



Memorandum



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To: The Honorable Daniella Levine Cava, Mayor, Miami-Dade County
The Honorable, Jose “Pepe” Diaz, Chairman
and Members, Board of Commissioners, Miami-Dade County

From: Felix Jimenez, Inspector General 

Date: March 18, 2021

Subject: OIG Final Audit Report - Contract 8757-1/18-1, *Electrical and Electronic Components, Tools, Parts, and Supplies*; Ref. IG18-0007-A

Attached please find the above-captioned final report issued by the Miami-Dade County Office of the Inspector General (OIG). Contract 8757-1/18-1, *Electrical and Electronic Components, Tools, Parts, and Supplies*, was a pool contract that provided electrical and electronic components, tools, parts, and supplies on an as needed basis and was accessed by more than 20 departments during the contract term. The audit focused on departmental usage and compliance with the contract roadmap, including adherence to Small Business Enterprise guidelines.

The OIG selected four departments for audit testing: the Miami-Dade Public Library System, the Public Housing and Community Development Department, the Seaport Department, and the Department of Solid Waste Management. The OIG first provided these four departments with separate reports describing our observations specific to each department. The responses from these four departments are included in Appendix A to the final report. Thereafter, a draft report was provided to the Internal Services Department (ISD) that summarized our observations including common issues noted across the four departments. The OIG also provided recommendations for ISD’s consideration. ISD’s response to the draft report is attached as Appendix B.

The OIG recognizes that procurement and payment workflows will be greatly modified—and enhanced—with the advent of the County’s Integrated Financial Resources Management Systems (INFORMS). The OIG requests that the Administration provide the OIG with a follow-up report in 120 days, on or before Friday, July 16, 2021, that describes the status of implementing OIG recommendations and other reforms identified in ISD’s response. We would like to thank the four departments selected for audit testing and ISD for the courtesies extended to the OIG throughout this audit.

For your reading convenience, an Executive Summary follows.

Attachment

cc: Edward Marquez, Chief Financial Officer, Office of the Mayor
Tara C. Smith, Director, Internal Services Department (ISD)
Namita Uppal, Chief Procurement Officer, ISD
Gary T. Hartfield, Division Director, Small Business Development, ISD
Ray Baker, Director, Miami-Dade Public Library System
Michael Liu, Director, Public Housing and Community Development Department
Juan Kuryla, Director, Seaport Department, Miami-Dade County
Michael J. Fernandez, Director, Department of Solid Waste Management
Cathy Jackson, Director, Audit and Management Services Department
Yinka Majekodunmi, Commission Auditor, Office of the Commission Auditor

OIG EXECUTIVE SUMMARY

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

The Miami-Dade County Office of the Inspector General (OIG) conducted an audit of Contract No. 8757-1/18-1, Electrical and Electronic Tools, Parts, and Supplies (Contract). This Contract, which was in effect from April 2014 through March 2019, provided electrical and electronic components, tools, parts and supplies on an as needed basis. For the five years that the Contract was in effect, County departments collectively purchased approximately \$46 million in goods from this Contract.

The OIG audited departmental access, usage and compliance with the Contract's Terms and Conditions, and adherence to the Contract's Small Business Enterprise (SBE) requirements. The audit focused on Contract utilization by four County departments: the Miami-Dade Public Library System (Libraries), the Public Housing and Community Development Department (PHCD), the Seaport Department (Seaport), and Department of Solid Waste Management (DSWM).

Observation 1 of the report contains a summary of individualized departmental audit results stemming from our testing of each department's use of the contract and their compliance with contract requirements. We identified a few instances wherein one department did not comply with the Contract's SBE requirements; where another department made purchases from non-competitively established blanket purchase orders outside of the contract scope for goods and services; and, where one department's competitive purchases did not comply with the County's Cone of Silence. Additionally, we noted one department did not timely acknowledge its receipts of items purchased thus resulting in extra time spent to determine if goods were received and invoices could be paid.

Observation 2 addresses the application of the County's Collusion Affidavit requirements. Throughout the audit, we noted non-uniform and irregular application of the Collusion Affidavit. One department required that the winning vendor submit the Collusion Affidavit, while another department did not require it for competitive quotes that resulted in one bid. For another department, the recommendations for award were not accompanied with a Collusion Affidavit. We also noted one irregularity where the Collusion Affidavit was signed by the notary nine months prior to the vendor RFQ award notification. The OIG determined that this vendor had also utilized this notary signature across two of the four departments for a total of eleven recommendations for award.

The OIG recommends that departments should take advantage of training as offered by ISD to ensure compliance with County and contract requirements, as well as seek clarification and instructions on contract requirements that are not clear. The OIG further recommends that ISD offer training and further clarification on appropriate blanket purchase order use to prevent purchases from non-competitive blanket purchase orders or favoritism to particular vendors. The ISD responded that it will continue its efforts to educate and apprise department procurement staff concerning appropriate procurement processes and procedures, as well as provide updates and training on the necessary forms and documents. Additionally, ISD stated that it is obligatory that staff receiving these communications and training documentation share it with all impacted department personnel.

The OIG recommends that ISD provide additional guidance and training to all user departments on the Collusion Affidavit and procurement requirements. Any changes to Collusion Affidavit requirements should be a joint policy decision in consultation with the County Attorney. The ISD indicated that they will make changes to the existing Collusion Affidavit to align with best procurement practices and possibly expand its applicability for awards under \$250,000, so long as it does not unduly burden department staff and vendors.

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FINAL AUDIT REPORT

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

IG18-0007-A

March 18, 2021

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I. INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Contract No. 8757-1/18-1, *Electrical and Electronic Tools, Parts, and Supplies* (Contract). This Contract, which was in effect from April 2014 through March 2019, provided electrical and electronic components, tools, parts and supplies on an as needed basis.¹ For the five years that the Contract was in effect, County departments collectively purchased approximately \$46 million in goods from this Contract.

The OIG selected this Contract for audit due to its size and wide-ranging operational impact across numerous departments. Furthermore, the Contract makes use of spot market competition where the purchasing departments issue a Request for Quote (RFQ) to the contract's prequalified vendors. The purpose of this audit was to assess departmental compliance with the Contract's Terms and Conditions, and adherence to the Contract's Small Business Enterprise (SBE) requirements. To facilitate the departments' understanding of appropriate contract access and use, the Internal Services Department's Strategic Procurement Division (ISD-SPD) prepared a roadmap founded primarily on the Invitation to Bid requirements.

The audit focused on Contract utilization by four County departments: the Miami-Dade Public Library System (Libraries), Public Housing and Community Development (PHCD), Seaport Department (Seaport), and Department of Solid Waste Management (DSWM).

II. RESULTS SUMMARY

Overall, the sampled departments generally complied with the Contract's requirements, including the roadmap and SBE requirements. Additionally, we observed compliance with the County's Cone of Silence requirements by three of the four departments audited, compliance with emergency purchase use, and that invoiced amounts were properly approved for payment. Nonetheless, we identified a few instances that did not comply with the Contract's requirements. We also noted non-uniform and irregular application of the County's Collusion Affidavit. These and other observations are detailed in the remainder of this report.

Regarding oversight of the Contract, we found that ISD-SPD historically has not reviewed departmental utilization for compliance with County and contract requirements. Based on our discussions with ISD-SPD, they do not have the resources to actively monitor departmental utilization. It is apparent that ISD-SPD relies on County departments to follow the Contract's roadmap and other guidance provided by way of procurement training and other advisories and memoranda that are issued from time to time.

¹ The successor contract, *RTQ-00888, Electrical & Electronic Components, Tools, Parts, and Supplies*, is also a pool contract and has a total capacity of \$97.1 million; it expires on March 31, 2026.

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Furthermore, we noted that among County departments, there were different understandings as to which County procurement policies were required for each price quote. This condition was revealed very early on during our discussion with staff from the four sampled departments, as well as other departments that we informally queried. This was especially evident with regards to the Collusion Affidavit. Some departments were requiring it, but it was not being executed correctly. Other departments were not requiring it at all.

During the audit, we obtained a copy of a legal opinion issued in 2008 regarding the application of the Collusion Affidavit on small purchase orders and work order quotes from a pre-qualified pool of vendors. Seeking further clarification from ISD-SPD, we learned that the Collusion Affidavit is only required when a Recommendation to Award needs to be filed with the Clerk of the Board, which, at present, are for awards over \$250,000. This is an area where we believe ISD-SPD should review and determine if there is desire to require the Collusion Affidavit in RFQs under \$250,000. Whatever is decided, ISD-SPD should provide additional guidance to department buyers on this topic.²

Lastly, during discussions with OIG, the Small Business Development Division (SBD) voiced interest in participating in training efforts alongside ISD-SPD. We believe that this collaboration between the two divisions of ISD, especially as it relates to the SBE measures on pool contracts, will further improve overall compliance with the County's procurement policies and procedures.

