



BROWARD OFFICE OF THE INSPECTOR GENERAL

MEMORANDUM

To: Honorable Greg Ross, Mayor, City of Cooper City
And Members, Cooper City Commission

From: Carol J. Breece, Inspector General *Carol J. Breece*

Date: September 27, 2023

Subject: *OIG Final Report Re: Cooper City's Former Utilities Director's Misconduct Led to the City's Improper Purchase of a \$99,990 Boom Lift, Ref. OIG 22-008-M*

Attached please find the final report of the Broward Office of the Inspector General (“OIG”) regarding the above-captioned matter. Our investigation determined that, while the City Commission waived procurement procedures to purchase a JLG 800AJ boom lift for \$99,990.00 without meeting the requirements of the charter and code, it only did so after hearing former City Utilities Director Michael Bailey’s incorrect and out-of-context representations about the circumstances surrounding the purchase. Given the actual circumstances—that Mr. Bailey knew or should have known—we determined that Mr. Bailey engaged in misconduct.

The City’s charter and code instructed the City to conduct a formal bid for purchases over \$20,000.00. However, for purchases that could not be acquired through the normal purchasing process for reasons such as insufficient time or the nature of the product, the City Commission could waive the procurement procedures where the city manager recommended doing so was in the City’s best interest. However, the City still had to make the purchase with such competition as was practicable after a good faith review of all available sources and after negotiating price, delivery, and terms.

When the Commission questioned Mr. Bailey about the waiver at a commission meeting, he made various representations that our investigation showed he knew or should have known were incorrect and out of context. Those representations included that (1) there was insufficient time for Utilities Department (“Utilities”) staff to conduct a competitive solicitation; (2) retailers were not accepting orders for new lifts; (3) drafting technical specifications for a used or refurbished boom lift was so complex that it would hamper a competitive solicitation; and (4) Utilities staff members had priced comparable boom lifts.

Following Mr. Bailey’s presentation, the Commission approved the waiver.

While we found issues with Mr. Bailey's representations to the Commission, we did not find any evidence of an improper financial benefit to anyone or any inappropriate relationship with the vendor.

We also observed that, before the commission meeting, multiple City departments reviewed Mr. Bailey's motion for the Commission to approve the boom lift purchase. However, no one questioned the motion. The Former Finance Director explained that he did not question it because, in his view, if it was improper, the legal department would say something. The Former City Manager said he did not question it because he accepted Mr. Bailey's assertions at face value. We remind the City that the purpose of multi-layered reviews in procurement is to independently vet the propriety of government spending. Vetting the purchase by relying on the word or action of another defeats the purpose of such a review.

Although this procurement uncovered a lack of adherence to the City's charter and code and to public procurement best practices, we are pleased to report that the City has already begun making improvements to their procurement policies and are encouraged by those improvements as they reflect the City's commitment to improvement.

cc: Hon. Steve Geller, Commissioner, Broward County
Mr. Jacob Horowitz, City Attorney
Mr. Ryan T. Eggleston, City Manager



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FINAL REPORT RE: *COOPER CITY'S FORMER UTILITIES DIRECTOR'S MISCONDUCT LED TO THE CITY'S IMPROPER PURCHASE OF A \$99,990 BOOM LIFT*

SUMMARY

The Broward Office of the Inspector General (“OIG”) has concluded its investigation into an allegation that the Cooper City (“City”) Commission violated the City’s charter in its purchase of a JLG 800AJ boom lift¹ for \$99,900.00. We determined that, while the City Commission (“Commission”) waived procurement procedures to purchase the boom lift without meeting the requirements of the charter and code, it only did so after hearing former City Utilities Director Michael Bailey’s incorrect and out-of-context representations about the circumstances surrounding the purchase. Given the true circumstances—that Mr. Bailey knew or should have known—we determined that Mr. Bailey committed misconduct,² given that he caused the purchase that violated the City’s procurement code.

The City’s charter and code instructed that it conduct a formal bid for purchases over \$20,000.00. However, for purchases that could not be acquired through the normal purchasing process for reasons such as insufficient time or the nature of the product, the City Commission could waive the procurement procedures where the city manager recommended doing so was in the City’s best interest. But such a waiver was not a blanket waiver; the City still had to make the purchase with such competition as was practicable after a good faith review of all available sources and after negotiating price, delivery, and terms.

Our investigation determined that Mr. Bailey sought a waiver of the procurement procedures not because of the exceptional circumstances the code cited but because he wanted to purchase a specific boom lift for which he signed a vendor’s quote in order to put on hold.

When the Commission questioned Mr. Bailey about the waiver at a commission meeting, he made various representations that our investigation showed he knew or should have known were incorrect and out of context. Those representations included that:

- there was insufficient time for Utilities Department (“Utilities”) staff to conduct a competitive solicitation;

¹ A boom lift is a type of equipment that utilizes boom sections to position workers or tools to elevated positions for work such as maintenance and construction tasks. They come in different configurations that vary depending on how they reach overhead work areas. Retrieved on August 3, 2023, from <https://www.jlg.com/en/direct-access/2021/03/21/how-to-decide-between-an-articulated-or-straight-boom-lift-for-your-next-project>.

² The Broward County Charter defines misconduct as “any violation of the state or federal constitution, any state or federal statute or code, any county or municipal ordinance or code; or conduct involving fraud, corruption, or abuse.” Broward Co. Charter Section 10.01 A.(2).

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- retailers were not accepting orders for new lifts;
- drafting technical specifications for a used or refurbished boom lift was so complex that it would hamper a competitive solicitation; and
- Utilities staff members had priced comparable boom lifts.

Following Mr. Bailey's presentation, the Commission approved the waiver.

Although we found issues with Mr. Bailey's representations to the Commission, we did not find any evidence of an improper financial benefit to anyone or any inappropriate relationship with the vendor. In his response to the preliminary version of this report, Mr. Bailey generally agreed with the deficiencies we identified in this investigation. However, he disagreed with any suggestion of intentional behavior on his part.

Additionally, we observed that former City staff seemed to be of the mistaken belief that the Purchasing Division (Purchasing) did not have to be involved in some purchases over \$20,000.00 until such time that the City needed to make payment. We note that interpreting procurement authority in such a way would allow department heads to decide whether they have to abide by procurement laws.

Furthermore, we observed that, before the commission meeting, multiple City departments reviewed Mr. Bailey's motion for the Commission to waive the procurement procedures. However, no one questioned the motion. The Former Finance Director explained that he did not question it because, in his view, if it was improper, the legal department would say something. The Former City Manager said he did not question it because he accepted Mr. Bailey's assertions at face value. We remind the City that the purpose of multi-layered reviews in procurement is to independently vet the propriety of government spending. Vetting the purchase by relying on the word or action of another defeats the purpose of such a review.

Although this procurement uncovered a lack of adherence to the City's charter and code and to public procurement best practices, we are pleased to report that the City has already begun making improvements to their procurement policies. This includes the hiring of a consultant to review the City's procurement policies, procedures, and job descriptions. The consultant provided the City with recommendations in an interim report in March 2023, and the City has already begun implementing several of the consultant's initial recommendations that address some of the concerns we found here.

The OIG was encouraged by the City's response to this report, which reported additional steps it had taken to improve its procurement process. These steps included expanding its procurement consultant's scope of work to include the development of an updated procurement procedures manual as well as requiring staff to include procurement details on agenda cover memoranda for all purchases coming before the City Commission for approval.

OIG CHARTER AUTHORITY

Section 10.01 of the Charter of Broward County empowers the OIG to investigate misconduct and gross mismanagement by any official or employee of either the Charter Government of the County or a municipality

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within the County. It also empowers the OIG to investigate misconduct and gross mismanagement by those that provide goods and services to the County or any of its municipalities under contract for compensation. On her own initiative or based on a signed complaint, the Inspector General may find good cause and commence an investigation. As part of any investigation, the Inspector General is empowered to subpoena witnesses; administer oaths; require the production of documents and records; audit any program, contract, or operation of the County or any municipality; and audit the operations or performance of any provider relating to its contract for compensation with the County or any municipality.

The OIG is also empowered to issue reports, including recommendations; to require officials to provide reports regarding the implementation of those recommendations; and to notify the appropriate civil, criminal, or administrative agencies charged with enforcement. If there is no appropriate agency for enforcement, the Inspector General may bring a quasi-judicial enforcement proceeding before an administrative hearing officer.

ENTITIES AND INDIVIDUALS COVERED IN THIS REPORT

Michael Bailey, Former Utilities Director and City Engineer, Cooper City

Mr. Bailey is a licensed professional engineer in the State of Florida and has a degree in mechanical engineering. He has worked in the water and sewer industry for nearly 37 years. Mr. Bailey told the OIG that he worked for the City of Margate for one year, the City of Fort Lauderdale for over 17 years, and the City of Cooper City for 17 years. During his time as Cooper City's utilities director and city engineer, Mr. Bailey oversaw the operation, maintenance, and improvement of the City's water and sewer systems, stormwater management, and engineering permitting. He is currently the utilities director for another city in Broward County.

RELEVANT GOVERNING AUTHORITIES

Cooper City Charter (2002)

Article V. - FINANCIAL PROCEDURES . . .

Section 5.13. - Requirements for public bidding.

All purchases on behalf of the city, including but not limited to supplies, capital equipment, non-capital equipment, rental of space, repairs, improvements, and construction of capital improvements, other than printing of ballots and legal advertising, involving dollar values in excess of \$20,000.00 shall be procured through competitive bidding.

Published notice covering each such intended procurement shall appear in at least one daily newspaper of general circulation within the city once at least ten (10) days prior to the bid opening date.

Each invitation for bid shall contain an acceptance clause granting the city a minimum of thirty (30) days for bid acceptance, during which time the tendered bid shall remain valid.

In the event of a declared emergency, the city commission may waive the requirements as to competitive bidding and advertisement.

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The city commission shall have the option to waive the requirements as to competitive bidding and advertising if purchase can be made from a State or Broward County Contract, or contracts involving any governmental agency within the State of Florida. . . .

Cooper City Code of Ordinances (2019)

Chapter 2 – ADMINISTRATION

ARTICLE X. - COOPER CITY PROCUREMENT CODE . . .

Sec. 2-252. - Purpose and intent.

- (a) *General.* This article applies to all purchases of supplies, services and construction by the City except as provided herein. In the event of a conflict between the provisions of this article and any applicable Charter provision, state or federal law, the latter shall prevail.

- (b) *Purpose and intent.* The purpose and intent of this article shall be to generally prescribe the manner in which the City shall control the purchase of materials, supplies, equipment and certain contractual services. This article shall be construed and applied to promote its underlying purposes. The underlying purposes are:
 - (1) To obtain in a cost effective and responsive manner the supplies, services and construction required by City departments in order for those departments to better serve the City's residents and businesses;

 - (2) To uphold the highest standards and best practices through the adoption and adherence with the public procurement profession values and guiding principles of accountability, ethics, impartiality, professionalism, service and transparency; . . .

 - (4) To maximize the purchasing value of public funds in the procurement of goods and services; . . .

Sec. 2-253. - Definitions. . . .

Category Three means the dollar threshold defined by F.S. § 287.017(43) [sic],³ . . . which shall serve as the formal solicitation threshold for purchases made on behalf of the City of Cooper City. . . .

Procurement means refers to buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction including, but not limited to all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

³ Section 287.017(3), Florida Statutes, creates purchasing categories, with category three's threshold being \$65,000.00.

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Procurement officer means the purchasing agent who serves as head of the Purchasing Division, which is established as the central procurement office of the City of Cooper City. . . .

Sec. 2-255. - Responsibilities and authority.

(a) *General.* Except as otherwise provided herein, the purchasing agent shall have responsibility for the general supervision of the Purchasing Division and shall perform all duties required and shall act as the principal public purchasing officer for the City, responsible for the procurement of supplies, services and construction in accordance with this article, as well as the disposal of excess equipment or supplies.

(b) *Responsibilities and authority.*

(1) All purchases of goods and services shall be processed through the Purchasing Division. The purchasing agent is hereby authorized to promulgate procedures for the requisitioning of supplies and services. . . .

Sec. 2-256. - Methods of source selection.

(a) *General.* Except as otherwise provided by law, this article or by Charter; all contracts of the City involving dollar amounts in excess of the threshold for purchasing Category Three, as defined in F.S. § 287.017, as amended, shall be awarded through the use of a formal competitive process identified within this section. . . .

Sec. 2-257. - Small purchase procedures. . . .

(e) *Quotation threshold.* The following dollar thresholds shall apply to the requirement for quotations for small market purchases made by the City. The Purchasing Division shall develop procedures for processing quotations with the guidelines established.

\$0.00 - \$1,499.99	
\$1,500.00-\$4,999.99	Minimum of three verbal, documented quotations required.
\$5,000.00-\$19,999.99	Minimum of three written quotations required.
\$20,000.00 (Formal Threshold)	Formal advertisement, bid and approval is required.

In the event that fewer than three quotations are received, the City may consider those quotations received; however, the purchasing agent or designee reserves the right to validate the availability of suppliers for an item or service. . . .

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Sec. 2-258. - Exclusions and exceptions to bid and proposal requirements. . . .

(i) *Waiver of procurement procedures.* The City Commission may authorize the waiver of procurement procedures upon the recommendation of the City Manager that it is in the City's best interest to do so to obtain goods and services which cannot be acquired through the normal purchasing process due to insufficient time, the nature of the goods or services, or other factors. Purchases authorized by the waiver process shall be acquired with such competition as is practicable under the circumstances and only after a good faith review of all available sources and negotiation as to price, delivery, and terms. . . .

INVESTIGATION

Investigation Overview

This investigation originated from a tip alleging that the City Commission violated the City charter when it waived the charter requirement to competitively solicit the purchase of a \$99,900.00 boom lift, because it exceeded the \$20,000.00 threshold for competitive solicitations. While the OIG did not substantiate the specific allegation that the Commission violated the charter, we found that Mr. Bailey committed misconduct when he made representations that he knew, or should have known, were incorrect or out-of-context representations that led to the Commission's waiver and the purchase that violated the City's laws.

Our investigation determined that Mr. Bailey sought a waiver of the procurement procedures not because of exceptions provided in the code but because he wanted to purchase the JLG 800AJ boom lift that Utilities had put on hold.

The OIG's investigation involved the review of several City records, including but not limited to budget records, email communications, quotes, invoices, internal processes, and relevant governing authorities. The OIG also interviewed several current and former City employees and employees of two heavy equipment vendors.

The Importance of Competition in Government Purchasing and the City's Procurement Code

According to the National Institute of Governmental Purchasing (NIGP),⁴ competitive bidding is "The process of inviting and obtaining bids from competing suppliers, by which an award is made to the lowest responsive bid from a responsible bidder meeting written specifications. ..." ⁵ Competitive bidding requirements protect the public by preventing public agencies from making arbitrary and capricious awards or making awards based on personal preference. As noted in the American Bar Association's (ABA) Model Procurement Code, "[f]air and open competition is a basic tenet of public procurement. Such competition reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically."⁶

⁴ According to its website, "NIGP has been developing, supporting, and promoting the public procurement profession through premier educational and research programs, professional support, technical services, and advocacy initiatives that benefit members and other important stakeholders since 1944." Retrieved on July 20, 2023, from <https://www.nigp.org/about-nigp/about-nigp>.

⁵ Retrieved on July 20, 2023, from <https://www.nigp.org/dictionary-of-terms?letter=c&page=14>.

⁶ ABA Model Procurement Code, Part B – Methods of Source Selection § 3-201, COMMENTARY (3) (2000).

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The City's procurement code, which it implemented in 2019,⁷ expresses an appreciation for the importance of competition in its procurements. Indeed, the City specifically pronounced the purposes for the code, which included: (1) obtaining supplies, services, and construction in a cost effective and responsive manner; (2) upholding the highest standards and best practices through the adoption and adherence with the public procurement profession values and guiding principles of accountability, ethics, impartiality, professionalism, service, and transparency; and (3) maximizing the purchasing value of public funds in the procurement of goods and services.⁸

To that end, the City's code directed how the City was to procure its goods and services according to cost thresholds. Among those directions, the code instructed that the City award all contracts over \$65,000.00 through one of the enumerated formal competitive processes: an Invitation to Bid (ITB), electronic/reverse auction, Request for Proposals (RFP), or Invitation to Negotiate (ITN).⁹ Likewise, the City was to formally advertise, bid, and approve all purchases over \$20,000.00.¹⁰

The code also allowed the Commission to waive the formal procurement procedure under certain circumstances. One such circumstance was upon the city manager's recommendation that the waiver would be in the City's best interest because a purchase could not be acquired through the normal purchasing process due to "insufficient time, the nature of the goods or services, or other factors."¹¹ However, the Commission's waiver under this circumstance was not a blanket waiver—the purchase still had to be acquired with such competition as was practicable and after a good faith review of all the available sources and negotiation.¹² Finally, the waiver provision did not obviate the code's requirement that the City process all its purchases through Purchasing.¹³

The City's Purchasing Process

The Purchasing Agent explained that, if a department needed to purchase a \$20,000.00 piece of equipment, the department head provided Purchasing with technical specifications and budget information for the item. The Purchasing Agent then researched the market for possible vendors but also recommended the requesting department conduct its own potential vendor search. This research should have included the review of cooperative contracts or so-called piggybacks, such as those from the General Services Administration ("GSA"),

⁷ Up until then, City staff relied on a 12-page purchasing manual created in 2005 and a one-page reference guide titled, "Purchasing at a Glance," for general procurement guidance. (Exhibit 1, Exhibit 2)

⁸ City Code of Ordinances Section ("Sec.") 2-252(b).

⁹ City Code Sec. 2-256(a).

¹⁰ City Code Sec. 2-257(e).

¹¹ City Code Sec. 2-258(i).

¹² City Code Sec. 2-258(i).

¹³ City Code Sec. 2-258(b)(1).

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the Florida Sheriff's Association ("FSA"), and Sourcewell.^{14, 15} If the equipment was available on a cooperative contract, then the Purchasing Agent recommended the requesting department piggyback off the contract to acquire the piece of equipment.

If the piece of equipment was not available on a cooperative contract, the Purchasing Agent recommended conducting a competitive solicitation. Once the City selected the vendor, whether it was through a competitive solicitation or from a cooperative contract, someone in Purchasing completed a vendor compliance checklist and sent the solicitation documents to the requesting department for final review. Following the review, the department recommended the selection of that vendor to the Commission. Upon Commission approval, Purchasing issued a purchase order to the awarded vendor.

The City's Commission Meeting Agenda Review Process

The Former City Manager explained that the City used an electronic platform to prepare its commission agendas. The requesting department completed standard documents to start the agenda, submitted information, and attached necessary supporting backup documents. The city clerk compiled the information and routed the agenda package to administrative staff for review.

After administrative staff's review, the finance director and city attorney reviewed the agenda package. The city manager then reviewed and approved the agenda package before routing it back to the city clerk for the city clerk to prepare the agenda for the commission meetings.

The Purchase of the JLG 800AJ Boom Lift

A Request for Motorized Equipment form dated May 7, 2021, reflected that Michael Bailey, the City's utilities director at the time, requested approval to replace his department's 2000 JLG 450AJ 45-foot boom lift for the total cost of \$100,000.00. On the form, Mr. Bailey wrote that Utilities used its boom lift weekly, that it needed frequent costly repairs, and that it did not comply with safety standards. (Exhibit 3) The City ultimately included \$100,000.00 for the boom lift in its Fiscal Year (FY) 2022 Budget Request. (Exhibit 4) On September 23, 2021, the Commission approved its FY 2022 budget, which included the \$100,000.00 Mr. Bailey had requested for the boom lift purchase.¹⁶ (Composite Exhibit 5)

Soon thereafter, discussions began within Utilities about purchasing a boom lift.

¹⁴ A cooperative contract or piggyback is a form of intergovernmental cooperative purchasing by which an entity is given the price and terms of a contract by that of a contract that a larger entity entered. Generally, the larger entity competitively awards a contract which includes language that allows other entities to use the same contract. As a result, other entities are able to take advantage of more favorable price terms that they would not normally have received had they competed on their own. Retrieved on August 2, 2023, from <https://www.nigp.org/dictionary-of-terms?letter=p&page=6>.

¹⁵ Sourcewell is a cooperative purchasing program of more than 50,000 government, education, and nonprofit organizations. The program manages the solicitation requirements and offers members access to an established network of awarded contracts. Retrieved on August 3, 2023, from <https://www.sourcewell-mn.gov/services/mn-programs/education/cooperative-purchasing>.

¹⁶ The Former City Manager told the OIG that the City's departments started developing their budgets in February or March of each year. He met with the directors of each department to review their projected departmental budget requests in May of each year.

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On September 29, 2021, the Former Assistant Utilities Director forwarded to the Utilities Foreman, Former Chief Operator, and Current Chief Operator, a September 28, 2021, email he received from Heavy Equipment Vendor 1 in response to his request for information about an 80-foot boom lift. The Former Assistant Utilities Director informed the others that he wanted to “jump on it quickly” as they had a budget of \$100,000.00 and he did not want the money “sitting there.” (Exhibit 6)

Less than a month later, around October 19, 2021, the 45-foot boom lift broke down. Staff rented an 80-foot JLG 800AJ boom lift from Heavy Equipment Vendor 2 as a temporary replacement. (Exhibit 7) According to the Utilities Foreman, they leased the JLG 800AJ to complete a job after the old boom lift broke down and to see if that model’s configuration was suitable for the wastewater section’s work requirements.

City staff repaired the 45-foot boom lift and put it back into service in early November. But shortly thereafter, the boom lift’s hydraulic system failed completely, which caused its basket to drop. On November 19, 2021, staff took the boom lift to the City’s Public Works Fleet Services (“Fleet Services”) for service, and a short time later, Mr. Bailey decided to permanently take the boom lift out of service.

By then, Utilities staff had already received a quote for an 80-foot boom lift. On October 4, 2021, Heavy Equipment Vendor 2 sent the Former Chief Operator a quote for \$175,723.82 for a new 80-foot JLG model boom lift. (Exhibit 8) The pricing included \$9,823.99 in sales tax and was based off a Sourcewell cooperative contract on which Heavy Equipment Vendor 2 was one of the awarded vendors.

On January 26, 2022, Heavy Equipment Vendor 1 sent the Utilities Foreman a quote for the unit price of \$99,900.00 for a refurbished 2013 JLG 800AJ 80-foot boom lift with a 30-day warranty. (Exhibit 9)^{17, 18} On February 3, 2022, Heavy Equipment Vendor 1 provided the Utilities Foreman with its quote for the same unit price but with a six month warranty. (Exhibit 11) Heavy Equipment Vendor 1 was the only vendor that submitted quotes for a refurbished or used boom lift.¹⁹

Relying on Mr. Bailey and his staff’s word as to the circumstances surrounding the purchase of the boom lift, the Former City Manager recommended a waiver of the normal procurement process for the purchase.

