

Audit Report No. 2017-005-PC  
March 2018

**OFFICE OF INDEPENDENT INTERNAL AUDIT**

**Sole Source Contracting Process**

**DEKALB COUNTY GOVERNMENT**  
Purchasing and Contracting Department



John L. Greene, CIA, CIG, CGAP, CGFM  
Chief Audit Executive

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John Greene  
Chief Audit Executive

**PURCHASING & CONTRACTING DEPARTMENT  
SOLE SOURCE PROCUREMENT PROCESS  
AUDIT REPORT NO. 2017-005-PC**

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## **What We Did**

In accordance with the Office of Independent Internal Audit (OIIA) Annual Audit Plan for fiscal year 2017, we conducted a performance audit of the DeKalb County sole source procurement process to assess compliance with Purchasing and Contracting's sole source policy and procedures.

In addition, we benchmarked the County's sole source procurement processes to the Federal Acquisition Regulations (FAR), US Code of Federal Regulations, United States Government Accountability Office (GAO) Resources (Green Book/Blue Book) and the Georgia Procurement Manual to identify opportunities for strengthening the effectiveness and efficiency of the sole source procurement process.

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## **What We Found**

We noted that Purchasing and Contracting (P&C) has established control activities for sole source procurement, such as policies and procedures, to mitigate risks that can occur in the administration of sole source procurement process. However, we observed instances of noncompliance regarding the policy and procedures, as summarized below:

- Insufficient maintenance of supporting documentation for sole source procurement
- Incomplete sole source vendor request applications
- Inadequate or missing evidence to validate the status of the requested vendor as a sole source vendor
- Insufficient evidence of proper approval of sole source requests
- Inadequate evidence of Board approval on sole source requests over \$100,000 and subsequent change orders

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## **What We Recommend**

We recommend the Purchasing Director/Chief Procurement Officer consider:

- Implementation of controls to ensure required documentation, such as NCPR (Non-Competitive Procurement Request) forms, supporting documentation, etc., are consistently available in the sole source vendor files
- Disapprove incomplete sole source requests to ensure established controls are operating properly
- Provide countywide training for all parties responsible for completing the NCPR form to ensure effective and efficient processing/maintenance of the sole source vendor request

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- Communicate formal notification to User Departments and vendors regarding the County's requirement of sole source vendor declaration letter
- Revise the NCPR form to include 'print name' lines to clearly identify preparer/approvers on sole source requests
- Implement a standard form to document evaluation/verification research performed by P&C staff to validate the sole source vendor's status
- Require direct evidence of the Board of Commissioners' (BOC) approval, such as BOC meeting minutes, on sole source awards over \$100,000 and applicable change orders

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## **BACKGROUND AND INTRODUCTION**

“A ‘sole source’ procurement can be defined as any contract entered into without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements. Although states generally do not permit non-competitive procurements by statute, exceptions are allowed where competition is not feasible.”<sup>1</sup>

DeKalb County Purchasing Policy states that, “all sole source purchases must be authorized by the Director [Chief Procurement Officer]. Prior to authorization, written justification must be signed by [User] Department Director and submitted to Purchasing and Contracting for evaluation.”

The County’s Purchasing Policy further states, “based upon evidence that a particular commodity or service may be obtained from only one source and no similar commodity or service available from a different source will adequately meet an acquiring office’s requirements and specifications, the Director [Chief Procurement Officer] may decide that the commodity or service be purchased sole source or by reference to a brand name based upon supporting documentation from the requesting department. All such purchases where cost is in excess of \$100,000.00 shall be approved by official action of the Governing Authority [Board of Commissioners].”

The County’s procedures for processing sole source Purchase Request as depicted in the Purchasing Desk Reference Procedures Manual [and augmented with input received from P&C Management] are described below:

*The process is initiated via email, requisition or paper memo containing the Non-Competitive Purchase Request from the User Department. The P&C Agent/Tech reviews the NCPR form for explanation, justification and User Department Director’s signature. If NCPR is complete, the P&C Agent/Tech conducts evaluation/verification research of requested vendor’s Sole Source status, which includes Internet searches, previous vendor procurement history and spend amount. The Agent/Tech obtains a valid Sole Source letter signed by a company representative with the knowledge of the product or service on the company’s letterhead and a quote. The Agent/Tech makes written recommendation to include the supporting Sole Source vendor evaluation/verification research, initials the NCPR Form and forwards the documentation to the Agent/Tech’s immediate Manager for review and concurrence. The immediate Manager initials concurrence and forwards to Director [Chief Procurement Officer] for final approval and signature. If the Sole Source request is greater than \$100,000.00, the Agent/Tech prepares an agenda item to submit the request to the Board of Commissioners for approval. Upon approval, the Agent/Tech processes a Purchase Order (PO)/or other agreement. The Agent/Tech attaches the NCPR form and other supporting documentation to the PO or agreement and uploads all documents to Oracle.*

