

**Date:** March 24, 2014

**To:** Scott C. Stiles, Interim City Manager

**From:** Lauren Sundararajan, CFE, Internal Audit Manager *LS*

**Copies to:** William E. Moller, Assistant City Manager  
Reginald Zeno, Finance Director  
Kenneth Glenn, Director of Citizen Complaint and Internal Audit

**Subject:** **Contracts Audit – RFP Process**

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Attached is the RFP Process audit report. This performance audit examined the process through which the City of Cincinnati awards contracts for, primarily, professional services; with the objectives to ensure that the contract process adheres to best practices and that departments follow the established guidelines. We have completed this audit in accordance with Internal Audit's fiscal year 2013/14 Audit Work Plan.

The findings in this audit show that staffing levels are inadequate in the Purchasing Division and result in a lack of training and resources for departments who seek to utilize the RFP process. These concerns are significant and cause significant delays, in several instances reflected in interviews conducted by Internal Audit. Further, there is significant responsibility for the RFP process that resides with City departments, however, Purchasing facilitates the process and must provide sufficient information to these departments to ensure that the City maintains a successful procurement program.

If you need any further information please contact me.

Attachment

# Contracts Audit RFP Process

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March, 2014



Lauren Sundararajan, CFE  
Internal Audit Manager

Conor Moore, CGAP  
Senior Internal Auditor

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## **Executive Summary**

Internal Audit (IA) performed an audit of how City departments process requests for proposal (RFPs). This audit was conducted in accordance with the Fiscal Year 2013/14 Internal Audit Work Plan. The audit objectives were to ensure that the contract RFP process adheres to best practices; to verify that City departments (departments) followed the processes established by the Municipal Code and other established regulatory guidelines; and to identify key risks and vulnerabilities in the contract procurement process and internal controls citywide.

The Purchasing Division (Purchasing) of the Finance Department is responsible for overseeing the RFP process, and ensuring compliance with City policy and all applicable laws.

The issues contained in this report can be tied to inadequate staffing level issues, as was corroborated by all the City Departments that utilize the services of Purchasing. Broadly, these issues included having inadequate training/guidance for departments on the procurement process, delays in the process, and changes in policy being inadequately communicated to departments.

Other issues involve the Vendor Self Service (VSS) system and fees associated with it, the lack of a conflict of interest policy for selection committee members, and advertising practices that do not maximize visibility.

## **I. Introduction**

### **Background**

Purchasing is organized under the Finance Department and is responsible for, essentially, all procurement actions in the City of Cincinnati. Cincinnati Municipal Code section 321 includes the rules by which the City operates procurement, and the specific rules for RFPs are found in sec. 321-53 to 321-73.

Requests for Proposal are used primarily to acquire professional services for the City, and the process is designed to be decentralized because the content experts for department needs will always reside in the department itself. Generally, a department will contact Purchasing to discuss their needs. Purchasing will then send information regarding the RFP process to the contact person at the department who will be generating the RFP. This information will include a RFP template. The department will complete the RFP template and submit it to Purchasing for approval. Purchasing will ensure that the required information is in the document and it meets statutory guidelines. Purchasing cannot and will not ensure that the evaluation criteria of the RFP meet the best needs of the department.

Purchasing will then advertise the RFP on VSS and in the City Bulletin for a specified period. Depending on the RFP, there may be a pre-submittal meeting for prospective vendors to have questions answered in an open forum. Answers to these questions will generally be published in a revised RFP available to all potential respondents. If the RFP has a particularly short time-frame, potential respondents may submit written questions to the department who will then answer them, with the answers being published in a revised RFP prior to the submission deadline.

Selection committees are frequently used to review responses and make a recommendation to the individual(s) authorized to make the final decision. These selection committees are chosen by the department seeking the RFP, and are not limited in size; instead, they change based on the needs of the contract in question. The selection committee meets to review the RFP and selection criteria, and is involved in pre-submittal meetings where questions are answered for potential respondents.

The City will not accept any proposals after the final submission deadline. The department can extend the deadline for all respondents, but no late submissions will be accepted.

### **Audit Selection**

This audit was conducted in accordance with the Fiscal Year 2013/2014 Internal Audit Work Plan.

