

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



RCPS Purchasing Follow-Up

April 16, 2020

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AUDIT OBJECTIVES & CONCLUSIONS

Audit Objectives:

1. Have written procedures been developed to make employees aware of the conflict of interest provisions in the State and Local Government Conflict of Interests Act and the Virginia Public Procurement Act? Do the procedures require employees to annually certify acknowledgement of the conflict of interest provisions?

Are employees who prepare Bid specifications or RFP specifications for purchases that exceed \$5,000 required to disclose when they use a vendor representative and/or vendor marketing materials to develop those specifications?

Yes with Qualifications – The Purchasing Department incorporated procurement rules and regulations into an electronic document on the RCPS website for employees to read and acknowledge the Public Procurement Ethical Compliance Certification. The Director of Purchasing follows-up with employees with significant purchasing authority reminding them to complete the acknowledgment if they have not already done so.

While the Purchasing Department created the Disclosure of Vendor Assistance in Specification Preparation – Purchases over \$5,000 procedure requiring employees to disclose when they use a vendor representative or vendor marketing materials to develop specifications for purchases expected to exceed \$5,000, the procedures were not in effect prior to our audit. Therefore, we will evaluate compliance in a future follow up audit.

2. Have written procedures and guidelines for the use of the Fifth Third purchasing card been developed and communicated to cardholders and supervisors who approve cardholder transactions?

Yes – The Purchasing Department revised the Roanoke City Public Schools Purchasing Card Guidelines and Procedures to document program parameters and Cardholder / Departmental responsibilities which are consistent with the current Fifth Third credit card contract, dated May 2016.

3. Has a Purchasing Cardholder Agreement Form been created and signed by Purchasing Cardholder to acknowledge that the Cardholder:
 - o Has received a Fifth Third credit card

- Has received a copy of the purchasing card procedures for use of the Fifth Third credit card
- Will follow the purchasing card procedures for use of the Fifth Third credit card

Yes – The Purchasing Department created two (2) acknowledgement forms for the purchasing card program, one for Cardholders and one for Authorized Users, which supplement the Roanoke City Public Schools Purchasing Card Guidelines and Procedures. Both forms require the cardholder to acknowledge receipt of the purchasing card and agree the card will only be used for actual and necessary business expenses in accordance with the current purchasing card program agreement. These forms were on-file for a sample of ten (10) cardholders / authorized users.

4. Were written procedures developed to address vendor protests, which include the retention of documentation related to vendor protests?

Yes – The Purchasing Department developed the Procurement Protest Process and Procedures, which comply with the VPPA and include the retention of documentation in compliance with the Library of Virginia. Review of supporting documentation in the vendor protest file indicated the Purchasing Department followed the procedures appropriately.

5. Have written procedures and guidelines been developed and communicated for the use of the Fifth Third purchasing card to include approvals prior to payment, itemized receipts and detailed expense descriptions to support transactions?

Yes – The Purchasing Department developed written procedures for the use of the Fifth Third purchasing card that require approvals prior to payment by Accounts Payable, itemized receipts and detailed descriptions of transactions. Our review revealed that written procedures were followed for a sample of Fiscal Year 2020 purchasing card transactions.

6. Have written procedures and guidelines been established for developing estimated cost or estimated budget for each Invitation for Bid (IFB) or Request for Proposal (RFP)?

No –The Director of Purchasing noted that he and the Chief Financial Officer are in the process of completing written procedures/guidelines to address project costs. Therefore, we will evaluate these procedures in a future follow up audit.

7. Has Purchasing implemented a process to monitor how effectively departments are obtaining competitive quotes for goods and services costing between \$5,000 and \$100,000?

