



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Audit Report
2019-A-0008
Village of Palm Springs
Water Utility
Cross-Connection Program
July 15, 2019

Insight – Oversight – Foresight



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AUDIT REPORT 2019-A-0008

DATE ISSUED: JULY 15, 2019



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VILLAGE OF PALM SPRINGS WATER UTILITY CROSS-CONNECTION PROGRAM

SUMMARY

WHAT WE DID

We conducted an audit of the Village of Palm Springs (Village) Water Utility Cross-Connection Control¹ Program (Program). This audit was performed as part of the Office of Inspector General, Palm Beach County (OIG) 2019 Annual Audit Plan. These are compliance/performance audits which are completed to verify the existence of a Program and to review agreements and documentation relating to the implementation of the Program. We do not collect water samples or test water quality.²

We selected the Village because the Village's Professional Service Agreement (Agreement) with Florida Hydrocorp, Inc. (Vendor) to manage its Program was piggybacked by other municipalities.³

Additionally, inadequate cross-connection controls and lack of proper testing of devices may increase the risk and impact on water quality.

Our audit focused on the Program requirements and controls. The scope included a review of the Village's management of its Program from October 1, 2016 to September 30, 2018.

WHAT WE FOUND

We found that overall internal controls for the Program are adequate, and if followed consistently, provide reasonable assurance for compliance with applicable laws, rules, and regulations. We noted some weaknesses; however, the weaknesses we identified did not affect our overall assessment of the internal controls for the Program.

¹ US Environmental Protection Agency (EPA) Cross-Connection Control Manual states that cross-connections are the links through which it is possible for contaminating materials to enter a potable water supply. The contaminant enters the potable water system when the pressure of the polluted source exceeds the pressure of the potable source. The action may be called backsiphonage or backflow. Many states and local jurisdictions require cross-connection control and backflow prevention programs, and the program requirements vary widely between jurisdictions. Community water systems in Florida must establish and implement a cross-connection control program utilizing backflow protection at or for service connections in order to protect the system from contamination caused by cross-connections on customers' premises.

² This audit report will be referred to the Florida Department of Environmental Protection and Florida Department of Health for review and consideration.

³ The risk was increased for the agreement because other municipalities are using the agreement. If there is an issue with the initial agreement then other municipalities that are using the agreement would have the same issue(s); therefore, the Village was selected to ensure the controls were in place for the agreement since it was the original agreement.

We found that internal controls were generally adequate for the procurement process, the payment process, and the computer system information related to the Program.

However, we found that the Village did not adequately monitor its Program for compliance with applicable legal guidance. We found that the internal controls were not adequate in regards to monitoring the terms and conditions of the Agreement and inspector certifications.

Additionally, we found that there were instances of non-compliance with the Program requirements and a lack of proper supporting documentation.

Our audit identified **\$8,260** in questioned costs⁴ due to instances of non-compliance and lack of proper documentation. Additionally, we found **\$525** in identified costs⁵ that may be recouped from the vendor where contractor/inspectors lacked required licenses to perform inspections.

Inadequate Monitoring of the Vendor's compliance with the Agreement and/or Florida Law

The Village did not provide our office with adequate documentation indicating that the Vendor complied with all the Vendor's obligations under the Agreement. Additionally, the Village could not provide our office with documentation showing that the Vendor's inspectors held appropriate licenses/certifications.

The following instances of non-compliance and a lack of proper documentation were noted:

- Of the 206 backflow prevention devices the Vendor's inspectors tested or that were re-tested by other inspectors, 53 devices were inspected by an inspector who was not properly certified, as required by section 633.334, Florida Statutes. This resulted in **\$525** of identified costs.
- Of the 40 backflow prevention devices (39 fire protection and 1 domestic) tested by Vendor's inspectors that failed the original inspection, two (2) fire protection devices were not re-inspected, and the Village provided no documentation to indicate that those devices were repaired, replaced, or re-inspected.
- There were five (5) backflow prevention devices that did not have an inspection report available for review.
- There were 105 fire protection devices and 34 domestic backflow device inspections that were completed by a contractor/inspector that were not properly bid, as required by the Agreement. This resulted in questioned costs of **\$6,730** for fire protection backflow prevention devices and **\$1,530** for domestic backflow prevention devices.

