

**County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM**

To: Marty Robinson, Director, Resource Management Agency (RMA) **Date:** December 19, 2005
From: Christine L. Cohen
Subject: VERIFICATION OF FRAUD HOTLINE ISSUE: 06-0005 - RMA PLANNING DEPARTMENT BID PROCESS

We have completed our verification of Fraud Hotline Issue 06-0005 concerning questionable contract award practices within RMA's Planning Department. The issue was identified as the result of an anonymous call received on the Auditor-Controller Employee Fraud Hotline on October 28, 2005.

This report is not deemed confidential since the results of our verification related to the propriety of a policy, system or procedure and not the conduct of particular employees operating thereunder. Therefore, this report may be subject to public inspection in accordance with Government Code Sections 6254(c) and 6255.

BACKGROUND: The Planning Department maintains and implements the Ventura County General Plan and Zoning Ordinance, prepares specialized planning documents, and conducts environmental reviews. The Planning Department contracts with outside vendors to assist with the completion of these services when County resources are not available.

ALLEGATION: The caller alleged that two contracts were awarded to a private consultant as a result of preferential treatment rather than a formal bid process.

OBJECTIVES: Our overall objective was to review and evaluate the Planning Department's vendor selection and contract award procedures. Specifically, we determined whether a private consultant was improperly awarded two non-bid contracts involving a named vendor. For our verification, we used documentation from October 8, 2003 to September 1, 2005.

RESULTS: Our review of Planning's vendor selection and contract award process and contract files did not disclose evidence to suggest that the two contracts in question were improperly awarded. Therefore, we have concluded the allegation to be not substantiated. Our review disclosed that the Planning Department widely distributed contracts awarding a total of 20 to 16 different vendors for the period under review. No vendor received more than two contracts or 20 percent of the total contracted value. Further, 17 contracts were not to exceed \$25,000 and therefore not subject to a competitive bid process. Three contracts that did exceed \$25,000 were awarded through a non-competitive bid process justified through completion of a "Sole Source Brand" form and approved by General Services Agency's Procurement Services.

We appreciate the cooperation and assistance extended by you and your staff during our verification.

cc: John F. Johnston, County Executive Officer