MEMORANDUM

TO: Honorable Chair and Members of the School Board
   Michael J. Burke, Superintendent of Schools
   Chair and Members of the Audit Committee

CC: Shawntoyia Bernard, Esq., General Counsel

FROM: Teresa Michael, Inspector General

DATE: February 17, 2023

SUBJECT: Procurement Review (Report # 23-R-2): Fingerprinting and Background Check Services

PURPOSE AND AUTHORITY

In response to a complaint received by the Office of Inspector General, we completed a review of the selection and award process used to procure Fingerprinting and Background Check Services (RFP No. 22C-816C). The primary objective of this review was to assess the adequacy of the procurement and contract award processes utilized.

SCOPE AND METHODOLOGY

To achieve the review objectives, we (1) examined the processes used by the Purchasing Department to piggyback off of a School Board of Broward County contract (RFP FY21-014) for Fingerprinting and Background Check Services that resulted in the award of Bid 22C-816C to Fieldprint, Inc.; (2) reviewed records related to this contract, as well as records related to RFQ - 2209-065C for Mobile Fingerprinting that resulted in purchase orders to D.L.W. Sr., Inc. DBA Alpha Omega Biometrics Division; and (3) reviewed a Memorandum of Understanding with Mobile Fingerprinting, LLC to provide screenings on clinical students. The scope of this review covered the period of 01/01/2018 to 06/30/2022.

The applicable State rules, District policies and procedures, documents and records displayed below were considered for this review.
- Florida Administrative Code – 6A-1.012 Purchasing Policies
- My Florida Marketplace – View Vendor Detail
  https://vendor.myfloridamarketplace.com
- OIG Ethical Advocate Incident ID 34052 - Improper Vendor/Supplier/Contractor Activity
- Piggyback Bid 22C-816C - Fingerprinting and Background Check Services
- RFQ 2209-065C Mobile Fingerprinting, and supporting documents
- Policy 6.14 Purchasing Department
- Policy 6.143 Diversity and Equitable Utilization in Business
- Office of Diversity in Business Practices (ODBP) Small Business Enterprise (SBE) records
- OIG’s Audit of the District’s Use of Piggyback Contracts (Report #2019-16)
- Business Case Summary for Using a Piggyback Bid (03/1/2022)
- Revised Business Case Summary for Using a Piggyback Bid (05/11/2022)
- Purchasing Department’s Purchasing Manual - Chapters 4, 14, 15, 16, 17, and 20
- Purchasing Department’s Standard Operating Procedure No. 6 – Preparing Solicitations
- Purchasing Department’s Piggyback Procedure Check List
- Office of General Counsel’s Contract Review as to Form and Legal Sufficiency Checklist
- Memorandum of Understanding (MOU) for Partnership between Mobile Fingerprinting, LLC and the School Board of Palm Beach County (Care Education)
- Audio of recorded School Board meeting held on June 15, 2022
- Staff and vendor interviews

This review was performed in accordance with the Principles and Standards for Offices of Inspector General, Quality Standards for Inspections, Evaluations, and Reviews, as promulgated by the Association of Inspectors General.

Draft findings were sent to the Purchasing Department for management comments. Management responses are attached. We appreciate the courtesy and cooperation extended to us by staff during this review. The final draft report was presented to the Audit Committee at its February 17, 2023, meeting.

BACKGROUND

What are Piggyback Contracts and what are the advantages and disadvantages? The National Institute of Government Purchasing (NIGP), The Institute for Public Procurement defines “cooperative procurement” as
“the combining of requirements of two or more public procurement entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices and the reduction of administrative time and expenses.”

The NIGP defines “piggyback contract” as “a form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and terms of a contract entered into by a larger entity.”

According to the National Association of State Procurement Officials (NASPO), some piggyback advantages are:
- Contracts are relatively easy to administer;
- Makes a wide variety of contracts available to a wider variety of jurisdictions; and
- Can result in operating cost savings, such as researching for information and preparing bids, advertising, and other related expenses, especially for smaller governmental entities.

NASPO also indicates that disadvantages for using piggyback contracts may include:
- Some governments may use piggyback contracts merely for convenience or to avoid competitive bidding expenses or laws;
- Lower pricing may fluctuate over time, due to market trends, delivery, and volatility of commodities; and
- Local vendors may view out-of-the-area piggyback contracts as unfair, when they did not have an opportunity to compete for a piggyback contract that was competed in another jurisdiction.

Prior to March 2022, fingerprinting and badging processes for District Employees, Charter School Personnel, and Vendors were performed by District staff at Fulton-Holland Educational Services Center. In 2021, District leadership decided to outsource these fingerprinting and photo/badge services to allow for a greater number of locations, and more flexible times to offer these services. On March 24, 2022, the District piggybacked off a contract that the Broward County School District had with Fieldprint, Inc. for fingerprinting and background check services.

