

Salt Lake County Auditor's Office

Craig B. Sorensen, *AUDITOR*



David L. Beck
Chief Deputy

March 31, 1998

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Sheriff Aaron Kennard
Salt Lake County Sheriff's Office
2001 S State St., #S2700
Salt Lake City, UT

Dear Sheriff Kennard:

Subject: Review of Sheriff's Office purchasing practices

My audit staff has completed a limited review of recent equipment purchases in the Sheriff's Office. This review was prompted by three transactions (for your office) which came to our attention during an audit of the Fleet Management Division and our ongoing review of contracts. The purpose of this letter is to bring to your attention certain matters which were identified during our review and to provide you with recommendations for improvements in the purchasing process. Specific findings and recommendations are summarized below for your consideration:

1. Sheriff's Office personnel are not consistently complying with the County's purchasing ordinance. Section 3.16.080 of the Salt Lake County Code of Ordinances, "*No preferential treatment*," states that "It shall be the policy of Salt Lake County to encourage vendors in all procurement practices and to provide equal opportunities to compete for ...purchases of equipment and supplies." Section 3.20.020 requires "all purchases and contracts, whether by formal advertising or by negotiation, shall be made on a competitive basis to the maximum extent practical." However, we reviewed two purchases, one for motorcycles and another for in-car video systems, where the specifications were written so narrowly that all other potential vendors were excluded from consideration. Specific details of both transactions are as follows:

Motorcycles

In November, 1995, a Request for Bids, Requisition # PM5464, was offered for six on-off road motorcycles to be used by the canyon patrol. A comparison of the specifications and minimum requirements (shown in Enclosure A) to the Specification Sheet provided by ATK America (see Enclosure B) shows that the bid specifications were copied virtually exactly from the Specification Sheet.

The bid specifications were so narrow they did not allow for any other manufacturers' motorcycle to be considered as a responsive bid. For example, the bid specifications called for a seat height of 36.9", and a Dell'Orto carburetor. Seat height within a tenth of an inch and specific brand names of components are clear evidence of the restrictive nature of this bid. The bid was, in fact, a de-facto sole source offering.

In the purchase of the motorcycles, there was very little management involvement after the initial decision to proceed with the purchase. Follow-up justification for selecting the high bidder was authored by the division Lieutenant. Conversations with Captain Smith indicated that he was not aware of the narrowness of the specifications.

There is no formal training for those responsible for the purchasing function. Neither are reference materials, including the Purchasing Ordinance, available. In addition, our research did not indicate a departmental Policy and Procedures Manual for purchasing. Personnel responsible for purchasing must then learn by trial and error.

In-Car Video Systems

The specifications prepared by the Sheriff's Office for in-car video systems effectively excluded all vendors except Skaggs Telecommunications Service, Inc. This was accomplished by requiring a "touch screen" to control and operate the unit and Skaggs is reportedly the only company in the industry offering this feature. Consequently, in-car video systems available from major manufacturers such as Kustom Signal, Mobile Vision, and Eagle Eye would not have been considered responsive to the County's RFB, although Kustom Signal was the only company of the three which submitted a bid. It is our understanding that these three companies collectively have about 80 percent of the market for this type of equipment.

In discussions with Captain Mickelsen, he cited two reasons why the Sheriff's Office prefers the Skaggs system; 1)safety concerns and 2)space constraints between the vehicle dash, driver and front passenger seats if components of the video system are installed at that location in the vehicle. Captain Mickelsen indicated that the touch screen control allows the deputy to activate the unit in record mode while his patrol vehicle is moving without having to look away from the road. It was felt that the overhead control console for the system manufactured by Kustom Signal would require the deputy to look up at the head liner to operate the controls necessary to activate the unit, thus raising a safety issue. However, this safety issue is mitigated to a large extent because units from Kustom Signal and at least one other competing manufacturer are automatically activated in record mode if the deputy turns on the vehicle emergency lights or siren.

