



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

**M E M O R A N D U M**

**TO:** Honorable Esteban L. Bovo, Chairman  
and Members, Board of County Commissioners

**FROM:** Neil R. Singh, CPA  
Acting Commission Auditor

A handwritten signature in blue ink, appearing to read "Neil R. Singh", is written over the name and title in the "FROM:" field.

**DATE:** February 17, 2017

**SUBJECT: Review of Selected Internal Services Department Pricing Practices**

We have concluded our Review of Selected Internal Services Department (ISD) Pricing Practices and submit this report, which contains findings, recommendations and management's response. Management concurred with the OCA's two findings and recommendations, but had concerns with our suggested opportunity for improvement. We have provided clarifying comments to the ISD's concerns and response accordingly.

We want to thank the staff of the ISD for their cooperation and input throughout this review.

Should you have any questions or need further information, please contact me at (305) 375-4354.

Attachment: ISD's Response Memo

c: Honorable Carlos Gimenez, County Mayor  
Abigail Price-Williams, County Attorney  
Edward Marquez, Deputy Mayor/Finance Director  
Mary T. Cagle, Inspector General  
Cathy Jackson, Director, Audit and Management Services  
Tara C. Smith, Director, Internal Services Department

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**MIAMI DADE COUNTY BOARD OF COUNTY COMMISSIONERS**

**OFFICE OF THE COMMISSION AUDITOR**

**REVIEW OF SELECTED INTERNAL SERVICES  
DEPARTMENT PRICING PRACTICES**

Project Number 15-187122-01

February 17, 2017

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## I. OBJECTIVES AND SCOPE

As part of the work plan approved by the Miami-Dade County Board of County Commissioners (BCC), the Office of the Commission Auditor (OCA) conducted a Review of Selected Internal Services Department (ISD) Pricing Practices. The ISD was formerly known as the General Services Administration Department (GSA). The objectives of the review were to:

1. Compare the ISD's:
  - (a) Practices for pricing labor with those of peer jurisdictions. The ISD charges user departments, state and local government entities, and non-profit organizations for the cost of labor for services rendered. Charges are based on a Labor Rate Structure Schedule prepared by the ISD according to employee job classifications.
  - (b) Ten percent mark-up charge with those of peer jurisdictions. The ISD charges user departments a 10% mark-up on the cost of external contractor labor, contract assistance, and materials.
  - (c) Administrative cost allocation methodologies with those of peer jurisdictions. The ISD charges administrative cost either as direct expense if the administrative function provided a direct support to a particular area, or allocates the cost to its divisions based on the percentage of staff in each operational division.
2. Conduct a survey of peer jurisdictions to determine whether it is the governmental entities or external contractors that provide services similar to those provided by the ISD.
3. Compare the ISD's Print Shop and Copy Center's pricing with commercial vendors' pricing.

The scope of our review covered the period of Fiscal Year (FY) 14-15. The following divisions and section of the ISD were selected for comparison to peer jurisdictions:

- The Design and Construction Services Division<sup>1</sup> for pricing for labor and services provided by the ISD, and for the 10% mark-up charge.
- The Budget and Finance Division for administrative cost allocation methodologies.
- The Print Shop and Copy Center for printing and copying charges.

To accomplish objectives one and two, we selected the following **Municipality**: City of Charlotte, North Carolina; **Counties**: San Diego County, California; Kings County, New York; Orange County, California; Palm Beach County, Florida; Orange County, Florida; Hillsborough County, Florida; and **State Agency**: Iowa Department of Administrative Services, Iowa. We also contacted Broward County, Florida, but we did not receive any response to our inquiries.

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<sup>1</sup> *The Design and Construction Services Division was formerly known as Construction Management and Renovation Services Division.*

## II. METHODOLOGY

We prepared this report with the information provided by the ISD and peer jurisdictions. This review consisted principally of inquiries of personnel, examinations of documents, review of academic work and county studies, and surveys of peer jurisdiction practices. A review is substantially less detailed in scope than an audit, the objective of which is the expression of an opinion regarding financial statements or programs taken as a whole.