### **Audit Objectives**

- To ensure that the contract RFP process adheres to best practices;
- To verify that departments are following the processes established by the Municipal Code and other established regulatory guidelines;
- To identify key risks and vulnerabilities in the contract procurement process and internal controls at both citywide and departmental levels.

### **Audit Scope and Methodology**

IA focused on the citywide contract processes and practices in place as of July 2013; contracts greater than \$5,000; and specifically on the RFP process.

To accomplish the audit objectives, IA conducted interviews with management and staff in Purchasing to determine the process and responsibilities; conducted interviews with staff in departments who are familiar with the process from the department side; reviewed laws, policies, and procedures relating to the contracting process; identified best practices; and reviewed a sample of issued RFPs.

### **Scope Limitations**

The procurement process involves Requests for Proposal, Requests for Bid, and purchasing cards, among other types of acquisition. In the interest of time, IA limited the scope of the audit to Requests for Proposal, which frequently feature professional services, rather than construction bids that require different standards.

### **Statement of Auditing Standards**

As required by Article II, Section 15 of the City Administrative Code, this audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), except for standard 3.96 pertaining to external peer review requirements. This exception did not have a material effect on the audit. Audit fieldwork was performed between September and December 2013.

### **Commendations**

IA would like to thank the Purchasing Division for their cooperation throughout the audit process.

## II. Audit Findings and Recommendations

*Training on the RFP process and guidance throughout was inadequate.*

### **Background**

In the past training was provided to departments on the RFP process and procedures, but these training sessions ceased when staffing levels dropped to a point that Purchasing could not afford the time to provide them. When interviewed, several departments spoke of the lack of training on the process as an obstacle, particularly for employees tasked with the RFP process for the first time. While a training manual exists for these staff members, it has been left to those staff members to find and utilize it.

Purchasing staff offers help to departments upon notification that the process has begun. There have been breakdowns in the communication chain that prevented this help from reaching the staff members tasked with the RFPs, leaving them with little assistance. The most important aspects of a properly functioning RFP are a clearly defined scope of services, and specific evaluation criteria. These areas contain specific information, which only resides with the department. While Purchasing does not maintain the content expertise as to what a department needs, they do have the expertise in how to express it, and can help a department determine how to evaluate it. This issue has contributed significantly to delays in the process, according to Purchasing.

### **Cause**

Staffing levels in Purchasing have been significantly reduced in recent years due to budget constraints. In the interest of addressing the most pressing needs of the division, Purchasing personnel have focused on the day-to-day business of procurement, rather than the on-going training needed.

### **Effect**

Without assistance from Purchasing, departments that assign personnel to oversee an RFP for the first time will likely experience significant delays.

### **Recommendation 1**

Purchasing should review, and to the extent possible, provide training measures to departments.

**Department Response:** Agree. The Division of Purchasing has reduced the frequency of trainings provided to departments on the RFP process. This is the result of reductions in staffing within the Division and the need to maintain sufficient attention to the core function of procuring supplies, services and construction. Such changes notwithstanding, Purchasing has continued to provide training of department staff on the RFP process at its initial meetings to discuss the scope of solicitations. In addition, the RFP Manual can be accessed by all City employees via the intranet. The RFP Manual, meets the requirement of Cincinnati Municipal Code Section 321-19 for "... procedures for the procurement of professional services" and Administrative Regulation #23 "Contracting Manual". Additionally it provides templates and a step-by-step procedure for insuring a successful RFP, To further address this need, discussions have taken place regarding the feasibility of providing training on-line for not only the RFP process, but also other procurement activities.

## **Recommendation 2**

Purchasing should increase communication with departments in order to ensure needs are being addressed, and make departments aware of what is needed to have a successful RFP.

**Department Response:** Disagree. Purchasing has prepared an RFP Manual that not only meets the statutory requirement of Cincinnati Municipal Code (CMC) Section 321-19 for "(T)he city purchasing agent shall promulgate procedures for the procurement of professional services," but also the requirement of Administrative Regulation #23 for "(A) Contract Manual". In addition, each RFP process has a buyer assigned to provide technical assistance to the departments on the RFP, but to also provide a certain level of quality control. Departments need to clearly articulate what is needed above and beyond the manual and technical assistance being provided for a successful RFP. At the same time, the Purchasing Division needs to insure that its resources accessible on the intranet are up-to-date.

