in a way that achieves its services goals while at the same time leveraging taxpayer dollars more effectively.

**Criteria:** Section 3.3.0 (IV) (b) of the County’s procurement procedures outlines the responsibilities of requesting departments when developing specifications. It states that the department must: *“Avoid nonessential quality restrictions that add cost and difficulty in procurement without adding to utility and value.”* This requirement underscores the need to balance service and cost considerations in, where practical, a formal, documented manner.

### RECOMMENDATION 3-2

**PW, when practical, should include documented cost savings in evaluations of contractor performance.**

### SUBTASK 3-3

**Condition:** Subtask 3.3 Not Met

**Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.**

The County provided no evidence that it conducts formal evaluations/assessments of service delivery methods that could lead to changes that result in reduced program costs without significantly affecting service quality.

**Cause:** The County focuses on evaluating contractors and the level of service they provide. The method by which such services are provided, although closely related to service quality, is not formally evaluated by the County.

**Effect:** The absence of formal evaluations/assessments of service delivery methods could result in the County overseeing other options for service delivery that could reduce cost without affecting service quality.

**Criteria:** Section D of PW project management delivery team manual addresses operating guideline covering the activities involved in managing design being performed by outside design consultants. Section E of the manual addresses activities involved in managing design being performed by County engineers in the Design and Engineering Support section of PW. For both of these scenarios, the manual contains the following requirement with respect to right-of-way on transportation projects: *The cost effectiveness of all alternative alignments must be evaluated, including the impact of all of these referenced factors upon said cost.* Although this requirement relates to the design of transportation rights-of-way, the principle could be applied to other service delivery methods where practical to do so.

### RECOMMENDATION 3-3

**PW engineers are required to evaluate the cost effectiveness of alternative right-of-way alignments on transportation projects. When practical, PW should adopt the same principle for other types of procurement and service delivery methods.**

## SUBTASK 3-4

Our work revealed no issues or concerns related to management identifying possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).

## ANALYSIS RESULTS & CONCLUSION

**Subtask 3.1 – Determine whether program administrators have 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 determine the reasonableness of their conclusions.**

To address the requirements of this subtask, Team MJ conducted interviews with the director of PW, the director of the PW Technical Services Division, and the director of Procurement Services to determine whether PW has formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. The director of Procurement Services has no involvement and indicated that: *“This type of assessment is handled by the end user department.”* During interviews with the director of Public Works and the director of Technical Services Division, Team MJ learned that the County typically outsources services such as mowing, tree trimming, litter removal, repair work, sidewalk repair, and heavy construction. There was an effort to contract out pothole patching; however, there were no pothole patching vendors available.

PW provided no formal, documented cost-benefit analyses that demonstrates an evaluation process. The decisions are made intuitively based on situational awareness and the staff's familiarity with the day-to-day operations of the PW Department. In fact, decisions to outsource may be driven more by service delivery considerations than by price. For example, currently there is a high vacancy rate among maintenance positions. Staff shortages could lead to customer complaints about slow response times to mow grass, trim trees, or make repairs.

PW generally outsources services when it does not have available resources to perform the work, does not have the capacity or expertise to perform it, or deems it more cost-effective to outsource. Implementation of the County's procurement policies and procedures, particularly with respect to the bid process, is the primary means by which the County evaluates existing in-house services and activities to assess the feasibility of alternative methods of providing services.

PW management told Team MJ that outsourcing decisions are made not only on price, but also on service delivery. However, when asked whether the County endeavors to balance these sometimes competing concepts, the response was *“at this time no.”* However, Team MJ was told that PW is currently analyzing information from the County's Maintenance Management System in an effort to provide cost comparisons for similar services contracted versus self-performed.

Team MJ also examined the County's pothole and resurfacing case handling procedures, Customer Resolutions Units as is process maps, and an example of the customer service survey showing the types of questions asked. These documents demonstrate that the County has a means and process for gathering information about the quality of program service delivery. However, cost is not the only factor the County uses to make procurement decisions. Service quality and delivery is also considered, and the two factors must be balanced. However, currently, the County has no formal, documented method of balancing these sometimes competing concepts.

**Subtask 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.**

To address the requirements of this subtask, Team MJ reviewed the *Public Works Department Projects Management Delivery Team Manual* (the Manual). The purpose of the Manual is to ensure that uniform and efficient procedures are followed in the design and construction of in-house and outsourced capital improvement projects. Team MJ reviewed section C.4 of the Manual, which outlines requirements for consultant performance evaluations. The Manual requires that all consultants under contract with the County be evaluated and the corresponding grades maintained by Procurement Services. Team MJ learned that although the County assesses contractors to verify their effectiveness, it does not assess contracted and/or privatized services to verify cost savings.

Interim and final contractor evaluations are required to document a consultant's performance during the design/consulting period and during and after construction for all contracts and general services work orders. These evaluations assist the County in determining the consultant's suitability for future selections. The project manager is responsible for assigning the consultant's performance grade for each contract or work order. This grade is converted into a score to be applied to future evaluations performed by the Professional Services Committee on a consultant and may affect future shortlist selection of the firm.

All consultant evaluations are done online through the County Online Information Network (COIN) using the County's Consultant Automated Performance Evaluation System (CAPES), which is a web based tool for project managers to evaluate the performance of consultants on all contracts. Each project manager who is assigned to manage a Consultant's Competitive Negotiation Act (CCNA) contract must be given rights within CAPES to evaluate the performance of the consultant.

Procurement Services has overall responsibility for the CAPES software. However, the program is managed by the department overseeing the specific contract. Within PW, fiscal and administration Section manages the program. When a work order is assigned to a project manager, fiscal and administrative will document within CAPES the project manager and the frequency of the CAPES evaluations. The project manager is then required to track the CAPES requirements and perform the evaluations as scheduled.

Team MJ reviewed the evaluation criteria in the CAPES section of the Manual noting the following eight evaluation factors against which contractors are judged. These factors are designed to address performance and cost:

1. Was Firm's initial fee proposal commensurate with the project's scope of services? Was the estimate furnished in a timely manner?
2. Was Firm responsive to its contractual obligations and County's requirements by providing adequate staff and resources to respond to the project and prosecute the work without delay?
3. Did Firm provide qualified technical/professional staff?
4. Did firm provide a work product or service in conformance with contract requirements? Were reports and recommendations clear and concise?
5. Did Firm communicate adequately with County including any unforeseen conditions and problems?
6. Did Firm provide prompt resolution to field problems and provide cost-effective recommendations?
7. Were the County's interests fairly and properly represented by the Firm's personnel?
8. Did invoices accurately reflect the work effort provided?

Each question is rated on the following scale:

- 0-15 – Unacceptable
- 16-18 – Marginal
- 19-22 – Acceptable
- 23-25 – Superior

The CAPES system averages each consultant's grade and calculates an overall score. An overall Superior score is in the 92-100 range, an Acceptable score is in the 76-91 range, a Marginal score is in the 64-75 range, and an Unacceptable score is 63 and below. The scale is based on an overall scoring range of 0-100.

The CAPES consultant evaluation form is for a single consultant whereas the CAPES Summary Consultant Evaluation Report lists evaluation conducted for all consultants during a given period.

Team MJ reviewed these forms noting that they are reflective of the requirements of the CAPES manual and provide a useful tool for measuring and evaluating contractor performance.

The Manual and the CAPES software provide an effective means for the County to assess the performance of all contractors. The CAPES system provides historical data on contractor performance, which can be useful for making sourcing and contracting decisions. The CAPES evaluation tool and rating scale provide a measurable means of evaluating contractor effectiveness for the purpose of making reasonable procurement choices. However, although

the County has an effective means of evaluating contractors, it has not assessed any contracted and/or privatized services to verify cost savings achieved. Moreover, the County provided no evidence that contractor evaluations or other information is used to calculate cost savings.

**Subtask 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.**

To address the requirements of this subtask, Team MJ reviewed provisions of the Procurement Procedures Manual related to contract changes and terminations. The purpose of the review was to determine if the procedures addressed changes to service delivery methods resulting from evaluations and/or assessments. Section 6.6 of the Manual entitled: *Changes to Awards* addresses the following types of changes:

- Section 6.6.0-*Changes to Purchase Orders*
- Section 6.6.1-*Changes to Agreements-Modifications*
- Section 6.6.2-*Changes to Construction Contracts through Allowance Authorization Releases (AAR's)*
- Section 6.6.3-*Changes to Price*
- Section 6.6.4 *Changes of the Bidder*

Nothing in these sections addresses changes to service delivery methods resulting from evaluations and/or assessments.

Team MJ also reviewed Section 6.10.3 of the Manual entitled: Termination of Agreements. This section outlines the following five requirements County departments must meet to terminate a contract:

1. consult with the department's assigned attorney and Procurement Services;
2. document problems as they occur;
3. terminate in accordance with any procedures stated in the agreement, including any cure notices;
4. work in concert with Procurement Services and the County Attorney's Office to terminate the agreement; and
5. determine if the agreement was awarded by the BOCC, because then it must be terminated by the BOCC.

Team MJ's work on this subtask demonstrates that the County has a framework, process, and procedure for modifying and/or terminating contracts. However, the County provided no evidence of changes made to service delivery methods resulting from evaluations/assessments that found that such changes would reduce program cost without significantly affecting the quality of services.



**Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).**

To address the requirements of this subtask, Team MJ reviewed Chapter 2 of the procurement procedures manual entitled: Methods of Procurement. This section of the procurement manual provides the following five procurement methods:

1. Informal/Small Procurement not exceeding \$50,000;
2. Formal Competitive Sealed Bid;
3. Formal Competitive Sealed Request for Proposal (RFP);
4. Emergency Procurement; and
5. Sole Source Procurement.

The procurement manual recommends that planning meetings occur between Procurement Services and the requesting department to establish the method of procurement, develop a schedule, discuss lessons learned from previous procurements, and address potential challenges. The requesting department is responsible for contacting Procurement Services to discuss the need for a planning meeting. These meetings provide an opportunity for the requesting department to evaluate the most beneficial cost-effective procurement method.

Team MJ also reviewed chapter 12-*Cooperative Purchasing Programs* of the County's Procurement Procedures Manual. Chapter 12 provides guidelines for the County's participation in cooperative purchasing programs that are intended to provide cost savings to the County through economies of scale and reduction of administrative costs. It also discusses various procurement alternatives such as joint bidding, piggybacking, State of Florida contracts, procurement alliances, and authorized purchasing cooperatives.

Procurement Services shared with Team MJ the County's views on alternative service delivery methods. The following factors limit the County's opportunities for alternative service delivery methods that have the potential to reduce program costs through cooperatives and 'piggybacked' contracts. These limitations are particularly true for transportation-related projects such as roadway, intersection, sidewalk, and related improvements:

- specific needs of a given location;
- large quantity needs for certain products and services;
- varied scopes of work;
- minority, woman-owned, and small businesses; and
- County's purchasing power due to inherent economies of scale based on size and scope.

Rather than focusing on alternative service delivery methods to achieve cost savings, the County seeks to ensure that its internal policies are being followed when procuring and selecting contractors for such work. The evaluation of 'piggybacking' contracts awarded to other governmental entities is not a priority for the County. For example, MJ reviewed Chapter

10-Intergovernmental Relations of the County's Procurement Policy. Section 10-201-Cooperative Purchasing Authorized of the policy states the following: *“All Cooperative Purchasing conducted under this Section shall be through contracts awarded through full and open competition, including use of source selection methods substantially equivalent to those specified in Section 3 (Source Selection and Contract Formation) of this Policy.”*

Team MJ reviewed and analyzed the *Procurement Solicitation Data Report*. This report lists competitive solicitations that Hillsborough Procurement Services has initiated over a given period. MJ performed an analysis of all Transportation Services Division solicitations issued for the 45 month period between October 2014 and July 2018. The purpose of the analysis was to determine to what extent the County used alternative methods of procurement such as cooperatives and outsourced contracts.

Procurement services indicated that the total of cooperative and outsourced contracts would be understated in MJ’s analysis because the County only recently began automatically placing the source code in the procurement system. Source codes identify the procurement methodology used to create the purchase order or contract. It is the means by which cooperative purchases can be identified. Before November 2017, source codes were entered manually and therefore tracking was not reliable.

MJ’s analysis found that Procurement Services issued 1,197 solicitations valued at approximately \$644 million between October 2014 and July 2018. Of this total, 72 (6%) were transportation related and valued at approximately \$97 million (15%). Of the 72 transportation-related solicitations, 23 (32%) were outsourced solicitations valued at approximately \$28.6 million, or 29 percent of transportation-related solicitations. **Figure 3-1** provides a list of the top-10 outsourced transportation solicitations issued during the 45-month period by type of service outsourced.

**Figure 3-1**  
**Top-10 Outsourced Transportation Solicitations Issued During the 45 Months between**  
**October 2014 and July 2018**

Service Outsourced	Amount	Percent
Pavement Treatment Program	\$ 6,200,000	24%
Mowing Services	4,500,000	17%
Sidewalk Reconstruction	4,200,045	16%
Litter Removal Services	2,791,625	11%
Sinkhole Grouting and Remediation	2,500,000	10%
Traffic Pavement Marking Services	2,204,500	8%
Bruce B. Downs Blvd. (CR 581), Segment D Roadway Reconstruction	1,300,000	5%
Street Sweeping Services	1,200,000	5%
Sod and Grass Seed Services Deliver/Installation and Deliver	771,638	3%
Miscellaneous Civil Engineering Services (SBE Set-Aside)	500,000	2%
<b>Total Transportation Outsourced</b>	<b>\$ 26,167,808</b>	<b>100%</b>

Source: Hillsborough County Procurement Services- Procurement Solicitation Data Report, October 2014 through July 2018.

Finally, Team MJ analyzed the *Purchase Order by Source Code Report* for the period October 1, 2016 through August 8, 2018. This report shows purchases that involved the use of cooperative purchasing arrangements with other entities. Generally, if such contracts or awards are determined to be advantageous with regard to pricing and/or lead time, and deemed to be in the County's best interest (depending on the circumstances at the time of the procurement), contracts administered by other entities may be used.

It is not uncommon for the County to employ such contracts or awards if they offer greater leverage and more advantageous procurement lead times that can be reduced to accelerate service delivery. Also rates/prices are determined to be fair and reasonable, and the procurement process employed by the other entity conforms to the County's high standard of procedural integrity as prescribed by the County's procurement policy.

Team MJ's analysis of the *Purchase Order by Source Code Report* revealed that the County spent \$41.8 million through cooperative purchases from October 1, 2016 through August 8, 2018. Of the \$41.8 million, approximately \$1 million or 2 percent, related to transportation purchases. The analysis also shows that purchases through cooperatives increased dramatically during the period as shown in **Figure 3-2**. This dramatic increase occurred because in November 2017, the County began enter the source code on purchase orders automatically rather than manually.

**Figure 3-2**  
**Purchase Order by Source Code October 2014 through August 8, 2018**



Source: Hillsborough County Procurement Services- Purchase Order by Source Code October 2014 through August 8, 2018.

The entities through which the \$41.8 million in purchases were made include the following:

- State of Florida contracts \$19.4 million (46%);
- Florida Department of Management Services \$767,000 (2%);
- Hillsborough County Governmental Purchasing Council \$3.9 million (9%); and
- Other cooperative contracts \$17.8 million (43%).

**Figure 3-3** provides the detail of the \$17.8 million in the “Other” cooperative contracts category above. The top-10 contracts are shown as well as the two transportation-related procurements included in the “Other” category.

**Figure 3-3**  
**Purchase Order by Source Code October 2014 through August 8, 2018**

Vendor	Purchase Order Amount	Percent	Co-op Name
Ten 8 Fire Equipment Inc.	\$ 3,045,126	17%	Florida Sheriffs Association in partnership with the Florida Association of Counties
Insight Public Sector Inc.	1,732,988	10%	US Communities
WW Grainger Inc.	1,475,077	8%	National Intergovernmental Purchasing Alliance (IPA)
Ten 8 Fire Equipment Inc.	1,335,999	8%	Florida Sheriffs Association in partnership with the Florida Association of Counties
Creative Bus Sales Inc.	1,243,456	7%	Transit Research Inspection Procurement Services Program (TRIPS)
GS Equipment Inc.	1,192,577	7%	Florida Sherriff Association & Florida Association of Counties
Ricoh Americas Corporation	730,826	4%	U.S. Communities
Xylem Dewatering Solutions Inc.	493,884	3%	Florida Sherriff Association & Florida Association of Counties
DLT Solutions LLC	424,250	2%	U.S. Communities
Sun State International Trucks LLC	417,711	2%	Florida Sheriffs Association in partnership with the Florida Association of Counties
Flagler Construction Equipment LLC	246,786	1%	(Transportation-related) Florida Sheriffs Association in partnership with the Florida Association of Counties
Trafficware Group, Inc.	142,939	1%	(Transportation-related) US Communities
Other	5,290,745	30%	
<b>TOTAL</b>	<b>\$ 1,772,364</b>	<b>100%</b>	

*Source: Hillsborough County Procurement Services- Purchase Order by Source Code October 2014 through August 8, 2018.*

Team MJ concludes that based on the work performed, the County identifies possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

## RESEARCH TASK 4

### **Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments**

**Finding Summary – Overall, Hillsborough County’s Public Works Department (PW) meets Task 4. The County uses performance measures to evaluate program performance. Policies and procedures are comprehensive and well documented and internal controls exist to provide reasonable assurance that program goals and objectives will be met.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results section below for details regarding these conclusions.

#### **SUBTASK 4-1**

Our work revealed no issues or concerns related to if *program goals and objectives are clearly stated, measurable, can be achieved within budget, and are consistent with the county's strategic plan.*

#### **RECOMMENDATION 4-1**

**Implement compliance with departmental policy to document departmental goals and measurable objectives.**

#### **SUBTASK 4-2**

Our work revealed no issues or concerns related to whether the measures the County uses to evaluate program performance are sufficient to assess program progress toward meeting its stated goals and objectives.

#### **SUBTASK 4-3**

Our work revealed no issues or concerns related to evaluating internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the County's strategic plan.**

To address the requirements of this subtask, Team MJ requested the program goals and objectives and reviewed a sample of projects for consistency with the County's strategic plan.

Specific transportation projects listed in the CIP identify goals and objectives and measurable results which are monitored in various reports such as the Quarterly CIP Report. For example, in **Figure 4-1** shown below, the goals and objectives for the following specific transportation projects are clearly stated, measurable, can be achieved within budget, and are consistent with County's strategic plan.

**Figure 4-1**  
**Summary of Specific Transportation Project Objectives**

Goal	Objective	Measurable?	Clearly Stated?	Can Be Achieved Within Budget?	Consistent with County's Strategic Plan?
Construction improvements to Bruce Downs Boulevard	Reconstruction of 4-lane rural roadway to 8-lane urban roadway	Yes	Yes	Monitored via Quarterly CIP Report	Yes
Implement dangerous Intersection/ Pedestrian Safety Program	Construction of bicycle and pedestrian safety improvements at specific locations	Yes	Yes	Monitored via Quarterly CIP Report	Yes
Roadway Pavement Preservation Program	Resurface and rebuild designated roads throughout the County	Yes	Yes	Monitored via Quarterly CIP Report	Yes

Source: Hillsborough County Public Works Department, August 2018.

Measurable goals are defined as objectives that can be measured with a number. This includes business and financial metrics and qualitative information measured with surveys and other quantified feedback. Choosing a measurable goal usually involves thinking through a measurement that one can realistically calculate. The following are illustrative examples.

- **Projects:** A project is often viewed as an investment that can be measured with return on investment or net present value. Project participants may measure objectives in terms of delivering things on time and budget using metrics such as cost variance and schedule variance.
- **Quality:** Quality can be measured with a defect rate or in terms of business results such as customer satisfaction.
- **Compliance:** Reducing the number of incidents that can be viewed as compliance sensitive. For example, an entity that tracks any inaccuracies with customer accounts with a goal to reduce such incidents to zero satisfaction.

Overall transportation program goals and objectives are documented in various publications.

Examples of plans containing overall transportation program goals and objectives include the County's Comprehensive Plan – Transportation Element, Ten-Year Transportation Plan, and CIP Adopted Budget.

- The County's strategic plan is broad and includes a strategy to *"develop strategy and action plan for transportation including pedestrian and bike"*.
- The PW's policy No. PWE-0001.0 2018 Organization and Strategic Planning, states in section 8 that the Hillsborough County Comprehensive Plan contains a Transportation Element, a Capital Improvement Element, and other elements. The transportation section of the Hillsborough County Comprehensive Plan for Unincorporated Hillsborough County includes goals, objectives, some measures and policies for the transportation program.
- The goals and objectives in the Comprehensive Plan, specifically in the Transportation Element are aligned to the concepts of the Strategic Plan including the Vision for Hillsborough County to become a preferred community. In order to accomplish this, the infrastructure for economic growth must be in place, including accessible transportation. The overall transportation program aligns to the County's Strategy 1: Innovative Products, Strategy 3: Pro Market Governance, Strategy 4: Great Places and Strategy 5: Facilitate Leadership.
- The Public Works Department works in conjunction with Management & Budget to create the Capital Improvement Plan (CIP). The CIP is the primary plan used to implement the goals and objectives aligned with the Comprehensive Plan and the Transportation Element.

Based on the information provided, Team MJ concluded that program (transportation projects) goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the county's strategic plan.

**Subtask 4.2 – Assess the measures, if any, the county uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.**

To address the requirements of this subtask, Team MJ requested the program performance measure used and the process to assess the sufficiency of these measures.

As indicated in **Figure 4-2** and **Task 1**, the County uses performance measures to evaluate program performance. BOCC Policy 03.02.02.15 Performance Measurement states that it is the policy of the BOCC that performance measures be developed for all organizations to provide information on workload, efficiency and effectiveness. Comparative information should be provided in budget documents for a minimum of three or four years. Selection of measures shall reflect quantifiable key objectives for each organization, industry standards, and the

availability of data. It is the responsibility of the management and budget department, under the direction of the County Administrator, to implement this policy.

BOCC Policy 03.02.02.15 Performance Measurement states that it is the policy of the BOCC that performance measures be developed for all organizations to provide information on workload, efficiency and effectiveness. Comparative information should be provided in budget documents for a minimum of three or four years. Selection of measures shall reflect quantifiable key objectives for each organization, industry standards, and the availability of data. It is the responsibility of the management and budget department, under the direction of the County Administrator, to implement this policy.

**Figure 4-2**  
**Summary of Performance Information and Measures**

Source	Purpose	Performance Information/Measures	Meets Program Goals and Objectives
<b>Information Used to Monitor Program Performance (Subtask 1.1)</b>			
<b><i>Capital Improvement Plan (CIP) Quarterly Report</i></b>	To monitor project performance and cost.	<ul style="list-style-type: none"> <li>• Estimated Fiscal Year 2018 Expenditures</li> <li>• Number of Active Projects</li> <li>• Started Construction</li> <li>• Construction Completed</li> <li>• Current Estimates vs. Annual Adopted CIP</li> <li>• Annual Baseline Forecasted Variance Report</li> <li>• Schedule Variance</li> <li>• Cost Variance</li> </ul>	Yes
<b><i>Community Investment Tax (CIT) Accountability Report</i></b>	Provides information about how CIT funds have been spent since inception of the program in 1997 including transportation projects to improve roads, bridges, intersections, and sidewalks.	<ul style="list-style-type: none"> <li>• Budget vs Actual Expenses (transportation, intersections, sidewalks)</li> <li>• Transportation Project Status (completed, cancelled, ongoing, etc.)</li> </ul>	Yes



**Figure 4-2**  
**Summary of Performance Information and Measures**

Source	Purpose	Performance Information/Measures	Meets Program Goals and Objectives
<b>Hillsborough County Quarterly Joint CIP Update Report</b>	Provides information to enable PW, PUD, and REFS to monitor and assess the financial and operational performance of the programs.	<ul style="list-style-type: none"> <li>• Actual, projected, and planned expenditures for transportation.</li> <li>• Number and percentage of active projects in the planning, design, construction, and post-construction close-out phases.</li> <li>• Breaks projects out by program (transportation, stormwater, and solid waste) and by project phase and provides the number of active projects as well as those for which construction started and completed during the quarter.</li> <li>• Active projects by dollar value, various water statistics, spend projections by program.</li> <li>• "CIP Procurement Look Ahead" information, which shows for each PWD, PUD, and REFS project: bid advertise date, anticipated award date, program, procurement method, and department.</li> </ul>	Yes
<b>Top-20 Report</b>	Members of the Technical Services Division management have monthly production meetings to discuss projects and various related reports.	<ul style="list-style-type: none"> <li>• Shows baseline, projected, and actual expenditures for the Top 20 CIP projects.</li> </ul>	Yes
<b>Director Project Report</b>	The <u>Director Project Report</u> is a one page summary of most frequently-asked-about projects from the public, commissioners aides, and others.	<ul style="list-style-type: none"> <li>• The report is produced on a monthly basis and contains the most current schedule and budget information of the projects.</li> <li>• It is intended to be utilized by the technical services director as a quick reference to be able to provide a 20 -30 second update on these projects.</li> </ul>	Yes

**Figure 4-2**  
**Summary of Performance Information and Measures**

Source	Purpose	Performance Information/Measures	Meets Program Goals and Objectives
<b>Executive Summary Report</b>	The Executive Summary Report is a monthly high-level overview of program targets against actuals, encumbrances, and spend projections.	<ul style="list-style-type: none"> <li>The report presents data for PW's Transportation, Stormwater, and Solid Waste programs. The PW director reviews the report each month to gauge the progress of projected spending targets. The data is compiled on a quarterly basis and is shared during the CIP Quarterly Briefing presentation.</li> </ul>	Yes
<b>Various Transportation Program Analysis Reports (Intersection, Pedestrian, Roadway, Sidewalk Repair, Standalones, and Misc.)</b>	The County prepares a financial analysis for each project included in its various transportation programs including bridge, intersection, pedestrian, roadway pavement, sidewalk repair, standalones, and other.	<ul style="list-style-type: none"> <li>Program, project ID and description, project manager,</li> <li>actual expenditures and encumbrances,</li> <li>available funds,</li> <li>projected expenditures,</li> <li>variances, which are color coded according to the variance percentage. Green is up to 5 percent variance, yellow is 6-15 percent variance, and red is over 15 percent variance, and</li> <li>Project phase.</li> </ul>	Yes
<b>Work Order Aging Report</b>	Allows managers to prioritize and monitor work requests.	<ul style="list-style-type: none"> <li>Request number, creation date, initiator, amount, vendor, days open, assigned to, and an explanation.</li> </ul>	Yes
<b>Examples of Programs Evaluated Using Performance Information (Subtask 1.2)</b>			
<b>Bridge Management Program Review dated March 2016</b>	<i>Evaluation:</i> Condition assessment of the County's bridge program. Assess the risk and consequences of bridge failure.	<ul style="list-style-type: none"> <li>Bridge condition and rating.</li> <li>Average and total replacement value.</li> <li>Number of vehicles carried each day.</li> <li>Likelihood of failure.</li> <li>Consequence of failure.</li> </ul>	Yes

**Figure 4-2**  
**Summary of Performance Information and Measures**

Source	Purpose	Performance Information/Measures	Meets Program Goals and Objectives
<b><i>Pedestrian Facility Improvement Program (PFIP) report dated January 2018</i></b>	<i>Evaluation:</i> In 2016, PW began evaluating and updating its programs for making pedestrian facility improvements within the County using various criteria.	The PFIP update process involved four activities: <ul style="list-style-type: none"> <li>• (1) review of past and present pedestrian programs;</li> <li>• (2) development of a new program methodology;</li> <li>• (3) stakeholder review and input; and</li> <li>• (4) new program implementation.</li> </ul> Identified five key needs and opportunity areas: safety, mobility, funding, resource, industry trends/best practices.	Yes
<b><i>Transportation Program Analysis Reports</i></b>	Demonstrates that the County uses financial criteria to analyze and assess the cost and financial viability of transportation projects.	<ul style="list-style-type: none"> <li>• Projected vs actual spending.</li> <li>• Expenditure variances are color coded according to the variance percentage. Green is up to 5 percent variance, yellow is 6-15 percent variance, and red is over 15 percent variance.</li> </ul>	Yes
<b>Examples of Evaluating Program Performance and Cost Based on Reasonable Measures (Subtask 1.5)</b>			
<b><i>MaintStar Monthly Report – MaintStar is the software application the County uses to manage its diverse infrastructure assets from public works, utilities, and parks and recreation, fleet, buildings, equipment and facilities</i></b>	Report noting a variety of program metrics and statistics that management uses to measure and evaluate performance. Monthly reports are generated from the system showing various workload statistics.	Information from the system can be used to manage activities and costs by service unit across a broad range of work activities, which are organized on the report as programs. Using this report, PW managers can evaluate the performance of each program based on work units, plan versus actual days, labor days, and planned versus actual costs.	Yes

**Figure 4-2**  
**Summary of Performance Information and Measures**

Source	Purpose	Performance Information/Measures	Meets Program Goals and Objectives
<b><i>County's Customer Resolution Unit Standard Case Handling procedure dealing with potholes and resurfacing</i></b>	County's Customer Resolution Unit Standard Case Handling Procedure allows the evaluation of program performance and costs based on reasonable measures.	The goal of the County's pavement management program is to maintain the roads in a serviceable condition for the most economical cost to the County. This goal is achieved through routine inspections, patching/repairs, and road rehabilitation projects. It enables the County to improve customer service while evaluating staff against pothole program effectiveness and performance.	Yes

Source: Performance Audit, Task 1, August 2018.

Based on the information provided for the programs reviewed, it appears that the measures the County uses to evaluate program performance are sufficient to assess program progress toward meeting its stated goals and objectives.

**Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.**

To address the requirements of this subtask, Team MJ obtained and reviewed the following County policies and procedures manuals:

- ***Procurement Policy Manual*** – Effective Date: *October 2017*
- ***Procurement Procedures Manual*** – Effective Date: *October 2017*
- ***Projects Management Delivery Team Manual*** – Effective Date: *May 2012*

Team MJ noted these manuals to be comprehensive, well-written, and reasonably current. As such, the documents serve as important components of the County's system of internal control. MJ compiled a summary of the contents of the manuals to assess their compatibility, cohesiveness, and completeness. **Figure 4-3** provides an overview of the manuals.

