



John A. Carey
Inspector General

**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**



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Accredited

“Enhancing Public Trust in Government”

Contract Oversight Report
COU 2016-R-0001
Municipality Contract
Monitoring Follow Up – City of
West Palm Beach
March 22, 2016

Insight – Oversight – Foresight



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CONTRACT OVERSIGHT REPORT (COU 2016-R-0001) (CA-2015-0071)

DATE ISSUED: MARCH 22, 2016



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MUNICIPALITY CONTRACT MONITORING FOLLOW UP – CITY OF WEST PALM BEACH

SUMMARY

What We Did

Contract Oversight Review (Review) 2014-R-0002 was issued March 31, 2014. It summarized the contract monitoring policies and procedures for the municipalities in Palm Beach County. The Review began with a survey being distributed to all thirty-eight municipalities, of which thirty-two responded. The Office of the Inspector General (OIG) conducted on-site verification of responses received in five randomly selected municipalities and chose a judgmental sample of sixteen contracts to test their contract monitoring program. The results of the survey and the on-site sampling were summarized in the Review document.

The purpose of the Review was to provide Palm Beach County municipalities with information to consider when developing a robust contract monitoring policy/procedure. The lack of a strong contract monitoring program increases the risk that a public entity will fail to detect, deter or prevent waste, fraud, mismanagement or abuse in contracting.

The City of West Palm Beach did not respond to the survey request. Therefore, the OIG decided to conduct

an on-site follow-up to assess the extent and depth of contract monitoring policies and procedures used by the City.

What We Found

The City does not have any documented policy or procedure for contract monitoring, and there is no formal citywide process for monitoring contracts.

We found **\$683,662.74** in questioned costs and **\$238.45** in identified costs because of issues arising from three contracts reviewed.

What We Recommend

We recommend that the City implement written policy and procedures for contract monitoring that include adequate training of staff assigned contract management responsibilities.

The City accepted recommendations one and two and for recommendation three will explore contract monitoring risk assessments tools in use by other jurisdictions and determine the best course of action for the City.

BACKGROUND

There are three generally accepted phases of public procurement; Pre-Award, Award and Post-Award. The Pre-Award phase consists of the determination of need, the development of the requirements package, and selection of the contracting method. The Award phase consists of the solicitation of vendors/sources, receipt of responses, evaluation of responses and contract award. The Post-Award or contract administration phase includes contract monitoring, ensuring contractor delivery to specifications and contract closeout.

As mentioned, contract monitoring is part of the Post-Award procurement phase. Contract monitoring activities, where applicable, occur in the following areas: quality control, scheduling of deliverables, accepting deliverables, contract changes, contractor performance and assessing the risk of contract failure.

The importance of contract monitoring increases when contracts are of high dollar value and when the terms and conditions of the contract are complex. "Monitoring the performance of the contractor is a key function of proper contract administration. The purpose is to ensure that the contractor is performing all duties in accordance with the contract and for the agency to be aware of and address any developing problems or issues."¹ This is consistent with recognized best practices used by government agencies throughout the country.

The follow-up to the original Review began with the OIG requesting the City to provide a list of all contracts that were in effect during the 2015 fiscal year (October 1, 2014 through September 30, 2015). The City was not able to provide a list that was specific to the review period. Therefore, a judgmental sample was selected, which included a review of the contract monitoring process for six City departments; two large, two medium and two small in size and budget and responsibilities. Six contracts were selected for review from each department. The large departments chosen were Engineering and Public Utilities, which provides infrastructure essential to the health, safety and quality of life for citizens, businesses and visitors of West Palm Beach. The medium departments chosen were Development Services, which handles any business related to development, construction, code enforcement, permitting, and historic preservation of buildings in the city and Information Technology (IT), which provides technology leadership and support for the City. The small departments chosen were Fleet, which maintains all City vehicles, and the Library.

Each department was asked for a listing of contracts in effect during the City's 2015 fiscal year that included the contractor name, contract number, type of services provided and the name of the Contract Manager. A judgmental sample of six contracts per department with a range of contract amounts was selected for review to determine the contract monitoring policies/procedures used by the City employee(s) that managed each contract.

¹ "State of Texas Contract Management Guide", [http://comptroller.texas.gov/procurement/pub/contract_guide/], September 1, 2015, 82.

Each Contract Manager was interviewed either in person or via written questions that included the Review Tool Elements included in the original process.

