



**DAVE G. RHODES, CHIEF AUDITOR – TASK ASSIGNED
OFFICE OF THE CHIEF AUDITOR**

PHONE: 754-321-2400 **FAX:** 754-321-2719 **EMAIL:** dave.rhodes@browardschools.com

DATE: August 29, 2024

TO: School Board Members

FROM: Dave Rhodes
Chief Auditor – Task Assigned

SUBJECT: **ADDITIONAL INFORMATION FOR DD-1, HCT - PERFORMANCE AUDIT REPORT BID #19-23E INTERCOM PROJECT, FROM THE SEPTEMBER 10, 2024 REGULAR SCHOOL BOARD MEETING**

Attached is additional information regarding DD-1, HCT - Performance Audit Report Bid #19-23E Intercom Project, for the September 10, 2024 Regular School Board Meeting. This additional information includes an attachment that was requested by the Audit Committee during its meeting on August 8, 2024. The attachment was not available by the initial delivery deadline.

DGR:dt
Attachment(s)

c: Senior Leadership Team

Audit Committee Motions Related to the HCT Performance Audit Report for Bid #19-123E - Intercom Enhancement and Maintenance

The Audit Committee discussed the HCT Performance Audit Report for Bid #19-123E - Intercom Enhancement and Maintenance at three of its regular meetings and at two additional special meetings on Teams. The agendas, documents, minutes, and recordings for each may be accessed below.

[04/11/24](#) - Agenda documents included the audit, bid document, and Safe Havens report

[06/20/24](#) - Agenda documents included the audit

[07/11/24](#) (Virtual) - Agenda documents included additional RFP documents, Board member follow-up related to Rauland Borg’s Telecenter U, vendor proposals and evaluations, District fire alarm specification information, and the 6/7/18 MSD Commission transcript

[07/18/24](#) (Virtual) - Agenda documents the same as 7/11/24 but also included comments from the 7/11/24 Teams chat.

[08/08/24](#) – Agenda documents included design specifications from Palm Beach and BCPS, intercom budget and scope, ITB24-075, and the 7/15/24 General Counsel response to the Audit Committee motions from 4/11/24.

At the 8/8/24 Audit Committee meeting, as a result of its review to date and responses received from staff, the Audit Committee passed the following motion:

Motion to Transmit the HCT Audit with Audit Committee member comments from the 7/18/24 Audit Committee meeting and to retransmit previous motions related to the audit. Passed Unanimously.

7/18/24 Comments:

Audit Committee follow up requests:

1. Engage an expert to evaluate the capability of the system in its current state and whether or not the system acquired meets generally accepted features of such a system. a) Status of original 53 schools b) Status of remaining schools
2. The scope does not seem to address the “Also, to be determined is whether purchases followed technology selection guidelines and the original intent of BCPS’s elected officials.”
3. Has the additional funding been approved and what exactly is included in the appropriation.
4. Did Rauland Borg overbill the district or underperform according to its contractual obligations.
5. It appears that the Penton addition provided the additional component to give the district the state-of-the-art system originally contemplated.

Previously Transmitted Motions

4/11/24 Audit Committee Meeting:

Motion#1: Agenda Item 6: HCT – Performance Audit Report - Bid #19-123E Intercom Enhancement

- a. [RFP 19-123E](#)
- b. [Safe Haven Report](#)
- c. Motion: So the motion asks the chief auditor to send this report to the attorneys to review and look at whether any of the actions taken by staff were approved by the school board in closed-door; whether there's a way to recover any of the money expended with the original vendor; and to hire a technical expert to review the scope of the RFP; and also whether there were violations of school board policy including procurement policy.
 - a. Moved by Shaw; seconded by Fertig. Passed Unanimously.

Note: General Counsel rewrote these questions, answering questions that were different than the questions posed. Memo is included with this document.

6/20/24 Audit Committee Meeting:

Motion#3 - AC Agenda Item #7(a): HCT Intercom Audit

We request an update from legal on the recovery of funds on monies mismanaged during this project.

Moved by Fertig; Seconded by Naylor. Passed unanimously.

Motion#4 - AC Agenda Item #7(a): HCT Intercom Audit

We recommend the Board determine the functionality of each fire alarm, intercom, and emergency communication system in every school by 7/15/24.

Moved by Fertig; Seconded by Naylor. Passed unanimously.