III. AUDITEE RESPONSES

The OIG earlier issued individual reports to each of the four departments audited. Written responses from the four departments are included in their entirety in Appendix A of this report. The collective departmental audit results and summaries of the departments' responses are reported in Observation 1, which begins on page 7 of the report.

This report, which collectively reports the testing from the four departments, was provided to ISD, as a draft for, its review and comment. ISD's response is included in this report as Appendix B. ISD responded positively to our recommendations indicating that they will make changes to the existing Collusion Affidavit to align with best procurement practices and possibly expand its applicability for awards under \$250,000. ISD stated that it will continue its efforts to educate and apprise department procurement staff concerning appropriate procurement processes and procedures as well as provide updates and training on the necessary forms and documents. ISD further states that it

² During the audit, the Contract's Contracting Officer evidenced inclusion of Collusion Affidavit and the Cone of Silence requirements within the replacement contract's (RTQ-00888) roadmap. We appreciate ISD-SPD's prompt action to improve the current roadmap; however, Collusion Affidavit requirements should be a joint policy decision. Specifically, ISD-SPD should consult and make this policy decision alongside the County Attorney.

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will re-emphasize proper purchasing methods across all department at its next procurement staff workshop on March 31, 2021. The OIG auditors welcome the opportunity to attend this and future pool contract procurement workshops. Lastly, ISD noted that the “Go Live” date for the County’s Integrated Financial Resources Management System (INFORMS) is April 1, 2021, which will modernize outdated procurement and financial operations across all County departments.

Excerpts of ISD’s response is included in the body of the report (*in italics*) at the end of each related observation and recommendation.

IV. TERMS USED IN THE REPORT

County	Miami-Dade County
DSWM	Department of Solid Waste Management
ISD	Internal Services Department
ISD-SPD	Internal Services Department, Strategic Procurement Division
Libraries	Miami-Dade Public Library System
PHCD	Public Housing and Community Development
RFQ	Request for Quote
SBD	Small Business Development Division, Internal Services Department
SBE	Certified Small Business Enterprise

V. OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions; conduct reviews and audits of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

VI. BACKGROUND

Contract No. 8757-1/18-1 is, in essence, a pool of prequalified vendors able to supply electrical and electronic components, tools, parts and supplies on an as needed basis. The Contract’s scope of goods and supplies are split into two groups (Group A and Group B). Vendors are prequalified for each group and may be prequalified for both groups. Departments seeking goods within the product line of one of the two groups must send the Request for Quote³ (RFQ) to only the vendors listed in that group. Moreover, depending on the expected value of the purchase, the bid opportunity may be restricted

³ We found that some departments use the term Request for Quote, while others referred to the process as Invitation to Quote (ITQ). The contract actually uses the RFQ terminology; however, for purposes of this report, the two terms are used interchangeably.

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to SBEs or SBEs may be given a preference when competing against larger (i.e., non-SBE) firms.

According to the contract roadmap, departments are required to obtain quotes from SBEs only (i.e., an SBE set-aside) for purchases under \$100,000. This is required unless the department can determine that there are not enough SBE certified pre-qualified bidders (minimum of three). Micro-SBEs shall automatically receive a 10% bid preference. Micro-SBEs shall also receive a 10% preference for purchases under \$100,000 that are not an SBE set-aside. For purchases valued above \$100,000, which would be an open bid, both SBEs and Micro-SBEs receive 10% bid preferences.

At its height, there were 72 vendors in the Contract pool⁴. Sixty-two (62) vendors had been awarded purchase orders. The breakdown of the 72 vendors were as follows: 15 SBEs (with 13 of the 15 qualifying as Micro-SBEs) and 57 non-SBE vendors. Contract award data shows that all 15 SBE firms were issued POs (47 of the 57 non-SBE firms were issued POs). See OIG Schedule A for a breakdown of purchases orders issued to each vendor and whether the vendor is an SBE.

Individual departments received allocations based on their expected level of contract utilization for the 5-year term. The contract term included collective allocations totaling \$59.7 million for 20 county departments. Total contract expenditures exceeded \$46.13.⁵ (See OIG Schedule B for a breakdown of allocations, purchase orders, and expenditures by department). Additional detail for the four departments audited is set forth below.

Purchasing Workflow Process

We observed that each department, with the exception of PHCD, accesses their contract allocations through referenced purchase orders created in ADPICS. Unlike the other audited departments, PHCD employs its own purchasing and payment systems, which do not reconcile with the County's accounts payable system. PHCD's unique process is further detailed separately in this report. Each department's competitive purchasing process includes a requisition for the needed item(s), emails to the vendors requesting a quote, tallies identifying the lowest quote and awarded vendor, creation of the purchase order for the awarded amount, receipt of the item, and payment to the vendor. Additionally, we observed that some departments maintain a hard copy of the RFQ/ITQ package, while others compiled electronic records to help facilitate our review. At present, there is no electronic repository that centralizes all the departments' purchasing data. In other words, ISD would be unable to spot check departmental compliance with the contract roadmap unless it asked for purchasing records from each department individually.

⁴ The Bid Tracking System (BTS) noted a total of 84 vendors registered under the Contract; however, only 72 were unique vendors (i.e. not duplicated).

⁵ Expenditure total does not include payments for the period 4/1/14 through 12/31/15 for PHCD.

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Utilization by the Four Departments Selected for Further Review

DSWM issued 25 purchase orders totaling \$143,809 under the Contract. DSWM accessed the Contract to perform repairs or maintenance throughout three transit stations, 13 trash recycling centers, two landfills, and two home chemical stores. DSWM noted purchases of electrical panels, lights, and conduits for site maintenance. When compared to other departments accessing the Contract, DSWM was not a large user in terms of dollars or volume. DSWM noted that purchases are made on demand and no inventory or stockroom is maintained.

Libraries issued 109 purchase orders totaling \$433,748. Libraries accessed the Contract primarily for maintenance work within the 50 library branches located throughout the County. Maintenance staff periodically assess the 50 library branches to identify any maintenance or repair needs. The majority of the requests under the Contract concerned lighting bulbs or ballasts, which are not standard throughout the branches. Libraries management noted that electrical and electronic inventory is kept at a central stockroom located at the West Dade Regional Library. Additionally, some Library trucks have small inventory amounts; however, this inventory is not tracked.

The Seaport issued 745 purchase orders totaling \$1,123,443. Seaport accessed the Contract to support the maintenance needs of various divisions in the department (Maintenance, Operations, Terminal, Cruise, and Capital Construction). We observed that the Seaport purchased ballasts, wire, electrical panels, and dock sensors. The Seaport noted that a stockroom keeps maintenance items on hand and receives items for projects.

PHCD issued 54 purchase orders totaling \$1,631,295. Unlike other county departments, the PHCD-issued purchase orders function as blanket purchase orders, with the majority of them being issued at the onset of the contract period prior to any RFQs being issued. This is because PHCD employs its own purchasing and payment systems, which do not reconcile with the County's accounts payable system. The purchase orders drawn from the county's purchasing system (ADPICS) are simply obtained for drawing down PHCD's allocations against the Contract. RFQs are solicited for the actual purchases, and the resulting contract awards are then tied to purchase orders issued from PHCD's Elite Procurement System.

PHCD accessed the Contract to purchase items for maintenance and repairs for its 31 housing sites located throughout Miami-Dade County. Each location's site maintenance supervisor or site administrator may purchase parts and supplies, as needed. The purchases include electrical outlets, outlet covers, light bulbs, light ballast, and electric wall heaters.

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VII. OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the audit was to assess departmental compliance with the Contract’s roadmap (aka guidelines) including the procedures for obtaining price quotes and adherence to the Contract’s SBE requirements. OIG Auditors also tested for compliance with the County’s Cone of Silence, use of emergency purchases, and that invoices were properly approved for payment. We also evaluated how departments were requiring the submission of the County’s Collusion Affidavit. The scope of our review covered the Contract’s full term (from April 2014 through March 2019).

