



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

Contract Oversight Report

CA-2024-0049

Town of Jupiter Electrical Services Piggyback Contract Review

September 30, 2025

Insight – Oversight – Foresight

This document is being presented for your response in accordance with the Palm Beach County Inspector General



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

CONTRACT OVERSIGHT REPORT CA-2024-0049

DATE ISSUED: SEPTEMBER 30, 2025



Inspector General
Accredited

"Enhancing Public Trust in Government"

TOWN OF JUPITER ELECTRICAL SERVICES PIGGYBACK CONTRACT REVIEW

SUMMARY

WHAT WE DID

In the process of conducting a time and materials review in the Town of Jupiter (Town), we identified concerns with the procurement and performance of its contract with Davco Electric Contractors Corporation (Davco), EPW2022-15, Electrical Repairs Contract (Piggyback of Palm Beach County School Board Bid 22C-5C Term Contract). Therefore, we initiated a separate review to assess the Town's compliance with the piggyback provisions outlined in its procurement policy for contract EPW2022-15.¹

We reviewed the Town's relevant policies and procedures regarding piggybacking, the Town's piggyback EPW2022-15 Contract with Davco, and the Palm Beach County School Board Bid 22C-5C Term Contract. We also interviewed individuals directly involved in the Town's contracting process.

We identified the following issues for review:

Issue (1): The Town did not comply with its piggyback procurement process when it entered into a contract with Davco.

Issue (2): The Town did not execute separate agreements, which confirmed that the same terms and conditions of the School Board's Bid 22C-5C Term Contract would be granted the Town.

WHAT WE FOUND

Issue (1): Substantiated. The Town did not comply with its Procurement Policy Standard Operating Procedures, approved by Council on December 19, 2017 when it piggybacked on a contract that was not "piggybackable." The Town's Procurement Policy provides that in order for a contract to be "piggybackable", 1) the specific items and quantities to be ordered must be included in the original bid and evaluated as part of the contract award process, and 2) the vendor consents to a separate agreement with the Town which confirms that the same prices, terms and conditions granted to the original contracting agency will be granted to the Town.

The Town entered into a Contract with Davco that incorporated the School Board's Bid 22C-5C Term Contract. The School Board's contract was not "piggybackable" because the bid did not include the quantities to be ordered for evaluation as part of the contract award

¹ This office will issue a separate composite report addressing the findings regarding our review of time and material contracts for several entities.

process. Instead, the School Board's contract pre-qualified "all responsive, responsible bidders meeting specifications, terms, and conditions," who would be eligible to submit quotes for specific quantities, when and if, services were needed. The quotes for such quantities would be evaluated at such time.

Additionally, Town entered into an agreement solely with Davco, which was inconsistent with the terms and conditions in the School Board's Bid 22C-5C Term Contract.

Issue (2): Substantiated.

Alternatively, even if the School Board's Bid 22C-5C Term Contract had been "piggybackable" under the Town's Procurement Policy Standard, the Town did not perform in accordance with the terms and conditions outlined in the Contract when it contracted solely with Davco. The School Board's Bid 22C-5C Term Contract allowed all pre-qualified vendors to provide quotes when the work

was needed. Creating a responsive, competitive marketplace allows multiple vendors in the pool to compete for each job, which can drive down prices and save the governmental entity time and taxpayer dollars.

The total amount the Town awarded to Davco was \$157,782.80. Of this amount, the Town only paid Davco \$98,386.43, which we consider to be questioned costs.²

WHAT WE RECOMMEND

- (1) The Town train staff on the requirements of the Town of Jupiter Purchasing Policy relating to piggybacking.
- (2) The Town train staff on the importance of being familiar with the terms and conditions of piggybacked contracts and establish a contract management process to ensure that terms are followed.

² Questioned costs are costs or financial obligations that are questioned by the OIG because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such costs or financial obligation is not supported by adequate documentation; or, a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, and as in this case, not all questioned costs are indicative of potential fraud or waste.

