



Audit of Procurement Marketing Practices

February 22, 2024

Mark S. Swann, City Auditor

Mayor

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Executive Summary

Objective and Scope

The objective of this audit was to determine if the Office of Procurement Services' procurement marketing practices reflect best practices to promote competition and competitive pricing.

The scope of the audit was operations between March 1, 2021, and March 31, 2023.

Recommendations

No recommendations are associated with this report.

Background

The Office of Procurement Services is nationally accredited by the National Institute of Governmental Purchasing, as a Quality Procurement Department. It is responsible for purchasing the City of Dallas' goods and services and provides oversight for contract management across all City of Dallas departments.

Vendors interested in doing business with the City of Dallas must register electronically on the Bonfire system. Bonfire keeps vendors informed of procurement opportunities and bid process.

The City of Dallas Small Business Center is responsible for assisting small emerging firms increase opportunities.

Observed Conditions

The Office of Procurement Services provides vendor support on registering and using Bonfire, reviews bids for responsiveness and minimum requirements, and performs high-level analysis of pricing and trend analysis for appropriateness. The Sustainable Procurement Working Group is in the developmental stage of analyzing Citywide purchases for efficiency and waste reduction opportunities and furthering positive social, economic, and environmental outcomes including local preferences and supplier diversity.

The Office of Procurement Services does not actively recruit new vendors, which is the responsibility of the Small Business Center, establish bid award criteria, or evaluate bid pricing/cost, which are the responsibility of the soliciting department.

Objectives and Conclusions

1. Do the Office of Procurement Services' procurement marketing practices reflect best practices to promote competition and competitive pricing?

Yes. The Office of Procurement Services' use of Bonfire and the Procurement Quarterly ensures vendors are informed of procurement opportunities and the bid process for bids vendors want to act on. The Office of Procurement Services provides: (1) directions on how to use and register on Bonfire; and, (2) debriefs of factors that hinder successful awarding of the solicitation.

Appendix A: Methodology

Methodology

The audit methodology included: (1) interviewing personnel from Office of Procurement Services; (2) reviewing policies and procedures, applicable Administrative Directives, and best practices; and, (3) evaluating internal controls and operational processes. In addition, all five components of *Standards for Internal Control in the Federal Government* were considered.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Natalie Martinez – In-Charge Auditor

Rory Galter, CPA – Engagement Manager

Appendix B: Management's Response

Memorandum



DATE: February 15, 2024

TO: Mark S. Swann – City Auditor

SUBJECT: Response to Audit of Procurement Marketing Practices

This letter acknowledges the City Manager's Office and the Office of Procurement Services received the *Audit of Procurement Marketing Practices*.

The Office of Procurement Services is satisfied that the audit concluded that the department's marketing practices reflect best practices to promote competition and competitive pricing.

We continuously strive to ensure the City has a diverse vendor community and receives value in its purchases. The Office of Procurement Services will continue to develop processes for analyzing Citywide purchases for efficiency and waste reduction opportunities and furthering positive social, economic, and environmental outcomes including local preferences and supplier diversity.

We appreciate the professionalism and quality of work that your staff demonstrated throughout this engagement.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T.C. Broadnax', written over a circular blue stamp.

T.C. Broadnax
City Manager

C: Genesis D. Gavino, Chief of Staff
Jack Ireland, Chief Financial Officer
Danielle Thompson, Director, Office of Procurement Services