



Memorandum

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



To: Stacy L. Miller, P.E., Director & CEO
Department of Transportation and Public Works

From: Felix Jimenez, Inspector General 

Date: December 10, 2025

Subject: OIG Final Report and Closure Regarding the Review of DTPW's Spare Parts for New Railcars, Ref. IG22-0003-A

Attached please find the Office of the Inspector General's (OIG's) Final Report and Closure on the above-captioned subject. The review focused on the Department of Transportation and Public Works' (DTPW's) new Railcars' spare parts inventory after concerns were raised regarding potential mismanagement of the maintenance and repair of the new railcars.

The OIG found no evidence of mismanagement or negligence by DTPW personnel. Instead, the review identified systemic issues—including accelerated production schedules, exclusivity agreements with OEM subcontractors, and management directives and miscommunications regarding the use of the \$18 million contractual spare parts credit—that contributed to delays in establishing a robust inventory. Many of these concerns are being addressed through administrative action, legislative support, and the implementation of the Mobility Sourcing Program (MSP).

This report, as a draft, was provided to DTPW for its discretionary written response. DTPW provided a written response which is attached to the final report as Appendix A. The OIG is satisfied with the Department's response and appreciates DTPW's concurrence with our findings. In its response, DTPW emphasized efforts being implemented to improve and address operations and procurement challenges noted within the report.

The OIG advises that our review of the above-captioned subject is complete and, as such, this review is closed. The OIG would like to thank DTPW staff for their cooperation and courtesies extended throughout this review.

Attachment

cc: Jimmy Morales, Chief Operating Officer, Office of the Mayor
Namita Uppal, Director, Strategic Procurement Department
Ofelia Tamayo, Director, Internal Compliance Department
Yinka Majekodunmi, Commission Auditor, Office of the Commission Auditor
Josiel Ferrer-Diaz, Deputy Director, DTPW
Javier Betancourt, Executive Director, Citizens' Independent Transportation Trust



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Review Regarding the Department of Transportation and Public
Works's (DTPW's) Spare Parts for New Railcars
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I. INTRODUCTION

The Office of the Inspector General (OIG) initiated a review of issues surrounding spare parts for the new railcars after concerns were raised by then-DTPW Deputy Director of Finance and Administration. Joined by the then-DTPW Chief of Procurement, concerns were raised regarding potential mismanagement, specifically related to the maintenance and repair of the new railcars purchased from AnsaldoBreda. The DTPW officials cited *Metrorail Fleet Status Reports* generated by the Rail Division of DTPW indicating a significant number of new railcar pairs ("married pairs," or two semi-permanently coupled cars operating as one unit) were listed as "Unavailable."¹ Further, the internal reports identified several railcars as "Long Term Unavailable" due to accidents, while most were temporarily unavailable due to a lack of spare parts—an implausible rationale to these senior administrators, as the purchase contract for the new railcars required the vendor to supply \$18 million in spare parts.² The OIG was asked to determine the reason for the shortage and the elevated number of unavailable railcars.

Since that initial meeting, OIG staff have consulted with senior DTPW officials, met with executives from Hitachi (AnsaldoBreda was later acquired by Hitachi), interviewed suppliers, procurement staff and warehouse personnel, and toured rail operations at the William Lehman Center. Our review found that management directives, misconceptions, and miscommunications have hindered the spare parts acquisition process. The rail division does not maintain an ideal inventory of spare parts to keep pace with the proper maintenance schedules for the new railcars. As the mid-life overhaul maintenance period approaches, it is paramount that the rail division maintenance staff have access to a robust spare parts inventory.

At the conclusion of our review, the OIG met with DTPW Procurement staff, specifically the Chief of Contracts and Procurement and, the Manager of Contracts and Procurement, to discuss the implementation and procurement advantages for a designated purchase program through the Mobility Sourcing Program (MSP). DTPW identified the MSP as a critical procurement strategy designed to address operational challenges and ensure continued reliability of Miami-Dade County's Metrobus, Metrorail, and Metromover systems via an expedited acquisition of proprietary and essential transit parts and services, including railcars spare parts, from Original Equipment Manufacturers (OEM), Original Equipment Suppliers, and specialty suppliers. The MSP, as an agenda item, was presented to the Board of County Commissioners (the Board) and approved via

¹ Report on July 26, 2021: 42 Parts Available / 26 Pairs Unavailable / 8 Pairs Long Term Unavailable

² Spare Parts, Section N15.8 of Agreement, Pg.613 of 867 pdf. Agenda Item 8N1, November 8, 2012. Resolution-924-12.

