




# Memorandum



Miami-Dade County Office of the Inspector General  
A State of Florida Commission on Law Enforcement Accredited Agency  
601 NW 1<sup>st</sup> Court ♦ South Tower, 22<sup>nd</sup> Floor ♦ Miami, Florida 33136  
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656  
Visit our website at: www.miamidadeig.org

To: Michael Liu, Director  
Public Housing and Community Development

From: Felix Jimenez, Inspector General 

Date: February 17, 2023

Subject: Receipt of Status Report Pertaining to the OIG's Audit of PHCD's Utilization of the MCC Emergency Response Team Pool for Emergency Construction Projects;  
Ref: IG20-0005-A

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The Office of the Inspector General (OIG) is in receipt of the Public Housing and Community Development's (PHCD) status report (attached) regarding its implementation of the OIG's recommendations made in the [final audit report](#). Based on PHCD's status update, we are pleased that progress is being made towards fully implementing the recommendations.

Concerning the OIG's recommendation that PHCD re-initiate discussions with the Small Business Development Division to develop dedicated ERT pools for PHCD's most needed emergency repairs (Recommendation No. 4), the OIG is requesting additional clarification regarding the explanation noted below.

*Additionally, PHCD is developing RPQs to acquire a dedicated emergency vendor for common issues such as plumbing, sewer, electrical, and possibly mold remediation. PHCD is in the process of hiring staff to manage the RPQs before initiation based on limited staff capacity. Further, contacts with WASD are ongoing with determining how PHCD can shift and change its process to be more effective in the execution of MCC contracts.*


It appears that the above statement is related to the establishment of dedicated emergency pools. As this still appears to be a work-in-progress, the OIG is requesting another status report in 120 days. Specifically, we are requesting PHCD to report on its progress toward or finalization of establishing dedicated emergency pools. Our request is made pursuant to Section 2-1076(d)(2) of the Code of Miami-Dade County. We respectfully request that PHCD provide the OIG with another status report on or before June 17, 2023.

## Attachment

cc: Morris Copeland, Chief Community Services Officer, Office of the Mayor  
Clarence Brown, Division Director, Housing and Community Development Division, PHCD  
Gerald Farr, Chief Financial Officer, PHCD  
Jose Mascorro, Division Director, Asset Management, PHCD  
Indira Rajkumar-Futch, Procurement Contracting Manager, PHCD  
Gary T. Hartfield, Division Director, Small Business Development, Internal Services Dept.  
Laurie Johnson, Section Chief, Small Business Development, Internal Services Dept.

**Date:** February 9, 2023

**To:** Felix Jimenez, inspector General

**From:** Michael Liu, Director   
Public Housing and Community Development (PHCD)

**Subject:** OIG Audit Report Follow-Up Response – MDPHCD utilization of the MCC Emergency Response Team Pool for Emergency Construction Projects – Ref: IG20-0005-A

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Public Housing and Community Development (PHCD) would like to thank the Office of Inspector General (OIG) for their cooperation and patience with the departments follow-up response. As recommended by OIG, PHCD has taken significant steps to ensure improvements with timelines of the completion of MCC projects from initiation to payment and has addressed all mentioned areas of concern. PHCD initially responded to the report August 19, 2022, addressing OIG's concerns as well as taking corrective action. This document will serve as a status report for the work done to improve PHCD's compliance when utilizing the MCC Program/requirements:

**Finding No. 1**

PHCD's has included the CIIS rotation list in all MCC Emergency files.

**Finding No. 2**

PHCD maintains that since July 12, 2022, this issue has been resolved through consistently notifying SBD via email during the approval process of selecting MCC vendors for Emergency requests.

**Finding No. 3**

The upcoming training will cover in detail the ERT Rotational Policy as indicated in the response below.

**Finding No. 4**

PHCD's staff has made significant improvements with processing payments timely after revising the process with notifying SBD via email of the MCC Emergency vendor requests.

