

OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



REPORT OF INVESTIGATION 2015-0005WB

ALLEGATIONS OF IMPROPER ACTIONS BETWEEN A
COJ EMPLOYEE AND A COJ CONTRACTOR

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DATE ISSUED

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”

EXECUTIVE SUMMARY

In July of 2015, the Office of Inspector General (OIG) received a written complaint, subsequent to an initial meeting with the Complainant in June of 2015, regarding William “Louis” Lawrence (Lawrence), Public Works Contract Construction Manager (an appointed position), Right-of-Way and Storm Water Maintenance, Public Works Department, City of Jacksonville (COJ).

As part of the complaint intake process, a former Inspector General reviewed and determined that the disclosure demonstrated reasonable cause for protection under the Whistle-blower’s Act, Florida Statutes (F.S.) §112.3187 - 112.3189, and Part 5, of Chapter 602, *Ordinance Code*. The Complainant was designated by the OIG as a Whistle-blower (WB).

In October of 2015, after conducting a preliminary analysis of the allegations and pursuant to §602.303(j), *Ordinance Code*, the OIG referred the complaint to the Office of the State Attorney for the Fourth Judicial Circuit (SAO) for review of potential criminal violations. In August of 2016, the SAO declined further investigation into the allegations. The OIG then proceeded with an administrative investigation into the allegations in accordance with §602.303, *Ordinance Code*.

Based on the information presented by the WB, the OIG investigation focused primarily on three allegations relating to (1) preferential treatment; (2) contract overpayments made to Jax Utilities; and (3) relationship/gifts. These allegations are further detailed in the body of this investigative report.

Preferential Treatment

The WB alleged Lawrence provided preferential treatment to Jax Utilities Management, Inc. (Jax Utilities) during the bidding and awarding process for Bid Number CS-0594-12 and Bid Number CS-0477-15. The OIG investigation could not substantiate Lawrence provided preferential treatment to Jax Utilities during the bidding and awarding process; therefore, the allegation is ***unsubstantiated***.

Contract Overpayments Made to Jax Utilities

The WB also alleged Jax Utilities was allowed to receive approximately \$100,000 in contract overpayments and that Lawrence solely administered the contracts and approved the contract payments.

The OIG investigation determined COJ overpaid Jax Utilities in the amount of **\$55,339** for Site Preparation¹ payments related to Contract Numbers 8258-14 and 8258-17 (in part). However, all individuals interviewed, including Lawrence, testified the overpayments were *not* intentional and

¹ Per *Bid Number CS-0594-12, Specifications, Section 31, Special Conditions, 31.26.1*, Site Prep was described in part as, “...shall consist of the contractor performing all preparatory work and operations required to ready the project site for the construction to be accomplished.”

were made in error. The allegation that Jax Utilities received overpayments was *substantiated*; however, the OIG could *not* substantiate these overpayments were intentional.

The investigation determined several individuals were involved in day-to-day oversight of the contracts and approved contractor payments. The investigation also disclosed several employees reviewed and approved the contractor invoices. Therefore, the allegation that Lawrence solely administered the contracts and approved the contract payments was *unsubstantiated*.

During the review of records relating to alleged contract overpayments to Jax Utilities, the OIG was unable to verify, due to a lack of sufficient documentation, whether **\$86,850** in payments by the COJ to Jax Utilities relating to Maintenance of Traffic² were in accordance with the above referenced contracts and the accompanying Specifications. As such, the OIG identified a total of **\$86,850** in Questioned Costs³ related to Maintenance of Traffic.

Relationships/Gifts

The WB alleged the following: “... *quid pro quo* payments and gifts have been made to another City employee, Louis Lawrence by Jax Utilities Management, Inc.” Through testimony of Lawrence and Jax Utilities employees, it was confirmed Lawrence had personal relationships with several Jax Utilities employees, including the Jax Utilities Vice President, the Former Jax Utilities General Superintendent, and the Jax Utilities General Superintendent, between approximately 2006 and 2013. These personal relationships included interactions involving outside activities such as fishing tournaments, hunting, and playing on the same softball teams.

The OIG investigation also determined that Jax Utilities had been under contract with the COJ and Lawrence had involvement with ongoing Jax Utilities contracts during the same timeframe these interactions were occurring.

In addition, the investigation disclosed that Lawrence received gifts from Jax Utilities and/or its employees (which included lunches, as well as a Global Positioning System unit and a television he received during a Christmas party “*gift exchange*”). The OIG could not substantiate that Lawrence violated any *Ordinance Code* regarding the gifts he had received because the OIG was unable to determine the value of the gifts.

Finally, the OIG investigation could not substantiate that Jax Utilities received any benefit from Lawrence as the result of any personal relationships with Jax Utilities employees or gifts associated with the gift exchange. Therefore, the allegation regarding “... *quid pro quo* payments and gifts ...” is *unsubstantiated*.

² Per Bid Number CS-0594-12, *Specifications, Section 31, Special Conditions, 31.27.1* Maintenance of Traffic is defined as “...all work and operations required to maintain vehicular, pedestrian, and bicycle traffic along with property access during construction.”

³ Questioned Costs is defined as costs incurred pursuant to a potential violation of law, regulation or agency policy; lack of adequate documentation; and/or where the intended purpose is unjustified or unreasonable.

INVESTIGATIVE REPORT

In July of 2015, the Office of Inspector General (OIG) received a written complaint, subsequent to an initial meeting with the Complainant in June of 2015, regarding William “Louis” Lawrence (Lawrence), Public Works Contract Construction Manager (an appointed position), Right-of-Way and Storm Water Maintenance (ROWSWM),⁴ Public Works Department (Public Works), City of Jacksonville (COJ).

Subsequent to the receipt of the written complaint the OIG met again with the Complainant to clarify and further understand the allegations. As part of the complaint intake process, a former Inspector General reviewed and determined that the disclosure demonstrated reasonable cause for protection under the Whistle-blower’s Act, Florida Statutes (F.S.) §112.3187 - 112.3189, and Part 5, of Chapter 602, *Ordinance Code*. Pursuant to the governing directives, the name and identity of any individual who discloses in writing and in good faith that an employee or agent of any agency or independent contractor has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty may not be disclosed to anyone other than in accordance with F.S. §112.3188. The Complainant was designated by the OIG as a Whistle-blower (WB) on July 15, 2015, and was sent a letter of designation on July 16, 2015.

In October of 2015, after conducting a preliminary analysis of the allegations and pursuant to §602.303(j), *Ordinance Code*, the OIG referred the complaint to the Office of the State Attorney for the Fourth Judicial Circuit (SAO), for review of potential criminal violations. In August of 2016, the SAO declined further investigation into the allegations. The OIG then proceeded with an administrative investigation into the allegations in accordance with §602.303, *Ordinance Code*.

BACKGROUND

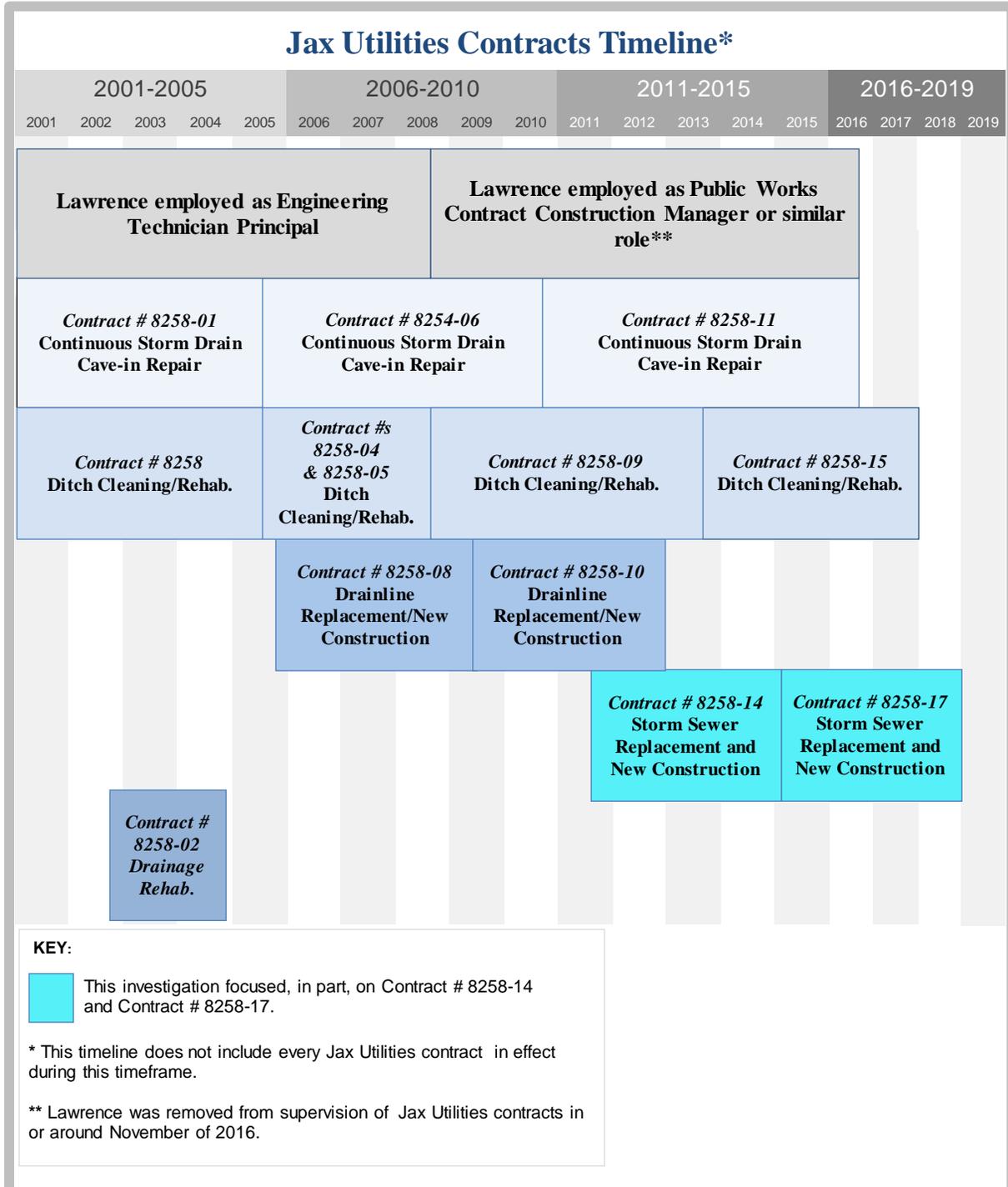
According to §32.301, *Ordinance Code*, ROWSWM, Public Works, was responsible for “*planning, building and maintaining the streets, highways and drainage facilities [in the City of Jacksonville (COJ)].*”

In November of 2009, ROWSWM contracted with Jax Utilities Management, Inc. (Jax Utilities) through Contract Number 8258-10, awarded pursuant to Bid Number CP-0012-10, to repair and construct COJ storm sewer drainage structures.

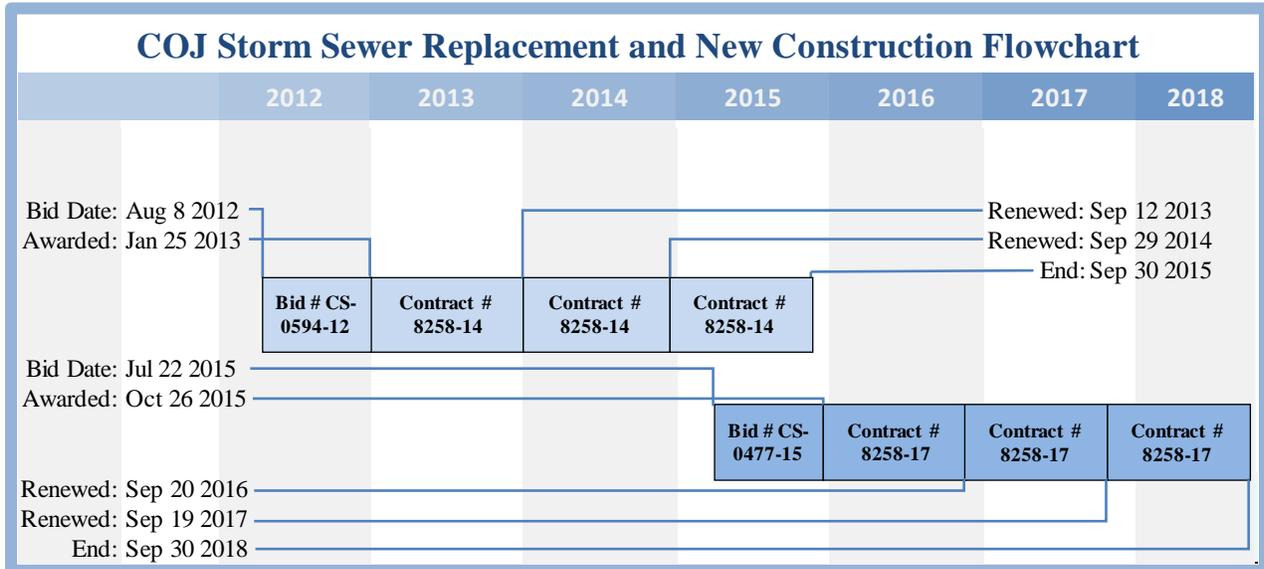
Jax Utilities was subsequently awarded contracts for the same scope of work in October of 2012 (Contract Number 8258-14, pursuant to Bid Number CS-0594-12) and in August of 2015 (Contract Number 8258-17, pursuant to Bid Number CS-0477-15). The initial contract period for each of these contracts was for one year, with an option to renew the contract twice. Each renewal was for a period of one year (a total of three years for each contract if the contract was renewed twice).

⁴ Throughout this report, ROWSWM will be used as the reference for the current division and any former names.

A timeline of contracts between the COJ and Jax Utilities, including Contract Number 8258-14 and Contract Number 8258-17, is presented in the *Jax Utilities Contract Timeline* below. Due to the number of contracts between the COJ and Jax Utilities this timeline is *not* all-inclusive. The timeline also depicts the positions held by Lawrence in relation to when Jax Utilities was involved in a COJ contract. In November of 2016, the Office of Mayor Lenny Curry removed Lawrence from supervising Jax Utilities contracts for the duration of the OIG investigation.



The OIG investigation focused on the WB’s allegations relating to Contract Number 8258-14 and Contract Number 8258-17, both COJ continuous maintenance contracts. The flow chart below depicts the bid opening and subsequent timeframes associated with each contract.



An overview of Contract Number 8258-14 and Contract Number 8258-17 is presented in the *Contract # 8258-14 & 8258-17 Overview* table below:

Contract # 8258-14 & 8258-17 Overview					
Bid # CS-0594-12		Total	Bid # CS-0477-15		Total
Number of Bid Line Items :		259	Number of Bid Line Items :		262
Contract # 8258-14			Contract # 8258-17		
Year 1		\$1,667,467	Year 1		\$2,646,302
Year 2 (1st Renewal)		\$1,667,467	Year 2 (1st Renewal)		\$2,353,698
Year 3 (2nd Renewal)		\$1,667,467	Year 3 (2nd Renewal)		\$2,500,000
Total Contract Value		<u>\$5,002,401</u>	Total Contract Value		<u>\$7,500,000</u>

GOVERNING DIRECTIVES

Florida Statute

Chapter 112, Public Officers and Employees

- §112.313, Standards of conduct for public officers, employees of agencies, and local government attorneys

City of Jacksonville Ordinance Code

Chapter 126, Procurement Code

- §126.106, Regulations and procedures

- §126.201, *General*
- §126.202, *Competitive sealed bid*

Chapter 602, Jacksonville Ethics Code

- §602.201, *Definitions*
- §602.401, *Misuse of position, information, etc.*
- §602.701, *Prohibited receipt of gifts*
- §602.702, *Prohibited offering of gifts*
- § 602.703, *Receipt or charge of commissions or gifts for official transactions*

City of Jacksonville Policies, Procedures, and Other Related Documents

Procurement Manual, effective March of 2017

- *Section VII, B.(1) Competitive Sealed Bid*

ROWSM Contracts and Related Records

- *Storm Sewer Replacement and New Construction, COJ Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications for Storm Sewer Replacement and New Construction (hereafter referred to as Bid Number CS-0594-12 Specifications)*
- *Storm Sewer Replacement and New Construction, COJ Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications for Storm Sewer Replacement and New Construction (hereafter referred to as Bid Number CS-0477-15 Specifications)*

ROWSM Policies and/or Procedures

- *No relevant policies or procedures.*

To review the abovementioned Governing Directives, refer to Attachment 1, Appendices A through C.

SUMMARY OF ALLEGATIONS

Based on the written complaint and subsequent meetings with the WB, the OIG reviewed and grouped together the allegations presented by the WB, listed verbatim, in part, as outlined below.

ALLEGATION 1: PREFERENTIAL TREATMENT

The below referenced allegations were investigated as actions by Lawrence amounting to alleged preferential treatment during the bidding and award selection process⁵ to benefit Jax Utilities Management, Inc. in the following manner:

⁵ The OIG understood this allegation to be related to Bid Numbers CS-0594-12 and CS-0477-15.

1(a). *“The records reflect that there were manipulated bid forms that create an unfair bid process to steer multiple contracts to the above referenced contractor [Jax Utilities].”*

1(b) *“... several material misrepresentations have been made as late as July 8, 2015 by Louis Lawrence at a prebid meeting for the renewal of the above referenced contract that appears to be a continuation of a manipulated bid process.”*⁶

1(c). *“... Jax Utilities Management, Inc. has numerous million dollar plus maintenance contracts with the City that are administered solely, with no apparent oversight, by Louis Lawrence ... he writes specifications, writes the work orders, and approves the contractor payments.”*

ALLEGATION 2: CONTRACT OVERPAYMENTS MADE TO JAX UTILITIES

The below referenced allegations were investigated as Jax Utilities Management, Inc. receiving overpayments that exceeded \$100,000 related to work performed for Contract Number 8258-14. Additionally, it was alleged that Lawrence solely approved the contract payments. These allegations were articulated as follows:

2(a). *“... apparent improper payments made to Jax Utilities Management, Inc. that total over \$100,000 on one contract alone.”*

2(b). *“... Jax Utilities Management, Inc. has numerous million dollar plus maintenance contracts with the City that are administered solely, with no apparent oversight, by Louis Lawrence ... he writes specifications, writes the work orders, and approves the contractor payments.”*

ALLEGATION 3: RELATIONSHIPS/GIFTS

The below referenced allegation was investigated as Lawrence having personal relationships with and/or receiving gifts from Jax Utilities Management, Inc. employees, in the following manner:

3(a). *“... quid pro quo payments and gifts have been made to another City employee, Louis Lawrence by Jax Utilities Management, Inc.”*

ALLEGATION 4: JSEB GOALS

After reviewing the written complaint and subsequent meetings with the WB, the OIG determined that the allegation referenced below was an operational issue and was not reviewed during this investigation.

4(a). *“... Jax Utilities Management, Inc. has not met the required Jacksonville Small Emerging Business (JSEB) goals established as part of the contract. That would*

⁶ The OIG understood this allegation to be related to Bid Number CS-0477-15 and Contract Number 8258-17.

represent a material breach of contract,... pursuant to Section 126.201, Jacksonville Ordinance Code.”

ALLEGATION 5: OUTSIDE OF THE SCOPE OF INVESTIGATION

After reviewing the written complaint and subsequent meetings with the WB, the allegations referenced below were not reviewed during this investigation.

5(a). “... *We anticipate further retaliation from Louis Lawrence, a manager of the Public Works, Right of Way and Stormwater Maintenance Division...*”

5(b). “... *Lawrence has publically threatened our Company at the end of a meeting on October 10, 2014, and has not paid our Company consistent with the contract payment provisions, and specific directions by his office, nor in the same manner as the above referenced contractor.*”

The OIG did not investigate allegation 5(a), as it relates to a future unknown act(s). The OIG determined allegation 5(b), which was operational, in part, and related to contract payment provisions, would be better addressed through other methods, such as going through the COJ’s Ombudsman, or if applicable through the City Construction Dispute Review Board.

INVESTIGATIVE FINDINGS

The Investigative Findings section is separated into three Allegation sections: Allegation 1: Preferential Treatment; Allegation 2: Contract Overpayments Made to Jax Utilities; and Allegation 3: Relationship/Gifts.

ALLEGATION 1: PREFERENTIAL TREATMENT

William “Louis” Lawrence (Lawrence), Public Works Contract Construction Manager (an appointed position), Right-of-Way and Storm Water Maintenance (ROWSWM), Public Works Department (Public Works), gave preferential treatment to Jax Utilities Management, Inc. (hereafter referred to as Jax Utilities) during the bidding and award selection process⁷ to benefit Jax Utilities Management, Inc.

GOVERNING DIRECTIVES

Florida Statute

Chapter 112, Public Officers and Employees

- *§112.313(6) Misuse of Position*

⁷The OIG understood this allegation to be related to Bid Numbers CS-0594-12 and CS-0477-15.

City of Jacksonville Policies, Procedures, and Other Related Documents***Procurement Manual, effective March of 2017***

- *Section VII, B.(1) Competitive Sealed Bid*

ROWSWM Contracts and Related Records

- *COJ Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications*
- *COJ Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications*

ROWSWM Policies and/or Procedures

- *No relevant policies or procedures.*

To review the abovementioned Governing Directives, refer to Attachment 1, Appendices A through C.

RECORDS REVIEW

The OIG reviewed various records, including applicable state statutes and municipal ordinances, COJ policies, procedures, contracts and other records, including COJ employee e-mails. A complete listing of the individuals (by name, title and how referenced in the report) mentioned in this *Records Review* section is located in the Attachment 1, Appendix D.1, *Testimony Reference Charts*.

Review Of Pre-Award Documents***Records Related to Bid Number CS-0594-12***

According to ROWSWM and COJ Procurement Division (Procurement) records, nine contractors, including Jax Utilities, submitted bids for Bid Number CS-0594-12. The bid opening was held in August of 2012. Per a review of the *Summary of Responsive Bidder Totals* chart below, Jax Utilities submitted the lowest bid, in the amount of \$1,667,467.⁸

⁸ Each responsive bidder was required to submit a line item unit price for each of the 259 line items included on the Bid Number CS-0594-12 Line Item Unit Pricing sheet. The line item unit prices were then multiplied by the estimated quantities provided to responsive bidders by ROWSWM and totaled for the overall bid. The lowest responsive bidder was selected.

Summary of Responsive Bidder Totals for Bid Number CS-0594-12*

Jax Utilities	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
\$1,667,467	\$1,719,199	\$1,958,249	\$2,291,063	\$2,414,630	\$2,552,180	\$2,696,601	\$3,057,000	\$3,298,265

* Note: All figures are rounded to the nearest dollar.

Notice of Protest Related to Bid Number CS-0594-12

A review of Procurement records disclosed that in September of 2012, a *Notice of Protest* regarding Jax Utilities being recommended as “*the lowest responsive, responsible bidder*” for the award of Bid Number CS-0594-12 was filed with the COJ. The protest specifically stated in part that “*Jax Utilities Management, submitted a proposal that provides prices that are obviously unbalanced, which is a reason for bid rejection*” and referenced line item unit prices related to Maintenance of Traffic (MOT)⁹ [Line Items 19-22], and Guardrail [Line Items 195-203].

The OIG reviewed the *Bid Number CS-0594-12 Specifications* to determine the criteria and/or conditions under which the COJ would reject a bid for being “*unbalanced.*” The review found the following language at *Section 2, Introduction to Bidders for the City of Jacksonville, Florida, Section 2.12, Right Reserved to Reject Bids, 2.12.1 and 2.12.2:*

2.12.1 The CITY reserves the right to reject any or all bids, with or without cause.

2.12.2 Bids in which the prices are obviously unbalanced are subject to rejection. The CITY shall not be liable to the CONTRACTOR for failure to reject or notify the Bidder of any unbalanced bid.

However, the OIG could not find any definition or criteria on how the COJ determined what constituted an “*unbalanced*” bid within the *Bid Number CS-0594-12 Specifications*. In addition, the OIG reviewed the COJ Procurement Manual and *Chapter 126, Procurement, Ordinance Code*, and could not find any additional information regarding unbalanced bids.

The OIG also reviewed relevant COJ employee e-mails related to the protest and found that on September 27, 2012, Procurement requested Lawrence confirm the line item unit prices (mentioned in the protest) with Jax Utilities. Lawrence sent an e-mail on October 2, 2012, to Jax Utilities addressed to the Jax Utilities Vice President. In his e-mail, Lawrence requested confirmation of the line item unit prices submitted by Jax Utilities for MOT Line Items 19-22 and Guardrail Line Items 195-203. Later on in the day on October 2, 2012, the Jax Utilities

⁹ Per *Bid Number CS-0594-12, Specifications, Section 31, Special Conditions, 31.27.1* MOT is defined as “*...all work and operations required to maintain vehicular, pedestrian, and bicycle traffic along with property access during construction.*”

Bookkeeper provided a signed letter by e-mail from the Jax Utilities Vice President, which advised that Jax Utilities would honor all line item unit prices submitted, including MOT Line Items 19-22 and Guardrail Line Items 195-203.

The OIG reviewed the *Notice of Protest and Recommendation to Award Bid Number CS-0594-12* memorandum dated October 4, 2012, addressed to the Procurement Chief from the Former ROWSWM Chief 2. Per a review of the memorandum, Former ROWSWM Chief 2 recommended the award of Bid Number CS-0594-12 to Jax Utilities, stating they were “... *the lowest conforming bidder ... in accordance with the attached bid documents ...*”

On October 18, 2012, the General Government Awards Committee (GGAC)¹⁰ conducted a hearing regarding the above-referenced protest. Per the GGAC meeting minutes, the protest was denied by a unanimous vote and the GGAC recommended that Bid Number CS-0594-12 be awarded to Jax Utilities. The Administration approved the award on October 23, 2012.¹¹

Review of Responsive Documents Submitted for Bid Number CS-0594-12

Based on the allegation that “*The records reflect that there were manipulated bid forms that create an unfair bid process to steer multiple contracts to the above referenced contractor*” coupled with a review of the Procurement records including the *Notice of Protest* concerning this particular bid, the OIG compiled the *Unit Price Comparison Chart for Bid Number CS-0594-12* shown below.

Unit Price Comparison Chart for Bid Number CS-0594-12*										
Line Item	Description	Jax Utilities	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
19	MOT (Two Lane, 2-way traffic)	\$ 500	\$ 3,806	\$ 90	\$ 8,000	\$ 1,348	\$ 1,226	\$ 150	\$ 6,160	\$ 1,758
20	MOT (Multi Lane, 1-way traffic)	\$ 500	\$ 6,815	\$ 101	\$ 3,100	\$ 1,447	\$ 2,127	\$ 200	\$ 905	\$ 1,443
21	MOT (Multi Lane, 2-way traffic)	\$ 500	\$ 7,346	\$ 101	\$ 4,450	\$ 1,887	\$ 1,546	\$ 225	\$ 1,935	\$ 1,786
22	MOT (Closure, including all detour signage)	\$ 4,500	\$ 7,523	\$ 909	\$ 1,255	\$ 1,667	\$ 515	\$ 1,365	\$ 1,060	\$ 544
195	Guardrail (Straight)	\$ 25	\$ 21	\$ 29	\$ 42	\$ 27	\$ 43	\$ 55	\$ 45	\$ 79

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¹⁰ GGAC is a committee, established by §126.201, *Ordinance Code*, consisting of the COJ's Director of Finance and Administration, General Counsel, and the Director of Public Works, or their respective designees. The duties of the GGAC include, in part, “... *reviewing the recommendations of the [Procurement] Chief... awarding formal bids and contracts... rejecting any and all bids, in whole or in part,... when the City's interest will best be served ...*”

¹¹ This award was approved during Mayor Alvin Brown's Administration.

Unit Price Comparison Chart for Bid Number CS-0594-12*

Line Item	Description	Jax Utilities	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
196	Guardrail (Shop-Bent)	\$ 3	\$ 22	\$ 30	\$ 45	\$ 55	\$ 46	\$ 58	\$ 48	\$ 82
197	Guardrail (Special Post)	\$ 8	\$ 126	\$ 90	\$ 255	\$ 165	\$ 263	\$ 540	\$ 275	\$ 273
198	Guardrail (Special Steel Post)	\$ 10	\$ 138	\$ 100	\$ 275	\$ 165	\$ 284	\$ 550	\$ 300	\$ 294
199	Guardrail (Special Length Post)	\$ 10	\$ 123	\$ 115	\$ 250	\$ 165	\$ 253	\$ 565	\$ 265	\$ 262
200	Guardrail (Post Replacement)	\$ 10	\$ 100	\$ 90	\$ 200	\$ 110	\$ 201	\$ 225	\$ 210	\$ 209
201	Guardrail (Anchorage Assembly)	\$ 10	\$ 1,300	\$ 1,000	\$ 2,475	\$ 2,750	\$ 2,552	\$ 2,140	\$ 2,765	\$ 2,648
202	Guardrail (Anchorage Assembly Concrete Barrier Wall)	\$ 30	\$ 1,900	\$ 600	\$ 3,800	\$ 5,500	\$ 3,918	\$ 3,240	\$ 4,195	\$ 4,065
203	Guardrail (End Anchorage Assembly)	\$ 30	\$ 1,250	\$ 1,000	\$ 2,475	\$ 1,375	\$ 2,552	\$ 2,675	\$ 2,765	\$ 2,648

* Note: All figures are rounded to the nearest dollar.

The OIG noted the following:

- Jax Utilities listed the same line item unit price of \$500 for MOT Line Items 19-21, although the scope of work progressively increased for each line item. Company B and Company F submitted lower line item unit prices than Jax Utilities for these same line items. Company B's prices for these same line items did not progressively increase in price, while, Company F's prices for these same line items progressively increased.
- Jax Utilities submitted the lowest line item unit prices for Guardrail Line Items 196 through 203, ranging from \$3 to \$30. Company A submitted the lowest line item unit price for Guardrail Line Item 195 (\$21) of all the responsive bidders.

As part of the records review, the OIG reviewed the line item unit pricing sheet submitted by Jax Utilities for Bid Number CS-0594-12. During the line item unit price review, the OIG noticed that Jax Utilities used the same dollar figure for several line items relating to Site Prep¹² and MOT, although the COJ's line items increased in value or scope. The OIG compiled Site Prep

¹² Per *Bid Number CS-0594-12, Specifications, Section 31, Special Conditions, 31.26.1*, Site Prep was described in part as, "...shall consist of the contractor performing all preparatory work and operations required to ready the project site for the construction to be accomplished."

and MOT line item unit prices for each responsive bidder as detailed in the *Line Item Comparison Chart for Bid Number CS-0594-12* shown below.

Line Item Comparison Chart for Bid Number CS-0594-12*											
Line Item	Description	Engineer's Estimate	Jax Utilities	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
6	Site Prep (\$15,000 or <)	\$ 2,500	\$ 5,800	\$ 3,863	\$ 3,000	\$ 2,800	\$ 2,606	\$ 1,311	\$ 4,725	\$ 620	\$ 6,337
7	Site Prep (>\$15,000 to \$25,000)	\$ 3,500	\$ 6,900	\$ 5,137	\$ 3,800	\$ 3,000	\$ 3,257	\$ 1,862	\$ 6,075	\$ 1,025	\$ 7,717
8	Site Prep (>\$25,000 to \$40,000)	\$ 4,000	\$ 7,700	\$ 5,845	\$ 4,800	\$ 3,250	\$ 2,606	\$ 2,288	\$ 8,300	\$ 1,645	\$ 9,957
9	Site Prep (>\$40,000 to \$55,000)	\$ 4,500	\$ 6,946	\$ 6,062	\$ 5,000	\$ 3,800	\$ 4,691	\$ 2,847	\$ 13,175	\$ 2,255	\$ 10,935
10	Site Prep (>\$55,000 to \$70,000)	\$ 5,000	\$ 8,220	\$ 8,079	\$ 7,500	\$ 4,500	\$ 4,560	\$ 3,503	\$ 15,550	\$ 2,875	\$ 13,401
11	Site Prep (>\$70,000 to \$85,000)	\$ 5,500	\$ 100	\$ 5,089	\$ 8,000	\$ 4,800	\$ 5,212	\$ 3,755	\$ 18,775	\$ 3,485	\$ 14,619
12	Site Prep (>\$85,000 to \$100,000)	\$ 6,000	\$ 100	\$ 89	\$ 500	\$ 5,000	\$ 5,863	\$ 4,580	\$ 22,750	\$ 4,100	\$ 16,503
13	Site Prep (\$100,000 to \$120,000)	\$ 6,500	\$ 100	\$ 89	\$ 500	\$ 5,800	\$ 6,515	\$ 5,096	\$ 25,300	\$ 4,920	\$ 16,929
14	Site Prep (\$120,000 to \$150,000)	\$ 7,000	\$ 100	\$ 89	\$ 500	\$ 6,800	\$ 7,818	\$ 5,967	\$ 30,750	\$ 6,155	\$ 18,199
15	Site Prep (>\$150,000 to \$200,000)	\$ 7,500	\$ 100	\$ 89	\$ 500	\$ 8,100	\$ 9,121	\$ 8,061	\$ 38,500	\$ 8,200	\$ 18,420
16	Site Prep (>\$200,000 to \$250,000)	\$ 8,500	\$ 100	\$ 89	\$ 500	\$ 8,900	\$ 10,424	\$ 10,254	\$ 53,250	\$ 10,250	\$ 20,634
17	Site Prep (>\$250,000 to \$350,000)	\$ 9,500	\$ 100	\$ 89	\$ 500	\$ 10,000	\$ 11,727	\$ 12,544	\$ 64,750	\$ 14,324	\$ 21,624
18	Site Prep (>\$350,000 to \$500,000)	\$ 12,000	\$ 100	\$ 89	\$ 500	\$ 12,700	\$ 13,030	\$ 14,897	\$ 79,000	\$ 20,500	\$ 23,164

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Line Item Comparison Chart for Bid Number CS-0594-12*

Line Item	Description	Engineer's Estimate	Jax Utilities	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
19	MOT (Two Lane, 2-way traffic)	\$ 2,500	\$ 500	\$ 3,806	\$ 90	\$ 8,000	\$ 1,348	\$ 1,226	\$ 150	\$ 6,160	\$ 1,758
20	MOT (Multi Lane, 1-way traffic)	\$ 1,500	\$ 500	\$ 6,815	\$ 101	\$ 3,100	\$ 1,447	\$ 2,127	\$ 200	\$ 905	\$ 1,443
21	MOT (Multi Lane, 2-way traffic)	\$ 4,000	\$ 500	\$ 7,346	\$ 101	\$ 4,450	\$ 1,887	\$ 1,546	\$ 225	\$ 1,935	\$ 1,786
22	MOT (Closure, including all detour signage)	\$ 5,000	\$ 4,500	\$ 7,523	\$ 909	\$ 1,255	\$ 1,667	\$ 515	\$ 1,365	\$ 1,060	\$ 544
146	Steel Sheeting (Install and remove)	\$ 11	\$ 0.01	\$ 0.01	\$ 47	\$ 3	\$ 20	\$ 56	\$ 29	\$ 21	\$ 14

*Note: All figures are rounded to the nearest dollar.

The OIG noted the following:

- Jax Utilities listed the same line item unit price of \$100 for each Site Prep Line Items 11 through 18, which included projects with an overall cost greater than \$70,000 up to \$500,000. This line item unit price was lower than the line item unit prices Jax Utilities submitted for Site Prep Line Items 6 through 10, which included projects with an overall cost less than \$15,000 up to \$70,000.
- Based on the information above, two other bidders, Company A and Company B, used the same line item unit price for Site Prep Line Items 12 through 18 (although not the same figure for each company) for projects with an overall cost of \$85,000 to \$500,000. Company A submitted the lowest overall line item unit price (specifically \$88.50 for Site Prep Line Items 12 through 18). Both Company A and Company B submitted higher line item unit prices for Site Prep Line Items 6 through 11, which included projects with an overall cost less than \$15,000 up to \$85,000.
- Both Jax Utilities and Company A listed the same line item unit price for Steel Sheeting Install and remove (Line Item 146) at \$0.01. This was the lowest line item unit price out of all responsive bidders.
- Every responsive bidder's line item unit prices for Site Prep Line Items 6 through 10 reflected a price escalation.

Review of Records Related to Bid Number CS-0477-15

The OIG reviewed ROWSWM and Procurement records, which revealed that five contractors submitted bids for Bid Number CS-0477-15, including Jax Utilities. The bid opening was held in July of 2015. Per a review of the *Summary of Responsive Bidder Totals for Bid Number CS-0477-15* chart below, Jax Utilities submitted the lowest bid in the amount of \$2,646,301.75.¹³

Summary of Responsive Bidder Totals for Bid Number CS-0477-15*				
Jax Utilities	Company C	Company D	Company F	Company I
\$2,646,302	\$3,021,589	\$3,861,305	\$4,773,364	\$7,406,352
*Note: All figures are rounded to the nearest dollar.				

Notice of Protest Related to Bid Number CS-0477-15

During the records review of the Procurement records relating to Bid Number CS-0477-15, the OIG found that in July of 2015, a *Notice of Protest* regarding the *Project Specific Qualifications* was sent to the Procurement Chief via e-mail. The protest stated that “... *This contract has not contained project specific qualifications in the past. We protest the necessity of and/or the specific qualification criteria.*”

On July 30, 2015, the GGAC conducted a hearing regarding the above-referenced protest. Per the GGAC meeting minutes, the protest was denied by unanimous vote.

Per Procurement records and subsequent to the protest, the ROWSWM Chief recommended the award of Bid Number CS-0477-15 to Jax Utilities. According to *Recommendation to Award* memorandum dated August 13, 2015, the ROWSWM Chief stated they were “*the lowest conforming bidder in accordance with the attached bid documents . . . and pricing confirmation email.*”

Per Procurement records, on August 20, 2015, the GGAC concurred with the ROWSWM Chief’s recommendation that Bid Number CS-0477-15 be awarded to Jax Utilities. The award was approved by the Administration¹⁴ also on August 20, 2015.