To accomplish the first objective, we:

- Surveyed peer jurisdictions to obtain information relating to their relevant practices.
- Compared the ISD's practices for pricing labor and the 10% mark-up charge with those of peer jurisdictions.
- Compared the ISD's administrative cost allocation methodologies with those of peer jurisdictions.
- Reviewed the Office of Management and Budget (OMB)<sup>2</sup> January 2006 study, *General Services Administration Construction Management and Renovation Services Charges and Billing Practices*, and the May 2010 study, *GSA Design and Construction Services Analysis*.

To accomplish the second objective, we surveyed the selected peer jurisdictions to determine whether it is the governmental entities or external contractors that provide services similar to those performed by the ISD.

To accomplish the third objective, we compared the ISD's charges to those of Staples, FedEx and Office Depot/Max for the following six products or services: a ream of paper, black and white copies, color copies, lawn signs, printing of banners and posters.

## III. BACKGROUND

The ISD supports governmental operations by providing procurement services, facility management, design and construction management, fleet management, risk management, surplus property disposition services, capital inventory management, and small business program management and services; is engaged in real estate development and management, Americans with Disabilities Act compliance, elevator regulation, and parking services.

The Design and Construction Services Division plans, designs, and manages new facility construction and major renovations of the County facilities; and develops countywide construction management standards and policies. The division is also responsible for space planning, office designs or relocations, furniture acquisition, and architectural services.

The Budget and Finance Division provides departmental support and coordination of fiscal operations, and budget preparation. The division also provides vendor and administrative support to the risk claims payment process, and provides parking operations at six garages and five surface

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<sup>2</sup> The Office of Management and Budget (OMB) was formerly known as Miami-Dade Office of Strategic Business Management.

lots. The Print Shop and Copy Center provides design, print and mail services to the County departments, state and local government entities, and non-profit organizations.

The County has the following Administrative Order (AO) and Procedure which regulate duplicating services and printing.

- **Central Duplicating Services AO No. 5-3**, effective March 1965, states in part: *Due to the large and varied amount of printing and duplicating services required by the various departments and divisions of the metropolitan government, it is desirable to centralize many of the duplicating facilities and to have all requests for duplicating equipment or services routed through a single coordinating center for processing.*
- **Printing and Photo Procedure No. 353**, effective January 2013, states in part: *The Graphics Section of the Internal Services Department, Business Services Division provides all Departments with full service creative design from concept to finished product. Services include printing brochures, posters, books, reports, newsletters, large color displays, mass mailing services, personalized laser imprinting, invitations, programs and presentation folders.*

County entities are not required to have printing services performed by the ISD as indicated in AO No. 5-3. The AO's procedure for Central Services Division (*currently known as the Print Shop and Copy Center*) states in part: *The Supervisor, Central Services Division, will make the determination as to whether the job may best be done by county forces or outside firms and take the necessary action to insure completion of the work.* Further, the AO's procedure on Outside Printing Services states in part: *The cost of all printing performed by outside concerns will be charged to the department for which the work was done.*

#### **IV. SUMMARY RESULTS**

From our surveys and review regarding pricing for labor, the 10% mark-up charge, and administrative cost allocation methodologies, we noted the following:

- Five of the eight jurisdictions surveyed used employee hourly rates to charge for services that are rendered internally, one jurisdiction used fees structure developed and reviewed annually by their Auditor and Controller Cost Commission, another jurisdiction did not charge user departments for services rendered, and one jurisdictions did not have a department or division that functions similar to the ISD's Design and Construction Services Division. As noted earlier, the ISD's charges for labor are also based on the hourly rates set forth in the Labor Rate Structure Schedule prepared by the ISD according to employee job classifications.
- With the exception of the City of Charlotte, North Carolina, none of the jurisdictions surveyed applied a mark-up charge for services rendered internally.
- The ISD lacked formalized written policies and procedures specific to labor rates, the 10% mark-up charge, and administrative cost allocation.
- The ISD rates used in billing for labor and the 10% mark-up charge are outdated.

- Five of the eight jurisdictions surveyed did not allocate administrative cost; two used methodologies different from the one used by the ISD; and one jurisdiction (San Diego County, California) used a methodology similar to the one used by the ISD.