CONCLUSIONS

1. The Piggyback Contract Award Process for Bid 22C-816C Complied with State Rules and District Policies and Procedures, Except as Noted in Conclusion #2 Below.
There are several purchasing related requirements outlined within Florida Administrative Rule 6A-1.012, School Board Policies 6.14 and 6.143, and the Purchasing Department’s Purchasing Manual.

We reviewed the process utilized to procure fingerprinting and background check services through a piggyback contract, reviewed the related contracts and documents, and judgmentally selected and tested the following five key attributes to determine whether:

1. The piggyback contract process complied with State rules, School Board Policy 6.14 – Purchasing Department, and related procedures;
2. The piggyback contract included cyber security insurance as required by the District;
3. The piggyback contract was reviewed and approved by the Office of General Counsel as to Form and Legal Sufficiency;
4. The Purchasing Department’s Piggyback Procedure Check List was completed to help ensure all procedural steps were followed by Purchasing staff;
5. The Office of Diversity in Business Practices (ODBP) reviewed the contract specifications as required by School Board Policy 6.143.2.e.iii.

We also reviewed invoices from, and payments to, Alpha Omega Biometrics Division. Services appeared to be properly paid based on the amounts invoiced.

Our review of relevant documents and interviews with staff, including an audio recording of the School Board meeting on June 15th, 2022, concluded that the piggyback processes utilized to procure Fingerprinting and Background Check Services were adequate and conducted in a manner consistent with District needs, State rules, and School Board policies. We found attributes #1 through #4 above were in compliance with related requirements. More specifically, the piggyback contract included required cyber security insurance, a Contract Review as to Form and Legal Sufficiency Checklist was completed, and the Piggyback Procedure checklist was completed by staff. Our finding related to attribute #5 is further detailed in Conclusion #2 below.

**Management’s Response:** Management concurs. (See Attachment A.)

2. **Written Procedures related to Seeking and Obtaining Input from the Office of Diversity in Business Practices (ODBP) Prior to Awarding the Piggyback Contract (22C-816C) were Not Followed.**

**School Board Policy 6.143 Diversity and Equitable Utilization in Business** outlines the ODBP’s participation in the District’s procurement process and states,

“It is the policy of the Board to take all necessary, reasonable, and legal action to prevent discrimination and to ensure that all businesses,
including M/WBEs, are afforded the maximum equitable opportunity to participate in the District’s purchasing process.” Quoting 6.143.2.c.

Further, the Policy states,
“The District’s procurement processes shall promote diversity and equitable utilization of M/WBEs; and such solicitation processes shall be used, whenever possible, even for those goods and services which are exempt from competitive procurement under State Board of Education Rule 6A-1.012.” Quoting 6.143.2.d.

The Policy also states,
“The ODBP shall review contract specifications to ensure that they are not unnecessarily restrictive to the availability and the participation of Small Business Enterprises (SBEs) and M/WBE firms in the procurement and contracting process.” Quoting 6.143.2.e.iii.

To help ensure compliance with School Board Policy 6.143, the Purchasing Department provides written communication to ODBP regarding anticipated solicitations/contracts. Standard Operating Procedure (SOP) No. 6 - Preparing Solicitations states, in part,
“Purchasing Manager will send a copy of the new solicitation (Bids, RFP, ITN, Piggyback) to the Office of Diversity and will include the NIGP Codes associated with the solicitation.

“Within fifteen calendar days, a response will be sent to the Purchasing Agent identifying any District certified SBE Vendors registered for the commodity and the Office of Diversity will also include vendors registered with surrounding counties and school districts.”

However, our review of documentation and interviews with staff revealed that although the Purchasing Department made some effort to identify registered SBE vendors for this procurement (Bid 22C-816C), there was insufficient evidence for us to confirm that ODBP was given an adequate opportunity to review and provide input on the proposed piggyback contract. The solicitation and contracting process should include seeking and obtaining input from ODBP prior to awarding contracts.

OIG’s Prior Audit of Piggyback Contracts
On December 20, 2019, our Office issued Report # 2019-16 entitled Audit of District’s Use of Piggyback Contracts. That audit identified a communication issue between departments, and recommended that, prior to determining whether a piggyback contract should be awarded, purchasing staff should obtain input from the ODBP; and ODBP staff should respond to all of Purchasing’s requests for M/WBE vendor information, as required by School Board Policy 6.143.
The management response to that recommendation stated,

“... access to view all upcoming Alternate Source Contracts (piggyback contracts) has been provided to the Office of Diversity via a shared Google Sheet on the Google drive, and the Purchasing Department will expect to receive a response from the Office of Diversity within the response time identified on the Google sheet. Details regarding response time by the Office of Diversity has been agreed to by both departments. If an official response is not received from the Office of Diversity by the agreed-upon time, the Purchasing Agent(s) will review the Office of Diversity's website to identify any certified vendors that may fall under the specific commodity of the Alternate Source Contract (piggyback) bid and determine if the awarded vendor(s) on the host solicitation are SBE or M/WBE vendors.”