The concern over the amount of interior vehicle space needed for this equipment is an important issue. Captain Mickelsen arranged for us to observe a patrol car which had a Skaggs video system and mobile data unit (laptop computer) installed. He indicated that the video system must not interfere with installation and use of the other equipment needed by the deputy including the radio, mobile data unit, etc. We contacted the other companies and found that their entire systems can be installed on the

head liner and windshield of the vehicle with the exception of one component which is normally installed in the trunk. Video systems installed in this manner should not interfere with the other equipment in the vehicle.

In conclusion, it is our opinion that the Sheriff's Office did not make a bonafide effort to engage in an open competitive bid process to purchase the above mentioned motorcycles or in-car video equipment.

Recommendations:

- A. We recommend that Sheriff's Office personnel identify critical requirements for proposed equipment purchases and develop specifications that address those requirements in a manner which is not restrictive to the competitive bid process.
- B. We recommend that management review equipment specifications prior to initiating the RFB process.

2. The County purchasing ordinance was violated on the purchase of some trailers and associated other equipment.

While conducting an inventory of the County's fleet of vehicles, we became aware of a situation that occurred starting in May of 1995 in which nine AHL Right trailers and various other equipment were purchased by the Sheriff's Special Operations Division in a manner which was contrary to the County purchasing ordinance. The bid for these trailers was awarded to the low bidder, Plaza Cycle, for \$1,026 each, \$9,234 for all nine trailers. Plaza Cycle's intent was to build the nine trailers at their AHL Right manufacturing center to exactly match the specifications listed on the Request for Bid.

However, after the first trailer was built, the owner of Plaza Cycle was doubtful as to the Sheriff's Office eventual satisfaction with the trailers. He contacted the Special Operations Division and several employees came and looked at the trailer and agreed that it was unacceptable. The Sheriff's employees then inquired about the availability of other trailers that were already in stock. The owner showed the employees other trailers that they deemed to be acceptable. When informed that these trailers were only \$749 each, the employees were uncertain about how to proceed. Since the trailers were ordered through a Fleet purchase order, they contacted the Fleet Director for guidance.

The Fleet Director accompanied the Special Operations personnel back to Plaza Cycle and directed them to "upgrade" the trailers by ordering additional equipment to make up the price difference. The \$749 trailers were then picked up by several different Sheriff's employees, along with the additional agreed upon items which had a value of approximately \$2,493. Two invoices were prepared, one showing the purchase of nine AHL Right trailers at \$1,026 each to total \$9,234 and the other listing the trailers at \$749 each with an unaccounted for amount of \$2,493, also totaling \$9,234. The first invoice was approved by Fleet, at the direction of the Fleet Director, as "OK to pay" and was

sent to the Auditor's Office for payment.

This transaction does not comply with the County purchasing ordinance for the following reasons:

- C One objective of the purchasing ordinance is to promote an environment of fair and open competition. Failure to reinitiate the bidding process when the decision was made to purchase a different type of trailer eliminated the possibility of other vendors submitting a bid, thus eliminating open competition on the trailers that were actually purchased.
- C The decision to make up the difference resulted in several items being "purchased" without the issuance of separate purchase orders, which clearly circumvents County purchasing procedures.

Although much of the responsibility for this situation can be placed with the former Director of the Fleet Management Division, Sheriff's Office personnel initiated this purchase and are, therefore, also responsible for complying with the County's purchasing ordinance. Those involved with purchasing activities should have enough knowledge of the purchasing ordinance and procedures to be able to identify situations that clearly violate them, such as this one, and to act appropriately based on their own judgement. We interviewed most of the Special Operation's employees involved with the trailer transaction and found that, at the time the transaction occurred, they did not have adequate training on County purchasing policies and procedures.

Recommendations:

- A. We recommend that the bid process be reinitiated when a decision is made to purchase a model which is substantially different than the model that was originally selected.
- B. We recommend that Sheriff's Office personnel involved in the purchasing process receive training on County purchasing procedures.

