



Audit of Broward Sheriff's Office Training Center Project

Office of the County Auditor

Audit Report

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Report No. 24-23
August 7, 2024



OFFICE OF THE COUNTY AUDITOR

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August 7, 2024

Honorable Mayor and Board of County Commissioners,

We conducted an Audit of Broward Sheriff's Office (BSO) Training Center Project (referred to throughout this report as the Training Center, Project, or Facility) pursuant to the "Memorandum of Understanding Between Broward County and the Sheriff of Broward County Relating to the Design and Construction of the Broward Sheriff's Office Training Center" (MOU). The objectives of our audit were to determine whether project funding is adequate to meet anticipated Project costs, whether total Project costs and transactions were appropriately approved, for reasonable purposes, and in compliance with MOU and other applicable laws, rules, and regulations, and whether Broward County (County) and BSO processes and controls adhered to the MOU and good business practices.

We also conducted an additional but separate audit of this Project, entitled "Audit of Agreement Between the Sheriff of Broward County and ANF Group, Inc.", with work completed by third party auditor, Hoar Program Management, LLC (HPM). This additional audit focuses on the terms of BSO's Agreement with their contractor, ANF Group, Inc. The objectives are to verify that the contract sum was not overstated and that the costs were reimbursable per the terms of the contract. The report for this separate audit will be issued at a later date.

We conclude that project funding is not adequate to meet anticipated project costs. Specifically, we note that the total anticipated Project costs are \$73.7 million while dedicated Project funding is \$64.5 million, consisting of \$55.5 million appropriated by the County, \$8.6 million reallocated by BSO, and \$0.4 million from the BSO Law Enforcement Trust Fund (BSO LETF), resulting in a \$9.2 million funding shortfall as of June 19, 2024. We conclude that, except as noted in our report, total Project costs and transactions were appropriately approved, for reasonable purposes, and in compliance with the MOU and other applicable laws, rules, and regulations, and County and BSO processes and controls adhered to the MOU and good business practices. Opportunities for Improvement are included in the report.

We also conclude the "delegation of authority" model followed in the construction of the Training Center resulted in additional risks and concerns. We found delegation of authority to be a shared causative factor to the Opportunities for Improvement identified within this report.

Broward County Board of County Commissioners

Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Robert McKinzie • Nan H. Rich • Hazelle P. Rogers • Tim Ryan • Michael Udine
www.broward.org

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the cooperation and assistance provided by County and BSO staff throughout our audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton". The signature is written in a cursive style and is contained within a thin black rectangular border.

Bob Melton
County Auditor

cc: Monica Cepero, County Administrator
Andrew Meyers, County Attorney
Kimm Campbell, Deputy County Administrator
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INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's (County) entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted an Audit of Broward Sheriff's Office (BSO) Training Center Project (referred to throughout this report as the Training Center, Project, or Facility) pursuant to the "Memorandum of Understanding Between Broward County and the Sheriff of Broward County Relating to the Design and Construction of the Broward Sheriff's Office Training Center" (MOU). Our objectives were:

1. To determine whether Project funding is adequate to meet anticipated Project costs.
2. To determine whether total Project costs and transactions were appropriately approved, for reasonable purposes, and compliant with the "Memorandum of Understanding Between Broward County and the Sheriff of Broward County Relating to the Design and Construction of the Broward Sheriff's Office Training Center" (MOU) and other applicable laws, rules, and regulations.
3. To determine whether Broward County (County) and BSO processes and controls were compliant with the MOU and good business practices.
4. To determine whether any Opportunities for Improvement exist.

To determine whether Project funding is adequate to meet anticipated Project costs, we requested and reviewed copies of all change orders and pay applications submitted by BSO, general ledger reports, pending purchase orders, accounts payable reports, and payments remitted by County to BSO for the Project. We also conducted interviews of County and BSO staff, performed site-visits, and reviewed all Project cost estimates submitted by BSO to County.

To determine whether total Project costs and transactions were appropriately approved, for reasonable purposes, and compliant with the MOU and other applicable laws, rules, and regulations and whether County and BSO processes and controls adhered to MOU and good business practices, we requested and reviewed copies of MOU between County and BSO for the Project, design-build agreement (Agreement) between BSO and ANF Group, Inc. (ANF) for the

Project, correspondence between BSO and County's Construction Management Division (CMD) staff, and all payments made to contractors and suppliers by BSO to-date.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit included such tests of records and other auditing procedures deemed necessary. The audit period was from October 1, 2019, to June 19, 2024. However, transactions, processes, and situations reviewed were not limited by the audit period.

Interim Audit Report

As the Fiscal Year 2024 / 2025 budget process was underway during the preparation of the audit report, an interim audit report (Report No. 24-20) was issued dated June 12, 2024, to assist the Board and County Administrator in the budget process by providing the status of the project costs and determining whether Project funding is adequate to meet anticipated Project costs.

Audit of Agreement Between the Sheriff of Broward County and ANF Group, Inc.

We also conducted an additional but separate audit of this Project, entitled "Audit of Agreement Between the Sheriff of Broward County and ANF Group, Inc.", with work completed by third party auditor, Hoar Program Management, LLC (HPM). This additional audit focuses on the terms of BSO's Agreement with their contractor, ANF Group, Inc. The objectives are to verify that the contract sum was not overstated and that the costs were reimbursable per the terms of the contract. The report for this separate audit will be issued at a later date.

Overall Conclusion

We conclude that project funding is not adequate to meet anticipated project costs. Specifically, we note that the total anticipated Project costs are \$73.7 million while dedicated Project funding is \$64.5 million, consisting of \$55.5 million appropriated by the County, \$8.6 million reallocated by BSO, and \$0.4 million from the BSO Law Enforcement Trust Fund, resulting in a \$9.2 million funding shortfall as of June 19, 2024. We conclude that, except as noted in our report, total Project costs and transactions were appropriately approved, for reasonable purposes, and in compliance with the MOU and other applicable laws, rules, and regulations, and County and BSO processes and controls adhered to the MOU and good business practices. Opportunities for Improvement are included in the report.

We also conclude the “delegation of authority” model followed in the construction of the Training Center resulted in additional risks and concerns. We found the delegation of authority to be a shared causative factor to the Opportunities for Improvement identified within this report.

Background

The Sheriff is a Constitutional Officer of Broward County, elected by Broward citizens for a term of four years. The primary mission of the Broward County Sheriff's Office (BSO) is to provide law enforcement, detention, fire rescue and public safety support to the residents and visitors of Broward County. BSO is a full-service, public safety organization with over 5,400 employees, including more than 2,700 certified deputies and over 700 fire rescue professionals.

The Broward County Board of County Commissioners (Board) funds BSO through appropriations from the Broward County (County) budget. Section 30.49, Florida Statutes require BSO to “annually prepare and submit to the board of county commissioners a proposed budget for carrying out the powers, duties and operations of the office for the next fiscal year”. Once the County appropriates the funds, BSO may transfer the monies to purposes other than originally budgeted without County approval. Section 30.49 Florida Statutes state “a sheriff may transfer funds between the fund and functional categories and object and sub-object code levels after his or her budget has been approved by the board of county commissioners...”



The Broward Sheriff's Office Training Division conducts advanced, specialized and career development training programs for law enforcement, detention, probation and parole and fire rescue personnel at BSO. BSO currently trains officers at the Markham Park outdoor range and multiple facilities throughout the County. To elevate officer preparedness and facilitate training, BSO initiated a project in 2018 to build a state-of-the-art regional training center at the

existing Public Safety Building Complex. The Training Center, referred to by BSO as the Research, Development and Training Center (RDTC) (Training Center / Project / Facility), includes two 50-yard tactical firing ranges, a 25-yard firing range, a shoot house to host a myriad of real-world training experiences, multiple classrooms, training labs, an auditorium, and a Wellness Center to enhance BSO's training capabilities to actively address today's public safety challenges. BSO

intends to use RDTTC to host a variety of wellness components that focus on the physical and behavioral health of all BSO employees. The RDTTC's main entry for staff and visitors includes a two-story memorial lobby that honors the seventeen victims of the Marjory Stoneman Douglas school shooting.



Marjory Stoneman Douglas High School Memorial Lobby in the BSO Training Center.

All BSO facilities, including those at the Public Safety Building Complex, are owned and maintained by the County. Due to the partnership between BSO and the County, both parties entered into a Memorandum of Understanding (MOU) to manage the construction of the Project, entitled "Memorandum of Understanding Between Broward County and the Sheriff of Broward County Relating to the Design and Construction of the Broward Sheriff's Office Training Center". The MOU provided that "The Sheriff shall be fully responsible for Project management and will enter into all contracts relating to the Project..." and "The County shall assign a project manager ("Project Manager") to the Project from the County's Construction Management Division" with responsibilities for "reviewing and approving design and monitoring construction of the Project" as well as reviewing and approving pay applications and change orders. The MOU provisions

were created to ensure good stewardship of public funds and joint cooperation in the construction of a County facility for BSO's sole use.

The MOU states that BSO estimated the construction cost of the Project at \$34.0 million and the County had initially budgeted \$33.2 million "for use and benefit of the Sheriff (the "BSO Funds") with respect to the project". The MOU further states, "The County's financial obligations under this MOU are limited to its transfer of the BSO Funds to the Sheriff", "The Sheriff shall be solely responsible for any costs relating to the Project that exceed the BSO Funds", and "...the Sheriff may use funds available in the Sheriff's capital improvement account to pay for [any] cost overruns".

To date, the County has transferred the initial \$33.2 million plus an additional \$22.3 million for a total of \$55.5 million for the Project. On December 7, 2023, the County Administrator emailed the Board informing them of a BSO request for an additional \$6.1 million appropriation stating that "we are not yet certain of the project's full cost" and "Without a full accounting of BSO expenditures on the project, it is difficult to point to one singular cause for the cost overrun". Based on this, and other factors, our office initiated the audit of the Project.

PROJECT COSTS AND FUNDING

The purpose of this section is to address the objective of determining whether Project funding is adequate to meet anticipated Project costs. Opportunities for Improvement are subsequently presented.

1. Total Anticipated Project Costs Exceed Dedicated Project Funding Resulting in an Approximate \$9.2 million Project Funding Shortfall.

Total anticipated Project costs of \$73.7 million exceed current dedicated Project funding of \$64.5 million, consisting of \$55.5 million appropriated by the County, \$8.6 million reallocated by BSO, and \$0.4 million from the BSO Law Enforcement Trust Fund, resulting in a \$9.2 million Project funding shortfall.

Our interim audit report (Report No. 24-20) issued on June 12, 2024, reported a Project funding shortfall of \$9.5 million. This was updated to \$9.2 million due to updated numbers and further analysis. Specifically, this includes \$0.4 million in additional identified Project funding and \$0.1 million in miscellaneous other Project costs.

(See next page)

Total Anticipated Project Costs

We determined the total anticipated Project costs to be \$73.7 million consisting of \$71.3 million in design and construction cost and \$2.4 million in other capital costs as shown in Figure 1.

Figure 1 - Total Anticipated Project Costs

Initial Design Costs		\$ 273,944
Original Design Build Construction Contract		49,650,464
<i>Wellness Center Change Orders</i>	\$ 7,493,668	
<i>Drainage Change Orders</i>	6,103,621	
<i>Firing Range Change Orders</i>	2,214,950	
<i>HVAC Change Orders</i>	1,129,224	
<i>Auditorium Change Orders</i>	1,039,333	
<i>Elevators Change Orders</i>	517,566	
<i>Branding Change Orders</i>	525,905	
<i>All other Change Orders</i>	3,427,994	
Additive Change Orders		22,452,261
Reduction in Contingency and Allowance Accounts		(1,106,071)
Direct Purchases		15,041,137
Contract Reduction for Direct Purchases		(15,041,141)
Total Design and Construction Cost		71,270,594
<i>Furniture</i>	1,284,571	
<i>Training and Fitness Equipment</i>	449,086	
<i>Public Art Project</i>	663,643	
<i>Other</i>	35,381	
Other Capital Costs		2,432,681
Total Design, Construction, and Other Capital Costs		\$ 73,703,275

Source: Office of the County Auditor compilation of project costs.

Initial design costs of \$273,944 occurred prior to solicitation of the design-build contractor and were incurred by BSO to develop the Design Criteria Package (DCP) included in the planned solicitation. The original design-build construction agreement with ANF Group, Inc. (Agreement) was \$49.7 million. (Appendix A provides a project history including the original estimate, solicitation, and negotiated Agreement.) Change order (CO) costs of \$22.4 million are summarized as follows and further elaborated in subsequent sections of this report:

- a. Wellness Center CO, \$7.5 million – The original agreement included a “Shell” (unfinished / empty space) for the fourth floor. This change order added a complete build out of the fourth floor to accommodate a fitness center, locker rooms, etc. as well as floor strengthening to accommodate the exercise machines and weights.

- b. Drainage CO, \$6.1 million - This change order was to install underground tanks and related mechanisms to meet rainwater drainage requirements.
- c. Firing Range COs, \$2.2 million – Change orders pertaining to the firing ranges include raising the ceiling elevation to accommodate the entry of vehicles needed for training exercises and increased costs due to a change in the subcontractor selected for design and installation of the ranges.
- d. HVAC CO, \$1.1 million – This was a County requested change to use an alternative cooling mechanism.
- e. Auditorium COs, \$1.0 million – Change orders for converting a “Flex Room” into an auditorium, including associated infrastructure. The change order amount did not include any costs for stadium seating, furnishings, stage, certifications testing, etc.
- f. Elevators COs, \$0.5 million – Change orders pertaining to work performed for elevator reconfiguration which included additional doors and operator equipment, additional rear elevator door openings, upgrade of elevator to 4,000 pounds, and an addition of a 4th elevator in the building.
- g. Branding COs, \$0.5 million – These change orders include work performed for design services and installation of additional branding throughout the building, including illuminated signage and electrical requirements for added signage.
- h. All other COs, \$3.4 million – This includes an unforeseen soil condition change order totaling \$485,505, an unforeseen de-watering change order totaling \$366,673, and approximately 40 other items all below \$200,000 each.

