



**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**

**CONTRACT OVERSIGHT OBSERVATION
(2013-O-0001)**

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

Date: January 28, 2013
To: Peter Elwell, Town Manager, Town of Palm Beach
From: Sheryl G. Steckler, Inspector General
Subject: Telemetry System Improvements – RFP No. 2013-02

This Contract Oversight Observation is a follow up report to the Contract Oversight Notification ("Notification") issued on September 7, 2012 relating to the Town of Palm Beach's ("Town") advertisement for telemetry system improvement. The Notification reported that: (a) the Town did not follow policies/procedures established in its Purchasing Policy and Procedures Manual ("Purchasing Policy"); and, (b) failure to have complete level of performance specifications caused delays in the process that could have jeopardized the completion of the project by the established deadline of December 31, 2012 set by the Federal Communications Commission (FCC). The OIG recommendation included in the Notification was that "The Town should adhere to its established Purchasing Policy and Procedures Manual and ensure that RFP specifications are: (a) complete, clear, concise, fair and unrestricted; and, (b) should define, the level of performance required rather than listing a specific brand name."

In response to the OIG's Notification, the Town rejected all bids and on November 4, 2012 and November 11, 2012, published an updated Request for Proposal (RFP) No. 2013-02 for Telemetry System Improvements. Unlike the original RFP No. 2012-14 where the "Scope of Services" section specified brand named equipment such as "Motorola MOSCAD-M-RTUs" and "CalAmp SC Viper" radios "or equivalent", the "Scope of Services" section included in the reissued RFP complied with the Town's Purchasing Policy in that it contained comprehensive performance level specifications, including an open architecture system¹.

Results of Reissuing the RFP

On November 14, 2012, the Town held a pre-proposal conference for prospective bidders. This meeting was an opportunity for prospective bidders to seek clarification from Town staff and visit three (3) representative pump stations. Visiting the pump stations provided the prospective bidders an opportunity to understand the current condition of the Town's telemetry system. On November 27, 2012, the Town issued an addendum to the RFP that included the pre-proposal meeting minutes.

¹ Due to its non-proprietary nature, an open architecture system increases competition among bidders while promoting system flexibility, functionality and interoperability.

The Town received three (3) proposals on December 4, 2012 and held selection committee meetings on December 5 and 6, 2012. The expedited process was necessary in part due to the time constraint of complying with the FCC's narrow banding mandate that required the reduction of radio frequency waves by January 1, 2013.

The selection committee consisted of four (4) voting members and five (5) non-voting members. The non-voting members were subject matter experts and provided technical knowledge to the voting members. Moreover, the Town retained the services of a consultant to provide additional expertise to the selection committee members. The first selection committee meeting was held on December 5, 2012 to review, discuss and score the proposals. After evaluating the merits of each proposal against the evaluation criteria (factors and sub-factors) contained in the RFP, the voting members of the selection committee ("Voting Members") scored and ranked the proposals.

After completing the scoring and ranking phase, the Voting Members collectively agreed to shortlist the two highest ranked firms: Engineer Service Corporation ("Engineer Service") and Star Controls Incorporated ("Star Controls"). Furthermore, the Voting Members requested that Engineer Services provide information about the capability and reliability of their proposed equipment while providing Star Controls with an opportunity to submit certain required financial information. The Town's consultant was responsible for gathering information concerning the reliability of Engineering Service's proposed equipment and performing reference checks on Engineer Service and Star Controls. The Voting Members agreed to reconvene on December 6, 2012 to discuss the outstanding items, listen to presentations and ultimately make an award recommendation to the Town Council.

On December 6, 2012, the selection committee reconvened to listen to presentations and discuss the outstanding issues of the previous day. Although Star Controls did not submit all of the required financial information required by the RFP, the selection committee reviewed the substance of their proposal. Additionally, the consultant determined the proposed equipment (Scada Pack RTU) by Engineer Service was currently being used by a local municipality and according to its' staff, they have been using the equipment for over 15 years without any problem. Additionally, the consultant determined the manufacturer of the proposed equipment, Schneider Electric, is an industry leader in manufacturing this type of equipment and surmised local government entities may be unaware of Schneider Electric's equipment because at the time of replacement they have focused on equipment offered by their existing manufacturer.

After considering the information provided by the consultant, the Voting Members recommended the Town award the Telemetry System Improvements contract to Engineer Service. Thereafter, on December 11, 2012, the Town Council approved Resolution Number 161-2012 and awarded Engineer Service the Telemetry System Improvements contract totaling \$355,608².

² It is noted that because the reissued RFP and procurement included engineering services that were not included in the original RFP, realized cost savings are indeterminable.

Summary

The eventual procurement for telemetry system improvements complies with the Town's Purchasing Policy and Procedures Manual, specifically the inclusion of complete level of performance specifications within an RFP. In so doing, the Town has safeguarded the integrity of the procurement process which increases vendor confidence, facilitates economic and equitable procurement, and maximizes the purchasing value of public funds.

A response to this Contract Oversight Observation is not required; however, we request that you review this matter.

ACKNOWLEDGEMENT

The Inspector General's Contract Oversight staff would like to extend our appreciation to the Town's management for the cooperation and courtesies extended to us during the contract oversight process.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to Joe Doucette, Chief of Operations, by email at inspector@pbcgov.org or by telephone at (561)233-2350