3. Management should consider conducting "field trials" of equipment from competing vendors. In reviewing the in-car video system purchase, we noted that Kustom Signal suggested to Captain Mickelsen that your office conduct a 60 day trial of the two competing systems (Skaggs and Kustom Signal) before making a final decision. Kustom Signal offered to provide their equipment to the Sheriff's Office and pay for installation and removal. Captain Mickelsen declined to conduct such a trial because the offer was made late in the RFB process.

The Utah Highway Patrol conducted extensive trials of four different in-car video systems as part of their selection process. In discussions with a vendor, we were told that other law enforcement agencies around the country commonly conduct 30 to 90 day trials of competing systems prior to making a final determination, particularly for large purchases.

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Obviously, field trials may not be practical if a critical time exigency exists or the amount of the purchase is not significant enough to justify the cost of the evaluation. Sheriff's Office management will need to make a determination on a case by case basis. It is our opinion that field trials in certain circumstances can be a useful management tool.

We discussed the viability of field trials with Captain Carr, Captain Mickelsen and Richard Chamberlain, the Director of the Contracts and Procurement Division and all three were supportive of the concept.

Recommendation: We recommend that management consider conducting field trials (when cost effective) prior to making final purchasing decisions.

We appreciate the cooperation of your staff in completing this review. If you have questions or would like to discuss our findings and recommendations in greater detail, my audit staff would be pleased to meet with you at your convenience.

Sincerely,

David L. Beck
Chief Deputy

cc: James Bell
Capt. Carr
Jared Davis
Capt. Mickelsen
Richard Chamberlain

Enclosures (2)

SALT LAKE COUNTY
 CONTRACTS & PROCUREMENT
 2001 S STATE ST #N4500
 SALT LAKE CITY, UT 84190-3100

REQUEST FOR BIDS
THIS IS NOT AN ORDER

Req. #	PMS464
Dept	FLEET MANAGEMENT

11/28/95

VENDOR	BUYER
	RANDY WELLS <i>Rw</i>
SEALED QUOTATIONS WILL BE RECEIVED UNTIL 3:00 PM WEDNESDAY 12/13/95 TIME BID OPEN DATE	DELIVERY PROMISED
SEALED ENVELOPES MUST BE MARKED WITH THE BID OPENING DATE AND QUOTE NO. <small>PMS464</small>	TERMS

L/N	DESCRIPTION	UNIT PRICE	EXTENDED AMOUNT
001	6 EACH SALT LAKE COUNTY INVITES YOUR COMPANY TO BID ON SUPPLYING POLICE MOTORCYCLES PER THE ATTACHED SPECIFICATIONS. STATE THE YEAR/MAKE/MODEL BEING BID: REASONABLE ACCOMMODATIONS FOR INDIVIDUALS WITH DISABILITIES WILL BE PROVIDED UPON REQUEST. FOR ASSISTANCE, PLEASE CONTACT THE DIVISION AT 468-2556. ***SIGN THIS PAGE*** PAGE 001 OF 3		
FAXED BIDS WILL NOT BE ACCEPTED!			
BIDS MUST BE F.O.B. DESTINATION OTHERWISE VOID		TOTAL	

NOTE: THE BIDDER ACKNOWLEDGES THAT HE HAS READ THE INSTRUCTIONS AND THE TERMS AND CONDITIONS ATTACHED HERETO AND AGREES THAT THE TERMS AND CONDITIONS AND THIS REQUEST FOR BIDS SHALL BE A PART OF ANY CONTRACT OF SALE WITH SALT LAKE COUNTY RESULTING FROM THIS REQUEST FOR BIDS.

I do solemnly swear that neither I, nor to the best of my knowledge any member of my firm or company, have either directly or indirectly restrained free and competitive bidding of the above items by entering into any agreement, participating in any collusion, or otherwise taking any action unauthorized by Salt Lake County or in violation of applicable law. The County reserves the right to reject any or all bids, to waive any informality or technicality and to accept any bid deemed to be in the best interest of Salt Lake County.

Company Name _____
 Name (Please Print) _____
 Title _____
 Signature _____
 Phone No. _____

PM5464

SPECIFICATIONS FOR POLICE MOTORCYCLES

Must be filled out completely for bid to be valid.

