

POST AUDIT REPORT COMMERCIAL REFUSE PAR20-03



WEST PALM BEACH

Internal Audit

September 8, 2020

City of West Palm Beach Internal Auditor's Office

Beverly Mahaso Esq., CIA, CFE
Chief Internal Auditor

September 8, 2020

Audit Committee
City of West Palm Beach
401 Clematis Street
West Palm Beach, Florida

RE: POST AUDIT REPORT OF COMMERCIAL REFUSE (PAR20-03)

Dear Audit Committee Members:

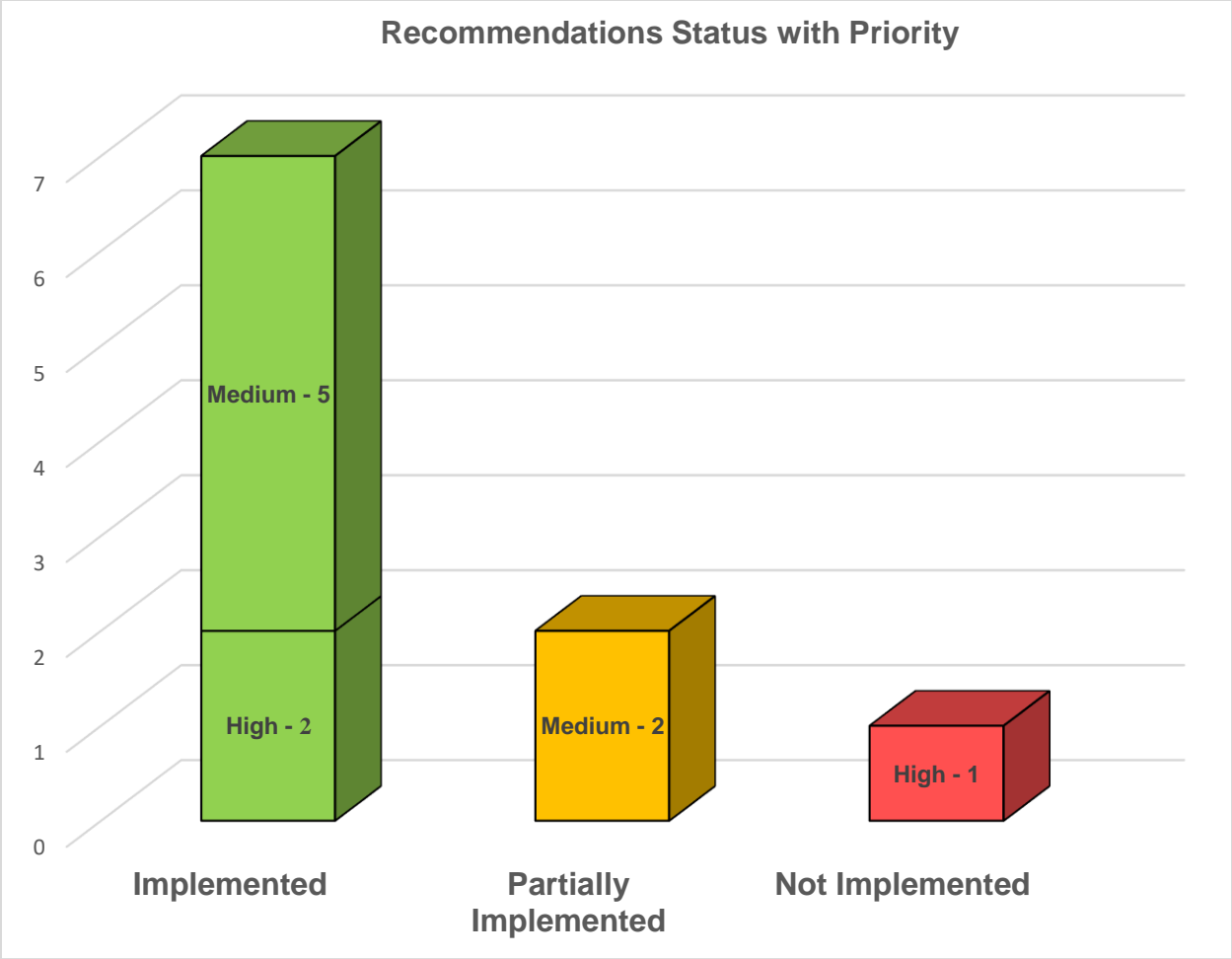
In FY 2017, the Internal Auditor's Office released an audit of Public Works' Commercial Refuse Division (**AUD16-03**). We performed certain procedures, as enumerated below, with respect to activities of the Commercial Refuse Division in order to render a conclusion on the status of the recommendations made as a result of that review.

