

2. REPORTS TO BE RECEIVED FOR FILING:

- a. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-23 dated July 11, 2014 – Audit of Public Safety Facilities and Centralized Communications Center.
- b. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-29 dated August 28, 2014 – Audit of Building & Development Permit Revenue, Collection & Allocation.
- c. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-30 dated August 28, 2014 – Follow-Up Audit of Pinellas County Mosquito Control.
- d. Dock Fee Report for the month of August 2014.



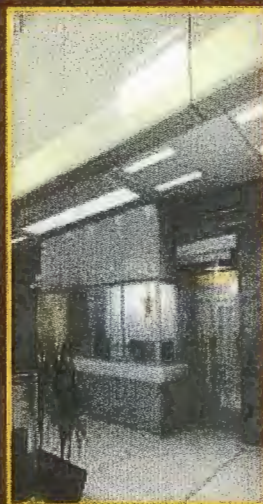
DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

PINELLAS COUNTY, FLORIDA

AUDIT OF THE PUBLIC SAFETY FACILITIES AND CENTRALIZED COMMUNICATIONS CENTER

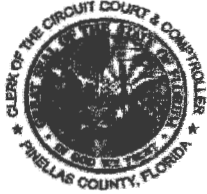


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Hector Collazo Jr.
Inspector General/Chief Audit Executive

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July 11, 2014
REPORT NO. 2014-23



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
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July 11, 2014

The Honorable Chairman and Members of the Board of County Commissioners

We have conducted an audit of the construction of the Public Safety Facilities and Centralized Communications Center. Our audit objectives were to:

- o Evaluate the Public Safety Facilities and Centralized Communications Center's construction contract administration function.
- o Evaluate the Public Safety Facilities and Centralized Communications Center's construction subcontractors' invoicing, monitoring process and costing methodologies.
- o Determine the adequacy of the hiring of minority-owned business enterprises as subcontractors on the Public Safety Facilities and Centralized Communications Center's construction.

We have concluded that:

- Real Estate Management's project administration is well organized.
- Construction monitoring and control at the construction site is well maintained by the Construction Manager's team.
- Quality assurance is also well maintained over the construction by a team headed by a knowledgeable architect (identified as the "Design Professional").

We also noted that in addition to the Construction Manager's oversight of the subcontractors' activities, subcontractors' billings are carefully compared to their observed tasks so that subcontractors' invoices show the proper percentage-of-completion for work completed and in-process. We further observed that the Construction Manager is proactive with regards to hiring minority-owned business enterprises as subcontractors.

Our audit did not identify any audit findings therefore, there are no Opportunities for Improvement presented in this report.

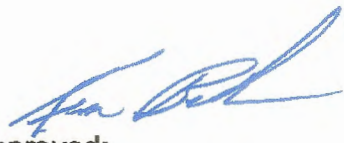
Subsequent to the completion of our fieldwork, we learned of business-driven changes to the project to ensure the project stayed within budget such as the proposed renovations to



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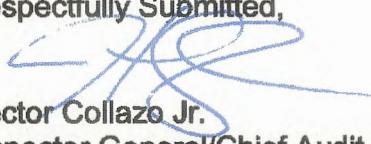
the Sheriff's "Building 400" were changed to provide for its demolition, for which we are not able to express an opinion.

We appreciate the cooperation shown by the staff of the County's Real Estate Management Department, the Building Design and Construction Division, the County's Purchasing Department, the Construction Manager (Lend Lease (US) Construction Inc.) and the Design Professional (Harvard Jolly, Inc.) during the course of this review.



Approved:
Ken Burke, CPA*
Clerk of the Circuit Court and Comptroller
Ex Officio County Auditor
*Regulated by the State of Florida

Respectfully Submitted,



Hector Collazo Jr.
Inspector General/Chief Audit Executive

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INTRODUCTION

Synopsis

The administration and control over the \$81.4 million Public Safety Facilities and Centralized Communications Center construction project is well organized and cost effective. The project is a state-of-the-art, multi-building, self-contained complex currently under final stages construction with some areas now occupied by County operations in Largo. It will house the County's communications operations and the Sheriff Office's operations. The site is a Level Five Hurricane (minimum) resistant facility consisting of five buildings. . The site also includes the existing County's Medical Examiner's facility.

Subsequent to the completion of our fieldwork, we learned of business-driven changes to the project to ensure the project stayed within budget such as the proposed renovations to the Sheriff's "Building 400" were changed to provide for its demolition, for which we are not able to express an opinion.