**Internal Audit Response:** *This recommendation was made following an interview with members of the Purchasing Division in which IA learned that a major factor in RFP delays is that departments do not adequately understand what needs to be provided to Purchasing. Inadequately describing the scope of services to be provided or the selection criteria were specifically mentioned as being issues. This can most easily be rectified by increasing the communication between Purchasing and the department to ensure that all parties understand what needs to go into an RFP.*

*Policy changes were not adequately communicated to departments.*

## **Background**

The RFP process begins when a department contacts Purchasing. Purchasing will then assign a buyer to oversee the RFP and will send an RFP template to the department. IA found the RFP manual is available on the Purchasing Division's website. This manual also includes the template and instructions for developing the RFP.

Department interviews found that many department staff members were either unaware of the available manual and/or template, worked off an old RFP utilized in their department previously, or an outdated template and were unaware of the updated template available on the website. Further, when the manual was brought up in interviews with Purchasing staff, it was revealed to be out of date, and contained a template that was no longer in use.

## **Cause**

The lack of staffing can cause involuntary delays in response from Purchasing to questions about RFPs. This can lead department staff to work on their own, and approach Purchasing towards the end of the process. Further, departmental staff members that have created several RFPs in the past, simply revise their old RFPs and update the years/terms in order to lessen the amount of time needed to complete the process.

## **Effect**

Departments utilizing old materials can waste staff resources as completed draft RFPs are reworked to comply with current standards. Often, material in the RFP will directly transfer into the resultant contract, which is problematic if the contracts contain provisions that the City/department has deemed detrimental.

### **Recommendation 3**

Purchasing should ensure that any resources available on their website are up-to-date and reflective of current practices. Furthermore, Purchasing should pursue a strategy of training department personnel to ensure that they are not utilizing old materials.

**Department Response:** Agree. Purchasing will update material on the City website, to the greatest extent possible, by September 2014, with the highest priority to update the RFP Manual.

*There were inadequate staffing levels for training or meetings.*

### **Background**

Before budget cuts reduced the number of FTEs available, Purchasing provided training to City departments on the RFP process, rules, requirements, changes, etc. In 2008, Purchasing had 5 buyers, and currently has 2 senior buyers and 1 buyer. In 2013, buyers were involved in approximately 30-40 RFPs, 200-300 demolition contracts (up from the usual 80 due to special funds being received), and every purchase over \$5,000.

The buyers and department staff indicated that being more involved and available to departments would be ideal; however, the current staffing levels prevent it. Departments will always be needed to provide the bulk of the information, because Purchasing cannot be a content expert in the specifics of the Ps. Purchasing is needed to provide guidance in terms of the scope of the contracts, minimum requirements for bidders and/or appropriate award criteria.

Interviews with both Purchasing and City departments indicated that having buyers more involved in the selection process would also be helpful when questions arise. Buyers attended selection committee meetings when staffing levels allowed.

### **Cause**

Budget cuts in recent years have required departments throughout the City to leave positions vacant if an employee leaves.

### **Effect**

Short of staff, Purchasing has had to focus exclusively on the core functions of Purchasing and not on training or other items that can help in the purchasing process.

Without guidance available during selection committee meetings, questions that are raised cannot be answered in a timely fashion and must be referred to Purchasing and answered for the next meeting.

### **Recommendation 4**

Appropriate staffing levels should be maintained in Purchasing to allow for functions such as training and staffing client department meetings and selection committee meetings.

**Department Response:** Agree. Resumes that have been provided by the Department of Human Resources are currently being reviewed as a part of the hiring process for a new entry level buyer for the Division of Purchasing. However, in the current budget environment there is no guarantee that this proposed hiring process will be brought to a successful outcome. The department ultimately has no control of staffing which is dictated by the annual budget process.

*There were delays in the RFP process.*

### **Background**

Delays in the RFP process were mentioned in 46% (6 of 13) of interviews with departments. These issues included RFPs delayed by anywhere between 3-6 months and draft RFPs published prematurely and having to be retracted. These issues in particular stem from a time when there were only 2 buyers in Purchasing. IA also learned that some departments build in extra time to their schedule to ensure that the RFP is issued when necessary.