⁴ Questioned costs are costs or financial obligations that are questioned by the OIG because of: an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. **As such and in this specific case, not all questioned costs are indicative of potential fraud or waste.**

⁵ Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

- There were 39 fire protection devices and 1 domestic backflow prevention device that had inaccurate information in the computer record.

WHAT WE RECOMMEND

Our report contains one (1) finding and offers eight (8) recommendations. Implementation of the recommendations will 1) assist the Village in strengthening internal controls and 2) help ensure compliance with requirements.

The Village stated it has taken corrective action to implement the recommendations and stated it has resolved four (4) of the eight (8) recommendations.

We have included the Village's management response as Attachment 1.

BACKGROUND



The Village of Palm Springs was incorporated in 1957. The Village Council consists of five members, who shall be electors of the Village, with one residing in each of the four election districts and a Mayor who may reside in any of the four election districts. The Village Council is elected by the electors of the Village and the members serve four year terms. The Mayor presides over the Village Council. The Village Manager is appointed by the majority vote of the councilmembers. The Village Manager is responsible to the Village Council for the administration of all village affairs.

The Village is approximately 1.6 square miles and has a population of 22,458. The Village provides a wide range of community services including public safety, planning and zoning, water and wastewater systems, sanitation, streets and roads, parks, recreation, and a library.

The OIG 2019 Annual Audit Plan included multiple entities selected for cross-connection program audits. The cross-connection audits were included based on concerns regarding the existence of adequate controls that could impact the quality of drinking water. We selected the Village for a cross-connection audit because other municipalities piggybacked the Village's Program management Agreement. The risk associated with the Agreement was increased because issues with the Agreement could impact other municipalities.

Safe Drinking Water Act

Congress enacted 42 U.S.C §300f, et. seq., the Safe Drinking Water Act of 1974 (Act) and amended and reauthorized it in 1986 and 1996. Under the provisions of the Act, the federal government authorized the United States Environmental Protection Agency (US EPA) to establish national primary drinking water regulations to protect against health effects from exposure to naturally-occurring and man-made contaminants. The national primary drinking water regulations apply to every public water system⁶ in the United States, except where specifically exempted by law.

The Act gives primary responsibility to the states to implement a public water system program. In virtually all states, including Florida, the US EPA has given up enforcement of the Act and now serves only in a supervisory role for the state programs approved to take its place.

The Florida legislature enacted the "Florida Safe Drinking Water Act," sections 403.850-403.864, Florida Statutes. This Florida Safe Drinking Water Act and Chapters 62-550, 62-

⁶ "Public water system" means a system for the provision to the public of water for human consumption through pipes or other constructed conveyances if such system has at least 15 service connections or regularly serves at least 25 people for at least 60 days a year. The standards do not apply to private wells.

555, and 62-560, Florida Administrative Code were promulgated to implement the requirements of the Florida Safe Drinking Water Act and to maintain primacy for Florida under the Safe Drinking Water Act of 1974. Florida adopted the national drinking water standards of the federal government and created additional rules to fulfill state and federal requirements. Florida must adopt all new and revised national regulations in order to continue to retain primary enforcement powers.

The Florida Department of Environmental Protection (FDEP) has the primary role of regulating public water systems in Florida. FDEP has delegated the Drinking Water Program to county health departments in eight Florida counties. In Palm Beach County, the authority for the regulation of public water supply systems has been delegated to the Florida Department of Health in Palm Beach County.

The Village's Water System

The Village operates a community public water system;⁷ therefore, the Village is held responsible for compliance with the provisions of the Act and applicable state and federal safe drinking water laws and regulations. This includes a warranty that water quality provided by the Village's operation is in conformance with US EPA standards at the source and is delivered to the customer without the quality being compromised as a result of its delivery through its distribution system.