In order to achieve these objectives, the OIG selected a small sample of invoices from Libraries, PHCD, Seaport, and DSWM. These sample selections (see Table 1 on the following page) were driven by data relating to the number of purchase orders, dollar distribution among vendors, and the type of purchase (e.g. emergency, special orders, or stock). We tested the department’s support for each PO, which typically involved reviewing the competitive RFQ process and the resulting bid tabulation. The OIG also conducted interviews, performed walkthroughs, and sampled transactions. We visited the Seaport storeroom, Library storeroom, and PHCD warehouse to observe the electrical and electronic supply inventories. Unlike the three other departments, DSWM does not maintain a storeroom. Additionally, we observed the order process and examined control conditions, including safe keeping of items being purchased under the Contract.

Table 1: Sampled Purchase Orders and Invoices

Department Name	Total Contract Allocation	Purchase Orders Issued	Purchase Order Sample Size Total Amount	Purchase Order Sample Size	Invoice Sample Size	Invoice Sample Total Amount
Seaport	\$1,470,797	\$1,123,443	\$ 34,786	6	6	\$ 31,929
PHCD	\$1,710,000	\$1,163,295	\$775,000	7	11	\$ 32,001
Libraries	\$ 535,000	\$ 433,748	\$ 71,526	6	8	\$ 25,382
DSWM	\$ 530,139	\$ 143,809	\$ 26,438	5	5	\$ 11,794
	\$4,245,936	\$2,864,295	\$907,750	24	30	\$101,106

Source: BTS, FAMIS, ERP, Elite ProcureIt

This audit was conducted in accordance with the Generally Accepted Government Auditing Standards and the Principles and Standards for Offices of Inspector General promulgated by the Association of Inspectors General. The AIG Principles and Standards are in conformity with the Government Auditing Standards promulgated by the Comptroller General of the United States (2011).

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VIII. OIG AUDIT OBSERVATIONS AND RECOMMENDATIONS

Overall, we were pleased to see that the departments generally complied with the Contract's requirements and other county procurement procedures. The OIG tested each department's support for the competitive RFQ process and the bid tabulation resulting in the purchase award. We also reviewed the vendor invoices and payment approval process. While there were a few noted instances of non-compliance with the Contract's roadmap and deviations from procedural best practices, the noted instances were isolated and do not appear to have compromised County operations. Explanations to the OIG for their occurrences and the corrective actions taken by the departments to address these instances have been sufficient.

Observation 1: Departmental Audit Results Concerning Contract Use

As previously stated, our fieldwork primarily focused on four departments and their utilization of the Contract. To evaluate compliance, we reviewed departmental supporting documentation for 24 selected purchase orders comprised of 30 invoices. These testing results were then shared individually with each department. All four departments elected to provide the OIG with a response; these responses are included in Appendix A of this report.

Not including our observations pertaining to the *Collusion Affidavit*, which is discussed in Observation 2 of this report, each department's specific observation, and the department's response, is summarized below:

- **Some of the Libraries' purchases did not comply with the Contract's SBE measures in that any quotes below \$100,000 should be set-aside for SBEs.**

The Contract required that departments obtain quotes from SBEs only (i.e., an SBE set-aside) for purchases under \$100,000. This is required unless the department can determine that there are not enough SBE certified pre-qualified bidders (minimum of three). Micro-SBEs automatically receive a 10% bid preference. Micro-SBEs also receive a 10% preference for purchases under \$100,000 that are not an SBE set-aside. For purchases valued above \$100,000, which would be an open bid, both SBEs and Micro-SBEs receive 10% bid preferences.

Testing revealed three instances at Libraries that did not comply with the Contract's SBE measures. Specifically, one bidding opportunity was not restricted to SBEs—as it should have been—even though the resulting award was to an SBE. Two other bidding opportunities were sourced through non-competitively established blanket purchase orders awarded to non-SBE firms. Because of their value, these two purchase orders should have been competitively restricted to SBEs.

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In its written response to the OIG, Libraires concurred that the two BPOs exceeded the \$1,000 threshold and should have been competitively sourced. Libraires also emphasized that its “remaining 335 purchases made using the BPOs were under the required dollar thresholds and would not have required competitive requests for quotes had individual purchase orders been created.”

- **Some items purchased by Libraries, from the non-competitively established BPO, were outside of the contract’s scope for goods and services (i.e., not purchases of electrical and electronic parts and supplies).**

The Contract noted two item groups, Group A and Group B that included distinct product lines or categories. For each group, there was a different pool of vendors prequalified to bid, some of which prequalified for both groups. Testing at Libraries revealed purchases included two baby changing stations, five air fresheners, and several door parts, all which amounted to \$2,598. These items were purchased from a qualified vendor under the Contract; however, the purchased items were outside the Contract’s scope.

The Library procurement staff concurred that these purchases were outside of the Contract scope and that this Contract should not have been utilized. Library procurement staff explained that this Contract was accessed in error, as a result of an incorrect purchase order being utilized. Libraries, in its written response to the OIG audit results reiterated that it “will provide a refresher training course to the appropriate team members on purchase orders and their usage.”

- **Sampled competitive purchases at PHCD did not comply with the County’s Cone of Silence Requirements**

The Cone of Silence, a prohibition on certain communications between vendors (and their lobbyists) and certain county staff during a competitive procurement, applies to the RFQ process. Implementing Order (IO) 3-27 requires that the department issuing the RFQ provide the Small Business Development (SBD) Division of ISD with the project/contract title and number and any other information required by for public notice. (SBD maintains a list that it posts on the County’s website.) The RFQ shall include a statement disclosing the requirements of the Cone of Silence. While the Cone is in effect, all communications should be in writing and filed with the Clerk of the Board. When the RFQ is awarded, the issuing department shall notify SBD.

For all the competitive purchases tested at PHCD, we could not find any support documentation that SBD was notified. Additionally, the RFQ did not include a statement disclosing the requirements of the Cone of Silence, competing vendors were not notified on the award notifications, and the Clerk of the Board was not included in any communications. OIG auditors confirmed with PHCD

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staff, and later with the Procurement Contracting Manager, that the Cone of Silence was never imposed or communicated to SBD and the competing vendors.

The PHCD Procurement Contracting Manager later shared several emails with the OIG showing that the application of the Cone of Silence and the required procedures has been reiterated with procurement staff. The Procurement Contracting Manager advised that procurement staff have been advised in the past of the Cone of Silence requirements, however, because PHCD procurement is decentralized, not all staff may have been aware of these requirements. PHCD, in its written response to the OIG's audit results, states that it "continues to train staff" and provide them "with access to the procurement contracts, procurement manual, Elite Training Materials, etc. through the shared drive."

- **Order receipts were not being timely acknowledged by PHCD staff in the ProcureIt system, resulting in extra legwork to determine if the goods were received and an invoice could be paid.**

The receipt of parts and supplies ordered by PHCD procurement staff at the various housing sites are electronically acknowledged in their system of record, Elite ProcureIt. Testing at PHCD revealed discrepancies between the invoice and Elite ProcureIt receipt dates in four instances that ranged 4 to 20 days. Additionally, in five instances, Accounts Payable could not provide support, either electronically or manually, as to when it received the invoices, as that date was not input into Elite ProcureIt.

These observations were discussed with PHCD's Procurement Contracting Manager who explained that because the department's procurement functions are decentralized, with each site administering its own procurements, she is not always aware of the lapses occurring at each site. During the audit, the Manager advised that the department will provide additional training to its site procurement and accounting staff on PHCD's systems accounting and procurement procedures.

The OIG would like to highlight that the Procurement Contracting Manager later provided us with a copy of the training materials and the date that the training took place. The training materials highlighted Housing's procurement systems processes, and its accounts payable and contract procurement procedures. Further, in its written response to the OIG, PHCD stated: "In particular, in regard to submitting invoices for payment in a timely manner, PHCD will work closer with vendors to ensure prompt payment."

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OIG Recommendations

Departments should take advantage of training as offered by ISD-SPD to ensure compliance with County and contract requirements. In the event that procurement practices are not clear, such as appropriate use of blanket purchase orders, the department should promptly seek further clarification or arrange for training. If specific contract requirements are not clear, departments can always consult with the assigned Contract Officer for clarification or instruction. Lastly, department liaisons receiving periodic updates that touch on changes to requirements or new requirements should ensure the appropriate department staff are notified of such changes.

ISD-SPD should offer training and further clarification on appropriate blanket purchase order use to prevent purchases from non-competitive blanket purchase orders or favoritism to particular vendors.

ISD-SPD Response

ISD-SPD implemented a revised Invitation to Quote (ITQ) form for staff to use when soliciting competitive quotations under existing County Pools. This ITQ form was disseminated to internal and external departmental procurement professionals on March 6 and May 22, 2020, as well as January 4, 2021, and each time, clearly delineates information regarding observance of the Cone of Silence. (copy of the ITQ form attached). It is incumbent upon the staff and liaisons receiving these communications and documentation to share it with all stakeholders within their respective departments who are impacted. We will emphasize this again in our next procurement meeting with departmental staff.