### **Cause**

Budget cuts have eliminated the opportunity for many departments to replace staff members when a position opens through attrition. According to Purchasing, the division had 8 buyers in 1996, was reduced to 5 in 2008, and is currently staffed with 3 buyers. In this time, the requirements of the procurement process have never lessened as the Municipal Code requirements have only increased.

### **Effect**

Delaying RFPs increases the amount of staff time devoted to the process for all departments involved. It also can significantly affect service delivery if the process drags into the timeframe the service is needed. Further, it could result in emergency contracts or extensions to existing contracts and circumventing the competitive process, until a new contract is put in place.

### **Recommendation 5**

Purchasing should review staffing levels and work with Human Resources and the Budget Division to ensure FTEs are appropriate for the workload and needs of the City.

**Department Response:** Agree. Similar to the Response of Recommendation 4 above, in the current budget environment of the City, it is highly unlikely that Purchasing staffing will return to 2008 levels in the short-term, but incremental improvement can be achieved through the filling of the one approved buyer position. The department ultimately has no control of staffing which is dictated by the annual budget process.

*Retention policies and/or responsibilities were poorly understood.*

### **Background**

Record retention policies protect the public from the improper disposal of documents before a reasonable amount of time has passed to allow public inspection, as required by Ohio's Sunshine Laws. At the same time, by defining the reasonable amount of time, record retention policies suggest departments destroy documents that are no longer relevant and/or have passed beyond the established threshold.

According to the records retention schedule for Purchasing, which all departments should follow, RFPs are to be kept for a period of 2 years. The record retention schedule is silent on the proposals received, but successful bids are to be kept for a period of 15 years, and unsuccessful bids for a period of 7. Through interviews with departments, IA found that the retention policy is either unknown or poorly understood by those charged with retaining the documents. For the most part, department personnel box up all information and store it indefinitely.

### **Cause**

This record retention schedule applies to all departments who are responsible for RFPs. Purchasing oversees the RFP process, and therefore the records retention policy for RFP documents is organized under the Finance Department. Other departments require knowledge of the Finance records retention schedule to find rules pertaining to RFPs. Therefore, the failure of the Purchasing Division to communicate the retention schedule to appropriate staff outside the department, results in violations of the policy.

### **Effect**

By keeping these records, departments are exposing themselves to having to provide documents well beyond the scope of the policies, as government is expected to provide the documents if they exist. Departments may also expose themselves to questions if they destroy some documents, but not all of them.

### **Recommendation 6**

Purchasing should work with departments to ensure knowledge of the records retention schedule, and the timely destruction of appropriate materials, to comply with Ohio Sunshine Laws.

**Department Response:** Disagree. Current records retention schedules are on the City's intranet, including that for the Division of Purchasing. The current Chair of the City Records Commission is the Director of Enterprise Technology Solutions and therefore is in a much better position to address this issue than the Division of Purchasing.

**Internal Audit Response:** *The record retention schedule may require further attention by the Chair of the City Records Commission, or even Internal Audit; however, simply communicating the records retention requirements to departments, possibly in the updated RFP manual, is a viable and simple solution that does not place too large a burden on Purchasing.*

*Advertising policies were inadequate.*

### **Background**

Currently, advertising of RFPs is regulated by section 321-1-A of the Municipal Code. This states:

“Advertisement” shall mean the notification of an invitation to bid or request for proposal by publication in a newspaper of general circulation in the city or a newspaper regularly published under the authority of the council or publication via a web-based procurement system as authorized by Section 321-4.

This requirement is satisfied by publishing notifications in the City Bulletin, which is available at City Hall, and publication in VSS, a closed system that is accessible to registered vendors through the City of Cincinnati's website.

IA spoke with several departments regarding the number of respondents to RFPs in their departments. These departments spoke of minimal response, leading to a non-competitive environment where the contract was awarded to the only respondent or to one sought out to provide the service.

**Cause**

A lack of staff and other resources led to increased workload, and thus, to following the bare minimum requirements for advertising.

**Effect**

A lack of competitive environment from minimal responses to RFPs may lead to higher costs for departments, as there is no secondary option against which to compare prices.