Existing contingency and allowance accounts, already included in the original Agreement, were used to pay for \$1.1 million of the \$22.4 million in change orders. The contract value was reduced by \$15.0 million to reflect corresponding material purchases that were made directly by BSO rather than the contractor. This allowed BSO to achieve tax savings which are reflected within the original \$49.7 million Agreement amount. The total design and construction cost was \$71.3 million.

Other capital costs, separate and apart from the design and construction costs, total \$2.4 million and consist of direct purchases of furniture, equipment, and public artwork by BSO. Therefore, the total anticipated design, construction, and other capital cost is \$73.7 million.

Project Expenditures

Of the \$73.7 million total anticipated design, construction, and other capital costs, actual BSO payments to the contractor and other vendors totaled \$63.6 million as of May 9, 2024. The \$10.1

million remaining to be paid consists of approximately \$5.2 million in open invoice payments and retainage due to the contractor for work performed, \$3.0 million of remaining work to be performed by the contractor or recent work performed but not yet billed, \$1.2 million for planned open direct purchase of furniture, equipment, and other capital items, and \$0.7 million for pending public artwork.

Project Funding

Dedicated project funding totals \$64.5 million as of May 31, 2024, consisting of \$55.5 million appropriated by the County, \$8.6 million reallocated by BSO, and \$0.4 million from the BSO Law Enforcement Trust Fund.

County appropriations of \$55.5 million as shown in Figure 2, consist of project specific funding appropriated from the BSO Capital Reserve held by the County for purposes of funding BSO Capital needs. The BSO Capital Reserve is funded primarily from unspent BSO general funds that are returned to the County at year end. Section 30.50, Florida Statutes states “All unexpended balances at the end of each fiscal year shall be refunded to the board of county commissioners, and deposited to the county fund or funds from which payment was originally made”. The Board has established a general practice whereby 70% of the returned BSO general funds are placed into the BSO Capital Reserve Fund and 30% are placed into a reserve for payment of future post-employment benefit liabilities (“70/30 split”). This practice is not a requirement but rather a general methodology that the Board has followed. All budget transfers to BSO, shown in Figure 2, were from the BSO Capital Reserve originating from the unspent BSO general funds except for funding approval No. 6 for \$823,812 on December 13, 2022, which was originated from unspent funds in the BSO Consolidated Dispatch Fund.

Figure 2 - County Appropriation of Project Funding

	Approval Date	Transaction Amount	Cumulative Amount
1	09/10/2019	\$33,182,126	\$33,182,126
2	12/08/2020	11,813,834	44,995,960
3	03/15/2022	5,000,000	49,995,960
4	09/20/2022	1,700,000	51,695,960
5	12/13/2022	1,923,600	53,619,560
6	12/13/2022	823,812	54,443,372
7	06/06/2023	\$1,058,870	\$55,502,242

Source: County Agenda Items.

BSO reallocations of \$8.6 million to the Project, as shown in Figure 3, occurred between March 7, 2023, and October 3, 2023, and reflect funding previously appropriated by the County to BSO for other purposes. According to BSO, “these budget transfers consist of funds earmarked as surplus due to realized cost savings for a variety of reasons or reallocated from other purposes. A sizable portion of these budget transfers consists of funds originally allocated to personnel services. In some cases, funds became available due to vacancies caused by natural employee attrition, in other cases, BSO had to defer filling vacant positions in order to reallocate funding as necessary to complete this project.”

Figure 3 - BSO Reallocation of Other Funds to Project Funding

Original Funding Purpose	Amount
Regular Salary - Detention	\$ 1,758,715
Regular Salary - Regional Fire Rescue	1,497,720
Regular Salary - Investigations	901,526
Regular Salary – Law Enforcement	654,595
Subtotal Regular Salary	4,812,556
Building Improvement	793,690
Professional Services / Administration	606,680
Equipment and Vehicles	574,072
Service Contracts	544,512
Education and Training	455,000
Other	863,911
Total	\$ 8,650,421

Source: Auditor Summary of BSO provided amounts transferred to Training Center

BSO also utilized \$397,828 within the Law Enforcement Trust Fund (LETf). The LETf contains funds awarded to the Broward Sheriff’s Office (BSO) as a result of successful forfeiture litigation in State court and participation in the Federal Assess Sharing Program.

Project Funding Shortfall

As summarized in Figure 4, based on the \$64.5 million in dedicated Project funding and \$73.7 million in total anticipated Project cost discussed in the above sections, there is a current \$9.2 million Project funding shortfall. The \$64.5 million in dedicated Project funding does not include the BSO request for an additional \$6.1 million transmitted to the Board on December 7, 2023, which has not been acted on at the time of issuance of this report.

Figure 4 - Project Funding Shortfall

Transfers from County	\$ 55,502,242	
BSO Law Enforcement Trust Fund	397,828	
Funding Re-allocations by BSO	8,650,421	
Funding Allocated to Project		\$ 64,550,491
Design and Construction Costs	71,270,594	
Other Capital Costs	2,432,681	
Anticipated Project Cost		73,703,275
Funding Shortfall		\$ (9,152,784)

Source: Office of the County Auditor analysis of Project funding and anticipated project costs

We recommend management, in collaboration with BSO, identify options for funding the Project shortfall. Such options may include re-appropriating existing BSO general funds from other sources, identifying additional County funds to transfer to BSO, and / or identifying cuts to any remaining uncommitted and discretionary Project expenditures.

DELEGATION OF AUTHORITY

The purpose of this section is to separately address our concerns with the “delegation of authority” model followed in the construction of the Training Center. We found the delegation of authority to be a shared causative factor to the Opportunities for Improvement subsequently identified within this report and, therefore, this model is individually addressed within this section.

2. Delegation of Authority Resulted in Additional Risks and Concerns.

Delegation of authority by Broward County (County) to the Broward Sheriff's Office (BSO) for contract administration of the Training Center design and construction effectively reduced appropriate control and oversight of County funding. This resulted in additional risks and concerns that may have otherwise been mitigated. The County owns and is responsible for construction and maintenance of buildings occupied by BSO. The Memorandum of Understanding (MOU) between the County and BSO acknowledges that the Training Center to be constructed is a County owned asset and the County delegated its authority to BSO for the design and construction.

The County, as owner of the building, should have maintained control of the Project. The County has expertise and experience in routinely managing multiple, high dollar construction projects. Delegating authority to a third party, especially a party that will be using the building, requires additional safeguards to ensure standard contractual and other requirements are followed and the project is properly managed. The most reliable method of ensuring this would be to maintain oversight by the asset owner and professionals who typically manage construction projects (i.e. the County). Control by the County would also help mitigate any potential conflicts whereby the building users might desire additional features that may not be in the County's best interest, while, considering other needs of the County.

While the MOU included provisions with reasonable controls to ensure the Project was properly managed by BSO, some of those controls were not followed and additional controls were needed. For example, we found:

1. A lack of evidence that the County approved design and contract documents as required by the MOU or that BSO proactively sought those approvals.
2. The County did not always provide clear conclusions and communication to BSO regarding change order approval or rejection.

3. Provisions in the MOU were not clear or strong enough which allowed for different interpretations. The current structure of the MOU enabled BSO to re-allocate funds and move forward with changes that were not approved by the County. Additional needed provisions include further controls over what monies are available for use by BSO and strengthened requirements to obtain County's approval for changes before moving forward.
4. The Training Center Project lacked budgetary controls and budgetary oversight. The County should have established budgetary controls for this project which may have prevented overruns. Typical controls and practices include establishing allowance and contingency accounts within contracts for unanticipated items and establishing individual and cumulative approval thresholds for change orders and changes to total contract amounts. Once project thresholds are met, additional changes should not be able to proceed without appropriate level approvals to increase contract values and identify funding sources for budget increases.

The County appropriates funds to BSO for specific purposes. Although BSO may reappropriate these funds to other purposes, including cost overruns of the Project, unexpended funds are returned to the County each year. Therefore, when the MOU states that the Sheriff may use their available funds to pay for cost overruns, this is simply a reduction of what may otherwise be returned to the County. If BSO decides to add items without County approval, it is effectively forcing the County to appropriate the funds for whatever unapproved additions BSO decides to add. The shortfalls in following the MOU requirements and absence of additional requirements demonstrates the challenges and risks in delegating authority. The unique nature of the Sheriff having access to significant other available funds increases these risks.

The Opportunities for Improvement noted in this report generally stem from risks and shortfalls in delegating authority. These Opportunities for Improvements include a need for additional oversight of \$7.5 million in questionable wellness center build-out costs which was completed entirely through change orders and exceeded estimated costs. This Project add-on was not included in the original agreement and funding was not adequately contemplated at the time the change orders were executed by BSO. Although the build out was not approved by the County, BSO proceeded with the work (See Opportunity for Improvement No. 3). Drainage change order costs totaling \$6.1 million also required additional oversight (See Opportunity for Improvement No. 4). Excessive branding change orders were identified totaling \$552,905 including at least \$79,717 of installations highlighting the current Sheriff's name and picture throughout the facility (See Opportunity for Improvement No. 5). Other change orders, while not unreasonable in concept and necessity, could have benefited from additional foresight and review by County professionals at the time of Agreement negotiation, such as auditorium and firing range change

orders. These items involved work that was included in original plans, removed during negotiations, and subsequently added back in as change orders totaling \$3,970,329 without adequate budgetary planning. Part of the firing range change order involved replacing a vendor after contract negotiations were completed resulting in an increased and potentially avoidable cost of \$77,708 by not locking in a prior bid (See Opportunity for Improvement No. 6). There was also an overall lack of budgetary oversight resulting in funding shortfalls (See Opportunity for Improvement No. 7). These Opportunities for Improvement would have been avoided or minimized had the County retained control and oversight of the project.

We recommend management retain full authority and oversight for future construction of County-owned capital assets.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

3. Wellness Center Build-Out was Completed Entirely Through Change Orders Without County Approval Resulting in \$7.5 Million of Added Project Costs.

BSO added Wellness Center design and build-out on the 4th floor of the Project building via work performed in Change Order Nos. 2, 7, 27, and 50. Total costs associated with the Wellness Center design and build-out under these change orders were \$7.5 million. The County approved Change Order No. 7 totaling \$0.3 million for design services and the remaining Change Order Nos. 2, 27, and 50 totaling \$7.2 million were performed without County approval. Of the \$7.2 million unapproved amount, the County explicitly rejected \$0.5 million of the work and provided neither a clear approval nor rejection of \$6.7 million of the work. The scope of work was not part of original Design Criteria Package (DCP) and accordingly, was not part of the original contract value / Project scope. While other potential build-out uses like office and training spaces were considered during contract negotiations, the Wellness Center should have been foreseen with the work approved by the County before proceeding and included in the original negotiated contract amount rather than performed through change orders. Additional budgetary oversight was needed for this significant scope increase.

Figure 5 provides a breakdown of total costs of \$7.5 million incurred on design and build-out of the Wellness Center by Change Order Nos. 2, 7, 27, and 50.

Figure 5 – Change Orders for Wellness Center Design and Build-out

No.	Date	Description	Amount
2	11/1/2021	Floor Core and Shell Upgrades.	\$ 862,263
7	7/21/2022	Wellness Center Design Fees.	335,660
27	4/13/2023	Wellness Center Build-out.	5,834,070
50	1/4/2024	Physical Therapy Room Addition Including Sauna and Cold Plunge Tub.	461,675
			\$ 7,493,668

Source: Information obtained from BSO staff.

Change Order No. 2 was submitted by the design-build contractor, ANF Group, Inc (ANF), to BSO on November 1, 2021, for floor core and shell upgrades which primarily included foundation size increases, topping slab strength increases, etc. to achieve floor strengthening to accommodate the exercise machines and weights. Change Order No. 7 was submitted by ANF to BSO on July 21, 2022, for Wellness Center build-out design fees. Change Order No. 27 was submitted by ANF to BSO on April 13, 2023, for Wellness Center build-out including all associated infrastructure and finishes. Change Order No. 50 was submitted by ANF to BSO on January 4, 2024, for addition of a Physical Therapy room including the purchase and installation of Sauna and Cold Plunge Tub. These change orders do not include equipment costs which are not considered part of design and construction. There are \$449,086 for Wellness Center equipment purchases in addition to these change orders. Figure 6 displays images of the finished Wellness Center.

Figure 6 –Wellness Center



(Figure continues on following page)

Figure 6 (continued) – Wellness Center



Source: Pictures taken by Office of the County Auditor.

A. The work was performed without County approval; however, the County did not explicitly reject all the change orders. The County approved Change Order No. 7 totaling \$0.3 million for design services and the remaining Change Order Nos. 2, 27, and 50 totaling \$7.2 million were performed without County approval. Of the \$7.2 million unapproved amount, the County explicitly rejected \$0.5 million of the work and provided neither a clear approval nor rejection of \$6.7 million of the work. Specifically, the County provided the following responses for each change order:

- Explicitly Approved - For Change Order No. 7 totaling \$335,660, County's Construction Management Division (CMD) signed off with approval.
- Not Explicitly Approved or Rejected - \$6,696,333

- For Change Order No. 2 totaling \$862,263, CMD emailed BSO stating this “was never part of the original DCP and was never approved in concept, so we have no opinion on this item and BSO must seek approval from County Administration prior to continuing with this change.” We inquired of BSO whether they sought approval from County Administration. BSO responded “BSO followed the procedures under section 7.1.2 of the MOU between BSO and the County for change orders. The county never provided written objections to the proposed change order within the 14-day time period, therefore BSO implemented the change order to timely progress forward on this project. The communication you referenced from the County CMD clearly states they have “no opinion” on this change order and it suggests additional consents and permissions were needed, which is an error and runs counter to the MOU Section 7.1.2 agreed-upon procedures.”
- For Change Order No. 27 totaling \$5,834,070, CMD wrote on the Change Order transmitted to BSO “This was not part of the DCP. Where is the funding coming from?”
- Explicitly Rejected - For Change Order No. 50 totaling \$461,675 CMD wrote on the Change Order transmitted to BSO “County rejects CO#50 as it was not part of the MOU or DCP”.

Section 7.1.2 of the MOU states “County shall have fourteen (14) days from the Sheriff's submission of a proposed change order...to provide in writing either its approval or objection(s) thereto.” However, the MOU does not address scenarios in which the County does not provide a clear written approval or objection such as Change Orders 2 and 27 and whether BSO is free to proceed those scenarios. The MOU also does not address recourse and outcomes for scenarios where BSO proceeds with a change order expressly rejected by the County such as Change Order 50.

