



Memorandum



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To: The Honorable Daniella Levine Cava, Mayor, Miami-Dade County
The Honorable, Jose “Pepe” Diaz, Chairman
and Members, Board of County Commissioners, Miami-Dade County

From: Felix Jimenez, Inspector General 

Date: August 18, 2021

Subject: OIG Final Audit Report – *Department of Transportation and Public Works’ Use of Contract No. 5745-2/14-2:2 Bus Parts and Repair Services for Transit Buses*; Ref. IG18-0006-A

Attached please find the above-captioned final report issued by the Miami-Dade County Office of the Inspector General (OIG). Contract No. 5745-2/14-2:2 *Bus Parts and Repair Services for Transit Buses* was a pool contract that provided bus parts and bus repair services primarily to the Department of Transportation and Public Works (DTPW).¹

The Final Audit Report contains four findings and three recommendations. All of the recommendations have been accepted by DTPW and its response is attached in Appendix A to the final report. The OIG requests that DTPW provide us with a follow-up report in 120 days, on or before Friday, December 17, 2021, regarding the implementing of the recommendations addressed in this report.

The OIG would like to thank DTPW and its staff for their cooperation and the courtesies extended to the OIG throughout this audit.

For your reading convenience, an Executive Summary follows.

Attachment

cc: Jimmy Morales, Chief Operating Officer, Office of the Mayor
Eulois Cleckley, Director and CEO, DTPW
Alberto Parjus, Deputy Director, Finance and Administration, DTPW
Ana Rioseco, Chief, Procurement Goods and Services Division, DTPW
Carlos De La Torre, Chief, Performance Analysis, DTPW
Omar Massiah, Superintendent, Warehousing & Stores, DTPW
Cathy Jackson, Director, Audit and Management Services Department
Yinka Majekodunmi, Commission Auditor, Office of the Commission Auditor
Jennifer Moon, Chief, Office of Budget and Policy Affairs

¹ The audited contract expired on June 30, 2020. The successor contract, which is accessed solely by DTPW, (FB-01316: *Transit Bus Parts and Services*) has firm fixed prices for most of the parts and supplies and utilizes spot market pricing for other parts and repair services. This contract’s expiration date is June 30, 2025.

OIG EXECUTIVE AUDIT SUMMARY
***Department of Transportation and Public Works' Use of Contract 5745-2/14-2:
Bus Parts and Repair Services for Transit Buses***

The Miami-Dade County Office of the Inspector General (OIG) conducted an audit of the Department of Transportation and Public Works' (DPTW) utilization of Contract No. 5745-2/14-2:2 *Bus Parts and Repair Services for Transit Buses* (contract). This contract, which was in effect from March 2009 through June 2020, provided bus parts and bus repair services to several county departments. For the 11-year period that the contract was in effect, the total awarded contract value was \$285 million. The OIG audited DPTW's use of this contract due to its high usage amount of \$277 million (or 97%) of total contract amount. The contract was split into two groups: Group 1 for the purchase of parts and Group 2 for the purchase of repair services.

The OIG audit tested DTPW's compliance with contract terms and conditions, and its following the contract roadmap, which guides departmental level purchasing agents and buyers on how to obtain price quotes from vendors in the pool. Additionally, the audit evaluated DTPW's maintenance of purchasing records identifying the criteria used to select the pre-qualified firms, the types of items ordered or services rendered, and that the payment reflected the shipment received or services performed.

The audit resulted in four findings and three recommendations. Finding 1, which involved testing Group 1 parts acquisitions, consists of 12 testing exceptions. These exceptions generally involved failures to adhere to the contract roadmap, such as awarding purchases to vendors who submitted their quotes after the deadline; awarding to vendors not pre-qualified to provide a certain piece of equipment; and Invitations to Quote (ITQs) being sent to less than four vendors despite more vendors being approved to provide the part. In other instances, OIG auditors were unable to find evidence that an ITQ was sent or which firms the ITQs were sent to. Taken together, these exceptions resulted in the OIG questioning \$870,621 worth of expenditures. Audit Finding 2, which also involved a Group 1 parts purchase, identified a small—but avoidable—overpayment that could have been easily detected had the payment not been made by using a blanket purchase order (BPO).

To address these deficiencies, the OIG recommended that DTPW create a checklist to be filled out by the purchasing specialist to document that all necessary steps of the contract roadmap were taken, including a listing of those vendors sent the ITQ, the closing date, the vendors that responded, and the date/time received, etc. DTPW responded that it will establish a checklist for staff to implement in next few months. Additionally, the OIG recommended that DTPW should rely less on the BPO and instead issue stand-alone purchase orders that match the quoting process, whether the purchase is for parts or services. DTPW responded that although BPOs are only allowed for services only for the active year under the INFORMS system, the department is making every effort for purchase orders to capture ITQ award details.

The OIG's testing of Group 2 repair services resulted in two audit findings that demonstrate that there is a real need for increased price transparency in the repair and service process (from DTPW and its vendors). These exceptions occurred due to a lack of concise controls initiating DTPW's service process and created an atmosphere of uncertainty where sole source vendors may have exploited their pricing power to the detriment of DTPW. The OIG questioned costs totaling \$5,554. The OIG recommended that DTPW's Materials Management Division create an originating document or form similar to its "Bus Failure Form" that documents the original diagnosis, service to be performed and consideration of warranties, original equipment manufacturer or supplier, and whether the department itself has the resources to service the bus internally. DTPW responded stating that it will establish originating documents to implement this process in the coming months.

Even though the successor contract has specific pricing for the majority of parts acquisitions, the successor contract still operates a pre-qualified pool of vendors for some parts and supplies and for repair services. The OIG believes that our recommendations are targeted to address internal control gaps where pricing information is not explicit and strong departmental controls are needed.

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

*Department of Transportation and Public Works' Use of Contract 5745-2/14-2:
Bus Parts and Repair Services for Transit Buses*

IG18-0006-A
August 18, 2021

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OIG SCHEDULE A – Total Paid to DTPW by Vendor for Contract 5745-2/14:2
For the Contract Period January 1, 2013 through
December 31, 2018

OIG SCHEDULE B – Group 1 Audit Testing Sample

OIG SCHEDULE C – Group 2 Audit Testing Sample

EXHIBIT 1 – FDDA's Invoice

EXHIBIT 2 – FDDA's *Parts and Labor Detail Form dated 03/07/18*

EXHIBIT 3 – FDDA's *Parts and Labor Detail Form dated 03/08/2018*

EXHIBIT 4 – FDDA's *Parts and Labor Detail "FDDA's Quote"*

EXHIBIT 5 – FDDA's *Revised Parts and Labor Detail Form*

EXHIBIT 6 – OIG-prepared comparison of Exhibit 3 to Exhibit 5

APPENDIX A – DTPW's Response to Draft Audit Report

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I. INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Contract No. 5745-2/14-2:2 *Bus Parts and Repair Services for Transit Buses* (the contract). The purpose of the audit was to assess departmental compliance with contractual terms and conditions, including compliance with this contract's roadmap developed by the Internal Services Department (ISD) to facilitate departmental understanding of appropriate access and use of the contract. As the Department of Transportation and Public Works (DTPW) accounted for approximately 97 percent of the total dollar value use of this contract, our audit focused on DTPW's utilization of this contract and compliance with its terms, conditions, and roadmap.

This contract is one of Miami-Dade County's (County) many pre-qualified pool contracts. The County has more than 200 pre-qualified pool contracts totaling over \$3 billion dollars. Through the solicitation for qualifications, potential contractors, suppliers, and vendors are screened on the basis of factors such as experience, financial ability, managerial ability, and work history, etc. Those determined to be qualified pursuant to the solicitation's minimum qualifications are placed in a pool of qualified bidders who will then compete to render goods and/or services, through spot market quotations, on an as-needed basis, as determined by the County.

II. RESULTS SUMMARY

This report contains four findings and three recommendations. The findings come directly from our testing of invoices paid to the top 21 vendors (by dollar volume procurements) from the pool of vendors, during the review period of January 1, 2015 through December 31, 2018. Our findings follow the organization of this pool contract and are divided among Group 1 – Parts and Group 2 – Services.

Group 1 contains two findings and 13 exceptions, of which the OIG questioned costs totaling \$870,621. Finding 1 contains 12 exceptions that address noncompliance involving the Invitation to Quote (ITQ) process, whereby DTPW obtains spot-market quotations (quotes) from the pre-approved vendors within the pool. Finding 2 addresses the impact of using blanket purchase orders to pay invoices that originated from the ITQ process.

Group 2 contains two findings and five exceptions. The OIG questioned costs totaling \$5,554. These two findings address the need for increased transparency in the service process (from DTPW and their vendors). Those five exceptions occurred due to a lack of concise controls initiating DTPW's service process and created an atmosphere of uncertainty where sole source vendors may have exploited their pricing power to the detriment of DTPW.

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Our audit revealed that DTPW could benefit from added internal controls to create a clear and consistent process for both service and purchasing personnel to initiate their respective processes. Specifically, an initiating document of the needed repairs in the service department would explain and detail the reasons the competitive process may or may not have been used. The purchasing department could benefit from a similar form or checklist, documenting that all the steps of the ITQ process were followed. Finally, a third recommendation addresses the impact of blanket purchase orders on the payment process within accounts payable. It appears that the recently implemented INFORMS system for processing purchase orders may also reduce the number of blanket purchase orders used, and the successor contract also eliminates issues with parts pricing going forward. Nonetheless, the OIG believes these recommendations will assist DTPW, and the County as a whole, in enhancing internal controls and compliance with the pool contract model.

III. AUDITEE RESPONSE AND OIG REJOINDER

The OIG earlier issued this audit report, as a draft, to DTPW. Its written response is included in Appendix A of this report.

DTPW responded positively to our recommendations stating it will establish originating documents of the service process (see Recommendation No. 1), as well as create a contract roadmap checklist (see Recommendation No. 2). DTPW indicated that both new forms and processes will be implemented by October 1, 2021. The department acknowledged the issue regarding blanket purchase orders (see Recommendation No. 3), and explained that since 2018, numerous blanket purchase orders were evaluated and liquidated to enhance internal controls. DTPW added that under the new INFORMS system, it continues to enhance these processes and has made every effort to dispatch detailed purchase orders.

IV. TERMS USED IN THE REPORT

ADPICS	Advanced Purchasing and Inventory Control System
BPO	Blanket Purchase Order
County	Miami-Dade County
DTPW	Department of Transportation and Public Works
EAMS	Enterprise Asset Management System
FDDA	Florida Detroit Diesel Allison
INFORMS	Integrated Financial Resources Management System
ISD	Internal Services Department
ITB	Invitation to Bid
ITQ	Invitations to Quote
OEM	Original Equipment Manufacturer

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OES	Original Equipment Supplier
PO	Purchase Order
SBE	Small Business Enterprise

V. OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions; conduct reviews and audits of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

VI. BACKGROUND

Contract Establishment, Allocations, and Extensions

ISD, through its Strategic Procurement Division, established the subject pool contract in 2009. The procurement solicitation, in the form of an Invitation to Bid (ITB), required interested vendors to submit information demonstrating their qualifications to provide the services requested by the contract. Those vendors (meeting or exceeding the minimum requirements established by the ITB) were then placed in a prequalification pool to be accessed by the various county departments for the purchase of replacement parts, manufacturer components, repairs and/or services for their fleet of vehicles and supporting equipment, on an as needed basis. The contract does not contain any pricing for the parts and services; prices are determined by obtaining spot market price quotations from those vendors able to furnish the desired parts and services.

Interested vendors were required to provide the following information to demonstrate meeting the ITB's minimum requirements:

- Name and contact information for the manager of the vendor's parts department.
- If the bidder is an original equipment manufacturer or supplier (OEM)/(OES) or manufacturer of their own brand, they must provide a letter identifying the brand name and type of parts, product, or supply.
- If the bidder is an authorized distributor, retailer, or reseller of an OEM/OES, the bidder must provide certificates and supply agreements.
- If the bidder is a remanufacturer, the bidder may be required to provide proof of any applicable accreditation or certification.

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The OIG notes that the subject contract was an open pool—vendors meeting the minimum qualification could be added to the pool at any time during the contract period. This contract was in effect for a total of eleven years. The initial contract period included one option to renew, extending the contract to 2015. The Board of County Commissioners later extended the contract to June 30, 2020.

For the entire eleven-year term, the total awarded contract value was \$285,770,511. Based on its total awarded value, the contract represented approximately 10% of the total value of pre-qualified pool contracts in the County. Table 1 below, shows contract award amounts and contract extensions.

Table 1: Pool Contract 5745-2/14, Contract Awards

Contract No.	BCC Approval	Effective Date	Expiry Date	Awarded Value
5745-2/14	3/3/2009	4/1/2009	3/31/2011	\$ 49,207,850
5745-2/14-1	3/3/2009	4/1/2011	3/31/2015	\$ 49,207,850
5745-2/14-2	9/16/2014	4/1/2015	6/30/2020*	\$187,354,811

*Original contract expiration date was 3/31/2015. The contract was later extended through 6/30/2020.

**Source: Information obtained from the Bid Tracking System.

As its name implies, this pool contract is used predominantly by DTPW for bus parts and repair services for buses, but it is also used by other county departments, including the Miami-Dade Water and Sewer Department, ISD, and the Miami-Dade Fire and Rescue Department. The OIG's audit focused on DTPW's use of this pool contract. Table 2 details the allocations of the pool contract among the various county departments making use of the contract.

Table 2: Pool Contract 5745-2/14; Allocations by Department

Department	5745-2/14	5745-2/14-1	5745-2/14-2	Totals
Dade Aviation	\$ 40,000	\$ 44,243	\$ 157,243	\$ 241,486
Enterprise Technology Services	\$ 2,200	\$ -	\$ -	\$ 2,200
Fire	\$ 300,000	\$ 300,000	\$ 458,359	\$ 1,058,359
General Services Administration	\$ 1,000,000	\$ 12,713	\$ -	\$ 1,012,713
Internal Services	\$ -	\$ 987,287	\$ 2,294,000	\$ 3,281,287
Transportation & Public Works	\$ 47,500,000	\$ 47,500,000	\$182,736,511	\$277,736,511
Police	\$ 1,550	\$ -	\$ -	\$ 1,550
Parks and Recreation	\$ 45,000	\$ 43,000	\$ 105,052	\$ 193,052

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Department	5745-2/14	5745-2/14-1	5745-2/14-2	Totals
Public Works Waste Management	\$ 16,500	\$ 3,000	\$ 1,748	\$ 21,248
Seaport	\$ 5,600	\$ 5,600	\$ -	\$ 11,200
Solid Waste Management	\$ 1,000	\$ -	\$ -	\$ 1,000
Water and Sewer	\$ 296,000	\$ 296,000	\$ 1,601,898	\$ 2,193,898
Unallocated	\$ -	\$ 16,007	\$ -	\$ 16,007
Total Allocation	\$ 49,207,850	\$ 49,207,850	\$187,354,811	\$285,770,511
DTPW's Allocation as a Percentage of Total	97%	97%	98%	97%

Pool Composition and Contract Roadmap

The contract, as an open pool contract allowing entry to vendors meeting its minimum requirements, had, at its height, 68 approved vendors and consisted of two groups. Group 1 had 65 approved vendors, including manufacturers, distributors, or retailers of parts and/or components for OEM, OES, remanufacturers and manufacturers of aftermarket parts, products, and/or supplies. Group 2 consisted of 20 approved vendors, including vendors for services and/or repairs for buses, support equipment and/or other equipment for other county departments. Seventeen vendors were approved for both Groups 1 and 2. As of December 31, 2018, 48 vendors had been awarded work totaling \$127.83 million (48 vendors in Group 1 were paid \$85,313,785; three vendors that were only in Group 2 were paid \$445,165; and 17 vendors that were common to both Groups 1 and 2 were paid \$42,071,147).¹

The contract roadmap (aka tally sheet) includes detailed information on every approved contract vendor, including contact information, the applicability of local preferences or SBE certifications, parts and/or service department information, brand names and types of services offered, and types of equipment serviced, if applicable.

The pool contract applied a bid preference to Small Business Enterprises (SBEs) for solicitations greater than \$50,000, but less than one million (\$1,000,000). All quotes less than one million for work orders received from SBE/Micro firms were to be given a 10% preference. Two approved vendors of this pool contract, which were SBEs, received work under the contract totaling \$180,975, or approximately 0.1% of the total awarded amount of \$127,830,097. One of the SBE vendors was a Group 2 vendor approved to provide diesel particulate filters, and the other was approved to provide steering and

¹ Amounts paid taken from Miami-Dade County's ADPICS (Advanced Purchasing and Inventory Control System).

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hydraulic cylinders for both Groups 1 and 2. None of the invoices tested in our sample were for either of these parts and/or services.

The contract also included a local preference. If the low bidder was not a locally headquartered business, then any responsive and responsible locally headquartered business submitting a price quote within 15% of the low bid would have the opportunity to submit a best and final bid equal to or lower than the low bidder. If the low bidder was not a local business, then any responsive and responsible local business submitting a price quote within 10% of the low bid would have the opportunity to submit a best and final bid equal to or lower than the low bidder. If the low bidder was a local business that was not a locally headquartered business, then any responsive and responsible locally headquartered business submitting a price quote within 5% of the low bid would have an opportunity to submit a best and final bid equal to or lower than the low bid. Best and final bids were to be resolved in the following order of priority: (1) Locally Headquartered Business, (2) Local Business, and (3) Other Business.

Twenty-six approved vendors within the pool had a local preference. Seventeen of these vendors received work totaling \$45,355,110, or 35% of the total awarded amount. Among the 26 vendors with local preferences, 16 vendors were Group 1 only, two were Group 2 only, and eight pertained to both groups.

While local preference attribute was not a factor present in the data used to select the OIG's sample invoices for testing, three invoices tested in our sample did involve firms with a local preference where best and final offers were submitted. These local preferences are noted only because of our testing of these audit samples. In the case of a sample selection for the purchase of wheelchair ramp assemblies, a best and final offer was applied because B&G Auto had a local preference and came within 10% of the lowest bid. Thus, B&G was given an opportunity to submit a lower bid and did. In the case of two sample selections involving the purchase of Rear Brake Shoe Wheel Kits, a best and final offer was applied in both cases because Total Truck Parts had a local preference and came within 10% of the lowest bid. In the case of both of those sample selections, Mohawk Manufacturing, a nonlocal business, submitted lower bids and still won. There were no issues noted with the three invoices tested in our sample. See Schedule A, identifying vendors with local preferences.

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DTPW Workflow for Procuring Parts and Services Through the Pool

The ITQ process begins when DTPW personnel from the Materials Management Division² request parts or services needed to keep buses operational. These personnel would submit a requisition to the purchasing specialist for the items required. DTPW uses the Enterprise Asset Management System (EAMS)³ to process its requisitions for purchases of parts, services, warranties, and engine cores for trading. The system performs perpetual inventory and tracks the minimum and maximum used for parts within the system. Part numbers can be searched in EAMS and the system will produce a list of all the vendors that have provided the relevant part and the price paid for it. DTPW personnel would frequently update information in this system to include the vendors approved to provide those parts, as well as the prices paid. OIG auditors were able to easily use the system as part of the audit testing process and were pleased with the department's efficient use of the EAMS system.

The purchasing specialist within the Purchasing Goods and Services Division⁴ would then take that list and review the contract roadmap or tally sheet to determine which pre-qualified vendors are approved for that specific part or repair service in this pool contract. Based on the available vendors, the purchasing specialist would send an ITQ by email, to four selected vendors from the pool, or all the vendors if less than four.⁵ The email would contain the ITQ document and the four notified vendors. The ITQ would show the requirements for that spot market quote, as well as the part numbers, quantities, and due dates.