**Recommendation 7**

Purchasing should identify and pursue methods of expanding the advertising opportunities for RFPs. Many City departments belong to professional organizations or industry organizations, which may offer free advertising for their members. Increasing the visibility of the City's RFPs may increase the number of responses received. Departments may find that the increased competition lowers the cost of services.

**Department Response:** Agree. However, the Division of Purchasing has had very good experiences in cases where trade organizations have been involved in disseminating information regarding the City's RFPs. Purchasing intends to continue to utilize this avenue of notification whenever possible.

*Selection committee members do not file a conflict of interest.*

**Background**

According to best practices from the National Institute of Government Procurement, all selection committee members should sign a declaration of impartiality and non-disclosure or similar kind of declaration before they start to evaluate the submitted documentation. By signing such a document, each panel member declares that he/she is not associated with any of the potential suppliers or their proposed sub-contractors, and commits to not disclosing any information acquired during the evaluation process to potential suppliers or to any other persons not officially involved in the evaluation process.

**Cause**

There has never been a declaration of impartiality and non-disclosure form required for selection committee members.

**Effect**

This will ensure an impartial selection committee and can forestall questions about conflicts in the selection process.

**Recommendation 8**

Purchasing should develop a policy (and requisite form) requiring all members of a selection committee fill out a declaration of impartiality and non-disclosure (or similar) form prior to taking any committee action.

**Department Response:** Agree. The Metropolitan Sewer District of Greater Cincinnati currently does this for its selection committees for its RFPs. Its policy and form can be adapted by the Division of Purchasing, in consultation with the City Law Department, to serve this purpose by June 2014.

*Contracts have been allowed to lapse without replacement.*

### **Background**

During a previous audit, IA found that contracts, that necessitated the RFP process, had been allowed to lapse. Purchasing was aware that some departments have allowed this to occur, as the departments then need Purchasing assistance to issue an emergency contract for continuity of work until an RFP can be completed.

Purchasing guidelines indicate that a lapsed contract cannot be extended and does not qualify for emergency status, without extenuating circumstances.

### **Cause**

There may be a lack of coordination or training with departments, a lack of emphasis on expiring contracts, or a lack of staffing to perform necessary tracking and monitoring of expiring contracts.

### **Effect**

Delays can occur to projects or areas of need if there is no contract in place that can be utilized to fulfill the contract requirements. Alternatively, emergency contracts may need to be put in place that could increase costs to the City whereas a competitive process could save departments significantly.

### **Recommendation 9**

Purchasing should work with departments to ensure that contracts do not lapse, and that departments understand they cannot be extended, but will rather be awarded through the RFP process.

**Department Response:** Disagree: Monitoring the expiration dates of professional service contracts is currently the responsibility of individual departments. The involvement of Purchasing ceases after the work of the RFP selection committee.

**Internal Audit Response:** *The RFP process is necessarily decentralized, as content expertise is located in individual departments, not Purchasing. However, Purchasing is in a unique position to oversee the procurement process. IA has previously found contracts that lapsed and were then extended without a new RFP process (against city policy, according to an interview with the former Purchasing Agent). Finance suggests here that the very departments that are violating policy should be responsible for upholding said policy. Purchasing is the only City entity in a position to review and approve these RFPs, or force a new process.*

*The fee for VSS did not cover costs and was not applied consistent with previous years.*

### **Background**

The Vendor Self Service system was established, in 2008, to accommodate sec 321-4 of the Municipal Code:

The City purchasing agent shall establish and maintain a web-based procurement system that can include, but is not limited to, vendor registration, bid advertisement, announcements, awards, computations, reverse auctions and other procurement applications that will assist vendors in the bidding of equipment, construction, supplies, and professional and no-professional services.

The city manager, or his designee, is hereby authorized to promulgate rules and adopt a schedule of fees for the use of the web-based procurement system by business establishments who register and do business with the City of Cincinnati

Purchasing instituted a fee (currently \$55 annually) in order to offset the cost of running this service, as allowed under Sec. 321-4. This fee is not tied to the actual cost of the service, it is not a common industry practice, and it is only charged to an organization after they are awarded a contract with the City.

