



EXECUTIVE SUMMARY
Guam Police Department Review of Bid No. GSA-081-10 Police Patrol Vehicles
Report No. 11-04, May 2011

At the request of a senator from the 30th Guam Legislature, we conducted a review of the procurement of Guam police vehicles via Invitation for Bid (IFB) No. GSA-081-10. We found that this procurement bypassed the Attorney General's (AG) review because the initial requisition of \$515,940 was subsequently lowered to \$490,000. The bid was amended five times to change the bid opening date; one amendment changed 10 bid specifications to make the requisition less restrictive as the initial bid was brand-specific. We also found that the General Services Agency (GSA) awarded the bid to a vendor whose Certificate of Authority was expired at bid opening and as such was non-responsive. However, 14 police patrol vehicles which met the bid requirements were received on December 30, 2010.

Revised Requisition Avoided AG Review

P.L. 30-72 requires the AG to review and approve procurements over \$500,000. The initial requisition was for 12 police patrol vehicles at \$42,995 each totaling \$515,940. Accordingly, the requisition was routed between GSA and the Office of the Attorney General (OAG) in April 2010. Nearly two months later, on June 24, 2010, GPD was instructed by the OAG to resubmit the requisition to GSA in accordance with the recently established review process for purchases over \$500,000. Instead of attempting to secure OAG approval, GPD revised the requisition to prevent further delays. The number of vehicles was increased from 12 to 14 and the per-unit cost was reduced from \$42,995 to \$35,000, dropping the total cost from \$515,940 to \$490,000, thereby avoiding the \$500,000 threshold. Thus, the requisition did not undergo the AG's review.

IFB Amended Five Times, Materially Altering Specifications

On July 9, 2010, the police patrol vehicles IFB was publicly announced. After the IFB was issued, a vendor raised several questions about the specifications. Between July 23, 2010 and August 12, 2010, the IFB was amended five times, primarily to move the bid opening date and time. The vendor's questions led to the issuance of Amendment No. 4 on August 11, 2010, which, in addition to another date and time change, also changed 10 of the IFB's specifications to include engine size, wheel base, electrical system, brakes, seats, tires and wheels, and exhaust system.

Restrictive Specifications

The IFB's specifications were restrictive as they were brand-specific. The Acting Chief of Police maintained that the original specifications were tailored to a specific vehicle brand and that Amendment No. 4 was intended to broaden the specifications and invite more prospective bidders. Had GSA properly utilized the AG's review and approval process, the brand-restrictive specifications in GPD's vehicle procurement could have been avoided.

Successful Bidder's Bid Non-Responsive

GSA erred in accepting and awarding the bid to an unqualified bidder. The bidder was *non-responsive* in that the bidder's certificate expired on July 1, 2010. The bids were opened on August 20, 2010 by GSA. It was not until OPA brought this deficiency to GSA's attention on November 4, 2010 that GSA learned of the defect. GSA asserted that the expired certificate was deemed as a "minor informality since it is based on form and not of substance." As such, GSA instructed the winning bidder to submit a current certificate on November 9, 2010.

Based on OPA's legal counsel review, we disagree with GSA's contention that this was a minor informality and that the subsequent submission cured the defect. Because this was an IFB, the winning bidder was non-responsive at bid opening. Had this procurement gone through the AG's review, this defect may have been discovered and the other vendor awarded this bid.

Conclusion and Recommendation

The errors disclosed in our review of IFB No. GSA-081-10, as well as the number and nature of procurement appeals brought before the Public Auditor, underscore the need for more procurement training and legal advise at GSA. This review also brought to light the need for more secondary reviews of solicitations processed by GSA and to ensure that the AG's office thoroughly review purchases in excess of \$500,000. Given the significant number of procurements and amounts, GSA should have its own full-time legal counsel to advise and guide them throughout the procurement cycle.



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