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OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



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Contract Oversight Report CA-2020-0025

**Palm Beach County
Youth Services Department
Gulfstream Goodwill, Inc.
Contract Administration Review**

September 14, 2020



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PALM BEACH COUNTY YOUTH SERVICES DEPARTMENT GULFSTREAM GOODWILL, INC. CONTRACT ADMINISTRATION REVIEW

SUMMARY

WHAT WE DID

The Palm Beach County Office of Inspector General (OIG) conducted a Contract Administration Review of Palm Beach County's (County) Going The Distance Contract, Contract Number R2017-1520 (Contract) with Gulfstream Goodwill Industries, Inc. (Contractor). The Contract was administered by the County's Youth Services Department (YSD). The period reviewed was from October 1, 2017 through December 30, 2019.



The Contract deliverables included recruiting, training, and monitoring adults who served as mentors to identified at-risk youth living in Palm Beach County.

The purpose of the review was to assess the County's contract administration practices, determine the County's compliance with the contract specifications, and to make recommendations and suggestions to improve the County's contract administration process.

Additionally, this Contract Administration Review evaluated:

- The Contractor's performance of its contractual responsibilities to supervise the mentoring of at-risk youth.
- The contractual reporting responsibilities for the Contractor.
- The Contractor's compliance with the requirements of the Contract.

WHAT WE FOUND

Based on our interviews of YSD staff and our review of program reports and invoices submitted by the Contractor for the first year of the contract (October 1, 2017 through September 30, 2018), which totaled \$112,853.47, we found no major discrepancies or issues that had not

already been identified and corrected. Therefore, we found that the County and the Contractor were compliant with the requirements of the Contract.

WHAT WE RECOMMEND

Based on our review, we found that the County and the Contractor complied with the requirements of the Contract. Therefore, we have no recommendations.

BACKGROUND

The County issued a Request for Proposals (RFP) for Community Based Agencies on April 3, 2017 to provide services in approved Action Areas identified in the Youth Master Plan. YDS along with other youth serving partner agency members of the *Birth to 22: United for Brighter Futures* (Birth to 22) coalition participated in a collaborative process employing a collective impact framework to develop the Youth Master Plan, which is titled, "Strengthening the Steps to Success." The Youth Master Plan contains six (6) Action Areas in total, and this RFP solicited services for four (4) of those six (6) Action Areas.

The Contractor proposed services for the Going The Distance program in response to the Action Area included in the RFP to Ensure Safety and Justice by providing alternatives to crime and gangs. YDS received nine (9) proposals for this Action Area, and recommended four (4) for funding by the Board of County Commissioners at its July 11, 2017 meeting.

The Going The Distance program is a targeted mentoring and support services program that serves youth ages 13-22 who have contact with the juvenile justice system. The overall goal of Going The Distance is to provide the youth with access to and the opportunity to build meaningful relationships with a positive adult role model through mentoring. The Contract was for one year beginning October 1, 2017 and ending September 30, 2018 and included the option to extend the contract for two (2) additional one (1) year terms. Both of the extension periods were exercised with the last ending on September 30, 2020. The contract amount for each year was \$180,000; for the three (3) years, the contract was not to exceed a cost of \$540,000.

For the year ending September 30, 2018, the Services included in the Scope of Work (SOW) specified that the Mentor Program Coordinator would:

- Provide outreach and recruitment for youth and mentors;
- Screen and assess mentors to be appropriately matched with mentee;
- Orient and train mentors regularly and closely monitor the mentor/mentee relationship regularly;
- Provide one-to-one and small group mentoring, pro-social activities; and
- Communicate with assigned case manager and document activities monthly.

The Services to be provided remained the same for the three (3) years of the contract, except for minor wording changes.

The SOW changed slightly each year as it related to the target population (districts where youths resided and level of involvement in criminal justice system) and the eligibility factors of the youth. The Outcomes were reviewed each year and changed to better assess how the services impacted the youth served. In the final year of the contract, the Outcomes to be tracked included:

- 28 of 40 (70%) of participating youth will not be convicted of a crime during the 12-month contract year.
- 28 of 40 (70%) of participating youth will remain active in the program for a minimum of 6 months.