An email was sent August 23<sup>rd</sup>, 2022, advising of all key areas that needed immediate attention based on the recommendations - see attachment. Follow-up trainings with site management/assistant management regarding IO 3-53 guidelines are forthcoming and anticipated to be completed by no later than April 1<sup>st</sup>, 2023. Sign-in sheets will be sent to OIG to conclude the trainings/ reporting requirements. Additionally, PHCD is developing RPQs to acquire a dedicated emergency vendor for common issues such as plumbing, sewer, electrical, and possibly mold remediation. PHCD is in the process of hiring staff to manage the RPQs before initiation based on limited staff capacity. Further, contacts with WASD are ongoing with determining how PHCD can shift and change its process to be more effective in the execution of MCC contracts.

## **Rajkumar-Futch, Indira (PHCD)**

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**From:** Rajkumar-Futch, Indira (PHCD)  
**Sent:** Tuesday, August 23, 2022 3:52 PM  
**To:** (PHCD) AMP Administrators; (PHCD) Assistant AMP Administrators  
**Cc:** (PHCD) Procurement Office; (PHCD) Facilities; (PHCD) Development; Farr, Gerald (PHCD)  
**Subject:** MCC 7040/7360 Emergency Response Team  
**Attachments:** ERT 2022.pptx

Good afternoon,

Please see the attachment for your use when utilizing the subject contracts.

Thanks!

**Emergency Vendor Request - MCC 7040/7360 Plan**

MCC-7040  
MCC-7360

\$24,999.99 and below  
\$25,000 and above

Email Management concerning the "Emergency" requiring a MISC Trade vendor. (1<sup>st</sup> Email - requesting approval from Mr. Moroles/Mr. Farr).

CC: Jose Masorro/ Brandy Ramirez

Reply with contractor proposal for approval from Mr. Moroles identifying the name of responding vendor and cost. If management isn't in agreement with the proposal, notify contractor and ISD/OCI of the decision and move to the next contractor on the rotation list.

CC: Laurie Johnson (ISD) – [laurie.johnson@miamidadade.gov](mailto:laurie.johnson@miamidadade.gov)  
Andrew Burgess (ISD) – [andrew.burgess@miamidadade.gov](mailto:andrew.burgess@miamidadade.gov)  
Jacqueline Fussell (ISD) – [Jacqueline.fussell@miamidadade.gov](mailto:Jacqueline.fussell@miamidadade.gov)

After approval, copy ISD/OCI staff in the email communication (it will act as notification to rotate the vendor's listing).

Create Elite OR and CIIS RPQ and add e-mail to the CIIS note section within 5 days from the e-mail approval.

NOTE: Rotational List must identify issues when calling vendors i.e. spoke with Tom, he is unable to assist at this time; vendor refused work.

NOTE: Before you send the email, please ensure the vendor's insurance is current.

Upon approval - Vendor shall commence work and once the work is complete, staff must update the supporting documents in Elite.

After work is completed and upon receipt of the invoice, date stamp. This allows for the clock to start. If the invoice has discrepancies, within ten (10) days of receipt, notify the vendor that the invoice is improper and indicate what corrective action is needed to make the invoice proper. NOTE: The clock doesn't start until you are in receipt of a proper invoice.

If project value exceeds 25K or contains non-routine maintenance/repairs, seek assistance from Facilities.

A complete CIIS Package includes:

1. Elite Order Request
2. 1<sup>st</sup> and 2<sup>nd</sup> Email approvals
3. Insurances: General Liability, Workers Compensation, Auto Insurance
4. HUD Limited Denial Participation List (LDP)/ Sam.Gov Excluded Parties List System (EPLS)
5. CIIS Rotational List / PHCD Emergency Trade Rotational Log
6. CIIS Requisition (RPQ)
7. Recommendation for Award Letter (Procurement will provide notification when to complete).
8. Contractor Evaluation (Procurement will provide notification when to complete).
9. RPQ Status Response Form
10. Notice to Proceed (Procurement will provide notification when to complete; Once the NTP is received from the vendor, process invoice through ELITE).
11. Invoice
12. Grant Restriction Indicator (GRI)

**To:** Felix Jimenez, Inspector General

**From:** Michael Liu, Director  
Public Housing and Community Development Department (PHCD)

**Date:** August 18, 2022

**Subject:** **OIG Draft Audit Report of the Miami-Dade Public Housing and Community Development's Utilization of the MCC Emergency Response Team Pool for Emergency Construction Projects – Ref: IG20-0005-A**

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The Office of the Inspector General (OIG) provided the Public Housing and Community Development Department (PHCD) with a Draft Audit Report of their findings of the utilization of the MCC Emergency Response Pool for Emergency Construction Projects. The report produced 4 Findings which are listed below and 6 Recommendations which are all addressed in PHCD's responses. In addition, I have brought these issues to the Mayor's attention, and she has indicated that she will review the concerns raised in your Report in relation to all departments, so that appropriate steps can be taken to address these matters countywide.