Review of Project Specific Qualifications for Bid Number CS-0447-15

Based on the information contained in the protest, the OIG reviewed the *Bid Number CS-0477-15, Specifications, Section 1, Invitation to Bid*, and found that responsive bidders (the

¹³ As previously described in Footnote 8, the lowest responsible bidder was selected using the same process as used for Bid Number CS-0594-12. The Bid Number CS-0477-15 Line Item Unit Pricing sheet contained 262 line items.

¹⁴ Referencing Mayor Lenny Curry’s Administration.

Bidder/Contractor and named Subcontractor) were required to meet the following *Project Specific Qualifications*, as provided verbatim below:

- *The Bidder/Contractor and named Subcontractor shall currently hold and each have a minimum of five (5) consecutive yrs. experience as a certified General contractor or Underground Utility and Excavation contractor in accordance with Florida Statue (sic), Chapter 489.*
- *The Bidder/Contractor and named Subcontractor in combination shall have successfully completed prior storm sewer and roadway maintenance/construction project(s) with contract amounts of at least \$20K each, totaling at least \$500K annually and totaling at least \$3.5 million during the required five (5) consecutive yrs. experience. The Bidder/Contractor shall have successfully completed a minimum of 75% of the projects and the named Subcontractor shall have successfully completed a maximum of 25%. The contract's scope of work must have included substantial storm sewer pipe and structure installation.*
- *The Bidder/Contractor shall provide with their bid acceptable documentation that includes a list of names and contact numbers for contracts completed, contracting parties, and owners with their phone numbers, contract amounts, and a detailed description of work performed. The documentation must also include a list of equipment used to accomplish the projects, equipment owned by the Bidder/Contractor and named Subcontractor and equipment available for lease by the Bidder/Contractor and named Subcontractor.*

The OIG compared the above *Bid Number CS-0477-15 Specifications, Project Specific Qualifications* language with *Bid Number CS-0594-12 Specifications* and confirmed that a similar requirement had not been previously included in *Bid Number CS-0594-12 Specifications*.

As part of the records review, the OIG reviewed relevant COJ employee e-mails related to the protest and found that on July 16, 2015, the Procurement Chief e-mailed the Purchasing Analyst and requested she contact ROWSWM about the *Project Specific Qualification* requirements. The Procurement Chief stated in this e-mail that the “*new requirements do not seem unreasonable to me.*” On July 17, 2015, the Purchasing Analyst e-mailed the ROWSWM Chief and Lawrence and requested a response to the protest.

In an e-mail also on July 17, 2015, the ROWSWM Chief replied to the Purchasing Analyst and Lawrence (and courtesy copied the Procurement Chief) and advised that the *Project Specific Qualifications* were implemented to:

... insure the successful bidder has the background and capacity to execute the work covered under this bid. Please note that this contract will be called on to work as many as 3 to 4 sites at a time with individual crews, while working as many as 50 sites during the course of the year. Based on this workload and the

nature of the work, the project specific qualifications were established and I feel that they are appropriate.

Review of Responsive Documents Submitted for Bid Number CS-0477-15

As part of the WB's allegation that Lawrence allowed Jax Utilities to submit "manipulated bid forms" [i.e. unbalanced bids] for Bid Number CS-0477-15, the OIG reviewed Procurement records and the Jax Utilities bid documents submitted for Bid Number CS-0477-15.

The OIG reviewed the *Bid Number CS-0477-15 Specifications* and found language related to price progression was included in *Section 3, Proposal, A. Proposal Schedule*, which stated in bold font, "**Unit prices for all progressive items shall reflect a consistent price escalation, though the amount may differ. Proposals in which the prices obviously are unbalanced will be rejected.**" This same or similar language was not included in the *Bid Number CS-0594-12 Specifications*.

The OIG reviewed Site Prep and MOT line item unit prices for Bid Number CS-0477-15 for responsive bidders, as outlined in the *Line Item Comparison Chart for Bid Number CS-0477-15*¹⁵ on the following page.

Line Item Comparison Chart for Bid Number CS-0477-15*							
Line Item	Description	Engineer's Estimate	Jax Utilities	Company C	Company D	Company F	Company I
9	Site Prep (\$15,000 or <)	\$ 4,000	\$ 3,270	\$ 10,000	\$ 3,247	\$ 6,733	\$ 27,500
10	Site Prep (>\$15,000 to \$25,000)	\$ 5,800	\$ 3,569	\$ 10,000	\$ 4,870	\$ 8,453	\$ 35,000
11	Site Prep (>\$25,000 to \$40,000)	\$ 8,500	\$ 4,334	\$ 10,000	\$ 5,195	\$ 9,239	\$ 37,500
12	Site Prep (>\$40,000 to \$55,000)	\$ 10,000	\$ 5,834	\$ 10,000	\$ 6,494	\$ 11,912	\$ 45,000
13	Site Prep (>\$55,000 to \$70,000)	\$ 12,500	\$ 6,546	\$ 10,000	\$ 7,273	\$ 14,988	\$ 55,000
14	Site Prep (>\$70,000 to \$85,000)	\$ 15,500	\$ 8,528	\$ 8,000	\$ 8,312	\$ 18,443	\$ 65,500

Continued on Next Page ...

¹⁵ All responsive bidders listed in the chart, with the exception of Company I, had previously submitted bids for Bid Number CS-0594-12.

Line Item Comparison Chart for Bid Number CS-0477-15*

Line Item	Description	Engineer's Estimate	Jax Utilities	Company C	Company D	Company F	Company I
15	Site Prep (>\$85,000 to \$100,000)	\$ 20,000	\$ 9,446	\$ 8,000	\$ 10,390	\$ 24,174	\$ 75,000
16	Site Prep (\$100,000 to \$120,000)	\$ 25,000	\$ 13,389	\$ 8,000	\$ 10,649	\$ 32,325	\$ 95,000
17	Site Prep (\$120,000 to \$150,000)	\$ 30,000	\$ 16,101	\$ 8,000	\$ 11,688	\$ 39,435	\$ 110,000
18	Site Prep (>\$150,000 to \$200,000)	\$ 37,000	\$ 17,774	\$ 500	\$ 15,584	\$ 48,917	\$ 125,000
19	Site Prep (>\$200,000 to \$250,000)	\$ 45,000	\$ 19,143	\$ 500	\$ 25,974	\$ 60,790	\$ 135,000
20	MOT (Two Lane, 2-way traffic)	\$ 2,400	\$ 1,990	\$ 500	\$ 2,597	\$ 434	\$ 10,500
21	MOT (Multi Lane, 1-way traffic)	\$ 2,750	\$ 2,000	\$ 500	\$ 3,247	\$ 421	\$ 12,500
22	MOT (Multi Lane, 2-way traffic)	\$ 3,400	\$ 2,185	\$ 5,000	\$ 5,195	\$ 446	\$ 10,200
23	MOT (Closure, including all detour signage)	\$ 4,500	\$ 3,971	\$ 5,000	\$ 6,494	\$ 483	\$ 2,000
147	Steel Sheeting (Install and remove)	\$ 15	\$ 0.90	\$ 0.01	\$ 39	\$ 47	\$ 30

*Note: All figures are rounded to the nearest dollar.

The OIG noted the following:

- The Jax Utilities 2015 line item unit prices for Site Prep Line Items 9-19 and MOT Line Items 20-22 increased progressively as the size of the project increased/scope of work increased. All bidders priced all of the Site Prep line item unit prices progressively, except for Company C. The MOT line item unit prices submitted by Company C, Company F, and Company I were not priced progressively.
- The 2015 Steel Sheeting (Install and remove), Line Item 147, submitted by Jax Utilities increased to \$0.90 versus the \$0.01 submitted in Bid Number CS-0594-12 (Line Item 146). Company C had the lowest line item unit price for Line Item 147 at \$0.01, while the other bidders priced this line item at \$30 and above.

In addition, the OIG reviewed Lawrence's COJ e-mails related to Bid Number CS-0477-15. Of note, the OIG found that in August of 2015, Lawrence expressed concerns related to some of the

line item unit prices submitted by Jax Utilities. Specifically, on August 12, 2015, Lawrence e-mailed the Engineering Technician Senior and the Engineer Technician Principal (and courtesy copied the ROWSWM Chief and the Purchasing Analyst), regarding his concerns.

Per the e-mail, Lawrence advised that he conducted a comparison of the four lowest bidders, which included Jax Utilities, for Bid Number CS-0477-15. Lawrence's e-mail included, in part, the following:

... I highlighted in red a couple [of line item unit prices] that raised my eyebrow. I did not find anything that would appear to drastically affect annual costs or alter low bid results. I will revisit tomorrow with a clear head.

Keep in mind that when the low bidder's number is really differential to the average, check all prices. Usually you will find one really high or low throwing the average off.

Please review and let me know by 10am tomorrow if something appears unbalanced or odd ...

A review of the above mentioned e-mail disclosed that Lawrence highlighted the following 23 line item unit prices submitted by Jax Utilities, as outlined in the chart below.

Bid Number CS-0477-15 Prices Noted by Lawrence		
Line Item	Description	Jax Utilities
69	Box Culvert (Concrete)	\$ 360.00
70	Box Culvert (Reinforcing Steel)	\$ 00.40
83	Box Culvert Endwall (Concrete)	\$ 750.00
84	Box Culvert Endwall (Reinforcing Steel)	\$ 00.40
122	Brick Manhole or Inlet	\$ 2.75
141	Well Points (> 8' Deep)	\$ 120.00
147	Steel Sheeting (Install and remove)	\$ 00.90
152	Sawcut Modification (To Inlet, Manhole or End Section)	\$ 4.00
157	1" Steel Plate (Including Openings)	\$ 8.50
158	Asphaltic Concrete Pavement Repair (Case X)	\$ 32.90
159	Asphaltic Concrete	\$ 258.00
186	Miscellaneous Concrete (Non-Reinforced)	\$ 105.00
187	Miscellaneous Concrete (Reinforced)	\$ 125.00
194	Grass Sod (Centipede, Zoysia, Other Specialty Sod)	\$ 3.00
202	Guardrail (Special Post)	\$ 8.00
203	Guardrail (Special Steel Post)	\$ 10.00
204	Guardrail (Special Length Post)	\$ 10.00
205	Guardrail (Post Replacement)	\$ 10.00
206	Guardrail (Anchorage Assembly)	\$ 17.00
207	Guardrail (Anchorage Assembly Concrete Barrier Wall)	\$ 30.00
208	Guardrail (End Anchorage Assembly)	\$ 30.00
225	As-Built Drawing (11" X 17" Construction Drawings)	\$ 250.00

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Bid Number CS-0477-15 Prices Noted by Lawrence		
226	Project Record (Per Job Site)	\$ 100.00

A further review of e-mails disclosed that on August 13, 2015, Lawrence sent an e-mail directed to the Jax Utilities Vice President (and courtesy copied to the ROWSWM Chief, the Engineering Technician Principal, and the Purchasing Analyst). Per the e-mail, Lawrence stated, “ ... [Jax Utilities’] total base bid is 14% lower than the next lowest bidder’s submittal and several of the [Jax Utilities’] unit prices appeared to be more than 25% lower than average unit costs submitted by other bidders. Particular items noted, but not limited to the following ... ” Further, Lawrence requested the Jax Utilities Vice President confirm the line item unit prices (in the above chart with the exception of Line Items 141, 152, 159, and 226) and also confirm Jax Utilities would honor the line item unit prices they had submitted.

Later on August 13, 2015, an e-mail on behalf of the Jax Utilities Vice President was sent to Lawrence and the Engineering Technician Senior (and also courtesy copied to the ROWSWM Chief, the Engineering Technician Principal and the Purchasing Analyst). This e-mail advised, “There has been no error made in our submittal and the prices submitted will be honored.”

TESTIMONY

The *Testimony Reference Chart* provided on the following page lists the Report Reference and corresponding Position Titles in the order the testimony is presented in this section. In addition, Position Titles presented below were the current titles for each individual at the time of their respective OIG interview.

Testimony Reference Chart

Report Reference	Position Title	Employed By
Project Inspector 3	Project Inspector	ROWSWM
Project Inspector 1	Project Inspector	ROWSWM
Contract Administration Coordinator	Contract Administration Coordinator	ROWSWM
Purchasing Analyst	Purchasing Analyst	Procurement
Engineering Technician Senior	Engineering Technician Senior	ROWSWM
Engineering Technician Principal	Engineering Technician Principal	ROWSWM
Former Jax Utilities General Superintendent	Former General Superintendent	Jax Utilities
Jax Utilities General Superintendent	General Superintendent	Procurement
ROWSWM Chief	Division Chief	ROWSWM
Procurement Chief	Division Chief, Procurement, COJ	Procurement
Jax Utilities Vice President	Vice President	Jax Utilities
Lawrence	Public Works Contract Construction Manager	ROWSWM

Statement of Project Inspector 3

Throughout his career with COJ, Project Inspector 3 had worked on several occasions with Jax Utilities (during 1998 through 2001, during 2004 through 2006, and beginning again in 2017).

Sometime around September of 2016, Project Inspector 3 heard Lawrence boast in the ROWSWM office that he (Lawrence) had been able to keep a particular company [name omitted]¹⁶ from bidding on a storm sewer replacement and new construction contract. Project Inspector 3 thought Lawrence may have done this by requiring bidders for Bid Number CS-0477-15 to have five years of continuous experience. According to Project Inspector 3, Lawrence said he (Lawrence) knew how to write contract specifications in a way to exclude certain contractors. Lawrence was not shy about making these comments as he was “*completely at odds with*” this particular company [name omitted].

Project Inspector 3 could not recall if Lawrence made these comments to anyone in particular; although, anyone near the area could have heard him. He believed that some ROWSWM employees may have heard Lawrence, such as Project Inspector 1 and the Engineering Technician Principal, because they typically congregated near Lawrence’s office. In addition, Lawrence’s office was near the offices of the Engineering Technician Principal and the Contract Administration Coordinator.

According to Project Inspector 3, during this same timeframe, the Contract Administration Coordinator told Project Inspector 3, she disagreed with Lawrence’s actions (writing bid specifications to exclude a contractor) and that she had discussed this issue with Lawrence.

Statement of Project Inspector 1

Project Inspector 1 had been in this position since approximately 2012. In approximately 2015, he began working as a ROWSWM project inspector with Jax Utilities contracts. Project Inspector 1 was unaware of any favoritism toward Jax Utilities. Project Inspector 1 denied he had first-hand knowledge of Lawrence boasting about excluding a particular company [name omitted] from a contract.

Statement of the Contract Administration Coordinator

The Contract Administration Coordinator had been employed in her current position since May 27, 2014, and worked with all of the ROWSWM contracts, including Jax Utilities. The Contract Administration Coordinator did not believe Jax Utilities received any form of preferential treatment to win bids. She opined that due to the multiple levels involved with contracting, it would be difficult for Lawrence to give favoritism to a contractor.

The Contract Administration Coordinator did not observe any animosity from Lawrence regarding a particular company [name omitted]. She did not know anything about Lawrence making any changes to bid specifications to favor one contractor over another. According to the Contract Administration Coordinator, Lawrence had never boasted about changing bid specifications to intentionally exclude a contractor.

The Contract Administration Coordinator did not know why the qualifications were changed to require five years of experience for Bid Number CS-0477-15. She believed after the Bid Number CS-0477-15 pre-bid meeting, she heard from the ROWSWM Chief and Lawrence that this requirement was to ensure the contractor had recent experience, because there was going to

¹⁶ Company name was omitted because this testimony could not be corroborated during the investigation.

be more money available for work to be completed (and thus more work), so there needed to be assurances that the winning bidder could complete the required work.

Statement of the Purchasing Analyst

The Purchasing Analyst had been employed in her current position since 2012. The Purchasing Analyst opined that bids could not be manipulated to favor or disfavor a bidder. She explained that in addition to Procurement reviewing the bids, the JSEB office reviewed the bid to determine if there were JSEB vendors that could perform the requested type of work.

According to the Purchasing Analyst, the requesting agency (the relevant COJ Department and/or Division [using agency]) developed the bid specifications and eligibility for bids. The using agency was also responsible for evaluating whether the prospective bidders were underbidding materials. The Purchasing Analyst advised that other than reviewing for mathematical errors, Procurement did not verify the unit prices submitted by bidders for specific line items.

Regarding the Bid Number CS-0477-15, the Purchasing Analyst advised that the change in qualifications to require bidders having five years of experience came from ROWSWM, in particular the ROWSWM Chief and Lawrence. The Purchasing Analyst did not know why these project specific qualifications were included in Bid Number CS-0477-15.

The Purchasing Analyst reviewed the e-mail dated July 17, 2015 (refer to page 16), sent by the ROWSWM Chief to the Purchasing Analyst and Lawrence (and courtesy copied to the Procurement Chief) which outlined the reasons why the *Project Specific Qualifications* were incorporated into Bid Number CS-0477-15. After reviewing this e-mail, the Purchasing Analyst said she was not aware of any other justification for the *Project Specific Qualifications* in Bid Number CS-0477-15, other than that provided by ROWSWM Chief.

The Purchasing Analyst was not aware of Jax Utilities receiving any preferential treatment.

Statement of the Engineering Technician Senior

The Engineering Technician Senior had been employed by COJ since 2001 and had held her current position in ROWSWM since 2011. Since 2011, she had worked with various Jax Utilities contracts, such as the storm water replacement and new construction, cave-in, and ditch cleaning contracts.

As part of her duties, the Engineering Technician Senior reviewed the bid specifications and provided feedback. Lawrence usually wrote the ROWSWM bid specifications,¹⁷ and she thought the ROWSWM Chief also would be involved in the development of ROWSWM bid specifications and contracts as well. The Engineering Technician Senior explained that the COJ Office of General Counsel (OGC) had the final approval for bid specifications. The Engineering Technician Senior opined that if the OGC thought there were any bid specification irregularities then OGC would bring attention to this matter.

¹⁷ Engineering Technician Senior used the term bid specifications and contracts interchangeably during the interview.

Lawrence was responsible for determining if storm water replacement and new construction bids were balanced. The Engineering Technician Senior also thought the ROWSWM Chief would be involved with determining if bids were balanced. She did not remember any instances where she questioned the listed line item unit prices submitted by the successful bidder.

Regarding the Bid Number CS-0477-15 *Project Specific Qualifications*, the Engineering Technician Senior said this type of requirement was not unusual in bids, as it helped to prevent an unqualified contractor from obtaining work. However, the Engineering Technician Senior did not know why the Bid Number CS-0477-15 *Project Specific Qualifications* had been added.

She did not know whether anyone had made changes to Bid Number CS-0477-15 to prevent any contractors from bidding. She did not remember anyone boasting about being able to exclude a particular company [name omitted] from bidding.

According to the Engineering Technician Senior, Jax Utilities did not receive any favorable treatment over other contractors.

Statement of the Engineering Technician Principal

The Engineering Technician Principal had been employed by COJ since 2001 and held this position since 2008. As of March of 2017, he had worked with several Jax Utilities contracts including storm sewer replacement and new construction since 2006.

The Engineering Technician Principal said that Lawrence had written the bid specifications since 2008 or 2009. According to the Engineering Technician Principal, Lawrence had the Engineering Technician Principal and others review the bid specifications before they were sent to Procurement. The ROWSWM Chief also reviewed the bid specifications and determined what would be included or omitted in the bid specifications.

Since 2006, the Engineering Technician Principal and Lawrence reviewed responsive bids to determine whether the bids submitted were balanced. In addition, the ROWSWM Chief also reviewed the bids before a recommendation letter was sent to GGAC.

ROWSWM employees contacted vendors to obtain estimates of appropriate prices for line items as standard practice, prior to the bid being made available to prospective bidders. The Engineering Technician Principal said that if a contractor submitted a bid that contained prices that seemed to be too low or too high then the contractor would be contacted by Procurement to try to obtain a justification for the questioned prices.

The only instance the Engineering Technician Principal recalled Jax Utilities winning a contract with an unbalanced bid (in his opinion) occurred in 2008 or 2009. Jax Utilities underpriced 54-inch pipe for a storm sewer replacement and new construction contract (contract number not specified). However, the Engineering Technician Principal advised that Jax Utilities honored their prices and actually lost money on this project.

According to the Engineering Technician Principal, unbalanced bids had never come up before until this particular instance. The Engineering Technician Principal added that in previous years of the contract (prior to 2008) the 54-inch pipe had been rarely used so it was not a “*red flag*.”

The Engineering Technician Principal reviewed the August 12, 2015 e-mail (and attached spreadsheet which contained the line item unit prices submitted by the bidders, (refer to page 19) sent by Lawrence to the Engineering Technician Senior and the Engineering Technician Principal (and courtesy copied to the Purchasing Analyst and the ROWSWM Chief). The Engineering Technician Principal assumed after having received this e-mail that he (Engineering Technician Principal) had discussed the questioned line item prices, but he could not remember any specific information.

After reviewing the spreadsheet attached to the August 12, 2015 e-mail, the Engineering Technician Principal opined that the line item unit price submitted for Steel Sheeting Install and Remove (Line Item 147) by Jax Utilities (\$0.90) and another company (\$0.01) was “*out of the ball park*” of a normal price range for that particular item. The Engineering Technician Principal stated that if the questionable line item unit prices affected who was the lowest bidder, then it would be grounds to throw out a bid as unbalanced.

The Engineering Technician Principal also reviewed the Bid Number CS-0594-12 Bid Line Items document submitted by Jax Utilities. Regarding Site Prep Line Items 11 through 18, the Engineering Technician Principal stated these line item unit prices (as well as some other line items submitted by Jax Utilities) did not become more expensive when a project increased in cost. The Engineering Technician Principal opined this was an example of “*front loading*.”

As an example of what he opined was “*front loading*,” he noted Jax Utilities’ line item unit price for Site Prep greater than \$55,000 to \$70,000 (Line Item 10) was bid at \$8,220 and the line item unit price for Site Prep greater than \$70,000 to \$85,000 (Line Item 11) was only bid at \$100. The Engineering Technician Principal opined it appeared Jax Utilities were aware there were going to be more projects ranging from \$70,000 or less. The Engineering Technician Principal was not aware of anyone from Public Works or Procurement having issues with this particular bid. The Engineering Technician Principal was not aware of any guidelines regarding the evaluation of bids with questionable line item unit prices.

The Engineering Technician Principal reviewed and explained that the Bid Number CS-0477-15 *Project Specific Qualifications* was standard language, as he had seen similar language in other COJ contracts since he had been employed by COJ.

The Engineering Technician Principal thought the ROWSWM Chief may have been responsible for this qualification being included. He advised there were a series of discussions between him, Lawrence, and the ROWSWM Chief about having an experience requirement to ensure that a qualified contractor would be awarded the bid. According to the Engineering Technician Principal, all three of them thought it was a “*good idea*” to include the *Project Specific Qualifications* to ensure a qualified contractor was selected.

The Engineering Technician Principal did not remember if anyone ever provided any other reason for making the change to raise the required experience to five years. The Engineering Technician Principal denied that the *Project Specific Qualifications* were inserted to prevent a particular company [name omitted] or any other contractor from being able to bid. He had not heard Lawrence boast about preventing a particular company [name omitted] from being able to bid.

The Engineering Technician Principal opined that it was not unusual Jax Utilities kept winning bids, since there was a limited pool of qualified contractors who could perform the required work. In addition, he opined because Jax Utilities had held contracts with COJ, they had insight into “*what it takes to do it.*” He had no first-hand knowledge of Jax Utilities receiving any favoritism from COJ employees.

Statement of the Former Jax Utilities General Superintendent

The Former Jax Utilities General Superintendent worked with Jax Utilities as a General Superintendent for approximately nine and one half years, beginning around 2000 or 2001. He was not employed with Jax Utilities when they submitted Bid Number CS-0594-12.

According to the Former Jax Utilities General Superintendent, the Jax Utilities Vice President handled all of the work related to bids; although, he (the Former Jax Utilities General Superintendent) provided input as to the cost and the quantities proposed in their bids. He opined Jax Utilities was able to continually win bids due to lower overhead, as well as the Jax Utilities Vice President’s knowledge of structuring bid proposals to win the bids and make a profit. To the Former Jax Utilities General Superintendent’s knowledge, no one from COJ ever pushed for Jax Utilities to win bids nor did Jax Utilities ever get any favoritism from any COJ employee.

The Former Jax Utilities General Superintendent was not familiar with the term “*unbalanced bid.*”¹⁸ The Former Jax Utilities General Superintendent stated he did not think that the Jax Utilities Vice President had ever submitted a bid that met the OIG’s explanation (as described in footnote 18).

Statement of the Jax Utilities General Superintendent

The Jax Utilities General Superintendent had been employed with Jax Utilities for approximately fifteen years. He had worked for Jax Utilities with COJ storm-sewer replacement and new construction contracts for approximately nine years.

Regarding the bids submitted by Jax Utilities, the Jax Utilities General Superintendent stated that, when requested, he provided insight to the Jax Utilities Vice President about the amount of work and quantities of items used in previous years on the contracts being bid. The Jax Utilities General Superintendent stated that “*the beauty of having the contract is you’ve got insight as to*

¹⁸ The OIG explained the concept of an unbalanced bid as bidders pricing frequently used items significantly above their normal price, while lowering infrequently used items significantly below their normal price to provide an overall reasonable bid (citing as an example, steel sheeting for \$0.01).

... what we do the most of. What kind of work out there fails the most? You know, that kind of thing.”

To the Jax Utilities General Superintendent’s knowledge, the Jax Utilities Vice President had provided the line item unit prices included in the Jax Utilities’ bid submissions since the Jax Utilities General Superintendent began working for Jax Utilities. The Jax Utilities General Superintendent opined that Jax Utilities continually won bids due to good insight on how to do the work, as well as good bid planning.

The Jax Utilities General Superintendent did not know that a change in the number of years of experience had been included in Bid Number CS-0477-15, nor did he know why the five years of experience were required. To the Jax Utilities General Superintendent’s knowledge, the change to *Bid Number CS-0477-15 Specifications* mandating five years of experience was not to give an advantage to Jax Utilities.

The Jax Utilities General Superintendent also pointed out that Bid Number CS-0477-15 allowed bidders from Duval County or a surrounding county to participate, which was also a change from prior COJ contract specifications that required bidders to have an office located in Duval County.

Statement of the ROWSWM Chief

The ROWSWM Chief began working in ROWSWM in July 2014, when he was hired as the Division Chief, and had worked with storm sewer replacement and new construction contracts since 2014.¹⁹

Regarding the ROWSWM bidding process, the ROWSWM Chief reviewed the bid specifications prior to making them available to the prospective bidders. His review included whether to remove or add bid specifications. The ROWSWM Chief advised that once bid submissions were received by Procurement, the bid submissions would be forwarded to ROWSWM for review. He stated that his subordinates reviewed the bid submissions. However, the ROWSWM Chief conducted a final review to *“make sure nothing looks drastically out of line.”*

The ROWSWM Chief stated he had no involvement with the bidding process for Bid Number CS-0594-12. However, he had involvement with Bid Number CS-0477-15. The ROWSWM Chief advised that Bid Number CS-0477-15 added the requirement that line item unit prices submitted by bidders needed to be progressive (i.e. the line item unit prices should increase as the size of the item increases). This requirement was added based on a review of data from previous contracts.

According to the ROWSWM Chief, larger sizes of the same type of item (e.g., drainage pipes) are always going to cost more than a smaller size. He explained that *“... when you look through previous bids and see it went from 18” pipe at 50 [dollars] to 30” pipe at 25 [dollars], that makes no sense and it should not be allowed to happen ...”* He and Lawrence reviewed the responsive bids for Bid Number CS-0477-15 after they had been submitted to Procurement.

¹⁹ According to the Administration, the ROWSWM Chief began working for ROWSWM in 2012 prior to his appointment to ROWSWM Chief in 2014.

Prior to sending bid specifications to Procurement, ROWSWM conducted a cost estimate of line item unit prices (also known as an Engineer's Estimate). The ROWSWM Chief explained the ROWSWM Engineer's Estimate was based on ROWSWM's past experience with previous ROWSWM contracts. ROWSWM would then use the Engineer's Estimate to determine if there were any line item unit prices where the responsive bidder's line item unit prices were drastically different from the Engineer's Estimate. Any line item unit prices flagged (or questioned) by ROWSWM were further reviewed.

If ROWSWM questioned a line item unit price that would cost the COJ less money than the Engineer's Estimate then ROWSWM would subsequently obtain confirmation that the contractor would honor the proposed prices for the line items questioned. However, if the questioned line item unit prices would cost the COJ more money, the bid would be rejected and the next lowest bidder would be approached. The ROWSWM Chief was unaware of any contractors that had submitted an unbalanced bid and had been awarded the bid. According to the ROWSWM Chief, this determination concerning questioned line item unit prices was not based upon any policy or procedure.

The ROWSWM Chief confirmed a bidder could potentially receive an advantage over other bidders if the COJ allowed a bidder to submit line item unit prices that were questionably lower and thus cost the COJ less money (and potentially have the bidder lose money). However, he added that if a contractor wanted to *"lose money on [every] single thing for whatever reason, um, that is their prerogative and we don't control that. As long as they're willing to take that price, stand by it and do our projects. It gets our infrastructure repaired and it saves [COJ] money."*

During the OIG interview, the ROWSWM Chief reviewed the line item unit prices submitted by Jax Utilities for Bid Number CS-0594-12 and Bid Number CS-0477-15. After having reviewed the line item unit prices, ROWSWM Chief expressed concerns that the bids submitted by Jax Utilities had steel sheeting listed at a substantially low price (Jax Utilities' proposed prices were \$0.01 per square foot for Bid Number CS-0594-12 and \$0.90 per square foot for Bid Number CS-0477-15).²⁰

In addition, the ROWSWM Chief noted the Site Prep line item unit prices submitted by Jax Utilities for Bid Number CS-0594-12 were not progressive. He opined that Jax Utilities had taken a risk by listing \$100 for some of the Site Prep line items. If these Site Prep line items were used more than initially estimated, Jax Utilities could potentially lose money.

However, the ROWSWM Chief opined that neither Bid Number CS-0594-12 nor Bid Number CS-0477-15 were unbalanced because the costs were not detrimental to COJ. ROWSWM Chief explained his understanding of unbalanced bidding by providing the following example, *"We (the contractor) know they're (COJ) not going to use this so we will bid a dollar."*

In general, the ROWSWM Chief was not aware of anyone from COJ voicing concerns about Jax Utilities' bid for Bid Number CS-0594-12. He did not think anyone from COJ voiced any

²⁰ The ROWSWM Chief was shown only the line item unit prices submitted by Jax Utilities.

concerns about Jax Utilities' bid for Bid Number CS-0477-15. He believed there were no issues with awarding the bid to Jax Utilities.

The ROWSWM Chief explained that the *Project Specific Qualifications* for Bid Number CS-0477-15 were included to ensure a sufficiently sized and experienced company would be awarded the bid. To the ROWSWM Chief's knowledge, there had not been any problems prior to this change due to a company not being sufficiently sized.

The ROWSWM Chief thought he was likely responsible for having these *Project Specific Qualifications* inserted. He was trying to be proactive because he had observed the large volume of work that had been previously completed through the storm sewer replacement and new construction contract. Although, he had not been aware of a time when a company had been unable to handle the amount of work required for this type of contract.

The ROWSWM Chief opined the *Project Specific Qualifications* were inserted with the intent that the qualifications could be easily met by a contractor that already performed this type of work. It would also exclude contractors from being able to bid who did not perform drainage contractor work. No one from COJ expressed any concerns about inserting the qualifications.

The ROWSWM Chief stated the *Project Specific Qualifications* were not inserted to favor or disfavor any specific bidders. According to the ROWSWM Chief, these types of requirements were common as approximately half (or possibly more) of the ROWSWM bids had similar requirements.

The ROWSWM Chief was shown the August 12, 2015 e-mail and attachments (refer to page 19) sent from Lawrence to the Engineering Technician Senior and the Engineering Technician Principal (and courtesy copied to the ROWSWM Chief and the Purchasing Analyst).

The ROWSWM Chief advised that all of the line item unit prices noted by Lawrence in the August 12, 2015 e-mail were noted for being too low with the exception of one line item unit price (Line Item 159, Asphaltic Concrete). The ROWSWM Chief believed he would have discussed this with Lawrence but in his opinion there was nothing alarming to prevent the bid from being awarded to Jax Utilities. He would not have been concerned to see Jax Utilities bid lower than their competitors, as Jax Utilities had previously held the same contract (Bid Number CS-0594-12) and never failed to complete a project or honor their prices.

The ROWSWM Chief was also shown the August 13, 2015 e-mail (refer to page 20) sent from Lawrence to the Jax Utilities Bookkeeper (and courtesy copied to the ROWSWM Chief, the Engineering Technician Principal and the Purchasing Analyst). The ROWSWM Chief thought that only a portion (19 of 23) of the line item unit prices were submitted for confirmation to Jax Utilities, because these were the only line item unit prices which were "*interestingly low.*"

The ROWSWM Chief did not have first-hand knowledge of Lawrence allegedly bragging about excluding a particular company [name omitted] from submitting a bid for Bid Number CS-0477-15. In his opinion, Lawrence did not have the sort of personality where he would brag about excluding a particular company.

The ROWSWM Chief denied that Lawrence sought to favor Jax Utilities during the bid process, stating that Lawrence did not have the ability to sway the bid process toward a specific bidder. Several COJ employees are involved and review the bid specifications during the bid process prior to the bid being sent out to respective bidders. If the ROWSWM Chief had noticed anything of concern in the bid specifications, then it would have been discussed and any necessary changes would have been made. In addition, after the bids had been submitted to COJ, the ROWSWM Chief thought the review process, which incorporated several steps and individuals, such as the GGAC, would also prevent Lawrence from being able to favor or disfavor a specific bidder.

Statement of the Procurement Chief

The Procurement Chief had held this position for almost seven years and had been employed with COJ for approximately eighteen years.

The Procurement Chief did not think COJ had any written definition for what constituted an “*unbalanced bid*.” He opined that an unbalanced bid was a complex term to define as it could mean several different things. Procurement relied “*very*” heavily on the using agency to determine whether a bid was unbalanced because the using agency was the subject matter expert. However, he believed it may be helpful to try to make an attempt to provide a definition.

The Procurement Chief advised that if a bid was unbalanced COJ was not required to reject it, as it depended on the circumstances.²¹ If it was clear the line item unit prices were manipulated to provide the bidder an unfair competitive advantage or the bid could potentially harm COJ then there would be good cause to reject such a bid. However, if the bid was unbalanced due to pricing for rarely used/low quantity items then it may be acceptable to keep the bid (not reject it) as it would not likely affect the price.

He agreed that there were situations where unbalanced bids were acceptable, such as when the bid in question was not competitive with the other bidders, there was no harm to COJ, or the bid was favorable to COJ.

The Procurement Chief reviewed the Bid Number CS-0594-12 and Bid Number CS-0477-15 Bid Line Item documents submitted by Jax Utilities, specifically line item unit prices for Line Item 146 for Bid Number CS-0594-12 and Line Item 147 Bid Number CS-0477-15 (both of these line items were for the same item, Steel Sheeting Install and remove).

In regards to the Steel Sheeting Install and remove line item unit prices, he advised that he had no objection to a using agency allowing a bidder to submit questionably low prices as long as the bidder did not gain an unfair competitive advantage. The Procurement Chief denied that by allowing this it would necessarily provide an unfair advantage to that particular bidder. The Procurement Chief pointed out this was one line item out of numerous other line items listed on the aforementioned Bid Line Item documents submitted by Jax Utilities.

²¹ Per the Specifications document for both Bid Number CS-0594-12 and Bid Number CS-0477-15, “*The CITY shall not be liable to the CONTRACTOR for failure to reject or notify the Bidder of any unbalanced bid.*”

The Procurement Chief added that with a low price like these ones, the bidder would try to make up for the low price somewhere else. Those identified line item unit prices would need to be reviewed to ensure they were reasonable and if so, he did not see any issues with a low price like the aforementioned Steel Sheeting Install and remove prices.

He believed it was a responsible decision by the using agency to try to include as many line items as possible for bids as the using agency would want to encompass every scope of work. The Procurement Chief understood the rationale behind a using agency trying to avoid the Special Pricing²² process, which he described as “*good logic.*” According to the Procurement Chief, there were good reasons to include as many line items as possible since it would lock-in pricing and prevented project stoppages.

He agreed that the inclusion of rarely used line items could potentially affect the bidding process (i.e. who was determined to be the lowest bidder). He also added that the low quantities listed in the proposed line items provided to bidders would be indicative that the line items would be rarely used.

The Procurement Chief reviewed the Bid Number CS-0477-15 *Project Specific Qualifications*. He advised that this type of requirement was typical for Public Works Department contracts, in particular, for construction contracts. The Procurement Chief did not have concerns with the Bid Number CS-0477-15 *Project Specific Qualifications*. According to him, “*you want to make sure you have a good, solid contractor that can do the work.*” He opined that while the requirements were more specific than other contracts, he believed the qualifications were reasonable.

The Procurement Chief explained the bidding process was both centralized and transparent, which were safeguards to prevent someone from favoring a particular bidder. In addition, there was every opportunity for a bidder to protest the bid specifications as well as the bid award. The protests are held in an open public setting. There was not one individual person but rather a number of different people at different levels (i.e. a separation of duties) who made the decisions, such as whether to reject a bid, award a bid, or determine the outcome of a protest.

Statement of the Jax Utilities Vice President

The Jax Utilities Vice President believed he began working for Jax Utilities as an Estimator/Project Manager in 2001 and also started overseeing the Jax Utilities Inter-City Division. The Jax Utilities Vice President was the “*Lead Estimator*” for Jax Utilities bids and procured their contracts. He was solely responsible for providing the line item unit prices listed in Jax Utilities bids, including both Bid Numbers CS-0594-12 and CS-0477-15, although he received some input from his subordinate employees like the Jax Utilities General Superintendent.