Rule 62-555.360(2), Florida Administrative Code provides that community water systems in Florida must establish and implement a cross-connection control program utilizing backflow protection at or for service connections in order to protect the system from contamination caused by cross-connections on customers' premises. The US EPA describes cross-connections as "the links through which it is possible for contaminating materials to enter a potable water supply. The contaminants enter the potable water system when the pressure of the polluted source exceeds the pressure of the potable source. The action may be called backsiphonage or backflow."⁸

Water suppliers may not have the authority or capability to repeatedly inspect every consumer's premises for cross-connections and backflow protection. Each water supplier should ensure that a proper backflow preventer is installed and maintained at the water service connection to each system or premises that poses a significant hazard to the public water system. This includes the water service connection to each dedicated fire protection system, to each in-ground irrigation piping system, water service connections to premises with an auxiliary or reclaimed water system service, and commercial, industrial and institutional facilities that may pose a health threat to the public water supply system.

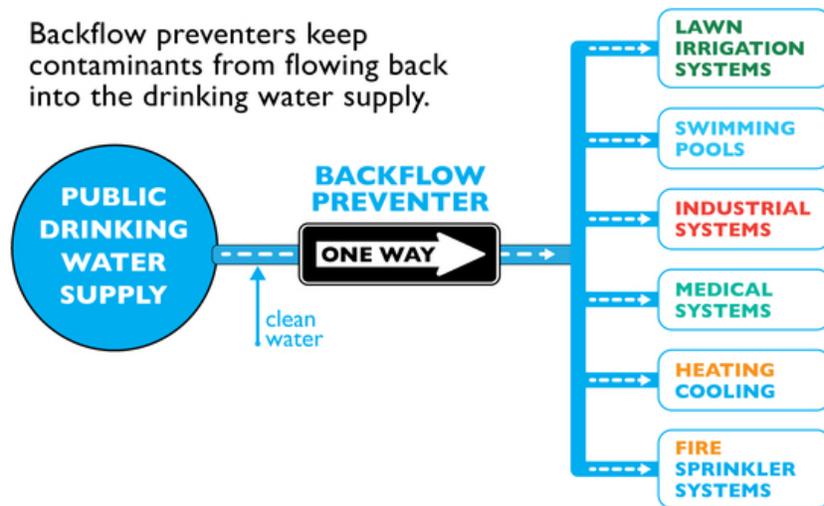
Cross-connection control programs in Florida must include a written plan that is developed using recommended practices of the American Water Works Association set forth in

⁷ A community water system is a public water system that supplies water to the same population year-round.

⁸ US EPA Cross-Connection Control Manual

“Recommended Practice for Backflow Prevention and Cross-Connection Control,” AWWA Manual M14, 3d Edition, 2004, as clarified and modified by Florida Administrative Code.

The Village’s Cross-Connection Control Program, Municipal Code sections 78-131 through 78-136 (Ordinance 2010-26, §4, 10-14-2010), adopted a cross-connection control manual that addressed cross-connections and backflow prevention devices. On October 14, 2010, the Village approved its Cross-Connection Control Manual as Village Resolution 2010-26 to meet the minimum requirements for cross-connection control of public water systems pursuant to Rule 62-555.360, Florida Administrative Code. The Cross-Connection Control Manual’s purpose was to outline the Cross-Connection Control policies for all commercial, industrial, governmental, residential, and miscellaneous facilities having service connections to the Village’s public water supply.



On May 14, 2015, the Village entered into a Professional Service Agreement with the Vendor to manage its Program.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether:

- Internal controls were adequate related to the Program; and
- The Program was monitored appropriately and in compliance with requirements.

The scope of the audit included activities relating to the Program from October 1, 2016 to September 30, 2018.

The audit methodology included, but was not limited to:

- Performance of data reliability and integrity assessment of related computer systems;
- Review of internal controls related to the cross-connection program;
- Review of the cross-connection program policies, procedures, and compliance requirements;
- Interviews with appropriate personnel;
- Review of reports, contracts, and agreements; and
- Performance of detailed analysis of selected transactions and invoices.

As part of the audit, we completed a data reliability assessment for the computer systems used by the Village for the processing of invoices and payments because the Program is outsourced. We determined that the computer-processed data contained in these computer systems was sufficiently reliable for purposes of the audit.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, 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.

