



OFFICE OF THE INSPECTOR GENERAL

PRELIMINARY INQUIRY MEMORANDUM

December 21, 2018

TO: Andrew Kleine
Chief Administrative Officer

FROM: Edward L. Blansitt III 
Inspector General

SUBJECT: Duplicative Expenditures at County Fire Stations
OIG PIM #19-002

This Preliminary Inquiry Memorandum (PIM) describes a complaint and the outcomes of limited procedures undertaken during a Preliminary Inquiry conducted by the Office of the Inspector General (OIG). Copies of this PIM along with your response, if any, will be provided to the members of the County Council and the County Executive within 10 business days of the date of this PIM.

Background and Complaint Summary:

An anonymous complainant contacted the OIG to report wasteful spending at County fire stations. The complainant indicated that over the past year, the County had completed capital projects at local fire stations which were rejected by the receiving local volunteer fire and rescue department (LFRD) due to the color of the materials ordered. In both cases, the complainant believed that the County intended to spend money to reorder the materials in the color preferred by the applicable LFRD. The complainant provided two examples:

- 1) Fire Station 28 - Gaithersburg-Washington Grove Volunteer Fire Department (GWGVFD) recently received four brand new overhead doors. The two front doors that face the road were replaced with red doors. However, the volunteer fire department would like them to be white. The complainant believed that MCFRS intends to replace the new doors because of the color.
- 2) Fire Station 23 - Rockville Volunteer Fire Department (RVFD) is scheduled for a custom roof replacement. The new, gray custom roofing material has been delivered and is staged behind the firehouse. However, the volunteer fire

department wants the new roof to be red. The complainant believes the County intends to spend additional money to order another custom roof in red.

Within Montgomery County, there are a number of fire stations, some of which are owned by the County and some of which are owned by a LFRD. Each LFRD maintains its own charter with the State of Maryland and is registered as a non-profit volunteer corporation with the state. For each of the fire stations referenced by the complainant, the station is owned by the LFRD but maintained by the County government.

The County has entered into a “Right of Entry Agreement” with the LFRDs subject to our review related to the County’s use of property owned or maintained by a LFRD for the delivery of Fire and Rescue Services. Both of the Right of Entry Agreements reviewed by the OIG describe the circumstances under which the County and its contractors may access the property to perform construction, maintenance, or repair.

Inquiry and Outcome:

The OIG opened a preliminary inquiry to determine whether the information provided by the complainant was accurate and if so, what possible controls could be implemented to prevent such additional expenses in the future.

Fire Station 28: Gaithersburg-Washington Grove Volunteer Fire Department (GWGVFD)

The Montgomery County Fire and Rescue Service (MCFRS) Division Chief tasked with responding to the OIG regarding this matter confirmed that Fire Station 28 recently had its rear and front bay doors replaced. According to the Division Chief the current County standard as directed by the Fire Chief calls for red bay doors on the front of firehouses, which were installed at Fire Station 28 earlier this year.

An October 5, 2017 email from a Manager III within the Department of General Services (DGS) Facilities Maintenance Section to the designated DGS Capital Improvements Program (CIP) Project Manager for the recent door replacement project at several fire stations indicates that DGS was aware that the new door design might not be liked by all of the receiving fire stations, but it does not appear that DGS had intentions to meet with each fire station’s point of contact (POC) to discuss the matter until after a purchase order (PO) had been executed.

A portion of the email states: (emphasis added)

There is no need to meet with the customers to get their requirements – we have them. Please request a proposal from Metropolitan Doors and provide to me for review once received.

Moving forward and once the contract PO has been executed, we will meet with each Fire Station POC to review the following:

- *Provide them a cut sheet/rendering of the doors they will receive. **Some may not like them, but this is the standard as directed by the Fire Chief.***
- *Construction schedule, logistics, and associated impacts.*

On October 10, 2017, the President of the GWGVFD Board of Directors (GWGVFD Board President) was included on an email from a Manager III within the MCFRS Capital Projects and Facilities Section notifying the designated point of contact at three recipient fire stations that they would be receiving new bay doors. The email states that for each station, new doors will be “red with two window panels in the front”. The email also states that it is expected that the named DGS CIP Project Manager for the project would be in touch with each fire station’s designated point of contact to coordinate the work. The named DGS CIP Project Manager was included as a recipient of the email.