This Post Audit Report (PAR) consisted primarily of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards.

The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

The audit contained ten (10) recommendations that addressed the audit's findings. Based on the review performed, we concluded that recommendations 1-3, 5-7, and 9 were implemented, recommendations 8 and 10 were partially implemented, and recommendation 4 was not implemented.

We have enclosed a table listing all the recommendations with the current statuses. We found that management made significant efforts to take corrective action. Further, we note that the Commercial Refuse Division is actively continuing to make improvements. As such, additional steps may have been taken to implement the recommendations after the conclusion of this Post Audit Review. We will conduct another Post Audit Review in approximately 6 to 12 months, resources permitting, at which time we will review all additional changes made after the conclusion of this Post Audit Review.



We thank the personnel at Public Works for their assistance in conducting this review and on continuing implementation efforts.

Respectfully Submitted,

s/ Beverly Mahaso
 Chief Internal Auditor

cc:

- Kelly Shoaf, Commission President
- Christina Lambert, Commissioner
- Cory Neering, Commissioner
- Christy Fox, Commissioner
- Joseph Peduzzi, Commissioner

- Keith James, Mayor
- Faye Johnson, City Administrator
- Armando Fana, Assistant City Administrator
- Joshua McDermott, Public Works Director

Encl.

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AUDIT RECOMMENDATIONS

No.	Auditor's Condition and Recommendation	Management's Response	Management's Status Update
1 Medium Priority	<p>Condition: The Division does not have an electronic system, maps, or GPS to determine the most efficient route to haul waste. Rather, staff are trained to memorize their predecessor's route and operate off of that route. We observed that the routes are inefficient and noted that businesses are permitted to select the days and times when their waste is hauled. Further, businesses or residents may complain about noise at certain times of the day and the Division will adjust the pickup schedule. As such, the haulers may not be permitted to haul waste at the most efficient day or time. We observed staff passing by locations that were on the route multiple times, because they were not scheduled for pick up at that time. In other instances, we observed staff hauling one waste container and leaving the other container because the other container was not scheduled for pick up on that day or</p>	<p>MANAGEMENT UPDATE</p> <p>02/2018: Partially Implemented The Sanitation Division is currently working with Hiperweb on a solution to the route optimization issue. In the interim, it is utilizing "My Route Online" software, which is a basic, off-the-shelf routing software, to provide a base platform for operations. In December 2017, the Division input its Thursday commercial route into the software, which increased productivity substantially. It is currently working on its Monday commercial route, which is its busiest.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: All commercial routes have been optimized and balanced utilizing the off-the-shelf routing optimization software and imported into our new work order management and route optimization system, HiperWeb. We have been developing new Key Performance Indicators (KPIs) and metrics in HiperWeb to assess and monitor the productivity of the routes and carry out continuous improvements of each route.</p>

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	<p>time. Finally, staff indicated that the routes overlap one another. These inefficiencies occurred throughout the routes we observed.</p> <p>The City contracted with SCS Engineering to conduct an assessment of the Sanitation Division. We found that SCS Engineering suggested that the Division obtain a system to assist with mapping out routes.</p> <p>Recommendation: The Division should work with City Administration to obtain a software system that can optimize routes cost effectively and limit special requests.</p>	<p>note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Route Optimization:</p> <ul style="list-style-type: none"> - In process of using an on call engineering service (SCS Engineers) to develop a database of services within WPB. - This database will be used to develop consistent routes for route optimization. - SCS engineers will be providing a recommendation of a route software management program with some of the following attributes: <ul style="list-style-type: none"> o Route Optimization o Tracking of service time and locations o Efforts to reduce off route travel o Billing for all services and a way to track appropriately - We are currently in process with these programs and we expect to put in place some of these processes within 6 months or mid-year 2017. 	
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		- We will be hiring an industrial engineer that will be in charge of the programs. The position will be responsible to review the operations, recommend necessary changes and implement changes in the system as they arise. April 2017 anticipated start.	
<p>2 Medium Priority</p>	<p>Condition</p> <p>The Division hires employees for specific services offered which include: Commercial Refuse, Residential Refuse, Yard Waste, and Street Sweeping. However, employees are not cross-trained to be able to assist when one area has a larger workload. When employees join the Division, they are trained on their specific route. However, the route is not mapped out, rather they are given a list of addresses with the days and frequency of service needed. When one area has a heavy workload or if employees are absent, then the Division is limited as to who it may call upon to assist. As a result, employees work overtime in all areas and the morale is low because some areas</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented</p> <p>The Sanitation Division is currently cross-training employees as time and operations allow. This has already produced results. As the Division becomes more efficient with the routing, it allows staff more and more opportunities for training, including completing classes on CityEDGE. Also, the Public Works Director has discussed with HR the prospect of creating a career ladder for his staff, with the expectation that some plan may be formulated by the end of 2018. In the interim, a position was created for a Sanitation Equipment Operator Trainee,</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: The Sanitation Division has been training staff to perform different functions through the newly implemented career progression ladder, and continually working with HR to enhance the plan. The division continues to use the Sanitation Equipment Operation Trainee to create an opportunity to promote Sanitation Operators.</p>

