

Memorandum



CITY OF DALLAS
Bid Review # E16-002

DATE: June 28, 2016

TO: A.C. Gonzalez, City Manager
Michael Frosch, Director – Department of Business Development and Procurement Services
Rick Galceran, Director – Department of Public Works

SUBJECT: Independent Auditor's Report on Applying Agreed-Upon Procedures for Bid # CIZ1588:
Department of Public Works – Dallas City Hall and I.C. Harris Service Center Underground
Storage Tank Removal and Replacement, \$970,170.97

Attached for your review is the Independent Auditor's Report on *Applying Agreed-Upon Procedures for Bid # CIZ1588: Department of Public Works – Dallas City Hall and I.C. Harris Service Center Underground Storage Tank Removal and Replacement*.

No exceptions were noted as a result of applying the Agreed-Upon Procedures 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 Public Works' (PBW) compliance with the requirements of Administrative Directive (AD) 4-05, *Contracting Policy*; the Texas Local Government Code (TLGC) Chapter 252, *Purchasing and Contracting Authority of Municipalities*; and Government Code Chapter 2269, *Contracting and Delivery Procedures for Construction Projects*.

The Dallas City Charter Chapter IX, Section 3, and the Office of the City Auditor's Fiscal Year 2016 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,

Craig D. Kinton
City Auditor

Attachments

C: Honorable Mayor and Members of the City Council
Jeanne Chipperfield, Chief Financial Officer
Jill Jordan, P.E., Assistant City Manager
Zaida Basora, Assistant Director Facilities Architecture/Engineering/Parking Adjudication – PBW
Tim Starr, P.E., Assistant Director Engineering and Survey Services – PBW
Stephanie Cooper, Assistant Director – BDPS
Mario Alvarado, Procurement Manager – BDPS
Terrence Hamilton, Project Manager – PBW

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

*Bid # CIZ1588: Department of Public Works –
Dallas City Hall and I.C. Harris Service Center
Underground Storage Tank Removal and Replacement*

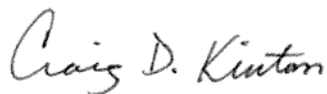
We have performed the procedures described in Attachment I, which were agreed to by the Department of Business Development and Procurement Services (BDPS) and the Department of Public Works (PBW), solely to assist the Dallas City Council and City of Dallas (City) management in evaluating the BDPS' and PBW's compliance with the requirements of the Administrative Directive (AD) 4-05, *Contracting Policy*; the Texas Local Government Code (TLGC) Chapter 252, *Purchasing and Contracting Authority of Municipalities*; and Government Code Chapter 2269, *Contracting and Delivery Procedures for Construction Projects*. The BDPS and PBW are responsible for the establishment of the policies and procedures and for compliance with those requirements.

No exceptions were noted as a result of applying the Agreed-Upon Procedures 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 and PBW. 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 these specified parties; however, the report is a matter of public record and its distribution is not limited.



Craig D. Kinton, CPA
City Auditor

June 28, 2016

Agreed-Up Procedures and Results of Procedures

*Bid # CIZ1588: Department of Public Works –
Dallas City Hall and I.C. Harris Service Center
Underground Storage Tank Removal and Replacement
June 28, 2016*

Agreed-Up Procedures	Results of Procedures
<p>1. Verify the documentation to support the procurement is provided by the Department of Public Works (PBW) and the Department of Business Development and Procurement Services (BDPS) and other applicable City of Dallas (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>No exceptions were found as a result of applying the procedure.</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>
<p>4. Confirm that the bid package was properly advertised in the newspaper.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>5. Confirm that BDPS applied the correct commodity codes and classes to identify potential bidders.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>6. Confirm that BDPS sent solicitation notices to the identified potential bidders in step 5.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>7. Review PBW's analysis of no bids to determine that there were no other bidders and verify the information used by PBW in the no bid analysis.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>8. If applicable, review PBW's analysis of disqualified bidders and verify the validity of the bidder's disqualification.</p>	<p>No exceptions were found as a result of applying the procedure.</p>

Agreed-Upon Procedures	Results of Procedures
<p>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>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>10. Evaluate the criteria or the basis used by PBW to determine whether PBW has performed analysis on the reasonableness of the bid price and verify the information used by PBW in the price reasonableness analysis.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>11. Verify the mathematical accuracy of the bidder's quote and or estimated costs of the goods and or services.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<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 prior procurement history of the goods and or services.</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. Verify that PBW 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>