ISD-SPD regularly provides updates on procurement processes, and any changes thereof, as well as “on-demand” training to the County’s Professional Procurement staff. To said point, the Parks, Recreation and Open Spaces Department (PROS) recently requested that ISD-SPD conduct training for their purchasing staff, specifically for the review of application of preferences in tallies. ISD-SPD conducted the training session for PROS on February 23, 2021. It is incumbent on those liaisons receiving the communication to share it with stakeholders within their respective departments who are impacted. Further, ISD-SPD is actively working with the Human Resources Department to gain approval for additional training positions to enable us to expand our training efforts to departments.

Further, in light of the pending “Go Live” for the County’s Integrated Financial Resources Management System (INFORMS) on April 1st, it

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OIG FINAL AUDIT REPORT

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

should be noted the existing systems used to process blanket purchase orders (ADPICS/FAMIS) will become obsolete; therefore, recurrence of this issue is deemed unlikely. INFORMS will modernize outdated budget, procurement, human resources and financial operations.

ISD-SPD will re-emphasize proper purchasing methods across all departments at the next meeting.

Observation 2: Application of the County's Collusion Affidavit Requirement Pursuant to Section 2-8.1.1 of the Code of Miami-Dade County

Throughout this audit, the OIG found non-uniform and irregular application of the County's Collusion Affidavit. The Collusion Affidavit, enacted in 2008, was an extension of the preexisting code provision that declared that "where two (2) or more related parties each submit a bid or proposal for any contract within the scope of this section, such bids or proposals shall be presumed to be collusive." This presumption may be rebutted through evidence provided by the subject parties, but bids found to be collusive shall be rejected.

The new 2008 provision required that vendors recommended for contract award (i.e., winning bidders) submit a Collusion Affidavit within five days of the filing of the contract award recommendation. A few months after the Collusion Affidavit was enacted, county staff received clarification via a memorandum from the County Manager (relying on a County Attorney's Office legal opinion) regarding the applicability of the Collusion Affidavit requirement as relating to small purchase orders and work order quotes from a pre-qualified pool of vendors. The attorneys opined that the Affidavit was only required on contracts/purchases when the recommendation to award must be filed with the Clerk of the Board. At present, only contract award recommendations of \$250,000 or more need to be filed with the Clerk of the Board. In other words, RPQs from vendors in a pre-established pool, resulting in a purchase under \$250,000, do not require a Collusion Affidavit. Nonetheless, we noted that some departments⁶, were applying this requirement. For those that were, we reviewed how the department applied the requirement.

DSWM did require that the winning vendor submit the Collusion Affidavit; however, in our testing of the selected POs, we noted one irregularity where the Collusion Affidavit was signed by the notary nine months prior to the vendor RFQ award notification. The OIG determined that this vendor had also utilized this notary signature at Seaport and Libraries. OIG met with the vendor who advised that they were unaware that a new Collusion Affidavit had to be notarized and submitted for each new award.

⁶ Additionally, outside the audited departments, we surveyed the Information Technology Department, Department of Transportation and Public Works, Miami-Dade Aviation Department, and Miami-Dade Fire Rescue Department. We noted non-uniform and irregular application of the County's Collusion Affidavit.

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Seaport required the Collusion Affidavit; however, it was not solicited in competitive quotes that resulted in one vendor bid. Additionally, like DSWM, Seaport experienced irregularities attributed to one vendor's reuse of a previously completed notary affirmation. We found 10 instances where the date of the Collusion Affidavit was dated prior to the RFQ award notification date.

For PHCD, we noted irregularities where the recommendations to award were not accompanied by a Collusion Affidavit Form. In discussions with PHCD's Procurement Contracting Manager, we learned that PHCD procurement staff (at the various sites) had been instructed to use the Collusion Affidavit—but it wasn't being done. The Manager stated that she would remind all procurement staff to require the Collusion Affidavit.

For Libraries, we noted no irregularities or observations concerning the Collusion Affidavit. We noted that Libraries recommendations to award were accompanied by a Collusion Affidavit. We were able to identify that the Collusion Affidavit duplicated for use at DSWM and Seaport was originally used on a Libraries RFQ award.

OIG Recommendation

ISD-SPD should provide addition guidance and training to all user departments on the Collusion Affidavit and procurement requirements. Any changes to Collusion Affidavit requirements should be a joint policy decision in consultation with the County Attorney.

ISD-SPD Response

ISD-SPD has reviewed this issue at length. Certain changes are imminent, in light of the guidance received from the U.S. Department of Justice (DOJ) during the Procurement Professionals Seminar hosted by ISD-SPD on March 6, 2020, and pursuant to Federal Acquisition Regulation (FAR 48 C.F.R. § 52.203-2). Research of nationwide public entities revealed that only the County titles its affidavit as a "Collusion Affidavit." As such, the title of the affidavit will be changed to "Non-Collusion Affidavit," in line with other public entities. Further, the content of the affidavit will be edited to align with public procurement best practices to obtain more concise data from the proposer/bidder. The existing affidavit gives the option for proposers/bidders to select a check box to affirm they are either related or are not related to the other proposers/bidders who responded to the solicitation. The revised affidavit will provide proposers/bidders with specific examples of collusive activities which they must affirm they did not partake in. This revised document and guidance thereof will be shared with all procurement staff across departments.

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ISD-SPD is also considering whether to expand the applicability of the Collusion Affidavit to awards under \$250,000 (informal solicitations) if it does not unduly burden vendors and departmental staff. ISD-SPD will survey departments and request feedback prior to implementing any changes, as implementing the Collusion Affidavit for awards under \$250,000 may have the impact of delaying awards. ISD-SPD will continue its efforts to educate and inform department purchasing staff regarding appropriate procurement processes and procedures that must be adhered to, as well as provide the necessary forms and documents.

IX. CONCLUSION

Overall, with exception of PHCD's Cone of Silence non-compliance and the non-compliant RFQs noted from the Libraries' sampled purchases, we were pleased to see that departments complied with Contract and SBE requirements. The non-compliance observations identified in the departmental memos were promptly addressed upon notification during the audit and staff was trained on appropriate procedures. Additionally, ISD's response to the draft report acknowledges changes being made to the currently titled "Collusion Affidavit" and its considerations for expansion going forward. ISD's newly implemented Invitation to Quote form should also streamline and make uniform the purchasing practices across the various departments. Last, we all acknowledge that the imminent implementation of the Integrated Financial Resources Management System (INFORMS) system, will augment controls and transparency throughout the procurement process. Accordingly, we expect to see improvements in departmental procurement practices and more efficient oversight abilities.

The OIG requests that the Administration provide the OIG with a follow-up report in 120 days, on or before Friday, July 16, 2021, that describes the status of implementing OIG recommendations and other reforms identified in ISD's response. We would like to thank the four departments selected for audit testing and ISD for the courtesies extended to the OIG throughout this audit.

* * * * *

MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT
SCHEDULE A

**Purchase Orders Issued to Vendors in the Pool
for the Contract Period of April 1, 2014 through March 31, 2019**

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

IG18-0007-A

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OIG Schedule A

8757-1/18-1 Purchase Orders Issued to Vendors in the Pool for the Contract Period of April 1, 2014 through March 31, 2019

