



MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

**REVIEW OF THE MILITARY AFFAIRS BOARD
PROCUREMENT PRACTICES**

Project Number 14-633151

March 18, 2015

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**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Honorable Jean Monestime, Chairman
and Members, Board of County Commissioners

FROM: Charles Anderson, CPA
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name and title.

DATE: March 18, 2015

SUBJECT: Review of the Military Affairs Board Procurement Practices

In accordance with Resolution No. 868-13 approving Implementing Order (IO) 3-59, the Office of the Commission Auditor (OCA) is submitting this report for the quarters ended December 31, 2013, and March 31, 2014, on the Miami-Dade County Military Affairs Board (MAB) procurement practices.

We thank the staff of the Office of Community Advocacy for their cooperation and input throughout this review.

Please let me know if you need additional information.

Cc: Honorable Carlos Gimenez, County Mayor
R. A. Cuevas, Jr., County Attorney
Mary T. Cagle, Inspector General
Cathy Jackson, Director, Audit & Management Services
Rene Diaz, Director, Community Advocacy
Gustavo Cruz, Director, Military Affairs Board, Community Advocacy
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I. OBJECTIVE AND SCOPE

Resolution No. 868-13 approving *Implementing Order (IO) No.: 3-59: Procurement of the Miami-Dade County (County) Military Affairs Board (MAB)* became effective November 1, 2013. This resolution requires the Office of the Commission Auditor (OCA) or the Office of the Inspector General (OIG) to review the procurement process, and to present the Board of County Commissioners (BCC) with a report of MAB purchase activities on a quarterly basis.

The objective of this review was to:

1. Review the MAB purchases/expenditures to determine whether they are in compliance with IO 3-59.
2. Determine reasonableness, adequacy, and propriety of expenditures documentation.

This report examined the MAB purchases for the first two quarters of FY 2013-14 from October 1, 2013 through December 31, 2013, and January 1, 2014 through March 31, 2014.

II. BACKGROUND

Military Affairs Board

On May 17, 2012, the BCC created the MAB to advance the goals identified in Section 2-2102 of the County Code. These goals generally relate to supporting and recognizing active, reserve, retired, disabled, and deceased military personnel and their families, and being their advocate on matters such as health care, housing, employment, education, pension etc. Moreover, the objective of the MAB is to increase awareness and support for our military personnel serving in the armed forces around the world.

Creation of the MAB granted this entity the power to solicit and approve contracts to accomplish the public purposes set forth in Section 2-2102 of the County Code. The BCC directed the MAB to create an Implementing Order to be approved by the BCC that would establish a framework for the MAB to exercise its purchasing power.

Implementing Order 3-59

On October 22, 2013, the BCC issued resolution R-868-13 approving IO 3-59. IO 3-59 requires the MAB director to make all reasonable efforts to obtain competitive prices for the goods and services procured, and to maintain documentation describing those efforts. Efforts to obtain competitive prices shall include, but not be limited to, obtaining quotes and comparison of prices to published prices and to prices in other contracts.

The MAB director, in consultation with the County Attorney's Office and the Internal Services Department (ISD), is required to develop bid forms, Request for Proposals (RFP) and Request for Qualifications (RFQ) documents. Policies and Procedures are also required to implement the intent of this IO.

Only purchases above \$250K require competitive bids. The MAB director is authorized to waive this requirement at his discretion; however, documentation is required to justify the waiver.

III. METHODOLOGY

This review consisted principally of inquiries of personnel and examination of purchase documentation such as invoices, approval forms, and written records describing efforts to obtain competitive prices for the goods and services procured.

We prepared this report based on information obtained from the Financial Accounting Management Information System (FAMIS) Data Warehouse, and supporting information provided by the MAB director and the Miami-Dade Parks, Recreation and Open Spaces Department.

Revenue for the two quarters under review totaled \$246,866 and is summarized in Table I. The source of these revenues was donor cash contributions, with one single donor contributing \$200,000 or 81% of revenues. Expenditures for the two quarters totaled \$169,206. These expenses were mainly incurred in hosting the November 8, 2013 Veterans Day parade in downtown Miami. MAB expenditures are currently recorded in 12 expenditure accounts (Please see Attachment I). OCA reviewed \$154,173 or 91% of the expenditures allocated to these accounts (Please see Attachment II). The expenditures were judgmentally selected and reviewed for propriety and reasonableness. Further, supporting documentation such as original invoices was observed, and vendors' existence was confirmed.