The DCP developed for the Project in coordination with both CMD and BSO staff, required County approval and established what would be included in the Project. The DCP did not include plans for design and build-out for a Wellness Center. BSO has an existing fitness center located in the Public Safety Building.

The County explicitly rejected \$0.5 million of the work and provided neither a clear approval nor rejection of \$6.7 million of the work. BSO proceeded with the \$7.5 million Wellness Center build out despite not having approval by County staff for \$7.2 million of the work.

B. Additional foresight was needed. The original design-build Agreement (Agreement) included plans to keep the 4th floor as an empty “Shell” space. Per BSO staff, while alternative uses like office and training spaces were considered as build-out options for the 4th floor empty “Shell” space during negotiations, the Wellness Center was contemplated to be the “top choice” for use by BSO “High Command”. However, during negotiation and execution of the Agreement, BSO decided not to include plans for Wellness Center design and build-out and kept the 4th floor as an empty “Shell” space in an effort to manage costs. Three months after the Agreement was executed, on May 26, 2021, BSO staff officially communicated to the design-build contractor, ANF Group, Inc. (ANF) that the 4th floor empty shell space would be converted to a state-of-art Wellness Center. Given the proximity between the dates of the executed Agreement and BSO staff’s communication of decision to ANF, plans to include the Wellness Center buildout should have been foreseen with the work approved by the County before proceeding and included in the original negotiated contract amount rather than performed through change orders. Work planned upfront, advertised through competitive solicitations, and negotiated during contract phases is typically priced more competitively than work negotiated through change orders.

Actual costs for build-out of Wellness Center were higher than estimated budgeted costs. We obtained copies of the “Conceptual Estimate”, totaling \$3,725,901 for the 4th floor Wellness Center build-out. ANF submitted the Conceptual Estimate to the Building Code Services Division on February 9, 2023, as supporting documentation for permit fee calculation purposes. Two months later, on 4/13/2023, ANF submitted Change Order No. 27 for \$5,834,070 to BSO for the Wellness Center build-out. Figure 7 compares the estimate to this Change Order.

Figure 7 - Change Order 27 Estimate Versus Actual

Estimate	Submitted to Building Code Services Division February 9, 2023	\$ 3,725,901
Change Order 27	Submitted to BSO April 13, 2023	\$ 5,834,070
Difference		\$ 2,108,169

Source: Office of the County Auditor Analysis of Estimate and Change Order No. 27

This indicates that significant changes occurred in the two months between the estimate being submitted to Building Code Services Division and the Change Order being submitted to BSO for approval. Significant expenditures such as the Wellness Center build-out should have been planned in advance and procured through competitive solicitation.

We also found a lack of needs analysis or space utilization study conducted for the build-out. This is further indicative of a lack of adequate planning.

- C. Greater budgetary consideration was needed including seeking approval from the Board of County Commissioners (Board). BSO proceeded with the Wellness Center build-out with no clear plan or communication with County on funding the additional work. When Change Order No. 27 for \$5,834,070 was submitted for approval on April 13, 2023, the anticipated Project costs approximated \$62 million, not including Change Order No. 27, and Project funding approximated \$58 million, resulting in a known potential funding deficit of \$4 million.

Construction projects should have established budgets with controls in place to prevent overruns. Typical controls and practices include establishing allowance and contingency accounts within contracts for unanticipated items and establishing individual and cumulative approval thresholds for change orders and changes to total contract amounts. Once project thresholds are met, additional changes should not be able to proceed without appropriate level approvals (i.e. the Board) to increase contract values and identify funding sources for budget increases. This control was lacking from the MOU. The MOU did not provide adequate budgetary controls and included limited language such as "The County's financial obligations under this MOU are limited to its transfer of the BSO Funds to the Sheriff", "The Sheriff shall be solely responsible for any costs relating to the Project that exceed the BSO Funds", and "...the Sheriff may use funds available in the Sheriff's capital improvement account to pay for [any] cost overruns". These provisions inaccurately portray the source and budgeting of funds used for the Project and do not provide adequate budgetary control. The County appropriates funds to BSO for specific purposes. Although BSO may reappropriate these funds to other purposes, including cost overruns of the Project, unexpended funds are returned to the County each year. Therefore, when the MOU states that the Sheriff may use their available funds to pay for cost overruns, this is simply a reduction of what may otherwise be returned to the County. If BSO decides to add items without County approval, it is effectively forcing the County to appropriate the funds for whatever unapproved additions BSO decides to add.

We recommend management re-evaluate the use of delegated authority for major construction of County owned assets/buildings and for any future agreements or MOUs where delegated authority is used, include:

- A. Clarification of and strengthened requirements for County approval of change orders before proceeding and enforcement mechanisms to address non-compliance.

- B. Requirements for a needs-based analysis, justification, and sufficient planning of all major project components and changes.
- C. Provisions establishing budgetary controls and approval thresholds for changes to total contract value.

4. Drainage Solution Change Orders Totaling \$6.1 Million Should Have Been Presented to the Board of County Commissioners for Consideration.

The Board was not adequately notified of \$6.1 million (12%) of Project cost escalation due to drainage issues at the beginning of the Project. Such notification should occur for this size of a change order and would have allowed the Board to evaluate the proposed drainage solution and consider potential liability and recourse from other parties. Improved contracting models would have likely ensured more timely identification and escalation of the drainage issues.

According to the Florida Department of Environmental Protection, urban development and the alteration of natural landscape features affects how stormwater is absorbed by the soil. Naturally, rainwater seeps into the soil to replenish our aquifers and maintain water levels in lakes and wetlands. Unmanaged stormwater drainage can lead to flooding, increased risk of groundwater pollution, water quality problems and loss of habitat.

To ensure proper consideration of stormwater management, design narratives developed by BSO's consultant and incorporated into the solicitation for design-build agreement included provisions for storm drainage. Specifically, design narratives referred to the location of the site as being within the jurisdiction of the Broward County EPD (formerly the Environmental Protection Department, currently the Broward Resilient Environment Department ("RED")) and the South Florida Water Management District. The design narratives referenced "existing permits for surface water management systems" and an "existing surface water management system, consists [sic] of a collection of catch basins, drainage pipes and exfiltration trench that transmit and store surface runoff into a water management lake area."

Following the award of the design-build agreement, the design-build contractor's engineering firm, Miller-Legg, applied to RED for a site surface water management license in November 2021, proposing the use of ex-filtration trenches, based on the existing SWM-1990-029-0 Surface Water License issued for the previous BSO site development. Upon review of the application, RED Surface Water Management Licensing (SWML) staff determined that the existing surface water license had been issued specifically for the BSO Public Safety Building, and it did not cover the full BSO complex or the Project site that was planned for development. Accordingly, in February 2022, SWML staff denied the initial application, citing restrictive covenants established in 2006 for the adjacent lake area (located within Reverend Samuel Delevoe Memorial Park ("Delevoe

Park”), which restricts the property for recreation use only, and prohibits use of the lake for drainage. SWML staff also cited the results of drainage studies stating, “the 25-year, 3-day storm and the 100-year, 3-day storm events in the Delevoe Park do not meet the pre-vs-post requirements.”

Approximately one month later, in March 2022, Miller-Legg submitted a revised application for a surface water license to RED, proposing the installation of underground ‘R-Tanks’® as an alternative stormwater management solution (R-Tank® Stormwater Modules is a registered trademark of Ferguson Waterworks; R-Tanks® provide underground stormwater basins that allow surface water drainage and gradual reabsorption of stormwater into soil.). SWML approved the stormwater license within one week of receiving the revised solution.

ANF submitted Change Order No. 8 to BSO for funding the proposed R-Tank® system at an initial additional cost of \$5,992,954 for engineering design, rain-tank installation, and parking lot restoration. This was followed by Change Order No. 12 for \$27,798 for unforeseen costs associated with the relocation/deflection of an existing water line around the newly proposed drainage system and Change Order No. 35 for \$82,869 for unforeseen subsurface soil conditions discovered during the installation of the R-Tanks. In our review of the change order packages, we noted correspondence from County’s Construction Management Division (CMD) staff stating, “the money for this change order will be provided by BSO, therefore the County has no objection to Change Oder [sic] #8.”

Change order documentation indicates these requirements were not included in the design criteria prepared by BSO’s consultant, Walters Zackria Associates, PLLC, and were not discovered by the design-build contractor until the Broward County Surface Water Management site plan review. This resulted in new required work not already included in the design-build agreement. Presentation of change orders of this type and magnitude to the Board should have been performed and would have allowed for a more informed decision-making process. This would have allowed the Board to evaluate the proposed drainage solution and consider potential liability and recourse from other parties. Given that these change orders represented a 12% increase in Project costs, as previously stated in Opportunity for Improvement No. 3, additional budgetary controls were needed, and County oversight should have included Board approval for the increase in Project costs. We found that the MOU did not provide sufficient mechanisms for addressing cost increases and escalation of issues to the appropriate level of authority.

We also found that the Design-Build contracting method contributed to the drainage issue not being identified earlier or raised to the appropriate levels. Design-Build contracts involve hiring a contractor that provides a proposal in response to a conceptual design and, with their engineer/architect, prepares final designs after the contract is initiated. Design-Bid-Build

contracts involve first hiring an engineer/architect to prepare a complete set of design plans and then hiring a contractor to construct in accordance with the plans. Design-Build contracting is generally faster and provides more flexibility; however, because of the fewer steps and lack of complete design plans prior to contracting, there are greater risks of unvetted changes. Under a Design-Bid-Build contract, issues such as the need for a drainage solution likely would have been identified during the design phase, prior to contracting, and the work effort would have been priced as part of the competitive solicitation rather than negotiated later through change orders. Design-Build contracts are not conducive to delegations of authority as it further removes the delegating owner from the process.

We recommend management re-evaluate the use of delegated authority for major construction of County owned assets/buildings and for any future agreements or MOUs where delegated authority is used, include:

- A. Provisions establishing budgetary controls and appropriate approval thresholds for increases to total contract value.
- B. Provisions to escalate major decisions that significantly impact the project scope or cost to the appropriate level of authority.
- C. Limitations on Design-Build contracting methods.

5. Branding, Consisting of Illuminated BSO Logos, Full-Wall Graphics, Inspirational Quotes, and Motivational Signs, Was Added to Non-Public Areas, Entirely Through Change Orders at an Added Project Cost of \$552,905.

The Training Center showcases \$552,905 in full size illuminated BSO logos, wall graphics, inspirational quotes, and motivational signs that identify or “brand” the building as a BSO Law Enforcement Training Facility. The solicited design and design-build agreement only provided for limited signage, as necessary to comply with building codes and wayfinding requirements, not branding. BSO began plans for branding in April 2023 with a \$27,000 wall graphic and signage allowance in the Wellness Center addition change order. In September 2023, County staff approved BSO submitted Change Order No. 38 for design services and an allowance for branding for \$121,281, which included \$36,642 for design services, an allowance of \$77,200 and markup of \$7,439. Most recently, on January 30, 2024, BSO requested Change Order No. 62 to increase Project costs by \$404,624 for owner requested branding changes. Figure 8 shows examples of Branding at the Training Center and Figure 9 provides a detail of signage/branding costs.

Figure 8 – Examples of Branding at the BSO Training Center



Source: Pictures taken by Office of the County Auditor

Figure 9 shows a breakdown of signage/branding costs for the Training Center.

Figure 9 – Breakdown of Signage/Branding Costs by Product Type

Item	Amount
Wide Format Prints (Wall Graphics)	\$ 260,103
BSO Logo Sign, each Floor	60,591
Acrylic Letters	33,730
Display Installation	28,965
Sales Tax	24,676
Other	10,757
Subtotal – Materials and Installation Costs	\$ 418,822
Design	36,642
Wellness Center Branding	27,000
Electrical, Drywall, and Paint Allowance	38,185
Markup	32,256
Total	\$ 552,905

Source: Office of the County Auditor analysis of change order details.

- A. Most of the work was performed without County approval. County staff rejected Change Orders Nos. 27 and 62 comprising \$431,624 of the \$552,905 total branding change orders, as follows:

“The County has reviewed change order #62 for Owner Requested Branding and takes exception in principle as this work largely represents decorative treatment to the facility as well as advertising the name of the Sheriff as an individual and not as a title of office. Sheriff Tony’s name appears on signage representing approximately \$65,000 of this proposed change order. Approximately \$80,000 of the branding is attributed to the fourth floor which the County has stated before was not part of the DCP or MOU. In addition, the 4th Floor material also contains decorative treatments and additional name recognition signage. We found little evidence that any of this branding provides Way Finding direction. Because of the aforementioned reasons, the County is hereby rejecting change order #62, if the Sheriff’s Office chooses to install this branding, it will be at the sole expense of the Broward Sheriff’s Office.”

- B. Additional foresight and budgetary oversight were needed. With proper oversight and planning, branding designs could have been developed during the design process, to ensure branding was reasonable, agreed to by both County and BSO leadership and not

excessive. The Change Orders were submitted late in the Project after other cost escalations had occurred, and funding shortages were apparent.

- C. The branding was installed in non-public areas. The MOU states "The Project, when completed, will be a County-owned facility used by the Sheriff, with no public access or public use intended other than such use or access as may be required for the Sheriff to discharge the duties and responsibilities of his Office." Public purpose means for the general benefit of the public as a whole and not predominantly for the benefit of an individual such as an employee or elected official. We question the public purpose and necessity of the expenditure.
- D. Certain branding displays include the current Sheriff's name and likeness at a cost of \$79,717, inclusive of installation costs and proportionally allocated design, electrical, drywall, paint allowance, and bond fee, and insurance costs. Figure 10 shows details of branding efforts that specifically include a display of the current Sheriff's name. These installations are not permanent and will require removal for future sheriffs and likely some form of associated cost. This list is not all-inclusive of displays of the Sheriff's name and likeness throughout the facility. Additional examples may be embedded within other branding displays and the costs are not readily identifiable.