On February 22, 2022, Mr. Bailey sought approval from the Commission to purchase the refurbished 2013 JLG 800AJ articulating boom lift for \$99,900.00 without a formal solicitation.²⁰ Utilities provided the City Commission with a staff report, which included the Former City Manager’s recommendation, that stated the boom lift the department routinely used for various operations had exceeded its useful lifespan. (Exhibit 12)

¹⁷ Heavy Equipment Vendor 1 had sent a previous quote for the same boom lift on December 16, 2021. The amount on that quote was “99,90.” (Exhibit 10) The January 26, 2022, quote correctly listed the amount as “99,900.00.”

¹⁸ The quote reflected a total price of \$100,832.00 which included \$932.00 of sales tax on the \$99,900.00 unit price. The quote shows a total tax rate of 7.5%. However, \$932.00 is less than 1% (0.93%) of \$99,900.00.

¹⁹ Although Heavy Equipment Vendor 2 was part of the Sourcewell cooperative contract, and that contract provided for the sale of both new and used boom lifts, the City did not provide the OIG with any quotes for a refurbished or used lift from Heavy Equipment Vendor 2.

²⁰ The staff report shows \$99,900.00 as the requested amount, although the December 16, 2021, January 26, 2022, and February 3, 2022, quotes were for \$100,832.00. (Exhibit 12) Heavy Equipment Vendor 1’s March 8, 2022, invoice was for a total of \$99,900.00 and showed \$0.00 for sales tax.

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The old boom lift was a year 2000 model that was in poor condition, and the report stated that the replacement was included in the current year's budget.

Furthermore, the staff report's Analysis section read:

Staff has researched the market for lifts of a similar size and capacity as the current one, and has discovered that new lifts are generally not available and that retailers are not even currently accepting orders for new ones. Also, the cost of a new lift is approximately \$170,000 which exceeds our budget of \$100,000. Staff has found, however, a currently available, used 2013 lift that has thoroughly refurbished and is in excellent condition. The price for this lift is \$99,900 and comes with a 6-month warranty. Staff recommends waiving the formal bid requirements normally required for such a purpose and purchasing this lift while it is available.

(Exhibit 12) During the commission meeting, commissioners questioned Mr. Bailey about the purchase of the boom lift, its cost, and its necessity. Mr. Bailey claimed that nobody was taking orders for new boom lifts, and, even if they found a new one to purchase, it would exceed their budget. The approved budget was \$100,000.00, but, he said, new boom lifts at the time were going for about \$170,000.00. Commissioner H.M. asked Mr. Bailey if he knew when he budgeted for the boom lift that the lift they wished to purchase was going to be priced at \$99,900.00, to which Mr. Bailey responded he did not. Commissioner H.M. responded, "If you were on the Price is Right, you would've won the showcase."

Mr. Bailey explained to the Commission that he wanted it to waive the formal bidding process on the boom lift because putting out a formal bid would take too long. He also claimed that the process of drafting specifications for a used piece of equipment would be difficult, such as trying to define "completely refurbished" or "used." Mr. Bailey explained that in this case it was easier to find the boom lift that fit their needs and purchase it.

Mr. Bailey also told the Commission that the vendor had another buyer waiting to purchase this same boom lift and wanted to sell it right away. At the same time, he told the Commission that he was not trying to pressure them into buying this boom lift, he also said that it would not be available to the City the day after the meeting.

The Commission and Mr. Bailey discussed the possibility of renting a boom lift as needed until the City could procure a new one. When Commissioner H.M. asked Mr. Bailey how often his department needed to use a boom lift, Mr. Bailey replied, "at least once every couple of weeks." However, his department had put off doing certain tasks because they did not have a working boom lift readily available. Mr. Bailey continued providing the Commission reasons why the City needed to purchase Heavy Equipment Vendor 1's refurbished boom lift, including that procuring a boom lift would take too long and the concern that a hurricane would affect boom lift rental availability. Mr. Bailey told the Commission that his staff had inspected Heavy Equipment Vendor 1's boom lift and that it would satisfy the department's needs.

Although Mr. Bailey said that he did not have any information on the cost of renting and did not believe he would be able to find that information, the Commission suspended the discussion to give Mr. Bailey the opportunity to find such information. When the Commission revisited the issue later during the meeting, Mr.

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Bailey informed them that he could not determine how much the City had spent on renting boom lifts, but rental rates were approximately \$1,200.00 per day. Therefore, he said, if they rented a boom lift for three days a month, in one year the cost would be around \$46,000.00.

Commissioner R.S. expressed serious concerns regarding the purchase of the boom lift from the outset of the Commission discussion. He said he found it coincidental that the used lift was exactly \$100.00 less than the budgeted amount. He was also concerned that there was little information about the boom lift for the Commission to review. For instance, the invoice neither included any specifications nor any reference to the amount of usage hours for the equipment. Furthermore, when he went online to look up the model of the boom lift that they wished to purchase, the prices ranged vastly from \$50,000.00 to \$100,000.00. He felt that the purchase should have gone through the procurement process and, if the item was budgeted for, then there was plenty of time to conduct a proper bid.

Furthermore, Commissioner R.S. explained that he could not justify waiving the procurement process since there was neither enough proof to support that boom lift's value nor any other quotes from vendors to compare. He did not think the Commission should feel pressured into purchasing the boom lift just because there was another buyer in line to purchase the lift.

The Commission voted four to one to waive the procurement procedure and approve the purchase of the JLG 800AJ boom lift.

The City Improperly Waived Its Procurement Procedures to Purchase the JLG 800AJ Boom Lift

As explained above, the Commission can authorize the waiver of procurement procedures upon the city manager's recommendation that it is in the City's best interest to do so "to obtain goods and services which cannot be acquired through the normal purchasing process due to insufficient time, the nature of the goods or services, or other factors." However, this waiver is not a blanket waiver. The purchase still must have been made with such competition as was practicable after a good faith review of all the available sources and after negotiation.²¹

Among the many reasons Mr. Bailey offered to support the waiver, he told the Commission that it would take too long to put out a formal bid and that drafting specifications for a used boom lift would be difficult. Following Mr. Bailey's presentation, the Commission waived the procurement procedures based on what the OIG determined was Mr. Bailey's portrayal of the circumstances surrounding the request, a portrayal that he knew, or should have known, was inaccurate.

A Utilities Department Staff Had Sufficient Time to Conduct a Proper Solicitation

The OIG determined that Utilities had sufficient time to conduct a proper solicitation. Utilities staff knew they were looking to purchase a boom lift since at least May 7, 2021, the date on the Request for Motorized Equipment form. (Exhibit 3) This was approximately ten months before the purchase. According to the Purchasing Agent, it was at this time that Utilities staff should have started the process

²¹ City Code Sec. 2-258(i).

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for purchasing the boom lift. Had Utilities staff done so, assuming that they wanted to make a purchase by February 2022, they would have had more than enough time to conduct adequate market research regarding available equipment and to comply with the city's procurement procedures.²²

When Utilities staff found the JLG 800AJ boom lift that they wanted, they still made no effort to start a proper competitive solicitation through Purchasing. In fact, had Utilities staff sought Purchasing's assistance to draft technical specifications for a new or used boom lift even in September 2021, they could have known full well all their options before the February 2022 commission meeting. For instance, Utilities staff would have learned that the Sourcewell cooperative contract was available for the purchase of a new or used boom lift in which Heavy Equipment Vendor 2 was a participant.²³ But instead, Utilities staff opted to focus on Heavy Equipment Vendor 1's JLG 800AJ boom lift and put it on hold on January 21, 2022, and then again on February 3, 2022, while they attempted to get its purchase on the Commission agenda. (Composite Exhibit 13)

And Mr. Bailey knew that the circumstances surrounding his request for the Commission to waive the procurement procedures were avoidable. He told us that there were no other factors that justified the Commission waiving the normal procurement process other than the availability of the boom lift they wanted and the "time related to that." He said he needed to take "more or less immediate action" to buy that boom lift and that there was insufficient time to go through the normal procurement process for it.

However, the OIG determined there was sufficient time to go through the normal procurement process to procure a boom lift. Utilities had time constraints only for procuring the boom lift it wanted—the JLG 800AJ it put on hold with Heavy Equipment Vendor 1. The fact that Utilities had already decided on the boom lift it wanted was not a valid reason to waive the City's procurement procedures.

B. Technical Specifications for the Purchase of a Boom Lift Were Not an Obstacle to a Proper Solicitation

When Commissioner H.M. asked Mr. Bailey why he was recommending that the Commission waive the formal bid requirements, Mr. Bailey was forthcoming, saying, "Just because of the amount of time it would take to do a formal bid." Mr. Bailey then added, "Well that plus...it's..." and then paused. Commissioner H.M. questioned how one would write specifications for something that is refurbished. Mr. Bailey then cited to the specifications as "part of the problem," suggesting that there would be difficulties in defining terms for the specifications at the level of detail that was warranted. Given the complexity of the specifications, Mr. Bailey told the Commission, it was better that "we go look, we find the unit that we think is gonna work and we recommend purchase."

The OIG's investigation determined that writing the technical specifications for the boom lift was not as large of an issue as Mr. Bailey portrayed to the Commission.

²² According to Purchasing Agent, while three to four months was usually enough time to carry out a competitive solicitation for a boom lift, the timeframe had increased to approximately five months, which was tight, because of staffing issues.

²³ Heavy Equipment Vendor 2's most recent Sourcewell contract became effective on August 28, 2020. This contract offered a 2% discount on used equipment purchases. The City potentially could have purchased a new or used boom lift off the Sourcewell contract from another vendor as well, had staff looked.

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Mr. Bailey told us he was not an expert on boom lifts and was concerned that the department could not find a boom lift for the budgeted amount even if it tried to conduct a competitive solicitation. He did not ask anyone in Purchasing to conduct a solicitation to purchase the boom lift because he did not have enough data to write the technical specifications at the time. He also worried that conducting a competitive solicitation with incomplete technical specifications might result in an award to the lowest bidder which might cause them to purchase defective equipment.

On the other hand, the Purchasing Agent told us that, contrary to Mr. Bailey's contention to the Commission, it was not impossible to write specifications for a used piece of equipment and explained that he could have assisted them in their search for the boom lift.

While assisting in the development of technical specifications may have been one of the purchasing agent's roles and responsibilities, Mr. Bailey told us that he wrote almost all the technical specifications for the department's purchases without seeking the purchasing agent's assistance. According to Mr. Bailey, purchasing agents almost never helped him. Whenever he asked a purchasing agent to conduct a competitive solicitation, for example, for a refurbished excavator, the purchasing agent always asked him to send the technical specifications first.

Mr. Bailey led the Commission to believe that a used or refurbished boom lift's specifications were too complex to draft for a proper procurement. They were not. While drafting them may have required time and effort, Mr. Bailey had resources available to him to help. In any event, the specifications' complexity was not Mr. Bailey's issue. As he first stated to the Commission, he simply would have rather just purchased the boom lift that Utilities had already found without spending any more time on the issue.

Neither the complexity of technical specifications nor the desire to purchase a pre-selected product was a proper basis to forego a procurement that comported with the charter and code.

C Mr. Bailey Otherwise Failed to Provide the City Commission With Accurate Information

We noted other instances where Mr. Bailey, in his presentation, either failed to correct the record before the Commission or failed to provide information with important context.

Mr. Bailey, through his staff report, made several representations as to why a waiver was necessary, including that staff had researched the market for "lifts of a similar size and capacity as the current one, and has discovered that new lifts are generally not available and that retailers are not even currently accepting orders for new ones." (Exhibit 12) However, that was not accurate.

Although staff had budgeted for a new 45-foot boom lift, they wanted and set out to purchase an 80-foot boom lift. In their interviews, the Former Assistant Utilities Director, Utilities Foreman, and Former Chief Operator told the OIG that they researched the JLG 800AJ, which was an 80-foot boom lift, not the model the City already owned, a JLG 450AJ, a 45-foot boom lift. The Former Chief Operator was clear that they did not envision replacing their 45-foot boom lift with the same model— "We knew we didn't want the same one for sure."

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City records confirmed that, from the outset, Utilities staff members were looking for a bigger model boom lift than the one they were replacing. For example, an email between Heavy Equipment Vendor 1's Former Territory Manager and the Former Assistant Utilities Director on September 28, 2021, showed that the Former Assistant Utilities Director inquired about the larger JLG 800AJ boom lift and not the current JLG 450AJ model. (Exhibit 6) This email was the department's first documented inquiry into a boom lift.

Furthermore, Mr. Bailey's staff report (Exhibit 12) informed the Commission that the cost of a new boom lift was approximately \$170,000.00, which exceeded the budget of \$100,000.00. But this was misleading. The \$100,000.00 budget was based on the price of a JLG 450AJ model. According to the records provided by the City, the \$175,723.82 quote was the price of a new and bigger JLG 800AJ model. (Exhibit 8) In fact, the Former Assistant Utilities Director told us that staff's research prior to requesting the \$100,000.00 budget led them to believe that amount would be sufficient to purchase a new JLG 450AJ. Mr. Bailey failed to make it clear to the Commission that they were looking for the bigger and thus more expensive model than what they previously owned and on which they based their budget request back in May 2021.

Mr. Bailey also told the Commission that the Former Assistant Utilities Director and a Fleet Services employee went to Heavy Equipment Vendor 1 to inspect the boom lift that the City ended up purchasing; however, the OIG found that this was not true. In fact, the Former Assistant Utilities Director could not recall whether the Utilities Foreman or Former Chief Operator even visited Heavy Equipment Vendor 1's location. Heavy Equipment Vendor 1's Former Territory Manager told the OIG that a City employee whose name he could not recall asked about visiting the Deerfield Beach location to inspect the boom lift prior to purchase. However, he informed that employee that the boom lift was not located locally at the time and that it was likely in Orlando or Tampa. The OIG found that nobody visited this vendor.²⁴

Next, the staff report stated in writing (Exhibit 12) and Mr. Bailey stated in person to the commission that retailers were not accepting orders for new boom lifts and, as such, Utilities was limited to purchasing the refurbished boom lift staff had found. However, Heavy Equipment Vendor 2 provided the City with a quote for a new 80-foot boom lift for \$175,723.82 evidencing that at least one vendor was accepting orders for new boom lifts. The City was not as limited as Mr. Bailey led the Commission to believe.

D. Mr. Bailey Led the Commission to Believe That Staff Engaged in as Much Competition as Practicable

During his presentation to the Commission, Mr. Bailey led commissioners to believe that his department staff explored the market and compared prices in their search for a boom lift to replace the existing one. According to him, as the vendor informed Utilities staff that another buyer was interested, the boom lift would be gone the next day. The OIG's investigation found that City staff neither acquired the boom lift with such competition as was practicable nor conducted an adequate review of sources. They just picked the one they wanted.

As noted above, the waiver provision in the City's procurement code does not act as a blanket waiver of its procurement procedures. The City must still conduct the purchase with such competition as is practicable

²⁴ Mr. Bailey told us that he just recalled seeing pictures of Heavy Equipment Vendor 1's boom lift.

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under the circumstances and after a good faith review of all available sources and negotiation as to price, delivery, and terms.

During the commission meeting, Commissioner R.S. was troubled by the fact that there was no information on which the Commission could rely to determine the market value of the JLG 800AJ boom lift that Mr. Bailey wanted to purchase. He asked Mr. Bailey how he knew the refurbished JLG 800AJ boom lift was worth \$100,000.00 if there was no backup from any other vendors. Mr. Bailey replied that, although they did not include the paperwork in the backup documents, staff had visited one other vendor. While Mr. Bailey's response on its face suggested that Utilities had solicited some competition, in fact there was no competition at all.

In order to determine whether Utilities conducted the purchase of the JLG 800AJ boom lift in accordance with the waiver provision, at a minimum, we expected to see and review quotes that Utilities Staff obtained for comparable used or refurbished boom lifts from the other vendor that Mr. Bailey mentioned during the meeting and perhaps from other heavy equipment vendors. But the only quotes the City provided us for refurbished lifts was Heavy Equipment Vendor 1's quotes for the 2013 JLG 800AJ that they ultimately purchased. Although the City also provided us with a quote from Heavy Equipment Vendor 2, we did not use that quote for comparison because it was not a competitive quote—the quote was for a new 80-foot boom lift for \$175,723.82.

Utilities staff told us that they conducted research online, but they could not provide us with details regarding their research. For example, the Former Assistant Utilities Director told the OIG that he found Heavy Equipment Vendor 1 and Heavy Equipment Vendor 2 by searching online, but it was unlikely there was any documentation of his online research because he was just informally browsing the internet. According to the Former Assistant Utilities Director, the Utilities Foreman, the Former Chief Operator, and he (the Former Assistant Utilities Director) searched online for used or refurbished boom lifts. He said he could not recall any specific findings resulting from their research.

The Utilities Foreman advised that he conducted online searches to find a suitable boom lift but was unable to find any equipment worth considering. He also said he could not recall the websites he visited or the search terms he used to conduct the searches. He explained that he looked at the physical appearance of the boom lift, including whether it was rusted and the condition of its hoses and motor when making his assessment.

The Utilities Foreman also told us he visited Heavy Equipment Vendor 2 in Davie on two separate occasions. The first visit was on October 25, 2021, which was approximately one week after the City's 40-foot boom lift broke down. He and the Former Chief Operator went there to search for a boom lift to lease at that time, as they needed to complete a job that was already in progress. According to him, during that visit, he was only focused on finding and selecting a boom lift that worked and was not interested in knowing about the lift's hours in service or its mileage. Both he and the Former Chief Operator agreed that the JLG 800AJ boom lift would meet the City's needs.

On his second visit to Heavy Equipment Vendor 2, the Utilities Foreman brought a subordinate with him to inspect the boom lift that they had rented previously, but this time with a view to lease or purchase it.

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However, when they got there, the vendor showed them a different boom lift that was rusted and in bad condition. The Former Assistant Utilities Director abandoned the idea of purchasing a lift from Heavy Equipment Vendor 2 and did so without ever receiving a quote from them for a used or refurbished boom lift.

The Former Chief Operator did not think he ever researched the boom lifts online. According to him, he had to visit Heavy Equipment Vendor 2's dealership because it was not enough to conduct online research and preferable to physically examine a machine. According to him, they could not seek quotes until they got a suitable boom lift and tried it out.

The two men did not visit any other vendors.

Mr. Bailey told the OIG that it was difficult to say whether staff made enough effort researching other boom lifts before recommending the purchase of Heavy Equipment Vendor 1's boom lift. He said he did not know why they did not conduct an internet search and that, in hindsight, he probably should have asked staff what research they had done.

Had they conducted proper research, Utilities staff would have seen that in October 2021 there were plenty of boom lift options available for purchase nationally and at competitive prices. In fact, according to a search through internet archives, Heavy Equipment Vendor 2's website alone showed 4,085 used boom lifts of all sizes available nationwide for purchase at that time. (Exhibit 14) The prices ranged from approximately \$36,000.00 to approximately \$60,000.00, which were close to the \$50,000.00 to \$100,000.00 price range Commissioner R.S. described finding during the February 22, 2022, commission meeting.

Given the City's inability to provide us with other quotes for refurbished JLG 800AJ boom lifts and Utilities staff's descriptions as to how they selected Heavy Equipment Vendor 1's boom lift, we determined that Mr. Bailey's staff did not engage in any competition before Mr. Bailey requested the waiver. Instead, staff only obtained quotes for a single refurbished JLG²⁵ 800AJ boom lift from Heavy Equipment Vendor 1, the last of which Mr. Bailey presented to the Commission.

Finally, we determined that Utilities staff did not negotiate price and delivery as the waiver provision required. The Former Assistant Utilities Director told us there was no formal negotiation with Heavy Equipment Vendor 1 as to price. Heavy Equipment Vendor 1 proposed the unit price of \$99,900.00, and Utilities staff opted to accept that price because it fit within their budget and because, they said, the vendor told them there was another interested buyer.²⁶ The one thing the Former Assistant Utilities Director negotiated was a six-month warranty instead of a 30-day warranty.

Overall, the OIG found that Mr. Bailey knew or should have known that his representations to the City Commission regarding the purchase of the 2013 JLG 800AJ boom lift were largely either incorrect or missing

²⁵ The OIG also notes that staff only considered one particular brand instead of other brands like Genie, Skyjack, or Snorkel.

²⁶ According to Mr. Bailey, the Former Assistant Utilities Director informed the vendor that the City could not purchase the refurbished JLG 800AJ for more than their budgeted amount, so the vendor agreed to sell it to them for \$99,900.00.

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important context. The OIG found that Utilities had sufficient time to conduct a proper solicitation, that it was not impossible to write specifications for a used or refurbished piece of equipment, that similar lifts were available, that staff did not look at the boom lift the City ultimately purchased, that staff did not acquire the boom lift with such competition as was practicable, and that staff did not conduct an adequate review of all available sources, as required by the waiver provision in the procurement code.

Observations Regarding Purchasing's Role in the Boom Lift Purchase

According to the City's records, the Former Assistant Utilities Director submitted a purchase order requisition for the purchase of the boom lift on February 25, 2022. (Exhibit 15) This was the first record we observed that reflected the extent of Purchasing's involvement in the purchase. This was concerning given language in the City's existing procurement authority and the fact that the boom lift clearly exceeded the \$20,000.00 threshold that warranted a competitive solicitation.

The City's code directs, "All purchases of goods and services shall be processed through the Purchasing Division."²⁷ While the City's code does not speak to when during the purchasing process a department should involve Purchasing, the City's purchasing manual provides instruction by specifying that the department head is to prepare a requisition form sufficiently in advance of the required delivery date to allow Purchasing "...sufficient time to secure competitive pricing, place the order and have the item, supply or service delivered." (Exhibit 1, p.1) Finally, the manual cautions that the department head's failure to submit the requisition form in a timely fashion "...may create avoidable emergencies." (Exhibit 1, p.1)

The Purchasing Agent's description of his department's involvement, as explained above, aligned with the City's relevant procurement authority. Thus, taken together, the City's procurement code, the City's purchasing manual, and the Purchasing Agent's statements indicated that Mr. Bailey could have provided Purchasing with technical specifications and budget information as early as September 2021.²⁸

At that point, the Purchasing and Utilities departments would have conducted their own searches for potential vendors, including determining whether a cooperative contract was available, which in this case, one was—the Sourcwell contract.²⁹ If one was not available, Purchasing would have recommended a competitive solicitation. Once the City selected a vendor through whatever competitive process it used, Utilities would have recommended to the City Commission that it award the purchase to the selected vendor. Finally, once the Commission approved the selection, Purchasing would have issued a purchase order to the awarded vendor.

But Mr. Bailey did not involve Purchasing at all. The Purchasing Agent told the OIG that Utilities conducted the purchase of this boom lift alone, and that Purchasing did not sign off on the purchase before or after Mr. Bailey presented it to the Commission.

²⁷ City Code Sec. 2-255(b)(1).

²⁸ Mr. Bailey requested the budget for the boom lift as early as May 2021 and the City provided the funding as part of its budget in September 2021.

²⁹ The Former Assistant Utilities Director asked Heavy Equipment Vendor 1 to quote him off a cooperative contract, such as Sourcwell or FSA. We note that Heavy Equipment Vendor 1 was not a part of either contract. However, as he knew that at least those cooperative contracts existed, he could have determined which vendors were a part of them.