**Figure 4-3**  
**Overview of Procurement and Project Management Policies & Procedures**

Name	Effective Date	Pages	Selected Key Sections
<b><i>Procurement Policy</i></b>	October 2017	61	<ul style="list-style-type: none"> <li>• General Provisions</li> <li>• Procurement Organization</li> <li>• Source Selection &amp; Contract Formation</li> <li>• Specifications</li> <li>• Procurement of Infrastructure Facilities and Services</li> <li>• Modification and Termination of Contracts for Supplies and Services</li> <li>• Legal and Contractual Remedies</li> <li>• Intergovernmental Relations</li> <li>• Ethics in Public Contracting</li> <li>• Award Authority</li> </ul>
<b><i>Procurement Procedures</i></b>	October 2017	155	<ul style="list-style-type: none"> <li>• Introduction, Responsibilities and Functions of Procurement Services</li> <li>• Methods of Procurement</li> <li>• Development and Award of Bids and Request for Proposals</li> <li>• Purchasing Card Procedures</li> <li>• Protest Process and Procedures and Cone of Silence/ Ordinance 13-24</li> <li>• Contract Administration</li> <li>• After-The-Fact Purchases</li> <li>• Direct Purchases of Construction Material</li> <li>• Fraudulent Misconduct and Ethical Procurement Standards</li> <li>• Vendor/Bidder Relations, Communication, Cone Of Silence and Performance</li> <li>• Debarment of Bidders</li> <li>• Cooperative Purchasing Programs</li> <li>• Insurance, Bonds, And Deposits</li> <li>• Surplus and Disposal of Property</li> <li>• Exceptions and Non-procurement Contracts</li> </ul>

**Figure 4-3**  
**Overview of Procurement and Project Management Policies & Procedures (Cont'd)**

Name	Effective Date	Pages	Selected Key Sections
<b><i>Projects Management Delivery Team Manual</i></b>	May 2012	354	<ul style="list-style-type: none"> <li>• Purpose and Use</li> <li>• Project Development</li> <li>• Retaining Consultants</li> <li>• Managing Consultant Contracts</li> <li>• Dealing with the Public</li> <li>• Managing the Bid Process</li> <li>• Managing Construction</li> <li>• Project Reporting</li> <li>• Consultant's Automated Performance Evaluation System (CAPES)</li> </ul>

Source: Hillsborough County Procurement Services (Procurement Manuals) & Public Works (Project Management Manual).

Team MJ also obtained and reviewed a County administrative directive entitled – Signature Authorization and Delegation of Authority Related to Financial Transactions – August 2018 (the Directive). The purpose of the Directive is to establish signature authorization guidelines for administrative matters within the jurisdiction of the county administrator for processing financial transactions. The guidelines apply to both electronic approval and signature-i.e. handwritten-approval. The Directive gives the county administrator the authority to make special designations or exceptions to it through written authorizations.

Team MJ noted that the county administrator approved the Directive and that it established requirements for segregation of duties and signature authority thresholds in the areas of cost centers, fiscal approval, and management approvals. The Directive is evidence of internal controls in the areas of signature authority thresholds and segregation of duties.

The management of an organization is responsible for maintaining an effective system of internal control. Accordingly, Team MJ deployed two internal control questionnaires to key business process managers to obtain their assessment of internal controls in their area of responsibility. MJ provided one questionnaire to the Office of the County Administrator, who oversees purchasing and contract management, and the other to the Clerk of the Circuit Court who oversees payroll, accounts payable, accounts receivable, and cash management & investment.

The questionnaire asks specific questions about the existence and effectiveness of internal controls and rates each response from 1 (very weak) to 5 (very strong). The business functions included on the survey are as follows:

- Segregation of Duties
- Purchasing

- Contract Management
- Payroll
- Accounts Payable
- Accounts Receivable
- Cash Management & Investment
- Information System Security
- Information System Access
- Information System Backup & Recovery

Team MJ noted no significant or material weaknesses in internal controls from the perspective of the managers who completed the questionnaires. Accordingly, MJ concludes that policies and procedures are comprehensive and well documented and internal controls exist to provide reasonable assurance that program goals and objectives will be met.

## RESEARCH TASK 5

### **The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County Which Relate to the Program**

**Finding Summary – Overall, the County meets Task 5. The County prepares and makes available in the public domain a wealth of relative Public Works financial and non-financial information that is useful, adequate, and accurate. Public Works plans for and prepares detailed budget and cost information for all projects. However, program performance data is not prepared for the majority of its projects; and, therefore program performance data is not widely accessible to the public. The County provided multiple examples that demonstrated both formal and informal processes to ensure that program and cost information available to the public is accurate and complete. The County has a standard operating procedure in place and provided evidence that the process to correct erroneous and incomplete information is performed timely.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results section below for details regarding these conclusions.

#### **SUBTASK 5-1**

Our work revealed no issues or concerns related to whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.

#### **SUBTASK 5-2**

Our work revealed no issues or concerns related to whether available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the County related to the program.

#### **SUBTASK 5-3**

**Condition:** Subtask 5.3 Partially Met

***Determine whether the public has access to program performance and cost information that is readily available and easy to locate.***

PW provided numerous examples of presentations and public meeting summaries that contained cost and budget information that was made available at Board of County Commissioners meetings and other public meetings. The public is able to access these



documents through attendance or public information request. This information is not widely accessible via the County website, which is the primary means of accessing public information.

PW provided no evidence that program performance data was made accessible to the public. The Communications & Digital Media Division is in the process of making significant enhancements to the website (including the PW page) which will provide some additional budget and cost information. However, the current planned website enhancements do not include the addition of program performance information.

**Cause:** Detailed budget and cost information combined with program performance information are critical project data points, which enable the public to evaluate both the utilization of financial resources and the quality and effectiveness of government services.

**Effect:** The use of detailed budget, cost, and program performance measures in government is being driven by greater citizen demand for increased accountability and greater interest on the part of local policymakers in resource allocation decisions. Performance measures include inputs (resources used), outputs (program activities), efficiency measures (ratio of inputs to outputs), and outcomes (the actual results of programs and services).

**Criteria:** Detailed cost data combined with program performance measurement tend to make governments more results-oriented and help the public to determine if the government is being good stewards of financial resources.

### **RECOMMENDATION 5-3**

**PW should, when practical, prepare program performance data for all major projects and make both performance data and detailed budget and cost data more widely accessible to the public.**

#### **SUBTASK 5-4**

Our work revealed no issues or concerns related to whether processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.

#### **SUBTASK 5-5**

Our work revealed no issues or concerns related to 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 that these procedures provide for adequate public notice of such corrections.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.**

To address the requirements of this subtask, Team MJ conducted interviews with management and evaluated relevant documents and systems that are available to the public to determine usefulness, timeliness, and accuracy. **Figure 5-1** provides sample information of PW documents available to the public.

**Figure 5-1**  
**Documents obtained during Hillsborough County Site Visit**

Sample Hillsborough County Public Works Documents Available to the Public	
Financial Information	Description/Purpose
<i><b>Fiscal Year 2018 – Fiscal Year 2023 County Administrator’s Recommended Capital Improvement Program</b></i>	The Recommended CIP is designed to meet County infrastructure needs in a strategic and efficient manner over a six year period. Community sustainability, environmental considerations and changing conditions require that the CIP be reviewed and updated annually.
<i><b>Fiscal Year 2018 – Fiscal Year 2019 Adopted Budget</b></i>	<p>The County establishes and adheres to a budget calendar, which sets the timeline for the budget process and completion of an adopted budget. The County’s budget process identifies available resources and spending trends for departments (including Public Works), programs, and noteworthy service statistics. The document also includes PW Core goals for the current budget year, prior budget year accomplishments, department innovations, and key projects the department will undertake. Additionally, personnel information such as the number of full-time equivalent employees is provided in the document.</p> <p>Based on financial information presented in the <i>overall</i> budget document, Fitch Ratings and Moody’s upgraded the County’s general credit rating to “AAA” as part of a recalibration of U.S. public finance ratings, which further demonstrates the accuracy and strength of the County’s budget document. Hillsborough County has held an “AAA” credit rating from Standard and Poor’s Ratings Services since 2006. All three rating agencies reaffirmed their credit ratings for the County in 2017.</p>
<i><b>Citizen’s Budget in Brief – Fiscal Year 2019</b></i>	This pamphlet provides a condensed illustrative snapshot of the Fiscal Year 2018 - Fiscal Year 2019 Adopted Budget. The document highlights anticipated strategic and provides an overview of county program spending.
<i><b>Online Checkbook Register</b></i>	<p>The Online Checkbook Register” provides access to information related to Hillsborough County’s spending. Spending can be viewed by:</p> <ul style="list-style-type: none"> <li>• Capital Improvements Projects</li> <li>• Vendor &amp; Agencies Spending</li> <li>• Departments</li> </ul> <p>Developed in partnership with the County's Comptroller &amp; Clerk of the Circuit Court, Hillsborough County government “the checkbook register” provides a transparent mechanism for the public to view how funds are disbursed and</p>

Sample Hillsborough County Public Works Documents Available to the Public	
	spent. The information contained in the Online Checkbook Register is informational. Hillsborough County will make every effort to ensure the information provided is accurate, though it may be unaudited. No reliance should be placed upon it for making legal, business, or other important decisions.
<b><i>Comprehensive Annual Financial Report (CAFR), Fiscal Year Ended September 30, 2017</i></b>	The CAFR is prepared timely by the County Circuit Clerk and complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).
<b>Non-Financial Information</b>	<b>Description/Purpose</b>
<b><i>Capital Improvement Projects Viewer</i></b>	The Web link viewer allows public access to all County Improvement Projects through a dynamic map viewer. Public Works is currently working on a more advanced viewer which in addition to the data already provided, will introduce On Budget and On Schedule metrics and have more sophisticated search functionality. The new "CIP Dashboard" is expected to be launched October 2018.
<b><i>Individual Project Summary Pages</i></b>	Individual project summary pages provide: (1) a description of specific projects, (2) what to expect (e.g., temporary traffic lane closures, alternate access to impacted businesses), (3) high-level cost and funding information, (4) anticipated timeline for project completion, (5) contact information for key project management staff, (6) pertinent additional information such as project maps, and (7) public meeting notifications.
<b><i>Public Meeting Agenda and Minutes</i></b>	The County ensures that when public meetings are held an agenda outlining the anticipated content of the meeting is made available to participants and minutes are written or recorded to inform attendees and non-attendees about what was discussed and what happened during the meetings.
<b><i>Public Meeting Video Replay</i></b>	The County provides public meeting video replay for most meetings, which allows citizens who were unable to attend in person the opportunity to view the contents of the meeting at their convenience.
<b><i>Infographics</i></b>	The County uses a wealth of infographics to provide visual representations of information, data or knowledge that is intended to be presented quickly and clearly to mass population groups. The County uses infographics to inform citizens through communications vehicles such as social media and press releases about upcoming public meetings, projects, and project status.

Source: Team MJ

Team MJ concludes that public documents prepared by the County are useful, timely and available to the public.

**Subtask 5.2 – Review available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the county related to the program.**

To address the requirements of this subtask, MJ reviewed various reports and documents, which included:

- Website user research information and a site architect plan provided by an external vendor;
- Internal utilization and customer satisfaction data generated by the County’s Communications & Digital Media (CDM) division;
- Internal CIP project status reports provided by PW; and
- “Live” PW online fact and project pages maintained on the County website.

As background, governmental websites are the primary communication mechanism used to provide available documents to the public. The CDM Division launched a new website for the County in September 2016. Since the new website launch, approximately 150,000 users visit the County’s website each month. Based on customer satisfaction data provided, the newly designed service-focused website added a user feedback mechanism for each page and since implementing this enhancement; PW has experienced an 88% favorable response rating for all Transportation-related pages.

The CDM Division continually works in conjunction with Public Works as well as other County Departments to identify ways to better serve customers.

On every individual webpage there is a “Was this page helpful?” feature. The user can select Yes or No. If “No” is selected the user is asked to provide feedback. These responses are delivered to the web content team.

Responses are reviewed for validity on a daily basis. Some responses are acted upon immediately, including particularly those that indicate inaccuracies or missing information. Other less-immediate responses are tracked and tagged. These responses are reviewed regularly. If the web content team notes a continuing pattern, it is determined navigation or web content changes need to be implemented.

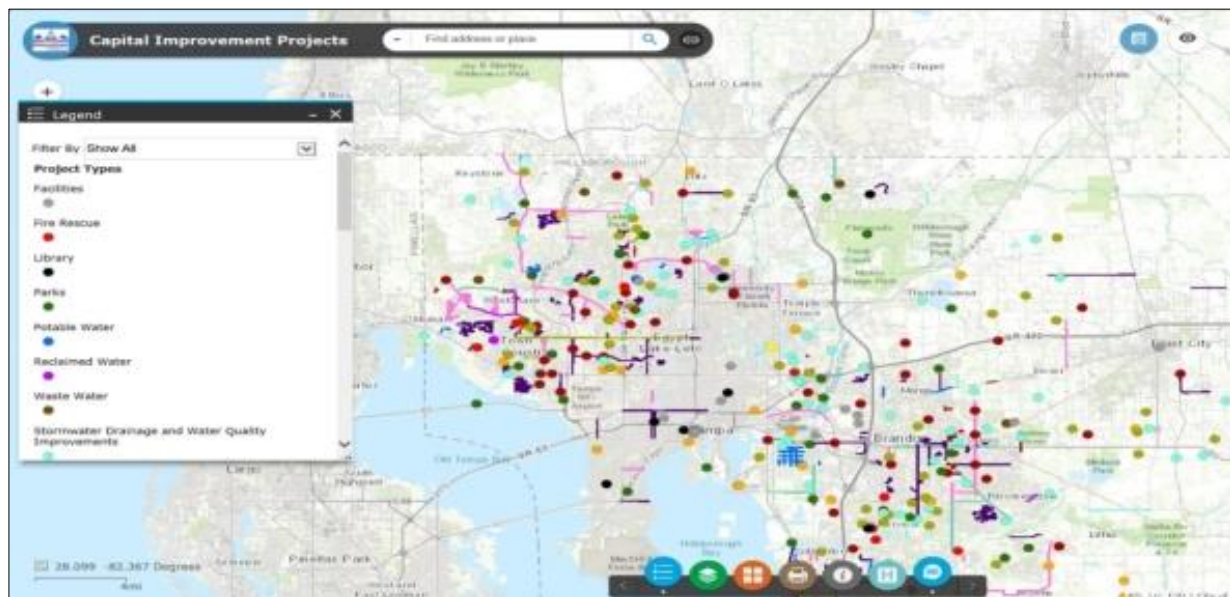
Moreover, CDM entered the 2017 Inaugural Government Experience Awards contest in May 2017 and Hillsborough County’s website was the only government agency in Florida to place in the Overall Experience Awards. The award recognized achievements and best practices of states, cities and counties that have initiated enhancements to radically improve the experience of government users and push the boundaries of how citizen services are delivered. Some of the web projects related to Public Works included the following:

## CIP Viewer

[https://maps.hillsboroughcounty.org/CIP\\_View/CIP\\_View.html](https://maps.hillsboroughcounty.org/CIP_View/CIP_View.html)

A web link viewer that allows public access to all County Improvement Projects through a dynamic map viewer, as shown below in **Figure 5-2**. PW is currently working on a more advanced viewer which in addition to the data already provided, will introduce On Budget and On Schedule metrics and have more sophisticated search functionality. The new “CIP Dashboard” is expected to be launched October 2018.

**Figure 5-2**  
**CIP Viewer Web Link**



Source: Communications & Digital Media Division

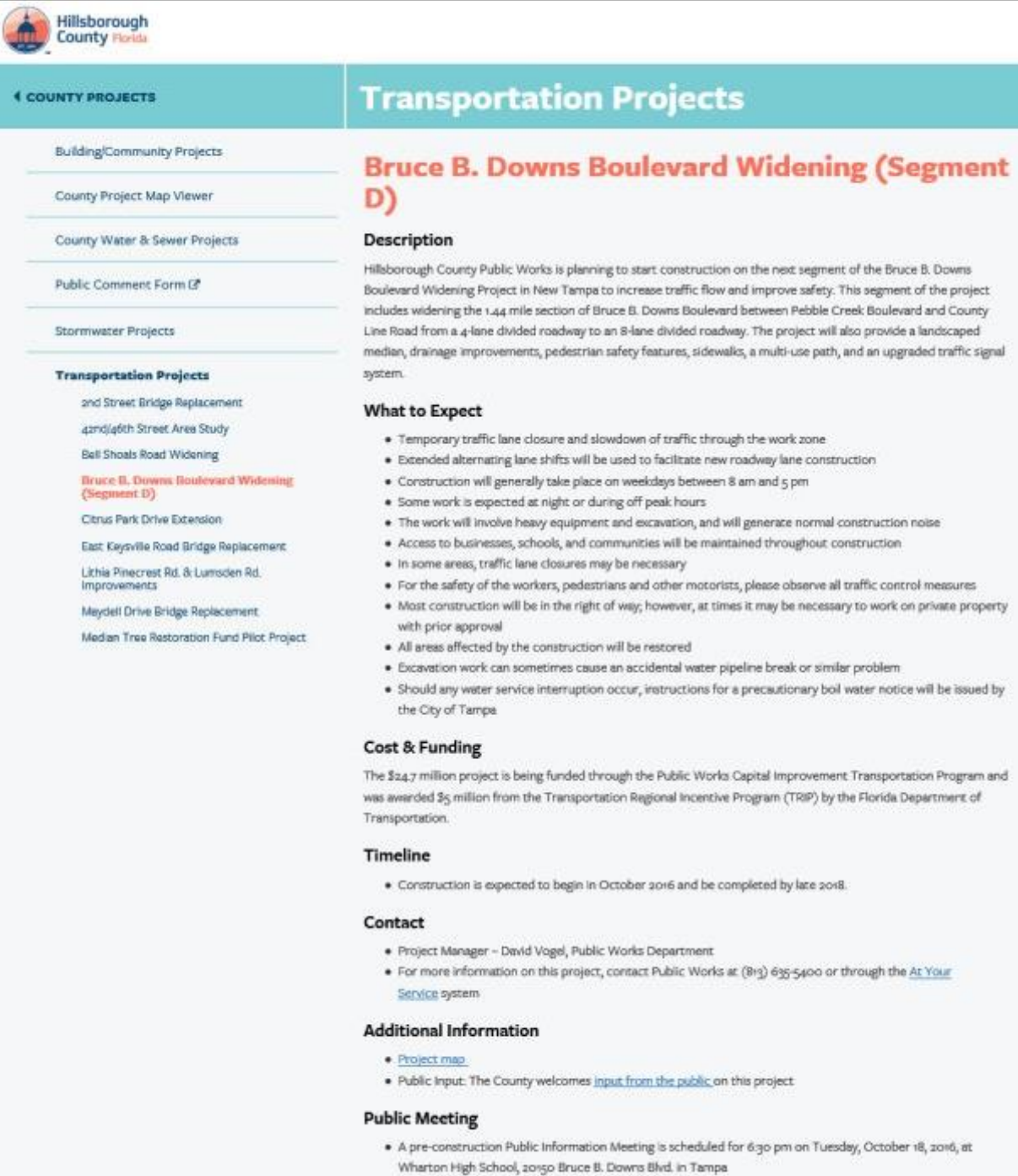
## Sample Transportation Project

<https://www.hillsboroughcounty.org/en/government/county-projects/transportation-projects/bruce-b-downs-boulevard-widening-segment-d>

A Public Works Fact Page from the County website is shown in **Figure 5-3**, which allows the public viewer to access basic information about various Transportation projects.



**Figure 5-3**  
**County Website – Public Works Fact Page**



The screenshot shows the Hillsborough County Florida website. The left sidebar lists various projects under 'COUNTY PROJECTS', with 'Transportation Projects' highlighted. The main content area is titled 'Transportation Projects' and features a large heading for the 'Bruce B. Downs Boulevard Widening (Segment D)' project. Below the heading, there is a 'Description' section, a 'What to Expect' section with a bulleted list of project details, a 'Cost & Funding' section, a 'Timeline' section, a 'Contact' section, an 'Additional Information' section, and a 'Public Meeting' section.

**Hillsborough County Florida**

**COUNTY PROJECTS**

- Building/Community Projects
- County Project Map Viewer
- County Water & Sewer Projects
- Public Comment Form [C#](#)
- Stormwater Projects

**Transportation Projects**

- 2nd Street Bridge Replacement
- 42nd/46th Street Area Study
- Bell Shoals Road Widening
- Bruce B. Downs Boulevard Widening (Segment D)**
- Citrus Park Drive Extension
- East Keyville Road Bridge Replacement
- Lithia Pinecrest Rd. & Lumsden Rd. Improvements
- Meydell Drive Bridge Replacement
- Median Tree Restoration Fund Pilot Project

## Transportation Projects

### Bruce B. Downs Boulevard Widening (Segment D)

#### Description

Hillsborough County Public Works is planning to start construction on the next segment of the Bruce B. Downs Boulevard Widening Project in New Tampa to increase traffic flow and improve safety. This segment of the project includes widening the 1.44 mile section of Bruce B. Downs Boulevard between Pebble Creek Boulevard and County Line Road from a 4-lane divided roadway to an 8-lane divided roadway. The project will also provide a landscaped median, drainage improvements, pedestrian safety features, sidewalks, a multi-use path, and an upgraded traffic signal system.

#### What to Expect

- Temporary traffic lane closure and slowdown of traffic through the work zone
- Extended alternating lane shifts will be used to facilitate new roadway lane construction
- Construction will generally take place on weekdays between 8 am and 5 pm
- Some work is expected at night or during off peak hours
- The work will involve heavy equipment and excavation, and will generate normal construction noise
- Access to businesses, schools, and communities will be maintained throughout construction
- In some areas, traffic lane closures may be necessary
- For the safety of the workers, pedestrians and other motorists, please observe all traffic control measures
- Most construction will be in the right of way; however, at times it may be necessary to work on private property with prior approval
- All areas affected by the construction will be restored
- Excavation work can sometimes cause an accidental water pipeline break or similar problem
- Should any water service interruption occur, instructions for a precautionary boil water notice will be issued by the City of Tampa

#### Cost & Funding

The \$24.7 million project is being funded through the Public Works Capital Improvement Transportation Program and was awarded \$5 million from the Transportation Regional Incentive Program (TRIP) by the Florida Department of Transportation.

#### Timeline

- Construction is expected to begin in October 2016 and be completed by late 2018.

#### Contact

- Project Manager – David Vogel, Public Works Department
- For more information on this project, contact Public Works at (813) 635-5400 or through the [At Your Service](#) system

#### Additional Information

- [Project map](#)
- Public Input: The County welcomes [input from the public](#) on this project

#### Public Meeting

- A pre-construction Public Information Meeting is scheduled for 6:30 pm on Tuesday, October 18, 2016, at Wharton High School, 20150 Bruce B. Downs Blvd. in Tampa

Source: Communications & Digital Media Division

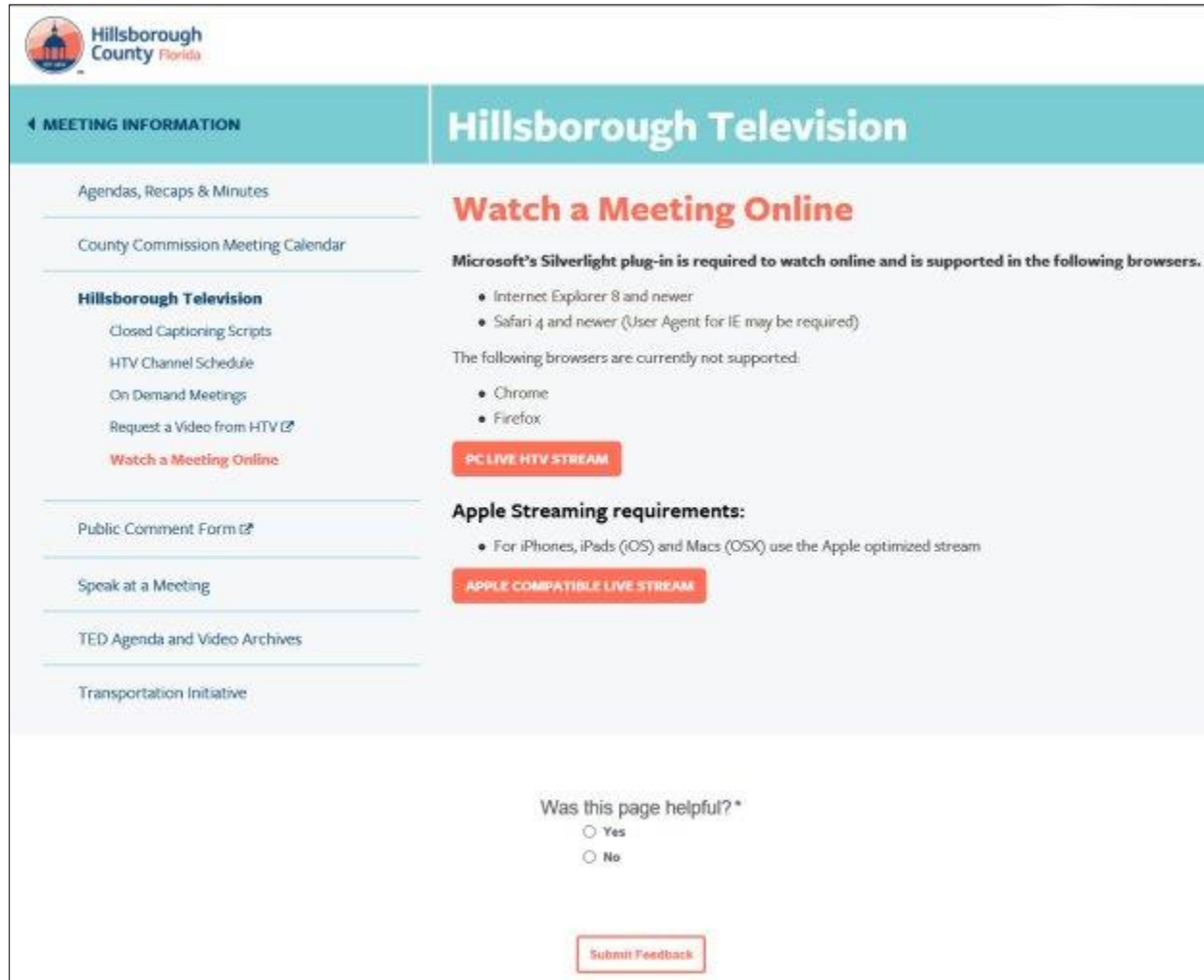
Shown in **Figure 5-4**, is a link to the Hillsborough Television network from the County website, which allows the public to view various meetings online.

## Watch a Meeting Online

<http://www.hillsboroughcounty.org/government/meeting-information/hillsborough-television/watch-live>

Figure 5-4

### County Website – Hillsborough Television, Watch a Meeting Online



Source: Communications & Digital Media Division

Additionally, MJ noted that the CDM Division through assigned staff (web content coordinators) is responsible for ensuring web content is consistent and accurate when posted in the public domain. CDM completes weekly website content audits, which requires navigating page-by-page checking to ensure content remains to be useful to the public, accurate, and that documents remain valid.

CDM uses software called "SiteImprove" to identify broken links, spelling errors and formatting inconsistencies. Web content coordinators work closely with communications and branding staff along with subject matter experts to ensure content is consistent. CDM also ensures that "plain language" free of overly technical jargon is carried throughout the architecture and

content of the website. Consistent vocabulary helps to drive the tone and voice of the website as well as with the other communication channels to ensure that verbiage is professional and not too casual for governmental use.

Web content is considered to be the master content, which all other communication channels pull to ensure consistency in branding and message. Other communications channels include:

- Mobile Devices
- Social Media (e.g., Facebook, Twitter, Instagram, etc.)
- Third Party Sources (e.g., Amazon Echo, Siri SDK, Google Now)
- Live or Video Chat (e.g., pop-up chat window, Skype/Facetime)
- Voice (Phone, e.g., IVR scheduling)
- Other (e.g., integration of sensor technology, self-service terminals)

Team MJ concludes that public documents the County prepares and makes available in the public domain are both adequate and accurate.

**Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.**

To evaluate this subtask, Team MJ noted that PW plans for and prepares detailed budget and cost information for all projects. PW provided numerous examples of budget and cost information, which is summarized and assembled into PowerPoint presentations or other meeting summary packages. This information is presented at the BOCC meetings and at various public meetings to keep the County governance body and the public informed regarding project highlights and status. Members who attend these public meetings can easily access information that is disseminated. Members of the public should also be able to access similar information via the County website, however currently this information is not provided. Moreover, PW publishes service statistics for initiatives such as roadways resurfaced (based on lane miles). However, program performance data is not prepared for the majority of its projects (e.g., number and days to prepare potholes) and is therefore not accessible to the public.

Team MJ also noted that during Fiscal Year 2018, the CDM began a project with PW to create web content enhancements to facilitate improved public online fact sheets and project pages for all tracked CIP, including transportation.

This project was designed to modify the internal project management database to provide what was once a centrally maintained hub of information on project details and progress, both internally and externally.

The template design for the enhanced fact sheets and project pages were reviewed by Team MJ and are expected to be ready for full pilot in early Fiscal Year (October) 2019. It was determined that access to PW CIP information such as the project budget amount and funding source will



be included and easier to locate. Content enhancements, when fully implemented, for the PW template design for online fact sheets and project pages are anticipated to include the following:

- Project Name;
- CIP Number;
- Neighborhood/Location;
- Commissioner District;
- Project Type;
- Project Description (this is what we are doing, why, and final result; text narrative);
- Current Phase {Status};
- Current Phase Completion Date;
- Construction Start Date;
- Anticipated Project Completion Date;
- Project Budget;
- Funding Source;
- Public Engagement/Outreach (community outreach activities/milestones, public meetings);
- What to Expect During Construction;
- Project Manager;
- Contact Number; and
- Project Area Map/photos.

Although PW has compiled useful project cost data that is widely disseminated at Board of Commissioners and other public meetings, this information is not widely accessible to the public via the County's website. Program performance data for most project is not currently prepared or accessible to the public. Moreover, the current enhancements planned for the County's website (via PW pages) do not include wider accessibility of cost data or inclusion and accessibility of program performance data for the public.

**Subtask 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.**

To address the requirements of this subtask, MJ interviewed management and reviewed various documents and reports, which included:

- County Fiscal Year 2018 - Fiscal Year 2019 Adopted Budget;
- *Florida Statute* – requiring annual external audits;
- Comprehensive Annual Financial Report (CAFR), Fiscal Year Ended September 30, 2017;
- Fiscal Year 2018 – Fiscal Year 2023 County Administrator's Recommended Capital Improvement Program;
- Internal Capital Improvement (CIP) project status reports provided by Public Works;

- Work Plan Options to Implement the Ten-Year Commitment for Transportation Funding;
- Numerous presentations provided from management to the Board of County Commissioners regarding project status updates; and,
- Community engagement process documentation (e.g., related agendas, public notices, minutes documenting project planning initiatives and on-going status meetings).

County management staff interviewed was intimately familiar with the above referenced documents along with applicable policies and procedures required for providing appropriate quality assurance to ensure accurate and complete information is provided to the public.

As necessary, meeting agendas are posted timely on the County's website. BOCC informational updates and approves agenda items.