FINDINGS AND RECOMMENDATIONS

Finding (1): The Village did not adequately monitor its Cross-Connection Control program for compliance with applicable requirements.

The Village established a Cross-Connection Control Program to address cross-connection and backflow issues for its water and wastewater system within the municipal boundaries and service area. Village Ordinance 2010-26 provides that backflow prevention devices shall be inspected annually or more frequently as the degree of hazard mandates, and tested by a certified backflow prevention device technician approved by the Village.

In 2015, the Village obtained outside services for implementing its Program and entered into the Agreement with the Vendor. We audited the Village's management of its Program and noted several instances of non-compliance.

A. Fire Protection System Inspector licensing/certification requirements

The Agreement between the Village and the Vendor states:

Section 5 - TERMS OF PERFORMANCE

....

H. Personnel: The CONSULTANT represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Agreement....The CONSULTANT shall comply with **all applicable laws** in the provision of services this Agreement.

The Vendor's obligations under the Agreement required it to comply with section 633.334(2), Florida Statutes, which states

“...the inspection of fire protection systems⁹ shall be conducted by a certificate holder or holder of a permit issued by the [Division of State Fire Marshal within the Department of Financial Services]. The permit holder may perform inspections on fire protection systems only while employed by the certificate holder.” [Fnt added]

Out of the 206 backflow prevention devices with an inspection report available to our office for review, 53 devices or 25.7% were inspected by a contractor/inspector who was not properly certified as required by section 633.334.

⁹ Section 633.102(11), F.S. defines “Fire protection system” as a system individually designed to protect the interior or exterior of a specific building or buildings, structure, or other special hazard from fire. Such systems include, but are not limited to, water sprinkler systems, water spray systems, foam-water sprinkler systems, foam-water spray systems, carbon dioxide systems, foam extinguishing systems, dry chemical systems, and Halon and other chemical systems used for fire protection use. Such systems also include any overhead and underground fire mains, fire hydrants and hydrant mains, standpipes and hoses connected to sprinkler systems, sprinkler tank heaters, air lines, thermal systems used in connection with fire sprinkler systems, and tanks and pumps connected to fire sprinkler systems.

B. Inspection reports recordkeeping requirements

Rule 62-550.720, Florida Administrative Code, sets forth recordkeeping and retention requirements for public water systems supplying drinking water in Florida. Specifically, the Code provides that suppliers of water shall retain on their premises, or at a convenient location near their premises,

(3) Copies of any written reports, summaries, or communications relating to cross-connection control program or sanitary surveys of the system conducted by the system itself, by a private consultant, or by any local, State or Federal agency, shall be kept for a period not less than 10 years after completion of the sanitary survey.

Additionally, Section 3.6 of the Village's Cross-Connection Control Manual notes,

An Inspection/Survey Form shall be used in every inspection, as required and will be filed in a location as identified in Section 3.8,¹⁰ along with other pertinent information accumulated. This form will be used to record both existing backflow prevention devices discovered and any requirements for additional backflow prevention devices at the time of the inspection.

Our review of the 211 backflow prevention devices sampled disclosed that five (5) or 2.4% of the backflow prevention devices did not have an inspection report available for review.

Additionally, of the backflow prevention devices that failed the original inspection, two (2) fire protection devices of 40 (39 Fire Protection + 1 Domestic) or 5% were not re-inspected, and there was no documentation to indicate that the devices were repaired, replaced, or re-inspected.

C. Subconsultant requirements under the Agreement

The Agreement between the Village and the Vendor imposes several obligations on the Vendor, including but not limited to:

ARTICLE 8- INDEMNIFICATION AND INSURANCE

.....
 B. Insurance: ...The CONSULTANT shall require all subconsultants, if any, to **obtain the same insurance as required herein** (without the Village named as an additional insured) and no subconsultant shall commence any services under this Agreement until the CONSULTANT has obtained a copy of all subconsultant(s) proofs of insurance. The CONSULTANT shall provide the Village with proof of all subconsultant's insurance upon request by the Village.