Scope and Methodology

We have conducted an audit of the construction of the new Public Safety Facilities and Centralized Communications Center. Our audit covered the County's administration of the contracts as well as the Construction Manager's, Design Professional's and subcontractors' compliance with their respective contracts. We have:

- Interviewed management and staff of the County's Real Estate Management Department, the Building Design and Construction Division, and the Purchasing Department to obtain an understanding of the policies and procedures covering the project's processes.
- Reviewed the Construction Manager's processes and oversight of the subcontractors' compliance and timeliness of deliverables.
- Reviewed the Design Professional's processes for design compliance.
- Tested and reviewed, on a sample bases, subcontractors' invoices, billings and cost estimates.
- Reviewed the bid processes for the selection of the Construction Manager, Design Professional and subcontractors.
- Reviewed the reasonableness of the subcontractors' costing methodologies.
- Observed employees of minority-owned business enterprises actively working at the construction site's facilities.
- Evaluated the contract oversight by the staff of the Real Estate Management Department's Building Design and Construction Division.

The objectives of our audit were to:

- Evaluate the Public Safety Facilities and Centralized Communications Center's construction contract administration function.
- Evaluate the Public Safety Facilities and Centralized Communications Center's construction subcontractors' invoicing, monitoring process and costing methodologies.
- Determine the adequacy of the use of minority-owned business enterprises as construction subcontractors.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and, accordingly, included such tests of records and other auditing procedures as we considered necessary in the circumstances. The audit period was from October 16, 2013, to February 14, 2014. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

The project is well organized at the County administration level and the project's controls are also well organized at the construction site. The construction administration is being performed under an experienced "Construction Manager" with quality assurance under an experienced architectural firm ("Design Professional"). The Construction Manager carefully monitors oversight of subcontractors' activities. Their activities are carefully compared to their invoices showing the work-in-progress as a percentage of their overall tasks, and the corresponding billings for such work. The County's Building Design and Construction Division's and the Construction Manager's review and approvals are visible. Furthermore, the Construction Manager is proactive with regard to hiring minority-owned business enterprises as subcontractors. No issues came to the attention that impeded construction or that affected the cost-effectiveness of the project.

Our audit did not identify any audit findings therefore, there are no Opportunities for Improvement presented in this report.

Subsequent to the completion of our fieldwork, we learned of business-driven changes to the project to ensure the project stayed within budget such as the proposed renovations to the Sheriff's "Building 400" were changed to provide for its demolition, for which we are not able to express an opinion.

Background

Pinellas County's new Public Safety Facilities and Centralized Communications Center in Largo, Florida, is an \$81.4 million project that will include five new buildings on a 40-acre site, on Ulmerton Road in Largo. This project is being funded by *Penny for Pinellas*.



The complex will house the County's new Public Safety Facilities and Centralized Communications Center consisting of:

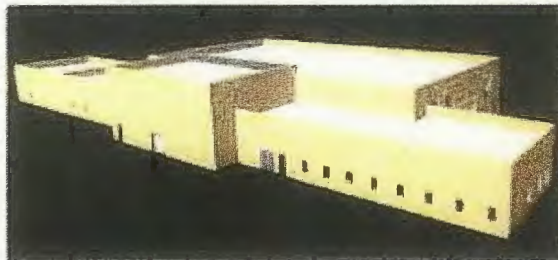
- An Emergency Communications Center ("ECC") that includes 96 workstations for an emergency operations center; an emergency communications operations center; a 9-1-1 call center; the Sheriff's Office dispatch center and an Emergency Medical Services ("EMS") (known as "*Sunstar*") call center. The new ECC will serve to centralize law enforcement and County emergency dispatch agencies as well as emergency management in a common, hardened facility. The building will be supported by redundant mechanical and electrical systems allowing for continuous operations through a critical event.



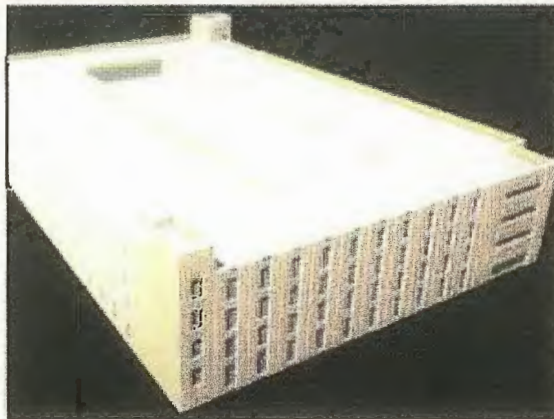
- The Sheriff's Administration Building ("SAB") includes the Sheriff's administrative/operational headquarters. The facility will have the capability to withstand winds of over 200 miles per hour and the forces of a 10,000-year storm event. During a natural disaster or other crisis, the facility will remain fully operational to lead recovery efforts and to provide for continuous emergency communications. This building consists of three floors. The former SAB is to be demolished.