	VENDOR NAME	TOTAL VALUE OF PURCHASE ORDERS ISSUED	% of TOTAL PURCHASE ORDERS ISSUED	SBE TYPE
1	ROCK INTL DISTRIBUTORS INC.	\$ 9,521,672	19%	SMBE
2	PARAMOUNT ELECTRIC & LIGHTING INC.	7,909,802	16%	SMBE
3	ELECTROPOWER UTILITY SALES CO.	5,965,152	12%	SMBE
4	GLOBAL ELECTRICAL & LIGHTING SUPPLIES INC.	3,893,793	8%	SBE
5	SOUTH DADE ELECTRICAL SUPPLY INC.	2,791,897	6%	N/A
6	SUPERIOR COMMUNICATION INC.	2,664,384	5%	SMBE
7	CONSOLIDATED ELECTRICAL DISTRIBUTORS INC.	2,285,648	5%	N/A
8	GRAYBAR ELECTRIC COMPANY INC.	2,056,526	4%	N/A
9	W W GRAINGER INC.	1,923,710	4%	N/A
10	AMERICAN PLUMBING SUPPLY CO INC.	1,370,218	3%	SBE
11	GENERATING SYSTEMS INC.	1,226,708	2%	SMBE
12	SOUTHERN ELECTRIC SUPPLY CO INC.	977,284	2%	N/A
13	B & R ELECTRONICS SUPPLY INC.	886,501	2%	SMBE
14	CONDO ELECTRIC INDUSTRIAL SUPPLY INC.	800,823	2%	SMBE
15	CITY ELECTRIC SUPPLY CO.	592,457	1%	N/A
16	TRACER ELECTRONICS LLC	560,462	1%	N/A
17	GUTERMANN INC.	475,845	<1%	N/A
18	READY COMPONENTS INC.	460,618	<1%	SMBE
19	COOPER GENERAL CORPORATION	351,471	<1%	SMBE
20	MIAMI BREAKER INC.	298,629	<1%	SMBE
21	SID TOOL CO INC.	293,858	<1%	N/A
22	ANIXTER INC.*	291,982	<1%	N/A
23	WORLD ELECTRIC SUPPLY INC.	283,157	<1%	N/A
24	RAYS ELECTRICAL SUPPLIES INC.	268,634	<1%	N/A
25	PARAMOUNT ELECTRICAL DISTRIBUTORS INC.	265,604	<1%	N/A
26	RUFFIN UNDERGROUND & TRENCHLESS	251,657	<1%	N/A
27	TESSCO INC.	241,686	<1%	N/A
28	MASTER INTERNATIONAL CORPORATION	211,306	<1%	N/A
29	TOOL PLACE CORPORATION	131,674	<1%	SMBE
30	GREEN ENERGY PRODUCTS.COM LLC	119,550	<1%	SMBE
31	AWC INC.	115,017	<1%	N/A
32	HD SUPPLY POWER SOLUTIONS LTD.	114,523	<1%	N/A
33	I T W INC.	101,448	<1%	N/A
34	FASTENAL COMPANY	90,989	<1%	N/A
35	GREEN EQUIPMENT COMPANY	79,174	<1%	N/A

	VENDOR NAME	TOTAL VALUE OF PURCHASE ORDERS ISSUED	% of TOTAL PURCHASE ORDERS ISSUED	SBE TYPE
36	NEWARK CORPORATION	72,770	<1%	N/A
37	HD SUPPLY FACILITIES MAINTENANCE LTD.	63,763	<1%	N/A
38	GREEN LUMENS LLC	63,405	<1%	N/A
39	GENERAL SUPPLY & SERVICES INC.	62,136	<1%	N/A
40	MERCEDES ELECTRIC SUPPLY INC.	54,834	<1%	N/A
41	REXEL, INC.*	54,201	<1%	N/A
42	SILMAR ELECTRONICS INC.	51,070	<1%	N/A
43	CORCEL CORP.	50,830	<1%	SMBE
44	TAW MIAMI SERVICE CENTER INC.	50,180	<1%	N/A
45	USA LIGHTING & MAINTENANCE SUPPLIES INC.	45,061	<1%	N/A
46	K & M ELECTRIC SUPPLY INC.	41,628	<1%	N/A
47	ANIXTER INC.*	28,520	<1%	N/A
48	REXEL USA, INC*	26,313	<1%	N/A
49	COMMUNICATIONS SUPPLY CORPORATION	16,946	<1%	N/A
50	HAMMOND ELECTRONICS INC.	11,198	<1%	N/A
51	ALFA ELECTRONIC SUPPLY INC.	10,829	<1%	N/A
52	INTERLINE BRANDS INC.	10,000	<1%	N/A
53	INTERNATIONAL ELECTRICAL SALES CORP	10,000	<1%	N/A
54	MAGA HARDWARE DISTRIBUTORS INC.	10,000	<1%	N/A
55	PRIMARY MARKETING SYSTEMS INC.	10,000	<1%	N/A
56	AUDIO VISUAL INNOVATIONS	9,745	<1%	N/A
57	REXEL USA INC.*	8,328	<1%	N/A
58	COINVET INC.	8,154	<1%	N/A
59	COMMUNICATIONS INTERNATIONAL INC.	3,566	<1%	N/A
60	JOHN MADER ENTERPRISES INC.	2,398	<1%	N/A
61	MOTION INDUSTRIES INC.	1,590	<1%	N/A
62	AT YOUR SERVICE MANGEMENT INC.	1,000	<1%	N/A
63	BOS PARTNERS INC.	500	<1%	N/A
64	FUSA CORP.	500	<1%	N/A
65	FF & UM LLC	300	<1%	N/A
66	BLM TECHNOLOGIES OF FLORIDA LLC**	240	<1%	N/A
Grand Total		\$ 50,653,864		SMBE=13 SBE=2 N/A=51

Source: Bid Tracking System (BTS) and Miami-Dade County SBD Certification List

*Vendors Rexel USA Inc. and Anixter Inc. had duplicates, Anixter Inc. had one duplicate while Rexel USA Inc. had two duplicates. Taking these duplications into account and removing BLM Technologies of Florida LLC (non-awarded vendor), there were 62 vendors that had been awarded purchase orders under the Contract.

**The vendor was paid under the Contract; however, the vendor did not have a Contract award.

MIAMI-DADE COUNTY
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FINAL AUDIT REPORT
SCHEDULE B

**Contract Expenditures by County Department
for the Contract Period of April 1, 2014 through March 31, 2019**

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

IG18-0007-A

March 18, 2021

OIG Schedule B

8757-1/18-1 Contract Expenditures by County Department For the Contract Period April 1, 2014 through March 31, 2019

DEPARTMENT	TOTAL PAID	TOTAL PURCHASE ORDERS ISSUED	TOTAL ALLOCATION
Water and Sewer	\$ 21,828,323	\$ 22,062,447	\$ 21,984,725
Transportation & Public Works	8,031,022	9,891,890	9,449,948
Aviation	5,092,794	5,152,777	9,650,000
Parks, Recreation and Open Spaces	2,547,892	2,852,012	4,081,175
Internal Services	2,236,026	2,458,282	3,190,000
Information Technology	1,306,907	1,346,799	1,950,000
Corrections and Rehabilitation	1,067,806	1,098,342	2,000,000
Seaport	1,060,769	1,123,443	1,470,797
Fire Rescue	820,153	921,685	1,715,000
Public Works and Waste Management	740,738	1,120,822	740,738
Public Housing and Community Development	*490,541	1,631,295	1,710,000
Libraries	390,235	433,748	535,000
Miami-Dade Police Department	327,095	344,684	500,000
Solid Waste Management	134,750	143,809	530,139
Vizcaya	21,532	36,062	50,000
Community Action and Human Services	15,010	17,176	23,676
Elections**	6,737	7,397	0**
Government Info Center	2,072	2,259	2,072
Property Appraiser	1,953	1,953	0**
Animal Services**	1,388	2,500	0**
Cultural Affairs**	1,316	1,612	55,000
Regulatory and Economic Resources	938	938	25,000
Communications Department	771	1,732	12,927
Clerk of Courts**	200	200	0**
Unallocated	0	0	323,803
Grand Total	\$ 46,126,968	\$ 50,653,864	\$ 60,000,000

Source: Financial Accounting Management Information Systems (FAMIS, ERP, Elite ProcureIt)

* PHCD Data is limited due to amounts not being carried over from the legacy system to Elite. Thus, table data excludes 4/1/2014 - 12/31/2015 and is limited to 1/1/2016 - 3/31/2019.

**Department accessed the Contract; however, the department did not have a Contract allocation. In total, 20 departments had Contract allocations.

MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT
APPENDIX A

Department Responses to the OIG Testing Results

- A1 – Libraries
- A2 – Public Housing and Community Development
- A3 – Seaport
- A4 – Solid Waste Management System

Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

IG18-0007-A

March 18, 2021

Appendix A1
Libraries' Response to the OIG Testing Results

Memorandum



Date: October 9, 2020

To: Mary T Cagle, Inspector General
Felix Jimenez, Interim Inspector General

From: Ray Baker, Director
Miami-Dade Public Library System 

Subject: Response to Draft Audit Results- Contract 8757-1/18-1, *Electrical and Electronic Components, Tools, Parts, and Supplies*; Ref. IG18-00007A

We are in receipt of your memorandum regarding the referenced draft audit. We appreciate the observations made and offer the following for purposes of clarification.

Observation 1: Some of the Libraries purchases did not comply with the Contract's SBE measures in that any quotes below \$100,000 should be set-aside for SBEs.

