COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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July 22, 2002

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **SHERIFF FINGERPRINT CONTRACT**

At the request of certain Board offices, we have reviewed the actions taken by the Sheriff to implement recommendations from our November 1, 2001 review of the Sheriff's fingerprint contract solicitation. In addition, we have reviewed additional issues that recently came to our attention.

Summary of Findings

Our review disclosed that the Sheriff has analyzed and adequately addressed the specific issues raised in our initial report. Our review also disclosed that the Sheriff has addressed certain additional issues that recently came to our attention. These issues, including vendor appeals, responses to certain bidder questions, and bid pricing are discussed below.

While we noted several problems with the Sheriff's solicitation process for this contract, in our opinion, none of the issues suggest the contract should be re-bid or the proposals re-evaluated. We are working with Sheriff management to help improve future contract solicitations.

Vendor Appeals

The Sheriff received appeals of the contract award from two vendors, and the Sheriff recently developed responses to the issues raised in the appeals. Auditor-Controller and CIO staff reviewed the Sheriff responses and discussed the Sheriff's reasoning with Sheriff management. Based on our review, the Sheriff's responses appeared

reasonable, and we found no issues that, in our opinion, would preclude the Board from proceeding with the contract award.

It should be noted that certain issues raised by one of the vendors were very technical in nature. We discussed these issues with CIO managers who indicated they believed the Sheriff's responses were reasonable.

Vendor Input Speed Questions

As part of written vendor questions and answers, and prior to vendors submitting proposals, a vendor suggested that input processing time was very important and suggested the Sheriff include the issue as a decision factor in evaluating proposals. The Sheriff responded in writing to all potential bidders that fingerprint input processing time was not part of the Sheriff's requirements and the Sheriff would not change its requirements. However, we noted the Sheriff's evaluation committee concluded that a reason they selected Cogent was that Cogent's system allows for significantly faster input of fingerprint information. In addition, one vendor raised this apparent contradiction in their appeal letter. Therefore, it appears the Sheriff may have misled bidders as to the importance of fingerprint input processing time.

While the Sheriff's response to the vendor question appears to be inconsistent with the selection criteria used by the evaluation committee, we believe the impact was minimal. Assuming vendors were mislead, the issue is whether vendors would have provided different systems had they known input speed was important. We noted the RFP states that vendors were required to provide their best systems. Therefore, we have no reason to believe that vendors would have provided quicker systems, had the Sheriff indicated to vendors that input processing time was important. In addition, the vendor that raised this issue did not indicate in their appeal letter that they could have provided a quicker system. Therefore, the incorrect answer to the vendor's question does not appear to have had any effect on the determination of which vendor to select.

Cost of Optional Equipment

Subsequent to the vendor selection process, the Sheriff elected to purchase optional equipment from the selected vendor. Sheriff management indicated that during contract negotiations, it became apparent that the optional equipment was more important than they previously thought.

Three of the four bidders submitted cost proposals for the optional equipment. However, we noted the Sheriff did not include the cost of the optional equipment when evaluating vendors' bid prices. We re-scored the proposals based on total vendor bid prices, including optional equipment, and noted that, because the scores were originally so close, a different vendor would have been the top scorer by approximately 130 points (out of approximately 18,000).

However, we believe this to be a relatively minor issue since the 130 point variance between the vendors represents less than a 1% difference. Therefore, the scoring was a virtual tie. In addition, we noted the Department was able to encourage the selected vendor to reduce its price for the optional equipment from $3.2 million down to $800,000 during contract negotiations. Using the negotiated optional costs the original selected vendor would still be the highest scorer.

If you have any questions about this review, please contact Pat McMahon at (213) 997-0729.

JTM:PTM:DR

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Leroy D. Baca, Sheriff
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