Based on the copy of the email chain that we received from MCFRS, it does not appear that the GWGVFD Board President responded directly to that email or protested the color choice until several months later, after the doors were installed. The MCFRS Division Chief stated that the GWGVFD Board President told him that he did not receive the October 10, 2017 email designating the color choice.

A July 18, 2018, email from the GWGVFD Board President states

The color red was never approved by GWGVFD. I was never contacted by [the named DGS CIP Project Manager] or any Facilities person regarding the installation and color. This clearly violates the "Right of Entry" we have with all DFRS contractors. ... please let me remind you this fire station is owned by the GWGVFD. GWGVFD expects these red doors replaced or painted white in the very near future.

According to the MCFRS Division Chief, MCFRS will pay \$8,330 to change the color of Fire Station 28’s new front doors from red to white.

Fire Station 23 Rockville Volunteer Fire Department (RVFD)

The DGS Deputy Director provided documents indicating that Fire Station 23 was scheduled for a roof replacement and selected red as the roofing panel color. Additionally, at the project’s April 5, 2018 “Construction Kickoff Meeting”, it was communicated to interested parties, including the RVFD representative, that the new roof for Fire Station 23

would be “Firehouse Red” and a color sample would be provided by the contractor that was initially expected to complete the work.

However, the contractor referenced during the Construction Kickoff Meeting was not the contractor that was ultimately hired to performed the work. Pricing for the roof using the initial contractor was deemed excessive by DGS. Therefore, the contract was rebid. Based on the documentation provided to the OIG by DGS, it does not appear that the company that ultimately received the contract offers “Firehouse Red” as a color choice. However, the company does offer several other shades of red as roofing choices, none of which were chosen by DGS. Rather, when the roofing order was placed with the new company, DGS mistakenly ordered the roofing panels in gray, which were shipped to the site but not installed.

To explain the chain of events, the DGS Deputy Director stated to OIG staff in an email:

When DGS bid the project initially, the cost was high so DGS revised the documents and put them out to bid using the Small Construction Task Order contract as opposed to using the roofing contract.... the color selection made during the prior contracting effort was not picked up, which [led] to the misidentified color selection in the later contract.

According to a DGS Field Order issued on September 26, 2018 for the Fire Station 23 Roof Replacement project, the cost to “Provide Brite Red sheet metal roofing panels and trim pieces in lieu of the slate gray sheet metal roofing panels and trim pieces” is \$39,976.

Approval of Work at LFRD-owned Fire Stations

OIG staff asked representatives of both DGS and MCFRS whether there was any policy or procedure in place requiring a LFRD, as the fire station owner, to approve or sign off on work being done and the materials being used before a project commences. We also asked for copies of any approval documents for the projects discussed in this memorandum.

In response, the MCFRS Division Chief told us that there was no policy regarding LFRD approval of maintenance, etc. Rather, we were told that there in a “Right of Entry Agreement” in place for both RVFD and GWGVFD which addresses the County government’s construction, maintenance, and repair of LFRD owned properties.

We reviewed the Right of Entry Agreements for both RVFD and GWGVFD. Both documents state:

...the County shall obtain prior approval from the LFRD prior to entering into any contract (or modifications or additions thereto) for goods, services, or construction

*required to perform fire and rescue services and certain construction, maintenance, or repair of one or more of the Properties...*¹

The MCFRS Division Chief stated that he did not have copies of any approval documents for the projects, and referred us to DGS. In response to our request, DGS provided no approval documents signed by a representative of either LFRD. Instead, the DGS Deputy Director responded that “items like ‘color’ are typically captured in meeting minutes.”