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	<p>generate more overtime than others.</p> <p>Recommendation The Division should ensure that it has the maximum number of staff available to haul waste by establishing mapped-out routes and cross training employees.</p>	<p>which provided the Division with the opportunity to promote one of its refuse collectors in early 2018.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Cross Training: - Currently in the process of changing how we identify employees. - We intend to go to a career ladder that will allow cross training with incentives. - This will lead to potential growth for the employee. - The operation will be able to have employees that can work across operational divisions, both residential, commercial, yard waste, and sweepers.</p>	
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		- This will help with morale by changing the working conditions to take the monotony out of the daily routine plus keep operators on their toes because they change operations regularly.	
<p>3 Medium Priority</p>	<p>Condition: We reviewed overtime data and found a significant amount of overtime for the Division as a whole. We compared waste collected over the past three fiscal years to the overtime generated during the same time period, and found that the volume of waste collected increased 8 percent, however the overtime increased by 68 percent. Approximately 13,480 hours of overtime were accrued during FY16. The Residential Refuse section and the Commercial Refuse section accounted for a majority of the overtime generated, with a total of 7,047 and 4,683 hours respectively. We reviewed the FY16 budget for the Division and found that it included \$400,000 for overtime and services provided on holidays, which was approximately</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented</p> <p>As noted in #1 above, the Sanitation Division has been using an off-the-shelf routing software. It has all but eliminated overtime for its Thursday commercial route, with the exception of overtime due to extraordinary circumstances. Also, in the past, all supervisors were required to be present until all operators had returned. Now, supervisors rotate and only one remains on duty to support staff and answer questions.</p> <p>In addition, the Sanitation Division has internally developed and implemented an Access based interim work order tracking system, Public Works Work Order Database, that allows it to track special</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: As mentioned above, the commercial routes have been balanced and optimized, which not only improved the efficiency of the operations but also managed to reduce overtime.</p> <p>The newly implemented work order management system, HiperWeb, has helped the administration staff to efficiently schedule work orders based on current work load of the division. The field staff have been equipped with a HiperWeb mobile app on their tablets in each vehicle to be able to have real-time visibility to new work orders as they are created on the map. This would allow the field staff to proactively complete the work orders in close proximity and use our resources efficiently.</p>

