



Inspector General Insights

Background: Hurricane Ian made landfall in Southwest Florida as a category 4 hurricane unleashing intense winds and rainfall throughout Collier County. As a result of this natural disaster, Collier County sought services from a contracted primary emergency vendor (vendor/AshBritt, Inc.) to provide the collection and disposal of debris services. The vendor provided a major debris collection operation, which included roughly 1.3 million cubic yards of debris. This operation consisted of multiple self-loading trucks, which collected debris from the Right-of-Way (ROW). The collected debris was then taken to one of the two debris management sites (DMS), Resource Recovery Park DMS and Vanderbilt DMS, for separation and further processing. The construction and demolition debris were reduced via compaction and the vegetative debris was ground to mulch. The reduced/compacted debris was then taken to a final destination site (FDS).

Objective: The objective of this review consisted of the following:

1. Determine if the billing is in compliance with contract 15-6365 "Disaster Debris Management, Removal and Disposal Services".
2. Determine if the amounts paid would be considered compliant and reasonable with a subsequent FEMA audit.

Scope: The scope of the above-mentioned objectives consisted of the reviewing of invoices over \$50,000 under Purchase Order (PO) 4500220000, which is for services provided post-Hurricane Ian.

Observations: During the Office of Inspector General's (OIG) invoice review process, the following observations about the billing from the primary vendor, AshBritt, Inc. (AshBritt) were made:

1. Once the construction and demolition debris were processed at the DMS, it was driven to the Okeechobee landfill for final disposal, which is 135.39 miles from the Resource Recovery DMS and 131.73 miles from the Vanderbilt DMS. As per the contract, the vendor is allowed to bill per cubic yard of a distance up to 120 miles, with an additional amount per cubic yard for each mile thereafter.

The vendor provided the following three invoices for the final haul-out.

Invoice #	First Submission	Second Submission	Third Submission	Final Payment
2220-020	\$ 5,269,654.42	\$ 4,671,937.49	N/A	\$ 2,125,241.77
2220-020.1	\$ 477,667.67	\$ 442,474.07	N/A	\$ 292,539.59
2220-036	\$ 467,697.24	\$ 446,761.07	\$ 450,548.89	\$ 351,171.33
TOTAL	\$ 6,215,019.33	\$ 5,561,172.63	\$ 450,548.89	\$ 2,768,952.69

Table 1 - Invoice Amount Comparison

The first and second submission consisted of different combination rates for the final haul-out. Minor changes were made to the quantities for the third submission.

To establish the reasonableness of mileage rates billed, the OIG:

- a) Compared the rates to the rates utilized during Hurricane Irma;
- b) Compared the rates to the rates established by the secondary and tertiary vendors;
- c) Compared the rates to the rate schedule of other municipalities.

Below is an outline of the reasonableness comparisons that were utilized.

- a) The OIG looked at final haul-out billings post Hurricane Irma, as the same contracted vendor was utilized. It was determined that the vendor billed the following rate structure:

Line Item	Description	UOM	Rate
U036	Debris Haul out and Disposal (to Final Destination Site (FDS), Landfill) /e		
U037	Final haul out and disposal of reduced/compacted materials, 0-15 miles, one-way haul	Cubic Yard	\$4.05
U038	Final haul out and disposal of reduced/compacted materials, 15.1-30 miles, one-way haul	Cubic Yard	\$5.15
U039	Final haul out and disposal of reduced/compacted materials, 30.1-60 miles, one-way haul	Cubic Yard	\$6.25
U040	Final haul out and disposal of reduced/compacted materials, 60.1-90 miles, one-way haul	Cubic Yard	\$7.30
U041	Final haul out and disposal of reduced/compacted materials, 90.1-120 miles, one-way haul	Cubic Yard	\$8.40
U042	Final disposal of reduced/compacted materials, > 30 miles Disposal Tipping Fee is a pass-through cost.	Per CY/Mile	\$0.19
U043	e. Work consists of pick up and transport of reduced debris at a Community approved DMS to a final disposal facility. Disposal "tipping fees" will be billed at actual cost, as a pass-through at time of event. All applicable backup documentation will be submitted with billing.		

Figure 1 - Rate Schedule for Debris Haul Out to Final Destination Site

- \$8.40, which is the rate for up to 120 miles, and \$2.92, which is the rate for driving over 120 miles, for a combined rate of \$11.32 per cubic yard.

This shows that the vendor's interpretation of the contract was that line item U042 would only apply if the distance driven is greater than 120 miles. In order to see if the rate of \$11.32 per cubic yard would make sense, the OIG reviewed the linear progression of the rates to determine the next logical rate for the final disposal of reduced/compacted materials, 120.1-150 miles. It was determined that the rate forecast for a mileage range from 120.1-150 miles would be \$9.50 per cubic yard, which is less than the rate that was billed and paid to AshBritt post-Hurricane Irma.