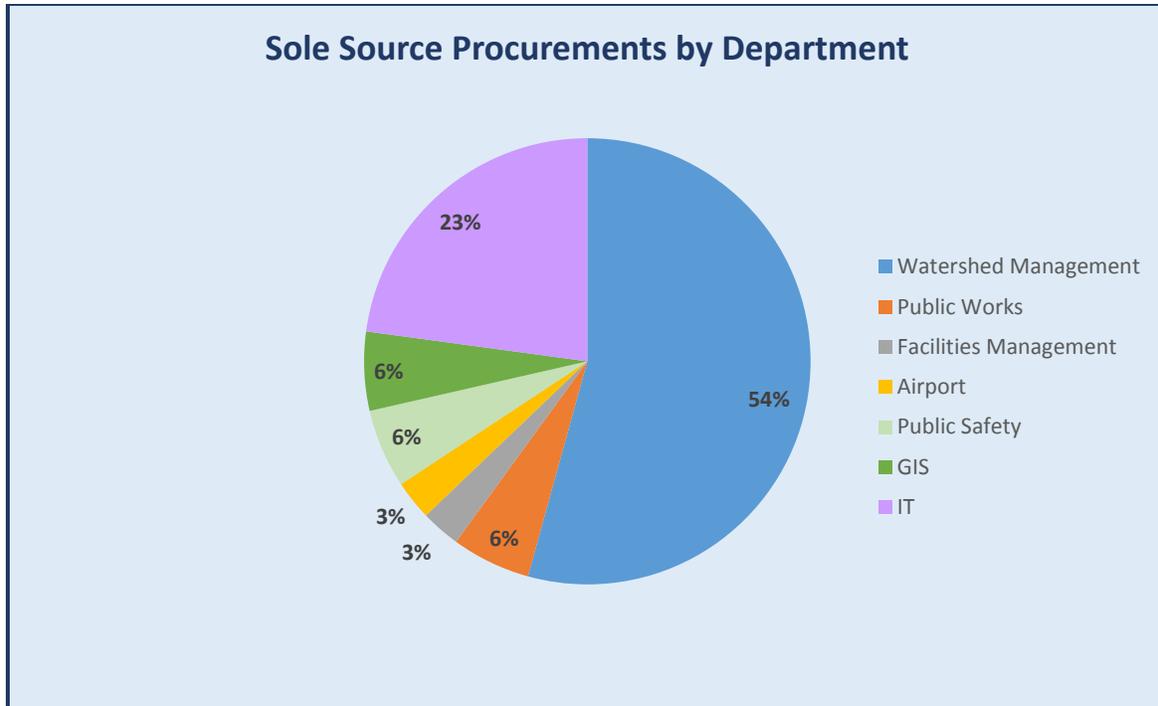
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<sup>1</sup> [http://www.naspo.org/SoleSourceProcurement/7-Question\\_Sole\\_Source\\_Procurement\\_briefing\\_paper-1-13-15.pdf](http://www.naspo.org/SoleSourceProcurement/7-Question_Sole_Source_Procurement_briefing_paper-1-13-15.pdf)

## AUDIT RESULTS

During this engagement, OIIA examined 35 sole source files where we identified instances of noncompliance with the established policies and procedures, as detailed below in our findings. The corresponding recommendations to the findings will assist P&C in its mission to provide excellent and transparent procurement services to stakeholders and all others.

Based on the 35 files randomly selected for this audit, the chart below depicts the percentage of sole source procurements by department for period the January 1, 2014 to March 31, 2017:



Our engagement identified some better practices for consideration in addressing the sole source procurement requirements in **Appendix III**.

### FINDING 1- INSUFFICIENT MAINTENANCE OF DOCUMENTATION FOR SOLE SOURCE VENDOR REQUEST

**Objective:** To assess compliance of the sole source procurement process with the Purchasing and Contracting’s policy and procedures.