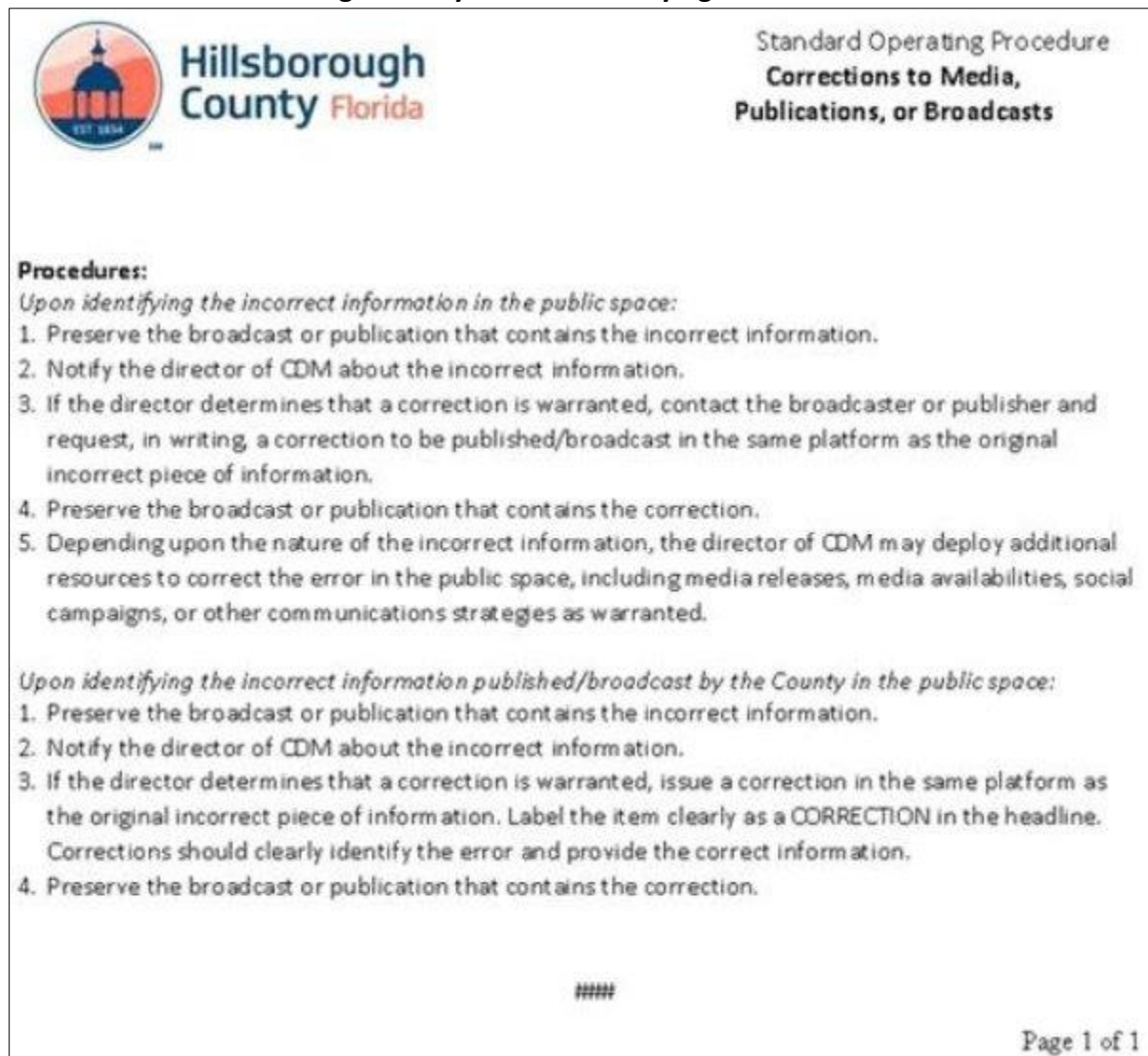
Team MJ concludes that the County has adequate processes in place to ensure performance and cost information provided to the public is both accurate and complete.

**Subtask 5.5 – 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 that these procedures provide for adequate public notice of such corrections.**

To address the requirements of this subtask, Team MJ reviewed (1) the County's Standard Operating Procedure (SOP) for identifying incorrect information in the public space, (2) two public notices that had been corrected as a result of being posted with erroneous information, and (3) the roles and responsibilities of the appropriate department and staff to ensure processes and procedures are in place.

CDM is tasked with the responsibility of ensuring the accuracy of media broadcasts and reports, news releases and other similar information issued by the County or other organizations. This responsibility includes any public mention of the County or its services on the internet, social media outlet, or any other form of mass communication. The County requires that, upon identifying an inaccurate, incorrect, or otherwise false or objectively misleading fact in the public space, the CDM director will contact the author, publisher, or broadcaster of the incorrect fact and seek a correction to be published/broadcast in the same format as the original false item. The County also requires that corrections clearly identify the error and provide the correct information. If a publisher or broadcaster refuses to correct an objectively false piece of information, the director of CDM may consult with the County Attorney's office to determine whether further action is warranted. **Figure 5-5** below provides a copy of the County's SOP for Identifying Incorrect Information in the Public Space.

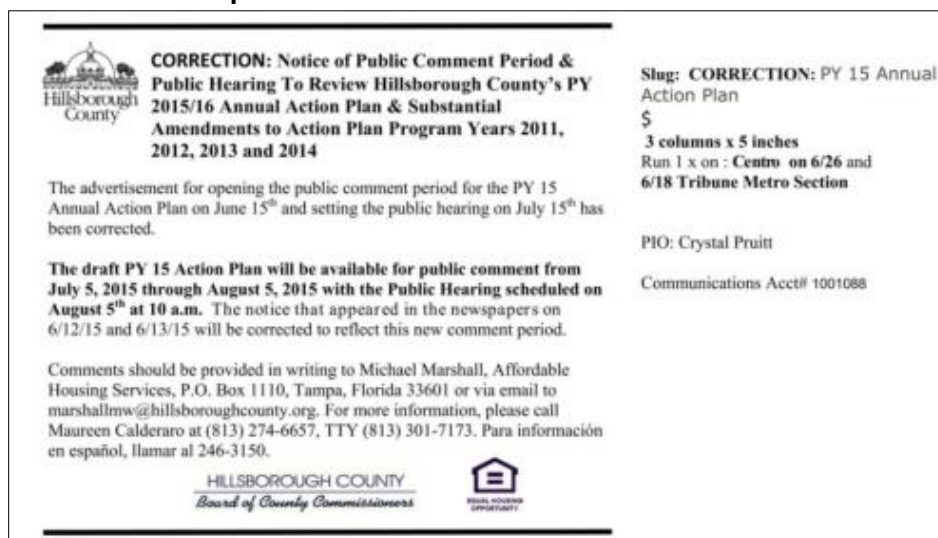
**Figure 5-5**  
**Hillsborough County SOP for Identifying Incorrect Information**



Source: Communications & Digital Media Division

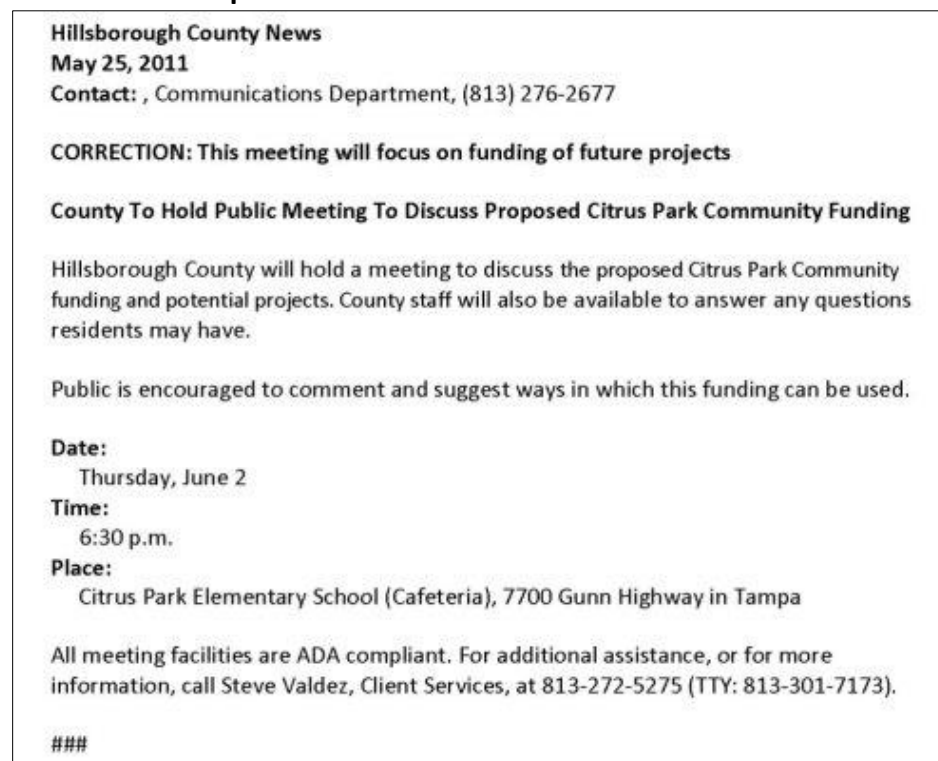
**Figures 5-6 and 5-7** provide examples of public information notices that were corrected. Both examples demonstrate that the corrections were executed timely.

**Figure 5-6**  
**Example of Corrected Public Information Notices**



Source: Communications & Digital Media Division

**Figure 5-7**  
**Example of Corrected Public Information Notices**



Source: Communications & Digital Media Division

Team MJ concludes that adequate procedures are in place and adhered to ensure public documents are corrected in a timely manner when erroneous information is provided.

## RESEARCH TASK 6

### **Compliance of the Program with Appropriate Policies, Rules, and Laws**

**Finding Summary – Overall, Hillsborough County’s Public Works Department (PW) meets Task 6. The County Attorney’s Office (CAO) provides PW with a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The CAO stays abreast of federal, state, and local legislation that could impact County departments, including PW. The Board of County Commissioners develops all policies that impact the County. The CAO is responsible for determining whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results section below for details regarding these conclusions.

#### **SUBTASK 6-1**

Our work revealed no issues or concerns related to whether the program has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

#### **SUBTASK 6-2**

Our work revealed no issues or concerns related to program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

#### **SUBTASK 6-3**

Our work revealed no issues or concerns related to whether program administrators have 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 evaluations, audits, or other means.

#### **SUBTASK 6-4**

Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax (Team MJ used the CIT as the prototype) are in compliance with applicable state laws, rules, and regulations.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.**

To address the requirements of this subtask, Team MJ conducted a focus group with County Attorney's Office (CAO) staff and reviewed relevant documentation. The CAO is responsible for ensuring county-wide compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Accordingly, PW's interactions with and support by the CAO is the process by which the department's programs are accessed to be in compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

Per review of the CAO organization chart and lists of roles and responsibilities, two attorneys within the business transactions division of CAO are assigned to handle all transportation construction matters. A third attorney is assigned to handle procurement matters including commodities and services related to the maintenance of roads and streets. An additional attorney is assigned to handle all information technology matters including information technology issues relating to transportation projects. County attorneys assigned to PW also assist the department in legal matters related to preserving and maintaining the County's key assets such as roadways, bridges, trails, sidewalks, and stormwater drainage systems.

Team MJ reviewed and or discussed the following information with the county attorney and selected CAO staff members.

- CAO organization chart;
- roles and responsibilities of attorneys assigned to handle transportation construction matters;
- list of legal periodical subscriptions and case law services the CAO uses to stay current on case law changes;
- list of in-house training courses available to CAO attorneys and paralegals;
- capabilities of the Oracle Enterprise Resource Planning System, which CAO uses to increase efficiencies in the procurement process and create customized contractual clauses;
- sample report from a program the CAO uses to track bills during the legislative session;
- training the CAO has provided to County employees in areas such as ethics, sunshine laws, public records, employment law, parliamentary procedures, preventing sexual harassment, and discrimination in the workplace;
- agendas from workshops the CAO has conducted for PW to update staff on law changes and to encourage dialogue on legal issues between County staff and the CAO;

- list of Florida Bar Board Certified attorneys and the attorneys rated by Martindale-Hubbell, an information services company to the legal profession;
- list of CAO attorneys and their years of service; and
- CAO standards of practice

Based on the work performed, Team MJ concludes that the CAO provides PW with a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

**Subtask 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.**

To address the requirements of this subtask, Team MJ reviewed the County's Fiscal Year 2017 audit report to determine if the auditors had identified internal control weaknesses that directly impact the PW transportation program.

During an audit of a governmental entity, independent auditors perform procedures and issue reports that address the entity's internal controls. During Fiscal Year 2017, the County's independent auditors issued the following reports in connection with their audit. Each of the reports addressed some aspect of the County's internal controls:

- Report of independent auditor on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards;
- Report of independent auditor on compliance for each major federal program and state finance assistance project and on internal control over compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and
- Report of Independent Accountant on Compliance with Local Government Investment Policies and E911 Requirements of Sections 365.172 and 365.173, *Florida Statutes*.

**Figure 6-1** provides an overview of internal control issues the independent auditors identified in each of the three Fiscal Year 2017 reports listed above.



**Figure 6-1**  
**Fiscal Year 2017 Independent Auditor Reports**

Fiscal Year 2017-Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters (Financial Statement Audit)				
Overall Conclusion	Number of Findings	Do Findings Directly Impact PW Transportation Program?	Findings Explanation	Corrective Action Plan Developed?
Identified certain deficiencies in internal control considered to be material weaknesses and significant deficiencies.	7	No	<ul style="list-style-type: none"> <li>two findings related to the Local Housing Assistance Program Fund;</li> <li>one related to the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESFA);</li> <li>three related to enterprise funds, and</li> <li>one related to firefighter timekeeping.</li> </ul>	Yes

Fiscal Year 2017-Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project (Single Audit)				
Overall Conclusion	Number of Findings	Findings Directly Impact PW Transportation Program?	Findings Explanation	Corrective Action Plan Developed?
There were no findings required to be reported in accordance with 2 CFR 200.516(a).	0	N/A	N/A	N/A

Fiscal Year 2017-Report of Independent Accountant on Compliance with Local Government Investment Policies and E911 Requirements of Sections 365.172 and 365.173, <i>Florida Statutes</i> .				
Overall Conclusion	Number of Findings	Findings Directly Impact PW Transportation Program?	Findings Explanation	Corrective Action Plan Developed?
The County complied, in all material respects, with the local investment policy requirements of Section 218.415, <i>Florida Statutes</i> , and E911 requirements of Section 365.172 and 365.173, <i>Florida Statutes</i> , during the year ended September 30, 2017.	0	N/A	N/A	N/A

Source: Hillsborough County Website



Team MJ also performed internal controls work in **Subtask 4.3**. Based on the work performed, Team MJ concludes that internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

**Subtask 6.3 – Determine whether program administrators have 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 evaluations, audits, or other means.**

To address the requirements of this subtask, Team MJ reviewed the corrective action plan developed to address auditor findings in the Fiscal Year 2017 audit report (see **Subtask 6.2**).

While Team MJ described no matters of noncompliance in the Fiscal Year 2017 audit report, the corrective action plan prepared by management to address the findings related to internal control deficiencies demonstrates that management takes 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 evaluations, audits, or other means.

In addition to reviewing the Fiscal Year 2017 audit finding corrective action plan, MJ interviewed staff from the CAO (see **Subtask 6.1**). According to the CAO's review of litigation files from the past five years, CAO staff say there have been no adverse judgments, findings or lawsuits filed against the County relating to construction projects (transportation related or otherwise). The CAO believes the expertise of its lawyers has prevented litigation from being filed against the County over the past five years regarding any transportation related project. Moreover, it is reasonable to conclude that the experience of the attorneys, technology resources, standardization, and legal support provided to County departments through timely and essential legal advice provided on all contract management issues contributed to this outcome.

Based on the work performed, Team MJ concludes that the County takes 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 evaluations, audits, or other means.

**Subtask 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. (Team MJ used the Community Investment Surtax as a prototype for this subtask).**

To address the requirements of this subtask, Team MJ reviewed the ordinances creating the Community Investment Surtax (CIT). The CIT operates much like the DSS will operate. The CIT rate is .5 percent, while the sales surtax rate will be 1 percent. For purposes of this subtask, Team MJ's work focused on the CIT.

Team MJ noted that the ordinance that created the CIT tax was properly described and executed. Team MJ also noted that the CIT ordinance authorized the BOCC to adopt, by resolution, a list of specific projects to be funded from proceeds of the CIT tax for the period February 2008 through September 2016.

By Florida law, the CIT must be distributed among several governmental jurisdictions. A portion of the tax is also used to service debt on a Tampa sports stadium. Accordingly, Team MJ reviewed the interlocal agreements between the City of Tampa, the City of Temple Terrace, and the City of Plant City, the Hillsborough County School Board, and the County noting them to be properly described and executed. Team MJ also reviewed the Stadium Financing Agreement between the Tampa Sports Authority and Hillsborough County to issue revenue bonds to finance a new community stadium.

To gain a sense of how DSS funds might be accounted for and reported, Team MJ conducted an interview with the deputy comptroller-clerk of the circuit court, noting that the circuit court receives, accounts for, and distributes CIT funds in accordance with the CIT creation ordinance, and prepares the CIT Schedule of Distributions report.

Team MJ reviewed and analyzed the 2018 CIT Schedule of Distributions noting agreement of the jurisdictions to which the funds are to be allocated per the ordinance and the bond payments pursuant to the Stadium Financing Agreement. **Figure 6-2** presents Fiscal Year 2018 CIT distributions through August 8, 2018.

**Figure 6-2**  
**CIT Distributions to Authorized Jurisdictions, Fiscal Year 2018 through August 8, 2018**

Jurisdiction	Amount
Hillsborough County 73.8525% of excess	\$55,629,350
Hillsborough School Board 25.00%	27,758,093
City of Tampa 22.2596% of Excess	16,767,030
Sports Authority Debt Service Fixed Amount	7,324,340
City of Plant City 2.3110% of Excess	1,740,759
City of Temple Terrace 1.5769% of Excess	1,187,799
Sports Authority Capital Maintenance-Fixed Amount	625,000
<b>Total Community Investment Tax Distribution-Fiscal Year 2018 through August 8,2018</b>	<b>\$111,032,372</b>

*Source: Hillsborough County Clerk of the Circuit Court, August 2018.  
Distribution percentages are per the CIT creation ordinance.*

Team MJ also reviewed the Fiscal Year 2018 through 2023 Adopted Capital Improvement Program (CIP) and summarized the list of planned CIT projects in the CIP. The CIP is being

executed in three phases. **Figure 6-3** presents the schedule of CIP projects funded with Hillsborough County CIT money. The amounts are in thousands.

**Figure 6-3**  
**CIP Project Plan Funded with CIT Dollars**

Description	Phase I January 1997- January 2003	Phase II February 2003 to January 2008	Phase III February 2008 to September 2016	Total
Fire Services	\$21,219	\$11,468	\$0	\$32,687
Government Facilities	53,124	137,192	87,850	278,166
Library Facilities	1,543	8,865	2,000	12,408
Parks	26,105	33,638	51,396	111,139
Stormwater	13,259	0	40,624	53,883
Transportation	51,486	178,763	330,151	560,400
Water Enterprise	21,847	3,956	4,333	30,136
<b>Total</b>	<b>\$188,583</b>	<b>\$373,882</b>	<b>\$516,354</b>	<b>\$1,078,819</b>

*Source: Submitted with Hillsborough County Data Request.*

The CIT was duly authorized and approved by the BOCC, who also approved the capital projects plans for use of the CIT funds. The clerk of the circuit collects and distributes the funds in accordance with BOCC ordinances.

Based on the work performed, MJ concludes that program administrators have taken reasonable and timely actions to determine that planned uses of the CIT tax are in compliance with applicable state laws, rules, and regulations. It is not unreasonable that the same stewardship and accountability would be established over the DSS.

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## SECTION 2 – HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY (HART)

HART's primary responsibilities are to plan, finance, acquire, construct, operate and maintain mass transit facilities, together with such supplemental transportation assistance as may be necessary or advisable. Services provided by HART include: local fixed route, limited express and express bus service, MetroRapid North-South line, HARTFlex service, and HARTPlus paratransit services. HART also operates the TECO Line Streetcar. HART will receive the transit portion of the surtax.

The Hillsborough Transit Authority, operating as Hillsborough Area Regional Transit, was created in October 1979 under Chapter 163, Part V, Sections 163.567, et seq., *Florida Statutes*. HART is comprised of three member jurisdictions: Hillsborough County, the City of Tampa, and the City of Temple Terrace.

The authorizing legislation provides that the Authority may contract for the services of attorneys, engineers, and consultants to provide necessary services including engineering, architectural design, management, transportation planning, and other studies concerning the design of facilities and the acquisition, construction, extension, operation, maintenance, and financing of transportation systems in the HART service area.

### **Mission and Vision**

The HART mission and vision are:

- **Mission:** HART takes people to the places that enhance their lives.
- **Vision:** HART invites, inspires, and implements sustainable and innovative transportation.

### **HART Transit Services**

HART transit services include the following:

- Local routes;
- Limited express and express bus service;
- MetroRapid North-South line;
- HARTFlex routes within defined geographic zones;
- HARTPlus complementary paratransit for individuals with disabilities as required by the Americans with Disabilities Act (ADA); and
- TECO Line Streetcar.

- In Fiscal Year 2017, HART operated almost 200 buses for fixed routes, 55 complementary paratransit vans, eight (8) flex vans, and ten (10) streetcars. HART reported 13.4 million riders in Fiscal Year 2017 for all HART services. Total operating expenses in Fiscal Year 2017 were \$82,714,704.

### **Source of Revenues**

HART's primary source of funding is ad valorem property taxes. HART is an Independent Special District as described in Section 189.403, *Florida Statutes*, authorized to levy an ad valorem tax of up to one-half mill (.50) on the taxable value of real and tangible personal property within the jurisdiction of its members. Other sources of revenues are passenger fares; federal, state, and local grants; proceeds from advertising; investment income; and other miscellaneous sources of income such as developer impact fees.

### **Mission MAX**

On Sunday, October 8, 2017, HART implemented a comprehensive system redesign, branded as Mission MAX. HART set as the objectives for Mission MAX to modernize and align the system and to deliver more efficient service. HART realigned local fixed routes and express bus service to provide shorter trip times and better connections. Mission MAX created a network to be a foundation for future expansion for HART.

The redesign of the bus system included route and schedule modifications following a comprehensive operational analysis to examine and evaluate the transit systems to determine where improvements can be made to make transit operations more effective and efficient across the network. The comprehensive operations analysis was completed in July 2017.

The Mission MAX redesign continued on July 1, 2018 with the following new services:

- Route 48 servicing Temple Terrace and the area around the University of South Florida with daily, hourly service; and
- Route 275LX operating daily, hourly, limited-stop service between Wesley Chapel and Tampa International Airport, with stops in New Tampa, the University area, and downtown Tampa.

The new services are partially funded from revenues granted by the Florida Department of Transportation (FDOT).

### **Transit Development Plan (TDP) 2018-2027**

HART developed the TDP as the strategic guide for improving public transportation over the next (10) years. Developed with community involvement, the TDP represents the vision for public transportation in the county over the next decade; the plan also is an important resource for funding. To receive state grant funds from the FDOT, a major update of the TDP is required every five (5) years to ensure provisions of public transportation are consistent with the mobility needs of the community.

The first year of the TDP (2018) incorporates the Mission MAX improvements in operating efficiencies for HART. The guiding principles for the re-imagined 2018 network are the following:

- Improve existing rider times;
- Prioritize frequency on core routes versus coverage everywhere;
- Provide more direct travel and avoid duplication;
- Incorporate changes to encourage peak-hour ridership; and
- Greater efficiency-doing more with less.

Building on the re-imagined 2018 HART network, the TDP 2018-2027 funded plan reflects the improvements expected to be implemented over the next 10 years with modest increases in current revenue streams (assuming two percent annual growth) and two additional non-local sources (FDOT Service Development and FDOT Urban Corridor grants).

HART also incorporated the 10-year Transit Needs Plan in the TDP 2018-2017. The Transit Needs Plan is financially unconstrained and outlines a set of priority projects to realize the community vision for a high-frequency and well-connected network. The 10-year Transit Needs Plan would require additional annual funds to operate and fund the capital infrastructure and equipment necessary to implement services to meet transit needs in the county.

The work of the comprehensive operations analysis leading to Mission MAX, and the updated 10-year TDP, identifies the transit needs placing HART in a good position to advance programmed services and capital projects as additional funding is available.

## RESEARCH TASK 1

### **The Economy, Efficiency, or Effectiveness of the Program.**

**Finding Summary – Overall, HART meets Task 1. HART administrators evaluate transit services using key performance indicators and other reasonable criteria to assess program performance and cost. HART administrators report monthly data to the HART Board of Directors. HART administrators have taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in monthly progress reports and external audits.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results section below for details regarding these conclusions.

#### **SUBTASK 1-1**

Our work revealed no issues or concerns related to management reports/data that program administrators use on a regular bases to monitor program performance and cost.

#### **SUBTASK 1-2**

Our work revealed that HART periodically evaluates program performance and cost using performance information and other reasonable criteria.

#### **SUBTASK 1-3**

Our work revealed no issues or concerns related to findings or recommendations included in relevant internal or external reports on program performance and cost.

#### **SUBTASK 1-4**

Our work revealed HART program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.

#### **SUBTASK 1-5**

Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.

#### **SUBTASK 1-6**

Our work reviewed a sample of project progress reports to confirm HART current program efforts are of reasonable cost and completed well, on time, and within budget. Our work revealed no issues or concerns about the progress reports.



## **SUBTASK 1-7**

Our work revealed HART has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

## **ANALYSIS & RESULTS**

**Subtask 1.1 – Review any management reports/data that HART program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:


- 08-06-18 Board packet – AMENDED;
- Fiscal Year 2016 and Fiscal Year 2017 Ridership and Productivity Reports;
- Monthly Information Report – Maintenance – August – Final; and
- Monthly Financial Report 2018-05.

### **08-06-18 Board packet – AMENDED**

HART staff produces a packet of reports for each regular HART Board of Directors meeting. The board packet includes key reports for the Board to examine monthly ridership by route, financial reports, maintenance project status, and other key performance indicators. The board packet begins with an agenda for the entire meeting, which lists the status and monthly information reports within the packet. The reports for monitoring program performance and cost include the Monthly Financial Report, Monthly Ridership Report, Success Plan Achievement Levels Report, Organizational Performance Scorecard, and Maintenance Report. The regular monthly board packet includes data and information that is adequate for the Board of Directors to monitor performance and cost for HART transit services.

**Figure 1-1** provides an excerpt of the organizational performance scorecard from the August 6, 2018 board packet.

**Figure 1-1**  
**Excerpt from Organizational Performance Scorecard**



Strategy	Metric	Performance Goals	Performance Results
Service Productivity	Fixed Route Bus & HARTFlex Cost Recovery	21.4%	17.64%
	Fixed Route Bus Customers per Mile	1,7641	1.59
	Fixed Route Bus Customers per Trip	20.42	17.58
	Fixed Route Customers per Revenue Hour	21.51	19.20
	HARTPlus Cost Recovery	11.00%	9.70%
	HARTPlus Cost per Trip	\$30.60	\$26.94
	HARTPlus Customers per Hour	1.82	1.61
	HARTFlex Customers per Mile	.3061	0.36
	HARTFlex Customers per Trip	2.5	3

Source: 08-06-18 Board packet – AMENDED

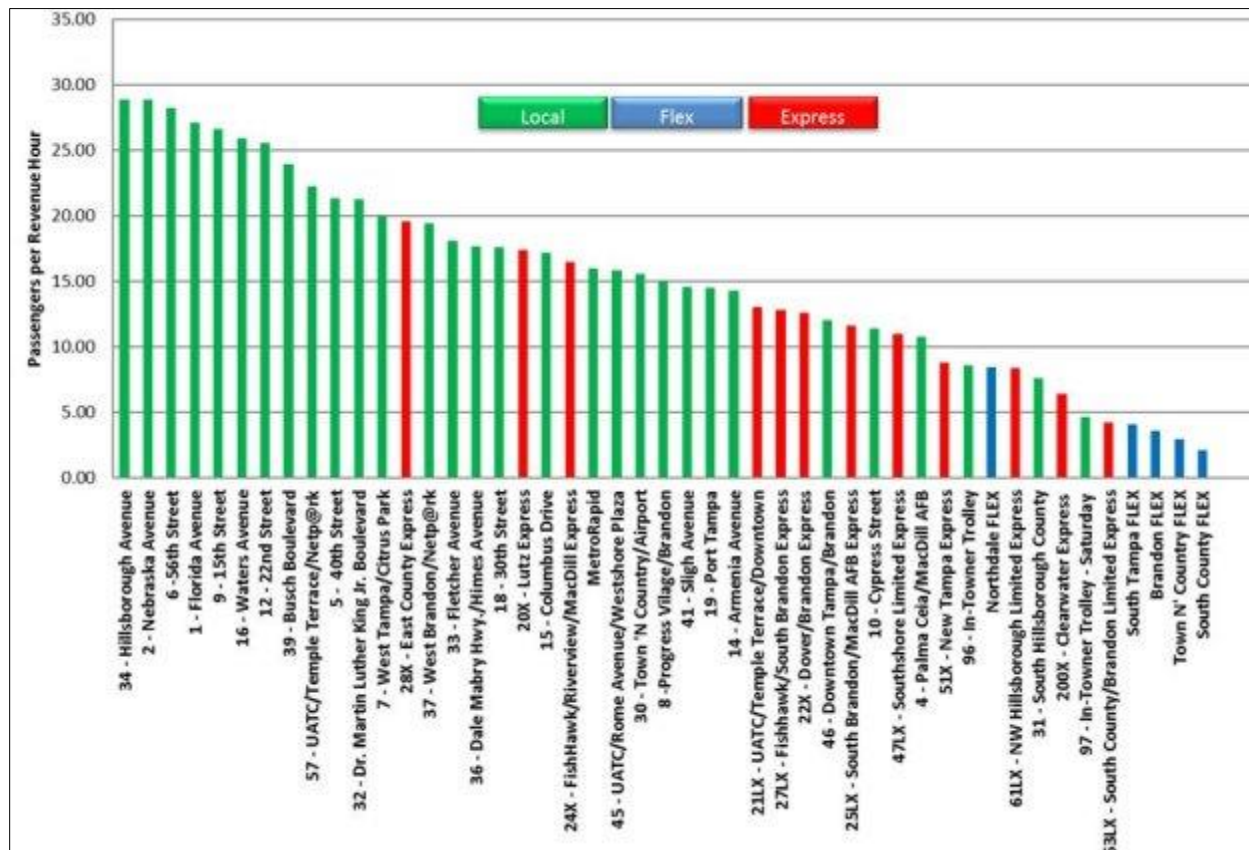
### **Fiscal Year – 2017 Ridership and Productivity Reports**

HART staff produces monthly spreadsheet reports for all HART service modes. Each monthly report includes a ridership tab summarizing data for each mode and other tabs with information for each route. The reports demonstrate that HART regularly creates spreadsheet reports tracking ridership for each travel mode and route. The reports show year-to-date information and a comparison of the month in the current fiscal year to the same month in the previous fiscal year. The reports focus on ridership by type of day and type of service, and the tabs with route-by-route information include performance measures for passenger trips by revenue mile or revenue hour. The Ridership and Productivity Reports provide HART staff with the data necessary to monitor productivity by service mode and route. The same monthly reports generate the Monthly Ridership Report for the board packet.