Based on the above-mentioned rates, it could be concluded that the combined rate of \$28.42, which was billed during the first submission of the invoices, and the combined rate of \$25.17, which was billed during the second submission of the invoices, were not reasonable.

The graph on the following page consists of the rate forecast for the next logical mileage tier of 120.1-150 miles, compared it to the rate structure AshBritt used for Hurricane Irma and the rates used during the first and the second submission of invoices.

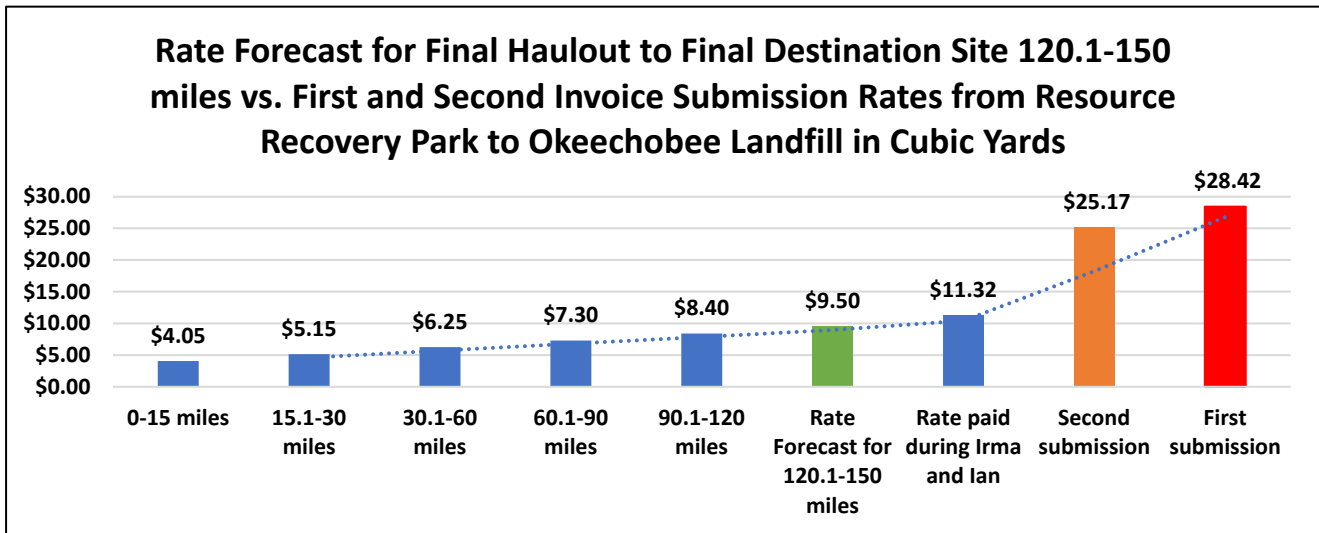


Chart 1 - Rate Comparison for Debris Haul Out to Final Destination Site

- b) The OIG further reviewed the contracted rates for the reduced debris haul-out to the final destination site for the secondary and tertiary vendors under contract. This review revealed that the secondary vendor does not contain services for a distance greater than 60 miles. The tertiary vendor has rates specifically outlining Okeechobee Landfill as the final destination site at \$11.82 per cubic yard. The graph below illustrates just that.

