



Memorandum

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To: Theodore G. Lucas, V.P., Strategic Sourcing & Chief Procurement Officer
Public Health Trust/Jackson Health System

From:  Christopher Mazzella, Inspector General

Date: August 13, 2010

Subject: Jackson Health System's Status Report re: Office of the Inspector General's
*Final Report on the Public Health Trust/Jackson Health System's Use of the
County's Miscellaneous Construction Program, Ref. IG09-78A*

The Office of the Inspector General (OIG) is in receipt of Jackson Health System's (JHS) status report on the above-captioned matter (attached).

JHS's status report provides detail of actions taken in response to the OIG's recommendations in the final audit report. The status report describes a wide-ranging program by JHS to improve its construction contracting activities. The program includes the implementation of training for JHS employees on how to use the County's Miscellaneous Construction Contract (MCC) Program and how to access the Office of Capital Improvement's *Capital Improvement's Information System* (CIIS). In addition, JHS has issued a "Roadmap" that includes a comprehensive presentation of the various procurement options available to JHS personnel, including the use of the MCC Program, sample forms/checklists/documents, as well as general information about what is expected of user departments. JHS also reports that recent activities include coordination between County and JHS information systems departments to obtain JHS access to CIIS. Moreover, JHS reports that personnel are holding a number of regularly scheduled meetings to discuss project status, change order reviews, new procurements, etc.

In your report, you also state that you are drafting a *Contract Management Regulation* that will be included in the PHT/JHS *Policy and Procedure Manual*. You state that this regulation will "establish policy and procedures to ensure accountability and consistency in the contract management and compliance process for all Jackson Health System contracts that are processed through the Procurement Management Department."

Collectively, the actions described in your status report reflect a commitment by PHT/JHS to improve the effectiveness and efficiency of its construction contracting, as well as to enhance process transparency and record keeping. These last two issues

were major OIG concerns related to JHS's past practices that we noted in our audit report. We are confident that JHS is on the right track. We reaffirm our earlier assessment—that these corrective actions will serve to reassure contractors and consultants that the procurement process is free from project manager bias and contractor/consultant favoritism.

Accordingly, we consider this audit closed and that there is no additional reporting to the OIG required of JHS concerning the audit.

Attachment

cc: Dr. Enieda Roldan, President/CEO, Jackson Health System
George M. Burgess, County Manager, Miami-Dade County
George Navarrete, Director, Office of Capital Improvements
Miriam Singer, Director, Department of Procurement Management
Charles Anderson, Commission Auditor, Miami-Dade County
Cathy Jackson, Director, Audit and Management Services Department
Marlane Berg, Director, Internal Audit, Jackson Health System
Clerk of the Board (copy filed)



1611 NW 12th Avenue
Miami, Florida 33136-1096

Via e-mail to Patra Liu, and U.S. Mail

August 6, 2010

Patra Liu
Assistant Inspector General/Legal Counsel
Miami-Dade County Office of the Inspector General
19 West Flagler Street – Suite 220
Miami, Florida 33130

Re: OIG Final Report, Ref. IG09-78A, Public Health Trust/Jackson Health System's
Use of the County's Miscellaneous Construction Program

Dear Ms. Liu:

Pursuant to the Office of the Inspector General's (OIG) Report IG09-78A (dated May 4, 2010), please accept this "update" and status report on the progress made by our teams in Jackson Health System since our most recent response to the OIG on April 22, 2010, with respect to the particular issues and recommendations contained in the OIG Report.

Training

1. Contract Management training was conducted on March 19 and April 15, 2010 for Support Services staff in the Capital Project and the Engineering Departments. During this training, information and instruction were provided on the proper access and use of checklist.
2. Follow-up training on the Miami-Dade County Equitable Distribution Program (EDP) was also provided to Support Services staff on April 28, 2010 by representatives from the County Office of Capital Improvements (OCI) and the Jackson Health System (JHS) Procurement Management Department.
3. Additional training on procurement process and contract usage has been scheduled for the month of August. Specifically, two sessions have been scheduled to work in smaller group sessions with the Capital Projects Team – Project Managers and the Facilities Team, in addition to the Support Services Management Team.