In reference to the services provided internally by the ISD, we found that six of the eight surveyed jurisdictions used a combination of in-house staff and external contractor(s) to render services; one jurisdiction did not use external contractors, and one other jurisdiction does not have a function similar to the ISD’s Design and Construction Services Division.

With respect to printing and copying costs, out of the six products or services we compared, we noted that the ISD was the most competitive in one – color copying for every range of copies. ISD was also more competitive in black and white copying up to 10,000 copies, but was less competitive than Staples for copies above 10,000. We found that ISD was less competitive than two of the commercial vendors in the costs of a ream of paper, printing of banners and posters; and was the least competitive in the costs of lawn signs.

**V. DETAILED RESULTS, FINDINGS AND RECOMMENATIONS**

**1a. Compare the ISD’s practices for pricing labor with those of peer jurisdictions.**

The results of our survey and review concerning this objective are detailed in *Table I* below.

**Table I**  
Comparison of the Basis of Labor Rates between the ISD and Peer Jurisdictions

Governmental Entity	Basis of Labor Rates
Miami-Dade, FL (ISD) <sup>3</sup>	Labor Rate Structure Schedule prepared by the ISD according to employee job classifications.
San Diego, CA	Fees structure developed annually and reviewed by their Auditor & Controller Cost Commission. Fees are developed to recover the operational costs of the divisions rendering services.
King County, NY	Hourly pay rates and overtime rates as specified in the City’s employee collective bargaining contracts.
Hillsborough County, FL	Staff labor hours.
Palm Beach County, FL	Not applicable. Does not charge user departments for services rendered.
Orange County, FL	Not applicable. Does not have a department that functions similar to the ISD’s Design and Construction Services Division
City of Charlotte, NC	Two and a half times the employee hourly rate.
Orange County, CA	One time the employee hourly rate.
Department of Administrative Services, State of Iowa	Approved hourly rates for Architectural and Engineering, Leasing/Space Management, and Energy Management Consulting.

<sup>3</sup> Comparison was limited to the Design and Construction Services Division of the ISD.

**1b. Compare the ISD’s 10% mark-up charge with those of peer jurisdictions.**

The ISD charges user departments a 10% mark-up on the cost of external contractor labor, contract assistance, and materials.

The OMB 2006 study, *Construction Management and Renovation Services Charges and Billing Practices*, reviewed the then GSA-proposed methodology for operational rates, which included a 10% mark-up charge. Part of the OMB’s observation was that: *Construction Management and Renovation Services rates were consistently lower than those used by the Miami-Dade County Architectural and Engineering awarded contracts, other jurisdictions and construction industry standards.*

With the exception of the City of Charlotte, North Carolina, none of the eight jurisdictions surveyed applied a mark-up charge on the cost of services rendered. The City of Charlotte internal fees are based on two and a half times the employee actual hourly salary (which we considered to be a form of mark-up).

**1c. Compare the ISD’s administrative costs allocation methodologies with those of peer jurisdictions.**

From our survey, we found that five of the eight jurisdictions did not allocate administrative cost; two jurisdictions used methodologies different from the allocation method used by the ISD; and one jurisdiction (San Diego County, California) used a methodology similar to the allocation used by the ISD. The results of our survey are detailed in *Table II* below.

**Table II**  
Comparison of Administrative Cost Allocation Methodologies between  
the ISD and Peer Jurisdictions

Governmental Entity	Allocation Methodology
Miami-Dade, FL (ISD)	Administrative cost is either charged as a direct expense for direct support provided or allocated to the ISD’s divisions based on the percentage of staff in each of the operating divisions.
San Diego County, CA	Administrative cost is allocated to each operating division based on the number of full-time equivalent positions.
Kings County, NY	Administrative cost is budgeted centrally based on personnel costs.
Orange County, CA	Administrative cost is allocated quarterly to each operating division based on the proportion of their <i>non-administrative</i> cost to the total <i>non-administrative</i> cost of the department.
Hillsborough County, FL	Does not allocate administrative cost.
Palm Beach County, FL	Does not allocate administrative cost.
Orange County, FL	Does not allocate administrative cost.
City of Charlotte, NC	Does not allocate administrative cost.
Department of Administrative Services, State of Iowa	Does not allocate administrative cost.

