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Office of Management and Compliance Audits

SUBJECT: INTERNAL AUDIT REPORT – PRE-CONSTRUCTION SERVICES

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

The objectives of the audit were to determine the contracted firms' compliance with stipulated contract terms and to evaluate the quality of service received by the District for pre-construction services procured by the School Board via the Construction Management At-Risk Agreement (CMAA).

Our audit concluded that the District did not always receive the deliverables stipulated in the CMAA or did not receive them in a timely fashion. In some instances, having received the requisite pre-construction services would have mitigated or avoided some of the incremental costs associated with contingency and change order items. Our review of the CMAA and analysis of contingency and change order items disclosed that the terms of the CMAA and management's expectations were not always properly aligned relative to the location and identification of utilities. The timing of identifying conflicts that impact the project, as evidenced by the use of contingency for items that are known or should have been known prior to bidding and award, raises questions about the completeness of pre-construction services received and the proper use of contingency as prescribed in the CMAA. Additionally, we found that management utilized the contingency to fund changes to the approved scope of work.

The audit disclosed some areas that could be improved such as receipt of all deliverables or timely receipt of these deliverables. There were also some findings related to avoidance of incremental costs associated with contingency and change orders.

The administration has addressed these findings and recommendations and has developed corrective actions.

The School Board Audit and Budget Advisory Committee reviewed this report at its January 31, 2012, meeting and recommended transmitting it to the School Board.

Copies of this report were distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That the School Board of Miami-Dade County, Florida, receive and file the Internal Audit Report – Pre-Construction Services.