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Mr. Bailey disputed this statement. He said he believed purchasing the JLG 800AJ was in the best interest of the City and that the purchasing agent concurred. The OIG spoke to every current and former City employee who worked in Purchasing between May 2021 and February 22, 2022; none of them recalled speaking to Mr. Bailey about the boom lift purchase. Coupled with the fact that Mr. Bailey also told us that he did not seek advice or assistance from anyone concerning the waiver, we determined that Mr. Bailey was incorrect.

Mr. Bailey said that if the Purchasing Agent said that Purchasing was not involved in the boom lift's purchase, that he (the Purchasing Agent) more likely meant that he (the Purchasing Agent) did not prepare solicitation documents for this purchase. According to Mr. Bailey, Purchasing was "never not aware" of such purchases.

On the other hand, the Former Finance Director told us the purchasing agent would not have been involved in the purchase because Utilities was not purchasing anything through a formal bid. Utilities could bypass Purchasing because the waiver Utilities asked for was not on an identifiable form written into the procurement process, such as a waiver for a sole source purchase. However, if there was an identifiable waiver form, then Utilities would have had to work with Purchasing on filling out that form and going through the rest of the process. He believed that Mr. Bailey's train of thought was that his waiver request was not written into the code specifically, so he felt he had no need to contact Purchasing before going to the Commission for approval. Once the Commission approved the waiver, Mr. Bailey knew he could go to the Purchasing Agent to complete the requisition process. If the Commission did not approve it, no time was wasted, and no information needed to be backed out of the system.

Thus, both Mr. Bailey and the Former Finance Director were of the opinion that a department could choose when to involve Purchasing in a purchase over \$20,000.00 and that involvement could be limited to a purchase requisition for payment. In other words, a department could unilaterally opt to forego Purchasing and simply approach the commission to approve the purchase. We acknowledge that the City's procurement authority does not specifically pronounce that Purchasing must be a part of the decision-making process in determining how the city will procure its goods and services that exceed \$20,000.00. But taken together, the City's procurement authority makes it beyond dispute. Reading the City's laws in any other fashion would not only be contrary to the spirit of that authority but would amount to an invitation for department heads to avoid proper procurements altogether.

Observations Regarding Other Departments' Duties to Review Purchases

The OIG's investigation determined that the City's improper waiver was a product of Mr. Bailey's representations. However, our investigation also revealed that the boom lift purchase went through other departments' review before reaching the Commission and yet evaded the benefit of a proper review prior to the Commission's waiver approval.

As explained above, the Former City Manager told us that after administrative staff reviewed the agenda package, which was made up of the agenda items with their back up documentation, the finance director and the city attorney conducted their review. The city manager then reviewed and approved the agenda package before routing it back to the city clerk for the city clerk to prepare the commission meeting agenda. Here, the City's records showed the motion did go through these reviews. (Exhibit 16)

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The Former Finance Director vaguely recalled learning of the waiver from either having a conversation with Mr. Bailey or Mr. Bailey's presentation to the Commission when he asked for the waiver approval. As the Finance Department had to sign off on anything that went to the Commission, he told us that, despite not being able to recall it, he would have at least seen the waiver. He did not ask to see documentation the research staff conducted because he had no reason to question Mr. Bailey and he seemed like a straightforward guy. In his view, the legal team should have decided if it was a proper procedure or not. In hindsight, he said, Utilities could have done better research and engaged Purchasing sooner and it would have helped, but it may not have been feasible with the staffing limitations at the time.

The Former City Manager had a better recollection of Mr. Bailey's motion. He told us that he met with Mr. Bailey and other staff when the purchase was placed on the City Commission's agenda. Mr. Bailey told him that availability was limited due to COVID.³⁰ The Former City Manager said he was comfortable with the information provided in the staff report and their explanations for using the waiver. He trusted staff's recommendations for using the procurement waiver to purchase the articulating boom lift. Ultimately, he accepted the waiver request at face value. He said he did not recall reviewing any documents beyond Heavy Equipment Vendor 1's quote and did not recall questioning why Utilities obtained only one quote.

However, the Former City Manager also said that Mr. Bailey should have consulted the purchasing agent about the process and that the purchasing agent should have reviewed the purchase waiver request. The Former City Manager has since required Purchasing to review all purchases going before the Commission. Having said that, had he been aware that staff bypassed standard solicitation requirements or that the effort to obtain quotes was limited, regardless of any claim of urgency, he could have halted the process and sent it back to Utilities for correction.

Thus, the Former Finance Director's review amounted to the belief that someone else would object if the purchase was not proper, and the Former City Manager's review amounted to taking Mr. Bailey's word at face value as to why he needed the waiver. Reviews such as these defeat the purpose of the City's multi-layered process for reviewing agenda items regarding purchases. The point of a multi-layered review for agenda items regarding purchasing is to ensure the City procures its products and services in compliance with its laws and to properly vet the purchase at issue, to include, at a minimum, a review of Purchasing's involvement in those purchases. We remind the City that the spirit of this review applies regardless of staffing limitations or other challenges.

The City is Making Improvements to Its Procurement Process

Although the City waived the procurement code without a sufficient basis and did not adhere to best practices in its procurement of the boom lift, the OIG did not find any indication that these violations led to an improper financial benefit to anyone or were due to any inappropriate relationship with the vendor. Nevertheless, the City, its commissioners, and its staff appear to be committed to enhancing the City's purchasing process.

³⁰ Neither the staff report (Exhibit 12) nor Mr. Bailey justified or sought a waiver of the competitive solicitation requirements on this basis. Furthermore, during Mr. Bailey's interview with the OIG, he did not raise the circumstances of the COVID pandemic.

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First, after beginning his employment with the City, the Purchasing Agent informed the OIG that he started hosting monthly meetings with senior departmental and administrative staff who were involved in purchasing. He believed that monthly meetings were a good procurement practice.

The Purchasing Agent also recommended hiring a procurement consultant to help improve the procurement code, and City management subsequently hired a consultant for this purpose. In fact, on September 28, 2022, the City signed a professional services agreement with a procurement consultant to review the City's procurement policies, procedures, and job descriptions.

The procurement consultant uncovered several opportunities for improvement. In an interim report he issued in March 2023, the consultant reported that the procurement code contained conflicting thresholds for bidding requirements that caused confusion, so he recommended resolving those conflicts. Additionally, the purchasing manual needed updating to match current processes, as it was last revised in 2005. The procurement consultant also recommended that the City define and delegate the roles and responsibilities for each step in the procurement process and make training a priority.

The City has enacted an action plan to address the procurement consultant's recommendations, and the OIG intends to review the City's procurement process as a whole once the City has had a chance to implement these positive changes and train staff.

INTERVIEW SUMMARIES

As a part of the investigation, OIG investigators conducted several interviews. The statements made in significant interviews are summarized below.

1. Interview of Michael Bailey

Mr. Bailey has been in the water and sewer industry for approximately 37 years. Mr. Bailey joined Cooper City in 2005 and was the City's utilities director for approximately 17 years. He is now the utilities director for another city. As Cooper City's utilities director, Mr. Bailey oversaw the operation, maintenance, and improvement of the City's water and sewer systems, stormwater management, and engineering permitting.

The City had either a procurement manual or procurement guidelines that detailed the policies and ordinances related to purchasing issues. Mr. Bailey was familiar with the City's procurement code as he worked with Purchasing staff and received training for those responsibilities throughout his career.

Utilities used different methods of procurement to purchase goods and services depending on the type of equipment it needed. The City's purchasing agent often suggested buying common equipment, such as a backhoe, through a Florida Sheriffs' Association (FSA) cooperative contract, if it was available. Most of the time the equipment was on that contract.

If the equipment was not available on the FSA contract, the City's distribution and collection manager, or its assistant utilities director, would research available options and develop technical specifications

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for the purchasing agent to conduct a formal, competitive solicitation. Once the City identified a need for a purchase requiring a formal solicitation, staff researched vendors that were able to provide the goods or services they sought and asked vendors for quotations. After gathering that information, staff drafted the solicitation's technical specifications and provided them to the Purchasing staff who conducted the competitive solicitation.

Utilities replaced its old articulating JLG 450AJ model boom lift with a refurbished JLG 800AJ model boom lift in February 2022. The JLG 450AJ boom lift was already in service when he joined the City in 2005. The City purchased the JLG 450AJ boom lift used. The City often bought used equipment in good condition as it was a more economical purchasing option. Any of the staff members were able to use the boom lift.

Sometime in 2021, the Former Assistant Utilities Director, the Treatment Plant Supervisor, and Chief Operator informed Mr. Bailey that staff recommended he replace the JLG 450AJ boom lift as it was old and unreliable. Staff only used the boom lift when necessary, such as during a hurricane, because it was already considered unsafe. He did not personally inspect the equipment to verify whether staff's report was accurate, as it was unnecessary for him to inspect a piece of equipment that he had already seen in operation as part of his day-to-day responsibilities. The JLG 450AJ boom lift was out of service for several months before Mr. Bailey made the decision to replace it.

The Former Assistant Utilities Director proposed a \$100,000.00 budget to replace the JLG 450AJ boom lift, which the Commission approved. Mr. Bailey did not know how the Former Assistant Utilities Director came up with the \$100,000.00 budget figure but once the Commission approved it, the Former Assistant Utilities Director and other staff members began searching for vendors that sold that type of equipment.

Mr. Bailey believed that the Former Assistant Utilities Director contacted some potential vendors that told him they were not accepting orders for new boom lifts. The Former Assistant Utilities Director suggested that they look into purchasing a used lift as new ones had long lead times.

When staff prepared budgets for equipment replacements, they discussed the details of the replacement, such as whether to get the same make and model as the existing equipment or to seek something different. However, for the boom lift, they solely discussed replacing the boom lift.

On October 4, 2021, Heavy Equipment Vendor 2 sent the City a quote for a new boom lift, priced at \$175,000.00.

It was his understanding that the quote was not a guarantee that Heavy Equipment Vendor 2 had a new boom lift available at the time of the inquiry. Since the quote was over the budgeted amount, he decided against purchasing a new boom lift.

Staff searched for a used boom lift and found one on a vendor's lot. Mr. Bailey saw pictures of it and noted it was in poor condition. Later, the Former Assistant Utilities Director found a completely refurbished JLG 800AJ boom lift that Heavy Equipment Vendor 1 was selling. He took one of the fleet

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mechanics with him to inspect the boom lift and subsequently informed Mr. Bailey that he believed the equipment was in good condition. Mr. Bailey saw photos of the refurbished JLG 800AJ boom lift and agreed that it looked to be in good condition, especially compared to a boom lift Heavy Equipment Vendor 2 was selling that they previously considered. Initially, the vendor wanted more than the budgeted \$100,000.00 that was approved to purchase the unit, but the Former Assistant Utilities Director informed the vendor that the City could not purchase it for more than the budgeted amount, so the vendor agreed to sell it to them for \$99,900.00.

Mr. Bailey recommended the purchase of the JLG 800AJ boom lift to the Former City Manager and ultimately the Commission. He told the Former City Manager the steps staff took to find a suitable replacement and recommended waiving the competitive procurement requirements to buy the boom lift immediately, as there was another potential buyer. The Commission approved the purchase, and the City purchased the JLG 800AJ boom lift from Heavy Equipment Vendor 1.

While Mr. Bailey did not personally inspect the JLG 800AJ when the City purchased it, he trusted his subordinates' expertise and judgement to evaluate the condition of the equipment. He noted the challenges in searching for and purchasing equipment in a competitive market with long lead times for new equipment. The process was successful in achieving their goal of replacing the JLG 450AJ boom lift with a reliable and functional piece of equipment within the constraints of an approved budget.

Mr. Bailey wrote the staff report in the same way he drafted all Utilities memorandums that he presented at commission meetings. Commission meeting draft documents went through a review process that included the city manager conducting the final review before it was presented to the Commission.

Mr. Bailey was aware that purchases above \$20,000.00 required a formal competitive solicitation and that was why he recommended that the Commission waive that provision to purchase the JLG 800AJ boom lift. The Commission had the authority to waive the procurement requirements if it was in the best interest of the City and purchasing the boom lift was in the best interest of the City. The purchasing agent concurred.

When the OIG explained to Mr. Bailey that the Purchasing Agent told the OIG that this purchase did not go through Purchasing, Mr. Bailey advised that the Purchasing Agent was not yet a City employee when they purchased the JLG 800AJ boom lift. He believed that the purchasing agent at the time of the purchase was K.F. He did not want to say that the Purchasing Agent was not the purchasing agent at the time of the purchase because he could not remember and there was a lot of turnover at the time. However, if the Purchasing Agent told the OIG that the purchase did not go through Purchasing, he likely meant that he (the Purchasing Agent) did not prepare solicitation documents for this purchase. However, he did not want to speak for the Purchasing Agent. Purchasing was "never not aware" of a purchase such as this. Additionally, the finance director was required to review all purchases submitted to the City Commission for approval.

Mr. Bailey only remembered discussing two vendors, Heavy Equipment Vendor 1 and Heavy Equipment Vendor 2, with staff regarding the purchase of a replacement boom lift. He did not know if staff only

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visited these two vendors before recommending the Heavy Equipment Vendor 1's JLG boom lift for purchase.

The boom lift budget process started in August 2021, and the City purchased the equipment in February 2022. He made the decision to request the City Commission's approval to waive formal solicitation requirements when the Former Assistant Utilities Director informed him that Heavy Equipment Vendor 1 had a potential buyer for the JLG 800AJ boom lift and did not want to wait much longer for the City to decide.

Mr. Bailey did not recall any other time he recommended the City Commission waive the formal solicitation requirements for a purchase. However, he did not seek advice or assistance from anyone concerning the waiver. He just knew the Commission could waive the procurement requirements and assumed that the City's management staff would let him know if the Commission could not waive the procurement requirements for the boom lift before his request was presented to the Commission.

City management staff reviewed the draft report before it was presented to the Commission. Staff had at least two weeks to review the draft documents before they were included in the agenda packet for the commission meetings. The Former Finance Director, Former City Manager, City Attorney, and other staff had sufficient time to review the staff report and comment before the commission meeting. Additionally, each reviewer signed a routing form to indicate that they reviewed the agenda support documents and were okay with the agenda documentation being presented to the Commission. If any staff member did not believe the Commission had the authority to waive the requirements, they would have informed him.

Any JLG 800AJ boom lift could have been acquired under a normal purchasing process, but not Heavy Equipment Vendor 1's JLG 800AJ boom lift. Utilities could have conducted a normal RFP process to solicit proposals for an articulating boom lift; however, by the time the process was complete, that boom lift would have no longer been available. Heavy Equipment Vendor 1 told the Former Assistant Utilities Director that another buyer was interested in the boom lift. The request for the Commission's waiver was based solely on the limited time Heavy Equipment Vendor 1's JLG 800AJ boom lift would be available and "the time related to that." There were no other factors that justified the Commission waiving the normal procurement process. He needed to "more or less [take] immediate action" to buy the JLG 800AJ boom lift and there was insufficient time to go through the normal procurement process.

He recommended the Commission waive the normal procurement process based solely on the information the Former Assistant Utilities Director provided to him.

Utilities could not conduct a solicitation for a used boom lift because it was difficult to write technical specifications for a used or refurbished boom lift. While he could have used selection criteria like the equipment's age, usage hours, and equipment lifespan to write the technical specifications, he was reluctant to try that because it was a challenging task. He informed the Commission, through the staff report, the challenges of writing technical specifications for a used boom lift.

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While assisting in the development of technical specifications may have been one of the purchasing agent's roles and responsibilities, Mr. Bailey wrote almost all the technical specifications for the department's purchases without seeking the purchasing agent's assistance. The purchasing agent almost never helped him.

Mr. Bailey did not ask Purchasing to conduct a solicitation to purchase the boom lift because he did not have enough data to write the technical specifications at the time. He was not an expert on boom lifts and was concerned that the department would not find a boom lift for the budgeted amount even if the department tried to conduct a competitive solicitation. He was also worried that conducting a competitive solicitation with incomplete technical specifications might result in an award to the lowest bidder which might cause them to purchase defective equipment.

The Former Assistant Utilities Director told Mr. Bailey about the difficulties he experienced while trying to find a boom lift. Mr. Bailey did not require the Former Assistant Utilities Director to provide him with written communication from the vendors who declined to provide a quote. If the purchasing agent requested it, Mr. Bailey would have required it. Otherwise, he would not have thought to provide the communication records.

OIG staff showed Mr. Bailey results from Google searches they conducted between May and October 2021 showing used JLG 800AJ boom lift prices ranged from \$41,000.00 to \$99,000.00. After reviewing these results, Mr. Bailey indicated that, had he seen the results before writing the staff report, he would have asked staff to conduct more research and to check the conditions of some of the boom lifts they found. He pointed out that the results did not indicate whether the boom lifts were refurbished, whether they were available, or when they could be delivered. But he may have shortlisted three or four vendors and asked staff to examine the equipment's conditions prior to making the recommendation to the Commission. In hindsight, he probably should have asked staff what research they had done.

2. Interview of the Former City Manager

The Former City Manager started with the City in February 2020, and left on April 14, 2023. As the city manager, he was the City's chief administrative officer and chief executive officer. He implemented policy guidance set by the commission and oversaw the City's day-to-day operations. His day-to-day duties included supervising approximately eight department directors, a communications employee, and a few other administrative support employees.

By the time he started with the City, the City had been without a city manager for nearly two years. He studied the City's charter and code, and reviewed the administrative policies that were already in place. Because many of the commissioners were also new at that time, he did not get much help from them as far as training. It was a learning process.

Anytime the City created a new policy, staff received a copy, and it was posted on the City's website.

The Former City Manager was familiar with the procurement code as the code guided staff when making purchases. Most of the procurement code was about thresholds and staff's requirements at each of the different thresholds. There were exceptions to the standard procurement processes such as single-source,

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or emergency purchases. The City also utilized a lot of piggyback and cooperative contracts during his tenure. Some purchases did not require his approval and some purchases required staff to get quotes.

Purchases started with the requesting department determining their needs and requirements. The department coordinated with Purchasing, which helped the department develop specifications and solicited quotes or proposals as needed. Larger competitively solicited purchases went through a selection committee review. The recommendations came to the city manager for review and approval before being presented to the Commission.

The Former City Manager reviewed purchase requests when they reached his desk, including verifying proper review by Finance and Purchasing. Those divisions confirmed budget availability and determined compliance with City ordinances and policies. He had the ability to reject purchase requests and send them back for more information or additional work. On the other hand, his approval moved the item forward to the Commission's agenda. The purchase process for the boom lift began within Utilities, who determined the need to replace the aging boom lift.

Departments started developing their budgets in February or March each year. In May of each year, he reviewed projected departmental budget requests with the department directors. Finance refined the budgets between March and August. After Finance compiled the budget, he reviewed budget requests with each department head and questioned major or questionable items before the Commission adopted the budget.

The City Commission held public hearings and budget workshops before October 1 each year—the statutory deadline to adopt the budget.

Utilities requested a budget of \$100,000.00 to replace a boom lift that was over 20 years old in either May or June 2021. The City Commission approved the \$100,000.00 budget for the boom lift purchase in either August or September 2021.

Utilities presented the boom lift purchase to the Former City Manager as an urgent need due to the previous lift breaking down. The department had to justify the purchase to get it into the budget. He did not recall asking about the research the department conducted. He probably asked the department's staff how they came up with the \$100,000.00 budget figure.

The purchasing code provided circumstances under which the City could waive its provisions. Some of the circumstances included insufficient time or the unique nature of the goods needed. Utilities staff provided him the waiver request for the purchase of the boom lift and indicated the purchase was urgent due to equipment failure and issues obtaining a replacement. The waiver request likely came to him already packaged with a staff recommendation for approval given Utilities indication that the purchase was urgent.

The Former City Manager met with Mr. Bailey and other staff when the purchase was placed on the City Commission's agenda. Mr. Bailey told him that availability was limited due to COVID. The Former City Manager was comfortable with the information provided in the staff report and their explanations for using the waiver. He trusted staff's recommendations for using the procurement waiver to purchase the articulating boom lift. Utilities staff was best qualified to determine whether it was fairly priced and properly refurbished based on their knowledge of the equipment. Ultimately, he accepted the waiver request at face value.

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The Former City Manager saw Heavy Equipment Vendor 1's quote in the agenda packet when the purchase was brought before the Commission. He did not recall reviewing any documents beyond that quote nor did he recall questioning why they only obtained one quote. He did not recall who made the suggestion to approach the Commission about waiving the procurement procedures.

Mr. Bailey should have consulted the purchasing agent about the process and the purchasing agent should have reviewed the purchase waiver request. Purchasing may not have reviewed the waiver request in this instance. The Former City Manager required it on all purchases after learning that Purchasing was not reviewing everything that went before the Commission. After the boom lift purchase, the Former City Manager instituted an audit trail report as backup support for agenda items to show they went through all required reviews. Had he been aware that staff bypassed standard solicitation requirements or that the effort to obtain quotes was limited, he could have halted the process and sent it back to staff for correction regardless of any claim of urgency.

After reviewing the OIG's examples of cheaper boom lift options found online, the Former City Manager agreed that the City could have procured the boom lift better. However, he noted that the boom lifts the OIG found may not have represented refurbished equipment, so it was difficult to compare the sampled items to the boom lift purchased. However, at that time, he was comfortable with what Utilities did. He felt that the purchase was justified based on staff's representations regarding urgency and lack of availability. He would have approached the purchase differently if he had information about the additional pricing information at that time.

In hindsight, staff could have performed additional due diligence to research alternative sources to acquire the boom lift. The City could have gotten more quotes. He could have also questioned the lack of competing quotes and exercised greater scrutiny instead of relying on staff's word. He agreed that there was ample time to conduct more research for the boom lift purchase given that the budget process started in May 2021.

There have been improvements in the procurement policies, including requiring the purchasing agent to be included in the review process for procurements and instituting an audit trail report to show required reviews were completed for agenda items at each level.

3. Interview of Former Assistant Utilities Director

The Former Assistant Utilities Director began his employment with the City as a field worker utility technician in 2005. After two prior promotions, the City promoted him to assistant utilities director around 2020. He left the City in 2022.

As assistant utilities director, the Former Assistant Utilities Director managed the City's water plants and oversaw all department field operations. He reported to Mr. Bailey. Utilities had approximately 30 employees in total and he had four direct reports: a plant operations supervisor, a field operations supervisor, and two administrative assistants.

Over the years, whenever the City introduced new policies or updates, employees were required to read and familiarize themselves with them. Typically, these changes were communicated via email and accompanied by instructions on replacing old policies with new ones.

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When it came to purchasing, Utilities gathered for budget discussions and created a wish list for the equipment it wanted. If the City approved a request in the budget, Utilities proceeded with the process of obtaining quotes prior to making a purchase.

His procurement training primarily involved on-the-job learning with experienced colleagues showing him how things needed to be done. The former purchasing agents assisted him with purchase matters as well.

While the Former Assistant Utilities Director was not familiar with the City's procurement code, he had enough procurement knowledge to navigate through the process. He knew when to seek guidance or assistance from Mr. Bailey, Purchasing staff, or Finance staff when he was uncertain about a purchase. They would direct him to specific guidelines to follow or contracts to use. He did not recall if the City had a purchasing manual or procurement standard operating procedures.