Prior to FY14-15, the ISD allocated departmental administrative costs based on each division's ability to pay. Although this allocation method reduced the impact to the General Fund operations, it did not reflect an equitable distribution of administrative cost among the ISD's operational divisions.

In FY 14-15, the ISD began charging administrative cost either as a direct expense if the administrative function provided direct support to a particular area, or allocating the cost to its divisions based on the percentage of staff in each operational division. For instance, our review noted that the ISD's Accounting Insurance Unit and Insurance Data Unit expenses were funded by the Insurance Fund and were charged 100% to the Risk Management Division. However, the relevant costs of all other administrative areas (Director's Office, Budget and Finance Division, Personnel, and ITD Support) were allocated to the ISD operational divisions based on their percentage of staff.

### **Internal Control Findings**

In the process of our review, the OCA noted the following internal control weaknesses relating to the ISD's labor rates, administrative cost allocation methodologies, and the 10% mark-up charge.

**Finding 1.** The ISD lacked formalized written policies and procedures specific to labor rates, administrative cost allocation methodologies, and the 10% mark-up charge.

Documentation of policies and procedures is an essential best practice, which is also recommended by the Government Finance Officers Association (GFOA).

The absence of written policies and procedures is an internal control weakness. The lack of documented guidance may lead to inconsistent practices. Further, institutional knowledge may be lost upon employees' separation from the County or the Department. Establishing written policies and procedures will provide clarity to employees and will ensure that management guidelines are followed. Clearly stated policies and procedures will facilitate employees' alignment with the mission of the ISD.

### **Recommendation**

To strengthen internal controls, the ISD should develop and implement formalized written policies and procedures relating to labor rates, administrative cost allocation methodologies, and the 10% mark-up charge. Policies and procedures should exist as a single source of authoritative guidance and should be evaluated and updated as needed.

### **Management Response**

*The ISD concurs with the recommendation. Policies and procedures will be formally documented and communicated to staff to assure consistency. Additionally, the ISD will periodically review and update such procedures to ensure they reflect current practices and rates.*

**Finding 2.** The ISD's rates used in pricing when billing for labor and the 10% mark-up charge are outdated.

Our review of the ISD's FY 14-15 Labor Rate Structure Schedule and the ISD's Work Order System revealed that pricing for labor and the 10% mark-up charge have remained unchanged since FY 07-08. The labor rates for 29 different job classifications remained unchanged since FY 07-08 (with the exception of new rates for Engineer 2 and 3, and new job classifications which were established in FY 14-15).

Per the ISD's management, the department *did not have a record of why the 10% mark-up charge is used nor how the percentage was determined*. Considering the outdated nature of the labor rates being used, the ISD may be under-charging County departments, municipalities, and other external entities for the services it renders. Consequently, the ISD may not be generating appropriate revenue from services rendered. Further, the current 10% mark-up charge was set by the department years ago and has not been re-evaluated. There may be circumstances where a larger project may justify a higher mark-up charge while a smaller project may justify a lower mark-up charge.

### **Recommendation**

The ISD should review and update labor rates and the 10% mark-up charge to reflect the prevailing costs of their service delivery. The goal of the ISD should be to continue to provide services to its customers and stakeholders in the most efficient and economical manner, while recovering cost appropriately through fees and charges.

### **Management Response**

*The ISD agrees and will review and update the labor rates and surcharge, if warranted. While it is true that there is no documentation showing how the 10% mark-up was derived, the surcharge is required to recover other expenditures that are not factored into the labor rates, such as allocated administrative costs. As previously stated, the percentage will be reviewed for propriety.*

## **2. Conduct a survey of peer jurisdictions to determine whether it is the governmental entities or external contractors that provide services similar to those currently provided by the ISD.**

Our survey and review revealed that six of the eight surveyed jurisdictions used a combination of in-house staff and external contractor(s) to render services; one jurisdiction did not use external contractors, and another jurisdiction did not have a function similar to the ISD's Design and Construction Services Division. The results of our survey for services that are comparable to the services rendered by the ISD's Design and Construction Services Division are detailed in the following *Table III*.