**Criteria:** Per Purchasing & Contracting Desk Reference Procedures Manual (page 5) and interviews with the Chief Procurement Officer (CPO) and Procurement Managers, “to initiate the request for a sole source vendor, the user department must complete the NCPR (Non Competitive Purchase Request) form.”

P&C Management further stated that processed NCPR Forms and supporting documentation are uploaded and maintained in the Oracle financial system.

**Condition:** Of the 35 sampled files reviewed, 20 percent (7 out of 35) of the NCPR forms were missing from the sole source vendor files. In addition, none of the vendor files reviewed in Oracle

were complete. Thirty-four vendor files contained some documentation and one vendor file had no information.

**Cause (where identifiable):** In one case, the Procurement Manager explained that the sole source vendor request was processed in error, prior to approval and no documentation was maintained.

**Consequence:** Failure to require properly maintained sole source vendor files may lead stakeholders and other open record requesters to infer inconsistent adherence to the County's Purchasing policy, procedures, lack of transparency, and lack of management oversight regarding the processing of sole source requests.

**Recommendation:**

We recommend that the CPO implement oversight controls to ensure the required documentation, such as NCPR forms, supporting documentation, and, etc., are maintained in the sole source vendor files to allow for proper work trails and accountability when processing sole source procurements.

**FINDING 2- INCOMPLETE SOLE SOURCE VENDOR REQUEST APPLICATION**

**Objective:** To assess compliance of the sole source procurement process with the Purchasing and Contracting policy and procedures.

**Criteria:** DeKalb County Purchasing Desk Reference Procedure Manual (page 5-step 2) states, "Review NCPR form for explanation, justification & Department Director's signature." The Purchasing Policy (page 12) states that, "All source purchases must be authorized by the Director, prior to authorization, and written justification must be signed by the Department Director."

**Condition:** We examined thirty-five (35) sole source files and found 57 percent (20 out of 35) contained incomplete NCPR forms. The discrepancies that we found are listed below:

- Two different forms were being used for sole source request by user departments in 2014
- The general description of requested product/services completed by user departments was inadequate and did not allow for proper research by P&C staff to verify the sole source vendor
- Eleven percent of the NCPR forms were not signed by user department director
- Forms signed by staff, such as the user department deputy director or the manager, did not include documentation signifying signatory authority by user department director

**Cause (where identifiable):** The NCPR form does not list an effective date; hence, P&C staff was unaware of the effective date of the NCPR form.

P&C staff did not ensure completeness of the NCPR form before processing the sole source request.

**Consequence:** Incomplete sole source vendor requests forms can increase the risk of fraud, which can result in collusion with a vendor and can create inefficiencies in processing sole source requests. In addition, it could lead stakeholders reviewing the documents to assume that sole source purchases were unjustified and/or improperly awarded without competition or prior review.

**Recommendation:**

When forms are updated or revised, we recommend that forms within P&C be controlled through the version number and effective date denoted at the header or footer of each page. Furthermore, forms updated on the P&C's website should inform online users that the form has been updated and the effective date.

P&C staff should not process incomplete NCPR forms. In addition, the CPO should consider countywide training on completing the NCPR form and processing/maintenance of the sole source vendor request. All training sessions should include an employee training attendance sheet, which certifies by signing the attendance sheet that the employee has received training, understands, and agrees to their responsibilities for completing the NCPR form.

During this engagement, the P&C staff were briefed on the recommendations and began taking immediate corrective action to post the NCPR form to the County's intranet site with an effective date of September 21, 2017. We commend P&C staff for their initiative to take corrective action.

**FINDING 3- INADEQUATE EVIDENCE TO VALIDATE SOLE SOURCE VENDOR'S STATUS**

**Objective:** To assess compliance of the sole source procurement process with the Purchasing and Contracting's policy and procedures.

**Criteria:** Per P&C's Desk Reference Procedure Manual (page 5) and interviews with P&C staff, [Procurement Agent] conducts and signs off on research performed on proposed sole source vendors using internet search engines, previous spend history, and contact with other agencies. The Procurement Agent obtains a valid signed sole source letter on company letterhead and quote from the manufacturer/supplier prior to processing the sole source vendor request.