BACKGROUND

The Town of Jupiter was incorporated in 1925. The Town is located in the northern part of Palm Beach County on the southeastern coast of Florida, and has a Council-Manager form of government. The Town Manager prepares rules and regulations pertaining to purchasing procedures that apply to all personnel involved in the purchasing process.³



TOWN OF JUPITER



On September 23, 2021, former Town Manager, Matt Benoit, approved and signed a piggyback Contract with Davco on behalf of the Town. The Contract with Davco incorporated the School Board's Bid 22C-5C Term Contract. The Town's Contract term was October 1, 2021 to September 30, 2022, with two (2), one-year renewals. According to the Contract, Davco was "...authorized to proceed with providing Electrical

Contractor Services, Repairs, and Installation for the Fixed Not to Exceed Price of \$46,000 (Forty-Six Thousand Dollars and Zero Cents)."

The Town's Procurement Policy and Standard Operating Procedures states:

II. Policy

This policy shall apply to all purchases of the Town...It is the responsibility of all Town employees involved in the purchasing process to comply with all procedures, guidelines and instructions as set forth in this policy Unless specifically provided otherwise in this policy, the policy of the Town shall be to seek competition where possible in the purchase of materials, equipment and services and to make such purchases at the lowest available net cost to the Town...

III. PROCUREMENT AMOUNTS

The Table below describes the procurement and approval authorities:

³ Jupiter, Fla., Code § 2-109. Purchasing Procedures.

https://library.municode.com/fl/jupiter/codes/code_of_ordinances?nodeId=SPAADRE_CH2AD_ARTIIIIDEOFEM_DIV2_TOMA_S2-109PUPR

Total Contracted Value	Quote/Bid Requirements (Minimum)	Award Approval
\$0.00 - \$2,500	Single Quote	Department Director or Designee
\$2,500.01 - \$10,000	Three Verbal Quotes	Department Director or Designee
\$10,000.01 - \$25,000	Three Written Quotes	Town Manager
\$25,000.01 - \$49,999.99	Competitive Quotes (i.e. DemandStar)	Town Manager
\$50,000.00 - \$100,000	Competitive Quotes (i.e. DemandStar)	Town Council
Over \$100,000	Formal RFP	Town Council

The originating department will retain the necessary documentation within their files to demonstrate compliance with these procedures.

.....Any purchase of items costing more than \$25,000.00 shall require the use of competitive quotes utilizing DemandStar only and the authorization of the Town Manager except where the item qualifies as an exception as provided below. Any purchase of items over \$100,000.00 shall require the use of a formal RFP process utilizing DemandStar (or other online quote service approved by the Town Manager or his/her Designee) and one newspaper ad to be placed in a newspaper of general circulation. The Town Manager has the authority to approve all purchases up to \$50,000.00.

....

The Town's Procurement Policy, Standard Operating Procedures, effective December 19, 2017, and in effect at the time relevant to this transaction stated,

VI. COMPETITIVE BIDDING AND SELECTION PROCESS

The Competitive Bidding and Selection Process shall be required for each purchase in excess of \$100,000 unless otherwise provided in this section....

....

G. Waiver of Competitive Bidding Process⁴

....

3. In lieu of bidding procedures the Town may utilize a process commonly known as “piggybacking” to realize the benefits of volume purchases, reduced administrative expenses and time when procuring similar goods. **Piggybacking refers to the use of competitive Bids or RFP’s obtained by other governmental entities.** In accordance with authority granted by Chapter 287 F.S., the Town may utilize a competitive Bid or RFP solicited by any other municipal, county, state or federal governmental agency if such Bid or RFP is deemed to be in the best interest of the public **but only if all the following requirements are met:** [Emphasis added]

- a. The contract is “piggybackable,” if:
- i. it includes an *assignability* clause that allows for the assignment of all or part of the specified deliverable items, and,
 - ii. **the specific items and quantities to be ordered were included in the original bid and evaluated as part of the contract award decision, and,**
 - iii. the original contract is less than two years old.
[Emphasis added]

Note: Piggybacking is not permissible when the action would call for a substitution of goods or an increase in quantities and dollar thresholds that were not originally bid on and not originally evaluated as part of the contract award. Such an order for substitutions or additional quantities would constitute a non-competitive procurement sometimes referred to as a “tag-on.” Piggybacking shall not be used as a starting point for negotiations.