Figure 10 - Details of Branding Costs for Displays of the Sheriff's Name

Location	Item	Cost
BSO Training Center-1st Floor	7"h deep white acrylic sign "SHERIFF GREGORY TONY"	\$5,950
	Cabinet Sign 36" diameter "SHERIFF GREGORY TONY"	\$4,560
BSO Training Center-2nd Floor	Acrylic Letters "It's an honor to make history, but it's more important to make a difference." "Sheriff Gregory Tony, Ph.D." "SERVICE EQUALS AWARD" painted PMS 343 green 6"h	\$2,500
	BSO Logo 7' diameter "SHERIFF GREGORY TONY, Ph.D." dimensional sign	\$6,095
	Cabinet Sign 36" diameter "SHERIFF GREGORY TONY, Ph.D."	\$4,500
BSO Training Center-3rd Floor	47" diameter, 4.5"h letters "SHERIFF GREGORY TONY, Ph.D."	\$9,620
BSO Training Center-4th Floor	Gym Entrance Wall Acrylic Letters "Everything we do is about the next 100 years. Make every second, every minute, every day count!" "Sheriff Gregory Tony, Ph.D."	\$2,250
	Weights Logo Walls North and South 72" Diameter, 3" deep, 6.5"h letters "SHERIFF GREGORY TONY, Ph.D."	\$5,500
	Weights Logo Walls North and South 72" Diameter, 3" deep, 6.5"h letters "SHERIFF GREGORY TONY, Ph.D."	\$11,000
Owner additions -Location not specified	Sign Type M1 BSO Logo Sign with acrylic letters "SHERIFF GREGORY TONY, Ph.D."	\$6,450
	Deep Illuminated K-3 Sign "Sheriff Gregory Tony, Ph.D."	\$5,060
	Subtotal for Sign Materials	\$63,485
	Design	\$5,554
	Electrical, Drywall, and Paint Allowance	\$5,788
	Markup	\$4,889
	Total	\$79,717

Source: Office of the County Auditor analysis of change order details.

We recommend management re-evaluate the use of delegated authority for major construction of County owned assets/buildings and for any future agreements or MOUs where delegated authority is used, including:

- A. Clarification of and strengthened requirements for County approval of change orders before proceeding and enforcement mechanisms to address non-compliance.
- B. Provisions establishing budgetary controls and approval thresholds for changes to total contract value.
- C and D. Appropriate safeguards and limitations on expenditures of questionable public purpose such as excessive or non-permanent branding in non-public areas.

We further recommend management research and present options to the Board for establishing a County-wide policy on the appropriate use and placement of logos and branding.

6. BSO Removed Certain Project Components From the Agreement, Then Later Added These Items Back Through Change Orders at a Cost of \$3,970,329.

In the originally negotiated design-build agreement, BSO and County agreed to certain deviations, or departures, from the contractor’s proposed services, with the specific intent to reduce the initial cost of the Project. Many of these were value engineering changes which reduced the \$68 million proposed price to a negotiated \$49.7 million (See Appendix A – Project History). However, BSO later determined that some of these deviations would be added back into the Project, due to various reasons including the position that their removal impaired the utility and quality of the Training Center. Four significant changes that were reasonably foreseen but were added back to the Project via change order were: BSO’s preferred subcontractor for firing range services, wall height on the firing ranges, an auditorium build-out and use of chilled water HVAC systems in the firing ranges. These four change orders added \$3,970,329 to the originally negotiated contract price and are listed in Figure 11. With proper oversight and planning, these deviations should have been closely evaluated for probability of reinstatement to develop a more accurate project budget and avoid the impact of increases in costs of materials and time delays.

Figure 11 - Summary of Increases to Project Costs for Reversed Deviations

A. Change of Firing Range Subcontractor	\$ 689,923
B. Change from 8’ to 10’ Range Height	1,112,049
C. Conversion of Meeting Space to an Auditorium	1,039,133
D. Change HVAC systems to Chilled Water on the Range	1,129,224
Increases to Project Costs for Reversal of Deviations	\$ 3,970,329

Source: Office of the County Auditor summary.

- A. Deviation from the proposed Firing Range Equipment subcontractor reduced the initial Project estimates by \$612,215, then later increased contracted Project costs by \$689,923 in change orders. ANF initially proposed subcontractor Action Target, Inc. for Firing Range Equipment for \$3,031,000 but in the February 2021 design-build agreement, BSO agreed to a working deviation to "Utilize Alternate Range Equipment Vendor and Ventilation Vendor (Spire, Rushing Air, Savage Arms, Or Equal)" with a cost of \$2,418,785. BSO agreed to this deviation and cost savings even though the design criteria repeatedly cited the use of Action Target, Inc.'s materials for range specifications.

Subsequently, a few months later, in October 2021, BSO submitted an owner-requested change order to utilize Action Target, Inc. as the preferred range component system vendor. This led to negotiations for services and a subsequent change order in March 2023, to reconcile the higher cost of Action Target Inc. services at \$3,108,708, or an increase of \$689,923 over the contracted schedule of values. Had BSO accepted the range services contractor as initially proposed, a more accurate project estimate would have been presented to the Board for approval, and BSO could have saved the County \$77,708 (the difference between range services proposed in 2020 (\$3,031,000) and the amount agreed upon in 2021 (3,108,708)).

Email correspondence indicates that County staff had no objection to this item in Change Order No. 2 to use Action Target, Inc. as the range subcontractor.

- B. Changing the wall baffle height from 8' above finished floor to 10' above finished floor increased Project costs by \$1,112,049. On a firing range, baffles are specialized material affixed to range walls which are designed to absorb and redirect bullets for safe range operations. We determined that the initial design criteria specified 10' high wall baffles on the 50-yard ranges, but BSO solicited and contracted for 8' wall baffles. According to BSO, "Initially, BSO planned for 10' baffles at all the ranges...Action Target suggested an 8' baffle height as a significant amount of HVAC capacity, including the potential need to add additional HVAC units, would be required for the extra 2' height. A decision was made to drop the baffle height to 8' and that is what was published in the RLI."

In November 2021, during the design phase of the Project, BSO determined that 8' ranges "would not allow full scale exercises, including the use of police vehicles for training scenarios, to take place in the tactical training 50-yard range." The increase in wall height to 10' not only increased the need for additional baffling, but also increased the surface area to be ventilated for lead contamination and the volume of air to be cooled on the range. This resulted in a \$1,112,049 change order for general construction, chillers (HVAC), specialized range ventilation, electrical and mechanical considerations, and

contractor markup fees. Email correspondence indicates that County staff had no objection to this item to increase wall baffle height from 8' to 10'. The change order appears to be a practical change intended to improve the utility of the training space; however, a more accurate and potentially competitive cost estimate would have been available, if BSO had solicited and contracted the Project according to the original design specifications.

- C. Auditorium build-out increased Project costs by \$1,039,133. The Design Criteria Package (DCP) developed for the Project in coordination with both CMD and BSO staff, included plans for development of a 2,133 square foot auditorium/Media room with fixed riser "stadium" type seating, ceiling mounted projector and speakers, white board and projection screen, (4) 85" monitors, sounds system, and 180 seats minimum capacity. During negotiation and execution of the Agreement with ANF, the planned auditorium/media room and associated infrastructure was removed and replaced by a "Flex Room". However, Change Order No. 54 for \$899,979 was submitted on February 13, 2024, for conversion of the "Flex Room" back into an auditorium. The change order amount did not include any costs for stadium seating, furnishings, stage, certifications testing, etc. We noted an additional \$139,154 in direct purchases by BSO for acquisition and installation of stadium seating for the auditorium bringing the total costs for the auditorium to-date to \$1,039,133. Per BSO staff, the change of planned auditorium/media room into a Flex Room during negotiations with ANF was done solely to negotiate a lower contract price for the Project. We also noted that CMD staff rejected the change order submitted for \$899,979. Figure 12 displays images of the finished Auditorium.

Figure 12 – Auditorium



Source: Pictures taken by Office of the County Auditor.

- D. County standards for HVAC systems that should have been contracted for the Project, were introduced via change order, increasing Project costs by \$1,129,224. CMD has established a Broward County standard that requires the use of chilled water HVAC systems for newly constructed County facilities. According to County staff, this standard is based on lower long-term costs of maintenance, which will be performed by the County, not BSO. Project designs specified the County standard for chilled water systems for the Training Center and CMD issued correspondence reinforcing these specifications; however, both County and BSO agreed to a working deviation for a less expensive HVAC alternative for the firing ranges, with the provision that the design-build contractor would perform a life-cycle cost analysis of the HVAC alternative compared to a chilled water system.

In November 2021, following completion of the life-cycle cost analysis, BSO initiated a change order at the County's request to use chilled water HVAC systems for the firing ranges, increasing project costs by \$1,129,224 inclusive of the design-build contractor's markup. Project correspondence between the County and BSO indicated disagreement over the contracted HVAC system and questions over whether the County standard chilled water HVAC systems should have been included in the original design-build agreement. In the mutual acceptance of working deviations to keep initial Project costs down, Project costs were underestimated.

Because of the proposed price of \$68 million in comparison to the original estimate of \$34 million (See Appendix A – Project History), realizations over escalating cost projections may have incentivized BSO staff to remove certain items from the negotiated Agreement despite evidence that these items would likely be added back later through change orders. Further budgetary discussions and disclosures to policy makers were needed to ensure appropriate inclusion and exclusion of items. Having necessary items included in the original negotiated Agreement facilitates a more accurate project budget and avoids the impact of increases in costs of materials, negotiation of change orders, and time delays. Direct County oversight of the Project (i.e. no delegation of authority) or additional County involvement and oversight during negotiations may have prevented some of these items.

We recommend management re-evaluate the use of delegated authority and for any future agreements or MOUs where delegated authority is used, include controls for necessary oversight in negotiation and contracting stages and established thresholds or timeline points for reporting Project status and anticipated costs.

7. County Needed Improved Project Cost Monitoring and Budgetary Oversight Controls.

Project cost monitoring and budgetary oversight controls were lacking. We identified the following:

- A. County staff did not adequately apprise the Board of the Project status, including Project costs and funding gaps. We found a lack of documentation, such as emails, memos, or public meetings, apprising the Board of the Project status. Most of the funding requests submitted to the Board for approval, shown in Figure 13, were incrementally presented with no record of cumulative funding approvals to date or other context and some were grouped among other voluminous transactions.

Figure 13 - County Appropriation of Project Funding

	Approval Date	Transaction Amount	Cumulative Amount
1	09/10/2019	\$ 33,182,126	\$ 33,182,126
2	12/08/2020	11,813,834	44,995,960
3	03/15/2022	5,000,000	49,995,960
4	09/20/2022	1,700,000	51,695,960
5	12/13/2022	1,923,600	53,619,560
6	12/13/2022	823,812	54,443,372
7	06/06/2023	\$ 1,058,870	\$ 55,502,243

Source: County Agenda Items.

Specifically, for the funding requests shown in Figure 13,

- Funding Approval 1, for \$33,182,126 on September 10, 2019, is clearly presented. It was the initial transfer in accordance with the MOU.
- Funding Approval 2, for \$11,813,834 on December 8, 2020, was not clearly presented. It was combined within a supplemental budget and lacked necessary information. Supplemental budgets are spread across multiple agenda items and each agenda item contains multiple pages and transactions. The following excerpt was included within the agenda item explaining the request:

Figure 14 - Funding Request 2 Agenda Item Excerpt

In addition, \$45.0 million is reappropriated for the construction of a BSO Tactical Training Center and Parking Garage Facility. Of this amount, \$33.2 million was transferred from the BSO Reserve for Future Capital Outlay by the Commission in September 2019 and is reappropriated for the same purpose in Fiscal Year 2021; \$9.2 million is a reimbursement from the County to BSO for COVID-19 related expenses including overtime, personal protective equipment, sick time, and medical testing; and \$2.7 million is from the BSO reserve for capital expenses in Fiscal Year 20. These funds will be transferred to BSO in accordance with the terms of a Memorandum of Understanding between the County and BSO.

Source: December 8, 2020, Board Agenda Item 32.

Although the request discloses the cumulative funding to date of \$45 million, there is inadequate explanation as to why an additional \$11,813,834 is being added to the Project.

- Funding Approval 3, for \$5,000,000 on March 15, 2022, was reasonably clear but lacked additional and important context. The request explained that BSO entered into an agreement on February 18, 2021, for design and construction of the Project at a cost of \$49,650,464 and this would fund the full cost of the Agreement. However, there was no further discussion addressing the original

estimate and funding \$33,182,126 versus the negotiated Agreement amount of \$49,650,464.

- Funding Approvals 4 through 7, which collectively increased the cumulative funding from \$49,995,960 to \$55,502,242, were not clear. None of the four requests disclosed the cumulative funding to date or provided a clear explanation for why the additional funds were needed. Two of the requests were combined within supplemental budgets similar to Request 2. The following excerpt was included within the agenda item explaining the request:

Figure 15 - Funding Request 5 and 6 Agenda Item Excerpt

At the end of Fiscal Year 2022, \$50.0 million lapsed from the Broward County Sheriff's Office (BSO) General Fund budget. For Fiscal Year 2023, \$44.2 million is appropriated for items budgeted in the prior fiscal year for which expenditures were not completed. The majority of this amount, \$30.6 million, is related to the BSO Tactical Training Center and Parking Garage Facility. The remaining \$13.6 million is primarily for vehicle replacements, building improvements, professional services and maintenance contracts, equipment, and radios. Additionally, \$3.0 million is budgeted in a reserve account in the Department of Detention for inmate inpatient healthcare costs. Of the remaining \$2.7 million, \$1.9m (70%) is recommended to be appropriated construction in progress for the Training Center. The remaining \$0.8 million (30%), is recommended to be transferred for Other Post-Employment Benefits (OPEB). OPEB is the cost of future employee benefits that BSO committed to pay their employees after retirement such as health insurance subsidies. The unspent funds in the BSO Consolidated Dispatch Fund (\$0.8 million) are reallocated to construction in progress for the Training Center.

Source: December 13, 2022, Board Agenda Item 43, highlights added.

- B. County staff did not track and monitor Project costs. Staff were unable to provide a schedule, budget to actual report, or other documentation identifying the Project costs. This was evident in the County Administrator's December 7, 2023, email to the Board which stated, "we are not yet certain of the project's full cost" and "Without a full accounting of BSO expenditures on the project, it is difficult to point to one singular cause for the cost overrun". The MOU states "the County will not transfer the BSO Funds until the Sheriff provides the County with an accounting of all costs previously incurred by the Sheriff relating to the Project for which the Sheriff intends to pay or reimburse itself from the BSO Funds"; however, we found no evidence that this accounting was performed. We also found no evidence where County staff requested Project cost information from BSO.