Spot market purchases, or quotes, are initiated by a purchasing specialist using the information provided in the contract roadmap showing which vendors are approved to provide certain brand names and services. When spot market purchases are initiated, the pre-qualified vendors are invited to offer a fixed price for a specific individual purchase or a specific purchasing period. This is done on a uniform form known as the Invitation to Quote or ITQ. The vendor then offering the lowest fixed price and meeting all requirements as specified in the spot market quotation will be awarded that quote. In general, spot market quotes will be gathered from at least four vendors whenever

² DTPW's Materials Management Division is mainly responsible for warehousing and storerooms, inventory management, and materials management for stock and non-stock items.

³ EAMS is the inventory control system used by DTPW.

⁴ The Purchasing Goods and Services Division is led by the Chief of Procurement Goods and Services (Procurement Chief) and consists of purchasing specialists and the contract unit. This unit reports to the Deputy Director for Finance and Administration, whose position was created in February 2018. Prior to this, contract procurement was not centralized, but divided among a Bus Division and a Rail Division.

⁵ If more than four vendors are approved to provide a specific part or service, then the vendors that are invited to quote are at the purchasing specialist's discretion.

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possible. If parts were required to complete work under spot market quotations for service contracts, the parts sold as a component of that service are to be priced at no more than manufacturer suggested retail price or less.

On the ITQ form, the vendors are required to state whether a local preference applies, and then certify that the information is accurate by means of an authorized signature. Vendors are to include the completed ITQ and send it by email to the purchasing specialist within the response due date. Bids are received by the purchasing specialist, who will print all the offers. The purchasing specialist then will perform bid tabulation, considering SBE and local preferences. The lowest responsive and responsible bidder including best and final offers, will receive the award, and a purchase order (PO) will then be created. This process was not consistently applied by DTPW's purchasing specialists. OIG auditors noted three instances where the vendor selected had responded after the due date for the ITQ and should not have been considered for competition. This observation is further discussed in Finding 1.

Once services are rendered and/or parts are delivered, shipping documents will be provided and approved by the appropriate Materials Management personnel. Materials Management will confirm that the correct items are received at the Central Bus Warehouse, which is the main warehouse where inventory items are received, and buses are serviced. Engine cores and parts are also maintained there and requisitioned to other storerooms on an as-needed basis. Then, the invoice will be received and paid by DTPW's Finance Division. While shipment of the products that were part of our audit selection always occurred, on three occasions the actual shipping documents were missing from the file. However, this information was verified within the EAMS system, which is used for tracking inventory.

Group 1 – Parts (Stock & Nonstock Items)

As part of the warehousing and inventory management processes, DTPW uses the EAMS system to inventory and record parts. The inventory process is performed perpetually and auto generates counts each day. The EAMS system tracks the minimum and maximum used for parts within the system. Once the part reaches a minimum quantity in the system, it automatically generates a requisition for more of the required item. The requisition is then reviewed and approved by the Inventory Control Manager within the Materials Management Division and forwarded to the purchasing specialist in the Procurement Goods and Services Division, who will determine the approved vendors and initiate the ITQ Process.

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Non-stock (that is, other than store items and some service-related parts) purchase requisitions are generated when entered by the Materials Management staff into the EAMS system. Non-stock requisitions are reviewed by the Purchasing Manager and assigned to a purchasing specialist for processing. The purchasing specialist accesses EAMS to view the history of that item and the vendors awarded for that specific part. This will initiate the ITQ process, as discussed above.

For non-stock parts, the EAMS system assigns a bar code that is attached to each inventoried item available in the inventory stock room. However, DTPW is unable to use the perpetual inventory function in EAMS for purposes of inventory management of these items due to electronic configuration difficulties. Accordingly, inventorying of these items in the EAMS system has to be performed manually by warehousing staff and can be quite cumbersome. To facilitate this process, DTPW set up monitors in the parts warehouse where Materials Management staff could login to EAMS and verify parts in inventory and whether items were needed directly, as well as update the parts received.

Group 2 – Services

Service or bus repairs are initiated when a bus has a failure in the engine, transmission, air conditioning unit or other system that prevents it from operating as expected. This process is initiated by the Bus Maintenance Division, which will review the bus failure, determine what is wrong with the bus, and whether it can be repaired internally by DTPW, based on the expected scope of work. That determination is based on DTPW's resources at that point in time. If the Bus Maintenance Division determines it cannot repair the bus because the repair is too complex of a job requiring significant resources and the bus vendor is an OEM, the bus will be sent out to the OEM vendor for an estimate. In those instances, the bus will be sent directly to the OEM vendor because only one vendor can fix that bus. In the case where two or more vendors can service the bus, the bus repair service will follow the ITQ process described above. That is, a requisition will be created and sent to the purchasing specialist to begin the ITQ process. The ITQ would then set forth the scope of work for servicing or repairing the bus.

Also, there will be some cases where a bus has a new part (still under warranty, for instance, a new engine, which has failed. In those cases, the bus with such a failure will first be sent to the vendor who provided the new engine. The vendor will then diagnose the issue with the bus. If it is an operating problem or a problem with an engine that is still under warranty, the vendor will service the bus. If the vendor refuses to service the engine under the warranty because the failure/service issue occurred because of the way DTPW operated the bus, then the vendor will have to communicate the needed repairs to DTPW. DTPW will then make the determination of whether to use that vendor or send the work

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out for quote. All parts and labor are included in the repairs, so parts will not be individually requisitioned. The process then continues with a purchasing specialist in procurement contracts administration, who will initiate the ITQ process and issue a PO.

During the period of audit testing, there was a verbal understanding among personnel in the Warranty Division to use the "Metrobus Maintenance Failure Notification Form" to initiate the bus service/repair process. The form was to be dated and required that the following information be filled out for bus failures: the bus number, location of the bus, type of failure, date of failure, mileage, repair order reference, date opened, explanation of failure, diagnosis, comments, and signature. While this process was never formally adopted, OIG auditors found that a production coordinator was utilizing the form in the manner described above. This coordinator has since retired and discussions with the Superintendent of Warehousing and Stores confirmed our results that this process was no longer being used. (See Finding 3)

New Contract, FB-01316: Transit Bus Parts and Services

Contract No. FB-01316 replaces the audited contract, No. 5745-2/14-2. This successor contract has a five-year term, from July 1, 2020 through June 30, 2025. The contract is exclusively for the use of DTPW and the awarded value is \$19.60 million. No other departments are currently utilizing this contract. The other county departments that used the previous and audited contract (including the Miami-Dade Aviation Department, Miami-Dade Fire and Rescue Department, ISD, Miami-Dade Water and Sewer Department, and Parks Recreation and Open Spaces Department) are now accessing a separate pool contract, No. FB-00399: *Purchase of Original Equipment Manufacturer (OEM) Parts and Services*.⁶

Contract FB-01316 consists of three groups.⁷ Group 1 involves the award of OEMs, OESs and aftermarket parts. Aftermarket parts are all other transit bus parts not originally incorporated in new buses but are replacements for OEM or OES parts. While the original contract omitted pricing information, Group 1 parts for this new contract were competitively bid. The procurement contained a detailed list of parts with estimated yearly quantity usage and information on substitutes. Vendors provided their bid price for those parts that they were interested in competing for. Group 1 pricing is fixed for the term of the contract.

⁶ Contract No. FB-00399, which is effective through February 28, 2023, is a continuation of Contract 5380-6/14-6: *Mobile Equipment Manufacturer (OEM) Replacement Parts and Services*.

⁷ Group 1 consists of 22 approved vendors, 15 of which participated in the original contract. Groups 2 and 3, together consist of 34 approved vendors, 26 of which participated in the original contract.

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Group 2 is a pre-qualification pool of vendors for the purchase of transit bus parts that are not included in the Group 1 list. These purchases are subject to future price competition by way of initiating an ITQ by brand name for future price competition. Unlike Group 1, Group 2 vendors were not required to submit pricing during the ITB process. Instead, they submitted brand names at that time, and are invited to quote each time the part is needed. Group 3 is a pre-qualification pool of vendors to purchase services for future price competition.

VII. OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to assess DTPW's departmental compliance with the policies, procedures, and contract roadmap set forth in Contract No: *5745- 2/14-2: Parts and Repair Services for Transit Buses*, and, to determine whether departments are maintaining records identifying criteria used to select the pre-qualified firm, as well as whether DTPW received the correct items ordered or services rendered, and that the payment reflected the shipment received or services performed.

The OIG's audit sample was selected using voucher history from the County's Advanced Purchasing and Inventory Control System (ADPICS) system. The population of vouchers (and corresponding POs) for the audited contract made no distinction as to whether the payment was for Group 1 parts or Group 2 services. The identification of the group was only made known to us after the voucher had been selected and the backup documentation was reviewed.

OIG auditors selected our sample of invoices for testing from the top 21 vendors with the largest individual payments and the largest amount paid to date for the period from January 1, 2015, through December 31, 2018. For each of these 21 vendors, we tested the largest single payment made to it. Also, for these 21 vendors, we selected for additional testing any repeated payment amounts, i.e., vouchers issued to the vendor with identical amounts. In total, we tested 50 invoices totaling \$4.01 million from 21 vendors.

Among the 50 invoices tested, there were 43 POs (7 were repeated in our testing because they were blanket purchase orders⁸) (BPO) and 45 ITQs (four were missing from the files and one was repeated twice). We tested 46 invoices totaling \$3.65 million, which consisted of parts only (Group 1). We tested four invoices totaling \$362,235 for services from Group 2. All four of the Group 2 invoices were from Florida Detroit Diesel Allison (FDDA). As stated above, invoices were selected based on dollar amounts with no distinction as to the group number. It was pure coincidence that all four Group 2 invoices

⁸ While only 7 of the POs tested in our sample were repeated (and BPOs), 44 of the POs in our sample were BPOs.

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were for FDDA. Schedules B and C to this report provide details of the samples selected as to purchases from vendors within Group 1 (parts) and 2 (repair services).

OIG auditors obtained and reviewed the administrative policies and procedures and performed process walk-throughs to understand the process from the requisition initiated with Materials Management, to the ITQ initiated by the purchasing specialist, as well as verifying that vendors were approved for the parts and services in the roadmap, that the prices quoted were invoiced, and that the parts and services ordered were received and paid accordingly. We also performed process walkthroughs with the Materials Management Division to understand the inventory control processes that occur before a requisition is created.

This audit was conducted in accordance with the *Principles and Standards for Offices of Inspector General* and the *Generally Accepted Government Auditing Standards*. These standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions. Based on our audit objectives, we believe the evidence obtained provides a reasonable basis for our findings and conclusions.

VIII. AUDIT FINDINGS

The OIG noted areas of noncompliance in contract usage as to both Group 1 and 2. While contract and roadmap noncompliance was more common as to Group 1, Group 2 deficiencies involved the lack of documentation and/or inconsistent documentation in the purchasing files. This Group 2 non-compliance occurred because service costs may vary depending on the needs or repairs involving each specific bus, at a particular point in time. Therefore, the cost of contract usage as to Group 2 services (including parts) is unknown and cannot be precisely estimated, whereas as to Group 1 contract usage, a part's cost is predetermined once the ITQ is awarded.

Our sampling examined the work of six purchasing specialists⁹ who were responsible for the 50 sampled invoices and the corresponding ITQs. Among the purchasing specialists, one purchasing specialist (who is no longer with the department) was responsible for all the 18 exceptions identified in our audit findings. This individual retired prior to the start of our audit. Among those 18 exceptions, 13 involved Group 1 purchases and five exceptions involved Group 2 services. Based on our testing sample,

⁹ There are ten purchasing specialist positions that report to the Procurement Chief. At the start of the audit, there were six purchasing specialists and four vacancies. Additionally, there were six purchasing specialists that produced the ITQs in our sample.

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we determined that there were no testing exceptions noted as to Group 1 after the new Procurement Chief came on board in August 2018.

Finding 1: Testing of Group 1 Invoices found \$870,621 in questioned costs due to noncompliance with the contract roadmap.

There were several areas of noncompliance with the contract roadmap, as detailed in Table 3 below, which sets forth the testing exceptions and summarizes the conditions by invoice. All the exceptions listed resulted from the actions of the same purchasing specialist and occurred prior to the hire of the current Procurement Chief in August 2018. Additionally, we noted that while the contract roadmap was not consistently applied, our examination showed that, as to Group 1 vendors (parts) different vendors won the ITQ each time, suggesting an absence of favoritism as to any specific vendor.

Table 3: Finding 1 Conditions, Exceptions, and Questioned Costs

Noncompliant Conditions:		ITQ #	PO #	PO Amount	Questioned Cost
1	Vendor selected responded after the due date of the ITQ.	No number assigned*	POMT1500533	\$1,200,000	\$ 282,420
		5745-2-14-2-A1	POMT1702557	\$ 380,000	\$ 46,844
		5745-2-14-2-C1	POMT1800173	\$ 150,000	\$ 36,928*
2	No proof that ITQ was sent to vendors.	No ITQ	POMT1300270	\$ 2,200,000	\$ 55,000
		No ITQ	POMT1500261	\$ 4,000,000	\$ 47,850
		No ITQ	POMT1704042	\$ 60,000	\$ 29,750
3	Vendor selected was not approved to provide that part in the roadmap despite being an approved vendor of the pool.	5745-2-14-2-C1	POMT1800173	\$ 150,000	\$ 36,928*
		353877-C1	POMT1801098	\$1,480,200	\$ 35,900
		No number assigned*	POMT1600691	\$ 312,189	\$ 0**
4	Copy of the ITQ email and identity of those who received it was missing from the file.	5745-2-14-2-C1	POMT1800173	\$ 150,000	\$ 36,928*
		343440-H1	POMT1701738	\$ 400,000	\$ 195,000
5	An ITQ was sent to less than four vendors despite more vendors being approved.	5745-2-14-2-C1	POMT1701226	\$1,375,000	\$ 140,929 ¹⁰
Total Questioned Costs					\$ 870,621

¹⁰ Only a portion of the invoice total is included as a questioned cost. Refer to Condition 5 on page 16 for details.

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For Table 3, please see the legend below.

Legend:	
No ITQ	An ITQ was not available for review in the file.
No number assigned*	The ITQ Form used at that time "Request for Quote" did not require an ITQ#.
\$ 36,928*	Invoice and payment information is repeated because selection contained two conditions; however, amount is only counted once in questioned costs.
0**	Not included as a questioned cost because the lowest bidder ultimately supplied the part.

Condition 1: The vendor selected responded after the due date of the ITQ.

The spot-market quoting procedure, a process in which the department requests price quotes from vendors, requires that an ITQ be sent to four approved vendors for each part (unless fewer vendors are approved for that part) via email. The email contains a designated deadline for each vendor to comply with. OIG auditors noted three instances among the 46 invoices tested (7%) where the vendor that was selected submitted its quote after the designated deadline. A vendor whose quote was received after the designated deadline should have been disqualified from winning the ITQ. However, in those three instances, the late responding vendors won instead. The total value of these three invoices was \$366,192. The vendors that were selected in two of the three cases had the lowest quoted prices. The third had no other quotes available for review in the file.

The ITQ underlying the first exception was emailed to the required vendors to quote prices for four parts. A total of three vendors responded to the ITQ. Three vendors were approved to provide one of the four parts, while two vendors were approved to provide all four parts. The two vendors responded by email. One responded by the required due date and the second vendor replied the following day. The vendor that responded on the day following the due date quoted DTPW lower prices and shorter lead times. That vendor won.

ITQ#5745-2-14-2-A1 was emailed to four vendors, but only three responded. Two vendors responded within the designated deadline, and the third responded a day after the designated deadline. The vendor who replied late submitted lower prices and won.

ITQ#5745-2-14-2-C1 had several approved vendors for the part but only one vendor responded. The vendor that did respond, did so after the due date and won the ITQ. Even if there were no other bidders, the late price quote should have been rejected and a new ITQ processed should have been initiated.

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Condition 2: There was no proof that ITQ was sent to vendors.

The OIG auditor noted three instances out of 46 ITQs tested (7% of the sample) where there was an absence of proof that an ITQ had been sent out by DTPW. These three purchases were for parts where there were more than four vendors approved to provide that part. An ITQ should have been sent to at least four of those approved vendors, according to the contract roadmap. However, there was no proof that this ever occurred.

Apparently, DTPW selected a vendor to provide parts based on historical pricing information available within the EAMS system. In two of the three invoices, the historical price available within EAMS was the price paid for those parts. However, the third invoice, for parts totaling \$55,000, had an invoiced price that was greater than the historical price available in the EAMS system at the time of purchase. On this invoice, DTPW was purchasing 180 turbochargers. The historical price available for turbochargers was \$2,329 in October 2014, but the invoiced and paid price in April 2015, when the turbochargers were ordered, was \$2,750 per unit, a difference of approximately \$421 per turbocharger unit. While fortunately DTPW had historical information available on the system of record, it was not specific to this pool contract. Furthermore, it is not clear whether DTPW overpaid for the parts based on using historical pricing, instead of obtaining current (spot market) quotes. As reflected in Table 3, the total paid to sampled vendors selected without an ITQ was \$132,600 (\$55,000 + \$47,850 + \$29,750).

Condition 3: The vendor selected was not approved to provide that part in the roadmap despite being an approved vendor in the pool.

The OIG auditor noted three instances where multiple vendors were approved to provide a part, but the ITQ was instead sent to a vendor that was not approved to supply that item.

On December 7, 2017, DTPW needed 15 wheelchair ramps, and issued ITQ #5745-2-14-C1. Two vendors were approved to provide wheelchair ramps under this contract (B&G Auto Parts and New Flyer Industries). There was no proof that an ITQ was sent to either of these approved vendors. The due date for this ITQ was December 11, 2017, at 5:00 p.m. However, Southern Coach, a vendor who was not approved to provide wheelchair ramps under the pool contract despite being an approved vendor within the pool, submitted a quote the following day. (See also Condition 1 as the quote was

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received past the due date.) Nonetheless, Southern Coach was awarded the ITQ for these parts totaling \$36,928.¹¹

On December 16, 2017, DTPW sent out ITQ #353877-C1 for Detroit Diesel Power Plant Replacements for NABI Diesel Powered Buses. The replacements consisted of repairs and installations for nine buses. Based on the roadmap, two vendors (FDDA and MCI Service Parts) were approved to provide the needed parts and repairs. However, the ITQ was sent to FDDA and Discount Diesel Truck Parts, the latter being a non-approved vendor. MCI Service Parts was not provided an opportunity to quote. Instead, Discount Diesel Truck Parts was awarded the bid, totaling \$35,900, despite not having been approved to provide these parts in the contract roadmap.

On February 8, 2016, DTPW sent out an ITQ (with a missing ITQ number) for NABI Seal, Oil, Inner Rear Wheel Bearings (part no. 48690) and NABI 24V Belt (part no. K120738). Each part had 12 vendors approved to provide that part and eight vendors were invited to quote. Among the eight vendors invited to quote, Gillig, which was not an approved vendor for either of the two parts, was nonetheless sent an ITQ and invited to quote. Gillig sent the second highest quote among the eight vendors invited to quote. Vehicle Maintenance Program, which was an approved vendor for both parts, submitted the lowest prices and shortest lead times. However, the PO was initially sent to Gillig citing the lower prices that had been quoted by Vehicle Maintenance Program. Gillig responded by stating that it could not meet those prices. That PO was then cancelled and awarded to Vehicle Maintenance Program, which should have been the vendor awarded the work all along. The total awarded to Vehicle Maintenance Program was \$17,224. Since Vehicle Maintenance Program, as the lowest bidder, was ultimately awarded the work, the \$17,224 award is not included as a questioned cost. Thus, that amount was not counted in Table 3.

Condition 4: A copy of the ITQ email and the identity of those who received it, was missing from the file.

There were two instances where the email sending out the ITQ was missing from the file. While the ITQ documents, specifying the item description and quantity, was present in the files, the emails inviting vendors to quote, which document the transmission of the ITQ to the vendors, were missing from the respective files. The value of these two ITQs was \$270,928.

¹¹ See Table 3 Legend explaining that the \$36,928 invoice is only counted once in the overall questioned cost of \$870,621.