We agree that two of the 337 purchases made using the blanket purchase orders (BPOs) noted in the report (Item #1 and #4) exceeded the competitive threshold limit of \$1,000 and should have been independently quoted and set-aside for SBEs. In our response date June 3rd, 2020, we explained that the two BPOs in question were established proactively to have the ability to make purchases under the competitive bid threshold of \$1,000 (\$500 before March 2, 2017) and are needed for repairs, replacement parts, and ongoing maintenance throughout the Miami-Dade Public Library System's 50 library locations on a daily basis. While we recognize that the two purchases made using the BPOs exceeded the thresholds in the contract roadmap, it should be noted that the remaining 335 purchases were under the required dollar thresholds and would not have required competitive requests for quotes had individual purchase orders been created.

Observation 2: Some items purchase from the non-competitively established BPO were outside of the contract's scope for goods and services (i.e., not purchases of electrical and electronic parts and supplies).

Appendix A2
PHCD's Response to the OIG Testing Results

Memorandum



Date: December 10, 2020

To: Felix Jimenez, Inspector General
Office of the Inspector General

From: Michael Liu, Director 
Public Housing and Community Development

Subject: Response to the Draft Audit Results by Department – Contract 8757-1/18-1,
Electrical and Electronic Components, Tools, Parts, and Supplies: Ref. IG18-0007A

In review of the Draft Audit Results by Department for Contract No. 8757-1/18-1, Electrical and Electronic Components, Tools, Parts, and Supplies; Ref. IG18-0007A, the Department of Public Housing and Community Development (PHCD) would like to provide a written response to be considered for the final report.

As outlined in this draft report, PHCD has thoroughly trained staff on complying with the Cone of Silence, Collusion Affidavit and trained staff on Procurements during this audit. The department also provided the Office of Inspector General with supporting documentation to support this claim which was also detailed in the draft audit results. PHCD continues to train staff with procurements and provide staff with access to the procurement contracts, procurement manual, Elite Training Materials, etc. through the shared drive.

As specified in the report, “at PHCD, the PO precedes the solicitation of price quotes from the vendors.” PHCD issued Blanket Purchase Orders at the onset of the contract period to the vendors that were prequalified to participate on contract. The subject contract is a prequalification pool contract and as such, vendors are added to the contract once the Internal Services/Procurement Management department deems the vendor(s) is qualified to participate on the contract. Accordingly, purchase orders were issued at the onset of the contract and afterwards as vendors became prequalified to partake on the pool.

As mentioned in the report, PHCD sought quotes from vendors that are Small Business Enterprises (SBEs). Although, the contract specifies, “any purchase under \$1,000 shall consider the availability of the material, geographic location, and/or delivery time as deciding factors.” The US Department of Housing and Urban Development (HUD) doesn't preclude SBE's from participating on contracts and/or soliciting quotes from SBEs. PHCD used a competitive method by utilizing an electronic procurement to provide PHCD Operational Staff with the best service and value for their time and money by simply utilizing the Procurement Contracting Information System, which was designed to create an email to all prequalified vendors to solicit quotes for goods.

PHCD concurs with the additional concerns that were noted in the report and they are being addressed with staff to take necessary corrective actions moving forward. In particular, in regard to submitting invoices for payment in a timely manner, PHCD will work closer with vendors to ensure prompt payment. As stated in the report, “... all invoices tested were paid *after* the purchased items were identified as being received.” [*Emphasis added*] Therein lies the challenge that we accept: getting vendors and our line staff to provide timely evidence that the purchased items have been received.

Appendix A3

Seaport's Response to the OIG Testing Results

Memorandum



Date: December 1, 2020

To: Felix Jimenez, Inspector General

From: Juan Kuryla, Port Director and CEO
PortMiami

Subject: Response to Audit Report - Contract 8757-1/18-1, *Electrical and Electronic Components, Tools, Parts, and Supplies*; Ref. IG18-0007A



Thank you for the opportunity to respond to the audit findings pertaining to Contract 8757-1/18-1, *Electrical and Electronic Components, Tools, Parts, and Supplies* (Contract). Please see our responses to the issues raised.

Observation:

OIG auditors were able to identify that the March 16, 2017 Collusion Affidavit (first detected by OIG Auditors at DSWM) was originally used by the vendor for an award received from the Miami-Dade County Library System (Libraries) (see Attachment A).⁸ We did not find any other instances of this Collusion Affidavit being reutilized at Libraries or the Public Housing and Community Development Department. We did find, however, that this March 16, 2017 Collusion Affidavit was resubmitted several times at the Seaport.

For the Seaport, we reviewed a total of 15 POs awarded to Electropower for the period of January 2016 through August 2018. We found 10 instances where the date on the Collusion Affidavit date was dated prior to the award notification date. Nine of the 10 instances used the aforementioned March 16, 2017 Collusion Affidavit. These nine submissions of the same affidavit ranged from 112 days to 500 days between the award date and the Collusion Affidavit's date.

The 10th instance (Item #2 in Table 2 below), involved a Collusion Affidavit dated January 25, 2016, which pre-dated the award notification date by 267 days. The remaining five POs awarded to Electropower did not include any Collusion Affidavit in the supporting documentation.

Response:

Seaport Management concurs with the Observation. The Seaport has made the necessary changes to the Procurement Process to ensure Collusion Affidavits are thoroughly reviewed for irregular application. An email was sent out on September 5, 2019, to all Seaport Buyers in order to make sure that Collusion Affidavits are properly notarized, dated and reviewed.

Observation:

With regards to the remaining five Electropower POs that were not supported by a Collusion Affidavit, Seaport staff advised that according to Internal Services Department (ISD) procedures, a Collusion Affidavit is not required when only one quote is received. Separately, in the original Seaport sampled POs, we also noted three additional instances where only one quote was received with no Collusion Affidavit included in the supporting documentation.

In addressing the question of whether a Collusion Affidavit is required even if only one quote is received, the OIG Auditor spoke with an ISD Procurement Contracting Officer, who verbally advised that he has not seen a written document addressing such an exclusion.

Response:

As a matter of clarification, Seaport Staff does not request/receive a Collusion Affidavit for POs with only one quote. As stated in the OIG's Draft Audit Results dated September 29, 2020, a Collusion Affidavit is required to rebut proposals presumed to be collusive (i.e., where two (2) or more related parties each submit a bid or proposal for any contract within the scope of this section, such bids or proposals shall be presumed to be collusive).¹

Additionally, the County Attorney's office opined Collusion Affidavits were required on contracts/purchases when the recommendation to award must be filed with the Clerk of the Board (i.e., recommendations of \$250,000 or more).

Recommendation:

It is the OIG's intention to recommend in our final report that the Internal Services Department (ISD) provide additional guidance and training to user departments on the Collusion Affidavit.

Response:

Seaport Management concurs with the recommendation. ISD will be contacted.

We acknowledge and appreciate the observations and recommendation made by the Office of the Inspector General (OIG) as part of this audit. We look forward to working with the OIG to identify other opportunities. Should you have any additional questions, please feel free to contact Gyselle Pino at 305-347-4833.

c: Hydi Webb, Deputy Port Director
Andrew Hecker, Managing Port Director, CFO
Gyselle Pino, Chief, Contracts, Procurement and Materials Management
Patra Liu, General Counsel, Office of the Inspector General

¹ Section 2-8.1(e) of the Code of Miami-Dade County.

Appendix A4
DSWM's Response to the OIG Testing Results

Memorandum



Date: October 7, 2020

To: Mary T. Cagle, Inspector General

From: Michael J. Fernandez, Director
Department of Solid Waste Management

Subject: Draft Audit Results – Contract 8757-1/18-1, Electrical and Electronic Components, Tools, Parts, and Supplies; IG18-0007A

A large, stylized handwritten signature in black ink, which appears to be "Michael J. Fernandez". The signature is written over the "From:" field and extends into the "Subject:" field.

The Department of Solid Waste Management (DSWM) has reviewed the September 29, 2020, Contract 8757-1/18-1, Draft Audit Results. We appreciate the time and effort your staff put into this review and have prepared the following response to address the one observation noted in your report. Should you have any questions or require additional information, please feel free to reach out to Karina Careaga, Division Director, Procurement and Contracts Management, 305-297-9559.

Observation 1: Application of the County's Collusion Affidavit Requirements Pursuant to Section 2 - 8.1.1 of the Code of Miami - Dade County

OIG Auditors found one instance where the Collusion Affidavit was signed by the notary prior to the vendor being notified that it was the winning bidder of the RFQ. The notary date on the Collusion Affidavit preceded DSWM's RFQ award date by nine months.