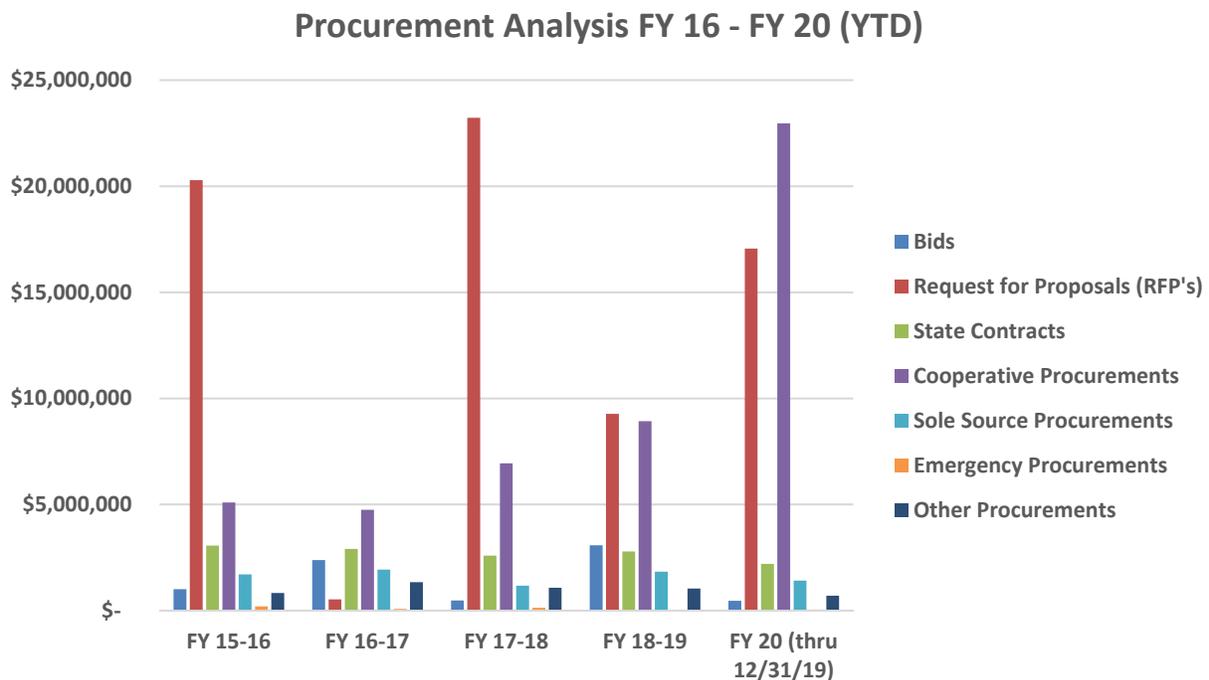
No –The Director of Purchasing states that his staff periodically selects an RFQ for verification. Purchasing did not document which RFQs were verified or the results. Consequently, we were unable to confirm that Purchasing completed verifications as planned. We will evaluate these procedures in a future follow up audit.

End of Audit Objectives and Conclusions

BACKGROUND

The Purchasing Department’s primary objective is to help schools and departments procure goods and services in compliance with all applicable laws, regulations, and policies. These legal requirements incorporate the concepts of price, quality and best value.

Every quarter, the Purchasing Department prepares a “Procurement Analysis,” which is presented to the School Board by the Chief Financial Officer along with the “Financial Overview and Statements.” The analysis shows the method used to procure goods and services and compares the mix in the current fiscal year with the previous one.



The three (3) largest amounts (in the most recent years reviewed) represented in the chart above are due, in part, to the following:

- FY 20 YTD RFP’s: \$17,000,000 for procurement of the Energy Performance Contract Financing with TD Equipment Finance, Inc.
- FY 20 Cooperative Procurements: \$16,492,371 for the Energy Performance Contract with Trane

- FY 18 RFP's: \$21,640,000 for procurement of Construction Manager at Risk – Fallon Park Elementary School with Avis Construction Company, Inc.