²² The Special Pricing process was explained during the investigation as a process used in the absence of applicable unit prices. This information is outlined in the Bid Number CS-0594-12 and CS-0477-15 Specifications, Section 20, General Conditions, 20.34.2.2.

At some point, to the Jax Utilities Vice President's knowledge, the bid specifications were changed in all of the COJ contracts to require the line item unit prices to be progressive (i.e. larger materials had to cost more than smaller materials). The Jax Utilities Vice President explained that some of the line item unit prices Jax Utilities had submitted had not been progressive, as the size of the project was large enough to provide profitability on its own. This contrasted with some smaller projects where the Jax Utilities Vice President did not have the same opportunity to make money. The Jax Utilities Vice President stated he did not want the prices of Jax Utilities' projects to be more expensive than necessary.

The Jax Utilities Vice President opined a maintenance contract, such as the storm sewer replacement and new construction contract, could not have an unbalanced bid as the contractor was only paid for the work completed on the specific project. He contrasted this with other contracts, such as a capital improvement project contract, where the contracts could be front-loaded (defined by the Jax Utilities Vice President as being when a contractor "[asked] an exorbitant amount to show up for a job").

The Jax Utilities Vice President did not know why the Bid Number CS-0477-15 *Project Specific Qualifications* changed. He assumed this requirement was included to ensure a qualified contractor was selected. According to the Jax Utilities Vice President, this change not only favored Jax Utilities but also favored other local contractors who would meet those qualifications. No one from Jax Utilities advocated for or objected to this change.

To the Jax Utilities Vice President's knowledge, Lawrence never manipulated any bids to assist Jax Utilities.

Statement of William "Louis" Lawrence, Public Works Contract Construction Manager

Lawrence began his employment with COJ in June 1988 and had held his current position since approximately 2008. From approximately 2000 through 2008, Lawrence worked as an Engineering Technician Principal. Lawrence had worked with storm sewer replacement and new construction contracts since around or before 2006.

Regarding the bidding process, Lawrence explained he was responsible for updating the bid specifications on existing contracts to reflect the work completed. Lawrence drafted the specifications for Bid Number CS-0594-12 and Bid Number CS-0477-15. When he made any changes to the bid specifications, Lawrence would send the bid specifications to whoever was his current supervisor at the time, to Procurement, and also to his subordinate employees for review and comment.

Lawrence became responsible for creating the Engineer's Estimate for storm sewer replacement and new construction contracts around 2006. Lawrence described the Engineer's Estimate as an "educated guess." He observed that typically his estimates were not in line with the bidders' estimates. Lawrence was unaware of anything used to confirm the accuracy of the Engineer's Estimates.

Lawrence could not recall specifically how the responsive bids for Bid Number CS-0594-12 and Bid Number CS-0477-15 were reviewed. Lawrence thought he and the Engineering Technician

Principal possibly reviewed the responsive bids submitted for Bid Number CS-0594-12 and Bid Number CS-0477-15. Lawrence's former supervisor, Former ROWSWM Chief 2, may have reviewed the bids for Bid Number CS-0594-12 while his current supervisor, the ROWSWM Chief, may have reviewed the bids for Bid Number CS-0477-15.

Lawrence explained that typically, as part of a pre-award review for any contract, each bidder's line item and total overall costs would have been compared with the other bidders. If Lawrence observed something he thought was unusual, he would *"try to figure what was going on."* However, Lawrence advised *"you would see odd stuff but you always couldn't prove anything."* Lawrence stated there was probably not an *"after the fact"* review upon the conclusion of contracts to determine which bidder would have been cheaper based on the quantities which were used as, *"We moved on. We had work to do."*

To Lawrence's knowledge, there were never any unbalanced bid submissions that were awarded contracts. Lawrence explained an example of an unbalanced bid submission would be a bid submission that contained non-progressive pricing, for example, line item unit prices that did not increase as the size of material/project scope increased. Lawrence opined it was very hard to prove a bid submission was an unbalanced bid for continuous contracts as compared to a single project contract. Lawrence was unaware of any instances when unbalanced bids were allowed because they would cost COJ less. Lawrence stated he had never received any training about unbalanced bids.

During the interview, Lawrence reviewed Bid Line Item documents submitted by Jax Utilities for Bid Number CS-0594-12. He likely questioned Line Items 195 through 203²³ (all pertaining to Guardrail) because he did not have a lot of experience with guardrails and they were rarely used on projects. Lawrence pointed out that MOT (Line Items 19 through 21) had the same line item unit price, while Line Item 22 (MOT Closure, including ALL detour signage) appeared to be priced too low in Lawrence's opinion. Lawrence added, *"... if I saw this today, I probably say he's got his money somewhere else."* However, he did not see any issues with Jax Utilities' line item unit prices for MOT and Guardrail Line Items.

Regarding the Line Item 146 (Steel Sheeting Install and remove), Lawrence opined the line item unit price submitted by Jax Utilities for Bid Number CS-0594-12 was too low. Lawrence also opined Jax Utilities gambled that this line item was not going to be used. He recalled only one occasion since 2009, when this specific line item had been used since Jax Utilities had the storm sewer replacement and new construction contracts.

According to Lawrence, there was an effort to include as many line items as possible on the bids even if the line items were not used regularly. This was done to avoid having to go through the Special Pricing process which, in Lawrence's opinion, would cost more money and time.

Regarding the Site Prep Line Items 11 through 18 (all listed at \$100 in Jax Utilities' bid), Lawrence stated in essence that it was not his place to tell Jax Utilities they would be unable to do Site Prep for those prices as *"I had no expectations that I could challenge this and I could*

²³ Line Items 19 through 22 and Line Items 195 through 203 had been circled and marked "Review."

win.” Lawrence also opined Jax Utilities was gambling with these particular line item unit prices since Jax Utilities did not know what type of work would be done (i.e. how often there would be larger projects versus smaller projects) for the contract.

Lawrence thought he discussed some of the issues he had observed in the bid documents submitted by Jax Utilities for the Bid Number CS-0594-12 with Former ROWSWM Chief 2 or whoever was his supervisor at the time. Lawrence and his supervisor did not see anything within Jax Utilities’ bid submission that could be successfully challenged.

During the interview, Lawrence reviewed the Bid Line Items document submitted by Jax Utilities for Bid Number CS-0477-15. The only thing that stood out to Lawrence was the language about progressive bid pricing.²⁴ According to Lawrence, this was language he had inserted that could be used to prove a bid was unbalanced. Lawrence also stated the Line Item 147 (Steel Sheeting Install and remove) line item unit price submitted by Jax Utilities would not cover the cost of using this particular line item.

Lawrence could not say that either bid submitted by Jax Utilities, Bid Number CS-0594-12 or Bid Number CS-0477-15, was unbalanced. He opined there were some “odd” line item unit prices submitted by Jax Utilities, specifically \$100 for Site Prep (Line Items 11 through 18) and Line Item 146 (Steel Sheeting Install and remove) line item unit price submitted for Bid Number CS-0594-12 and also Line Item 147 (Steel Sheeting Install and remove) line item unit price for Bid Number CS-0477-15. Lawrence did not recall anyone from COJ raising specific concerns about Bid Number CS-0477-15.

Lawrence reviewed the August 12, 2015 e-mail (refer to page 19) he sent to the Engineering Technician Senior and the Engineering Technician Principal (and courtesy copied to the Purchasing Analyst and the ROWSWM Chief). Lawrence also reviewed the August 13, 2015 e-mail (refer to page 20) he sent to the Jax Utilities Bookkeeper (and courtesy copied to ROWSWM Chief, Engineering Technician Principal, and Purchasing Analyst). In this e-mail, Lawrence asked the Jax Utilities Bookkeeper to confirm that Jax Utilities would honor their unit prices for 19 of the 23 line items highlighted in his August 12, 2015 e-mail. Lawrence could not specifically recall why he did not include the remaining 4 of the 23 line item unit prices.

Lawrence reviewed the Bid Number CS-0477-15, *Project Specific Qualifications* (refer to pages 15-16). He explained the experience requirements were changed for Bid Number CS-0477-15 to clarify what ROWSWM was looking for. These changes were made in coordination with the ROWSWM Chief. When Lawrence drafted *Bid Number CS-0594-12 Specifications*, he did not know he could include this type of requirement.

Lawrence stated that similar experience requirements could be found in other ROWSWM contracts, such as the hardscape and cave-in contracts. According to Lawrence, by adding the experience requirements to Bid Number CS-0477-15, the goal was to have a contractor that was able to complete the required work. It was not to deny contractors the opportunity to bid, but

²⁴ Bid Number CS-0477-15 contained language on the Bid Line Item form that specified in part, “Unit prices for all progressive items shall reflect a consistent price escalation, though the amount may differ...”

rather to clarify the expectations of the amount of work to be completed. Lawrence stated it was not added to favor or disfavor any specific bidder. Lawrence stated that no one, including himself, sought to favor Jax Utilities or disfavor any other contractor in the bidding process.

According to Lawrence, it had become typical for some contractors to be able to keep contracts for a timeframe similar to that of Jax Utilities. He explained there were other contractors who also had contracts for lengthy periods with the COJ, such as contracts for cured-in-place pipe liner. Lawrence opined that some companies “morph” to do the specific work required by their contract, which would give them an advantage. These companies (like Jax Utilities), by nature of having had the contract already, had the resources in place, such as equipment and manpower; so, in Lawrence’s opinion, it was easier for these companies to obtain the bid as compared to a company that was “starting from scratch.”

He stated he never bragged about a particular company [name omitted] being excluded for bidding for Bid Number CS-0477-15. Lawrence denied that there was any intent to exclude a particular company [name omitted], as he was unaware of their past work experience. When Lawrence wrote the experience requirement, he did not know whether it would exclude a particular company [name omitted].

SUMMARY OF FINDINGS

Regarding the allegation that Lawrence gave preferential treatment to Jax Utilities during the bidding and award selection process²⁵ to benefit Jax Utilities Management, Inc., the OIG investigation determined the following:

Allegation 1(a)

In regards to Allegation 1(a) (refer to page 7), the OIG observed that several responsive bidders to Bid Number CS-0594-12, including Jax Utilities, did not escalate their line item unit prices as the scope of work increased. Based on a review of the *Bid Number CS-0594-12 Specifications*, the OIG did not find any written requirements which required price escalation.

The OIG observed that several responsive bidders to Bid Number CS-0477-15, including Jax Utilities, escalated their line item unit prices as the scope of work increased. The OIG compared the *Bid Number CS-0594-12 Specifications* with the *Bid Number CS-0477-15 Specifications* and noted that a requirement for price escalation for line item unit prices was included in *Bid Number CS-0477-15 Specifications* as follows, “... for all progressive items shall reflect a consistent price escalation, though the amount may differ. Proposals in which the prices obviously are unbalanced will be rejected.”

Both *Bid Number CS-0594-12 Specifications* and *Bid Number CS-0477-15 Specifications* specified COJ had the right to reject bids that were “obviously unbalanced.” In addition, both of the *Specification* documents specified that COJ was not liable to contractors for “failure to reject or notify the Bidder of any unbalanced bid.”

²⁵ The OIG understood this allegation to be related to Bid Numbers CS-0594-12 and CS-0477-15.

However, the OIG was unable to locate any definition of an unbalanced bid or criteria to determine whether a bid was unbalanced in both *Bid Number CS-0594-12* and *Bid Number CS-0477-15 Specifications*, or in COJ policies or *Ordinance Code*.

The Jax Utilities Vice President advised that Jax Utilities did not have progressive pricing, as the larger projects were profitable on their own. The Jax Utilities Vice President did not want to be more expensive than necessary. He also opined that bids (such as Bid Number CS-0594-12 and Bid Number CS-0477-15) for continuous contracts could not be unbalanced because the type and amount of work to be completed was unknown to the bidder.

The ROWSWM Chief did not believe either Bid Number CS-0594-12 or Bid Number CS-0477-15 were unbalanced as the line item unit prices were not harmful to COJ.

The Procurement Chief opined that unbalanced bids could be acceptable as long as the bidder did not have an unfair competitive advantage or have costs which were harmful to COJ. The Procurement Chief also added that COJ did not have to reject unbalanced bids.

Lawrence testified that he had not favored Jax Utilities in the bidding process. Lawrence denied that either bid submitted by Jax Utilities was unbalanced; although, he opined some of the line item unit prices submitted by Jax Utilities were odd.

Allegation 1(b)

In regards to Allegation 1(b) (refer to page 7), the OIG observed that *Project Specific Qualifications* contained in Bid Number CS-0477-15 required responsive bidders to have, in part, at least five years of relevant experience. The OIG noted that this specific requirement was not included in the *Bid Number CS-0594-12 Specifications*.

The July 17, 2015 e-mail sent from the ROWSWM Chief to the Purchasing Analyst and Lawrence (and courtesy copied to the Procurement Chief) stated that the *Project Specific Qualifications* were implemented to “insure the successful bidder has the background and capacity to execute the work covered under this bid.”

The ROWSWM Chief testified that he was involved with the change in the *Project Specific Qualifications* and believed he may have prompted it. Both the ROWSWM Chief and the Procurement Chief advised that it was typical for contracts to have similar experience requirements as those included in Bid Number CS-0477-15.

Lawrence said he had not included a similar requirement in the *Bid Number CS-0594-12 Specifications* as he was unaware that he could do so. He also believed that changes made for the *Project Specific Qualifications* were completed in coordination with the ROWSWM Chief. Lawrence testified that he had not favored Jax Utilities in the bidding process.

Allegation 1(c)

In regards to Allegation 1(c) (refer to page 7), the ROWSWM Chief advised that several individuals reviewed the bid specifications after Lawrence had drafted them, so he opined that Lawrence did not have the ability to sway the bid process toward a specific bidder.

Lawrence advised that while he drafted the bid specifications in question, they were reviewed by several individuals, including whoever was his supervisor at the time, the Procurement Division, and his subordinate employees.

The Procurement Chief testified that there were a number of different people at different levels (i.e. a separation of duties) rather than just one individual person who made decisions, such as whether to reject a bid, award a bid, or determine the outcome of a protest.

CONCLUSION

In regards to Allegation 1(a), (b) and (c), based on the records reviewed and interviews conducted the investigation did not substantiate that Lawrence gave preferential treatment to Jax Utilities during the bidding and award selection process²⁶ to benefit Jax Utilities Management, Inc.; therefore, the allegation is **unsubstantiated**.

ALLEGATION 2: CONTRACT OVERPAYMENTS MADE TO JAX UTILITIES

Jax Utilities Management, Inc. received overpayments that exceeded \$100,000 related to work performed for Contract Number 8258-14. Additionally, it was alleged that Lawrence solely approved the contract payments.

GOVERNING DIRECTIVES**City of Jacksonville Policies, Procedures, and Other Related Documents*****ROWSWM Contracts and Related Records***

- *COJ Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications*
- *COJ Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications*

ROWSWM Policies and/or Procedures

- *No relevant policies or procedures.*

To review the abovementioned Governing Directives, refer to Attachment 1, Appendix C.

²⁶ The OIG understood this allegation to be related to Bid Numbers CS-0594-12 and CS-0477-15.

RECORDS REVIEW

The OIG reviewed various records, including applicable state statutes and municipal ordinances, COJ policies, procedures, contracts, and other records, including COJ employee e-mails. A complete listing of individuals (by name, title, and how referenced in the report) mentioned in this *Records Review* section may be found in Appendix D.1, *Testimony Reference Charts*.

Records Related to COJ Contract Numbers 8258-14 and 8258-17

Contract Related Documents

In accordance with COJ *Contract Number 8258-14* and COJ *Contract Number 8258-17*, all work to be completed and all materials furnished with the contract were to be done in accordance with the contract documents, which included *Bid Number CS-0594-12 Specifications* and *Bid Number CS-0477-15 Specifications*, respectively.

Bid Number CS-0594-12 Specifications and *Bid Number CS-0477-15 Specifications, Section 31, Special Conditions, 31.26 Site Preparation (Site Prep), 31.26.1*, in part, states that Site Prep shall consist of “... *the Contractor performing all preparatory work and operations required to ready the project site for the construction to be accomplished.*”

Both *Bid Number CS-0594-12 Specifications* and *Bid Number CS-0477-15 Specifications* described the method for calculating Site Prep payment in *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*, verbatim as follows:

*Payment for Site Preparation shall be made at the respective Contract Unit Price and be full compensation for all work required in this section. The selection of which Contract Unit Price to be used and paid for shall be determined by the estimated/final construction cost **excluding any cost for site preparation, mobilization, or traffic maintenance.** If partial payments are requested, the funds due for this item will be prorated based on the estimated percentage of contract work accomplished [emphasis added].*

Site Prep Payment Records Review for COJ Contract Number 8258-14

The OIG reviewed all **106** invoices submitted by Jax Utilities to ROWSWM for Contract Number 8258-14. The review determined that all **106** Jax Utilities invoices were signed on behalf of the Jax Utilities Vice President.²⁷ In addition, all of the invoices displayed an “APPROVED” stamp and were signed and dated by three separate ROWSWM employees.

In accordance with COJ *Contract Number 8258-14* and accompanying *Bid Number CS-0594-12 Specifications, Section 31, Special Conditions, 31.14 Payments, 31.14.7*, all **106** invoices from

²⁷ Testimony of Jax Utilities Vice President and Jax Utilities Bookkeeper established that the Jax Utilities Bookkeeper was authorized to sign on behalf of the Jax Utilities Vice President.

Jax Utilities were to contain in part a “*Certification Statement.*” Per a review of the invoices the following certification statement was found:

We Certify that this is a true and accurate invoice in keeping with the specifications of the purchase of the purchase order and the payment has not been received.

The OIG also reviewed each invoice to determine if the Site Prep had been calculated in accordance with *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*, as referenced above. The review disclosed discrepancies in several invoices regarding the amount of Site Prep charged to the project versus the amount that should have been charged when applying the method of calculating the Site Prep as outlined in the *Bid Number CS-0594-12 Specifications*. Overall, these discrepancies resulted in Site Prep overpayments to Jax Utilities by the COJ as detailed below.

In accordance with the *Bid Number CS-0594-12 Specifications*, the Site Prep calculations should include the total of the overall project costs and *excluded* line item unit prices for site preparation, mobilization, or maintenance of traffic costs as part of the calculation.

The following three tables are provided to illustrate:

- (1) When Site Prep was calculated correctly (**Table 1**);
- (2) When Site Prep was determined to have been overpaid to Jax Utilities (**Table 2**), and
- (3) When Site Prep was determined to have been underpaid to Jax Utilities (**Table 3**).

The information contained in these three tables is from actual invoices submitted by Jax Utilities, which were approved by ROWSWM employees and subsequently paid by the COJ.

TABLE 1 – Site Prep Amount Calculated Correctly

Contract Number 8258-14 - Purchase Order Number 303181:18				
Jax Utilities - Invoice # 11/12 3139L				
Quantity	Description	Price Each	Amount	Site Prep Calc
1	Mobilization (15" to 24" pipe)	\$ 6,700.00	\$ 6,700.00	\$ -
1	Site Preparation (\$15,000 or <)	\$ 5,800.00	\$ 5,800.00	\$ -
1	Maintenance of Traffic (Closure)	\$ 4,500.00	\$ 4,500.00	\$ -
1	Brick Adjustment	\$ 93.50	\$ 93.50	\$ 93.50
36	1" Steel Pipe	\$ 8.50	\$ 306.00	\$ 306.00
20	Asphaltic Concrete Pavement Repair	\$ 30.60	\$ 612.00	\$ 612.00
200	Roadside Shoulder Grading	\$ 5.10	\$ 1,020.00	\$ 1,020.00
13	Concrete Sidewalk (4" Depth)	\$ 32.30	\$ 419.90	\$ 419.90
2	Concrete Handicapped Ramp	\$ 39.95	\$ 79.90	\$ 79.90
200	Grass Sod	\$ 5.00	\$ 1,000.00	\$ 1,000.00
1	Project Record	\$ 92.65	\$ 92.65	\$ 92.65
Grand Total			\$20,623.95	\$ 3,623.95

In accordance with *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*, information in Table 1, illustrates how the Site Prep was calculated correctly by adding up the overall project costs (refer to Table 1 *Site Prep Calc* column, totaling **\$3,623.95**). In accordance with *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*, the *Site Prep Calc* column total *does not* include the following line items: mobilization, site preparation or traffic maintenance as part of the calculation. The applicable Site Prep amount to be applied is based on the *Jax Utilities - Site Prep Bid Pricing* chart below, which displays the line item unit prices submitted by Jax Utilities for Contract Number 8258-14 for projects ranging in value from less than \$15,000 to over \$70,000.

Jax Utilities - Site Prep Bid Pricing	
Contract Number 8258-14	
\$15,000 or <	\$ 5,800
>\$15,000 to \$25,000	\$ 6,900
>\$25,000 to \$40,000	\$ 7,700
>\$40,000 to \$55,000	\$ 6,946
>\$55,000 to \$70,000	\$ 8,220
>\$70,000	\$ 100

Based on the above chart and the *Site Prep Calc* column total of **\$3,623.95** from Table 1, the corresponding Site Prep line item unit price of **\$5,800**, for an overall project cost of \$15,000 or less, was correctly applied to this particular invoice.

TABLE 2 - Site Prep Amount Calculated Incorrectly (Overpaid)

Contract Number 8258-14: Purchase Order Number 303181:1				
Jax Utilities - Invoice # 11/12 2980L				
Quantity	Description	Price Each	Amount	Site Prep Calc
1	Mobilization (30" to 42" pipe)	\$ 7,500.00	\$ 7,500.00	\$ -
1	Site Preparation (>\$25,000 to \$40,000)	\$ 7,700.00	\$ 7,700.00	\$ -
1	Maintenance of Traffic (Two Lane)	\$ 500.00	\$ 500.00	\$ -
48	24" RCP	\$ 41.65	\$ 1,999.20	\$ 1,999.20
40	30" RCP	\$ 51.00	\$ 2,040.00	\$ 2,040.00
2	Straight Concrete Endwall	\$ 1,190.00	\$ 2,380.00	\$ 2,380.00
2	End Section (30" pipe)	\$ 2,231.25	\$ 4,462.50	\$ 4,462.50
29	Asphalt Concrete Pavement	\$ 30.60	\$ 887.40	\$ 887.40
29	Concrete Removal	\$ 12.75	\$ 369.75	\$ 369.75
68	A-3 Fill	\$ 12.75	\$ 867.00	\$ 867.00
10	Stone (No. 57 or equivalent)	\$ 41.65	\$ 416.50	\$ 416.50
51	Roadside Shoulder Grading	\$ 5.10	\$ 260.10	\$ 260.10
80	Concrete Driveway	\$ 40.80	\$ 3,264.00	\$ 3,264.00
27	Rip-Rap	\$ 46.75	\$ 1,262.25	\$ 1,262.25
222	Grass Sod	\$ 5.00	\$ 1,110.00	\$ 1,110.00
69.4	Seed and Mulch	\$ 0.65	\$ 45.11	\$ 45.11
1	Project Record	\$ 92.65	\$ 92.65	\$ 92.65
Grand Total			\$35,156.46	\$ 19,456.46

Table 2 illustrates that the Site Prep of **\$7,700** applied to this invoice was not calculated in accordance with *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*. Based on the overall project costs (refer to Table 2 *Site Prep Calc* column, totaling **\$19,456.46**), the appropriate Site Prep overall project cost ranged between \$15,000 and \$25,000 and **\$6,900** should have been applied to the invoice [based on the above referenced *Jax Utilities - Site Prep Bid Pricing* chart]. On this particular invoice a Site Prep amount of **\$7,700** (for overall projects costs of greater than \$25,000 but less than \$40,000) was applied and resulted in an overpayment of **\$800** to Jax Utilities.²⁸

There is no guidance in *Contract Number 8258-14 with accompanying Bid Number CS-0594-12 Specifications* that addressed deviations from line item unit prices submitted by responsive bidders. Further, there was no explanation documented on the invoice to explain the **\$800** deviation from the *Jax Utilities - Site Prep Bid Pricing* submitted by Jax Utilities.

TABLE 3 - Site Prep Amount Calculated Incorrectly (Underpaid)

Contract Number 8258-14: Purchase Order Number 303181:94				
Jax Utilities - Invoice # 14/15 3901L				
Quantity	Description	Price Each	Amount	Site Prep Calc
1	Mobilization (30" to 42" pipe)	\$ 7,500.00	\$ 7,500.00	\$ -
1	Site Preparation (>\$15,000 to \$25,000)	\$ 6,900.00	\$ 6,900.00	\$ -
1	Maintenance of Traffic (Closure)	\$ 4,500.00	\$ 4,500.00	\$ -
88	14" x 23" ERCP	\$ 42.07	\$ 3,702.16	\$ 3,702.16
120	19" x 30" ERCP	\$ 44.20	\$ 5,304.00	\$ 5,304.00
40	24" x 38" ERCP	\$ 45.05	\$ 1,802.00	\$ 1,802.00
4	Straight Concrete Endwall (18" pipe)	\$ 663.00	\$ 2,652.00	\$ 2,652.00
6	Straight Concrete Endwall (24" pipe)	\$ 1,190.00	\$ 7,140.00	\$ 7,140.00
2	Straight Concrete Endwall (30" pipe)	\$ 1,275.00	\$ 2,550.00	\$ 2,550.00
39	Pipe Encasement (15" to 18")	\$ 17.00	\$ 663.00	\$ 663.00
39	Pipe Encasement (21" to 24")	\$ 17.00	\$ 663.00	\$ 663.00
39	Pipe Encasement (30" to 36")	\$ 17.00	\$ 663.00	\$ 663.00
117	Asphalt Concrete Repair	\$ 30.60	\$ 3,580.20	\$ 3,580.20
54	A-3 Fill	\$ 12.75	\$ 688.50	\$ 688.50
25	Stone (No. 57)	\$ 41.65	\$ 1,041.25	\$ 1,041.25
120	Roadside Shoulder Grading	\$ 5.10	\$ 612.00	\$ 612.00
6	Rip Rap	\$ 46.75	\$ 280.50	\$ 280.50
450	Grass Sod	\$ 5.00	\$ 2,250.00	\$ 2,250.00
367	Seed and Mulch	\$ 0.65	\$ 238.55	\$ 238.55
1	Project Record	\$ 92.65	\$ 92.65	\$ 92.65
Grand Total			\$52,822.81	\$ 33,922.81

Table 3, illustrates that the Site Prep of **\$6,900** applied to this invoice was not calculated in accordance with *Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*. Based on the

²⁸ Several COJ employees, to include the ROWSWM Chief and Lawrence, concurred that the Site Prep amount for this particular invoice was incorrect and that the Site Prep was overpaid by the COJ.

overall project costs (refer to Table 3 *Site Prep Calc* column, totaling **\$33,922.81**), the appropriate Site Prep overall project cost was greater than \$25,000 but less than \$40,000, and **\$7,700** should have been applied to the invoice. On this particular invoice a Site Prep amount of **\$6,900** (for overall projects costs of \$15,000 or less), was applied and resulted in an underpayment of **\$800** to Jax Utilities.

There was no explanation documented on the invoice to explain the **\$800** deviation from the *Jax Utilities - Site Prep Bid Pricing* submitted by Jax Utilities.

Based on a review of the **106** invoices the OIG determined that the COJ **overpaid** Site Prep on **39** invoices in the amount of **\$46,196**, and that Site Prep had been **underpaid** in the amount of **\$4,916** on **6** invoices, resulting in a **total overpayment** to Jax Utilities in the amount of **\$41,280** (Refer to Appendix D.2.), as depicted in the following chart. The Site Prep calculation for the remaining 61 invoices was correct.

Summary of Incorrect Site Prep Payments		
Contract Number 8258-14		
+ /-	Invoices	Amount
Overpaid	39	\$ 46,196
Underpaid	6	\$ (4,916)
Grand Total	45	\$ 41,280

Per a review of the above-referenced **45** invoices, the names of various COJ employees, including Former Project Inspector 1, Former Project Inspector 3,²⁹ Project Inspector 2, the Engineering Technician Senior, the Engineering Technician Principal, and Lawrence, appeared on one or more of the invoices, as having “*APPROVED*” the invoices. Refer to Appendix D.2. for an itemized listing of the **45** invoices and the corresponding COJ employees whose names appeared as having “*APPROVED*” the invoices for payment. Lawrence’s name was associated with the approval of **32** of the **45** identified invoices.

In addition to a review of Contract Number 8258-14 invoices, the OIG reviewed COJ employee e-mails and found that e-mails were generated from the Former Project Inspector 1, the Former Project Inspector 3, or the Project Inspector 2, which annotated project specific final quantities. These e-mails were sent to the Jax Utilities Bookkeeper and/or the Jax Utilities General Superintendent (with Lawrence either courtesy copied or listed as a recipient). In **10** of **45** e-mails, the relevant ROWSWM inspector specifically requested Jax Utilities to “*bill accordingly.*”

The OIG observed that in all **45** instances where the Jax Utilities Site Prep Line Item unit price was incorrect (either overpaid or underpaid) there was a corresponding COJ employee e-mail containing the project specific final quantities, including the incorrect Site Prep line item amount, that was sent to Jax Utilities prior to the submission of Jax Utilities’ invoice. In **44** of

²⁹ The OIG was unable to contact the Former Project Inspector 3 during the course of this investigation and as a result he was not interviewed.

the **45** instances (refer to Appendix D.2), an incorrect Site Prep Line Item unit price was subsequently billed by Jax Utilities and appeared to have been based on the information previously generated by the ROWSWM employee's e-mail.³⁰ In one instance, Lawrence documented via e-mail an exception to allow Jax Utilities to receive a higher Site Prep line item payment more than the overall project cost due to some complications with the project.³¹

Site Prep Payment Records Review for COJ Contract Number 8258-17

Similar to the above review, the OIG reviewed **40** invoices submitted by Jax Utilities to ROWSWM for Contract Number 8258-17. This particular contract was ongoing during the OIG investigation and only **40** invoices had been processed at the time of the review. The **40** invoices contained the same certification statement as previously referenced above on Contract Number 8258-14 invoices (refer to page 38).

The review determined that all **40** Jax Utilities invoices were signed on behalf of the Jax Utilities Vice President. In addition, all of the invoices displayed an "APPROVED" stamp and were signed and dated by three separate ROWSWM employees.

The OIG reviewed each invoice to determine if the Site Prep had been calculated in accordance with *Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications, Section 31, Special Conditions, 31.26 Site Preparation, 31.26.3*, similar to the review conducted for Contract Number 8258-14. Based on a review of the **40** invoices the OIG determined that the COJ **overpaid** Site Prep on **14** of **40** invoices in the amount of **\$14,059** (Refer to Appendix D.3.). The Site Prep calculation for the remaining 26 invoices was correct, and there were no instances where the Site Prep calculation was found to have been underpaid.

Summary of Incorrect Site Prep Payments		
Contract Number 8258-17		
+ / -	Invoices	Amount
Overpaid	14	\$ 14,059
Underpaid	0	\$ -
Grand Total	14	\$ 14,059

Similar to Contract Number 8258-14, various COJ employees' names, including Former Project Inspector 3, the Engineering Technician Senior, the Engineering Technician Principal, and Lawrence, appeared on one or more of the **14** invoices, as having "APPROVED" the invoices. Refer to Appendix D.3. for an itemized listing of the **14** invoices and the corresponding COJ employees whose names appeared as having "APPROVED" the invoices for payment. Lawrence's name was associated with the approval of **4** of the **14** invoices.

Similar to Contract Number 8258-14 invoices, e-mails were sent by the relevant ROWSWM

³⁰ Testimony confirmed that Jax Utilities used the project site final quantities and unit prices provided by the COJ to subsequently bill the COJ.

³¹ E-mail dated October 10, 2013, related to Purchase Order (PO) Number 303181:29.

inspector to the Jax Utilities Bookkeeper and/or the Jax Utilities General Superintendent (with Lawrence either courtesy copied or listed as a recipient) with project specific final quantities.

The OIG observed that in all **14** instances where the Jax Utilities Site Prep Line Item unit price was incorrect (overpaid) there was a corresponding COJ employee e-mail with the project specific final quantities that was sent to Jax Utilities prior to the submission of the Jax Utilities' invoice and included an incorrect Site Prep Line Item unit price that was subsequently billed by Jax Utilities.³² All e-mails were generated from the Former Project Inspector 3. In each instance, the applicable e-mail noted the final quantities were provided in the e-mail and Jax Utilities was requested to "*bill accordingly.*"

Based on a review of available invoices for both Contract Number 8258-14 and Contract Number 8258-17, the OIG determined that the COJ **overpaid** Jax Utilities for Site Prep in the amount **\$55,339** (Refer to Appendix D.2. and D.3.), as summarized in the following chart.

Overall Incorrect Site Prep Payments		
Contract Number	Invoices	Amount
8258-14	45	\$ 41,280
8258-17	14	\$ 14,059
Grand Total	59	\$ 55,339

Maintenance of Traffic (MOT) Payments

MOT for Contract Number 8258-14

According to the *Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications, Section 31, Special Conditions, 31.27, Maintenance of Traffic (MOT), 31.27.1*, in part states, MOT shall consist of "*the Contractor performing all work and operations required to maintain vehicular, pedestrian and bicycle traffic along with property access during construction ...*" In other words, the COJ pays the contractor to maintain traffic control on certain roads as outlined in the *Specifications*.

Section 31.27.5, specifies, "*The Contract Unit Prices(s) shall only be used in conjunction with project sites where work is performed on residential collector, collector, arterial or other major roadway and shall not be used when work is performed on residential or local streets or within easements or City property...*"³³

Section 31.27.7, specifies, "*Payment for Maintenance of Traffic (MOT) on project sites that require a formal design plan shall be made at the respective Contract Unit Price per each MOT designed, approved, maintained and accomplished. The selection of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure*

³² Testimony confirmed that Jax Utilities used the project site final quantities and unit prices provided by the COJ to subsequently bill the COJ.

³³ *Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications* does not provide a definition for residential collector, collector, or arterial.

required to accomplish work ...”

In accordance with the specifications, if the road is not classified as a residential collector, arterial, or other major roadway, a MOT line item unit price should not be included on the invoice.

During the investigation, the OIG learned that the COJ Traffic Engineering Division (Traffic Engineering), Public Works, produces a *Road Links Status Report*, which lists the road by name and its respective road classifications (residential collector, collector, and arterial) for roads located throughout the COJ. The *Road Links Status Report* does *not* include residential or local roads.³⁴ Through testimony, the OIG learned that ROWSWM used the *Road Links Status Report* for road classification.

The OIG reviewed all the project site locations identified in the **106** invoices against the *Road Links Status Report*. The OIG review identified **59** out of the **106** invoices where the MOT line item unit price appeared to be applied contrary to the specifications. The **59** invoices included a separate MOT line item unit price even though the project site locations were *not* listed on the *Road Links Status Report*, [which would initially indicate these roads may have been residential or local roads.] The road classification was not listed on any of the **59** invoices. The OIG also reviewed the project site files maintained by ROWSWM for each of the **59** invoices. The OIG was unable to find any documentation within the project site files that identified the road classification for each of these **59** project sites.

Based on this review, the OIG requested Public Works’ assistance with the identification of the road classification for these **59** project locations. Public Works subsequently provided the OIG with COJ Geographic Information System (GIS) database for each of these **59** project locations.³⁵

Using both the *Road Links Status Report* and GIS data, the OIG compared the **59** project site locations. Based on the comparative review of the two resources, **33** of the **59** project site locations using the GIS data provided by Public Works were classified as a residential collector, a collector, or an arterial road, although these same roads were not included on the *Road Links Status Report*. Based on the GIS data, a MOT line item unit price seems appropriate for these site locations, in accordance with the specifications.

The remaining **26** invoices listed project site locations that were classified as a residential or local road according to the GIS data **and** were also not listed in the *Road Links Status Report*. Therefore, based on *Contract Number 8258-14 and accompanying Bid Number CS-0594-12 Specifications*, it appeared these **26** invoices may not have been entitled to a separate MOT line

³⁴ Through testimony, the OIG confirmed that the *Road Links Status Report* listed road classifications (for example residential collector, collector, arterial), throughout COJ, but did not list residential or local roads. In addition, the Public Works provided OIG with historical *Road Links Status Reports* close in time to the dates of the invoices under review. The OIG investigation could not ascertain the accuracy of the *Road Links Status Report* or whether the report was all-inclusive.

³⁵ The GIS database is a COJ mapping database, which offers a current views of COJ streets (amongst other data) similar to well-known public mapping services, like Google Earth. The GIS information obtained for these invoices was obtained in January of 2017.

item unit price (refer to Appendix D.4.). The MOT line item unit price for these **26** invoices totaled **\$63,000**.

Based on the investigation, the OIG believes that the **\$63,000** are Questioned Costs.³⁶ This determination is explained further under the *Identified, Questioned, and Avoidable Costs* section of this report (refer to pages 89-90).

The remaining **47** of the **106** invoices were associated with project site locations listed on the *Road Links Status Report* or did not include any MOT line item unit pricing.

MOT for Contract Number 8258-17

Per a review of *Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications, Section 31, Special Conditions, 31.27, Maintenance of Traffic (MOT), 31.27.1*, no changes were made in wording from *Contract Number 8258-14 and accompanying Bid Number CS-0477-15 Specifications*.

However, new verbiage in *Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications, Section 31, Special Conditions, 31.27, Maintenance of Traffic (MOT) Section 31.27.6*, detailed when MOT was and was not permissible, as highlighted below:

There are four (4) Contract Unit Prices that cover MOT for project sites that require a formal design plan. The selection of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure required to accomplish the work. These items will only be used in conjunction with project sites where work is performed on residential collector, collector, arterial or other major roadway. These items will not be used when work is performed on residential or local streets or within easements or City property except when a designed traffic plan is required by the Traffic Engineer. If construction MOT plans are not provided, the defined road description and selection of which Contract Unit Price(s) to be used and paid for (or not paid) on a project site shall be estimated and agreed upon by the Contractor and the representative of Right of Way and Stormwater Maintenance Division at the project site meeting described in Section 31.7.1. When the Contractor and the representative of Right of Way and Stormwater Maintenance Division failed to agree upon the Contract Unit Price to be used and paid for (or not pay [sic]), the City Traffic Engineer defined road description and MOT requirements shall take precedence.