**Figure 1-2** provides an excerpt of a chart from the ridership report used for the monthly board packets to monitor ridership and productivity for local, express, and flex services.

**Figure 1-2**  
**Passengers per Revenue Hour per Route Fiscal Year 2017**  
**(10/1/2016 through 6/30/2017)**

PP



Source: Fiscal Year 2017 Ridership and Productivity Reports

### Monthly Information Report – Maintenance – August – Final

HART staff produces Monthly Maintenance Reports for the Board of Directors, showing information for maintenance activities over a one-month period. HART tracks preventative maintenance and work order activities by transit mode and facility maintenance each month. The report is presented at a summary level for the Board of Directors and includes the latest status of scheduled maintenance projects. Examples of maintenance projects may be improvements at HART facilities, installation of bus shelters and amenities, and/or applications for construction permits. The report provides information for the HART Board of Directors to monitor performance of maintenance activities.

**Figure 1-3** provides an excerpt from the Monthly Information Report used to report fleet and facility maintenance activities to the HART Board of Directors each month.

**Figure 1-3**  
**Excerpt from Monthly Information Report**

<b>MONTHLY INFORMATION REPORT</b>		
<i>Maintenance Activities ~ June 2018</i>		
<u>Fleet Maintenance</u>		
<u>Fixed Route</u>		
Total Miles	Preventative Maintenance Completed	Demand Work Orders Completed
724,551	222	366
<u>Facility Maintenance</u>		
<ul style="list-style-type: none"> <li>• Preventative Maintenance Tasks Completed – 69</li> <li>• Demand Work Orders Completed – 131</li> </ul>		
<u>Scheduled Projects</u>		
<ul style="list-style-type: none"> <li>• Annual fire sprinkler inspection for the HART Administrative Office and Streetcar facility.</li> <li>• Quarterly fire sprinkler inspection for the HART Operations facility, including the Preventative Maintenance building.</li> <li>• Apply for the Annual General Use Permit with the City of Tampa.</li> <li>• Pump out trench drains and oil water separators at the HART Operations facility, including the Preventative Maintenance building.</li> </ul>		

Source: Monthly Information Report – Maintenance – August – Final


### **Monthly Financial Report 2018-05**

HART staff produces Monthly Financial Reports for the HART Board of Directors, showing financial status information. The report shows that HART tracks financial status information and highlights key points for the Board of Directors on revenues and expense for the year-to-date compared to the annual budget. The report breaks down operating revenue and expense information with the total from the annual budget and comparison to the year-to-date numbers. The report also tracks monthly cash flow for HART and shows the current cash balances in all accounts the agency manages.

**Figure 1-4** provides an excerpt from the May 2018 Monthly Financial Report included in the July 2018 board packet. The monthly financial reports provide the data necessary for the HART Board of Directors to monitor operating revenues and expenses. Team MJ revealed no issues or concerns about the management reports/data that HART program administrators use to monitor program performance and cost.



Figure 1-4  
Excerpt from Monthly Financial Report



Hillsborough Transit Authority  
Board of Directors Meeting  
July 16, 2018

### All Mode Major Revenues

	Fiscal Year 2018	Fiscal Year 2017					
	Annual Budget	YTD Actual	Budget to Actual	% of Budget collected to date	Annual Budget	YTD Actual	% of Budget collected to date
<b>Operating Revenues:</b>							
Total Fare (Cash) Revenues	\$3,462,602	2,092,583	(\$1,370,019)	60%	\$4,717,010	2,653,470	56%
Total Pass Revenues	10,418,155	6,297,479	(4,120,676)	60%	12,614,728	6,922,662	55%
Advertising Income	828,367	641,751	(186,616)	77%	755,770	591,486	78%
Interest Income	80,000	199,180	119,180	249%	84,466	85,039	101%
Other Income	774,330	456,597	(317,733)	59%	476,683	408,978	86%
Ad Valorem	40,112,746	39,609,935	(502,811)	99%	34,788,573	36,425,466	105%
Federal Operating Grants	11,411,608	454,054	(10,957,554)	4%	12,342,000	435,523	4%
State Operating Grants	5,379,360	2,807,077	(2,572,283)	52%	5,827,256	3,944,490	68%
Local Operating Contributions	650,000	2,834,170	2,184,170	436%	650,000	521,004	80%
Tampa Historic Streetcar, Inc.	633,728	442,439	(191,289)	70%	458,877	445,768	97%
Fund Balance - Operating	(3,183,506)	0	3,183,506	0%	0	0	0%
<b>Total Operating Revenues</b>	<b>\$70,567,390</b>	<b>\$55,835,266</b>	<b>(\$14,732,124)</b>	<b>79%</b>	<b>\$72,715,363</b>	<b>\$52,433,885</b>	<b>72%</b>

### All Mode Major Expenses

	Fiscal Year 2018	Fiscal Year 2017					
	Annual Budget	YTD Actual	Budget to Actual	% of Budget expended to date	Annual Budget	YTD Actual	% of Budget expended to date
<b>Operating Expenses:</b>							
Salaries and Wages	\$36,399,248	\$26,214,511	(\$10,184,737)	72%	\$36,735,562	\$28,013,204	76%
Fringe Benefits	13,059,708	\$9,131,383	(3,928,325)	70%	10,529,491	\$10,062,901	96%
Fuel and Oil	3,324,951	2,557,695	(767,256)	77%	5,199,962	2,552,737	49%
Parts and Supplies	3,504,584	2,775,084	(729,499)	79%	4,720,991	2,581,476	55%
Operational Contract Services	4,925,243	3,663,787	(1,261,456)	74%	4,600,701	3,119,338	68%
Administrative Contract Services	1,612,533	882,079	(730,454)	55%	1,882,290	734,819	39%
Legal Services	690,905	154,318	(536,587)	22%	610,595	185,766	30%
Marketing and Printing	533,935	214,308	(319,627)	40%	691,477	318,124	46%
Insurance Costs	3,447,475	1,938,862	(1,508,613)	56%	3,042,804	1,023,080	34%
Utilities	1,061,145	615,911	(445,234)	58%	1,010,530	699,095	69%
Taxes and Fees	145,351	77,030	(68,321)	53%	229,304	100,201	44%
Other Expenses	2,007,663	1,296,567	(711,097)	65%	3,461,656	2,352,640	68%
<b>Total Operating Expenses</b>	<b>\$70,567,390</b>	<b>\$49,521,536</b>	<b>(\$21,045,854)</b>	<b>70%</b>	<b>\$72,715,363</b>	<b>\$51,743,383</b>	<b>71%</b>

Source: Monthly Financial Report 2018-05

**Subtask 1.2 – Determine whether HART periodically evaluates transit services using performance information and other reasonable criteria to assess program performance and cost.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Presentation of Key Performance Indicators (KPI); and
- Consolidated Departmental Expense Report, June 2018.

**Presentation of Key Performance Indicators**

HART staff created a presentation for the Board of Directors on proposed KPIs for the 2017 fiscal year. The report shows the KPI categories and targets for the fiscal year used by HART to monitor transit performance. The six (6) KPI categories are: 1) ridership productivity, 2) efficiency, 3) safety, 4) quality of service, 5) on-time performance, and 6) finance. Each KPI has a set target for the upcoming fiscal year. The presentation also included comparisons of annual measurements to peers for many of the KPIs.

The presentation demonstrates that HART staff develops KPIs and appropriate targets to measure and monitor performance with involvement of the Board of Directors. The HART staff reports the KPI measurements and the comparisons to target each month to the Board of Directors and also posts on the HART website (<http://www.gohart.org/Pages/AboutUS-KPI.aspx>).

**Consolidated Departmental Expense Report, June 2018**

The HART finance staff prepares a monthly Consolidated Departmental Expense Report in a spreadsheet workbook showing year-to-date budgeted versus actual expenses by department and by general ledger (GL) account line item. The spreadsheet report has detailed financial information and calculates variances from the budget for each expense line item. The report shows the previous completed fiscal year variance as well as the year-to-date budget variance. The financial information is broken down by division within HART and by every GL account in the budget. The report also calculates the grand totals in budgeted and actual expenses and includes depreciation expense. Each month, a department-by-department report is sent to each division chief (see Subtask 2.1), and to the chief administrator. Monthly financial reports are also posted to the HART website (<http://www.gohart.org/Pages/trans-fin-reports.aspx>). Team MJ concludes that the consolidated departmental expense report is reasonable to assess program cost.

Team MJ review revealed that HART administrators evaluate transit services using KPIs and monthly detailed department expense reports to assess cost. Program administrators report this data to the HART Board of Directors monthly. Our work revealed no issues or concerns about the management reports used to assess HART performance and cost.

### **Subtask 1.3 – Review findings and recommendations included in any relevant internal or external HART reports on program performance and cost.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- HyperLINK Ridership;
- Overtime (OT) Report 1.1.2018- 8.3.2018; and
- Customer Choice Monthly Ridership.

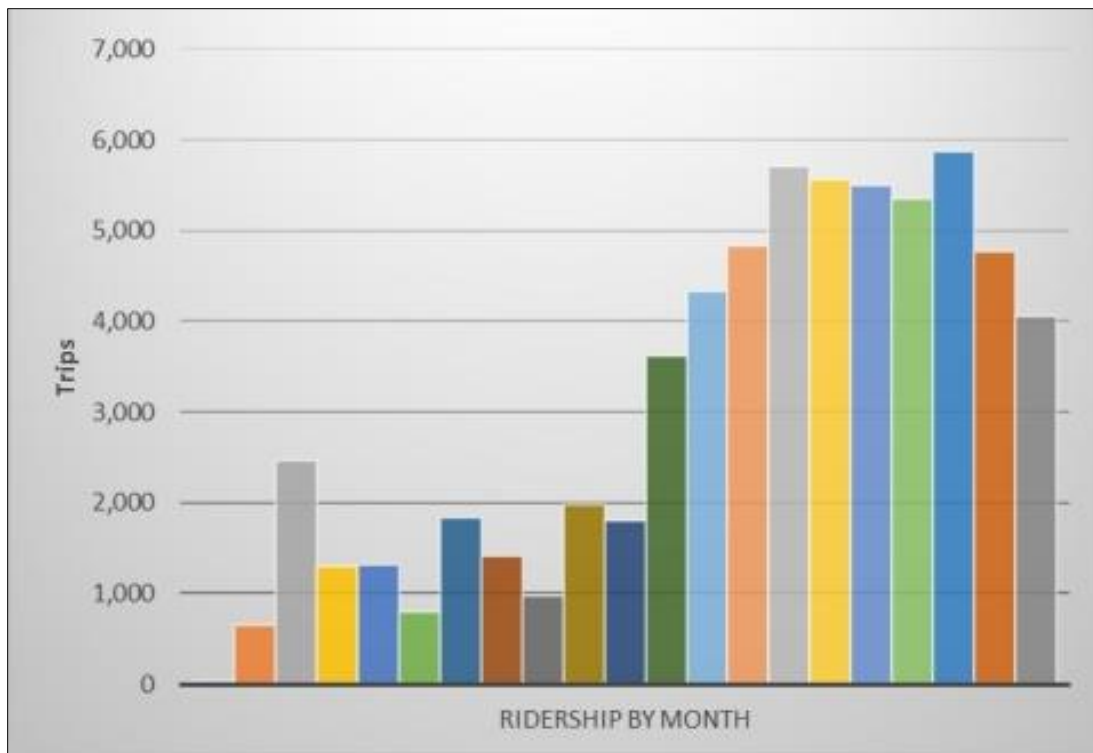
#### **HyperLINK Ridership**

HART launched an innovative project known as HyperLINK as a first mile/last mile solution in targeted areas (zones) in the county. HyperLINK extends the reach of the transit system by providing a rideshare option for the critical first and last mile connections to transit. The app-based, on-demand service was the first transit-sponsored rideshare program in the nation. HART selected Transdev North America to operate HyperLINK. Passengers booked on-demand rides through the HART HyperLINK smartphone app or through a call center. Riders paid \$1.00 fare for a link to a transit service and a \$3.00 fare for point-to-point service within a zone. Passengers could pay the fare with cash or credit card. The Florida DOT and HART subsidized the pilot program. The cost of the program was reasonable during the pilot program; however, when HART solicited prices to continue the program, it was deemed unsustainable due to the high cost for a private provider.

HART staff produced a spreadsheet showing monthly ridership and invoice amounts for the HyperLINK service. The spreadsheet is an example of how HART monitored monthly passenger trip demand and cost for a particular service. HART administrative staff used the information in the spreadsheet to make planning decisions about the service.

**Figure 1-5** provides information from the HyperLINK report on monthly ridership from November 2016 through July 2018. Although the popularity of the program is demonstrated in the chart, HART made the decision to terminate HyperLINK on July 31, 2018 due to the cost of the service.

**Figure 1-5  
HyperLINK Ridership**



Source: Copy of HyperLINK Ridership

### **Overtime (OT) Report 1.1.2018- 8.3.2018**

HART staff produces a spreadsheet report tracking overtime pay to HART employees. The spreadsheet has the date and payment amount of overtime for each check paid to HART employees over the 2018 calendar year-to-date. The spreadsheet calculates the amount of overtime owed to each employee based on the respective wage rate and the amount of overtime worked. HART administrative staff uses the information in the spreadsheet to monitor costs of service. The monthly *OT Report* is adequate to measure the hours and cost of overtime by individual and by department.

### **Customer Choice Monthly Ridership**

HART sponsors a taxi-voucher program known as Customer Choice in partnership with Yellow Cab of Tampa Bay and United Cab of Tampa. Riders that are eligible under the Americans with Disabilities Act for the HARTPlus paratransit service may schedule a same day trip with one of the taxi partners. HART pays up to \$16.00 per trip and the eligible rider pays the remainder of the taxi fare.

HART staff produces a spreadsheet report showing monthly passenger trips, wheelchair customers, and cost for Yellow Cab or United Cab service. The spreadsheet report is an example of HART monitoring passenger trip demand and cost information for a mode of service. In addition to showing monthly trip and cost data, the spreadsheet also calculates the amount of



cost savings the service has generated for HART using a cost measure of \$28.00 per trip if the same trip was performed by HARTPlus paratransit. HART staff uses the information in the spreadsheet to monitor performance and cost of the program.

Team MJ's work revealed no issues or concerns related to findings and recommendations included in relevant internal or external reports on performance and cost for HART transit services and projects.

**Subtask 1.4 – Determine whether HART program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- Fiscal Year 2017 Adopted Operating and Capital Budget;
- City of Tampa Impact Fee 5-Year Plan 2019-2023 6.7.18;
- RFP-30249C Intelligent Transportation System (ITS) Consultant Services; and
- 07-16-2018 Regular Board of Directors Meeting Packet – AMENDED.

**Fiscal Year 2017 Adopted Operating and Capital Budget**

HART staff drafts and the Board of Directors adopts the Operating and Capital Budget each fiscal year. The budget document is available to the public on HART's website (<http://www.gohart.org/Pages/trans-budget.aspx>).

Each department submits the budget needs for the upcoming fiscal year to the Finance Division. The Finance Division reviews the budget information and the needs justification and then rolls up the information by division (Executive, Operating, Finance, and Administrative; see Subtask 2.1). Throughout the fiscal year, the budgets by division and department are tracked via monthly reports (see Subtask 1.5).

The annual budget document is separated into sections for the Operating Budget and Capital Budget. Each section includes a historical perspective of previous budgets and snapshots of revenue sources and expenditure types. The operating budget section includes goals for investment in community, employees, and in the HART organization; each with specific measurable targets for the fiscal year to address any deficiencies in program performance and/or cost. The capital budget section includes project detail sheets for the Capital Improvement Plan (CIP). The project detail sheets from the CIP have specific amounts of program funding appropriated for each coming fiscal year. This document is an example of one fiscal year's budget. HART prepares a new budget for each fiscal year, discusses rationale and funding strategy for the project, and assesses any operating budget impacts from the projects.

### **City of Tampa Impact Fee 5-Year Plan 2019-2023 WIP 6.7.18**

HART staff produces a spreadsheet workbook showing the projected impact and multi-modal fees for HART projects. The workbook calculates a summary table of the projected fees as a revenue source for HART projects and the percentage of project costs in the CIP to be funded by impact fees over a five-year period. The workbook also contains a tab with the calculations for each year and has a breakdown of the fees originating from each of six geographical districts.

The City of Tampa Impact Fee 5-Year Plan specifically ties to the CIP projects by including descriptions and costs of the CIP projects that impact fees will partially fund. The workbook calculates the percent of project costs that will be paid from projected impact fees that HART will receive over the next five fiscal years. The City of Tampa Impact Fee 5-Year Plan provides the information and data needed by fiscal year and by district to estimate the impact fees that will accrue for HART projects. With this information, HART staff can take reasonable and timely actions to secure additional funding as may be required.

### **RFP-30249C ITS Consultant Services**

HART staff issued an RFP April 25, 2018 to request the services of a consultant to conduct an ITS needs assessment. The needs assessment will provide HART with information to develop an ITS strategic plan.

HART developed the RFP as an action to address deficiencies in program performance in the service technologies. The RFP states detailed requirements and a scope of work for the consultant to fulfill in order to address those deficiencies. The RFP for ITS Consultant Services is a reasonable and timely action to address a deficiency and develop a strategic plan for technology.

### **07-16-2018 Regular Board of Directors Meeting Packet – AMENDED**

HART staff produces a packet of reports for regular HART Board of Directors meetings. The board packet includes key reports for the Board of Directors to examine monthly ridership, financial, maintenance, and KPI status and progress. The board packet begins with an agenda for the entire meeting, which lists the status and monthly information reports within the packet. The board packet also includes minutes from the previous board meeting showing discussions between board members and HART program administrators on program performance and actions to be taken to address any deficiencies. In the minutes from the previous board meeting on June 2018, there is documentation of requests to monitor performance of new route, breakouts of budget information for paratransit service, and consultant assistance to analyze data from Mission MAX.

The meeting minutes show that HART program administrators are responsive for actions requested by the HART Board of Directors to monitor program performance and address any deficiencies.

Team MJ's review revealed no issues or concerns related to whether HART program administrators take reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.

**Subtask 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purposes of which are described below:

- Fiscal Year 2018 Grant Proposal Submission; and
- Finance Division Departmental Expense Report (FIN) June 2018.

**Fiscal Year 2018 Grant Proposal Submission**

HART staff produced a report providing an overview of HART's grant submissions in Fiscal Year 2018 for four Federal Transit Administration (FTA) programs. Each grant proposal has a description of the project scope and supported activities, along with a table for the total project budget including a project cost estimate, amount of federal money requested, and local match required for the grant. The budgeted costs of the projects supported by the FTA grant submissions appear to be reasonable for the activities described which include bus purchases and infrastructure investments. The portions of local match sources are also accurate given the grant program requirements.

**Figure 1-6** provides an excerpt of project information in the grant proposal submission. The report is adequate documentation of the active grants for scope, budget, grant request, and local match required for the HART budget.

**Figure 1-6**  
**Excerpts from the Grant Proposal Submission**

<b>2. Marion Transit Center (MTC) Facility Project</b>			
HART has submitted an application to FTA for demolition and construction work at Marion Transit Center facility for the purpose of reconstructing bus bays, parking spaces, driveways, pedestrian walkways and related infrastructure that is in critical disrepair or non-compliant with ADA. The project will make the facility ADA compliant, repair damaged infrastructure and address stormwater management issues that are resulting in temporary flooding during normal rain events. This project remains part of our unfunded projects program and HART is actively pursuing grant opportunities for the project through FTA's Bus/Bus Facility Grant Program. This is a critical needs project because the MTC serves as our central terminal for HART's service routes and the continued degradation to the facility will result in service disruptions and unnecessary wear and tear on HART's fleet.			
<b>PROJECT BUDGET</b>			
Description	Cost Estimates	Federal Request	Local Match Required
*Infrastructure demolition *Infrastructure construction *Restoration of and improvement to stormwater system	\$ 796,878	\$664,065	\$132,813

Source: Fiscal Year 2018 Grant Proposal Submission

### **Finance Division Departmental Expense Report (FIN) June 2018**

HART staff produces monthly expense report spreadsheets for each agency division. The spreadsheet report tab shows the budgeted and actual expenses for each function of the agency division, both for the previous fiscal year and the current fiscal year-to-date. The spreadsheet also calculates the percentage of actual expenses compared to the budgeted expenses for that period. Additionally, the GL Account tab does the same data calculations for every GL source code in the agency division.

The workbook is a detailed financial report for HART division heads to examine expenses and determine reasonableness of their costs. The monthly financial reports are sent to the appropriate department directors each month to show the status of actual budget spent by the division. The comparisons of the previous fiscal year and the current fiscal year-to-date provide important perspectives of performance. Team MJ concludes that the expense report spreadsheets are adequate to monitor program performance and cost and are based on reasonable measures.

**Subtask 1.6 – Evaluate a sample of project progress reports to confirm current program efforts were of reasonable cost and completed well, on time, and within budget.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- 20180810 Portfolio of Organizational Project Updates; and
- Fiscal Year 2018 Q3 MPR FL-04-0167-01.

**20180810 Portfolio of Organizational Project Updates**

The document is a collection of project updates from HART's Project Management Office. A one-page summary within the document shows each project. The one-page summary has information on the project status along with project funding remaining, percent complete, and original versus actual schedule. The project update information shows how HART evaluates performance of each project through adherence to the project schedule and budget. Team MJ concludes that the Project Management Office portfolio is adequate to confirm current program efforts were of reasonable cost and completed well, on time, and within budget.

**Fiscal Year 2018 Q3 MPR FL-04-0167-01**

HART prepares quarterly reports for projects supported by FTA grant funding over \$2 million. This quarterly report example from Quarter 3 of Fiscal Year 2018 is for a FTA Section 5309 State of Good Repair award for a heavy maintenance building. The report states the award status, date created, and last update for the project. Progress on project milestones is included in the report for each quarter over the running history of the project, and the report includes all previous updates in the timeline. Milestones include written descriptions on the project status, the date of the remark, and grant funding used along with descriptions of the purchases made.

**Figure 1-7** provides an excerpt of a project milestone update in the quarterly report example. Team MJ concludes that the quarterly reports are adequate to confirm current program efforts were of reasonable cost and completed well, on time, and within budget.



Figure 1-7  
Project Milestone Update in Quarterly Report

**Milestone Details**

Budget Activity Line Item: 11.42.06 - ACQUIRE - SHOP EQUIPMENT				
Line Item Description: These funds will be used to purchase a <u>back up</u> emergency power generator to provide power for fueling systems, maintenance and repair operations during loss of power. Useful life: 5 years; method used - grantee experience.				
Line Item #	Scope Name / Code	Custom Item Name	Activity	Quantity
11.42.06	BUS: SUPPORT EQUIP AND FACILITIES (114-00)	ACQUIRE - SHOP EQUIPMENT	ACQUIRE - SHOP EQUIPMENT	0
Funding Source		Section of Statute	CFDA Number	Amount
49 USC 5309 - Bus and Bus Facilities (FY2006 forward)		5309-2	20500	\$300,000
Non-FTA Amount				\$0
Total Eligible Cost				\$300,000
Adjustment Amount				\$0
Gross Award Cost				\$300,000
Milestone Name: RFP/IFB Issued				
Milestone Description: RFP/IFB Issued				
Revision#	Estimated Completion Date	Revised Completion Date	Actual Completion Date	Milestone Progress Remarks
16	9/25/2014		10/9/2015	

Source: Fiscal Year 2018 Q3 MPR FL-04-0167-01

**Subtask 1.7 – Determine whether the HART has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- 2016-09 Procurement Manual; and
- Copy of Transit Asset Management Project Budget Tracking.

### **2016-09 Procurement Manual**

HART staff created the procurement manual currently used by the agency. The document includes sections for general provisions in procurement, source section and contract information, cost principles, intergovernmental relations, and others. State purposes of the manual include fostering effective, broad-based, full, and open competition, obtaining services needed by HART in a cost-effective manner, and impartiality in all phases of procurement and processing. The manual outlines steps for conducting invitations for bids, multi-step sealed bidding, proposals, small purchases, and other procurement types.

The procurement manual establishes detailed policies and procedures for competitive procurements and discusses techniques for analyzing price and costs in procurement bids. The manual also discusses how HART can participate in cooperative purchasing and/or joint procurement agreements when it may be economically advantageous. HART administrators for legal services and procurement stated the procurement manual is consistent with the federal procurement regulations and Florida law. HART administrators stated an updated procurement manual will be presented to the HART Board of Directors for approval as Board Policy in November 2018. The update will include all recent changes in federal or state procurement requirements and address any recent audit findings.

### **Copy of Transit Asset Management Project Budget Tracking Notebook**

HART staff produces a workbook to track the expenses of the HART Transit Asset Management Project. The workbook provides an overview of the total project budget, expenditures to date, and budget remaining. The workbook also tracks individual invoice amounts already billed to the project, which add up the total expenditures. The project budget-tracking workbook is an example of HART using established practices to track project expenses and remain within budget. The workbook includes milestones of the project with the number of hours worked by staff and total costs for the work completed. The process of the tracking workbook allows HART to be consistent and on budget in major projects. Team MJ concludes that the Transit Asset Management Project Budget Tracking Workbook is adequate for establishing written policies and procedures.

## RESEARCH TASK 2

**The structure or design of the program to accomplish its goals and objectives.**

**Finding Summary – Overall, HART meets Task 2. The HART organizational structure has clearly defined units that minimize overlapping functions and excessive administrative layers. HART uses reasonable procedures to determine staffing levels given the level of transit services operated. The administrative layers result in a low ratio of administrative staff to operational employees for each department.**

### SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

#### SUBTASK 2-1

Our work found that the HART organizational structure has clearly defined units; minimizes overlapping functions and excessive administrative layers; and has lines of authority that minimize administrative costs while also complying with required independence of functions for equal employment opportunity, compliance, and safety.

#### SUBTASK 2-2

HART uses reasonable procedures to determine staffing levels given the level of transit services operated.

### ANALYSIS RESULTS & CONCLUSION

**Subtask 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

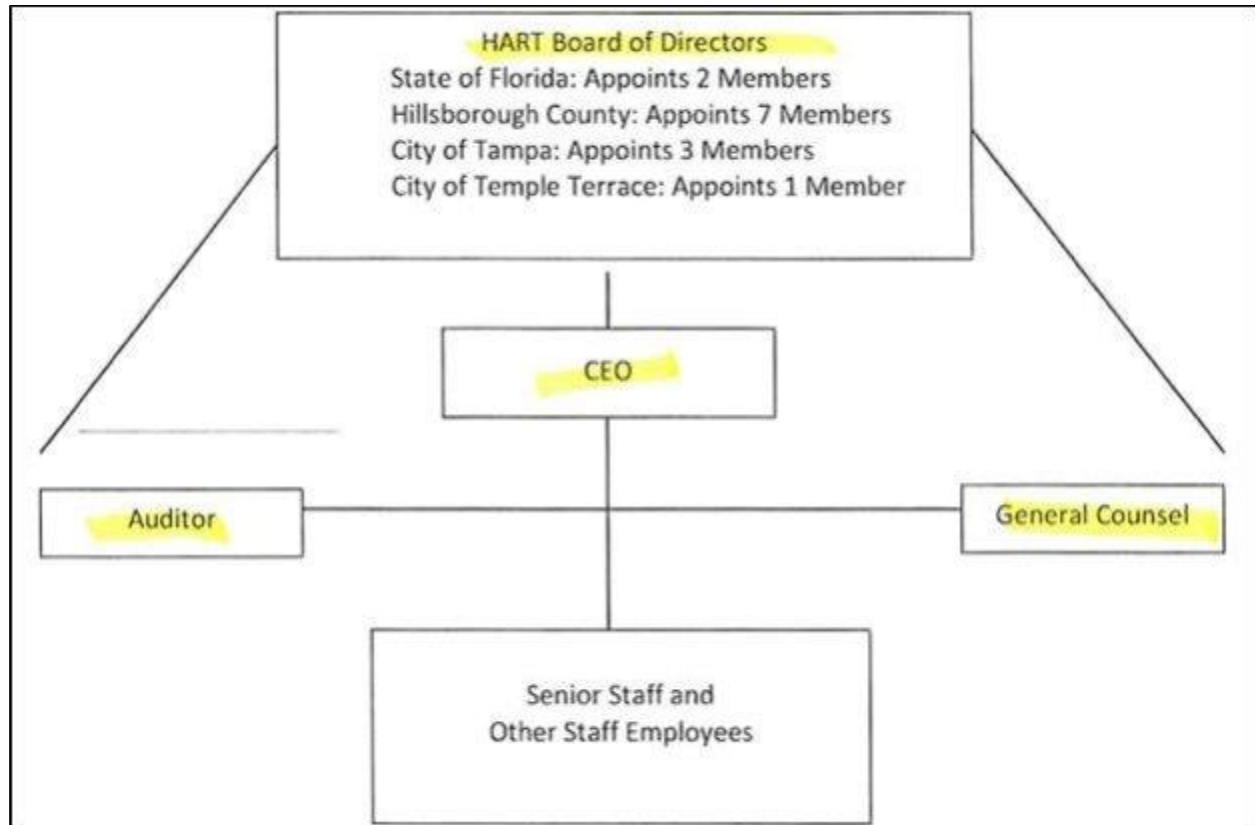
- HART Policy Manual, 100: HART Organization;
  - 120.04 Organizational Chart;
  - 140.03 General Counsel;
  - 140.04 Auditor; and
- HART Organizational Chart, August 2018.



**HART Policy Manual, 100: HART Organization**

Policy 120.04 in the HART Policy Manual, illustrates the organization of the HART Board of Directors, Chief Executive Officer (CEO), and senior staff, effective August 3, 2015. **Figure 2-1** is an excerpt from the policy manual.

**Figure 2-1  
General Organization of HART**



Source: HART Policy Manual

A 13-member Board of Directors governs HART. The Board of Directors consists of two members appointed by the Governor of the State of Florida, seven members appointed by the Hillsborough Board of County Commissioners, three members appointed by the City of Tampa, one member appointed by the City of Temple Terrace. The Board of Directors makes policy decisions, designates management, influences operations, and maintains fiscal responsibility for HART.