**Table III**  
Comparison of Services Provided by the ISD and Peer Jurisdictions

Governmental Entity	Type of Services Rendered	Services Rendered	
		In-House	By Contractor(s)
Miami-Dade, FL (ISD) <sup>4</sup>	Planning, designing, and managing construction, renovations, and office relocation.	Yes	Yes
San Diego County, CA	Facility and space planning, space management, and capital improvements.	Yes	Yes
Kings County, NY	Office space leasing, building management, and goods purchasing.	Yes	No
Hillsborough County, FL	Space planning, architectural designing, building renovation, and new construction.	Yes	Yes
Palm Beach County, FL	Repairing and remodeling facilities.	Yes	Yes
Orange County, FL	Does not have a department that functions similar to the ISD.	N/A	N/A
City of Charlotte, NC	Manages the design of facilities, construction of new buildings and major renovations, and oversees the constructions by prime contractors.	Yes	Yes
Orange County, CA	Projects range from space planning and preparation for the relocation of entire departments. Project Managers partner with a variety of stakeholders in addition to County departments and staff, including architectural and engineering firms, contractors, and suppliers.	Yes	Yes
Department of Administrative Services, State of Iowa	Provides statewide project management services for construction projects, leasing, and space management.	Yes	Yes

**3. Compare the ISD’s Print Shop and Copy Center’s pricing with commercial vendors’ pricing.**

Our review revealed that the ISD was the most competitive in the cost of black and white copying up to 10,000 copies, and in color copying for every range of copies we compared. However, Staples was more competitive than the ISD in the cost of black and white copying above 10,000 copies. We found that Staples and Office Depot/Max were more competitive than the ISD in the costs of a ream of paper, printing of banners and posters. The ISD was the least competitive in the cost of lawn signs. *Table IV* on the following page shows a detailed comparison of prices between the ISD and selected commercial vendors.

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<sup>4</sup> Comparison was limited to the Design and Construction Services Division of the ISD.

**Table IV**

Comparison of Pricing between the ISD and Selected Commercial Vendors as of May 2015

<b>Paper – Ream 500 Sheets</b>				
<b>Paper Size</b>	<b>ISD</b>	<b>Staples</b>	<b>FedEx</b>	<b>Office Depot/Max</b>
8.5"x11" Letter	\$4.50	\$2.49	\$5.49	\$2.99

<b>Black and White Copies (8.5" x 11")</b>				
<b>Quantity</b>	<b>ISD</b>	<b>Staples</b>	<b>FedEx</b>	<b>Office Depot/Max</b>
1 - 50	\$0.032	\$0.085	\$0.21	\$0.10
51 - 100	\$0.032	\$0.085	\$0.21	\$0.10
101 - 500	\$0.032	\$0.073	\$0.21	\$0.09
501 - 1,000	\$0.032	\$0.060	\$0.20	\$0.08
1,001 - 2,000	\$0.032	\$0.057	\$0.17	\$0.07
2,001 - 5,000	\$0.032	\$0.041	\$0.17	\$0.07
5,001 - 10,000	\$0.029	\$0.038	\$0.16	\$0.05
10,001 - 15,000	\$0.029	\$0.021	\$0.14	\$0.03
15,001 - 20,000	\$0.029	\$0.021	\$0.14	\$0.03
20,001 - 25,000	\$0.029	\$0.020	\$0.14	\$0.03
25,001 or more	\$0.029	\$0.019	\$0.13	\$0.03