Utilities usually relied on cooperative contracts from the FSA and bypassed the traditional competitive bidding process. Utilizing the FSA contracts made the procurement process easier because most of the purchases were for brand new items.

He never participated in the initial stages of any solicitation, like writing the technical specifications. Mr. Bailey and the assistant utilities director before him usually wrote the specifications for Utilities' purchases.

Under normal circumstances, a boom lift would last a minimum of 15 years with proper maintenance. Utilities sought to replace the City's boom lift when it started to deteriorate and was endangering worker safety after being in service for over 20 years. The deterioration included failure of the basket's hydraulic ram or piston that caused the basket to fall unexpectedly. The tires and the hydraulic hoses had dry rot and needed replacement as well. Given the boom lift's condition, as well as the approximate cost of \$20,000.00 to repair it, staff began considering replacing the JLG 450AJ boom lift. In the meantime, Utilities rented a boom lift while management considered replacing the old one.

Budget preparations for the following fiscal year's budget, which started on October 1, typically began the preceding May or June. Staff based the \$100,000.00 budget to replace the boom lift on an assumption that the amount would be sufficient to purchase a brand new JLG 450AJ boom lift, the same make and model as the one Utilities had at the time. Prior to submitting the budget request, he, the Former Chief Operator, and the Utilities Foreman conducted a Google search and found the price range of approximately \$100,000.00 for JLG 450AJ models. He could not remember the vendors or websites that he saw. Utilities' research during the budgeting process primarily involved online searches rather than direct communication with specific vendors. However, he reached out to Heavy Equipment Vendor 1 after the budget was approved.

Following budget approval, the Former Chief Operator and the Utilities Foreman expressed a preference for a bigger boom lift and so a decision was made to purchase the JLG 800AJ model—with an 80-foot reach. Staff did not realize the budget was insufficient to purchase a new JLG 800AJ boom lift. The Former Chief Operator and the Utilities Foreman visited a Heavy Equipment Vendor 2 dealership in Davie

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with the intention of purchasing the JLG 800AJ boom lift they had previously rented, but the JLG 800AJ boom lift that was shown to them was not the same one they had rented before.

When the Former Assistant Utilities Director saw Heavy Equipment Vendor 2's October 4, 2021, \$175,000.00 quote for a new JLG 800AJ boom lift, he realized they could not afford a new JLG 800AJ boom lift. He might have told Mr. Bailey that they could not afford a new boom lift. Following a later conversation with Heavy Equipment Vendor 1's Former Territory Manager, he told Mr. Bailey that Utilities could purchase a refurbished boom lift from Heavy Equipment Vendor 1. Mr. Bailey agreed to pursue purchasing the refurbished lift.

The functionality Utilities was looking for in a replacement boom lift included a two-man basket with better stability compared to the old compact basket. Safety was the primary concern, especially when working at great heights like the roof of the water plant building. The other boom lift specification considerations included the boom lift's height, its reach, quality of the engine specifications, and the possibility of having a generator for electric cord usage.

The Former Assistant Utilities Director first contacted Heavy Equipment Vendor 1 after conducting a Google search for vendors who offered JLG boom lifts. He submitted a request for an 80-foot boom lift, most likely through an online form on Heavy Equipment Vendor 1's website or through an email. After receiving a response, he and Heavy Equipment Vendor 1's Former Territory Manager had subsequent conversations, likely over the phone, further discussing the department's specific boom lift requirements and preferences. However, he could not recall details about the conversations. He did not know the employee prior to conducting the Google search. Between September 28, 2021, and February 22, 2022, he might have contacted Heavy Equipment Vendor 1's Former Territory Manager a few times to inquire about the boom lift's availability and warranty.

A used boom lift is different than a "refurbished" one. A used boom lift is sold "as is" whereas a refurbished machine has undergone some significant rebuilding process or repair work, often having old parts replaced with new or aftermarket parts. The City purchased a refurbished boom lift from Heavy Equipment Vendor 1. The hoses and other parts were replaced with new ones and the machine was repainted.

The Former Assistant Utilities Director could not recall why it took him and staff so long to get two quotes. Staff may have been uncertain about their next steps after realizing they could not afford a new one. He, the Utilities Foreman, and the Former Chief Operator searched online for used or refurbished boom lifts through Google and on some heavy equipment sales websites during that time. The Utilities Foreman requested the quote from Heavy Equipment Vendor 1 on February 3, 2022. Since he had other priorities, he only conducted the searches when he had the time but primarily left it up to the Utilities Foreman, the Former Chief Operator, and the Chief Operator. The replacement of the boom lift was not his main responsibility.

Heavy Equipment Vendor 1's Former Territory Manager told him that, during that time, boom lift manufacturers were not accepting orders for new machines due to the COVID-19 pandemic. The boom

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lift factories were shut down and only used or refurbished boom lifts were available for purchase. That was one other reason he and his staff searched for a used or refurbished boom lift.

The FSA and Autotrader websites did not have any used machines that met their requirements. However, there was not likely to be any documentation or records of his online research because he was just informally browsing the internet. The Former Chief Operator, the Utilities Foreman, and the Chief Operator were primarily focused on Heavy Equipment Vendor 2 since they had previously rented a boom lift from that vendor. He did not recall any specific documentation from their research.

The Former Assistant Utilities Director was not familiar with the Sourcewell contract but was familiar with the concept of sourcing goods and services through cooperative contracts. He knew that agencies could purchase both new and used equipment on some cooperative contracts. He believed that the City could purchase from a vendor so long as the vendor had a contract within the State of Florida. The three staff members he asked to search for a boom lift did not search on the Sourcewell contracts website.

The Former Assistant Utilities Director did not consider conducting a competitive solicitation to purchase the replacement boom lift. He mentioned the possibility of utilizing a contract they could piggyback off to avoid the need for competitive bidding. He also expressed concerns about bidding for used equipment, as the condition and quality of used or refurbished equipment varied significantly. Lower-priced options may not necessarily have been the best choice. Although he believed that they could have piggybacked off some contracts to purchase new boom lifts, he did not actively search for those types of contracts.

Heavy Equipment Vendor 1 and Heavy Equipment Vendor 2 were the only Florida dealerships he could recall that sold new JLG 800AJ boom lifts.

The Former Assistant Utilities Director provided Mr. Bailey with pictures of Heavy Equipment Vendor 1's refurbished boom lift. Mr. Bailey used those pictures to write the staff report submitted at the February 22, 2022, commission meeting. The staff report contained information the Former Assistant Utilities Director provided based on the vendor's assertions about the limited availability of boom lifts and retailers not accepting orders for new equipment. Although that information came from a used equipment salesman, he was confident in the employee as a reputable JLG vendor and believed the information provided was credible.

The Former Assistant Utilities Director could not remember if the Utilities Foreman or the Former Chief Operator visited the Heavy Equipment Vendor 1 dealership to inspect the refurbished boom lift prior to purchase. However, the vendor's employee sent them specifications of the refurbished boom lift, including the date of refurbishment and possibly some pictures. There was a six-month warranty on the refurbished equipment.

The OIG pointed out the discrepancy between the statement in the staff report which stated that staff "researched the market for lifts of a similar size and capacity as the current one"—the JLG 450AJ—and the next sentence which stated that "the cost of a new lift is approximately \$170,000 which exceeds our

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budget of \$100,000.” The staff report did not indicate that the two statements were unrelated. The Former Assistant Utilities Director agreed that knowing that the two statements referred to two different boom lift models, someone reading the report would not understand that the reference to the research and the quoted price were not directly related. He agreed that the staff report should have been made clearer. However, he did not think that Mr. Bailey was trying to “pull a fast one” by presenting the information that way in the staff report.

Since the department was purchasing a refurbished boom lift; staff could not conduct a competitive solicitation because it was difficult to write the technical specifications for used equipment. Staff discussed the requirements of the replacement boom lift but did not document them.

When Utilities bought new equipment, he, staff, and Mr. Bailey documented the product’s requirements and wrote the specifications. Typically, Mr. Bailey submitted technical specifications to Purchasing since he handled the administrative aspects of the procurement. The purchasing agent reviewed the specifications and added additional information before publishing the competitive solicitation.

Purchasing determined whether a purchase would be competitively bid out or piggybacked off another contract. It was easier to get a better deal from an existing piggyback contract instead of bidding out procurements. Due to the City's small size and limited staff, going out to bid was overwhelming.

Utilities had not made the decision on what type of boom lift to buy at the time he sent his September 29, 2021, email to staff. Utilities did not write the specifications for the used boom lift. However, internally, staff knew what they wanted in terms of a boom lift’s reach and articulation. At the time of his September 29, 2021, email to staff, he did not know whether the purchase would be bid out or not.

Purchasing had to approve the purchase of the boom lift for it to be included on the February 2022 City commission meeting agenda.

Heavy Equipment Vendor 1 informed him that a potential buyer from Tampa was also considering the boom lift. The decision to purchase the boom lift was influenced by the fact that it fit within their budget and there was another buyer also interested. If the City did not purchase Heavy Equipment Vendor 1’s boom lift, Utilities would have to start the search over for a replacement boom, rent a boom lift as needed, and seek additional budget approval.

Heavy Equipment Vendor 1 proposed a quote of \$99,900.00 for the boom lift. There was no negotiation on the price. He only negotiated the addition of a six-month warranty. He conducted the negotiation discussion alone. He did not seek legal advice, nor did he consult the purchasing agent before the discussion.

The Former Assistant Utilities Director did not know who initially suggested making a recommendation to the City Commission to waive the bid requirements to purchase the boom lift. Mr. Bailey told him that the City's charter allowed for the purchase of used equipment without a competitive bidding

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process and Mr. Bailey made the recommendation to waive the bid requirements. Mr. Bailey likely made the recommendation to waive the procurement code's bid requirements based on the limited time available and need to acquire the boom lift promptly.

Utilities needed the boom lift for different tasks over time. The department might rent the boom lift for a week but might not need it again for months. The need for a lift was not always predictable, so having a boom lift readily available was essential, especially during hurricane season. Utilities rented boom lifts on several occasions.

Furthermore, after seeing the OIG's search results for boom lifts, he agreed that it was not difficult to write the specifications for a refurbished boom lift, as he could have copy-and-pasted the specifications straight from the search results.

The Former Assistant Utilities Director assisted his team to some extent but relied on them for most of the work. There was room for improvement in their due diligence efforts. Purchasing had the final say after he submitted the quote. Purchasing should have insisted Utilities get three quotes and assisted Utilities with writing the specifications.

4. Interviews of the Utilities Foreman

The Utilities Foreman became a City employee in 2003. He did not have any procurement training but had acquired knowledge of the City's policies and procedures by perusing the City materials and watching available training videos. He knew that there was a City requirement to seek three quotes for any purchase above \$1,500.00.

The City had an old articulating boom lift that worked up until sometime in 2021. Its hydraulics failed and its bucket fell sometime in 2021. After the boom lift broke down, Utilities made the decision to purchase another boom lift, but he could not recall how long after the accident they made that decision. The City eventually purchased a refurbished JLG 800AJ model boom lift, a better model with an 80-foot reach, instead of the old one's 50-foot reach, and with a six-month warranty.

Sometime in 2021, after the old boom lift failed, the Utilities Foreman leased a boom lift to assist with the plant maintenance workload. This was the first time Utilities had leased a boom lift. He called Heavy Equipment Vendor 2, and, on October 25, 2021, he, and the Former Chief Operator, visited its location to inspect boom lifts for lease. The sales representative showed them several models and he selected the JLG 800AJ model.

When he went to Heavy Equipment Vendor 2's location, the Utilities Foreman was only focused on finding and selecting a boom lift that worked. Both he and the Former Chief Operator agreed that the 800AJ boom lift model would meet the City's needs and Heavy Equipment Vendor 2 delivered it the next day. The City leased the boom lift for one day and the cost was approximately \$1,122.00.

Following the lease, the Utilities Foreman asked the Former Assistant Utilities Director if Utilities could purchase a boom lift and the Former Assistant Utilities Director advised him to seek quotes for a JLG 800AJ boom lift—the same make and model as the leased lift. After Utilities returned the leased boom lift, Heavy

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Equipment Vendor 2 sent him a \$175,000.00 quote for a new JLG 800AJ model boom lift, the same make and model the City had leased. Sometime after receiving the quote, he together with his mechanic subordinate, visited the vendor's location in Davie for a second time and the sales representative showed them a different JLG 800AJ boom lift that was not in good condition. Even though the boom lift appeared to be in working order, he did not think it was worth buying. He did not ask for the boom lift's price.

After Utilities made the decision not to purchase Heavy Equipment Vendor 2's boom lift, the Former Assistant Utilities Director gave the Utilities Foreman Heavy Equipment Vendor 1's contact information as he had seen some boom lifts at their location. He called that vendor, got a quote from the Former Territory Manager, and eventually purchased the JLG 800AJ boom lift.

Heavy Equipment Vendor 1 sent him pictures of the refurbished JLG 800AJ boom lift, which he used to assess the boom lift's condition. No Utilities staff members visited the vendor's location to physically inspect the boom lift before it was purchased. However, they did inspect it once it was delivered to the City. They relied on the pictures Heavy Equipment Vendor 1 sent to make the decision to purchase the boom lift without a physical inspection.

Prior to requesting a quote from Heavy Equipment Vendor 1, Heavy Equipment Vendor 2 sent a \$175,000.00 quote for a new boom lift, but it exceeded the budget.

The Utilities Foreman had no knowledge of cooperative contracts.

He conducted online searches to find a suitable boom lift but was unable to find anything worth considering. He could not recall the websites he visited or the search terms he used.

Neither him nor the Former Chief Operator sought any information about a JLG 450AJ boom lift, as the staff report for the February 22, 2022, commission meeting suggested. His online search efforts focused solely on the JLG 800AJ model.

5. Interview of Former Chief Operator

The Former Chief Operator was a City employee for more than 34 years. He was familiar with most City policies and received purchasing training about three or four years ago. The City has been revamping its purchasing and human resources policies and manuals for some time. City policy required staff to seek at least three quotes prior to purchasing goods or services costing \$5,000.00 or more.

In September 2021, the Commission approved Utilities' proposed \$100,000.00 budget to purchase an articulating boom lift. The City's old boom lift, a JLG 450AJ model, was still working, but it was nearing the end of its useful life.

On October 5, 2021, the Former Chief Operator emailed Heavy Equipment Vendor 2 requesting quotes on used boom lifts and for the cost of leasing a new boom lift. However, the Heavy Equipment Vendor 2's Sales Representative did not respond to his email because the Former Assistant Utilities Director assumed responsibility for all communications concerning the boom lift. The Utilities Foreman was copied on the email correspondence between them because the representative knew him.

On October 18, 2021, the City's JLG 450AJ boom lift broke down. The machine was taken to Fleet Services for service. On October 26, Utilities leased a JLG 800AJ model boom lift from Heavy Equipment Vendor 2

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to see if that boom lift model's configuration was suitable for their needs. The machine was only leased for one day.

The JLG 450AJ boom lift was repaired and put back in service by early November 2021. On November 10, 2021, the JLG 450AJ boom lift "had a catastrophic failure," while lifting the pump—its hydraulic system failed completely, and its basket dropped. On November 19th, the boom lift was again taken to Fleet Services for service. A short time later, Mr. Bailey decided that the JLG 450AJ boom lift needed to be "permanently taken out of service."

At Mr. Bailey's direction, the Former Assistant Utilities Director asked staff to start looking for a boom lift to replace the JLG 450AJ model. The Former Assistant Utilities Director also asked him and the Utilities Foreman to go to Heavy Equipment Vendor 2's location in Davie to try and identify a boom lift make and model that met the City's needs. The Former Chief Operator's goal was to find a boom lift that the Former Assistant Utilities Director could purchase from Heavy Equipment Vendor 2 that worked best for the wastewater plant section. There were several different types of boom lifts. Some had multiple articulating arms, but the City's JLG 450AJ model did not have that many and therefore had a limited range of motion.

The Former Chief Operator and the Utilities Foreman only went to Heavy Equipment Vendor 2 because they did not know what type of boom lift could replace the JLG 450AJ boom lift. They could not have been seeking quotes at that time because they did not know what they needed until they got a suitable boom lift and tried it out. He believed that the Former Assistant Utilities Director was not instructing staff to start seeking quotes but was asking them to "start looking to see what we want," as they knew they did not want the same one for sure.

The Former Assistant Utilities Director sent them to Heavy Equipment Vendor 2 because it was a local vendor and had boom lifts for rent. The Former Chief Operator did not know anyone at Heavy Equipment Vendor 2. He knew that the JLG 450AJ model was not big enough for the work he and his subordinates performed in the wastewater tanks. The Former Assistant Utilities Director asked them to find larger models. The JLG 800AJ boom lift they inspected at Heavy Equipment Vendor 2 addressed the issues they had with the JLG 450AJ model.

At the Heavy Equipment Vendor 2 location, the Former Chief Operator and Utilities Foreman only inspected a JLG 800AJ model. As a result, they decided that the JLG 800AJ was the best model for the City even though there was also a Genie model with similar configuration on site. The Heavy Equipment Vendor 2 Sales Representative gave them the JLG 800AJ model's technical specifications. They did not test drive the JLG 800AJ boom lift they examined during their site visit. A salesperson just walked them around and showed them different models that had three or four articulating booms. He did not ask about any other brands or models. The salesperson proposed selling the City a used boom lift during the visit but the staff declined because it was in terrible shape.

Although the Former Assistant Utilities Director's September 29 email suggested that staff "start looking online at some or go visit some dealers," the Former Chief Operator did not think he ever researched boom lifts online. Physically examining a machine was preferable as he could touch the machine, figure out how the booms articulated, kick the tires, and test-drive it before deciding if it was the best option.

The Former Chief Operator knew that the purchase of the JLG 800AJ boom lift was supposed to be processed through Purchasing. He knew the procurement code required purchases costing more than

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\$20,000.00 to be competitively solicited. When the Commission approved the budget for a purchase, Utilities sought three quotes, selected a vendor, and requested Purchasing issue a purchase order to the selected vendor. If the purchase cost more than \$100,000.00, the purchase order required Commission approval before it was transmitted to the vendor.

After obtaining three quotes for the boom lift, Utilities should have petitioned Purchasing for a purchase order to purchase it. He did not know why the boom lift purchase was not conducted through a competitive solicitation process.

6. Interview of the Purchasing Agent

The City hired the Purchasing Agent on October 12, 2021. Prior to his employment with the City, he worked in the commercial aviation field as a purchasing manager and analyst. At the City, he supervised a purchasing assistant who started her employment around November 2022. As of May 2023, they were the only two employees in Purchasing. The previous finance director left her position the same week that he started his employment with the City. The Former Finance Director who replaced her, left the City around April 2023.

The Purchasing Agent did not receive any training on the City's procurement policies and procedures when he started his employment. He trained the purchasing assistant himself on the City's procurement practices and procedures. In the future, he plans to provide procurement training and offer guidance to other City staff. The Purchasing Agent was also updating the City's purchasing procedures.

The City had a 10-page purchasing manual that was created in 2005 and was last revised in July 2021. The manual was disseminated to employees throughout the City. The City also has a one-page "Purchasing at a Glance" reference guide. The reference guide listed exceptions, thresholds, and a procurement flowchart that showed the essential procurement steps. The City's procurement code and the manual provided general procurement guidance. The City did not have a procurement code until 2019, so employees who had been with the City for many years had to adapt to this change and learn the new processes and procedures. The City's high staff turnover rate created challenges for procurement training and for establishing procedures.

After several months as a City employee, the Purchasing Agent discovered that there was room for improvement in the City's procurement code. He recommended hiring a procurement consultant to help improve the code. In the meantime, he started improving the City's purchasing processes and procedures because he was the only purchasing employee. However, his priority was completing the day-to-day purchasing tasks. While awaiting completion of the procurement consultant's work, he hosted monthly meetings with senior departmental staff and administrative staff involved in purchasing. Monthly meetings were a good procurement practice.

As of May 2023, the Purchasing Agent was updating the City's procurement procedures to ensure that staff met the highest procurement standards. To identify best practices, he studied procurement codes and purchasing procedures of neighboring municipalities. In September 2022, the City hired a consultant to assist with the update.

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The Purchasing Agent described the typical procurement process for the City. If a department needed to purchase a \$20,000.00 piece of equipment, the department head provided Purchasing with the technical specifications and budget information. Then, he researched the market for possible vendors. He also recommended that the department conduct its own potential vendor research. The research should have included the review of cooperative contracts, such as those from the GSA, the FSA, and Sourcewell. If the equipment was available on a cooperative contract, he recommended the department piggyback off the contract to acquire the piece of equipment.

If a piece of equipment was not available on a cooperative contract, the Purchasing Agent recommended conducting a competitive solicitation. The competitive solicitation process could be challenging when purchasing used equipment. There were other factors he would consider when purchasing used equipment, such as a boom lift. Some of those factors included height of the boom, price, and warranties.

The City used an ERP system which included a purchasing module. The purchasing module established different levels of approval based on the cost of the item purchased. If the item to be purchased cost less than \$20,000.00, the approval flow started with the department head then moved forward to Purchasing to complete the approval process.

For purchases over \$20,000.00, a requisition was not created until the City Commission approved the purchase. After the requesting department identified the vendor and agreed on the price and other terms with the vendor, the requesting department sought commission approval. Once the Commission approved the purchase, the requesting department logged into the ERP system to start the requisition process. The requisition was created to process payment.

The requisition approval flow process started with the department head and continued to the finance director, and finally, to Purchasing. The finance director ensured that the Commission approved the purchase before approving the requisition and sending it to Purchasing.

The vendor compliance verification served as one of the final steps in the purchasing process and was included in the vendor packet along with the W9 form and relevant insurance information. Since he began working for the City, the completion of this form has been mandatory for all new vendors. For existing vendors, their verification forms should have already been entered into the system.

The Purchasing Agent did not participate in Utilities' purchase of the boom lift which started in September 2021. The prior purchasing assistant left the City while the boom lift was being purchased.

Documents contained in the agenda packet for commission meetings were typically routed through Purchasing for review before the scheduled meeting. The routed agenda documentation alerted the Purchasing Agent to purchases being presented to the City Commission for approval. He did not recall seeing the agenda documentation for the boom lift purchase. To his knowledge, the purchase of the boom lift was the only example of agenda item documentation that bypassed Purchasing's review.

The Purchasing Agent did not know why Utilities staff did not include him in the purchase of the boom lift. He should have been involved. If Utilities staff communicated its product requirements to him, he could have helped research the available boom lifts. He became aware of the request to purchase the boom lift after the City Commission approved Utilities' request to waive the bid requirements.

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Purchasing did not sign off on the agenda item documentation before it was presented to the City Commission and was not involved in the purchase of the boom lift.

The Purchasing Agent could not recall if he had looked at any emails between Utilities staff and vendors regarding the boom lift purchase. He could have assisted them in their search for the boom lift.