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ITQ # 343440-H1 was sent out by DTPW on January 24, 2017, for 300 stainless steel bike racks. Midwest Bus Corp and Southern Coach were approved to provide bike racks in the contract roadmap. A quote was received from Midwest Bus Corp for \$780 per bike rack. However, there was no email or other documentation showing that Southern Coach ever received the ITQ; moreover, OIG auditors did not see a bid returned from Southern Coach in the file. As both vendors were pre-qualified to provide this equipment, quotes should have been obtained from both. The total quoted amount for the 300 bike racks was \$234,000, of which \$195,000 has been paid for 250 of them.

The second instance involves the ITQ award to Southern Coach for wheelchair ramps, previously described in Conditions 1 and 3. While Southern Coach was not approved to provide wheelchair ramps, OIG auditors did not find any evidence that the ITQ was sent to the two vendors that were authorized to provide wheelchair ramps. The ITQ value awarded to Southern Coach was \$36,928, which the OIG questions.¹²

Condition 5: An ITQ was sent to less than four vendors despite more vendors being approved.

The OIG found one purchase meeting this condition. On August 9, 2017, DTPW sent out ITQ # 5745-2-14-2-C1,¹³ requesting prices for 60 condenser and evaporator controller motors and 4 module main air conditioners. Two vendors were approved to provide the module main air conditioner part, but eight vendors were approved to provide the condenser and evaporator controller motor. However, the ITQs were sent to only three vendors, instead of the required minimum of four vendors. Thermo King was an approved vendor for both parts and one of two vendors who submitted a bid. The OIG questions the cost for the 60 condenser and evaporator controller motors because there were 8 vendors approved to provide those parts and only three were selected to quote. Thermo King submitted the lowest price and was awarded the work totaling \$142,402; however, the OIG questions the costs associated with the condenser evaporator controller motors of \$140,929. The OIG finds that two ITQs should have been issued in this case. While there was limited competition for the main air conditioner modules, there could have been increased competition to supply the 60 condenser and evaporator controller motors.

¹² See Table 3 Legend explaining that the \$36,928 invoice is only counted once in the overall questioned cost of \$870,621.

¹³ This ITQ number was later inadvertently repeated in another ITQ number (in December 2017) involving wheelchair ramps and Southern Coach, as noted above in the discussion as to conditions 3 and 4.

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Other Factors Relevant to Finding 1

As previously noted, these testing exceptions resulted from the actions of the same purchasing specialist and occurred prior to the hire of the current Procurement Chief, in August 2018. We note that new purchasing specialists were hired and trained, and DTPW's processes have been reviewed and revamped. For example, ITQs may now only be sent by email, instead of the previous facsimile (fax) mode of transmission, to ensure the existence of an audit trail showing that all parties received the same invitation to bid contemporaneously. Additionally, the Procurement Chief now reports to the Deputy Director of Finance and Administration, illustrating Procurement's central role and impact on the Department, as well as a managerial change enhancing overall organizational communication.

Finding 2: DTPW overpaid an invoice whose price did not reflect the quoted price.

On November 14, 2014, DTPW sent out an ITQ (with a missing ITQ number) for 40 stainless steel bike racks. There were two vendors eligible to provide the racks, and two quotes were received. Midwest Bus quoted \$815 per bike rack, while Southern Coach quoted \$809.37. Since Southern Coach quoted the lowest price and specified the shortest lead time, it was awarded the work. On that same day, DTPW staff issued an internal PO (EAMS PO) to Southern Coach. The EAMS PO, stated the correct quantity and unit price, and referenced an ADPICS PO. The ADPICS PO was issued as a BPO in the amount of \$300,000.

The bike racks were received in two shipments of 20 racks. The invoices stated a unit price of \$813.95, which is \$4.58 more per unit than the quoted price. DTPW staff paid the overstated amount on both invoices. The total amount overcharged by Southern Coach (overpaid by DTPW) was \$183.20.

While this could have been a mere flub by either party or both involving a lack of attention to detail, it was allowed to happen because the invoices were paid from a BPO, instead of a designated PO established from the ITQ. The EAMS PO created on November 14, 2014 had the correct unit price. The ADPICS PO was merely a blanket. Had a designated PO been created in ADPICS with the correct unit price, these invoices would have been kicked back for non-conformance. We are hopeful that under the new INFORMS¹⁴ accounts payable module these discrepancies would be detected.

¹⁴ INFORMS or Integrated Financial Resources Management System is the County's new Enterprise Resource Planning System, the financial system of record as of April 5, 2021.

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Overview to Findings 3 and 4 Involving Group 2 Repair Services

We tested four Group 2 invoices totaling \$362,235. As explained in Section VII, these invoices were selected based on the highest dollar amounts from a population of vouchers for the highest paid vendors of this pool. It may or may not be a coincidence that 80% of FDDA's invoices tested were for Group 2 repair services or that among the 50 invoices tested in our sample, FDDA was awarded all the repair work. Documentation in the file that would have explained why one vendor was selected rather than applying a competitive strategy for that repair was absent from the file, mainly because DTPW's policies and procedures did not contain a requirement to document bus failures. This created an atmosphere of uncertainty where sole source vendors and OEMs could submit conflicting work orders and invoices, but still be paid, and could exploit their pricing power as sole source vendors/OEMs to the detriment of DTPW, such as by not disclosing reductions in proposed parts and labor discounts.

Finding 3: The procurement of Group 2 services lacks transparency due to missing documentation in the files explaining how and why these services are required.

The initiating process by the Materials Management Division could not be verified in three of the four files we selected for review. It appears that this occurred due to the lack of controls over the entire process of purchasing services or repairs. There is no documentation in DTPW's policies and procedures which explains, or lays out with any specificity, the responsibilities of the Materials Management staff to determine and document the bus failure or service problem at issue, or the scope of services sought to be purchased.

Among the four service invoices tested, only one package contained the "Metrobus Maintenance Failure Notification" form. As previously mentioned on page 10 of this report (Section VI Background) this form was used to initiate the bus service/repair process. The remaining three repairs did not have this form or any other documentation identifying the reasons why that bus was sent to a vendor rather than being repaired/serviced internally by DTPW.

The OIG notes that while the form was not a formally approved process, there should have been some means of documenting the underlying bus issue that initiated the repair/service process, and for documenting that process in the DTPW system, whether in a physical file or computer system. Without some initiating document from Materials Management, it is impossible to discern why a bus was fixed by a particular vendor or whether the competitive process should have been applied. In other words, it would be

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easier to circumvent the competitive process since the repair itself is unknown. If the repair itself is unknown, it is more difficult to determine which vendors are available to compete.

While the OIG recognizes that most service repairs under this contract are specific to an OEM and that quotes are not applicable under those circumstances, regardless of the quoting process, a PO should accompany every service invoice. This practice was not consistently applied by DTPW. Table 4 below details the exceptions noted in three of the four invoices reviewed.

Table 4: Documentation Exceptions Noted in Group 2 Testing

Service Rendered	ITQ Sent (Y or N)	Missing Documentation	Invoice Amount
Engine and transmission on New Flyer Bus #9501	N	No initiating service documents or purchase order.	\$ 114,709
Replace ESS on Bus #s 9504, 9517, & 9518	OEM	No initiating service documents or work order	\$ 61,932
Replace ESS on Bus #9523	N	No initiating service documents or purchase order.	\$ 61,114

In addition to the lack of documentation to support the initiation of the service process, the OIG noted that the roadmap also lacked detail regarding services approved, by vendor, as part of the pool contract. For example, no information existed in the roadmap as to which vendors could provide energy storage systems (ESS) or dual power inverter modules (DPIM). While some vendors could provide “engines” or “transmissions”, there was no detail as to the types of engines that could be provided. One of the samples the OIG tested was for diesel engines (not Detroit Diesel engines) and it is unclear if any vendor in the roadmap was approved to service diesel engines.

Finding 4: Inconsistencies in FDDA invoices and supporting documentation proved difficult to verify charges.

Of the four Group 2 invoices tested, OIG auditors found inconsistent application of discount rates, labor totals, and list prices. In addition to these inconsistencies, because these repair services were not preceded by estimates, price quotes, or established labor rates, OIG auditors could not determine the correct amounts to be charged. For two of the four repair services reviewed, we found these above-noted problematic conditions. Table 5, on the next page, lists the two questioned invoices.

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Table 5: Group 2 Questioned Invoices Totaling \$5,554

Work Order (WO) Number & Service Rendered	ITQ Sent (Y or N)	OIG Observation	Invoice Amount	Comments & Questioned Costs
WO # 4041115 Engine and transmission on New Flyer Bus #9501	N	Different Labor rates; Discounts did not equal rate stated; Different list prices	\$ 114,709	Four different labor totals; 19.68% discount provided vs. the 25% discount quoted, resulting difference of \$4,739
WO # 3925266 Replace ESS on Bus #s 9504, 9517, & 9518	OEM	Flat labor rate of \$3,815 with no detail and no work order provided	\$ 61,932	OIG notes that the same vendor charged a \$3,000 flat labor rate for the same type of repair, OIG questions difference of \$815

The figures above reflect invoice amounts and not the vouchered amounts used to determine our sample.

As described in Section VI Background, this pool contract intentionally omitted pricing information, as it relied on competitive spot market quotes. Notwithstanding the results of our testing (see Finding 1), Group 1 invoices did not generally present a problem as to pricing because of the use of spot market quotes. However, with Group 2 the issue of the pricing of services proved more problematic, as the competitive process often did not apply, such as the case of OEMs and provisions designating a specific service vendor for specified repairs. This may have given too much pricing power to vendors where only one vendor was approved for that part or brand name. Our testing of four invoices of Group 2 repair services illustrated that point.

When a bus needs repairs, the determination of whether the repairs are made internally at DTPW, or by a vendor, should be made based on DTPW's resources at that point in time. If the Bus Maintenance Division determines it cannot repair the bus because the service issue was too complex, or too big of a job requiring significant resources, and the bus service vendor was an OEM, the bus would be sent out to the OEM vendor for an estimate. In those instances, the bus is sent directly to the OEM vendor because only that vendor is deemed able to repair it. In the case where two or more vendors could service the bus, the proposed bus repair service would proceed along the lines of the competitive ITQ process. That is, a requisition would be created and sent to the DTPW purchasing specialist to begin the ITQ process.

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Work Order No. 4041115 – Engine & Transmission for Bus #9501

In March 2018, FDDA was requisitioned for an engine and transmission repair for Bus #9501. Due to the lack of repair origination documentation in the file, it is unclear what vendors, if any, were approved to perform the specific repair for this New Flyer bus. This specific repair, and the various vendor documents supporting the work and charges, had several inconsistencies. These documents, five in total, are described in detail and are attached as OIG Exhibits 1 - 5. A sixth document, prepared by the OIG, compares FDDA's original invoice to a revised invoice that was provided to the OIG by FDDA in its attempt to reconcile the inconsistencies. (Attached as OIG Exhibit 6.)

- Exhibit 1: FDDA's Invoice No. 6720136 RI submitted to DTPW for payment on March 8, 2018 for work related to work order #4041115.
- Exhibit 2: FDDA's *Parts and Labor Detail Form* dated 03/07/18. This form is almost identical to the form dated 03/08/18 (Exhibit 3), however, the discounted and extended amounts differ from that document.
- Exhibit 3: FDDA's *Parts and Labor Detail Form* dated 03/08/18. This form is almost identical to the form dated 03/07/18 (Exhibit 2), however, the discounted and extended amounts differ from that document.
- Exhibit 4: *Parts and Labor Detail* available in the DTPW file as supporting documentation for Invoice No. 6720136 RI. While bearing a similar name to Exhibits 2 and 3, this document is not the same and looks more like a summary worksheet containing only 22 line items for this repair, whereas Exhibits 2 and 3 contain over 70 line items. Notably, this document shows the discount rate as 25%. A copy of this document was also furnished to the OIG by FDDA. According to FDDA this document is its initial quote for the repair. Hereinafter referred to as FDDA's quote.)
- Exhibit 5: FDDA's *Revised Parts and Labor Detail Form* submitted to the OIG on November 3, 2020 in response to inquiries made.
- Exhibit 6: OIG-prepared comparison of the *Parts and Labor Detail Form* submitted on March 8, 2018 (Exhibit 3) to the *Revised Invoice* submitted to the OIG (Exhibit 5).

FDDA charged \$114,709 for this repair. The invoice, dated 03/08/18, is seven pages in total and describes step-by-step the work performed. It shows a labor rate of \$92.09 per hour for 102.62 hours performed. The invoice includes a listing of parts and the quantities used, but there are no unit prices. The bottom of the invoice merely states \$114,709.02.

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Included in DTPW's service file were two documents titled *Parts and Labor Detail Form*. Both forms were identically titled, and both corresponded to the same work order (#4041115); however, one was dated 03/07/18 and the other was dated 03/08/18. These two documents (for all the parts used in the repair) state the "list amount" and the "discount amount" but the discount rate is not stated. Also found in DTPW's file (and later provided to the OIG by FDDA) is another document titled *Parts and Labor Detail*, however, this document, unlike the two others described above, actually states a "Part Discount" rate of 25%. In later correspondence to the OIG, FDDA referred to this document as its quote for the repair service.

For the two documents that did not include a stated discount rate, the OIG performed those calculations to determine the rate that was actually charged.¹⁵ For the *Parts and Labor Detail Form* dated 03/07/18, the OIG computed the discount percentages for all the parts listed and determined that the average of the total discount received was 19.63%. For the almost identical form dated 03/08/18, the OIG computed the discount percentages for all the parts listed and determined that the average of the total discount received was 19.68%--not the 25% stated on FDDA's other document. If DTPW had received the full 25% discount reflected on the 03/08/18 *Detail Form*, it would have paid \$4,739 less.

In addition to the issue of discounts, the OIG auditor attempted to reconcile the *Parts and Labor Detail Form*, dated 03/08/18, to the FDDA quote that states the 25% discount. The *Parts and Labor Detail Form* lists 68 parts and 5 services totaling \$142,622; whereas the quote contains 15 parts and 7 services totaling \$152,983. The OIG auditor attempted to reconcile the amounts on one form to the other, but none of the amounts agreed. Additionally, page 3 of FDDA's invoice (Exhibit 1) shows 102.62 labor hours at a rate of \$92.09, totaling \$9,450. However, FDDA's quote (Exhibit 4) shows 70 labor hours at the \$92.09 rate, which totals \$6,446. Moreover, shop labor in the 03/07/18 *Parts and Labor Detail Form* is stated as \$11,398. In the almost identical form of 03/08/18, it is stated as \$11,391.50. Inconsistencies between documents pervade this repair service.

While the OIG has been able to examine these documents in detail and perform calculations from them, we note that all four of the exhibits described above were in DTPW's possession. We note that some of the inconsistencies were readily observable, such as the varying labor rates and hours described above. However, we did not find any

¹⁵ For example, from the 03/08/18 *Detail Form* (Exhibit 3), the OIG calculated that DTPW only received a discount of 22.61% from the list price for a housing assembly, and of 21.05% for a rotor assembly.

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documentation in DTPW's files indicating that questions concerning the purported discount rates and payment amounts were raised.

The OIG auditor did make inquiries to FDDA about the reasons for all these differences, including requesting that FDDA reconcile its copy of the *Parts and Labor Detail Form* to its other document showing the 25% discount. The OIG auditor received unsatisfactory and incomplete responses to these inquiries from various FDDA personnel over a period of seven months. These responses failed to either reconcile or explain these differences. Among the FDDA personnel that the OIG spoke to/communicated with via email, phone calls and WebEx were the Parts Representative, Service Manager, Miami Parts Manager, and the Divisional Parts Vice President. On September 28, 2020, the Miami Parts Manager responded to the OIG auditor stating:

I have sent your request to our VP of Parts Operations who is currently on vacation and will return next week. Apparently, the work orders in question may or may not have some miscalculations that would need to be adjusted. Again, if you have a figure in mind for the parts difference, I am willing to trust your investigation and work with you on a credit.

On November 3, 2020, FDDA, through its Facility & Service Manager, provided the OIG auditor with a revised *Parts and Labor Detail Form*. (Exhibit 5). To the OIG's knowledge, this revised document was not provided to DTPW. This was a third version of the same *Parts and Labor Detail Form*. We note that the overall invoiced charge remained the same, and it now matched FDDA's initial quote (the form showing the 25% discount) but in doing so, 48 line items were "zeroed out." The FDDA Facility & Service Manager explained:

Please see attached revised invoice that matched line by line to the initial quoted sheet received prior to the job. As mentioned previously when we spoke, we ended up using more parts than we anticipated therefore [the service manager] closed the job to the agreed initial quoted amount that skewed the pricing. Those additional Parts used I zeroed out but kept on the invoice to show the parts used.

In comparing the new document with the past *Parts and Labor Detail Forms*, we note for example an item that initially had a net cost \$36.85 now had a net cost of \$152.60, after applying a discount of \$50.88. To illustrate the significance of the differences, the OIG auditor compared the price list from the original invoice tested to the revised *Parts and Labor Detail Form*. The OIG's comparison is attached as Exhibit 6.

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Comparison of Charges on Work Order No. 3925266 (Invoice No. 6387200) Against Similar Repairs from the Same Vendor

Another example where the contract's absence of pricing, especially as it relates to labor charges, leaves DTPW at the mercy of vendors is illustrated by Work Order No. 3925266. DTPW's requisition and the EAMS PO show that the work was for "the purchase, remove and installation of three (3) battery and energy storage systems [ESS]" for three New Flyer hybrid buses. The cost for each bus is \$61,933.81, however, the labor charge per bus was not stated. On the invoice for one of the three buses (Invoice No. 6387200) the equipment charge was \$58,117.23 and the labor charge (flat rate) was \$3,815. While this labor charge may be reasonable, the OIG auditor noted that on two other invoices sampled from this same vendor for the same repair (removal and installation of an ESS), the labor charge was only \$3,000. (The equipment charge was essentially the same.) Table 6 below illustrates the difference.

Table 6: Different Labor Charges for the Same Scope of Work

Invoice	Date	ESS Price	Labor Price
6387200-RI	7/9/2016	\$58,117.23	\$3,815
6503559-RI	1/18/2017	\$58,114.32	\$3,000
6685578-RI	1/5/2018	\$58,114.32	\$3,000

Despite these experiences with the audited pool contract, it should be noted that the new contract, Contract No. FB-01316, includes labor rates and a spreadsheet detailing all unit prices per part by vendor. Therefore, these pricing disparities are unlikely to occur in the future.

IX. RECOMMENDATIONS AND CONCLUSION

Based on the findings of this audit, the OIG makes three recommendations to improve prospective purchases under successor contract FB-01316 and pool contracts in general. We believe that these recommendations will also serve as useful tools to assist management in minimizing and detecting any shortcomings in the purchasing process.

1. The OIG recommends that DTPW Materials Management Division create an originating document or form similar to the "Bus Failure Form" that documents the original diagnosis, service to be performed and consideration of warranties, OEM and whether the department itself has the resources to service the bus internally. If the competitive strategy, seeking competing quotes, is not being used, the document/form should specifically state so. A copy of the document/form would then be sent to the purchasing specialist, who could then

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document the competitive process as necessary and include this documentation in the file.

DTPW Response

Materials Management Division concurs with the recommendation and will establish originating documents to implement prospectively. It is anticipated this implementation will be effective October 1, 2021.

2. In light of the level of noncompliance with the contract roadmap, the OIG recommends that DTPW create a checklist to be filled out by the purchasing specialist to document that all necessary steps of the contract roadmap were taken. The checklist might include a listing of those vendors sent the ITQ, the closing date, the vendors that responded, and the date/time received, etc. Such a checklist would be a good management tool for supervisory review. While the successor contract's Group 1 has fixed pricing, we believe that such a checklist will be of benefit to Group 2 and 3 purchases, as well as ITQs on pool contracts in general.