REVIEW TOOL ELEMENTS

- a) Contract Name
- b) Specific Staff Assigned to Monitor
- c) Milestones Confirmed in Writing
- d) Specific Staff Confirming Receipt of Deliverables
- e) Specific Staff Confirming Milestones being reached
- f) Specific Staff Approve Payments
- g) Contract File-Log of Payments
- h) Change Orders and/or Amendment Maintained in File

Additionally, each Contract Manager was asked whether the department in which he/she worked had any type of documented policy/procedure for contract monitoring.

As a part of this process, the Procurement Director was interviewed and asked the thirty-one questions from the original survey.

The categories addressed in the survey were as follows:

- a) Documented policy/procedure for contract monitoring
- b) Contract monitoring
- c) Dedicated file maintenance for each contract
- d) Risk assessment tool

Within these broad categories, there were subsequent questions about important components including degree of staff training; process for dispute resolution; and specific contract monitoring tasks.

FINDINGS

Finding (1):

The City did not have a documented policy or procedure for contract monitoring. Lack of such policy and procedure increased the likelihood of City funds not being expended appropriately. The City failed to monitor scope, approved/budgeted amounts, contract expiration dates, and payments made in at least four instances of the thirty-six contracts reviewed.

OIG Review

None of the departments sampled had a written policy/procedure for contract monitoring. However, Engineering and Public Works had a draft Project Management Manual (PMM) that was being used by Contract Managers, which contained contract monitoring processes. This may provide the City a starting point from which to consider relevant and appropriate contract monitoring policies and procedures that can be implemented on a citywide basis.

All City contracts reviewed had a specific staff person assigned as the Contract Manager. However, because there is little to no written guidance or training regarding the responsibilities of a Contract Manager, there were significant differences in the way in which contract management, including contract monitoring, was conducted. For example, in Engineering and Public Works, most of the Contract Managers interviewed were professionals, such as engineers, who as a part of their profession have training and experience in project management, which includes contract monitoring as a significant responsibility.

In Development Services, experienced staff were managing the contracts reviewed and had developed necessary processes and systems to ensure terms and conditions were met and appropriate contract monitoring was completed.

That was contrasted in other departments with at least two Contract Managers not having fully read the contract they were managing; therefore not having a clear understanding of the terms and conditions.

The City has departments in which contract monitoring is occurring and appropriate systems and safeguards have been developed. These systems could be used as a basis to work from in developing the necessary policies and procedures to be implemented citywide.

Generally, there was a process by which milestones were confirmed in writing and a person identified who confirmed the receipt of deliverables even if this was not the Contract Manager. Generally, there was a person(s) who confirmed that milestones were being reached and specific staff were approving payments.

However, for three contracts, questioned costs of \$683,662.74² and identified costs of \$238.45³ were identified.

1. Contract 15710 with Sherlock Group, Inc. is for temporary on site staff augmentation services for the City's IT Department. In our review of FY 2015, we found that the Sherlock Group was paid \$821,365.04 for a service contract originally established for an amount not to exceed \$139,200.00. There were no amendments to the contract document increasing the original not-to-exceed contract amount. Therefore **\$682,165.04** is a questioned cost as the not-to-exceed amount was \$139,200.00. After reviewing a sampling of invoices, we were able to determine that the services paid for were received, however the contract was not amended to increase the not-to-exceed cost.

2. Contract 15496 with Presidio Network Solutions, Inc. is for Cisterra networks software components support. City staff provided a paid invoice that included an additional

² Questioned costs can include costs incurred pursuant to a potential violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds, and/or a finding that such costs are not supported by adequate documentation, and/or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable in amount. As such, not all questioned costs are indicative of potential fraud or waste.

³ Identified costs are those dollars that have the potential of being returned to offset the taxpayers' burden.

\$750.00 administrative fee to reinstate support and maintenance after a lapse in coverage. Therefore **\$750.00** is a questioned cost, because it would not have been paid if the contract had been renewed timely.

