



Making Government Better: Recommendations to Strengthen the Procurement Process

Office of Inspector General
Palm Beach County, Florida
September 18, 2014



Overview

- State of Florida Public Policy Statement (Chapter 287.001)
- Fundamental Elements of Sound Procurement Practice
- Procurement Trends and Issues
 - Lack of Adherence to Governing Directives
 - Poorly Crafted Solicitation Documents
 - Inadequate Selection Committee Training
- Recommendations to Improve Procurement Process
- Resources
- Conclusion



State Policy Encourages Open and Competitive Procurements

Section 287.001, F.S. – 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**.



Fundamental Elements of Sound Procurement Practice

1. Economic

- Best value through competition
- Best value for the dollars spent (public funds)

2. Equitable

- Fair and equitable contracting opportunities for vendors
- Qualified vendors have access to the municipal market

3. Transparent

- Public confidence
- More information disclosed – the better
- Improved ethical conduct
- Maximum disclosure benefits the public



Procurement Trends and Issues

- Three Categories
 - Lack of Adherence to Governing Directives
 - Poorly Crafted Solicitation Documents
 - Inadequate Selection Committee Training

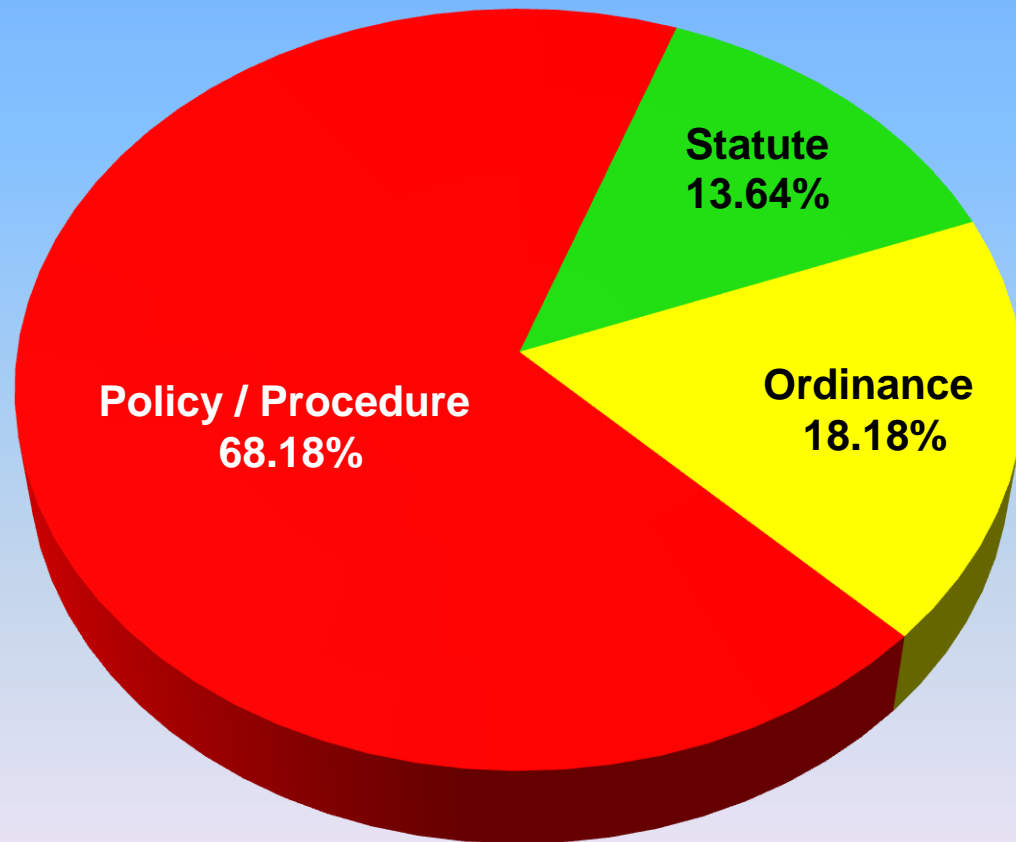


Lack of Adherence to Governing Directives

1. Statute
2. Ordinance
3. Policy Procedure



Lack of Adherence to Governing Directives





Lack of Adherence to Governing Directives

Statute – 14%

- Chapter 287.055, Consultants' Competitive Negotiation Act
- Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services