When asked for such information, CMD staff referred to their approval of the pay applications in response to requests for cost schedules; however, these documents do not clearly present the Project costs nor include all cost elements. For example, the excerpt shown in Figure 16 from Pay Application No. 39 for the period ended December 31, 2023, reflects "3. Contract Sum to Date" as \$53,713,828. This "Contract Sum to Date" does not show the approximate \$15 million in direct purchases, pending change orders, and other anticipated capital items.

Figure 16 - Pay Application Excerpt

1. ORIGINAL CONTRACT SUM	<u>\$ 49,650,464.00</u>
2A. DPO CHANGE ORDERS	<u>\$ (15,027,292.95)</u>
2B. OWNER CHANGE ORDERS - (NON DPO)	<u>\$ 19,090,656.60</u>
3. CONTRACT SUM TO DATE (Line 1 ± 2)	<u>\$ 53,713,827.65</u>

Source: Pay Application #39.

A cost schedule such as that shown in Project Cost Section - Figure 1 is needed for adequate monitoring.

We identified several causative factors for the issues identified in A and B above. Because of the delegation of authority to BSO, standard budgetary oversight controls were not in place. Typically, each capital construction project has a unique budget code within the County's financial system to which payments are posted against and budget to actual costs are readily tracked. Because BSO was responsible for making vendor payments, the payments and budget was not tracked on the County side. CMD staff acknowledged that they did not review items relative to the Project budget and felt their role was more from a technical advisor perspective in approving pay applications and change orders in accordance with design documents. They expressed that their authority and scope of review was limited with respect to Project cost and budgetary monitoring and relied on language in the MOU limiting the County's financial responsibilities such as "The County's financial obligations under this MOU are limited to its transfer of the BSO Funds to the Sheriff", "The Sheriff shall be solely responsible for any costs relating to the Project that exceed the BSO Funds", and "...the Sheriff may use funds available in the Sheriff's capital improvement account to pay for [any] cost overruns".

These provisions inaccurately portray the source and budgeting of funds used for the Project and do not provide adequate budgetary control. The County appropriates funds to BSO for specific purposes. Although BSO may reappropriate these funds to other purposes, including cost overruns of Project, unexpended funds are returned to the County each year. Therefore, when the MOU states that the Sheriff may use their available funds to pay for cost overruns, this is simply a reduction of what may otherwise be returned to the County. If BSO decides to add a \$7.5 million Wellness Center or other additions without County approval, it is effectively forcing the County to appropriate the funds for whatever unapproved additions BSO decides to add. The misconception of funding was further exemplified in CMD staff's review of change orders. Their approvals and rejections of change orders were rationalized based on the misconception that BSO was funding the overruns. For example, CMD staff justified approval of the Change Order No. 8 for the \$6.1 million drainage solution by stating to BSO "the money for this change order will be provided by BSO, therefore the County has no objection to Change Oder [sic] #8". In

rejecting Change Order No. 62 for branding expenses, CMD staff stated to BSO "if the Sheriff's Office chooses to install this branding, it will be at the sole expense of the Broward Sheriff's Office." This perception of funding further exacerbated the lack of budgetary oversight.

CMD staff also referenced presumed communications between County Administration and BSO. In one instance, we found that CMD staff referred BSO to County Administration. Specifically, when reviewing proposed floor reinforcement work for the Wellness Center within Change Order No 2, CMD staff stated to BSO, "...we have no opinion on this item and BSO must seek approval from County Administration prior to continuing with this change." This disconnect in the central point of accountability was further amplified by staff turnover. During the Project there was turnover in the CMD Project Manager, Assistant County Administrator assigned to the Project, and the County Administrator.

We recommend management re-evaluate the use of delegated authority and for any future agreements or MOUs where delegated authority is used, include provisions for:

A – B, 1. Designated point of contact, centralized accountability, and communication protocols.

A – B, 2. Budgetary tracking and reporting requirements.

8. Evidence of County Approval of Design and Contract Documents is Lacking.

The requirement for County approvals of design and contract documents were key internal controls established by the MOU. These controls were constructed to help ensure that the County maintained necessary oversight of the Project while delegating authority to BSO for day-to-day project management. We identified the following:

- A. Neither the County nor BSO could provide evidence of County approval of the final Design Criteria Package (DCP). The DCP is an initial design document used for inclusion in the solicitation. It provides guidance to proposers when responding to the solicitation and subsequently developing the final design plans and proposing costs. We also requested and received no evidence that BSO proactively offered the final DCP to the County for approval. The MOU states, "The Sheriff shall submit to the County, for review and approval, a finalized design criteria package ("Design Criteria Package")...The Parties agree that the County's written approval of the Design Criteria Package is a condition precedent to the Sheriff's solicitation and award of the Design/Build Contract."

We noted that the County was substantially involved in the review of the DCP and exchanged review comments, but no evidence was provided to us indicating that the final DCP was approved by the County, which would have ensured that all County concerns

were resolved. We also noted that the DCP was included in the publicly advertised solicitation which was approved by the County; however, the County's approval of the solicitation did not ensure that the version of the DCP included in the advertised RLI was approved by the County.

- B. Neither the County nor BSO could provide evidence of County approval of the final Agreement prior to execution. We also requested and received no evidence that BSO proactively offered the final Agreement to the County for approval. The MOU states "the Sheriff agrees that it must obtain the County's written approval regarding the form of the Design/Build Contract prior to its award and execution, and that the County shall be entitled to revise the Design/Build Contract as necessary to reflect the appropriate County requirements for the Project. The Sheriff shall use the revised version of the Design/Build Contract provided by the County."

However, we found some evidence that the contract was reviewed prior to execution. Email correspondence from the former County Administrator to BSO on February 17, 2021, immediately prior to February 18, 2021, contract execution, stated "Please allow this email to serve as a follow-up to our call last night in support of moving forward with your project" and included email chain from the CMD Director discussing an HVAC system as "the last standing issue". However, there remains no clear evidence that the final contract was exchanged, reviewed, and approved.

We also found that CMD staff were not actively involved in the negotiations leading up Agreement approval. County involvement in Agreement negotiation and approval of the final Agreement before execution was particularly important to ensure that the appropriate elements were included in accordance with the DCP and County standards. As described in the "Appendix A – Project History" section of this report, value engineering changes occurred during Agreement negotiations. These changes were of significant magnitude to result in a reduction in costs from the proposal of \$68 million to negotiated Agreement price of \$49.7 million and included such elements such as changing from one building to two, and from two floors of training facility to four floors. As such, County involvement was necessary to ensure that these changes were made in accordance with the DCP and continued to meet County standards and the intent of the project as presented to the Board. As shown in Opportunity for Improvement 6, certain elements of work were removed and were subsequently added back through change orders. Greater involvement by the County may have afforded greater oversight and cost control for these items.

We recommend management develop clear tracking of compliance with contractual provisions for contracts and MOUs.

9. The Original Project Cost Estimate was Understated.

The original Project cost estimate of \$34 million was understated as evidenced by proposals to the solicitation which ranged from \$65 to \$81 million. The lowest end of the range, \$65 million, was 91% higher than the estimate of \$34 million. We considered whether high proposals could be due to a different proposed scope of work than the estimate, however, the proposals were for a consistent concept and scope of work as the estimate and the solicitation specified a \$34 million budget. We questioned whether the high proposals could be due to a dated estimate or inflation. The Original Estimate was dated July 2019, and the proposals were submitted in May 2020. During this 11-month period between the estimate and proposals, the Consumer Price Index within the Tri-County area increased by only 0.73% and the Product Price Index for New Office Building Construction within the U.S. increased by only 1.95%. Inflation was far less than the 91% increase between the estimate and proposal. The final negotiated contract value of \$49.7 million was still 46% higher than the estimate.

Estimates should provide a reasonable expectation of actual expenses. While estimates include underlying assumptions and unknowns, a significant variance between an estimate and actual may be indicative of an issue with the estimate. Once more accurate expectations of costs became known, budgetary discussions should have been held at the executive and Board level.

We recommend management re-evaluate the use of delegated authority and for any future agreements or MOUs where delegated authority is used, include independent review and vetting of estimates.

10. Planned Public Art Funding for the Training Center Needs to be Further Reviewed.

We identified the following:

- A. Planned public art expenditures are not sufficient to meet the public art requirements. Planned public art expenditures total \$663,643 and were determined based on 2% of the initial project funding amount of \$33,182,126. However, public art requirements should be based on 2% of the anticipated design and construction costs of approximately \$71.3 million. This which would result in a public art expenditure requirement of approximately \$1.4 million rather than the current planned expenditure of \$663,643.

Figure 17 shows the calculated public art funding requirement based on the initial County funding versus the anticipated design and construction costs.

Figure 17 - Public Art Funding Calculation

	Column A Based on Initial Project Funding	Column B Based on Anticipated Design and Construction Cost
Eligible Construction Costs	\$ 33,182,126	\$ 71,270,594
Percentage Requirement	2%	2%
Public Art Requirement	663,643	1,425,412
Artwork Installation (70%)	464,550	997,788
Administration and Maintenance (30%)	\$ 199,093	427,624

Source: Office of County Auditor analysis.

The MOU states, “The County and the Sheriff acknowledge that the County has a Public Art and Design Program ("Public Art Program") established and codified in Broward County Code of Ordinances, Section 1-88. The Parties acknowledge that the Project is subject to the aforesaid Public Art Program...The Sheriff agrees to fully comply with the Public Art Program”. The Public Art Program requires public art equivalent to two percent of eligible construction costs of which total 70% is to be spent on public art and 30% is to fund administration of the program and future maintenance.

The Broward County Fiscal Year 2021 Capital Budget included a \$458,000 allocation and the Board Approved, on December 12, 2023, an artist design proposal for \$460,050 plus honorariums paid to shortlisted proposals for a total cost of \$464,050 which is consistent with the calculated requirement of \$464,550 shown in Figure 17, Column A. However, as shown in Figure 17, Column B, total artwork of approximately \$1 million is needed to meet the requirements of the Public Art Program.

The Ordinance states “The Board may, in its sole discretion, reduce, eliminate, or waive any or all of the public art appropriations or any other funding requirements under this section on a project-by-project basis”; however, we found no evidence that the Board made any such reductions. Each annual capital budget includes a table of public art appropriations by project with a footnote stating “Projects not included on this list either have no public art allocation, have integrated public art, or have had allocations waived by the Board (through approval of this document)”; however, simply excluding a project

from the list is not sufficient to presume Board approval of a reduction to the Public Art requirement for a particular project.

- B. Given the magnitude of the required Public Art funding and cost overruns of the project, further executive and policymaker consideration of available options is needed.

The MOU states the Project will have “no public access or public use intended...”. Appropriately, the planned artwork design, approved by the Board on December 12, 2023, is for placement and display outside of the Project area but still on the Public Safety Building Complex where it is visible by the general public. Figures 18 and 19 show the proposed design for the artwork. The artwork consists of three sculptural elements made of stainless steel and terra cotta. Each sculptural element is 14' high by 7'- 4" wide, with accent lighting for nighttime interest. The proposed design may vary slightly based on factors such as site conditions and additional agency input.

Figure 18 - Proposed Public Art Design (1 of 2)



Source: December 12, 2023 Agenda Item #75.

Figure 19 - Proposed Public Art Design (2 of 2)



Source: December 12, 2023, Agenda Item #75.

The currently planned public artwork is budgeted at \$663,643 of the project costs and additional artwork installations would be required to bring the total artwork budget to the \$1.4 million necessary to meet the requirements of the Public Art Program as currently established.

The Ordinance provides for flexibility in administering the program, providing that appropriate Board approval is obtained. The Ordinance states “The Board may, in its sole discretion, reduce, eliminate, or waive any or all of the public art appropriations or any other funding requirements under this section on a project-by-project basis.” Given the significance of the Public Art and the overall Project, the Board should be presented with options for consideration. These options are listed in Figure 20:

Figure 20 - Public Art Program Options

Option	Estimated Cost
1. Proceed with the planned artwork design and identify additional artwork to meet the requirements of the ordinance as stated.	\$ 1,425,412
2. Eliminate the planned artwork design and replace with a design that meets the requirements of the ordinance as stated.	\$ 1,425,412
3. Option 1 or 2 and waive the administration and maintenance funding requirement.	\$ 997,788
4. Proceed with the planned artwork design and waive additional appropriation funding requirements.	\$ 663,643
5. Option 4 and waive the administration and maintenance funding requirement.	\$ 464,550
6. Remove the public art funding requirement from Project in entirety.	\$ 0

Source: Office of the County Auditor analysis of planned artwork design and Ordinance.

In conjunction with any of the above options, the Board may choose to pool or expend the funds on Public Art at other locations. The Ordinance states “Funds appropriated for one (1) capital improvement project, but not deemed necessary or appropriate by the council in whole or in part for that project, may be expended on other public art projects approved under the annual public art and design plan” and “monies generated under this ordinance may be pooled by the council and expended for any public art and design project in the county, subject to the approved annual public art and design plan. There shall be no general requirement that monies be expended on the specific projects that generated the monies.”

We recommend management:

- A. Discontinue the practice of presuming Board approval of no public art allocation, integrated public art, or waived requirements for projects not listed in Public Art and Design Program budget and instead proactively list all projects and proposed treatment for Board approval.

A & B: Further consider options, as listed with this Opportunity for Improvement, for the Public Art Program requirements applied to the Project and seek Board direction.

11. County Logo and Building Naming Issues Need to be Approved by the County.

The Training Center is a County owned building. Accordingly, County input and approval should be required regarding building naming and signage placement. We noted the following:

- A. The County logo is not equitably displayed on the building as required by the MOU. As shown in Figure 21, the County logo placed on the exterior of the building appears smaller than the BSO logo. Both should have the same surface area.

Figure 21 – BSO Training Center



Source: Picture taken by Office of the County Auditor.

