



BERTHA W. HENRY, County Administrator
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MEMORANDUM

DATE: February 10, 2012

TO: John Scott, Broward County Inspector General

FROM: Bertha W. Henry, County Administrator 

SUBJECT: Responses to OIG Final Report 11-012 – Gross Mismanagement of the Small Business Enterprise Certification Process by the Office of Economic & Small Business Development

Attached please find staff responses to the recommendations in the Office of the Inspector General Report No. 11-012.

BWH/ds

Attachment

cc: Board of County Commissioners
Pam Madison, Deputy County Administrator

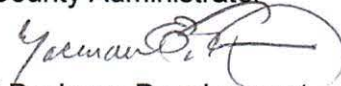


OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Governmental Center Annex
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MEMORANDUM

TO: Bertha Henry, County Administrator
Pamela, Madison, Deputy County Administrator

FROM: Norman E. Taylor, Director 
Office of Economic & Small Business Development

SUBJ: Responses to OIG Final Report, RE: Gross Mismanagement of the Small Business Enterprise Certification Process by the Office of Economic & Small Business Development, Ref OIG 11-012

DATE: January 30, 2012

The Broward County Office of the Inspector General (OIG) made four specific recommendations to address OESBD policies, systems, and procedures, in light of the findings detailed in its December 16, 2011 report; the OIG has requested a status report regarding its recommendations. This memorandum provides a status report on the actions taken by the Office of Economic & Small Business Development (OESBD) in response to these recommendations.

Recommendation 1: The OESBD should immediately define and articulate criteria for determining whether businesses act merely as brokers in County transactions. This action should be followed up with consistent training to all members of the certification unit to ensure uniform application of the criteria when evaluating SBE applicants.

OESBD Response: OESBD has undertaken a comprehensive recertification program for all certified firms offering commodities to the County. The recertification program is based on a review of inventory, purchasing patterns, and regular vendor status for offered product(s), and seeks to reduce the potential for brokering in SBE sheltered market program purchases. Upon completion of the process, the offered product specialties will be narrowly defined. A certified SBE vendor, under the County's sheltered market program, may not offer to County commodities from a product specialty line without documentation of existing inventory in the commodity line, as verified by OESBD staff through a site visit prior to such offer.

Recommendation 2: OESBD should design and implement policies and procedures to properly document SBE certification decisions. Such policies and procedures should require the retention and evaluation of prior applicant violations, and assessment of the commodities, based on a review of outstanding County contracts...that the SBE is required to maintain in inventory.



OESBD Response: OESBD is reviewing all certification processes and procedures, with guidance from County Administration and the Office of the County Attorney. To this end, OESBD has developed revised procedures, presently in draft form, to fully document SBE decisions. The procedures are under review and will accompany further changes to the program, through planned revisions to the Business Opportunity Act and County Business Enterprise Act ordinances.

Recommendation 3: OESBD should design and implement a plan for reviewing the list of currently certified SBEs to determine the "commercially useful function" that each provides. Currently certified SBEs which fail to meet the standards required by the Act for certification should be decertified, and with appropriate follow-up action to ascertain whether debarment is appropriate.

OESBD Response: The considerations of this recommendation have been included in the comprehensive SBE commodities recertification process, including appropriate site visits during the certification process and prior to an offering by SBEs of their product lines. The review for each SBE commodities firm includes a review of offered "commercially useful function," as defined by the ordinance, to be determined prior to certification. Firms certified in the program are expected to offer products/services within their identified commercially useful function area for which their certification has been reviewed. A site visit is conducted for each firm to verify the commercially useful function claim being made by the applicant firm, through its application. As OESBD completes this process, it will work with the Purchasing Division to identify firms that have potentially violated the Business Opportunity Act's requirements for provision of a commercially useful function, and will recommend debarment for each as appropriate.

Recommendation 4: Procedures should be established for the inter-departmental sharing of vendor information, including admissions or other indicators that a certified SBE is functioning in an inappropriate or prohibited manner.

OESBD Response: OESBD has included the considerations of this recommendation in its revised draft procedures, presently under review by the County Attorney's Office and the Office of the County Administrator.

OESBD continues to work toward full resolution of the issues raised in the OIG report, and will work with the Purchasing Division and using agencies in seeking to identify and actively address issues of potential brokering or non-performance

NET/CA/n

c: Wayne Burns, Assistant Director, OESBD
Christopher Atkinson, Small Business Manager – Research, Reporting & Program Development