In addition, *Section 31.27.8*, specified “*Payment for MOT shall be made at the respective Contract Unit Price for each MOT authorized, designed, approved, maintained and accomplished. The selection(s) of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure required to accomplish the work.*”

³⁶ Questioned Costs are defined as costs incurred pursuant to a potential violation of law, regulation or agency policy; lack of adequate documentation; and/or where the intended purpose is unjustified or unreasonable.

The OIG reviewed **40** invoices submitted by Jax Utilities for Contract Number 8258-17 and identified **9** invoices where the MOT line item unit price appeared to be applied contrary to the specifications. As noted above, the *Contract Number 8258-17 and accompanying Bid Number CS-0477-15 Specifications* stated that a separate MOT line item unit price was provided for project sites located on a residential collector, collector, or arterial road. Similar to the invoices discussed in the above section, the **9** invoices were at project site locations which were *not* considered to be a residential collector, collector, or arterial road according to the *Road Links Status Report*. The OIG also reviewed the project site files maintained by ROWSWM for each of the **9** invoices identified above. The OIG was unable to find any documentation within the project site files that identified the road classification for each of these **9** project sites. There was also no road classification listed on the **9** invoices.

The OIG compared both the *Road Links Status Report* and GIS data for the **9** project site locations. Based on the review of the two resources, there was a conflict between the information cited in the *Road Links Status Report* and the GIS data provided to the OIG by Public Works. According to the GIS data, **2** out of the **9** invoices were for a project site location considered to be a residential collector, a collector, or an arterial road.

The remaining **7** invoices were for project site locations classified as a residential or local road according to the GIS data provided by Public Works **and** were not listed in the *Road Links Status Report* (refer to Appendix D.5.). The MOT payments related to these **7** invoices totaled **\$23,850**. Based on the OIG review, the OIG could *not* verify whether MOT totaling **\$23,850** was paid in accordance with the *Contract Number 8258-17 and Bid Number CS-0477-15 Specifications, Section 31, Special Conditions, 31.27, Maintenance of Traffic*.

Based on the investigation, the OIG believes that the **\$23,850** are Questioned Costs. This determination is explained further under the *Identified, Questioned, and Avoidable Costs* section of this report, refer to pages 89-90.

TESTIMONY

The *Testimony Reference Chart* provided below lists the Report Reference and corresponding Position Titles in the order the testimony is presented in this section. In addition, Position Titles presented below were the current titles for each individual at the time of their respective OIG interview.

Testimony Reference Chart		
Report Reference	Position Title	Employed By
Former Project Inspector 1	Project Inspector	ROWSWM
Project Inspector 2	Project Inspector	ROWSWM
Engineering Technician Senior	Engineering Technician Senior	ROWSWM
Engineering Technician Principal	Engineering Technician Principal	ROWSWM
Former Jax Utilities General Superintendent	General Superintendent	Jax Utilities
Jax Utilities General Superintendent	General Superintendent	Jax Utilities

Continued on Next Page ...

Testimony Reference Chart

Report Reference	Position Title	Employed By
Jax Utilities Bookkeeper	Bookkeeper	Jax Utilities
ROWSWM Chief	Division Chief	ROWSWM
Jax Utilities Vice President	Vice President	Jax Utilities
Lawrence	Public Works Contract Construction Manager	ROWSWM

Statement of Former Project Inspector 1

According to Former Project Inspector 1, from approximately 2010 to 2014, he worked as a ROWSWM project inspector. During this same timeframe, he was assigned to work with a Jax Utilities contract.

Upon conclusion of work at a project site, he and the Jax Utilities General Superintendent determined the project site final quantities. Former Project Inspector 1 then e-mailed the final quantities in a spreadsheet to the Jax Utilities General Superintendent. Afterwards, Jax Utilities submitted an invoice to ROWSWM which reflected the same project site final quantities Former Project Inspector 1 had previously provided via e-mail to Jax Utilities.

After reviewing the invoices, Former Project Inspector 1 signed the invoice to show he agreed with the invoice total and submitted the signed invoice to either the ROWSWM secretary (could not recall name) or the Engineering Technician Principal, his supervisor at the time.

Regarding MOT, the Jax Utilities General Superintendent and Former Project Inspector 1 determined the road classification based upon their observations of traffic while they were both at the project site. If the Jax Utilities General Superintendent and Former Project Inspector 1 disagreed on the road classification they would defer to Traffic Engineering's determination of the road classification.

There were some occasions where Former Project Inspector 1 observed the volume of traffic was greater than the road classification [i.e. the road was classified as residential or local]. In these situations, he allowed Jax Utilities to receive MOT (or at least a larger MOT payment). Lawrence had never overruled Former Project Inspector 1's decisions on MOT.

Former Project Inspector 1 reviewed the March 8, 2013 and November 6, 2013 e-mails he sent to Lawrence and the Jax Utilities General Superintendent (and copied to the Engineering Technician Principal and the Engineering Technician Senior). These e-mails provided the project site final quantities for projects paid using Purchase Order (PO) Numbers 303181:1 and 303181:35 (relating to Contract Number 8258-14).

Former Project Inspector 1 also reviewed the invoices related to PO Numbers 303181:1 and 303181:35 submitted by Jax Utilities to ROWSWM.³⁷ Former Project Inspector 1 advised that

³⁷ These two invoices were "Approved" by Former Project Inspector 1, the Engineering Technician Senior and Lawrence. The OIG identified these invoices as two where the Site Prep had been overpaid by COJ to Jax Utilities.

the Site Prep overpayments occurred as a result of him incorrectly calculating the Site Prep. At the time he determined the Site Prep, Former Project Inspector 1 added up all of the line item costs, including Mobilization and MOT. He was unaware this was an incorrect method to calculate Site Prep.

Until this interview with OIG, he was unaware Jax Utilities received any overpayments. No one from COJ or Jax Utilities ever advised him that Site Prep had been overbilled. Former Project Inspector 1 never intentionally allowed Jax Utilities to receive a higher Site Prep payment than they were entitled to receive.

Regarding the abovementioned invoices, Former Project Inspector 1 opined Lawrence and the Engineering Technician Senior likely had signed the invoices without reviewing them. He stated that either Lawrence or the Engineering Technician Senior would have caught his errors if they had actually reviewed the invoices.

Statement of Project Inspector 2

Project Inspector 2 worked on the storm sewer replacement and new construction contracts from approximately 2007 or 2008 through 2012 and then for a few months in 2014.

Project Inspector 2 opined that improper payments would require several people working together as several people had to approve invoices, from the ROWSWM project inspector up through Lawrence. Project Inspector 2 confirmed the process of e-mailing final project costs to Jax Utilities, who in turn subsequently billed the COJ for those final project costs, similar to the process described by Former Project Inspector 1.

Project Inspector 2 reviewed the February 9, 2015 e-mail he sent to the Jax Utilities Bookkeeper and the Jax Utilities General Superintendent (and copied to Lawrence and the Engineering Technician Senior). In this e-mail, Project Inspector 2 provided the project site final quantities for a project paid using PO Number 303181:80 (relating to Contract Number 8258-14).

In addition, Project Inspector 2 reviewed the invoice related to PO Number 303181:80³⁸ submitted by Jax Utilities to ROWSWM. After reviewing this invoice, Project Inspector 2 agreed the Site Prep for the PO Number 303181:80 invoice had been overpaid and explained this was done in error stating, he “*probably screwed this one up.*” Project Inspector 2 stated he never intentionally overpaid Jax Utilities for Site Prep. He did not recall anyone from COJ or Jax Utilities advising him that Site Prep had been overbilled. Prior to this interview with the OIG, Project Inspector 2 was unaware Jax Utilities had received any overpayments.

Statement of the Engineering Technician Senior

The Engineering Technician Senior advised that a list generated from Traffic Engineering was used to determine MOT [it was later determined by the OIG that the Engineering Technician Senior referred to the *Road Links Status Report*]. Traffic Engineering would have been contacted if there were any questions about the classification of a road. However, a ROWSWM

³⁸ An invoice for which the OIG determined that the COJ incorrectly applied the Site Prep calculation and overpaid Jax Utilities. This invoice had been “Approved” by Project Inspector 2, the Engineering Technician Senior, and Lawrence.

project inspector was able to use his/her judgement to authorize a contractor to use a higher MOT line item based on the amount of traffic observed on a road for safety reasons. The Engineering Technician Senior explained there was no written policy or procedure regarding ROWSWM inspectors authorizing a higher MOT line item. The Engineering Technician Senior was unaware of any instances where the MOT for a project was unjustifiably increased.

The Engineering Technician Senior confirmed Site Prep was based on the overall price of the invoice. The Engineering Technician Senior could not say if she encountered any instances where the Site Prep line item was calculated incorrectly. However, the Engineering Technician Senior explained Site Prep overpayments could occur due to a failure to consider that the overall final project costs differed from the initial estimated project cost.

The Engineering Technician Senior was shown the PO Number 303181:1 invoice³⁹ submitted by Jax Utilities (regarding Contract Number 8258-14), as well as, the March 8, 2013 e-mail from Former Project Inspector 1 to Lawrence and the Jax Utilities General Superintendent (and copied to the Engineering Technician Senior and the Engineering Technician Principal) which contained a copy of the project site final quantities for the project paid using PO Number 303181:1.

Based on the review of the PO Number 303181:1 invoice, Engineering Technician Senior advised that Jax Utilities had been paid for the wrong Site Prep line item amount (Line Item 8 instead of Line Item 7, resulting in an overpayment of \$800 to Jax Utilities by COJ) on this invoice, which she called a “*mistake.*” According to the Engineering Technician Senior, the overpayments discovered by the OIG occurred because ROWSWM employees are “*overworked and we get in a hurry and, um, we don’t double check ourselves. And even though we all try to double check each other, we all make mistakes.*” She stated that she had never intentionally allowed Jax Utilities to receive an overpayment for Site Prep.

Prior to reviewing the PO Number 303181:1 invoice submitted by Jax Utilities and the March 8, 2013 e-mail with the OIG, she was unaware of Jax Utilities ever receiving overpayments. No one from COJ or Jax Utilities ever advised her about Jax Utilities overbilling for Site Prep.

Statement of the Engineering Technician Principal

The Engineering Technician Principal was not aware of Jax Utilities receiving any overpayments. He was shown one of the invoices submitted by Jax Utilities for Contract Number 8258-14, which OIG identified as the Site Prep being overpaid.⁴⁰ The Engineering Technician Principal concurred that the invoice was incorrect as the relevant costs did *not* total \$25,000 [Line Item 8, Site Prep greater than \$25,000 to \$40,000].⁴¹

The Engineering Technician Principal said MOT depended upon the road classification (arterial, collector, or residential/local) where the project was located. The Traffic Engineering *Road*

³⁹ The Engineering Technician Senior was listed as one of the COJ employees having “Approved” this invoice.

⁴⁰ The OIG inadvertently failed to record which specific invoice was shown to the Engineering Technician Principal.

⁴¹ At the time the OIG interviewed the Engineering Technician Principal it was not known to OIG that he had signed any of the incorrect invoices identified by the OIG, and therefore was not directly questioned about approving Site Prep overpayments. Only subsequent to the Engineering Technician Principal’s interview, did other witnesses identify the *illegible* signature observed on some of these invoices as belonging to the Engineering Technician Principal.

Links Status Report was used to determine the road classification. ROWSWM employees would also use the GIS database or conduct a site visit if needed to determine the road classification.

The Engineering Technician Principal advised there were some residential roads used as a “*cut through*” which had extremely heavy traffic, and therefore MOT may have been granted. In that case, the Engineering Technician Principal said that this would be documented in the project estimate provided to the contractor.

Statement of the Former Jax Utilities General Superintendent

MOT was determined by a site visit between COJ and Jax Utilities employees taking into consideration the type of work which needed to be completed. He described it as a “*common sense*” approach. To his knowledge, Jax Utilities never received any MOT they were not entitled to receive.

The Former Jax Utilities General Superintendent was not familiar with how Site Prep was determined for storm sewer and new replacement contracts. He was not aware of any instances where Jax Utilities ever overbilled or received any overpayments.

Statement of the Jax Utilities General Superintendent

According to the Jax Utilities General Superintendent, MOT was determined by traffic count and agreed upon by Traffic Engineering. MOT had been previously based on how many lanes of traffic were affected. The prior method to determine MOT had been unclear and was more difficult to determine. However, according to the Jax Utilities General Superintendent the current method used was a better process; although, he did not elaborate any further. MOT was determined prior to the Jax Utilities General Superintendent receiving the project estimate. The Jax Utilities General Superintendent was not aware of Jax Utilities receiving MOT to which they were not entitled to receive.

Regarding his involvement with Jax Utilities’ invoicing process, after the Jax Utilities General Superintendent and the ROWSWM project inspector agreed upon the project site final quantities used for a project, the Jax Utilities General Superintendent provided the project site final quantities to the Jax Utilities Bookkeeper and asked her to bill COJ accordingly. The Jax Utilities Bookkeeper created the invoice and then submitted it to COJ for payment.

He was not aware of Jax Utilities ever overbilling or under billing COJ for Site Prep. According to the Jax Utilities General Superintendent, he was not aware of Jax Utilities being overpaid by COJ for Contract Number 8258-14 or Contract Number 8258-17.

Statement of the Jax Utilities Bookkeeper

The Jax Utilities Bookkeeper had been employed in her current position with Jax Utilities for approximately 12 years.⁴²

As it pertained to the Jax Utilities invoice process, the Jax Utilities General Superintendent forwarded the project site final quantities (initially e-mailed to him by the relevant ROWSWM

⁴² Based on the interview, the OIG estimated the Jax Utilities Bookkeeper had been employed since approximately 2006.

project inspector) to her. She assumed that by time she received the project site final quantities it had been reviewed by enough people for her to be able to invoice it.

The Jax Utilities Bookkeeper only transferred the information she received from the Jax Utilities General Superintendent and did not make any changes before including it on the Jax Utilities invoice. Once the Jax Utilities Bookkeeper generated the invoices no one else reviewed them.

The Jax Utilities Bookkeeper also signed the invoices on behalf of the Jax Utilities Vice President, which had been the regular practice ever since she began working at Jax Utilities.

The Jax Utilities Bookkeeper was familiar with the term MOT and advised MOT was agreed upon between the Jax Utilities General Superintendent and the relevant ROWSWM project inspector. To the Jax Utilities Bookkeeper's knowledge, there were not any instances where Jax Utilities received an inappropriate payment for MOT.

The Jax Utilities Bookkeeper was familiar with Site Prep, although she had only learned how it was determined in response to the OIG investigation. She was unaware Jax Utilities received Site Prep overpayments until approximately October of 2017. In approximately October of 2017, she reviewed invoices from Contract Number 8258-14 and Contract Number 8258-17 as a result of the OIG investigation. The Jax Utilities Bookkeeper determined that several invoices had the incorrect amount of Site Prep billed, but she did not recall the total number of invoices which were incorrect. In addition, during her review of invoices, the Jax Utilities Bookkeeper also noticed there were several occasions where Jax Utilities failed to include all relevant line items in their invoices and thus, under billed COJ.

The Jax Utilities Bookkeeper said she never intentionally overbilled COJ. Jax Utilities did not overbill on any invoices because of their relationship with Lawrence or any other ROWSWM employee.

Statement of the ROWSWM Chief

To the ROWSWM Chief's knowledge, there had been no difficulties in determining MOT. MOT enhancements outside of the initial designation of the project site road have been paid on a case by case basis but it occurred infrequently.

The ROWSWM Chief was not aware or did not know why the MOT specifications changing from Contract Number 8258-14 to Contract Number 8258-17 until he reviewed both bid specifications. He did not know why the MOT specifications changed from Bid Number CS-0594-12 to Bid Number CS-0477-15 or who changed it.

To determine MOT, ROWSWM project inspectors initially used their "common sense" based upon their observations of traffic. If the road classification could not be easily determined then ROWSWM would contact Traffic Engineering via e-mail to confirm the classification of the road in question.

If a ROWSWM project inspector and contractor both agreed MOT was needed based on the conditions on site and needed to deviate from the road classification then the ROWSWM Chief

would not become involved. He typically became involved if there was a dispute about MOT. He advised any agreed upon deviation should be documented somewhere by the ROWSWM project inspector such as in the final pay packages provided to COJ Accounting. There was no Standard Operating Procedure that addressed deviating from a road's classification in order to provide MOT.

The ROWSWM Chief reviewed the OIG analysis regarding the questionable MOT payments for Contract Number 8258-14.⁴³ He did not think any of the road types were changed from 2012 to 2016; therefore any of the roads listed "*residential collector*" he assumed had been appropriately paid. However, all of the roads noted in the OIG analysis as "*local*" or "*residential*" concerned the ROWSWM Chief due to the total amount of project sites cited by the OIG.

Based on his review of the above preliminary analysis provided by the OIG, the ROWSWM Chief believed MOT was incorrectly paid by ROWSWM for the "*residential*" and "*local*" roads highlighted by the OIG. According to ROWSWM Chief, there should be documentation to explain why MOT was paid despite the bid specifications saying ROWSWM should not pay for MOT on residential and local roads.⁴⁴ Prior to meeting with the OIG, the ROWSWM Chief was not aware of any occasions where Jax Utilities were potentially overpaid for MOT.

Regarding Site Prep overpayments, the ROWSWM Chief reviewed the PO Number 303181:1 invoice submitted by Jax Utilities (regarding Contract Number 8258-14) and the March 8, 2013 e-mail sent by Former Project Inspector 1 to Lawrence and the Jax Utilities General Superintendent (and copied to the Engineering Technician Principal and the Engineering Technician Senior). In the e-mail, Former Project Inspector 1 provided the project site final quantities for Jax Utilities to bill PO Number 303181:1. The ROWSWM Chief agreed that Site Prep was overpaid on the PO Number 303181:1 invoice assuming the actual final project costs were used to calculate the Site Prep.

He opined everybody who signed off the aforementioned invoice (Former Project Inspector 1, the Engineering Technician Senior, and Lawrence) was responsible for checking that the Site Prep was correct on the invoice. The ROWSWM Chief did not ever review any invoices himself.

Prior to the OIG interview, the ROWSWM Chief had not been aware that Site Prep had been overpaid to Jax Utilities. He counted on at least one of the three ROWSWM employees reviewing the invoices to get it right.

The ROWSWM Chief did not believe Lawrence intentionally approved overpayments to Jax Utilities. The ROWSWM Chief believed the overpayments were likely an oversight as he did

⁴³ This information was based on the OIG's preliminary analysis of MOT for Contract Number 8258-14 known at the time of the interview.

⁴⁴ During his interview with the OIG, the ROWSWM Chief said he would need to review each relevant project site file regarding approval of MOT payments above the relevant road's classification to know for sure. The OIG subsequently reviewed the aforementioned records and found no documentation that explicitly explained why MOT had been paid on the identified local or residential roads.

not believe everyone who signed off on the invoices in question would intentionally sign off on something wrong.

Statement of the Jax Utilities Vice President

Regarding MOT, the Jax Utilities Vice President knew the method used by the COJ to determine MOT had changed at one point but he did not know why it had changed (or when it changed). According to the Jax Utilities Vice President, MOT was not paid to Jax Utilities unless it was based upon the *Road Links Status Reports* or for safety reasons as deemed necessary by the ROWSWM project inspector. If the ROWSWM project inspector deemed MOT necessary for safety purposes, MOT would be included in their estimate. He was not aware of any instances where Jax Utilities received an inappropriate amount of MOT or where Jax Utilities was billed for MOT and the ROWSWM project inspector denied it.

The Jax Utilities Vice President advised that Site Prep was based on the final project invoice submitted by Jax Utilities, not the initial project estimate.

The Jax Utilities Vice President was shown the two invoices submitted by Jax Utilities for PO 303181:72. Two invoices were submitted, which the Jax Utilities Vice President guessed was as a result of this timeframe being near September 30, 2014, the end of the COJ fiscal year. In these invoices, Jax Utilities was paid for Site Prep Greater than \$55,000 to \$70,000 [Line Item 10]. The Jax Utilities Vice President agreed that total overall project costs listed on PO 303181:72 invoices showed that Jax Utilities should have been paid for Site Prep Greater than \$40,000 to \$55,000 [Line Item 9]. The Jax Utilities Vice President speculated that the difference between these two line items (Site Prep overpayment of \$650) would have been deducted somewhere in the following fiscal year (beginning October 1, 2014) by Lawrence and the Jax Utilities General Superintendent.

The Jax Utilities Vice President was subsequently shown the invoice submitted by Jax Utilities for PO 303181:1 and the OIG explained that the overall project costs did not add up to more than \$25,000, even though Jax Utilities was paid for Site Prep Greater than \$25,000 to \$40,000 [Line Item 8]. The Jax Utilities Vice President agreed that based upon this invoice, the Site Prep was billed incorrectly and overbilled.

Prior to being shown these invoices, the Jax Utilities Vice President was unaware of any instances where Jax Utilities overbilled COJ or that Jax Utilities had been overpaid by the COJ. To the Jax Utilities Vice President's recollection, no one had ever raised any concerns to him about Jax Utilities overbilling COJ. The Jax Utilities Vice President stated Jax Utilities never overbilled on any invoices due to "their" relationship with Lawrence.

While the Jax Utilities Vice President was responsible for each invoice, the physical invoices were actually signed (and created) by the Jax Utilities Bookkeeper (with his permission). He did not review each and every invoice.

Statement of William “Louis” Lawrence, Public Works Contract Construction Manager

After Bid Number CS-0594-12 and Bid Number CS-0477-15 had been awarded, Lawrence typically had minimal day-to-day involvement with the activities of the awarded contracts. His only involvement would be when there was some sort of issue or concern raised.

Lawrence stated Bid Number CS-0477-15 was changed to clarify how MOT was determined, to assist both the bidders in understanding as well as the ROWSWM project inspectors on how to pay MOT. According to Lawrence, the change assisted COJ, as it kept Jax Utilities from being able to receive higher MOT payments.

To determine MOT, the ROWSWM project inspector and contractor would conduct a site visit and determine the MOT needed. If the ROWSWM project inspector and contractor did not agree on the road classification then Traffic Engineering would be contacted. If the MOT needed was in excess of what should be provided based on the road classification (e.g., more significant MOT due to safety reasons) then the ROWSWM inspector could approve it. Some but not all ROWSWM project inspectors would document this approval such as on the project estimate spreadsheet. There was no set process for ROWSWM project inspectors to document these approved changes.

Lawrence stated he was unaware of any occasions where Jax Utilities received overpayments for MOT. To Lawrence’s knowledge, he never allowed Jax Utilities to receive MOT when Jax Utilities should not have received it.

Lawrence was not involved enough in each project to know the type of MOT each project should have, as he relied on his inspectors as well as the Engineering Technician Senior.

Lawrence subsequently reviewed the OIG analysis regarding the questionable MOT payments relating to the MOT payments for Contract Number 8258-14. Lawrence did not know anything about these questioned overpayments. Without looking at the individually questioned project site, Lawrence believed the questioned MOT payments could be explained in one of three ways - the project site situation fit outside of the bid specification requirements, there was an error by the ROWSWM project inspector, or a MOT overpayment was missed by those who reviewed it.

Regarding the invoicing process, Lawrence explained that once a project was completed the ROWSWM inspector confirmed the project site final quantities with the contractor at the project site. The ROWSWM inspector then submitted the project site final quantities to the contractor via e-mail (and courtesy copied Lawrence on the e-mail). The contractor then submitted an invoice to ROWSWM, which would be reviewed by the ROWSWM inspector, Engineering Technician Senior and Lawrence (or the Engineering Technician Principal in Lawrence’s absence). Each individual involved would sign the invoice to indicate their approval for its payment.

Lawrence confirmed Site Prep was calculated by adding up all of the line items used on a project site except for Mobilization, MOT, and Site Prep.

Lawrence was shown the March 8, 2013 e-mail sent by Former Project Inspector 1 to Lawrence and the Jax Utilities General Superintendent and (copied to the Engineering Technician Principal and the Engineering Technician Senior), as well as the Jax Utilities invoice submitted for PO Number 303181:1 (regarding Contract Number 8258-14).

The OIG pointed out that the overall project costs did not total at least \$25,000. Lawrence agreed that in this instance it appeared Jax Utilities received an overpayment for Site Prep (identified by the OIG as \$800). Until he was shown this, Lawrence was not aware of any Site Prep overpayments for Contract Number 8258-14.

Lawrence also reviewed the March 26, 2016 e-mail sent by Former Project Inspector 3 to the Jax Utilities General Superintendent and the Jax Utilities Bookkeeper (and copied to Lawrence, the Engineering Technician Principal, and Engineering Technician Senior), as well as the PO Number 600458:21 invoice submitted by Jax Utilities (regarding Contract Number 8258-17).

In the e-mail, Former Project Inspector 3 provided the project site final quantities for a project budgeted to PO 600458:21. After reviewing the PO 600458:21 invoice, Lawrence pointed out that it appeared the Engineering Technician Principal had signed the invoice in lieu of him. Both of these documents reflected Site Prep was paid for an overall project cost greater than \$40,000 and no more than \$55,000.

The OIG pointed that the overall project costs did not total at least \$40,000. Lawrence also agreed that in this instance it appeared Jax Utilities received an overpayment for Site Prep [the OIG identified as \$1,500.05]. Until he was shown this, Lawrence was not aware of any Site Prep overpayments for Contract Number 8258-17.

Lawrence explained these overpayments happened because *“[a]s a supervisor I struggled with a constant rollover of employees. Their ignorance to the contract itself resulted in some of that. As a supervisor I take responsibility, if you will, as a supervisor position – there were two checks before me ... I’d say there were one or two inspectors brought over and they never done our kind of work, being [Former Project Inspector 1 and Former Project Inspector 3].”*

According to Lawrence, the reason he or the Engineering Technician Senior had not checked any further was due to trusting the ROWSWM inspectors. Lawrence opined he had the ultimate responsibility for approving the overpayments as he was the highest ranking employee involved. He was ultimately responsible for his subordinate employees and even though he tried, he must *“have failed in a great way.”*

He stated he did not intentionally allow Jax Utilities to receive overpayments as he stated, *“If it made it past me, I wasn’t privy of it happening.”*

SUMMARY OF FINDINGS

Regarding the allegation that Jax Utilities Management, Inc. received overpayments that exceeded \$100,000 related to work performed for Contract Number 8258-14 and that Lawrence solely approved the contract payments the investigation determined the following:

Allegation 2(a)

In regards to Allegation 2(a) (refer to page 7), the OIG identified **59** invoices submitted by Jax Utilities and approved by three separate ROWSWM employees (per invoice) for Contract Number 8258-14 and Contract Number 8258-17 where the Site Prep line item listed on the invoice was incorrectly billed. Of these **59** invoices, **53** had Site Prep overpayments and **6** had Site Prep underpayments totaling **\$55,339** in *overpayments* to Jax Utilities.

The interviews and records obtained by the OIG, specifically COJ e-mails, revealed an established invoicing process used by ROWSWM with Jax Utilities. As part of this invoicing process, the relevant ROWSWM inspector and Jax Utilities agreed upon the project site final quantities, which were then e-mailed by the ROWSWM inspector to Jax Utilities, specifically the Jax Utilities General Superintendent and/or the Jax Utilities Bookkeeper. Jax Utilities then used these e-mailed project site final quantities to submit an invoice to ROWSWM.

Upon receiving the Jax Utilities invoice, three separate ROWSWM employees reviewed and approved each of the **59** invoices. However, Lawrence did not review and approve all of the **59** invoices.

All of the involved ROWSWM employees interviewed by the OIG, including Lawrence, denied *intentionally* allowing overpayments to Jax Utilities. In addition, all of the Jax Utilities employees interviewed by the OIG, including the Jax Utilities Vice President, testified that they had been unaware of any overpayments. The four ROWSWM employees (Former Project Inspector 1, Project Inspector 2, the Engineering Technician Senior, and Lawrence) questioned about overpayments of specific invoices they had respectively approved all stated their approvals were due to mistakes and/or oversights by themselves and the other ROWSWM employees involved in the invoicing approval process.

Additionally, the OIG identified a total of **\$86,850** in MOT line item payments as Questionable Costs for Contract Numbers 8258-14 and 8258-17. The OIG was unable to locate documentation to verify whether these MOT payments were in accordance with Contract Numbers 8258-14 and 8258-17 and the accompanying *Specifications* at the time of the projects.

Allegation 2(b)

As stated above in Allegation 2(a), the OIG determined based on testimony and records that several individuals were involved in the day-to-day oversight of the contracts and approved contractor payments.

Lawrence testified he did not have day-to-day involvement with the activities of the awarded contracts. In addition, there were several employees that reviewed and approved the contractor invoices and Lawrence did not review and approve *every* invoice.

CONCLUSION

In regards to Allegation 2(a), the investigation *substantiated* that the COJ overpaid Site Prep to Jax Utilities in the amount of **\$55,339**. However, the allegation that Lawrence allowed overpayments to Jax Utilities was *unsubstantiated*.

The OIG investigation identified **\$86,850** in Questioned Costs relating to MOT. The investigation also concluded that there was no documentation in the project files for deviations in MOT billed to the COJ.

ALLEGATION 3: RELATIONSHIP/GIFTS

Lawrence had personal relationships with and/or received gifts from Jax Utilities Management, Inc. employees.

GOVERNING DIRECTIVES

Florida Statute

Chapter 112, Public Officers and Employees

- §112.313(6), *Misuse of Position*

No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others.

City of Jacksonville Ordinance Code

Chapter 602, Jacksonville Ethics Code

- §602.201, *Definitions*
- §602.401, *Misuse of position, information, etc.*
- §602.701, *Prohibited receipt of gifts*
- §602.702, *Prohibited offering of gifts*
- §602.703, *Receipt or charge of commissions or gifts for official transactions*

City of Jacksonville Policies, Procedures, and Other Related Documents

- *None identified during this investigation.*

To review the abovementioned Governing Directives, refer to Attachment 1, Appendices A through B.

RECORDS REVIEW

City of Jacksonville Ordinance Code

As part of the record review the OIG reviewed *Chapter 602, Jacksonville Ethics Code*, relating to gifts and conflicts of interest. The OIG found that the *Ordinance Code* defines a “Gift,” in part, as the following:

(1) Gift means that which is accepted by a donee or by another on the donee's behalf, or that which is paid or given to another for or on behalf of a donee, directly, indirectly, or in trust for his or her benefit or by any other means, for which equal or greater consideration is not given. Further, the section outlines that gifts in part include: tangible or intangible personal property; the use of tangible or intangible personal property; and food or beverage.

Additionally, §602.701, *Prohibited receipt of gifts*, states in part, “(a) No officer or employee of the City ... shall knowingly accept, directly or indirectly, any one gift with a value greater than \$100 or an accumulation of gifts in any one calendar year that exceeds \$250 from any person or business entity that the recipient knows is ... (3) A person or business entity which is doing business with ... an agency of which he or she is an officer or employee.”

The *Ordinance Code* further specifies that gifts of food and beverage not exceeding \$25 on any given day shall not be included in the \$250 annual accumulation of gifts.

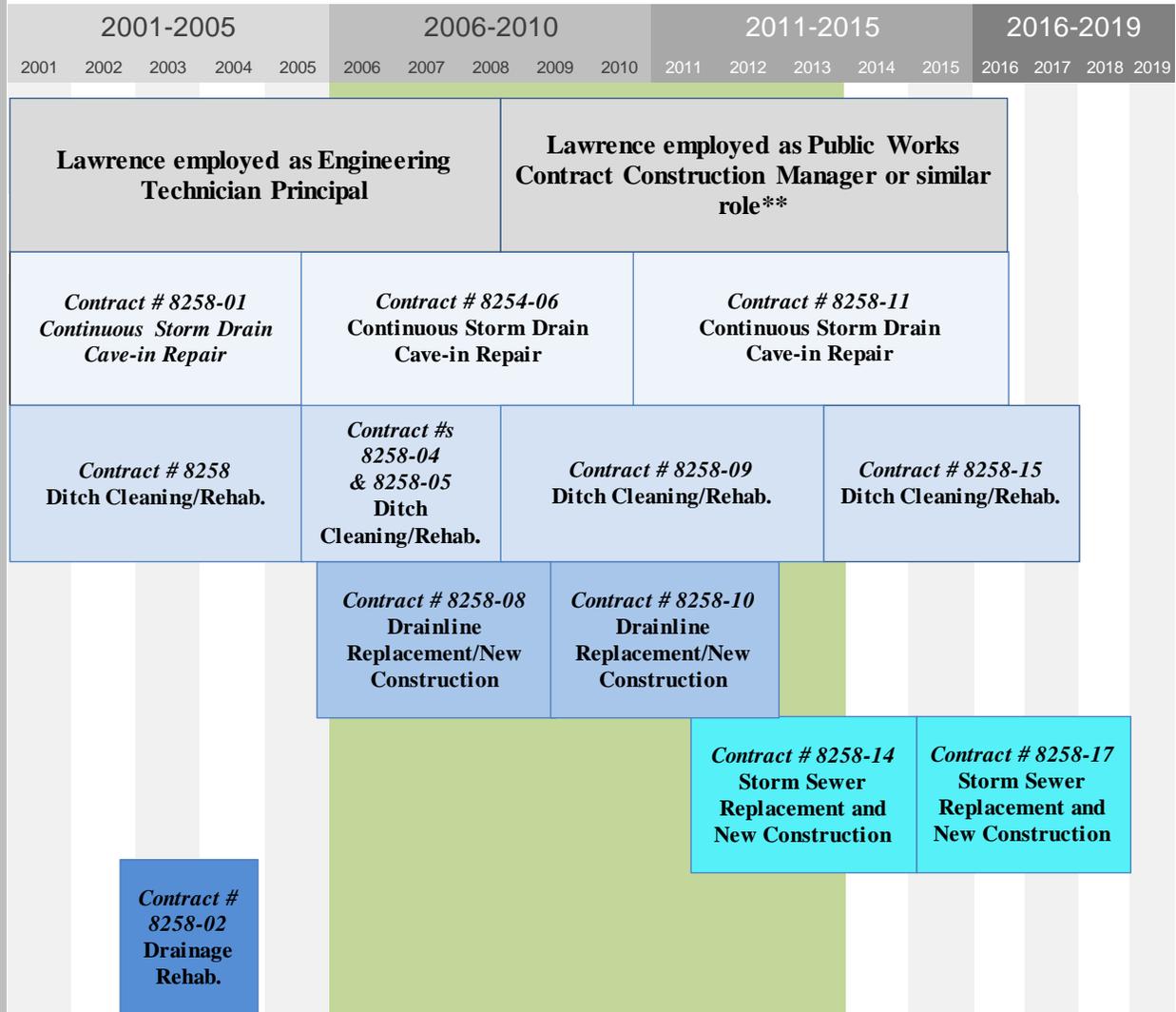
In addition, the OIG reviewed §602.401 through §602.412, *Ordinance Code*, related to conflicts of interest, and found references to misuse of COJ resources for personal gain and disclosure of financial interests in companies bidding on COJ contracts.

The OIG was unable to locate any sections in the *Ordinance Code* or COJ policies or procedures which specifically addressed conflicts of interest (real or perceived) based upon a COJ employee’s personal relationships (present or past) with individuals doing business with the COJ.

Timeline of Jax Utilities Contracts

Based on a review of the *Jax Utilities Contracts Timeline* below, Jax Utilities maintained various contracts with the ROWSWM during the period of 2001 through 2018. The chart also depicts the roles Lawrence held as it related to the timeline.

Jax Utilities Contracts Timeline*



KEY:

 Based on records reviewed and testimony, Lawrence had personal interactions with Jax Utilities during this timeframe.

 This investigation focused, in part, on Contract # 8258-14 and Contract # 8258-17.

* This timeline does not include every Jax Utilities contract in effect during this timeframe.

** Lawrence was removed from supervision of Jax Utilities contracts in or around November of 2016.

COJ E-mails Between Lawrence and Jax Utilities Employees

A review of Lawrence's COJ e-mail account disclosed that Lawrence exchanged several e-mails with Jax Utilities employees dating back to 2006. The COJ e-mails contained language written in a casual tone suggesting a personal relationship existed between Lawrence and various Jax Utilities employees, as highlighted below:

- E-mails dated November 9, 2006; January 24, 2007; and February 6, 2007, sent from Lawrence to the Jax Utilities Bookkeeper requested that the information Lawrence e-mailed be provided to "*Fig Newton*" or "*Fig*." The OIG believed that Lawrence was referring to the Jax Utilities General Superintendent which was subsequently confirmed by Lawrence.
- E-mail dated March 14, 2007, sent to Lawrence by the Jax Utilities Bookkeeper regarding a work-related matter included a personal comment to Lawrence advising him that she had heard Lawrence's "*new bike*" was nice. In addition, the Jax Utilities Bookkeeper asked Lawrence to tell his (Lawrence's) wife she said "*Hi!*"
- E-mail dated March 28, 2008, sent by Lawrence to the ROWSWM Secretary, in which Lawrence was informally relaying compliments about Jax Utilities' work. In addition, Lawrence wrote in the e-mail that the Former Project Inspector 2 had told him that one of the Jax Utilities employees offered "*Christmas gifts unlike others. HA! HA!*" (This e-mail was courtesy copied to the Jax Utilities Bookkeeper, the Jax Utilities General Superintendent, the Former Jax Utilities General Superintendent, the Former Project Inspector 2 and the Former ROWSWM Chief 2.)
- E-mail dated March 25, 2009, sent by Lawrence to the Former Jax Utilities General Superintendent, the Jax Utilities General Superintendent and the Jax Utilities Bookkeeper (and copied the Former Project Inspector 2) was in regards to Jax Utilities invoices. Although, the e-mail was work related Lawrence ended the e-mail with "*PS. Kenny [word omitted/slang].*"⁴⁵
- E-mails dated December 6, 2010, and December 10, 2010, sent to Lawrence by the Jax Utilities Bookkeeper requesting a reference letter for Jax Utilities, to which Lawrence responded that he would not provide the reference letter. The Jax Utilities Bookkeeper then responded, "*Ughh! You are sooo off my Christmas List!!!*" In an e-mail dated December 10, 2010, Lawrence provided the reference letter to the Jax Utilities Bookkeeper (and courtesy copied the Engineering Technician Senior and the Engineering Technician Principal).