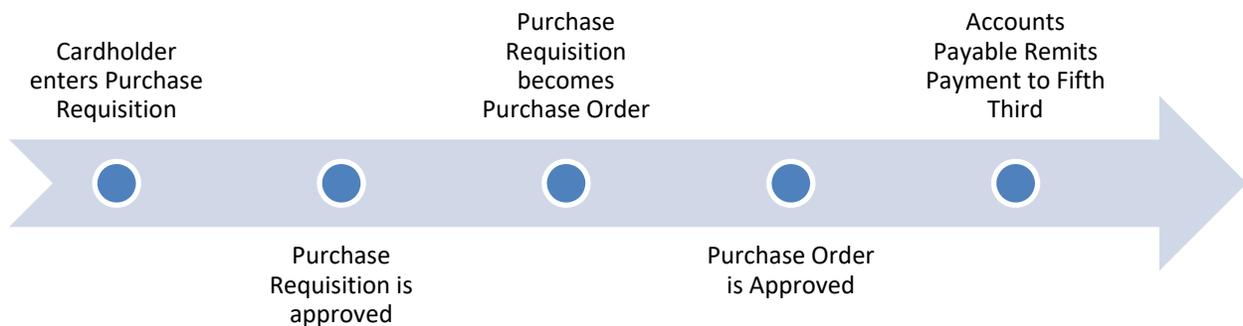
Fifth Third Bank Purchasing Card

RCPS began developing a purchasing card (p-card) program through Fifth Third Bank in May 2016. When we initially audited the program in early 2018, employees were logging into the Fifth Third online system to enter the expense account information, attach receipts, and document approvals.

Since that time, RCPS implemented a new financial enterprise system (Keystone) and reevaluated Fifth Third's online system, identifying the following issues:

- When an employee was removed from the approval process in Fifth Third (due to termination or position change), it showed as blank where their approval was formerly documented
- Data beyond a few months had to be exported and saved elsewhere
- Efficiency issues for Accounting due to having purchase detail in a separate system
- Frustrations with users having to go into two (2) systems to approve purchases

RCPS discontinued using the Fifth Third online system in October 2018, and began using the requisition process in Aptafund to enter p-card transactions, code expenses, enter descriptions, and perform approvals. RCPS began using the requisition process in Keystone to enter p-card transactions, code expenses, enter descriptions, and perform approvals when the Keystone system was implemented in July 2019.

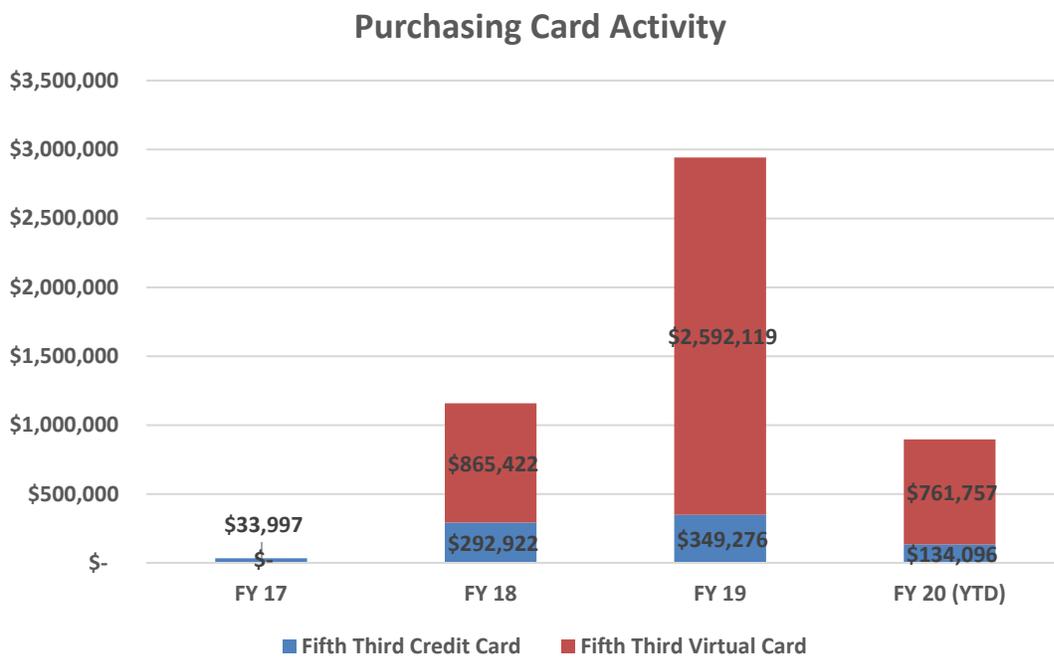


This has eliminated the need for purchasing card approvers to go into two (2) different systems to approve purchases, and has alleviated some of the other concerns identified with the Fifth Third system previously noted.