The DGS Deputy Director provided a copy of the “Construction Kickoff Meeting Minutes” from an April 5, 2018, meeting regarding the roof replacement at Fire Station 23 which, as previously discussed, indicate that the roofing material will be red. We received no meeting minutes related to the door replacement at Fire Station 28.

Summary and Conclusion:

Over the past year, there have been two instances in which improvements to a LFRD-owned firehouse were rejected by the building owner (LFRD) based on the color of the materials procured by the County. This caused the County to incur over \$48,000 in duplicative expenses. The Right of Entry Agreements between the County and the LFRD owners appear to require that the County obtain prior approval for “certain construction, maintenance, or repair” of LFRD-owned property.

Based on the information received from both MCFRS and DGS, it does not appear that either LFRD owner was asked to provide formal approval of the ordering documentation for either project. While the Right of Entry Agreements do not require that approval be in writing, we suggest that DGS and MCFRS consider instituting a formal process, wherein LFRDs are asked to review and provide written approval of purchase orders and any associated project renderings or material choices prior to the County expending funds for improvements to LFRD-owned firehouses. A written approval process would memorialize the LFRDs concurrence with proposed improvements and the materials to be used and likely help the County to detect mistakes and avoid such duplicative expenses in the future.

cc: Fariba Kassiri, Assistant Chief Administrative Officer
Scott Goldstein, MCFRS Fire Chief
David Dise, Director, Department of General Services

A Preliminary Inquiry Memorandum (PIM) is appropriate in situations where we have, in reaction to a complaint, gathered and assessed sufficient information for us to draw limited conclusions related to the specific complaint. Since PIMs do not result from full inspections, investigations, or audits, it would not be appropriate for us to provide full findings and recommendations in PIMs. Instead, we may identify specific conditions, transactions, and events that management may want to continue to research from an investigative or policy standpoint.

¹ Within the each of the RVFD and GWGVFD Right of Entry Agreements “Properties” refers to either RVFD sites or GWGVFD sites, which are described in exhibits to the agreements.

CAO RESPONSE TO THE MEMORANDUM

On January 16, 2019 the Chief Administrative Officer (CAO) responded:



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Andrew W. Kleine
Chief Administrative Officer

MEMORANDUM

January 16, 2019

TO: Edward L. Blansitt III, Inspector General

FROM: Andrew Kleine, Chief Administrative Officer *AWK*

SUBJECT: Duplicative Expenditures at County Fire Stations, OIG PIM #19-002

This memorandum is in response to the Office of the Inspector General, Preliminary Inquiry Memorandum (PIM) #19-002, Duplicative Expenditures at County Fire Stations. The PIM reviews recent incidents where additional costs were incurred because of two Local Fire and Rescue Department (LFRD) objections to completed work at their respective fire stations.

In one example, Fire Station 23, the PIM notes the administrative error that occurred while ordering the roofing material. In the other example, Fire Station 28, the PIM describes a different scenario with the same consequence in which new doors were replaced less than a year after installation because of LFRD objection.

It should be noted that the County regularly performs a significant volume of work at the LFRDs with few complications. Montgomery County Fire and Rescue Service (MCFRS) completes a wide range of small projects including appliance replacement and minor maintenance while the Department of General Services (DGS) is tasked with larger-scale, capital projects. For larger-scale projects such as roof replacement, building envelope repairs, and door replacements, the DGS project manager coordinates with the LFRD and MCFRS throughout design and construction.

To avoid the types of issues referenced in the two situations above, the PIM suggests that the County implement a formal process, wherein LFRDs are asked to review and provide written approval prior to the County expending funds for improvements to LFRD-owned firehouses. I agree, and have directed DGS and MCFRS to develop a protocol that requires LFRD written approval on future projects, and to ensure this protocol is communicated to appropriate DGS, MCFRS, and LFRD officials.

If you have any questions, please contact Fariba Kassiri at fariba.kassiri@montgomerycountymd.gov or by phone at 240-777-2512.

cc: Fariba Kassiri, Assistant Chief Administrative Officer
David Dise, Director, DGS
Scott Goldstein, Chief, MCFRS
Bill Broglie, Internal Audit Manager

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