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Resolution R-548-25, on June 3, 2025. On October 28, 2025, the DTPW Director issued a memorandum detailing DTPW's authorization and implementation controls for the MSP, which included program safeguards, staff responsibilities, approval and documentation, and compliance with existing and applicable policies.

The OIG has been monitoring the maintenance of railcars and the spare parts inventory and has been in continuous communication with DTPW's administration and its rail staff. With the implementation of the MSP, the OIG supports the efforts being made by DTPW to address operational challenges and streamline procurement processes to ensure efficiency of its transit systems.

II. BACKGROUND

Miami-Dade County entered into an agreement with AnsaldoBreda on November 8, 2012, to purchase 136 new railcars³ (AnsaldoBreda was acquired by Hitachi in 2015). Included in the agreement was a provision that Hitachi was obligated to provide \$18 million worth of spare parts for the new railcars. The contract stated that the specific parts would be recommended by the Contractor, and after consultation with the County, the County Engineer would approve the final spare parts list.⁴ The County, through a professional services agreement, designated a consulting firm to serve as the County Engineer under this agreement. The principal County Engineer has been the same throughout the timespan of this agreement, although the firm has changed through various acquisitions.⁵ In September 2022, the Board approved a supplemental agreement with the succeeding consultant, Shimmick Construction Company, to extend engineering services for five additional years, to September 2027.⁶

In 2015, DTPW recruited an experienced project manager from the Washington Metropolitan Area Transit Authority (WMATA) to oversee the production, delivery, testing, and acceptance of the new railcars. The DTPW Project Manager for Rail & Mover Acquisition arrived in Miami as the first railcars were being produced and has worked diligently in tandem with the County Engineer to ensure the new railcars are operational. The DTPW Project Manager explained that the \$18 million credit for spare parts was intended for major components with long lead times, such as couplers, wheels, and

³ [Resolution No. R-924-12](#)

⁴ Sections N15.8.1 and N15.8.2 of the Agreement, Pg 613 to 614.

⁵ The County Engineer was initially Washington Infrastructure Services (WIS), a subsidiary of Washington Group International (WGI). WGI then became URS Energy & Construction Inc. (URS). In 2012, a supplemental agreement extended the existing agreement with URS. In 2014, URS was acquired by AECOM. In 2017, AECOM acquired Shimmick Construction Company and assigned its new subsidiary the work originally performed by WIS. In 2020, AECOM sold Shimmick to Oroco Capital; Shimmick operates independently with investment from Oroco Capital.

⁶ [Resolution No. R-830-22](#).

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trucks; while consumable parts (wiper blades, lighting, seals, filters, etc.) were to be procured through routine processes, separate from the contractual spare parts credit. However, this two-track process for building the inventory of spare parts became misaligned as senior DTPW staff misinterpreted the \$18 million credit to be inclusive of both spare parts and consumable parts. As such, requisitions for consumable parts were often denied or delayed.

During our initial review of contract documents, it was discovered that the OEM suppliers, the subcontractors for the various components of the new railcars, had a common provision in their agreements with AnsaldoBreda (AB), and later Hitachi. Section 13.9 of the Contract provides for an exclusivity clause granting AnsaldoBreda (and later Hitachi) exclusive rights to sell spare parts. This clause, effective for 10 years after the last warranty expiration,⁷ prevents the County from purchasing parts directly from OEMs or any other competitors in the marketplace. Thus, all spare parts must pass through the hands of Hitachi, subject to markup. It was determined that the County was aware of the exclusivity provision between Hitachi and the subcontractors.

III. REVIEW ACTIVITY

This review was initiated based on concerns by senior DTPW officials that something was amiss within the rail division as an inordinate number of new railcars were designated as unavailable for service, despite a contractual provision that required the rail vendor to supply \$18 million worth of spare parts. The OIG developed a broad understanding of this problem through numerous interviews with DTPW staff, the Hitachi project team, the engineering consultant, and suppliers. There were also numerous site visits to the William Lehman Center to inspect the rail parts inventory and observe maintenance operations.