**Condition:** Of the thirty-five files we examined, none contained sufficient or adequate evidence to validate the requested vendor's sole source status. Our examination revealed the following:

- Six percent of the files (2 out of 35) contained unsigned research information making it difficult to determine whether P&C or the user department performed the research. Eighty-six percent of the files (30 out of 35) contained no evidence of research to validate vendor's sole source status
- Forty-three percent (15 out of 35) of the files contained sole source declaration letters signed by vendor's sales, parts service, or unidentified personnel. In addition, we observed sole source vendor letters requested by and addressed to the user department, not P&C
- Forty-nine percent (17 out of 35) of the files were missing the sole source declaration letter
- Twenty-nine percent (10 out of 35) were missing the vendor's quote to validate vendor's ability to meet unique specifications for the sole source request

**Cause (where identifiable):** P&C staff did not ensure compliance with their internal procedural manual for sole source requests.

**Consequence:** The absence of required documentation to validate the sole source status of the proposed vendor could lead to the public perception of favoritism and bias in awarding of sole source procurements.

**Recommendation:**

We recommend CPO consider:

- Establish a standard form for use by P&C staff when performing evaluation research to validate the status of the requested sole source vendor
- Communicate formal notification to the user departments and vendors regarding the County's requirement of sole source vendor declaration letter
- Obtain the declaration of sole source status and quotation on a signed letterhead from corporate marketing (not sales representative), president, authorized agent, or authorized company representative

**FINDING 4- INSUFFICIENT EVIDENCE OF APPROVAL PROCESS OF SOLE SOURCE REQUESTS**

**Objective:** To assess compliance of the sole source procurement process with the Purchasing and Contracting's policy and procedures.

**Criteria:** Per P&C's Desk Reference Procedure Manual (page 5) and interviews with P&C staff, the Procurement Agent makes recommendation and signs the [NCPR] form, then forwards it to the immediate Procurement Manager who initials and submits the form to P&C Director for approval (signature).

**Condition:** We observed that the CPO did not sign twenty-one percent (6 out of 28) of the NCPR forms. Seven of the 35 files examined were missing the NCPR form and thus unavailable for examination. In addition, no 'print name' line exists to verify who signed the form, when the signature is not legible. The recommendation box on the NCPR form contained initials but it was difficult to decipher the owner of the initials without a 'print name' line.

**Consequence:** Improper or missing authorization could signify lack of staff accountability and management oversight that might lead to the risk of loss or fraud.

**Recommendation:**

We recommend CPO revise the NCPR form to include a line for the printed names and signatures of the Procurement Agent (preparer), Procurement Manager (reviewer) and the P&C Director (approver) to clearly identify the appropriate preparer/approver. In addition, P&C should consider converting the NCPR form to a file type that would allow for electronic signature approvals and proper accountability trail.

We commend the P&C staff for taking the initiative to take corrective action by revising the NCPR form to include printed name blocks, signatures, and the effective use date for the new form.

**FINDING 5- INADEQUATE EVIDENCE OF BOARD APPROVAL ON SOLE SOURCE REQUESTS OVER \$100,000 AND CHANGE ORDERS**

**Objective:** To assess compliance of the sole source procurement process with the Purchasing and Contracting's policy and procedures.

**Criteria:** Per DeKalb County Purchasing Policy (page 21) and the P&C Desk Reference Procedure Manual (page 5, step 8), "All such purchases [sole source] where cost is in excess of \$100,000.00 shall be approved by official action of the Governing Authority [Board of Commissioners (BOC)]."

Additionally, per DeKalb County Purchasing Policy (page 29), "If the original contract or purchase order price does not exceed \$100,000.00, but the Change Order will make the total price of the contract exceed \$100,000.00, then the change order requires approval by official action of the Governing Authority [Board of Commissioners (BOC)]."

**Condition:** Based on the above criteria for sole source requests requiring BOC approval, 69 percent (11 out of 16) of applicable files contained inadequate evidence of BOC approval. Seventy-three percent of the eleven files included the BOC agenda item with the CPO's signature and BOC approval date affixed by the P&C Department, which does not lend itself to adequate evidence of BOC approval since these documents are produced in the P&C Department. The remaining 27 percent contained no documentation of BOC approval.

**Consequence:** The lack of adequate evidence showing BOC approval on awards over \$100,000 could lead to an incorrect assumption by stakeholders and others that noncompliance exist regarding County's policies and procedures to effectively control and safeguard assets.

**Recommendation:**

We recommend CPO require direct evidence of BOC approval on sole source awards over \$100,000, such as the BOC Summary documents. In addition, adequate support for other change orders or other modification of the contract term approved by the BOC should be maintained in the vendor's file.