**Finding 1:** OIG Auditors noted the absence of documentation in nearly half of PHCD's emergency project files that demonstrates compliance with the ERT rotational policy. Specifically, these project files did not maintain a copy of the Capital Improvement Information System (CIIS) rotation list or any other documentation evidencing how the contractor was selected for the emergency award. In the absence of complete and accurate documentary evidence, the OIG is unable to determine whether the contractors awarded were selected on a rotational basis. Maintaining a copy of the CIIS rotation list in the project files is not a requirement of IO 3-53. However, the OIG believes that it should be included as an authoritative document that demonstrates that the rotational policy was adhered to.

**PHCD Response 1:** As indicated in the OIG Report, maintaining a copy of the CIIS rotation list in the project files is not a requirement of IO 3-53. However, PHCD agrees that including the CIIS rotation list in the files is a good practice and will ensure a copy of the rotation log is included in the files moving forward.

**Finding 2:** concluded that PHCD did not timely notify SBD of the emergency awards within five (5) days of the contractor agreeing to perform the work. OIG Auditors noted that only two of the 33 sampled ERT projects were reported timely to SBD. The remaining emergency awards were reported between 20 and 305 days after award. This deficiency occurred due to PHCD's practice of waiting for the contractor to submit an invoice for the work completed before contacting SBD. Site staff, who initiates the emergency procurements, advised that they were not aware that they have to notify SBD of the emergency awards once the emergency work was awarded.

**PHCD Response 2:** PHCD addressed Finding 2 with all staff that utilizes the MCC Programs via email July 12<sup>th</sup>, 2022, advising that in accordance with IO 3-53 within five working days after the contractor is

contacted to perform the work described in the Emergency RPQ, the user department's director or authorized designee shall submit to ISD/SBD, a written explanation of the circumstances mandating the emergency procedures.

**Finding 3:** addresses PHCD's failure to report non-responding contractors to SBD for possible suspension from the ERT Pool. All 33 ERT project files showed that PHCD did not report non-responding contractors to SBD for potential suspension from the ERT Pool. Failure to report non-responding contractors compromises the integrity of the ERT Pool and the efficiency of the emergency award process.

**PHCD Response 3:** PHCD will request for staff to be retrained by ISD/OCI regarding the overall emergency award process during which all staff will be provided with copies of IO 3-53 and the ERT Rotational Policy. Subsequently, PHCD will retrain staff internally and have staff sign a document indicating what was covered in the training to include the importance of reporting non-responding contractors.

**Finding 4:** addresses PHCD's noncompliance with the County's Prompt Payment Policy, which requires payment to SBE contractors within 14 days of receipt of the invoice on amounts not in dispute. OIG Auditors noted that payment delays ranged from 27 to 619 days (approximately 20 months). In one instance, the audit revealed that site staff failed to submit an invoice package for payment. Upon the OIG's request to review the payment documentation, PHCD's Finance Division personnel advised that they could not locate the payment records. Upon further review, PHCD personnel concluded that site staff did not submit the invoice package for payment processing. The contractor was eventually paid approximately 20 months after its invoice date. Paying its contractors late discourages some contractors from participating in emergency procurements at PHCD.

**PHCD Response 4:** The over-arching issue for PHCD regarding the 14-day payment policy is the volume of emergencies being handled as an agency on a weekly basis. While the audit identified a total of 410 (average of 4 per week) emergency projects during the audit period, PHCD has seen that number increase to approximately 8 to 10 emergency projects per week during the past 12 months. As mentioned in the report, these emergency awards include situations of air conditioning repairs, electrical repairs, mold remediation, sewer/water line repairs, roof repairs, etc. Considering the management of over 7,000 living units and the age of the units, emergencies arise for families living in our properties more frequently than not. Add the high number of emergencies to be handled to the already 3,100 (on average) invoices processed monthly by PHCD and we create an administrative burden to meet the 14-day timeline for small vendors. In managing residential properties (as opposed to commercial, office or industrial properties) of an aging housing stock, our volumes reflect the need to address issues quickly for the protection of our residents on a 24/7 basis, and such volume indeed taxes our resources to meet the 14-day payment policy.