3. Contract 12085 with Ituran USA, Inc. is for the purchase, maintenance and training of staff for Manageit Fleet Management Global Positioning System (GPS) and StarLink to track City-owned vehicles and equipment. City staff provided a paid invoice for December, 2015, which listed 262 GPS units when the City's master spreadsheet only listed 240 units in operation. This is a difference of 22 units at \$33.95 per unit for a total of \$746.90 for December, 2015.⁴ Additionally, 16 units were paid at the rate of \$34.00 per unit instead of the contractual amount of \$33.95 which is a difference of .05 cents per unit times 16 units, which totals 80 cents for December, 2015. Therefore **\$747.70** is a questioned cost. Regarding the 22 unit difference, 7 of the units were double billed. This is because a unit had been taken out of service and replaced with a new unit. The old unit taken out of service had not been removed from the bill. Therefore **\$238.45** is an identified cost due to the City having paid twice for 7 units and paying \$34.00 per month instead of \$33.95 for 16 units.

Attachment A provides a summary of the contracts and their questioned and/or identified costs. Attachment B provides detailed information about these three contract issues.

Finding (2):

The City does not have a policy or procedure about the manner in which contract files are maintained. The City has three separate computer software systems that each contains a component of a contract file, but they are not integrated in any way. This lack of having one place in which all contract information is maintained increases the opportunity for errors in contract management to occur.

OIG Review

Contract payments can be accessed by authorized staff in the City's Oracle computer software system with the actual contract and amendments maintained in another computer system, File-Net. There is a third computer system that is a contract management system. In most departments, an actual contract file that contained the contract, amendments, change orders and payment log and documents was not maintained. When staff needs any of these documents, they access one of the three computer systems mentioned. The weakness of this system is that the three programs are not integrated in any way so accessing information about a contract can be confusing and cumbersome. Additionally, the City personnel who actually know if the service was provided are not always the City personnel who review and approve an invoice for payment.

⁴ The amount overpaid during the review period may have been higher because the fees were billed on a monthly basis. The questioned costs referenced in this paragraph, however, were only calculated based upon our review of the invoices for the month of December 2015.

Having all contract information integrated and easily accessed allows important elements including the scope, approved/budgeted amounts, deliverable dates, contract expiration dates and payments made to be readily available. Such information is critical for efficient contract management.

Finding (3):

There is no citywide contract risk assessment tool/model being used. Therefore staff resources available for contract monitoring are not focused in an efficient and effective manner.

OIG Review

Most government entities have limited resources and those resources should be used efficiently and effectively in order to maximize positive outcomes. "A thorough risk analysis considers factors such as: fraud potential, financial mismanagement or theft, public perception of agency and services, quality of service, monitoring reports, and vendor performance history."⁵

A risk assessment tool needs to be designed to be effective for the type of contracts being monitored. Generally a risk assessment tool is designed to take into account the types of risks specific to the type of contract being monitored. There are commonalities in a risk assessment tool such as the dollar value of the contract and the complexity of the scope of services, but there are important differences dependent upon the type of contract being considered. For example, in a construction contract, the degree of innovation in the design and products being used could be key risks while in a contract to deliver home delivered meals to seniors the quality of the meals and on time delivery may be critical.

One sample of a risk assessment model is one developed for the Florida Department of Juvenile Justice, which includes the following criteria:

1. Type of Services for the Contract/Grant – Weights are assigned to the type of service depending upon the risk associated with each service category.
2. Annual Dollar Amount of the Contract/Grant – The higher the annual contract/grant dollar figures, the higher the risk the Department assumes in contracting with a provider.
3. Substantiated Incidents – The presence and/or the higher number of substantiated incidents from the Department's listing of reportable incidents, the higher the risk the Department assumes in contracting or continuing to contract with a provider. For a City, these incidents could include missed deadlines, failure to properly submit invoices or not in a timely manner, inordinate number of requests for change orders, etc.
4. Prior Performance on Contract/Grant Monitoring Visit/Desk Review – Providers who have previously had serious financial, administrative or program deficiencies or difficulty in being responsive to Department requirements should be considered to present a higher risk than those who have not.

⁵ "Office of the Inspector General, Palm Beach County, Florida, Contract Oversight Manual", May 27, 2014, 21.

5. Prior Performance on QA Review – Providers who have previously failed to meet established minimum thresholds should be considered to present a higher risk than those who have not.
6. Staffing Issues – The presence of staff turnover of key staff or an administrator or the presence of any staffing vacancy increases the risk the Department assumes in contracting with a provider.⁶

This is just an example of a thorough risk assessment tool designed for human services contracts. What works for one contract or jurisdiction will not work for another so careful consideration should be given to the development of criteria to be used.