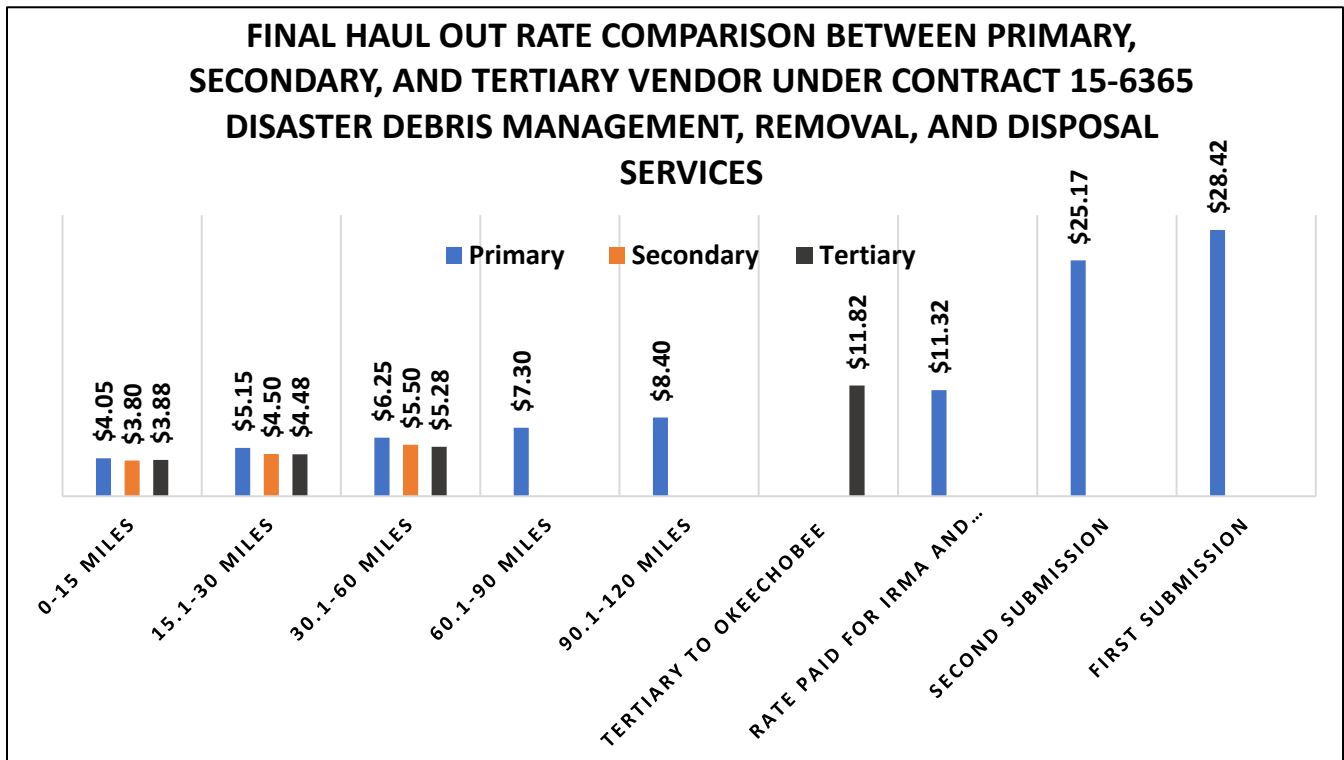


Chart 2 - Rate Comparison to Secondary and Tertiary Vendors

c) The OIG compared the rates billed to the rate schedule of other municipalities. This review revealed that no other contract had a similar interpretation of the price schedule, whereby costs are increased for each mileage tier and then an additional cost per mile is added retroactively to the second tier. Each contract reviewed (displayed by the sample below) indicated that the additional cost per mile was always added to the mileage for the last tier.

Sample of Comparison of Contracts between Ashbritt, Inc. and Other Municipalities

Mileage Tiers	Collier County		Orange County, CA		City of Coral Gables	
	Description	Price per CY	Description	Price per CY	Description	Price per CY
0-15 miles	Debris Haul out and Dispsal to FDS 0-15 miles	\$ 4.05	Final Disposal of reduce d/compacted materials 0-15 miles	\$ 5.13	Haul-out of Reduced or Unreduced Debris from DMS to Final Disposal Site 0-15 miles	\$ 4.85
15-30 miles	Debris Haul out and Dispsal to FDS 15.1-30 miles	\$ 5.15	Final Disposal of reduce d/compacted materials 16-30 miles	\$ 5.99	Haul-out of Reduced or Unreduced Debris from DMS to Final Disposal Site 15-30 miles	\$ 6.25
30-60 miles	Debris Haul out and Dispsal to FDS 30.1-60 miles	\$ 6.25	Final Disposal of reduce d/compacted materials 31-60 miles	\$ 6.84		
60-90 miles	Debris Haul out and Dispsal to FDS 60.1-90 miles	\$ 7.30				
90-120 miles	Debris Haul out and Dispsal to FDS 90.1-120 miles	\$ 8.40				
Cost per mile beyond the last tier	>30 miles (CY/Mile)	\$ 0.19	Transporting processed debris to final disposal >60 miles (CY/Mile)	\$ 0.28	Haul-out of Reduced or Unreduced Debris from DMS to Final Disposal Site >30 miles (CY/Mile)	\$ 0.15

*The contract between Charlotte County and Ashbritt, Inc. contains pricing for hauling debris from TDSRS to the Okeechobee Landfill at \$10.50 per CY.

Chart 3 - Rate Comparison with Other Municipalities

Based on OIG’s research, it was determined that the combined rates of \$28.42 and \$25.17 per cubic yard were not consistent with similar contracts, nor consistent with prior billings on the same contract. Therefore, the final payment was made based on \$8.40 per cubic yard, which is the rate for a distance of up to 120 miles, plus a rate of \$2.92 for driving over the maximum allotted 120 miles, for a combined rate of \$11.32 per cubic yard from Resource Recovery DMS to Okeechobee landfill. The overall short pay for the final haul-out was \$3.4 million from the original submission and \$2.7 million from the second submission.