⁴⁵ During the investigation, it was determined that this derogatory reference was regarding a musician.

Records Related to the Big Pasture Hunt Club, Hortense, Georgia

Based on a review of Lawrence's COJ e-mail account, Lawrence and several Jax Utilities employees were members of Big Pasture Hunt Club (BPHC), located in Hortense, Georgia, as highlighted below. During the timeframe of these e-mails (2009, 2010, and 2013), Jax Utilities was under contract with the City.

- E-mail dated October 12, 2009, sent by Lawrence from his personal e-mail account to his COJ e-mail account contained a list of BPHC members. In addition to Lawrence's name being on the list, the Jax Utilities Vice President and the Former Jax Utilities General Superintendent were also on the member list.
- E-mail dated December 30, 2009, sent by Lawrence to the Jax Utilities General Superintendent and Jax Utilities Bookkeeper (courtesy copied to the BPHC President) included an attached BPHC questionnaire. Lawrence requested the Jax Utilities General Superintendent and the Jax Utilities Bookkeeper fill out the BPHC questionnaire and return it to the BPHC President.
- E-mail dated February 15, 2010, sent by the BPHC President to Lawrence, the Jax Utilities Vice President, and the Jax Utilities General Superintendent contained information about BPHC Memberships rules and dues.
- E-mail dated March 26, 2013, sent by the BPHC President to Lawrence inquiring about whether Lawrence was interested in returning to BPHC. The BPHC President asked Lawrence if he wanted to possibly include himself, one of Lawrence's relatives and the Jax Utilities Vice President in a "3 way package deal." A review of Lawrence's e-mail did not disclose a response by Lawrence.

Records Related to Jax Utilities Christmas Parties

Records provided by Jax Utilities documented that Jax Utilities held annual Christmas parties between 2011 and 2016. Testimony during the investigation disclosed that the Christmas parties were held and attended by ROWSWM employees prior to 2011. Both ROWSWM and Jax Utilities employees testified that a "White Elephant"⁴⁶ gift exchange was conducted during the Christmas parties.

In response to a subpoena, Jax Utilities provided records related to the gifts Jax Utilities purchased for the "White Elephant" gift exchange for the Christmas parties held between 2011 and 2016. According to these records, the gifts purchased for the "White Elephant" gift exchange ranged from foam footballs (\$4.97), board games (\$7.88 each), golf umbrellas (\$4.97),

⁴⁶ A "White Elephant" exchange consisted of participants receiving numbers and then selecting gifts in numerical order. Participants may also "steal" a gift that a prior participant chose. Individuals interviewed by the OIG referred to "White Elephant" gift exchange by various other names, but in the interest of simplicity it will be referred to as the "White Elephant" gift exchange in this report.

electric smokers (\$99.99), coolers (\$299.99) and video game consoles (\$249.99). Jax Utilities did not provide any records documenting who received each specific gift.

Jax Utilities Accounting Records Relating to Materials Purchased by Lawrence

Also, in response to the subpoena, Jax Utilities provided accounting records related to the purchase of materials by Lawrence. Per a review of these records, Trinity Materials, LLC invoiced Jax Utilities dated June 24, 2006, in the amount of **\$4,049.95** for “*Materials*” and listed a corresponding customer’s partial street address. The OIG confirmed this address was Lawrence’s residential address.

Included in the records also provided by Jax Utilities was Jax Utilities Invoice Number 05/06 1337D in the name of “*William L. Lawrence*” dated July 31, 2006, in the amount of \$4,049.95 for “*Misc. Service Trinity Materials – Bought on our account – reimburse by customer.*” The invoice was also stamped “*PAID 07/31/2006.*”⁴⁷

Nassau County Clerk of Court Records

A review of the Nassau County Clerk of Court records disclosed that a *Notice of Commencement* signed “*L. Lawrence*” and dated June 2, 2006 was filed with the Clerk of Courts on June 21, 2006. According to the *Notice of Commencement*, improvements were related to “*Barn/Garage*” at an address the OIG subsequently identified as Lawrence’s residence.⁴⁸

TESTIMONY

The *Testimony Reference Chart* provided below lists the Report Reference and corresponding Position Titles in the order the testimony in this section is presented. In addition, Position Titles presented below were the current titles for each individual at the time of their respective OIG interview.

Testimony Reference Chart		
Report Reference	Position Title	Employed By
Former Project Inspector 1	Project Inspector	ROWSWM
Former Project Inspector 2	Project Inspector	ROWSWM
Project Inspector 1	Project Inspector	ROWSWM
Project Inspector 2	Project Inspector	ROWSWM
Project Inspector 3	Project Inspector	ROWSWM
Contract Administration Coordinator	Contract Administration Coordinator	ROWSWM
ROWSWM Secretary	Executive Secretary	ROWSWM
Engineering Technician Senior	Engineering Technician Senior	ROWSWM

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⁴⁷ Both the Jax Utilities Vice President and Lawrence testified that Lawrence repaid Jax Utilities for these materials.

⁴⁸ The OIG confirmed during Lawrence’s interview that he did in fact file this *Notice of Commencement*.

Testimony Reference Chart

Report Reference	Position Title	Employed By
Engineering Technician Principal	Engineering Technician Principal	ROWSWM
Lawrence's Friend	Not Applicable	Not Applicable
Former Jax Utilities General Superintendent	General Superintendent	Jax Utilities
Jax Utilities General Superintendent	General Superintendent	Jax Utilities
Jax Utilities Bookkeeper	Bookkeeper	Jax Utilities
ROWSWM Chief	Division Chief	ROWSWM
Jax Utilities Vice President	Vice President	Jax Utilities
Lawrence	Public Works Contract Construction Manager	ROWSWM

Statement of the Former Project Inspector 1

The Former Project Inspector 1 worked in ROWSWM during 2010 and through a portion of 2014. He did not have knowledge about whether Lawrence associated with anyone from Jax Utilities outside of work or if Lawrence had ever received gifts from any contractors (including Jax Utilities).⁴⁹ However, he described the Jax Utilities General Superintendent and Lawrence as being very friendly with one another and stated that they frequently discussed hunting.

In 2012 and 2013, he attended Jax Utilities Christmas parties and both parties were held at a Callahan, Florida golf club where catered food was provided.⁵⁰ On both of these occasions, Lawrence, the Engineering Technician Principal and the Former Project Inspector 2 were also in attendance. He was initially invited by the Jax Utilities General Superintendent sometime during his first year with ROWSWM (2010), and the invitation became a “standing” invitation for subsequent years.

During the Christmas parties, there was a “White Elephant” gift exchange, which the Former Project Inspector 1 described as being able to select a gift or “steal” a gift from someone if your ticket number [similar to a numbered raffle ticket] was selected. In 2012, he received a satchel during the “White Elephant” gift exchange, which he in turn gave to the Former Jax Utilities General Superintendent. In 2013, his number was not selected. He did not pay for anything or bring any gifts on either occasion.

He did not have first-hand knowledge about whether other City employees participated in the “White Elephant” gift exchange. He advised that only the Engineer Technician Senior voiced concerns about the Christmas parties.

In 2011, he received a \$25 gift card to either Winn-Dixie or Publix for Thanksgiving and Christmas from the Jax Utilities General Superintendent. He believed that gift cards were also

⁴⁹ The Former Project Inspector 1 provided some historical context as he testified that years ago (could not recall dates) other contractors had given turkeys, alcohol, and/or gift cards to “everyone” at the respective offices around Thanksgiving and Christmas.

⁵⁰ The Former Project Inspector 1 provided some historical context by advising that other contractors also had parties where COJ employees, as well as other contractors, were invited to attend (could not recall dates).

given to other ROWSWM employees. Further, he advised that he and the Jax Utilities General Superintendent often ate lunch together and that each of them bought lunches for the other (took turns paying).

Statement of the Former Project Inspector 2

Former Project Inspector 2 was unaware if Lawrence had any personal relationship with any COJ contractors or subcontractors or if Lawrence had received any gifts from contractors.

He advised that on two occasions he attended Jax Utilities Christmas parties (approximately two to four years ago).⁵¹ Both of the parties were held at a Callahan, Florida golf course. He had been invited by a Jax Utilities foreman with whom he had regularly worked. On at least one of those occasions, Lawrence was in attendance (and possibly another City employee, whose name he could not remember).

He advised that during both Jax Utilities Christmas parties he attended, he played a round of golf and food was included. He did not pay for the rounds of golf or any food on either occasion. According to the Former Project Inspector 2, Lawrence never played golf at the Jax Utilities Christmas parties.

During the first Christmas Party he attended, the Former Project Inspector 2 participated in the “*White Elephant*” gift exchange and received a “*corn hole*” or bag toss game set.⁵² He did not participate in the gift exchange the following year. The Former Project Inspector 2 never brought a gift to the Christmas parties he attended. He did not have specific knowledge about whether Lawrence participated in the “*White Elephant*” gift exchange.

The Former Project Inspector 2 reviewed the March 28, 2008 e-mail (refer to page 60) sent by Lawrence to the ROWSWM Secretary (and courtesy copied to the Former Project Inspector 2 and other individuals). According to the Former Project Inspector 2, the comment related to a Jax Utilities employee offering “*Christmas gifts unlike others. HA! HA!*” was in reference to an occasion where the Jax Utilities employee (who he described as a friend) tried to give him a case of beer, which he declined.

Statement of the Project Inspector 1

The Project Inspector 1 advised that he had no knowledge about the allegation that Lawrence received gifts from contractors. In 2016, the Project Inspector 1 was asked by a Jax Utilities employee whether he was going to attend the 2016 Jax Utilities Christmas party; however he did not attend because he had not been invited.

He was aware of two separate occasions, about two to three years ago,⁵³ when contractors (whose names he could not recall) bought a barbecue lunch on one occasion and sandwiches on another occasion for some City employees, including himself, Lawrence, and a few others.

⁵¹ Based on the date of the interview, the OIG estimated this was approximately between 2013 and 2015.

⁵² According to the records obtained from Jax Utilities, a bag toss set (which cost \$34.99) was purchased for the 2011 Jax Utilities Christmas party.

⁵³ Based on the date of the interview, the OIG estimated this was approximately between 2014 and 2015.

Although he could not specifically recall the contractors' names, he advised that the contractors who paid for the lunches on these two occasions were among the three contractors who were bidding on contract work with the City. He added that in his opinion nothing was expected in return from the contractors who had purchased their lunches.

Statement of the Project Inspector 2

The Project Inspector 2 was unaware if Lawrence had any personal relationship with any COJ contractors or subcontractors and stated he had no knowledge of Lawrence having received any gifts from contractors.

He attended Jax Utilities Christmas parties for two consecutive years, sometime between 2007 and 2010. He was invited to the parties by the Jax Utilities General Superintendent and some of the Jax Utilities crew members. On the first occasion, the party was held at a restaurant. On the second occasion the following year, the party was held at the Callahan, Florida golf course.

He stated that he participated in the "White Elephant" gift exchange at both parties. He advised that on the first occasion his son (who was present at the party) participated and received a jacket with the Jax Utilities logo. On the second occasion, the Project Inspector 2 received a Thermacell Mosquito Repellant.⁵⁴ The Project Inspector 2 did not pay for anything on either occasion.

According to the Project Inspector 2, Lawrence and Engineering Technician Principal were present at both of these parties. The Project Inspector 2 advised that he did not know if any managers above Lawrence's position were aware they were attending these parties.

The Project Inspector 2 did not believe Lawrence received any gifts from the "White Elephant" gift exchange at the restaurant. However, at the Christmas party held at the Callahan, Florida golf course, Lawrence received a flat-screen television (could not recall size or brand) which the Engineering Technician Principal subsequently "broadcasted" to "everyone" by telephone.⁵⁵ To Project Inspector 2's knowledge, Lawrence returned the flat-screen television to Jax Utilities that same evening. In addition, he learned from the Jax Utilities General Superintendent, that Lawrence later paid for the meal he had received from the Christmas party held at the Callahan, Florida golf course.⁵⁶

He also advised that he and the Jax Utilities General Superintendent had alternated buying lunch for each other on several occasions while on City business, but the cost of the meals never exceeded \$25.

Statement of Project Inspector 3

Project Inspector 3 had known Lawrence since 1992 and had worked with Jax Utilities at various times throughout his career with the City.

⁵⁴ According to the records obtained from Jax Utilities, a Thermacell Mosquito Repellant (which cost \$21.99) was purchased for the 2011 Jax Utilities Christmas party.

⁵⁵ Project Inspector 2 did not know who specifically was contacted by the Engineering Technician Principal.

⁵⁶ Lawrence testified that he had not paid for anything pertaining to the Jax Utilities Christmas parties.

During sometime between 2004 and 2006, Project Inspector 3 overheard the Former Jax Utilities General Superintendent and Lawrence discuss going hunting with each other. The Former Jax Utilities General Superintendent and Lawrence spoke about a hunting lodge, but he could not recall any further details.

Sometime shortly before Project Inspector 3 was interviewed by the OIG, he attended a ROWSWM meeting where Lawrence commented, in front of the ROWSWM Chief, that he was going on a trip to the Florida Keys that would be paid for by Jax Utilities.⁵⁷ In the past, he had heard from other City employees that Lawrence had gone on fishing trips paid for by Jax Utilities.⁵⁸

He stated he was also present during a conversation where Lawrence and the Former Jax Utilities General Superintendent discussed the Former Jax Utilities General Superintendent working on Lawrence's property. According to Project Inspector 3, sometime between 2004 and 2006, he had lunch with the Former Jax Utilities General Superintendent and Lawrence. During this meal, the Former Jax Utilities General Superintendent mentioned that a large excavator would be brought to Lawrence's property that weekend.⁵⁹ Lawrence explained where his residence was located and that he would be prepared for it.

Statement of Contract Administration Coordinator

Contract Administration Coordinator did not know if Lawrence associated with any Jax Utilities employees outside of work. She did not know anything about ROWSWM employees attending Christmas parties hosted by contractors. Contract Administration Coordinator had received an invitation every year to attend another COJ contractor's Christmas party, but never attended.

Statement of ROWSWM Secretary

ROWSWM Secretary advised she had been in her current position for approximately ten years.⁶⁰ She did not know if Lawrence had any personal relationship with contractors. She also did not have any first-hand knowledge of whether Lawrence had received any gifts from contractors. In addition, no gifts from contractors had been sent to Lawrence at the office.

She was not aware of Lawrence or any ROWSWM employee attending Jax Utilities parties, nor did she know that Jax Utilities held Christmas parties.

ROWSWM Secretary reviewed the March 28, 2008 e-mail sent to her by Lawrence (refer to page 60) and courtesy copied to other individuals. The ROWSWM Secretary did not know if former Project Inspector 2 had ever been offered gifts. She opined that Lawrence's comments were made in a joking manner.

⁵⁷ This statement was not corroborated by testimony beyond Project Inspector 3.

⁵⁸ The OIG investigation could not corroborate this statement.

⁵⁹ Testimony corroborated that the Former Jax Utilities General Superintendent excavated a pond at Lawrence's property in or around 2008. The Former Jax Utilities General Superintendent used a Jax Utilities excavator. No records relating to this transaction could be obtained.

⁶⁰ Based on the date of the interview, the OIG estimated this was since approximately 2007.

Statement of Engineering Technician Senior

Engineering Technician Senior did not know if Lawrence had any personal relationship with any contractors and had no personal knowledge of whether Lawrence received gifts from contractors.

Engineering Technician Senior reviewed the December 6 and December 10, 2010 e-mails (refer to page 60) exchanged between Lawrence and Jax Utilities Bookkeeper (and courtesy copied to other individuals). She had been courtesy copied on the December 10, 2010 e-mail and stated she was sure *“this banter back and forth was just harmless”* and the Jax Utilities Bookkeeper’s comment about Lawrence being off of her Christmas list was only a joke.

The Engineering Technician Senior advised that she, Lawrence, and the Engineering Technician Principal attended a Jax Utilities Christmas party (could not recall date) and they participated in the *“White Elephant”* gift exchange. She was told by Lawrence (could not recall when) that both he and the Engineering Technician Principal returned their gifts to Jax Utilities. The Engineering Technician Senior thought that Lawrence had selected a television but she did not know what gift the Engineering Technician Principal had selected.

In 2015, she attended a Jax Utilities Christmas party held at the Callahan, Florida golf course along with Lawrence and Former Project Inspector 3. A barbeque lunch was provided at the party. She advised she did not pay for anything at the party. At prior Jax Utilities parties, Jax Utilities employees had played golf, but she did not know if any City employees had played golf.

She stated that the Jax Utilities General Superintendent invited everyone from ROWSWM to the Jax Utilities Christmas parties. She believed this included individuals who dealt with Jax Utilities contracts or who knew him (the Jax Utilities General Superintendent). She had no first-hand knowledge about whether Jax Utilities received any benefits by inviting COJ employees to their parties.

The Engineering Technician Senior also received lunch from one of the contractors who was bidding on contract work with the City (as per the above the testimony of the Project Inspector 1). She stated that on the occasions when contractors had bought lunch for her, the cost was never more than \$25 (and usually *“burgers and fries [or] barbeque”*).

Statement of the Engineering Technician Principal

The Engineering Technician Principal believed Lawrence only had a professional relationship with Jax Utilities employees. Lawrence had been his supervisor for the last ten years. He thought the Jax Utilities Bookkeeper and her family lived in the same neighborhood as Lawrence.

The Engineering Technician Principal had no first-hand knowledge of Lawrence receiving gifts from any contractors.

Approximately three or four years ago,⁶¹ Lawrence mentioned to him that Lawrence and the Jax Utilities General Superintendent hunted in the same hunting club. According to the Engineering

⁶¹ Based on the date of the interview, the OIG estimated this was approximately between 2013 and 2014.

Technician Principal, the Jax Utilities General Superintendent and Lawrence were members of the same hunting club in Georgia (could not recall name of hunting club) for one or two years, sometime during 2010 to 2012.

The Engineering Technician Principal reviewed the December 6, 2010 and December 10, 2010 e-mails (refer to page 60) exchanged between the Jax Utilities Bookkeeper and Lawrence (and courtesy copied to other individuals). He had been courtesy copied on the December 10, 2010 e-mail. He believed the Jax Utilities Bookkeeper was being facetious with the comment about taking Lawrence off her Christmas list.

The Engineering Technician Principal attended Jax Utilities Christmas parties on three occasions in 2006 or 2007, 2010, and 2012. He was invited to the 2006 or 2007 Jax Utilities Christmas party by the Jax Utilities Vice President and to the 2010 and 2012 parties by the Jax Utilities General Superintendent. He was invited to the Jax Utilities Christmas parties because he worked with Jax Utilities contracts. To his knowledge, Jax Utilities received nothing in exchange for ROWSWM employees attending the Jax Utilities Christmas parties.

The Engineering Technician Principal advised that the 2006 or 2007 Jax Utilities Christmas party was held at a restaurant while the other two (2010 and 2012) parties were held at a Callahan, Florida golf course. Food was included at the Christmas parties.

According to the Engineering Technician Principal, there was a “*White Elephant*” gift exchange at the Christmas parties. The “*White Elephant*” gift exchange had some expensive items, televisions for example, and other items like board games. He participated in the “*White Elephant*” gift exchange in 2010 and 2012 and won a couple of gifts, but he always gave the gifts to Jax Utilities employees and never left with any. The Engineering Technician Principal thought he got a small popcorn popper on one occasion and possibly a hat, a pair of gloves, and a flashlight on another occasion.

Lawrence also attended the 2006 or 2007 and 2012 Jax Utilities Christmas parties. He stated that Lawrence participated in the “*White Elephant*” gift exchange as well, but to his knowledge Lawrence also returned his gift (could not provide further details) to a Jax Utilities employee.

Former ROWSWM Chief 1 and Former ROWSWM Chief 2 knew he and Lawrence attended the Jax Utilities Christmas parties because he and Lawrence would leave work early to attend the parties. He specifically told either Former ROWSWM Chief 1 or Former ROWSWM Chief 2 that he was attending the Jax Utilities Christmas parties but he did not inform anyone else. It was not “*a secret*” that he and Lawrence attended these parties.

The Engineering Technician Principal ate the food provided at the Jax Utilities Christmas parties, and never paid for anything or brought his own gifts for the gift exchange. The Engineering Technician Principal did not know whether Lawrence paid for anything when he (Lawrence) attended the Jax Utilities Christmas parties. He was not aware of contractors buying lunch for ROWSWM employees other than at the Jax Utilities Christmas parties.

Statement of Lawrence's Friend

He had known Lawrence for approximately twenty years and described Lawrence as a personal friend.⁶² Lawrence's Friend had been a member of BPHC, possibly around 2012, for approximately two to three years but his membership ended several years ago. BPHC was formed after two adjacent hunting clubs, Piney Bay Hunt Club (Piney Bay) and Sawgrass Hunt Club merged. He had originally been a member of Piney Bay for approximately four to five years, possibly starting in approximately 2008. He met the Jax Utilities Vice President on a few occasions (could not recall timeframe), but he had never seen the Jax Utilities Vice President anywhere else other than at the hunting club (he was unsure whether it was at Piney Bay or BPHC).

Around the same timeframe he met the Jax Utilities Vice President, he also met the Former Jax Utilities General Superintendent through Piney Bay (or BPHC). He did not know if the Former Jax Utilities General Superintendent was a member or a guest of Piney Bay or BPHC.

BPHC was a dog-hunting club, so groups of up to thirty people would hunt together. Lawrence's Friend did not remember whether the Jax Utilities Vice President hunted as part of the same group as he and Lawrence. However, on several occasions, the Former Jax Utilities General Superintendent hunted in the same group with Lawrence and Lawrence's Friend, but Lawrence's Friend could not recall the number of times this occurred.

He did not know of any personal relationship Lawrence had with the Jax Utilities Vice President. In addition, Lawrence's Friend did not think Lawrence and the Former Jax Utilities General Superintendent were "*good friends*."

Lawrence's Friend never heard Lawrence and the Jax Utilities Vice President and/or the Former Jax Utilities General Superintendent speak about work. He was not aware of anyone from Jax Utilities (including the Jax Utilities Vice President or the Former Jax Utilities General Superintendent) buying gifts for Lawrence. According to Lawrence's Friend, the type of hunting he and Lawrence participated in was "*low-budget*" and there were no trophy fees.

Lawrence's Friend said that he, Lawrence, the Former Jax Utilities General Superintendent, and another friend of Lawrence's were all also in a hunting club located in Kentucky (the hunting club did not have a name). The Former Jax Utilities General Superintendent introduced them all into the Kentucky hunting club, but the Former Jax Utilities General Superintendent only stayed in this club for a year after Lawrence's Friend had joined. Lawrence was only in this club for one or two years. (Lawrence's Friend did not recall any specific dates of when they had hunted in Kentucky.)

Lawrence's Friend described Lawrence as a "*very honest person*," and stated he would find it highly unlikely Lawrence received kickbacks from Jax Utilities.

⁶² Based on the date of the interview, the OIG estimated this was since approximately 1997.

Statement of the Former Jax Utilities General Superintendent

The Former Jax Utilities General Superintendent had known Lawrence since approximately 1997, when he (the Former Jax Utilities General Superintendent) previously worked for another company. He considered Lawrence to be an “*acquaintance friend*.” The Former Jax Utilities General Superintendent and Lawrence had hunted in the same clubs (BPHC and another club in Kentucky) from around 2005 or 2006, until around 2008. He understood that Lawrence had been a member of BPHC club “*all his life*” and was “*very good friends with everybody*” in the club.

At one point during this timeframe BPHC merged with Sawgrass Hunt Club. However, the Former Jax Utilities General Superintendent did not recall the new name of the merged hunting clubs (the hunting club will be hereafter referred to as BPHC).

The Former Jax Utilities General Superintendent was a member of BPHC. In addition, Jax Utilities also had a corporate membership. The Jax Utilities Vice President, the Jax Utilities General Superintendent, and the Jax Utilities Bookkeeper’s husband also came to the club.⁶³

He also hunted with Lawrence as part of another club in Kentucky (the hunting club did not have a name) sometime between 2005 and 2008. He asked Lawrence to join after some available spots came open because he knew Lawrence like to hunt and the club needed to add another member. There was no other reason why he invited Lawrence to join.

The Former Jax Utilities General Superintendent did not ask anyone else from COJ to join the Kentucky club. Although, the Former Jax Utilities General Superintendent reported he had asked “*a lot*” of people if they were interested in joining. To Former Jax Utilities General Superintendent’s knowledge, Lawrence paid the same amount as the other members and was a member for approximately one year.

The Former Jax Utilities General Superintendent and Lawrence never discussed work when they hunted. He stated that there was no intent to benefit Jax Utilities, nor did Jax Utilities receive any benefits from Lawrence being in the Kentucky hunting club.

The Former Jax Utilities General Superintendent reviewed the March 28, 2008 e-mail (refer to page 60) sent by Lawrence to the ROWSWM Secretary (and courtesy copied to other individuals). The Former Jax Utilities General Superintendent did not know if the Jax Utilities employee had given Former Project Inspector 2 any gifts, and it was his opinion that if the Former Project Inspector 2 was given anything it would have been done as a joke.

The Former Jax Utilities General Superintendent also reviewed the March 25, 2009 e-mail (refer to page 60) Lawrence sent him and also the Jax Utilities General Superintendent, and the Jax Utilities Bookkeeper (and copied to the Former Project Inspector 2), which contained the text, “*PS. Kenny [word omitted/slang].*” The Former Jax Utilities General Superintendent was

⁶³ Based on the testimony of several individuals throughout this investigation, it was determined that the Jax Utilities Bookkeeper’s husband had worked for Jax Utilities as an employee and subcontractor at different times.

unaware as to what or who Lawrence had referred to in the aforementioned March 25, 2009 e-mail.

The Former Jax Utilities General Superintendent was not aware of any COJ employees, including Lawrence, who had accepted gifts from contractors, including hunting and fishing trips. He stated Lawrence would not even let him buy his (Lawrence) lunch.

In approximately 2008, the Former Jax Utilities General Superintendent worked on Lawrence's property in a personal capacity, not on behalf of Jax Utilities.⁶⁴ He could not recall whether he offered or Lawrence asked him to work at his property. According to the Former Jax Utilities General Superintendent, he cleared out and reshaped the pond on Lawrence's property, as well as spread dirt and removed a few trees. He did not have anyone else working with him except for Lawrence and possibly one of Lawrence's relatives. He advised that he had to go back to Lawrence's property on two or three occasions to re-do some of the work.

Although, he could not recall the specific amount, he thought Lawrence paid him approximately \$500 in cash for this work. He stated the amount of money he received for this work "*wasn't worth [his] time to do it.*" The Former Jax Utilities General Superintendent denied he provided a preferential price for Lawrence's benefit because of his COJ employment.

The Jax Utilities Vice President was aware he worked on Lawrence's property. The Former Jax Utilities General Superintendent explained he did a lot of "*side-work,*" but had his side jobs approved by the Jax Utilities Vice President in advance.

He transported and used a Jax Utilities mini-excavator to perform the work on Lawrence's property. He could not remember if he had a bulldozer, but he recalled he had something to spread the dirt. The Former Jax Utilities General Superintendent transported the equipment to Lawrence's residence using a flat-bed truck. According to the Former Jax Utilities General Superintendent, he paid the Jax Utilities Vice President cash, possibly around \$100, to use the equipment which was enough to cover the fuel.

As it pertained to the Jax Utilities Christmas parties, when he worked at Jax Utilities the parties were held at restaurants and a private residence but never at a golf course. The Former Jax Utilities General Superintendent recalled that the Former Project Inspector 2 may have attended one of the Jax Utilities Christmas parties in either 2004 or 2005. The Former Jax Utilities General Superintendent did not specifically remember Lawrence attending the Jax Utilities Christmas parties, but Lawrence may have attended one of the parties held between 2004 and 2006.

According to the Former Jax Utilities General Superintendent, the Jax Utilities Vice President bought gifts for Jax Utilities employees to receive at these parties as part of a "*White Elephant*" gift exchange. These gifts were things such as a "\$20" fishing pole, a tree stand, or a t-shirt. The Former Jax Utilities General Superintendent explained the gifts were "*gag-like but*

⁶⁴ The Former Jax Utilities General Superintendent was employed with Jax Utilities at the time he performed this work on Lawrence's property.

something you'd use." The Former Jax Utilities General Superintendent did not remember any COJ employees participating, but they may have done so.

He was not aware of a contractor or subcontractor buying meals for COJ employees. However, he may have bought a lunch for COJ employees once or twice, but could not recall for whom.

Statement of the Jax Utilities General Superintendent

The Jax Utilities General Superintendent had known Lawrence for fifteen years⁶⁵ and had met him through his employment with Jax Utilities. He advised that he had a good working relationship with Lawrence but declined to answer if he associated with Lawrence outside of work.⁶⁶

The Jax Utilities General Superintendent never hunted at BPHC. Lawrence and the Jax Utilities Vice President were in the same hunting club "*several, several years ago*" but the Jax Utilities General Superintendent did not know any further details. The Jax Utilities General Superintendent was not "*100 percent*" sure if the Jax Utilities Vice President was a member of BPHC or if he hunted at BPHC.

He did not know if any other Jax Utilities employees were BPHC members. He thought Lawrence was a BPHC member but could not recall how he learned this information. To his knowledge, no one paid for any of Lawrence's associated hunting costs (memberships, trophy fees, etc.).

The Jax Utilities General Superintendent reviewed the December 30, 2009 e-mail (refer to page 61) Lawrence sent to him and the Jax Utilities Bookkeeper. He did not know why Lawrence e-mailed him the BPHC questionnaire.

The Jax Utilities General Superintendent reviewed the November 9, 2006; the January 24, 2007; and the February 6, 2007 e-mails (refer to page 60), all sent by Lawrence to the Jax Utilities Bookkeeper. In these e-mails, Lawrence requested the information contained within the e-mails be provided to "*Fig*" or "*Fig Newton*." He assumed Lawrence was referring to him (the Jax Utilities General Superintendent) but he did not know why Lawrence used these names other than Lawrence was "*joking around*."

The Jax Utilities General Superintendent reviewed the March 28, 2008 e-mail (refer to page 60), sent by Lawrence to the ROWSWM Secretary (and copied to him and other Jax Utilities employees and other City employees). According to the Jax Utilities General Superintendent, the Jax Utilities employee named in Lawrence's e-mail never offered gifts to any COJ employees. The Jax Utilities General Superintendent was unaware why Lawrence made this comment in the March 28, 2008 e-mail.

After the Jax Utilities General Superintendent reviewed §602.201, *Definitions, (q) Gift*, he

⁶⁵ Based on the date of the interview, the OIG estimated this was since approximately 2002.

⁶⁶ The Jax Utilities General Superintendent, through his counsel, asserted his Fifth Amendment rights in response to the OIG's question.

advised that paid lunches were the only gifts ROWSWM employees had received from Jax Utilities employees. The Jax Utilities General Superintendent recalled buying lunch for only Lawrence and the Engineering Technician Principal. However, Lawrence and the Engineering Technician Principal reciprocated by buying lunch for him as well. These lunches never exceeded \$25. The Jax Utilities General Superintendent only bought these lunches because he was being nice.

The Jax Utilities General Superintendent recalled Jax Utilities had always held Christmas parties since he had been employed with Jax Utilities. He had attended all of these parties since he began his employment with Jax Utilities.

The Jax Utilities General Superintendent, the Jax Utilities Vice President, and various Jax Utilities crew members all invited ROWSWM employees to the Jax Utilities Christmas parties. Anybody from ROWSWM who worked directly with Jax Utilities was invited to the Christmas parties, from the inspectors "*on up the line.*" However, he was not sure if any ROWSWM employees in positions above Lawrence were invited. The Jax Utilities General Superintendent assumed these employees were invited probably to show Jax Utilities' appreciation.

The Jax Utilities General Superintendent was not aware of any other individuals employed by a government entity who were invited except the ROWSWM employees. However, the Jax Utilities General Superintendent added that Jax Utilities did not interact with these other government entities as much as ROWSWM.

Lawrence, the Engineering Technician Principal, Former Project Inspector 2, and the Engineering Technician Senior all attended Jax Utilities Christmas parties. Project Inspector 2 may have possibly attended as well. The Jax Utilities General Superintendent estimated Lawrence attended the Jax Utilities Christmas party on approximately four occasions with the most recent instance occurring approximately two years ago (in or around 2015).

The Jax Utilities Christmas parties were held at two separate restaurants and a Callahan, Florida golf course over the years. During these parties, a luncheon was provided to the attendees and a "*White Elephant*" gift exchange was conducted. Gifts available for the "*White Elephant*" gift exchange included items such as remote control cars and boy's bicycles, as well as televisions, electronic tablet devices, and video game systems.

Lawrence and the Engineering Technician Principal were the only ROWSWM employees he recalled who may have participated in the "*White Elephant*" gift exchange. To the Jax Utilities General Superintendent's knowledge, no one employed with ROWSWM kept any gifts from the "*White Elephant*" gift exchange. Their gifts were subsequently given to the lower-level Jax Utilities employees.

Statement of the Jax Utilities Bookkeeper

The Jax Utilities Bookkeeper had known Lawrence since she began working at Jax Utilities about twelve years ago.⁶⁷ She did not have any sort of relationship with Lawrence. She resided near Lawrence but Lawrence lived in another subdivision.

The Jax Utilities Bookkeeper reviewed the March 14, 2007 e-mail (refer to page 60), she sent to Lawrence. In this e-mail, the Jax Utilities Bookkeeper advised she had heard Lawrence's "new bike" was nice and to tell his wife hello for her. The Jax Utilities Bookkeeper said that she did not know who would have told her about Lawrence's new motorcycle. She explained she made this comment as she had seen Lawrence and his wife riding their motorcycles together.

The Jax Utilities Bookkeeper was also shown the March 25, 2009 e-mail (refer to page 60), sent by Lawrence to the Jax Utilities Bookkeeper. In this e-mail, Lawrence was referring to a country musician of whom she is a fan, something she was teased about by "everyone." The Jax Utilities Bookkeeper did not know why Lawrence added this comment in the e-mail.

Lawrence played on the same COJ league softball team as her husband and the Jax Utilities Vice President for approximately two seasons (the Jax Utilities Bookkeeper could not recall the timeframe when this occurred). The Jax Utilities Vice President did not play often with the softball team. The Jax Utilities Bookkeeper did not know how Lawrence got on the same team as the Jax Utilities Vice President and her husband.

She also stated that Lawrence went fishing with the Jax Utilities General Superintendent on the Jax Utilities General Superintendent's boat but could not specifically recall when this occurred. She thought this was for a kingfish tournament and had seen a picture of Lawrence and Jax Utilities General Superintendent fishing together, but did not remember where she saw it.

Lawrence was also in the same hunting club as some Jax Utilities employees including the Jax Utilities Vice President, named either Piney Bay or BPHC. However, the Jax Utilities Bookkeeper was not aware of whether Lawrence hunted with anyone employed by Jax Utilities. To the Jax Utilities Bookkeeper's knowledge, no one from Jax Utilities paid for any of Lawrence's associated hunting costs.

The Jax Utilities Bookkeeper reviewed the December 30, 2009 e-mail (refer to page 61), sent by Lawrence to the Jax Utilities Bookkeeper and the Jax Utilities General Superintendent. In this e-mail, Lawrence attached a BPHC questionnaire and asked the e-mail recipients to complete it and send it to the BPHC President. She was unaware why Lawrence e-mailed her the BPHC questionnaire. The Jax Utilities Bookkeeper thought Lawrence could have intended for the e-mail to be provided to the Jax Utilities Vice President.

To the Jax Utilities Bookkeeper's knowledge, neither Lawrence nor any other ROWSWM employee had ever received gifts from any Jax Utilities employee. Specifically regarding Lawrence, the Jax Utilities Bookkeeper said he would not "let anyone pay for anything."

⁶⁷ Based on the date of the interview, the OIG estimated this was since approximately 2006.

The Jax Utilities Bookkeeper was shown the March 28, 2008 e-mail (refer to page 60), sent by Lawrence to the ROWSWM Secretary and (copied to her and other Jax Utilities employees and other COJ employees). The Jax Utilities Bookkeeper opined that this e-mail was a joke; although she was unaware what Lawrence had referenced.

The Jax Utilities Bookkeeper reviewed the December 6 and 10, 2010 e-mails (refer to page 60), she exchanged with Lawrence. In these series of e-mails, she initially requested Lawrence provide a reference letter for Jax Utilities, to which he replied he would not do. In response to Lawrence declining her request, she advised Lawrence was no longer on her Christmas list. The Jax Utilities Bookkeeper advised her e-mail was a joke and she had never bought a Christmas gift for Lawrence.

Regarding the Jax Utilities Christmas parties, she thought ROWSWM employees had always been invited to these parties; although, she did not know specifically who had been invited or which Jax Utilities employee invited them. Lawrence had attended the Jax Utilities Christmas parties on a few occasions. She was aware that the Engineering Technician Senior, the Project Inspector 2 and the Former Project Inspector 2 may have each attended a Jax Utilities Christmas party on one occasion (the Jax Utilities Bookkeeper did not remember when any of them had attended).

The Jax Utilities Bookkeeper was not aware of any other group of individuals who attended the Jax Utilities Christmas parties other than ROWSWM employees and Jax Utilities employees (and associated guests like their children).

The Jax Utilities Christmas parties had been held at three locations: two private restaurants and a golf course. She thought the Jax Utilities Christmas parties had been held at the Callahan, Florida golf course for possibly the last five to six years.