The OIG did not find any evidence to suggest that mismanagement or negligence have hindered the efforts of DTPW to acquire a proper inventory of spare parts. What we did find, however, is a variety of factors impacted DTPW's efforts to secure a proper inventory of spare parts (both the contracted parts and consumable parts). The shortage of spare parts has directly contributed to elevated numbers of unavailable railcars.

Accelerated Roll-Out

Unlike the common practice among transit agencies of field testing the initial pairs of new railcars for up to a year before greenlighting full production, the County directed Hitachi to accelerate production. Assembly and production advanced before the test vehicles had been fully vetted and accepted. As a result, modifications were made while production

⁷ According to the Railcars Delivery – Inservice Dates and Warranty Dates Schedule, the warranty for the final married-paired railcars received is set to expire on May 1, 2027. Rail warranty division monitors the repair and replacements of contractual spare parts.

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was underway, requiring frequent manual updates. This accelerated roll-out was a key factor complicating spare parts planning and inventory development.

Exclusivity Provisions

The exclusivity provisions were not a hidden arrangement. The County Engineer, who reviewed and approved the subcontracts containing the provisions, explained that exclusivity provisions are commonplace to ensure transit agencies do not jeopardize the warranty protections by seeking lower priced, after-market substitutions. The OIG met with the senior project manager for Hitachi to inquire about modifying the Subcontract agreements to allow the County to directly purchase OEM parts. Hitachi is open to such modification. As conveyed to the OIG, parts procurement for clients is not a primary business line of Hitachi. Hitachi indicated willingness to modify agreements if the County commits to using OEM parts exclusively. At the time of our review, exclusivity provisions were removed from two subcontracts, Knorr Bremse (brakes) and Wastech (couplers).⁸

Contractual Spare Parts

The OIG's review found that DTPW can now account for 98% of the \$18 million spare parts supplied by Hitachi. It is important to understand that the County did not approve of the contractual spare parts on a single master list at a particular point in time. The list evolved during the regular exchanges between the parties as railcar pairs were being delivered, some with modifications made during production due to the accelerated roll-out. This iterative process for the contractual spare parts list may have contributed to the confusion at the highest levels of DTPW and its Administration when purchase requisitions were initially submitted for consumable spare parts. As the OIG discovered, many of the initial purchase requisitions for consumable spare parts were not approved, as the \$18 million for contractual spare parts had not yet been exhausted. This led to denied requisitions for consumable parts and the harvesting of parts from railcars, which were then designated as long-term unavailable. In February of 2024, the OIG learned that a reconciliation of the harvested parts was undertaken by Hitachi to properly document the maintenance books for each pair of railcars.

Since May 2021, DTPW has been utilizing the Electronic Asset Management System (EAMS), its inventory tracking system, to manage both rail contractual spare parts and consumables parts. Separately, Hitachi continually updates and provides DTPW with an Excel spreadsheet as confirmation for the \$18 million contractual spare parts being

⁸ Knorr Bremse was not able to accept the boilerplate indemnity provisions of county contracts and become a direct supplier. Hitachi continues to serve as the procurement mediator for Knorr Bremse parts. Wastech does provide parts directly to the County.

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shipped to DTPW. Rail staff have confirmed receipt of the Excel spreadsheet and have concurred with the spare parts received to date.

Legislative Relief

During discussions with senior procurement staff within DTPW, the OIG was informed that they were working on establishing a designated purchase program for OEM, Original Equipment Suppliers, and specialized vendors for its bus, mover, and rail parts to allow DTPW to procure parts on a non-competitive basis subject to annual spending caps and biannual reports to the Board of County Commissioners (BCC). Given the unique and pressing need for streamlined procurement to maintain the new railcars, the OIG supported the efforts of DTPW to explore a policy for the OEM railcar parts.

On June 3, 2025, the Board adopted Resolution No. R-548-25, which recommended and authorized a designated purchase program, the Mobility Sourcing Program (MSP), for DTPW to purchase parts and services for essential infrastructure and operational systems for the County's mobility network, particularly for Metrobus, Metrorail, and Metromover systems. The MSP is authorized for a one-year initial term, with continuation of the program contingent upon subsequent Board approval. The total value of the program for the initial term is \$30 million.⁹ On October 28, 2025, DTPW's Director issued a memo authorizing the implementation of the MSP and establishing controls, procedures, and an oversight framework for the program.

