

Introduction

The audit of the Rochester Pure Waters District Frank E. Van Lare Water Resource Recovery Facility (Van Lare) – Aeration System Improvements (Project) was selected based on the Office of Public Integrity's (OPI's) risk assessment for Monroe County.

Background

On October 12, 2021, the Monroe County Legislature adopted resolution 318-2021 to enter into a contract with Blue Heron Construction Company, LLC for \$6,006,773 for aeration system improvements at Van Lare.

The Project included installation of flexible membrane diffusers in the unaerated selector zones and replacement of ceramic diffuser discs in the aerated zones, along with 2 new turbo blowers for the aeration system.

Framework for Audit

OPI's audits are based on the following 5 Control Objectives:

- Compliance with laws, regulations, and contracts
- Accomplishment of goals and objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets

Based on OPI's 5 Control Objectives, audit plans are developed to assess whether:

- All eligible customers are being served
- Revenues are maximized
- Receivables are collected
- Expenditures are proper and authorized
- Assets are safeguarded
- Employees are trained and competent
- Liabilities are minimized and laws are complied with
- Financial and operational reports are timely, relevant and accurate

Risks to Monroe County

Risk is the possibility of an event occurring, which could prevent the County from meeting its objectives. To maximize its resources and effectiveness, OPI focuses on areas of high risk to the County. Based on our preliminary research and discussions, we determined that the Project posed the following potential risks to the County, which were addressed in our audit objectives:

- a) Did the County follow its procurement policies and procedures?
- b) Were expenditures to prime contractors and subcontractors allowable, authorized, necessary, and for services that were actually provided?
- c) Did subcontractors adequately complete their portions of the construction, in a timely manner and without putting residents at risk?

- d) Did Prime and subcontractors adhere to contractual requirements, including Minority, Women, Disadvantaged, Business Enterprise (MWDBE) areas?
- e) Were revenues from State and Federal grants maximized and collected?

Audit Objectives

Based on the potential risks that the Project posed, our audit objectives were to:

- a) Confirm that the County followed its procurement policies and procedures.
- b) Confirm that expenditures to the prime and subcontractors were for expenses that are allowable, authorized, necessary, and for services actually provided.
- c) Confirm that contractors completed their portions of construction and complied with contractual requirements, including MWDBE efforts.
- d) Confirm that State and Federal funding was maximized and collected.

Scope and Methodology

OPI's scope was all prime and subcontractors related to the Project.

To meet our objectives, OPI performed the following:

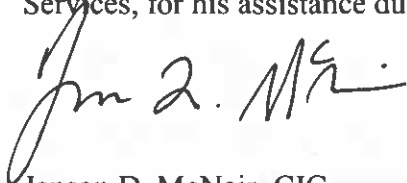
- Reviewed the documents related to the selection process, including, but not limited to, the public bid, the project specifications, the vendors' proposals, the vendor scoring sheet, and the Contract Approval form.
- Reviewed the documents related to the contract process, including, but not limited to, legislative referrals and resolutions, the executed contract, insurance certificates, and debarment certifications.
- Reviewed the documents related to M/WBE compliance, including the public bid, proposals, contracts, and monthly M/WBE reports.
- Attended various subcontractor meetings.
- Reviewed meeting minutes.
- Reviewed payment applications from Blue Heron.
- Conducted construction-site visits.
- Made inquiries to management as to certain procedures and outstanding issues.

Conclusion

Based on our observations and testwork, in our opinion, the County followed its procurement policies and procedures, expenditures to the prime and subcontractors were for expenses that are allowable, authorized, necessary, and for services actually provided, and the contractors completed their portions of construction and complied with contractual requirements, including MWBE participation. Note: Blue Heron received a waiver from Monroe County regarding MBE participation after providing evidence of a Good Faith Effort to solicit MBE participation on this project.

Final Note

We would like to thank Kevin Quinn, Project Manager for the Monroe County Department of Environmental Services, for his assistance during our audit.



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Director, Office of Public Integrity

To report fraud, waste, or abuse, or to comment on this report, please contact the Monroe County Office of Public Integrity.

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