DTPW Response

Procurement Goods and Services Division concurs with the recommendation and will establish a checklist for staff to implement prospectively. It is anticipated this implementation will be effective October 1, 2021.

3. In light of the County's transition to INFORMS for purchasing and accounts payable, DTPW should reduce its use of BPOs. POs should be created for each requisition and should reflect the quoted prices and quantities from the ITQ. The OIG notes that under the INFORMS system, BPOs are only allowed for services and only for the active fiscal year. While this new policy covers the Group 1 POs and invoices, DTPW should issue POs that match the quoting process, whether the purchase is for parts or services.

DTPW Response

Procurement Goods and Services Division concurs with the recommendation. Please be advised since 2018, this Division began to evaluate and liquidate numerous blanket purchase orders to enhance internal controls. Moreover, staff was educated and trained to create specific goods and/or services purchase orders based on binding quoted prices/quantities submitted by participating vendors. Although BPO's are only allowed for services only for the active year under the INFORMS system, the division is making every effort to dispatch specific detailed oriented purchase orders to capture awarded details such as but not limited to Contract/Quote number, description/scope of work,

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quantities, period of performance, and awarded contractual amount for service-based contracts.

Our three recommendations serve to address internal control gaps to benefit the department in similar contracts in the future. Even though the successor contract has accounted for specific pricing for group one, there are still two other groups that would benefit from these processes since pricing information is not explicit and relies on strong departmental controls. Pool contracts and other contracts that require competitive quotes are prevalent to the business model at DTPW and the County as a whole. Accordingly, ensuring compliance at the department level is paramount. DTPW, in its response, acknowledges these gaps and will implement new procedures as of October 1.

The OIG requests that DTPW provide the OIG with a follow-up report in 120 days, on or before December 17, 2021, that describes the status of implementing OIG recommendations identified in this report. We ask that DTPW provide sample copies of the two new forms to be created, and any training materials regarding their implementation. We thank the department for its support throughout the completion of this audit.

* * * * *

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FINAL AUDIT REPORT
SCHEDULES A - C

- A. Total Paid to DTPW by Vendor for Contract 5745-2/14**
- B. Group 1 Audit Testing Sample**
- C. Group 2 Audit Testing Sample**

*Department of Transportation and Public Works' Use of Contract 5745-2/14-2: Bus
Parts and Repair Services for Transit Buses*

IG18-0006-A
August 18, 2021

**Schedule A: Total Paid to DTPW by Vendor for Contract 5745-2/14:2
For the Contract Period January 1, 2013 through December 31, 2018**

No. of Vendors	Vendor	Purchase				Orders Issued	Total Paid	Sampled
		SBE	Local	Group I	Group II			
1	New Flyer Industries (Transit Holding, NABI Parts; North America Bus Industries) <i>See Footnote 1</i>			X		45,448,430	38,312,511	941,910
2	Florida Detroit Diesel Allison			X	X	26,444,229	21,392,101	450,185
3	Cummins Power South		X	X	X	18,780,188	13,188,208	448,940
4	Discount Diesel Truck Parts		X	X		14,205,485	10,594,169	150,080
5	Total Truck Parts		X	X		9,112,925	7,604,853	90,714
6	Hunt Inc. (Thermo King)		X	X	X	7,364,730	6,206,824	363,356
7	Electric Sales and Service		X	X		6,784,518	5,540,085	139,323
8	MCI Service Parts			X		6,404,203	5,382,279	158,605
9	Gillig			X		4,376,285	4,079,391	318,526
10	Mohawk Manufacturing			X		4,827,754	3,112,378	161,908
11	Cubic Transportation Systems			X		3,625,801	2,037,893	246,336
12	Muncie Transit (ABC Inc.)			X		1,911,590	1,240,056	99,178
13	B&G Auto Parts		X	X		1,744,117	975,980	81,186
14	Vehicle Maintenance Program			X		1,612,189	953,084	27,006
15	Midwest Bus			X		1,500,000	925,212	80,070
16	Southeast Power Systems of Tampa			X		1,248,892	683,212	131,925
17	Kirk's Automotive			X		1,085,083	625,170	32,130
18	Neopart			X		958,119	514,876	
19	Southern Coach Parts Co.			X		785,000	498,758	54,271
20	Air Technik		X		X	1,100,000	441,978	-
21	Janek Corporation			X		686,111	411,107	
22	Union County Seating and Supply			X		689,741	400,873	
23	Prevost Car US			X		741,871	368,389	
24	Jack Lyons Truck Parts			X	X	551,557	355,712	
25	Fraser Tool & Gauge			X		648,521	353,687	38,838
26	I/O Controls			X	X	453,604	289,643	
27	National Truck Parts of FL (CCC Heavy Duty Trucks; TPH Acquisition; The Parts House)		X	X		280,000	289,378	
28	Power Brake Exchange		X	X	X	560,653	211,573	
29	PS Systems Inc.	X	X	X	X	450,050	177,787	
30	Hydraulic Supply (Aero Hardware & Supply; Motion Industries)			X	X	141,383	115,837	
31	Florida Transportation Systems			X		165,000	97,658	
32	Whalley Glass (Curved Glass Distributors)			X		130,000	92,655	
33	J Prosser Enterprises		X	X		178,573	70,250	
34	Expert Diesel (KVP Enterprises)			X	X	159,105	55,318	
35	Door Systems Group			X		115,000	54,392	
36	Truck Trailer Transit (Axletech)			X		160,000	53,503	
37	Charlie's Auto Glass (Future Glass)			X	X	52,345	51,428	-
38	American Fasteners		X	X		55,000	25,368	-
39	Reliable Transmission Services		X	X	X	70,000	14,256	
40	L&L Distributors (Ramar)		X	X		55,000	9,185	
41	Diesel Power & Injection			X	X	67,709	8,558	
42	Kenworth of South Florida			X	X	80,458	3,900	
43	Eco Tech Fleet Services	X			X	5,250	3,188	
44	Rechtiem International Trucks		X	X		29,424	3,016	
45	Amazon Hose & Rubber		X	X		25,000	2,169	-
46	Napa Auto Parts (Genuine Parts)			X		1,259,751	1,665	
47	Vericom Computers			X		541	551	
48	Bennet Auto Supply		X	X		40,193	31	-
49	D&L Auto & Marine		X	X	X	-	-	-
50	Hydradyne Hydraulics, LLC		X	X	X	-	-	-
51	JD Distributors Automotive Supplies		X	X		-	-	-
52	Manuel Gomez & Associates		X	X		-	-	-
53	Maxiforce		X	X		-	-	-
54	Nordel Paint abd Body Shop		X		X	-	-	-
55	RF School Bus Parts		X	X		-	-	-
56	Tracking Solution Corp (TSO Mobile; Opladen)		X	X	X	-	-	-
57	US Auto Radiator Supply		X	X		-	-	-
58	Chance Rides			X		20,000	-	-
59	Chestnut Ridge Foam			X		-	-	-
60	D&W Diesel			X		-	-	-
61	Digital Recorders (Clever Devices; Twin Vision)			X	X	-	-	-
62	Grunskis LLC (Industrial Cleaning & Supply)			X		-	-	-
63	JAJ Enterprises (Coach Glass)			X		-	-	-
64	Jasper Engine Exchange			X		-	-	-
65	Papco Auto Parts			X		-	-	-
66	Pelerin LLC			X		-	-	-
67	Veritech			X		-	-	-
68	Translite Enterprises			X		-	-	-
	Grand Total	2	26	65	20	\$ 167,191,377	\$ 127,830,097	\$ 4,014,487

Total Paid: 625,170 45,355,110
As a percentage of total awarded: 0.5% 35%

Footnote 1: NABI and New Flyer Parts were separate companies from New Flyer Industries in our original population used for sampling. These companies later merged.

Schedule B: Group 1 Audit Testing Sample

Sample	Group 1 Sampled Vendors	Items Purchased	Total Paid
1	B & G Auto Parts Warehouse	Digital Recorder Parts	\$ 47,781
2	B & G Auto Parts Warehouse	Ramp Assembly Wheelchair	\$ 33,405
3	Cubic Transportation	S/A Cover	\$ 134,640
4	Cubic Transportation	Kit, Conversion TVM Cashless to Full Service	\$ 111,696
5	Cummins Power South	Diesel Engine; Support Alternator	\$ 263,792
6	Cummins Power South	Engine Cradle Assembly/Turbocharger	\$ 136,341
7	Cummins Power South	Turbocharger	\$ 48,807
8	Discount Diesel Trucks	Turbocharger	\$ 57,362
9	Discount Diesel Trucks	Turbocharger	\$ 56,100
10	Discount Diesel Trucks	Detroit Diesel Power Plant Replaements	\$ 36,618
11	Electric Sales and Service	Alternator	\$ 98,013
12	Electric Sales and Service	Alternator Assembly	\$ 41,310
13	Florida Detroit Diesel Allison	Diesel Engine	\$ 87,950
14	Fraser Tool & Gauge	Rear Brake Shoe Wheel Kit	\$ 38,838
15	Gillig	Multi-system Smart Controller & Sign Assembly	\$ 288,068
16	Gillig	Twin vision signs	\$ 30,458
17	Kirks Automotive	Alternator	\$ 32,130
18	MCI Service Parts	Turbocharger	\$ 79,529
19	MCI Service Parts	Turbocharger	\$ 79,076
20	Midwest Bus Corporation	Bracket "C" 3-P Bike Rack	\$ 40,290
21	Midwest Bus Corporation	Stainless Steel Bike Rack	\$ 39,780
22	Mohawk Manufacturing & Supply	Rear Brake Shoe Wheel Kit	\$ 58,721
23	Mohawk Manufacturing & Supply	Rear Brake Shoe Wheel Kit	\$ 55,331
24	Mohawk Manufacturing & Supply	Rear Brake Shoe Wheel Kit	\$ 47,855
25	Muncie Transit Supply	Front Sign Assembly	\$ 68,833
26	Muncie Transit Supply	Air Dryer, Sludge Breaker Model	\$ 30,345
27	NABI Parts	ODK Controller Upgrade Kit (Luminator)	\$ 293,378
28	NABI Parts	Electric Windshield Wiper; Wiper Blades	\$ 123,396
29	NABI Parts	Module, Control Warning Bank Right Driver's Dash	\$ 1,137
30	NABI Parts	Air Dryer, Sludge Breaker Model	\$ 51,630
31	New Flyer Industries	Light: Front/Side Marker - Flush Mount	\$ 25,310
32	New Flyer Industries	Switch, Stop Light, Wiper Air Pressure	\$ 16,132
33	New Flyer Industries	Upgrade Kit Controller	\$ 337,547
34	New Flyer Industries	Ramp Assembly Wheelchair	\$ 53,040
35	New Flyer Industries	Air Dryer Maintenance Kit, Sludge Breaker Model	\$ 40,341
36	Southeast Power Systems	Turbocharger	\$ 74,550
37	Southeast Power Systems	Turbocharger	\$ 57,375
38	Southern Coach Parts	Wheelchair Ramp	\$ 37,667
39	Southern Coach Parts	Stainless Steel Bike Rack	\$ 16,605
40	Thermo King of Miami	Controller, Condenser & Evap. Motor	\$ 145,250
41	Thermo King of Miami	Controller, Condenser & Evap. Motor	\$ 143,748
42	Thermo King of Miami	A/C Compressor	\$ 74,358
43	Total Truck Parts	Kit - Rear Wheels Brake Hardware; Rear Brake Drum	\$ 45,441
44	Total Truck Parts	Rear Brake Drum; Lamp Assembly; Grommet	\$ 45,273
45	Vehicle Maintenance Program	Rear Wheel Bearing; Engine with auto belt tensioner	\$ 17,568
46	Vehicle Maintenance Program	Cummins Air Filter	\$ 9,437
Group 1 Total Sample			\$ 3,652,252

Our sample consisted of 20 vendors from Group 1.

Schedule C: Group 2 Audit Testing Sample

Sample	Group 2 Sample	Services Rendered	Total Paid
1	Florida Detroit Diesel Allison	Replace Energy Storage System and Dual Power Inverter Module (DPIM) on Bus #9503	119,724.04
2	Florida Detroit Diesel Allison	Engine and Transmission Service Repair	117,003.20
3	Florida Detroit Diesel Allison	Purchase, Removal, and Installation of Battery & Energy Storage Systems for 1 New Flyer Hybrid Bus	63,170.87
4	Florida Detroit Diesel Allison	Replacement of Dual Power Inverter Module (DPIM)	62,336.61
Group 2 Total Sample			\$ 362,235

MIAMI-DADE COUNTY

OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

EXHIBITS 1 - 6

Report Exhibits for Work Order No. 4041115 (Finding 4)

1. FDDA's Invoice (7 pages)
2. FDDA's *Parts and Labor Detail Form* dated 03/07/18 (2 pages)
3. FDDA's *Parts and Labor Detail Form* dated 03/08/2018 (2 pages)
4. FDDA's *Parts and Labor Detail "FDDA's Quote"* (1 page)
5. FDDA's *Revised Parts and Labor Detail Form* (7 pages)
6. OIG-prepared comparison of Exhibit 3 to Exhibit 5 (1 page)

Department of Transportation and Public Works' Use of Contract 5745-2/14-2: Bus Parts and Repair Services for Transit Buses

IG18-0006-A
August 18, 2021



INVOICE

STEWART & STEVENSON

Remit Payment To:
Stewart & Stevenson FDDA LLC
PO Box 865016
Orlando, FL 32886-5016

Invoice Date	Invoice Number
03/08/18	6720136 RI
Customer Number	Customer P.O.
3403494	369356
Payment Terms	Work Order Number
Net 30 Days (Override)	04041115
Due Date	
04/07/18	

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

EFT Info: Wells Fargo Bank, NA
 FED (Wire) ABA: 121000248
 ACH ABA: 121000248
 Account No. 4942908039
 SWIFT Code: WFBJUS6S

Correspondence Only: 5040 University Blvd West Administrative and Financial (904) 730-4208 EMAIL:

ALL BILLS PAYABLE IN HOUSTON, TEXAS. NET 10 DAYS, UNLESS STATED OTHERWISE ABOVE. NO DISCOUNTS ALLOWED. WE RESERVE THE RIGHT TO CHARGE INTEREST ON ALL PAST DUE ACCOUNTS AT THE RATE OF 18% PER ANNUM OR THE MAXIMUM NONUSURIOUS RATE, WHICHEVER IS LESS.

Invoice To:	Caller Name: MIAMI DADE TRANSIT AUTHORITY	Ship To:
MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791		FDDA S&S MIAMI BALANCE SHEET 2277 NW 14th Street - FBYXD MIAMI FL 33125
1 (8-384) User's Extension		

SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number: 5FYH7YU1X9B036781	Product Model: 00000000	
Family: 00000000	Licensed (On/Off Hyw):	Vehicle ID #: 5FYH7YU1X9B036781	
Customer Unit Number: MDT9501	Serial No. Description: 5FYH7YU1X9B036781	Unit Number: MDT9501	
Meter Reading:	Position of Unit:	Year:	

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	UNIT TOWED IN WITH ACTIVE CODE 67-12 NO POWER FROM DPIM TO TRANS--7110003283 Ralph Llerena 1/3/2018 at 02:57 pm EST install laptop found many codes both dpim and ess. push in the bus. Ralph Llerena 1/4/2018 at 03:38 pm EST remove the covers on the dpim check the igbt test found the hvil had hi reading, then check the amp pro test reading was ok, then perform the mega test and found the reading to be shorting out inside of the trans. then went to the transmission remove the plug and put a magnet inside of the trans and found lots of metal.. went to look at the reading and found the ess could have some issue also. the transmission was the one that damage the dpim. the ess needs the lid off to see how had the electrolytes are. Ralph Llerena 1/8/2018 at 03:48 pm EST remove the brackets of the dpim then remove the dpim. then start to repair the bolts of the ac side of the cover bolts. also had to remove the old dpim from the bench and put in a box. Guillermo Salas 1/9/2018 at 12:19 pm EST lowered the truck I was working on, went and got the forklift, got my air fitting and aired up the bus to release the brakes, had ralph steer the bus while I pushed it forward a few feet, I got the lifts in place, they didn't work, I got off the job to trouble shoot the lifts. Ralph Llerena 1/9/2018 at 03:27 pm EST GETTING THE PARTS TOGETHER TO QUOTE THE PARTS AND LABOR FOR THE DPIM AND THE ESS. Guillermo Salas 1/11/2018 at 02:49 pm EST raised up the bus, drained the oil, removed the harness, removed the cooler/oil hoses, removed the dc+- cables, removed the dipstick, removed the flexplate bolts, removed the driveline, removed the sensors connectors and the clips holding them in place, removed the top bracket holding the harness, went and got the jack from the truck shop, put it under the transmission, strapped trans to jack, removed the transmission mount brackets, removed the bell housing bolts, removed the transmission, I broke a fitting removing the transmission, we will need to replace the fitting, went and got the forklift and a pallet, got the hoist, put transmission on pallet, removed the ring gear, plugged up the holes, removed the transmission from the jack, put on pallet, washed it up. Horacio DiGiorgio 1/16/2018 at 11:34 am EST 01/18, put unit on stand , start tom disassemble			

ALL INVOICE DISCREPANCIES MUST BE REPORTED, IN WRITING, TO STEWART & STEVENSON WITHIN (10) DAYS OF RECEIPT. WE CANNOT ACCEPT MERCHANDISE RETURNED WITHOUT OUR PERMISSION. A MINIMUM HANDLING CHARGE OF 15% OF THE INVOICE PRICE WILL BE MADE ON ALL RETURNED MERCHANDISE. PURCHASER AGREES TO THE ADDITIONAL TERMS OF SALE INCLUDED HEREIN.

Total Amount **Continued**
 Total Tax **Continued**
 Total Invoice **Continued** USD



INVOICE

STEWART & STEVENSON

Remit Payment To:
Stewart & Stevenson FDDA LLC PO Box 865016 Orlando, FL 32886-5016

Invoice Date	Invoice Number
03/08/18	6720136 RI
Customer Number	Customer P.O.
3403494	369356
Payment Terms	Work Order Number
Net 30 Days (Override)	04041115
Due Date	
04/07/18	

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

EFT Info: Wells Fargo Bank, NA
 FED (Wire) ABA: 121000248
 ACH ABA: 121000248
 Account No. 4942908039
 SWIFT Code: WFBUS6S

Correspondence Only: 5040 University Blvd West Administrative and Financial (904) 730-4208 EMAIL:

"ALL BILLS PAYABLE IN HOUSTON, TEXAS. NET 10 DAYS, UNLESS STATED OTHERWISE ABOVE. NO DISCOUNTS ALLOWED. WE RESERVE THE RIGHT TO CHARGE INTEREST ON ALL PAST DUE ACCOUNTS AT THE RATE OF 18% PER ANNUM OR THE MAXIMUM NONUSURIOUS RATE, WHICHEVER IS LESS."