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	<p>20% of the base salary budget of \$2,028,812.</p> <p>We noted that Division management and City Administration were aware of the overtime generated by the Division and were reviewing options to reduce it.</p> <p>Recommendation: The Division should reduce overtime by:</p> <ul style="list-style-type: none"> a. Obtaining a system to create routes that are efficient. b. Scheduling businesses which are located in close proximity for waste hauling at the same times and concurrently limiting requests that create inefficiencies. c. Cross training employees based on the new routes. d. Consider charging for special pickups when special requests are made. 	<p>pickups and change of services. The Division is working with a vendor to implement a formal work order tracking system that will allow it to track changes without multiple layers of spreadsheets, thereby reducing errors. When this is completed, it will allow for multiple users and it can be tied with the Division's GIS system for tracking purposes.</p> <p>The Industrial Engineer has been a great advantage to the Sanitation Division. In fact, the employee has been so successful that she has since been promoted to Operations Manager, allowing the Division to fill the vacated position with another Industrial Engineer. This will give the Sanitation Division two Industrial Engineers on staff who will be able to collaborate and focus on operations more than before.</p> <p>Please keep in mind that this is a step-by-step process and that the Division is working with the commercial division first with the</p>	<p>Standard Operating Procedures (SOPs) and Key Performance Indicators (KPIs) have been developed for the department to monitor and improve current processes continuously.</p> <p>The division rotates drivers to a new route every year in order to familiarize all the drivers with all the routes.</p> <p>The division has updated the fee schedule to include collection and disposal fees to cover the cost of operations.</p>
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			<p>intent to progress to residential and bulk waste thereafter.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Overtime: - Route optimization and routing software are needed to change the way the operation plans its daily activities. We are currently in process with these programs and we expect to put in place some of these processes within 6 months or midyear 2017. o SCS engineers will be providing a recommendation of a route software management program with some of the following attributes; o Route Optimization</p>	
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		<ul style="list-style-type: none"> o Tracking of service time and locations o Efforts to reduce off route travel o Billing for all services and a way to track appropriately - Cross Training is needed to ensure enough staff are available to complete all routes. We intend to go to a career ladder that will allow cross training with incentives. These plans should result in a reduction in necessary overtime and better employee morale. - We anticipate that by the beginning of FY18 we will have in place the start of all the methods to improve the overtime usage. It may take up to two years from implementation to fully recognize the improvements because of the necessary cross training and implementation of the software programs. <p>The addition of the industrial engineer will add a position that will in its own right be an</p>	
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		internal audit of how we do operations that can make recommended changes. Anticipated start of April 2017.	
4 High Priority	<p>Condition: The Division utilizes franchisees to haul large volumes of City waste, which is a service that the Division does not provide. City Code stipulates many requirements for the franchisees to adhere to. Some of the requirements include: - Payment of an annual franchise fee in the amount of \$12,500. - Payment of \$1 for every cubic yard of waste hauled, payable monthly. - Providing a certified and signed statement of cubic yards hauled every month. - Providing the names and addresses of each location served including the rates charged to each account. We conducted interviews, site visits, and data analyses to determine whether fees were paid accurately. Based on data we reviewed for the five franchisees the City has authorized, we found that the monthly franchise fee is generally billed to the customers as</p>	<p>MANAGEMENT UPDATE 02/2018: Not Implemented</p> <p>This has been a bigger challenge than anticipated. Because the Division is trying to address all of the other areas of concern, it has had to place this on a lower priority list. In order for the Division to be better, it has to have a firm foundation to start from and then go on to audit outside groups. The Division is looking into and anticipates recommending the creation of an Operations Analyst position. This position could manage and periodically audit the franchise haulers program to ensuring the accuracy of reporting and revenue stream.</p> <p>Management's Initial Response 01/2017:</p> <p>We agree with the observations presented in this report. The</p>	<p>NOT IMPLEMENTED</p> <p>MANAGEMENT UPDATE 07/2020: The Division has had an addition of Fiscal Analyst position for the Division. The Fiscal Analyst has been reconciling and verifying the landfill assessed fees and tasked to perform periodically audit the franchisee haulers. The Fiscal Analyst is seeking guidance from Internal Audit to carry out the audit. The Division is also planning to work with a consulting firm and get some guidelines regarding the audit.</p> <p>Auditor Comments: Based on information provided, Public Works personnel currently do not periodically reconcile, and monitor franchisee hauler payments and landfill assessed fees.</p>