The HART Board of Directors employs an executive administrator (Chief Executive Officer or CEO) to serve at the pleasure of the Board. In November 2017, the HART CEO accepted a similar position with another transit authority. The HART Board of Directors named the Chief Financial Officer as the Interim CEO. As of August 2018, the Interim CEO leads HART. The Board of Directors authorized a national search to identify candidates for the next HART CEO. The Interim CEO stated he is not a candidate for the permanent position. The position of Chief

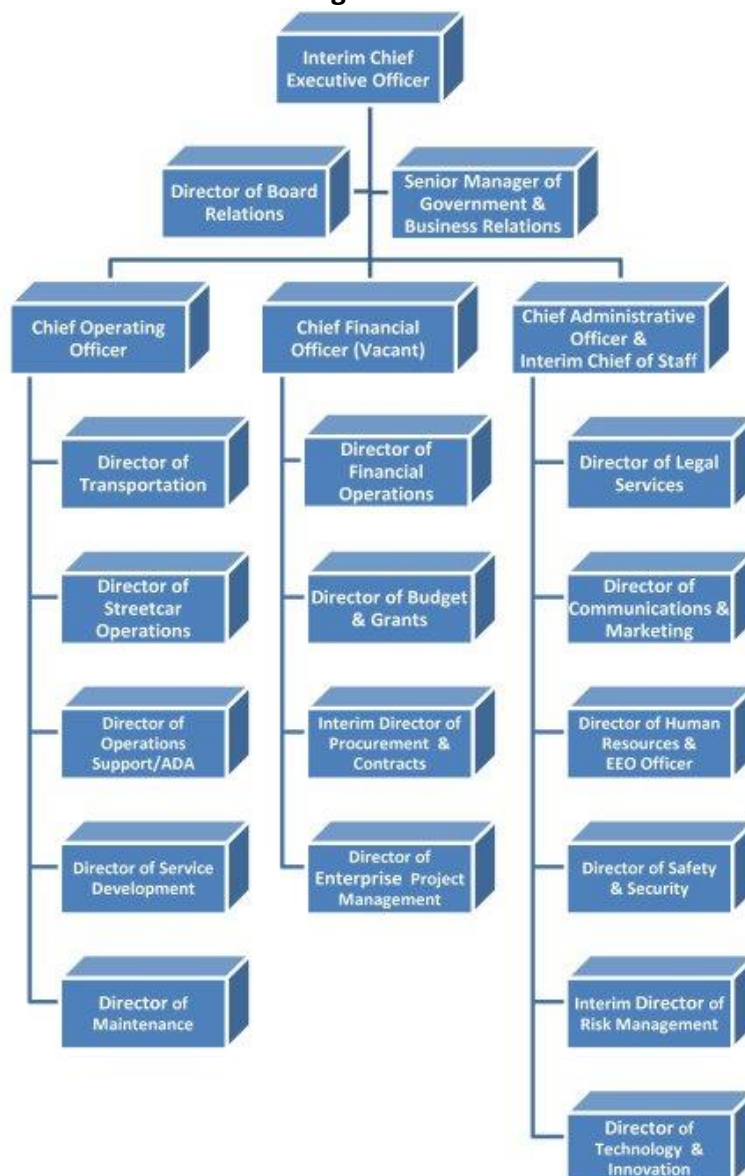
Financial Officer is vacant pending reassignment of the Interim CEO to his former position. The interim CEO fills the responsibilities of the Chief Financial Officer.

The Board of Directors selects an external General Counsel to advise on legal matters, and an independent Certified Public Accountant to annually audit the financial statements of HART.

**HART Organizational Chart, August 2018**

The CEO may employ such employees as necessary for the proper administration of the duties and functions of the Authority. As illustrated in **Figure 2-2**, the current organization includes three officers that report to the CEO: the chief operating officer, the chief financial officer (currently vacant), and the chief administrative officer.

**Figure 2-2  
HART Organization Chart**



Source: HART, August 14, 2018. Organization Chart formatted by Team MJ for report.

The Operating Division is responsible for providing daily services for bus, paratransit, and streetcar; maintaining transit vehicles; and maintaining the facilities (operations and maintenance facilities, passenger facilities, and fixed guideways). The Operating Division includes five departments:

- Transportation;
- Streetcar Operations;
- Operations Support and Americans with Disabilities Act Officer;
- Service Development; and
- Maintenance.

The Finance Division is responsible for financial management of all revenues and expenses for the operating and capital budgets. The Finance Division includes four departments:

- Financial Operations;
- Budget and Grants;
- Procurement and Contracts; and
- Enterprise Project Management;

The Chief of Administrative Officer currently also serves as the Interim Chief of Staff. The responsibilities of the Administrative Division include providing support to the operations and finance divisions and promoting HART transit services. The Administrative Division includes six departments:

- Legal Services;
- Communications and Marketing;
- Human Resources;
- Safety;
- Risk Management; and
- Technology and Innovation.

The Director of Human Resources has specific duties as the Equal Employment Opportunity Officer that report to the CEO. The Director of Safety also has a direct reporting responsibility to the CEO to ensure independence for reporting concerns for the safety function.

### **Analysis**

Team MJ reviewed the HART organization charts, interviewed division executives and department directors, analyzed the HART staffing plan by job title, and considered industry knowledge and experience to assess if the authority has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

As illustrated in **Figure 2-2**, HART is organized into divisions by function: operating, finance, and administrative. An executive (chief) leads each division. The divisions are comprised of departments according to the responsibilities of each division. A director leads each department. Managers (one to three per department) are responsible for day-to-day operations. In the Operations Division, supervisors lead the employees that operate and maintain HART vehicles and facilities.

**Figure 2-3** documents the HART organizational structure according to the number of employees by role and by department.

**Figure 2-3**  
**HART Staffing by Administrative Layer**

Positions Filled 8-10-18		Non-Bargaining					Bargaining				
Division/Department		Executive	Director	Manager	Admin	Technical/ Professional/ Sales	Supervisors/ Dispatchers	Operators/ Motormen	Mechanics/ Technicians	Service/ Facility Attendants	Customer Rep/ Inventory
<b>Executive Division</b>											
	Chief Executive Officer	1	1	1	2						
<b>Operations Division</b>											
	Chief Operating Officer	1			1						
	Transportation		1	3	1		33	371.5			
	Streetcar		1				1	10	6	2	
	Operations Support		1	2	3	3		72			12
	Service Development		1	2		8					
	Maintenance		1	3		2	13		62	40	
<b>Finance Division</b>											
	Chief Financial Officer	Vacant			1						
	Financial Operations		1	3	2	12					
	Budget & Grants		1	1		2					
	Procurement & Contracts		Interim	Vacant		6	2				8
	Project Management		1			3					
<b>Administrative Division</b>											
	Chief Administrative Officer	1			1						
	Legal Services		1		2	2					
	Communications & Marketing		1	1	1	6					
	Human Resources		1	1	1	7					
	Safety & Security		1	1	1	4					
	Risk Management			1	1	2					
	Technology & Innovation		1	2	2	8					
<b>TOTAL HART EMPLOYEES</b>		<b>3</b>	<b>14</b>	<b>21</b>	<b>19</b>	<b>65</b>	<b>49</b>	<b>453.5</b>	<b>68</b>	<b>42</b>	<b>20</b>
		<b>122</b>					<b>632.5</b>				

Source: Data Worksheet FTE 8-10-18 Vacancies, HART Human Resources

Of the 122 non-bargaining HART employees as of August 10, 2018, three are executives, 14 are directors, and 21 are managers. The remaining non-bargaining positions include 65 in professional (accountants and attorneys) or technical (planners, analysts, etc.) positions, and 19 in administrative positions. The span of control for managers ranges from one to eight, and the average span of control is four. There are 10 inventory control personnel in the Procurement and Contracts Department.

In the departments of the Operations Division, 47 supervisors lead 443.5 operators, 10 motormen, 68 mechanics/technicians, and 42 attendants. In the Transportation Department, the ratio of supervisor to operators (fixed, flex, and paratransit operators) is 1:13. In the Streetcar Department the ratio of supervisor to motormen is 1:10. In the Maintenance Department, the ratio of supervisor to mechanics/ technicians or supervisor to service attendant is 1:8. There are 12 customer service representatives in the Operations Support Department, reporting to a manager.

Based on the analysis of the organization charts and staffing plan, Team MJ concludes that the HART organizational structure has clearly defined units and the functions do not overlap. There are three administrative layers in the Finance and Administrative Divisions and four administrative layers in the Operations Division. Team MJ concludes the administrative layers result in a low ratio of administrative staff to operational employees for each department according to the function and number of personnel, as demonstrated in **Figure 2-3** above. The lines of authority limit administrative staff while also complying with required independence of functions for equal employment opportunity, compliance, and safety.

**Subtask 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Data worksheet, Full-Time Equivalent (FTE) 8-10-18 Vacancies; and
- Proposed October 2018 Run Cut - Operator Positions Required.

**Data Worksheet, FTE 8-10-18 Vacancies**

The worksheet identifies the HART FTE positions by department and further identifies the following information for every FTE:

- Department;
- Employment class (bargaining or non-bargaining);
- Employee identification number;
- Employee name;
- Hire date;
- Job title;
- FTE Hourly rate (if applicable); and
- Annual salary.

By analyzing the data worksheet “FTE 8-10-18 Vacancies”, Team MJ identified there are 754.5 filled FTE positions. Of the filled FTE positions, 584.5 FTE are represented by the Amalgamated Transit Union, 48 FTE supervisors are represented by the Teamsters, and 122 FTE are in non-bargaining positions. There were also 56.5 FTE positions vacant, including 30 bus/paratransit operators or streetcar motormen, nine (9) mechanics or maintenance attendants, and one (1) customer service representative. There were 16.5 non-bargaining administrative positions vacant as of August 10, 2018. **Figure 2-4** shows the filled positions and vacant positions by division and department.

**Figure 2-4**  
**HART Staffing as of August 10, 2018**

	Positions Filled 8-10-18			Vacant Positions 8-10-18	
	Total FTE Filled	Non Bargaining	Bargaining	Non Bargaining	Bargaining
<b>Executive Division</b>	<b>5</b>	<b>5</b>		<b>1</b>	<b>0</b>
<b>Operations Division</b>	<b>656.5</b>	<b>34</b>	<b>622.5</b>	<b>3</b>	<b>40</b>
Chief Operating Officer	2	2		1	
Transportation	409.5	5	404.5	1	23
Streetcar	20	1	19		5
Ops Support/ADA	93	9	84		4
Service Development	11	11			
Maintenance	121	6	115	1	8
<b>Finance Division</b>	<b>43</b>	<b>33</b>	<b>10</b>	<b>5</b>	<b>0</b>
Chief Financial Officer	1	1			
Financial Operations	18	18			
Budgets and Grants	4	4			
Procurement and Contracts	16	6	10	4	
Enterprise Project Management	4	4		1	
<b>Administrative Division</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>7.5</b>	
Chief Administrative Officer	2	2			
Legal Services	5	5		1	
Communications and Marketing	9	9		1	
Human Resources	10	10		3	
Safety	7	7		0.5	
Risk Management	4	4		1	
Technology and Innovation	13	13		1	
<b>TOTAL HART EMPLOYEES</b>	<b>754.5</b>	<b>122</b>	<b>632.5</b>	<b>16.5</b>	<b>40</b>

Source: Data Worksheet FTE 8-10-18 Vacancies, HART Human Resources

The FTE counts reflect the appropriate staffing for the HART transit services provided.

### **Spreadsheet for Proposed October 2018 Run Cut - Operator Positions Required**

A “run” is a bus operator assignment and a “run cut” is a schedule of all bus operator runs. HART uses the run cut spreadsheet to determine the number of operators needed for scheduled service.

The interim CEO said the most difficult staffing problem that HART faces is to identify qualified vehicle operators for bus and paratransit services. Candidates must pass a U.S. Department of Transportation required physical and pass U.S. Department of Transportation prescribed drug and alcohol tests. Operators who will drive any vehicle with more than 15 passengers must have a commercial driver’s license (CDL) with passenger endorsement. HART Human Resources has found that is difficult to recruit applicants that already have a CDL, and many applicants do not pass the physical and/or the drug and alcohol tests. This is not unique to HART, most transit systems and school districts across the country find it more and more difficult to identify qualified applicants for operator positions.

HART has addressed the problem by offering training classes more frequently (so that a candidate does not have to wait weeks for training to start) and adding CDL training to the curriculum. This makes it possible to recruit applicants that do not have the required license. HART is researching if raising the starting hourly wage could help recruitment, and is also considering hiring van operators without a CDL who would be restricted to driving smaller paratransit vehicles.

HART plans service enhancements for route performance for October 2018. **Figure 2-5** shows the calculations prepared by the Service Development to determine how many bus operators are required for the service. The calculations start with the number of bus operator assignments (called “runs”) required to provide the level of service planned. In addition to operators assigned to bus runs, HART will also require additional operators (called the “extraboard”) to substitute when a scheduled operator is out due to illness or personal leave. Service Development estimated three targets for the extraboard:

- Large enough to avoid any overtime – 395 bus operators;
- “Ideal” extraboard with some overtime – 378 bus operators; and
- Excessive overtime (worst-case scenario) – 359 bus operators.

**Figure 2-5** shows calculations for current FTE, expected attrition based on historical data, anticipated new hires for training classes underway, and the additional operators needed according to the goals for the extraboard. Through the analysis illustrated in **Figure 2-5**, HART knows the goal for the ideal number of operators to achieve the most efficient schedule. However, since HART has challenges recruiting and retaining qualified operators, the analysis calculates and documents in advance the financial risk for additional overtime pay if the number of qualified operators falls short of the ideal roster.



**Figure 2-5**  
**Proposed October 2018 Run Cut – Operator Positions Required**

Proposed:

October 2018 Run Cut					20%	
	Runs		Hours	Avg Run Hrs	XB Needed Per Day	
Weekday Runs	239	Weekday	2207.38	9.2	48	Weekday
Saturday Runs	139	Saturday	1225.5	8.8	28	Saturday
Sunday Runs	128	Sunday	1121.35	8.8	26	Sunday
Total Pieces	1462	Total Hours	13383.75		292	
Full Time Pieces	1437					
Part Time Pieces	25	Avg Roster Hrs	44.70			
Projected Rosters	299				58	XB Slots
Total Bids	358	Total Operator Weekly Pay Hours			Scheduled OT	
			15722.95		1407.75	
Input #'s		Average Hours	43.93			
Do Not Enter						

Bus Operator Status:

FTE

FT	336	337
PT	12	5
Total:	348	342
Projected Attrition	9	
Projected No Bids	6	
Training Class 1	5	
Training Class 2	19	
Projected for October '18	357	
Needs for October '18	1	
Budgetted FTE	395	
+/- from Budget	-38	
Ideal # of Rostered Work	378	
+/- from Goal Rostered Work	-21	
Worst Case Scenario Staffing	359	
+/- from Rostered Work	-2	

KPI:

No Overtime

Ideal Overtime

Excessive Overtime

Source: HART Service Development, August 10, 2018



## RESEARCH TASK 3

### **Alternative methods of providing services or products.**

**Finding Summary – Overall, HART partially meets Task 3. HART conducted a comprehensive operations analysis in 2017 to improve efficiencies and reduce costs. The outcome of the comprehensive operations analysis was a more efficient route structure, removal of redundant service, and elimination of under-performing routes. HART program administrators have pursued opportunities for alternative service delivery methods and technology innovations to reduce costs and improve service. However, HART staff has not evaluated existing bus or paratransit services to determine if contracted or privatized services could improve effectiveness or save costs without significantly affecting the quality of services.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results Section below for details regarding these conclusions.

#### **SUBTASK 3-1**

Our work revealed HART program administrators evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services and documented reasonable conclusions in the 2018 Transit Development Plan.

#### **SUBTASK 3-2**

Our work revealed that HART program administrators have not formally evaluated existing bus, paratransit, or streetcar service to determine if outside contracting or privatization could improve effectiveness or save costs. HART did evaluate the (fare) count room function and decided to outsource that responsibility to save cost.

**Criteria:** Subtask 3.2 – Not Met

**Condition:** HART has not evaluated if contracted and/or privatized services for existing bus or paratransit could improve effectiveness or reduce cost. HART has the ability to develop the methodology and criteria to assess if contracted or privatized services can improve the cost effectiveness of current directly operated transit services.

Studies or assessments conducted by the agency have focused on the feasibility of collaborating with private companies for new services/technologies rather than possible contracting of transit services.

**Cause:** An interview with the HART Interim CEO confirmed the agency has not assessed contracted or privatized existing transit services. Outside legal counsel has identified possible

legal and labor concerns that should be considered if HART evaluates contracting existing directly operated services.

Tampa Historic Streetcar, Inc. (THS) manages the TECO line Streetcar System. This not-for-profit corporation was created by interlocal agreement between the City of Tampa and HART. THS retained HART to provide day-to-day operations and maintenance of the system. Any other contracting arrangement would be the decision of THS.

**Effect:** HART cannot assess if contracted and/or privatized services could increase effectiveness and reduce costs for bus or paratransit.

### **RECOMMENDATION 3-2**

**HART should develop a methodology and criteria to assess if contracted or privatized services can improve the effectiveness or reduce the cost of directly operated transit services. Legal or labor constraints should be considerations in the evaluation.**

### **SUBTASK 3-3**

Our work revealed HART program administrators made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.

### **SUBTASK 3-4**

Our work revealed HART program administrators are evaluating the feasibility of collaboration with private companies for new services and technologies with the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other transit authorities, etc.).

## **ANALYSIS RESULTS & CONCLUSION**

**Subtask 3.1 – Determine whether HART program administrators have 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 determine the reasonableness of their conclusions.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Fiscal Year 2018 HART Transit Development Plan (TDP) – Final Report; and
- Bus Rapid Transit (BRT) Audit Clarification.

### **Fiscal Year 2018 HART TDP – Final Report**

HART's most recent TDP is a 10-year plan for Fiscal Years 2018 through 2027. The final report on the TDP was published in September 2017. The report provides established baseline conditions of the system and demand for service and conducts a performance review of the system along with capital projects for the next 10 fiscal years. The key findings of public outreach for creating the TDP found that public workshop participants agreed with improving

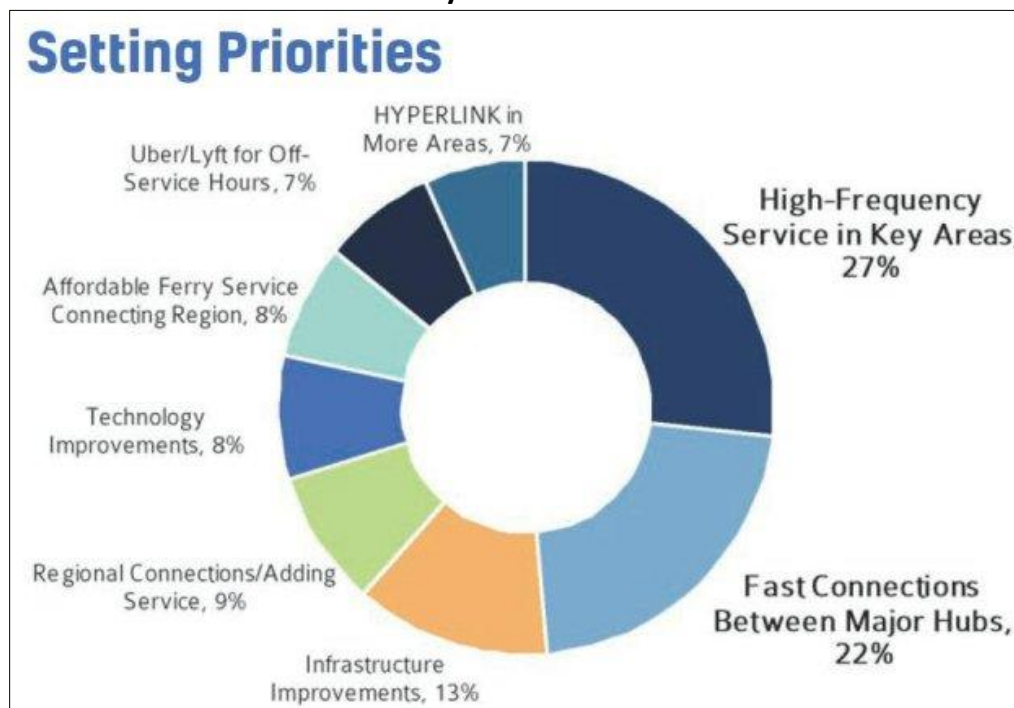
service frequency over increasing geographic coverage, along with key priorities of connections to major hubs, HyperLINK service in additional areas, and using Uber/Lyft for off-service hours. The plan highlights service needs over the next ten (10) years, including:

- High-frequency core network;
- Enhanced connectivity between major hubs;
- Alternatives to traditional bus outside of the core;
- Ride-hail for after/late hours;
- Regional connections;
- Autonomous vehicles in downtown; and
- Passenger ferry service.

HART conducted an Alternatives Evaluation as part of the TDP using a methodology with four-categories: community support, transit markets, connectivity, and funding potential. The methodology allowed HART to prioritize projects and allocate funding using an objective service evaluation process. The methodology found that high-frequency service in high-density areas was the top priority, followed by faster connections between major hubs as the second highest priority. The outcomes of the community outreach and evaluation of alternatives led to the implementation of Mission MAX in October 2017.

**Figure 3-1** shows the priorities for future service from community respondents, and **Figure 3-2** shows the process and weighting used in the Alternatives Evaluation. Team MJ concludes that the TDP documents an evaluation of alternative methods for providing services.

**Figure 3-1**  
**Community Priorities in the TDP**



Source: Fiscal Year 2018 HART TDP – Final Report

**Figure 3-2**  
**Alternatives Evaluation in the TDP**

Alternative Evaluation Measures and Weights			
Category	Criteria	Description	Weight
Community Support	Public Input	Level of interest in specific alternatives during public outreach.	35%
Transit Markets	Traditional Market	General overlap in "High" or "Very High" Transit Orientation Index (TOI), Density Threshold Assessment (DTA)	20%
	Discretionary Market	General overlap in areas that meet the "minimum" Density Threshold Assessment (DTA) tier for employment or dwelling unit density	
	Ridership Potential	Ridership forecasts obtained from TBEST	
Connectivity	Local/Regional Hub Connectivity	Connectivity to adjacent counties, regional and local hubs	15%
Funding Potential		Likelihood of securing long-term funds	30%

Source: Fiscal Year 2018 HART TDP - Final Report

### **Bus Rapid Transit Audit Clarification**

If the surtax is approved by voters, 35 percent of the transit portion of the surtax must be used for a fixed guideway service. HART is evaluating a bus rapid transit (BRT) project as a fixed guideway service<sup>1</sup>. A fixed-guideway is a facility in a separate right-of-way for the exclusive use of public transit.

In 2018, HART issued a Request for Proposals (RFP) for a consultant to conduct a study of the feasibility of BRT service. BRT is a high-capacity transit solution using buses that can achieve the performance and benefits of more expensive rail modes. BRT uses buses or specialized vehicles on roadways or dedicated lanes to transport passengers to their destinations. A project must include the majority of the route's length in a separate transit-only lane or fixed guideway during peak service periods to be eligible for federal funding as BRT.

The BRT Audit Clarification document highlights information from the RFP referencing an Alternatives Analysis to be conducted by the winning consultant. The analysis will create a list of potential corridors for premium bus service, which overlap with those indicated in previous agency studies and plans. The consultant will evaluate alternatives using factors of return on investment, ease of implementation, safety and mobility improvements, funding availability, and public private partnerships. Team MJ concludes that the BRT Study RFP is adequate for evaluation of alternative methods of providing services.

<sup>1</sup> This is important because it shows HART is evaluating a fixed-guideway service that could be appropriate to meet the condition of the surtax.

**Subtask 3.2 – Determine whether HART program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.**

HART administrators have not evaluated contracted and/or privatized fixed-route local or express bus, flex bus, or paratransit to assess if the services could be more cost effective. Previous audits of the paratransit program did not include an evaluation of outsourcing paratransit services.

Outside legal counsel has identified possible legal and labor concerns that should be considered when HART develops the methodology to evaluate contracting existing services.

Tampa Historic Streetcar, Inc. (THS) manages the TECO line Streetcar System. THS retained HART to provide day-to-day operations and maintenance of the system. Any other contracting arrangement would be the decision of THS.

HART has focused on the feasibility of collaborating with private companies for new services and technologies. For example, HART contracts with private taxi companies for the Customer Choice program and contracted with a private company to operate the HyperLINK pilot (see Subtask 1.3). HART is developing a circulator service for South County in collaboration with a local company. HART is also acquiring the Downtowner Inc., a contracted on-demand service within downtown Tampa.

To address the requirements of this subtask, Team MJ reviewed the *Outsourcing the Count Room Report*, which is described below.

**Court Room Costs Workbook**

The Count Room Costs workbook is a spreadsheet comparison of an evaluation by HART to look at cost differences between in-house expenses for a count room for fare revenue handling and a priced bid for outsourcing the function. The spreadsheet calculates total estimated expenses if the outsourcing option were chosen, including certain in-house costs which would remain. The comparison showed that HART would save costs by going with the outsourcing option; as a result, HART decided to outsource the function. Team MJ concludes that the Count Room Costs workbook is adequate for evaluation of alternative methods of providing the function.

**Subtask 3.3 – Determine whether HART program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Northwest Hillsborough County Transit Study Report Final; and
- Comprehensive Operations Analysis (COA) Final.

### **Northwest Hillsborough County Transit Study Report Final**

The Northwest Hillsborough County Transit Study final report describes potential service improvements for an area within the county along with estimates for ridership and costs. The study evaluates potential improvements to service using a methodology with ridership elasticity factors from the Transit Capacity and Quality of Service Manual – Third Edition, HART’s own ridership model, and other guides. The study evaluates potential service improvements for routes in the area in terms of ridership and cost. The study concludes with recommendations for increasing, realigning, or adding routes based on the evaluation results.

**Figure 3-3** provides an example of a performance measures evaluation in the transit study. Team MJ concludes that the Northwest Hillsborough Transit Study Report is adequate for making changes to service delivery methods from evaluations/assessments.

**Figure 3-3**  
**Example of Performance Measures Evaluation in the Transit Study**

ROUTE 61LX PERFORMANCE MEASURES		
	Existing (2016)	Proposed
Annual Miles	23,023	24,389
Annual Revenue Hours	945	1,223
Capital Cost	--	\$495,800
Annual Operating Cost	\$91,317	\$118,224
Daily Ridership (Weekday)	38	46
Annual Ridership	9,614	11,666
Annual Fare Revenue	\$9,999	\$12,133
Operating Cost per Passenger	\$9.50	\$10.13
Passengers per Revenue Hour	10.18	9.54
Passengers per Revenue Mile	0.42	0.48

Source: Northwest Hillsborough County Transit Study Report Final



### **Comprehensive Operations Analysis (COA) Final**

The COA is an assessment of market conditions and operational characteristics to analyze current service and create a service development plan. Recommendations from the COA include developments of service for areas within the City of Tampa, HART Flex routes, and long-term recommendations for the HART Network. The analysis measures market characteristics including density thresholds, area orientations to transit, and commuter travel. Performance metrics for individual HART routes including passenger boardings per service hour, subsidy per boarding, and vehicle load ratio are used to measure operating characteristics of service. The analysis also includes transfers between routes and activity centers as factors for evaluating current services.

The analysis report provides recommendations for service changes to each route in given areas of HART's service area including: route reorientations; discontinuations of service; increases in service frequency; or continuation of current operation levels depending on the specific route. The analysis also recommends future developments of dedicated transit lanes and super stops at locations with high potential for transit demand, monitoring the impact on HyperLINK service on the Express Network, and regional route coordination. Team MJ concludes that the COA is adequate to support evaluations and assessments of changes in service delivery methods.

**Subtask 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other transit authorities, etc.).**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- HART Operations and Maintenance Feasibility Study-2017;
- Intelligent Transportation Systems (ITS) Plan Fiscal Year 2016 to 2020 2.27.15; and
- HART TransLoc Presentation.

### **HART Operations and Maintenance Feasibility Study-2017**

The Operations and Maintenance Feasibility Study was conducted to determine potential locations for a satellite facility due to existing constraints at the current facility site. The study developed estimate for near-term scenario and long-term scenarios, or 5-10 versus 10-20 years, as well as relocation of paratransit and fixed-route fleets and service expansions. The purpose of the study was to provide HART with an industry-based list of requirements for the facility that could guide the agency in planning for a facility site without commitment to any action. The study provides small, medium, and large facility scenarios in the short- and long-term period and uses a site screening process to look for available acreage given program needs. The study also calculates cost estimates for all capital expenses associated with the potential project.

**Figure 3-4** shows an example of a scenario for the future facility site with square footage and infrastructure requirements along with the number of vehicles accommodated in the scenario. **Figure 3-5** shows a summary of cost estimates for land acquisition, capital purchases, and planning and administration expenses for each scenario.

The Operations and Maintenance Feasibility Study identifies possible opportunities for approaching the development of an operations and maintenance facility and sets out the required criteria: available compressed natural gas fuel, compatible land use, access to major arterials, and distance to current HART facilities. The size of the identified property is key to which scenario could be feasible.

**Figure 3-4**  
**Example of Scenario in the Feasibility Study**

### **Small Scenario: 100 Para-transit Vehicles (7-10 Acres)**

The assumption for this facility is it would service 100 para-transit vehicles and require approximately 7-10 acres, (10 acres are preferred), including a stormwater treatment pond. **Appendix A, Table 1** provides a detailed breakdown of the space planning requirements for this type of small facility. The assumptions are that the satellite facility would only accommodate the needs for the administration, dispatching, and maintenance of the vehicles assigned to this location. The current fleet of gasoline powered vehicles at the 21<sup>st</sup> Avenue site will eventually change over to all CNG.

The following is a summary of the findings:

The Operations Building would require 9,447 sq. feet. This includes administration area, dispatch, and driver's area, which includes lockers, restrooms/shower, exercise room and driver's lounge area.

The Maintenance Building would require 26,920 sq. feet and include office areas for maintenance management staff, support areas such as a break area, restroom/locker/shower area, repair bays, including lifts, tire shop, shop storage areas, and parts storeroom.

The Fuel and Bus Wash building and lanes would require 6,710 sq. feet. Fare collection would be included in the adjacent building.

Parking for 100 para-transit vehicles and 37 non-revenue vehicles would require 76,000 sq. feet. Parking for employees and visitors would require 78,336 sq. feet.

Storage area, including CNG compressor and tank area, generator and used tire storage, would require an additional 20,600 sq. feet. Circulation and landscape/setback/stormwater would require an additional 218,014 sq. feet.

Total sq. feet is 436,027 sq. feet or 10.0 acres.