Invoice To: Caller Name: MIAMI DADE TRANSIT AUTHORITY	Ship To:
MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791 1 (8-384) User's Extension	FDDA S&S MIAMI BALANCE SHEET 2277 NW 14th Street - FBYXD MIAMI FL 33125

SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number	5FYH7YU1X9B036781	Product Model: 00000000
Family: 00000000	Licensed (On/Off Hyw)		Vehicle ID #: 5FYH7YU1X9B036781
Customer Unit Number: MDT9501	Serial No. Description	5FYH7YU1X9B036781	Unit Number: MDT9501
Meter Reading	Position of Unit		Year

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	Horacio DiGiorgio 1/16/2018 at 11:50 am EST disassemble trans completed , founded spindle fail on P2 carrier and destroy gear set and damage stator , Hub and P2 Ring Assembly, P2 carrier,P2 sun , gear set , also founded old stile damper , need to replace with new stile damper and cover , made a parts list to quote . Ralph Llerena 2/7/2018 at 02:37 pm EST the parts for the this dpim came in . I assemble the dpim , and also after the dpim was assemble then preform an lgbt test. it pass the test. going to need to install. Guillermo Salas 2/13/2018 at 03:18 pm EST went and got tool box, got the hoist, got the ess bracket, got my harness, went up on top of the bus, removed the bolts holding the ess in place, got down from the top of the bus, got the bracket and raised it above the bus, got the old ess and removed it, I removed the bracket on it, I put the ess on the ground and had to open up the wooden box for the other ess, I got the box open and got the ess on the bracket, I raised the ess above the bus and installed it, I put the bolts back in place, installed the ac, I didn't install the cables or the harness yet because I still need to do the dpim. I couldn't do the dpim because Roberto had a bus in the air and it was in the way to where I couldn't move the hoist back. Guillermo Salas 2/19/2018 at 01:31 pm EST got the hoist, got the parts from ralph, got my chain, put my chain on the dpim, had to lower the Eleven bus, moved the dpim above the bus, got my harness, got the overhead harness connected, got the dpim installed in place, removed the chain, installed the bushings, had to go and get some bolts from the bolt bin, scraped the glue residue from the gasket surfaces, removed the cover plates, installed new gaskets on the cover plates and the cable flange, installed the flange, torqued to spec, installed the cooler hoses, installed the other cables and gaskets, had to replace a broken harness connection, I had to completely disassemble a harness connection and put it back together, I got the harness fixed and installed, installed the other harnesses, installed the brackets above the dpim, went to the ess3 and installed the cables, the harness and the brackets, I have to go and remove the brackets, cables and the harness because the transmission isn't installed yet. Horacio DiGiorgio 2/20/2018 at 03:35 pm EST continue to assemble subassembly and assemble unit Horacio DiGiorgio 2/21/2018 at 02:55 pm EST ASAMBLE UNIT , REPLACE ALL DAMAGE PARTS ,			

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Total Amount	**Continued**
Total Tax	**Continued**
Total Invoice	**Continued** USD



INVOICE

STEWART & STEVENSON

Remit Payment To:
Stewart & Stevenson FDDA LLC PO Box 865016 Orlando, FL 32886-5016

Invoice Date	Invoice Number
03/08/18	6720136 RI
Customer Number	Customer P.O.
3403494	369356
Payment Terms	Work Order Number
Net 30 Days (Override)	04041115
Due Date	
04/07/18	

MIAMI FBYXD
MV90099 MVR67756
2277 NW 14th Street
MIAMI FL 33125
1 (305) 638-5300

EFT Info: Wells Fargo Bank, NA
FED (Wire) ABA: 121000248
ACH ABA: 121000248
Account No. 4942908039
SWIFT Code: WFBUS6S

Correspondence Only: 5040 University Blvd West Administrative and Financial (904) 730-4208 EMAIL:

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MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791		FDDA S&S MIAMI BALANCE SHEET 2277 NW 14th Street - FBYXD MIAMI FL 33125
1 (8-384) User's Extension		

SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number: 5FYH7YU1X9B036781	Product Model: 00000000	Vehicle ID #: 5FYH7YU1X9B036781
Family: 00000000	Licensed (On/Off Hwy):	Unit Number: MDT9501	Year:
Customer Unit Number: MDT9501	Serial No. Description:		
Meter Reading:	Position of Unit:		

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	STATOR HOUSING ROTOR A WITH P2 GEAR , NEW P2 CARRIER ASAMBLE , NEW P1,P2 SUN GEARS,NEW SPINDLE, WASHERS AND BEARINGS ON BOTH CARRIER ,P1 AND P2, NEW STYLE DAMPER WITH NEW COVER, NEW FRONT AND REAR SEALS, ALL NEW GASKETS, DISASSEMBLE VALVE BODY COMPLETED , CLEAN AND POLISH ALL VALVE , HAVE A LOT OF METAL CONTAMINATION,INSTALED NEW STATOR HOUSING ON STAND , START TO INSTALED ALL SUBASSEMBLE INTO STATOR, INSTALED ALL ASESORY FROM OLD HOUSING TO NEW HOUSING , REMOVE FROM STAND . Guillermo Salas 2/26/2018 at 11:28 am EST got lifts from the truck shop and brought them to the transmission shop, got my tool box, got the floor jack from the truck shop tool room, raised up the bus, saw that the rear seal was leaking, checked my emails, I put in the r&r sheet that it was leaking with the part number, I had to go to keith and order one, he is checking with cummins. Horacio DiGiorgio 2/26/2018 at 02:54 pm EST TOOK OLD PARTS AND PUT IN A BOX TO KEEP , ALSO CLEAN ALL BENCHS. Guillermo Salas 3/1/2018 at 03:43 pm EST got the transmission from horacios area, dressed it out, got the rear seal for the engine and installed it, got the transmission on a floor jack, got the transmission in the bell housing, got the bell housing bolts in, got the flexplate bolts in, got the harness in, got the mount brackets installed. Guillermo Salas 3/2/2018 at 03:17 pm EST tightened up all the flexplate bolts, installed the cover, installed the start cover, installed all the hoses, installed all the brackets, installed the dipstick tube, installed the driveline with new straps, installed the top brackets and attacked the hoses, cleaned up my tools, went and got a mop bucket, cleaned up underneath the bus. need ralph to do the software update and also show me the ports to do a flush, need to order oil. Ralph Llerena 3/6/2018 at 10:41 am EST installed a program , had to wait to install due to the program was not ready. then started the bus no codes. the inside of the bus all the lights are going on and off . then was able to move the bus. park outside. had to put oil in the trans . the bus still needs the breather . and put the plate back on.			
	LABOR @ 92.09 X 102.62 HRS			= \$9,450.28
29550066	HOUSING ASSEMBLY	1.00		
EP4050CM	CORE ASSEMBLY - REMAN. STATOR	1.00-		
EV024	KIT 24 PIN	1.00		
MP89385	VASELINE JELLY	1.00		

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Total Amount ****Continued****
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Total Invoice ****Continued**** USD



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SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number 5FYH7YU1X9B036781	Parent Serial Number	5FYH7YU1X9B036781	Product Model 00000000
Family 00000000	Licensed (On/Off Hyw)		Vehicle ID # 5FYH7YU1X9B036781
Customer Unit Number MDT9501	Serial No. Description	5FYH7YU1X9B036781	Unit Number MDT9501
Meter Reading	Position of Unit		Year

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
SP-6.5-70-18X	STRAP BOLT KIT	1.00		
SP-6.5-70-18X	STRAP BOLT KIT	2.00		
X14071	TIME BERT	20.00		
11504822MTU	BOLT PHOS HVY HEX FLG	6.00		
23019664	O-RING S/O	2.00		
23047854	BRG ASM	1.00		
27101-CTCS	TRANSYND 1 GAL OIL	4.00		
27101-CTCS	TRANSYND 1 GAL OIL	7.00		
29500571	GEAR ASM	2.00		
29503208	RING,PACKING	1.00		
29514697	PIN. DOWEL	2.00		
29530328	PLUG	1.00		
29534362	PLUG ASM	1.00		
29535617	MAGNET	1.00		
29536479	RIVET	1.00		
29537507	BOLT	40.00		
29538700	BEARING - THRUST, 64.0 ID	5.00		
29538717	GASKET-REAR COVER	1.00		
29538722	O'RING UNIFORM DASD NO. 130	1.00		
29538747	RING-RETAINING, EXTERNAL 37.5G	1.00		
29538749	GEAR - SUN, P2	1.00		
29538753	SPINDLE-P1/P2 CARRIER	8.00		
29538754	RING-RETAINING, INT 149.94 GRO	1.00		
29538759	GEAR - SUN, P1	1.00		
29538766	ROTOR ASSEMBLY - "A" HUB AND P	1.00		
29538770	GASKET	1.00		
29538800	O-RING	1.00		
29538845	SEAL ASSY INPUT	1.00		
29538847	GASKET OIL PAN	1.00		
29538853	GASKET C1 CLUTCH	1.00		
29538854	O - RING UNIFORM DASH NO. 039	1.00		
29538918	PIN - DOWEL 3.892 X 6.35 LONG	4.00		
29538919	PIN - DOWEL 3.10 X 11.13 LONG	4.00		
29539579	FILTER - CONTROL	1.00		
29540533	SCREW-PANHEAD,M4X12MM LG	20.00		
29540614	GASKET-COVER, DC ACCESS	1.00		
29540715	GASKET-COVER, AC ACCESS	2.00		

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Family: 00000000	Licensed (On/Off Hyw):	Vehicle ID #: 5FYH7YU1X9B036781	
Customer Unit Number: MDT9501	Serial No. Description: 5FYH7YU1X9B036781	Unit Number: MDT9501	
Meter Reading:	Position of Unit:	Year:	

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
29541033	CARRIER AND BUSHING ASSEMBLY	1.00		
29541232	KEY-OUTPUT SHAFT	1.00		
29541233	NUT - OUTPUT LOCK	1.00		
29541507	KIT - MOUNTING, ISOLATION	1.00		
29541564	P2 PINION BEARING	16.00		
29541736	SEAL ASSEMBLY	2.00		
29545785	KIT - EV DRIVE FILTER	1.00		
29546229	SEAL - FILL TUBE	2.00		
29546263	O'RING - EXTERNAL	1.00		
29550061	SERVICE KIT - STATOR, REMAN	1.00		
29550768	RACE - BEARING	1.00		
29550771	GASKET-HOUSING, EMI-DPIM TO AC	3.00		
29550772	GASKET-HOUSING, DRIVE UNIT CA	2.00		
29552650	DAMPER	1.00		
29552651	COVER - FRONT, FLYWHEEL	1.00		
29552740	FILTER ASSEMBLY	1.00		
29552897	WASHER-THRUST, P1 AND P2, MOLD	16.00		
29555076	KIT-SERVICE, ELECTRONIC	1.00		
29557378	SERIES ES ELEC DRIVE SUP EQP	1.00		
4620PEN	16.5OZ NON-CHLOR BRK	3.00		
4620PEN	16.5OZ NON-CHLOR BRK	12.00		
4955566	KIT,SEAL	1.00		
665129-131449	WYPALL	1.00		
8661834	SCREEN	2.00		
Flat Rate - Parts and Service				114,709.02
ENVIRONMENTAL				0.00
TRUCK CHARGE				0.00
SHIPPING				0.00
SUPPLIES				0.00

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Total Amount	<u>114,709.02</u>
Total Tax	<u>0.00</u>
Total Invoice	<u>114,709.02 USD</u>

The following Additional Terms of Sale apply except to the extent they are contradicted elsewhere in this Agreement.

IMPORTANT WARRANTY, LIMITATION OF LIABILITY AND INDEMNITY PROVISIONS ARE INCLUDED.

1. **DEFINITIONS:** The term "Seller" means the Stewart & Stevenson affiliate executing this Agreement; "Goods" means the machinery, equipment and other tangible and intangible property along with associated labor, installation and commissioning provided by Seller; the term "Services" means labor and associated parts provided by Seller to maintain, repair or recondition the property of Buyer; "Products" means Goods and/or Services; and "Buyer" means the person to whom such Products are sold. Each of Buyer and Seller is a "Party."
2. **PRICE:** All prices are in U.S. Dollars. Labor rates are subject to change without notice and apply from the time of dispatch of service personnel until the earlier of their return or dispatch to another job. Unless expressly indicated herein, no amount is included in any price for sales, use, privilege, excise or other taxes imposed on or measured by the gross receipts from the sale of Products. Buyer shall promptly pay any such charge directly to the governmental authority assessing them or reimburse on demand any such charges paid by Seller.
3. **PAYMENTS:** All payments shall be in U.S. Dollars, without offset, backcharge, retention or withholding of any kind. Any amounts not paid when due will be subject to interest at the rate of 1½% per month, compounded, or the highest non-usurious rate permitted by applicable law, whichever is less. ANY PAYMENT INTENDED AS AN ACCORD AND SATISFACTION MUST BE DIRECTED TO "CREDIT MANAGER, STEWART & STEVENSON, 601 W. 38th ST., HOUSTON, TX 77018."
4. **DELIVERY AND TITLE:** Goods are sold Ex-works Seller's facility (Incoterms® 2010), packed for domestic truck transportation, and are delivered at the time Buyer is notified by Seller that the Goods are at Buyer's disposal. Seller may assess reasonable storage charges based on the volume of the Goods, or store the Goods at a third-party site at Buyer's sole risk and expense, if Goods are not removed when delivered or if payments are not made when due. Services are delivered at the time they are performed. Title to Goods transfers to Buyer on delivery, but Seller retains a security interest in the Goods until it receives full payment for the Goods.
5. **ACCESS, PERMITS AND UTILITIES:** In the event Services are to be performed at a site provided by Buyer, Buyer shall provide Seller's employees free and unobstructed access to the site. Buyer shall ensure safe working conditions, safe storage for Seller's property, and provide all necessary lifting equipment and utilities necessary to perform the Services. Buyer shall obtain all licenses, registrations, and permits necessary for Seller to perform the Services.
6. **ACCEPTANCE:** All Products shall be finally inspected and accepted within thirty days after delivery. Failure of Buyer to provide Seller with an itemized list of defects within such thirty days or to permit Seller a reasonable opportunity to correct any listed defects shall be deemed acceptance of the Products. In the event of multiple shipments or extended Services, each individual shipment shall be separately accepted and Services shall be periodically inspected and accepted. Buyer waives any right to reject Products that substantially conform to their specifications and any right to revoke acceptance after such thirty day period.
7. **FORCE MAJEURE:** Seller shall have no liability for any failure to deliver the Goods to, or perform Services for, Buyer if such failure arises from causes beyond the reasonable control of Seller, including without limitation, government actions, shortages of materials, labor difficulties, fires, floods, acts of God and the effects of civil disobedience.
8. **DELAYS.** Delivery dates are estimates and may be adjusted to reflect circumstances beyond the control of Seller including without limitation delayed performance of suppliers or carriers.
9. **CHANGES:** Seller reserves the right to change the details of any Goods provided that such change shall not impair the performance or critical dimensions of such Goods.
10. **ADDITIONAL COSTS:** In addition to the purchase price, Buyer shall reimburse Seller for any costs Seller incurs as a result of (a) changes in the Products or delays in delivery requested by Buyer; (b) delays in delivery arising from Buyer's failure to provide information, drawings or materials; or (c) changes in the laws, codes, rules or regulations applicable to the Products after the date of this Agreement.
11. **LIMITED WARRANTY:** Products may be or incorporate components manufactured by someone other than Seller. To the extent such components are warranted by their original manufacturers, and to the extent that such warranties are assignable to Buyer, Seller assigns to Buyer any rights and remedies it has relating to such components, and such warranties are the only warranties provided for those components. Seller further agrees to perform any obligations of the original manufacturer under the manufacturer's warranty to the extent that such manufacturer authorizes Seller to perform such warranty obligations.

Seller warrants that it will correct any failure of the Goods to meet the performance specifications herein, or defects in Goods manufactured or reconditioned or Services performed by it, latent or otherwise, of which it is notified in writing within the applicable Notification Period, ex-works Seller's facilities (Incoterms® 2010), or Seller will refund the purchase price of the defective Goods or Services, at Seller's sole discretion and as the exclusive remedy provided.

Notification Periods:

New Goods: within the sooner of 18 months of delivery of the Goods to Buyer or 12 months of the Goods first being placed into service by the original end user.

Services or reconditioned Goods: within 3 months of the Services being performed by Seller or reconditioned Goods being delivered to the Buyer.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT, WORKMANLIKE PERFORMANCE OR FITNESS FOR A PARTICULAR PURPOSE.

This Limited Warranty is extended only to Buyer. Buyer may assign this Limited Warranty only to the original end user of the Products. No other assignment of this Limited Warranty is permitted without the express written consent of Seller and any attempted assignment without the consent of Seller is void. Applicable statutes may expand this Limited Warranty.

12. INDEMNITY (INCLUDING FOR NEGLIGENCE): TO THE MAXIMUM EXTENT PERMITTED BY LAW, BUYER HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, INJURIES, CLAIMS, CAUSES OF ACTION, LIABILITIES, DEMANDS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES AND OTHER LEGAL EXPENSES) OF WHATSOEVER KIND AND NATURE, INCLUDING WITHOUT LIMITATION THOSE ARISING FROM INJURY TO, OR ILLNESS OR DEATH OF ANY PERSON AND FOR ALL DAMAGE TO, LOSS OR DESTRUCTION OF PROPERTY, (COLLECTIVELY, "LOSSES"), RELATED TO OR ARISING OUT OF THIS AGREEMENT OR THE DELIVERY, INSTALLATION, USE, OPERATION OR CONSUMPTION OF PRODUCTS, ANY BREACH OF WARRANTY OR THE FAILURE OF EITHER PARTY TO FULLY PERFORM THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH LOSSES ARISING IN OR FROM CONTRACT, TORT, STRICT LIABILITY, OR PRODUCT LIABILITY OR CAUSED OR OCCASIONED BY ANY NEGLIGENT ACT OR OMISSION OF SELLER, WHETHER SOLE, JOINT OR CONCURRENT. This Indemnity Provision is a material part of this Agreement, supported by and in consideration of a reduction in the purchase price. In this Indemnity Provision, "Seller" means Seller, its parent, subsidiaries, affiliates, directors, officers, agents, representatives, employees, subcontractors, invitees and licensees.

13. DEFAULT: On any material breach of this Agreement by Buyer, including without limitation any failure of Buyer to make payments when due, each such being an event of default, Seller will be entitled to terminate this Agreement, to all remedies provided by law or equity, including without limitation its direct damages measured by lost profits as a volume seller. Any non-refundable down payment required by this Agreement is less than the amount of Seller's damages in the event Buyer breaches its obligation to take delivery of Goods when tendered or to pay in full any amounts due.

14. LIMITATION OF LIABILITY: TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY INCIDENTAL, RESERVOIR, POLLUTION, SPECIAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE, REVENUES, PROFITS OR OTHER OPPORTUNITIES, ARISING FROM THE PURCHASE OR SALE OF PRODUCTS, THE USE, OPERATION OR CONSUMPTION OF PRODUCTS, ANY BREACH OF WARRANTY OR THE FAILURE OF EITHER PARTY TO FULLY PERFORM THIS AGREEMENT, EVEN IF A PARTY WAS AWARE OF THE POSSIBILITY OF THE OTHER PARTY SUSTAINING SUCH DAMAGES, AND EVEN IF THE REMEDY PROVIDED HEREIN FOR A BREACH FAILS OF ITS ESSENTIAL PURPOSE OR A BREACH IS TOTAL AND FUNDAMENTAL, AND EACH PARTY WAIVES THE APPLICATION OF ANY DECEPTIVE TRADE PRACTICES OR CONSUMER PROTECTION LAW. SELLER'S MAXIMUM LIABILITY FOR ANY CLAIM BY BUYER SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS ON WHICH THE CLAIM IS BASED.

15. EXPORTS: Seller reserves the right to rescind this Agreement, without any liability of Seller to Buyer, if at any time it reasonably believes that Products are intended to or will be shipped, exported or re-exported, directly or indirectly, to any country, person or other entity in contravention of any laws, regulations or administrative orders of the United States or any other jurisdiction to which Seller is subject (a "Contravening Export"). Any actual intention or attempt on the part of the Buyer to effect a Contravening Export will constitute a material breach of this Agreement. Buyer is required to identify the end use, end user, and country of final destination for Products included in this Agreement. Buyer warrants that, with respect to transactions related to this Agreement, it has not committed, and will not commit, any violation of the US Foreign Corrupt Practices Act or any other anti-corruption statute.

16. ASSIGNMENT: Neither Party may assign any of its rights or delegate any of its duties under this Agreement, voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law or any other manner without the express written consent of the other, which shall not be unreasonably withheld but without which any attempted or purported assignment or delegation is void. This Agreement binds and benefits both Parties and their respective permitted successors and assigns but does not confer any rights or remedies on any other person.

17. WAIVER: The waiver by Seller of any breach of the provisions of this Agreement shall not be deemed to be a waiver of any subsequent breach of a like or different nature. The failure by Seller to enforce any provision of this Agreement shall not be deemed a waiver of that provision.

