




Memorandum



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To: Eulois Cleckley, Director
Department of Transportation and Public Works

From: Felix Jimenez, Inspector General 

Date: January 9, 2023

Subject: Closure of OIG Review Regarding the Outsourcing of Miami-Dade County Bus Routes; Ref: IG20-0002-A

Attached please find the above-captioned Case Closure Memo issued by the Miami-Dade County Office of the Inspector General (OIG). The review focused on the Department of Transportation and Public Work's (DTPW) outsourcing of certain county bus routes to Limousines of South Florida, Inc. (LSF), d/b/a Transportation America. These routes are operated as circulators, and the services were initially procured by the County accessing a City of Miami (City) contract with LSF.

The OIG's review was predicated on information brought to our attention concerning the safety of the circulators, driver work shifts, cleanliness, accident reporting protocols, and route selection. The OIG's review transitioned to that of monitoring the County's procurement of its own contract for outsourced bus routes to replace the County's reliance on the City's agreement. The OIG found no exceptions to the procurement process for invitation to bid *FB-02081 Contracted Bus Routes Services*. The new contract's terms and conditions address the issues that were earlier identified to the OIG. Moreover, we learned that the vendor, LSF, is using a software program that will track the working hours of its drivers.

While the OIG is closing our review of this matter, we may periodically request reports from DTPW regarding performance metrics and the assessment of any liquidated damages. We would also encourage DTPW to randomly require reports from LSF of driver working hours to confirm compliance with Florida Department of Transportation Operational and Driving Requirements.

The OIG would like to thank DTPW staff for the cooperation and courtesies extended throughout this review. The OIG notes that LSF management was responsive to the concerns raised during the course of this inspection and thanks LSF for its continued cooperation.

Attachment

cc: Jimmy Morales, Chief Operating Officer, Office of the Mayor
Derrick Gordon, Director, Bus Services, DTPW
Joel Perez, Assistant Director, Bus Services, DTPW
Limousines of South Florida, Inc. (under separate cover)



AUDIT UNIT CASE CLOSURE REPORT

Case Number: IG20-0002-A
Case Title: Circulators
Date: January 5, 2023

INTRODUCTION

On March 10, 2019, the OIG received a web-based complaint regarding Miami-Dade County bus routes operated as circulators by Limousines of South Florida, Inc. (LSF), d/b/a Transportation America. These routes are operated as circulators, and the services are procured by accessing a City of Miami (City) contract with LSF. The complainant, who requested that his/her identity be kept confidential, raised several concerns regarding the overall safety of the circulators, driver safety, cleanliness, and possible mismanagement by the Department of Transportation and Public Works (DTPW).

The first safety-related issue raised by the complainant concerned LSF fleets operated as County bus routes. The complainant stated these circulators are all preowned minibuses designed to transport between 10-34 passengers and are prohibited from transporting “standing loads” (individuals standing up); however, LSF drivers routinely operate these vehicles with standing passengers due to overcrowding. The second safety-related issue pertained to accident protocols. The complainant stated that LSF does not immediately notify DTPW personnel when an LSF-operated circulator is involved in an accident or serious incident (emergencies, mechanical breakdown, etc.). The third issue raised by the complaint was related to LSF-driver safety. According to the complainant, LSF operators consistently complain of being forced to work extremely long shifts—up to 16 hours or more—in excess of the federal maximum of 12 hours daily. As explained by the complainant, this occurs because the calculation of hours driven does not begin until the driver arrives at the first location. The final issue pertained to the cleanliness of the circulators. The complainant advised that circulators are not properly cleaned or maintained prior to being put into operation.

The complainant stated that the above-mentioned concerns specifically impacted bus routes—Route 35/35A which travels from Miami-Dade College - Kendall Campus to Florida City through Richmond Heights, and Route 71, which travels from the West

Kendall Transit Terminal / Park & Ride to Dadeland North Metrorail station along SW 88 St, SW 147 Ave, SW 104 St, SW 112 St, and SW 97 Ave.