Roadmap

4. The comprehensive, instructive "Roadmap" for requestors and users of contracts in Support Services has been completed and will be posted on the JHS Intranet for quick on-demand access by all members of the Support Services team. Please see a copy of the Roadmap, enclosed. The Roadmap is extensive and covers "EDP," "JOC," informal RFQ's (for repair/maintenance), use of existing Miami-Dade contracts, and formal construction contracts (ITB's). The Roadmap also includes:
 - a. The list of all competitively awarded contract vehicles that are available to the Support Services team;
 - b. Instructions on the proper use and how to access said contract vehicles; including a description of what is needed in the form of proper documentation to initiate a project.

5. A "Scope Tool" was created by a member of the Procurement Management Department as a means to further assist the Support Services staff in their efforts to answer and properly document the general aspects of a scope of service/specification. The goal of this tool is simply to aide the departments in being able to describe the "who, what, when, where and how" of any given maintenance or repair job that may come up.

CIIS Access

6. The data circuit necessary to connect the County and Jackson for purposes of gaining access to the CIIS application via the "MetroNet" was approved by Support Services on June 17, 2010. Immediately following, the technical teams from both the County (ETSD) and Jackson (IT) initiated the ordering of the circuit. This required, and has been accomplished, thanks to close collaboration between our County and Jackson departments. As of this writing the data circuit is being finalized and tested which is anticipated to be completed within the next week.

Standing Meetings

On a scheduled basis, the following meetings have been recurring between members of the Procurement Management and Support Services teams:

7. Tuesday (weekly) – a meeting to discuss project status and general information on the Infrastructure Bond and Capital Projects takes place from 2-3pm.
8. Thursday (bi-weekly) – the Change Order Review Committee meets to discuss and approve any changes, contract modifications or related matters that require review by the Committee.
9. A monthly meeting to review and discuss any items that will be presented to the Facilities Development Committee or awards that will be presented to the Purchasing Committee (that are related to Support Services) takes place. Typically, this meeting occurs during the 3rd and 4th week of the month in preparation for the following months Board agenda items.
10. In addition to the noted scheduled meetings, both teams are continuously working together to review, discuss and develop strategy on new procurements, provide updates on ongoing projects and generally discuss opportunities for process improvements.
11. Beginning August 2010 Procurement will coordinate with Support Services to establish monthly meetings with JOC contractors providing construction services to discuss project status and vendor performance.

Contract Management

12. Though not explicitly a part of the OIG Report and Recommendations, Jackson would like to also report on the recent, very substantive advancement of improved "contract management" procedures and requirements. In May a "Contract Management/Compliance Task Force" was formed and met four times to identify and effectively address systemic deficiencies in contract and vendor performance management. The outcome has been a "Contract Management Regulation, still in draft form but expected to be completed and approved by the Jackson President/CEO within 30 days. This applies to all contracts unless specifically noted. Please see a copy of the draft Regulation enclosed. The Task Force also recommended and produced a specification for a contract management software tool that it is under final review prior to release as a competitive Request for Proposals.

Patra Liu
Assistant Inspector General/Legal Counsel
August 6, 2010
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Once again, Jackson Health System places the highest value on the assistance and insight offered by the Office of Inspector General, and is committed to the continuous improvement of our systems, processes and performance.

Please advise any additional comments, assistance or recommendations you may have.

Many thanks,



Theodore G. Lucas
VP, Strategic Sourcing Division
Chief Procurement Officer

TGL:RA/tb

Cc: David Small, EVP/COO, Jackson Health System
Reginald Jordan, Corporate Director, Support Services, Jackson Health System
Marlane Berg, Director, Internal Audit, Jackson Health System
Miriam Singer, Director, Miami-Dade County, Department of Procurement Management

Enclosures: Comprehensive "Roadmap"
List of existing, available Miami-Dade contracts (part of the "Roadmap" document)
Contract Management Regulation (draft)