As of the date of the entrance meeting (2/18/20), there were a total of 21 P-Cards issued throughout the school division:

- 12 Departmental Cards with limits ranging from \$10,000 to \$30,000
- 9 Individual Cards with limits ranging from \$5,000 to \$25,000

The following shows the purchasing card activity over the most recent three and a half years:



RCPS utilizes the Fifth Third virtual card as a way to submit payments to vendors that accept this form of payment. This has substantially increased the p-card activity, and also increases the rebate received by the school division.

Information Systems:

For Fiscal Year 2020, Keystone replaced AptaFund as the financial system used for purchasing and accounts payable. The ability to request and approve purchases is controlled through user

rights assigned in the system. The following approval levels have been established in Keystone for authorized employees:

- 1: Chief Financial Officer, Director of Purchasing and System Administrator
- 2: Technology/Alternate (if more than 3 levels of approval are desired)
- 3: Executive
- 4: Principal/Supervisor
- 5: Purchasing Department Review/Approval
- 6 through 9: No approval authority, requisition entry authority only (only levels 1-5 have approval authority)

In addition to the department-level approvals, the Director of Purchasing approves all purchase orders prior to payment by Accounts Payable. In his absence, Kathleen Jackson, Chief Financial Officer, performs the approvals.

The Purchasing Department has access to Virginia's eProcurement system, eVA. This system can be used to post the Division's Invitations for Bid (IFB) and Requests for Proposal (RFP), as well as providing state contracts from which the Division can purchase. Vendors can setup their own accounts on eVA so that they receive notifications when IFBs and RFPs are posted for goods and services they provide.

We completed our original audit of the Purchasing function in 2017. The audit primarily focused on the use of RFPs and IFBs to encourage competition for large purchases, competitive pricing for goods and services costing \$5,000 to \$100,000 procured directly by departments, and the effectiveness of the purchasing card program for purchases costing less than \$5,000. Our recommendations addressed the following:

- Formal acknowledgement by employees with purchasing responsibilities of the Virginia Public Procurement Act regarding conflicts of interest
- Disclosure of the use of vendor representatives and / or vendor marketing materials to develop specifications for any purchase expected to exceed \$5,000
- Documentation and communication of formal procedures and guidelines for the use of the Fifth Third purchasing card
- Implementation of a Purchasing Card Program Employee Agreement
- Documentation of procedures to address all vendor protests

- Requirement of specific assumptions and computations to support the cost of each Invitation for Bid or Request for Proposal
- Establishment of screening criteria for small purchases that prompt additional evaluation by Purchasing staff

End of Background

Objective 1: Employee Disclosure and Acknowledgement

In the prior audit we found that RCPS employees responsible for procurement do not formally acknowledge or certify compliance with the Virginia Public Procurement Act regarding conflicts of interest. Employees with authority to spend Division funds may not be sufficiently familiar with the provisions of the conflict of interest act and may be at greater risk of violating one or more provisions of the act. Employees who violate the act may argue that management contributed to their conduct by failing to adequately communicate the rules or monitor compliance.

In response, Management planned to develop written procedures and disclosure(s) to address the following:

1. Employees who are authorized to control and direct significant purchasing expenditures are made aware of the conflict of interest provisions in the State and Local Government Conflict of Interests Act and the Virginia Public Procurement Act. An annual written certification of acknowledgement of the conflict of interest provisions will be signed by employees and filed with the Purchasing Department.
2. Employees who prepare Bid specifications or RFP specifications for purchases that exceed \$5,000 are to disclose when they use a vendor representative and/or vendor marketing materials to develop those specifications. The disclosure form will be filed with the associated purchase order and/or contract.

Action Completed / Issues Resolved – Yes with Qualifications

Follow Up – February 2020:

Scope:

We reviewed the applicable procedures in place as of 2/24/20 (the date of our fieldwork):

- Public Procurement Ethical Compliance Certification procedures
- Disclosure of Vendor Assistance in Specification Preparation – Purchases over \$5,000

We tested a sample of Public Procurement Ethical Compliance Certifications for the 2020 School Year.

Results:

The Purchasing Department incorporated procurement rules and regulations into an electronic document on the RCPS website. The Technology Department sends a Division-wide email at the beginning of each school year asking all employees to electronically acknowledge that they have read and understand the rules. The Director of Purchasing can obtain a report from the Technology Department to identify employees who have not completed the acknowledgment. He contacts employees who have significant purchasing authority and reminds them that they must complete the acknowledgment.