- b. The piggybackable contract was publicly advertised, issued and awarded by a bona-fide governmental agency.

- c. **The vendor consents to the piggybacking and executes a separate agreement with the Town which confirms that the same prices, terms and conditions granted to the original contracting agency will be granted to the Town.** A copy of the executed agreement is attached to the request for purchase order. [Emphasis added]

⁴ The Town’s policy has been revised and renumbered. The current reference Section VIII, Competitive Bidding and Selection Process, F. relates to piggybacking.

- d. Where the procurement requires approval by the Town Council because it exceeds applicable thresholds or is an unbudgeted expense, a copy of all documents required above will be attached to the agenda item.
- e. Due to the specific nature of service contracts, piggybacking is not authorized for the procurement of professional services.
- f. Piggybacking Documentation Requirements:

The following documentation is the minimum requirements to use another political entity's awarded contract and must be attached to the applicable requisition:

- 1) Contracts from other Political Entities
 - a) Provide the following: Complete copy of the original solicitation.
 - b) Tabulation of all solicitation responses.
 - c) Copy of the award letter/memo/agenda item by the political entity to the awarded vendor
 - d) Complete copy of the vendor's proposal
 - e) Copy of letter from political entity and vendor agreeing to the Town to piggyback the contract.

The Contract is based on The School District of Palm Beach County FL (School District) Bid 22C-5C; Electrical Contractors: Services, Repair and Installation. The scope of work of the District's bid reads as follows:

22C-5C- SPECIAL CONDITIONS

A. SCOPE:

....

The purpose and intent of this invitation to Bid is to secure prices and establish a Term Contract for Electrical Contractors-Services, Repair and Installation, as specified herein. **All bidders, which meet or exceed the criteria established in the Invitation to Bid, shall be placed in the pool of pre-qualified vendors** that may be accessed by The School District of Palm Beach County Departments **in order to obtain price quotations from the prequalified contractors to provide Electrical Contractor Services**, as specified herein. [Emphasis added]

G. AWARD:

....

Contract will be awarded to ALL responsive, responsible bidders meeting specifications, terms, and conditions of this bid. Whenever work is needed, awarded vendors will be notified to provide a proposal for that project based on their prices submitted on the Bid Summary contained in this bid. The project will be awarded to the vendor with the best price for that project

after adjustments have been made for all preferences that may be applicable. [Emphasis added]

All quotes must include the cost for labor, materials and installation/repair and the pricing shall be broken out for verification of pricing against pricing submitted on attached Bid Summary Sheet. Contractors shall use the Bid 22C-5C Quote/Estimate Sheet when responding to quotes. Quotes that do not follow this requirement, may be rejected....

The bid summary listing all awarded vendors meeting or exceeding the criteria established in the Invitation to Bid, and therefore, placed in the vendor pool as follows:

22C-5C Electrical Contractors - Bid Summary						
Awarded Vendors	Arbor Electrical, inc. dba Mr. Wireman Electric	Davco Electrical Contractor Corp.	Francis Uriel Electric, Inc.	Paragon Electrical Contractors, Inc.	Stryker Electrical Contracting, Inc.	Universal Electric of Florida, Inc.
Supervisor/Foreman						
Regular	\$65.05	\$91.00	\$120.00	\$85.00	\$60.00	\$53.90
Overtime	\$97.58	\$137.00	\$180.00	\$127.50	\$90.00	\$71.50
Premium	\$130.10	\$137.00	\$360.00	\$170.00	\$90.00	\$85.00
Electrician						
Regular	\$58.77	\$78.00	\$90.00	\$85.00	\$53.00	\$53.50
Overtime	\$88.16	\$117.00	\$135.00	\$127.50	\$79.50	\$71.50
Premium	\$117.55	\$117.00	\$270.00	\$170.00	\$79.50	\$85.00
Helper/Assistant						
Regular	\$35.57	\$65.00	\$60.00	\$55.00	\$38.00	\$37.50
Overtime	\$53.35	\$97.50	\$90.00	\$82.50	\$57.00	\$49.00
Premium	\$71.13	\$97.50	\$120.00	\$110.00	\$57.00	\$58.00
Materials: Cost Plus Percentage	10%	15%	15%	15%	15%	15%
Signature: <u>LORENZO VALDES</u> <small>LORENZO VALDES (Aug 27, 2021 14:12 EDT)</small>	Signature: <u>Genell Mcmann</u> <small>Genell Mcmann (Aug 27, 2021 14:15 EDT)</small>					
Email: Lorenzo.E.Valdes@palmbeachschools.org	Email: genell.mcmann@palmbeachschools.org					

