



Report # 2025-12
Thornhill Road Bridge Construction
Audit #2025-10

Department of Inspector General
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November 18, 2025

INSPECTOR GENERAL AUDIT REPORT

Report #2025-12: Thornhill Road Bridge Construction (Audit 2025-10)

The Honorable Board of County Commissioners

We have conducted an audit of the construction of Thornhill Road Bridge, completed under contract #2022-126 with Denson Construction.

Our audit objectives were to assure the competitive bidding process complied with applicable policies, assure adequate risk mitigation terms were included in the contract, determine whether payments to contractors were in accordance with the contract, and evaluate the adequacy of project oversight.

We appreciate the cooperation and assistance provided by the Roads and Drainage Division during our audit.

We hope you find this report useful in ensuring that Polk County government provides the best possible services to our residents.

Respectfully submitted,

Garrett Pearn, CIA, CIG
Deputy Inspector General

Approved:

Stacy M. Butterfield, CPA
Clerk of the Circuit Court and County Comptroller

Background

The Roads and Drainage Division (the Division) is part of the growth and infrastructure service area of the Board of County Commissioners. The Division is responsible for the maintenance of existing county-owned roadways and drainage infrastructure and the construction of new infrastructure to provide safe roadways for residents and visitors. Its focus is on improving transportation mobility by constructing and maintaining roads, intersections, bridges, traffic signals, signs, and striping. These projects are accomplished through the capital improvement program, otherwise known as the community investment program.

The audit focused on the Thornhill Road bridge construction project managed by the Project Management section of the division. The project included the removal of the existing bridge and construction of a replacement bridge to include pedestrian and bicycle lanes with guardrails, as well as erosion and sediment control for the drainage area below the bridge.

After engaging with an engineering firm for design services, bid file #22-546 was issued for the construction portion of the project. A total of six bids were submitted and analyzed, and Denson Construction was awarded the project. Contract #2022-126 was finalized at the total bid price of \$2,302,597.35 which included \$250,000 of project contingencies and 150 construction days. The contract stipulated the agreement as a unit price bid, requiring all payments to be based on actual quantities at the bid unit prices. The Board of County Commissioners approved the contract on December 20, 2022.

In order to expedite construction and minimize the inconvenience to the traveling public, an additional incentive provision was included in the contract. For each calendar day the actual completion date preceded the original contract time (150 days), the contractor would earn \$7,500 per day, not to exceed \$225,000. The contract stipulated that the contractor must obtain the Certificate of Final Completion in order to be eligible for the incentive payment.

Scope and Methodology

The scope of our audit included:

- Interviews with Roads and Drainage Division personnel
- Interviews with Procurement Division personnel
- Review of bid submittals and bid analysis worksheet for bid file #22-546
- Review of contract #2022-126 and procedures, policies and controls relating to the project
- Review of insurance certificates, public construction bonds, and other risk mitigation terms included in the contract
- Review of all payment applications and supporting documentation
- Review of Roads and Drainage's project monitoring activities and documentation.

Our audit objectives were to:

- Determine whether the competitive bidding process complied with applicable laws, regulations, and BoCC policies and evaluate the overall bid analysis process
- Determine whether key risk mitigation terms were included in the contract, such as bonds, insurance, warranties, retainage, and audit rights
- Determine whether payments to contractors were authorized, supported, in accordance with the contract and other applicable laws, regulations and BoCC policies
- Evaluate the adequacy of project oversight and ensure that construction work met design specifications, deliverables were timely, change orders were reviewed and approved, and the project closed out in accordance with BoCC policies.

Testing was performed on activities beginning from bid submittal through the approval of the final payment application ranging from September 2022 through October 2023.

Our audit was conducted in accordance with the *Global Internal Audit Standards* of The Institute of Internal Auditors and the *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General. Accordingly, it included such tests of records and other auditing procedures as we considered necessary in the circumstances.

Results

Overall, we found the contract was competitively awarded and executed in accordance with applicable laws and BoCC policies and found the bid analysis process to be sufficient. The contract contained industry standard risk mitigation terms such as bonds, insurance, retainage, warranty, and audit rights.

Payments and retainage were generally accurate and withheld correctly. The Project Manager approved all payment applications prior to them being paid. The Project Manager also made weekly site visits and ensured construction of the bridge met design specifications, and all deliverables were timely.

However, our audit did find areas needing improvement related to payments and project oversight, as described below.

Observation #1:

The Certificate of Final Completion was issued the same date as the Certificate of Substantial Completion, even though work was not completed, resulting in the contractor being paid more incentive pay than was earned.

The contract defines substantial completion as “the stage in the progress of the Work when the Work is sufficiently complete in accordance with the contract documents, so the County can occupy or utilize the Work for its intended purpose.” The contract defines final completion as the “completion of all work associated with the construction of the project, including all incomplete items, those items to be re-worked, and all contract close-out documentation.” The incentive provision in the contract states that it is based on the contractor obtaining the Certificate of Final completion earlier than the original contract time.

The Certificate of Substantial Completion was earned on August 18, 2023, but project documentation, including inspector Daily Reports and the project Punch List, show work continued on the bridge and surrounding areas until August 24, 2023, including repairing cracking on the transition from the southbound lane from the bridge to the approach slab. The contractor was paid an incentive payment of \$195,000 (124 project days) when it contractually earned \$150,000 (130 project days), an overpayment of \$45,000. The Certificate of Final Completion was approved with a date of August 18, 2023, despite punch list items and project closeout not being completed by that date.

Recommendation #1:

We recommend Roads and Drainage only approve payments in accordance with the contract as approved by the Board of County Commissioners.

Management Response:

We concur with the recommendation and will be more diligent on future projects so that the punch list items are completed prior to the issuance of the Certificate of Final Completion.

Observation #2:

Multiple pay items were not validated for actual quantities, and when they were, many pay items were paid to the contractor based on original estimated quantities.

The contract stipulated the agreement as a unit price bid, requiring all payments to be based on actual quantities at the bid unit prices. During our walkthroughs with the Division of payment application review, and when a discrepancy on quantities for the same pay item was found between pay application #3 and #4, there was no supporting documentation available to review and approve payment applications. Roads and Drainage relied on estimates, and if the project appeared to be built to scope, approved pay items at 100% completion.

Recommendation #2:

Payment approvals should reference documentation to support quantities for pay application items and approve payment for actual quantities in accordance with the contract. Supporting documentation can include invoices, delivery tickets, inspector daily reports, and field measurements.

Management Response:

We concur that some of the supporting documentation is lacking for the pay applications. On future projects we will ensure that the field inspection is appropriately staffed so that there are no gaps in the supporting documentation.

Observation #3:

Daily reports were not filled out completely, reviewed timely, or were not submitted at all.

Daily reports were used by Roads and Drainage Inspectors to document various details about the project, including who was on site, what was being worked on, what materials were received, etc. However, the section for materials to be tied back to pay items was not completed in any submitted report.

Many reports were reviewed and approved well after they were submitted, including 53 daily reports approved in a single day in less than two hours according to the digital signatures recorded in Adobe. Over 40 daily reports were not submitted at all despite construction work being done.

Recommendation #3:

Daily reports should be filled out sufficiently for each day of the project to support materials and quantities received to tie back to pay items. These reports should be reviewed timely in order to use them as a resource when approving payment applications to validate actual quantities used on projects.

Management Response:

We concur that the daily reports were lacking some information related to quantities. We concur that the Project Managers need to review the daily reports in a timely manner. On future projects we will ensure that these items are addressed.