MARYLIN C. BATISTA, GENERAL COUNSEL
OFFICE OF THE GENERAL COUNSEL
PHONE: 754-321-2050 FAX: 754-321-2705

DATE: July 15, 2024

TO: Dave. G. Rhodes, Chief Auditor - Task-Assigned

FROM: Marylin C. Batista, General Counsel, and Robert Paul Vignola, Deputy General Counsel

SUBJECT: *Audit-052924-01 - Performance Audit Report of HCT Certified Public Accountants and Consultants, LLC Regarding a Contract Awarded to Rauland-Borg Corporation of Florida under RFP #19-123E – “Intercom Enhancements and Maintenance”*

Prepared Pursuant to Rule X of School Board Policy 1070 - District Committees and Their Membership. The responses herein are based on the factual representations contained in the Performance Audit Report.

Question One: Did the RFP and Contract awarded to the Primary Vendor violate any School Board Policies, including Section 3320 - “Purchasing Policies”?

Summary Answer:

The initial contract awarded to the Primary Vendor did not violate School Board Policies or laws. However, the conversion of RFP 19-123E from a standard intercom installation to an emergency communication system violated School Board rules, policies, and case law governing procurement, and improperly administered the contract. The actions taken by the school district staff violated Section 6A-1.012(1)(e), (2), and (3) of the Florida Administrative Code and former School Board Policy 3320 (now Part II of School Board Policy 3800).

Expanded Answer:

A competitive solicitation process, such as an ITB, RFP, RFQ, or ITN, establishes the framework for public procurement. Proper bid specifications ensure competitive and comparable bids. Florida case law emphasizes that clear specifications are essential for valid contract awards.

Section 6A-1.012(2), Florida Administrative Code, and former School Board Policy 3320 (now Part II of School Board Policy 3800) require the Superintendent to propose standards and specifications before purchasing commodities or contractual services.

Part IX of School Board Policy 3800 states as follows: “**The school district end-user shall develop the scope of services and the requirements needed for a competitive solicitation with guidance and advice from Procurement and Warehousing Services.**”

Public bid requirements must not be altered after bid submission. Case law supports that any changes post-submission voids the contract award.

The HCT Audit Report revealed that school district staff converted RFP 19-123E without proper authority and consultation, leading to unauthorized contract modifications¹.

Question Two: Were the actions taken by school district staff regarding the Contract approved by The School Board in a closed-door security session?

Answer:

The School Board does not approve contract revisions during closed-door security meetings.

Question Three: Can The School Board recover any funds paid to the Primary Vendor under the Contract?

Summary Answer:

There is no indication that the school district invoked the necessary contract conditions for nonconformance or default during contract administration. As such, litigation to recover funds would likely face significant defenses.

Expanded Answer:

The Contract included clauses for addressing nonconformance and default, requiring specific procedures for The School Board to declare a default and seek remedies. The HCT Audit Report shows no evidence that these procedures were followed before the Contract expired, which would complicate any litigation efforts.

¹ Note: The HCT Audit Report's "Timeline" and its "Schedule of Events" both contain an identical brief entry that says "Legal Dept Directive for Rauland Basis of Design and to Change Spec – 6/6/2019." District staff contacted one of the Office's attorneys with questions about specifications for an intercom system and those specifications for an emergency communications system. Specifically, the attorney was asked to provide guidelines for use in the inspection of newly installed IP based systems (Rauland) and allow for the approval of maintenance at schools which are still using the older technology (Dukane). The attorney was only provided limited facts about the matter by school district staff and was not advised of any conflicts with the procurement of such systems. Rather, the query appeared to be about how to make the existing intercom system function in conjunction with other systems being installed. Notably, the school district staff members did not consult with the General Counsel's Office attorney who had just approved the Contract that was awarded under the RFP. Employees of the Department of Purchasing and Warehousing Services and of the school district end-user departments have long been counseled to first bring any contract administration issues to the attorney who approved the contract as to form and legal content. It also appears that the discussions about changing specifications did not involve personnel from PWS. The inclusion of these personnel within the contract administration discussion would have likely averted the purchasing issues at hand.

Page 3 of 3

Question Four: Should The School Board hire a technical expert to review the RFP and Contract scope?

Summary Answer:

The hiring of a technical expert at this time might provide some additional details about the procurement. However, the potential costs of a technical expert would likely be an unrecoverable expense due to the failure to adhere to the contract procedures.

Please contact this Office at your convenience if any further guidance is required.

MCB:rpv

C: Jaime Alberti, Chief Safety & Security Officer
Wanda Paul, Chief Strategy & Innovation Officer
Mathew Bradford, Chief Information Officer (Task Assigned)

S:/allwork-use/sbhc/memos/internal/2425year/240710hctauidintercom
Fritz/allwork/memos/memo-rhodes-RFP-Intercom Enhancements HCT audit 7-15-24