In an attempt to establish the cost of running VSS, IA spoke with members of Enterprise Technology Solutions (ETS) and Purchasing and estimated that it costs over \$64,000 per year in staff time. IA reviewed the net revenue reports for object code 8621 Vendor Registration, and was unable to establish that the revenue generated by the fee covered the total costs associated with running the program since the first year of the fee, 2008. Further, IA learned that the fee is only charged to companies that are successful in obtaining contracts with the City, rather than all users of VSS, and is charged after the contract has been awarded, in the process of executing the contract itself.

### **Cause**

The fee was likely instituted as a revenue enhancement to offset cuts, and to support VSS.

### **Effect**

As it was originally implemented, the VSS fee was an extra charge that may have had the effect of reducing how many companies viewed the City's RFPs.

### **Recommendation 10**

Purchasing should review the use of the annual fee for VSS to determine if it is adequate to meet the needs of the Division, and whether it is being implemented consistently.

**Department Response:** Agree. It is anticipated that the fee for Vendor Self Service (VSS) will be reviewed as a part of the budget process for Fiscal Year 2015 by City Council. However, the Department of Finance has previously recommended that the fee be eliminated to insure that it was not perceived as a barrier to the City's outreach efforts. In addition, the city purchasing agent has started to formulate a written policy that will govern instances for waiving the current VSS fee.

### **III. Conclusion**

The RFP process is well defined in the Municipal Code and has good tools for departments to use when preparing RFPs. The process is hampered by a lack of resources dedicated to the Purchasing Division. Issues stem from an overworked and understaffed division that oversees all procurement for the City.

Training and guidance would help departments (particularly those with staff members that have never participated in the RFP process) prepare RFPs that are complete and successfully address the needs to be filled. During interviews, IA heard from many departments that the lack of staff in Purchasing has hampered communication, response times, and guidance for individuals new to the process.

Some of these issues can be rectified without adding staff, and have been mitigated to an extent, since a third buyer was added, but departments should plan well ahead of need if more resources are not allocated to the Purchasing Division. Without maintaining appropriate staffing levels in critical areas, such as Purchasing, the City risks delays in RFPs, mistakes in resulting contracts, and increased costs due to a lack of competitive responses.

#### **IV. Finance Department Response**



March 19, 2014

To: Lauren Sundararajan, Internal Audit Manager

From: Reginald Zeno, Finance Director *R*

Copies:

Subject: Finance Department Response to the RFP Process Audit

Attached is the Finance Department response to the Request for Proposal (RFP) Process Audit.

Attachment

## **Finance Department Response to Request for Proposal Process Audit**

This is a response to the Internal Audit that your Division performed on the Request for Proposal (RFP) process. It is particularly gratifying that your work results in no findings and concerns. It does however identify certain issues that may warrant improvement.

A number of these recommendations deal with staffing of the Purchasing Division. Page 5 correctly reports that as recently as 2008 there were five (5) buyers on staff, compared with only three (3) today. While management has been able to make some accommodation for this 40% reduction in staffing through increased use of Procurement Cards (P-Cards) and technological innovations (i.e. on-line bidding), peripheral activities such as training, certain aspects of customer service and disposal of surplus and obsolete materials have had to suffer in an effort to sustain the integrity of the core functions of the office.

The following is the Department of Finance Division of Purchasing's response to the recommendations.

### **Recommendation 1**

**Comment -** Purchasing should review, and to the extent possible, provide training measures to departments.

**Response - Agree:** The Division of Purchasing has reduced the frequency of trainings provided to departments on the RFP process. This is the result of reductions in staffing within the Division and the need to maintain sufficient attention to the core function of procuring supplies, services and construction. Such changes notwithstanding, Purchasing has continued to provide training of department staff on the RFP process at its initial meetings to discuss the scope of solicitations. In addition, the RFP Manual can be accessed by all City employees via the intranet. The RFP Manual, meets the requirement of Cincinnati Municipal Code Section 321-19 for "... procedures for the procurement of professional services" and Administrative Regulation #23 "Contracting Manual". Additionally it provides templates and a step-by-step procedure for insuring a successful RFP. To further address this need, discussions have taken place regarding the feasibility of providing training on-line for not only the RFP process, but also other procurement activities.

### **Recommendation 2**

**Comment -** Purchasing should increase communication with departments in order to ensure needs are being addressed, and make departments aware of what is needed to have a successful RFP.