Figure 1 The School District of Palm Beach County Bid No. 22C-5C Awarded Vendors

The School District of Palm Beach County		22C-5C	
22C-5T Bid Summary Sheet			
Vendor:		<u>Davco Electrical Contractors Corp</u>	
Work Day:			
Regular Time: Monday through Friday, 7am to 5pm			
Overtime: Monday through Friday, after 5pm			
Premium: Sundays and Holidays			
	Labor Rate - Reg	Labor Rate - Overtime	Labor Rate - Premium
Supervisor/Foreman	\$91.00	\$137.00	\$137.00
Electrician	\$78.00	\$117.00	\$117.00
Helper/Assistant	\$65.00	\$97.50	\$97.50
Materials - Cost Plus Percentage - Cost Plus Percentage may not exceed 15% - A percentage of 0 or net cost is acceptable		15%	

Figure 2: Davco Electrical Contractors Corp Labor Rates & Cost Plus Percentage for School District Bid No. 22C-5C: This image is from the Town's Contract EPW 2022-15

FINDINGS

FINDING (1): Town Policy Violations

The Town did not comply with its Procurement Policy Standard Operating Procedures⁵, section VI. Competitive Bidding and Selection Process, G. Waiver of Competitive Bidding Process, approved by Council on December 19, 2017, when it piggybacked on School Board's Bid 22C-5C Term Contract, which was not "piggybackable." The piggybacked School Board contract did not include the quantities to be ordered for evaluation as part of the contract award process. Additionally, Town entered into an agreement solely with Davco, which was inconsistent with the terms and conditions in the School Board's Bid 22C-5C Term Contract.

OIG Review

The Town entered into a piggyback contract based on the School District's Bid 22C-5C, which did not meet the Town's piggyback requirements. The School Board's Bid did not

⁵ The Town of Jupiter Purchasing Policy approved by Council on 12/19/17 was in effect during the time the Town entered into agreement with Davco.

include specific items and quantities, nor were any items or quantities included in the School Board's resulting contract.

Additionally, the School Board's contract pre-qualified "all responsive, responsible bidders meeting specifications, terms, and conditions," who would be eligible to submit quotes for specific quantities, when and if, services were needed. Town, however, entered into an agreement solely with Davco, which was inconsistent with the terms and conditions in the School Board's Bid 22C-5C Term Contract, that states:

G. AWARD:

Contract will be awarded to ALL responsive, responsible bidders meeting specifications, terms, and conditions of this bid. Whenever work is needed, awarded vendors will be notified to provide a proposal for that project based on their prices submitted on the Bid Summary contained in this bid. The project will be awarded to the vendor with the best price for that project after adjustments have been made for all preferences that may be applicable.

The Town selected Davco Electrical Contractor Corp for electrical troubleshooting, and for warranty issues with Musco Lighting for sports. The remaining awarded contractors were excluded from providing a quote for the Town's electrical projects:

- Arbor Electrical Inc. dba Mr. Wireman Electric
- Francis Uriel Electric, Inc
- Paragon Electrical Contractors, Inc.
- Stryker Electrical Contracting, Inc.
- Universal Electric of Florida, Inc.

On February 10, 2025, the OIG asked the Town's Special Project Coordinator why the Town only selected Davco for its electrical work. The Town responded,

When looking through the Town's vendor list, I do not see the other electrical companies from the School District electrical services contract 22C-5C as a town vendor. I also do not see any documentation that supports why the Town only selected Davco.

FINDING (2): Contract Violation

The Town did not follow the contract term requiring it to place all pre-qualified vendors in a pool and allow them an opportunity to provide quotes when the Town needed electrical work done.