Staff should have obtained several quotes; at least three. He did not believe that visiting one vendor was sufficient research to justify the waiver of procurement procedures. However, if the Commission waived the purchase requirements based on an emergency need, such limited research would be acceptable. Staff should have produced more concrete evidence to support their claim of a supply shortage of boom lifts at the time.

Specifications were not impossible to write. If Utilities staff believed Purchasing never provided them help, then that showed City employees were not familiar with the numerous resources available to them.

The reasons Utilities provided the Commission to support their request to waive the procurement procedures for the boom lift were not sufficient.

Five months was a tight timeframe to conduct a competitive solicitation considering that Purchasing was under-staffed. But three- to four-months was sufficient to carry out a competitive solicitation for a boom lift due to its straightforward nature.

The process of purchasing the boom lift should have started back in May 2021 when Utilities staff first submitted a budget request.

7. Interview of the Former Finance Director

The Former Finance Director worked for the City from January 2022 to April 2023. As the finance director, he oversaw the accounting division, utility billing division, purchasing division, and the IT division. He performed the general functions of a chief financial officer for the governmental entity. He had approximately 16-18 people reporting to him directly and he reported directly to the city manager. When he started his position in the City, there were three individuals working in Purchasing but one of them had already put in her notice to leave and left shortly after he was hired. The Purchasing Agent started not too long before him and is currently still employed by the City. There was also the assistant finance director, who was there for two and a half years.

The Former Finance Director did not receive any official training on the City's policies and procedures when he started his employment with the City other than his own self review of documents that he thought would be important for him to brush up on. At some point, he familiarized himself with the City's procurement code. When he first started, his position was vacant for four to five months.

Finance increased their level of communication with the other City departments when it came to procurement. Staff complained a lot that projects were taking so long and that items were getting stuck in Purchasing. The Purchasing Agent had no experience in government procurement prior to being hired by the City. He was essentially alone in Purchasing with the Former Finance Director unable to assist him while working with the City's audit. Finance set up more frequent meetings with those who had items or projects pending in Purchasing, mainly department directors and a few selected staff members. The

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purpose of the meeting was to keep them up to date on the status of their projects and to make them understand what Purchasing needed to help their projects moving forward.

The fact that the purchasing agent with experience resigned created a problem for the Purchasing Agent who approached the Former Finance Director on one or two occasions questioning his own ability to perform the functions of the City's purchasing agent. He tried to reassure the Purchasing Agent and told him to take it day by day and make sure to follow the rules. He believed the Purchasing Agent came a long way during the time the Former Finance Director was there. He encouraged the Purchasing Agent to reach out to industry colleagues from other cities so he could create a network of people who could assist him.

Prior to the Former Finance Director leaving, the City hired a procurement consultant to review the City's procurement process and determine what the City could change. In the report he issued approximately two to three months before the Former Finance Director left the City, the procurement consultant recommended the City hire another person to work in Purchasing to assist the Purchasing Agent. As a result, the City was able recognize the need to give Purchasing some more attention and improvement. The procurement consultant presented his findings to the Commission, which they accepted. The Former Finance Director departed before seeing the City implement the recommendations.

The waiver granted for the boom lift went to the City Commission for approval. He vaguely recalled learning of the waiver from either having a conversation with Mr. Bailey or from Mr. Bailey's presentation to the Commission when he asked for the waiver approval. As part of the City's procurement process, Finance had to sign off on anything that went through to the Commission, so the Former Finance Director would have at least seen the waiver. The City used a system called Municode to track the procurement approvals electronically. During his time working for the City, this was the only time, for this type of waiver, that the Former Finance Director saw someone go straight to the Commission for approval.

The Former Finance Director was only working for the City for approximately five weeks when Mr. Bailey took the boom lift issue to the Commission, so he was not sure what he thought of it at the time. The issue was brought before the Commission and they approved it, so there was nothing improper about that process. The legal team should have decided if it was a proper procedure or not and whether the Commission had the right to waive the bidding process for the boom lift. He was comfortable with the fact that Mr. Bailey went to the Commission but was unsure how comfortable he was with waiving the procurement process in this instance. He did not look at this back then as a big deal since it was brought in front of the Commission and the City's legal team did not oppose it.

The Former Finance Director had a very good understanding of the City's procurement code and he knew there were some exceptions to the process itself. When an exception came up that was not explicitly clear, the best thing to do was to bring the concern to the City's governing body to make a decision.

The Former Finance Director recalled seeing the staff report that Mr. Bailey prepared after the Commission already approved it. He had no reason to question the reasoning for the waiver since it was already approved by the Commission despite not following the normal procurement process. His mindset at the time was that it was clear to everyone that Mr. Bailey was asking for an exception by asking for a waiver and the Commission decided to approve it based on knowing that as well. Basically, everything was on the table for everyone to see. He was not pressured by anyone to get this waiver approved.

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Furthermore, the Former Finance Director did not believe the staff report submitted to the Commission was misleading, so he did not have a problem with it. If he would have been made aware that some things mentioned in the staff report were misleading, it would have been his duty to say something, and he would have felt comfortable doing so.

The OIG showed the Former Finance Director Mr. Bailey's staff report submitted to the Commission for their vote on February 22, 2022. He could not recall seeing the staff report during that time but did not question that it was the one produced before the Commission. He was aware, at the time, that Utilities staff researched available boom lifts and found a refurbished one that they were interested in. He believed they went to the Commission because they could not purchase a new boom lift with the approved \$100,000.00 budget. He did not ask to see documentation of the research staff conducted because he had no reason to question Mr. Bailey since he seemed like a straightforward guy.

The Former Finance Director recalled that Mr. Bailey emphasized the boom lift's availability, and that Utilities did not have the time to create specifications for a used item versus a new one. The fact that staff found one that fit their budget and met their needs, going with a waiver was the best option.

Even though the price of the boom lift being \$99,000.00 may have raised eyebrows, he had seen it 100 times, where the price of an item was that close to a budgeted amount. Unfortunately, sometimes, a government posted their budget, a vendor found it, and took note of it.

If a department director wanted to purchase something over \$20,000.00, the process involved a formal bid. If the department had a budget but the market was almost twice the budgeted amount, the City would not let them budget for more money. They would then have to do some research before they went through the formal bidding process. If a director did not know that at the time, they would go straight to procurement and give them the specifications for what they were looking for.

The Purchasing Agent would not have been involved because Utilities was not purchasing anything through a formal bid. Purchasing could be bypassed because the waiver Utilities asked for was not on an identifiable form written into the procurement process, such as a waiver for a sole source purchase. However, if there was an identifiable waiver form, then Utilities would have had to work with Purchasing on filling out that form and going through the rest of the process. He believed that Mr. Bailey's train of thought was that his waiver request was not written into the code specifically, so he felt he had no need to contact Purchasing before going to the Commission for approval. Once the Commission approved the waiver, Mr. Bailey knew he could go to the Purchasing Agent to complete the requisition process. If the Commission did not approve it, no time was wasted, and no information needed to be backed out of the system. Everything Mr. Bailey did up until he got approval from the Commission to waive the bidding process had nothing to do with Purchasing. There was no procurement in this situation and Mr. Bailey took the appropriate actions.

If the Former Finance Director saw the research and the quote for the new \$175,000.00 lift after the Commission already approved the waiver, he would have at least asked Mr. Bailey some follow up questions about his research and whether there were any lifts cheaper on the market. He would have stopped the process because at that point the City had no commitment to the vendor. Furthermore, he would have even been comfortable going to the city manager to discuss seeking out other quotes for cheaper boom lifts. His impression however was that Utilities staff visited and physically saw the boom lift they were interested in purchasing and visited at least one or two other vendors.

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The Former Finance Director guessed that the Purchasing Agent was working alone in Purchasing at that time and did not have the time or availability to help. Purchasing may have been in a better position to help Utilities staff walk through this process and end up with a better result.

While the Former Finance Director believed Utilities did the best they could by seeking out the waiver from the City Commission, he agreed that the research on the boom lifts was weak and that there was a failure in the research part of the process. However, he would never have questioned them about how much research they did because he always treated his coworkers as professionals and taken what they communicated to him in good faith. In hindsight, they could have done better research and engaged Purchasing sooner. It would have helped, but it may not have been feasible with the staffing limitations at the time.

The Commission has never previously denied Mr. Bailey's requests. Mr. Bailey came to him at some point and said that he did not have to worry about the Commission not approving things because they have always given him what he wanted. Mr. Bailey also made a comment to him about how the Commission does not know enough about what he does to say no to anything he requests from them.

8. Interview of Heavy Equipment Vendor 2 Sales Representative

The Heavy Equipment Vendor 2 Sales Representative has been with the company for the past 19 years. The vendor has a total of 950 locations throughout the United States.

He prepared the quote for the City for a boom lift in October 2021. An unknown City employee initiated the communication with Heavy Equipment Vendor 2 by calling the toll-free number or telephoning his branch office directly. The company gave City staff his contact information, as the sales representative for that territory. He spoke to the City employee about the type of boom lift the City was interested in purchasing and believed they spoke about purchasing an articulating boom lift.

The Heavy Equipment Vendor 2 Sales Representative recommended an 80-foot articulating boom lift after a City employee explained that the City needed a boom lift that went up and over a certain height. The October 4, 2021, quote was for an 80-foot articulating boom lift. However, he could not recall if the quote was for a new or used lift. Generally, Heavy Equipment Vendor 2's used boom lifts were inexpensive and much less than \$175,000.00.

The City never told Heavy Equipment Vendor 2's Sales Representative the amount they had budgeted for the purchase of the boom lift.

After the Heavy Equipment Vendor 2 Sale Representative sent the quote to the City, two City employees visited the dealership. He could not recall the employees' names. During the visit, he showed the City employees an 80-foot category class #310-8001 boom lift he recommended. The City employees test-drove and operated the machine in the presence of him and his service manager. The City employees did not inspect any other boom lifts and he could not recall if they took pictures of the boom lift. He believed that was the only time City employees visited the Heavy Equipment Vendor 2 dealership in person.

In October 2021, the City rented an 80-foot articulating boom lift from Heavy Equipment Vendor 2. The Heavy Equipment Vendor 2 Sales Representative recommended they rent an 80-foot boom lift because the

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City employees wanted to take it back to the City to verify that the boom lift model met their requirements before they bought it. He wrote the one-day rental agreement.

Heavy Equipment Vendor 2 sells both new and used boom lifts sourced from several manufacturers, that include Genie, JCB, JLG, and SkyJack. The company's website listed all the machines offered for sale. If a potential customer gave him an equipment code number from the website, he could create a quote for the identified used or new piece of equipment. Heavy Equipment Vendor 2's online inventory changed daily so it was hard for him to determine which boom lifts were available at the time he prepared the City's quote.

If a potential customer needed to purchase a new JLG boom lift, Heavy Equipment Vendor 2's Sales Representative contacted the manufacturer to obtain the equipment's price, lead time, and freight costs. When the customer was ready to make the purchase, Heavy Equipment Vendor 2 ordered the equipment directly from the manufacturer. He could not recall the lead time needed to purchase a new boom lift when he provided the quote to the City or whether he told the City the lead time needed for the boom lift he quoted.

Prior to the pandemic, lead times for new boom lifts ranged between three and ten weeks. Since the pandemic, lead times have been up to a year. As of June 2023, some manufacturers were not accepting orders for new boom lifts, but he did not recall if manufacturers were not accepting orders for new boom lifts in October 2021, when the City was searching for a boom lift to purchase.

Furthermore, he could not determine the price differences between new 45-foot and 80-foot articulating boom lifts without calling the manufacturers. The price differences for used boom lifts depended on the equipment's hours of usage, manufacture year, and the model. As of June 2023, used 80-foot articulating boom lifts cost between \$50,000.00 and \$80,000.00. A used 45-foot articulating boom lift cost between \$25,000.00 and \$35,000.00.

9. Interview of Heavy Equipment Vendor 1 Former Territory Manager

Heavy Equipment Vendor 1 is a Florida based equipment rental company with dealerships in Deerfield Beach, Jacksonville, Ocala, Orlando, and Tampa. The Former Territory Manager was with the company for approximately two years and left the company in September 2022.

He did not recall how he became aware that the City was interested in purchasing an articulating boom lift. Someone from his corporate office likely called to inform him that a potential customer was interested in a boom lift and requested he give them a call. Leads were typically generated through inquiries made on the vendor's website or direct phone calls to the corporate office. Leads originating from his territory were directed to him.

The Former Territory Manager reviewed the September 28, 2021, email he sent to the Former Assistant Utilities Director and believed it was an email in response to a request for information from the Former Assistant Utilities Director. It seemed as though the Former Assistant Utilities Director had not specified whether he was looking for a new or used boom lift initially. Thus, he tried to gather more details about the Former Assistant Utilities Director's preferences. His company did not keep an inventory of new machines readily available for sale in its dealerships as its focus was on rental services.

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The Former Territory Manager did not recall whether the Former Assistant Utilities Director replied to the September 28 email. If a potential customer did not respond to his email, he typically followed up with a telephone call, so he might have called the Former Assistant Utilities Director to check if he was still interested in the boom lift. If he wanted to purchase a new boom lift right away, the Former Territory Manager would have informed him about the long lead times for new boom lifts and instead offered a refurbished one from its rental fleet.

Lead times for new boom lifts increased significantly during the pandemic. Prior to the pandemic, lead times ranged from six months to a year. However, during and after the pandemic, lead times became much longer, sometimes extending up to two years or more. The extended lead times affected the entire industry. During that time, it was not so much that new boom lifts were not available from the manufacturers than that the lead times on new boom lifts increased.

Lead times varied depending on the size of the machine. The lead time for a 40-foot boom lift from manufacturers such as Genie or JLG, ranged from nine months to a year. However, there were times, for example, when someone canceled an order on a 40-foot boom lift which led to it being available for immediate purchase. The lead time on a new 80-foot articulating boom lift could be up to two years. There was a significant price difference between a 45-foot and an 80-foot boom lift due to the substantial difference in size and reach. The price difference could be up to \$15,000.00 to \$20,000.00, depending on the boom lift brand, its specifications, features, and the year it was manufactured.

At the time of the City's purchase, the boom lift was not located at the Deerfield Beach location. It was likely in Orlando or Tampa. A City employee asked about visiting the Deerfield Beach location to inspect the boom lift prior to purchase but he did not recall the employee's name. He informed the City employee that the boom lift was not available in Deerfield Beach for inspection. He believed that City staff saw the boom lift for the first time when it was delivered.

The Former Territory Manager did not recall any negotiations involving the price of the boom lift the City purchased. He did not recall if there was a price difference between its boom lift offer and the City's \$100,000.00 budget. Ordinarily, there was not much room for negotiation on his initial price. He recalled that he discussed the warranty with a City employee.

RESPONSES TO THE PRELIMINARY REPORT

In accordance with Section 10.01(D)(2)(a) of the Charter of Broward County, preliminary copies of this report were provided to the City of Cooper City and any implicated parties for their discretionary written responses. The OIG received two written responses, one from the City and one from Mr. Bailey. These responses are attached and incorporated herein as Appendices A and B respectively. We appreciate receiving these responses.

1. Response of the City of Cooper City

In its response through the City Manager, the City agreed that our report revealed a number of procedural deficiencies regarding the purchase of the boom lift, and it laid out other steps it has taken to strengthen its Procurement Division and procurement procedures.

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For instance, the City advised that it expanded its procurement consultant's scope of work to include the development of an updated procurement procedures manual. Furthermore, citing a "leadership transition in the context of its professional staff," the City hired its current city manager in June 2023 and was working to fill a number of vacant positions in Finance, including the Finance Director position. Also, the City implemented a procedure requiring staff to include procurement details, including code citations, on agenda cover memoranda for all purchases coming before the City Commission for approval.

2. Response from Michael Bailey, Former Utilities Director

In his response, Mr. Bailey agreed with the OIG on certain aspects, but disagreed on others.

First, Mr. Bailey agreed that the purchase of the boom lift was improper given the way the code addressed the waiver of procurement procedures. He said he was not aware of that language at the time of the purchase.

Mr. Bailey also agreed that the Purchasing Agent should be involved in all purchases over a certain threshold to ensure full compliance with the procurement code.

However, Mr. Bailey disagreed with our finding that he committed misconduct and any implication that he knowingly misled the Commission. He also disagreed with what he considered was our conclusion that he wanted the lift and took steps to obtain it. However, Mr. Bailey's explanation that he "did not independently corroborate staff's statements and accepted them at face value" bolstered our determination that Mr. Bailey should have known his representations to the commission were incorrect or out of context.

Additionally, Mr. Bailey's explanation that his statement regarding the time constraint associated with drafting specifications was true, as "[t]he refurbished lift that staff identified would probably not be available by the time [he] finished preparing the specifications . . ." was unavailing. Instead, it confirmed our determination that the only time constraint that existed in the procurement of a boom lift was related to procuring the boom lift Utilities had already put on hold.

CONCLUSION

The OIG has concluded its investigation into an allegation that the Cooper City Commission violated the City's charter in the purchase of a JLG 800AJ boom lift for \$99,900.00. We determined that the City Commission waived its procurement procedures to purchase the boom lift after hearing Mr. Bailey's presentation about the need for the waiver. Because Mr. Bailey knew or should have known his representations about the steps his staff took to find a boom lift were incorrect and out of context, we determined that he engaged in misconduct.

Our investigation determined that there were no exceptional circumstances that warranted the waiver of the City's procurement procedures. The City could have competitively solicited for a boom lift or purchased one from a cooperative contract. However, Mr. Bailey wanted the City to purchase the \$99,900.00 JLG 800AJ boom lift that he had already signed a vendor's quote for in order to put on hold. Thus, he framed the

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circumstances surrounding the boom lift's procurement in a way to secure the City's waiver and made several statements he knew or should have known were incorrect and out of context, including that:

- there was insufficient time for Utilities staff to conduct a competitive solicitation;
- retailers were not accepting orders for new lifts;
- drafting technical specifications for a used or refurbished boom lift was so complex that it would hamper a competitive solicitation; and
- Utilities staff members had priced comparable boom lifts.

Although we found issues with Mr. Bailey's representations to the Commission, we did not find any evidence of any improper financial benefit to anyone involved or of any inappropriate relationship with the vendor. Mr. Bailey generally agreed with the deficiencies we identified in this investigation in his response to the preliminary version of this report. However, he disagreed with any suggestion of intentional behavior on his part.

Through our investigation, we noted that former City staff seemed to believe that Purchasing did not always have to be involved in purchases over \$20,000.00 from the onset of the need. Instead, departments could wait to involve Purchasing until that time that the City needed to make payment. We note that interpreting procurement authority in such a way is contrary to the purpose of procurement laws altogether.

Furthermore, given the fact that multiple departments reviewed Mr. Bailey's motion before it went to the Commission, we remind the City that the purpose of multi-layered reviews in procurement is to independently vet the propriety of government spending. Vetting the purchase by relying on the word or action of another defeats the purpose of an independent review.

Finally, while this procurement uncovered a lack of adherence to the City's procurement code and to public procurement best practices, we are pleased to report that the City has already begun making improvements to their procurements, including the hiring of a consultant to review the City's procurement policies, procedures, and job descriptions. The consultant provided the City with recommendations in an interim report in March 2023 and is currently working on the final report. The City has already begun implementing some of the consultant's recommendations and provided us with an update as to additional steps it has taken in its response to this report. The City advised that it expanded its procurement consultant's scope of work to include the development of an updated procurement procedures manual. Furthermore, citing a "leadership transition in the context of its professional staff," the City hired its current city manager in June 2023, and was working to fill a number of vacant positions in Finance, including the Finance Director position. Finally, it implemented a procedure requiring staff to include procurement details on agenda cover memoranda for all purchases coming before the City Commission for approval. We remain encouraged by the City's commitment to improving its processes.

OIG 22-008-M

EXHIBIT 1

PURCHASING MANUAL



9090 S.W. 50th Place
Cooper City, Florida 33328
Tel: 954-434-4300 x268
Fax: 954-434-5099
www.coopercityfl.org

REQUISITION FORM

WHEN PREPARED

Always prepare your requisition sufficiently in advance of your required delivery date. Schedule your paperwork on the basis that you allow Purchasing sufficient time to secure competitive pricing, place the order and have the item, supply or service delivered. Failure to do so may create avoidable emergencies. Such emergencies require Purchasing to spend additional time expediting and may ultimately create a shortage of materials. Please remember that your department is not the only department requesting assistance from the Purchasing Division.

WHO PREPARES THE REQUISITION

The department head or duly authorized person prepares and authorizes the requisition.

DATE DESIRED

Insert a REALISTIC date that you expect delivery of the item, supply or service to be made. Avoid substitutes such as RUSH, ASAP, and NOW, as they are ambiguous.

SHIP TO

Be specific and be sure to give clear instructions. Indicate the department where delivery is to be made with complete address and any special delivery requirements.

DESCRIPTION AND SPECIFICATIONS

In describing the item, supply or service desired, please provide a clear and concise description. State unit of measure (UOM), part number, size, color, weight, material type, etc... The more information provided, the more beneficial it is for both the Requesting Department and Purchasing.

PRICING

Should assistance be needed from Purchasing to obtain pricing, please note this on your requisition. If pricing has already been obtained, please provide the information to Purchasing on your requisition. Purchasing will review and proceed accordingly. If departmental funds are limited, please indicate the maximum amount of funds to be allocated on your paperwork. Payment terms and prompt payment discounts will be considered on all orders.

ROUTING OF PAPERWORK

All requisitions shall be placed utilizing the City's approved requisition system. Purchasing will confirm funding. Any request that will overdraw an account must be

accompanied by an "Authorization to Exceed Appropriation" form. This form must bear the signature of the City Manager and Requesting Department Head, prior to any order being placed. A vendor should be specified, but be aware that the final vendor selection will depend on many factors. If Purchasing deems it necessary, due to cost, service, or other reason, they may opt to select a different vendor. They may also, if determined more cost effective, elect to process your requisition as a check request, rather than a Purchase Order. If they elect to do so, they will process the order accordingly and return the check request, along with an ORIGINAL INVOICE for your department head's signature and approval. Keep in mind vendors' statements, proposals, and PO's will not be considered for payment. If Purchasing determines that a purchase order is appropriate, a copy of the same will be provided to the Requesting Department for later reconciliation with the invoice.

CAPITAL OUTLAY

Any item that costs more than one thousand dollars (\$1,000), lasts more than one year and is not consumed in use is considered to be capital. Supplies and services may be considered to be capital outlay only when they are associated with an approved capital project. All such items, supplies or services must be charged to a budgeted capital line and will be added to your department's inventory list. If the capital outlay item, supply or service was not budgeted, the department shall request approval for the same in writing to the City Manager. Without this approval, Purchasing will not proceed with ordering any capital outlay that is not budgeted.

PURCHASING THRESHOLDS

When the City wishes to make purchases for items, supplies or services that are estimated to cost less than twenty thousand dollars (\$20,000), it may do so without formal advertisement and without observing the City's prescribed formal procedures, but must comply with these certain guidelines.