**Response - Disagree:** Purchasing has prepared an RFP Manual that not only meets the statutory requirement of Cincinnati Municipal Code (CMC) Section 321-19 for "(T)he city purchasing agent shall promulgate procedures for the procurement of professional

services,” but also the requirement of Administrative Regulation #23 for “(A) Contract Manual”. In addition, each RFP process has a buyer assigned to provide technical assistance to the departments on the RFP, but to also provide a certain level of quality control. Departments need to clearly articulate what is needed above and beyond the manual and technical assistance being provided for a successful RFP. At the same time, the Purchasing Division needs to insure that its resources accessible on the intranet are up-to-date.

### **Recommendation 3**

Comment - Purchasing should ensure that any resources available on their website are up-to-date and reflective of current practices. Furthermore, Purchasing should pursue a strategy of training department personnel to ensure that they are not utilizing old materials.

Response - Agree: Purchasing will update material on the City website, to the greatest extent possible, by September 2014, with the highest priority to update the RFP Manual.

### **Recommendation 4**

Comment - Appropriate staffing levels should be maintained in Purchasing to allow for functions such as training and staffing client department meetings and selection committee meetings.

Response - Agree: Resumes that have been provided by the Department of Human Resources are currently being reviewed as a part of the hiring process for a new entry level buyer for the Division of Purchasing. However, in the current budget environment there is no guarantee that this proposed hiring process will be brought to a successful outcome. The department ultimately has no control of staffing which is dictated by the annual budget process.

### **Recommendation 5**

Comment - Purchasing should review staffing levels and work with Human Resources and the Budget Division to ensure FTEs are appropriate for the workload and needs of the City.

Response - Agree: Similar to the Response of Recommendation 4 above, in the current budget environment of the City, it is highly unlikely that Purchasing staffing will return to 2008 levels in the short-term, but incremental improvement can be achieved through the filling of the one approved buyer position. The department ultimately has no control of staffing which is dictated by the annual budget process.

## **Recommendation 6**

**Comment - Purchasing should work with departments to ensure knowledge of the records retention schedule and the timely destruction of appropriate materials, to comply with Ohio Sunshine Laws.**

**Response - Disagree: Current records retention schedules are on the City's intranet, including that for the Division of Purchasing. The current Chair of the City Records Commission is the Director of Enterprise Technology Solutions and therefore is in a much better position to address this issue than the Division of Purchasing.**

## **Recommendation 7**

**Comment - Purchasing should identify methods of expanding the advertising opportunities for RFPs. Many city departments belong to professional organizations or industry organizations which may offer free advertising for their members. Increasing the visibility of the City's RFPs may increase the number of responses received. Departments may find that the increased competition lowers the cost of the services.**

**Response - Agree: However, the Division of Purchasing has had very good experiences in cases where trade organizations have been involved in disseminating information regarding the City's RFPs. Purchasing intends to continue to utilize this avenue of notification whenever possible.**

## **Recommendation 8**

**Comment - Purchasing should develop a policy (and requisite form) requiring all members of a selection committee fill out a declaration of impartiality and non-disclosure (or similar) form prior to taking any committee action.**

**Response - Agree: The Metropolitan Sewer District of Greater Cincinnati currently does this for its selection committees for its RFPs. Its policy and form can be adapted by the Division of Purchasing, in consultation with the City Law Department, to serve this purpose by June 2014.**

## **Recommendation 9**

**Comment - Purchasing should work with departments to ensure that contracts do not lapse, and that departments understand they cannot be extended, but will rather be awarded through the RFP process.**

**Response - Disagree: Monitoring the expiration dates of professional service contracts is currently the responsibility of individual departments. The involvement of Purchasing ceases after the work of the RFP selection committee.**

## **Recommendation 10**

**Comment - Purchasing should review the use of the annual fee for VSS to determine if it is adequate to meet the needs of the Division, and whether it is being implemented consistently.**

**Response - Agree: It is anticipated that the fee for Vendor Self Service (VSS) will be reviewed as a part of the budget process for Fiscal Year 2015 by City Council. However, the Department of Finance has previously recommended that the fee be eliminated to insure that it was not perceived as a barrier to the City's outreach efforts. In addition, the city purchasing agent has started to formulate a written policy that will govern instances for waiving the current VSS fee.**