<b>Standard Color Copies (8.5" x 11")</b>				
1 - 50	\$0.036	\$0.420	\$0.69	\$0.59
51 - 100	\$0.036	\$0.370	\$0.69	\$0.59
101 - 500	\$0.036	\$0.320	\$0.69	\$0.59
501 - 1,000	\$0.036	\$0.270	\$0.59	\$0.49
1,001 - 2,000	\$0.036	\$0.230	\$0.59	\$0.49
2,001 - 5,000	\$0.036	\$0.210	\$0.59	\$0.49
5,001 - 10,000	\$0.032	\$0.100	\$0.49	\$0.35
10,001 - 15,000	\$0.032	\$0.090	\$0.35	\$0.29
15,001 - 20,000	\$0.032	\$0.080	\$0.27	\$0.29
20,001 - 25,000	\$0.032	\$0.070	\$0.23	\$0.29
25,001 or more	\$0.032	\$0.060	\$0.21	\$0.25

<b>Banner (34" x 96")</b>				
1	\$97.00	\$41.99	\$139.99	\$82.99

<b>Poster (18" x 24")</b>				
1	\$38.00	\$19.99	\$39.99	\$19.99

<b>Lawn Sign (12" x 18")</b>				
1	\$65.00	\$15.99	\$27.99	\$28.99

*Note: The entities with the lowest price are highlighted.*

*Source: The ISD and commercial vendors.*

### **Opportunity for Improvement**

The ISD should investigate ways to reduce the Print Shop and Copy Center costs in order to become more competitive with commercial vendors in those areas where it has higher charges.

#### **Management Response**

1. **Paper- Ream 500 Sheets (Letter Size)**

*Miami-Dade County Departments procure paper in bulk from the ISD's Materials Management Section; however, letter size paper is also available for purchase from the Copy Center as a convenience to customers. Contrary to OCA conclusions, the ISD pricing is the most competitive, when the paper grade provided by the Copy Center is compared to the equivalent grade offered by commercial vendors (ISD's Response Table 1).*

#### **OCA Comment**

The OCA was not provided with a different price list for paper purchase made from the ISD's Materials Management Section. Further, the vendor prices stated in the attached ISD response *Table I* were reportedly obtained in December 2016, as opposed to the prevailing rates in May 2015 when the OCA's fieldwork was performed.

2. **Black and White Copies - Letter Size**

*While our price list reflects copies above 5,000 impressions at \$0.029, print jobs greater than 10,000 copies are reviewed and offered to be completed on our offset printing press at discounted rates, which are lower than the commercial vendors surveyed by OCA. The ISD will update the price list to include a footnote advising customers of the lower rates available on jobs greater than 10,000 copies using offset printing.*

#### **OCA Comment**

We concur that the ISD should disclose on their price list a footnote advising customers of the lower rates available on jobs greater than 10,000 copies using their offset printing.

3. **Banner, Poster, and Lawn Signs**

*The ISD concurs with the OCA conclusion regarding the lawn signs; however, vendor prices presented for posters and banners cover only the basic materials offered. For example, OCA banner prices did not appear to factor in the additional costs for grommets and vinyl materials used on the standard banner provided by ISD. Also, posters are prepared on foam board, a lightweight rigid material, which allow for ease of mounting on easels. With the exception of Office Depot, vendor quotes obtained by ISD exceeded Department prices (ISD's Response Table 1).*

#### **OCA Comment**

While it is possible for qualities to vary between vendors' basic and the ISD's economy banners, posters, and lawn signs, the OCA compared the prices for the most basic materials offered by the ISD and the vendors.

## Memorandum



**Date:** January 13, 2017

**To:** Neil R. Singh, Acting Commission Auditor  
Office of the Commission Auditor

**From:** Tara C. Smith, Director  
Internal Services Department  


**Subject:** Response to Draft Audit Report – Review of Selected Internal Services  
Department Pricing

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This memorandum responds to the referenced draft audit report dated December 16, 2016. The Internal Services Department (ISD) thanks the Office of the Commission Auditor (OCA) for the time and effort involved in this review, as well as the courtesy and professionalism of its staff.

The audit findings, as well as opportunity for improvement are listed in the order in which they appear in the report, followed by the recommendations in italics. ISD's responses are detailed below:

**Finding 1****OCA Recommendation**

*To strengthen internal controls, ISD should develop and implement formalized written policies and procedures related to labor rates, administrative cost allocation methodologies, and the 10% mark-up charge. Policies and procedures should exist as a single source of authoritative guidance and should be evaluated and updated as needed.*

**ISD Response**

ISD concurs with the recommendation. Policies and procedures will be formally documented and communicated to staff to assure consistency. Additionally, ISD will periodically review and update such procedures to ensure they reflect current practices and rates.