She recalled that on the occasion when Lawrence, the Engineering Technician Senior, and the Project Inspector 2 all attended the Jax Utilities Christmas party, none of these ROWSWM employees participated in the “*White Elephant*” gift exchange. She recalled that on other occasions, Lawrence participated. The Jax Utilities Bookkeeper did not think that Lawrence kept any gifts. The Jax Utilities Bookkeeper never saw any ROWSWM employees take gifts.

Statement of the ROWSWM Chief

He began working in ROWSWM in July 2014 when he was hired as the Division Chief.⁶⁸ The ROWSWM Chief did not think any ROWSWM employees, including Lawrence, were friends with and/or associated with Jax Utilities employees outside of work.

The ROWSWM Chief was not aware of any ROWSWM employees receiving gifts from Jax Utilities employees. He did not know about Lawrence’s associations with Jax Utilities employees outside of work (such as being members of the same hunting clubs and softball team and participating in the fishing tournaments together). The ROWSWM Chief stated that he

⁶⁸ According to the Administration, the ROWSWM Chief began working for ROWSWM in 2012, prior to his appointment to ROWSWM Chief in 2014.

would only have an issue with these types of associations if a Jax Utilities employee had paid for any fees for Lawrence.

According to the ROWSWM Chief, he was not aware of Lawrence making any comments about him (Lawrence) going on a trip to the Florida Keys paid for by Jax Utilities.

He was not aware that Lawrence had Jax Utilities employees work on his property or purchased concrete through Jax Utilities. The ROWSWM Chief did not have any issues with Jax Utilities employees working on a ROWSWM employee's property or purchasing concrete as long as the involved ROWSWM employee paid a fair market price. He stated that if it had been brought to the ROWSWM Chief's attention beforehand he would have told the involved ROWSWM employee they probably should not do it. ROWSWM Chief opined that it "*starts to have the look of not being good.*" ROWSWM Chief added his opinion was given in response to the ongoing OIG investigation and that he may not have given this same advice beforehand.

Prior to the interview, the ROWSWM Chief had no concerns about Lawrence having conflicts of interest with Jax Utilities. Even if the ROWSWM Chief had known about Lawrence's interactions with Jax Utilities he would have allowed Lawrence to continue overseeing Jax Utilities contracts. While Lawrence managed the contracts, the day-to-day management was handled by his (Lawrence's) subordinates. However, the ROWSWM Chief would have asked Lawrence to distance himself from Jax Utilities where appropriate to avoid any perceived conflicts of interest.

The ROWSWM Chief did not have knowledge of Jax Utilities Christmas parties or whether any ROWSWM employees ever attended these parties. He had never been invited to these parties; however, he added that "*every company out there has a party and they send invitations out and I know people from the City go to them ...*"

Statement of the Jax Utilities Vice President

The Jax Utilities Vice President had been acquainted with Lawrence since approximately 1994 or 1995, when the Jax Utilities Vice President was employed with another company. He classified his and Lawrence's relationship as a "*work*" relationship, but added that he considered Lawrence a personal friend. The Jax Utilities Vice President believed the Former ROWSWM Chief 1 and the ROWSWM Chief had been aware of their association outside of work. The Jax Utilities Vice President advised there was no attempt to conceal their friendship.

Possibly twelve to thirteen years ago,⁶⁹ Lawrence invited the Jax Utilities Vice President and his son to go hunting, which the Jax Utilities Vice President assumed was only due to Lawrence being friendly. Other than on this occasion, the Jax Utilities Vice President may have hunted with Lawrence one other time. The Jax Utilities Vice President subsequently became a member of BPHC for approximately six to seven years; however, he could not recall the specific timeframe. The Jax Utilities Vice President hunted at BPHC on less than ten occasions.

⁶⁹ Based on when Jax Utilities Vice-President provided testimony to the OIG, the OIG estimated this was approximately in or around 2004 to 2005.

In addition to his own membership, the Jax Utilities Vice President purchased anywhere from two to four corporate memberships at BPHC, which allowed Jax Utilities employees to hunt there, including the Former Jax Utilities General Superintendent and the Jax Utilities General Superintendent.

According to the Jax Utilities Vice President, he and Lawrence never hunted together anywhere else other than BPHC. To the Jax Utilities Vice President's knowledge, no one (other than Lawrence) paid for any of Lawrence's associated hunting costs (memberships, trophy fees, etc.).

In addition, approximately eleven to twelve years ago, the Jax Utilities Vice President fished in a tournament, possibly the Greater Jacksonville Kingfish Tournament, along with Lawrence for two days on the Jax Utilities General Superintendent's boat. The Jax Utilities Vice President assumed the Jax Utilities General Superintendent had invited Lawrence to participate as it was the Jax Utilities General Superintendent's boat.

He did not know who paid the entry fee for the tournament but thought Lawrence contributed toward the fuel costs. Lawrence, the Jax Utilities General Superintendent, and the Jax Utilities Vice President fished both days. The Jax Utilities General Superintendent's son and the Jax Utilities Vice President's son were present on the first day while the Jax Utilities Bookkeeper's husband was present on the second day (along with the Jax Utilities Vice President, the Jax Utilities General Superintendent, and Lawrence).

In addition to the above mentioned fishing tournament, the Jax Utilities Vice President recalled that Lawrence and the Jax Utilities General Superintendent had fished together in another tournament. Lawrence and the Jax Utilities General Superintendent were on a boat which belonged to one of the Jax Utilities General Superintendent's personal friends. The Jax Utilities Vice President did not remember when this occurred. The Jax Utilities Vice President attributed Lawrence and the Jax Utilities General Superintendent participating in this tournament together to their personal relationship.

Also, approximately eleven to twelve years ago, the Jax Utilities Vice President played on the same men's softball team as Lawrence for approximately two seasons. The Jax Utilities Vice President did not know how Lawrence ended up on the team. However, the Jax Utilities Vice President only played approximately ten games because he was not always available. Other Jax Utilities employees were also on the team, including the Jax Utilities General Superintendent.

The Jax Utilities Vice President estimated he bought Lawrence lunch around two or three times a year at places like a sandwich shop or barbeque restaurant. Lawrence's meals never exceeded \$25. Lawrence also reciprocated and bought lunch for the Jax Utilities Vice President.

He knew the Jax Utilities General Superintendent had also bought meals for COJ employees. To the Jax Utilities Vice President's knowledge, COJ employees reciprocated and bought the Jax Utilities General Superintendent lunch as well. The Jax Utilities Vice President was not aware of any Jax Utilities employee providing any gifts to Lawrence other than lunches and "White Elephant" gift exchange gifts.

Jax Utilities Christmas parties have been held every year since 2002. Lawrence and his subordinate employees who worked on Jax Utilities contracts on a regular basis were invited to the Jax Utilities Christmas parties. The Jax Utilities Vice President specifically recalled that the Engineering Technician Principal, the Project Inspector 2, the Former Project Inspector 2 and possibly the Engineering Technician Senior attended the Jax Utilities parties over the years. He also thought the ROWSWM Chief and the Former ROWSWM Chief 1 had been invited, but he was not sure.

To the Jax Utilities Vice President's knowledge, no representatives from any of the other government entities with whom Jax Utilities contracted attended the Jax Utilities Christmas parties. The Jax Utilities Vice President attributed this to Jax Utilities not having a long-standing relationship with other government entities. The Jax Utilities Vice President, as well as the Jax Utilities General Superintendent, the Former Jax Utilities General Superintendent, and other Jax Utilities employees invited COJ employees. COJ employees were not invited for any other reason than the Jax Utilities employees enjoyed having them at the parties, and because they (COJ employees and Jax Utilities) spent a lot of time working together.

The Jax Utilities Christmas parties were held at various locations over the years including a private residence, two different restaurants, and a Callahan, Florida golf course (he could not recall the specific years where each party was held). The Jax Utilities Vice President thought the Jax Utilities Christmas parties had been at the Callahan, Florida golf course for approximately the last seven to nine years.

The Jax Utilities Vice President paid for party attendees to play rounds of golf, which he estimated to be \$20 to \$25 per person, per round. Lawrence rode along in a golf cart and typically would stick around for one or two holes before leaving the Christmas party. Lawrence was the only COJ employee who stayed after the Jax Utilities Christmas party to "*hang out.*" However, Lawrence did not stay after the party on every occasion.

During the Jax Utilities Christmas parties, a "*White Elephant*" gift exchange was conducted. The "*White Elephant*" gift exchange had been started as a way for Jax Utilities employees to get a gift for themselves they would not normally buy or to get something for their children. The gifts available during the "*White Elephant*" gift exchange ranged from televisions to "*gag*" gifts such as board games. Everyone present at the Jax Utilities Christmas parties (including COJ employees) received a number to participate in the "*White Elephant*" gift exchange (up to 50 people). The Jax Utilities Vice President did not remember if anyone refused to take a number.

Lawrence received gifts during the "*White Elephant*" gift exchange but the Jax Utilities Vice President thought Lawrence gave them to Jax Utilities employees at the party on every occasion. The Jax Utilities Vice President would be "*shocked*" if Lawrence had kept any gifts from the Jax Utilities Christmas parties.

The Jax Utilities Vice President thought some other COJ employees may have kept the gifts they had received during the "*White Elephant*" gift exchange but he could not recall any further details. However, the Jax Utilities Vice President did not believe any COJ employees had taken gifts of value, like a television.

The Jax Utilities Vice President reviewed the March 28, 2008 e-mail (refer to page 60), sent by Lawrence to the ROWSWM Secretary (and copied to other Jax Utilities employees and other City employees). The Jax Utilities Vice President thought this e-mail referred to the wife of a Jax Utilities employee making a pie for the Former Project Inspector 2. The Jax Utilities Vice President was not aware of why this employee possibly provided a gift to the Former Project Inspector 2.

Although he could not recall the timeframe, he was aware the Former Jax Utilities General Superintendent had worked on Lawrence's personal property in a personal capacity and not on behalf of Jax Utilities. The Jax Utilities Vice President did not remember if the Former Jax Utilities General Superintendent had asked his permission to work on Lawrence's property. The Jax Utilities Vice President thought the Former Jax Utilities General Superintendent excavated around a pond on Lawrence's property, which took one to one and a half days to complete over a weekend.

The Jax Utilities Vice President believed the amount Lawrence paid the Former Jax Utilities General Superintendent for this work was approximately \$700 to \$800, which was in his opinion "*exorbitant.*" The Jax Utilities Vice President was upset with the Former Jax Utilities General Superintendent, as he felt the Former Jax Utilities General Superintendent took advantage of Lawrence.

The Jax Utilities Vice President thought the Former Jax Utilities General Superintendent used the following Jax Utilities equipment for the personal work on Lawrence's property: a smaller-model track hoe and likely a bulldozer. This was the only occasion the Jax Utilities Vice President required the Former Jax Utilities General Superintendent to re-pay him money (approximately \$100) for fuel used on a side job. He stated he made the Former Jax Utilities General Superintendent pay this money "*just to aggravate him.*"

To his recollection, the Former Jax Utilities General Superintendent also told Lawrence he (the Former Jax Utilities General Superintendent) could get him (Lawrence) concrete as Lawrence needed to obtain concrete. Lawrence was allowed to purchase concrete by using the Jax Utilities corporate account (he could not recall when this occurred). Jax Utilities initially purchased the concrete and Lawrence then repaid Jax Utilities with a personal check. Jax Utilities did not order a lot of concrete because their subcontractors would obtain discounts for concrete purchases.⁷⁰

The Jax Utilities Vice President did not believe Lawrence received a preferential price by using Jax Utilities corporate account to make the purchase. The Jax Utilities Vice President thought the only benefit Lawrence would have received was it may have been easier for Lawrence to obtain the concrete by ordering it through Jax Utilities. The Jax Utilities Vice President did not know whether Lawrence initially approached someone at Jax Utilities or if whether purchasing the concrete through Jax Utilities corporate account was initially offered to Lawrence.

⁷⁰ The OIG conducted a follow-up interview with the Former Jax Utilities General Superintendent regarding Lawrence's concrete purchase from Jax Utilities. The Former Jax Utilities General Superintendent did not recall any details about Lawrence purchasing concrete from Jax Utilities. The Former Jax Utilities General Superintendent added that even though Jax Utilities would not allow a private citizen to purchase concrete using their corporate account, he opined Lawrence was allowed to do so as he was friends with Jax Utilities employees.

The Jax Utilities Vice President did not recall interacting with Lawrence about this issue. He did not remember how much Lawrence paid Jax Utilities; although, it was “*significant enough, I was frustrated that [Lawrence] needed to get [the payment] to us. I met him at the door and got it... I was very frustrated that my superintendent got me in the damn position in the first place, sir.*”

Statement of William “Louis” Lawrence, Public Works Contract Construction Manager

Lawrence had known the Jax Utilities Vice President for approximately twenty years⁷¹ and originally became acquainted with him when the Jax Utilities Vice President worked for another contractor. At that time, Lawrence was either a Project Inspector or an Engineering Technician Senior (with COJ). Lawrence considered the Jax Utilities Vice President to be his friend, but he advised he and the Jax Utilities Vice President do not have any sort of relationship at present.

However, Lawrence added “*if [the Jax Utilities Vice President] called me and needed something and it was you know, life or death or family, I’d be there tomorrow or whenever I need to be.*”

Lawrence first became acquainted with the Former Jax Utilities General Superintendent in 2005 or 2006. Lawrence may have known the Former Jax Utilities General Superintendent when the Former Jax Utilities General Superintendent previously worked for another contractor. Lawrence’s relationship with the Former Jax Utilities General Superintendent was “*friendly [but] work-related when we’re at work.*” According to Lawrence, he had not spoken in-person to the Former Jax Utilities General Superintendent “*in a long-time.*”

Lawrence reviewed the November 9, 2006; January 24, 2007; and February 6, 2007 e-mails (refer to page 60) sent by Lawrence to the Jax Utilities Bookkeeper. In these e-mails, Lawrence referred to an individual he called either “*Fig*” or “*Fig Newton.*” Lawrence confirmed these were references to the Jax Utilities General Superintendent. He had given this nickname to the Jax Utilities General Superintendent to see if he could get a reaction from him.

Lawrence met the Jax Utilities Bookkeeper through her employment with Jax Utilities and had known her for at least ten years.⁷² In addition, Lawrence had been acquainted with the Jax Utilities Bookkeeper’s husband for approximately ten to twelve years. The Jax Utilities Bookkeeper and her husband lived approximately a mile away from Lawrence, although they resided in different subdivisions. Lawrence had a “*friendly business*” relationship with the Jax Utilities Bookkeeper and her husband.

Lawrence reviewed the March 14, 2007 e-mail (refer to page 60), from the Jax Utilities Bookkeeper to Lawrence. Lawrence did not know how the Jax Utilities Bookkeeper heard his motorcycle was “*nice.*” Lawrence assumed that the Jax Utilities Bookkeeper e-mailed him about these matters, to include saying hello to his wife was as a “*nice gesture.*”

Lawrence also reviewed the March 25, 2009 e-mail (refer to page 60), he sent to the Jax Utilities Bookkeeper, the Jax Utilities General Superintendent, and the Former Jax Utilities General

⁷¹ Based on the date of Lawrence’s testimony to the OIG, the OIG estimated this was since approximately 1998. Lawrence became employed with the COJ in June of 1988.

⁷² Based on the date of Lawrence’s testimony to the OIG, the OIG estimated this was since approximately 2008.

Superintendent (and copied to the Former Project Inspector 2). This e-mail contained the derogatory phrase about a country musician. According to Lawrence, this was a reference to a musician, of which the Jax Utilities Bookkeeper was an avid fan. Lawrence put this reference in his e-mail as a joke with “*no harm intended.*”

Lawrence then reviewed the e-mails he and the Jax Utilities Bookkeeper exchanged on December 6, 2010, and December 10, 2010 (refer to page 60). Lawrence did not recall the Jax Utilities Bookkeeper ever giving him a Christmas gift.

Lawrence reviewed the March 28, 2008 e-mail (refer to page 60), sent by Lawrence to the ROWSWM Secretary (and copied to other Jax Utilities employees and other COJ employees). Lawrence explained this was a joking reference, as Jax Utilities failed to send gifts (e.g., food) for the ROWSWM office at Christmas, unlike some of the other contractors.

Lawrence did not know if anyone from COJ was aware of him associating with Jax Utilities employees outside of work. No one ever questioned Lawrence about these associations nor did he try to conceal these associations. Also, no one had ever voiced any concerns about Lawrence’s relationship with Jax Utilities employees.

Lawrence confirmed he hunted at Piney Bay beginning in 1989, left sometime around 1999, and then rejoined as a member sometime after approximately 2003. He continued as a member after Piney Bay merged with another hunting club to form BPHC until approximately 2010.

At one point in or around 2008, the Jax Utilities Vice President bought multiple memberships to Piney Bay (or BPHC) so he could send Jax Utilities employees and/or clients to go hunt and introduce his (the Jax Utilities Vice President’s) son to hunting.

Lawrence recalled the Former Jax Utilities General Superintendent was a frequent visitor in his (the Former Jax Utilities General Superintendent’s) first year at the club. Lawrence did not recall any other Jax Utilities employees frequenting Piney Bay. During this timeframe, Lawrence was also regularly at Piney Bay.

Lawrence recalled two occasions (although he could not recall the specific dates) when he actively participated in hunting alongside the Jax Utilities Vice President. On one occasion Lawrence, along with several other individuals, assisted the Jax Utilities Vice President and the Jax Utilities Bookkeeper’s husband with recovering a deer. Later that same year, the Jax Utilities Vice President and his son rode along with Lawrence at Piney Bay so he (Lawrence) could introduce both of them (the Jax Utilities Vice President and his son) to dog hunting. Lawrence also participated in a dog-hunting group with the Former Jax Utilities General Superintendent on one occasion but could not recall specifically when this had occurred.

Lawrence was also a member of a hunting club in Kentucky with the Former Jax Utilities General Superintendent (he could not recall the timeframe). Several years prior to Lawrence joining this hunting club, the Former Jax Utilities General Superintendent told Lawrence that he had leased land in Kentucky and invited Lawrence to join the hunt club. Lawrence initially declined the Former Jax Utilities General Superintendent’s offer, as he could not afford to hunt

in Kentucky. Later, Lawrence joined the Kentucky hunting club along with some of his friends. He was in this hunting club for approximately two years.

Although the Former Jax Utilities General Superintendent was a member of the club, Lawrence spent less than seven days with the Former Jax Utilities General Superintendent at the club each year he (Lawrence) was a member. Lawrence paid approximately \$2,000 a year to be in this hunting club.

Lawrence was shown the December 30, 2009 e-mail (refer to page 61), he sent to the Jax Utilities General Superintendent and the Jax Utilities Bookkeeper. Lawrence forwarded the BPHC questionnaire to the Jax Utilities Bookkeeper because if she saw it then it would be forwarded to the Jax Utilities Vice President.

In addition, Lawrence also reviewed the March 26, 2013 e-mail (refer to page 61), sent by the BPHC President. Lawrence assumed he was contacted about having the Jax Utilities Vice President rejoin because BPHC was unable to reach the Jax Utilities Vice President.

Lawrence only hunted with Jax Utilities employees at clubs in Georgia and Kentucky. No one ever paid for any of Lawrence's associated hunting costs (i.e. membership fees). Jax Utilities did not receive any benefit from him being in the same hunting clubs as its employees. He assumed the Former ROWSWM Chief 1 and the Engineering Technician Principal knew he was a member of the same hunting clubs as Jax Utilities employees, but he did not know for sure. Lawrence also thought he would have possibly discussed this information at work as part of everyday conversation.

Around 2008, Lawrence also played on the Ditch Diggers softball team with Jax Utilities employees for about one to three seasons. The Jax Utilities Vice President, the Jax Utilities General Superintendent, and a few other Jax Utilities employees (such as the Jax Utilities Bookkeeper's husband) played on this team. The Jax Utilities Vice President and the Jax Utilities General Superintendent played intermittently (approximately for two seasons and one season, respectively).

Lawrence recalled that he was on a project site with one of the Jax Utilities crews when he began talking with one of the Jax Utilities employees about getting a softball team together. Lawrence did not recall any further specific details regarding how the softball team was organized. Lawrence thought the Project Inspector 2 may have played one or two games for the softball team or at least attended practices.

Lawrence considered the team as "*[his] team*" since "*[he] went and paid all the fees and made sure the umpires were paid. [He] did all that. It was pretty much [his] team.*" Lawrence started bringing other people onto the team because the Jax Utilities employees could not commit enough time to the softball team.

Lawrence stated Jax Utilities did not receive any benefit from its employees being on the same softball team with him (Lawrence). No one paid for any of Lawrence's associated fees for the softball teams. In fact, Lawrence paid fees for other players on the softball team.⁷³

Lawrence thought either the Former ROWSWM Chief 1 or the Former ROWSWM Chief 2 were likely aware about this team. Lawrence believed he had discussed it with either of them in the context of having a charity softball game between COJ employees and contractors. Lawrence did not recall any other contractors being a member of the softball team, with the exception of subcontractor (who at one time worked with Jax Utilities), who was also his friend.

Lawrence also participated in fishing tournaments with Jax Utilities employees. According to Lawrence, Jax Utilities did not receive any benefit from him participating in these tournaments with its employees.

According to Lawrence, approximately eight years ago (or longer), the Former ROWSWM Chief 1⁷⁴ received a free entry to enter a boat in the Greater Jacksonville Kingfish Tournament. The Former ROWSWM Chief 1 offered the free entry to Lawrence. After Lawrence told the Former ROWSWM Chief 1 he did not have a boat, the Former ROWSWM Chief 1 told Lawrence "*why don't you ask Charlie and them if they want to use it? You just go with them.*" Lawrence had never experienced this type of fishing and wanted to try it.

Lawrence used the free entry to fish the above-mentioned tournament along with the Jax Utilities General Superintendent and the Jax Utilities Vice President.⁷⁵ The Jax Utilities General Superintendent's boat was used for the tournament. Lawrence thought that he, the Jax Utilities Vice President, and the Jax Utilities General Superintendent likely each paid a portion of the overall costs for the fishing (including things like fuel for the Jax Utilities General Superintendent's boat). However, Lawrence did not know how much the Jax Utilities Vice President and the Jax Utilities General Superintendent paid as compared to how much he (Lawrence) paid for the overall costs.

On one of the days (a Wednesday dedicated for children to participate), Lawrence fished along with Former ROWSWM Chief 1's grandson, the Jax Utilities General Superintendent, the Jax Utilities General Superintendent's son, and one of Lawrence's relatives. On the other two days, Lawrence fished with just the Jax Utilities Vice President and the Jax Utilities General Superintendent. Lawrence did not believe their boat placed.

Approximately one year later, Lawrence fished the Greater Jacksonville Kingfish Tournament with the Jax Utilities General Superintendent and a friend of the Jax Utilities General Superintendent (could not recall the name), using the friend's boat. Lawrence believed that he and the Jax Utilities General Superintendent replaced two other individuals who were unable to fish with the Jax Utilities General Superintendent's friend.

⁷³ The OIG did not verify how much Lawrence paid for the softball fees mentioned in his testimony.

⁷⁴ Former ROWSWM Chief 1 held the position from 2002 to 2009.

⁷⁵ The OIG used a publicly available internet-archiving website (<https://archive.org/web/>) to view a captured webpage of the Greater Jacksonville Kingfish tournament website taken on March 10, 2010. According to this captured webpage, 2010 entry fees started at \$300.00 and increased to \$350.00 on February 8, 2010, and then increased again to \$400.00 on June 1, 2010.

The costs were added and divided among the three of them (Lawrence, the Jax Utilities General Superintendent, and the Jax Utilities General Superintendent's friend); however, Lawrence did not recall the exact costs. To Lawrence's knowledge, he did not pay anything less than either the Jax Utilities General Superintendent or the Jax Utilities General Superintendent's friend. Based on their catch, their boat placed in the tournament and won, "*prize money or whatever it was.*" Lawrence stated that he and the Jax Utilities General Superintendent gave the prize to the Jax Utilities General Superintendent's friend.

Lawrence denied that Jax Utilities ever paid for any sort of trips for him. He stated he never declared during a ROWSWM meeting that he was going on a trip paid by Jax Utilities.

Lawrence confirmed that Jax Utilities employees had worked on his personal property. However, Lawrence said these were two private transactions between Lawrence and (1) the Former Jax Utilities General Superintendent and (2) another former Jax Utilities employee (since deceased). Lawrence did not know for sure if anyone from COJ was aware he had Jax Utilities employees work on his personal property. Although, Lawrence thought it was likely that someone would know, as he was not trying to conceal this activity.

He was not aware of either the Former Jax Utilities General Superintendent or the other Jax Utilities employee charging him less than they would have charged anyone else. Lawrence was not aware of Jax Utilities receiving any benefit as a result of the Former Jax Utilities General Superintendent and the other Jax Utilities employee working on Lawrence's property.

Lawrence stated the Former Jax Utilities General Superintendent worked on his pond for one or two days and used a Jax Utilities track hoe to perform the work. He did not remember exactly how much he paid the Former Jax Utilities General Superintendent. According to Lawrence, whatever amount he paid the Former Jax Utilities General Superintendent was a fair market value.

Lawrence offered to have the Former Jax Utilities General Superintendent work on his property as the Former Jax Utilities General Superintendent had rented the track hoe for a project which ended up not taking him as long as he (Former Jax Utilities General Superintendent) had originally thought it would. According to Lawrence, "*it kind of came about and I'd [wanted] to do it ... I felt like if I paid, um, what is it, commercial acceptable at the time I didn't feel like it was anything wrong asking somebody.*" Lawrence stated he was assisting the Former Jax Utilities General Superintendent by offsetting the costs of the Former Jax Utilities General Superintendent renting the equipment.

Lawrence purchased about fifty yards of concrete through Jax Utilities for a residential project. Lawrence reviewed and confirmed that the Jax Utilities Invoice Number 05/06 1337D (refer to page 62) was for the concrete he purchased through Jax Utilities in the amount of \$4,049.95.

Lawrence stated he purchased the concrete through Jax Utilities because he was unable to get the amount of concrete he needed delivered to his residence as a home owner. Lawrence stated he did not receive any discount by purchasing this concrete through Jax Utilities. Lawrence attributed his inability to obtain concrete to a "*construction boom*" at the time and "*[a] resident*

that needed 50 yards was last on their list.” Lawrence believed the Jax Utilities General Superintendent told him that he (Lawrence) could purchase the concrete through Jax Utilities as Jax Utilities would be able to obtain concrete, but could not specifically remember if it was the other way around. To Lawrence’s knowledge, Jax Utilities had not allowed a private citizen to purchase concrete through them. He did not know if anyone from COJ was aware he purchased concrete through Jax Utilities.

Lawrence stated another Jax Utilities employee (whose name he could not recall, now deceased) assisted Lawrence with pouring the concrete at his (Lawrence’s) personal property. He could not recall how much he paid the Jax Utilities employee but he thought it was a fair market value for approximately six hours of work.

Lawrence confirmed that he signed the Nassau County *Notice of Commencement Instrument* Number 200622239, dated June 2, 2006 (refer to page 62). Lawrence confirmed the notice was for the building where he used the concrete he purchased through Jax Utilities.

Lawrence also confirmed he had received gifts as part of Jax Utilities “*White Elephant*” gift exchanges at the Christmas parties. Lawrence was invited to the Jax Utilities Christmas party almost every year and recalled that the Jax Utilities General Superintendent invited him. Lawrence did not know who had been invited to the Christmas parties. He also did not know if any of his supervisors knew he had attended the Jax Utilities Christmas parties.

Lawrence attended about five or six Jax Utilities Christmas parties; however he could not recall specifically what years he had attended the parties. He stated that it had been at least four years since he attended a Jax Utilities Christmas party.⁷⁶ He stated the Engineering Technician Senior (one or two occasions), Former Project Inspector 2 (possibly one occasion), Project Inspector 2 (possibly one occasion), and the Engineering Technician Principal (at least each occasion Lawrence attended) also attended the Jax Utilities Christmas parties, but he could not recall the details or the specific dates.

The first Jax Utilities Christmas party he attended was held at a restaurant and the other Christmas parties were held at a Callahan, Florida golf course. During each of the parties, food was served buffet-style (typically barbeque) and there was a “*White Elephant*” gift exchange. Lawrence stated Jax Utilities purchased gifts for the “*White Elephant*” gift exchange, which ranged from children’s gifts to televisions. Lawrence stated he never paid for anything and was unable to recall whether he ever brought a gift. To Lawrence’s knowledge, no one else from COJ ever paid for anything or brought a gift.

To Lawrence’s recollection, the Engineering Technician Principal was the only other COJ employee who participated in the “*White Elephant*” gift exchange and may have received a fishing pole or hat on one occasion, which he estimated was valued at less than \$25. Lawrence did not know if any ROWSWM employees kept gifts from the Jax Utilities Christmas parties.

⁷⁶ Based on his testimony, the last Christmas party Lawrence might have attended was in or around 2014.

During the first Jax Utilities Christmas party Lawrence attended (he could not recall the specific date) he received a portable Global Positioning System (GPS) unit (unknown make and model) during the “*White Elephant*” gift exchange. Lawrence did not know the value of the GPS unit.⁷⁷ He kept the GPS unit and used it in his COJ truck for work. He kept the GPS unit as he felt like he had a use for it for COJ business.

During the next Jax Utilities Christmas party he attended (he could not recall the specific date), Lawrence “*stole*” a television (unknown make, model, and value) from a Jax Utilities employee during the “*White Elephant*” gift exchange. Lawrence had a friendly relationship with this particular employee as they “*picked at each other*” on project sites. Lawrence intended to give the television back to the Jax Utilities employee but he had left the party before Lawrence was able to give it to him.

Due to the winter holidays break, Lawrence knew he would not be able to see the Jax Utilities employee until after January 1st. Lawrence kept the television he received during the gift exchange, because he had planned on buying a similar television for his home. He stated he then bought the same television model for the Jax Utilities employee⁷⁸ and gave it to the employee, more than likely sometime after January 1st.⁷⁹

Lawrence continued to participate in the “*White Elephant*” gift exchange because of the comradery aspect, although he did not participate on the last couple of occasions he attended the Jax Utilities Christmas parties. He explained “... *the only reason I had been doing it for a while was just to be a part of the game amongst people ... I just wanted to be part of the holiday festive season with them. I'd do it just to aggravate them or move a gift or take a gift from them with no intention of keeping it. And so I just got to the point where I didn't even want to do that.*” In part, Lawrence stopped participating because he viewed the “*White Elephant*” gift exchange as Jax Utilities’ game and he did not know as many of their employees as he had previously known.

The Former Project Inspector 2 was the only ROWSWM employee who Lawrence thought had played golf during the Jax Utilities Christmas parties held at the Callahan, Florida golf course. Lawrence never played, but on one occasion he hit a golf ball while riding along the golf course. On this occasion, Lawrence rode along for a few holes and then went home.

He was not aware of any other ROWSWM employee receiving gifts from Jax Utilities employees other than possibly at the Jax Utilities Christmas parties.

Lawrence stated Jax Utilities did not receive any preferential treatment due to Lawrence attending the Jax Utilities Christmas parties and receiving gifts. Lawrence did not think Jax Utilities was trying to get preferential treatment by inviting Lawrence and the other ROWSWM

⁷⁷ The OIG referenced <https://archive.org/web/> to determine a possible past value for a GPS unit. The OIG review disclosed that from the earliest available data from approximately August of 2007 through April of 2009, there were very few portable GPS units which cost \$100.00 or less (the maximum allowable amount for a single gift per *Ordinance Code*) during this timeframe.

⁷⁸ The OIG referenced <https://archive.org/web/> to determine a possible past value for a television. The OIG review disclosed that in January of 2010 for the electronic store that Lawrence said he purchased the same television, other than a few small portable televisions, none of the televisions listed on the website were less than or equal to \$100.00.

⁷⁹ Not verified independently by OIG.

employees to the Jax Utilities Christmas parties. Lawrence opined it was a celebration of both the work completed through combined efforts and the holidays.

Lawrence stated that he had received lunches purchased by Jax Utilities employees. Lawrence thought the Jax Utilities Vice President and the Jax Utilities General Superintendent probably bought him lunch. Lawrence thought the Jax Utilities Vice President had purchased lunch for him maybe once a year for the last five to ten years and the Jax Utilities General Superintendent purchased lunch for him once or twice a year on a regular basis. On the occasions someone from Jax Utilities purchased Lawrence's meals, his meals never exceeded \$25.

Lawrence stated that he also purchased lunches for Jax Utilities employees and tried to purchase their lunch more frequently than they purchased his lunch. Approximately four to five years ago,⁸⁰ Lawrence stopped allowing Jax Utilities employees to buy him lunch as he wanted to create some personal distance between him and Jax Utilities employees.

Lawrence stated he did not think any of these activities (such as the gifts at Jax Utilities Christmas parties or receiving materials through Jax Utilities) made it a conflict of interest for him to manage Jax Utilities' contracts. According to Lawrence, he built a respectful working relationship with Jax Utilities where it was known he would uphold whatever was in COJ's best interest. Lawrence stated that *"... even though there may have been a lunch bought or something they knew I stood for the [COJ] and the best for it. I always wanted the best for it and its constituents ... as far as I was concerned it didn't matter what swapped hands, if you will, that I was going to uphold what I personally felt, honestly felt, was best for the [COJ]. So that's why I know there was never any intentional benefit to them for me attending or doing anything of that ... there was never to my knowledge any intentional benefit to them due to those actions."*

Regarding his interactions with Jax Utilities employees, Lawrence also stated *"... the same contractors that you're looking at, that interaction may have happened outside of work was the same ones that I might have been, uh, in, in a good conversation [eluding to arguing with], if you will ... on how things are going to be billed and how the contract reads and et cetera. In seeing all that, I grew out of, if you will, being in any kind of relationship as far as other than professional."*

Lawrence noted that COJ culture had changed throughout his career as *"[early in his COJ employment] ... companies had parties and people went to 'em and it was nothing."* Lawrence stated no one ever voiced concerns that he possibly had a conflict of interest regarding Jax Utilities. Lawrence thought he may have discussed with the ROWSWM Chief concerns he (Lawrence) had about working with the same contractors for so long.

However, in hindsight, Lawrence concurred that another contractor or citizen could assume he had a conflict of interest regarding Jax Utilities if they were unaware of all the details.

⁸⁰ Based on his testimony, this occurred sometime between 2013 and 2014.

SUMMARY OF FINDINGS

Through the testimony of both Jax Utilities employees and Lawrence, it was confirmed that Lawrence had personal relationships with several Jax Utilities employees, including the Jax Utilities Vice President, the Former Jax Utilities General Superintendent, and the Jax Utilities General Superintendent, between approximately 2006 and 2013. The investigation determined that Jax Utilities had been under contract during this same timeframe. In addition, the investigation determined that Lawrence had involvement with Jax Utilities contracts during this timeframe as well.

The investigation established Lawrence and Jax Utilities employees participated in various activities in a personal capacity, including hunting clubs, fishing tournaments, and softball teams. However, Lawrence testified that he paid his own way for these activities. In addition, Lawrence utilized the Jax Utilities corporate account to obtain concrete for personal use at his residence. However, through testimony and subpoenaed Jax Utilities records Lawrence repaid Jax Utilities for the cost of the concrete. Lawrence also entered into personal transactions with two Jax Utilities employees to assist with projects at his residence and paid them for their assistance with the projects.

In addition, Lawrence testified he had received gifts, as defined by §602.201(q) *Ordinance Code*, from Jax Utilities and/or its employees in the form of lunches, a GPS unit, and a television. Lawrence testified he obtained the GPS unit and television as part of the “*White Elephant*” gift exchange held during Jax Utilities Christmas parties.

In regards to the lunches, no evidence was obtained to indicate that the lunches exceeded the \$25 threshold outlined in the *Ordinance Code*. In regards to the GPS unit and television, the OIG was unable to obtain conclusive evidence as to the value of these items in order to determine if there was a violation of the *Ordinance Code*, or any other governing COJ policy.

Several other ROWSWM employees also testified they had received gifts, as defined in §602.201(q) *Ordinance Code*, from Jax Utilities employees (either lunches and/or gifts from the Jax Utilities Christmas parties). The OIG investigation did not find any evidence that these gifts violated the *Ordinance Code*, or any other governing COJ policy.

In regards to Lawrence interacting in a personal capacity with Jax Utilities employees between approximately 2006 and 2013, the OIG was unable to identify any COJ ordinance or policy which addressed real or perceived conflicts of interest by COJ employees based solely upon their personal relationships with contractors.

Lawrence testified Jax Utilities did not benefit from any personal interactions or transactions he had with Jax Utilities employees. He also testified that Jax Utilities did not receive any benefit as a result of gifts he received with Jax Utilities or its employees. In addition, no one interviewed during this investigation testified that Jax Utilities received a benefit from Lawrence.

CONCLUSION

Allegation 3(a), (refer to page 7), “... *quid pro quo* payments and gifts have been made to another City employee, Louis Lawrence by Jax Utilities Management, Inc.,” was **unsubstantiated**. However, the investigation confirmed that Lawrence maintained a personal relationship with Jax Utilities employees and received gifts while involved with Jax Utilities contracts between approximately 2006 and 2013. The OIG could not substantiate that Lawrence violated any *Ordinance Code* regarding the gifts he had received (i.e. GPS and the television) as the OIG was unable to determine their value.

However, the OIG was unable to locate any sections in the *Ordinance Code* or COJ policies or procedures that specifically addressed conflicts of interest (real or perceived) based upon a COJ employee’s personal relationships (present or past) with individuals doing business with the COJ.

Although, a conflict of interest provision exists within §602.401 through §602.412, *Ordinance Code*, it only relates to conflicts of interest, such as misuse of COJ resources for personal gain and disclosure of financial interests in companies bidding on COJ contracts. This *Ordinance Code* section is not applicable to the circumstances identified during this investigation.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs/Recoverable Funds: \$55,339

Identified Costs is defined as losses from disbursements or activities associated with fraudulent or negligent activity, or mismanagement, which have a substantial likelihood of recovery.