Source: HART Operations and Maintenance Feasibility Study-2017



**Figure 3-5**  
**Order of Magnitude Cost Estimates in Feasibility Study**

<b>Small Scenario:</b> A summary of the costs related to the representative Small Scenario site (100 para-transit vans) is as follows:	
Land Acquisition (7 acres)	\$ 2,700,000
Building, Equipment, Site Development	\$32,200,000
Soft Costs (PE, Final Design, Const. Mgmt.)	\$ 8,000,000
<b>Total</b>	<b>\$42,900,000</b>
Note: costs include 30% contingency	
<b>Medium Scenario:</b> A summary of the costs related to the representative Medium Scenario site (50 buses and 50 para-transit vans) is as follows:	
Land Acquisition (18 acres)	\$ 4,300,000
Building, Equipment, Site Development	\$43,000,000
Soft Costs (PE, Final Design, Const. Mgmt.)	\$10,800,000
<b>Total</b>	<b>\$58,100,000</b>
Note: costs include 30% contingency	
<b>Large Scenario:</b> A summary of the costs related to the representative Large Scenario site (100 buses and 100 para-transit vans) is as follows:	
Land Acquisition (27 acres)	\$ 5,600,000
Building, Equipment, Site Development	\$55,900,000
Soft Costs (PE, Final Design, Const. Mgmt.)	\$14,000,000
<b>Total</b>	<b>\$75,530,000</b>
Note: costs include 30% contingency	

Source: HART Operations and Maintenance Feasibility Study-2017

### **ITS Plan Fiscal Year 2016 to 2020 2.27.15**

The ITS plan discusses improvements to the transportation network utilizing technology to make travel more efficient and safer. The plan identifies projects while also developing justifications and cost estimates for those projects to position HART for grant funding and partnering opportunities. The plan establishes existing technologies used in the HART systems with each service and vehicle type. The plan introduces possible new technologies for HART to incorporate into the program, providing a description of the technology, justification for the project, and organizational benefits of using the technology. The plan identifies organizational roles and responsibilities, external partners, 5-year operations and maintenance requirements, and 5-year upgrades and new capital projects for each possible technology project introduced.

The plan creates a 5-year implementation schedule for projects discussed in the plan and includes capital and annual costs for both existing technologies and incremental costs for improvements to technologies. The plan includes a bulleted list of regional, state, federal, and local funding sources identified as possible funding sources for ITS projects. Team MJ concludes that the ITS Plan is adequate for identifying possible opportunities for alternative service delivery methods.

### **HART TransLoc Presentation**

The TransLoc Presentation document provides information on technology options for HART to implement microtransit service. Microtransit is a technology-enabled private shared-ride transportation service that serves passengers using dynamically generated routes. Microtransit vehicles can range from large sport-utility vehicles to vans or shuttle buses. Because they provide transit-like service but on a smaller, more flexible scale, these new services are referred to as microtransit.

The presentation states definitions about microtransit and use cases for applying microtransit to address particular service issues. The presentation walks through an example of a pilot between TransLoc and Sacramento Regional Transit. The presentation concludes with TransLoc's proposal for a pilot working with HART and provides cost estimates from their partner program. Team MJ concludes that the TransLoc presentation example is adequate for identifying possible opportunities for alternative service delivery methods.

## RESEARCH TASK 4

**Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.**

**Finding Summary – Overall, HART meets Task 4. The HART Charter provides a sound basis to establish goals and objective for HART transit services and projects. The authority has effective measures in place to evaluate transit service performance. HART has adopted protocols and procedures for capital projects and development activities and reports progress each month.**

### SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results Section below for details regarding these conclusions.

#### SUBTASK 4-1

Our work revealed no issues or concerns related to program goals and objectives being clearly stated, measurable, achievable within budget, and consistent with HART's strategic plan.

#### SUBTASK 4-2

Our work revealed no issues or concerns related to measures HART uses to evaluate program performance and assessment of program progress toward meeting stated goals and objectives.

#### SUBTASK 4-3

Our work revealed no issues or concerns related to internal controls, including policies and procedures, proving reasonable assurance that program goals and objectives will be met.

### ANALYSIS RESULTS & CONCLUSION

**Subtask 4.1 – Review HART goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with applicable plans (e.g. strategic plan, regional long-range transportation plan, service plans, etc.).**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- HART Charter;
- Fiscal Year 2017 Adopted Operating and Capital Budget;
- Success Plan;
- 2017/18 – 2021/22 Transportation Improvement Program (TIP); and
- Tech Memo 3 – Final Park and Ride Plan 020111.

### **HART Charter**

The charter document includes a section listing the purpose of HART, which is "to plan, finance, acquire, construct, operate and maintain mass transit facilities, together with such supplementary transportation assistance as may be necessary or advisable to service the mass transit needs of its members and of such areas with which HART may contract for service." The purpose of HART is clearly written in the organization's charter: to operate and maintain mass transit service and supplementary transportation assistance. The purpose of the organization allows HART to set goals and objectives in the agency's strategic plan. Team MJ concludes that the HART Charter provides a sound basis to establish goals and objective for HART transit services and projects.

### **Fiscal Year 2017 Adopted Operating and Capital Budget**

The Operating and Capital Budget is created each fiscal year and available to the public on HART's website. The document is separated into sections for the Operating Budget and Capital Budget. Each section includes a historical perspective of previous budgets and snapshots of revenue sources and expenditure types. The Operating section includes goals for investment in community, employees, and in the organization – some with specific measurable targets for the fiscal year.

**Figure 4-1** shows the HART goals for investment in the community during the fiscal year outlined in the budget document. Team MJ concludes that the Operating and Capital Budget adequately documents HART's goals and objectives for transit services and capital projects, identifies the budget, and provides measurable key performance indicators.

**Figure 4-1**  
**Investment in Community Goals in the Fiscal Year 2017 Budget**

<b>Investment in Community</b> <ul style="list-style-type: none"> <li>• 5.2% increase in service in fixed-route and flex</li> <li>• \$1.1 million of enhanced/new service; 18,500 additional revenue miles <ul style="list-style-type: none"> <li>▪ Route 8 – 30 minute frequency on Saturday</li> <li>▪ Route 36 – 30 minute frequency on Saturday/extend to 10:00 p.m. weekdays</li> <li>▪ Route 37 – 30 minute frequency on Saturday</li> <li>▪ Route 46 – Extend to 10:00 p.m. weekdays</li> <li>▪ Route 57 – Sunday service</li> <li>▪ Route 572 – Northdale Flex – 30 minute service weekdays</li> <li>▪ Route 575 – New Tampa Flex – Commence service – Weekday and Saturday</li> </ul> </li> <li>• FDOT partnership – premium transit study</li> <li>• Taxi Voucher program</li> <li>• First Mile/Last Mile initiative</li> <li>• Major Updates to Strategic Development Plans <ul style="list-style-type: none"> <li>▪ Transit Development Plan (TDP)</li> <li>▪ Comprehensive Operations Analysis (COA)</li> <li>▪ Shelter infrastructure study</li> <li>▪ Future Van Maintenance Facility study</li> </ul> </li> <li>• Smartcard implementation throughout fleet</li> <li>• Voice of the Customer surveys to measure patron satisfaction</li> </ul>
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Source: Fiscal Year 2017 Adopted Operating and Capital Budget

## Success Plan

The latest HART Success Plan was created for Fiscal Year 2018 and is available to the public on the HART website. The document states the HART's mission, vision, outcome goals, strategies, and performance metrics. These elements feed into the Transit Development Plan and annual budgets prepared by HART staff and adopted by the Board of Directors. HART states five measurable outcome goals in the Success Plan for the agency to have a successful year:

1. The system is 10% more productive as reflected in the HART Route Productivity Index.
2. \$3 million is allocated to fund balance, consistent with the HART plan.
3. Customers embrace HART service with a Net Promoter Score of 30.
4. The community believes HART delivers value with a Community Sentiment Score of 3.
5. HART employees have an engagement level of 65%.

The goals have targets set for the measurement of route productivity, fund balance, net promotor score, community sentiment score, and employee engagement level. The Success Plan also refers to the performance scorecard that is updated quarterly for presentation to the Board of Directors. Within the strategies to achieve goals are quarterly milestone activities outlined in the plan. **Figure 4-2** shows an example of quarterly milestones to accomplish the activities. Team MJ concludes the Success Plan identifies all of the elements to achieve the desired outcomes: goals, steps for implementation, tasks and assigned responsibilities, budget, and the criteria to measure progress.

**Figure 4-2**  
**Example of Quarterly Milestones in the Success Plan**

1a - Implement Mission MAX Service Changes	
Service Productivity Work Plan Tactic	
<b>Description</b> Mission MAX (Modernizing and Aligning for Excellence) is a result of HART Transit Development Plan (TDP) update and Comprehensive Operations Analysis (COA) conducted in 2017. Mission MAX includes implementation of a more productive and efficient network.	
<b>Owner</b> Operations	
Quarterly Milestones	
Implement Mission MAX.	
<b>Q1</b>	Recalibration of fleet, staffing needs, route schedules and design based on performance 60 days after implementation of Mission MAX.
<b>Q2</b>	Develop a timeline and action plan for Phase 2 of the TDP/COA including identifying cost, projected revenue and ridership, and vehicle and full time employees (FTE) requirements.
	Implement new markup in January 2018 to better align service changes.

Source: Success Plan

### **2017/18 - 2021/22 Transportation Improvement Plan (TIP)**

The current TIP for HART is for Fiscal Years 2017/18 through 2021/22. The TIP lists regionally significant transportation projects within the Hillsborough County area, including projects by HART. The TIP presents assumptions on funding available to HART to plan projects in the 10-year Transit Development Plan. The HART projects listed in the TIP include projected funding sources for the next five fiscal years and beyond. The funding sources in the TIP are consistent with HART's strategic plan and achievable within budget.

Team MJ concludes that the TIP identifies the priority projects for implementation, provides for funding within a constrained financial plan, and serves to make the projects in the TIP eligible for federal and state funding.

### **Tech Memo 3 – Final Park and Ride Plan 020111**

The HART Park and Ride Study was conducted in 2011 and documented the current park and ride service, the service needs and planned expansion, and also the final plan for park and ride service. The final plan from the Park and Ride Study includes a goal to plan and establish park and ride lots that enhance the HART system and serve community needs. Within that goal are six objectives to accomplish the establishment of park and ride lots.

**Figure 4-3** shows the goals and objectives documented at the completion of the Park and Ride Study for the establishment of future service. Team MJ concludes the Park and Ride Study clearly states the goal and objectives and provides guidance to work with other transportation agencies to create a regional commuter program in the future.



**Figure 4-3**  
**Goals and Objectives from the Park and Ride Study**

**Goal:** To plan and establish PnR lots that: provide convenient access to regional corridors in order to enhance access to the future multi-modal system; enhance commuter patterns through increased vehicle occupancy; consider safety and amenities for the users; and are cost affordable to install and operate.

**Objective 1:** Enhance and regularly update the existing PnR Lot database regarding the utilization, condition of the infrastructure, management and maintenance, and available amenities at the existing lots.

**Objective 2:** Develop a monitoring program to determine the utilization of the PnR lots and the commuter patterns being served by the lots.

**Objective 3:** Incorporate future multi-modal plans developed by the Tampa Bay Area Regional Transit Authority (TBARTA) and other local and regional agencies during the evaluation of the future PnR lot locations.

**Objective 4:** Establish guidelines and standards for the design of PnR lots which will provide the safety/security and amenities that will maintain existing uses and attract new users to the facilities.

**Objective 5:** Assist local governments during the reviews of existing and future development patterns (i.e. Developments of Regional Impacts [DRI], Multi-Modal Transportation District [MMTD] and Transit Oriented Developments [TOD]); and take into consideration the relationship of the land use to the regional commuter corridor to determine potential locations for future PnR lots.

**Objective 6:** Assist with the promotion of local commuter assistance programs to increase vehicle occupancy through public relations campaigns and advertisements regarding carpooling and vanpooling opportunities at PnR lots.

Source: Tech Memo 3 - Final Park and Ride Plan 020111

**Subtask 4.2 – Assess the measures, if any, that HART uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- 20180810 Portfolio of Organizational Project Updates;
- Revised EPM Projects 2018-06-26; and
- Charter – HART Enterprise Critical Network Infrastructure.

**20180810 Portfolio of Organizational Project Updates**

The document is a collection of project updates from HART's Project Management Office (PMO). A one-page summary within the document shows each project. The one-page summary has information regarding the project status along with remaining project funds, percent complete, and the original versus actual schedule. The project update information shows how



HART evaluates performance of each project through adherence to the project schedule and budget.

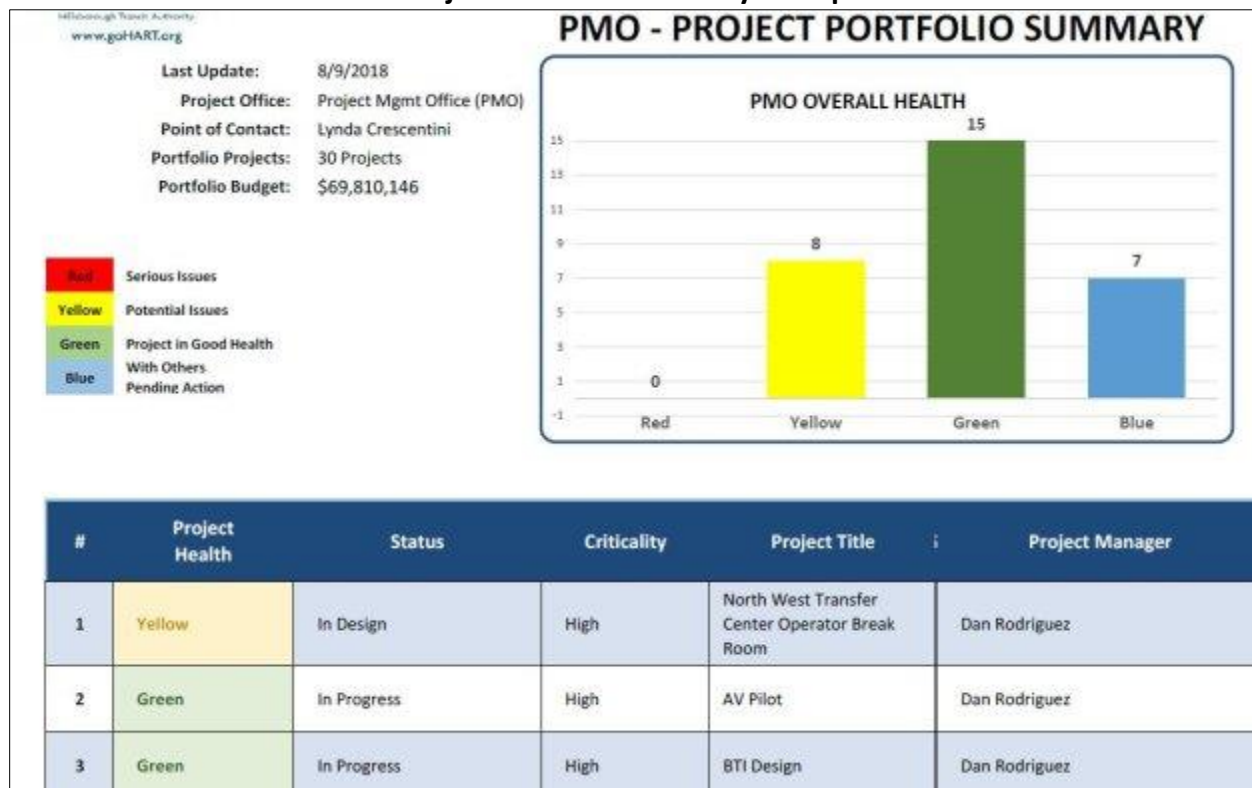
Team MJ concludes that the PMO Portfolio of Organizational Project Updates is adequate for measuring and evaluating program performance.

### **Revised EPM Projects 2018-06-26**

The document is a summary of all current projects in the PMO portfolio. The document is composed of a summary table for each project, rating the project health, status, and criticality while also showing information on the procurement date, budget, and helpful staff notes. The summary page also has graphs and tables with the total project health data subtotaled and categorized by project status. The document shows how HART evaluates the performance of projects through a health-rating system as well as a criticality rating. The document provides a helpful snapshot of the overall health of projects for the PMO to evaluate.

**Figure 4-4** shows an excerpt of the project Portfolio Summary, specifically the document table and graph of overall portfolio health. Team MJ concludes that the PMO Portfolio Summary is adequate for measuring and evaluating program performance.

**Figure 4-4**  
**Project Portfolio Summary Excerpt**



Source: Revised EPM Projects\_2018-06-26

### **Charter - HART Enterprise Critical Network Infrastructure**

This document is an overview of HART's Enterprise Critical Network Infrastructure Project. The charter outlines objectives for the project by tying back to organizational strategic goals and then listing the specific project objectives within the organizational goals. The charter document lists the outcomes to come from the project within each HART service or department, along with critical success factors for the project to either succeed or fail. HART developed preliminary project milestones and planned completion dates for phases and deliverables. The document shows project goals, expected outcomes, critical success factors, project milestones, and planned completion dates for the project. The charter demonstrates how HART will evaluate the performance of a given project. Team MJ concludes that the project charter is adequate for measuring and evaluating program performance.

### **Subtask 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- GRA-0004 Protocols and Procedures for Capital Projects and Development Activities rev;
- Index #1 HART Board Policies Effective 12-04-2017;
- Standard Operating Procedure (SOP) Grants Accounting; and
- SOP Operations.

### **GRA-0004 Protocols and Procedures for Capital Projects and Development Activities rev**

GRA-0004 outlines standard operating procedures (SOPs) for capital projects and development activities for HART, effective October 23, 2013. The document established procedures of the HART Capital Projects Department (now the Enterprise Project Management Department). The manual is designed to assist the department staff in performing duties for project development. This document includes procedures for defining responsibilities of specific project elements. The project manager must outline the purpose and need for the project using the project's goals, then generate performance objectives for each goal and priority of objectives for the project. Departments with responsibility for approving a project should participate and receive approved design criteria goals and objectives. Team MJ concludes that the protocols and procedures are adequate for internal controls for meeting program goals and objectives.

### **Index #1 HART Board Policies Effective 12-04-2017**

The full policy manual for HART has policy sections for the organization, public access and information, rulemaking proceedings, employment policies, procurement process, organizational policies, risk management, finance and budgeting, and environmental policy. The policy manual includes descriptions about developing hiring goals for equal opportunity employment, maintaining advertising space, long-range financial planning, capital budgeting, and performance incentives in contracting.

The document also outlines policies of HART to meet agency goals in planning, budgeting, and administration. For instance, the long-range financial planning policy goals tie to creating the TDP. Likewise, budgeting policies state that the PMO must be consistent with HART's established strategic goals and objectives. HART also has policies for determining agency goals on equal opportunity employment for staff and disadvantaged business enterprises for contracting. The policy manual states how performance incentives should be determined. Team MJ concludes that the Policy Manual is adequate for internal controls for meeting program goals and objectives.

### **SOP Grants Accounting**

HART has a collection of documents outlining SOPs for activities in grants accounting, effective August 31, 2012. The SOPs focus on procedures for preparation, management, and closeout of grants. The procedures include the completion of milestone project reports, balance reports, and accrual sheets as a part of grants management. The SOP documents procedures for providing updates to HART administrators on project status, spending, and milestones. The procedures for preparing financial and project milestone reports allow HART to meet objectives for grant funding and financial management. Team MJ concludes that SOPs for Grants Accounting are adequate for internal controls for meeting program goals and objectives.

### **SOP Operations**

HART has developed SOPs for activities in operations, maintenance, planning, scheduling, and emergency plans. The primary SOP state goals for HART related to the operation of service and procedures for meeting those goals. The SOP for Bus Stop Standards starts with goals to promote consistency in bus stop placement and design as well as encouraging the community to use public transit through transit amenities. The SOP for Facilities and Equipment Maintenance starts with goals to maintain equipment at all facilities, meet manufacturer requirements, perform daily visual inspections, and use performance standards to judge efficiency and effectiveness. The SOP for the Fleet Maintenance Plan starts with goals to manage fleets and budget, protect assets, and promote safety and environmental compliance. Team MJ concludes that SOPs for Operations are adequate for internal controls for meeting program goals and objectives.

## RESEARCH TASK 5

**The accuracy or adequacy of public documents, reports, and requests prepared by the school district which relate to the program.**

**Finding Summary – Overall, HART partially meets Task 5. HART staff has a process to create the operating and capital budgeting each year and reviews the information with the HART Board of Directors to request budget approval. However, HART does not publish a program budget and a five-year capital improvement program each year. HART reports useful monthly financial and non-financial information to the public. However, HART does not have formal processes to ensure the accuracy, timeliness, and completeness of program performance and cost information provided to the public. HART does not have a standard operating procedure to correct erroneous and/or incomplete information.**

### SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results Section below for details regarding these conclusions.

#### SUBTASK 5-1

Our work revealed no issues or concerns about financial and non-financial information systems that provide useful, timely, and accurate information to the public.

#### SUBTASK 5-2

Our work revealed no issues or concerns in the evaluation of the accuracy or adequacy of public documents.

#### SUBTASK 5-3

Our work revealed that HART staff prepares the annual Operating and Capital Budgets consistent with statutory requirements; however, budget documents are not published with the same level of information or quality of presentation each year.

#### Condition: Subtask 5.3 – Partially Met

**Effect:** The Operating and Capital Budget document is published every year but does not always contain detailed information about programs and capital projects. In Fiscal Year 2018, the operating and capital budget information is presented as a high-level summary, but in Fiscal Year 2017, the Capital section includes project detail sheets for the CIP. The Fiscal Year 2015 budget document is more detailed than other fiscal year budgets, and the Operating Budget

included information for each HART program and the Capital Budget included detailed CIP information.

**Cause:** HART completes the budget and CIP processes in accordance with standard operating procedures. HART tracks operating budgets for each division and department of the agency through monthly reports (see Task 1.5). HART identifies projects over 5- and 10-year periods, documenting the CIP both in the annual budget as well as the TDP. In 2017, HART updated the TDP including a 10-year capital budget. The TDP is updated each fiscal year in accordance with state law; the TDP document for Fiscal Year 2016 is not available on the website because HART received a variance order from the Florida Department of Transportation (FDOT) that granted an extension for the TDP update to September 1, 2017.

**Criteria:** It is important for the public to have ready access to complete information on program performance and cost each year. The information in the Operating and Capital Budget as well as TDP documents should be updated each year with thorough program and CIP information.

### **RECOMMENDATION 5-3**

**The HART Interim CEO confirmed that the Fiscal Year 2019 Operating and Capital Budget will be prepared with the level of detail and presentation similar to the Fiscal Year 2015 budget. HART plans to include program, performance, and financial information, including the five-year CIP, in the annual operating and capital budget to make identification of information easier for the public.**

### **SUBTASK 5-4**

Our work revealed that HART does not have formal processes to ensure the accuracy and completeness of program performance and cost information provided to the public. HART must formalize the process for ensuring accuracy and completeness of information to the public within their standard operating procedures (SOPs) including a calendar to post all monthly reports to the HART website on a consistent schedule. No other concerns related to whether HART maintains accuracy and completeness of information provided to the public.

**Condition:** Subtask 5.4 – Partially Met

**Effect:** Public information may not be completely accurate or up-to-date in documents and data downloads available through HART's website. The potential consequence of this is a perceived lack of trustworthiness in information on HART's program performance and cost information.

**Cause:** There is not a SOP specific to ensuring the accuracy and completeness of information provided to the public. HART does not have an individual that serves as webmaster, but contracts to an outside vendor for website design. The Director of Communications and Marketing personally reviews any marketing piece or public announcement about a HART service or event. HART does not post all monthly reports on a consistent and similar schedule each month.

**Criteria:** Materials for the public are provided by the applicable subject matter expert or reviewed by subject matter expert. HART uses email to circulate material for team review. Public records requests are submitted through the online portal, by fax, by telephone, or in person. The Director of Legal Services responds to a staff member's concern about a request for public records, reviews the request, and provides advice if necessary on release of public records. If necessary, the director will seek the opinion of General Counsel or other outside legal counsel. HART purchased software for public records in order to ensure efficient response to public requests. Currently the Director of Board Relations is responsible for posting materials about Board Meetings to the HART website and attends an annual training for custodian of public documents and serves as the HART Records Management Liaison Officer (RMLO).

## **RECOMMENDATION 5-4**

**HART should formalize the SOP for review of information released to the public to ensure the accuracy and completeness of the information. The SOP should identify the schedule for producing and posting monthly reports to ensure the information is available regularly on the same schedule.**

## **SUBTASK 5-5**

Our work revealed that HART does not have a SOP to correct erroneous and/or incomplete program information. HART must formalize procedures and staff responsibility in their SOPs for correcting information available to the public.

**Condition:** Subtask 5.5 –Partially Met

**Effect:** There is not a SOP to correct erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by HART. The potential consequence of this is a perceived lack of trustworthiness in information on HART's public information.

**Cause:** There is not a SOP to correct erroneous and/or incomplete program information. When an error is identified, action is taken to correct. HART does monitor social media and responds to erroneous comments when appropriate. There is a need for HART to identify and categorize information and documents to review for possible erroneous information and levels of sensitivity.

**Criteria:** The Director of Board Relations is responsible for posting materials for Board Meetings to the HART website and ensuring quality assurance/control of the material posted online. If an error is identified, the director posts the corrected material as soon as the error is identified. All members of the HART staff are responsible for ensuring accurate information. When an error is identified, a correction or revision is issued and shared with the public as the original material.

## RECOMMENDATION 5-5

HART should formalize a SOP and outline staff responsibilities to correct erroneous or incomplete public information as soon as the error is identified on the HART website, in electronic media, or in printed material.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 5.1 – Assess whether HART has financial and non-financial information systems that provide useful, timely, and accurate information to the public.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR);
- HART-Annual-Report-2017;
- Monthly Financial Report 2018-05; and
- Limited English Proficiency (LEP) Plan.

### **Fiscal Year 2017 CAFR**

The Fiscal Year 2017 CAFR includes sections discussing how HART is set up as an organization, financial statements, trends in finances and operating data, and compliance reports. The CAFR report is a thorough document of financial and non-financial information that is accessible for the public to view. HART creates a new CAFR report each fiscal year and makes it available for in the Annual Financial Reports section of their website. CAFR reports are available going back to Fiscal Year 1980 (from 1980 to 2005 the documents were called Financial Audits).

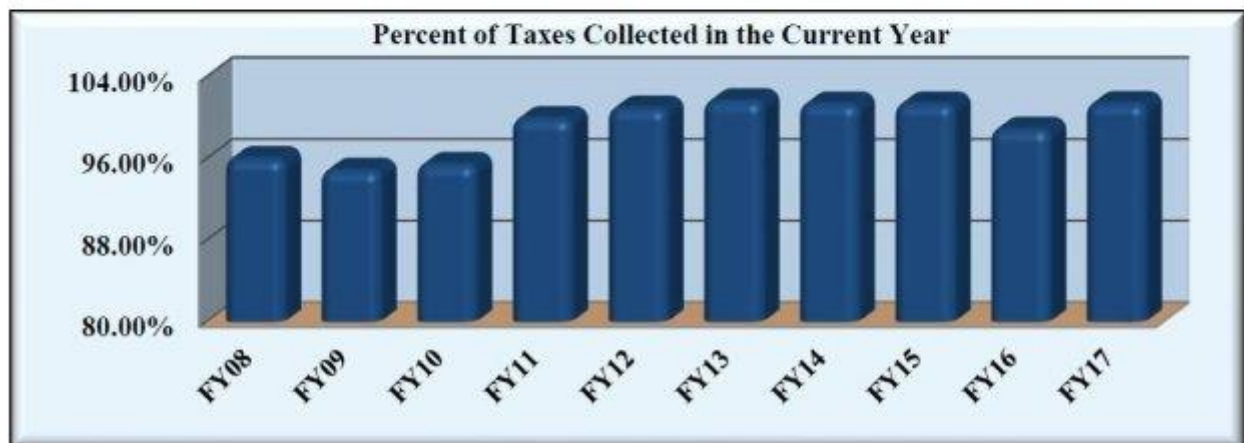
Figure 5-1 shows an excerpt of information on property tax revenue in the CAFR report.

Figure 5-2 shows an excerpt of information on bus service in the CAFR report. Team MJ concludes that the CAFR is adequate for useful, timely, and accurate information to the public.