Exhibit B-2 of the contract included the unit cost of service rate and definition. For this contract, a unit cost of service was defined as one hour of staff time in direct client services or related indirect work and could include billing, staff and program oversight, reports, supervision of staff, staff/mentor recruitment, selection, training and all related activities, individual and group mentoring, outreach meetings, training, travel, group facilitation, documentation, phone calls, court appearances, pro-social and community service events, coordination of services, client advocacy and all other program focused activities. The unit cost for the term of the contract was \$46.57 per hour.

In the final year of the contract, a Deliverables Description was added to Exhibit B-2. The Deliverables Description included:

- Proof of Payroll Expense (examples include copies of paystubs, automated payroll reports);
- Timesheet (examples include time attendance records, activity log); and
- Cover Memo/Invoice (signed by authorized representative, including statement as to all units being claimed were 100% allocated to the Scope of Work).

OBSERVATIONS

For this review, we interviewed YSD programmatic and fiscal staff. We reviewed the program reports and monthly billing invoices for the year ending September, 2018 and found them in overall compliance with contract requirements. Additionally, YSD staff complete a program and fiscal monitoring of the program at least once during the contract cycle. The monitoring is completed in accordance with County Policy and Procedures Manual (PPM) #: YSD-O-002 Community Based Agencies – Programmatic Monitoring Procedures.

The Purpose section of the PPM section states that monitoring is designed to ensure:

- Compliance with contractual requirements;
- Funds have been accounted for and are being spent according to the contract;
- Program outcomes, objectives, and deliverables are being met.

The Policy section of the PPM states that:

The monitoring process is, in effect, a Departmental review which evaluates the extent to which the Agency has or has not adhered to the terms, conditions, and/or expectations of the contractual agreement existing between the Agency and the Department.

The frequency of onsite monitoring is determined by a programmatic risk analysis that designates an Agency as either a High, Medium, or Low Risk. The risk level is based on prior Agency performance, audit findings, funding level, and any reimbursement issues.



During the on-site monitoring, YSD staff monitor activities in the following areas:

- Governance and Accountability
- Human Resources Management
- Facility Management
- Program/Service Delivery
- Client Records/Record Management
- Program/Service Accessibility
- Evaluation and Outcomes
- Staff Survey
- Board of Directors Interview
- Client Interview

On September 5, 2018, YSD issued its Monitoring Report to the Contractor for the Going The Distance program for the first year of the Contract. This report included both program and fiscal monitoring. The programmatic monitoring results included no findings and two concerns. The concerns were as follows:

#1 – Program Outcomes: The Agency is behind target in meeting program outcomes and has not captured data on youth who identify as gang affiliated in order to accurately report on outcomes 2 and 3 in the contract.

#2 – Program Service Delivery: There was no evidence in mentor or mentee files that the contracted services-prosocial activities or group mentoring-were taking place. There was also no evidence that the PACT was being utilized to inform service plans.

The fiscal review included one finding and no concerns. Finding #1 stated that, “Expenses and revenue incurred was not accurately reported on the P&L Statement as of May 30, 2018.” The Recommendation was, “We recommend that the Organization develop policies and procedures to reconcile expenses and revenue to accurately provide information requested.”

The Contractor submitted a Corrective Action Plan, which was approved by the County and implemented by the Contractor.

On July 29, 2019, YSD issued its Monitoring Report to the Contractor for the second year of the Going The Distance program. This report included both program and fiscal monitoring. YSD did not identify any programmatic or fiscal findings or concerns, and all areas reviewed were found to be compliant. To date, the Monitoring Report for the third year of the Going The Distance program has not been completed.

OIG Invoice Comparison to Documentation submitted for Payment

We reviewed invoices submitted by the Contractor for the first year of the contract (October 1, 2017 through September 30, 2018). The total amount invoiced and paid for this one-year period was \$112,853.47. We compared invoices submitted by the Contractor for the Going The Distance program to County finance data (Advantage System) and found no discrepancies for the time-period reviewed.