RECOMMENDATIONS

(1) Implement a citywide contract monitoring policy/procedure and provide staff training. At a minimum, it should address the following components:

(a) Use a Contract Monitoring Plan

An effective plan will identify, but not be limited to the following: an analysis of risk factors, scope of review, staff assigned, date(s) of review, schedule, tools/guides, type of monitoring procedures and processes for conducting monitoring, corrective action plans and documentation of results.

(b) Use a Standardized Monitoring Guide

The consistent use of a standardized and comprehensive guide provides consistency throughout the monitoring process.

(c) Address Corrective Action Plan

A clearly defined procedure will detail when corrective action plans are required; how they are to be developed; how and where to record them in contract files; how they are to be reported to the appropriate staff; and the process of following up on them.

(d) Address Resolution of Vendor Disputes

A clearly defined procedure(s) that outlines steps taken to resolve vendor disputes in a timely manner will help to minimize the risk that the contract being monitored will fall short of its goals and objectives.

(e) Address Monitoring Staff Training and Qualifications

The reliability and validity of the monitoring results is contingent upon appropriately trained monitors who also meet the qualifications for knowledge, skills and ability.

(f) Address Access and Storage of Contract Documents and Files

⁶ "State of Florida, Department of Juvenile Justice Contract Management and Program Monitoring Implementation Guidelines", [http://www.djj.state.fl.us/docs/policies/contract_monitoring_guidelines], April 2010, 43-44.

A standard file format developed and implemented for the layout of contract documents, correspondence, monitoring reports, outcome reports and checklists provides uniformity in contract files and ease of review by management.

(g) Address Closing Out Contracts

Formal written procedures ensure that important administrative, contractual and program elements are not overlooked when closing out contracts.

The Office of Inspector General recognizes that each municipality has different operating capacities. However, West Palm Beach is the county's largest municipality with an expense budget of over \$450,000,000 for fiscal year 2015. Therefore, it is critical that the City implement a robust contract monitoring policy/procedure and/or process.

(2) Address in a policy and/or procedure a uniform method by which contract files are maintained.

It is important to be able to access information about a contract in a timely manner. At a minimum, a contract file should include a copy of the contract; all amendments; change orders, when completed; and information about payments authorized and made. Maintaining information in an easily accessible and uniform manner allows authorized employees to access information when needed, especially when the designated contract manager is absent.

(3) Develop and implement a contract monitoring risk assessment tool.

Use of a risk assessment tool allows the governmental entity to focus its resources on contracts that potentially have a higher potential for implementation issues. Staff resources are finite so a risk assessment tool can be useful, for example, to determine which contracts should be monitored using a site visit versus those that can be monitored through a desk review.

RESPONSE FROM MANAGEMENT

On March 16, 2016, the City Administrator provided a response to the Report (Attachment C). The response stated, in part,

"We noted your concern with contract 15710 with Sherlock Group. As stated in your report, the contract was originally limited to \$139,200 and the total expenditure ultimately spent was \$821,365. While this creates a questioned cost of \$682,165, we would point out that the expenditures were documented; the services were performed and were necessary costs for our IT Department. We will, a part of the recommendations made in your report, work on improving our contracting process to avoid this issue in the future."

The City accepted recommendations one and two and for recommendation three will explore contract monitoring risk assessments tools in use by other jurisdictions and determine the best course of action for the City.

ACKNOWLEDGEMENT

The Inspector General's Contract Oversight staff would like to extend our appreciation to the City of West Palm Beach for the cooperation and courtesies extended to us during the contract oversight process.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to Dennis L. Yeskey, Contract Oversight Manager, by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

ATTACHMENT A – SUMMARY OF QUESTIONED AND IDENTIFIED COSTS

Contract Number	Contractor	Questioned Costs	Identified Costs
15710	Sherlock Group, Inc.	\$682,165.04	
15496	Presidio Network Solutions, Inc.	\$750.00	
12085	Ituran USA, Inc.	<u>\$747.70</u>	<u>\$238.45</u>
	Total	\$683,662.74	\$238.45