The above-referenced *Identified Costs/Recoverable Funds* figure in the amount of **\$55,339** was derived from a review of invoices associated with Contract Number 8258-14 and Contract 8258-17 and the accompanying *Specification* documents.

Based on a review of available invoices for both Contract Number 8258-14 and Contract Number 8258-17, the OIG determined COJ **overpaid** Site Prep to Jax Utilities in the amount of **\$55,339**, more specifically, an overpayment of **\$41,280** for Contract Number 8258-14 and an overpayment of **\$14,059** for Contract Number 8258-17.

Refer to **Appendices D.2.** and **D.3.**, for a listing of the respective invoices reflecting Site Prep overpayments totaling **\$55,339**.

Questioned Costs: \$86,850

Questioned Costs is defined as costs incurred pursuant to a potential violation of law, regulation

or agency policy; lack of adequate documentation; and/or where the intended purpose is unjustified or unreasonable.

The above-referenced *Questioned Costs* figure in the amount of **\$86,850** was derived from a review of invoices associated with Contract Number 8258-14 and Contract 8258-17 and the accompanying *Specification* documents.

The *Questioned Costs* figure of **\$86,850**, paid to Jax Utilities for Contract Numbers 8258-14 (**\$63,000**) and 8258-17⁸¹ (**\$23,850**), is comprised of MOT questioned payments. The OIG was unable to locate sufficient documentation to verify whether these questioned payments were in accordance with Contract Numbers 8258-14 and 8258-17 and accompanying *Specification* documents.

Refer to **Appendices D.4.** through **D.5.**, for a listing of the Questioned Costs totaling **\$86,850** associated with each of the respective invoices.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends the following corrective actions related to the following allegations:

Allegation 1(a)(b)(c):

1. Ensure relevant ROWSWM employees involved in the review of responsive bids receive training regarding what the COJ deems as an “*unbalanced bid.*”

Allegation 2(a):

2. Establish a ROWSWM policy or procedure requiring documentation of justifications for any exceptions outside of the contract and accompanying bid specifications requirements which *do not* require a contract amendment or change order. Ensure the justification is documented and retained with the invoice or pay application, or alternate location deemed appropriate (e.g., document for any exceptions related to Site Prep, MOT, and Special Pricing).
3. Audit Contract 8258-17 and verify whether any other Site Prep overpayments were made to Jax Utilities. Provide a copy of the results of this audit and respective findings to the OIG. (This investigation only covered a review of **40** invoices related to this particular contact.)
4. As deemed appropriate, recover the **\$55,339** in identified costs, and any subsequently identified overpayments resulting from an audit of Contract 8258-17.

⁸¹ Only 40 invoices for Contract Number 8258-17 were available for review.

5. Ensure relevant ROWSWM employees receive training relating to the review and approval process of invoices or pay applications for future contracts and specifications documents to minimize and/or avoid errors related to overpayments.

Allegation 3(a):

6. Establish a policy or training module for COJ employees, both civil service and appointed, that provides general guidelines regarding COJ employee interactions and relationships with individuals doing business with the COJ, in order to avoid potential conflict of interests, whether real or perceived, especially when dealing with COJ contractors during the pre-award and award phase.

In addition:

7. The OIG also requests that the Administration notify our office of any personnel action taken as a result of this investigative report.

WHISTLE-BLOWER'S COMMENTS

On May 2, 2019, the OIG mailed a copy of the draft Report of Investigation to the Attorney on file for the Whistle-blower via certified mail. The OIG provided the Whistle-blower an opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation, due on or before May 23, 2019. Per the United States Postal Service's Proof of Delivery, the draft Report of Investigation was signed for on May 7, 2019. In addition, the OIG hand-delivered a copy of the draft Report of Investigation to the Whistle-blower on May 3, 2019.

On May 7, 2019, the OIG met with the Attorney and the Whistle-blower to discuss the draft Report of Investigation and matters relating to the investigation. As a result of this meeting, the OIG agreed to further review some of the matters the Whistle-blower raised during the meeting. The matters reviewed by the OIG are addressed in the section below.

On May 22, 2019, the Attorney for the Whistle-blower requested an extension to respond to the draft Report of Investigation. The OIG subsequently granted an extension until close of business on May 31, 2019. On May 31, 2019, a written response was received from the Attorney on file for the Whistle-blower. The response is attached in its entirety to this report.

OIG REVIEW OF WHISTLE-BLOWER'S CONCERNS

Based on the May 7, 2019 meeting referenced above, the OIG reviewed the following two issues: (1) Information provided to potential bidders during the pre-bid meetings for storm sewer replacement and new construction contracts regarding estimated line item quantities versus the final line item quantities used, and (2) compliance with Jacksonville Small Emerging Business (JSEB) requirements.

On June 12, 2019, the OIG met with representatives from the Director's Office, Public Works and ROWSM, regarding the aforementioned issues and learned the following:

In regards to estimated line items provided to potential bidders for Bid Number CS-0477-15, the COJ provide a packet which included some examples of actual quantity estimates and line items for known upcoming projects and provided some examples of actual final quantities used on completed projects. In addition, the COJ provide the prospective bidders with a list of projects performed over the previous years, with the intention to demonstrate to the prospective bidders the number of projects in a typical year. The COJ believed ample information was provided to the prospective bidders.

In regards to compliance with JSEB requirements, moving forward Public Works Department agreed to coordinate closer with the JSEB office to *“develop an executable goal and plan to reach”* the established goal for continuous contracts and *“monitor progress toward JSEB participation goals more closely as work is performed ...”*

JAX UTILITIES MANAGEMENT, INC.'S COMMENTS

On May 2, 2019, the OIG hand delivered a copy of the draft Report of Investigation to the Attorney on file for Jax Utilities Management, Inc. The OIG provided Jax Utilities Management, Inc., as a substantially affected contractor doing business with the COJ, an opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation, due on or before May 23, 2019.

On May 22, 2019, a written response was received from the Attorney on file for Jax Utilities Management, Inc. The response is attached in its entirety to this report.

LAWRENCE'S COMMENTS

On May 2, 2019, the OIG mailed a copy of the draft Report of Investigation via certified mail to Lawrence's residential address on file. The OIG provided Lawrence an opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation, due on or before May 23, 2019. Per the United States Postal Service's Proof of Delivery, the draft Report of Investigation was signed for by Lawrence on May 6, 2019.

On May 20, 2019, the OIG received an e-mail from Lawrence who advised that he would not be providing any comments or a response to the draft Report of Investigation.

MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS

On May 2, 2019, the Chief Administrative Officer, Office of Mayor Curry, City of Jacksonville, Florida, was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this draft Report of Investigation, due on or before May 23, 2019. On May 22, 2019, the Office of Mayor Curry requested an extension, which the OIG granted, until June 6,

2019. On June 4, 2019, a written response was received from the Office of Mayor Curry and is attached in its entirety to this report.

The Office of Mayor Curry agreed with the OIG recommendations. In general, the Administration agreed that ROWSWM employees involved in the procurement process should receive training in several areas to include procurement, billing/invoicing, and conflict of interest. In addition, a new policy for documenting exceptions outside of the contract and bid specifications when the contract does not require an amendment or change order will be established. The Administration conducted an audit of Contract 8258-17 invoices, which identified approximately **\$15,045** in site prep overpayments. The Administration agreed to recover overpayments identified in both the investigation and the audit.

The Administration advised they would notify the OIG of all personnel action taken as a result of this report.

Attachments:

- 1 - Whistle-blower Response, dated May 31, 2019
- 2 - Jax Utilities Management, Inc. Response, dated May 22, 2019
- 3 - Management's Response, dated June 4, 2019

cc: IG Distribution 2015-0005WB

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

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APPENDIX A - FLORIDA STATUTES

A.1. Chapter 112, Public Officers and Employees: General Provisions, specifies in part:

A.1.a. 112.313 Standards of conduct for officers and employees of entities serving as chief administrative officer of political subdivisions. —

(4) Unauthorized Compensation. - No . . . employee of an agency . . . shall, at any time, accept any compensation, payment, or thing of value when such . . . employee . . . knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the . . . employee . . . was expected to participate in his or her official capacity.

A.1.b. 112.313 Standards of conduct for officers and employees of entities serving as chief administrative officer of political subdivisions. —

(6) Misuse of Position.- No . . . employee of an agency . . . shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others.

APPENDIX B – CITY OF JACKSONVILLE ORDINANCE CODE

B.1. Chapter 126, Procurement Code, specifies in part:

B.1.a. Procurement Division - Protest Procedures, 126.106 (e)(7), Protest Hearing Rules and Procedures

(c) Unless otherwise provided by the Code, the burden of proof shall rest with the Protester. The standard of proof for proceedings hereunder shall be whether a Procurement Division recommendation or the decision or intended decision in question was clearly erroneous, arbitrary or capricious, fraudulent, or otherwise without any basis in fact or law.

B.1.b. 126.201, General

(d) General Government Awards Committee

(1) Creation. There is hereby created a General Governmental the Director of Finance and Administration or his designee, who shall act as the GGAC Chairperson, the General Counsel or his designee, and Director of Public Works or his designee . . . A representative of a using agency shall be required to attend meetings of the GGAC at which business affecting the using agency is to be conducted. The representative shall be entitled to be heard but shall have no vote at the meetings . . .

(2) Formal Awards . . . the awarding of formal bids and contracts shall become final only upon approval by: (i) The independent agency when it is the using agency; or (ii) the Mayor or his designee (collectively hereafter referred to as the "Mayor") in all other areas.

(3) Duties. Except in cases where independent agencies are directed by law to award their respective formal bids and contracts, the GGAC shall meet as required for the purpose of: (i) reviewing the recommendations of the Chief or his designee; (ii) awarding formal bids and contracts solicited in accordance with this Part 2; (iii) canceling any solicitation made in accordance with this Part 2 or rejecting any and all bids, in whole or in part, or bids for one or more supplies, contractual services or capital improvements included in the proposed bid when the public or City's interest will best be served thereby; and (iv) waiving minor irregularities as the best interest of the City so dictates.

(e) Bidder's responsibility.

After considering recommendations made by the Chief or his designee and the GGAC, the Mayor, in accordance with Section 126.201(d)(2), hereof, may approve or authorize the GGAC to award formal bids and contracts to the lowest responsive, responsible bidder meeting or exceeding published specifications set forth in the invitation for bids. Prior to making an award hereunder, the Chief and the GGAC shall make a determination as to the responsibility of bidders, which determination shall consider the following factors:

- (1) The ability, capacity, skill and applicable licensing and insurance of the bidder to perform the contract or provide the service required.*
- (2) The capability of the bidder to perform the contract or provide the service promptly or within the time specified without delay or interference.*
- (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder.*
- (4) The quality of performance of previous contracts or services.*
- (5) The previous and existing compliance by the bidder with laws relating to the contract or services.*
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.*
- (7) The quality, availability and adaptability of the supplies, contractual services or capital improvements to the particular use required.*
- (8) The ability of the bidder to provide further maintenance and service for the use of the subject of the contract.*
- (9) The number and scope of the conditions attached to the bid.*
- (10) Whether the bidder has engaged in conduct prohibited by Section 126.201(l)(1), hereof.*
- (11) Where applicable, whether the bidder is prequalified pursuant to the City's requirements.*
- (12) Other information as may be secured by the Chief having a bearing on the decision to award the contract.*

B.1.c. 126.202, Competitive sealed bid

Unless otherwise recommended by the Chief and approved by the GGAC, the formal procurement of supplies, contractual services and capital improvements shall be purchased by formal written contract and/or agreement based upon an award via competitive sealed bid to the lowest, responsive, responsible bidder meeting or exceeding advertised specifications, as recommended by the Chief and determined by the GGAC, after public notice or advertisement of an invitation for bids. No formal purchase order, contract, or agreement

shall be subdivided to avoid the requirements of this Section. The following procedures shall be observed in the award of all formal contract purchases via the Competitive Sealed Bid method of procurement:

(a) Solicitation and public notice or advertisement. The Chief shall solicit bids from responsible bidders . . . The solicitation shall contain a detailed description of the services sought, the time and date for the receipt of responses and of the public opening, and all contractual terms and conditions applicable to the procurement, including the criteria to be used in evaluating responsiveness and responsibility. The solicitation shall contain a description of any renewal(s) contemplated in the underlying contract, and shall require responses thereto to include a price for each renewal year for which the contract may be renewed. Evaluation of responses shall include, in addition to other criteria described in the solicitation, consideration of the proposed total cost for each renewal year. Renewals shall be contingent upon satisfactory performance evaluations by the using agency in question, in concert with the Division and shall be subject to approval by the GGAC and to the availability of appropriated funds. Criteria that are not set forth in the solicitation may not be used in evaluating responses.

(e) Award. Consistent with the requirements of Section 126.201(d), awards shall be made with reasonable promptness by written notification to the lowest, responsive, responsible bidder, as recommended by the Chief and the GGAC Awards Committee and approval by the Mayor, subject to Section 126.201(d)(2) hereof, in accordance with only those objectively measurable evaluation criteria or factors set forth in the solicitation. Written notification will also be given to each unsuccessful bidder. An award or decision, recommendation, or action of the Chief or GGAC under this Section may be protested, in accordance with the Division's Protest Procedures, by those adversely affected thereby and who: (i) have standing to do so under Florida law; and (ii) have properly and timely complied with the requirements of the protest procedures established by the Chief that are in existence at the time of bid opening.

B.2. Chapter 602, Jacksonville Ethics Code, specifies in part:

B.2.a. 602.201, Definitions

(q) Gift

(1) Gift means that which is accepted by a donee or by another on the donee's behalf, or that which is paid or given to another for or on behalf of a donee, directly, indirectly, or in trust for his or her benefit or by any other means, for which equal or greater consideration is not given. Among other things, a gift may be:

- (i) Real property;*
- (ii) The use of property;*
- (iii) Tangible or intangible personal property;*
- (iv) The use of tangible or intangible personal property;*
- (v) A preferential rate or terms on a debt, loan, goods, or services, which rate is below the customary rate and is not either a government rate available to all other similar situated government employees or officials or a rate which is available to similarly situated members of the public by virtue of occupation, affiliation, age, religion, sex, or national origin;*
- (vi) Forgiveness of indebtedness;*
- (vii) Transportation, other than that provided to a public officer or employee by an agency in relation to officially approved governmental business, lodging or parking;*
- (viii) Food or beverage;*
- (ix) Membership dues;*
- (x) Entrance fees, admission fees, or tickets to events, performance or facilities;*
- (xi) Plants, flowers, or floral arrangements;*
- (xii) Services provided by persons pursuant to a professional license or certificate;*
- (xiii) Other personal services for which a fee is normally charged by the person providing the services;*
- (xiv) Any other similar service or thing having an attributable value not already provided for in this Section.*

B.2.b. 602.401, Misuse of position, information, etc.

- (a) It is a violation of this Chapter for an officer or employee of the City or an independent agency to intentionally use his or her official position to secure, by coercion or threat, a special privilege or exemption for himself, herself or others . . .*

B.2.c. 602.701, Prohibited receipt of gifts

(a) No officer or employee of the City or of an independent agency, or any other person on his or her behalf, shall knowingly accept, directly or indirectly, any one gift with a value greater than \$100 or an accumulation of gifts in any one calendar year that exceeds \$250 from any person or business entity that the recipient knows is:

(3) A person or business entity which is doing business with, or has made written application within the previous six months, to do business with an agency of which he or she is an officer or employee;

For purposes of the \$250 annual accumulation of gifts, gifts of food and beverage not exceeding \$25 on any given day shall not be included.

(b) No officer or employee of the City or of an independent agency, or any other person on his or her behalf, shall knowingly accept, directly or indirectly, any one gift with a value greater than \$100, or an accumulation of gifts in any one calendar year that exceeds \$250 dollars, from any person or business entity, when the gift is given as a result of the officer or employee's official position, or as a result of the business relationship developed as a result of the officer or employee's position or employment. For purposes of the \$250 annual accumulation of gifts, gifts of food and beverage not exceeding \$25 on any given day shall not be included.

B.2.d. 602.702, Prohibited offering of gifts

It is a violation of this Chapter for . . . any person or entity listed in Section 602.701, to knowingly offer a gift to an officer or employee of the City or an independent agency which would cause a violation of Section 602.701 if accepted.

B.2.e. 602.703, Receipt or charge of commissions or gifts for official transactions

(a) It shall be a violation of this Chapter for an officer or employee of the City or an independent agency to charge, be the beneficiary of or receive, directly or indirectly, any fee, commission, gift, gratuity, loan or other consideration for or in connection with any transaction or business done, performed or rendered in the course of his or her official duties and responsibilities. This prohibition is not intended to prohibit inconsequential food or flower gifts delivered to the worksite at holidays, or in appreciation for courtesy and efficiency.

(d) An employee who receives a gift under circumstances which are unauthorized in accordance with this Section, shall return the gift to the sender. If the gift is of food or flowers wherein it is infeasible to return, shall place the gift in a location wherein it can be enjoyed by a larger group of employees or donated to an appropriate non-profit organization in the name of the sender, with notice thereof to the donor. An employee handling a gift in accordance with this subsection shall not be deemed as having committed a violation.

APPENDIX C – CITY OF JACKSONVILLE POLICIES, PROCEDURES, AND OTHER RELATED DOCUMENTS

C.1. City of Jacksonville Procurement Manual, effective March 2017, specifies in part:

C.1.a. Section VII Formal Purchases, specifies in part:

B. GGAC Process

(1) Competitive Sealed Bid – the formal procurement of supplies, contractual services and capital improvements shall be purchased by formal written contract and/or agreement, based upon an award via competitive sealed bid to the lowest, responsive, responsible bidder meeting or exceeding advertised specifications, as recommended by the using agency and the Chief of Procurement, and as recommended and/or approved by the GGAC . . . Using agencies are required to develop and submit detailed specifications outlining the goods/services that are needed, as well as making recommendations for unbundling and setting aside scopes of work and other JSEB considerations. Each specification shall be prepared to allow for a competitive environment while fully meeting the needs of the City.

C.2. Bid Number CS-0594-12 Specifications, specifies in part::

C.2.a Section 2, Instructions to Bidders for the City of Jacksonville, Florida

2.12.1 The City reserves the right to reject any or all bids, with or without cause.

2.12.2 Bids in which the prices are obviously unbalanced are subject to rejection. The City shall not be liable to the Contractor for failure to reject or notify the Bidder of any unbalanced bid.

C.2.b. Section 3, Proposal

3.A. The bid schedule contains annual estimated quantities for each bid item. The City makes no promise that all of these quantities will be used. In fact, many of these items may

not be used. Some items will be used more than estimated. The purpose of the bid schedule is to provide the City with a “shopping list” of work that may be required to correct drainage deficiencies.

C.2.c. Section 20, General Conditions

20.34.2.2 In the absence of applicable unit prices in the Contract Documents...may be negotiated between the CITY and CONTRACTOR...

C.2.d. Section 31, Special Conditions

31.14.7 The Contractor shall submit a separate invoice per project site for the earned amount. The invoices shall include the following:

- *Company Letterhead*
- *Original Signature*
- *PO Number*
- *Date Invoiced*
- *Contract and Bid Number*
- *Site Location*
- *Itemized Quantities*
- *Certification Statement*
- *Change Order Documentation*
- *Project Records*
- *JSEB Form*

31.26.1 Site Preparation shall consist of the Contractor performing all preparatory work and operations required to ready the project site for the construction to be accomplished.

31.26.3 Payment for Site Preparation shall be made at the respective Contract Unit Price and be full compensation for all work required in this section. The selection of which Contract Unit Price to be used and paid for shall be determined by the estimated/final construction cost excluding any cost for site preparation, mobilization or traffic maintenance. If partial payments are requested, the funds due for this item will be prorated based on the estimated percentage of contract work accomplished.

31.27.1 Maintenance of Traffic (MOT) shall consist of the Contractor performing all work and operations required to maintain vehicular, pedestrian and bicycle traffic along with property access during construction.

31.27.5 *The Contract Unit Price(s) shall only be used in conjunction with project sites where work is performed on residential collector, collector, arterial or other major roadway and shall not be used when work is performed on residential or local streets or within easements or City property . . . No separate payment for MOT on project sites not requiring a formal design plan shall be made. These costs shall be included in the line item payments made for the actual work completed.*

31.27.7 *Payment for Maintenance of Traffic (MOT) on project sites that require a formal design plan shall be made at the respective Contract Unit Price per each MOT designed, approved, maintained and accomplished. The selection of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure required to accomplish the work. In the event of there being more than one type of MOT required, the substantial line item payment will be used and paid for.*

C.3. Contract Number 8258-14 between City of Jacksonville and Jax Utilities

C.3.a. Contract Number 8258-14

2. *The Contractor will, at its own cost and expense, do the work required to be done and furnish the materials required to be furnished on said work in accordance with plans and specifications prepared by Department of Public Works, Right of Way and Grounds Maintenance, bid numbered CS-0594-12, bid date August 8, 2012, designated as SPECIFICATIONS FOR STORM SEWER REPLACEMENT AND NEW CONSTRUCTION, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of the said Contractor, and award therefor . . .all of which are hereby specifically made a part hereof by reference to the same extent as if fully set out herein . . .*

6. *The period service for this Contract shall be from the date of execution hereof until September 30, 2013, with two (2), one (1) year renewable options exercisable in the discretion of the City.*

C.3.b. Amendment #1

2. *Section of said Contract . . . for the service period October 1, 2013 through September 30, 2014 . . . as amended shall read as follows:*

3. *The Contractor will, at its own cost and expense, do the work required to be done and furnish the materials required to be furnished on said work in accordance with plans and specifications prepared by Department of Public Works, Right of Way and Grounds Maintenance, bid numbered CS-0594-12, bid date August 8, 2012, designated as SPECIFICATIONS FOR STORM SEWER REPLACEMENT AND NEW CONSTRUCTION, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of the said Contractor, and award therefor . . .all of which are hereby specifically made a part hereof by reference to the same extent as if fully set out herein . . .*

C.3.c. Amendment #2

2. *Section of said Contract . . . for the service period October 1, 2014 through September 30, 2015 . . . as amended shall read as follows:*

3. *The Contractor will, at its own cost and expense, do the work required to be done and furnish the materials required to be furnished on said work in accordance with plans and specifications prepared by Department of Public Works, Right of Way and Grounds Maintenance, bid numbered CS-0594-12, bid date August 8, 2012, designated as SPECIFICATIONS FOR STORM SEWER REPLACEMENT AND NEW CONSTRUCTION, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of the said Contractor, and award therefor . . .all of which are hereby specifically made a part hereof by reference to the same extent as if fully set out herein . .*

C.4. Bid Number CS-0477-15 Specifications, specifies in part:**C.4.a Section 1, Invitation to Bid**

Project Specific Qualifications: The Bidder/Contractor and named Subcontractor shall be companies located on Duval or a surrounding county and meet the following license, experience and equipment requirements:

- *The Bidder/Contractor and named Subcontractor shall currently hold and each have a minimum of five (5) consecutive yrs. experience as a certified General contractor or Underground Utility and Excavation contractor in accordance with Florida Statue [sic], Chapter 489.*
- *The Bidder/Contractor and named Subcontractor in combination shall have successfully completed prior storm sewer and roadway maintenance/construction project(s) with contract amounts of at least \$20K each, totaling at least \$500K annually and totaling at least \$3.5 million during the required five (5) consecutive yrs. experience. The Bidder/Contractor shall have successfully completed a minimum of 75% of the projects and the named Subcontractor shall have successfully completed a maximum of 25%. The contract's scope of work must have included substantial storm sewer pipe and structure installation.*

C.4.b. Section 2, Instruction to Bidders for the City of Jacksonville, Florida

2.12.1 *The City reserves the right to reject any or all bids, with or without cause.*

2.12.2 Bids in which the prices are obviously unbalanced are subject to rejection. The City shall not be liable to the Contractor for failure to reject or notify the Bidder of any unbalanced bid.

C.4.c. Section 3, Proposal

3.A. Unit prices for all progressive items shall reflect a consistent price escalation, though the amount may differ. Proposals in which the prices are obviously unbalanced will be rejected . . . The bid schedule contains annual estimated quantities for each bid item. The City makes no promise that all of these quantities will be used. In fact, many of these items may not be used. Some items will be used more than estimated. The purpose of the bid schedule is to provide the City with a “shopping list” of work that may be required to correct drainage deficiencies. Except as defined in the Specifications, no one item is contingent upon another.

C.4.d. Section 20, General Conditions

20.34.2.2 In the absence of applicable unit prices in the Contract Documents...may be negotiated between the CITY and CONTRACTOR...

C.4.e. Section 31, Special Conditions

31.14.7 The Contractor shall submit a separate invoice per project site for the earned amount. The invoices shall include the following:

- *Company Letterhead*
- *Original Signature*
- *PO Number*
- *Date Invoiced*
- *Contract and Bid Number*
- *Site Location included Street Name and Number*
- *Itemized Quantities*
- *Certification Statement*
- *Change Order Documentation*
- *Project Records*
- *JSEB Form*

31.26.1 Site Preparation shall consist of the Contractor performing all preparatory work and operations required to ready the project site for the construction to be accomplished.

31.26.3 *Payment for Site Preparation shall be made at the respective Contract Unit Price and be full compensation for all work required in this section. The selection of which Contract Unit Price to be used and paid for shall be determined by the estimated/final construction cost excluding any cost for site preparation, mobilization or traffic maintenance. If partial payments are requested, the funds due for this item will be prorated based on the estimated percentage of contract work accomplished.*

31.27.1 *Maintenance of Traffic (MOT) shall consist of the Contractor performing all work and operations required to maintain vehicular, pedestrian and bicycle traffic along with property access during construction.*

31.27.3 *All costs associated with maintenance of traffic [sic] (MOT) on residential or local streets, within easements or City property shall be included in the applicable contract unit price(s) authorized and paid to construct the project.*

31.27.6 *There are four (4) Contract Unit Prices that cover MOT for project sites that require a formal design plan. The selection of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure required to accomplish the work. These items will only be used in conjunction with project sites where work is performed on residential collector, collector, arterial or other major roadway. These items will not be used when work is performed on residential or local streets or within easements or City property except when a designed traffic plan is required by the Traffic Engineer. If construction MOT plans are not provided, the defined road description and selection of which Contract Unit Price(s) to be used and paid for (or not paid) on a project site shall be estimated and agreed upon by the Contractor and the representative of Right of Way and Stormwater Maintenance Division at the project site meeting described in Section 31.7.1. When the Contractor and the representative of Right of Way and Stormwater Maintenance Division failed to agree upon the Contract Unit Price to be used and paid for (or not pay [sic]), the City Traffic Engineer defined road description and MOT requirements shall take precedence.*

31.27.7 *The Contract Unit Price(s) for each Maintenance of Traffic (MOT) is to be based on an expected \$100K total project cost minus MOT costs. For each \$100,000.00 incremental increase of project cost minus MOT costs an additional Maintenance of Traffic contract unit price payment will be allowed. When only one MOT line item payment is allowed and one or more than one type of MOT is performed the substantial MOT contract unit price will be paid. In the event an additional MOT contract unit price payment is allowed and one or more than one type of MOT is performed the substantial plus the less substantial shall be paid.*

31.27.8 *Payment for MOT shall be made at the respective Contract Unit Price for each MOT authorized, designed, approved, maintained and accomplished. The selection(s) of which Contract Unit Price to be used and paid for shall be determined by the number of lanes and directions or closure required to accomplish the work.*

C.5. Contract Number 8258-17 between the City of Jacksonville and Jax Utilities

C.5.a. Contract Number 8258-17

2. *Contractor will, at its own cost and expense, do the work required to be done on said Project and, if asked by the City, furnish the materials required to be furnished on said Project in accordance with plans and specifications prepared by the Right of way and Stormwater Maintenance Division of the City of Jacksonville Department of Public Works entitled Specifications for Storm Sewer Replacement and New Construction, City of Jacksonville Bid Number CS-0477-15, Bid Date July 22, 2015, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of said Contractor, and award therefor . . .all of which are hereby specifically made a part hereof and incorporated herein by this reference to the same extent as if fully set out herein . . .*

4. *The period of service of this Contract will commence upon execution of the Contract and continue in full force and effect until September 30, 2016 . . .*

5. *This contract may be renewed for up to two (2) periods of one (1) year each in the sole discretion of the Owner.*

C.5.b. Amendment #1

2. *Section 2 of said Agreement . . . for the period of service from October 1, 2016 through September 30, 2017 . . . as amended shall read as follows:*

2. *Contractor will, at its own cost and expense, do the work required to be done on said Project and, if asked by the City, furnish the materials required to be furnished on said Project in accordance with plans and specifications prepared by the Right of way and Stormwater Maintenance Division of the City of Jacksonville Department of Public Works entitled Specifications for Storm Sewer Replacement and New Construction, City of Jacksonville Bid Number CS-0477-15, Bid Date July 22, 2015, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of said Contractor, and award therefor . . .all of which are hereby*

specifically made a part hereof and incorporated herein by this reference to the same extent as if fully set out herein . . .

C.5.c. Amendment #2

2. *Section 2 of said Agreement . . . for the period of service from October 1, 2017 through September 30, 2018 . . . as amended shall read as follows:*

2. Contractor will, at its own cost and expense, do the work required to be done on said Project and, if asked by the City, furnish the materials required to be furnished on said Project in accordance with plans and specifications prepared by the Right of way and Stormwater Maintenance Division of the City of Jacksonville Department of Public Works entitled Specifications for Storm Sewer Replacement and New Construction, City of Jacksonville Bid Number CS-0477-15, Bid Date July 22, 2015, and strictly in accordance with the advertisement calling for bids, plans, specifications, blueprints, addenda, requirements of the City of Jacksonville, proposal of said Contractor, and award therefor . . .all of which are hereby specifically made a part hereof and incorporated herein by this reference to the same extent as if fully set out herein . . .

APPENDIX D- SUPPORTING DOCUMENTATION AND TABLES

D.1. Testimony Reference Charts

City of Jacksonville Employees		
ROWSW Employees		
Name	Position Title	Report Reference
William “Louis” Lawrence	Public Works Contract Construction Manager	Lawrence
Jeff Beck	Division Chief	Former ROWSW Chief 1
Lawrence “Larry” Bocchieri	Project Inspector	Project Inspector 1
Mary Dill-Maxey	Engineering Technician Senior	Engineering Technician Senior
Stephen “Rusty” Gayton	Project Inspector	Former Project Inspector 1
Josh Jones	Project Inspector	Project Inspector 2
Danita Lee	Executive Secretary	ROWSW Secretary
Steve Long	Division Chief	ROWSW Chief
Teresa Otto	Contract Administration Coordinator	Contract Administration Coordinator
John Riggan	Project Inspector	Former Project Inspector 2
Lawrence “Terry” Thierault	Division Chief	Former ROWSW Chief 2
Clyde Tompkins	Project Inspector	Former Project Inspector 3
Clarence Wester	Project Inspector	Project Inspector 3

Continued on Next Page ...

Robert Young	Engineering Technician Principal	Engineering Technician Principal
Procurement Employees		
Name	Position Title	Report Reference
Marilyn Laidler	Purchasing Analyst, Procurement	Purchasing Analyst
Greg Pease	Division Chief, Procurement	Procurement Chief

Jax Utilities Employees		
Name	Position Title	Report Reference
Charles Freshwater	Vice President, Jax Utilities	Jax Utilities Vice President
Anne-Marie James	Bookkeeper, Jax Utilities	Jax Utilities Bookkeeper
Chris Newton	General Superintendent, Jax Utilities	Jax Utilities General Superintendent
Donald "Bryant" Poston	Former General Superintendent, Jax Utilities	Former Jax Utilities General Superintendent

Other Individuals		
Name	Position Title	Report Reference
Scott Delano	Not Applicable	Lawrence's Friend
Brad Parrish	President, Big Pasture Hunt Club	BPHC President

D.2. Contract Number 8258-14 Site Prep Invoices

Contract Number 8258-14 Incorrect Site Prep Payments					
Purchase Order Number	Final Project Cost E-mail Preparer	Invoiced Site Prep	OIG Calculated Site Prep	OIG Adjustment	Reviewer Signature
303181:1	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:4	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:7	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:12	Former Project Inspector I	\$ 8,220.00	\$ 6,946.00	\$ 1,274.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:15	Former Project Inspector I	\$ 7,700.00	\$ 6,946.00	\$ 754.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:20	Former Project Inspector I	\$ 6,946.00	\$ 7,700.00	\$ (754.00)	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:21	Former Project Inspector I	\$ 6,946.00	\$ 6,900.00	\$ 46.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:24	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:25	Former Project Inspector I	\$ 7,700.00	\$ 5,800.00	\$ 1,900.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:27	Former Project Inspector I	\$ 8,220.00	\$ 7,700.00	\$ 520.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:28	Former Project Inspector I	\$ 6,946.00	\$ 7,700.00	\$ (754.00)	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:29	Former Project Inspector I Lawrence	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Not Applicable* 2 Not Applicable 3 Not Applicable

Contract Number 8258-14 Incorrect Site Prep Payments					
Purchase Order Number	Final Project Cost E-mail Preparer	Invoiced Site Prep	OIG Calculated Site Prep	OIG Adjustment	Reviewer Signature
303181:31	Former Project Inspector I Lawrence	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:32	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:33	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:35	Former Project Inspector I	\$ 7,700.00	\$ 5,800.00	\$ 1,900.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:37	Former Project Inspector I	\$ 7,700.00	\$ 6,946.00	\$ 754.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Engineering Technician Principle 3 Lawrence**
303181:38	Former Project Inspector I	\$ 6,946.00	\$ 7,700.00	\$ (754.00)	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:39	Engineering Technician Senior	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:40	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:41	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:42	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:45	Lawrence	\$ 5,800.00	\$ 6,900.00	\$ (1,100.00)	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:46	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:53	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Engineering Technician Principle

Contract Number 8258-14 Incorrect Site Prep Payments					
Purchase Order Number	Final Project Cost E-mail Preparer	Invoiced Site Prep	OIG Calculated Site Prep	OIG Adjustment	Reviewer Signature
303181:54	Former Project Inspector I	\$ 7,700.00	\$ 5,800.00	\$ 1,900.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:56	Former Project Inspector I	\$ 7,700.00	\$ 5,800.00	\$ 1,900.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:57	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:58	Former Project Inspector I	\$ 6,946.00	\$ 7,700.00	\$ (754.00)	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:59	Former Project Inspector I	\$ 5,900.00	\$ 100.00	\$ 5,800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:60	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:61	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:62	Former Project Inspector I	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:65	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:72	Former Project Inspector I	\$ 8,220.00	\$ 6,946.00	\$ 1,274.00	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence
303181:73	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence
303181:80	Former Project Inspector I	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence
303181:87	Former Project Inspector III	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle

Contract Number 8258-14 Incorrect Site Prep Payments					
Purchase Order Number	Final Project Cost E-mail Preparer	Invoiced Site Prep	OIG Calculated Site Prep	OIG Adjustment	Reviewer Signature
303181:90	Former Project Inspector III	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:92	Former Project Inspector II	\$ 7,700.00	\$ 5,800.00	\$ 1,900.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:94	Former Project Inspector II	\$ 6,900.00	\$ 7,700.00	\$ (800.00)	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:99	Former Project Inspector III	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:100	Former Project Inspector III	\$ 8,220.00	\$ 6,946.00	\$ 1,274.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:102	Former Project Inspector III	\$ 6,900.00	\$ 5,800.00	\$ 1,100.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
303181:106	Former Project Inspector III	\$ 7,700.00	\$ 6,900.00	\$ 800.00	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
Grand Total		\$329,110.00	\$ 287,830.00	\$ 41,280.00	

*There were no signatures on the copy of the relevant invoice obtained by the OIG.

**PO 303181:37 was partially billed – the Engineering Technician Principle signed the first invoice and Lawrence signed the second invoice.