18. DISPUTE RESOLUTION: TO THE EXTENT PERMITTED BY LAW, THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THEIR RIGHT TO A TRIAL BY JURY IN ANY ACTION, LEGAL PROCEEDING OR COUNTERCLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS IT CONTEMPLATES.

19. INTERPRETATION AND VENUE: The Parties waive the application of the Convention on Contracts for the International Sales of Goods to this Agreement. The laws of the State of Texas (without giving effect to its conflict of laws principles) govern all matters arising out of or relating to this Agreement, including without limitation, its validity, interpretation, construction, performance and enforcement. Venue for any action arising out of or relating to this Agreement shall be in Harris County, Texas; and the Parties waive any claim of an inconvenient forum. Section headings are provided for convenience only.

20. SURVIVAL. The warranty, indemnity, limitation of liability, dispute resolution and interpretation and venue provisions herein survive the termination of this Agreement.

21. ENTIRE AGREEMENT: This Agreement contains the entire agreement of the Parties and incorporates any prior agreements or understandings, whether written or oral, to the extent the Parties intend such to be incorporated. No writing henceforth exchanged between the Parties will be effective to amend or supplement this Agreement, except that such writing expressly refers to this Agreement and is signed by both Parties.

FLORIDA DETROIT DIESEL - ALLISON

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

DTPW's copy (Exhibit 3) was printed 3/8/18 so that version was used for our sample.

Parts and Labor Detail Form

Customer Name **Customer # 3403494**

**MIAMI DADE TRANSIT AUTHORITY
 ACCOUNTS PAYABLE
 PO BOX 10791
 MIAMI FL 33101-0791**

Work Order # 4041115

Date: **03/07/18**

Discount is less than Exhibit 3 resulting in higher ext amounts

compare to \$11,391.50 on Exhibit 3 and \$9,450 on Exhibits 1 and 5.

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29550066	HOUSING ASSEMBLY	1.00	27,318.73	6,153.44	21,165.29
EP4050CM	CORE ASSEMBLY - REMAN. STATOR				
EV024	KIT 24 PIN	1.00	37.94	8.55	29.39
MP89385	VASELINE JELLY	1.00	7.35	4.53	2.82
FDDATRAN	SHOP LABOR - TRANSMISSION		11,398.25		11,398.25
SP-6.5-70-18X	STRAP BOLT KIT	1.00	14.17	5.43	8.74
SP-6.5-70-18X	STRAP BOLT KIT	2.00	28.34	10.85	17.49
X14071	TIME SERT	20.00	46.20	9.33	36.87
11504822MTU	BOLT PHOS HVY HEX FLG	6.00	8.40	1.84	6.56
23019664	O-RING S/O	2.00	2.36	.49	1.87
23047854	BRG ASM	1.00	24.35	5.11	19.24
27101-CTCS	TRANSYND 1 GAL OIL	2.00	89.22	20.96	68.26
27101-CTCS	TRANSYND 1 GAL OIL	7.00	312.27	70.42	241.85
29500571	GEAR ASM	2.00	913.88	191.91	721.97
29503208	RING,PACKING	1.00	3.33	.70	2.63
29514697	PIN. DOWEL	2.00	34.24	7.20	27.04
29530328	PLUG	1.00	18.78	3.94	14.84
29534362	PLUG ASM	1.00	17.92	3.77	14.15
29535617	MAGNET	1.00	4.03	.84	3.19
29536479	RIVET	1.00	3.48	.73	2.75
29537507	BOLT	40.00	56.00	11.76	44.24
29538700	BEARING - THRUST, 64.0 ID	5.00	222.60	46.76	175.84
29538717	GASKET-REAR COVER	1.00	21.35	4.48	16.87
29538722	O'RING UNIFORM DASD NO. 130	1.00	2.40	.50	1.90
29538747	RING-RETAINING, EXTERNAL 37.5G	1.00	31.13	6.53	24.60
29538749	GEAR - SUN, P2	1.00	205.89	43.24	162.65
29538753	SPINDLE-P1/P2 CARRIER	8.00	1,126.56	236.58	889.98
29538754	RING-RETAINING, INT 149.94 GRO	1.00	24.38	5.12	19.26
29538759	GEAR - SUN, P1	1.00	180.89	37.99	142.90
29538766	ROTOR ASSEMBLY - "A" HUB AND P	1.00	19,681.18	4,133.12	15,548.06
29538770	GASKET	1.00	26.67	5.60	21.07
29538800	O-RING	1.00	13.73	2.88	10.85
29538845	SEAL ASSY INPUT	1.00	87.52	18.38	69.14
29538847	GASKET OIL PAN	1.00	38.68	8.12	30.56
29538853	GASKET C1 CLUTCH	1.00	26.67	5.60	21.07
29538854	O - RING UNIFORM DASH NO. 039	1.00	3.18	.67	2.51
29538918	PIN - DOWEL 3.892 X 6.35 LONG	4.00	56.40	11.84	44.56

Thank you for your business!!

Total Parts _____
 Total Labor _____
 Total Charges _____ **USD**

MIAMI FBXND
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

**Parts and Labor
 Detail Form**

Customer Name _____ Customer # **3403494**

Work Order # **4041115**

**MIAMI DADE TRANSIT AUTHORITY
 ACCOUNTS PAYABLE
 PO BOX 10791
 MIAMI FL 33101-0791**

Date: **03/07/18**

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29538919	PIN - DOWEL 3.10 X 11.13 LONG	4.00	60.12	12.61	47.51
29539579	FILTER - CONTROL	1.00	10.07	2.12	7.95
29540533	SCREW-PANHEAD,M4X12MM LG	20.00	26.60	5.53	21.07
29540614	GASKET-COVER, DC ACCESS	1.00	60.87	12.78	48.09
29540715	GASKET-COVER, AC ACCESS	2.00	85.74	18.01	67.73
29541033	CARRIER AND BUSHING ASSEMBLY	1.00	1,367.61	287.20	1,080.41
29541232	KEY-OUTPUT SHAFT	1.00	35.93	7.54	28.39
29541233	NUT - OUTPUT LOCK	1.00	296.66	62.30	234.36
29541507	KIT - MOUNTING, ISOLATION	1.00	154.32	32.41	121.91
29541564	P2 PINION BEARING	16.00	71.68	15.01	56.67
29541736	SEAL ASSEMBLY	1.00	29.47	6.19	23.28
29541736	SEAL ASSEMBLY	1.00	29.47	6.19	23.28
29545785	KIT - EV DRIVE FILTER	1.00	45.32	9.52	35.80
29546229	SEAL - FILL TUBE	2.00	8.66	1.81	6.85
29546263	O'RING - EXTERNAL	1.00	37.32	7.84	29.48
29550061	SERVICE KIT - STATOR, REMAN	1.00	1,498.91	314.77	1,184.14
29550768	RACE - BEARING	1.00	342.09	71.84	270.25
29550768	RACE - BEARING	1.00	342.09	71.84	270.25
29550768	RACE - BEARING				
29550771	GASKET-HOUSING, EMI-DPIM TO AC	3.00	115.41	24.24	91.17
29550772	GASKET-HOUSING, DRIVE UNIT CA	2.00	81.24	17.06	64.18
29552650	DAMPER	1.00	2,600.27	546.07	2,054.20
29552651	COVER - FRONT, FLYWHEEL	1.00	991.74	208.27	783.47
29552740	FILTER ASSEMBLY	1.00	140.74	29.56	111.18
29552897	WASHER-THRUST, P1 AND P2, MOLD	16.00	148.48	31.14	117.34
29555076	KIT-SERVICE, ELECTRONIC	1.00	2,604.10	546.87	2,057.23
29557378	SERIES ES ELEC DRIVE SUP EQP	1.00	69,160.88	14,524.02	54,636.86
4620PEN	16.5OZ NON-CHLOR BRK	3.00	9.54	2.15	7.39
4620PEN	16.5OZ NON-CHLOR BRK	12.00	38.16	8.61	29.55
4955566	KIT,SEAL	1.00	44.76	10.09	34.67
665129-131449	WYPALL	1.00	9.49	2.81	6.68
8661834	SCREEN	2.00	2.86	.60	2.26

The average discount rate = 19.63%

Discount recalculated = 21%

Thank you for your business!!

Total Parts _____
 Total Labor _____
Total Charges \$114,562.86 USD

FLORIDA DETROIT DIESEL - ALLISON

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

Parts and Labor
 Detail Form

Customer Name _____ Customer # 3403494

Work Order # 4041115

MIAMI DADE TRANSIT AUTHORITY
 ACCOUNTS PAYABLE
 PO BOX 10791
 MIAMI FL 33101-0791

Date: 03/08/18

Discount Recalculation =
 22.61%

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29550066	HOUSING ASSEMBLY	1.00	27,318.73	6,176.06	21,142.67
EP4050CM	CORE ASSEMBLY - REMAN. STATOR				
EV024	KIT 24 PIN	1.00	37.94	8.57	29.37
MP89385	VASELINE JELLY	1.00	7.35	4.53	2.82
FDDATRAN	SHOP LABOR - TRANSMISSION		11,391.50		11,391.50
SP-6.5-70-18X	STRAP BOLT KIT	1.00	14.17	5.43	8.74
SP-6.5-70-18X	STRAP BOLT KIT	2.00	28.34	10.86	17.48
X14071	TIME SERT	20.00	46.20	9.35	36.85
11504822MTU	BOLT PHOS HVY HEX FLG	6.00	8.40	1.85	6.55
23019664	O-RING S/O	2.00	2.36	.49	1.87
23047854	BRG ASM	1.00	24.35	5.12	19.23
27101-CTCS	TRANSYND 1 GAL OIL	2.00	89.22	21.00	68.22
27101-CTCS	TRANSYND 1 GAL OIL	2.00	89.22	21.00	68.22
27101-CTCS	TRANSYND 1 GAL OIL	7.00	312.27	70.56	241.71
29500571	GEAR ASM	2.00	913.88	192.34	721.54
29503208	RING,PACKING	1.00	3.33	.70	2.63
29514697	PIN. DOWEL	2.00	34.24	7.21	27.03
29530328	PLUG	1.00	18.78	3.95	14.83
29534362	PLUG ASM	1.00	17.92	3.77	14.15
29535617	MAGNET	1.00	4.03	.85	3.18
29536479	RIVET	1.00	3.48	.73	2.75
29537507	BOLT	40.00	56.00	11.79	44.21
29538700	BEARING - THRUST, 64.0 ID	5.00	222.60	46.86	175.74
29538717	GASKET-REAR COVER	1.00	21.35	4.49	16.86
29538722	O'RING UNIFORM DASD NO. 130	1.00	2.40	.51	1.89
29538747	RING-RETAINING, EXTERNAL 37.5G	1.00	31.13	6.55	24.58
29538749	GEAR - SUN, P2	1.00	205.89	43.34	162.55
29538753	SPINDLE-P1/P2 CARRIER	8.00	1,126.56	237.11	889.45
29538754	RING-RETAINING, INT 149.94 GRO	1.00	24.38	5.13	19.25
29538759	GEAR - SUN, P1	1.00	180.89	38.07	142.82
29538766	ROTOR ASSEMBLY - "A" HUB AND P	1.00	19,681.18	4,142.36	15,538.82
29538770	GASKET	1.00	26.67	5.62	21.05
29538800	O-RING	1.00	13.73	2.89	10.84
29538845	SEAL ASSY INPUT	1.00	87.52	18.42	69.10
29538847	GASKET OIL PAN	1.00	38.68	8.14	30.54
29538853	GASKET C1 CLUTCH	1.00	26.67	5.62	21.05
29538854	O - RING UNIFORM DASH NO. 039	1.00	3.18	.67	2.51

Thank you for your business!!

Discount Recalculation
 = 21.05%

Total Charges

USD

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

**Parts and Labor
 Detail Form**

Customer Name	Customer #	3403494
MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791		

Work Order # 4041115

Date: 03/08/18

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29538918	PIN - DOWEL 3.892 X 6.35 LONG	4.00	56.40	11.87	44.53
29538919	PIN - DOWEL 3.10 X 11.13 LONG	4.00	60.12	12.64	47.48
29539579	FILTER - CONTROL	1.00	10.07	2.12	7.95
29540533	SCREW-PANHEAD,M4X12MM LG	20.00	26.60	5.55	21.05
29540614	GASKET-COVER, DC ACCESS	1.00	60.87	12.81	48.06
29540715	GASKET-COVER, AC ACCESS	2.00	85.74	18.05	67.69
29541033	CARRIER AND BUSHING ASSEMBLY	1.00	1,367.61	287.84	1,079.77
29541232	KEY-OUTPUT SHAFT	1.00	35.93	7.56	28.37
29541233	NUT - OUTPUT LOCK	1.00	296.66	62.44	234.22
29541507	KIT - MOUNTING, ISOLATION	1.00	154.32	32.48	121.84
29541564	P2 PINION BEARING	16.00	71.68	15.04	56.64
29541736	SEAL ASSEMBLY	1.00	29.47	6.20	23.27
29541736	SEAL ASSEMBLY	1.00	29.47	6.20	23.27
29545785	KIT - EV DRIVE FILTER	1.00	45.32	9.54	35.78
29546229	SEAL - FILL TUBE	2.00	8.66	1.82	6.84
29546263	O'RING - EXTERNAL	1.00	37.32	7.86	29.46
29550061	SERVICE KIT - STATOR, REMAN	1.00	1,498.91	315.48	1,183.43
29550768	RACE - BEARING	1.00	342.09	72.00	270.09
29550768	RACE - BEARING	1.00	342.09	72.00	270.09
29550768	RACE - BEARING	1.00	342.09	72.00	270.09
29550771	GASKET-HOUSING, EMI-DPIM TO AC	3.00	115.41	24.30	91.11
29550772	GASKET-HOUSING, DRIVE UNIT CA	2.00	81.24	17.10	64.14
29552650	DAMPER	1.00	2,600.27	547.29	2,052.98
29552651	COVER - FRONT, FLYWHEEL	1.00	991.74	208.74	783.00
29552740	FILTER ASSEMBLY	1.00	140.74	29.63	111.11
29552897	WASHER-THRUST, P1 AND P2, MOLD	16.00	148.48	31.21	117.27
29555076	KIT-SERVICE, ELECTRONIC	1.00	2,604.10	548.09	2,056.01
29557378	SERIES ES ELEC DRIVE SUP EQP	1.00	69,160.88	14,556.51	54,604.37
4620PEN	16.5OZ NON-CHLOR BRK	3.00	9.54	2.16	7.38
4620PEN	16.5OZ NON-CHLOR BRK	12.00	38.16	8.63	29.53
4955566	KIT,SEAL	1.00	44.76	10.11	34.65
665129-131449	WYPALL	1.00	9.49	2.82	6.67
8661834	SCREEN	2.00	2.86	.60	2.26

Average discount rate =
 19.68%

Total List price =
 \$142,621.54

Discount Recalculation
 = 21.05%

Thank you for your business!!

Total Parts _____
 Total Labor _____
 Total Charges **\$114,552.91** USD

Parts and Labor Detail

MIAMI DADE TRANSIT RO # 4041115 UNIT 9501

Total Labor Hours = 70 Hours
 Total Labor = \$6,450.52

Qt	Description	Labor Rate	Labor Hrs	Labor Price	Parts List Price	Parts Discount	Parts Discounted Price	Total
1	R/R TRANSMISSION	\$92.09	18.0		\$2,210.27	25%	\$1,657.62	\$1,657.62
1	OVERHAUL EV TRANSMISSION	\$92.09	42.0		\$5,162.92	25%	\$3,872.00	\$3,872.00
1	REPAIR DPIM	\$92.09	10.0		\$1,227.93	25%	\$920.90	\$920.90
1	REPLACE ESS UNIT	\$92.09	0.0		\$4,000.20	25%	\$3,000.00	\$3,000.00
1	ESS UNIT	\$92.09	0.0		\$79,039.43	25%	\$59,276.61	\$59,276.61
1	DPIM SERVICE KIT	\$92.09	0.0		\$2,673.68	25%	\$2,005.16	\$2,005.16
1	COVER GSKTS/GASKET EMI-DPIM TO AC	\$92.09	0.0		\$269.03	25%	\$201.76	\$201.76
1	MOUNTING KIT ISOLATION	\$92.09	0.0		\$158.45	25%	\$118.83	\$118.83
1	STRAP KIT/CONNECTOR KIT/O-RING/SCREW/TIME SERT	\$92.09	0.0		\$203.48	25%	\$152.60	\$152.60
1	HOUSING ASSYSEMBLY	\$92.09	0.0		\$28,048.63	25%	\$21,035.42	\$21,035.42
1	ROTOR ASSEMBLY	\$92.09	0.0		\$20,207.02	25%	\$15,154.51	\$15,154.51
1	SERVICE KIT STATOR-REMAN	\$92.09	0.0		\$1,538.96	25%	\$1,154.16	\$1,154.16
1	FRONT COVER	\$92.09	0.0		\$1,018.24	25%	\$763.64	\$763.64
1	DAMPER	\$92.09	0.0		\$2,669.75	25%	\$2,002.21	\$2,002.21
1	PIN/BOLT/O-RING/GASKET	\$92.09	0.0		\$137.54	25%	\$103.15	\$103.15
1	SEAL/RACE/BEARING	\$92.09	0.0		\$514.68	25%	\$385.99	\$385.99
1	SPINDLE/WASHER P1-P2/GRG THRUST	\$92.09	0.0		\$938.30	25%	\$703.69	\$703.69
1	CARRIER & BUSHING ASSYS/SUN GEAR P1-P2/BRG THRUST	\$92.09	0.0		\$2,029.82	25%	\$1,522.29	\$1,522.29
1	DOWL PIN/RETAINER RING/SCREEN/O-RING/RIVET	\$92.09	0.0		\$127.82	25%	\$95.86	\$95.86
1	FILTER/GSKET//FILTER CONTROL/MAGNET/EV DRIVE FILTER	\$92.09	0.0		\$245.21	25%	\$183.90	\$183.90
1	BOLT/GASKET CLUTCH//GASKET REAR COVER/SEAL/NUT/KEY	\$92.09	0.0		\$424.62	25%	\$318.45	\$318.45
1	EXT RETAINER RING/O-RING	\$92.09	0.0		\$107.03	25%	\$80.27	\$80.27
1		\$92.09	0.0		\$0.00	25%	\$0.00	\$0.00
1		\$92.09	0.0		\$0.00	25%	\$0.00	\$0.00
1		\$92.09	0.0		\$0.00	25%	\$0.00	\$0.00
Totals					\$0.00	25%		\$0.00

\$152,983.01

\$114,709.02

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

This invoice was changed on 11/3/2020 to mimic the work order (Exhibit 3). All other parts originally invoiced were zeroed out here.

Parts and Labor Detail Form

Customer Name

MIAMI DADE TRANSIT AUTHORITY
 ACCOUNTS PAYABLE
 PO BOX 10791
 MIAMI FL 33101-0791

The parts charged in this invoice have significantly different list prices from Exhibits 2 & 4.

Discount amounts were changed to equal 25% only for those parts charged in this invoice.