DSWM Response

DSWM management concurs with the OIG observation. As a result of the audit and as noted in the draft, DSWM Procurement and Contracts Management Division has implemented new procedures to ensure that all vendors complete and provide a unique and timely Collusion Affidavit for each bid. Staff has also received training on double-checking dates of documents and notary signatures, to provide additional oversight of the submissions.

c: Michael W. Ruiz, Assistant Director, Administration
Karina Careaga, Division Director, Procurement & Contracts Management

MIAMI-DADE COUNTY
OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT
APPENDIX B

Internal Services Department's Response to the Draft Report

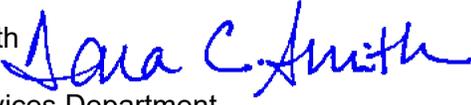
Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

IG18-0007-A

March 18, 2021

Date: March 12, 2021

To: Felix Jimenez
Inspector General
Office of the Inspector General

Thru: Tara C. Smith 
Director
Internal Services Department

From: Namita Uppal, C.P.M.
Chief Procurement Officer
Internal Services Department

Subject: Response to Draft OIG Audit Report: Audit of Electrical and Electronic Tools, Parts, and Supplies, Contract No. 8757-1/18-1

The Internal Services Department, Strategic Procurement Division (ISD-SPD) appreciates the opportunity the Office of the Inspector General (OIG) has afforded to us to review and provide responses to the observations and recommendations noted in the above referenced draft audit report. Below please find ISD-SPD's responses along with attached supporting documentation.

OIG Comments and Recommendation on Page 3:

During the audit, we obtained a copy of a legal opinion issued in 2008 regarding the application of the Collusion Affidavit on small purchase orders and work order quotes from a pre-qualified pool of vendors. Seeking further clarification from ISD-SPD, we learned that the Collusion Affidavit is only required when a Recommendation to Award needs to be filed with the Clerk of the Board, which, at present, are for awards over \$250,000. This is an area where we believe ISD-SPD should review and determine if there is a desire to require the Collusion Affidavit in RFQs under \$250,000. Whatever is decided, ISD-SPD should provide additional guidance to department buyers on this topic.

ISD-SPD Response:

ISD-SPD has reviewed this issue at length. Certain changes are imminent, in light of the guidance received from the U.S. Department of Justice (DOJ) during the Procurement Professionals Seminar hosted by ISD-SPD on March 6, 2020, and pursuant to Federal Acquisition Regulation (FAR 48 C.F.R. § 52.203-2). Research of nationwide public entities revealed that only the County titles its affidavit as a "Collusion Affidavit." As such, the title of the affidavit will be changed to "Non-Collusion Affidavit," in line with other public entities. Further, the content of the affidavit will be edited to align with public procurement best practices to obtain more concise data from the proposer/bidder. The existing affidavit gives the option for proposers/bidders to select a check box to affirm they are either related or are not related to the other proposers/bidders who responded to the solicitation. The revised affidavit will provide proposers/bidders with specific examples of collusive activities which they must affirm they did not partake in. This revised document and guidance thereof will be shared with all procurement staff across departments.

ISD-SPD is also considering whether to expand the applicability of the Collusion Affidavit to awards under \$250,000 (informal solicitations) if it does not unduly burden vendors and departmental staff. ISD-SPD will survey departments and request feedback prior to implementing any changes, as implementing the Collusion Affidavit for awards under \$250,000 may have the impact of delaying awards. ISD-SPD will

continue its efforts to educate and inform department purchasing staff regarding appropriate procurement processes and procedures that must be adhered to, as well as provide the necessary forms and documents.

OIG Comments on Page 3

Lastly, during discussions with OIG, the Small Business Development Division (SBD) voiced interest in participating in training efforts alongside ISD-SPD. We believe that this collaboration between the two divisions of ISD, especially as it relates to the SBE measures on pool contracts, will further improve overall compliance with the County's procurement policies and procedures.

ISD-SPD Response:

ISD-SPD will continue to work collaboratively with ISD-SBD, ensuring they receive invitations to participate in any trainings, workshops and seminars sponsored by ISD-SPD.

OIG Comments on Page 9:

For all the competitive purchases tested at PHCD, we could not find any support documentation that SBD was notified. Additionally, the RFQ did not include a statement disclosing the requirements of the Cone of Silence, competing vendors were not notified on the award notifications, and the Clerk of the Board was not included in any communications. OIG auditors confirmed with PHCD staff, and later with the Procurement Contracting Manager, that the Cone of Silence was never imposed or communicated to SBD and the competing vendors.

ISD-SPD Response:

ISD-SPD implemented a revised Invitation to Quote (ITQ) form for staff to use when soliciting competitive quotations under existing County Pools. This ITQ form was disseminated to internal and external departmental procurement professionals on March 6 and May 22, 2020, as well as January 4, 2021, and each time, clearly delineates information regarding observance of the Cone of Silence (copy of the ITQ form attached). It is incumbent upon the staff and liaisons receiving these communications and documentation to share it with all stakeholders within their respective departments who are impacted. We will emphasize this again in our next procurement meeting with departmental staff.

OIG Recommendation on Page 10:

Departments should take advantage of training as offered by ISD-SPD to ensure compliance with County and contract requirements. In the event that procurement practices are not clear, such as appropriate use of blanket purchase orders, the department should promptly seek further clarification or arrange for training. If specific contract requirements are not clear, departments can always consult with the assigned Contract Officer for clarification or instruction. Lastly, department liaisons receiving periodic updates that touch on changes to requirements or new requirements should ensure the appropriate department staff are notified of such changes.

ISD-SPD should offer training and further clarification on appropriate blanket purchase order use to prevent purchases from non-competitive blanket purchase orders or favoritism to particular vendors.

ISD-SPD Response:

ISD-SPD regularly provides updates on procurement processes, and any changes thereof, as well as "on-demand" training to the County's Professional Procurement staff across all departments. To said point, the Parks, Recreation and Open Spaces Department (PROS) recently requested that ISD-SPD conduct training for their purchasing staff, specifically for the review of application of preferences in tallies. ISD-SPD conducted the training session for PROS on February 23, 2021. It is incumbent on those

liaisons receiving the communication to share it with stakeholders within their respective departments who are impacted. Further, ISD-SPD has actively worked with the Human Resources Department to gain approval for additional training positions to enable us to expand our training efforts to departments.

Further, in light of the pending "Go Live" for the County's Integrated Financial Resources Management System (INFORMS) on April 1st, it should be noted the existing systems used to process blanket purchase orders (ADPICS/FAMIS) will become obsolete; therefore, recurrence of this issue is deemed unlikely. INFORMS will modernize outdated budget, procurement, human resources and financial operations across all County departments.

ISD-SPD will re-emphasize proper purchasing methods across all departments at the next upcoming "Department Procurement Staff Workshop: Tallies, Due Diligence, Invitation To Quote, & Cone Of Silence to be held on March 31, 2021 at 12 Noon to 2:00 pm.

Should you have any questions or need further information, please contact Ms. Tara C. Smith, Internal Services Department Director at (305) 375-1135.-

CC: Edward Marquez, Chief Financial Officer



INVITATION TO QUOTE (ITQ)

PART I. ITQ OVERVIEW AND GENERAL TERMS AND CONDITIONS

A. Information

ITQ No.: ITQ Due Date and Time: at am/pm (Local Time)
ITQ Title:
This ITQ is issued pursuant to Miami-Dade County Pool of Prequalified Vendors No.
[] Quotes will be accepted until the due date and time, via email at and copy the Clerk of the Board at Clerk.Board@miamidade.gov.
[] Quotes must be received by the due date and time, in a sealed envelope, identified on its outside as a quote for the above given ITQ number. Deliver or mail sealed quotes to:
County Department:
Department Contact: E-Mail:
Delivery/Service Address:
Delivery/Service Required: within calendar days from receipt of Purchase Order (PO)
Method of Award:
Award of this contract will be made to the lowest responsive and responsible Bidder:
[] in the aggregate for all items listed in this ITQ. If a Bidder fails to submit an offer for all items, its offer may be rejected.
[] on an item-by-item basis.
[] on a group-by-group basis.