Lack of Adherence to Governing Directives

Statute – 14%

- Areas of Concern:
 - Hiring a consulting engineer without a competitive procurement process
 - Selection Process was inconsistent with the Consultants' Competitive Negotiation Act in that qualified bidders were eliminated without evaluation based on uniform criteria and weightings
 - Awarding Design Build Contracts
 - Qualifications Based Selection Process
 - Competitive Proposal Selection Process



Lack of Adherence to Governing Directives

Ordinance – 18%

- Areas of Concern:
 - Purchasing Ordinance requires competitive bids or proposals for good/services in excess of a threshold dollar amount
 - Purchasing Ordinance did not support the use of piggyback contracts for construction projects
 - Entering into contracts in violation of the Town Charter
 - Charter has a Funding Limitation



Lack of Adherence to Governing Directives

Policy / Procedure – 68%

- Areas of Concern:
 - Did not competitively bid contracts
 - Exceeding dollar threshold
 - Lack of planning resulting in an emergency purchase
 - Did not adhere to requirements established in the solicitation document
 - Did not establish a selection committee to review proposals
 - Evaluation Criteria / Process
 - Scoring sheets
 - Exceeding the number of contract awards listed in the document
 - Purchasing Procedures
 - Lack of segregation of duties
 - Verifying deliverables