The MOU states, “The Parties agree that the Project's design shall include the County's and the Sheriffs respective logos being displayed on the exterior of the Project, with each logo being of equal size and located in comparable locations.”

- B. The basis and authority for naming the facility is unclear. BSO named the facility “Research, Development, & Training Center” as shown in Figure 21. The MOU is entitled “Memorandum of Understanding Between Broward County and the Sheriff of Broward County Relating to the Design and Construction of the **Broward Sheriff's Office Training**

Center” (emphasis added). Original design plans from the DCP, show a design with the title “Training Center” as shown in Figure 22.

Figure 22 – BSO Training Center



Source: Design Criteria Package

The MOU also states that the building is a County owned asset but does not address naming of the facility.

- C. The exterior building signage, as shown in Figure 21, includes “Sheriff Gregory Tony” appearing immediately under or part of the BSO logo and above the building name. This use of an elected official name may conflict with standard practices of naming public buildings and logo usage and will require removal for future sheriffs and likely some form of associated cost. Original design plans from the DCP, show a design without a sheriff’s name as shown in Figure 22.

We recommend management:

- A. Evaluate the cost-benefit of replacing the County logo with one of equal size to the BSO logo. Such evaluation should consider whether the existing County logo can be repurposed elsewhere.
- B and C. Determine the County authority and position on the building naming, including use of the Sheriff's name, and seek appropriate Board direction.

APPENDIX A – PROJECT HISTORY

Overview

Initial phases of the Research, Development and Training Center (RDTTC) (Project/Facility) included the original estimate, solicitation proposal, and negotiated contract each with a corresponding anticipated project cost as summarized in Figure 23. Broward Sheriff’s Office (BSO) contracted with a design firm that developed the Original Estimate of \$34,037,500 dated July 23, 2019. Following the issuance of a Request for Information (RFI) and Request for Proposals (RFP) for a Design-Build Contractor, BSO received proposals with pricing on May 29, 2020. The selected Design-Build Contractor had a proposed price of \$68,481,776. Negotiations and value-engineering changes resulted in a negotiated contract with a price of \$49,650,464 executed on February 18, 2021.

Figure 23 - Initial Phases with Dates and Cost Estimates

Phases	Date	Amount
Original Estimate	July 23, 2019	\$ 34,037,500
Solicitation Proposal	May 29, 2020	\$ 68,481,776
Negotiated Contract	February 18, 2021	\$ 49,650,464

Source: Information obtained from BSO staff.

Original Estimate - \$34,037,500

On July 23, 2019, BSO submitted request for reappropriation of Capital Reserve dollars in the amount of \$33,182,126 for purposes of design and construction of a single structure facility. The request submitted to the County by BSO included a “Conceptual Order of Magnitude Cost Estimate,” which included a breakout of the estimated costs of **\$34,037,500**, in the following phases:

- **Phase 1 (Base Bid)** – Included work associated with clearing of site area and construction of single building structure containing 5-story Parking Garage with 2-story rooftop Training Center Shell (Empty). Estimated costs for Phase 1 were as follows:
 - Site Work - \$200,000.
 - 5-story Parking Garage - \$15,000,000.
 - 2-story Training Center Shell (Empty) above garage (approximately 88,000 ground square foot) - \$6,000,000.

- **Total Costs for Phase 1 - \$21,200,000.**
- **Phase 2 (Add Alternate #1)** – Included work associated with build-out of 2-story rooftop Training Center Shell (Unfinished / Empty). Estimated costs for Phase 2 were as follows.
 - Build out for Firing Range - \$4,000,000.
 - Build out for Lobby, Offices, Classrooms, Support Spaces, Etc. - \$8,437,500.
 - **Total Costs for Phase 2 - \$12,437,500.**
- **Phase 3 (Add Alternate #2)** – Included order for an Emergency Generator, which was considered a specialty item and estimated at \$400,000.
 - **Total Costs for Phase 3 - \$400,000.**

Phases 2 and 3 were “Add Alternates” which were optional additional work to be considered. The above funding request along with a Memorandum of Understanding (MOU) between Broward County and Broward Sheriff's Office (BSO) for the design and construction of the Project was approved by the Board on September 10, 2019.

Solicitation Proposal - \$68,481,776

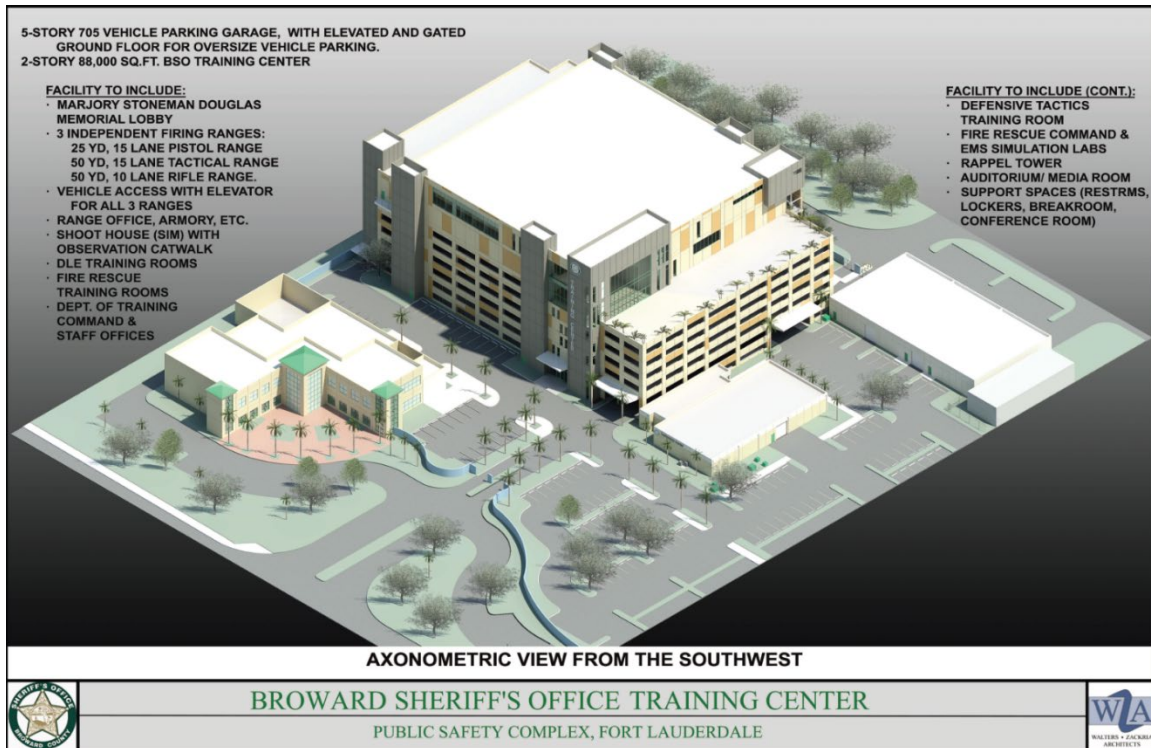
Subsequent to approval of MOU, BSO issued a RLI inviting qualified proposers to submit letters of interest and statements of qualifications and experience for consideration to provide services based on a Design Build Agreement for design and construction of the Project. The RLI explicitly stated that the estimated budget for the Project was \$34 million, and the selected design/build firm would agree to:

- Provide complete professional architectural, engineering and/or other professional design and construction services including all necessary personnel, equipment, and materials to perform services.
- Complete those design and construction services in accordance with the Project Schedule included in the RLI.
- Complete those services that will deliver a facility (or facilities) within the established Contract Price.

The purpose of RLI was to prequalify and shortlist vendors for submission of proposals and consideration by the selection committee. The selection committee, responsible for review and award of the contract, included a representative from Broward County's (County) Construction Management Division (CMD). Figure 24 displays the proposed requirements for the Project

consisting of a single building structure containing 5-story, 705 vehicle, oversized Parking Garage, and 2-story, 88,000 square foot, Training Center on top of the Parking Garage:

Figure 24 - Initial Design



Source: RLI#200121C Design-Build Services – BSO Training Center obtained from BSO staff.

Post issuance of the RLI, BSO issued a Request for Proposal (RFP) to include pricing submittals for design and construction of the Project. All proposals received for the RFP include pricing submittals ranging from **\$65 – 81 million**, including the Add-Alternates. ANF Group, Inc. (ANF) was selected and awarded the contract for design and construction of the Project. The total price submitted by ANF was **\$68,481,776**, containing the following breakdown (by Phases):

- **Phase 1 (Base Bid) – \$46,558,588.**
- **Phase 2 (Add Alternate #1) –\$20,704,351.**
- **Phase 3 (Add Alternate #2) –\$1,218,837.**

Negotiated Contract - \$49,650,464

Along with the proposal for design and construction of a single structure building containing a 5-story Parking Garage and 2-story Training Center shell on top, ANF submitted to BSO alternative designs for a two-building structure that included a standalone 4-story Training Center and 5-story Parking Garage. The proposed alternative building design by ANF offered to simplify building code impacts and building construction type by separating the Training Center building from the Parking Garage and provide overall construction costs saving opportunities. Figure 25 displays the "Working Deviation Report" containing a list of all changes negotiated with ANF as cost-saving measures in alternative designs.

Figure 25 – Working Deviation Report

 WORKING DEVIATION REPORT	
9/24/2020	
Item	
001	We developed an alternate design that separates the parking garage from the training building to simplify building code impacts and building construction type. See attached drawings for more detail.
002	We have provided a functional and structural division the 50 yard shooting lanes. See attached drawings for more detail.
003	Sales Tax Savings
004	Sitework - General Reduction
005	Landscaping & Irrigation - Code Only
006	Eliminate Fencing & Gates
* 007	Exterior Glazing - Reduction in Quantity to approximately 4,500 SF. Level E impact rating is included.
* 008	Original Category 5 Building Requirement is included.
009	Auditorium Space - Convert to General Meeting Space without Riser Seating or Acoustical Baffles / Wall Treatments. Use a Basic A/V system (projection screen and projector)
010	Simplify Ceiling @ MSD Lobby - No Serpentine/Wave
011	Targeted Reduction in Cost for MSD Lobby Finishes (Stone Cladding, Wall Panels, TZ Flooring)
012	Targeted Reduction in Fire Sprinkler cost
013	Targeted Reduction in Cost for Flooring @ 1st/2nd/3rd Floor - \$10/SF Installed, All Flooring Types
014	Targeted Reduction in Electrical cost
015	Utilize Alternate Range Equipment Vendor and Ventilation Vendor (Spire, Rushing Air, Savage Arms, Or Equal)
* 016	Building Mechanical System: Our proposal is built upon the utilization of a water cooled chiller plant. DX package units shall be utilized for the gun range only.
* 017	Generator to be provided per original project alternate requirements.

Exhibit A, Attachment 1
Negotiated Design Changes & Deviation Report
Page 2 of 53

Source: Agreement Between BSO and ANF Group, Inc.

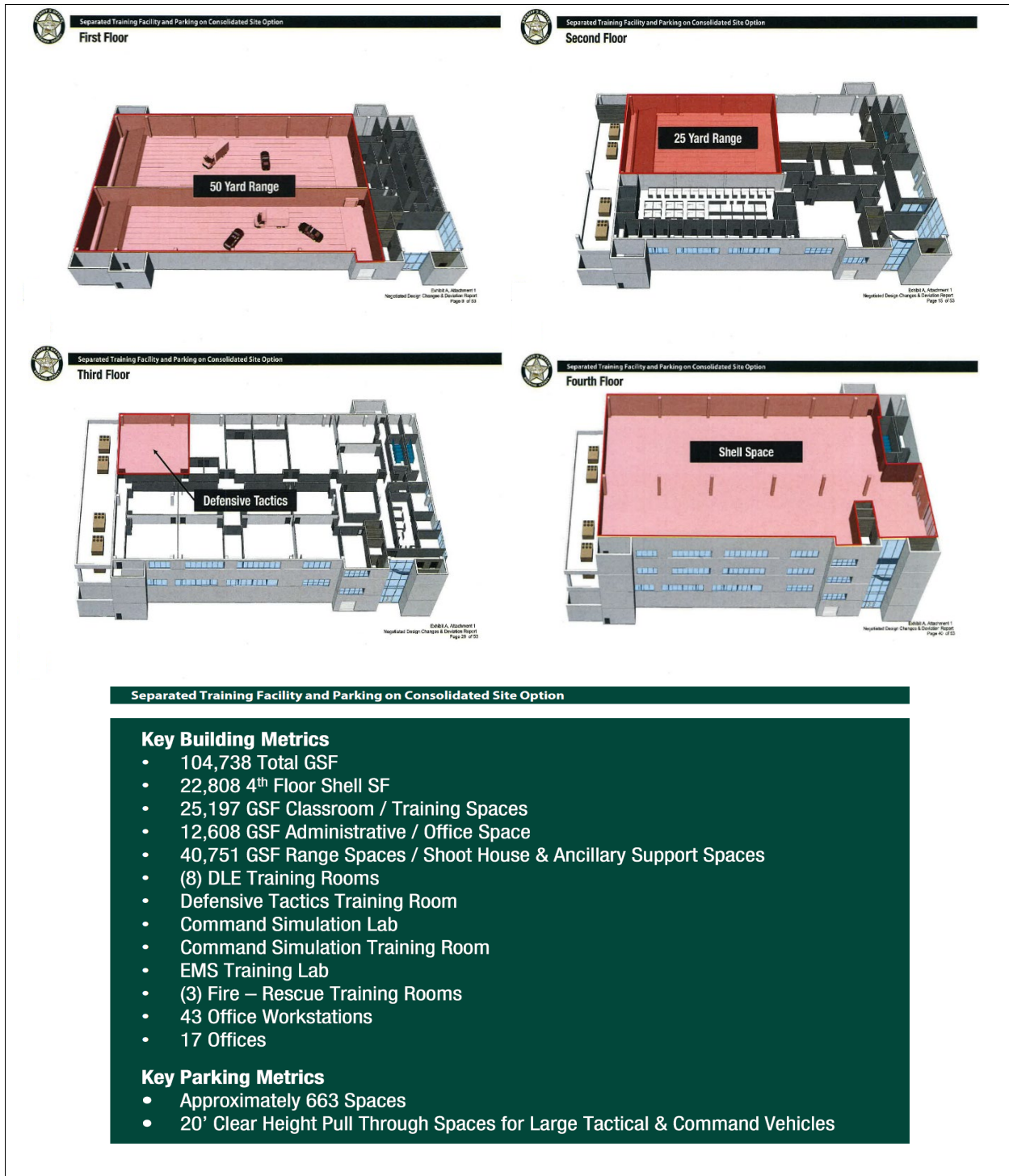
Figure 26 displays images representing the alternative design concepts for a separate 4-story Training Center building.