The City's thresholds for purchasing items, supplies and services are as follows:

- Price checks shall be the responsibility of the Requesting Department for supplies/services under \$1,000.
- For items, supplies and services costing \$1,000 or more, but less than \$3,000, three (3) verbal quotes shall be obtained by the Requesting Department or Purchasing. It is good practice to note these quotations for later use.
- For items, supplies and services costing \$3,000 or more, but less than \$19,999, Purchasing shall obtain three (3) written quotations. The supplier shall provide these written quotations on the supplier's letterhead or formal quotation system.

- All items, supplies and services estimated to cost \$20,000 or more shall be formally advertised, bid, and approved by the City Commission, as prescribed in the City Charter.

PURCHASE ORDERS

Purchase orders shall only be issued by the Purchasing Division after receipt of an approved requisition. Using departments shall not enter into negotiations with any vendor for any items, supplies or services costing \$1,000 or more and shall not issue or give any purchase orders to vendors. Purchase orders are required for all orders exceeding \$1,000 and all orders whereby the vendor requests a purchase order number, regardless of the cost.

A regular purchase order authorizes a seller to ship and invoice items, supplies and/or perform services as specified. Purchase orders shall be written so that they clear and concise. This will prevent unnecessary misunderstandings and correspondence between the City and a vendor.

Order shall be modified only in writing, by the Purchasing Agent. Departments must contact Purchasing if any item, supply or service is listed incorrectly.

BLANKET PURCHASE ORDERS

Certain vendors shall be issued monthly blanket orders to be used for small items, supplies or services needed on an "as needed" basis i.e. automotive repair parts, sewer and water maintenance supplies. Departments should contact Purchasing to set up these orders. Each order shall run for a period of no more than one month and be paid immediately after receipt of all of the products/services for same month. It is the responsibility of the Purchasing Division to process these orders timely in an effort to avail the City of any available prompt payment discounts.

PETTY CASH DISBURSEMENTS

Petty cash disbursements shall be limited to a maximum of \$35.00, unless prior approval is obtained to exceed this amount.

PROPRIETARY PURCHASES

Under certain circumstances, items, supplies and services may be considered as proprietary or sole source. In order to be so designated, certain criteria must be met.

1. Applies only to non-competitive types and kinds of items, supplies and services.
2. An item, supply or service essential to operation of the City. Proprietary items, supply or service means any other item, supply or service, which, in the judgement of the Purchasing Agent, is not readily available from more than one source.

Proprietary, when so designated, may be applied to any item, supply or service that, in its very nature, is unique and not readily subject to competition.

3. Personal preference, convenience or “to standardize” are not necessarily sufficient reasons for spending public funds under non-competitive conditions.
4. Some professional services. The word professional does not automatically make the service non-competitive.
5. When bids have been solicited pursuant to the requirements of the law and no responsible bid has been received from a responsive bidder.
6. When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of basic raw materials or similar circumstances.

It is the Requesting Department’s responsibility to provide a full, written explanation with their requisition when they believe they have a need for an item, supply or service that qualifies as proprietary.

UNAUTHORIZED PURCHASES

Any item, supply or service ordered, contracted for or purchased with a value of \$1,000 or more without the express permission of Purchasing shall be considered unauthorized. There are several ways for an unauthorized purchase to be made:

1. By purchasing an item, supply or service directly from a vendor and bypassing Purchasing
2. By committing to purchase before securing an authorized purchase order number and assigning number after purchase is made.
3. Using the above procedures for obtaining items, supplies or services from vendors other than the approved contract holder
4. Supplying false quotation information to Purchasing
5. Adding unauthorized items, supplies or services to previously approved purchase orders
6. Splitting orders to reduce cost and avoid purchasing procedures

Any unauthorized purchase that occurs shall be explained in writing to the City Manager and his approval will be required before payment is made. Department heads will also indicate in writing steps they will take to prevent the occurrence from happening in the future.

FOLLOW-UP AND EXPEDITING

The process of procurement is not accomplished by simply issuing an order. Satisfactory delivery must also be made. To insure items, supplies or services will be received on time, some form of follow-up is frequently necessary.

The Requesting Department should initiate order follow-up. If satisfactory action is not received, all information should then be forwarded to Purchasing for appropriate action. The basis for successful follow-up lies first of all in the proper stipulations of the

purchase agreement. The necessary procurement cycle, the time required for manufacture, and delivery after an order has been issued are all important preliminary considerations on the part of the buyer.

The requisition should clearly state when delivery is required. Again, a REALISTIC due date **MUST** be entered in the due date field of the requisition. PLEASE BE SPECIFIC. Do not use words like ASAP, AT ONCE, or other such terms that are often ambiguous. Date and method of follow-up depends on the nature of the order and the promised delivery date. Sources of supply whose history clearly shows a record of broken delivery promises should be eliminated from consideration.

Department responsibility starts with planning work carefully and allowing time for normal delivery practices. Repeated requests for supplying rush delivery destroys effectiveness and typically adds to the costs of both the buyer and seller.

DELIVERY

The Requesting Department is required to inspect the item or supply upon delivery and note on the bill of lading or packing list any visible damages or defects. After delivery, it is the responsibility of the Requesting Department to insure that the item or supply delivered matches the description of what was ordered, and that the quantity is correct. Any variation in quantity, quality or specification should be brought to the attention of Purchasing for immediate action.

Steps for the Requesting Department to take in receiving:

1. Verify count. If there is a difference, note shortage or overage on both the vendor and carrier copies of the receipt.
2. Check for visible damage. Make note of damage on receipts or packing lists.
3. Check for concealed damage. Make note of broken or damaged containers and note on receipts. **Keep all damaged packing materials until the problem is resolved.** Many times this packing material, especially the outer carton, is required when making a claim for damaged material.
4. If signing a delivery receipt, add the notation "except for concealed damage, if any."
5. Open all packages and inspect for concealed damage promptly. Any claim must be reported to the carrier within fifteen (15) days.
6. Notify carrier in writing of any damage found and request the carrier to perform an inspection, and provide you with inspection/claim forms if applicable.
7. Retain damaged merchandise and all packaging materials until the claim is resolved.
8. File all claims within ninety days.

INVOICES

As a policy, all invoices are to be mailed to the City's "Bill To" address directly from the vendor. Our "Bill To" address is City of Cooper City, Attn: Accounts Payable, PO Box 290910, Cooper City, FL 33329-0910. Accounts Payable will forward invoices to the requesting department for processing.

NOTE: ONLY ORIGINAL INVOICES WILL BE ACCEPTED FOR PAYMENT. ACCOUNTS PAYABLE WILL NOT PROCESS PAYMENT FROM PHOTOCOPIES, FAXES, AGREEMENTS, WORK ORDERS, ETC...

It is the requesting department's responsibility to process invoices timely. When an invoice is received in your department from Accounts Payable, your department shall verify delivery and acceptance of item, supply or service. If invoice is deemed correct, the requesting department shall immediately present it for payment to the Purchasing Division for approval. It is good practice to attach supporting documents such as packing lists, bills of lading and the like to your check request. Purchasing will then forward documentation to Accounts Payable, leaving adequate time to avail the use of any prompt payment discounts. If an invoice is found to be inaccurate by the Purchasing Division, it will be sent back to the requesting department for verification and explanation.

BUYING THE RIGHT QUALITY

Quality means suitability. It doesn't necessarily have to be the best or highest quality, but rather the right quality for the purpose intended. The Requesting Department should consider all of the following prior to issuing a requisition to Purchasing:

1. Determine the exact quality needed by analysis, physical test, measurement or performance when necessary.
2. Remember that quality is NOT measured by price alone.
3. Remember anything that fails to meet the "right quality" criteria is not satisfactory. Anything surpassing the criteria may be excessive and the additional cost may outweigh the value for the purpose intended.
4. To ensure proper quality, specifications must be written so that the suppliers understand exactly what is expected and that the proper means of inspection, measurement or tests are applied.
5. Under certain conditions, the desired quality may be specified by a brand name.
6. Proper quality may be secured under certain conditions by matching samples.
7. Purchasing proper quality may be accomplished by use of market grades and commercial standards

It is the responsibility of the Purchasing Division to use and develop specifications that will ensure the "right" quality is procured. This will often require the support of the Requesting Department.

BUYING THE RIGHT QUANTITY

The quantity of material purchased is determined by the scheduled requirements for a continuous operation. It may also be affected by changes in requirements, changes in market conditions, storage facilities available, cost of storage, handling, loss and depreciation.

Factors determining quantity:

1. Supplier lead-time. This is the time it takes to receive an order from the supplier including all necessary manufacturing time and shipping time to the City.
2. Minimum economical manufacturing quantity. This quantity will vary from product to product. Transportation charges must also be taken into account.
3. The storage facilities available and the cost of carrying inventory will tend to set a maximum of quantity purchased.
4. Conditions and trend of the market. During a market rise, the purchase of larger quantities is generally indicated. During a falling market, small unit purchases are generally indicated.

METHODS OF BUYING RIGHT QUANTITY

1. Create a Defined Quantity Contract with a predetermined delivery schedule.
2. Create a Requirements Contract in which quantity is not definitely fixed, but estimated. Deliveries can be made on an "as required" basis.
3. Make open market purchases of stock supplies. This is a repetitive procedure and is applied to purchases when there is no particular advantage to be gained through contract procedure.

BUYING AT THE RIGHT PRICE

Factors determining the ultimate cost:

- a. A low price paid to a distant supplier may often be outweighed by additional transportation, special packaging, and higher handling costs.
- b. A low price paid for a larger quantity may be outweighed by storage and handling costs.
- c. A low invoice price by reason of securing inferior materials may result in ultimately higher costs due to inferior workability or difficulties in application.

In determining price, it is the responsibility of Purchasing to analyze the following factors:

1. Price bearing a reasonable relation to cost.
2. Market conditions created by supply and demand.
3. Factors other than price affect ultimate cost.

Factors affecting net cost

1. Price quoted
2. F.O.B. point (A.K.A. shipping point)
3. Discounts
4. Services offered by supplier
5. Delivery date

QUOTATIONS AND BIDS

Upon receipt of a requisition, Purchasing will proceed to seek a vendor and enter into transactions for the purchase of the item, supply or service in accordance with the Charter, Policy and Procedures.

When purchases can be made off State, Federal or Cooperative Group contracts or by piggybacking off other Governmental Unit contracts, the City Manager is authorized to expend funds appropriated in the approved budget. Utilizing another contract or piggybacking does not dismiss requisition and purchase order requirements or City Commission approval. It is, however, not necessary to obtain quotations as stated in Purchasing Thresholds. Thus, if an expense will exceed \$1,000, a requisition and purchase order is required. If it will exceed \$20,000, a requisition, purchase order and City Commission approval is required. It is the responsibility of the Requesting Department to provide a copy of the bid to Purchasing.

Formal bidding is required for any item, supply or service that is estimated to exceed \$20,000 individually or in aggregate, if it can not be purchased by piggybacking another Governmental Unit contract. This requires advertising in accordance with requirements contained in the City Charter. Purchasing shall solicit sealed bids from suppliers maintained on the bid list for the commodity sought. Bids may be solicited from other responsible sources obtained in other ways. Purchasing shall send out notices inviting bids to at least three (3) parties believed to handle the item, supply or service desired at least two weeks (10 working days) prior to the opening/due date. Bids received under this method will be sealed and opened at the time and date specified.

Contracts for the services of professionals, including but not limited to architects, engineers and attorneys may, with the approval of the City Commission, be entered into without public competitive bidding. Qualifications, work history, and other relevant data shall be reviewed before entering into such contracts.

Responsibility for the specifications shall be shared by the department and Purchasing. The department shall supply Purchasing with adequate information needed to prepare bid documents. The specifications used shall be definite and permit competition except on non-competitive items, supplies or services.

INVITATION TO BID

The invitation to bid sent or placed in the hands of prospective bidders must meet the following conditions:

1. Must be sealed.
2. Must contain latest time, date and place for receipt of bids.
3. Quantity desired.
4. Full description of item, supply or service requested.

5. Variances to requested specifications to be stated by bidder.
6. Changes will be allowed only by written addendum. NO VERBAL CHANGE notice shall be given.
7. Pricing shall be quoted F.O.B. Destination.
8. The City reserves the right to accept or reject any or all bids received and to waive informalities.

BID DEPOSITS

When necessary, bid deposits shall be prescribed in the public notice inviting bids. Unsuccessful bidder(s) shall be entitled to return of surety where it has been required. Successful bidder(s) shall forfeit any surety required upon failure on his part to enter into the contract. It shall be the responsibility of the Department to notify Purchasing after award to release the bid deposit(s) of unsuccessful bidder(s).

DISPOSITION OF BIDS

Bids shall be opened in public at time and place stated in the notice in accordance with Florida State Statutes.

TABULATION OF BIDS

Tabulation of all bids shall be made available for public inspection. In the case that a bid does not meet specifications, such fact shall be so recorded. Recommendation for award of all items, supplies or services shall be submitted to the City Commission for approval when expenditure exceeds \$20,000.

CHANGE ORDERS TO BIDS

A change order is a contractual change made to an existing bid due to unanticipated conditions or developments. Such a change must not substantially alter the character of the work contracted for and must not vary so substantially from the original bid specifications as to constitute a new bid undertaking. A change order must reasonably and conscientiously be viewed as being in fulfillment of the original scope of the contract or bid. When issued, a change order must provide a more satisfactory result than the original bid would have provided and/or elimination of work not necessary to the satisfactory completion of the contract.

All change order requests must be provided, IN WRITING, to the City Manager and/or City Commission and be accompanied by a complete explanation of why the change is necessary.

The City Manager is authorized to approve change orders meeting the following conditions:

1. Any change order decreasing the cost of the contract to the City; providing, however, such decrease does not materially alter the character of the work completed by the contract.
2. A change order increasing the amount of the contract to the City by a cumulative amount not to exceed ten percent (10%) of the original contract sum up to \$5,000; providing, however, that an appropriation exists within the account sufficient to pay the amount of the change order.

The City Commission must approve all other change orders before work may be authorized to begin. No claim against the City for extra work in furtherance of such change order shall be allowed unless said prior approval has been obtained.

A change order shall not be artificially distributed or divided so as to bring the amount within the approval level of the City Manager and any such proposed change order shall include within it all logically connected work required to be done at the time of proposal.

DISQUALIFICATION OF BIDDERS

Purchasing may declare vendors who default on the quotations irresponsible bidders and disqualify them from receiving any business from the City for a stated period of time, subject to the approval of the City Manager.

CHECK REQUESTS

Check requests shall be used for the following payments:

1. All personal services
2. Travel and per diem
3. Education Registration
4. Books and subscriptions
5. Dues and Memberships
6. Contractual Services (copy of agreement must be attached)
7. Utility Services
8. Purchases under \$1,000

These procedures shall take effect January 30, 2005.

Adopted this 30th day of January 2005.

A handwritten signature in black ink, appearing to read "Christopher J. Farrell". The signature is written in a cursive style with a large initial "C".

Christopher J. Farrell
City Manager

OIG 22-008-M

EXHIBIT 2



PURCHASING PROCEDURES AT-A-GLANCE

SCENARIO NO. 1

GOODS OR SERVICES EXCLUDED FROM THE PROCUREMENT CODE:

<ul style="list-style-type: none"> • Travel • Hotel accommodations • Public transportation • Legal services • Advertisements • Postage • Artistic services or works of art • Tickets for special events, tourist attractions and amusement parks • City-sponsored events at hotels or other similar venues not owned by the City • Entertainment services for City sponsored events • Title abstracts of real property • Title insurance for real property • Purchase of real property 	<ul style="list-style-type: none"> • Utility services (i.e. water, sewer, electric) • Motor vehicle license plates from a government agency • Expert consultants • Expert witnesses • Copyrighted or patented materials (i.e. technical pamphlets, books, maps, testing, or instructional materials) • Job-related seminars, training fees and costs • Petty cash, in accordance with City procedures • Groceries • Resale items • Permits
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NOTE: The above items should be procured by Direct Payment and DO NOT require a Purchase Order (PO).

SCENARIO NO. 2

INFORMAL BID REQUIREMENTS FOR GOODS AND SERVICES:

- Up to \$1,499.99 - Direct purchase by using department. PO NOT required.
- \$1,500-\$4,999.99 - Three verbal, documented quotes. PO required.
- \$5,000-\$19,999.99 - Three formal, written quotes. PO required.

SCENARIO NO. 3

INFORMAL BID REQUIREMENTS FOR PROFESSIONAL SERVICES/ CONSTRUCTION SERVICES:

Up to \$20,000 - Single written proposal on company's letterhead containing scope of work, timeframe for completion, deliverables, fees/expenses, key personnel information and subcontractor(s) to complete the work, if applicable. PO required.
Award By: Purchasing Division

SCENARIO NO. 4

FORMAL BID REQUIREMENTS FOR GOODS & NON-PROFESSIONAL SERVICES (ITB/RFP):

Over \$20,000 - Competitive sealed bids, public notice, and public bid opening. PO required.
Award By: City Commission

SCENARIO NO. 5

FORMAL BID REQUIREMENTS FOR CONSTRUCTION SVCS (ITB/RFP):

Over \$20,000 - Competitive sealed bids, public notice, and public bid opening. PO required.
Award By: City Commission

SCENARIO NO. 6

FORMAL BID REQUIREMENTS FOR PROFESSIONAL/PERSONAL SERVICES (RFP, RFQ, RLI):

Over \$20,000 - Competitive sealed proposals, public notice, and public bid opening.
Award By: City Commission

Note: For professional services over \$20,000, the City Commission may waive the competitive bidding requirement. A purchase order is required.

SCENARIO NO. 7

EMERGENCY PROCUREMENTS:

(UNDER \$20,000):
Department director shall submit to the City Manager, in writing, a full explanation of the emergency circumstance that includes reasons for selecting particular vendor(s).

When circumstances do not allow for issuance of a purchase order in advance, a requisition must be entered by the using department as soon as possible thereafter. Purchasing will issue a PO.
Award By: City Manager

(OVER \$20,000)
City Manager shall waive competitive sealed bidding requirements, after determining the written explanation provided by the department director is justified. The Finance Department must certify fund availability.

City Commission shall ratify emergency purchase at the next available City Commission meeting. Upon ratification, the using department will enter a requisition and Purchasing will issue a PO.
Award by: City Commission

SCENARIO NO. 8

SOLE-SOURCE PROCUREMENTS:

(UNDER \$5,000):
Department director must submit to the Purchasing Division, in writing, a full explanation of the reason the good/service is only available from a single or sole-source. If \$1,500 or more, a PO is required.
Award By: Purchasing Division

(OVER \$5,000):
City Manager must waive the requirement for three written quotes. PO required.
Award By: City Manager

(OVER \$20,000)
City Commission must approve purchase. PO required.
Award By: City Commission

OIG 22-008-M

EXHIBIT

OIG 22-008-M

EXHIBIT 4



Water Distribution - Footnote Detail

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Account Name	Footnote Detail	FY 2022 Proposed Budget
Professional Services - Miscellaneous	Driver's License monitoring service	120
Contractual Services	Backflow Preventers Testing	70,000
	Misc. Services	45,000
	Valve Exercising Program required by Florida law	45,000
	Total	160,000
Rental - Equipment	Special equipment not in inventory	2,000
Education & Registration	Professional training for Water Distribution licensing requirements	2,500
Repairs - Vehicle	Normal fleet repairs	18,000
Maintenance - Mains	To repair water lines	55,000
Maintenance - Structures	General Building Repairs	7,500
Repairs - Road & Drainage	To restore streets & sidewalks caused by pipe repairs	85,000
Supplies - Landscaping	West Utility site landscaping	3,500
Supplies - Uniforms	Required for safety & identification	3,600
Supplies - Chemicals	Chemicals required in treatment process	5,000
Supplies - Water Meters & Fittings	Water meters, BFP's & appurtenances	150,000
Supplies - Safety Equipment	Cones, barricades, safety shoes, etc.	5,000
Supplies - Minor Tools	Small hand tools	7,000
Supplies - Gas & Oil	Unleaded & diesel fuel	19,000
	Oil & hydraulic fluid	
Equipment & Machinery - Computers	Dell Desktop Replacement (1 - Field Operations Supervisor)	2,500
Equipment & Machinery - Equipment	ManLift	100,000
		-
	Total	100,000
Equipment & Machinery - Hydrants	Replacement of old and unrepairable hydrants, valve boxes, risers, etc.	6,000



Water Distribution - Footnote Detail

\$

Account Name	Footnote Detail	FY 2022 Proposed Budget	FY 2022 Adopted Budget
Professional Services - Miscellaneous	Driver's License monitoring service	120	120
Contractual Services	Backflow Preventers Testing	70,000	70,000
	Misc. Services	45,000	45,000
	Valve Exercising Program required by Florida law	45,000	45,000
	Total	160,000	160,000
Rental - Equipment	Special equipment not in inventory	2,000	2,000
Education & Registration	Professional training for Water Distribution licensing requirements	2,500	2,500
Repairs - Vehicle	Normal fleet repairs	18,000	18,000
Maintenance - Mains	To repair water lines	55,000	55,000
Maintenance - Structures	General Building Repairs	7,500	7,500
Repairs - Road & Drainage	To restore streets & sidewalks caused by pipe repairs	85,000	85,000
Supplies - Landscaping	West Utility site landscaping	3,500	3,500
Supplies - Uniforms	Required for safety & identification	3,600	3,600
Supplies - Chemicals	Chemicals required in treatment process	5,000	5,000
Supplies - Water Meters & Fittings	Water meters, BFP's & appurtenances	150,000	418,442
Supplies - Safety Equipment	Cones, barricades, safety shoes, etc.	5,000	5,000
Supplies - Minor Tools	Small hand tools	7,000	7,000
Supplies - Gas & Oil	Unleaded & diesel fuel	19,000	19,000
	Oil & hydraulic fluid		
Equipment & Machinery - Computers	Dell Desktop Replacement (1 - Field Operations Supervisor)	2,500	2,500
Equipment & Machinery - Equipment	ManLift	100,000	100,000
		-	-
	Total	100,000	100,000
Equipment & Machinery - Hydrants	Replacement of old and unrepairable hydrants, valve boxes, risers, etc.	6,000	6,000

ORDINANCE NO. 21-24

AN ORDINANCE OF THE CITY OF COOPER CITY, FLORIDA, ADOPTING AND APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2021-2022, AND APPROPRIATING THE FUNDS REQUIRED FOR THE OPERATION OF THE CITY; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to the provisions of Section 5.02 of the City Charter of the City of Cooper City, Florida, an estimate of the budget for the Fiscal Year 2021-2022 was prepared by the City Manager, submitted to the City Commission and posted at City Hall for a period of at least ten (10) days prior to this date; and

WHEREAS, after publication of notice in a newspaper circulated in the City, public hearings have been held on September 13, 2021 and on September 23, 2021, for discussion and consideration of the budget, at which time all interested persons were given the opportunity to provide input on any item listed in the budget; and

WHEREAS, after considering the recommendations of the City's professional staff and the input of the public, the City Commission finds that adopting the proposed budget for the FY2021-2022 is in the best interests of the citizens and residents of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF COOPER CITY, FLORIDA, THAT:

Section 1. The foregoing "whereas" clauses are hereby ratified and confirmed as being true and correct, and are hereby incorporated herein and made a part hereof.