Our review revealed that 1,543 employees read and acknowledged the Public Procurement Ethical Compliance Certification for the 2019/2020 school year as of the date of our field work (2/24/20). This included 15 employees we identified as having significant authority to control and direct purchases.

In February 2020, the Purchasing Department created the Disclosure of Vendor Assistance in Specification Preparation – Purchases over \$5,000 procedure requiring employees to disclose when they use a vendor representative or vendor marketing materials to develop specifications for purchases expected to exceed \$5,000. The procedures were not in effect prior to our audit and we were therefore unable to evaluate compliance. We will evaluate compliance in a future follow up audit.

End of Objective 1

Objective 2: Purchasing Card Procedures

During the prior audit, we noted that Credit Card procedures and guidelines had not been formally documented for the new Fifth Third Bank purchasing card in the “Purchasing Department and Fiscal Services Guidelines” manual, increasing the risk of employee misunderstanding and / or misuse of the card.

Action Plan:

Management planned to develop written procedures and guidelines for the use of the Fifth Third purchasing card and communicate those procedures and guidelines to cardholders and supervisors who approve cardholder transactions.

Action Completed / Issues Resolved – Yes

Follow Up – March 2020:

Scope:

We reviewed the Roanoke City Public Schools Purchasing Card Guidelines and Procedures and compared to the **Fifth Third Bank Commercial Card Service Agreement** to ensure the procedures are consistent with the contract.

Results:

The Purchasing Department revised the Roanoke City Public Schools Purchasing Card Guidelines and Procedures to document program parameters and Cardholder / Departmental responsibilities as of 10/16/18. The procedures are consistent with the current Fifth Third credit card contract, dated May 2016.

The number of purchasing cards has been limited by RCPS, and all request for cards must be approved by the departmental supervisor AND the Chief Financial Officer. The procedures allow for individual or departmental cards, with the departmental cards having authorized users.

End of Objective 2

Objective 3: Purchasing Card Agreement and Acknowledgement

In the prior audit, Purchasing card users were not required to sign an employee agreement or acknowledgment form upon receiving their Fifth Third purchasing card, increasing the risk of employee misunderstanding and / or misuse of the card. Employee-signed agreements and acknowledgements help hold employees accountable for their actions.

In response, the Purchasing Department planned to develop a Purchasing Cardholder Agreement Form. The form will be signed by the Purchasing Cardholder to acknowledge that the Cardholder:

- 1) Has received a Fifth Third credit card
- 2) Has received a copy of the purchasing card procedures for use of the Fifth Third credit card
- 3) Will follow the purchasing card procedures for use of the Fifth Third credit card

Action Completed / Issues Resolved – Yes

Follow Up – March 2020:

Scope:

We reviewed the content of the purchasing cardholder and authorized user agreement forms. We selected a sample of 10 employees (5 cardholders and 5 authorized users) as of 2/26/20 to verify signed acknowledgements are on file.

Results:

The Purchasing Department created two (2) acknowledgement forms for the purchasing card program:

- Attachment B - Roanoke City Public Schools **Cardholder** Acknowledgement And Purchasing Card Program **Cardholder** Agreement

- *Attachment C - Roanoke City Public Schools **Authorized User Acknowledgement And Purchasing Card Program **Authorized User Agreement*****

Each acknowledgement form, revised 10/16/18, requires the cardholder / authorized user to acknowledge receipt of the Fifth Third Bank Purchasing Card and receipt of a copy of the *Purchasing Card Guidelines and Procedures*. It also requires acknowledgement that the cardholder / authorized user will use the card only for actual and necessary RCPS business expenses incurred in accordance with the *Purchasing Card Guidelines and Procedures* and in accordance with the **Purchasing Card Program Cardholder / Authorized User Agreement**, which is included in the same document.

All 10 employees reviewed had a signed cardholder / authorized user acknowledgement on file.

End of Objective 3

Objective 4: Vendor Protests

The prior audit identified no formal archive of vendor complaints / protests, nor any way to determine if those records have been maintained or destroyed. As a result, Purchasing Department records did not reflect a March 2011 vendor complaint related to the award of a contract for phase II of the communications cabling project (RFP #2745). The complaint was referred by the Superintendent to Municipal Auditing for a formal investigation; Municipal Auditing concluded that the concern was not supported by the facts.

