

Memorandum



CITY OF DALLAS
Bid Review # S15-006

DATE: March 24, 2015

TO: A.C. Gonzalez, City Manager
Willis C. Winters, FAIA, FAAPRA, – Director, Department of Park and Recreation
Michael Frosch, Director – Department of Business Development and Procurement Services

SUBJECT: Independent Auditor's Report on Applying Agreed-Upon Procedures for
Single Bid # CIZ1505 Cedar Crest Golf Course Improvements –
Department of Park and Recreation, \$845,430

Attached for your review is the *Independent Auditor's Report on Applying the Agreed-Upon Procedures for Single Bid # CIZ1505 – Cedar Crest Golf Course Improvements – Department of Park and Recreation.*

As a result of applying the Agreed-Upon Procedures, exceptions were found for procedures No. 2, 6, 7, and 9 as shown in Attachment I.

We have performed these procedures solely to assist the Dallas City Council and City of Dallas (City) management in evaluating the Department of Business Development and Procurement Services' (BDPS) and the Department of Park and Recreation's (PKR) compliance with the requirements of Administrative Directive (AD) 4-5: *Contracting Policy.*

The Dallas City Charter Chapter IX, Section 3, and the Office of the City Auditor's Fiscal Year 2015 Annual Audit Plan approved by the City Council authorized these agreed-upon procedures projects.

If you have any questions, please contact me at 214-670-3222 or, Carol A. Smith, First Assistant City Auditor, at 214-670-4517.

Sincerely,

A handwritten signature in black ink that reads "Craig D. Kinton".

Craig D. Kinton
City Auditor

Attachments

C: Honorable Members of the Budget, Finance & Audit Committee
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Warren Ernst, City Attorney
John Jenkins, Assistant Director – PKR
Louise Elam, Senior Program Manager – PKR
John Reynolds, Senior Project Coordinator – PKR
Stephanie Cooper, Assistant Director – BDPS
Mario Alvarado, Procurement Manager – BDPS

**City of Dallas Office of the City Auditor
Independent Auditor's Report on Applying Agreed-Upon Procedures**

*Single Bid # CIZ1505:
Cedar Crest Golf Course Improvements –
Department of Park and Recreation*

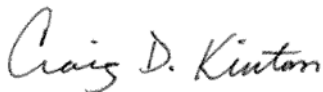
We have performed the procedures described in Attachment I, which were agreed to by the Department of Business Development and Procurement Services (BDPS), solely to assist the Dallas City Council and City of Dallas (City) management in evaluating BDPS' compliance with the requirements of the Administrative Directive (AD) 4-5: *Contracting Policy*. The BDPS is responsible for the establishment of the policies and procedures and for compliance with those requirements.

As a result of applying the Agreed-Upon Procedures, exceptions were found for procedures No. 2, 6, 7, and 9 as shown in Attachment I.

These agreed-upon procedures were conducted in accordance with United States generally accepted government auditing standards which incorporate attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of BDPS. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment I either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Dallas City Council and City management and it is not intended to be and should not be used by anyone other than this specified party; however, the report is a matter of public record and its distribution is not limited.



Craig D. Kinton, CPA
City Auditor

March 24, 2015

Attachment I

Agreed-Upon Procedures and Results of Procedures

Single Bid # CIZ1505:
Cedar Crest Golf Course Improvements –
Department of Park and Recreation
March 24, 2015

Agreed-Upon Procedures	Results of Procedures
<p>1. Verify that the documentation to support the single bid procurement is provided by BDPS and applicable City departments.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>2. Review the bid specifications to ensure that the bid specifications were developed to encourage competition, prevent favoritism, and obtain the best price in the interest of the City.</p>	<p>Exceptions</p> <p>The bid specifications shown in the Project Manual included “Instructions to Bidders“ which:</p> <ul style="list-style-type: none"> • Stated “<i>all bids shall include</i>” nine specific documents. After the bid closing, PKR stated all nine documents were not required to be received as of bid closing. The bid specifications allow the City to waive any minor irregularities in a bid; however, these documents were identified in the bid specifications as required to be submitted with the bid. (See exception No. 9) • Directed bidders to contact the consulting architect (architect) for any questions concerning the project or enclosed plans and specifications. The architect’s contract indicated that the architect cannot be an agent, servant, employee, or representative of the City in the performance of the services under the contract. (See exception No. 7) <p>The City’s Vendor Self-Service webpage for this solicitation shows online responses are not prohibited. The Project Manual and Addendum No. 1 also included language that implied electronic bid submissions would be accepted. A bid submitted via e-mail, however, was not accepted. (See exception No. 7)</p>
<p>3. Confirm that the bid package was posted for the appropriate period of time on the City’s website.</p>	<p>No exceptions were found as a result of applying the procedure.</p>

Agreed-Upon Procedures	Results of Procedures
4. Confirm that the bid package was properly advertised in the newspaper.	No exceptions were found as a result of applying the procedure.
5. Confirm that BDPS applied the correct commodity codes and classes to identify potential bidders.	No exceptions were found as a result of applying the procedure.
6. Confirm that BDPS sent solicitation notices to the identified potential bidders in step 5.	<p>No exception was found for the initial solicitation notice or bid extension as a result of applying this procedure.</p> <p>Exception</p> <p>The architect limited the notice of the bid revision to only the potential bidders who obtained project plans rather than to all potential bidders identified in step 5.</p>
7. Review BDPS' analysis of no bids to determine that there were no other bidders and verify the information used by BDPS in the no bid analysis.	<p>Exception</p> <p>Due to weather-related delays, two bids were not considered received by the specified bid closing deadline.</p> <p>A potential bidder notified the architect via e-mail prior to the bid closing deadline that its hardcopy sealed bid would be late "<i>due to circumstances beyond our control</i>". The bid was attached to the e-mail and a link to the bid was also provided. (See exception No. 2)</p>
8. If applicable, review BDPS' analysis of disqualified bidders and verify the validity of the bidder's disqualification.	Not applicable as there was only one bidder.
9. Review the bidder's response package to determine whether the bidder has completed the bid response, business information form, Business Inclusion and Development Affidavit, and/or other required documentation.	<p>Exception</p> <p>The single bidder's response package did not include four of the nine documents specified as required in the "Instructions to Bidders". (See exception No. 2)</p>
10. Evaluate the criteria or the basis used by BDPS to determine whether BDPS has performed analysis on the reasonableness of the bid price and verify the information used by BDPS in the price reasonableness analysis.	No exceptions were found as a result of applying the procedure.
11. Verify the mathematical accuracy of the bidder's quote and/or estimated costs of the goods and/or services.	No exceptions were found as a result of applying the procedure.

Agreed-Upon Procedures	Results of Procedures
<p>12. Review the prior procurement history, if applicable, of the goods and/or services to determine the basis for price reasonableness.</p>	<p>Not applicable as there was no procurement history for this service.</p>
<p>13. Determine if a bid security should have been secured and to what extent and confirm that the bid security has been paid by the bidder.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>14. Review the bid recommendation letter and confirm that appropriate levels of signatures were obtained based on the monetary value of the bid.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>15. Verify that BDPS used the Federal System for Award Management (SAM) website to confirm that the vendor is not currently excluded.</p>	<p>No exceptions were found as a result of applying the procedure.</p>