Section 2. The budget for the City of Cooper City, Florida, for the Fiscal Year beginning on October 1, 2021 and ending on September 30, 2022, be and it is officially

ORDINANCE NO. 21-24

approved and adopted, a copy of which is attached hereto as Exhibit "A" and incorporated herein.

Section 3. The City Commission hereby appropriates in the General Fund and other funds of the City as more particularly set forth in the budget estimates, which are incorporated herein, for the uses, expenditures and fiscal requirements of the several departments, divisions, boards, funds and offices of the City, the sum designated in said budget estimates.

Section 4. The provisions of this ordinance shall not be deemed to be a limitation on the powers granted to the City Commission by the City Charter, which relates to the fiscal management of the City's funds.

Section 5. All ordinances or parts of ordinances and resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

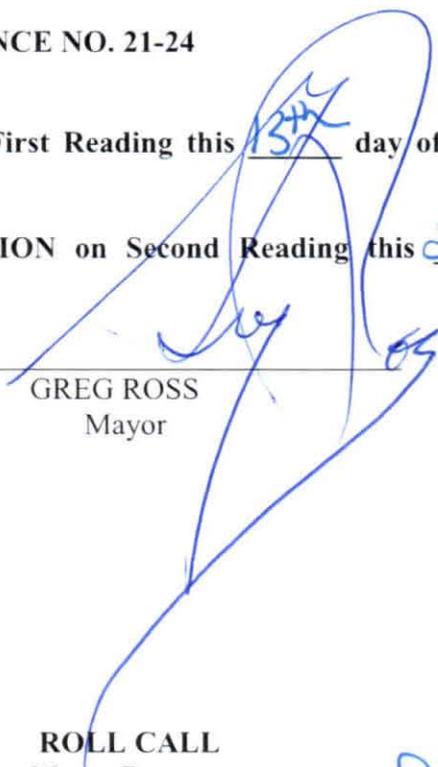
Section 6. If any clause, section, or other part or application of this ordinance shall be held by any court of competent jurisdiction to be unconstitutional or invalid such unconstitutional or invalid part or application shall be considered as eliminated and so not affecting the validity of the remaining portions or applications remaining in full force or effect.

Section 7. This Ordinance shall become effective immediately upon its passage and adoption.

ORDINANCE NO. 21-24

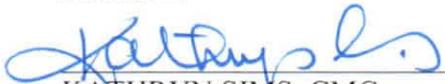
PASSED AND ADOPTED on First Reading this 15th day of September, 2021.

PASSED AND FINAL ADOPTION on Second Reading this 23rd day of September, 2021.



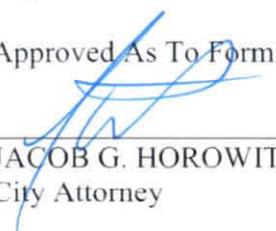
GREG ROSS
Mayor

ATTEST:



KATHRYN SIMS, CMC
City Clerk

Approved As To Form:



JACOB G. HOROWITZ
City Attorney

ROLL CALL

Mayor Ross
Commissioner Green
Commissioner Meltzer
Commissioner Pulcini
Commissioner Shrouder



BUDGET SUMMARY

City of Cooper City, Florida - Fiscal Year 2021/2022

***THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF COOPER CITY ARE 3.9% MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES**

ESTIMATED REVENUES	GENERAL FUND	BUILDING SERVICES FUND	ROAD & BRIDGE FUND	POLICE CONFISCATION FUND	TREE TRUST FUND	GENERAL CAPITAL PROJECTS FUND	PARKING LOT FUND	STORMWATER R FUND	WATER & SEWER FUND	WATER & SEWER CAPITAL IMPROVEMENT FUND	TOTAL
Taxes:	MILLAGE PER 1,000										
Ad Valorem Taxes	Operating 6.1250	\$ 19,904,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,904,014
Franchise & Utility Taxes		6,255,024	-	-	-	-	-	-	-	-	6,255,024
Charges for Services		6,400,164	-	-	63,500	-	152,000	550,100	12,726,000	-	19,891,764
Intergovernmental Revenue		4,139,928	-	836,151	-	976,011	-	-	-	-	5,952,090
Fines & Forfeitures		165,000	-	-	20,000	-	-	-	-	-	185,000
Miscellaneous Revenue		154,000	4,500	5,000	-	20,000	1,000	4,000	28,000	540,000	756,500
Licenses and Permits		490,000	1,180,399	-	-	-	-	-	-	-	1,670,399
TOTAL SOURCES		\$ 37,508,130	\$ 1,184,899	\$ 841,151	\$ 20,000	\$ 63,500	\$ 996,011	\$ 153,000	\$ 554,100	\$ 12,754,000	\$ 54,614,791
Transfers In		2,000,254	-	745,027	-	200,579	-	-	417,230	2,087,310	5,450,400
Fund Balances/Reserves/Net Position		-	-	219,144	100,000	-	417,230	-	-	-	736,374
TOTAL REVENUES, TRANSFERS, & BALANCES		\$ 39,508,384	\$ 1,184,899	\$ 1,805,322	\$ 120,000	\$ 63,500	\$ 1,613,820	\$ 153,000	\$ 554,100	\$ 13,171,230	\$ 60,801,565
EXPENDITURES											
General Government		5,409,224	-	-	-	-	-	-	-	-	\$ 5,409,224
Law Enforcement		15,696,201	-	-	120,000	-	-	-	-	-	15,816,201
Fire		12,312,283	846,383	-	-	57,521	-	-	-	-	13,216,187
Physical Environment		3,100,582	-	-	-	698,275	-	-	-	-	3,798,857
Transportation		-	-	1,805,322	-	-	81,730	-	-	-	1,887,052
Debt Service		4,000	-	-	-	-	-	212,556	-	-	216,556
Culture and Recreation		1,891,264	-	-	-	63,500	440,794	-	-	-	2,395,558
Water and Sewer		-	-	-	-	-	-	-	9,491,943	2,615,010	12,106,953
Stormwater		-	-	-	-	-	-	283,586	-	-	283,586
TOTAL EXPENDITURES		\$ 38,413,554	\$ 846,383	\$ 1,805,322	\$ 120,000	\$ 63,500	\$ 1,196,590	\$ 81,730	\$ 496,142	\$ 9,491,943	\$ 55,130,174
Transfers Out		907,109	335,627	-	-	-	417,230	66,254	32,593	3,679,287	5,450,400
Fund Balances/Reserves/Net Position		187,721	2,889	-	-	-	-	5,016	25,365	-	220,991
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES		\$ 39,508,384	\$ 1,184,899	\$ 1,805,322	\$ 120,000	\$ 63,500	\$ 1,613,820	\$ 153,000	\$ 554,100	\$ 13,171,230	\$ 60,801,565
The tentative, adopted, and/or final budgets are on file in the office of the above referenced taxing authority as a public record.											

OIG 22-008-M

EXHIBIT 6

Dan Fatout

From: Chad Bergeron
Sent: Wednesday, September 29, 2021 8:44 AM
To: Mike Aldrich; Dan Fatout; Ryan Webster
Subject: FW: 80' boom lift sale price

Hey guys,

I just spoke with Dan about the JLG lift and I would like to try to jump on it quickly so the money isn't sitting there. We budgeted 100K and we can buy new or used. I reached out to this guy yesterday. The 3 of you know what you are looking for so if you could start looking online at some or go visit some dealers. Thank you

From: Erick Jimenez <ejimenez@high-reach2.com>
Sent: Tuesday, September 28, 2021 4:51 PM
To: Chad Bergeron <CBergeron@coopercityfl.org>
Subject: 80' boom lift sale price

CAUTION: This email originated from outside the City of Cooper City. Do not click links or open attachments unless you recognize the sender and expect the content.

Chad,

I have received your requested on an 80' articulating boom lift.

Are you looking for a new unit or used ?

We carry both JLG and Genie brands. Do you have a preference ?

Please feel free to contact me with any questions.

Best regards,

Erick Jimenez

TERRITORY MANAGER

High Reach Company

CELL (954)789-2018

OFFICE (954)794-1111

Web Site: www.hr2fl.com

HR₂
HIGH REACH₂



OIG 22-008-M

EXHIBIT 7

Rental Info



RENTAL AND SERVICE AGREEMENT

199589465

BRANCH G14
3501 STATE ROAD #7
DAVIE FL 33314-2228
954-667-3225

Job Site

COOPER CITY UTILITIES COMPLEX
11791 SW 49TH ST
COOPER CITY FL 33330-4447

Office: 954-434-5519 Cell: 954-675-8245

CITY OF COOPER CITY
DEPT OF UTILITIES COOP
PO BOX 290910
COOPER CITY FL 33329-0910

Customer # : 3024051
Agreement Date : 10/25/21
Rental Out : 10/26/21 10:00 AM
Scheduled In : 10/27/21 10:00 AM
UR Job Loc : 11791 SW 49TH ST, CO
UR Job # : 2
Customer Job ID:
P.O. # : NOPOR&
Ordered By : DANNY FATOUT
Reserved By : DANNY COOK
Salesperson : NESTOR CAMPBELL

This is not an invoice
Please do not pay from this document

Table with columns: Qty, Equipment, Description, Minimum, Day, Week, 4 Week, Estimated Amt. Row 1: 1, N82700, BOOM 76-85' ARTICULATING, 845.00, 1,699.00, 3,400.00, 845.00

YOU HAVE RENTED A MOBILE ELEVATING WORK PLATFORM (MEWP). SOME OF OUR MEWPS HAVE BEEN EQUIPPED WITH ACCESSORIES THAT MAY REDUCE THE RISK OF ENTRAPMENT HAZARDS AND CRUSHING INJURIES. OTHERS CAN HAVE THESE ACCESSORIES ADDED. FEEL FREE TO DISCUSS THESE ACCESSORIES WITH YOUR LOCAL BRANCH AND EXPLORE WHETHER YOU WOULD LIKE TO RENT A UNIT EQUIPPED WITH THIS TECHNOLOGY FOR YOUR PARTICULAR PROJECT.

Rental Subtotal: 845.00

Table with columns: Qty, Item, Price, Unit of Measure, Extended Amt. Rows: 1 ENVIRONMENTAL SERVICE CHARGE [ENV/MCI] 16.900 EACH 16.90; 1 DELIVERY CHARGE 100.000 EACH 100.00; 1 PICKUP CHARGE 100.000 EACH 100.00

Sales/Misc Subtotal: 216.90

Agreement Subtotal: 1,061.90

Tax: 60.33

Estimated Total: 1,122.23

COMMENTS/NOTES:

CONTACT: DANNY FATOUT
CELL#: 954-294-8064

A CLEANING CHARGE WILL APPLY TO EQUIPMENT RETURNED WITH EXCESSIVE DIRT, CONCRETE, AND/OR PAINT. CUSTOMER IS RESPONSIBLE FOR ALL DAMAGE INCLUDING TIRES. THERE WILL BE AN ADDITIONAL CHARGE FOR MISSING KEYS. A REFUELING SERVICE CHARGE WILL BE APPLIED TO ALL UNITS NOT RETURNED FULL OF FUEL

SEE BELOW FOR EXPLANATION OF REFUELING SERVICE CHARGE

ARE YOU OR YOUR EMPLOYEES IN NEED OF OPERATOR CERTIFICATION TRAINING? CONTACT UNITED ACADEMY TODAY 844-222-2345 OR WWW.UNITEDACADEMY.UR.COM TRAINING IS NOT AVAILABLE ON CERTAIN EQUIPMENT IN CANADA.

OPTIONAL RENTAL PROTECTION PLAN: THE RENTAL PROTECTION PLAN IS NOT INSURANCE. The Rental Protection Plan is only available to direct commercial customers. Upon accepting the optional Rental Protection Plan, Customer agrees to pay a charge equal to 15% of the rental charges on the Equipment Customer wants covered by the Rental Protection Plan. In return, United agrees to waive certain claims for accidental damages to or theft of such covered Equipment occurring during normal and careful use. Customer remains liable for all other damages as set forth in the Rental and Service Terms.
NOTICE FOR RENTAL OF A MOTOR VEHICLE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A DAMAGE WAIVER (or "Rental Protection Plan") TO LIMIT CUSTOMER'S FINANCIAL RESPONSIBILITY FOR DAMAGE TO, OR THEFT OF, THE MOTOR VEHICLE. BEFORE DECIDING WHETHER TO PURCHASE THE DAMAGE WAIVER, CUSTOMER MAY WISH TO DETERMINE WHETHER CUSTOMER'S OWN INSURANCE GIVES CUSTOMER COVERAGE. THE PURCHASE OF THIS DAMAGE WAIVER IS NOT MANDATORY, AND MAY BE WAIVED OR DECLINED BY CUSTOMER.
A CLEANING CHARGE: WILL APPLY TO EQUIPMENT RETURNED WITH EXCESSIVE DIRT, CONCRETE, AND/OR PAINT. CUSTOMER IS RESPONSIBLE FOR ALL DAMAGE. THERE WILL BE AN ADDITIONAL CHARGE FOR MISSING KEYS.
REFUELING SERVICE CHARGE: Customer is required to return the Equipment with a full tank of fuel. If Customer returns the Equipment with less than a full tank of fuel, Customer agrees to pay a Refueling Service Charge at the per gallon rate applicable at the time Customer returns the Equipment. (The current rate is available from the Store Location; but, the final rate may differ based on market conditions at the time of return). For additional information, see the Rental and Service Terms.
ENVIRONMENTAL SERVICE CHARGE: Due to the hazardous nature of some waste and other products, to comply with federal and state environmental regulations, and to promote a clean environment, United charges an Environmental Service Charge for certain rentals. The Environmental Service Charge is not a government-mandated charge, is not designated for any particular use, and is used at United's discretion. The Environmental Service Charge is 2.00% of the rental charge and will not exceed \$99. Customer acknowledges the items indicated above are subject to the Environmental Service Charge and Customer agrees to pay that Charge.
DELIVERY: If Customer chooses to have United deliver and pick up the Equipment, Customer agrees to pay a Delivery and Pickup Service Charge.
READ BEFORE SIGNING: By signing below, Customer, (i) agrees that Customer has received, read and agreed to the Rental and Service Terms and the optional Rental Protection Plan ("RPP") Terms (if the RPP is applicable), both of which are posted online at https://www.unitedrentals.com/legal/rental-service-terms-US and https://www.unitedrentals.com/legal/rpp-US, respectively, and are incorporated by reference into this Agreement; (ii) authorizes United Rentals to charge the payment method provided per the above-referenced terms; and (iii) acknowledges that the Equipment is in the condition as stated on the condition report(s). By agreeing to the Terms, you agree (1) to indemnify United for losses relating to his transaction; (2) that United's liabilities are limited, and (3) that United makes no warranties as to the equipment's merchantability, quality or fitness for a particular purpose; as well as other Terms affecting your rights.

X
CUSTOMER SIGNATURE DATE CUSTOMER NAME PRINTED UNITED RENTALS REPRESENTATIVE/DELIVERED BY DATE

NOTICE: By accepting delivery of the Equipment listed above or making payment(s) to United for the Equipment listed above, Customer agrees to be bound by the Rental and Service Terms at the referenced URLs, even if the Rental and Service Agreement has not been fully executed. COPIES OF THE RENTAL AND SERVICE TERMS AND, IF APPLICABLE, THE RPP ARE AVAILABLE IN PAPER FORM UPON REQUEST.

OIG 22-008-M

EXHIBIT 8



BRANCH G14
3501 STATE ROAD #7
DAVIE FL 33314-2228
954-667-3225

**EQUIPMENT SALE
QUOTE**

198805882

Job Site

COOPER CITY UTILITIES COMPLEX
11791 SW 49TH ST
COOPER CITY FL 33330-4447

Office: 954-434-5519 **Cell:** 954-675-8245

Customer #	: 3024051
Quote Date	: 10/04/21
UR Job Loc	: 11791 SW 49TH ST, CO
UR Job #	: 2
Customer Job ID:	
P.O. #	: QUOTE
Ordered By	: MICHAEL ALDRICH
Written By	: DANNY COOK
Salesperson	: DANNY COOK

CITY OF COOPER CITY
DEPT OF UTILITIES COOP
PO BOX 290910
COOPER CITY FL 33329-0910

**This is not an invoice
Please do not pay from this document**

Qty	Equipment #	Price	Amount
1	3108001 CC: 310-8001 BOOM 76-85' ARTICULATING Sourcewell contact # 062320-URI	162899.83	162899.83
	DELIVERY CHARGE		3000.00
			Sub-total: 165899.83
			Tax: 9823.99
			Total: 175723.82

CONTACT: MICHAEL ALDRICH
CELL#: 954-675-8245
Sourcewell contract # 062320-URI

This is for a brand new one

Note: This proposal may be withdrawn if not accepted within 30 days.

THIS IS NOT AN EQUIPMENT SALE AGREEMENT/INVOICE. THE SALE OF EQUIPMENT AND ANY OTHER ITEMS LISTED ABOVE IS SUBJECT TO AVAILABILITY AND ACCEPTANCE OF THE TERMS AND CONDITIONS OF UNITED'S EQUIPMENT SALE AGREEMENT/INVOICE, WHICH MUST BE SIGNED PRIOR TO OR UPON DELIVERY OF THE EQUIPMENT AND OTHER ITEMS.

OIG 22-008-M

EXHIBIT 9



Machine Quote

www.high-reach2.com
Sanford 321-275-2100

Date: 1/26/2022
Account #: 31788
Terms: Due Upon Receipt
Quote Valid Until: 2/25/22 and Subject to Prior Sale

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018
email: ejimenez@high-reach2.com
*EJ EJ

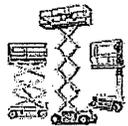
Company Name: DAN	Contact Name: DAN
Company Phone: 954-294-8064	Contact Phone: 954-294-8064
Bill To: CITY OF COOPER CITY	Contact Email: DFATOUT@COOPERCITYFL.ORG
Ship Date: PENDING	Contact Type: Machine Sale Contact
Ship To: PENDING	PO #: CHAD
Ship Via: Customer Ship To	County: 954-434-5519 X118
PENDING	

QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,900.00
ALL LIFTS WILL HAVE ANNUAL INSPECTIONS			
Notes:	IN STOCK	Delivery:	\$ -
Warranty:	30 DAYS WARRANTY	Sub Total	\$ 99,900.00
		Sales Tax	\$ 932.00
		County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: _____
(PRINT FIRST NAME, LAST NAME)

Signature: _____

Date Signed: _____



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com.

OIG 22-008-M

EXHIBIT 10

Tampa



Machine Quote

www.high-reach2.com
Sanford 321-275-2100

Date: 12/16/2021
Account #: 31788

Terms: Due Upon Receipt
Quote Valid Until: 1/15/22 and Subject to Prior Sale

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018

email: ejimenez@high-reach2.com
*EJ EJ

Company Name: DAN
Company Phone: 954-294-8064
Bill To: CITY OF COOPER CITY
Ship Date: PENDING Ship Via: Customer Ship To
Ship To: PENDING
PENDING

Contact Name: DAN
Contact Phone: 954-294-8064
Contact Email: DFATOUT@COOPERCITYFL.ORG
Contact Type: Machine Sale Contact
PO #:
County:

QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,90

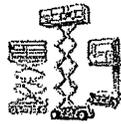
ALL LIFTS WILL HAVE ANNUAL INSPECTIONS

Notes:	IN STOCK	Delivery:	\$ -
		Sub Total	\$ 99,900.00
Warranty:	30 DAYS WARRANTY	Sales Tax	\$ 932.00
		County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: _____
(PRINT FIRST NAME, LAST NAME)

Signature: _____

Date Signed: _____



Genie



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com

OIG 22-008-M

EXHIBIT 11



Machine Quote

www.high-reach2.com
Sanford 321-275-2100

Date: 2/3/2022
Account #: 31788
Terms: Due Upon Receipt

Quote Valid Until: 3/5/22 and Subject to Prior Sale

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018
email: ejimenez@high-reach2.com
*EJ EJ

Company Name: DAN	Contact Name: DAN
Company Phone: 954-294-8064	Contact Phone: 954-294-8064
Bill To: CITY OF COOPER CITY	Contact Email: DFATOUT@COOPERCITYFL.ORG
Ship Date: PENDING	Ship Via: Customer Ship To
Ship To: PENDING	PO #: CHAD
PENDING	County: 954-434-5519 X118

QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,900.00
<u>ALL LIFTS WILL HAVE ANNUAL INSPECTIONS</u>			
Notes:	IN STOCK	Delivery:	\$ -
		Sub Total	\$ 99,900.00
Warranty:	6 MONTHS WARRANTY	Sales Tax	\$ 932.00
		County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: _____
(PRINT FIRST NAME, LAST NAME)

Signature: _____

Date Signed: _____



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com

OIG 22-008-M

EXHIBIT 12



**CITY COMMISSION
STAFF REPORT**

DEPARTMENT: Utilities Department

SUBJECT: Motion to Approve Purchase of Articulating Boom Lift - **Utilities**

CITY MANAGER RECOMMENDATION:

The City Manager recommends Commission approval to purchase a refurbished articulating boom lift from High Reach 2.

BACKGROUND OF ITEM:

The Utilities Department’s fleet of equipment & vehicles includes one lift that is routinely used for operation and maintenance activities such as wastewater treatment unit repairs, lifting pumps and equipment into treatment units, accessing upper portions of water storage tanks and buildings, and hurricane preparation activities such as closing hurricane shutters on second-floor windows and trimming of trees. This lift is a 2000 model that is in poor condition, and has exceeded its useful lifespan. Replacement of this lift is included in the current year’s budget.

ANALYSIS:

Staff has researched the market for lifts of a similar size and capacity as the current one, and has discovered that new lifts are generally not available and that retailers are not even currently accepting orders for new ones. Also, the cost of a new lift is approximately \$170,000 which exceeds our budget of \$100,000. Staff has found, however, a currently available, used 2013 lift that has thoroughly refurbished and is in excellent condition. The price for this lift is \$99,900 and comes with a 6-month warranty. Staff recommends waiving the formal bid requirements normally required for such a purpose and purchasing this lift while it is available.

FISCAL IMPACT:

Funds for this purchase are available in the Water & Sewer Fund and budgeted for this purpose.

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Currently Remaining</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
450-910-564700-533	\$100,000	\$100,000	\$99,900	\$100

ALTERNATIVES:

The City Commission could opt to advertise a bid for this item, but it would likely be for a new lift because it would be difficult to prepare specifications for a renovated lift. Opting not to purchase a replacement lift would be another option, but Staff recommends against that option.

ATTACHMENTS:

1. HR2 Quote
2. Vendor Compliance Form
3. Photo



www.high-reach2.com
Sanford 321-275-2100

Machine Quote

Date: 2/3/2022
Account #: 31788
Terms: Due Upon Receipt
Quote Valid Until: 3/5/22 and Subject to Prior Sale

Meeting Date: 02/22/2022 Item #5.