The Purchasing Department planned to work with the Roanoke City Attorneys' Office to develop written procedures to address vendor protests, which will include the retention of documentation related to vendor protests.

Action Completed / Issues Resolved – Yes

Follow Up – March 2020:

Scope:

We reviewed RCPS Procurement Protest Process and Procedures and compared the procedures to the Virginia Public Procurement Act (VPPA). We reviewed the only vendor protest received by RCPS since the original audit (from 2/21/18 - 2/18/20) and inquired with the School's Attorney about his knowledge of additional vendor complaints to assess record completeness.

Results:

The Purchasing Department developed the Procurement Protest Process and Procedures, which comply with the VPPA and include the retention of documentation in compliance with the Library of Virginia.

We confirmed with the Director of Purchasing and with the Senior Assistant City Attorney that RCPS has received one (1) vendor protest since the original audit in 2018. The protest, received via email on June 27, 2019, was in regards to award IFB 2995: James Breckinridge Middle School Roof Restoration.

Review of supporting documentation in the vendor protest file indicated the Purchasing Department followed the Procurement Protest Process and Procedures appropriately. The RCPS Deputy Superintendent responded to the protestor within 10 days, on July 5, 2019, with

the final decision that the protest should be upheld and RCPS would rescind the award of IFB No. 2995. The original bid winner was provided a letter on July 8, 2019 informing them the award was cancelled due to a vendor protest and a new IFB would be issued. Further, RCPS re-bid the project utilizing an independent design professional to help the School Division draft the specifications for the future IFB for the project.

End of Objective 4

Objective 5: Purchasing Card Transaction Review

Our prior audit identified the following conditions related to purchasing cards:

1. Cardholders frequently waited more than five (5) business days after the bank posted their purchase to enter their expense reports (almost 63% of our sample). Supervisors were also slow to review and approve expense reports (42% of our sample were approved more than five (5) days after submission). Delays in submitting and approving expense reports increase the risk that transactions will not be thoroughly scrutinized and discussed prior to payment. The time allowed by vendors to return or exchange a purchase could expire before supervisors have an opportunity to review and approve the purchase.
2. Three (3) of 20 (15%) receipts were not itemized and did not otherwise indicate the quantity and nature of the purchase. One of 20 (5%) purchases had an affidavit in place of an itemized receipt. Without itemized receipts, supervisors responsible for approving an employee's purchases and the Purchasing department do not have adequate information to confirm the expense was reasonable, appropriate, and solely for the benefit of the Division.
3. Eight (8) of 20 (40%) purchasing card transactions reviewed did not include any description in the Fifth Third System to communicate the purpose and nature of the purchase to supervisors and management. Supervisors responsible for approving an employee's credit card transactions cannot readily see the necessary information in the system to effectively evaluate the appropriateness of the purchase.

In response, the Purchasing Department planned to develop written procedures and guidelines for the use of the Fifth Third purchasing card and communicate those procedures and guidelines to cardholders and supervisors who approve cardholder transactions. The procedures would include requirements for the following:

1. All transactions on a Cardholder's current Fifth Third credit card statement will be reviewed and approved by the Cardholder, the Cardholder's supervisor, and the Purchasing Department before Accounts Payable pays the credit card statement.
2. Itemized receipts will be required for all transactions. Where no itemized receipt has been submitted, a Missing Receipt Affidavit form will be completed which details what was purchased and why an itemized receipt was not submitted.

3. Detailed expense descriptions in the Fifth Third system will be required for all transactions. Descriptions will include the purpose of the purchase and, if necessary, details of the item(s) purchased if the receipt is unclear or not itemized.

Action Completed / Issues Resolved – Yes

Follow Up – March 2020:

Scope:

RCPS now uses the requisition system in Keystone for expense coding, descriptions, and approvals (Fifth Third online platform is no longer used). The cardholder submits a purchase requisition, which becomes a purchase order once approved. The purchase order is then approved through Keystone, prior to payment by Accounts Payable.

We reviewed a sample of 30 Fiscal Year 2020 Purchasing Card transactions for proper approval, itemized receipts, and detailed transaction descriptions in the Keystone system.