## **APPENDIX**

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### **Appendix I – Purpose, Scope and Methodology**

#### **Purpose**

The purpose of this engagement was:

- To assess compliance with sole source procurements with the DeKalb County's Purchasing and Contracting policies and procedures
- Identify, where applicable, opportunities to strengthen the effectiveness and efficiency of the sole source procurement process

#### **Scope and Methodology**

The scope of this engagement was to examine documentation relative to the sole source vendor selection process from January 1, 2014 to March 31, 2017.

The methodology included but was not limited to the following:

- Discuss and obtain prior audit reports, if any
- Reviewing the DeKalb County purchasing policy and procedures
- Reviewing sole source contracts and agreements
- Examining supporting documentation to determine whether sole source contracts were in accordance with Purchasing and Contracting's sole source procedures
- Interviewing appropriate county personnel and external parties
- Reviewing any other applicable documentation and information

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**Appendix II – Management Response**



March 13, 2018

**MEMORANDUM**

**TO:** John L. Greene, Chief Audit Executive  
**FROM:** Talisa R. Clark, Chief Procurement Officer *Talisa Clark*  
**SUBJECT:** Audit of the Sole Source Purchases-Audit Report No 2017-005-PC

This memorandum will serve as the official response of the audit conducted on January 31, 2018 of the Department of Purchasing and Contracting (P&C or Department) Sole Source Purchases policy and procedures. After a thorough review of the audit report regarding Sole Sources, P&C responds as follows:

1. **Finding:** Insufficient maintenance of documentation for sole source vendor request

**Recommendation:** The CPO should implement oversight controls to ensure the required documentation, such as (Non-Competitive Procurement Request) NCPR forms, supporting documentation, and, etc., are maintained in the sole source vendor files to allow for proper work trails and accountability when processing sole source procurements

**Management Response:** P&C made improvements in 2016 to the maintaining of sole source procurements. The supporting documentation (NCPR form, etc.) is attached to the created purchase order (PO) and an electronic file is created on the Department's Y-drive for easy access.

The purchasing procedures manual is being updated to include this process.

2. **Finding:** Incomplete sole source vendor request application

**Recommendation:** When forms are updated or revised, the forms within P&C be controlled through the version number and effective date denoted at the header or footer of each page. Furthermore, forms updated on the P&C's website should inform online users that the form has been updated and the effective date. P&C staff should not process incomplete NCPR forms. In addition, the CPO should consider countywide training on completing the NCPR form and processing/maintenance of the sole source vendor request. All training sessions should include an employee training attendance sheet, which certifies by signing the attendance sheet that the employee has received training, understands, and agrees to their responsibilities for completing the NCPR form. During this engagement, the P&C staff was briefed on the recommendations and began taking immediate corrective action to post the NCPR form to the County's intranet site with an effective date of September 21, 2017. We commend P&C staff for their initiative to take corrective actions.

**Management Response:** P&C made improvements in 2017 to add the form revision date to the NCPR form. P&C will inquire with IT about the capability of forms being updated on the P&C's website to inform online users that the form has been updated and the effective date. P&C currently provides training to user departments and cover the appropriate completion of P&C forms. The NCPR form also has an instruction page for the user departments to follow prior to submission to P&C for processing.

3. **Finding:** Inadequate evidence to validate sole source vendor's status

**Recommendation:** The CPO should consider: Establish a standard form for use by P&C staff when performing evaluation research to validate the status of the requested sole source vendor. Communicate

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formal notification to user departments and vendors regarding the County's requirement of sole source vendor declaration letter. Obtain declaration of sole source status and quotation on signed letterhead from corporate marketing (not sales representative), president, authorized agent, or authorized company representative.

**Management Response:** P&C made improvements in 2017 and created an evaluation research form to post for advertising to the P&C website to serve as communication to user departments and vendors. The sole source letters from the sole source vendors must be issued to P&C, dated and signed by an authorized company representative on the company's letterhead and kept in the electronic file.

The purchasing procedures manual is being updated to include this process.

4. **Finding:** Insufficient evidence of approval process of sole source requests

**Recommendation:** The CPO should revise the NCPR form to include a line for the printed names and signatures of the Procurement Agent (preparer), Procurement Manager (reviewer) and the P&C Director (approver) to clearly identify the appropriate preparer/approver. In addition, P&C should consider converting the NCPR form to a file type that would allow for electronic signature approvals and proper accountability trail. We commend the P&C staff for taking the initiative to take corrective action by revising the NCPR form to include printed name blocks, signatures, and the effective use date for the new form.