B. Instruction to All Bidders

- 1. Section 1, General Terms and Conditions of Miami-Dade County (County) shall apply to all resultant contracts from this ITQ. This Section is available on demand at the County's Strategic Procurement Division's (SPD) webpage: http://www.miamidade.gov/procurement/library/boilerplate/general-terms-and-conditions-r20-2.pdf
General Terms and Conditions of Section 1 are non-negotiable.
2. All questions must be submitted in writing by to the attention of the department contact, via e-mail address indicated above, with a copy sent to Clerk.Board@miamidade.gov. The County will issue responses to inquiries and any changes to the ITQ via written addenda issued prior to this ITQ due date and time.
3. [] The use of Federal funds is anticipated in the resultant contract. As such, the following Section 1 General Terms and Conditions provisions shall not apply to this ITQ:
• Article 1.11 Local Preference
• Article 1.2(H) Prompt Payment Terms
• Article 1.28 Office of the Inspector General (only the cost of the random audits, as specified)
• Article 1.36 County User Access Program (UAP)
• Article 1.44 Small Business Enterprise (SBE) Measures
• Article 1.45 Local Certified Veteran's Business Enterprise Preference
• Article 1.46 Application of Preferences
4. Pursuant to Section 2-11.1 (t) of the Code of Miami-Dade County, as amended, a "Cone of Silence" is imposed upon issuance of this ITQ after advertisement, and terminates at the time a written recommendation is issued. (Use the link to enter the ITQ information on the Cone Report: https://intra8.miamidade.gov/Apps/ISD/SBD/Login.aspx)
5. Complete PART IV. Pricing Form and PART V. ITQ Submittal Form and ascertain their timely submission as stipulated in this ITQ.



INVITATION TO QUOTE (ITQ)

PART II. ADDITIONAL TERMS

1. Term of Contract

Example: This contract shall commence on the first calendar day of the month succeeding approval of the contract by the County Mayor or designee, unless otherwise stipulated in the Purchase Order issued by the **XX** Department, and shall remain in effect until such time as the goods are delivered and/or services are completed, and accepted by the County's authorized representative.

2. Small Business Enterprise (SBE) (As provided by Small Business Division)

3. Insurance Requirements (List insurance requirements provided by Risk Management below if different than those listed in Section 1, Article 1.22)

4. Pre-Bid Conference and Site Visit (Calendar the meeting at: <https://www8.miamidade.gov/global/calendar/global.page>)

5. Warranty Requirements

6. Wage Requirements (As provided by Small Business Division)

PART III. SCOPE OF WORK/TECHNICAL SPECIFICATIONS (Use sections below as needed)

1. Background/Purpose

2. Detailed Description of the Intended Results or Deliverables

3. Schedule, Time Period

4. Staffing/Labor

5. Equipment

PART IV. PRICING FORM

Item No.	Estimated Quantities for the term	Unit of Measure	Description	Unit Price
1				\$
2				\$
3				\$
4				\$



INVITATION TO QUOTE (ITQ)

PART V. SUBMITTAL FORM

Bidder's Legal Name (include d/b/a if applicable):

Federal Tax Identification Number:

A. SMALL BUSINESS ENTERPRISE CONTRACT MEASURES (if applicable):

A Small Business Enterprise (SBE) must be certified by the Small Business Development Division (SBD) for the type of goods and/or services the Bidder provides in accordance with the applicable Commodity Code(s) for this solicitation. For certification information, contact SBD at (305) 375-3111 or access <http://www.miamidade.gov/smallbusiness/certification-programs.asp>. The SBE must be certified by the solicitation's submission deadline, at contract award, and for the duration of the contract to remain eligible for the preference. Firms that graduate from the SBE Program during the contract may remain on the contract.

Place a check mark here **only** if affirming Bidder is a Miami-Dade County Certified Small Business Enterprise.

IN ACCORDANCE WITH CFR 200.319(b), SMALL BUSINESS ENTERPRISE MEASURES SHALL NOT APPLY TO FEDERALLY FUNDED PURCHASES.

B. LOCAL PREFERENCE CERTIFICATION:

For the purpose of this certification, and pursuant to Section 2-8.5 of the Code of Miami-Dade County, a "local business" is a business located within the limits of Miami-Dade County that has a valid Local Business Tax Receipt issued by Miami-Dade County at least one year prior to bid submission; has a physical business address located within the limits of Miami-Dade County from which business is performed and which served as the place of employment for at least three full time employees for the continuous period of one year prior to bid submittal (by exception, if the business is a certified Small Business Enterprise, the local business location must have served as the place of employment for one full time employee); and contributes to the economic development of the community in a verifiable and measurable way. This may include, but not be limited to, the retention and expansion of employment opportunities and the support and increase to the County's tax base.

Place a check mark here **only** if affirming the Bidder meets requirements for Local Preference. **Failure to complete this certification at this time may render the vendor ineligible for Local Preference.**

IN ACCORDANCE WITH CFR 200.319(b), LOCAL PREFERENCE SHALL NOT APPLY TO FEDERALLY FUNDED PURCHASES.

C. LOCALLY HEADQUARTERED BUSINESS CERTIFICATION:

For the purpose of this certification, and pursuant to Section 2-8.5 of the Code of Miami-Dade County, a "locally-headquartered business" is a Local Business as defined above, which has a "principal place of business" in Miami-Dade County. "Principal place of business" means the nerve center or the center of overall direction, control, and coordination of activities of the Bidder. If the Bidder has only one business location, such business location shall be its principal place of business.

Place a check mark here **only** if affirming the Bidder meets requirements for the Locally Headquartered Preference (LHP). **Failure to affirm this certification at this time may render the vendor ineligible for the LHP.** The address of the Locally Headquartered office is:

IN ACCORDANCE WITH CFR 200.319(b), LOCALLY HEADQUARTERED BUSINESS PREFERENCE SHALL NOT APPLY TO FEDERALLY FUNDED PURCHASES.

D. LOCAL CERTIFIED VETERAN'S BUSINESS ENTERPRISE CERTIFICATION:

A Local Certified Veteran's Business Enterprise is a firm that is: (a) a local business pursuant to Section 2-8.5 of the Code of Miami-Dade County, and (b) prior to bid submission is certified by the State of Florida Department of Management Services as a veteran business enterprise pursuant to Section 295.187 of the Florida Statutes.

Place a check mark here **only** if affirming the Bidder is a Local Certified Veteran's Business Enterprise. **A copy of the certification must be submitted with the bid.**

IN ACCORDANCE WITH CFR 200.319(b), LOCAL CERTIFIED VETERAN'S BUSINESS ENTERPRISE PREFERENCE SHALL NOT APPLY TO FEDERALLY FUNDED PURCHASES.



INVITATION TO QUOTE (ITQ)

E. CONVICTION DISCLOSURE:

Pursuant to Section 2-8.6 of the Code of Miami-Dade County, any individual, corporation, partnership, joint venture or other legal entity having an officer, director, or executive who has been convicted of a felony during the past ten (10) years shall disclose this information at the time of bid submittal.

Place a check mark here **only** if the Bidder has such conviction to disclose to comply with this requirement.

F. WAIVER OF CONFIDENTIALITY AND TRADE SECRET TREATMENT OF BID:

The Bidder acknowledges and agrees that the submittal of the Bid is governed by Florida's Government in the Sunshine Laws and Public Records Laws, as set forth in Florida Statutes Section 286.011 and Florida Statutes Chapter 119. As such, all material submitted as part of, or in support of, the Bid will be available for public inspection after opening of bids and may be considered by the County in public.

By submitting a bid pursuant to this solicitation, Bidder agrees that all such materials may be considered public records. The Bidder shall not submit any information in response to this solicitation which the Bidder considers to be a trade secret, proprietary or confidential. If the Bid contains a claim that all or a portion of the Bid submitted contains confidential, proprietary or trade secret information, the Bidder, by signing below, knowingly and expressly waives all claims made that the Bid, or any part thereof no matter how indicated, is confidential, proprietary or a trade secret and authorizes the County to release such information to the public for any reason.

Acknowledgment of Waiver:

Bidder's Authorized Representative's Signature:

Date:

Representative's Name:

Representative's Title:

G. BIDDER'S CONTACT INFORMATION

Bidder's Contact Person:

Email Address:

Phone Number (include area code):

H. ACKNOWLEDGEMENT OF BINDING OFFER

The execution of this form constitutes the unequivocal offer of the Bidder to be bound by the terms of its offer. Failure to sign where indicated below by an authorized representative shall render the Bid non-responsive. The County may, however, in its sole discretion, accept any response that includes an executed document which unequivocally binds the Bidder to the terms of its offer.

Bidder's Authorized Representative's Signature:

Date:

Representative's Name:

Representative's Title:



INVITATION TO QUOTE (ITQ)

This ITQ includes the following attachments:

- Drawings/Pictures/Site Maps
- Subcontracting Form
- Certificate of Assurance (if applicable)
- Contractor Due Diligence Affidavit (if award is over \$1,000,000)