Figure 26 – Alternative Training Center Building Design Option



(Figure continued on following page)

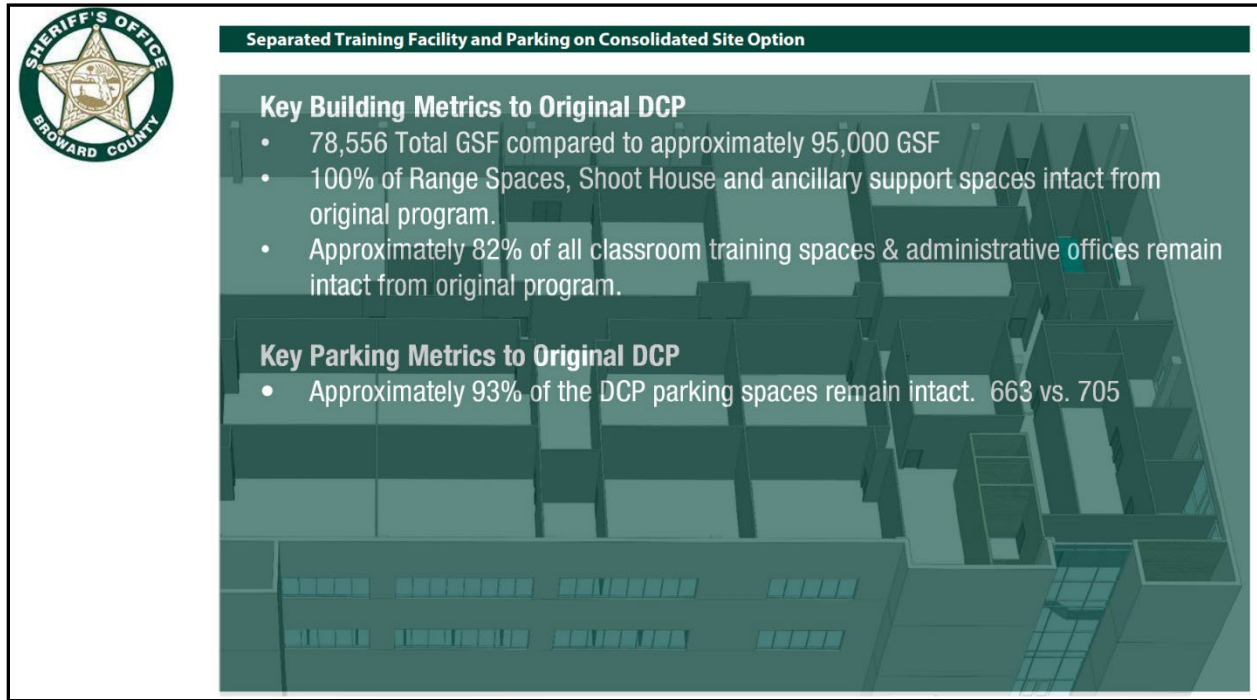
Figure 26 (Continued) - Alternative Training Center Building Design Option



Source: Agreement Between BSO and ANF Group, Inc.

Figure 27 displays key differences between original and alternative design concepts submitted by ANF for the Facility.


Figure 27 – Key Differences Between Original and Alternative Project Design



Source: Information obtained from BSO staff.

BSO adopted the alternative designs for a two-building structure including a standalone 4-story Training Center and 5-story Parking Garage and the list of changes proposed by ANF as cost saving measures in the Working Deviation Report (Figure 25). Using value engineering techniques and scope reduction strategies, BSO negotiated an **Agreement price of \$49,650,464** for the Project with ANF, a net reduction of approximately \$18.8 million from the proposal price. BSO and ANF executed a signed agreement on February 18, 2021, containing a contract price of \$49,650,464. Figure 28 displays the Schedule of Values for the contract price of \$49,650,464 agreed-upon by BSO and ANF.

Figure 28 – Schedule of Values

		
EXHIBIT "G" Schedule of Values		
Broward Sheriff's Office		
Training Center & Parking Garage Free Standing Parking Garage, 4-Story Free Standing Training Building, Vanilla Box Scheme 663 Parking Spots / 103,015 GSF Training Building 2/4/2021		
ESTIMATED SCHEDULE OF VALUES		
BID PACK	SCOPE OF WORK	TOTAL
1A	General Trades	\$ 555,800
1B	Surveying - Layout & As-Builts	\$ 85,300
2A	Earthwork, Utilities, Paving	\$ 987,185
2B	Landscaping and Irrigation	\$ 157,417
2C	Augercast Piles	\$ 1,067,320
3A	Concrete	\$ 2,571,544
3B	Precast Structure	\$ 10,514,912
5A	Structural Steel & Misc. Metals	\$ 932,275
5B	Fencing & Security Gates	\$ 76,004
6A	Rough Carpentry	\$ 47,783
6B	Architectural Woodwork	\$ 287,550
7A	Caulking and Waterproofing	\$ 184,160
7B	Roofing	\$ 354,062
8A	Doors, Frames, Hardware	\$ 751,307
8B	Aluminum Glass and Glazing	\$ 976,327
8D	Overhead Doors	\$ 40,000
9A	Framing & Drywall	\$ 1,449,254
9B	Stucco & Exterior Framing	\$ 205,957
9C	Acoustical Ceilings	\$ 217,134
9D	Flooring Package	\$ 614,854
9E	Terrazzo	\$ 175,212
9F	Paint and Wallcovering	\$ 485,061
10A	Specialties	\$ 572,197
11A	Equipment	\$ 49,898
12A	Seating - Not Included	\$ -
13A	Shooting Range Systems Equipment	\$ 2,418,785
13B	Shooting Range Mechanical	\$ 1,526,000
14A	Elevators	\$ 504,000
15A	Plumbing	\$ 1,368,993
15B	HVAC	\$ 4,249,323
15C	Fire Protection	\$ 874,130
16A	Electrical	\$ 5,714,200
17A	Low Voltage Systems - Backbone, Phone/Data, Security, CCTV	\$ 1,084,195
	Trades Subtotal	\$ 41,098,140
ESTIMATED PROJECT SUBTOTALS		
	Trades Subtotal	\$ 41,098,140
	General Conditions	\$ 1,797,158
	Design Services	\$ 3,071,825
	Builder's Risk Insurance	\$ 215,763
	General Liability Insurance	\$ 401,329
	ANF Performance and Payment Bond	\$ 273,449
	Fee	\$ 1,603,469
	Subtotal Construction Costs	\$ 48,461,134
ALLOWANCES / OTHER COSTS		
	Public Art and Design Program - NIC	\$ -
	Sales Tax Savings Allowance	\$ (410,670)
	Contractor Contingency	\$ 600,000
	Permit Allowance	\$ 400,000
	BSO's Contingency Allowance	\$ 600,000
	Total Allowances / Other Costs	\$ 1,189,330
GRAND TOTAL		\$ 49,650,464

Source: Agreement Between BSO and ANF Group, Inc., obtained from BSO staff.

APPENDIX B – MANAGEMENT'S RESPONSE



Michael W. Ruiz, Assistant County Administrator
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7333 • FAX 954-357-7360

MEMORANDUM

DATE: August 6, 2024
TO: Robert Melton, County Auditor
FROM: Michael W. Ruiz, Assistant County Administrator *Michael W. Ruiz*
RE: Management Response to County Auditor's Report on Audit of Broward Sheriff's Office Training Center Project

County Administration and the Public Works Department have reviewed the County Auditor's Report on the the Audit of the Broward Sheriff's Office Traning Center Project. In summary, Management agrees with the Auditor's overall findings and conclusions. Importantly, while costs and transactions were appropriately approved for reasonable purposes and in compliance with the Memorandum of Understanding (MOU), the cost of the project will still result in a funding shortfall of approximatley \$9.2 million, significantly driven by the Delegation of Authority (DOA) model and the unintended consequences that led to most Opportunities for Improvement (OFI).

OFI: Delegation of Authority

Management attributes the weaknesses of the DOA model for eight of the nine OFI offered in the audit. These include the wellness center build-out, the drainage solutions, the branding expenses, the removal and reinsertion of project elements, the level of project cost monitoring and budgetary oversight, the documentary evidence of final approvals, the accuracy of initial cost estimates, and the building logo/naming issues. In each of these areas, had the County maintained control of the project, these issues may have been averted or mitigated.

It should be noted that the DOA model creates a particularly challenging dynamic for Management with respect to the Broward Sheriff's Office (BSO). Given the scale of the BSO budget and the statutory power of the Sheriff to shift funds once appropriated, change orders provide only limited budgetary and design control over the project. This is most apparent with respect to the wellness center. In addition, this budgetary option, when combined with the lack of County site control, may have facilitated the branding, logo, and naming issues.

August 6, 2024
Robert Melton, County Auditor
Subject: Management Response to Audit of
Broward Sheriff's Office Training Center Project

After reviewing the eight OFI, Management will critically weigh the challenges posed by the DOA model and compare them to the intended benefits. However, Management remains open to cooperating with BSO on smaller scale repair, replacement, and maintenance projects, especially in facilities where BSO has significant operational or security control, such as detention facilities.

OFI: Public Art

Management will continue reviewing the Public Art program and present the Board with options for clarifying the authority of County Administration in determining the extent to which Public Art funds are allocated from any given project.

OFI: Logo and Naming

Management concurs with the Auditor that County and BSO logos must be right-sized and that all naming outside and inside the building must be authorized by the Board or removed.

Thank you for the opportunity to respond and provide Management's comments to the Audit. If the County Auditor modifies substantive elements of the existing draft, please provide us the opportunity to review and respond prior to issuance. If you have any questions, do not hesitate to contact me.

cc: Monica Cepero, County Administrator
Kimm Campbell, Deputy County Administrator
Kevin Kelleher, Assistant County Administrator
Trevor Fisher, Director, Public Works Department
Ariadna Musarra, Director, Construction Management, Public Works Department
Andrew J. Meyers, County Attorney
Kathie-Ann Ulett, Deputy County Auditor

APPENDIX C – BROWARD SHERIFF'S OFFICE RESPONSE

Broward Sheriff's Office
2601 West Broward Boulevard
Fort Lauderdale, FL 33312
954.831.8900 www.sheriff.org



Sheriff Gregory Tony

August 5, 2024

Mr. Robert Melton, County Auditor
115 S Andrews Avenue, Room 520
Ft. Lauderdale, FL 33301

Re: Broward Sheriff's Office (BSO) Response to the Report on the Audit of the BSO Research, Development & Training Center Project

Dear Mr. Melton:

Please accept this letter as the Broward Sheriff's Office (BSO) Response to the Report on the Audit of the BSO Research, Development & Training Center Project. While BSO appreciated the opportunity to provide input to the audit team prior to finalization of this audit report, the final report failed to consider a number of factors, many beyond BSO's control, that resulted in increased costs. Further, this rushed audit report sent to BSO intentionally concealed several portions from viewing, thus limiting BSO's comprehensive review and response to said report before its release.

It is dismaying that while certain key considerations were shared by BSO with the audit team, they were not included in the final report. If the goal of the Board of County Commissioners is to conduct a fair assessment of this construction project, these considerations would have been included. However, it appears that that was not the intent of this audit. In fact, while BSO believes in transparency and has cooperated fully with the audit, the process by which this audit has been conducted leaves open questions as to its true purpose and intent. For example, this audit was initiated *prior* to completion of this construction project and *after* BSO requested additional funding specifically because of changes required by County Administration that resulted in millions of dollars in additional costs. Furthermore, there was a rush to publish a non-final "interim audit report" prior to the BSO budget workshop with the County, despite the fact that audit reports are confidential and exempt from public disclosure under Florida law until the audit becomes final. Now, without addressing the many concerns with the report that BSO has communicated with the audit team, there is once again a rush to publish what is described as a final audit report, even though the construction project has not been closed out and the associated Memorandum of Understanding (MOU) and contractual agreements have not been discharged.

Response to the RDTC Audit

August 5, 2024

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It is fundamental precept to any audit that its purposes be transparent and its findings be accurate, credible and comprehensive. Political gamesmanship and ulterior motives set in motion the timing of this audit. Therefore, in order to provide the Board of County Commissioners with a more complete and balanced understanding of this project, we have provided the below response and commentary to the audit report. Where additional context is required, we have provided it.

Overall, when taking into account all of these considerations, you will find that BSO performed exceptionally well managing this large, expedited construction project despite numerous challenges, including those caused by the worldwide COVID-19 pandemic that limited the supply chain, labor workforce and significantly increased costs. Pursuant to the terms of our MOU between Broward County and BSO, the County required BSO to use its own personnel, processes, resources and funds to complete this project.

To date, BSO has kept that promise to the public we serve and completed the mission that County Administration was reluctant to directly undertake in such an expedited fashion. As you are aware, the Sheriff has great discretion in implementing this MOU, especially when the MOU is silent on any topic or contains incomplete or conflicting terms relative to this public works project. Florida Statute 31.53 states in part: *“The independence of the sheriffs, including a sheriff in a consolidated government, consolidated pursuant to s. 3 or s. 6(e), Art. VIII of the State Constitution or s. 9, Art. VIII of the State Constitution of 1885, as preserved by s. 6(e), Art. VIII of the State Constitution, shall be preserved concerning the purchase and procurement of supplies and equipment, selection of personnel, and the hiring, firing, and setting of salaries of such personnel...”*

On balance, this project was a success by any measure, although the audit failed to address key performance indicators that illustrate this fact. No notable lost-time accidents or safety violations occurred at the construction site and no known material construction defects were reflected in the final delivered structure, unlike other similar public construction projects initiated or completed during similar time frames. Lost in the discussion and audit analysis is the fact that the County Administration at the time was unable to undertake this project on such an expedited basis and suggested it be deferred for years. This necessitated BSO taking the lead on this public works project, and thus allowing the County Administration to focus on managing its other preferred construction projects around Broward County during this same time period. County Administration avoided the dedication of County resources, assets and expenses to address this complex public works project. These included but were not limited to expenses related to government procurement processes, extensive public meetings and hearings, addressing insurance and statutory bonding requirements, extensive construction management resources, legal expenses and other transactional costs. Nevertheless, County Administration still required BSO to pay over \$1,000,000 in building permit fees/costs, as County Administration would not waive the same and apparently considered this public safety project a revenue source.