IV. CONCLUSION

The OIG's review found no evidence to suggest mismanagement or negligence but identified systemic challenges—including accelerated production, exclusivity provisions, and management directives and miscommunications—that hindered DTPW's ability to develop a sufficient spare parts inventory. Some of these issues are currently being addressed through administrative actions and legislative support, including Hitachi's willingness to remove the exclusivity provision for some OEM subcontractors and Procurement's implementation of the MSP. These actions will allow DTPW to engage directly with established OEM suppliers to facilitate quicker acquisition of proprietary and limited spare parts. Furthermore, this should reduce downtime, allowing DTPW to return railcars to service more quickly. Ensuring a robust inventory of spare parts is critical for

⁹ Pursuant to Resolution R-548-25, the OIG conducted background checks of the DTPW employees designated to lead the MSP for DTPW. As part of the background checks, the OIG requested and obtained from the assigned employees a Neutrality/Disclosure affidavit acknowledging their responsibility to comply with the Conflict of Interest and Code of Ethics Ordinance, Sec. 2-11.1 of the Code of Miami-Dade County and certifying that they are free of certain specific conflicts relating to the OEMs, Original Equipment Suppliers, and other specialized vendors for procurement under the MSP.

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maintaining service reliability and preparing for mid-life overhauls of the \$375 million rail fleet.

Given that the receipt of contractual rail spare parts is at 98% and the implementation of the MSP, the OIG advises that our review of the above-captioned subject is complete and, as such, this review is closed.

This report, as a draft, was provided to DTPW for its discretionary written response. The OIG received a response, it is attached as Appendix A. In its response DTPW concurred with our findings and specified its continuing efforts to improve and address the challenges noted within the report.

The OIG may periodically request reports from DTPW Procurement staff regarding performance metrics of the MSP. We would like to thank DTPW staff for their cooperation and for the courtesies extended to us throughout this review.

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APPENDIX A

DTPW's Response to Draft Report (1 page)

**Review of Department of Transportation and Public Works'
Spare Parts for New Railcars
IG22-0003-A**

Memorandum



Date: November 21, 2025

To: Felix Jimenez, Inspector General

From: Stacy L. Miller, P.E., Director & CEO
Department of Transportation and Public Works 

Subject: Re: OIG Draft Report Regarding the Review of DTPW's Spare Parts for New Railcars;
Ref: IG22-0003-A

Thank you for the opportunity to review the recent draft report. Although a formal response was not required, we appreciate the chance to provide this statement for inclusion in the official record.

We concur with the findings presented with no objections or comments. We acknowledge the conclusion that no evidence was found to suggest mismanagement or negligence, and we appreciate the identification of systemic challenges that may influence efficiency and long-term compliance. The review was thorough, and we value the clarity it provides.

To support continued compliance and operational integrity, our efforts are outlined below:

Operations

- Rail Services Division will identify and prioritize inventory parts that are eligible under the Mobility Sourcing Program and provide the list to the Materials Management Division
- Materials Management Division will work with Procurement to expedite those items by priority
- Rail Services Division will identify and prioritize non-inventory parts that are eligible under the Mobility Sourcing Program and work with Procurement to expedite those items

Procurement

- Procurement, more specifically the Goods and Services Procurement Division, will implement and administer the Mobility Sourcing Program (MSP), as applicable to rail operations, to support timely and compliant access to OEM and specialty rail parts and services for items eligible under the program's intent.
- The Goods and Services Procurement Division will serve as the final receiving point for MSP requests and will provide guidance and consultation to end users, while confirming that appropriate internal approvals have been completed prior to execution.
- The Goods and Services Procurement Division will partner with Rail Services and end users to validate technical justifications, confirm operational urgency, and ensure requests are properly aligned with program intent and operational needs.
- The Goods and Services Procurement Division will collaborate with end users to refine scopes of work and establish rail-specific contracts containing appropriate technical, commercial, and performance requirements in alignment with County standards.

Our department remains committed to continuous improvement and to addressing the systemic challenges noted in the report. Our teams will continue to collaborate closely to ensure strong, consistent compliance across all operational and procurement activities.

cc: Sean Adgerson, Deputy Director
Josiel Ferrer-Diaz, Deputy Director
Melissa Scott, Assistant Director