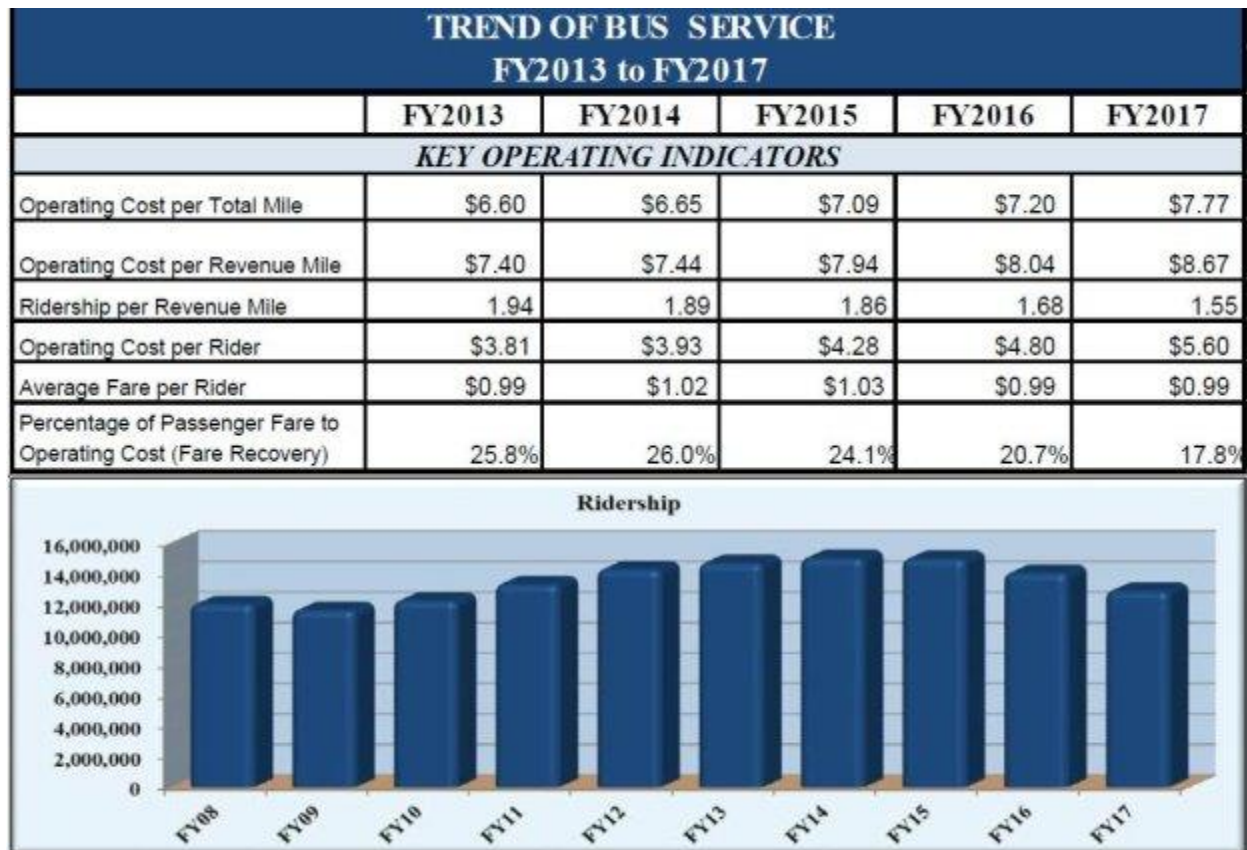
**Figure 5-1**  
**CAFR Information on Property Tax Revenue**

PROPERTY TAX LEVIES AND COLLECTIONS FY2008 to FY2017								
Fiscal Year	Total Tax Levy	Budgeted Tax Revenue @ 95%	Current Year Tax Collections	Percent of Current Year to Budget	Other Net Collections during the Year	Total Collections	Percent of Total Collections to Tax Levy	Millage Rate
FY2008	\$38,604,589	\$36,674,360	\$35,228,933	96.06%	\$1,999,952	\$37,228,885	96.44%	0.4495
FY2009	\$38,322,358	\$36,406,240	\$34,547,599	94.89%	\$2,161,227	\$36,708,826	95.79%	0.4682
FY2010	\$33,504,979	\$31,829,730	\$30,393,544	95.49%	\$1,604,511	\$31,998,055	95.50%	0.4682
FY2011	\$29,736,439	\$28,249,617	\$28,242,205	99.97%	\$191,504	\$28,433,709	95.62%	0.4682
FY2012	\$30,418,828	\$28,897,887	\$29,184,561	100.99%	\$354,946	\$29,539,507	97.11%	0.5000
FY2013	\$29,680,363	\$28,196,345	\$28,677,987	101.71%	\$101,968	\$28,779,955	96.97%	0.5000
FY2014	\$31,293,062	\$29,728,409	\$30,145,483	101.40%	\$48,651	\$30,194,134	96.49%	0.5000
FY2015	\$33,519,856	\$31,843,863	\$32,292,256	101.41%	\$80,123	\$32,372,379	96.58%	0.5000
FY2016	\$36,989,171	\$35,139,712	\$34,762,497	98.93%	\$92,795	\$34,855,292	94.23%	0.5000
FY2017	\$38,872,885	\$36,929,241	\$37,465,915	101.45%	\$61,234	\$37,527,149	96.54%	0.5000



Source: Fiscal Year 2017 CAFR

**Figure 5-2**  
**CAFR Information on Bus Service**



Source: Fiscal Year 2017 CAFR

### **HART Annual Report 2017**

The 2017 Annual Report for HART provides highlights of current HART initiatives, new initiatives in the coming years, and a summary of financial report information. The current initiatives are summarized through one-page highlights with descriptions of Mission MAX, mobile fare payment as Flamingo fares, and new service pilots. The Annual Report provides a summary snapshot of current initiatives and financial information that is accessible for the public to view. The report is available on the HART website and is a summary of current activities of the agency as opposed to the CAFR reports, particularly the financial snapshot of the agency at the end of the report.

**Figure 5-3** shows an excerpt of financial information in the HART 2017 Annual Report. Team MJ concludes that the Annual Report is adequate for useful, timely, and accurate information to the public.

**Figure 5-3**  
**Financial Report Breakdown in 2017 Annual Report**



Source: HART-Annual-Report-2017

### **Monthly Financial Report 2018-05**

The Monthly Financial Report breaks down operating revenues and expense information with the total from the annual budget and comparison to the year-to-date numbers. The report also tracks monthly cash flow for HART and shows the current cash balances in the accounts the agency manages. The report shows that HART makes financial status information available to the public for each month and the year to date compared to the annual budget. The Monthly Financial Reports are available in the Transparency section of the website for each month going back to December 2014. Team MJ concludes that the Monthly Financial Reports are adequate for useful, timely, and accurate information to the public.

### **Limited English Proficiency Plan**

The LEP Plan for HART was adopted on October 30, 2015, and focuses on a five-factor analysis used to identify LEP population that may use HART services and identify needs for language assistance. The five factors are 1) the number and proportion of LEP persons; 2) frequency that LEP persons come in contact with the program; 3) importance of the service; 4) the resources available; and 5) overall cost. The LEP Plan shows that HART has a methodology in place for determining how information is made available to the public to non-English speaking populations. The plan includes methods for notification to LEP persons through statements of language services availability, working with community-based organizations, voice mail attendants, local media, and public presentations. Team MJ concludes that the LEP Plan is adequate for useful, timely, and accurate information to the public.

### **Subtask 5.2 – Review available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by HART related to the program.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- HART Wave 1 Paratransit Customer Satisfaction Report 20180808; and
- HART Wave 5 Fixed Route Customer Satisfaction Report 20180808.

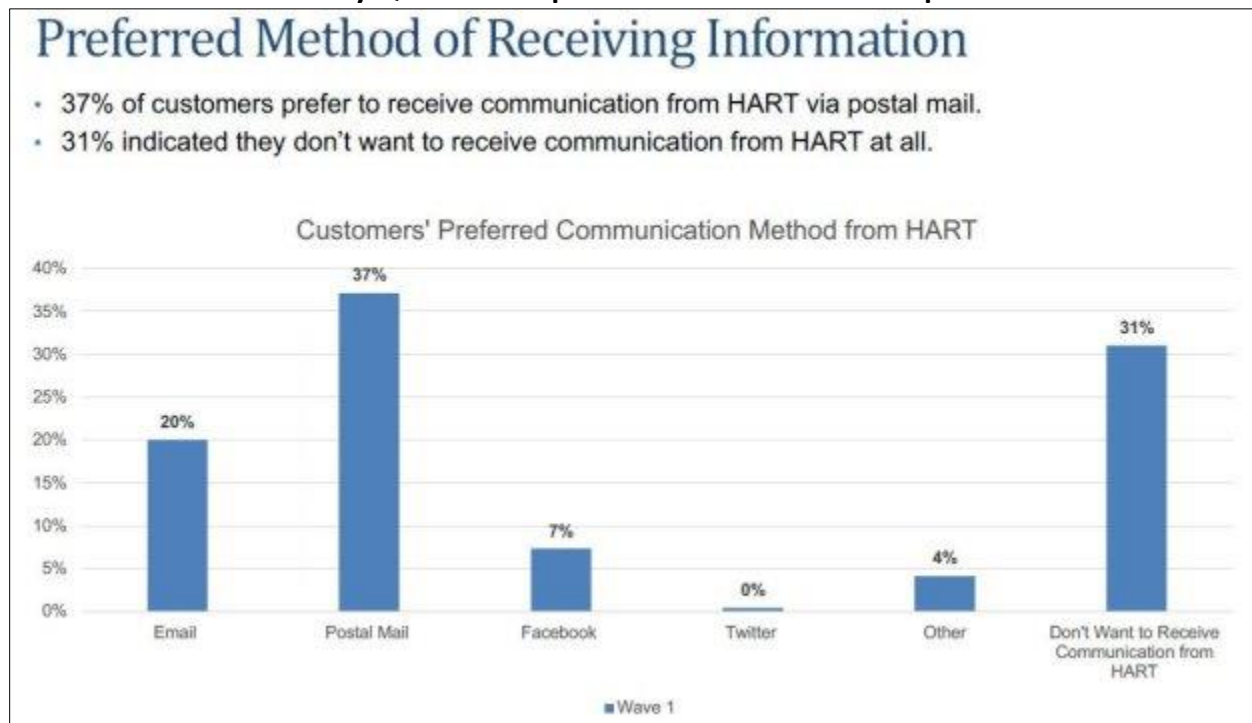
### **HART Wave 1 Paratransit Customer Satisfaction Report.20180808**

The Paratransit Customer Satisfaction Report in 2018 includes a section entitled Fixed Route Awareness and Usage with survey data results on awareness of HART's services. The survey report shows response totals about fare rates, use of fixed route service, preferred method of receiving information, and awareness of the paratransit service no-show policy. The document is an internal report of HART evaluating their service and effectiveness of available public information for the customer base. The document concludes with key takeaways and issues of importance, including recommendations to conduct a root-cause analysis to identify existing frequency or technology barriers and conduct customer surveys on a quarterly basis, which are tied to quarterly performance and review of management.



**Figure 5-4** shows an excerpt of respondent data for preferred methods of receiving information from the transit agency in the Paratransit Customer Satisfaction Report. Team MJ concludes that the Paratransit Customer Satisfaction Report is adequate to identify the customer-preferred method of receiving information from HART.

**Figure 5.4**  
**Survey Question Responses in the Paratransit Report**



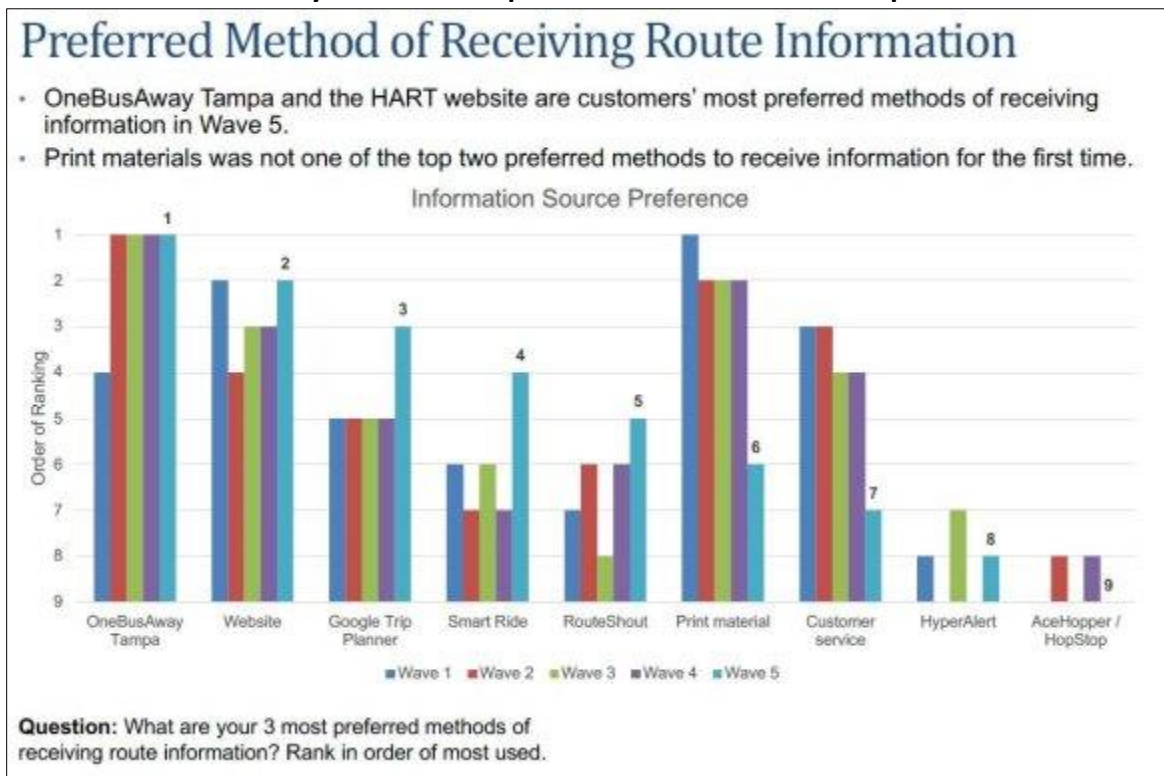
Source: HART Wave 1 Paratransit Customer Satisfaction Report.20180808

#### **HART Wave 5 Fixed Route Customer Satisfaction Report.20180808**

The Fixed Route Customer Satisfaction Report in 2018 includes sections on Satisfaction with Information and Customer Information Sources. The Satisfaction section asks respondents about preferences for receiving information about detours and service changes. The Sources section asks respondents about preferences for receiving route information and familiarity with trip planning products. The document is an internal report of HART evaluating the service and effectiveness of available public information for the customer base. The document concludes with key takeaways and issues of importance as well as recommendations to conduct customer surveys on a quarterly basis tied to quarterly performance and reviews of management (similar to the recommendation in the paratransit survey report).

**Figure 5-5** shows an excerpt of respondents' data for preferred methods of receiving route information from HART in the Fixed Route Customer Satisfaction Report. Team MJ concludes that the Fixed Route Customer Satisfaction Report is adequate to identify the customer-preferred method of receiving route information from HART.

**Figure 5-5**  
**Survey Question Responses in the Fixed Route Report**



Source: HART Wave 5 Fixed Route Customer Satisfaction Report.20180808

### **Subtask 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Fiscal Year 2017 Adopted Operating and Capital Budget;
- Productivity and Ridership Fiscal Year 2017 – Fiscal Year 2018 – June; and
- Monthly Financial Report 2018-05.

#### **Fiscal Year 2017 Adopted Operating and Capital Budget**

HART completes the budget and CIP processes in accordance with SOPs on finance and budgeting. HART tracks operating budgets for each division of the agency through monthly reports (see Task 1.5). HART identifies projects over 5- and 10- year periods, documenting the CIP in both the Adopted Operating and Capital Budget and the TDP. HART confirmed that the CIP is a part of their regular process, with projects identified over 5- and 10-year periods. In 2017, HART updated the TDP with the 10-year capital budget. The TDP is conducted each fiscal year in accordance with state law. The TDP document for Fiscal Year 2016 is not available on the website because HART received a variance order from FDOT that granted an extension for the TDP update to September 1, 2017.

The Operating and Capital Budget document is published every year but does not always contain detailed information about programs and capital projects. In Fiscal Year 2018, the operating and capital budget information is kept at a high summary level, but in Fiscal Year 2017, the Capital section includes project detail sheets for the CIP. The Fiscal Year 2015 budget document, specifically the operating and capital budget information, is more detailed than subsequent fiscal year budgets, and includes operating budget information for each HART program and detailed CIP information in the capital budget.

The budget document links available on the HART website by going to the Transparency section and then Budget Documents page (<http://www.gohart.org/Pages/trans-budget.aspx>). It is important for the public to have ready access to complete information on program performance and cost each year. The information in the Operating and Capital Budget as well as TDP documents should be updated each year with thorough program and CIP information. Team MJ concludes that the Adopted Operating and Capital Budget documentation needs improvement for public access to program performance and cost information that is readily available and easy to locate.

#### **Productivity and Ridership Fiscal Year 2017 - Fiscal Year 2018 - June**

The Productivity and Ridership excel workbook downloads include information on ridership subtotaled for all HART services, compared by fiscal year annually and monthly, as well as calculations for ridership changes. The ridership reports provide information on HART program performance for the public.

The Productivity and Ridership data links are available on the HART website by going to the About section and then Planning and Performance Indicators page (<http://www.gohart.org/Pages/AboutUS-KPI.aspx>). Team MJ concludes that the Productivity and Ridership Reports are readily available and easy to locate on the HART website.

#### **Monthly Financial Report 2018-05**

The Monthly Financial Reports break down operating revenues and expenses information with the total from the annual budget and comparison to the year-to-date numbers. The report also tracks monthly cash flow for HART and shows the current cash balances in the accounts the agency manages. The monthly financial reports provide information on HART program performance and cost for the public. The Monthly Financial Report links available on the HART website by going to the Transparency section and then Financial Reports page (<http://www.gohart.org/Pages/trans-fin-reports.aspx>). Team MJ concludes that the Monthly Financial Reports are adequate for public access to program performance and cost information that is readily available and easy to locate.



**Subtask 5.4 – Review processes HART has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.**

To address the requirements of this subtask, Team MJ reviewed the following reports:

- Interview Notes Tasks 5.4 and 5.5;
- Fiscal Year 2017 Adopted Operating and Capital Budget; and
- Accounts Payable (A/P) Transparency Report Process.

**Interview Notes Tasks 5.4 and 5.5**

Team MJ conducted interviews with HART staff concerning subtasks within Task 5 on public information. Materials for the public are provided by the applicable subject matter expert or reviewed by subject matter expert. HART uses email to circulate material for team review. Public records requests are submitted through an online portal, by fax, by telephone, or in person. The Director of Legal Services responds to a staff member's concerns about a request for public records, reviews the request, and provides advice as necessary on the release of public records. If necessary, they will seek the opinion of General Counsel or other outside legal counsel.

There is not a SOP specific to ensuring the accuracy and completeness of information provided to the public. HART does not have an individual that serves as webmaster, but instead contracts to a vendor for website design. The Director of Communications personally reviews any marketing piece or public announcement about a HART service or event. HART does not post all monthly reports to the website on a consistent and similar schedule each month. HART purchased software for public records in order to ensure efficient response to public requests. Multiple staff members would have responsibility for maintaining public records. Currently the Director of Board Relations is responsible for posting materials about Board Meetings to the HART website and attends an annual training for custodian of public documents and served as the HART Records Management Liaison Officer. Team MJ concludes that the current processes and schedule for reports need to be formalized in HART SOPs to ensure the accuracy and completeness of information.

**Fiscal Year 2017 Adopted Operating and Capital Budget**

The Adopted Operating and Capital Budget document is separated into sections for the Operating Budget and Capital Budget. Each section includes a historical perspective of previous budgets and snapshots of revenue sources and expenditure types. The Capital section includes project detail sheets for the CIP. The Operating and Capital Budget document is the result of HART's processes to provide accurate, complete information to the public. The project detail sheets from the CIP have specific amounts of program funding appropriated for each coming fiscal year. This document is an example of one fiscal year's budget - HART prepares a new budget for each fiscal year, discuss rationale and funding strategy for the project, and assess any operating budget impacts from the project. Team MJ concludes that the Adopted

Operating and Capital Budget can be improved to provide program information and specific CIP project information.

### **A/P Transparency Report Process**

The A/P Transparency Report describes the report generation and verification process for A/P information by HART staff. The document states the process flow for generating the monthly reports. HART staff creates the report and generates monthly payment amounts. Data are then verified to match to a log of A/P payments issued. HART staff then creates invoice and payment spreadsheets to compare side by side for each vendor. The document shows HART's process for ensuring accuracy of A/P financial information going to public reports. It has step by step instructions for running the data comparisons and concludes with steps to prepare the data table files for availability on the HART website. Team MJ concludes that the A/P Transparency Report is adequate for processes the program has in place to ensure the accuracy and completeness of information.

**Subtask 5.5 – Determine whether HART has procedures in place that ensure reasonable and timely actions are taken to correct erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by HART and that these procedures provide for adequate public notice of such corrections.**

To address the requirements of this subtask, Team MJ reviewed the following reports the purpose of which is described below:

- Interview Notes Tasks 5.4 and 5.5; and
- Index #1 HART Board Policies Effective 12-04-2017.

### **Interview Notes Tasks 5.4 and 5.5**

Team MJ conducted interview with HART staff concerning subtasks within Task 5 on public information. The Director of Board Relations is responsible for posting materials for Board Meetings to the HART website and ensuring quality assurance/control of the material posted online. If an error is identified, the corrected material is posted as soon as the error is identified. All members of the HART staff are responsible for ensuring accurate information. When an error is identified, a correction or revision is issued and shared with the public as the original material. There is not a SOP to correct erroneous and/or incomplete program information. There is a need for HART to categorize information and identify required documents for review of possible erroneous information and levels of sensitivity. Currently when an error is identified, action is taken to correct. HART does monitor social media and responds to erroneous comments when appropriate. Team MJ concludes HART should formalize a SOP and outline staff responsibilities to correct erroneous or incomplete public information as soon as the error is identified on the HART website, in electronic media, or in printed material.

**Index #1 HART Board Policies Effective 12-04-2017**

The HART Board Policies document is the full policy manual for the agency, which includes policy sections for public access and information. The policy manual includes a section entitled Public Access and Information with subsections describing policies for meetings, public notices, agendas for public meetings, and public records. The manual includes a policy for HART regarding inspection of public information. The policy states that HART's CEO or designee shall establish reasonable rules and regulations for providing public records in accordance with State of *Florida Statutes*. Team MJ concludes that the HART Board Policies manual does not have procedures in place that ensure corrections any erroneous and/or incomplete program information.

## RESEARCH TASK 6

### **Compliance of the program with appropriate policies, rules, and laws.**

**Finding Summary – Overall, HART meets Task 6. HART has a process to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. HART has developed procedures manuals to comply with federal and state grants management requirements. HART develops a Transit Development Plan (TDP) annually to provide the planning basis for the development of the federal and state grant programs. Federal transit grant recipients are required to obtain the services of an independent auditor to conduct a single audit each year. The auditor did not find any material weaknesses in Fiscal Year 2017 but did identify three deficiencies that were not considered material weaknesses. HART staff acknowledged the deficiencies, indicated acceptance, and documented the action taken to resolve the deficiency. The corrective action plan prepared by HART management to address the findings in the single audit demonstrates that management takes reasonable and timely actions to address any noncompliance identified by an external audit.**

### **SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS**

See the Analysis and Results Section below for details regarding these conclusions.

#### **SUBTASK 6-1**

Our work revealed no issues or concerns related to whether HART has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

#### **SUBTASK 6-2**

Our work revealed no issues or concerns related to program internal controls to determine whether they are reasonable in ensuring compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

#### **SUBTASK 6-3**

Our work revealed no issues or concerns related to whether program administrators have 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 evaluations, audits, or other means.

## SUBTASK 6-4

Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax (Team MJ used selected Federal Transit Administration grants as the prototype) are in compliance with applicable state laws, rules, and regulations.

## ANALYSIS RESULTS & CONCLUSION

**Subtask 6.1 – Determine whether HART has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.**

### Federal Grants

The U.S. Department of Transportation, through the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA), provides significant funding to HART for operating and capital projects.

FTA provides a majority of HART's transit funding by formula, based on such factors as population, density, and the amount of service operated. FTA also provides discretionary funds for projects awarded on merit. The FHWA provides funding through flexible funding programs, which are administered by the FTA.

These federal funds are awarded through grants. The grants outline the specific projects that are funded by the grant; the amount of the funds that are specifically programmed to each project, including the local match; and the schedule of major milestone activities that will be undertaken to implement the project and the estimated timing.

To receive the grants, grant applications are developed and submitted to FTA. After the grants are approved, there are specific requirements for reporting the expenditures being reimbursed with grant funds as well as progress being made in implementing the projects funded by the grant.

As of June 30, 2018, HART has 13 open federal grants, \$108.8 million total awarded, and \$7.8 million balance. The source of funds include FTA Section 5307 Urbanized Area Formula (8 grants), Section 5339 Bus and Bus Facility Formula (2 grants), Section 5337 State of Good Repair Formula (1 grant), and Section 5309 Capital Discretionary (1 grant). HART also has a Surface Transportation Block Grant (administered by FTA) obligated for state of good repair.

To address the requirements of this subtask, Team MJ selected one grant from each funding source (5). The five grants represent 26 percent of the total awarded and 73 percent of the remaining balance of funds. **Figure 6-1** lists the federal projects selected.

**Figure 6-1  
Federal Transit Administration Grant Source**

Project Number	Federal Transit Administration Grant Source	Award	Balance
FL-2017-068	Formula Grant Section 5307	\$12,765,199	\$457,375
FL-04-0167-00	Discretionary Grant Section 5309	\$4,700,000	\$3,930,275
	Formula Grant Section 5337 State of Good		
FL-2016-062	Repair	\$1,627,731	\$882,998
FL-2017-070	Surface Transportation Block Grant- Flex Funding	\$8,300,000	\$374,370
FL-2017-107	Formula Grant Section 5339 Fiscal Year 2016	\$1,293,496	\$42,570
	<b>Subtotal</b>	<b>\$28,686,426</b>	<b>\$5,687,588</b>
	<b>Total Active Federal Grants as of June 30, 2018</b>	<b>\$108,793,909</b>	<b>\$7,836,388</b>
	<b>Subtotal as Percent of Total</b>	<b>26%</b>	<b>73%</b>

Source: HART – Grants 2018-06

### State Grants

The FDOT supports transit in the state by providing state funding through several programs:

- Public Transit Block Program – The Public Transit Block Program provides a stable source of state funding for public transit. HART receives approximately \$3.3 million in Public Block Grant funds each year;
- Transit Service Development Program – The Transit Service Development Program provides funding assistance for innovative service and technology projects to improve ridership, revenues, or service efficiency;
- Park-and Ride-Program – The Park-and-Ride Program funds design, construction, operation, and maintenance of park-and-ride facilities;
- Transit Urban Corridor Program – The Transit Urban Corridor Program provides funding for projects to relieve congestion and improve capacity within high volume travel corridors; and
- Transportation Regional Incentive Program (TRIP) – TRIP provides funds to improve regionally significant transportation facilities in regional transportation areas.

FDOT also administers the FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities grant program for the state. This program provides formula funding to states for the purpose of assisting with meeting the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs.

HART has 20 open state grants from the FDOT, \$15.3 million total awarded, and \$10 million remaining balance. Several grants are Fiscal Year 2018 awards. The source of funds include FTA Section 5310 (4), Urban Corridor (8), Public Transit Block Program (1), TRIP (1), Service Development (1), and various discretionary funding projects (5). HART manages all state grants consistent with the FTA grants management guidelines.

To address the requirements of this subtask, Team MJ selected five grants, including one Section 5310 and one Urban Corridor project. The other three grants are a Regional Mobility Project (TRIP), a Block Grant for operating funds, and the Premium Transit Feasibility Study. The five grants represent 55 percent of the total awarded and 35 percent of the remaining balance of funds. **Figure 6-2** lists the state projects selected.

**Figure 6-2**  
**Florida State Grant Source**

Project Number	Florida State Grant Source	Award	Balance
420741-1-84-10	Route 51X - Capital/Operating	\$412,225	\$324,254
437804-1-28-01	Premium Transit Feasibility Study	\$1,500,000	\$472,602
436677-1-94-01	Regional Mobility - TRIP - Capital/Operating	\$1,473,593	\$1,274,867
402251-1-84-18	Block Grant - Operating Formula	\$4,771,360	\$1,454,740
438958-1-84-02	Customer Choice Voucher - Section 5310	\$200,000	\$8,226
	<b>Subtotal</b>	<b>\$8,357,178</b>	<b>\$3,534,689</b>
	<b>Total Active State Grants as of June 30, 2018</b>	<b>\$15,308,053</b>	<b>\$10,012,480</b>
	<b>Subtotal as Percent of Total</b>	55%	35%

Source: HART – Grants 2018-06

### Analysis

HART has a process to assess its compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

HART manages all grants according to the FTA Master Agreement and the FTA grants management guidelines specified in FTA Circular 5010.1E Award Management Guidelines. HART executes the FTA Master Agreement annually to assure compliance with federal laws, regulations, and requirements. The FTA Award Management Guidelines prescribes post-award administration and management activities for all applicable FTA federal assistance programs.

FTA grant recipients have a responsibility to comply with regulatory requirements and to be aware of all pertinent material to assist in the management of FTA federally assisted awards. Accordingly, HART has developed the HART Grants Administration Procedures Manual (SOP NUMBER GRA-0001), as well as the State Grants Procedures Manual (SOP NUMBER GRA-0003).

HART's Budget and Grants staff enter grants in the Transit Award Management System (TrAMS). TrAMS is the internet-based computer software system used by FTA to manage grant activities from the application process to the grant closing. FTA deployed TrAMS in February 2016 to provide greater efficiency and improved transparency and accountability for FTA grants management and to strengthen the integrity and consistency of FTA award and management financial and programmatic information.

HART develops a TDP annually to provide the planning basis for the development of the grant program. The TDP evaluates the needs for service and capital projects and then develops a funding program for the highest priority needs, outlining specific funding that will be allocated to individual projects.



The TDP is an annual requirement of FDOT and must be submitted by September 1 each year. As part of the process to develop the TDP, HART undertakes outreach to comply with federal requirements related to coordination with private transportation providers and other agencies receiving federal transportation funding and the general public.

Other requirements that pertain to the grant program are projects that must be in the MPO TIP and the State TIP. Planning projects must be in the MPO Unified Planning Work Program.

FTA requires that grantees develop and publish a Program of Projects (POP) each year outlining the projects that are to be funded by the Urbanized Area Formula Program funds (Section 5307). There are specific outreach and coordination requirements associated with the development of the POP. These include:

- Making information available to the public concerning the amount of funds available under Section 5307 and the program of projects that the recipient proposes to undertake with such funds;
- Developing a proposed program of projects for activities to be financed, in consultation with interested parties, including private transportation providers;
- Publishing the proposed program of projects in sufficient detail and in such a manner as to afford affected citizens, private transportation providers, and, as appropriate, local elected officials, an opportunity to examine the proposed program and to submit comments on it and on the performance of the recipient;
- Providing an opportunity for a public hearing to obtain the views of citizens on the proposed program of projects;
- Ensuring the proposed program of projects provides for the coordination of transit services assisted by Section 5307 with transportation services assisted from other federal sources;
- Considering comments and views received, especially those of private transportation providers, in preparing the final program of projects; and
- Making the final program of projects available to the public.

Through the annual updates to the TDP, the transit needs for the HART service area are discussed and then prioritized against the anticipated funding. In addition, through the TDP process, HART staff undertakes detailed coordination activities with private and public transportation providers in the region and the general public on the proposed service and capital projects to be undertaken over the coming year. The projects to be funded through the Section 5307 program are developed as part of this process.

Each year, the HART Board of Director holds a public hearing on the draft POP for the coming year. The exact amount of funds available for the Section 5307 program and other federal grants are not known until the Federal Register is published following federal approval. This often occurs after the start of the fiscal year.

The HART Budget and Grants Department is responsible for developing the draft POP, arranging for its publication, coordinating details for the public hearing, reviewing and summarizing public response, preparing the agenda item for the HART Board of Directors to hold the public hearing and then obtaining approval of a final POP following review of public comments. The final POP is posted to the HART website following HART Board of Directors approval.

A standard operating procedure describes the procedures for grant development using TrAMS. Team MJ found the requirements and procedures for grants management are documented in the SOPs for the Grants Procedures Manuals.

**Subtask 6.2 – Review HART program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.**

Based on the SOPs and documentation for the selected projects (see Subtask 6.1), Team MJ concludes HART has reasonable internal controls to ensure compliance with federal, state, and local laws, rules, and regulations.

FTA grantees must submit quarterly reports to FTA on all open line items in federal grants. The HART Budgets and Grants Department files quarterly Milestone Progress Reports (MPRs) for FTA grants, and monthly progress reports for FDOT grants. The Grants Department coordinates with the assigned project managers as well as with the Finance Department to prepare the reports.

FTA conducts triennial reviews to ensure compliance with federal grants management guidelines. During the 2015 Triennial Review for HART, FTA found deficiencies with the requirements for Financial Management and Capacity. Specifically, the finding showed that HART had inactive grants and had not closed grants in a timely manner. This is a repeat deficiency from the 2012 Triennial Review. To address the deficiencies identified in the 2015 Triennial Review, HART staff held a Triennial Review follow-up workshop with HART division chiefs and project managers. The August 19, 2015 workshop covered the following topics.