¹⁰ The correct section in the Village's Cross-Connection Control Manual is Section 3.9

SCOPE OF SERVICES:

C. RESPONSIBILITIES

6. Coordinate and manage the testing of all testable backflow prevention devices in accordance with FDEP requirements. Services to include testing notification, requirements, receipt of executed testing report, and maintenance of all testing data. The organization/firm will **prepare a bid for local contractors** to establish pricing and credentials for testing all testable assemblies. The organization/ firm will coordinate with the lowest bidders for the testing of all devices. Facilities will be tracked to ensure compliance with testing requirements. Organization/firm will not be in the business of testing BPA...[Emphasis added]

Lack of monitoring of subconsultants under the Agreement

- **Insufficient Documentation showing that Subconsultants were properly bid.** Although the Agreement required the Vendor to Bid out device testing to local contractors, the Village did not provide adequate bid documentation to show that this occurred.
- **Inadequate Insurance of Subconsultants.** The Village did not obtain the certificate of insurance from the Vendor to confirm that the subconsultants had adequate insurance coverage as required by the Agreement.

Of the 211 backflow prevention devices our office tested in the audit (167 Fire Protection and 44 Domestic), the Vendor’s subconsultants inspected 139 (105 Fire Protection and 34 Domestic) backflow prevention devices in the Village or 66% of the sample.

Additionally, there were 39 fire protection and 1 domestic backflow prevention devices that had inaccurate information input into the computer record.

Contract Monitoring

These situations were caused by the Village’s lack of adequate review of the documentation provided for the licensing of inspectors, lack of monitoring of the master device listing to ensure that all backflow prevention devices were inspected, and lack of monitoring of the Agreement as related to the subconsultant requirements.

Furthermore, the Village did not always monitor the inspection reports to ensure that those devices that failed were accurately input into the master device listing, as required by Florida Administrative Code 62-555-360-1.

As a result of the lack of review and monitoring, backflow prevention devices were inspected by an inspector who was not properly certified as required by the Florida Statute. In such instances, the devices may not have been properly inspected and the inspection was not valid. The inspection fees associated with these inspections are considered identified costs because the Village paid for the inspections and may be able to recoup the associated fee.

Without proper and accurate documentation to support the inspection or re-inspection occurred, the Village water system is susceptible to water contamination if a backflow prevention device is not working properly or is not properly installed. Retaining proper documentation is required by the Florida Administrative Code and the Village's Cross-Connection Control Program Manual.

Without proper documentation, the Village cannot ensure that the Vendor bid the subconsultant service and that the subconsultants are properly insured and licensed as required by the Agreement. The lack of documentation showing compliance with the bid and insurance requirements result in questioned costs. The inspections completed by improperly licensed inspectors are associated with fees paid to the vendor that can be recouped by the Village; therefore, the fees associated with these inspections are considered identified costs.

Per the Fee Schedule of the Agreement, the On-Site Fire Protection backflow device test fee is \$100.00 and the On-Site Domestic Backflow Device test fee is \$45.00.

We identified and summarized the costs associated with the above exceptions¹¹ as follows:

Exception Type	Total Exception Amount	Questioned Costs	Identified Costs
Contractor/Inspector was not properly certified as required by Florida Statute (non-compliance) ¹²	\$525	\$0	\$525 ¹³
Contractor/Inspector was not properly bid as required by the agreement (lack of proper documentation) ¹⁴	\$8,840	\$8,260 ¹⁵	\$0
Contractor/Inspector was not properly insured as required by the agreement (non-compliance) ¹⁴	\$1,775	\$0	\$0
Total	\$11,140	\$8,260	\$525

¹¹ An exception is a transaction that does not comply with the applicable requirements.

¹² Includes Fire Protection inspections only.

¹³ 3 Fire Protection Backflow Prevention Devices at \$100 per device = \$300.
5 Fire Protection Bypass Devices at \$45 per device = \$225.
\$300 + \$225 = \$525.

¹⁴ Includes both Fire Inspections and Domestic Inspections

¹⁵ 43 Fire Protection Backflow Prevention Devices at \$100 per device = \$4,300.
54 Fire Protection Bypass Devices at \$45 per device = \$2,430.
34 Domestic backflow prevention devices at \$45 per device = \$1,530.
\$4,300 + \$2,430 + \$1,530 = \$8,260.