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	<p>a pass through cost and then paid to the City. However, the Division does not independently verify the amount hauled by the franchisees or the locations that were served. Rather, they rely upon self-reported information from the franchisees. Further, the Division does not maintain a list of customers served by the franchisees, nor is there a mechanism to track or monitor waste hauled. As a result, we found that currently the Division cannot independently confirm that the City received all fees due from waste collected by the franchisees.</p> <p>Finally, we reviewed the monthly statements provided by the franchisees and found that they do not provide all the required information on their monthly statements. Specifically, we found:</p> <ul style="list-style-type: none"> -100% of statements provided were not certified. -60% of statements did not contain the rates charged to each customer. -60% of statements were not signed. <p>Recommendation:</p>	<p>following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Franchise Fees -The program has major deficiencies that are being discussed. While it is alright to expect the haulers to provide the information, to assume they would do so accurately would definitely be premature and inaccurate.</p> <p>The following ideas on the surface may help but may not be financially feasible at this time. It is our intent to hold discussions and discuss possible ideas within our operation, with external agencies like other municipalities or engineering firms that specialize in this area to try and come up with solutions.</p> <p>1. Initiate or identify a method using the Solid Waste Authority</p>	
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	<p>The Division should ensure that it receives all fees for waste hauled by periodically reconciling and verifying the amounts hauled and paid for by the franchisee haulers. Reconciliations should include matching independent documentation to volumes paid for, as well as the addresses served. Further, the Division should monitor statements more closely and ensure that franchisees comply with City Code requirements and deadlines. Finally, the Division should create a new franchise training program and/or a refresher training program for franchisees to explain the applicable requirements.</p>	<p>identification number along with their assistance to verify amounts hauled to the facility.</p> <ol style="list-style-type: none"> 2. We may have to look at how it is billed. Instead of looking at it by the cubic yard, maybe we look at it by the ton instead. 3. Hire another code enforcement officer or utilize the new Industrial Engineer to track and identify the locations using GIS for stationary compactors/roll-offs. 4. Hire an internal accountant that can track all the fees and ensure proper billing is completed along with proper billing for commercial services. 5. Using the new routing software that may have an A/R component to properly bill for these services. 6. Continue to look for other possible solutions. <p>All of these possible ideas and solutions will be long term in nature because we currently do not have an absolute method in</p>	
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		place nor the operational capacity to run the problem to ground. It could take a year or more to fully implement a reasonable solution.	
5 Medium Priority	<p>Condition: When commercial or residential customers have waste that they need collected outside of their scheduled pickups, they can call the Division and request a special pickup for a fee of \$100 plus the cost of disposal. Administrative staff notify refuse collectors of the special pickups and the refuse collectors determine when they can go and collect the waste. Once waste is collected, administrative staff are notified and fees are imposed. We reviewed special pickups from June 2016 through December 2016 and found 68 instances where customers requested special pickups, but were not charged for them and/or there was no supporting documentation to determine whether or not waste was collected. There are valid reasons for not charging customers such as when the customers cancel prior to</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented The Sanitation Division has implemented a process, which helps to track and ensure that all fees are collected for special pickups (the work order tracking system in #3 above). The Division is currently working with vendors to take this interim system to the next level and make it robust enough to provide all of the functionality the Division needs for Sanitation and Street Maintenance. These programs will reduce the potential for human error in the process. At the same time, the Sanitation Division has been working with the IT Department and their GIS division on a tablet-based program that helps automate the special pick-up process for bulk waste. The special pick-up trucks, and several other trucks, will have a</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: The Department has implemented a new work order management system (as mentioned in # 3 above), which provides a high efficient workflow and reduced human error by eliminating non-value added steps in the process.</p> <p>The new work order management system also allows to schedule, monitor and handle waste collection and also track the billing through a billing dashboard used by our Secretaries, Fiscal Analyst and Billing Department.</p> <p>HiperWeb also has the routing optimization tool as a built-in feature, which eliminates future use of third party off-the-shelf tools.</p>

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	<p>waste collection or if refuse collectors do not find the waste. However, proper documentation is needed to ensure consistent delivery of services and recovery of all fees.</p> <p>Recommendation: The Division should conduct research on resources available to monitor special waste collection. Ideally, a waste collection software should be able to handle general waste collection, routing, and billing, as well as specialized waste collection.</p>	<p>scale on them in the near future. This will allow for weighing the individual loads, enter the information on the tablets, and the tablets will perform calculations in the background, which, in turn, will allow to bill and collect revenue for partial loads, which was missed in the past.</p> <p>The aforementioned improvements allow the Division to tie work orders to special pickups, ensuring completion and proper billing. The tablets allow employees to take pictures and tie the pictures to the work orders. The new interim work order system also allows the Division to schedule pickups effectively, thereby reducing missed and forgotten loads. It also gives the customer a window when to expect the pick-up.</p> <p>Management's Initial Response 01/2017</p> <p>We agree with the observations presented in this report. The</p>	
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	<p>following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Special Waste Pick Ups: Several issues arise in these instances. Most all relate to the tracking and verification of services being provided. The following are some of the efforts to correct the current issue and improve the operation in the future:</p> <ul style="list-style-type: none">- Install Routing software that will allow the routes and pickups to be documented and billing to be allocated based on the service provided.- The Lytx system is being installed in trucks. This system is a GPS system that will allow us to identify where a vehicle is and how long it is at any one location. We can then verify if a pickup has occurred based on the vehicle being at the location and for how long.	
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		<ul style="list-style-type: none"> - We are going to be developing SOP's that will identify how the process is to be handled along with checks and balances to prevent information from being mishandled. - This Lytx system is in the contracting phase now and we expect that it can be physically installed and operational within 3 months. - The routing software will take a little longer and it is anticipated to be in use beginning in about 6 months depending on the vendor's success. 	
<p>6 Medium Priority</p>	<p>Condition: The vehicles used to haul waste do not have scales for the drivers to use to monitor their weight. Staff use cameras on their vehicles to see how far back the compactor is able to compress waste. As the compactor is unable to compress anymore waste, staff take the waste collected and dispose it. We also observed that staff are familiar with their trucks and use their experience to assist them. We obtained data on citations issued by the Florida Highway Patrol to Division staff for overweight</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented The Sanitation Division has been able to reduce over weight vehicles by load counts. By understanding the individual routes and tracking the average weights, the Division has been able to identify the number of loads that can be picked up. Using an 85th percentile, it has been able to keep the weights of the vehicles from being over at the landfill/transfer stations. In addition, the Division has not received any DOT tickets since</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: The Sanitation Division has determined that it is more cost effective to have the scale added to our new trucks to purchase. Due to budget constraints we are adding scales to our existing Sanitation trucks in phases as budgeted.</p> <p>For commercial routes in HiperWeb we capture weight per cubic yard serviced, automatically through the mobile app (tablets) in the vehicles</p>