- FTA Triennial Review findings;
- Corrective action mechanisms;
- Regulations, requirements and structure for grants reporting; and
- New reporting requirements to ensure proper grants management (reporting and expenditures).

HART implemented a requirement for project managers to complete monthly progress reports, in addition to the FTA required quarterly report. The monthly report is due within a week following the close of the previous month. Additionally, Grants Department staff meets with individual project managers to review monthly reports and to discuss the budget and spend down plan for each project funded by federal grants. Section 1.2.3 of SOP NUMBER GRA-0001 describes the details on the specific requirements of both the monthly progress report and the quarterly report.

**Subtask 6.3 – Determine whether HART program administrators have 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 evaluations, audits, or other means.**

**Single Audit**

FTA grant recipients are required to obtain the services of an independent auditor to conduct a Single Audit each year in conformance with 2 CFR part 200, subpart F. HART documents the Single Audit each year in the CAFR.

The independent auditor includes a section in the CAFR for Compliance Reports. The Fiscal Year 2017 CAFR including the following three reports:

- Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General;
- Independent Auditor's Management Letter; and
- Report of Independent Accountant on Compliance with Local Government Investment Policies.

The auditor did not find any material weaknesses in Fiscal Year 2017 but did identify three deficiencies that were not considered material weaknesses. HART staff acknowledged the deficiencies, indicated acceptance, and documented the action taken to resolve the deficiency.

The corrective action plan prepared by management to address the findings in the report related to internal control deficiencies demonstrates that management took reasonable and timely actions to address any noncompliance identified by an external audit.

**Triennial Review**

FTA also conducts triennial reviews to ensure compliance with federal grants management guidelines. The Triennial Review is one of FTA's management tools for examining grantee performance and adherence to current FTA requirements and policies. Mandated by Congress in 1982, the Triennial Review occurs once every three years. The review examines how recipients of Section 5307 funds meet statutory and administrative requirements. HART hosted the FTA contractor for the Fiscal Year 2018 Triennial Review in April 2018. The FTA Fiscal Year 2018 Triennial Review – Draft Report was issued on May 3, 2018.

The Triennial Review focused on HART's compliance in 20 areas. No deficiencies were found with the FTA requirements in 15 areas. Deficiencies were found in five areas: 1) Satisfactory Continuing Control, 2) Procurement, 3) Disadvantaged Business Enterprise, 4) Americans with Disabilities Act-General, and 5) Americans with Disabilities Act -Complementary Paratransit. HART had no repeat deficiencies from the 2015 Triennial Review.

HART accepted the FTA findings on May 17, 2018 and began corrective actions, including an update to the Procurement Manual that will be subject to public hearing and formal approval by the Board of Directors. In interviews with HART staff, Team MJ learned that the individual

director responsible for each area of a deficiency had taken action to correct the concern. HART requested and received FTA approval for a due date of November 10, 2018 to confirm corrective actions.

**Subtask 6.4 – Determine whether HART program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.**

HART has not specifically planned uses of the surtax; therefore, the Team MJ review of HART programs could not draw conclusions that plans are in compliance with applicable state laws, rules, and regulation for the surtax.

HART recently conducted a Comprehensive Operational Audit (leading to Mission MAX) and a TDP update that documented a 10-year service and capital plan. The TDP documented services and projects that can be implemented with current sources of funding and also identified additional services and projects that are recommended if additional funding becomes available. Since Mission MAX, FDOT has identified new funding that has resulted in added services for Route 48 and Route 275LX. HART will also initiate a BRT planning study and demonstrate use of an autonomous vehicle shuttle on the Marion Transitway. These actions indicate HART is prepared to take reasonable and timely actions to implement new services and projects, including transit services that utilize exclusive transit right-of-way, consistent with the Transit Restricted Portion of the surtax.

Team MJ evaluated the HART grants management program for FTA funds and FDOT funds for operating and capital projects. HART has demonstrated the ability to manage grants in compliance with applicable federal and state laws, rules, and regulations.

## APPENDIX 1 – MANAGEMENT RESPONSE – HILLSBOROUGH COUNTY (PUBLIC WORKS)



**Hillsborough  
County Florida**

**COUNTY ADMINISTRATOR**

**Michael S. Merrill**

PO Box 1110 Tampa, FL 33601-1110  
(813) 276-2843 | Fax: (813) 272-5248

September 5, 2018

McConnell & Jones LLP  
Certified Public Accountants  
4828 Loop Central, Suite 1000  
Houston, Texas, 77081

To Whom It May Concern:

Hillsborough County welcomes the opportunity to respond to its portion of the Performance Audit of Hillsborough County and the Hillsborough Area Regional Transit Authority by McConnell & Jones LLP. Please find our management response in the attached document.

**We are pleased that you determined Hillsborough County “met” or “partially met” all six audit tasks. While we do not concur with some of the findings and conclusions, the audit clearly demonstrates that the County has the resources and expertise to deliver a full range of transportation programs and project infrastructure should the citizen initiative be adopted in November.**

Thank you for recognizing our achievements, including the AAA credit ratings we enjoy from all three rating agencies. This accomplishment is largely due to our sound financial management practices and by consistently evaluating the efficiency of the County’s service delivery. To that end, efforts are currently underway to come to an even better understanding of the cost of services provided to residents and businesses, and to better communicate to the public the value of those services.

Hillsborough County takes great pride in its fiscally conservative management of government and its use of innovative measures to overcome funding shortages and financial challenges. We provide services that enable residents to prosper in their personal, professional, and business lives. In addition, we are equally committed to evaluating new methods to deliver services and programs as the county continues to experience significant growth.

*As stated in Subtask 4.3 of the audit “Team MJ noted no significant or material weaknesses in internal controls from the perspective of the managers who completed the questionnaires. Accordingly, MJ concludes that policies and procedures are comprehensive and well documented and internal controls exist to provide reasonable assurance that program goals and objects will be met.”*

This conclusion is clearly backed by your determination that Hillsborough County achieved a “met” or “partially met” in **23 of 25** audit subtasks, a **92 percent** success rate.

**BOARD OF COUNTY  
COMMISSIONERS**

Victor D. Crist  
Ken Hagan  
Al Higginbotham  
Pat Kemp  
Lesley “Les” Miller, Jr.  
Sandra L. Murman  
Stacy R. White

**COUNTY ADMINISTRATOR**

Michael S. Merrill

**COUNTY ATTORNEY**

Christine M. Beck

**INTERNAL AUDITOR**

Peggy Caskey



We would like to highlight a few issues that may not be clear in the audit.

Foremost, the transportation referendum that Hillsborough County voters will decide in November is not a Hillsborough County Board of County Commissioners' initiative. A citizens group organized a petition drive for a ballot initiative to generate more funds for transportation.

As we've stated before, the audit requirement should not have been applied to the County. The statute states that a performance audit must be conducted when a surtax is proposed by "the county or school district." By way of comparison, the District School Board of Hillsborough County itself voted to place a sales tax increase initiative directly on November's General Election ballot.

Should voters approve the transportation referendum, Hillsborough County, along with the cities of Plant City, Tampa, and Temple Terrace, HART, and the Hillsborough Metropolitan Planning Organization, will receive a portion of these funds and use them to improve transportation throughout the County. These expenditures will be scrutinized by a board of more than a dozen residents appointed by the BOCC, the three municipalities, HART, and three constitutional officeholders.

Further, HART is an independent agency created by the State. It is not under the jurisdiction of the Hillsborough County Board of County Commissioners or the County Administrator.

At the request of the auditors, Hillsborough County provided a voluminous amount of reports and documents for this audit, and did so promptly, even with an accelerated timeframe. We were always available to answer questions and provide further documentation out of respect for the process, and to better educate the public.

Hillsborough County has a long history of being a good steward of tax dollars and delivering high-quality services and programs to its residents and businesses. The audit strongly confirms this, and demonstrates that the County will continue providing stellar service and delivering successful outcomes, in the same fashion it has successfully implemented the Community Investment Tax and many other initiatives, and administers services and programs on a daily basis.

Cordially,



Michael S. Merrill  
County Administrator

Attachment

CC: Board of County Commissioners  
Christine Beck, County Attorney  
Peggy Caskey, County Internal Auditor

## Hillsborough County Management Response to the Performance Audit

September 5, 2018

Below are the auditors' findings, followed by the County's response.

### Research Task 1 - The Economy, Efficiency, or Effectiveness of the Program.

**Finding Summary:** Overall, Hillsborough County's Public Works Department (PW) meets Task 1.

**Research Subtask 1.6 Results:** Although current programs demonstrated that a sample of projects were completed within budget and costs were reasonable, the project files provided indicated inconsistency with project management and close out procedures as required by the department's Project Management Delivery Team Manual.

**Conclusion:** Partially Met

**Recommendation:** PW should enforce compliance with project management requirements and include authorized management's approval for any pre-approved exceptions.

#### Hillsborough County Response

*Hillsborough County concurs with Research Task 1. However, the findings in Subtask 1.6 were ultimately immaterial to the successful delivery of the projects.*

*Public Works, in collaboration with Public Utilities and Real Estate & Facilities Services, is already in the process of updating a common multi-department project delivery manual that includes a new project manager training program. The manual and training program will help assure that project management procedures are updated to reflect current best practices, provide project managers with the most up-to-date training, and ensure that procedures are being consistently followed. The final draft of the new project delivery manual is expected to be rolled out in the next three months. In addition, project manager training will take place over the next six months.*

### Research Task 2 - The structure or design of the program to accomplish its goals and objectives.

**Finding summary:** Overall, Hillsborough County's Public Works Department (PW) meets Task 2.

**Research Subtask 2.2 Results:** In assessing the reasonableness of current program staffing levels given the nature of the services provided and program workload, Team MJ determined that while PW focuses on addressing staff vacancy rates, such high rates still exist. These high vacancy rates create a risk that the County will be unable to maintain quality service levels.

**Conclusion:** Partially Met

**Recommendation:** PW should consider using employment agencies or other sourcing methods to minimize staff vacancies and potential overtime.



## Hillsborough County Management Response to the Performance Audit

September 5, 2018

### Hillsborough County Response

*Hillsborough County concurs with the findings in Research Task 2. However, Hillsborough County does not concur with the findings in Subtask 2.2.*

*Hillsborough County does use outside agencies and other sourcing methods to minimize staff vacancies and potential overtime. But very high growth rates in the county and Tampa Bay region, coupled with the low unemployment rate, have created significant reductions in experienced, qualified labor and driven up costs. According to Associated Builders and Contractors, Florida continues to be a very active construction market, ranking fifth among states in the creation of new construction jobs in the private sector. These challenges affect temporary labor markets as well.*

*To mitigate potential impacts of short-term professional vacancies, Hillsborough County utilizes contractual services to assure service levels are maintained. Some examples include engineering project management services and traffic investigations. Hillsborough County will continue to evaluate options to supplement staff with temporary or contract labor as well as hiring staff when appropriate, given the long duration of major transportation programs and projects. However, current vacancies do not impede the County's ability to deliver services in a timely and effective manner.*

*Another complication is that maintenance labor vacancies must be coordinated through the collective bargaining agreement with the American Federation of State, County and Municipal Employees (AFSCME). We recently reached a temporary staffing agreement with an outside agency, but the final terms were not acceptable to AFSCME and we were unable to implement it.*

### Research Task 3 - Alternative methods of providing services or products.

**Finding Summary:** Overall, Hillsborough County's Public Works Department (PW) partially meets Task 3.

**Research Subtask 3.1 Results:** The County transportation program does not have a formal means of evaluating existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determining the reasonableness of their conclusions.

**Conclusion:** Not Met

**Recommendation:** Procurement Services and PW should collaborate to develop a formal means of evaluating suitable in-house services and activities to assess, where practical, the feasibility of alternative methods of providing services, such as outside contracting and privatization.

**Research Subtask 3.3 Results:** The County provided no evidence that it conducts formal evaluations/assessments of service delivery methods that could lead to changes that result in reduced program costs without significantly affecting service quality.

Hillsborough County Management Response to the Performance Audit

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**Recommendation:** PW engineers are required to evaluate the cost effectiveness of alternative right-of-way alignments on transportation projects. When practical, PW should adopt the same principle for other types of procurement and service delivery methods.

Hillsborough County Response

Hillsborough County does not concur with the findings for Research Task 3, and does not concur with Subtasks 3.1 and 3.3.

First, we begin by pointing out that the positive finding of "Met" in Research Subtask 3.4 seems to conflict with the findings in 3.1, 3.2, and 3.3. In 3.4, the audit states: "Our work revealed no issues or concerns related to management identifying possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.)."

The following examples are offered as strong evidence of the County's ongoing efforts to identify and evaluate "alternative methods of providing program services or products":

1. **Helicopter Leasing/Ownership Evaluation.** This involves the evaluation of leasing versus owning a helicopter for insecticide and herbicide spraying. After a thorough review, it was determined to be in taxpayers' best interests to continue maintaining the County-owned helicopter rather than change the service delivery method. This avoids any unnecessary disruption in efforts to reduce the mosquito population and the spread of the harmful Zika virus.
2. **Mosquito Control Aerial and Ground Spraying.** This involves reconsideration of "piggybacking" on another public entity's contract, rather than soliciting competitive sealed bids. Before developing a new solicitation, a Request for Information was publicly issued that specifically requested information about new and innovative methods of controlling mosquitos. After gleaning valuable information from the responses, specifications were developed and competitive sealed bids were solicited for these critical services, which ultimately reduced costs without affecting service quality.
3. **Grease and Septage Request for Solution.** This involves the use of a Request for Solution, a method of source selection used for soliciting innovative solutions by providing general instructions without minimal restrictions on technology or approach. Following a change in regulations regarding the disposal of grease and septage, the County sought to find the most innovative and cost-effective approaches to solving this issue. The County considered developing its own program, but in the end it was determined the private sector offered the most economical and efficient means of providing this service.
4. **Carbon Credit Program.** This involves the development of an innovative and unique program that generates revenue by preserving conservation land and sequestering carbon. Hillsborough County is one of the few local governments to successfully initiate, develop, and execute this complex program. This approach marks a significant change in how conservation land is used and maintained. The revenue generated by the sale of carbon credits will be used to offset a portion of the cost to maintain and preserve these ecologically important areas, thus improving service delivery and lowering costs.

Hillsborough County Management Response to the Performance Audit

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5. **Transportation Impact Fee Offset Sale Program.** This involves another innovative and unique program that allows the County to buy back transportation impact fee offsets at reduced rates, thus saving the County millions of dollars. There are no existing local government models for this program. But through extensive research and out-of-the-box thinking, the County created a viable and meaningful program that benefits all stakeholders.

While the County may not have "... formal evaluations of existing in-house services used to assess feasibility of alternative procurement methods," this evaluation routinely occurs at the directors' level as part of each director's budget and management responsibilities and obligations. When considering in-house services and activities, directors are always cognizant of both short- and long-term impacts on ad valorem and other taxes.

Further, Public Works and support departments exercise reasonable due diligence and consider all or part of the following questions depending on the type of service or product under consideration:

Should the County continue to provide this particular service or product?

What outcomes are expected by residents and the Board?

How does current performance compare to the expected performance?

Will the expected performance lead to the expected outcomes?

How is demand for the service or product being managed?

What is the cost and benefit(s) of the service or product?

Can the benefit(s) and outputs of the service or product be increased?

Can the number and cost of inputs be decreased?

What (if any) are alternative ways of delivering the service or product?

If a change in service or product is prudent, how can it best be implemented and communicated to all stakeholders?

Public Works considers a myriad of variables – all of which may differ depending on the type and complexity of a desired service or product. Before a service delivery method is chosen or changed, Public Works gathers the information necessary to understand the required service or product, and the context of alternative service delivery. When practical and practicable, different delivery methods are investigated, barriers to changing the delivery method are identified, risks associated with the suitable delivery methods are assessed, and the cost(s) and benefit(s) of the suitable methods are determined. This process for determining the feasibility of alternative service delivery methods is routine, effective, and successful.

Given the ongoing uncertainty of tax legislation and resulting revenues, the County is hesitant to increase staffing or commit existing staff to new or expanded service levels or programs. Public Works often outsources maintenance services such as mowing, litter removal, roadway sweeping, and pavement marking, to name a few examples, due to the flexibility and economic benefits of using independent



## Hillsborough County Management Response to the Performance Audit

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contractors. Outsourcing also benefits the economic well-being of the community. The prosperity of our community hinges on how well the County invests in and engages with its residents and businesses. While the County does not have a local preference, it is our policy to make sure all local businesses are at least afforded a fair and equal opportunity to compete for work in their own community. Because the benefits of contracting with local businesses are often intangible and cannot be reduced to mathematical “make or buy” decisions, the County predominately uses the competitive procurement processes to ensure equal opportunity, and, thus, the prosperity of our community.

Regarding transportation projects, it is important to note that Public Works is primarily involved in building and maintaining infrastructure. In addition, Florida Statutes, Section 336.41 (2018), specifically requires “[a]ll construction and reconstruction of roads and bridges, including resurfacing, full scale mineral seal coating, and major bridge and bridge system repairs ... be let to contract to the lowest responsible bidder by competitive bid ...” when certain taxes are involved. As such, this section specifically limits the County’s ability to utilize its own workforce for such work.

The Board of County Commissioners adopted a new Procurement Policy in 2017 that provides the Board with numerous contemporary procurement methods to maximize value and innovation. While competitive sealed bidding is the preferred procurement method, a diverse set of tools, including the use of public-private partnerships, are available depending on the goals and objectives of each procurement or project.

The County contends that the recommendation for Subtask 3-1 is partially impractical or impracticable given the limited opportunities for the effective use of in-house services.

**Research Subtask 3.2 Results:** County program administrators have an efficient means of assessing contracted and/or privatized services to verify contractor effectiveness. However, the County provided no evidence of contractor assessments performed for the purpose of achieving cost savings.

**Conclusion:** Partially Met

**Recommendation:** PW should, when practical, include documented cost savings in evaluations of contractor performance.

### Hillsborough County Response

Hillsborough County concurs with the findings in Subtask 3.2. The County will work to better document cost savings and assessments.

A very clear distinction must be made between contracting-out versus privatizing transportation projects and programs. The County contracts out a significant portion of capital and operating transportation programs and projects.

Privatization means transferring ownership and/or risk from public to private hands. The County has successfully executed privatization projects (e.g., the Resource Recovery Plant) in the past. But, overall, transportation projects in the county do not easily lend themselves to privatization (e.g., P3). Privatizing – transferring ownership and risk – of intersections and non-toll roads, and road resurfacing programs,

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*to give a couple of examples, lacks the basic ingredient of a private revenue incentive found in most public-private partnerships.*

*Transferring ownership of government assets – transportation or other – solely on the basis of expected cost savings with bonus arrangements with private operators is an approach that has had mixed results nationwide. Such arrangements, no matter how closely monitored, are subject to changes in service levels and change orders that tend to be more of a “cost-plus” arrangement than a savings. There are number of examples nationwide of local governments taking back assets due to increased costs and deterioration of service delivery.*

*The County agrees that, where appropriate, privatization should be one tool that is considered where the prerequisites exist for a true P3 arrangement. For that reason, the County Administration has established an internal, cross-disciplinary management group with expertise in evaluating P3 opportunities.*

**Research Task 4 - Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.**

**Finding Summary:** Overall, Hillsborough County’s Public Works Department (PW) meets Task 4.

#### Hillsborough County Response

*Hillsborough County concurs.*

**Research Task 5 - The accuracy or adequacy of public documents, reports, and requests prepared by the county which relate to the program.**

**Finding Summary:** Overall, the County Meets Task 5.

**Research Subtask 5.3 Results:** PW makes some budget and cost data for projects as well as service statistics such as roadways resurfaced (based on lane miles) available to the public on the County website. However, evidence of detailed budget and cost information or program performance information for most projects was not widely assessable via the website, which is the most common means of accessing public data.

**Conclusion:** Partially Met

**Recommendation:** PW should, when practical, prepare program performance data for major projects and make both performance data and detailed budget and cost data more widely accessible to the public.

#### Hillsborough County Response

*Hillsborough County concurs with the findings in Research Task 5. However, Hillsborough County does not concur with the findings in Subtask 5.3.*

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*The County acknowledges traditional communication tactics performed by other government agencies include posting lists and information on a website and checking a box to show that information is "accessible to the public." Hillsborough County has a more user-friendly philosophy. When it comes to providing information to the public we serve, our goal is to make the most relevant information accessible in an easy-to-understand format. We take complex issues and translate them into plain language in order for all citizens to have a thorough understanding of the subject matter, including transportation.*

*All subject matters presented at Board of County Commission meetings and other public meetings, including PowerPoint presentations as well as budget and detailed cost information covered or presented at those meetings, are available to the public on the County's website. All users have to do is visit the archived meetings or back-up materials posted with the agendas. Additionally, Communications and Digital Media has added the Board of County Commission meetings, with indexing, to its YouTube channel in order to increase accessibility to Hillsborough County residents.*

*In addition, Public Works, in collaboration with multiple county departments, including Communications and Digital Media, Public Utilities, and Real Estate & Facilities Services, is leading an initiative to update the capital projects web-viewer to incorporate a project status and performance dashboard, as well as links to individual project webpages. The new capital project dashboard currently is on the County's intranet for testing, and our hope is to add it to the public website in the near future.*

*On Jan. 18, 2017, the U.S. Access Board published a final rule updating accessibility requirements for information and communication technology (ICT) covered by Section 508 of the Rehabilitation Act and Section 255 of the Communications Act. Traditionally, the primary issue with 508 compliance on government websites is the amount of non-compliant PDFs (Portable Document Format) posted. Many lists and data tables exist in this format, and if posted to the site, these documents would limit accessibility to persons with disabilities.*

*Communications and Digital Media Department will be seeking future funding to outsource the backlog of non-508-compliant PDFs that currently exist on our site. By securing such funding, we would further ensure compliance and also enable all departments to provide detailed data traditionally found in spreadsheets and PDFs in an accessible format for all of our residents.*

**Research Task 6 - Compliance of the program with appropriate policies, rules, and laws.**

**Finding Summary:** Overall, Hillsborough County's Public Works Department (PW) meets Task 6.

**Hillsborough County Response**

*Hillsborough County concurs.*

This concludes Hillsborough County's management response to the audit.



## APPENDIX 2 – MANAGEMENT RESPONSE – HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY (HART)



Hillsborough Area Regional Transit Authority

1201 E. 7th Avenue • Tampa, Florida 33605

(813) 384-6600 • fax (813) 384-6284 • www.goHART.org

September 5, 2018

Sharon E. Murphy  
McConnell & Jones LLP  
4828 Loop Central Drive  
Houston, TX 77081

Subject: HART Response to the Performance Audit of Hillsborough County and Hillsborough Area Regional Transit Authority

Ms. Murphy,

Pursuant to Florida Statute 212.055(10), Florida local governments with a referendum on the discretionary sales surtax held after March 23, 2018 must undergo a performance audit conducted of the program associated with the proposed surtax adoption. The entity responsible for the management of these audits, the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) notified Hillsborough County, along with HART, on Monday, August 6, that its selected auditors, McConnell & Jones LLP, would be performing the mandated audit.

The following is HART's Management Response to the aforementioned audit, which was conducted from August 7 to August 17, 2018. The comments herein are focused only on HART's component of the audit exclusively; no comment or response being provided on Hillsborough County's audit, nor references within the audit to other entity's responsibilities (e.g. MPO, municipalities, etc.), or the citizen initiated referendum process itself.

Although the audit was conducted in a very condensed timeframe, HART staff made themselves 100% available to the auditors, with over 80 hours of interview time and provision of over 300 documents. It should be noted that the specific transit auditor that led and conducted HART's audit, Ms. Linda Charrington, was professional, highly knowledgeable about the transit industry and well-versed in the operations of an organization with the mission of providing transit service to the community. She was also attentive, amicable and worked well with all staff involved and when provided with a multi-listing of issues HART staff had with the document itself (Attachment), she worked on addressing the majority of the scrivener's or correction errors that were identified.

According to the audit report, HART was found as "meeting" or "partially meeting" 24 out of 25 research subtasks, with one subtask "not met". Each "partially met" and the individual "not met" subtask audit comment will be responded to below:

### **Research Subtask 3.2 – "Not Met"**

Audit Comment: HART staff has not evaluated existing bus, paratransit or streetcar services to determine if contracted or privatized services could improve effectiveness or save costs. HART did evaluate the (fare) count room function and decided to outsource the responsibility to save cost.



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Audit Recommendation: *HART should develop a methodology and criteria to assess if contracted or privatized services can improve the cost effectiveness of directly operated transit services.*

Management Response:

Although there is not a formal Standard Operating Procedure (SOP) or process template for evaluation of privatizing service, HART continuously evaluates the effectiveness of its current service and looks for innovative transportation solutions to not only provide options to those within the HART service boundaries, but for a keen high for stewardship of taxpayer dollars in the support of that service. As can be evaluated from the following information, HART is and has been diligent in evaluating options in the delivery of its service:

Paratransit Service: Auditing firm Cherry Bekaert & Holland previously audited HART in 2008 with no formal recommendations for a purchased service. A recent audit of HARTPlus paratransit program conducted by TransPro did not include a specific review of the cost savings for purchased versus directly operated service. HART planned to issue an RFP to attain a consultant to review potential cost savings for purchased transit; however, it is currently on hold during the ongoing contract negotiations with HART's two Bargaining Units.

HART has recently (April, 2018) awarded a contract to two vendors, West Coast Transportation d/b/a Yellow Cab Company and Gulf Coast Transportation (GCT) "United Cab" to provide same day Paratransit service. The cost for this service is \$20 per trip which is approximately 2/3 the cost of providing this service in-house. With the continued increase in paratransit service demand and the potential burden to internal resources (e.g. vehicles, staffing and property space), HART will need to evaluate management of this growth.

Bus Fixed Route, Local, Limited Express, Express and Flex – external legal counsel previously advised that HART could incur a 13(c) Federal Transit Act violation with our current ATU contractual employees and the U.S. Department of Labor depending on the service exceptions which could be implemented in a privatizing or outsourcing scenario. However, HART engaged in a pilot program (HyperLINK) to support connectivity within the county by contracting service with Transdev to provide a first mile/last mile solution to the community and connectivity to the HART network. HART is also in the process of composing a Scope of Work for a RFP for contracted service in the Tampa Innovation District. Separately, HART is collaborating with the Enterprising Latinas, with the support from the county funding, to develop a scope of work to provide circulator service in South County with connectivity to the HART fixed route grid. HART is in the process of acquiring the Tampa Downtown Partnership's "Downtown service" (a contracted on-demand service within the downtown Tampa corridor). The service model will not change when it is absorbed into the HART service; and the contract will remain in force as it currently stands.

Railed Streetcar line - HART is the contracted provider of the TECO Line Streetcar System governed by the Tampa Historic Streetcar Board and funded by the City of Tampa. HART has no authority to subcontract the service.

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**Research Subtask 5.3 – “Partially Met”**

**Audit Comment:** *Our work revealed that the operating and capital budgeting process is completed by HART each year, but the program performance and cost information is not available in a format that is easily accessible by the public.*

**Audit Recommendation:** *HART should include program performance and cost information, including the five-year Capital Improvement Program, in the annual operating and capital budget to make identification of information easier for the public.*

**Management Response:**

HART complies with Florida Statutes by adopting by Resolution a balanced budget by October 1 of each year and ending September 30 of the following year. Also, as required by Statute, the tentative budget is posted on HART’s website at least 2 days before the budget hearing and the final adopted budget is posted within 30 days after adoption.

Historically, HART’s annual budget document has been a detailed depiction of the organization’s budget and goals, and follows a similar outline presented in the Comprehensive Annual Financial Report (CAFR); it requires a concerted and extensive level of effort by multiple department staff members. In FY18, only an Executive Summary of Operating and Capital Budgets was prepared and published on the website which meets Statute requirements. The summary outlined the sources of revenues and expenditure categories (operating) and projects (capital) and the respective proposed budgets. As the organization was undergoing many changes at the end of FY17 – staffing levels, a major service change, a Comprehensive Operational Analysis, a major TDP update, and plans for a newly designed Annual Report as well as the transition of the CEO - the decision was made to only publish the minimum requirements to comply with Statute. In FY19 and forward, however, HART’s budget document will be prepared for consideration under the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program and will include program performance, cost information, and a 5-year CIP.

**Research Subtask 5.4 – “Partially Met”**

**Audit Comment:** *Our work revealed that HART does not have a formal process to ensure the accuracy and completeness of program performance and cost information to the public.*

**Audit Recommendation:** *HART should formalize the standard operating procedure for review of information released to the public to ensure the accuracy and completeness of the information. The standard operating procedure should identify the schedule for producing and posting monthly reports to ensure the information is available regularly on the same schedule.*

**Management Response:**

HART began placing all financial, budget and environmental compliance reports and documents on its website on a separate “Transparency” page beginning in 2014; information, reports and all information provided to Board members in support of both Regular HART Board meetings, Committee and Ad Hoc Committee meetings, as necessary, are regularly published on the HART website depending on the date of the respective meeting, which varies from month to month.

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HART prepares monthly information reports with the status updates for all divisions in advance of the monthly Board meetings. Board/Committee Action items preparation SOP ESOP-001 reflects the Board meeting schedule, the format for the monthly reports, as well as the schedules for Submittal/Review/Signature, Publishing Agenda (Section J).

In accordance with the HART Board Policy 200 Public Access and Information; 230.01 - AGENDA FOR PUBLIC MEETINGS, HEARINGS OR WORKSHOPS:

“(1) HART shall prepare an agenda in time so that a copy could be received at least seven (7) days before the event by any person in the state who has requested a copy and pays the reasonable cost per copy.”

Director of Board Relations posts the Board packets with the monthly information reports on HART web site at <http://www.gohart.org/Pages/AboutUS-PublicMeetings.aspx> and sends electronic notifications.

HART will consider formalizing its current practice in a separate Standard Operating Procedure with the schedule of producing, distributing and posting monthly reports to continue to ensure accurate and timely availability to the public, although all reports are, and have been, placed where the public can access.

**Research Subtask 5.5 – “Partially Met”**


Audit Comment: *Our work revealed that HART does not have a standard operating procedure to correct erroneous and/or incomplete program information.*

Audit Recommendation: *HART should formalize a standard operating procedure and staff responsibility to correct erroneous or incomplete public information as soon as the error is identified on the HART website, in electronic media, or in printed material.*

Management Response: HART’s Records Management Liaison Officer is the HART representative that is contacted if public information is found to be erroneous and/or incomplete on the HART website, in electronic media or printed media. Although there is no formal process for this, HART staff is conscientious when errors are brought to their attention. HART will consider a Standard Operating Procedure which would document this process.

Please direct any questions concerning this Management Response to me at 813-384-6386 or at [sewardj@gohart.org](mailto:sewardj@gohart.org).

Respectfully,



Jeffrey C Seward  
Interim Chief Executive Officer

Attachment: Log of Proposed Corrections with Revisions