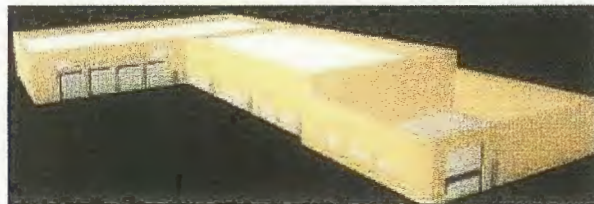
- The Sheriff's 25,113 square foot Vehicle Maintenance building.



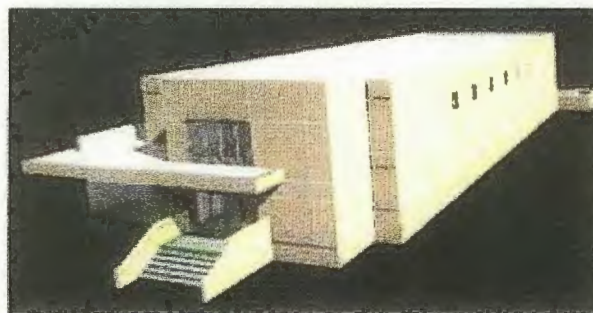
- A 672-space, four-level, 211,372 square foot Parking Garage with an elevator and equipment room. *(The original Parking Garage plan called for an 807-space, five-level facility, but a floor reduction was made by the team in response to review comments by the Board of County Commissioners during a formal presentation of the initial campus plan.)*



- A 7,866 square foot Central Energy Plant that will serve the entire complex. It consists of two generators, geothermal cooling, a three-chiller pump system, and normal and emergency switchgear rooms. *(Geothermal cooling replaced the original three-tower cooling plan.)*



- A 19,751 square foot, three-level renovated Sheriff's office building ("Building 400") to be used primarily for general office needs. *(Subsequent to the completion of our fieldwork, we learned that the proposed renovations to "Building 400" were changed to provide for its demolition. This is a reduction 19.7 thousand square foot of general office space for the complex.)*



The complex will include sustainable features to meet "Leadership in Energy & Environmental Design" ("LEED") certification standards as green buildings that recognize "best-in-class" building strategies and practices. The complex also complies with the *Americans with Disabilities Act*.

Introduction

Public Safety Facilities and Centralized Communications Center

Construction of the County's state-of-the-art Public Safety Facilities and Centralized Communications Center required significant advanced planning by the Real Estate Management Department, the Building Design and Construction Division, expert architectural assistance and on-the-ground construction management. The bid and selection processes for the selection of (1) the architect who functions as the "Design Professional;" (2) an independent "Construction Manager;" and (3) subcontractors were based on objective evaluations of submitted proposals.

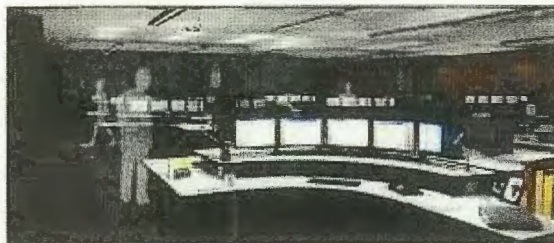
The critical monitoring of the performance of the on-the-ground construction work performed by subcontractors' is being managed by Lend Lease (US) Construction Inc., as the Construction Manager, with quality oversight services provided by the architectural firm Harvard Jolly, Inc. as the "Design Professional." Construction began September 2012 and is expected to be substantially completed by September 2014.

When completed, the complex is expected to be on budget and cost approximately \$81.4 million, as follows:

<i>Description</i>	<i>Estimated Costs</i>
Preliminary planning	\$ 2,000,000
Design Professional's services	\$ 4,000,000
Construction Manager's services	\$ 3,600,000
County's costs*	\$ 3,400,000
Subcontractors' costs	\$68,400,000
Total	\$81,400,000

** Furniture, fixtures and equipment, and other capitalized costs.*

In addition to the project's costs, approximately \$1.1 million will be spent for 9-1-1 and EMS equipment for the Centralized Communications Center. This cost is being funded by "Emergency Communications 9-1-1" fees.



Approximately 37 subcontractors are providing the on-the-ground construction work, from acoustical installations to window treatments, mostly all under Guaranteed Maximum Price ("GMP") contracts that eliminates cost overrun concerns. In addition, the subcontractors group includes four Minority-Owned Business Enterprises ("MBE").

Opportunities for Improvement

Our audit did not identify any audit findings therefore, there are no Opportunities for Improvement presented in this report.

Subsequent to the completion of our fieldwork, we learned of business-driven changes to the project to ensure the project stayed within budget such as the proposed renovations to the Sheriff's "Building 400" were changed to provide for its demolition, for which we are not able to express an opinion.



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