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	<p>vehicles and found seven citations from June 2016 through December 2016. However, there were five citations issued in January 2017. In total these citations cost the City \$2,163. An analysis of the citations indicated that the total gross vehicle weight may be within the regulations, but each axle has a weight limit that cannot be exceeded. Therefore, in some cases the vehicles were overweight on one axle and in other cases the vehicles were overweight on both axles.</p> <p>Recommendation: The Division should consider cost effective options to provide scales for the trucks. Information from the Florida Department of Highway Safety and Motor Vehicles states that sworn law enforcement officers use portable scales to weigh vehicles, this may be an option that the Division could consider.</p>	<p>the full implementation of this process 5 months ago. This does not mean that a truck can not be overweight, but the risk is reduced substantially and if there is an overweight vehicle, it is by a small amount and usually not ticketed by the DOT.</p> <p>The process outlined above works well for most commercial and residential pickups, because the weight variance does not fluctuate greatly. However, the bulk/yard waste trucks and several of the commercial routes all have varying weights that prevent the method from being effective. Because of the ineffectiveness, the Division is in the process of getting scales for all bulk/yard waste trucks and for two to three commercial vehicles that service areas with industrial waste.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented. The following are steps that we are going to take to improve the process and operation.</p>	<p>that prompts the driver to break off from the route and head to the landfill once the net weight threshold is reached. This will not only reduce the vehicles maintenance cost, but also helps minimize an overload vehicle that may result in a fine.</p>
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		<p>However, please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Overweight Vehicles: On January 27th, 2017 The Department of Public Works staff met with a member of the Highway Patrol/DOT to discuss ways to improve our situation. The following are some of the interesting items we found out.</p> <ul style="list-style-type: none"> - All vehicles have a GVWR which may be 70,000 lbs. as noted but it depends on how many axels the vehicle has, what size and rating the tires are on the vehicle and how well the load is distributed that determines if the vehicle is overweight. o For example a two axle truck has a front axle with a weight rating of 19,500 lbs. and the two rear axles of 44,000 lbs. for a total of 63,500 lbs. The vehicle can be underweight but if the load is not distributed properly it can still be overweight on the individual axles. 	
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	<p>o There are a lot of scenarios that can cause a vehicle to be overweight. So the following are some of our short and long range plans to help correct the issue:</p> <p>Short Term</p> <ul style="list-style-type: none">- Place true max weight stickers in the vehicle so the driver becomes more aware.- Start working with the drivers to try and assess and identify what the vehicle looks like at certain weights based on how far the axle springs are compressed.- In Process and should be complete in the next couple of weeks. <p>Medium Term</p> <ul style="list-style-type: none">- As noted in other findings we are looking to implement a routing system. This routing system can be used in conjunction with industry standard MSW weight per container to try and predict when a vehicle will be at capacity and send them to the landfill.	
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		<p>- In process with a route software implementation of 6 to 8 months estimated.</p> <p>Long Term</p> <p>- Install a weight system on the vehicles that will identify the vehicle at individual times as they progress through the routes. It needs to be understood that these scales are not as accurate as the Landfill and portable scale of the police but it will give the drivers a better gauge based on their load.</p> <p>- These systems could be installed as new vehicles come in and if possible retrofit the older vehicles with the system.</p> <p>This may take several years to complete because it will be done incrementally to help defray the costs. The units could cost around \$1500 to \$2000 per truck unless installed as part of a new vehicle.</p>	
<p>7 Medium Priority</p>	<p>Condition: In FY14, the City Commissioners created a comprehensive fee schedule through Resolution 290-</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented The discrepancies in the commercial billing and</p>	<p>IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020:</p>

