



Independent Procurement Review Report

Why We Did This Review

In accordance with Atlanta City Charter Article 8, Section 8-107, the Independent Procurement Review Division of the Office of the Inspector General must review all solicitations with an aggregate value of \$1,000,000 or greater, seeking approval by the Atlanta City Council, for file completeness, conflicts of interest, and other areas of perceived deficiency.

Solicitation#	IFB-C-1230054
Estimated Dollar Amount:	\$3,940,000- Term: one year with a one-year renewal option
Type of Procurement:	Invitation for Bids
Contract Description:	2021 LMIG Street Resurfacing, Group 2- South
Requesting Department:	Department of Transportation
All Bidders:	Magnum Paving C.W. Matthews Contracting Co. Stewart Brothers, Inc.
DOP Responsive Bidders:	Magnum Paving C.W. Matthews Contracting Co.
Recommended Awardee:	Magnum Paving

TABLE OF FINDINGS

Review Area	Risk/Criteria	Results	DOP Response
Evaluation Team	DOP procedures require evaluators to possess the necessary and appropriate experience needed to evaluate the proposals or offerors submitted to the city.	No finding identified	N/A
Solicitation	<ul style="list-style-type: none"> Bids shall only be evaluated on requirements and evaluation criteria outlined in the formal solicitation (DOP SOP 4.3.6.(E)(3). Having selection criteria established in the solicitation can help prevent bid manipulation. Evaluation criteria that are too vague or subjective can allow for manipulation of the scores. 	No findings identified	N/A
Advertisement/ Addenda	<ul style="list-style-type: none"> Changing the solicitation criteria to favor a particular proponent is a red flag of potential bid rigging (International Anti-Corruption Resource Center). Too many addenda could indicate unclear specifications or unclear scope of work, which could also favor a particular proponent. 	DOP issued three addenda, which provided answers to 11 questions, and revised the required submittals.	No response required

Review Area	Risk/Criteria	Results	DOP Response
Submittal	<p>The city code and DOP policy and procedures provide guidance for the receipt of competitive sealed bids.</p> <ul style="list-style-type: none"> • Bidders must provide sealed bids via the ATCLcloud electronic procurement system, no later than 2:00 P.M., ET on date specified in the advertisement or addenda. • Bids shall be received without alteration or correction except as authorized by the CPO. (City Code Sec. 2-1188). 	<ol style="list-style-type: none"> 1) One subcontractor of the recommended awardee was listed in the OCC recommendation memo, however a letter of intent (LOI) was not submitted. 2) Two subcontractors submitted the IIREA and LOI forms for more than one proponent. This can be an indication of collusive bidding. 	<ol style="list-style-type: none"> 1) OCC reviewed the information and made the determination of responsiveness. 2) The IIREA forms for subcontractors are not mandatory for submission with bids (only the IIREA for prime contractors are mandatory at bid submission). The use of subcontractors typically overlaps for prime contractors as they exercise good faith efforts to meet OCC participation goals. OCC reviewed the information and made the determination for responsiveness.
Responsive Review	<ul style="list-style-type: none"> • DOP procedures require findings to be recorded on a responsive checklist which identifies specific submittal requirements for the project and identifies a bidder's compliance with those required documents. • Unclear or inconsistent responsiveness determinations could be a red flag of bid manipulation. 	<p>The recommended awardee failed to provide a Georgia Utility contractor's license and SAM Exclusion verification as required by DOP's responsiveness review. DOP determined the Georgia Utility contractor's license was not a part of the required submittals, however this was listed as a requirement on the responsiveness review. DOP noted on the responsiveness review that no matches were found for the SAM Exclusion verification.</p>	<p>No response required</p>
Conflict of Interest	<p>The city's standards of conduct prohibit employees from having financial conflicts of interests. Contracts must be awarded and administered free from improper influence or the appearance of impropriety.</p>	<p>No findings identified</p>	<p>N/A</p>

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Evaluation	<ul style="list-style-type: none"> • DOP procedures require procurement staff to compile the evaluation scores, including those from risk management and contract compliance. • Public procurement practice states that any arithmetical errors should be corrected, and scores should be recorded in grids/matrices (NIGP). • According to the International Anti-Corruption Resource Center, bids that are too close together (less than 1%) or too far apart (more than 20%) could be indicators of collusive bidding. 	<p>1) The OCC evaluation reviewed two of three proponents. No evaluation was indicated on the OCC memo for the third proponent. Two proponents were deemed responsive although the 35% minimum EBO goal requirements were not met.</p> <p>2) The bid spread was 21.54% between the highest and lowest bidder.</p> <p>A bid spread is the percentage difference between the lowest and highest bids as a percentage of the lowest bid.</p> <p>Bids more than 20% apart could be an indication of collusive bidding. The bid spread is 21.54%. A bid spread more than 20% could be an indicator of collusive bidding.</p>	<p>1) One proponent was deemed non-responsive by DOP. DOP does not forward non-responsive bids/proposals to OCC for evaluation. OCC reviewed the information and made the determination for responsiveness.</p> <p>2) Each bid is submitted individually and reviewed/evaluated of its own merit. Based upon the individual business decisions of suppliers, it is expected that they submit a competitive bid, and the user agency makes an informed decision for all factors of evaluation.</p>
Cancellation	<ul style="list-style-type: none"> • The Government Accountability Office states that the use of standard language such as “in the best interest of the city” without a specific justification for cancellation could be a fraud indicator. • Transparency International states that effective record-keeping of decisions and reasons for cancellation promotes accountability and transparency. 	No findings identified	N/A
Award	A contract file should include all project items, to confirm that each phase of the procurement was facilitated appropriately and audit-ready (DOP SOP Sec. 3.18)	No findings identified	N/A