**Management Response:** P&C made improvements in 2017 to revise the NCPR to include a print and signature and date line for the Procurement Agent, Procurement Manager and P&C Director. &C will inquire with IT about the capability of converting the NCPR form to a file type that would allow for electronic signature approvals.

The purchasing procedures manual is being updated to include this process.

5. **Finding:** Inadequate evidence of Board approval on sole source requests over \$100,000 and change orders

**Recommendation:** The CPO requires direct evidence of BOC approval on sole source awards over \$100,000, such as the BOC Summary documents. In addition, adequate support for other change orders or other modification of a contract term approved by the BOC should be maintained in the vendor's file.

**Management Response:** P&C will consider including the BOC summary documents to the vendor's file, but has concern due to size, potential ramifications and duplicative record maintenance. At a minimum, P&C will continue to reference the Legistar Agenda Item Number, the separate electronic system maintained by the Clerk for the CEO/BOC approvals, minutes and summary documents can be retrieved at any time.

The purchasing procedures manual is being updated to include this process.

Please do not hesitate to contact me with any questions or if you need additional documentation.

cc: Michael L. Thurmond, Chief Executive Officer  
La'Keitha Carlos, Chief of Staff, CEO  
Zachary Williams, Chief Operating Officer  
Viviane Ernestes, Interim County Attorney  
Marian Adcimy, Assistant County Attorney  
Terry G. Phillips, Supervising County Attorney  
ShaTausa Edwards, Procurement Projects Manager - Operations

**Appendix III – Better Practices Identified for Sole Source Procurement Requirement**

| Criteria/ Better Practices  | References /Sources  |
|---|--|
| <p><b>Vendor Performance Evaluation</b></p> <p><u>Criteria:</u></p> <ul style="list-style-type: none"> <li>The County Purchasing Policy provides for the establishment of a vendor performance rating system for use in eliminating those suppliers who fail to perform or who perform unsatisfactorily. It further states that the rating systems may be used for evaluation and award purposes. The Federal Transit Administration advises that performance reports can be an important reference point for future source-selection decisions in which past performance is a stated evaluation criteria</li> </ul> <p><u>Better Practice(s):</u></p> <ul style="list-style-type: none"> <li>Expand the vendor performance rating system to include sole source vendors to ensure that vendors who are expected to fulfill unique service and/or product specifications satisfactorily complied</li> </ul> | <ul style="list-style-type: none"> <li><b>DeKalb County Purchasing Policy, page 27, “Vendor Performance Rating”</b></li> <li><b>Federal Transit Administration, Best Practices Procurement &amp; Lessons Learned Manual, Section 5.65 - Contractor Performance Report</b><br/><a href="https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf">https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf</a></li> </ul> |
| <p><b>Ethics Policy/Conflict of Interest Statement</b></p> <p><u>Criteria:</u></p> <ul style="list-style-type: none"> <li>The Federal Code of Regulations advises that a Conflict of Interest Certification be provided in all solicitations</li> </ul> <p><u>Better Practice(s):</u></p> <ul style="list-style-type: none"> <li>To promote and encourage ethical behavior among vendors and employees and to avoid the appearance of biased vendor selection, include the Conflict of Interest Certification with all sole source solicitations, signed by all involved parties, and maintained in applicable sole source vendor file</li> </ul>   | <ul style="list-style-type: none"> <li><b>48 CFR 3452.209-70 – Conflict of Interest Certification</b><br/><a href="https://www.gpo.gov/fdsys/pkg/CFR-2012-title48-vol7/pdf/CFR-2012-title48-vol7-sec3452-209-70.pdf">https://www.gpo.gov/fdsys/pkg/CFR-2012-title48-vol7/pdf/CFR-2012-title48-vol7-sec3452-209-70.pdf</a></li> </ul>   |
| <p><b>Intent to Award Sole Source Procurements</b></p> <p><u>Criteria:</u></p> <ul style="list-style-type: none"> <li>The NIGP (National Institute of Governmental Purchasing, Inc.) prescribes that a procurement policy manual include guidance for sole-source procurement. The County Purchasing Policy did address sole-source purchasing and requires that sole source contracts be utilized when:</li> </ul>   | <ul style="list-style-type: none"> <li><b>“Principles and Practices of Public Procurement- Developing a Procurement Policy Manual” NIGP</b><br/><a href="http://engage.nigp.org/acton/attachment/24793/f-00d3/1/-/-/-/DEVELOPING%20PROCUREMENT%20MANUAL%20UPDATE_D.pdf">http://engage.nigp.org/acton/attachment/24793/f-00d3/1/-/-/-/DEVELOPING%20PROCUREMENT%20MANUAL%20UPDATE_D.pdf</a></li> </ul>   |