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	<p>13 because various departments were updating their fees throughout the year. The Comprehensive Fee Schedule was intended to be a single source of reference for current fees to ensure consistency, transparency, and efficiency. To create the Comprehensive Fee Schedule, departments submit their fees to the Finance Department as well as requests for changes to their fees. The approved fees are then compiled into one fee schedule.</p> <p>We reviewed the Comprehensive Fee Schedule for FY16 and FY17 and found that it did not accurately reflect the current fees charged by the Sanitation Division. Some rates charged by the Division were higher than those listed on the Comprehensive Fee Schedule and other fees were not charged to customers. For example, an additional residential waste container is listed at \$75 for the setup, but the Division has not charged this fee which is in the current fee schedule. On the other hand, the Division has historically billed commercial accounts based</p>	<p>residential billing fees have been addressed during the FY 2018 fee schedule review. A few simple changes to the wording have corrected areas that have not been properly reviewed in the past. Furthermore, the fee schedule review has been added as a step to the yearly budget process of the Division. The Sanitation Division anticipates making additional changes to the process in FY 2019. Its ultimate goal is to engage a third party consultant to review the current fee schedule and recommend an appropriate rate structure to bring to Commission for approval. The Public Works Director is discussing a possible engagement with Public Resources Management Group.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take</p>	<p>The Division has been working with City Administrators to review and update the Fee schedule on an annual basis to ensure we are meeting the operational costs.</p> <p>The Division is planning to work with a consultant to perform a comprehensive Solid Waste Rate study that covers:</p> <ul style="list-style-type: none"> - Revenue Sufficiency Analysis - Cost of Service Analysis
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	<p>on the number of cubic yards that their container holds, but the current fee schedule only lists a fee per container without specifying any size limitations. This appears to be an error that occurred when the City converted to a comprehensive fee schedule.</p> <p>Recommendation: Considering that the current Comprehensive Fee schedule must be updated, the Division should work with City Administrators to review the fees charged and conduct an analysis to determine whether fees are sufficient to recover costs incurred. The analysis should include benchmarking with other similarly situated cities to assist in establishing rates. Thereafter, the Division should provide the updated fees for approval by the City Commissioners and have the current Comprehensive Fee Schedule amended or incorporate the changes into the next Comprehensive Fee Schedule.</p> <p>For future changes to the Comprehensive Fee Schedule, the</p>	<p>time to implement and the results will also take longer based on full implementation.</p> <p>We believe that the discrepancies were omissions of certain words or abbreviations that should be in the chart. We are going to look at each individual line item and ensure the proper wording so as to formally set the table up with the correct fees.</p> <p>We also believe that staff was unaware of the changes and continued using the code as their guide. We now have a new Director of Public Works and will be looking carefully at what is charged and how. We will also get the fees in the table updated and are in the process of getting a route planning system. Most of these systems also include billing software that will allow you to implement the proper fees and charge based on the services provided.</p> <p>This new system is anticipated to be in place in 6 to 8 months. The fee schedule changes</p>	
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	Division should implement a review procedure of the current rates and what is submitted as well as a procedure to review the final approved rates and adjust the billed rates.	we intend to begin working on them and getting them before commission as soon as practicable.	
8 Medium Priority	<p>Condition: The Division does not have a documented mechanism to receive timely notifications when a business opens or closes. The Division staff and management stated that periodically they may drive around the City to look for changes or they may read local newspapers that discuss changes within the City. We observed one newspaper article that was utilized to determine which businesses had closed and which had opened.</p> <p>Recommendation: The Division should periodically review business locations to ensure that they are accurately serviced and billed. One option could be to use the refuse collectors to periodically verify the locations that they service on their routes, notate the container in use as well as the frequency of waste collection, and state whether the</p>	<p>MANAGEMENT UPDATE 02/2018: Partially Implemented The Sanitation Division is currently working on an asset management program that, in combination with a barcode/number system and the GIS system, will keep track of which business and which dumpster go together. In the meantime, the Sanitation Division is reviewing the fees charged to all customers and ensuring that the services provided are being billed for accurately. As employees go through this process, they are identifying discrepancies and are making adjustments, or not providing the services that are not paid for, if the customers disagree to the increased charge.</p> <p>Furthermore, the Division is working with staff to identify</p>	<p>PARTIALLY IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020: The Sanitation Division is working with the field staff to identify businesses that have closed. In the near future, the Public Works Director intends to request from the City Admin to add a position for a Field Inspector. The employee in this position will be responsible for all field verification for sanitation code compliance, account status, and route book discrepancies that may result in potential loss of revenue.</p>

