



OFFICE OF THE COUNTY AUDITOR

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January 16, 2020

Advisory No.: 133

To: Bertha Henry, County Administrator
From: Robert Melton, County Auditor *Bob*
Subject: Bid #GEN2119422P1, Communications and Marketing Services

The purpose of this Advisory Memorandum is to communicate our concerns and recommendations to you regarding Solicitation #GEN2119422P1, Communication and Marketing Services. At the direction of the Mobility Advancement Program Administrator, the Office of Public Communications requested our assistance in preparing for contract negotiations, with a goal to avoid repetition of audit concerns identified in Office of the County Auditor Report No. 19-04, Audit of Advertising Services Contract at the Greater Fort Lauderdale Convention & Visitors Bureau, dated November 29, 2018. Accordingly, we have reviewed the various solicitation documents, the proposed pricing submitted by the responding vendors and discussed same with the Purchasing Division. Our recommendations, along with a detailed background and discussion are presented below.

Recommendations

We recommend:

1. A recommendation to 'reject all' proposers under the current solicitation be made to the Board, and if approved, a new solicitation for Communication and Marketing services should be developed and advertised, which at a minimum:
 - a. modifies the Scope of Services to improve vendor accountability, using hourly rates, 'not to exceed', and/or deliverable based pricing models.
 - b. utilizes an appropriate hourly pricing schedule within contract documents.
 - c. makes other adjustments as necessary to improve the consistency of responses by vendors and rating by evaluation committee members.

2. Future solicitations and resultant contract(s) for services should utilize a payment methodology which avoids fixed retainer-based fees for services, consistent with recommendations previously presented in Office of the County Auditor Report No. 19-04, Audit of Advertising Services Contract at the Greater Fort Lauderdale Convention & Visitors Bureau, dated November 29, 2018.

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Background and Discussion

Request for Proposals #GEN 2119422P1 was advertised on August 22, 2019, with a goal of soliciting responses to establish up to four contracts for Communication and Marketing Services for implementation of the Transportation Surtax Plan, under the following four categories: 1-Branding, Media and Marketing Services, 2- Crisis Communication Services, 3- Digital Content Delivery Services, and 4-Video Scripting and Production. In addition to providing services in support of the Transportation Surtax, the advertisement noted that the County may elect to use services under any of the four categories for other County agencies, on a work authorization basis.

The solicitation was advertised and a total of 10 responses were received. The initial and final evaluation meeting was held on December 4, 2019, at which time, five vendors were found non-responsible. The remaining five vendors were ranked by the Evaluation Committee for the categories in which they applied. The first ranked vendor for Categories 1, 3 and 4 was Adept Strategies Group, Inc. and the first ranked vendor for Category 2 was Cornerstone Solutions Florida, LLC.

Within this solicitation, Category 1 Services are likely the most important, as they relate to the provision of services for the Transportation Surtax Plan. Vendors proposing for this category were requested to provide a ‘monthly flat fee’ for all potential listed services, as well as a billing rate schedule for use in developing additional work authorizations, if needed (addressed later in this memorandum). Table 2 shows the disparity in proposed monthly pricing for the five ranked vendors, with single year pricing varying over 2400%, from \$900 to \$240,000. The first ranked vendor in this category proposed an annual cost of approximately \$112,000. This may be problematic, as the Project Manager has stated that the maximum amount of funding available for services specific to the Surtax Plan is \$65,000.

This wide range in pricing also may indicate that vendors had differing interpretations of the actual workload anticipated, and that the scope of services was not adequately defined in the original solicitation.

Table 2: Comparison of proposed pricing for Category 1, Branding, Media and Marketing Services

Vendor Name	Unit Price (Monthly)	Annual 12-month pricing
Adept Public Relations, Inc.	\$9,333	\$111,996
Conceptual Communications, Inc.	\$75	\$900
Cunningham Communications Consulting Company, d/b/a The Brand Advocates	\$1,700	\$20,400
Cornerstone Solutions Florida, LLC	\$10,000	\$120,000
Metropolitan Public Strategies, Inc.	\$20,000	\$240,000

Note: Values are rounded to nearest whole dollar. Annual Pricing is calculated by Office of the County Auditor based on information provided by Purchasing Division. Vendors are shown in ranking order.

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It is noted that creation of a 'monthly flat fee' or fixed payment to the vendor precludes accountability and is in direct opposition to audit concerns and recommendations identified in Office of the County Auditor Report No. 19-04, Audit of Advertising Services Contract at the Greater Fort Lauderdale Convention & Visitors Bureau, dated November 29, 2018. Specifically, the current solicitation lists 12 different potential services which may or may not be provided by the vendor in any given month, for which a 'fixed' fee would be paid. This payment methodology precludes accountability by the vendor who would be paid this fixed monthly amount, whether or not they provided services and regardless of the actual level of effort necessary to deliver those services. Further, some of the listed services include creation of plans, attendance at conferences, compiling media lists, training County staff, annual updates of plans, annual surveys or additional research and outreach- services which are likely to be delivered on an annual or occasional basis. Report No. 19-04 recommended the elimination of fixed fee (retainer based) services without accountability for actual hours worked, as well as ensuring amounts paid are reasonable for services delivered, and actual hours should be tracked by the vendor to support invoices.

It was also observed within the solicitation that the resultant agreement will be based on the County Attorney Form (CAF) 101. However, the 'Exhibit B, Maximum Billing Rates' schedule included with the solicitation and completed by the respondents is based on a Federal Acquisition and Regulation model for an overhead and fringe benefits 'multiplier' commonly used for architectural and engineering firms. Further, the CAF 101 does not contain language to govern what costs are allowable in this pricing model, as does the CAF 202, which is used for professional consulting services agreements. This may have resulted in additional pricing disparities across respondents, as vendors proposed billing rates with multipliers ranging from zero to three. The first ranked vendor also included language in its submission referencing use of the 'Safe Harbor' Rate for its multiplier, 'in accordance with Section 5.2.5', which is clearly an erroneous reference to the CAF 202, as the applicable CAF 101 agreement does not contain a Section 5.2.5. It is further noted that some proposed hourly rates for the vendor are in excess of \$600 per hour.

Finally, we observed that scoring by Evaluation Committee members was significantly discordant for some vendors, across multiple proposal categories. This may in part be due to the disparity in pricing proposals but also indicates potential concerns regarding the interpretation of required services, evaluation criteria for those services and the evaluators' review process.

Please be advised that this was not an audit conducted in compliance with Generally Accepted Government Auditing Standards; had this been an audit, we may have identified additional concerns.

I hope you find this information useful, if you have any questions, please let us know.

CC: Monica Cepero, Deputy County Administrator
Andrew Meyers, County Attorney
Brenda Billingsley, Director of Purchasing