



## Memorandum

**TO:** Honorable Mayor and City Council      **FROM:** Gerald A. Silva,  
City Auditor

**SUBJECT:** City Auditor Review Of Recycle Plus RFP      **DATE:** August 2, 2006

As part of the City Manager's reforms, the City Manager suggested and the City Council approved a directive that the City Auditor have an appropriate role on high profile, complex Request for Proposals (RFPs)/procurements. Per this directive, my office has worked collaboratively with the Department of Finance, Purchasing Division (Purchasing) to review the procurement for the Recycle Plus RFP.

Prior to the issuance of the RFP, staff from the Auditor's Office and Purchasing met to discuss an appropriate role for my office in reviewing various stages of the RFP process. Purchasing and my office agreed that we would review documentation during the following stages of the procurement process:

1. Review of conflict of interest forms;
2. Review of analysis of cost proposals;
3. Review of the final scoring, including reference checks and oral interviews if necessary; and
4. Review of Council Memorandum.

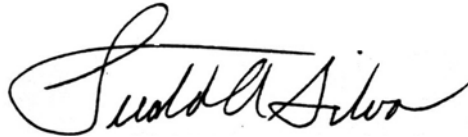
Based on our review of the conflict of interest forms, we found that the Technical Evaluation Committee (TEC) members had not identified previous working relationships with the proposers. We met with the Chief Purchasing Officer and provided our comments to him. The TEC members complied with the Purchasing Division's direction to disclose their previous working relationships with the proposers. We should note that our review of the technical evaluation did not reveal significant discrepancies in scoring among the TEC evaluators.

We also reviewed the assumptions, formulae, and the results of the cost analysis model the ESD consultant had prepared to provide reasonable assurance of its accuracy. We found minor inconsistencies with some of the assumptions which the consultant corrected in the final model.

Furthermore, we reviewed the final tabulated scoring for accuracy and consistency. We found that the evaluation score sheets did not consistently capture the criteria in the RFP. Specifically, we could not exactly match some of the criteria described in the RFP with

the criteria in the evaluation score sheets. However, Purchasing staff informed us that this was because in some instances they had summarized the criteria to facilitate the evaluation process. Finally, we found a minor transposition error in the scoring for Garden City Sanitation. However, this error did not have a material impact on the final results.

It should be noted that the City Auditor's Office did not participate in the evaluation process or attempt to validate this process. The City Auditor's Office participation was in an advisory capacity only and should not be interpreted as performing a management or policymaking function.

A handwritten signature in black ink, appearing to read "Gerald A. Silva", written in a cursive style. The signature is positioned above a horizontal line.

Gerald A. Silva  
City Auditor

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GS:lg

cc: Les White                      John Stufflebean  
     Scott Johnson                Deanna Santana  
     Walter Rossmann              Susan Devencenzi