

Dr. Steve Gallon III, Board Member

Co-Sponsors: Ms. Perla Tabares Hantman, Chair
Dr. Martin Karp, Vice Chair
Ms. Susie V. Castillo
Dr. Lawrence S. Feldman
Ms. Maria Teresa Rojas

SUBJECT: PROCUREMENT

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC

BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

The Miami-Dade County Public Schools is committed to ensuring the proper and appropriate use of all public funds. As a part of ensuring this effort and process, ongoing review, monitoring, assessment, and auditing of procedures and processes governing purchasing must be implemented. These procedures and processes are the responsibility of Procurement Management Services (PMS). PMS is the centralized purchasing system and is responsible for providing procurement services to and on behalf of the School Board. Each year, hundreds of millions of dollars are transacted through the Office of Procurement and through PMS. In order to ensure the effectiveness and efficiency of the District, as well as to secure and maintain the confidence and trust of the public, increased and frequent levels of review and accountability must be adopted and implemented.

The District's procurement function is governed by Board Policy 6320-Purchasing which provides guidelines, procedures, and protocols for the "procurement of supplies, materials, equipment, and services paid for from county school funds." Policy 6320 stipulates that purchasing *"shall be the responsibility of the procurement department under the general supervision of the Chief Procurement Officer and shall be made in accordance with all applicable State statutes, Florida State Board of Education Rules, School Board policies, and administrative procedures."* It also states that *"no person may make any purchase with Board funds unless authorized to do so by Board policy or by administrative directive, or manuals approved by the Superintendent. The agency designated for making purchases with Board funds is the Board's Procurement Management Services."*

To ensure compliance of the District's fiscal and related service at all levels, the Office of Management and Compliance Audits, under the direction of the Chief Auditor, *"provides the Superintendent, the Audit and Budget Advisory Committee and the Board with an independent and objective evaluation of the operation of the school system."*

As stated previously, hundreds of millions of dollars are transacted through the Office of Procurement and through PMS each year. However, there appears to be no current policy and/or practice to conduct an audit of the Office of Procurement and related transactions on a frequent basis. In fact, the most recent *Internal Audit Report of the District's Procurement Operations: Solicitation, Selection, and Award Processes* covered two fiscal years ending June 30, 2018. The total amount of Purchase Orders, Invitations to Bid, and Requests for Proposals, excluding construction and maintenance, during this period was over \$745 million.

Prior to this, records reflect that there was no previous audit of Procurement since 2004—over 12 years ago. Schools in M-DCPS whose annual expenditures are as little as \$3,000.00 a year, are routinely audited on an annual basis.

Considering that Procurement is responsible for and has oversight for the expenditure for a significantly large amount of District revenue and taxpayer dollars, increased and frequent levels of review and accountability, through auditing, would be prudent.

Lastly, although Board Policy and practice delineates the duty and responsibility of the Superintendent and the Chief Procurement Officer, the ultimate authority and accountability for the expenditure of Board funds rests with the Board, as stipulated in F.S. 1001.42. Consequently, increased understanding by the Board of Procurement and related processes and practices should be gained. Thus, this item seeks to direct the Superintendent provide a Board workshop on the Office of Procurement Management, including but not limited to the function and use of the PMS, as well as related measures to be taken to ensure and improve compliance with applicable State statutes, Florida State Board of Education Rules, School Board policies, and administrative procedures. It also seeks to direct the Chief Auditor to contemplate both a short and long range plan for increasing the frequency of auditing of the Office of Procurement Management and District Offices whose transactions exceed \$50 million annually in which the gap between each audit does not exceed three years; and to direct the Superintendent to initiate rulemaking procedures in which audits of Offices whose transactions exceed \$50 million dollars annual are audited not less than every three years.

This item has been reviewed and approved by the School Board Attorney's office as to form and legal sufficiency.

**ACTION PROPOSED BY
DR. STEVE GALLON III:**

That The School Board of Miami-Dade County, Florida, direct:

1. the Superintendent to provide a Board Workshop on the Office of Procurement Management, including but not limited to the function and use of the PMS, as well as related measures to be taken to ensure and improve compliance with applicable State statutes, Florida State Board of Education Rules, School Board policies, and administrative procedures no later than October 31, 2019;
2. the Superintendent to initiate rulemaking procedures in which audits of the Office of Procurement as well as District Offices whose transactions exceed \$50 million dollars annually are recurrently, at least every three years audited not less than every three years;
3. the Chief Auditor to develop both a short and long range plan, inclusive of resources needed, for increasing the frequency of auditing of the Office of Procurement Management, as well as District Offices whose transactions exceed \$50 million dollars annually not less than every three years; and
4. the Superintendent to provide an update to the School Board at a Fiscal Accountability and Governmental Relations Committee Meeting by August 7, 2019.

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