



**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**

**CONTRACT OVERSIGHT NOTIFICATION
(2012-N-0005)**

ISSUE DATE: AUGUST 7, 2012

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

Town of Jupiter – Audit Services

ISSUES

Office of Inspector General (OIG) staff attended three selection committee meetings pursuant to an advertisement for audit services by the Town of Jupiter (Town). The OIG observed instances where the Town did not follow the policies/procedures established in its Purchasing Policy / Standard Operating Procedures (Purchasing Policy) manual.

The OIG's review determined a Town Council Member sitting as a member of the selection committee did not complete the required Request for Proposal (RFP) tabulation sheet as prescribed in the Town's Purchasing Policy manual and did not score the proposals utilizing the weighted evaluation criteria as specified in the RFP. Additionally, the four (4) committee members who did complete the RFP tabulation sheets neglected to affirm their results by signing them. The Town's Purchasing Policy manual provides guidance for the development, and subsequent scoring, of the RFP evaluation criteria. Contained in Section VI under the heading of "Competitive Bidding and Selection Process", and subsection C, titled "Competitive Selection" it states:

- 3 b. Each RFP or RFQ shall identify the appropriate evaluation procedure and criteria to be applied to the selection of the best proposal among respondents. The Town Manager or his/her designee shall establish the evaluation criteria.
- 3 c. ...Selection committee members will document and **sign their results on the RFP Tabulation Sheet** (*bold added*). Selection Committee **will make selections based upon the required evaluation criteria** (*bold added*).

Additional guidance is located in the RFP document. Specifically, in paragraph 1-9 – "Selection Process" it states in part; "The proposals will be evaluated and **assigned points**; (*bold added*) the firm with the **highest number of points** (*bold added*) will be ranked first..." Moreover, in paragraph 4-4 – "Evaluation Criteria" it states in part; "**The criteria and weights as shown herein shall be utilized in the evaluation of the proposals**" (*bold added*).

On May 3rd, 2012, the Town formed a selection committee consisting of five (5) individuals: a Town Council Member; the Town Manager; two (2) Town staff members; and, a public sector subject matter expert. It is noted the diversity and experience of the

Town's selection committee was an important element to ensuring a fair and competitive selection process. Selection committee members assist in the procurement of goods and services by performing the following three (3) functions:

1. Evaluate the RFP submissions (proposals)
2. Score the proposals in conjunction with the RFP evaluation criteria
3. Rank the proposals / Award recommendation

Prior to the selection committee meeting, Town staff provided each committee member with an electronic version of a RFP tabulation sheet containing the weighted evaluation criteria specified in the RFP. The committee members were instructed to use the RFP tabulation sheet as a guide when evaluating, scoring and ranking the proposals in advance of the meeting. The RFP outlined the following weighted evaluation criteria and the points assigned thereto:

Criteria ¹	Points
Qualifications and Experience / Ability of Professional Staff / Financial	25
Quality of Service	25
Technical Approach to the Project / Scope of Work	20
Fee	20
Other	10

On June 12th, 2012, the selection committee assembled to evaluate, score and rank the seven (7) proposals. At the beginning of the meeting, each committee member acknowledged they received and reviewed the proposals, which allowed them to evaluate their relative strengths and weaknesses according to the evaluation criteria (factors and sub-factors) contained in the RFP. Moreover, four (4) of the five (5) committee members completed their preliminary RFP tabulation sheets prior to the selection committee meeting. The exception was the Town Council Member. After evaluating the merits of each proposal, the committee members proceeded to the formal scoring and ranking phase.

During the scoring phase, the four (4) committee members who had previously scored the proposals using a RFP tabulation sheet, had the opportunity to make adjustments to their initial scores. The Town Council Member, even though Town staff made a RFP tabulation sheet available during the selection committee meeting, neglected to score the proposals in the manner prescribed. Committee members then collectively agreed to rank the proposals on a scale of one (1), being the highest, to seven (7), being the lowest. Town staff compiled a list ranking each of the proposals by entering each committee member's rankings of the seven (7) proposals into a spreadsheet, totaling and then averaging the scores.

¹ The evaluation criteria utilized by the Town contains factors, and sub-factors, for each of the five (5) evaluation criteria; for simplicity, the sub-factors are omitted.

Weighted evaluation criteria in the RFP provides a benefit to both the proposer and the Town in that proposers benefit by receiving specific guidance for the basis of an award and the Town benefits by receiving qualified proposals addressing a specific need. Further, utilizing a RFP tabulation sheet to document a selection committee member's score provides additional benefits to both the proposer and the Town. The proposer, who incurs costs to develop the proposal, receives feedback on the relative strengths and weaknesses of their submission. This is particularly useful to an unsuccessful proposer who would like the opportunity to rectify deficiencies in subsequent proposals and increase their opportunity for an award in the future. The Town, by requiring selection committee members to document their scores on a RFP tabulation sheet, produces documentation that can be utilized to defend its position against a bid protest. Moreover, by providing feedback to a proposer, the Town has the opportunity to assist in the creation of a larger pool of qualified candidates, which will enhance the economic and equitable procurement of services in the future.

RECOMMENDATION

1. When procuring goods and services the Town should adhere to its established Purchasing Policy / Standard Operating Procedures and ensure Selection Committee Members score proposals in accordance with defined criteria in the manner specified in the RFP.

RESPONSE FROM MANAGEMENT

On August 6, 2012, Town Manger, Andrew D. Lukasik responded to the Notification (attached) in which he stated, in part:

“The oversight report correctly indicates that one of the members of the Audit Selection Committee neglected to complete the RFP tabulation sheet prior to the selection committee meeting. Town staff recognizes that, when implementing a RFP selection process which may consist of members outside of the day to day staff of the Town, **it will be important to conduct an instructional class with these non-day-to-day staff members or volunteers to outline the policy and procedures as it relates to the Towns [sic] purchasing policy and, if necessary, State Statute.**”

OIG COMMENTS

Based upon the Town's response, the OIG will periodically attend selection committee meetings to ensure the Town is following its established Purchasing Policy / Standard Operating Procedures manual.

The Office of Inspector General's Contract Oversight Unit is established to review an organization's procurement and contracting activity. When necessary, reports will be issued to: 1) identify areas and/or instances where activity conflicts with an organization's established policies and procedures, and; 2) recommend improvements that will result in more effective and consistent contracting practices.



TOWN OF JUPITER

August 6, 2012

Office of Inspector General
Palm Beach County
PO Box 16568
West Palm Beach, FL 33416

Subject: Office of Inspector General Contract Oversight Notification (2012-N-0005)

Dear Mr. Doucette,

Thank you for the opportunity to review the draft oversight notification report dated August 3, 2012 for the Town's recent request for proposal for Auditing services. I appreciate the ability to address the findings in your report.

As indicated in the oversight report, the Town's purchasing policy provides guidance to staff members for purchasing and the formal processes for selection of vendors. The oversight report correctly indicates that one of the members of the Audit Selection Committee neglected to complete the RFP tabulation sheet prior to the selection committee meeting. Town staff recognizes that, when implementing a RFP selection process which may consist of members outside of the day to day staff of the Town, ***it will be important to conduct an instructional class with these non-day-to-day staff members or volunteers to outline the policy and procedures as it relates to the Towns purchasing policy and, if necessary, State Statute.*** The process of giving additional guidance to non-day-to-day staff members may alleviate any misinterpretation or miscommunication of the Towns policies.

Thank you once again for your observations regarding the Town's practices and policies. Please contact me should you have any questions about this response.

Sincerely,

Andrew D. Lukasik
Town Manager

Cc: The Honorable Mayor and Town Council