



Joseph M. Centorino, Inspector General

TO: Honorable Mayor and Members of the City Commission
FROM: Joseph Centorino, Inspector General

DATE: February 26, 2024

PROJECT: Summary of Risk Assessment Activity and High-Risk Contracts
Summary Period: January 1, 2023 through December 31, 2023
OIG No.: 24-02

The Office of the Inspector General has a Contract Oversight function that may result in an audit, investigation or review of any procurement or resulting City contract. In connection with this oversight the OIG engages a part-time Contract Oversight Specialist, Jill Klaskin Press.

Ms. Press previously served as Assistant Director of the Miami-Dade County Department of Procurement Management for most of her 28-year career overseeing annual expenditures up to a billion dollars on goods and services for the County. She holds a certification as a Certified Public Purchasing Officer (CPPO) from the Universal Public Purchasing Council (UPPCC) where she has served on both its Board of Examiners and Board of Directors. She has been an active participant in the National Institute of Governmental Purchasing (NIGP) at both the Chapter and National levels since 1985, and currently works as a private consultant to State and local governments on procurement matters.

The Contract Oversight Specialist monitors the City's procurement process with the cooperation of the Procurement Department. The position provides general observation, oversight, and analysis of various aspects of the governmental contracting process, including bid process, evaluation, negotiations, and contract implementation. The primary objectives are to promote transparency and efficiency in City expenditures and to ensure that decisions are fair, objective, and without bias or prejudice toward any participant.

The OIG has developed a Risk Assessment Worksheet (RAW) tool to be initiated by a using department, whenever a solicitation is requested. This tool, which is attached to this memo, has been incorporated into the Request for Issuance Approval Form, which is sent to the City's Procurement Department. The form provides pertinent information related to the nine risk factors about the nature and conditions of the project or program in question and the projected cost of the goods or services to be procured. Procurement staff members forward the forms on contracts having large dollar amounts, in excess of \$1,000,000, to the OIG to calculate and apply assessment scores and to rate the contract as having a high, medium or low risk level. This Risk Assessment tool has assisted the OIG in determining where to focus its procurement and contract oversight.

When it is determined by the RAW that the solicitation indicates a “High Risk” score of 23 points or higher, the Contract Oversight Specialist notifies the Inspector General, the Procurement Director, Contracting Officer, and Supervisor of the findings. A high-risk score does not necessarily indicate that a solicitation will raise any issues. It does serve to indicate a solicitation that the OIG intends to follow. It also alerts the City Administration to high-risk contracts that may merit special managerial oversight.

After a contract has been identified as high risk, the City’s Procurement Specialist retains the score sheet in the solicitation folder and notifies the OIG Contract Oversight Specialist of any addenda, meetings, protests, award, etc., regarding the solicitation. The OIG Contract Specialist may then follow the item through the procurement process by attending evaluation meetings and reviewing procurement documents. In the event of a bid protest or other complaint received by the OIG, the same scrutiny may be applied to medium or low risk procurements.

During the period of January 1, 2023, through December 31, 2023, the Procurement Department issued approximately 300 solicitations of which 41 were determined to have a value in excess of \$1,000,000. Of the 41 solicitations, 11 indicated a low risk score, 20 indicated a medium risk score, and 10 indicated a high risk score.

The solicitations identified as high risk during the 2023 calendar year and their current status include the following:

- 1) (CIP) 2023-120-ND-72nd St. Development
Status: Awarded Kaufman Lynn Construction
- 2) (PW) 2023-350-LB – 30” Main Canal Crossing Replacement
Status: All bids rejected – Rebid as 2024-16-LB and awarded to Ric-man International
- 3) (FM) 2023-349-KB – Redevelopment of City Owned Property
Status: Bid opened 8/4/2023 No action yet.
- 4) (CIP) 2023-121-ND – A&E Services
Status: Awarded to Wannemacher Jensen Architects
- 5) (PW) 2023-421-DF – Stormwater System and Stormwater Cleaning
Status: Awarded to Express Drain & Sewer Cleaning, LLC
- 6) (ED) 2023-338-ND -MB Convention Center Mgmt.
Status: Awarded to Global Spectrum, L.P. dba OVG360
- 7) (PW) 2024-048-JP -Water Main Aerial Crossing Replacement along the West 41st Street bridge between Pine Tree Drive and Indian Creek Drive
Status: Awarded to Quality Enterprises USA
- 8) (PW) 2023-527-JP – Construction of Seawall
Status: Awarded to Ebsary Foundation Co. for Trouville Esplanade, Bonita Drive, and Rue Notre Dame seawalls, and Kearns Construction Co. for 7150 Indian Creek seawall
- 9) (WS) 2024-018-DF – Water Main Replacement Venetian Causeway.

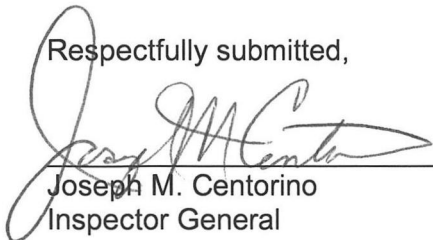
Status: Awarded to Quality Enterprises USA, Inc.