ATTACHMENT B – DETAIL FOR CONTRACT ISSUES IDENTIFIED

1. Contract 15710 with Sherlock Group, Inc. is for temporary on site staff augmentation services for the City's IT Department.
 - a. In the original contract signed March 2, 2015, three full time Network Architects/Network Engineers were to be provided and the names and rates for the three individuals were listed in the Fee section of the contract. In the Term section it stated that, "Services shall commence upon availability of the three candidates approved by the City and shall continue for a term of three (3) months. The parties shall have the option to extend the Agreement for an additional term at the same hourly rates. The extension shall be set forth in an amendment to this Agreement executed by both parties".
 - b. In the original contract in the Total Fee Under Agreement section, it stated, "Total to be paid to Provider for Services during term of this agreement shall not exceed \$139,200.00".
 - c. In the original contract in section 5. Term, it states, "This agreement shall commence upon full execution by the parties and expire upon completion of the Services and final payment, unless earlier terminated".
 - d. In Amendment 1, which does not have a signature date but has a cover memo date of March 13, 2015, two additional full time Network Technicians, one full time Data Architect and one Program Administrator/Data Architect/Data Warehouse Administrator were added. The names of the individuals added were listed in section 2. Services.
 - e. In Amendment 1 in section 3. Term, it states that the Services shall commence upon availability of the candidates approved by the City and continue for a term of three months.
 - f. In Amendment 2, which does not have a signature date but has a cover memo date of March 25, 2015, one additional full time Data Architect and one full time Telecom Engineer/Network Architect were added. The names of the individuals added were listed in section 2. Services.
 - g. In Amendment 2 in section 3. Term, it states that the services added shall commence on March 23, 2015 and shall continue for a term of three months.
 - h. In Amendment 3, which does not have a signature date but has a cover memo date of March 29, 2015, two Network Technicians and one Telecom Engineer/Network Architect were added. The names of the individuals added were listed in section 2. Services.
 - i. In Amendment 3 in section 3. Term, it states that the services added shall commence on March 23, 2015 and shall continue for a term of three months.
 - j. In Amendment 4, which does not have a signature date but has a cover memo date of June 26, 2015, one Enterprise Resource Planning Team Lead was added. The name of the individual added was listed in section 2. Services.
 - k. In Amendment 4 in section 3. Term, it states that the services added shall commence the date this Amendment is executed by the later of the City and Provider and shall continue until September 30, 2014. *We assume the ending date of 2014 was a typographical error and the intent was for the ending date to be September 30, 2015.*

- l. In Amendment 5, which has a signature date of June 26, 2015, one Business Process Consultant was added. The name of the individual added was listed in section 2. Services.
- m. In Amendment 5 in section 3. Term, it states that the services added shall commence on the date this Amendment is executed by the later of the City and Provider and continue until September 30, 2015.
- n. In Amendment 6, which does not have a signature date but has a cover memo date of October 21, 2015 in section 2. Services, the services of Greg Barnard, Network Engineer were added to replace Wilfredo Vega.
- o. In Amendment 6 in section 3. Term, it states the term of the Agreement is extended to September 23, 2015 for the services of Edegio Victoria, Christian Brady, Mike Scott, Shawn Sloan, Michael Foster, and Taft Wilson.
- p. In Amendment 6, a spreadsheet titled Budget/Cost Allocation (Temp Staffing) is attached. On this spreadsheet, the total for individuals provided by Sherlock totals \$668,953.60 of the \$674,073.60 listed. We were told by IT staff that this amendment was the one that increased the not to exceed cost of this contract. However, nowhere in the amendment itself does it reference the Total Fee Under Agreement section of the original Agreement nor include a new not to exceed cost.
- q. In Amendment 7, which has a signature date of October 26, 2015, it states in section 2. Services, that a Business Process Consultant is being added.
- r. In Amendment 7 in section 3. Term, it states that the services added by the amendment shall commence the date this Amendment is executed by the later of the City and Provider and shall continue until September 30, 2015. *Since the contract was not executed until October 26, 2015, its beginning date is after its expiration date of September 30, 2015.*
- It appears that the not to exceed amount for this contract was never increased via an amendment beyond the \$139,200.00 specified in the original contract. The City paid Sherlock Group, Inc. \$821,365.04 between March 2, 2015 and September 30, 2015. Therefore there is \$682,165.04 in questioned costs.
2. Contract 15496 with Presidio Network Solutions, Inc. is for Cistera support.
- a. This contract was signed March 16, 2015. In section 5. Term, it states, "This Agreement shall commence upon full execution by the parties and expire upon completion of the Services and final payment, unless earlier terminated. The City shall execute this agreement last".
- b. In the contract in the Scope of Services section, it states that, "The Services shall include: Cistera renewal – dates 10/1/14 through 9/30/2015".
- In the Term section of the contract, it states that the agreement doesn't begin until it's been fully executed by both parties. The City signed the contract March 16, 2015, which is five and a half months after services began.
 - Invoice 40482562 provided by the City as a paid invoice and dated 4/6/15 includes an additional \$750.00 administration fee to Reinstate Support and Maintenance after a lapse in coverage. Therefore there is \$750.00 in questioned

costs as the City would not have to have paid this additional fee if they had not let the support coverage lapse.

