



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

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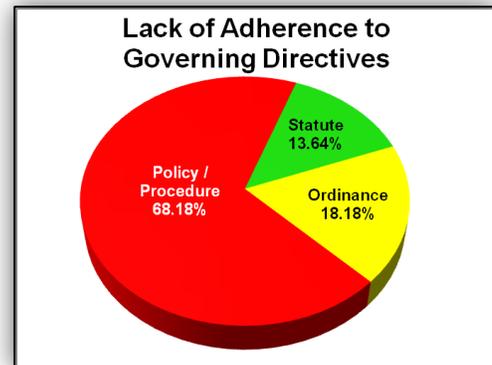
"Enhancing Public Trust in Government"

Making Government Better: Recommendations to Strengthen the Procurement Process

Public procurement is a critical function of government and demands wise stewardship in dispersing our taxpayer's dollars. The purpose of this Advisory is to provide a summary of three general weak areas we have observed in the procurement process and recommend some ways to improve your procurement process. The areas are lack of adherence to governing directives, poorly crafted solicitation documents (Requests for Proposals and Invitations to Bid), and inadequate selection committee member training. By implementing strategies that address these areas, entities can ensure that contracts are awarded equitably and economically.

Lack of Adherence to Governing Directives

Governing Directives are laws, local ordinances, and internal policies/ procedures that govern the procurement process. We have observed that most organizations do have local policies and procedures in place but often simply do not follow their internal policies/procedures. This is the result of either failing to follow directives in their purchasing policies or the procedures listed in the solicitation document.

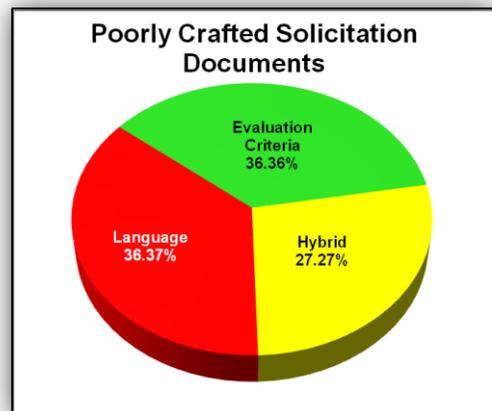


Poorly Crafted Solicitation Documents

Solicitation documents are formal instruments used to purchase goods and services. Typical solicitation documents are Requests for Proposals (Qualifications) and Invitations to Bid. Our analysis identified three common problem areas in solicitation documents.

First, solicitation documents had poorly defined language; second, solicitation documents did not have clearly defined evaluation criteria; and third, solicitation documents were "hybrid" instruments that may not result in the best product or service for the lowest cost.

Hybrid solicitations use a combination of standard Invitation to Bid (ITB)—lowest responsive and responsible bidder—and Request for Proposal (RFP)—evaluation criteria—processes. By inserting language into the ITB that permits



evaluation based on vague criteria in addition to price, the award becomes subjective; thus, changing the intended purpose of an ITB to award the contract to the lowest responsive, responsible bidder.

Inadequate Selection Committee Member Training

Committee member training is an essential requirement for an effective and efficient selection committee meeting. Committee members should have a good understanding of, or training in, the evaluation criteria; statutory requirements, including the Sunshine Law; conflict of interest disclosures; and other administrative elements.

We have encountered instances where staff and selection committee members were unprepared to make critical procurement decisions because they did not understand the evaluation process; did not understand the solicitation language; and/or, were not provided all of the proposal documents required that would allow them to complete the evaluation process.

Recommendations

Our recommendations to correct most of the areas of weakness and promote equitable and economic procurement include good training, increased management involvement and greater attention to detail.

The National Institute of Governmental Purchasing recommends that public entities establish a formal evaluation plan. An evaluation plan includes, but is not limited to, establishing the framework and methodology for evaluation, identifying the evaluation criteria and its weights, and establishing the administrative and approval framework.

The State of Florida, Department of Management Services publishes a "Guidebook to Public Procurement"¹ that provides good guidance on current procurement practices. The Guidebook contains an array of information, which includes the importance of developing clear language for the solicitation document and preparing the committee members for the selection committee meeting.

Additionally, the National Association of State Procurement Officials (NASPO) provides guidance on the differences between the competitive sealed bidding method [Invitation to Bid] and the competitive sealed proposal method [Requests for Proposals]. Specifically, that ITB contracts awards are based upon the (a) responsibility of the bidder; (b) responsiveness of the bid; and (c) the bid with the lowest price. While RFP contract awards are based on a variety of factors, including price.

Implementing strategies to address current deficiencies will better position government entities to advance the public policy statement articulated in section 287.001, Florida Statutes, which states:

The Legislature recognizes that fair and open competition is a basic tenet of public procurement; that such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and that documentation of the acts taken and effective monitoring mechanisms are important means of curbing any improprieties and establishing public confidence in the process by which commodities and contractual services are procured.

¹ http://www.dms.myflorida.com/business_operations/state_purchasing