D.3. Contract Number 8258-17 Site Prep Invoices

Contract Number 8258-17 Incorrect Site Prep Payments					
Purchase Order Number	Final Project Cost E-mail Preparer	Invoiced Site Prep	OIG Calculated Site Prep	OIG Adjustment	Reviewer Signature
600458:5	Former Project Inspector III	\$ 5,833.95	\$ 4,333.90	\$ 1,500.05	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:9	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:10	Former Project Inspector III	\$ 6,839.05	\$ 3,569.15	\$ 3,269.90	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:20	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:21	Former Project Inspector III	\$ 5,833.95	\$ 4,333.90	\$ 1,500.05	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:24	Former Project Inspector III	\$ 8,528.15	\$ 6,545.50	\$ 1,982.65	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:26	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:28	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:29	Former Project Inspector III	\$ 5,833.95	\$ 4,333.90	\$ 1,500.05	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:31	Former Project Inspector III	\$ 5,833.95	\$ 4,333.90	\$ 1,500.05	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence
600458:32	Former Project Inspector III	\$ 6,545.50	\$ 5,833.95	\$ 711.55	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence
600458:35	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle
600458:38	Lawrence	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence
600458:39	Former Project Inspector III	\$ 3,569.15	\$ 3,269.90	\$ 299.25	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence
Grand Total		\$ 70,232.55	\$ 56,173.50	\$ 14,059.05	

D.4. Contract Number 8258-14 MOT Invoices

Contract Number 8258-14 MOT Questioned Costs			
Purchase Order Number	Reviewer Signature	GIS Road Type	OIG Questioned Costs
303181:2	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 9,000.00
313181:4	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Local	\$ 500.00
313181:6	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
313181:10	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:13	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential or Local	\$ 500.00
303181:15	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00
303181:16	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Local	\$ 500.00
303181:17	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:20	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:21	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 500.00

Contract Number 8258-14 MOT Questioned Costs			
Purchase Order Number	Reviewer Signature	GIS Road Type	OIG Questioned Costs
303181:29	1 Not Applicable 2 Not Applicable 3 Not Applicable	Residential	\$ 1,000.00
303181:35	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Local	\$ 500.00
303181:44	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Local	\$ 13,500.00
303181:48	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:58	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00
303181:61	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:67	1 Former Project Inspector 1 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00
303181:70	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00
303181:71	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00
303181:78	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 4,500.00

Contract Number 8258-14 MOT Questioned Costs			
Purchase Order Number	Reviewer Signature	GIS Road Type	OIG Questioned Costs
303181:85	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 500.00
303181:86	1 Project Inspector 2 2 Engineering Technician Senior 3 Lawrence	Local	\$ 500.00
303181:90	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Local	\$ 500.00
303181:95	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Local	\$ 500.00
303181:98	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 500.00
303181:99	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 4,500.00
Grand Total			\$ 63,000.00

*Bill was partially paid

D.5. Contract Number 8258-17 MOT Invoices

Contract Number 8258-17 MOT Questioned Costs			
Purchase Order Number	Reviewer Signature	GIS Road Type	OIG Questioned Costs
600458:6	1 Former Project Inspector 3 2 Not Applicable 3 Lawrence	Residential	\$ 1,990.25
600458:8	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 1,990.25
600458:19	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 5,961.25
600458:26	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Local**	\$ 1,990.25
600458:28	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Engineering Technician Principle	Residential	\$ 1,990.25
600458:130	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 7,942.00
600458:38	1 Former Project Inspector 3 2 Engineering Technician Senior 3 Lawrence	Residential	\$ 1,985.50
Grand Total			\$ 23,849.75

**Traffic Engineering was unable to locate the exact address listed on PO 600458:26 and instead used an adjacent address

AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560
www.ausley.com

May 31, 2019

Via U.S. Mail and Electronic Mail

Attn: Lisa A. Green, Inspector General
Office of Inspector General
P.O. Box 43586
Jacksonville, Florida 32203
Email: InspectorGeneral@coj.net

Re: Draft Report of Inspector General Investigation 2015-0005WB
Comments of Designated Whistleblowers

Dear Ms. Green:

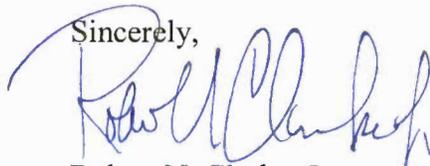
Our law firm represents the persons who were designated by your office as Whistleblowers in July 2015 (the "Whistleblowers") in regard to Inspector General Investigation 2015-0005WB. We are in receipt of the Inspector General's Draft Report of this investigation dated May 2, 2019 (the "IG Report"). By agreement, you have given our clients until May 31, 2019, to comment on the IG Report. These comments are timely submitted.

The Whistleblowers report that they are ready and willing to cooperate with the Office of Inspector General and the City of Jacksonville to implement any and all Recommended Corrective Actions that appear in the final report. The Whistleblowers believe that the resolution of the issues discussed in the report are important and are certainly in the best interest of the City and the City taxpayers.

The Whistleblowers appreciate the effort that the Office of Inspector General has put forth to investigate the issues.

If any additional information is needed to complete the investigation, please let us know. Thank you for your attention to these matters.

Sincerely,



Robert N. Clarke, Jr.

Ausley McMullen

FORD, MILLER & WAINER, P.A.

ATTORNEYS AT LAW

REPLY TO: 1835 THIRD STREET NORTH
JACKSONVILLE BEACH, FL 32250-7469

1835 THIRD STREET NORTH
JACKSONVILLE BEACH, FL 32250-7469
TELEPHONE (904) 390-1970
FACSIMILE (904) 390-1975

May 22, 2019

VIA EMAIL & US MAIL

Lisa Green
Inspector General
P.O. Box 43586
Jacksonville, FL 32203
InspectorGeneral@COJ.net

P. CAMPBELL FORD
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MARK R. MILLER
mmiller@fordmiller.com

**RE: James Hoffman v. Jax Utilities Management, Inc., et al;
Case Number: 2017-CA-4447**

Dear Ms. Green:

As you are aware, I represent Jax Utilities Management, Inc. ("JUM"). Please accept this letter as my client's response to the DRAFT Report of Investigation created by the Office of Inspector General City of Jacksonville ("OIG").

PRELIMINARY STATEMENT

While JUM fully appreciates the need for oversight of Public Works contracts, it is apparent from the report that the "whistleblower" who made the complaint that began this investigation was not a City of Jacksonville employee with a legitimate concern that the taxpayers were being fleeced. Rather, it was a competitor of JUM upset that it was not the successful bidder on a number of City of Jacksonville contracts. This competitor filed this complaint in order to weaponize the OIG against JUM.

While the complaint was filed in 2015, JUM was not notified until March 2017. For the last two (2) years, this matter has been hanging over JUM like a dark cloud and JUM has spent tens of thousands of dollars protecting its name and constitutional rights. In the beginning of this matter, the OIG indicated that JUM was the target of an investigation but refused to provide any details as to specific allegations or the identity of the accuser. Instead, the OIG requested that JUM and its employees blindly walk into interviews where they were not even told the purpose or subject of the interview. This was extremely troubling given that the OIG is required to alert "appropriate law enforcement agencies" if the OIG "suspects a possible violation of any state, federal or local law". City Ordinance Section 602303 (j). Given the results of the investigation, JUM did nothing improper, and that any overpayments to JUM are far outweighed by underpayments to JUM, one has to believe that there must be a better procedure for determining whether an investigation should move forward, particularly when it was begun by a party seeking to harm a competitor, not benefit the taxpayers.

ALLEGATION OF PREFERENTIAL TREATMENT

Any investigation into this allegation could have been legitimately stopped when it was found that the bid protests filed by the complainant/competitor were denied unanimously.¹ There is no allegation that the City of Jacksonville (the "City") suffered any loss or harm as a result of JUM receiving the City contracts. In fact, with JUM, the City gets the highest quality work at the lowest possible price. The report fails to explain that the contracts awarded to JUM as a result of being the low bidder were for continuing maintenance of certain City assets. In order to fulfill the contract, JUM is called to the site of the problem, does the maintenance work, and invoices the City based on the agreed-upon scope and contracted line-item prices. In a contract such as this, there is no "mobilization" line item commonly used by contractors to "frontload" or "unbalance" their contracts to get more money up front and shifting risk to the City/owner. There is no explanation by the accuser or the OIG as to how JUM's bids were "unbalanced" or how an "unbalanced" bid in a continuing maintenance contract such as were discussed in the report, could harm the City.

In order to substantiate the "unbalanced bid" for bid # CS-0594-12, the OIG focused on 13-unit prices out of 250 and 18-line items out of a bid proposal containing 250-line items. For bid # CS-0477-15, the investigation focused on 0-unit prices out of 263 total and 16-line items out of 263 for the whole bid. Out of 1,026 unit-prices and line items in the two contracts, less than 5% were anything approaching the anyone's definition of "unbalanced". Still, when advised of the apparent issue with the pricing, JUM affirmed that it would do the work or supply the items as they were bid. In short, JUM was going to honor its word and the taxpayers were going to be the beneficiaries.

Also, as to the changes in the bid requirements, there was no allegation that the bid requirements were tailored in such a way as to cause JUM to be the only potential bidder. The changes in the requirements reflected that the City believed that it could be choosier in its bidding process. Again, this should allow the taxpayers to get the best work for the best price. While JUM appreciates that the result of the investigation is a finding that the favoritism allegations were unsubstantiated, JUM believes that the process should have been much shorter and less expensive for both it and the taxpayers.

ALLEGATION OF OVERPAYMENTS

Again, this investigation could have been short-circuited if the City had merely informed JUM of the alleged overpayments. As the investigation found, JUM's invoices were based on numbers provided and approved by the City. There is no intent by JUM to overcharge the City.

Contract number 8258-14 was a for three years (3) with an annual value of \$ 1,667,467.00 and a total value of \$5,002,401. Contract number 8258-17 was for three (3) years with an annual

¹ In rejecting the bid protest, the protester, who now complains of an "unbalanced bid", copied and used a previous successful bid by JUM, including the "unbalanced" items, and merely reduced the prices by 10% across the board. The bid protest was not that JUM's successful bid was "unbalanced".

value of \$2,500,000 and a total value of \$7,500,000. On contracts with a total value of \$12,502,401, the OIG found a net overpayment on site prep line items in the amount of \$55,339, or less than ½ of 1%. After being blindsided with the allegation of overpayments in the interview with JUM's vice-president, JUM conducted a full audit of all line items for these two contracts and has determined that it has been *underpaid* in the amount of \$163,102.65.

Regarding the maintenance of traffic (MOT) payments, the report fails to explain to the public what is involved in this line item. MOT is all about safety and is a point of emphasis for the City. MOT includes "Workers Present" signage, lane closure, manpower to manage traffic disruptions and other efforts to ensure the safety of the workers, pedestrians and motorists around the work site. Busier roads, as identified by various independent sources, obviously require MOT. However, the City wisely allows its job supervisors to use common sense to independently judge whether MOT should be required on other, less-busy, roads depending on the nature of the work being performed. This is for the safety of those doing the work, including JUM employees, and those affected by the work. For example, if there is a school bus stop near where work is being performed, it might make sense to allow MOT in order to stop the traffic and protect children as they go to or from the bus stop. Without a basic understanding of MOT, the report appears to conclude that JUM improperly cajoled gullible City employees into authorizing unnecessary payments in excess of \$80,000. The conclusion does not paint an accurate picture of the interaction between JUM and the City employees. The report seems to suggest that there must be a paper trail of an explanation for any MOT that is not on a pre-approved road. This suggestion risks burying already overstretched City employees with additional paperwork to justify what seems to be common sense. It is the position of JUM that the City should either continue to allow its employees to use their judgment on a case-by-case basis or, in the alternative, pay for MOT for every job in order to avoid confusion.

ALLEGATION OF IMPROPER RELATIONSHIPS

Regarding the allegation that improper relationships existed between City employees and JUM, JUM appreciates the OIG's diligence in drilling down into the minutiae of any relationship that a JUM employee may have had with a City employee. However, the angle taken by the OIG, necessitated by the allegation made by a JUM competitor, seems to assume that any relationship between a City employee and a JUM employee might give rise to an improper relationship. This angle fails to consider that City employees and employees of City contractors, including JUM, work closely together on a daily basis. Given this, JUM believes that good relationships between contractors and City employees would be a positive as it facilitates working conditions and efficiency which save the taxpayers' money in the short and long term.

Regarding the Christmas lunches, the "local golf club" at which JUM held its Christmas parties for its employees is located in Yulee, Florida and charged less than \$30 per round of golf. If the JUM employees are not on the job because they are at the Christmas lunch, there is nothing for the City employees to inspect and no one with whom to interact. It only makes sense that City employees would be invited to the party. Again, JUM is concerned that an "us v. them" mentality

Lisa Green
May 22, 2019
Page 4

may arise between the City employees and contractors if, as a result of this and further investigations, such interaction as occurred here is discouraged.

CONCLUSION

On the whole, JUM does not believe that the OIG failed to do its job or somehow performed its task improperly. However, JUM believes that it and the taxpayers could have saved a lot of money if complaints by jilted competitors were not given the same credence as a whistleblower on the inside of the City contracting process. JUM looks forward to working with the City regarding the under and overpayments and resolving that matter quickly. Should you need any a further information from my client or my office, please do not hesitate to contact me.

Sincerely,



David S. Wainer, III

DSW/amb



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

DATE: June 4, 2019
TO: Lisa Green, Inspector General
FROM: Sam E. Mousa, Chief Administrative Officer 
SUBJECT: DRAFT Report of Investigation Number 2015-0005WB

The subject report was reviewed by the Public Works Department. Listed below are the following responses to the recommended corrective actions:

OIG Recommendation 1 (related to Allegation 1(a)(b)(c): Ensure relevant ROWSWM employees involved in the review of responsive bids receive training regarding what the COJ deems as an “*unbalanced bid*”.

Public Works Department response to Recommendation 1: We agree that procurement training would be beneficial for employees who participate in the procurement process. We will work with the Procurement Division to develop appropriate training materials and ensure employees are trained.

OIG Recommendation 2 related to Allegation 2(a): Establish a ROWSWM policy or procedure requiring documentation of justification for any exceptions outside of the contract and accompanying bid specifications requirements which *do not* require a contract amendment or change order. Ensure the justification is documented and retained with the invoice or pay application, or alternate location deemed appropriate (e.g., document for any exceptions related to Site Prep, MOT, and Special Pricing).

Public Works Department response to Recommendation 2: The Right of Way and Stormwater Maintenance Division will establish a new policy that details specific documentation required when an exception outside of the contract and bid specification is needed, and an amendment or change order is not otherwise required.

OIG Recommendation 3 related to Allegation 2(a): Audit Contract 8258-17 and verify whether any other Site Prep overpayments were made to Jax Utilities. Provide a copy of the results of this audit and respective findings to the OIG. (This investigation only covered a review of 40 invoices related to this particular contract).

Public Works Department response to Recommendation 3: We agree and completed this audit. The results are attached.

OIG Recommendation 4 related to Allegation 2(a): As deemed appropriate, recover the \$55,339 in identified costs, and any subsequently identified overpayments resulting from an audit of Contract 8258-17.

Public Works Department response to Recommendation 4: We agree. The Right of Way and Stormwater Maintenance Division will work with the Office of General Counsel to recover the overpayments identified in the investigation as well as, the additional overpayments that were identified as a result of our audit of Contract 8258-17.

OIG Recommendation 5 related to Allegation 2(a): Ensure relevant ROWSWM employees receive training relating to the review and approval process of invoices or pay application for future contracts and specifications documents to minimize and/or avoid errors related to overpayments.

Public Works Department response to Recommendation 5: We agree. The Public Works Finance staff will develop training materials and the Right of Way and Stormwater Maintenance Division Chief will ensure that employees who review and approve contract payments receive this training.

OIG Recommendation 6 related to Allegation 3(a): Establish a policy or training module for COJ employees, both civil services and appointed, that provide general guidelines regarding COJ employee interactions and relationships with individuals doing business with the COJ, in order to avoid potential conflict of interests, whether real or perceived, especially when dealing with COJ contractors during the pre-award and award phase.

Public Works Department response to Recommendation 6: We agree that the recommended training would be beneficial for all employees who work with contractors to perform their assigned job duties. The Department of Public Works will contact the City's Ethic Office and request assistance with this training.

OIG Recommendation 7: The OIG also requests that the Administration notify our office of any personnel action taken as a result of this investigative report.

Public Works Department response to Recommendation 7: The OIG will be notified of all personnel actions taken as a result of this report.

June 4, 2019

OIG Investigation Number 2015-0005WB

Page Three

We would like to bring a few minor corrections to the report as noted below.

- Page 5 and Page 64 – Lawrence was removed from his position in November 2016, report incorrectly states June 2017.
- Page 28 and Page 81- PW- RWSM Chief began working in PW ROWSM in June 2012, not July 2014 as stated. PWSM Chief was promoted to the position of Acting Chief in April 2014 and Chief in July 2014.

Please let us know if you have any questions.

Attachments: Results of Audit – Contract 8258-17

CC: John Pappas, Public Works Department Director
Marlene Russell, Director Organizational Effectiveness
OIG File 2015-000WB

SITE PREP OVERPAYMENT

Bid #:	CS-0477-15
Bid Name	Storm Sewer Replacement & Construction
Vendor:	Jax Utilities Management, Inc.
Contract #:	8258-17
Contract Term:	10/2/2015 through 09/30/2018
Total Overpayment for entire contract	\$15,045.15
Total Payments for entire contract	\$5,618,173.95
% of Overpayment for entire contract	0.27%

Bid #: CS-0477-15
 Bid Name: Storm Sewer Replacement & Construction
 Vendor: Jax Utilities Management, Inc.
 Contract #: 8258-17
 Contract Term: 10/2/2015 through 09/30/2018

FY	PO/BO#	Estimated amounts prior to construction			Final Cost based on Quantities Used				Is Site Prep paid correctly? Y or N	If NO, Amount that should be paid	Overpaid or underpaid Site Prep	Total Amount Paid on PO	Comments
		Estimated Cost w/o MOB, Site Prep, or MOT	Site Prep Description Used	Cost of Site Prep	invs	Final Cost w/o MOB, Site Prep, or MOT	Final Invoice Description Used	Cost Paid for site Prep					
2016	600458.1	\$128,647.00	>\$120,000.00 to \$150,000.00	\$ 16,100.60	4093L, 4162L	\$121,997.00	>\$120,000.00 to \$150,000.00	\$ 16,100.60	Y	\$ -	\$ -	\$ 146,750.10	
2016	600458.2	\$23,801.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4081L	\$15,253.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 22,576.15	
2016	600458.3	\$25,709.25	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4094L	\$15,849.90	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 24,963.30	
2016	600458.4	\$12,002.00	\$15,000.00 or <	\$ 3,269.90	4137L	\$10,059.90	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 17,082.90	
2016	600458.5	\$39,682.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4182L	\$36,321.40	>\$40,000.00 to \$55,000.00	\$ 5,833.95	N	\$ 4,333.90	\$ 1,500.05	\$ 47,096.85	
2016	600458.6	\$54,717.70	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4111L	\$17,958.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 27,271.40	
2016	600458.7	\$18,118.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4226L	\$15,296.20	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 24,609.60	
2016	600458.8	\$16,839.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4227L	\$16,650.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 25,963.50	
2016	600458.9	\$10,675.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4195L	\$10,869.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 20,182.50	
2016	600458.10	\$25,200.50	QTY 2->\$15,000.00 to \$25,000.00	\$ 7,139.05	4197L, 4259L	\$21,161.00	QTY 2->\$15,000.00 to \$25,000.00	\$ 6,836.05	N	\$ 6,536.80	\$ 299.25	\$ 35,508.05	
2016	600458.11	\$38,747.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4278L	\$31,146.40	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 39,234.30	
2016	600458.12	\$48,548.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4183L	\$25,960.58	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 34,048.48	
2016	600458.13	\$22,888.70	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4198L	\$22,888.70	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 32,735.35	
2016	600458.14	\$12,579.00	\$15,000.00 or <	\$ 3,269.90	4136L	\$8,534.20	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 15,558.10	
2016	600458.15	\$52,709.00	QTY 3: 40-50, 100-120, 200-250	\$ 38,365.75	4133L	\$35,998.38	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 58,184.28	
2016	600458.16	\$106,710.28	>\$100,000.00 to \$120,000.00	\$ 13,389.30	4252L	\$106,910.30	>\$100,000.00 to \$120,000.00	\$ 13,389.30	Y	\$ -	\$ -	\$ 149,382.85	
2016	600458.17	\$8,463.00	\$15,000.00 or <	\$ 3,269.90	4184L	\$7,481.00	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,504.90	
2016	600458.18	\$11,618.00	\$15,000.00 or <	\$ 3,269.90	4367L	\$12,990.00	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 24,379.15	
2016	600458.19	\$149,419.50	>\$150,000.00 to \$200,000.00	\$ 17,773.55	4474L, 4541L	\$180,464.80	>\$150,000.00 to \$200,000.00	\$ 17,773.55	Y	\$ -	\$ -	\$ 190,020.25	
2016	600458.20	\$16,087.60	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4364L	\$10,847.40	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 18,170.55	
2016	600458.21	\$48,713.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4258L	\$33,038.90	>\$40,000.00 to \$55,000.00	\$ 5,833.95	N	\$ 4,333.90	\$ 1,500.05	\$ 43,160.10	
2016	600458.22	\$65,466.40	>\$55,000.00 to \$70,000.00	\$ 6,545.50	4275L, 4287L	\$65,566.40	>\$55,000.00 to \$70,000.00	\$ 6,545.50	Y	\$ -	\$ -	\$ 78,240.90	
2016	600458.23	\$44,315.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4363L	\$34,959.40	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 49,047.30	
2016	600458.24	\$75,393.50	>\$70,000.00 to \$85,000.00	\$ 8,528.15	4366L	\$67,610.40	>\$70,000.00 to \$85,000.00	\$ 8,528.15	N	\$ 6,545.50	\$ 1,982.65	\$ 79,892.55	
2016	600458.25	\$47,059.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4434L	\$46,215.70	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 56,336.90	
2016	600458.26	\$17,109.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4235L	\$11,243.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 20,556.90	
2016	600458.27	\$70,858.60	>\$70,000.00 to \$85,000.00	\$ 8,528.15	4334L, 4404L	\$70,658.60	>\$70,000.00 to \$85,000.00	\$ 8,528.15	Y	\$ -	\$ -	\$ 85,313.75	
2016	600458.28	\$17,988.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4277L	\$14,467.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 23,770.50	
2016	600458.29	\$40,239.34	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4301L	\$29,181.04	>\$40,000.00 to \$55,000.00	\$ 5,833.95	N	\$ 4,333.90	\$ 1,500.05	\$ 38,768.99	
2016	600458.30	\$78,989.63	>\$100,000.00 to \$120,000.00	\$ 13,389.30	4588L, 4658L	\$118,319.42	>\$100,000.00 to \$120,000.00	\$ 13,389.30	Y	\$ -	\$ -	\$ 145,037.22	
2016	600458.31	\$59,305.00	>\$55,000.00 to \$70,000.00	\$ 6,545.50	4538L	\$37,098.50	>\$40,000.00 to \$55,000.00	\$ 5,833.95	N	\$ 4,333.90	\$ 1,500.05	\$ 48,674.70	
2016	600458.32	\$103,407.80	>\$85,000.00 to \$100,000.00	\$ 9,445.85	4565L	\$49,856.45	>\$55,000.00 to \$70,000.00	\$ 6,545.50	N	\$ 5,833.95	\$ 711.55	\$ 60,155.95	
2016	600458.33	\$20,905.70	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4433L	\$16,487.20	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 27,761.35	
2016	600458.34	\$12,674.50	\$15,000.00 or <	\$ 3,269.90	4432L	\$7,504.60	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,528.50	
2016	600458.35	\$17,696.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4472L	\$11,950.40	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 19,273.55	
2016	600458.36	\$13,910.00	\$15,000.00 or <	\$ 3,269.90	4468L	\$9,094.60	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 16,118.50	
2016	600458.37	\$178,771.09	>\$150,000.00 to \$200,000.00	\$ 17,773.55	4599L, 4690L	\$178,771.09	QTY 1/2->\$150,000.00 to \$200,000.00	\$ 17,773.55	Y	\$ -	\$ -	\$ 202,802.89	
2016	600458.38	\$12,481.49	QTY 1/2: >\$15,000 to \$25,000	\$ 1,784.58	4564L	\$9,083.75	QTY 1/2: \$15,000 to \$25,000	\$ 1,784.58	Y	\$ -	\$ -	\$ 16,278.46	JEA split
2016	600458.39	\$18,255.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4633L	\$9,549.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 18,871.90	
2016	600458.40	\$31,295.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4641L	\$13,881.50	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 20,905.40	

FY	PO/BO#	Estimated amounts prior to construction			Final Cost based on Quantities Used				Is Site Prep paid correctly? Y or N	If NO, Amount that should be paid	Overpaid or underpaid Site Prep	Total Amount Paid on PO	Comments
		Estimated Cost w/o MOB, Site Prep, or MOT	Site Prep Description Used	Cost of Site Prep	Inv#	Final Cost w/o MOB, Site Prep, or MDT	Final Invoice Description Used	Cost Paid for site Prep					
2016	600458 41	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 42	\$49,548.16	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4744L	\$21,595.16	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 28,918.31	
2017	600458 43	\$27,034.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4669L	\$20,113.50	>\$25,000.00 to \$40,000.00	\$ 4,333.90	N	\$ 3,569.15	\$ 764.75	\$ 28,201.40	
2017	600458 44	\$37,875.40	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4727L	\$31,863.60	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 41,139.00	
2017	600458 45	\$132,369.80	>\$120,000.00 to \$150,000.00	\$ 18,100.60	4878L	\$115,652.03	>\$100,000.00 to \$120,000.00	\$ 13,389.30	Y	\$ -	\$ -	\$ 147,492.58	
2017	600458 46	\$23,087.70	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4745L	\$18,988.60	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 30,282.75	
2017	600458 47	\$38,510.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4728L	\$17,024.40	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 24,880.80	
2017	600458 48	\$25,418.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5006L	\$17,772.60	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 25,095.75	
2017	600458 49	\$54,386.51	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4692L	\$53,562.58	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 63,581.78	
2017	600458 50	\$27,425.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4701L	\$16,083.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	N	\$ 3,569.15	\$ 764.75	\$ 23,604.15	
2017	600458 51	\$19,494.60	Estimate by JUMI	\$ 3,269.90	4688L, 4760L	\$15,897.90	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 23,607.80	
2017	600458 52	\$5,981.00	\$15,000.00 or <	\$ 3,269.90	4702L	\$864.20	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 10,073.10	
2017	600458 53	\$64,945.10	Estimate by JUMI	\$ 4,333.90	4713L	\$40,068.74	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 50,219.94	
2017	600458 54	\$25,169.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4777L	\$18,421.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 23,744.15	
2017	600458 55	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 56	\$23,724.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4778L	\$19,839.30	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 30,933.45	
2017	600458 57	\$21,902.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4764L	\$13,504.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 26,519.00	
2017	600458 58	\$30,949.90	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4990L	\$18,622.92	>\$25,000.00 to \$40,000.00	\$ 4,333.90	N	\$ 3,569.15	\$ 764.75	\$ 28,701.07	
2017	600458 59	\$34,266.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	4935L	\$34,067.10	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 47,041.00	
2017	600458 60	\$9,029.00	\$15,000.00 or <	\$ 3,269.90	4794L	\$7,746.10	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,770.00	
2017	600458 61	\$11,879.50	\$15,000.00 or <	\$ 3,269.90	4877L	\$8,428.50	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 16,064.40	
2017	600458 62	\$18,835.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	4791L	\$12,655.20	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 23,949.35	
2017	600458 63	\$61,593.00	>\$55,000.00 to \$70,000.00	\$ 6,545.50	4983L	\$39,876.70	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 49,954.85	
2017	600458 64	\$43,821.20	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4984L	\$24,970.70	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 31,293.85	
2017	600458 65	\$5,687.40	\$15,000.00 or <	\$ 3,269.90	4903L	\$5,687.40	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,701.55	
2017	600458 66	\$49,051.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	4989L	\$38,552.60	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 48,140.55	
2017	600458 67	\$118,186.50	>\$120,000.00 to \$150,000.00	\$ 18,100.60	5439L, 5488L, 5643L	\$98,889.40	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 12,097.30	\$ (8,528.16)	\$ 121,623.55	See PO600458 124
2017	600458 68	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 69	\$23,843.15	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5037L	\$18,430.60	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 25,744.00	
2017	600458 70	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 71	\$28,063.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5011L	\$16,951.90	>\$25,000.00 to \$40,000.00	\$ 4,333.90	N	\$ 3,569.15	\$ 764.75	\$ 27,030.05	
2017	600458 72	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 73	\$32,760.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5039L	\$19,251.40	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 28,564.80	
2017	600458 74	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 75	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 76	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 77	\$17,959.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5012L	\$14,481.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 25,861.05	
2017	600458 78	\$144,873.13	>\$120,000.00 to \$150,000.00	\$ 18,100.60	5148L, 5240L	\$144,873.13	>\$120,000.00 to \$150,000.00	\$ 18,100.60	Y	\$ -	\$ -	\$ 168,708.23	
2017	600458 79	\$99,552.30	>\$85,000.00 to \$100,000.00	\$ 18,100.60	8372L, 8916L	\$138,523.27	>\$120,000.00 to \$150,000.00	\$ 16,100.60	Y	\$ -	\$ -	\$ 168,861.52	
2017	600458 80	\$27,324.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5075L	\$14,142.78	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 21,366.66	
2017	600458 81	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 82	\$23,247.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5010L	\$19,181.10	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 26,504.25	
2017	600458 83	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458 84	\$28,534.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5038L	\$14,721.20	>\$15,000.00 to \$25,000.00	\$ 3,569.15	N	\$ 3,269.90	\$ 299.25	\$ 24,034.60	
2017	600458 85	\$16,085.59	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5076L	\$16,085.59	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 28,567.24	
2017	600458 86	\$29,812.14	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5078L	\$29,765.14	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 37,946.59	

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		Estimated Cost w/o MOB, Site Prep, or MOT	Site Prep Description Used	Cost of Site Prep	Inv#	Final Cost w/o MOB, Site Prep, or MOT	Final Invoice Description Used	Cost Paid for site Prep					
2017	600458-87	\$18,525.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5249L	\$14,434.00	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 21,457.90	
2017	600458-88	\$83,649.00	>\$85,000.00 to \$100,000.00	\$ 9,445.85	5116L	\$59,382.28	>\$55,000.00 to \$70,000.00	\$ 6,545.50	Y	\$ -	\$ -	\$ 80,233.41	
2017	600458-89	\$49,940.50	>\$40,000.00 to \$55,000.00	\$ 5,833.95	5077L	\$26,442.65	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 40,223.30	
2017	600458-90	\$18,345.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5085L	\$12,428.68	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 21,442.83	
2017	600458-91	\$23,783.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5117L	\$18,556.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 28,412.15	
2017	600458-92	\$26,889.87	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5348L	\$26,889.87	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 37,886.02	
2017	600458-93	\$7,346.56	\$15,000.00 or <	\$ 3,269.90	5149L, 5213C	\$7,346.56	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 18,341.46	
2017	600458-94	\$19,753.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5239L	\$24,144.17	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 31,467.32	
2017	600458-95	\$14,148.83	\$15,000.00 or <	\$ 3,269.90	5205L	\$14,148.83	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 25,676.98	
2017	600458-96	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458-97	\$18,783.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5433L	\$15,373.80	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 22,696.95	
2017	600458-98	\$24,390.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5150L	\$12,365.91	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 23,641.46	
2017	600458-99	\$30,201.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5206L	\$23,337.80	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 32,651.20	
2017	600458-100	\$47,281.59	>\$40,000.00 to \$55,000.00	\$ 5,833.95	5292L, 5291L	\$49,824.54	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 53,797.75	
2017	600458-101	\$48,493.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	5207L	\$35,464.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 46,075.40	
2017	600458-102	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2017	600458-103	\$11,736.20	\$15,000.00 or <	\$ 3,269.90	5250L	\$4,313.92	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 11,337.82	
2017	600458-104	\$18,548.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5275L	\$24,045.24	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 31,901.64	
2018	600458-105	\$9,828.00	\$15,000.00 or <	\$ 3,269.90	5607L	\$8,618.10	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 13,642.00	
2018	600458-106	\$15,627.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5489L	\$12,707.90	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 22,909.55	
2018	600458-107	\$29,466.80	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5868L	\$29,456.80	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 38,077.95	
2018	600458-108	\$14,840.00	\$15,000.00 or <	\$ 3,269.90	5809L	\$10,206.54	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 17,230.44	
2018	600458-109	\$12,105.00	\$15,000.00 or <	\$ 3,269.90	5892L	\$7,480.30	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 19,008.45	
2018	600458-110	\$24,011.30	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5440L	\$17,903.60	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 25,226.75	
2018	600458-111	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2018	600458-112	\$23,505.88	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5349L	\$23,505.88	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 32,819.28	
2018	600458-113	\$27,810.60	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5805L	\$26,244.67	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 34,332.57	
2018	600458-114	\$27,083.20	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5922L	\$26,506.66	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 37,118.06	
2018	600458-115	\$29,397.20	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5849L	\$36,118.52	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 44,279.97	
2018	600458-116	\$21,262.98	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5644L	\$21,262.98	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 33,500.88	
2018	600458-117	\$10,021.20	\$15,000.00 or <	\$ 3,269.90	5808L	\$4,971.62	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,519.02	
2018	600458-118	\$44,378.50	>\$55,000.00 to \$70,000.00	\$ 4,333.90	6717L	\$34,803.40	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 53,281.85	
2018	600458-119	\$27,223.00	>\$25,000.00 to \$40,000.00	\$ 4,333.90	5823L	\$15,729.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 23,052.15	
2018	600458-120	\$21,084.00	>\$15,000.00 to \$25,000.00	\$ 3,569.15	6827L	\$16,789.02	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 24,112.17	
2018	600458-121	\$15,903.81	>\$15,000.00 to \$25,000.00	\$ 3,569.15	5888L	\$15,903.81	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 27,197.96	
2018	600458-122	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2018	600458-123	\$80,370.33	>\$70,000.00 to \$85,000.00	\$ 8,528.15	6419L, 6420L	\$80,370.33	>\$70,000.00 to \$85,000.00	\$ 8,258.15	Y	\$ -	\$ -	\$ 98,998.48	
2018	600458-124	\$52,232.70	>\$120,000.00 to \$150,000.00	\$ 16,100.80	5643L	\$15,631.60	Qty 2: 15-25, 70-85	\$ 12,097.30	N	\$ 3,569.15	\$ 8,528.15	\$ 34,339.95	See PO600458 67
2018	600458-125	\$15,010.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	6229L	\$15,607.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 26,901.65	
2018	600458-126	\$67,334.50	>\$55,000.00 to \$70,000.00	\$ 9,445.85	6963L, 7611L	\$86,814.14	>\$85,000.00 to \$100,000.00	\$ 9,445.85	Y	\$ -	\$ -	\$ 106,051.64	
2018	600458-127	\$18,181.77	>\$15,000.00 to \$25,000.00	\$ 3,269.90	6101L	\$13,784.82	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 25,312.97	
2018	600458-128	\$22,868.73	>\$25,000.00 to \$40,000.00	\$ 3,569.15	6890L	\$20,825.50	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 33,840.40	
2018	600458-129	\$19,605.50	>\$15,000.00 to \$25,000.00	\$ 3,269.90	6079L	\$13,218.82	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 24,211.72	
2018	600458-130	\$10,206.99	>\$15,000.00 to \$25,000.00	\$ 3,269.90	6323L	\$5,940.60	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,964.25	
2018	600458-131	\$18,824.16	>\$15,000.00 to \$25,000.00	\$ 3,269.90	6689L	\$13,690.86	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 24,685.76	
2018	600458-132	\$63,799.00	>\$55,000.00 to \$70,000.00	\$ 6,545.50	6200L	\$60,640.80	>\$55,000.00 to \$70,000.00	\$ 6,545.50	Y	\$ -	\$ -	\$ 74,286.10	

FY	PO/BO#	Estimated amounts prior to construction		Final Cost based on Quantiles Used				Is Site Prep paid correctly? Y or N	If NO, Amount that should be paid	Overpaid or underpaid Site Prep	Total Amount Paid on PO	Comments	
		Estimated Cost w/o MOB, Site Prep, or MOT	Site Prep Description Used	Cost of Site Prep	Inv#	Final Cost w/o MOB, Site Prep, or MOT	Final Invoice Description Used						Cost Paid for site Prep
2018	600458:133	\$30,765.95	>\$25,000.00 to \$40,000.00	\$ 6,545.50	7478L, 7477L	\$55,945.00	>\$55,000.00 to \$70,000.00	\$ 6,545.50	Y	\$ -	\$ -	\$ 72,590.50	
2018	600458:134	\$60,754.50	>\$55,000.00 to \$70,000.00	\$ 6,545.50	6151L	\$63,631.78	>\$55,000.00 to \$70,000.00	\$ 6,545.50	Y	\$ -	\$ -	\$ 73,931.28	
2018	600458:135	\$1,060.00	\$15,000.00 or <	\$ 3,269.90	5851L	\$1,060.00	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 5,782.45	
2018	600458:136	\$7,490.00	\$15,000.00 or <	\$ 3,269.90	6161H	\$6,367.80	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 11,090.25	
2018	600458:137	\$4,760.00	\$15,000.00 or <	\$ 3,269.90	6162L	\$3,841.80	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 8,564.25	
2018	600458:138	\$42,296.87	>\$40,000.00 to \$55,000.00	\$ 5,833.95	8371L, 8425L	\$44,016.60	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 57,574.45	
2018	600458:139	\$25,180.80	>\$25,000.00 to \$40,000.00	\$ 5,833.95	7015L	\$48,153.10	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 60,264.55	
2018	600458:140	\$53,215.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	7364L	\$44,496.50	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 56,148.25	
2018	600458:141	\$16,351.17	>\$15,000.00 to \$25,000.00	\$ 3,569.15	6834L	\$23,998.28	>\$15,000.00 to \$25,000.00	\$ 3,569.15	Y	\$ -	\$ -	\$ 31,854.66	
2018	600458:142	\$22,308.00	>\$25,000.00 to \$40,000.00	\$ 3,269.90	6928L	\$4,283.25	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 13,307.15	
2018	600458:143	\$31,992.50	>\$25,000.00 to \$40,000.00	\$ 4,333.90	8109L	\$32,692.95	>\$25,000.00 to \$40,000.00	\$ 4,333.90	Y	\$ -	\$ -	\$ 44,751.85	
2018	600458:144	\$22,941.50	>\$25,000.00 to \$40,000.00	\$ 3,269.90	8239L	\$11,881.32	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 27,817.72	
2018	600458:145	\$36,566.00	>\$40,000.00 to \$55,000.00	\$ 5,833.95	7365L, 7483L	\$31,484.40	>\$40,000.00 to \$55,000.00	\$ 5,833.95	Y	\$ -	\$ -	\$ 64,444.85	
2018	600458:146	\$12,808.00	>\$15,000.00 to \$25,000.00	\$ 3,269.90	8202L	\$5,736.64	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,750.79	
2018	600458:147	\$19,173.00	>\$15,000.00 to \$25,000.00	\$ 3,269.90	8368L	\$8,899.30	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 13,923.20	
2018	600458:148	\$7,700.60	\$15,000.00 or <	\$ 3,269.90	7363L	\$7,700.60	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 14,724.50	
2018	600458:149	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
2018	600458:150	\$2,810.00	\$15,000.00 or <	\$ 3,269.90	8201L	\$2,141.00	\$15,000.00 or <	\$ 3,269.90	Y	\$ -	\$ -	\$ 9,164.90	
2018	600458:151	\$0.00	N/A	\$ -	PO Canceled	\$0.00	N/A	\$ -	Y	\$ -	\$ -	\$ -	
Total Overpayment for entire contract										\$ 15,045.15			
Total Payments for entire contract										\$ 5,618,173.95			
% of Overpayment for entire contract										0.27%			