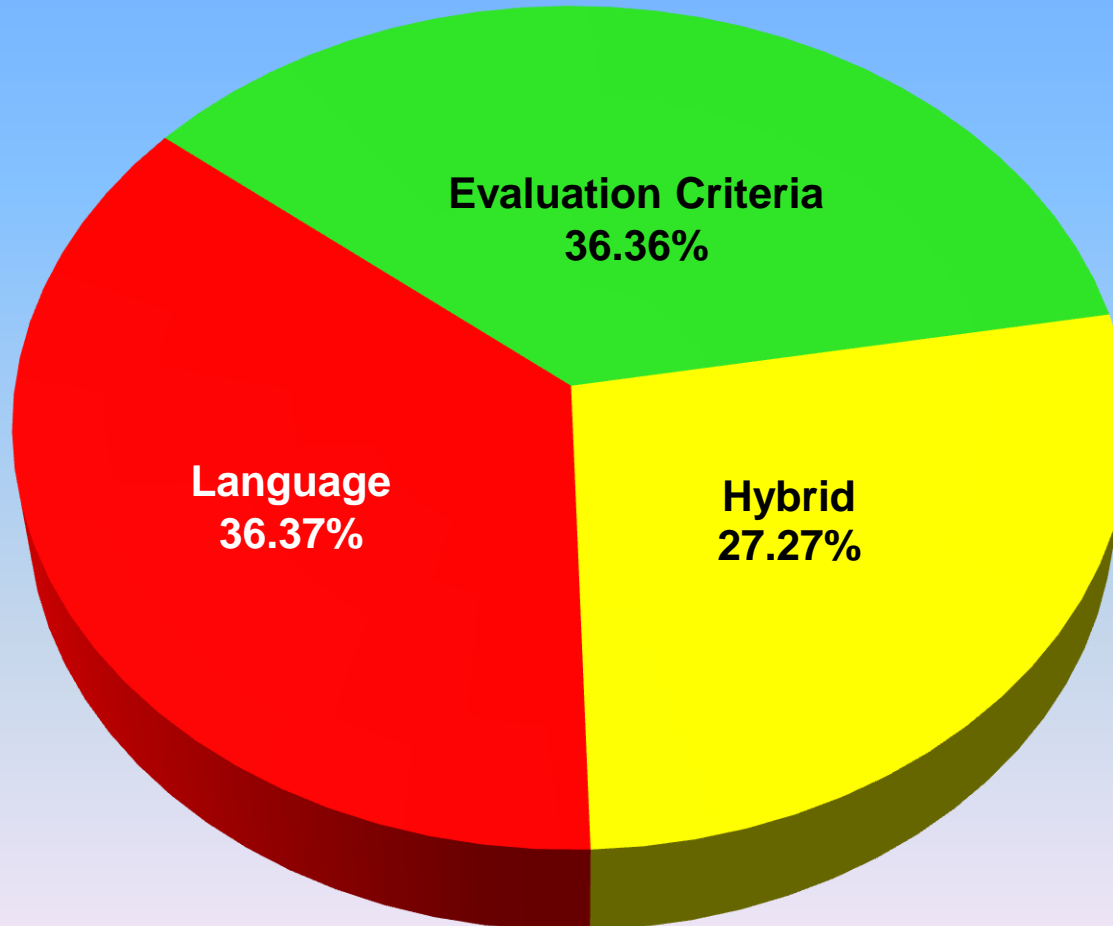


Poorly Crafted Solicitation Documents

1. Hybrid solicitation documents
2. Language
3. Evaluation Criteria



Poorly Crafted Solicitation Documents





Poorly Crafted Solicitation Documents

Hybrid Solicitations – 27%

National Association of State Procurement Officials

- Competitive sealed bidding [ITB]: “Preferred method for acquiring goods, services, and construction for public use in which award is made to the (1) lowest responsive and responsible bidder, (2) based solely on the response to the criteria set forth in the IFB [ITB]; (3) does not include discussions or negotiations with bidders.
- Competitive sealed proposal [RFP/RFQ]: “A procurement method of obtaining goods, services and construction for public use in which (1) discussion and negotiation may be conducted with responsible offerors who submit responsive proposals.



Poorly Crafted Solicitation Documents

Hybrid Solicitations – 27%

- **Evaluation of proposals will be conducted by a committee of City Staff . . .** the committee shall also consider the inspection of the applicant's facilities; equipment, record keeping and employees.
- ITB's with weighted evaluation factors and a statement such as "although bid price is a strong factor, as evidenced by the points assigned, the goal is to enter into an agreement with the Contractor that will provide the best overall service . . ."



Poorly Crafted Solicitation Documents

Language – 36%

- Unclear Protest Language:
 - “The time for filing a protest is five (5) calendar days from the date bid results become public information.”
- Scope/Statement of Work:
 - Insufficient background section
 - Insufficient objectives and purpose statements
- Unclear Bid Specifications:
 - “At no time will more than two hundred (250) beach chairs, cabanas, umbrellas and windbreakers/clamshells be permitted on the beach.”



Poorly Crafted Solicitation Documents

Evaluation Criteria – 36%

- The RFP included four evaluation considerations but did not identify their corresponding weighting factors (points).
- The ITB contains evaluation criteria that were not well defined, weighted or ranked as to their relative importance.
- Points awarded for Oral Presentations; however, points are not mentioned in the solicitation document. Additionally, internal procedures prohibit evaluating proposals with criteria not listed in the solicitation document.



Inadequate Selection Committee Training

- Committee Members do not understand the evaluation process
- Committee Members do not understand the evaluation criteria
- Committee Members are not provided all the information required that would allow them to complete the evaluation process



Recommendations

- Evaluation Plan (Pre-Award Phase):
 - Establish the framework and methodology for evaluation
 - Establish bidder confidence in the process
 - Identify evaluation criteria – mandatory, desirable, optional
 - Identify values and weights by category and/or criteria
 - Establish evaluation, scoring stages and methods
 - Identify the need for formal presentations, site visits, demonstrations, or product testing
 - Establish the administrative and approval framework



Recommendations

- Selection Committee Training:
 - Process and procedure of the team clearly stipulated prior to starting
 - Based on expertise and one's ability to positively contribute to the evaluation and selection process – generally subject matter experts
 - Familiar with the process of evaluation scoring, response ranking, and how to apply the same objective criteria to each proposal
- State of Florida, Department of Management Services
 - Guidebook to Public Procurement (revised February and August)
 - http://www.dms.myflorida.com/business_operations/state_purchasing



Resources

- National Institute of Governmental Purchasing
 - Introduction to Public Procurement
 - Developing and Managing Requests for Proposals in the Public Sector
 - Sourcing in the Public Sector



Questions or Comments

Thank you.

Office of Inspector General
(561)233-2350