**Finding 2****OCA Recommendation**

*The Department should review and update labor rates and the 10% mark-up charge to reflect the prevailing cost of their service delivery. The goal of ISD should be to continue to provide services to its customers and stakeholders in the most efficient and economical manner, while recovering cost appropriately through fees and charges.*

**ISD Response**

ISD agrees and will review and update the labor rates and surcharge, if warranted. While it is true that there is no documentation showing how the 10% mark-up was derived, the surcharge is required to recover other expenditures that are not factored into the labor rates, such as allocated administrative costs. As previously stated, the percentage will be reviewed for propriety.

**Opportunity for Improvement**

*ISD should investigate ways to reduce the Print Shop and Copy Center costs in order to become more competitive with commercial vendors in those areas where it has higher charges.*

**ISD Response**

We reviewed the price comparison presented by OCA and believe that ISD Print Shop prices are competitive with commercial vendors. We would like to offer the following clarifying comments:

Paper – Ream 500 Sheets (Letter Size)

Miami-Dade County Departments procure paper in bulk from the ISD’s Materials Management Section; however, letter size paper is also available for purchase from the Copy Center as a convenience to customers. Contrary to OCA conclusions, ISD pricing is the most competitive, when the paper grade provided by the Copy Center is compared to the equivalent grade offered by commercial vendors (Table I). The sale of letter size paper at the Copy Center will be discontinued due to declining and negligible sales over the past two years (\$2,039 and \$315 in fiscal years 2015 and 2016 respectively.)

**Table I  
Price Comparison**

Description	ISD	Staples	FedEx	Office Depot
Paper - Ream 500 Sheets (8.5" x 11" Letter), Multipurpose, 92 Bright, 20# Bond White	\$ 4.50	\$ 6.79	\$ 5.49	\$ 5.99
Black and White Copies - 8.5" x 11"				
10,001 - 15,000	\$ 0.019	\$ 0.021	\$ 0.140	\$ 0.030
15,001 - 20,000	\$ 0.017	\$ 0.021	\$ 0.140	\$ 0.030
20,001 - 25,000	\$ 0.016	\$ 0.020	\$ 0.140	\$ 0.030
25,001 - 30,000	\$ 0.015	\$ 0.019	\$ 0.130	\$ 0.030
Banner - 34" x 96", outdoor vinyl banner printed 4/color full bleed 1-side w/(8) grommets	\$ 93.75	\$ 131.99	\$ 139.99	\$ 82.99
Poster - 18" x 24", 4-color full bleed on 3/16" foamcore	\$ 38.00	\$ 38.99	\$ 39.99	\$ 30.99

Source: ISD price list and vendor quotations

Black and White Copies – Letter Size

While our price list reflects copies above 5,000 impressions at \$0.029, print jobs greater than 10,000 copies are reviewed and offered to be completed on our offset printing press at discounted rates, which are lower than the commercial vendors surveyed by OCA (Table I). ISD will update the price list to include a footnote advising customers of the lower rates available on jobs greater than 10,000 copies using offset printing.

Banner, Poster, and Lawn Signs

ISD concurs with the OCA conclusion regarding the lawn signs; however, vendor prices presented for posters and banners cover only the basic materials offered. For example, OCA banner prices did not appear to factor in the additional costs for grommets and vinyl materials used on the standard banner provided by ISD. Also, posters are prepared on foam board, a lightweight rigid material, which allow for ease of mounting on easels. With the exception of Office Depot, vendor quotes obtained by ISD exceeded Department prices (Table I).

ISD is committed to continuous process improvement and cost-effective quality service, and thus every effort is made to assure services provided are competitively priced. Please contact Mike Iturrey, Division Director, at 305-375-1990, if you have questions or require additional clarification.

c: Miriam Singer, Sr. Assistant Director, ISD  
Mike Iturrey, Division Director, Budget and Finance, ISD