The OIG has learned there have been several citizen complaints about the outsourcing of bus routes, as voiced by members of the public to the BCC during the reasonable opportunity to be heard. Some of the public's complaints involved the failure to pick up passengers (skipped stops), overcrowding, cleanliness, and safety of the circulators. The OIG determined that the issues raised in the complaint should be further evaluated. OIG management later determined that sufficient evidence was present to warrant the initiation of an inspection.

PRELIMINARY FIELDWORK

The OIG initiated a preliminary inquiry, which was assigned to the Audit Unit, to assess the complaint. Preliminary work conducted included performing a ride-along on Bus Route 35/35A, meeting with the complainant, meeting with DTPW's Bus Operations staff, reviewing legislative items, reviewing contract documents, and observing Board of County Commissioners (BCC) meetings regarding the outsourcing of bus routes and a review of the County's Better Bus Project.¹

On December 19, 2019, a member of the OIG Audit staff spent a full day riding on circulator route 35/35A from Miami-Dade College - Kendall to the final stop at the busway park and ride located at SW 344th Street, in Florida City. The circulator appeared to be clean, with adequate seating, grab handles, wheelchair accessibility, onboard cameras, and exterior bicycle racks. The OIG notes that this activity was conducted during college and high school winter break; as such, there were likely fewer riders on this route.

On December 23, 2019, OIG auditors met with the complainant in person to obtain additional clarification of the issues raised in the complaint. The complainant confirmed the accuracy of the allegations highlighted in the complaint and provided supplemental information. Regarding the safety of the LSF fleet, the complainant stated that, at times, the circulators are so full that people have to stand up—without safety handles—while others resort to sitting on the floor between the aisles and in the rear area of the vehicle. Moreover, at times, the circulators are so overloaded that the driver is limited to driving no more than 20 mph resulting in late arrivals and increased wait times.

The complainant explained that DTPW's accident protocol requires LSF or the driver to immediately notify DTPW's Bus Operations upon the occurrence of an accident or serious incident. Upon receiving notice of an accident or incident, County representatives typically

¹ The Better Bus Project ("Project") is aimed to enhance DTPW routes through network route redesign. The primary objective of the Project is to eliminate and/or return routes, enhance existing routes, and propose new routes. This Project is being facilitated in partnership with Transit Alliance Miami (a nonprofit advocacy-based organization) and the Citizens' Independent Transportation Trust (CITT).

report to the accident scene or incident location to assess the situation. The complainant further stated that LSF (or its driver) does not always comply with the reporting protocol, which results in the County's reliance on secondhand information being provided by LSF after the fact, which may not always be accurate. According to the complainant, in one such incident, a driver hit a tree, which caused in an electrical fire resulting in a total loss of the vehicle. In this case, a substantial amount of time had passed before DTPW was made aware of the seriousness of the incident. The complainant further stated that on more than one occasion, the County has been named as a party to a lawsuit, without having any independent knowledge or verification of the details of the accident. According to the complainant, this occurs as a direct result of LSF's failure to comply with the County's accident or incident reporting protocols, which requires the notification of any service irregularity which includes but is not limited to, accidents, incidents, complaints, service delays, etc.

According to the complainant, because LSF operates circulators of various makes and models, when a mechanical breakdown occurs on the route, there is uncertainty as to the required parts/components until the bus is physically taken out of service, which results in repair delays, missed trips, etc. In addition, the complainant stated that the lack of uniform circulators sometimes results in not having the proper requirements for wheelchair lifts.

Lastly, the complainant advised that circulators are not properly cleaned or maintained. In one case, feces remained on the seat for three days until the driver purchased supplies and cleaned the soiled area herself.

MEETING WITH DTPW BUS OPERATIONS

In March 2020, OIG auditors met with DTPW's Bus Operations staff to discuss the outsourcing of existing bus routes to LSF. At the time, the County had 97 countywide routes, 74 of which were operated by DTPW, with the remaining 23 routes outsourced and operated as circulators by LSF. Bus Operations staff advised that since these routes have low ridership they were outsourced without affecting services and have resulted in reduced operating costs.

