




Memorandum



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To: Namita Uppal, Director
Strategic Procurement Department

From: Felix Jimenez, Inspector General 

Date: June 27, 2025

Subject: Standardization of Time-Sheet Record-Retention Requirements for
Lump-Sum Task Authorizations in Professional Services Agreements

INTRODUCTION

In September 2020, the Office of the Inspector General (OIG) completed an audit of the Professional Services Agreement (PSA) with Nova Consulting, Inc. (Nova) for Program Management and Construction Management Services for Miami-Dade County's Water and Sewer Department's (WASD) Pump Station Improvement Program (PSA No.13NCI001).¹ The audit identified that the absence of maintained time utilization and payroll information for personnel assigned to Lump Sum Task Authorizations (TAs) significantly hindered the ability to verify whether the level of effort and the expertise of personnel matched those outlined in the original proposals. This lack of documentation hindered the verification of the contracted proposed effort and expertise. The audit recommended that WASD amend its PSA language to formally require consultants to maintain these essential records.

While WASD did not initially adopt this recommendation, it eventually saw the wisdom of this recommendation and later agreed to incorporate this requirement in its PSAs. We noted its appearance in WASD PSAs in 2023.

In a recent procurement oversight assignment involving the Seaport, we learned that the department intended to issue Lump Sum TAs to the intended consultant that will be assisting with the interim agreement of the bulkhead project. As such, the OIG recommended that this recordkeeping requirement be added to the Seaport's forthcoming Construction Engineering and Inspection PSA (Project No. 2025-001 / SPD Project No. E25SP01), currently proceeding for approval under the Mayors' delegated authority.

Given these examples and their positive adoption, we recommend including equivalent language in all future PSAs involving Lump Sum TAs. This requirement will not create significant administrative burdens or disrupt invoicing and payment processes. This incorporation aligns with current procurement standardization initiatives, including the overhaul of Implementing Order 3-39, and supports broader Board policy objectives,

¹ <https://www.miamidadeig.org/resources-oig/pdf/Reports2020/2020-09-21-final-audit-wasd-psip-nova-psa.pdf>

specifically those championed by Commissioners Regalado and Bermudez and highlighted in your March 13, 2025, presentation, "Procurement Challenges and Opportunities," before the Government Efficiency & Transparency Committee.

BACKGROUND

In September 2020, the OIG performed an audit of PSA No. 13NCI001. The principal audit objective was to determine if Nova was including the same employees on multiple TA proposals submitted to one or more County departments, and whether employees were slated to work excessive hours during the same time period. The secondary objective was to determine how WASD evaluates the reasonableness of TA proposals. As such, this required the auditors to trace the personnel identified in the consultant's original TA proposals, along with their proposed level of effort, with actual time utilization records.

The audit focused on fifteen (15) TAs issued to Nova, totaling over \$30 million. All the TAs were issued on a lump sum basis. The OIG discovered Nova did not maintain internal time utilization records or payroll documentation, making it impossible to validate consultant qualifications, hours worked, or whether the County received the agreed-upon services. Despite the PSA granting the County audit rights, the PSA boilerplate lacked explicit language requiring consultants to retain supportive labor records. Consequently, Nova's inability to produce these labor records was not a contract violation, but it severely limited the County's ability to conduct post-performance audits or assess value.

These deficiencies became especially consequential when Nova requested additional compensation to complete the project and subsequently requested to be released from its contractual obligation. Since Nova had not tracked personnel hours or work effort, WASD lacked objective evidence to support or contest Nova's claims. Moreover, the lack of records prevented WASD from verifying if underperformance or delays were tied to staff unavailability, resource misallocation, or other controllable factors.

In response to these findings, the OIG recommended that WASD amend its PSA template to include a provision requiring consultants and subconsultants to maintain project records that identify the employees who performed the work and the hours worked throughout the engagement. While this information would not be required for payment purposes, it would be required to be retained and made available upon request to facilitate performance evaluations, audits, or dispute resolution. In the PSA section that describes work issued to the consultant via Time and Material TAs versus Lump Sum Fee TAs, WASD has now incorporated the following language:

"Lump Sum Fee: The fee for any requested portion of Work may be, at the option of [County Department], a lump sum amount mutually agreed upon by the Director and the Consultant. The lump sum fee will be estimated based on the direct salaries times the negotiated multiplier times the hours per employee. Designated lump sum fees shall be stated in the written task authorization. Lump sum fees shall NOT include any reimbursable expenses, which must be separately accounted for and paid based on

original receipts and actual costs. Additionally, the Consultant and its sub-consultants are required to maintain project records that identify the employees that performed the work and the hours worked, in the event of an audit.”
(Emphasis added by OIG.)

At the OIG’s recommendation, the Seaport Department is now incorporating similar language in the aforementioned PSA for Construction Engineering and Inspection Services (CEI) related to the Bulkhead Project.

RECOMMENDATIONS

The Office of the Inspector General (OIG) recommends the formal adoption of a standard clause requiring consultants and subconsultants to maintain internal labor records on all lump sum work authorization, as this will preserve the County’s ability to evaluate consultant performance and expenditure justification. Accordingly, we respectfully recommend that the Strategic Procurement Department (SPD):

1. Adopt a substantially similar clause, as a countywide standard, and require its inclusion in all new PSAs.
2. Notify all County departments of the new clause requirements and should consider requiring that similar language be contained in the issued task authorizations.
3. Update its procurement training materials to reflect this standard, ensuring consistency for all departments.

We commend WASD and the Seaport Department for being first adopters of this best practice and for recognizing the value of enhanced auditability. Extending this requirement across all departments is a sensible step toward ensuring accountability, transparency, and optimal utilization of County resources. We kindly request that SPD report back to the OIG within 60 days, on or before August 26, 2025, regarding its position on the above-listed recommendations and any progresses made towards implementation.

We appreciate your continued leadership in promoting procurement integrity and stand ready to collaborate on any implementation steps as needed. Please do not hesitate to contact me if you have any questions or would like to discuss this recommendation further.

cc: Carladenise Edwards, Chief Administrative Officer, Office of the Mayor
Jimmy Morales, Chief Operating Officer, Office of the Mayor
Jay J. Fink, Director, Water and Sewer Department
Hydi Webb, Director, Seaport Department
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