While many reasons as to why small contractors refuse to accept emergency jobs/projects for PHCD were cited by the SBD Section Chief and the PHCD Procurement manager, the fact remains, these reasons are anecdotal in nature and not based on data. That said, considering why small vendors are not responding to PHCD for emergency jobs, as recommended by OIG and suggested by the SBD Section Chief, PHCD will coordinate with ISD/OCI to develop a dedicated Emergency Response Team (ERT) pool of contractors to better address PHCD's specialized operational needs. Creating a dedicated pool of vendors (modeled after the one developed by Miami Dade County's Water and Sewer Department – WASD) for PHCD's most frequent emergency repairs will mitigate performance, documentation, and payment policy issues. While

such a specialized pool has a 45-day payment period policy, PHCD will strive for a 30-day payment period which we believe can be met.

Despite the creation of a dedicated pool of contractors, PHCD from time to time, anticipates that it will still have a need to access the ERT Pool. And as such, as part of the training mentioned in Response 3 above, PHCD will retrain all staff regarding the importance of processing invoices timely but also stress the importance of documenting when the work performed is actually completed and accepted to ensure accurate dates are used when calculating the 14-day requirement. To be clear, the 14-day timeline should begin upon the completion and acceptance by PHCD of the completed work. We understand that the auditors, due to the lack of documentation by site management staff found during the audit, used the invoice dates as the point of reference for the 14-day timeline when that may not have been the accurate date to use. Lastly, as part of the process of documentation, we will incorporate a data collection method to obtain reasons why contractors refuse to accept emergency contracts with PHCD to ensure we have a more accurate picture. This information will be beneficial to PHCD and ISD/SBD.

PHCD has already reached out to ISD/SBD to coordinate training and process improvements for PHCD. PHCD will ensure continuous communication with SBD so that concerns brought forth by contractors continue to be remedied but to also further develop the necessary tools for PHCD to meet the needs of the families served.

cc: Morris Copeland, Chief Community Services Officer, Office of the Mayor  
Gerald Farr, Chief Financial Officer, PHCD  
Jose Mascorro, Division Director, Asset Management, PHCD  
Indira Rajkumar-Futch, Procurement Contracting Manager, PHCD

## **Rajkumar-Futch, Indira (PHCD)**

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**From:** Rajkumar-Futch, Indira (PHCD)  
**Sent:** Tuesday, July 12, 2022 12:48 PM  
**To:** Moroles, Tyler (PHCD); Mascorro, Jose (PHCD); Brown, Clarence D. (PHCD); Benton, John (PHCD)  
**Cc:** Farr, Gerald (PHCD); (PHCD) Procurement Office; Johnson, Laurie (ISD); (PHCD) Facilities; (PHCD) AMP Administrators; (PHCD) Assistant AMP Administrators  
**Subject:** MCC 7040/7360 Programs Authorized Designees

Good afternoon all,

Jose/Tyler - Per our discussion, in order to be in compliance with the MCC 7040/7360 Programs, in accordance with I.O. 3-53 within five (5) working days after the contractor is contacted to perform the work described in the Emergency RPQ, the user department's director or authorized designee shall submit to Laurie Johnson of ISD/SBD, a written explanation of the circumstances mandating the emergency procedures. ISD/SBD will also require the name of the contractor to ensure they are rotating the ERT vendors listing.

Presently the department is being audited by IG and this will be a finding in the report since we are not in compliance.

As the department's designees, please ensure you notify Laurie Johnson via email moving forward as indicated above.

**NOTE: This is a requirement for all that utilize the MCC Program.**

Kindest regards,

Indira Rajkumar-Futch  
PHCD Procurement Contracting Manager  
MDC - Public Housing & Community Development  
701 NW 1st Court, 16th Floor | Miami, FL 33136  
PH: 786-469-4164 | FAX: 786-469-4151  
Email: [indi@miamidade.gov](mailto:indi@miamidade.gov)