Subsequent to this meeting, OIG auditors requested and received several documents (route implementation information, executed contracts, training manual, complaint log, ridership data, etc.) from Bus Operations related to the outsourced routes. The training manual provided to LSF, titled "Contracted Routes Training," included bus operators' responsibilities in complying with Americans with Disabilities Act (ADA) guidelines (including wheelchair securement), fare collections, and bus route maps. However, the training manual does not state any protocols for accidents, although Bus Operations advised that there are accident protocols.

The OIG also learned that DTPW was working with Transit Alliance Miami to develop a bus network redesign that would impact the capacity of the vehicles needed to run certain routes. (See footnote 1 on page 2.) Furthermore, DTPW advised that accessing the City's contract (as further described below) is beneficial until the network redesign is completed and approved. Once implemented, and fleet size requirements are known, a procurement would be initiated to replace this contract, as necessary. However, the OIG later learned that the Better Bus Project, which was initially planned to be implemented in June 2022, has now been delayed until 2023 due to a shortage of bus operators. DTPW estimates that an additional 400 new bus operators are needed to launch the Better Bus Project.

OIG REQUEST FOR INFORMATION

OIG auditors conducted a detailed review of the ridership data for January 2018, January 2019, and January 2020. OIG auditors ranked the routes from highest to lowest, in terms of ridership. The OIG's review showed that several countywide routes with high ridership were among the routes being outsourced to LSF. This limited review contradicted DTPW's contention that only low-ridership routes were being outsourced. Therefore, additional information was sought to better understand the criteria established and methodology used to outsource the above-referenced countywide bus routes, including any additional routes identified for future outsourcing.

On July 6, 2020, the OIG formally requested information from DTPW regarding the outsourcing arrangement and DTPW's internal analysis of bus routes deemed appropriate for outsourcing. More specifically, we requested 1) ridership data (methodology, studies, rankings, etc.) used to identify the routes to be outsourced; 2) accident protocols communicated to LSF by/on behalf of DTPW; and 3) supporting documentation regarding added ADA training and certification requirements for bus operators. Upon review of the information provided, OIG auditors concluded that DTPW's response did not sufficiently describe DTPW's methodology utilized to outsource County bus routes or the communication of the required accident protocols; the documentation related to ADA training adequately responded to our request.

Considering the continuing development of the Better Bus Project, OIG senior management determined, at the time, that an additional request to DTPW may not be productive as OIG auditors continued to monitor the Project's progression. Further, in light of the Coronavirus' effect on DTPW's operations, continued discussions on this matter were paused in an effort to allow DTPW to focus its efforts on managing its services to the public.

PIGGYBACKING THE CITY OF MIAMI CONTRACT WITH LSF

On June 6, 2017, the BCC approved Resolution No. R-611-17, authorizing the County to access the City's Contract No. 256244: *Trolley Operations Services with LSF*.² The stated purpose for accessing the City's contract with LSF was for DTPW to outsource fourteen existing low ridership bus routes to be operated as circulators within the County. Furthermore, the Resolution gave DTPW the option to outsource additional low ridership routes under DTPW's assessment.³

Prior to presenting the above resolution to the BCC, DTPW, in an effort to identify service efficiencies in the then-existing bus network, had presented an overall plan for route modifications to the BCC's Chairman Policy Council on February 9, 2017. The proposed route modifications included an analysis of current ridership data and the maximum passenger load per vehicle. Ultimately, LSF was contracted to operate the following fourteen existing transit routes: 1, 29, 46, 82, 101, 202, 211, 212, 246, 254, 267, 272, 286, and 344. In an effort to realize additional cost savings, while continuing to provide equitable service, DTPW later outsourced six additional transit routes (56, 71, 72, 115, 210, and 217) and several Life Line routes. Life Line routes, which are transportation services for the disadvantaged, are required by Florida law, and are identified as the routes named Green Hills, Kings Creek, Sierra Lake, Robert Sharp, Ahepa, and Fed Gardens. These routes provide transportation services for the elderly and disadvantaged, once a week for a few hours per day, from senior centers to markets or malls.

