



**OFFICE OF INSPECTOR GENERAL
CITY OF JACKSONVILLE**

**CONTRACT OVERSIGHT OBSERVATION
NUMBER 2016-10-0008**

James R. Hoffman
Inspector General

ISSUE DATE: JUNE 9, 2017

“Enhancing Public Trust in Government”

ALLEGATION OF FAVORITISM IN THE AWARD OF JEA CONTRACT

The Office of Inspector General (OIG) received an anonymous complaint that the Solicitation for Participation in Repair and Installation of Video Surveillance Systems (IFB 100-15) would favor one particular vendor (a former employer of the Jacksonville Electric Authority (JEA) employee).

Summary of Findings:

The OIG conducted a review of the relevant JEA documents and could find no evidence to support the allegation that a JEA employee was attempting to manipulate the JEA procurement process by creating an IFB that would favor one particular vendor.

Detailed Findings:

On October 20, 2015, the OIG received a complaint that IFB 100-15 was created by a JEA employee to “steer the job . . . to his former employer and old buddy . . .” a company called Access Limited, Inc. (Access). The purpose of IFB 100-15 was to award a contract for the repair and installation of video surveillance systems of the JEA, the Jacksonville Transportation Authority (JTA) and the Jacksonville Port Authority (JPA). The complaint alleged that IFB 100-15 was written in a way to favor one bidder because it: 1) required potential vendors to be a dealer of a specific manufacturer of security cameras (Geutebrück Security Inc., hereafter “GSI”); 2) this requirement was specifically because Access is a dealer for GSI; 3) JPA and JTA do not use GSI camera systems; and 4) that while IFB 100-15 contains a list of material with thirteen (13) manufacturers, the potential vendor was required to be a dealer for only one of these manufacturers, specifically, GSI.

On or about October 14, 2015, JEA caused to be published the solicitation for IFB 100-15. JEA advertised IFB 100-15 pursuant to the JEA Procurement Code (JEA Code). Article 3-104 of the JEA Code requires all JEA contracts to be awarded through a competitive sealed bid process. In response to the IFB 100-15 solicitation, JEA received bids from United Security Alliance, Inc. (USAi), G4S Secure Integration LLC, and Securadyne Systems Southeast, LLC. All bids were received by the November 3, 2015, deadline set forth in IFB 100-15.

Pursuant to the bid results compiled by JEA on November 3, 2015, USAi was the lowest bidder. These bids were evaluated by the Awards Committee at its November 19, 2015, meeting. Access did not submit a bid and was not considered by the JEA Awards Committee.

On November 19, 2015, the JEA Awards Committee awarded the contract to USAi, in the amount of \$6,261,567.97 for a period of five (5) years. A contract was formally entered into by the parties on December 11, 2015 (Contract). Pursuant to a September 29, 2015, Memorandum of Understanding (MOU) between JEA, JTA and JPA, the parties would each sign its own contract with the vendor.

Conclusion:

The OIG review found no facts to support the allegation that a JEA employee attempted to manipulate the bid process to favor the winning (or any other) bid. The contract for IFB 100-15 was awarded to USAi and not Access. While the allegation may be dismissed because of this fact, the OIG review will address each of the alleged facts asserted in the complaint.

The complaint asserts that: 1) IFB 100-15 required potential vendors to be a dealer of GSI security cameras; and 2) this was done because Access is a dealer for GSI. The allegation is correct in that IFB 100-15 required potential vendors to be a dealer of GSI security cameras. As noted in IFB 100-15, the “JEA Security group has standardized on the Geutebrück video surveillance solution and requires all video surveillance equipment to be fully compatible.” IFB 100-15, Section 1.1.1, Scope of Work. This fact does not support the allegation of misconduct because there is no prohibition in the COJ Procurement Code or the JEA Code against requiring a potential contractor to be a licensed dealer for a particular type of equipment. A review of the JEA Code notes that a contract “may be awarded for Supplies or Services with limited or no competition when the Supplies or Services: . . . b) must be a certain type, brand, make or manufacturer (proprietary); . . .” JEA Code, Section 3-112. Whether Access is a dealer for GSI is not relevant because Access did not submit a response to the solicitation for IFB 100-15.

The complaint also alleged that JPA and JTA do not use GSI camera systems. This allegation is false. Pursuant to JEA, JTA and JPA records, all three agencies utilize GSI camera systems. A draft solicitation noting the GSI camera requirement was provided by JEA to both JTA and JPA on or about September 23, 2015. The September 29, 2015, MOU clearly stated that each of the party agencies “have purchased and installed an access control system using the AMAG Symmetry Control System (the ‘Access System’); . . .” JEA and JTA have both notified the OIG that the Access System uses GSI cameras. Based on the documentation of the MOU and the draft solicitation both JTA and JPA were aware of, and in agreement with, the Solicitation and used GSI camera systems as part of each agency’s Access System. There is no indication in the documentation that the Access System referred to in the MOU is in any way associated with the company Access Limited, Inc.

Lastly, the complaint asserts that while IFB 100-15 contains a list of materials with thirteen (13) manufacturers, the potential vendor was required to be a dealer for only one of these manufacturers, specifically, GSI. As with the requirement that a potential vendor be a dealer of standardized equipment, there is no prohibition against requiring a contractor or vendor to be a dealer of one product used by the COJ (or JEA, JTA or JPA) even where there are multiple products contemplated under the project.

The OIG has concluded its review of this matter and determined that no further action by the OIG is warranted.