Work Order # 4041115

Date: 03/08/18

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29550066	HOUSING ASSEMBLY	1.00	28,048.63	7,013.21	21,035.42
EP4050CM	CORE ASSEMBLY - REMAN. STATOR				
EV024	KIT 24 PIN	1.00	37.94	8.57	0
MP89385	VASELINE JELLY	1.00	7.35	4.53	0
SP-6.5-70-18X	STRAP BOLT KIT	1.00	14.17	5.43	0
SP-6.5-70-18X	STRAP BOLT KIT	2.00	28.34	10.86	0
X14071	TIME SERT	20.00	203.48	50.88	152.60
11504822MTU	BOLT PHOS HVY HEX FLG	6.00	8.40	1.85	0
23019664	O-RING S/O	2.00	2.36	.49	0
23047854	BRG ASM	1.00	24.35	5.12	0
27101-CTCS	TRANSYND 1 GAL OIL	2.00	89.22	21.00	0
27101-CTCS	TRANSYND 1 GAL OIL	2.00	89.22	21.00	0
27101-CTCS	TRANSYND 1 GAL OIL	7.00	312.27	70.56	0
29500571	GEAR ASM	2.00	913.88	192.34	0
29503208	RING,PACKING	1.00	3.33	.70	0
29514697	PIN. DOWEL	2.00	34.24	7.21	0
29530328	PLUG	1.00	18.78	3.95	0
29534362	PLUG ASM	1.00	17.92	3.77	0
29535617	MAGNET	1.00	4.03	.85	0
29536479	RIVET	1.00	3.48	.73	0
29537507	BOLT	40.00	56.00	11.79	0
29538700	BEARING - THRUST, 64.0 ID	5.00	222.60	46.86	0
29538717	GASKET-REAR COVER	1.00	21.35	4.49	0
29538722	O-RING UNIFORM DASH NO. 130	1.00	2.40	.51	0
29538747	RING-RETAINING, EXTERNAL 37.5G	1.00	107.03	26.76	80.27
29538749	GEAR - SUN, P2	1.00	205.89	43.34	0
29538753	SPINDLE-P1/P2 CARRIER	8.00	938.30	234.61	703.69
29538754	RING-RETAINING, INT 149.94 GRO	1.00	24.38	5.13	0
29538759	GEAR - SUN, P1	1.00	180.89	38.07	0
29538766	ROTOR ASSEMBLY - "A" HUB AND P	1.00	20,207.02	5,052.51	15,154.51
29538770	GASKET	1.00	26.67	5.62	0
29538800	O-RING	1.00	13.73	2.89	0
29538845	SEAL ASSY INPUT	1.00	127.82	31.96	95.86
29538847	GASKET OIL PAN	1.00	38.68	8.14	0
29538853	GASKET C1 CLUTCH	1.00	26.67	5.62	0
29538854	O - RING UNIFORM DASH NO. 039	1.00	3.18	.67	0

Thank you for your business!!

Total Parts _____
 Total Labor _____
 Total Charges _____ USD

MIAMI FBX
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

**Parts and Labor
 Detail Form**

Customer Name _____ Customer # **3403494**

Work Order # **4041115**

**MIAMI DADE TRANSIT AUTHORITY
 ACCOUNTS PAYABLE
 PO BOX 10791
 MIAMI FL 33101-0791**

Date: **03/08/18**

Prefix/ PART NUMBER	DESCRIPTION	QUANTITY	LIST AMT	DISCOUNT AMOUNT	EXT AMOUNT
29538918	PIN - DOWEL 3.892 X 6.35 LONG	4.00	137.54	34.39	103.15
29538919	PIN - DOWEL 3.10 X 11.13 LONG	4.00	60.12	12.64	0
29539579	FILTER - CONTROL	1.00	245.21	61.31	183.90
29540533	SCREW-PANHEAD,M4X12MM LG	20.00	26.60	5.55	0
29540614	GASKET-COVER, DC ACCESS	1.00	60.87	12.81	0
29540715	GASKET-COVER, AC ACCESS	2.00	85.74	18.05	0
29541033	CARRIER AND BUSHING ASSEMBLY	1.00	2,029.82	507.53	1,522.29
29541232	KEY-OUTPUT SHAFT	1.00	35.93	7.56	0
29541233	NUT - OUTPUT LOCK	1.00	424.62	106.17	318.45
29541507	KIT - MOUNTING, ISOLATION	1.00	158.45	39.62	118.83
29541564	P2 PINION BEARING	16.00	71.68	15.04	0
29541736	SEAL ASSEMBLY	1.00	29.47	6.20	0
29541736	SEAL ASSEMBLY	1.00	29.47	6.20	0
29545785	KIT - EV DRIVE FILTER	1.00	45.32	9.54	0
29546229	SEAL - FILL TUBE	2.00	8.66	1.82	0
29546263	O'RING - EXTERNAL	1.00	37.32	7.86	0
29550061	SERVICE KIT - STATOR, REMAN	1.00	1,538.96	384.80	1,154.16
29550768	RACE - BEARING	1.00	514.68	128.69	385.99
29550768	RACE - BEARING	1.00	342.09	72.00	0
29550768	RACE - BEARING	1.00	342.09	72.00	0
29550771	GASKET-HOUSING, EMI-DPIM TO AC	3.00	115.41	24.30	0
29550772	GASKET-HOUSING, DRIVE UNIT CA	2.00	269.03	67.27	201.76
29552650	DAMPER	1.00	2,669.75	667.54	2,002.21
29552651	COVER - FRONT, FLYWHEEL	1.00	1,018.24	254.60	763.64
29552740	FILTER ASSEMBLY	1.00	140.74	29.63	0
29552897	WASHER-THRUST, P1 AND P2, MOLD	16.00	148.48	31.21	0
29555076	KIT-SERVICE, ELECTRONIC	1.00	2,673.68	668.52	2,005.16
29557378	SERIES ES ELEC DRIVE SUP EQP	1.00	79,039.43	19,762.82	59,276.61
4620PEN	16.5OZ NON-CHLOR BRK	3.00	9.54	2.16	0
4620PEN	16.5OZ NON-CHLOR BRK	12.00	38.16	8.63	0
4955566	KIT,SEAL	1.00	44.76	10.11	0
665129-131449 8661834	WYPALL	1.00	9.49	2.82	0
	SCREEN	2.00	2.86	.60	0
R/R TRANSMISSION (@ \$92.09/HR x 18)					1,657.62
REPAIR DPIM (@ \$92.09/HR x 10)					920.90
REPLACE ESS UNIT (@ \$92.09/HR x 32.5768)					3,000.00
OVERHAUL EV TRANSMISSION (@ \$92.09/HR x 42.05)					3,872.00
Total Labor = 102.6268 hours					
\$9,450.52					

Thank you for your business!!

Total Parts _____
 Total Labor _____
Total Charges 114,709.02 USD



INVOICE

STEWART & STEVENSON

Remit Payment To:
Stewart & Stevenson FDDA LLC PO Box 865016 Orlando, FL 32886-5016

Invoice Date	Invoice Number
03/08/18	6720136 RI
Customer Number	Customer P.O.
3403494	369356
Payment Terms	Work Order Number
Net 30 Days (Override)	04041115
Due Date	
04/07/18	

MIAMI FBYXD
 MV90099 MVR67756
 2277 NW 14th Street
 MIAMI FL 33125
 1 (305) 638-5300

EFT Info: Wells Fargo Bank, NA
 FED (Wire) ABA: 121000248
 ACH ABA: 121000248
 Account No. 4942908039
 SWIFT Code: WFBUS6S

Correspondence Only: 5040 University Blvd West Administrative and Financial (904) 730-4208 EMAIL:

"ALL BILLS PAYABLE IN HOUSTON, TEXAS. NET 10 DAYS, UNLESS STATED OTHERWISE ABOVE. NO DISCOUNTS ALLOWED. WE RESERVE THE RIGHT TO CHARGE INTEREST ON ALL PAST DUE ACCOUNTS AT THE RATE OF 18% PER ANNUM OR THE MAXIMUM NONUSURIOUS RATE, WHICHEVER IS LESS."

Invoice To:	Ship To:
Caller Name: MIAMI DADE TRANSIT AUTHORITY	
MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791 1 (8-384) User's Extension	FDDA S&S MIAMI BALANCE SHEET 2277 NW 14th Street - FBYXD MIAMI FL 33125

SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number: 5FYH7YU1X9B036781	Product Model: 00000000	
Family: 00000000	Licensed (On/Off Hyw):	Vehicle ID #: 5FYH7YU1X9B036781	
Customer Unit Number: MDT9501	Serial No. Description: 5FYH7YU1X9B036781	Unit Number: MDT9501	
Meter Reading:	Position of Unit:	Year:	

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	<p>UNIT TOWED IN WITH ACTIVE CODE 67-12 NO POWER FROM DPIM TO TRANS--7110003283</p> <p>Ralph Llerena 1/3/2018 at 02:57 pm EST install laptop found many codes both dpim and ess. push in the bus.</p> <p>Ralph Llerena 1/4/2018 at 03:38 pm EST remove the covers on the dpim check the igtb test found the hvil had hi reading, then check the amp pro test reading was ok, then perform the mega test and found the reading to be shorting out inside of the trans. then went to the transmission remove the plug and put a magnet inside of the trans and found lots of metal.. went to look at the reading and found the ess could have some issue also. the transmission was the one that damage the dpim. the ess needs the lid off to see how had the electrolytes are.</p> <p>Ralph Llerena 1/8/2018 at 03:48 pm EST remove the brackets of the dpim then remove the dpim. then start to repair the bolts of the ac side of the cover bolts. also had to remove the old dpim from the bench and put in a box.</p> <p>Guillermo Salas 1/9/2018 at 12:19 pm EST lowered the truck I was working on, went and got the forklift, got my air fitting and aired up the bus to release the brakes, had ralph steer the bus while I pushed it forward a few feet, I got the lifts in place, they didn't work, I got off the job to trouble shoot the lifts.</p> <p>Ralph Llerena 1/9/2018 at 03:27 pm EST GETTING THE PARTS TOGETHER TO QUOTE THE PARTS AND LABOR FOR THE DPIM AND THE ESS.</p> <p>Guillermo Salas 1/11/2018 at 02:49 pm EST raised up the bus, drained the oil, removed the harness, removed the cooler/oil hoses, removed the dc+- cables, removed the dipstick, removed the flexplate bolts, removed the driveline, removed the sensors connectors and the clips holding them in place, removed the top bracket holding the harness, went and got the jack from the truck shop, put it under the transmission, strapped trans to jack, removed the transmission mount brackets, removed the bell housing bolts, removed the transmission, I broke a fitting removing the transmission, we will need to replace the fitting, went and got the forklift and a pallet, got the hoist, put transmission on pallet, removed the ring gear, plugged up the holes, removed the transmission from the jack, put on pallet, washed it up.</p> <p>Horacio DiGiorgio 1/16/2018 at 11:34 am EST 01/18, put unit on stand , start tom disassemble</p>			

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Total Amount	**Continued**
Total Tax	**Continued**
Total Invoice	**Continued** USD

R48506 SCRP086 MILTOND FINAL

Sent to:
Sender:

Customer Copy

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INVOICE

STEWART & STEVENSON

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MIAMI DADE TRANSIT AUTHORITY ACCOUNTS PAYABLE PO BOX 10791 MIAMI FL 33101-0791 1 (8-384) User's Extension	FDDA S&S MIAMI BALANCE SHEET 2277 NW 14th Street - FBYXD MIAMI FL 33125

SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number: 5FYH7YU1X9B036781	Product Model: 00000000	
Family: 00000000	Licensed (On/Off Hyw):	Vehicle ID #: 5FYH7YU1X9B036781	
Customer Unit Number: MDT9501	Serial No. Description: 5FYH7YU1X9B036781	Unit Number: MDT9501	
Meter Reading:	Position of Unit:	Year:	

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	Horacio DiGiorgio 1/16/2018 at 11:50 am EST disassemble trans completed , founded spindle fail on P2 carrier and destroy gear set and damage stator , Hub and P2 Ring Assembly, P2 carrier,P2 sun , gear set , also founded old stile damper , need to replace with new stile damper and cover , made a parts list to quote . Ralph Llerena 2/7/2018 at 02:37 pm EST the parts for the this dpim came in . I assemble the dpim , and also after the dpim was assemble then preform an igbt test. it pass the test. going to need to install. Guillermo Salas 2/13/2018 at 03:18 pm EST went and got tool box, got the hoist, got the ess bracket, got my harness, went up on top of the bus, removed the bolts holding the ess in place, got down from the top of the bus, got the bracket and raised it above the bus, got the old ess and removed it, I removed the bracket on it, I put the ess on the ground and had to open up the wooden box for the other ess, I got the box open and got the ess on the bracket, I raised the ess above the bus and installed it, I put the bolts back in place, installed the ac, I didn't install the cables or the harness yet because I still need to do the dpim. I couldn't do the dpim because Roberto had a bus in the air and it was in the way to where I couldn't move the hoist back. Guillermo Salas 2/19/2018 at 01:31 pm EST got the hoist, got the parts from ralph, got my chain, put my chain on the dpim, had to lower the Eleven bus, moved the dpim above the bus, got my harness, got the overhead harness connected, got the dpim installed in place, removed the chain, installed the bushings, had to go and get some bolts from the bolt bin, scraped the glue residue from the gasket surfaces, removed the cover plates, installed new gaskets on the cover plates and the cable flange, installed the flange, torqued to spec, installed the cooler hoses, installed the other cables and gaskets, had to replace a broken harness connection, I had to completely disassemble a harness connection and put it back together, I got the harness fixed and installed, installed the other harnesses, installed the brackets above the dpim, went to the ess3 and installed the cables, the harness and the brackets, I have to go and remove the brackets, cables and the harness because the transmission isn't installed yet. Horacio DiGiorgio 2/20/2018 at 03:35 pm EST continue to assemble subassembly and assemble unit Horacio DiGiorgio 2/21/2018 at 02:55 pm EST ASAMBLE UNIT , REPLACE ALL DAMAGE PARTS ,			

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Total Amount	**Continued**
Total Tax	**Continued**
Total Invoice	**Continued** USD



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Family: 00000000	Licensed (On/Off Hyw):	Vehicle ID #: 5FYH7YU1X9B036781	
Customer Unit Number: MDT9501	Serial No. Description: 5FYH7YU1X9B036781	Unit Number: MDT9501	
Meter Reading:	Position of Unit:	Year:	

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
	STATOR HOUSING ROTOR A WITH P2 GEAR , NEW P2 CARRIER ASAMBLE , NEW P1,P2 SUN GEARS,NEW SPINDLE, WASHERS AND BEARINGS ON BOTH CARRIER ,P1 AND P2, NEW STYLE DAMPER WITH NEW COVER, NEW FRONT AND REAR SEALS, ALL NEW GASKETS, DISASSEMBLE VALVE BODY COMPLETED , CLEAN AND POLISH ALL VALVE , HAVE A LOT OF METAL CONTAMINATION,INSTALED NEW STATOR HOUSING ON STAND , START TO INSTALED ALL SUBASSEMBLE INTO STATOR, INSTALED ALL ASESORY FROM OLD HOUSING TO NEW HOUSING , REMOVE FROM STAND . Guillermo Salas 2/26/2018 at 11:28 am EST got lifts from the truck shop and brought them to the transmission shop, got my tool box, got the floor jack from the truck shop tool room, raised up the bus, saw that the rear seal was leaking, checked my emails, I put in the r&r sheet that it was leaking with the part number, I had to go to keith and order one, he is checking with cummins. Horacio DiGiorgio 2/26/2018 at 02:54 pm EST TOOK OLD PARTS AND PUT IN A BOX TO KEEP , ALSO CLEAN ALL BENCHS. Guillermo Salas 3/1/2018 at 03:43 pm EST got the transmission from horacios area, dressed it out, got the rear seal for the engine and installed it, got the transmission on a floor jack, got the transmission in the bell housing, got the bell housing bolts in, got the flexplate bolts in, got the harness in, got the mount brackets installed. Guillermo Salas 3/2/2018 at 03:17 pm EST tightened up all the flexplate bolts, installed the cover, installed the start cover, installed all the hoses, installed all the brackets, installed the dipstick tube, installed the driveline with new straps, installed the top brackets and attacked the hoses, cleaned up my tools, went and got a mop bucket, cleaned up underneath the bus. need ralph to do the software update and also show me the ports to do a flush, need to order oil. Ralph Llerena 3/6/2018 at 10:41 am EST installed a program , had to wait to install due to the program was not ready. then started the bus no codes. the inside of the bus all the lights are going on and off . then was able to move the bus. park outside. had to put oil in the trans . the bus still needs the breather . and put the plate back on. LABOR @ 92.09 X 102.62 HRS			
29550066	HOUSING ASSEMBLY	1.00		
EP4050CM	CORE ASSEMBLY - REMAN. STATOR	1.00-		
EV024	KIT 24 PIN	1.00		
MP89385	VASELINE JELLY	1.00		

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Total Tax	**Continued**
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SERVICE ANYTIME, ANYWHERE	SALES SERVICE PARTS	RENTING-LEASING	PERIODIC MAINTENANCE
Serial Number: 5FYH7YU1X9B036781	Parent Serial Number:	5FYH7YU1X9B036781	Product Model: 00000000
Family: 00000000	Licensed (On/Off Hyw):		Vehicle ID #: 5FYH7YU1X9B036781
Customer Unit Number: MDT9501	Serial No. Description:	5FYH7YU1X9B036781	Unit Number: MDT9501
Meter Reading:	Position of Unit:		Year:

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
SP-6.5-70-18X	STRAP BOLT KIT	1.00		
SP-6.5-70-18X	STRAP BOLT KIT	2.00		
X14071	TIME SERT	20.00		
11504822MTU	BOLT PHOS HVY HEX FLG	6.00		
23019664	O-RING S/O	2.00		
23047854	BRG ASM	1.00		
27101-CTCS	TRANSYND 1 GAL OIL	4.00		
27101-CTCS	TRANSYND 1 GAL OIL	7.00		
29500571	GEAR ASM	2.00		
29503208	RING,PACKING	1.00		
29514697	PIN. DOWEL	2.00		
29530328	PLUG	1.00		
29534362	PLUG ASM	1.00		
29535617	MAGNET	1.00		
29536479	RIVET	1.00		
29537507	BOLT	40.00		
29538700	BEARING - THRUST, 64.0 ID	5.00		
29538717	GASKET-REAR COVER	1.00		
29538722	O'RING UNIFORM DASH NO. 130	1.00		
29538747	RING-RETAINING, EXTERNAL 37.5G	1.00		
29538749	GEAR - SUN, P2	1.00		
29538753	SPINDLE-P1/P2 CARRIER	8.00		
29538754	RING-RETAINING, INT 149.94 GRO	1.00		
29538759	GEAR - SUN, P1	1.00		
29538766	ROTOR ASSEMBLY - "A" HUB AND P	1.00		
29538770	GASKET	1.00		
29538800	O-RING	1.00		
29538845	SEAL ASSY INPUT	1.00		
29538847	GASKET OIL PAN	1.00		
29538853	GASKET C1 CLUTCH	1.00		
29538854	O - RING UNIFORM DASH NO. 039	1.00		
29538918	PIN - DOWEL 3.892 X 6.35 LONG	4.00		
29538919	PIN - DOWEL 3.10 X 11.13 LONG	4.00		
29539579	FILTER - CONTROL	1.00		
29540533	SCREW-PANHEAD,M4X12MM LG	20.00		
29540614	GASKET-COVER, DC ACCESS	1.00		
29540715	GASKET-COVER, AC ACCESS	2.00		

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Family	Licensed (On/Off Hyw)	Unit Number	MDT9501
00000000	5FYH7YU1X9B036781	Year	
Customer Unit Number	Serial No. Description		
MDT9501			
Meter Reading	Position of Unit		

ITEM NUMBER	EXPLANATION	UNITS	UNIT PRICE	AMOUNT
29541033	CARRIER AND BUSHING ASSEMBLY	1.00		
29541232	KEY-OUTPUT SHAFT	1.00		
29541233	NUT - OUTPUT LOCK	1.00		
29541507	KIT - MOUNTING, ISOLATION	1.00		
29541564	P2 PINION BEARING	16.00		
29541736	SEAL ASSEMBLY	2.00		
29545785	KIT - EV DRIVE FILTER	1.00		
29546229	SEAL - FILL TUBE	2.00		
29546263	O'RING - EXTERNAL	1.00		
29550061	SERVICE KIT - STATOR, REMAN	1.00		
29550768	RACE - BEARING	1.00		
29550771	GASKET-HOUSING, EMI-DPIM TO AC	3.00		
29550772	GASKET-HOUSING, DRIVE UNIT CA	2.00		
29552650	DAMPER	1.00		
29552651	COVER - FRONT, FLYWHEEL	1.00		
29552740	FILTER ASSEMBLY	1.00		
29552897	WASHER-THRUST, P1 AND P2, MOLD	16.00		
29555076	KIT-SERVICE, ELECTRONIC	1.00		
29557378	SERIES ES ELEC DRIVE SUP EQP	1.00		
4620PEN	16.5OZ NON-CHLOR BRK	3.00		
4620PEN	16.5OZ NON-CHLOR BRK	12.00		
4955566	KIT,SEAL	1.00		
665129-131449	WYPALL	1.00		
8661834	SCREEN	2.00		
Flat Rate - Parts and Service				114,709.02
ENVIRONMENTAL				0.00
TRUCK CHARGE				0.00
SHIPPING				0.00
SUPPLIES				0.00

ALL INVOICE DISCREPANCIES MUST BE REPORTED, IN WRITING, TO STEWART & STEVENSON WITHIN (10) DAYS OF RECEIPT. WE CANNOT ACCEPT MERCHANDISE RETURNED WITHOUT OUR PERMISSION. A MINIMUM HANDLING CHARGE OF 15% OF THE INVOICE PRICE WILL BE MADE ON ALL RETURNED MERCHANDISE. PURCHASER AGREES TO THE ADDITIONAL TERMS OF SALE INCLUDED HEREIN.