On May 1, 2018, the BCC authorized a retroactive one-year option to renew with LSF, effective February 27, 2018 (see Resolution No. R-456-18). This extension comprises 21 bus routes (the 20 identified in the previous extension plus the Biscayne Gardens circulator) and the six Life Line routes named above. Included in the resolution was DTPW's 180-day status report on LSF's performance for the period of September 2017 through February 2018. The status report identified that on-time performance has slightly exceeded DTPW's prior levels for the same route, and that customer complaints and accidents reported per month have decreased. The status report also indicated that as a result of outsourcing the original 14 bus routes to LSF, DTPW was expecting an annualized saving of over \$3 million.

² The City's contract was initially awarded to LSF on January 12, 2012, with a five-year term agreement and the option to extend for five additional one-year periods. The contract's fifth and final one-year extension expired on February 27, 2022. This contract was competitively procured via a Request for Proposals.

³ The County's resolution required DTPW to provide the BCC with a 180-days status report on the outsourced bus routes regarding ridership numbers, costs, safety, and other relevant information. The resolution also requires that any option to renew the agreement be approved by the BCC.

Later, on December 18, 2018, the BCC approved Resolution No. R-1309-18, authorizing another one-year option to renew the contract with LSF (effective February 27, 2019 to February 26, 2020). Included in this resolution were 23 bus routes (adding Routes 35/35A) and the six Life Line routes. The BCC later approved a third one-year option to extend its contract with LSF from February 28, 2020, to February 27, 2021, which included 23 bus routes and six Life Line routes (Resolution No. R-207-20). This extension was amended to require ADA training and certification for LSF bus operators.

On March 2, 2021, the BCC retroactively authorized the fourth and final one-year option to renew with LSF from February 28, 2021, to February 27, 2022 (Resolution No. R-171-21). The termination date of February 27, 2022 coincided with the City of Miami's final contract termination date. In the Mayor's Recommendation Memorandum, staff noted that Route 35 would be removed from this contract no later than June 2021, and that staff and LSF hold three conference calls weekly to review complaints and address any other service-related concerns. The memorandum also noted that DTPW was working on procuring its own replacement contract for contracted route services. An Invitation to Bid was intended to be advertised no later than April 2021.

THE COUNTY'S REPLACEMENT CONTRACTS: A BID WAIVER & FB-02081

The County's Invitation to Bid for *Contracted Bus Routes Services (FB-02081)* was advertised on September 28, 2021, with a submittal deadline of November 16, 2021. Two bids were received. Safeguard America, Inc. was the low bidder. LSF was the second low bidder. No award was issued prior to February 27, 2022 (the expiration of the last option to renew), however, LSF continued to provide services.

On June 6, 2022, OIG auditors received notice that the top-ranked responder withdrew its bid due to increased fuel costs, and the second (and only) lowest bidder, LSF, would be recommended for award. In a subsequent follow-up with the Internal Services Department's Procurement staff, we were advised that the recommendation of the award was still pending.

In an effort to prevent disruption of critical services, on June 14, 2022, the BCC adopted Resolution No. R-583-22, waiving competitive bidding and ratifying a confirmation purchase with LSF in an amount of up to \$9.1 million for the continued provision of transportation and disinfecting services for a retroactive term of February 28, 2022 through February 27, 2023. The new contract included a daily fixed amount of \$9 per vehicle cleaned and disinfected charge and both Routes 35 and 35A were dropped from the contracted services. DTPW management explained that this "stop-gap" measure was necessary to avoid putting the outsourced routes and the riders at risk while the department transitioned to a new contract.