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- Only one supplier is able to fill requirements for the intended use
- Standardization exists from past performance
- Written justification is signed by the Department Director and submitted to Purchasing and Contracting for evaluation

**Better Practice(s):**

- To determine the appropriateness of a sole-source purchase, research must be conducted to determine if other goods or service providers exist and can satisfy procurement requirements
- The procurement professional must provide public notice of the intended sole-source purchase through a posting to the County's website and /or other public forum for a minimum of five (5) business days. The purpose of publicizing the sole-source notice is to offer other possible suppliers an opportunity to respond by submitting a protest stating they can provide the specified good or service
- All intended sole source acquisitions shall be advertised on the county's bid board/internet for a minimum of five business days

**Independent Cost Estimate/Analysis**

**Criteria:**

- Regardless of the justification for a sole source contract, the Federal Transit Administration supported by the Federal Code of Regulations requires the performance of an independent cost estimate/analysis to ensure the reasonableness of the proposed contract price

**Better Practice(s):**

- The implementation of an independent cost estimate/analysis as part of the sole source due diligence research will assist procurement professionals in seeking a fair and reasonable price for non-competitive purchases

- **Section 3.2** of GPM , Item 6(c), Page 21
- **Article V, Section 102-384, Item (c)** of Fulton County Code of Ordinances

- **Federal Transit Administration, "FAQ"**  
<https://www.transit.dot.gov/funding/procurement/third-party-procurement/independent-cost-estimate>
- **24 CFR 85.36- Procurement, (f) Contract Cost and Price**  
<https://www.gpo.gov/fdsys/pkg/CFR-2012-title24-vol1/pdf/CFR-2012-title24-vol1-sec85-36.pdf>

## **DISTRIBUTION**

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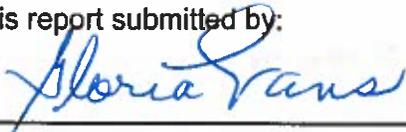
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DEKALB COUNTY GOVERNMENT  
AUDIT OF SOLE SOURCE PROCUREMENT PROCESS

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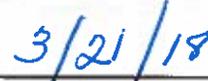
**PROJECT TEAM**

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This report submitted by:



Gloria Evans, CPA, CIA  
Internal Auditor  
Office of Independent Internal Audit



Date

This report reviewed by:

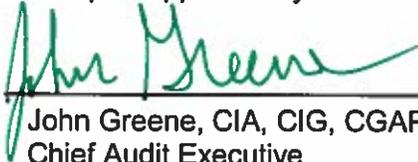


Cornelia Louis  
Financial Internal Audit Manager  
Office of Independent Internal Audit

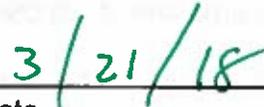


Date

The report approved by:



John Greene, CIA, CIG, CGAP, CGFM  
Chief Audit Executive  
Office of Independent Internal Audit



Date

## **STATEMENT OF ACCORDANCE**

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### **Statement of Accordance**

*The mission of DeKalb County is to make the priorities of the citizens of DeKalb County; the priorities of County government - by achieving a safer DeKalb, building stronger neighborhoods, creating a fiscally accountable and more efficient county government and uniting the citizens of DeKalb County.*

*The mission of the Office of Independent Internal Audit is to provide independent, objective, insightful, nonpartisan assessment of the stewardship or performance of policies, programs and operations in promoting efficiency, effectiveness and integrity in DeKalb County.*

*This performance audit was prepared pursuant to DeKalb County, Georgia – Code of Ordinances / Organizational Act / Section 10A – Independent Internal Audit. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.*

*This report is intended for the use of the agency to which it was disseminated and may contain information that is exempt from disclosure under applicable law. Do not release without prior coordination with the Office of Independent Internal Audit.*

*Please address inquiries regarding this report to the Office of Independent Internal Audit at 404-371-2765.*