In order to avoid duplication in the chart above, the costs associated with items that had multiple exceptions were only counted once. If the exception had both identified and questioned costs, then the identified cost was counted. If the item had questioned costs associated with multiple exceptions, then the costs were counted once as questioned costs.

Recommendations:

- (1) The Village recoup the costs of \$525 for work that was not completed by certified subconsultants.**
- (2) The Village have a qualified Fire Protection Systems inspector re-inspect the 53 fire protection devices that were not completed by certified subconsultants.**
- (3) The Village obtain missing inspection reports and retain them in accordance with the legal requirements.**
- (4) The Village ensure that the failed backflow prevention devices are re-inspected.**
- (5) The Village review all re-inspections to ensure that issues were properly resolved.**
- (6) The Village create a monitoring process to ensure that all devices on the master device listing were inspected with a “pass” inspection report.**
- (7) The Village review all subconsultants for proper certifications, as required by Florida Statute.**
- (8) The Village implement a monitoring process to monitor the Agreement requirements to ensure the Vendor complies with the Agreement requirements, specifically for bidding of subconsultants and verifying the subconsultants have the required insurance to work on the devices.**

Management Response Summary:

- (1) The Village will recoup the identified costs through the re-inspection of the 8 devices by a properly certified inspector at no additional cost to the Village.**
- (2) The Village has already begun re-inspection of the identified fire protection devices by a properly certified inspector. As of the date of this letter 38 of the fire protection devices identified have been re-inspected between February 2019 and May 2019 and successfully passed inspection.**

- (3) As of the date of this letter the Village has obtained all available missing reports from the audit period. In addition, dual-control procedures have been put in place by the Village to ensure that inspection reports are properly documented and retained on the Vendor's database as well as stored electronically within the Village's data files.**
- (4) Village staff has and will continue to proactively work with the owners of backflow prevention devices that fail inspections to ensure the devices are repaired and pass re-inspection by a properly certified inspector.**
- (5) Village staff has and will continue to proactively work with the owners of backflow prevention devices that fail inspection to ensure the devices are repaired and pass re-inspection by a properly certified inspector.**
- (6) Additional monitoring procedures have been put in place by the Village to ensure that all backflow prevention devices have successfully passed inspection annually, specifically through multiple independent reviews of inspection results by Village staff and/or Vendor.**
- (7) The Village will require and monitor that all subconsultants performing backflow prevention device inspections within the potable water system are properly certified.**
- (8) The Village will enhance our existing processes to require and monitor that all subconsultants performing backflow prevention device inspections under the Agreement possess the required insurance. Regarding the bidding of subconsultants, should the Village continue the services with the Vendor the moot language will be removed from the Agreement through an amendment to the Agreement.**

**SUMMARY OF POTENTIAL FINANCIAL AND OTHER BENEFITS
IDENTIFIED IN THE AUDIT**

Questioned Costs

Finding	Description	Questioned Costs
1	Missing Bid Support for Subcontractors	<u>\$ 8,260</u>
	TOTAL QUESTIONED COSTS	\$ 8,260

Identified Costs

Finding	Description	Identified Costs
1	Contractor/Inspector lacked Florida Statute Fire Inspection License	<u>\$ 525</u>
	TOTAL IDENTIFIED COSTS	\$ 525

ATTACHMENT

Attachment 1 – Village of Palm Springs' Management Response, page 15 - 17.

ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the Village of Palm Springs management and staff for their assistance and support in the completion of this audit.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

ATTACHMENT 1 – VILLAGE OF PALM SPRINGS' MANAGEMENT RESPONSE



Village of Palm Springs

226 Cypress Lane, Palm Springs FL 33461

July 10, 2019

Megan Gaillard
Office of the Inspector General
PO Box 16568
West Palm Beach, FL 33416

RE: Management Response to Audit Report 2019-A-0006
Village of Palm Springs Water Utility Cross-Connection Program

Dear Ms. Gaillard,

The Village of Palm Springs has received the Office of the Inspector General's (OIG) draft Audit Report (2019-A-0006) and values and appreciates the OIG's findings and recommendations regarding the Cross-Connection Control Program. This audit was conducted as a follow-up to the audit of another municipality in Palm Beach County who piggybacks the Village's cross-connection control vendor contract. The report contained one (1) finding and offered eight (8) recommendations. Responses to the finding and recommendations are addressed below in the order they are listed in the report.