Results:

All 30 purchasing card transactions reviewed were approved by the Cardholder, the Cardholder's Supervisor, and the Purchasing Department prior to payment by Accounts Payable. All transactions also included an itemized receipt to support the purchase. Twenty-eight (28) of the 30 purchasing card transactions included sufficient information in the Keystone system to evaluate the appropriateness of the transaction.

Two (2) purchasing card transactions (\$5,000 each), were used to purchase \$40 Kroger gift cards before Winter Break for the school division's homeless families to purchase food for the break/holiday season. As this is a Community Relations program, and the purchases went through the proper approval chain of the Director of Community Relations and the Chief Financial Officer, it seemed reasonable that the approvers had sufficient knowledge of the purchases without a detailed description entered into Keystone. Therefore, we did not consider this to be a significant issue.

While outside of the scope of our follow-up testing, during our review we noted a variety of receipts included sales tax. Some of the purchases were NOT in our sample, but the receipts were downloaded because they were attached to other receipts of purchases in our sample.

We alerted the Director of Purchasing so that he could remind all purchasing card users of the sales tax exemption, and the proper use of the Virginia Sales and User Tax Certificate of Exemption number included on the back of every purchase order.

End of Objective 5

Objective 6: Project Costs

During the prior year audit we noted that the purchasing file for an Invitation for Bid (IFB) did not include documentation showing the basis for the projects \$289,580 budget estimate. The IT department also did not have supporting documentation for the estimate. When only one vendor responds, management has no basis on which to evaluate the reasonableness of the bid, or if a proposal, to negotiate a lower price.

The Purchasing Department planned to develop written procedures and guidelines for developing estimated cost or estimated budget for each IFB or RFP. Market analysis, vendor quotes, or cost analysis by an architect are examples of the type of cost estimation that will be kept in Purchasing's IFB and RFP documentation files.

Action Completed / Issues Resolved – No

Follow Up – March 2020:

Scope:

We evaluated the status of written procedures and guidelines for developing estimated cost or estimated budget for each IFB or RFP.

Results:

The Purchasing Department has not created written procedures for developing estimated cost or estimated budget for each Invitation for Bid (IFB), or Request for Proposal (RFP). However, as of the date of the entrance meeting (2/18/20), the Director of Purchasing noted that he and the Chief Financial Officer are in the process of completing written procedures/guidelines to address project costs. We recommend the Purchasing Department document written procedures to require specific assumptions and computations to support the cost of each Invitation for Bid or Request for Proposal, and keep all such documentation in Purchasing's bid and proposal files. Once developed, the procedures should be communicated to all employees involved in purchasing goods and/or services for RCPS.

End of Objective 6

Objective 7: Non-Competitive Procurement

The prior year audit revealed a project to repair the gym floor at RAMS in November 2016 was awarded for \$35,250 without an earnest effort to obtain competitive quotes.

- Only one bid was submitted.
- The bid was from Belfor who subcontracts the work to Praters Gym Flooring.
- Belfor and Praters were listed as separate vendors on the Quotation Summary Form.
- Testimony from Praters clearly indicates Facilities knew or should have known about the subcontracting relationship.
- Majestic Flooring was asked for a quote but has only one installer and would not be able to meet the timeframe allowed to begin and complete the project.
- Scotts Flooring in Salem VA performed gym work for RCPS as recently as 2013 but was not asked to provide a quote on RAMS.
- Over \$400,000 in various work, including gym floors, has been awarded to Belfor since 2013.

The Division could not be confident the cost of the gym work at RAMS was reasonable. The added cost of the subcontracting relationship coupled with workers having to travel to Roanoke from Tennessee could not be effectively determined without competitive quotes from local companies at the time the project was awarded.

The Purchasing Department planned to periodically contact vendors to verify quote information submitted or to determine why a quote was not submitted when a user department or school asks for a Request for Quote from vendors. The department also planned to review documentation to determine whether a Request for Quote was received by vendors.

Action Completed / Issues Resolved – No

Follow Up – March 2020:

Scope:

We reviewed Purchasing's processes as of 2/18/20 (date of entrance meeting) for contacting vendors and verifying quote information.