Response to the RDTC Audit

August 5, 2024

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Finally, it should not be lost on County Administration or the Board of County Commissioners that the genesis of this complex, expedited public works project was the tragic loss of 17 lives, and the promise by the Sheriff of Broward County that this agency would be better prepared in the future to confront mass violence events. The Sheriff has delivered on that promise in record time by taking command of the project which has resulted in one of the finest training facilities for a public safety agency in the entire nation. This facility will enhance the safety and security of all Broward County residents and visitors, and should be seen as a proud accomplishment not only for this department, but for this entire county.

Finding 1: Total Anticipated Project Costs Exceeded Dedicated Project Funding Resulting in an Approximate \$9.2 million Project Funding Shortfall.

BSO Response:

It is important to note that funding for this project, as stated in the MOU between BSO and Broward County, came from re-apportioning funds from the Sheriff's Reserve fund. Furthermore, the MOU allows BSO to utilize funds in the Sheriff's Reserve account to pay down any cost overruns. Lastly, the MOU allows BSO to utilize other funding sources to pay for costs relating to this project.

Budgeting for this project was handled in strict accordance with the MOU between BSO and Broward County. As of the date of this letter, all funding required to close out this project has been identified and allocated. No funding shortfall exists. BSO still maintains our claim to recoup the approximate \$6 million in costs incurred by BSO as a result of County mandated project changes, including the R-Tank drainage system and air conditioning system changes referenced elsewhere in the audit report.

Characterizing these \$9.2 million dollars as a "project shortfall" is inaccurate and misleading and a misrepresentation of the nature of the funds utilized to complete this project or an attempt to cast a negative light on BSO's financial management of this project.

Finding 2: (This Finding was Withheld from the Broward Sheriff's Office)

BSO Response:

This finding was intentionally withheld from BSO and was redacted on the version of the Audit Report presented to BSO for review and comment prior to public release. Additionally, requests for additional information regarding this finding during meetings with the County Audit team so that BSO may provide input and response as appropriate were denied, citing "confidentiality".

BSO reserves the right to add pertinent contextual information or correct any inaccurate information once this finding is made available to BSO.

Finding 3: Wellness Center Build-Out was Completed entirely Through Change Orders Totaling \$6.1 Million Should Have Been Presented to the Board of County Commissioners for Approval or Denial.

BSO Response:

This Finding citing a perceived failure in the review and approval process should be directed to County Administration for explanation. The bulk of the Wellness Center Build-Out was presented in the form of Change Order 27. In strict accordance with Article 7 of the MOU between BSO and Broward County, BSO submitted this material Change Order to Broward County on April 24, 2024, to “*provide approval or any objections thereto*” within the fourteen (14) day agreed upon time limit. After a 30-day period where no response of any sort was received from County Administration regarding this Change Order, on May 23, 2024, and again on May 31, 2024, formal written inquiries were submitted to County Administration after several attempts to obtain status update via telephone calls yielded no result. As County Administration unreasonably withheld approval of Change Order 27, on June 5, 2024, BSO authorized the build firm to proceed with the project to prevent further delay. As of the date of this letter, BSO has yet to receive any response or commentary from County Administration on our submission of Change Order 27.

This inaction by County Administration, by way of non-responsiveness and material delay to BSO’s forgoing requests for approval for this particular Change Order is tantamount to County Administration’s abandonment of its obligations under the MOU, and would have paralyzed the project, but for BSO exercising its discretion under Florida Statute 31.53 to move forward and avoid the extra costs that would be the natural consequences of this unreasonable, conscious and purposeful inaction.

The Wellness Center Build-Out was completed in strict accordance with the mutually agreed upon terms of the Memorandum of Understanding between BSO and Broward County concerning the management of this construction project.

Finding 4: Drainage Solution Change Orders Totaling \$6.1 Million Should Have Been Presented to the Board of County Commissioners for Approval or Denial.

BSO Response:

This Finding citing a perceived failure in the review and approval process should be directed to County Administration for explanation. The bulk of the revised Drainage Solution, referred to as the “R-Tank”, was presented in the form of Change Order 8, and subsequently approved by County Administration on August 25, 2022. As stated on the Change Order document, “*during the Broward County Surface Water Management site plan review they required additional drainage on the existing facilities parking lot areas, which was not indicated on the design criteria*”. In other words, the Broward County Resilient Environment Department required a change from BSO’s original proposed drainage solution, which would have cost approximately \$105,000 to a new drainage solution costing approximately \$5,993,000. On June 27, 2022, a meeting was requested with County Administration to directly appeal for the utilization of the original, less costly drainage solution, a solution already utilized by the Riverbend Corporate Park, a for-profit

entity adjacent to the BSO Public Safety Complex. BSO ultimately acquiesced to County Administration's position requiring the implementation of the more costly R-Tank drainage solution.

The Drainage Solution Change Order, as required by Broward County, was completed in strict accordance with the mutually agreed upon terms of the Memorandum of Understanding between BSO and Broward County concerning the management of this construction project.

Finding 5: Branding, Consisting of Illuminated BSO Logos, Full-Wall Graphics, inspirational Quotes, and Motivational Signs Was Added to Non-Public Areas, Entirely Through Change Orders at an Added Project Cost of \$552,905.

BSO Response:

The Board of County Commissioners have a statutory duty to provide suitable facilities for constitutional officers, including the Sheriff of Broward County. Notwithstanding that these properties and facilities remain deeded to the Board of County Commissioners, it is clear that once the constitutional officers occupy these facilities, they enjoy full use of these facilities in a manner that meets their operational needs.

One critical need for public safety agencies is to instill a sense of camaraderie, teamwork and belonging within the organization, especially an organization as diverse as BSO. One way to accomplish that is through "branding", which includes inspirational quotes that identify the agency's values and motivational images of peers engaged in public safety service. This branding has been utilized throughout the Public Safety Building, including non-public areas, for the past 25 years.

To question the appropriateness of branding in a non-public area illustrates a lack of understanding of what drives public safety professionals and why non-elected bureaucrats should not be involved in any public safety decisions that impact the community.

Finding 6: BSO Removed Certain Project Components Out of the Agreement, Then Later Added These Items Back Through Change Orders at a Cost of \$3,970,329.

BSO Response:

The bulk of the project components referenced in this finding include the firearms range and the auditorium. Specifically, changes were made to the firing range design to allow for higher ceilings, which permits the implementation of more realistic tactical training scenarios, such as incorporating the use of vehicles and barricades. An additional change to the firearms range involved the conversion of a traditional air conditioning system to a "water chiller" system. This change in the air conditioning system, totaling \$1.1 million, was mandated by County Administration, and questions regarding this item should be referred to County Administration.

Response to the RDTC Audit

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An additional project referenced in this finding was the conversion of a “flex-room” to an auditorium. As BSO and the build firm initiated negotiations to reduce the overall cost of the project, a proposal to convert the auditorium to a less expensive “flex-room” was implemented. As the project was underway, it was determined that the “flex-room” would not meet additional identified needs for education and training. As a result, the auditorium was re-inserted into the project.

The County Auditor’s statement on Page 32 of the audit report that “*realizations over escalating costs may have incentivized BSO staff to remove certain items from the negotiated Agreement despite evidence that these items would likely be added back later through change orders*” is wholly inappropriate and patently false. To insinuate “bait & switch” practices pertaining to fiscal matters on a project that was wholly funded utilizing BSO funds, predominately funds from the Sheriff’s Reserve account, an account whose creation and use is governed by state statute and not County policy, is absurd and it is highly inappropriate to include such speculation in an audit report.

All change orders referenced in Finding 6 were completed in strict accordance with the mutually agreed upon terms of the Memorandum of Understanding between BSO and Broward County concerning the management of this construction project.

Finding 7: (This Finding was Withheld from the Broward Sheriff’s Office)

BSO Response:

This finding was intentionally withheld from BSO and was redacted on the version of the Audit Report presented to BSO for review and comment prior to public release. Additionally, requests for additional information regarding this finding during meetings with the County Audit team so that BSO may provide input and response as appropriate were denied, citing “confidentiality”.

BSO reserves the right to add pertinent contextual information or correct any inaccurate information once this finding is made available to BSO.

Finding 8: Evidence of County approval of Design and Contract Documents is Lacking.

BSO Response:

BSO hosted weekly meetings, to include invitations to various County staff, throughout the construction project. The Design Criteria Package was but one of the items discussed at these meetings. Additionally, County staff was invited to participate in the contractual negotiations with the build firm. To suggest that BSO proceeded with this large-scale public safety construction project without approval from Broward County is absurd.

In regard to approval for the contractual agreement with the build firm, the audit team was briefed on a meeting between BSO and Ms. Bertha Henry, the former County Administrator whose vision and initiative was the catalyst that brought this historic project to fruition, whereby approval to proceed was received, conditioned upon a revision to the

air conditioning system in the firearm ranges. This sequence of events was memorialized in an email sent by Ms. Henry to BSO on February 17, 2021, which was provided to the audit team. It is well established that interviews are a suitable method to verify compliance during an audit. BSO suggested that the audit team contact Ms. Henry to further verify the County's approval on this contract, but it does not appear this suggestion was implemented.

Finding 9: The Original Project Cost estimate was Understated.

BSO Response:

It must be noted that the original proposed project referenced in the MOU between BSO and Broward County consisted of a two-story training center with a four-story parking garage. The final iteration of the project consisted of a four-story Research, Development & Training Center, with an adjacent seven-story parking garage. Additionally, the original estimate was calculated prior to the COVID-19 pandemic.

BSO does not oppose any recommendation for a more collaborative review and vetting process of project estimates and magnitude of cost calculations.

Finding 10: Planned Public Art Funding for the Training Center Needs to be Further Reviewed.

BSO Response:

The original Public Art funding allocation was set at \$663,643 plus additional maintenance costs, which would be borne by BSO. Revised calculations may increase this cost.

At the project's inception, BSO took the position that since the Public Safety Complex already has public art visible on the corner of Broward Boulevard and NW 27th Avenue, the RDTC Project should be exempt from this requirement. BSO was advised that since this project was for the construction of a new building, additional public art must be incorporated into the overall project cost.

BSO has already requested a meeting with County Administration to further discuss the proposed options identified within this finding.

Finding 11: County Logo and Building Naming Issues Need to be Approved by the County.

BSO Response:

The name of the sitting sheriff has been incorporated as part of BSO's logo for the past 25 years and has been displayed throughout the Public Safety Building and other buildings within the Public Safety Complex. It is common practice amongst Florida sheriff's offices to display the name of the sitting sheriff on building signage. BSO does not see the nexus between displaying the agency logo with the current sheriff's name on a building and the dedicated "naming" of a building.

Response to the RDTC Audit

August 5, 2024

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Attempts by Broward County to regulate whether BSO identifies this building as the “Training Center” or “Research, Development & Training Center” are pedantic at best and self-serving at worst. It must also be noted that plans and drawings for all building signs were approved through the regular County permit process and align with current building codes.

In closing, we trust that this additional information will provide further clarity to better understand the unique dynamics of this project. The men and women of the Broward Sheriff’s Office are proud of all that has been achieved.

Sincerely,

Colonel Oscar Llerena

Colonel Oscar Llerena
Executive Director
Department of Administration

cc: Sheriff Gregory Tony
Undersheriff Nichole Anderson
Terrence Lynch, General Counsel
Stephen Muffler, Deputy General Counsel
Kathie-Ann Ulett, Deputy County Auditor
Jedidiah Shank, Audit Manager

APPENDIX D – COUNTY AUDITOR'S COMMENTS ON BROWARD SHERIFF'S OFFICE RESPONSE

COUNTY AUDITOR'S COMMENTS ON BROWARD SHERIFF'S OFFICE RESPONSE

The response provided by Broward Sheriff's Office (BSO) is misleading, inflammatory, and does not accurately address the issues noted in our report. We note that BSO is commenting on transparency; however, during the course of the audit, they required our Office to make public record requests in order to provide us with information regarding BSO Budget Transfers related to project funding, even though these monies were County funds in custody of the Sheriff. This attempted roadblock to providing basic information to the Office of the County Auditor is inappropriate.

In its response, BSO complained that the draft report provided to them in advance as a courtesy did not include Opportunities For Improvement related to issues for action by County Administration. Our Office is required by state law to keep draft reports confidential, so it would have been inappropriate, at a minimum, to provide a draft containing issues that do not directly require action by BSO.

It is common for audits to be conducted prior to project completion, especially for construction projects. It is not unusual, and can in fact, be beneficial to allow parties the opportunities to correct issues prior to project completion.

The issuance of Interim Reports is not only allowable by my Office but is sometimes necessary to provide the Board of County Commissioners and the public timely and valuable information as needed to assist in the decision-making process. In this instance, not only was the Board holding budget hearings, but BSO had previously requested an additional \$6.1 million in funding for construction of the training center. The Board was awaiting audit results prior to taking action on BSO's \$6.1 million request. All audit reports become public record whenever issued and provided to the agency.

The audit process was not 'rushed' as the original goal to complete the audit in 90 days was clearly communicated to BSO at the entrance conference on February 22, 2024.

Regarding Opportunity for Improvement No. 6, the facts are that BSO removed certain project components from original Design-Build agreement (agreement) with the intent to reduce the initial cost of the Project. BSO later added these items back, through Change Orders, at a cost of \$3,970,329. Having these items included in the agreement would have facilitated a more accurate project budget from the beginning and avoided the impact of increases in costs of materials, negotiation of change orders, and time delays.

Regarding Opportunity for Improvement No. 3, Broward County Construction Management Division directed BSO to obtain approval from Broward County Administration prior to

proceeding with any work regarding the build-out of the Wellness Center; however, BSO proceeded without obtaining specific approval as requested.

Through our audits, we strive to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. We believe this audit has achieved those objectives.