A detailed review of the terms and conditions of FB-02081 shows that the concerns raised in the complaint were addressed as follows: overcrowding, accident protocols, and bus

cleanliness are addressed in Sections 3.1.1 and 3.1.2 (Fixed Bus Routes & Life-Line Routes), 3.13 (Service Interruptions), and 3.4 (Cleaning & Sanitizing of Buses), respectively. Driver safety and maximum driving hours are addressed in Section 3.71(F) – Driver Training Program, which fully describes the training program.

The maximum driving hours was discussed with Mr. Joel Perez, General Superintendent, Bus Operations, and Mr. Derrick Gordon, Director of Bus Services. Mr. Perez’s position is that the entire contract is governed by FDOT Rule Chapter 14-90, which includes driver safety and restrictions on driving hours. Mr. Gordon, in an email to the OIG, stated that the vendor (LSF) “is using a software to track the working hours of the drivers at LSF.”

FDOT 14-90.006(3)-Operational and Driving Requirements states:

A driver shall not be permitted or required to drive more than 12 hours in a 24-hour period, or drive after having been on duty for 16 hours in a 24-hour period. A driver shall not be permitted to drive until the requirement of a minimum eight consecutive hours of off-duty time has been fulfilled. A driver’s work period shall begin from the time he or she first reports for duty to his or her employer. A driver is permitted to exceed his or her regulated hours in order to reach a regularly established relief or dispatch point, provided the additional driving time does not exceed one hour.

Furthermore, LSF provided a written attestation of “compliance with FDOT Rule 14-90 and all related and applicable provisions governing the for-hire transportation industry.”

On November 15, 2022, Contract No. FB-02081 was awarded to LSF for a five-year term in the amount of \$64,500,000 to operate 22 bus routes and six Life Line routes. This contract becomes effective on February 28, 2023, upon the expiration of the one-year bid waiver. DTPW notes that after the initiation of the Better Bus Network, these routes will be reviewed to identify any additional opportunities to operate any of them directly.

The proposed County contract includes enhancements to existing performance and compliance measures in the current contract. These enhancements include, but are not limited to, reporting accidents or incidents requiring medical attention within 15 minutes of occurrence; reporting service delays in excess of 30 minutes within 45 minutes of occurrence; reporting customer complaints within one hour of occurrence and addressing them within three business days; submitting a bus cleaning schedule as performed on a daily, weekly, and monthly basis; and the assessment of liquidated damages for performance failures. These measures will ensure the quality of service for vehicle performance and reliability of service.

A detailed review of the contract’s scope of work showed that routes 35/35A—the subject of the complainant’s allegations—is no longer being operated by LSF. DTPW management explained that its Planning Division conducted an evaluation of the routes and determined that these routes would best be served with the types of buses operated by DTPW. This decision was based on numerous factors such as customer complaints, and the mobility requirements for the various stops—some of which include hospitals and medical centers—along the route, which requires specialized equipment, such as wheelchair lifts, etc.

CONCLUSION & CASE CLOSURE RECOMMENDATION

The OIG is pleased that DTPW has its own contract for bus route services that contains measures to ensure compliance without compromising the delivery of critical services. Based on the developments cited above and discussions with OIG senior management, it is recommended that this inspection be closed as the concerns have been adequately addressed in the replacement contract.

It is also recommended that the OIG share a copy of this closure report with DTPW and encourage them to periodically request and review the driver working hours software data being now maintained by LSF. The OIG Audit Unit and/or the Contract Oversight Unit may periodically request reports from DTPW regarding performance metrics and the assessment of liquidated damages.

Prepared by: Nadine S. Rogers _____ Auditor	January 5, 2023 _____ Date
Route for Approvals: Arleen Rose Stanek _____ Audit Supervisor	January 5, 2023 _____ Date
Patra Liu _____ Deputy IG/General Counsel	January 6, 2023 _____ Date
Felix Jimenez _____ Inspector General	January 6, 2023 _____ Date