During interviews, YSD staff explained that they use a two-tiered approach to review and approve invoices submitted by the Contractor. Each month the Contractor submits an invoice via the YSD Services and Activities Management Information System (SAMIS) with supporting documentation. The invoice includes a memorandum, supporting documents (timesheets, staff logs etc.), and a breakdown of units billed.

The memorandum contains the following data: chronologically numbered, amount requested for reimbursement, dates covered for submission, certification by the Contractor as to the accuracy and validity, and the dated signature of the contract executive. This invoice is reviewed to determine if the amount billed is justified and units agree with supporting documentation.

The YSD Grant Compliance Specialist confirms that all required reports have been submitted, and then the YSD Finance Contracting and Administrative Service Division reviews the invoice for accuracy. Once the invoice review process is successfully completed, the invoice is approved and submitted to the County's Finance Department for final processing and dispersal of funds.

Discrepancies Identified in this OIG Review

During our review of the selected invoices and supporting documentation, we found three (3) issues, one (1) of which had already been identified and corrected by the Contractor prior to our review.



1. During its reconciliation of its Profit & Loss statement, the Contractor discovered that it had improperly billed the County for mentorship hours, which are not included as a reimbursable service unit per the contract. The Contractor billed and was paid for mentor hours beginning in February 2018 and ending in May 2018 for a total of \$2,313.14 in unallowable costs paid. The Contractor communicated this error to the County and deducted the overpayment of mentorship hours from its June 2018 invoice.
2. In the reimbursement request for December 2017, there was a one-hour miscalculation error on an employee's timesheet. The employee clocked in at 8:30 a.m. and clocked out at 12:00 p.m. working a total of 3.5 hours. The employee made a calculation error and indicated that they had worked for 4.5 hours. This error was not found by the Contractor or the YSD staff who reviewed the invoice so the invoice was overpaid for one (1) hour at a cost of \$46.57.
3. In the reimbursement request for June 2018, there was a conflict between the employee's timesheet and record of the time they worked on the Going The Distance program on June 13, 2018. The employee's timesheet indicated that they had worked from 9 a.m. to 4:30 p.m. Their time record for the Going The Distance program indicated that they worked from 1:30 p.m. until 5:30 pm for a total of 4 billable hours. This discrepancy was not found by the Contractor or the YSD staff who reviewed the invoice so the invoice was overpaid for one (1) hour at a cost of \$46.57.

YSD management staff explained that the Contractor has two contracts with YSD for two different mentoring programs. One includes mentoring hours as a billable unit of service, and this contract does not include mentoring hours as a billable unit of service. They stated that the staff person reviewing the invoices for payment that included mentor hours confused the two contracts when approving the invoices for this Contract that included unallowable service units. The Contractor identified this error and reduced a subsequent invoice for the unallowable mentor hours.

The other two invoice errors have a total cost of less than \$100. YSD is asking the Contractor to reduce a subsequent invoice for this two-hour overpayment. The Contractor's staff work in different programs during a work day and have to complete a time sheet recording their total times in and out and program time recordings so that their work day can be allocated to the correct funding source, which does increase the opportunity for human error.

While the Contractor did identify and correct the costlier error, YSD staff did not identify that a portion of the invoice was for a service not allowed by the contract. The other two invoice errors were minor in cost, but the fact that they were paid highlight the importance of careful and thorough review by YSD staff before authorizing payment. Invoices

reviewed were for the first year of the contract and since that time YSD did hire an additional Financial Analyst to assist with the review of Contractor invoices, which they believe will reduce the likelihood of such errors occurring presently and in the future. Therefore, we have no suggestions at this time. The OIG will likely follow up in the future to determine if the actions taken by YSD rectified these weaknesses.

CONCLUSION

As a result of our review, we found that the County employed effective contract administration tools, techniques, and practices in managing the Contract.

RESPONSE FROM MANAGEMENT

In its response, the County stated, "We are in agreement with this report and wish to express our gratitude to you and the Inspector General's Office for the professional and thorough review."

ACKNOWLEDGEMENT

The Inspector General's Contract Oversight staff would like to extend our appreciation to the Youth Services Department for the cooperation and courtesies extended to us during the contract oversight process.

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