



Maricopa County

Internal Audit Department

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To: Maricopa County Board of Supervisors
From: Ross L. Tate, County Auditor
Subject: Audit Report: Painting Services Contract
Date: November 24, 2015

Conclusion: We reviewed the County's painting services contract for compliance with contract requirements. This contract is used primarily by the County's Facilities Management Department (FMD). We found no issues with pricing and with bid supporting documents. However, some contractually-required terms were not followed, and one project was awarded to a vendor whose bid was \$10,918 higher than the competing bid.

Observation: We reviewed 18 invoices totaling \$698,346 for compliance with contract pricing and invoicing provisions. We found that all 18 invoices matched the prices quoted, that taxes were correctly calculated, and that all available payment discounts were taken. However, 16 of 18 (89%) vendor invoices in our sample were missing contractually-required information, such as contract numbers, project sites, work and purchase order numbers, bid terms, project quote sheets, and descriptions of services.

We reviewed eight painting project bids. FMD awarded one project to a vendor whose total bid was \$10,918 higher than that of the competing bid. The bid was selected based on the project cost before taxes, rather than the total cost (including taxes). The contract specifies that bid evaluations should be based on total cost. In addition, the contract requires Office of Procurement Services (OPS) approval for projects over \$150,000. However, FMD did not obtain OPS approval for the two projects over \$150,000.

We provided detailed audit results to FMD. Department management concurred with our recommendations, and will be strengthening controls over the areas mentioned in this report. The contract recently expired and was not renewed.

Objective: Our objective was to determine that the County was receiving services in compliance with contract terms and payment requirements. The scope of our work included fiscal year 2014 expenditures, which totaled \$1.1 million.

This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a public record and its distribution is not limited. This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. If you have any questions about this report, please contact Stella Fusaro, Audit Manager, at 602-506-1777.