3. Contract 12085 with Ituran USA, Inc. is for the purchase, maintenance and training of staff for Manageit Fleet Management Global Positioning System (GPS) and StarLink to track City-owned vehicles and equipment.

a. In section 7.2, Software/Monitoring Fee, it states that the City will pay \$19.95 per unit per month for each GPS unit equipped with the Driver Behavior Monitoring Function. In Exhibit A, it states that the monthly fee for this monitoring function is \$1.95 per unit and in reviewing a paid invoice, the \$1.95 per month is what the City has been paying.

b. The Contract Manager provided invoice number 01-0299-IN dated 12/1/15 as a sample of a paid invoice for this contract. The Contract Manager stated the Central Operations Supervisor maintains a spreadsheet that lists all of the active GPS units in service. According to City staff this spreadsheet is “the Bible” substantiating the number of units for which payment is made.

- There are sixteen GPS units on the above referenced invoice for which \$34.00 per month is being charged and paid. The contract specifies that the monthly fee is \$33.95 per unit.
- On the above referenced invoice, there were a total of 262 GPS units. The spreadsheet only totals to 240 units. City staff provided the explanation after research that Ituran had double billed for 7 units that had been taken out of service and replaced with new units. The City contacted Ituran, and they are crediting the City for this double billing on their March, 2016 invoice. The remaining 15 units are no longer in service, but City staff had not appropriately advised the Central Operations Supervisor so that he could notify Ituran to remove them from service.
- Therefore there is \$747.70 in questioned costs and \$238.45 in identified costs as the City paid for 15 GPS units it was not using, Ituran double billed the City for 7 units and the City paid at a rate in excess of the rate specified in the contract for 16 units.

ATTACHMENT C – CITY OF WEST PALM BEACH RESPONSE



City Administration
401 Clematis Street
West Palm Beach FL 33401
561-822-1400

March 16, 2016

Dennis Yeskey, Contract Oversight Manager
Office of Inspector General
P.O.Box 16568
West Palm Beach, FL 33416-6568

Re: OIG #2014-R0002 – Contract Oversight Report Municipality Contract Monitoring Follow-up

Dear Mr. Yeskey:

We are in receipt of the above referenced Contract Oversight Report Municipality Contract Monitoring Follow-up inquiry. We noted your concern with contract 15710 with Sherlock Group. As stated in your report, the contract was originally limited to \$139,200 and the total expenditure ultimately spent was \$821,365. While this creates a questioned cost of \$682,165, we would point out that the expenditures were documented; the services were performed and were necessary costs for our IT Department. We will, as part of the recommendations made in your report, work on improving our contracting process to avoid this issue in the future.

With respect to your specific recommendations, these are our responses:

Recommend No. 1: Implement a citywide contract monitoring policy/procedure and provide staff training.

We accept your recommendation. The City will develop a citywide contract monitoring policy/procedures and provide staff training.

Recommendation No. 2: Address in a policy and/or procedure a uniform method by which contract files are maintained.

We accept your recommendation. The City will re-evaluate the method by which contract files are maintained and ensure it is uniform and complete to the extent possible, given the limitations of our existing electronic filing systems. As the City upgrades and migrates to a new Information Reporting System, the ability to maintain all contract information in an easily accessible and uniform manner will be part of the system evaluation and selection process.

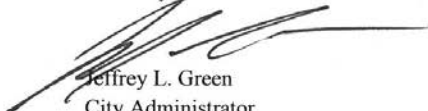
Recommendation No. 3: Develop and implement a contract monitoring risk assessment tool.

We will explore the various types of contract monitoring risk assessment tools in use by other jurisdictions and determine the best course of action for the City.

ATTACHMENT C – CITY OF WEST PALM BEACH RESPONSE (CONTINUED)

Please contact me if you have any further questions

Sincerely



Jeffrey L. Green
City Administrator