10) (CIP) 2024-022-ND – Lincoln Rd. Improvements

Status: Bid issued on Jan 30, 2024. Current bid opening date March 12, 2024.

The worksheets for all risk assessments are public record and are available to anyone upon request.

Respectfully submitted,

 02/26/2024
Joseph M. Centorino
Inspector General

DocuSigned by:
 2/26/2024 | 9:51 AM EST
Jill Press
Jill Klaskin Press, CPPO
Contract Oversight Specialist

cc: Alina T. Hudak, City Manager
Eric Carpenter, Deputy City Manager
Alex Denis, Chief Procurement Officer

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IG CONTRACT RISK ASSESSMENT

Using Department: _____ Bid #/ Project/Service(s): _____

Key Contact: _____ Phone/Email: _____

	RISK FACTORS	Points 1-6	RISK VALUE	RESPONSE STRATEGIES (Suggested Considerations for RiskValue Assignment)
1	This is a new program or service, or has revised changes to a previous contract/solicitation	(3)		New programs or services may require early monitoring to ensure any issues are addressed in a timely manor
2	Statement of Work is complex – there are multiple components to the service to be provided.	(3)		Complex programs or services may require early monitoring to ensure any issues are addressed in a timely manor
3	Payment method to be used: <ul style="list-style-type: none"> • Performance Based • Fee for Service • Cost Reimbursement • Revenue Generating 	(1) (2) (3) (4)		Performance Based – Contract must include periodic reporting to ensure required performance is achieved. Fee for Services – Reporting must include periodic tracking of services performed. Cost Reimbursement – Contract must include language to track progress toward achievement of contract to ensure budget is not overspent Revenue Generating - Contract must include language to track progress toward achievement of contract to ensure revenue is being generated and properly recorded
4	Contract will be awarded for this project utilizing: <ul style="list-style-type: none"> • Competitive Procurement • Non-competitive or Sole Source 	(2) (3)		
5	Vendors for this/these services must maintain accreditation or licensure requirements.	(2)		Contract must address the requirement and consequences if the accreditation or licensure is not maintained for the life of the contract.
6	Project has been or will be publicly debated and may generated negative opinions in the community and poses possible negative publicity	(6)		This includes projects that are contingent upon voter referendum approval under the City Charter
7	This project represents a significant portion of the City's comprehensive plan and poses a financial or environmental risk	(5)		Determine the potential impact on the City if a vendor does not meet their obligation and there is no secondary vendor to complete the project.
8	Project Maximum Amount: <ul style="list-style-type: none"> • \$1,000,000 and above • \$500,000 to \$999,999 • \$250,000 to \$499,999 • \$50,000 to \$249,999 • Below \$50,000 	(5) (4) (3) (2) (1)		
9	Vendor will be allowed to subcontract key activities of this project.	(2)		If subcontractors are allowed, identify in the contract the monitoring that the vendor must complete to ensure subcontractors are compliant
	TOTAL PROJECT RISK SCORE			RISK LEVEL: HIGH (23 OR >) MEDIUM (13-22) LOW (0-12)

Worksheet completed by: _____ Date: _____

IG CONTRACT RISK ASSESSMENT

Instructions

1. To be completed by IG Contract Oversight Unit for competitive solicitations.
2. **Identify** risk factors that you **know** pertain to the project and enter corresponding number (in parenthesis) in the **RISK VALUE** column.
3. If **no** factors apply, leave the box empty; if you believe the risk value should be adjusted higher/lower enter that number and explain circumstances in comment section.
4. **Add** the risk value numbers and enter the total score in the red box – Enter a total score of **“0”** if no factors applied. Using the scoring system, place the appropriate number in the box to indicate the level or risk.

General Guidelines

1. A risk assessment worksheet is required for all projects. The worksheet is conducted as early in the process of development as possible, preferably prior to competitive solicitation.
2. Using the risk assessment worksheet prior to contract development is an effective screening/selection strategy identify unique risks that may be mitigated by the addition of Special Terms and Conditions.
3. If new factors are identified that do not appear on the list, use the “Other Risk Factor” space to explain.
4. While the risk level largely determines the type and frequency of monitoring, the contract type may also influence the monitoring method used.
5. Risk level ratings may be adjusted either up or down during the life of a contract.
6. Once the risk level is assigned, an appropriate monitoring schedule should be developed and implemented. Goals for frequency of review will be based on Risk Level as follows:
 - High risk contracts - semi-annually
 - Medium risk contracts - annually
 - Low risk contracts – as needed
7. Regardless of a project risk level, staff is encouraged to provide assistance throughout the contracting process as an effective risk management strategy.

NOTE: Each risk factor can be mitigated by some action or response, either before or after the contract is executed. This action or response can take the form of training, technical assistance, special contract requirements/conditions/limitations.