We analyzed the volume of purchase orders issued for amounts between \$5,001 and \$100,000 from 7/1/2019 through 3/6/2020.

Results:

The Director of Purchasing states that his staff periodically selects an RFQ for verification. They did not document which RFQs they verified or their results. Consequently, we were unable to confirm that Purchasing completed verifications as planned.

Based on a Keystone report of Fiscal Year 2020 purchase orders between \$5,001 and \$100,000 as of March 6, 2020, approximately 34 purchase orders with a value of almost \$703,000 would have been subject to the Request for Quote (RFQ) requirements.

The Director of Purchasing cannot effectively monitor compliance with RFQ requirements or his internal verification processes without records he can review. Purchasing Department procedures for monitoring compliance with RFQ requirements should include:

- purpose of monitoring
- who should perform the monitoring
- percentage to sample
- questions to ask
- information to document, including actions taken if non-compliant.

End of Objective 7

SUMMARY OF MANAGEMENT ACTION PLANS

Management Action Plan – Vendor Assistance Disclosure

The Purchasing Department has finalized the disclosure procedures for purchases expected to exceed \$5,000. The disclosure form, *Disclosure of Vendor Assistance in Specification Preparation – Purchases over \$5,000*, requires employees to affirm that they received no vendor assistance in developing specifications or requires them to describe the nature of any vendor assistance received in developing specifications, including the use of vendor marketing materials. Employees are required to sign and date the disclosure. Purchasing will file the disclosure with the associated purchase order or contract.

Employees with purchasing responsibilities will receive notice about the new requirement and form. The form will be posted on the Roanoke City Public Schools’ intranet for access and download by employees.

Assigned To	Target Date
Eric Thornton, Purchasing Director	06/30/2020

Management Action Plan – Project Costs Procedures

The Purchasing Department will develop written procedures to require specific assumptions and computations to support the cost of each Invitation for Bid (IFB) or Request for Proposal (RFP). Market analysis, vendor quotes, or cost analysis by an architect are examples of the type of cost estimation that will be kept in Purchasing’s IFB and RFP documentation files. All such documentation should be kept in Purchasing’s IFB and RFP files.

The procedures will be communicated to all employees involved in developing IFBs and RFPs when purchasing goods and/or services for Roanoke City Public Schools. The procedures will be posted on the Roanoke City Public Schools’ intranet for access and download by employees.

Assigned To	Target Date
Eric Thornton, Purchasing Director	06/30/2020

Management Action Plan – RFQ Monitoring

The Purchasing Department currently requires documentation that a Request for Quote has been sent to a vendor. Such documentation can be in the form of a fax confirmation or delivered e-mail confirmation. The Purchasing Department also currently requires documentation of quote information received from a vendor. Such documentation can be in the form of a quote document received by fax or e-mail from a vendor.

The Purchasing Department will develop a written procedure to outline the approach to monitoring the RFQ process. The procedure will include the criteria for when the Purchasing Department will contact vendors to verify quote information submitted or to determine why a

quote was not submitted. The procedure will also include the criteria for when the Purchasing Department will review documentation to determine whether a Request for Quote was received by vendors. A log and file will be created to document the requisitions reviewed and to document the actions taken as a result of such reviews.

The procedure will be communicated to employees involved in developing Requests for Quote when purchasing goods and/or services for Roanoke City Public Schools. The procedure will be posted on the Roanoke City Public Schools' intranet for access and download by employees.

Assigned To	Target Date
Eric Thornton, Purchasing Director	06/30/2020

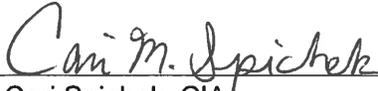
End of Summary of Management Action Plans

MANAGEMENT COMMENTS

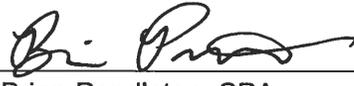
None were provided

ACKNOWLEDGMENTS

We would like to thank the Purchasing Department, specifically, Eric Thornton, for his cooperation and assistance throughout the audit. We would also like to thank Amy Whitten in Fiscal Services, and Daniel Smith and Jason Carter in Information Technology, for their help in granting read-only access to the Keystone system. This was instrumental in allowing us to complete the audit more efficiently.



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Municipal Auditor