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	<p>container is adequate for the waste collected. Once updated, the Division should ensure that the billing is accurate.</p>	<p>businesses that have closed. In the near future, the Public Works Director intends to request from the City Commission to add a position for an Operations Analyst. The employee in that position will be responsible for reaching out to businesses and ensuring that they are there and that billing is correctly set up.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take longer based on full implementation.</p> <p>Updated Commercial Location: The following are steps we are going to implement to improve how we track this information: We will institute SOP's that will give employees clear guidance on how and when to identify the changes.</p>	
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		<ul style="list-style-type: none"> - This will be accomplished by using ArcGIS to identify all locations already in business. - Work with planning to identify new businesses as they come online. - Research other municipalities to identify methods they use to find businesses as they turn over. - Work with the chamber of commerce to get the message out that business is required to contact our operations. <p>These are steps that ultimately will be used to identify and fill in the gaps to incorporate these changes and collect all revenue that are due. The time frame to complete this is estimated to be 8 to 12 months based on other projects we will be working on to help with this process.</p>	
9 High Priority	Implemented	Implemented	IMPLEMENTED 06/24/2018
10 Medium Priority	<p>Condition: We found that the Sanitation Division did not have documented policies and procedures. This is of particular concern considering the</p>	<p>MANAGEMENT UPDATE 02/2018: Not Implemented Since the Sanitation Division hired the industrial engineer, it has identified a need for process</p>	<p>PARTIALLY IMPLEMENTED</p> <p>MANAGEMENT UPDATE 08/2020:</p>

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	<p>volume of customers they serve and the revenue they generate. During our interviews and observations, we found that staff operate off memory in all areas. While we commend them for managing to operate a large division in this manner, it would be prudent to implement documented policies and procedures.</p> <p>Recommendation: The Division should ensure that it operates efficiently and provides sufficient oversight by documenting policies and procedures. Further, the Division should ensure that all employees receive the final policies and procedures. Finally, the Division should periodically review and update the policies and procedures to ensure that they reflect current business practices.</p>	<p>mapping, which will soon be under way. This process mapping is an important part of the creation of SOPs. While it is not happening as fast as anticipated, the Division intends to have a base set of documents over the course of the next year, depending on how fast it can correct the process failures it has now. It should be noted that as staff peels the onion, they continually find problems.</p> <p>We are continuing to improve on this. Implemented SOP process and training and new work order management system. Addition of IE and admin service superintendent.</p> <p>Management's Initial Response 01/2017: We agree with the observations presented in this report. The following are steps that we are going to take to improve the process and operations. Please note that all of the following steps will take time to implement and the results will also take</p>	<p>The Department has created standardized operating procedures (SOPs) for all the Divisions in Public Works, which are rolled out in formal training sessions with training logs. All the process maps and procedures are continually monitored and assessed to reduce operational cost and improve efficiency and safety. This is an ongoing process of continual improvement.</p>
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		<p>longer based on full implementation.</p> <p>Standard Operating Procedures - As noted, there are no Standard Operating Procedures. As the new Public Works Director this is of great concern. We have already been apprised of the situation upon Director's arrival and we are in the process of correcting the issue.</p> <ul style="list-style-type: none"> o We will be hiring an Industrial engineer that will be in charge of the programs. The position will be responsible to review the operations, recommend necessary changes and implement differences in the system as they arise. April 2017 anticipated start date. This position will document these procedures and continually modify them as the natural environment evolves. <p>- Until the Industrial engineer starts, we as a Department will start to put basic guidelines in place to include a template that will allow the creation of quality and standardized SOP's that will</p>	
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		<p>be used Department wide, not just divisionally.</p> <ul style="list-style-type: none">- While not vetted at this point, we would like to additionally look at having SCS engineers look at putting together a rough draft of SOP's to jump start the process.- Ultimately the goal is to have in place SOP's that will serve as guidance not only for the operations staff but for supervisors in case of emergency or loss of supervisory staff. Someone should be able to walk in and understand what we do and how to do it using an SOP manual.- The preliminary concept is already in process, implementation scope should be developed over the next 2 months with a finalized plan being completed and implemented within 6 months or by the beginning of FY18.	
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