Finding (1): The Village did not adequately monitor its Cross-Connection Control program for compliance with applicable requirements.

Response to Finding No. 1: The Village concurs with the conclusion in Finding (1) with the exception of Subsection C on Page 10 of 15 regarding bidding of local contractors and the accompanying Exception on Page 12 of 15 (including Total Exception Amount and Questioned Costs). The Village's contractual pricing for the testing of backflow prevention devices is based on the fees for these services submitted by the Vendor in the competitively bid Request for Proposals (RFP# 2015F-001). Because the Village does not have a contractual relationship with the Vendor's subcontractors, the general language requiring that the Vendor prepare a bid to establish pricing for testing subcontractors is rendered irrelevant by the specific requirement to provide a fixed price in the competitively bid Request for Proposals.

Recommendation No. 1: The Village recoup the costs of \$525 for work that was not completed by certified subconsultants.

Response No. 1: The Village will recoup the identified costs through the re-inspection of the 8 devices by a properly certified inspector at no additional cost to the Village.

A GREAT PLACE TO CALL HOME

Recommendation No. 2: The Village have a qualified Fire Protection Systems inspector re-inspect the 53 fire protection devices that were not completed by certified subconsultants.

Response No. 2: The Village has already begun re-inspection of the identified fire protection devices by a properly certified inspector. As of the date of this letter 38 of the fire protection devices identified have been re-inspected between February 2019 and May 2019 and successfully passed inspection.

Recommendation No. 3: The Village obtain missing inspection reports and retain them in accordance with legal requirements.

Response No. 3: As of the date of this letter the Village has obtained all available missing reports from the audit period. In addition, dual-control procedures have been put in place by the Village to ensure that inspection reports are properly documented and retained on the Vendor's database as well as stored electronically within the Village's data files.

Recommendation No. 4: The Village ensure that all failed backflow prevention devices are re-inspected.

Response No. 4: Village staff has and will continue to proactively work with the owners of backflow prevention devices that fail inspections to ensure the devices are repaired and pass re-inspection by a properly certified inspector.

Recommendation No. 5: The Village review all re-inspections to ensure that issues were properly resolved.

Response No. 5: Village staff has and will continue to proactively work with the owners of backflow prevention devices that fail inspection to ensure the devices are repaired and pass re-inspection by a properly certified inspector.

Recommendation No. 6: The Village create a monitoring process to ensure that all devices on the master device listing were inspected with a "pass" inspection report.

Response No. 6: Additional monitoring procedures have been put in place by the Village to ensure that all backflow prevention devices have successfully passed inspection annually, specifically through multiple independent reviews of inspection results by Village staff and/or Vendor.

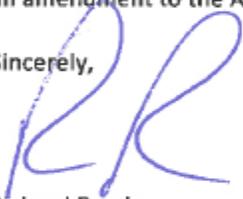
Recommendation No. 7: The Village review all subconsultants for proper certifications, as required by Florida Statute.

Response No. 7: The Village will require and monitor that all subconsultants performing backflow prevention device inspections within the potable water system are properly certified.

Recommendation No. 8: The Village implement a monitoring process to monitor the Agreement requirements to ensure the Vendor complies with the Agreement requirements, specifically for bidding of subconsultants and verifying the subconsultants have the required insurance to work on devices.

Response No. 8: The Village will enhance our existing processes to require and monitor that all subconsultants performing backflow prevention device inspections under the Agreement possess the required insurance. Regarding the bidding of subconsultants, should the Village continue services with the Vendor the moot language discussed above will be removed from the Agreement through an amendment to the Agreement.

Sincerely,



Richard Reade
Village Manager

Cc: Mayor and Council
Glen J. Torcivia, Village Attorney
Matthew Hammond, Public Service Director
Rebecca Morse, Finance Director
Kimberly Wynn, Village Clerk