Total Amount	114,709.02
Total Tax	0.00
Total Invoice	114,709.02 USD

R48506 SCRP086 MILTOND FINAL Sent to: Sender:

Customer Copy

The following Additional Terms of Sale apply except to the extent they are contradicted elsewhere in this Agreement.

IMPORTANT WARRANTY, LIMITATION OF LIABILITY AND INDEMNITY PROVISIONS ARE INCLUDED.

1. **DEFINITIONS:** The term "Seller" means the Stewart & Stevenson affiliate executing this Agreement; "Goods" means the machinery, equipment and other tangible and intangible property along with associated labor, installation and commissioning provided by Seller; the term "Services" means labor and associated parts provided by Seller to maintain, repair or recondition the property of Buyer; "Products" means Goods and/or Services; and "Buyer" means the person to whom such Products are sold. Each of Buyer and Seller is a "Party."
2. **PRICE:** All prices are in U.S. Dollars. Labor rates are subject to change without notice and apply from the time of dispatch of service personnel until the earlier of their return or dispatch to another job. Unless expressly indicated herein, no amount is included in any price for sales, use, privilege, excise or other taxes imposed on or measured by the gross receipts from the sale of Products. Buyer shall promptly pay any such charge directly to the governmental authority assessing them or reimburse on demand any such charges paid by Seller.
3. **PAYMENTS:** All payments shall be in U.S. Dollars, without offset, backcharge, retention or withholding of any kind. Any amounts not paid when due will be subject to interest at the rate of 1½% per month, compounded, or the highest non-usurious rate permitted by applicable law, whichever is less. ANY PAYMENT INTENDED AS AN ACCORD AND SATISFACTION MUST BE DIRECTED TO "CREDIT MANAGER, STEWART & STEVENSON, 601 W. 38th ST., HOUSTON, TX 77018."
4. **DELIVERY AND TITLE:** Goods are sold Ex-works Seller's facility (Incoterms® 2010), packed for domestic truck transportation, and are delivered at the time Buyer is notified by Seller that the Goods are at Buyer's disposal. Seller may assess reasonable storage charges based on the volume of the Goods, or store the Goods at a third-party site at Buyer's sole risk and expense, if Goods are not removed when delivered or if payments are not made when due. Services are delivered at the time they are performed. Title to Goods transfers to Buyer on delivery, but Seller retains a security interest in the Goods until it receives full payment for the Goods.
5. **ACCESS, PERMITS AND UTILITIES:** In the event Services are to be performed at a site provided by Buyer, Buyer shall provide Seller's employees free and unobstructed access to the site. Buyer shall ensure safe working conditions, safe storage for Seller's property, and provide all necessary lifting equipment and utilities necessary to perform the Services. Buyer shall obtain all licenses, registrations, and permits necessary for Seller to perform the Services.
6. **ACCEPTANCE:** All Products shall be finally inspected and accepted within thirty days after delivery. Failure of Buyer to provide Seller with an itemized list of defects within such thirty days or to permit Seller a reasonable opportunity to correct any listed defects shall be deemed acceptance of the Products. In the event of multiple shipments or extended Services, each individual shipment shall be separately accepted and Services shall be periodically inspected and accepted. Buyer waives any right to reject Products that substantially conform to their specifications and any right to revoke acceptance after such thirty day period.
7. **FORCE MAJEURE:** Seller shall have no liability for any failure to deliver the Goods to, or perform Services for, Buyer if such failure arises from causes beyond the reasonable control of Seller, including without limitation, government actions, shortages of materials, labor difficulties, fires, floods, acts of God and the effects of civil disobedience.
8. **DELAYS.** Delivery dates are estimates and may be adjusted to reflect circumstances beyond the control of Seller including without limitation delayed performance of suppliers or carriers.
9. **CHANGES:** Seller reserves the right to change the details of any Goods provided that such change shall not impair the performance or critical dimensions of such Goods.
10. **ADDITIONAL COSTS:** In addition to the purchase price, Buyer shall reimburse Seller for any costs Seller incurs as a result of (a) changes in the Products or delays in delivery requested by Buyer; (b) delays in delivery arising from Buyer's failure to provide information, drawings or materials; or (c) changes in the laws, codes, rules or regulations applicable to the Products after the date of this Agreement.
11. **LIMITED WARRANTY:** Products may be or incorporate components manufactured by someone other than Seller. To the extent such components are warranted by their original manufacturers, and to the extent that such warranties are assignable to Buyer, Seller assigns to Buyer any rights and remedies it has relating to such components, and such warranties are the only warranties provided for those components. Seller further agrees to perform any obligations of the original manufacturer under the manufacturer's warranty to the extent that such manufacturer authorizes Seller to perform such warranty obligations.

Seller warrants that it will correct any failure of the Goods to meet the performance specifications herein, or defects in Goods manufactured or reconditioned or Services performed by it, latent or otherwise, of which it is notified in writing within the applicable Notification Period, ex-works Seller's facilities (Incoterms® 2010), or Seller will refund the purchase price of the defective Goods or Services, at Seller's sole discretion and as the exclusive remedy provided.

Notification Periods:

New Goods: within the sooner of 18 months of delivery of the Goods to Buyer or 12 months of the Goods first being placed into service by the original end user.

Services or reconditioned Goods: within 3 months of the Services being performed by Seller or reconditioned Goods being delivered to the Buyer.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT, WORKMANLIKE PERFORMANCE OR FITNESS FOR A PARTICULAR PURPOSE.

This Limited Warranty is extended only to Buyer. Buyer may assign this Limited Warranty only to the original end user of the Products. No other assignment of this Limited Warranty is permitted without the express written consent of Seller and any attempted assignment without the consent of Seller is void. Applicable statutes may expand this Limited Warranty.

12. INDEMNITY (INCLUDING FOR NEGLIGENCE): TO THE MAXIMUM EXTENT PERMITTED BY LAW, BUYER HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, INJURIES, CLAIMS, CAUSES OF ACTION, LIABILITIES, DEMANDS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES AND OTHER LEGAL EXPENSES) OF WHATSOEVER KIND AND NATURE, INCLUDING WITHOUT LIMITATION THOSE ARISING FROM INJURY TO, OR ILLNESS OR DEATH OF ANY PERSON AND FOR ALL DAMAGE TO, LOSS OR DESTRUCTION OF PROPERTY, (COLLECTIVELY, "LOSSES"), RELATED TO OR ARISING OUT OF THIS AGREEMENT OR THE DELIVERY, INSTALLATION, USE, OPERATION OR CONSUMPTION OF PRODUCTS, ANY BREACH OF WARRANTY OR THE FAILURE OF EITHER PARTY TO FULLY PERFORM THIS AGREEMENT, **INCLUDING WITHOUT LIMITATION ANY SUCH LOSSES ARISING IN OR FROM CONTRACT, TORT, STRICT LIABILITY, OR PRODUCT LIABILITY OR CAUSED OR OCCASIONED BY ANY NEGLIGENT ACT OR OMISSION OF SELLER, WHETHER SOLE, JOINT OR CONCURRENT.** This Indemnity Provision is a material part of this Agreement, supported by and in consideration of a reduction in the purchase price. In this Indemnity Provision, "Seller" means Seller, its parent, subsidiaries, affiliates, directors, officers, agents, representatives, employees, subcontractors, invitees and licensees.

13. DEFAULT: On any material breach of this Agreement by Buyer, including without limitation any failure of Buyer to make payments when due, each such being an event of default, Seller will be entitled to terminate this Agreement, to all remedies provided by law or equity, including without limitation its direct damages measured by lost profits as a volume seller. Any non-refundable down payment required by this Agreement is less than the amount of Seller's damages in the event Buyer breaches its obligation to take delivery of Goods when tendered or to pay in full any amounts due.

14. LIMITATION OF LIABILITY: TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY INCIDENTAL, RESERVOIR, POLLUTION, SPECIAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE, REVENUES, PROFITS OR OTHER OPPORTUNITIES, ARISING FROM THE PURCHASE OR SALE OF PRODUCTS, THE USE, OPERATION OR CONSUMPTION OF PRODUCTS, ANY BREACH OF WARRANTY OR THE FAILURE OF EITHER PARTY TO FULLY PERFORM THIS AGREEMENT, EVEN IF A PARTY WAS AWARE OF THE POSSIBILITY OF THE OTHER PARTY SUSTAINING SUCH DAMAGES, AND EVEN IF THE REMEDY PROVIDED HEREIN FOR A BREACH FAILS OF ITS ESSENTIAL PURPOSE OR A BREACH IS TOTAL AND FUNDAMENTAL, AND EACH PARTY WAIVES THE APPLICATION OF ANY DECEPTIVE TRADE PRACTICES OR CONSUMER PROTECTION LAW. **SELLER'S MAXIMUM LIABILITY FOR ANY CLAIM BY BUYER SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS ON WHICH THE CLAIM IS BASED.**

15. EXPORTS: Seller reserves the right to rescind this Agreement, without any liability of Seller to Buyer, if at any time it reasonably believes that Products are intended to or will be shipped, exported or re-exported, directly or indirectly, to any country, person or other entity in contravention of any laws, regulations or administrative orders of the United States or any other jurisdiction to which Seller is subject (a "Contravening Export"). Any actual intention or attempt on the part of the Buyer to effect a Contravening Export will constitute a material breach of this Agreement. Buyer is required to identify the end use, end user, and country of final destination for Products included in this Agreement. Buyer warrants that, with respect to transactions related to this Agreement, it has not committed, and will not commit, any violation of the US Foreign Corrupt Practices Act or any other anti-corruption statute.

16. ASSIGNMENT: Neither Party may assign any of its rights or delegate any of its duties under this Agreement, voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law or any other manner without the express written consent of the other, which shall not be unreasonably withheld but without which any attempted or purported assignment or delegation is void. This Agreement binds and benefits both Parties and their respective permitted successors and assigns but does not confer any rights or remedies on any other person.

17. WAIVER: The waiver by Seller of any breach of the provisions of this Agreement shall not be deemed to be a waiver of any subsequent breach of a like or different nature. The failure by Seller to enforce any provision of this Agreement shall not be deemed a waiver of that provision.

18. DISPUTE RESOLUTION: TO THE EXTENT PERMITTED BY LAW, THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THEIR RIGHT TO A TRIAL BY JURY IN ANY ACTION, LEGAL PROCEEDING OR COUNTERCLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS IT CONTEMPLATES.

19. INTERPRETATION AND VENUE: The Parties waive the application of the Convention on Contracts for the International Sales of Goods to this Agreement. The laws of the State of Texas (without giving effect to its conflict of laws principles) govern all matters arising out of or relating to this Agreement, including without limitation, its validity, interpretation, construction, performance and enforcement. Venue for any action arising out of or relating to this Agreement shall be in Harris County, Texas; and the Parties waive any claim of an inconvenient forum. Section headings are provided for convenience only.

20. SURVIVAL. The warranty, indemnity, limitation of liability, dispute resolution and interpretation and venue provisions herein survive the termination of this Agreement.

21. ENTIRE AGREEMENT: This Agreement contains the entire agreement of the Parties and incorporates any prior agreements or understandings, whether written or oral, to the extent the Parties intend such to be incorporated. No writing henceforth exchanged between the Parties will be effective to amend or supplement this Agreement, except that such writing expressly refers to this Agreement and is signed by both Parties.

Exhibit 6: OIG-prepared comparison of Exhibit 3 to Exhibit 5

Part:	Exhibit 3	Exhibit 5
	FDDA'S Parts and Labor Detail Form dated 03/08/2018	FDDA's Revised Parts and Labor Detail Form submitted 11/03/2020
Housing Assembly	\$ 21,142.67	\$ 21,035.42
Core Assembly		-
Kit 24 Pin	29.37	-
Vaseline Jelly	2.82	-
Shop Labor - Transmission	11,391.50	-
Strap Bolt Kit	8.74	-
Strap Bolt Kit	17.48	-
Time Sert	36.85	152.60
Bolt Phos Hvy Hex Flg	6.55	-
O-Ring S/O	1.87	-
BRG ASM	19.23	-
Transynd 1 Gal Oil	68.22	-
Transynd 1 Gal Oil	68.22	-
Transynd 1 Gal Oil	241.71	-
Gear ASM	721.54	-
Ring, Packing	2.63	-
Pin, Dowel	27.03	-
Plug	14.83	-
Plug ASM	14.15	-
Magnet	3.18	-
Rivet	2.75	-
Bolt	44.21	-
Bearing - Thrust, 64.0 ID	175.74	-
Gasket - Rear cover	16.86	-
O'Ring Uniform D ASD NO. 130	1.89	-
Ring, Retaining, Externa 37.5G	24.58	80.27
Gear - Sun, p2	162.55	-
Spindle P1/P2 Carrier	889.45	703.69
Ring Retaining, Int 149.94 GRO	19.25	-
Gear - Sun, p1	142.82	-
Rotor Assembly - A hub and P	15,538.82	15,154.51
Gasket	21.05	-
O-Ring	10.84	-
Seal Assy Input	69.10	95.86
Gasket Oil Pan	30.54	-
Gasket C1 Clutch	21.05	-
O-Ring Uniform Dash No. 039	2.51	-
PIN - Dowel 3.892 X 6.35 LONG	44.53	103.15
PIN - DowelL 3.10 X 11.13 LONG	47.48	-
Filter - control	7.95	183.90
Screw - Panhead	21.05	-
Gasket cover, DC access	48.06	-
Gasket Cover, AC Access	67.69	-
Carrier and Bushing Assembly	1,079.77	1,522.29
Key - output shaft	28.37	-
Nut - Output Lock	234.22	318.45
Kit - Mounting, isolation	121.84	118.83
P2 Pinion Bearing	56.64	-
Seal Assembly	23.27	-
Seal Assembly	23.27	-
Kit - EV Drive Filter	35.78	-
Seal - Fill Tube	6.84	-
O'Ring - External	29.46	-
Service Kit - Stator, Remanufactured	1,183.43	1,154.16
Race - Bearing	270.09	385.99
Race - Bearing	270.09	-
Race - Bearing	-	-
Gasket - Housing, EMI-DPIM to AC	91.11	-
Gasket - Housing, Drive unit CA	64.14	201.76
Damper	2,052.98	2,002.21
Cover - front, flyweheel	783.00	763.64
Filter assembly	111.11	-
Washer - Thrust, p1 and p2, mold	117.27	-
Kit- service, electronic	2,056.01	2,005.16
Series ES Elec Drive sup Eqp	54,604.37	59,276.61
16.5 oz non-chlor brk	7.38	-
16.5 oz non-chlor brk	29.53	-
Kit, seal	34.65	-
Wypall	6.67	-
Screen	2.26	-
R/R Transmission (92.09 x 18)		1,657.62
Repair DPIM (92.09 x 10)		920.90
Replace ESS Unit (92.09 x 32.5768 hours)		3,000.00
Overhaul EV Transmission (92.09 x 42.05)		3,872.00
Total Invoice Amount	\$ 114,552.91	\$ 114,709.02

MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT
APPENDIX A

DTPW's Response to Audit Draft Report

*Department of Transportation and Public Works' Use of Contract 5745-2/14-2:
Bus Parts and Repair Services for Transit Buses*

IG18-0006-A
August 18, 2021

Date: August 6, 2021

To: Felix Jimenez, Inspector General
Office of the Inspector General

From: Jimmy Morales, Chief Operations Officer
Office of the Mayor

Subject: OIG Audit Report IG18-0006A – DTPW Response

We would like to take this opportunity to thank the Office of the Inspector General (OIG) for the review of the Department of Transportation and Public Works (DTPW) use of Contract No. 5745-2/14-2:2 Bus Parts and Repair Services for Transit Buses.

The primary objective of the review was to assess departmental compliance with contractual terms and conditions, including compliance with this contract's roadmap developed by the Internal Services Department (ISD) to facilitate departmental understanding of appropriate access and use of the contract.

OIG Recommendations for Materials Management

The OIG recommends that DTPW Materials Management Division create an originating document or form similar to the "Bus Failure Form" that documents the original diagnosis, service to be performed and consideration of warranties, OEM and whether the department itself has the resources to service the bus internally. If the competitive strategy, seeking competing quotes, is not being used, the document/form should specifically state so. A copy of the document/form would then be sent to the purchasing specialist, who could then document the competitive process as necessary and include this documentation in the file.

DTPW's Response

Materials Management Division concurs with the recommendation and will establish originating documents to implement prospectively. It is anticipated this implementation will be effective October 1, 2021.

OIG Recommendations for Procurement Goods and Services

In light of the level of noncompliance with the contract roadmap, the OIG recommends that DTPW create a checklist to be filled out by the purchasing specialist to document that all necessary steps of the contract roadmap were taken. The checklist might include a listing of those vendors sent the ITQ, the closing date, the vendors that responded, and the date/time received, etc. Such a checklist would be a good management tool for supervisory review. While the successor contract's Group 1 has fixed pricing, we believe that such a checklist will be of benefit to Group 2 and 3 purchases, as well as ITQs on pool contracts in general.

DTPW's Response

Procurement Goods and Services Division concurs with the recommendation and will establish a checklist for staff to implement prospectively. It is anticipated this implementation will be effective October 1, 2021.

OIG Recommendations for Procurement Goods and Services

In light of the County’s transition to INFORMS for purchasing and accounts payable, DTPW should reduce its use of BPOs. POs should be created for each requisition and should reflect the quoted prices and quantities from the ITQ. The OIG notes that under the INFORMS system, BPOs are only allowed for services and only for the active fiscal year. While this new policy covers the Group 1 POs and invoices, DTPW should issue POs that match the quoting process, whether the purchase is for parts or services.

DTPW’s Response

Procurement Goods and Services Division concurs with the recommendation. Please be advised since 2018, this Division began to evaluate and liquidate numerous blanket purchase orders to enhance internal controls. Moreover, staff was educated and trained to create specific goods and/or services purchase orders based on binding quoted prices/quantities submitted by participating vendors. Although BPO’s are only allowed for services only for the active year under the INFORMS system, the division is making every effort to dispatch specific detailed oriented purchase orders to capture awarded details such as but not limited to Contract/Quote number, description/scope of work, quantities, period of performance, and awarded contractual amount for service-based contracts.

- c: Eulois Cleckley, Director and CEO, DTPW
- Alberto Parjus, Deputy Director, Administration, DTPW
- Ana Rioseco, Chief, Procurement Goods and Services Division, DTPW
- Carlos De La Torre, Chief, Performance Analysis, DTPW
- Omar Massiah, Superintendent, Warehousing & Stores, DTWP