Table I
Quarterly Revenues and Expenditures

Period (Quarter)	Revenues	Expenditures
October 1 thru December 31, 2013	241,980 ¹	160,972
January 1 thru March 30, 2014	4,886	8,234
Total(s)	<u>\$ 246,866</u>	<u>\$ 169,206</u>

Table II on next page shows revenue by source for the Veterans Day Parade. Approximately 83% of the revenue came from one source, Hershey Companies. Ninety-six percent of the revenues or \$231,980 came from private donors while four percent was contributed by the County.

¹ See Table II on next page for revenues/donations details.

Table II

Main Sources of Donations for Veterans Day Parade

Donors	Transaction Amount
Hershey Companies	200,000
Baptist Health Hospital	10,000
Miami Downtown Development Authority	10,000
Resorts World Miami LLC	5,000
South Florida Ford Dealers	5,000
Miami Marlins LP.	5,000
Other Donors (8) ¹	5,150
Vendor's Donations/Fees	1,830
Total Donations	\$ 241,980

¹ Eight donors made donations of less than \$1,500

IV. SUMMARY RESULTS

OCA analysis of the MAB expenditures for the period under review determined that the MAB was in compliance with the goals identified in Section 2-2102, and expenditures were reasonable and adequately supported by proper documentation as required by Resolution No. 868-13. Efforts to obtain competitive prices included obtaining verbal quotes from vendors. In some purchases the MAB used active contracts already in use by the County. Comparison of prices to published prices or to other prices did not occur in every case due to time constraints and the limited procurement experience of personnel.

V. OPPORTUNITIES FOR IMPROVEMENT

We believe that the experience gained in promoting the Veterans Day parade will help the MAB to be better prepared for the next major event in terms of being fully compliant with the requirements of resolution R-868-13 and IO 3-59. The following opportunities for improvement are recommended:

- Adherence to required guidelines by making all reasonable efforts to obtain competitive prices for goods and services whenever possible; comparison of prices to published prices; and to prices in other existing contracts, while maintaining written documentation.
- Develop required policies, procedures, bid forms, RFP, and RFQ documents, in consultation with the County Attorney and ISD.

ATTACHMENT I

MAB QUARTERLY EXPENDITURES

Account No.	Type of Expenditures	October 1, 2013 thru December 31, 2013	January 1, 2014 thru March 31, 2014	Total Amount
21030	Other Professional Services	\$ 44,850	\$ -	\$ 44,850
26051	GSA Postage	94	-	94
31420	Sponsorships/Marketing Items Promotional	6,555	5,355	11,910
31510	Outside Printing	4,620	-	4,620
32250	License and Permit Fees	-	173	173
33060	Special Services	103,451	1,225	104,676
45019	Other Construction Materials & Supplies	866	-	866
47012	Miscellaneous Supplies	-	75	75
49220	Food	-	688	688
49660	Miscellaneous Other Operating Supplies	537	-	537
60645	Scholarship and Fellowship Grants (1099 RPT)	-	-	-
95021	Computer Equipment Other than PC	-	717	717
	TFCC Military Affairs Board Trust Fund	<u>\$ 160,973</u>	<u>\$ 8,233</u>	<u>\$ 169,206</u>

ATTACHMENT II

MAB EXPENDITURES TESTED

Type of Expenditures	Total Amount	Sample Amount
Other Professional Services	\$ 44,850	\$ 44,850
GSA Postage	94	-
Sponsorships/Marketing Items Promotional	11,910	5,355
Outside Printing	4,620	-
License and Permit Fees	173	-
Special Services	104,676	103,251
Other Construction Materials & Supplies	866	-
Miscellaneous Supplies	75	-
Food	688	-
Miscellaneous Other Operating Supplies	537	-
Computer Equipment Other than PC	717	717
TFCC Military Affairs Board Trust Fund	<u>\$ 169,206</u> 100%	<u>\$ 154,173</u> 91%