Also, the management response stated,

“District piggyback contracts represent millions of dollars and currently, none has diversity goals. This limits opportunities for small business that may be able to perform as subcontractors but are not given an opportunity. More time, research, outreach and collaboration with Purchasing needs to occur to determine how to expand small business participation in piggyback contracts.”

Our current review of this procurement revealed that there is still opportunity to improve communications and collaboration between the Purchasing Department and ODBP.

**Recommendation:**

Purchasing staff should continue to strive to collaborate with, and obtain input from, the Office of Diversity in Business Practices prior to entering into piggyback contracts to help advance the purpose of, and ensure compliance with, *School Board Policy 6.143 - Diversity and Equitable Utilization in Business*. More specifically, staff should follow established departmental procedures (SOP No. 6 and the Piggyback Procedure Check List). We recommend ODBP be contacted in writing to request the names and contact information for any M/WBE or SBE vendors registered with the District for the specific goods/services needed. Upon receipt of the response from ODBP, a more informed decision could be made regarding the option to use a piggyback contract, renew a current contract, or advertise a new solicitation.

**Management’s Response:** A business decision was made to forgo the written request from ODPB to meet the timeline for the heavy hiring season related to the start of the school. Purchasing staff placed a call to ODBP and checked their website for potential SBE vendors. There was a need to streamline the hiring process by providing new employees multiple locations with flexible hours
conveniently located throughout the county near drug testing facilities. (See Attachment A.)

3. **Fingerprinting Services for the District’s School Readiness Health and Safety Program Should Have Been Competitively Bid in Fiscal Years 2019 and 2020.**

All School Readiness Program Providers and personnel are required to be screened. To obtain the needed fingerprinting and background screening services, the Purchasing Department entered into a Direct Negotiation with Mobile Fingerprinting, LLC. in 2018. At that time, the District anticipated spending $50,000 annually.

During fiscal year (FY) 2019, the anticipated annual spend for the services increased to $67,520; and in fiscal years 2020 and 2021, the anticipated annual spend was $55,000 and $75,000, respectively. These amounts exceeded the $50,000 monetary threshold established by Florida Administrative Code that requires a competitive solicitation. The actual total amount of purchase orders issued to the vendor for fiscal years 2018 through 2021 were $67,000, $67,520, $41,548, and $38,612, respectively.

**Florida Administrative Code on Purchasing Policies** states,

“Except as authorized by law or rule, competitive solicitations shall be requested from three (3) or more sources for any authorized commodities or contractual services exceeding $50,000. Districts may not divide the procurement of commodities or contractual services so as to avoid this monetary threshold requirement. District school boards, by rule, shall set this amount or a lesser amount and shall establish purchasing policy relative to purchases of a dollar value less than this formal monetary threshold.” Quoting Fla. Admin. Code R. 6A-1.012(7) (emphasis added).

After the anticipated annual spend for the services exceeded the established $50,000 threshold in FY 2019, the Purchasing Department continued to engage in Direct Negotiations with Mobile Fingerprinting, LLC., rather than requesting competitive solicitations from three or more sources as required by law.

**Recommendation:**

We recommend the Director of Purchasing remind staff of the competitive solicitation requirements established by **Florida Administrative Code 6A-1.012 Purchasing Policies**, and adhere to those requirements.

**Management’s Response:** Management concurs. (See Attachment A.)
MEMORANDUM

TO: Teresa Michael, Inspector General

FROM: Heather Frederick, Chief Financial Officer

DATE: January 27, 2023

SUBJECT: Response to Procurement Review: Fingerprinting & Background Check Services

Management reviewed the Procurement Review of Fingerprinting and Background Check Services and has the following responses to recommendations.

1. The Piggyback Contract Award Process for Bid 22C-816C Complied with State Rules and District Policies and Procedures, except as Noted in Conclusion #2 Below.

   Management concurs.

2. Purchasing staff should continue to strive to collaborate with the Office of Diversity and Business Practice (ODBP) prior to entering into a piggyback contract to help advance the purpose of Board Policy 6.143 and follow established procedures.

   A business decision was made to forgo the written request from ODBP to meet the timeline for the heavy hiring season related to the start of the school. Purchasing staff placed a call to ODBP and checked their website for potential SBE vendors. There was a need to streamline the hiring process by providing new employees multiple locations with flexible hours conveniently located throughout the county near drug testing facilities.

3. We recommend the Director of Purchasing remind staff of the competitive solicitation requirements established by Florida Administrative Code 6A1.012 Purchasing Policies, and adhere to those requirements.

   Management concurs.

HF:DG

cc: Darci Garbecz, Purchasing Director