

ADDITIONAL MATERIAL

Regular Meeting

MARCH 10, 2020

SUBMITTED AT THE REQUEST OF

OFFICE OF THE COUNTY AUDITOR



OFFICE OF THE COUNTY AUDITOR

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March 4, 2020

Advisory No.: 135

To: Mayor and Board of County Commissioners
From: Robert Melton, County Auditor 
Subject: March 10, 2020, Agenda, Item 52
Bid #GEN2119422P1, Communications and Marketing Services

The purpose of this Advisory Memorandum is to clarify our concerns and recommendations regarding Solicitation #GEN2119422P1, Communication and Marketing Services.

On January 16, 2020, my Office issued Advisory Memorandum No. 133 to the County Administrator regarding Bid #GEN2119422P1, Communications and Marketing Services; this Advisory is attached as Exhibit 1 to Item 52 for the March 10, 2020, Agenda. In summary, we recommended the rejection of all proposers, and the issuance of a new solicitation which addresses concerns identified with the original solicitation for these services. These recommendations are reflected in the motions before the Board for this item.

Background

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.

Concerns with Solicitation

In summary, we observed the following concerns with Bid #GEN2119422P1:

- The Scope of Work included with the solicitation was written in a manner which did not allow for sufficient accountability. Specifically, payment for the majority of services under Category 1, Branding, Media and Marketing Services was to be based on flat monthly fees, regardless of the actual level or quality of work performed. This situation is compounded by the irregular and sporadic nature of the work to be included in the flat fee, as well as the lack of required scheduled deliverables associated with the receipt of the flat fee. The result would

be the lack of assurance that County taxpayers will receive benefits commensurate with payments to the contractor.

- In the Question and Answer information provided to proposers, it was stated that “the total estimated budget for all Categories is \$350,000/year. There is no specific budget for individual Categories.” However, the majority of work listed under Category 1, Branding, Media and Market Services, is for surtax related services, and based on information provided to my Office, the maximum amount of funding available for surtax-related services is \$65,000. This is significantly less than the \$112,000 annualized fee proposed by the top-ranked firm for Category 1. Additionally, this \$65,000 maximum budget amount is significantly lower than the annual pricing proposed by three of the five ranked vendors for Category 1. So, if this contract were awarded, it would presumably require a huge reduction in the scope, or the budget would need to be amended.
- Pricing proposals received for Category 1 varied from \$900 per year to \$240,000 per year; this potentially indicates a lack of understanding by some vendors of the actual nature of work anticipated based on the solicitation documents. It also indicates a deficiency in the described scope of services in the RFP. A well-defined scope of services is essential to ensure potential proposers understand the exact services needed, and the quantity of work they are proposing on, especially when there is a flat fee involved.
- Pricing for other ‘optional’ or ‘work authorization’ based services are to be based on hourly rates, which were requested using an incorrect pricing model based on the actual contract form referenced with the solicitation. This error likely contributed to disparate approaches to hourly rate proposals from different vendors. This is an error in the RFP that results in a significant deficiency in the procurement process.
- Scoring by Evaluation Committee members was significantly discordant for some vendors, across multiple proposal categories. For example:
 - Category 1- Scores for individual vendors ranged from 23 to 47-point difference across evaluators.
 - Category 2- Scores for individual vendors ranged from 16 to 54-point difference across evaluators.
 - Category 3- Scores for individual vendors ranged from 17 to 51-point difference across evaluators.
 - Category 4- Scores for individual vendors ranged from 17 to 45-point difference across evaluators.

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Significant variations in scoring can also be an indicator of the lack of clarity in the application of evaluation criteria.

Additional concerns noted by my Office, but not addressed in the original January 16, 2020, Advisory Memorandum include:

- On June 11, 2019, the Board authorized the County Administrator to approve Requests for Proposal during the 2019 Board Summer Recess, from June 12, 2019 through August 12, 2019. The County Administrator approved #GEN2119422P1 on August 21, 2019, after this authorization expired.
- The evaluation criteria for the solicitation included only ten points for pricing. It may be prudent to have a higher weighted score for pricing these types of services, and such an approach may yield more competitive proposals as it relates to price.

Rationale for Recommendation

Our recommendation to reject all proposals involves two overall deficiencies:

1. Lack of Accountability

The lack of accountability in the flat fee pricing coupled with inconsistent tasks and the lack of regular deliverables could possibly be cured through the negotiation process, if the proposed contractor is willing to build in accountability to the fee structure. This could remedy the accountability issue on this proposal.

2. Deficiencies in the RFP.

In addition to the accountability issue, additional deficiencies in the RFP as discussed above have resulted in a seriously flawed procurement. If the County proceeds to negotiate accountability into the fee structure, that would further alter the original terms outlined in the RFP.

As you know, it is paramount that the integrity of the procurement be maintained. We do not believe further pursuance of this award will correct the significant deficiencies in the RFP.

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. My office will, of course, be pleased to assist in any way that we can.

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