OIG Review

The School District's Bid 22C-5C created an awarded vendor pool and not a contract to award specific electrical work to a particular vendor. The Town awarded a contract solely to Davco to provide services to the Town whenever the Town's employees could not resolve electrical issues.

On February 6, 2025, the OIG Evaluator spoke with Ms. Faith Kulla, Controller for Davco. She said that Davco did not provide quotes/estimates for all projects, especially for the projects that occurred on an emergency basis. Moreover, during the performance of the contract, the Town did not request quotes when it needed services from Arbor Electrical Inc. dba Mr. Wireman Electric; Francis Uriel Electric, Inc.; Paragon Electrical Contractors, Inc.; Stryker Electrical Contracting, Inc.; or Universal Electric of Florida, Inc.

Creating a responsive, competitive marketplace allows multiple vendors in the pool to compete for each job, which can drive down prices and save the governmental entity time and taxpayer dollars. As a result of deviating from the stated method for award, no competition occurred, thus, there is no way to ensure the best price was received for the projects.

Recommendations:

- (1) The Town train staff on the requirements of the Town of Jupiter Purchasing Policy relating to piggybacking.**
- (2) The Town train staff on the importance of being familiar with the terms and conditions of piggybacked contracts and establish a contract management process to ensure that terms are followed.**

QUESTIONED COSTS

Questioned Costs Total = **\$98,386.43**

The questioned costs total of \$98,386.43 represents the amount paid to Davco in violation of the Town's Purchasing Policy piggyback provisions.

RESPONSE FROM MANAGEMENT



TOWN MANAGER'S OFFICE

September 29, 2025

Anthony Montero, CIGE, CIGI
Director of Contract Oversight & Evaluations Division
Office of Inspector General
Palm Beach County
100 Australian Ave
West Palm Beach, FL 33406

Subject: Response to Draft Contract Oversight Report, CA-2024-0049, Town of Jupiter Electrical Services Piggyback Contract Review

Dear Mr. Montero:

The Town of Jupiter welcomes the review and collaboration with the Inspector General's Office regarding our business practices. We view audits as a valuable tool to affirm that the Town is employing the most current and effective practices in carrying out the citizens' business. The Town concurs with the two recommendations outlined in your report.

Finding 1

Your report states that the School Board contract used by the Town was ineligible because it did not include quantities to be ordered as part of the contract award process, as required by the Town's Procurement Policy adopted in 2017. The report further notes that the Town entered into a supplemental agreement solely with Davco, which was inconsistent with the terms and conditions of the School Board's bid.

Finding 2

Your report states that the Town did not place all pre-qualified bidders into a pool to provide quotes for electrical work, as required by the School Board contract.

Recommendations/Response

I have reviewed the draft report with our Finance Department and offer the following response:

During the time period in which this contract was utilized, the Public Works Department experienced turnover in several key staff positions. This transition contributed to some of the issues identified in the report. We concur that staff members no longer employed by the Town may not have used the adopted contract in the manner intended.

Anthony Montero, CIGE, CIGI
Palm Beach County – Office of Inspector General
Page 2 of 2
September 29, 2025

Following initial discussions with OIG staff, a memorandum dated May 21, 2025, was circulated to all management and purchasing staff clarifying the Town's purchasing policy regarding piggyback contracts. In addition, the Town has initiated ongoing training sessions for purchasing staff—particularly new employees (with training of a new Public Works staff member beginning in April 2025)—focused on Town purchasing and contract policies and procedures to ensure full compliance moving forward. The Town will also be reviewing its current policy in October/November 2025 for any needed updates.

Training of new staff on Town policies and procedures remains an ongoing effort, and the Town continues to emphasize consistency and compliance in contract management and procurement.

Finally, the Town is in the process of hiring a new Procurement Manager (October/December 2025). This position will provide additional oversight and assist in developing new training tools, including checklists for staff on procurement processes such as piggybacking.

If you have any additional questions, please reach me at 561-741-2214.

Sincerely,



Frank J. Kitzerow
Town Manager

ACKNOWLEDGEMENT

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

This report is available on the OIG website at: <https://pbc.gov/OIG>. Please address inquiries regarding this report to the Director of Contract Oversight by email at inspector@pbc.gov or by telephone at (561) 233-2350.