MINIMUM REQUIREMENT	YES	NO	IF NO, INDICATE ALTERNATIVE TO BE SUPPLIED.
ENGINE: Four-stroke single, four-valve, overhead cam. 504cc displacement. 97.0 x 81.0 bore & stroke. Compression ratio of 9.5:1. Kick and electric start.			
QUANTITY: Six (6) to be used by Salt Lake County Sheriff Deputies in canyon patrol.			
CARBURETION: 40 mm Dell'Orto (non-pump).			
IGNITION: Electronic, 140 w lighting output.			
TRANSMISSION: Five (5)-speed, wide ratio.			
FUEL: 4.0 gallons capacity.			
WHEELBASE: 59.0 inches.			
RAKE/TRAIL: 27.0 degrees/4.6 inches.			
SEAT HEIGHT: 36.9 inches.			
WHEEL TRAVEL: Front-11.8 inches. Rear-13.2 inches.			

SPECIFICATIONS FOR POLICE MOTORCYCLES

Must be filled out completely for bid to be valid.

MINIMUM REQUIREMENT	YES	NO	IF NO, INDICATE ALTERNATIVE TO BE SUPPLIED.
BRAKES: 1. Front-Brembo dual piston, 10.25 inch steel rotor. 2. Rear-Brembo single piston, 8.66 inch steel rotor.			
FINAL DRIVE: D.I.D. VS O-ring 520 chain.			
DRY WEIGHT: 260 lbs.			
COLOR: White/green.			

ATK America, Inc. 1996 605DSES Model Specifications

ATK America proudly announces its exciting new line of 1996 American-made Motorcycles. Topping the long list of New-For-'96 from ATK, are completely re-engineered and redesigned 605 Dual Sports. Continuing the innovative American thinking and engineering concepts that gave birth to ATK Motorcycles, the 1996 ATK 605 Dual Sport leaps into the 21st century with a radical computer aided frame design, created by Steve Nuetzman, ATK's chief engineer, that leads the industry in simplicity, light weight and strength.

ATK's fresh thinking in motorcycle design also breaks the rules normally associated with long travel suspension and seat height numbers. All 1996 ATK 350 and 605 models have 36.9 inch seat height and generous suspension travel with 11.8 inches front and 13.2 inches at the rear plus 13 inches of ground clearance.

1996 ATK 605DSES

FEATURES

- Reliable Rotax air-cooled four-stroke engine / with electric start
- Wide-ratio 5-speed transmission
- Latest WP suspension
- Machined billet aluminum hubs
- Machined billet aluminum triple clamps
- Radialite rear sprocket
- Answer Protaper handlebar
- Halogen headlight
- Taillight with brake light
- D.I.D. O-ring 520 chain
- Electronic horn
- 9 amp sealed battery

NEW FEATURES

- All-new computer-designed frame and swingarm
- Low 36.9 inch seat height with long-travel suspension
- Standard speedometer and resettable odometer
- Neutral, high beam and turn indicator lights
- Keyed ignition switch
- Dual rear view mirrors
- Taller final gearing
- Longer-lasting dual sport tires
- Balanced wheels
- New handlebar shape
- Aluminum skid plate integral with frame design
- New shock position, shock valving and spring rate
- Larger front brake rotor
- Brembo brake calipers with quick-change pads
- New, large capacity fuel tank
- New, comfortable seat shape and foam density
- New front fender and side panels
- Domino clutch perch with quick adjuster
- New, quiet, stainless steel exhaust system

ATK America, Inc.

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- Machined billet aluminum hubs
- Machined billet aluminum triple clamps
- Radialite rear sprocket
- Answer Protaper handlebar
- Halogen headlight
- Taillight with brake light
- D.I.D. O-ring S20 chain
- Electronic horn
- 9 amp sealed battery

NEW FEATURES

- All-new computer-designed frame and swingarm
- Low 36.9 inch seat height with long-travel suspension
- Standard speedometer and resettable odometer
- Neutral, high beam and turn indicator lights
- Keyed ignition switch
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