2. There were discrepancies in the mileage tier billed. As per the contract, the vendor may bill a rate of cubic yards of debris depending on the miles driven from the right-of-way (ROW) debris collection location to the debris management site (DMS) for processing. As part of the OIG's review, we recalculated the shortest driving distance from the collection site to the debris management site and matched those miles with the mileage tier that was billed. On six invoices, the vendor billed the next mileage tier for a portion of their tickets. This resulted in a short pay of \$68,016.07 for those four invoices. The OIG later determined that Bing Maps, which was utilized in the OIG's review, included one or more gravel roads when calculating the shortest driving distance. These roads were deemed unpassable, which indicated that a truck full of debris could not have been able to pass through. Therefore, these services were later paid in full. A total of \$778.02 remained unpaid, which included \$600.60 of services that were not rebilled by the vendor and \$177.43 which was billed for the incorrect mileage tier.
3. Truck #821139 had a volume discrepancy of one cubic yard. Each truck was measured by a Tetra Tech, Inc., who was hired to perform the monitoring function of the debris collection and disposal operation. Despite the maximum volume of the truck of 66 cubic yards, the volume on the truck was posted as 67 cubic yards. This resulted in short paying two invoices for \$172.02.
4. As per the contract and FEMA guidelines, the tipping fees are pass-through costs. The OIG reviewed contract 10-5535 "Disposal Capacity Agreement" between Collier County and Okeechobee Landfill. The contract states that Okeechobee Landfill will reserve a spot for Collier County for debris that is a result of a natural disaster. The amount per ton outlined in section 8B, is \$21 for storm debris. In addition, section 8F allows for a yearly price increase as per the CPI as published by the United States Department of Labor, Bureau of Labor Statistics. The Okeechobee landfill should honor the price per ton as outlined in agreement 10-5535.

However, the department stated that Okeechobee Landfill is a subsidiary of Waste Management, and it is assumed that Okeechobee Landfill would honor those prices only if Waste Management is the hauler of the debris. This contract dates back to 2001 and the multiple extensions it has gone through only indicate that it would follow the annual CPI increase. The department provided a price increase trending analysis, which supports the \$32.28 that Okeechobee Landfill billed the County emergency vendor. Therefore, the OIG accepted this as reasonable and subsequently paid the invoices for the tipping fees in full. This observation is not considered a deficiency.

Recommendations & Actions: The following recommendations were made:

1. For observation #1, it was recommended that the contract be amended in order to clarify the rate discrepancy. The County agreed and has drafted a third amendment to the contract, which adjusts the fee schedule rates by 3% CPI with the exception of disaster response services.

In addition, the following adjustments were proposed:

Line Item	Debris Haul out and Disposal (to Final Destination Site (FDS), Landfill)	Unit of Measure	Original Rate	Amended Rate
U037	Final haul out and disposal of reduced/compacted materials, 0-15 miles, one-way haul	Cubic Yard	\$ 4.05	\$ 4.55
U038	Final haul out and disposal of reduced/compacted materials, 15.1-30 miles, one-way haul	Cubic Yard	\$ 5.15	\$ 5.79
U039	Final haul out and disposal of reduced/compacted materials, 30.1-60 miles, one-way haul	Cubic Yard	\$ 6.25	\$ 7.02
U040	Final haul out and disposal of reduced/compacted materials, 60.1-90 miles, one-way haul	Cubic Yard	\$ 7.30	N/A
U041	Final haul out and disposal of reduced/compacted materials, 90.1-120 miles, one-way haul	Cubic Yard	\$ 8.40	N/A
U042	Final disposal of reduced/compacted materials > for each mile over 60 30 miles, one way haul Disposal Tipping Fee is a pass-through cost	Per CY/Mile	\$ 0.19	\$ 0.13

Based on the amendment as described in the table above, the recalculated rate for the final disposal of reduced/compacted materials to Okeechobee Landfill calculates to \$16.82 per cubic yard, depending on the mileage distance between the debris management site and Okeechobee Landfill.

- For observations 2-4, the OIG made recommendations to short pay or pay an invoice, based on the detailed invoice review that was performed. The appropriate actions were taken by the County division and the Clerk's Finance division.
- For observation #5, the County should clearly define the rate adjustments in accordance with the CPI increase for contract 10-5535 and clarify whether these rates apply exclusively to Waste Management or extend to others working on behalf of the County. If these rates are applicable to other haulers representing the County, County staff should make the debris hauler contractors aware that the County has an existing tipping fee rate to ensure that there is consistency in the rates billed to the County.

Conclusion: The primary vendor, AshBritt, Inc., continues to provide services to Collier County, and the existing contract 15-6365 "Disaster Debris Management, Removal and Disposal Services" is anticipated to sunset on January 12, 2026. Based on subsequent meetings with the staff and the vendor, the recommendations were accepted.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
60	\$30,671,726.44	\$3,531,469.30	\$3,447,935.85	3