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018
email: ejimenez@high-reach2.com
*EJ EJ

Company Name: DAN	Contact Name: DAN
Company Phone: 954-294-8064	Contact Phone: 954-294-8064
Bill To: CITY OF COOPER CITY	Contact Email: DFATOUT@COOPERCITYFL.ORG
Ship Date: PENDING	Ship Via: Customer Ship To
Ship To: PENDING	PO #: CHAD
PENDING	County: 954-434-5519 X118

QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,900.00
<u>ALL LIFTS WILL HAVE ANNUAL INSPECTIONS</u>			
Notes:	IN STOCK	Delivery:	\$ -
		Sub Total	\$ 99,900.00
Warranty:	6 MONTHS WARRANTY	Sales Tax	\$ 932.00
		County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: _____
(PRINT FIRST NAME, LAST NAME)

Signature: _____

Date Signed: _____



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com

Vendor Compliance
Check List

Meeting Date: 02/22/2022 Item #5.



<p>Vendor: High Reach 2 FEIN: 20-0185778</p>	<p>Does Vendor appear on the following:</p>	
<p>Florida Convicted Vendor List</p>	<p>Yes <input type="checkbox"/></p>	<p>No X</p>
<p>Florida Suspended Contractors</p>	<p>Yes <input type="checkbox"/></p>	<p>No X</p>
<p>Scrutinized Companies</p>	<p>Yes <input type="checkbox"/></p>	<p>No X</p>
<p>Broward County Debarred List</p>	<p>Yes <input type="checkbox"/></p>	<p>No X</p>
<p>State of Florida Corporations (Sun Biz)</p>	<p>Yes X</p>	<p>No <input type="checkbox"/></p>
<p>Verified by: C. Portocarrero</p>	<p>Date: Thursday, February 03, 2022</p>	

Vendor Compliance Check List

Meeting Date: 02/22/2022 Item #5.

Convicted Vendor List

The Department of Management Services maintains "a list of the names and addresses of those who have been disqualified from the public contracting and purchasing process" under [section 287.133, Florida Statutes](#).

There are currently no vendors on this list.

Suspended Vendor List

The Department of Management Services maintains a list of vendors that have been removed from the Vendor List "for failing to fulfill any of its duties specified in a contract with the State," in accordance with [section 287.1351, Florida Statutes](#).

Vendor Name/Address	Agency of Origin	Effective Date	Notice of Default
Building Maintenance of America, LLC d/b/a Florida Building Maintenance 333 North Falkenburg Road #A117 Tampa, FL 33619	DMS	07/02/14	Notice of Default - Building Maintenance of America, LLC d/b/a Florida Building Maintenance (📎 575.81 KB)
Club Tex, Inc. 2025 Broadway, Suite #15G New York, NY 10023	DOC	01/24/19	Notice of Default - Club Tex, Inc. (📎 111.75 KB)
Correctional Consultants, LLC P.O. Box 515 Chattahoochee, FL 32324	DOC	12/10/19	Notice of Default - Correctional Consultants, LLC (📎 85.95 KB)
iColor Printing and Mailing, Inc. 22873 Lockness Avenue Torrance, CA 90501	DEP	02/20/12	Notice of Default - iColor Printing and Mailing, Inc. (📎 320.17 KB)
Visual Image Design Firm, LLC 6845 Narcoossee Road, Suite 59 Orlando, FL 32822	DOH	06/25/15	Notice of Default - Visual Image Design Firm, LLC (📎 1.78 MB)

Updated 12/10/19

Vendor Compliance Check List

Meeting Date: 02/22/2022 Item #5.

December 20, 2021
Page 3

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
COSL Singapore Capital Ltd	Iran	Singapore	December 4, 2018	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes
FACC AG	Sudan	Austria	June 4, 2019	Yes
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Gazprom Promgaz	Iran	Russia	June 4, 2019	Yes
GPN Capital SA	Iran	Luxembourg	June 4, 2019	Yes
Harbin Electric Co. Ltd.	Sudan	China	September 19, 2007	Yes
Hindustan Petroleum Corporation Ltd	Sudan & Iran	India	June 13, 2018	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd.	Sudan & Iran	Hong Kong	September 19, 2007	Yes
Kunlun Financial Leasing Co Ltd	Sudan & Iran	China	March 7, 2018	Yes
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes

Vendor Compliance Check List

Broward County Debarred Supplier List as of January 25, 2021

Listed below are suppliers [vendors] debarred by the Director of Purchasing for Broward County Board of County Commissioners, in accordance with Broward County Procurement Code, Section 21.119 and 21.120. The notice of debarment date is listed next to each supplier. In accordance with Section 21.121, after the debarment period, a debarred person [supplier] may only be reinstated upon submission of an application to the Director of Purchasing. If approved by the Director of Purchasing, the supplier will be removed from the debarment list for Broward County.

- [Federal Debarred Supplier List \(SAM\)](#) [How to search for an entity or individual in SAM](#)
- [State of Florida Debarred Supplier Lists](#)
- [State of Florida List of Scrutinized Companies doing business with Iran and Sudan](#)

The links below provide information regarding the debarred Supplier (e.g. Principal Owners & Debarment letter); the Sunbiz.org page also allows access to the Suppliers' company reports (click on "View Image in PDF format). This information is only available for Suppliers debarred from 2011 to current.

Below is a listing of all Broward County Debarred Suppliers and their debarment notice date.

A & C Contractors, Inc.	02/24/92	Fieldcrest International	10/23/91	Reddick Property Svcs/Broward Cty	02/21/95
A.J. McMasters	07/03/91	Florida Fire Apparatus Corp.	04/07/87	Reeves Equipment & Supply	06/29/04
A-1 Pied Piper Pest Control	10/25/99	FVL Contracting Co.	07/01/89	Richard Jones & Associates	05/12/95
Ace Lock and Security Supply	05/23/05	Gator Express	10/01/94	Roman Waterproofing	09/30/97
Action Trophies & Awards	05/26/92	George W. Murray Contractors	12/08/99	Rust Wizard Inc.	03/24/17
Agra-Cycle Corporation	11/06/01	Glo & Go Inc.	04/01/93	S H Marketing, Inc.	08/17/20
All County Plumbing Contractors, Inc.	07/08/20	Global Transmissions	09/10/92	S.T. Wicole Const. Corp.	05/06/91
All County Plumbing, Inc.	08/17/20	Globe Electric Company, Inc.	12/10/03	Saber Sales, Inc.	11/08/88
Alpha Construction Svcs & Consulting Svcs	08/11/20	Graphic Productions Co.	02/27/90	Saints-Enterprises II, LLC	12/15/20
Ammunition Reloaders	05/22/92	HDC Advertising, Inc.	05/06/03	Samantha L. List, P.A.	08/11/20
Ann Lipkowitz, Broker	08/21/92	Hegla Construction, Inc.	08/20/92	Screen Graphics	09/01/92
Atech Fire & Security, Inc.	10/10/03	Henze Services, Inc.	08/19/93	Semes Enterprises	01/03/92
Atlas Pen & Pencil Co.	12/26/90	H-Way Corporation	10/25/99	Shamus Corporation	06/29/04
Ben Kough & Associates	01/10/96	Infinite Distributors LLC	09/30/20	Sheerson Construction, Inc.	05/17/00
Bob's Towing	06/09/04	Intercoastal Marketing, LLC	12/15/20	Shiv Lingam Kirtan Mandali Inc.	08/06/20
BRC Construction Company, Inc.	12/14/05	J M List Services, LLC	08/11/20	SLL Consulting LLC	08/11/20
Broward Plumbing Specialists, Inc.	08/17/20	JIM List Services, LLC	08/11/20	Southeast Underground Utilities Corp.	12/12/17
Caribbean Air Surveys, Inc.	03/01/91	JM List, Incorporated	08/11/20	Southgate Const. & Realty	11/07/90
Central Florida Nurseries	08/16/91	John Rogers Corporation Company, Inc.	11/13/90	Spectrum Signal Co., Inc.	03/04/91
Central Press	04/17/95	Joyce Office ProductsKDG	01/05/94	Spirit Services Company, Inc.	12/13/00
Chemtel Supplies, Inc.	11/21/05	Land & Sea Construction	03/18/96	St. Andrew Industries, Inc.	06/16/95
Progressive Transportation Services, Inc.	01/15/92	Lawn Wizard USA, Inc.	09/29/15	Statewide Transportation & Recovery Services	11/02/00
(d/b/a Coach USA Transit Services)		Lawn Wizard USA, LLC	03/24/17	Termark Security Systems	06/03/99
Coastal Carting Ltd.	03/16/96	Mancini Builders	01/04/94	The Parts Connection	06/30/92
Coastal Industries USA, LLC	03/24/17	Marquee Enterprises, Inc.	06/08/07	Toilet Taxi Corp.	07/07/15
(d/b/a Rust Wizard)		Marsten/THG Modular Leasing	12/13/95	Total Connection	04/30/92
Coastal Utilities, Inc.	03/05/99	Major Computer, Inc.	10/28/91	Toussaint Landscaping	11/04/92
Compass Corp.	06/29/04	Med Sure Associates	05/05/97	Transglobal Marketing	12/28/92
Control Press	06/29/04	Moody Maintenance Products	04/06/06	Tropical Growers USA, Inc.	03/24/17
Cordes Door Co., Inc.	09/01/96	Nighthawk International Corp.	10/25/96	Truck City Body Corp.	12/01/96
Cox & Palmer Const. Corp.	03/14/89	OJS Systems, Inc.	12/22/14	Urban Organization, Inc.	03/05/99
Custom Design To A Tee	05/15/96	Omega Group, Inc.	10/30/97	Vees Supply, LLC	08/17/20
Degen's Lawn & Garden Inc.	11/04/11	Precision Detailing dba J M List Services	08/11/20	Venturi Supplies, Inc.	08/17/20
Digital Comm Inc.	05/16/11	Protective Service Int'l	03/01/91	VIMAC USA, Inc.	05/31/17
Dixie Lock & Supply Inc.	02/17/92	Public Safety Systems	03/04/91	Viravar, LLC	08/17/20
Eastern Elevator Service, Inc.	02/13/19	Puskadi Ltd.	11/07/90	Weiser Security Services	12/09/93
Federal Fence Co., Inc.	11/12/90	Quality Loan Service	03/07/91	Wildcat Wrecking Corp.	09/10/92
		Rahming Funeral Home	09/01/92	Woodcraft Custom Homes	06/06/88
		RC Aluminum Industries Inc.	06/20/14	Z & Z, Inc.	08/11/20

Vendor Compliance
Check List

Meeting Date: 02/22/2022 Item #5.

FILED
Jan 27, 2022
Secretary of State
7578314559CC

2022 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L03000028770

Entity Name: HIGH REACH COMPANY, LLC

Current Principal Place of Business:

615 HICKMAN CIRCLE
SANFORD, FL 32771

Current Mailing Address:

615 HICKMAN CIRCLE
SANFORD, FL 32771

FEI Number: 20-0185778

Certificate of Status Desired: Yes

Name and Address of Current Registered Agent:

CORPDIRECT AGENTS, INC
1200 SOUTH PINE ISLAND ROAD
MIAMI, FL 33324 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

_____ Date

Authorized Person(s) Detail :

Title MANAGING MEMBER
Name RENZULLI, LANCE M
Address 615 HICKMAN CIRCLE
City-State-Zip: SANFORD FL 32771

Title AUTHORIZED MEMBER
Name RENZULLI, RODGER ANTHONY
Address 615 HICKMAN CIRCLE
City-State-Zip: SANFORD FL 32771



Chad Bergeron

From: Chad Bergeron
Sent: Friday, January 21, 2022 1:55 PM
To: Erick Jimenez
Subject: JLG 800
Attachments: DOC011922-01192022143645.pdf

Good afternoon Erick,

Please see the attached signed quote for the man lift. We were unable to get the equipment on the January 25th meeting agenda. It will definitely be on the first meeting of February. That meeting will take place on February 8th. I also wanted to remind you that we have the money in the budget and it's been allocated for the lift we still have to get approval for the City Commission. Hopefully this won't cause any issues on holding the equipment for us. Please let me know if you need anything else from us.



Machine Quote

www.high-reach2.com
Sanford 321-275-2100

Date: 2/3/2022
Account #: 31788
Terms: Due Upon Receipt
Quote Valid Until: 3/5/22 and Subject to Prior Sale

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018
email: ejimenez@high-reach2.com
*EJ EJ

Company Name: DAN	Contact Name: DAN
Company Phone: 954-294-8064	Contact Phone: 954-294-8064
Bill To: CITY OF COOPER CITY	Contact Email: DFATOUT@COOPERCITYFL.ORG
Ship Date: PENDING	Contact Type: Machine Sale Contact
Ship To: PENDING	PO #: CHAD
PENDING	County: 954-434-5519 X118

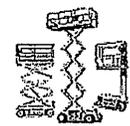
QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,900.00
ALL LIFTS WILL HAVE ANNUAL INSPECTIONS			
Notes:	IN STOCK	Delivery:	\$ -
Warranty:	6 MONTHS WARRANTY	Sub Total	\$ 99,900.00
		Sales Tax	\$ 932.00
		County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: Michael F. Bailey
(PRINT FIRST NAME, LAST NAME)

Signature:

Date Signed: 02/03/2022

This signature acknowledges that the Cooper City Commission will consider purchasing this equipment at their meeting on February 22, 2022. This signature is not a commitment to purchase.



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com

Tampa



Machine Quote

www.high-reach2.com
Sanford 321-275-2100

Date: 12/16/2021
Account #: 31788

Terms: Due Upon Receipt
Quote Valid Until: 1/15/22 and Subject to Prior Sale

Erick Jimenez
Sales Manager of South Florida
C:954-789-2018

email: ejimenez@high-reach2.com
*EJ EJ

Company Name: DAN
Company Phone: 954-294-8064
Bill To: CITY OF COOPER CITY
Ship Date: PENDING Ship Via: Customer Ship To
Ship To: PENDING
PENDING

Contact Name: DAN
Contact Phone: 954-294-8064
Contact Email: DFATOUT@COOPERCITYFL.ORG
Contact Type: Machine Sale Contact
PO #:
County:

QTY	Description	Unit Price	Amount
1	2013 JLG 800AJ ARTICULATING BOOM LIFT JLG RECON BACK IN 10/21	\$ 99,900.00	\$ 99,90

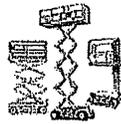
ALL LIFTS WILL HAVE ANNUAL INSPECTIONS

Notes:	IN STOCK	Delivery:	\$ -
		Sub Total	\$ 99,900.00
		Sales Tax	\$ 932.00
Warranty:	30 DAYS WARRANTY	County Surtax	\$ -
		Total Tax 7.5%	\$ 932.00
		Total	\$ 100,832.00

Accepted By: _____
(PRINT FIRST NAME, LAST NAME)

Signature: _____

Date Signed: _____



Genie



Thank you for choosing High Reach 2 to be your Aerial Lift Provider!
View our rental and sales fleet at www.high-reach2.com

OIG 22-008-M

EXHIBIT 14

The Wayback Machine - <https://web.archive.org/web/20210919161226/https://www.unitedrentals.com/sales/equipme...>

Filters

Category

Expand

Manufacturer

Expand

Model Year

Expand

Filters

Collapse

Drive Type

4WD (579)

Towable (4)

Track (7)

Platform Height

26' - 59' (1758)

60' - 95' (2052)

96' - 185' (259)

Power Type

Electric (1079)

Electric & IC (1)

Internal Combustion (IC) (91)

Boom Lifts (4,085)

Select Sort Option



CES

Low Interest Financing

United Guard Warranty



Cat Class: 310-4050

2012 JLG E400AJPN Boom Lift

Sale Price

\$25,005 USD

Located in

Bessemer, AL

Request Information

CES

Low Interest Financing

United Guard Warranty

 2012 JLG E400AJPN Boom Lift

Cat Class: 310-4050

2012 JLG E400AJPN Boom Lift

Sale Price

\$26,195 USD

Located in

Lubbock, TX

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-4050

2012 JLG E400AJPN Boom Lift

Sale Price

\$26,195 USD

Located in

Davie, FL

Request Information

CES

Low Interest Financing

United Guard Warranty



Cat Class: 310-9800

2012 Genie S-125 Boom Lift

Sale Price

\$66,051 USD

Located in

Gainesville, GA

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-4050

2012 JLG E400AJPN Boom Lift

Sale Price

\$25,005 USD

Located in

Southaven, MS

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-4050

2012 JLG E400AJPN Boom Lift

Sale Price

\$25,005 USD

Located in

San Antonio, TX

Request Information

Low Interest Financing

United Guard Warranty

 2012 JLG 450AJ Boom Lift

Cat Class: 310-4001

2012 JLG 450AJ Boom Lift

Sale Price

\$36,249 USD

Located in

Buda, TX

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-3050

2012 JLG E300AJP Boom Lift

Sale Price

\$20,896 USD

Located in

Leesburg, GA

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-4050

2012 Genie Z-40/23N RJ Boom Lift

Sale Price

\$30,135 USD

Located in

Buda, TX

Request Information

Low Interest Financing

United Guard Warranty



Cat Class: 310-8001

2012 Genie Z-80/60 Boom Lift

Sale Price

\$48,199 USD

Located in

Pascagoula, MS

Request Information

Low Interest Financing

United Guard Warranty

Cat Class: 310-8001

2012 JLG 800AJ Boom Lift

Sale Price

\$49,542 USD

Located in

Little Rock, AR

Request Information

Low Interest Financing

United Guard Warranty

 2012 Genie Z-45/25J IC Boom Lift

Cat Class: 310-4001

2012 Genie Z-45/25J IC Boom Lift

Sale Price

\$38,811 USD

Located in

Temple, TX

Request Information

Viewing 37 - 48 of 4,085 Results

◀ 1 2 3 4 5 ... 341 ▶



OIG 22-008-M

EXHIBIT 15

Reference Table: PurchaseOrders Changed By: BDodgen
 Change Type: Record Updated Date Time: 03/03/2022
 Description: PO Emailed to vendor 'HIGH REACH 2' at address 'EJIMENEZ@HIGH-REACH2.COM'.

Reference Table: PurchaseOrders Changed By: BDodgen
 Change Type: Record Updated Date Time: 03/03/2022
 Description: Purchase Order Modified

PO # 2022-7974 Req # 2022-7974
 State Purchase Order

Field(s) modified	Old Value	New Value
PO #		2022-7974
Post Date	02/25/2022	03/03/2022
State	0	1
Appr./Denied Date	03/03/2022	03/03/2022

Reference Table: PurchaseOrders Changed By: BDodgen
 Change Type: Record Updated Date Time: 03/03/2022
 Description: Requisition '2022-7974' converted to PO '2022-7974'..

:

:

Reference Table: PurchaseOrders Changed By: BDodgen
 Change Type: Record Updated Date Time: 03/03/2022
 Description: Requisition '2022-7974' Approved

Requisition #: 2022-7974

Reference Table: PurchaseOrders Changed By: NMazzie
 Change Type: Record Updated Date Time: 03/03/2022
 Description: Approval Changed From 'CITY COMMISSION' To 'CONVERT TO PO'.

Requisition #:: 2022-7974

Reference Table: PurchaseOrders Changed By: NMazzie
 Change Type: Record Updated Date Time: 03/03/2022
 Description: Attachment Added.

:

Field(s) modified	Old Value	New Value
File Name		action agenda.pdf
Attached File Name		b0a21a7b-3af5-496d-aa81-44db6dd4d4c7.pdf
Caption		ACTION AGENDA

Reference Table: PurchaseOrders Changed By: mbailey
 Change Type: Record Updated Date Time: 02/25/2022
 Description: Approval Changed From 'DEPARTMENT HEAD' To 'CITY COMMISSION'.

Requisition #: 2022-7974

Reference Table: PurchaseOrders Changed By: LAURAD
 Change Type: Record Updated Date Time: 02/25/2022
 Description: Approval Changed From 'REQ. CREATED' To 'DEPARTMENT HEAD'.

Requisition #:: 2022-7974

PO #:
 State Requisition

Req # 2022-7974

Field(s) modified	Old Value	New Value
Entered By		LAURAD
Department Emergency		No
PO #		
Po Status		0
Vendor Code		16720
Name		HIGH REACH 2
Amount		99900
Contract		
Requested By		cbergeron
Post Date		02/25/2022
Required Date		03/11/2022
Approval Dept		910
Ship To		UTL
Description		ARTICULATING BOOM LIFT
Pmt Terms		ACCOUNT TERMS
FOB Terms		DESTINATION
Ship Via		
QUOTE NUMBER		022522
User Field 4		
CHANGE ORDER REASON		
VENDOR NOTES		
Req #		2022-7974
State		0
Bid Awarded To Bidder		
Current Bid Status		3
On Hold		No
Price Source		Quote/Bid
PO Type		Regular
Invoice To		UTL
Merge Into PO		No
Merged Into P O Number On Anticipated		
Merged Into P O Number		
Flag Invoices As 'Separate Check'		No
Distribution Group		
Freight		\$0.00
Product/NAICS Code		
Item Description		ARTICULATING BOOM LIFT
Units		EA
Qty		1
Unit Price		99900
Freight		\$0.00
Tax Amount		0.00
Total Amount		99900
Inv. Code		
Tax		
Lead Time		0
Amount		\$99,900.00
Amt Relieved		\$0.00
GL Number		450-910-564700-533



OIG 22-008-M

EXHIBIT 16

Approval flow of Agenda Item #5 of the February 22, 2022, city commission meeting.

Workflow History 			
User	Task	Action	Date/Time
Webb, Jackie	NEW ITEM: Not Yet Routed	*FINANCIAL IMPACT: For...	02/04/22 02:27 PM
Kendrick, Aaron	Assigned to Finance Director	COMPLETE: Forward to ...	02/04/22 02:28 PM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forward to ...	02/10/22 06:20 PM
jnapoli@coopercityfl.org	Assigned to City Manager	COMPLETE: Forward to ...	02/11/22 02:27 PM
Montoya, Jenna	Assigned to City Clerk	APPROVE ITEM: End Wo...	02/11/22 03:13 PM
Montoya, Jenna	END WORKFLOW - APPROVED		02/11/22 03:31 PM

OIG 22-008-M

APPENDIX A



Greg Ross, Mayor
Jeff Green, Commissioner
Ryan C. Shrouder, Commissioner
Jeremy Katzman, Commissioner
Lisa Mallozzi, Commissioner
Ryan T. Eggleston, City Manager

September 21, 2023

Carol “Jodie” Breece, Inspector General
Broward Office of the Inspector General
One North University Drive, Suite 111
Plantation, FL 33324

Re: City of Cooper City/ Response to Office of Inspector General
Preliminary Report, Ref. OIG 22-008-M

Dear Inspector General Breece:

The City of Cooper City (the “City”) has received and reviewed the Preliminary Report prepared by the Office of the Inspector General (“OIG”) dated August 23, 2023, regarding the City’s 2022 purchase of a JLG800AJ boom lift for \$99,990. This response to the Preliminary Report is submitted pursuant to Section 10.01(D)(2)(a) of the Broward County Charter.

The OIG’s investigation found that the City’s former Utility Director engaged in misconduct by violating the City’s procurement code during the City’s acquisition of the boom lift. “Misconduct” is defined in the Broward County Charter as “any violation of the state or federal constitution, any state or federal statute or code, any county or municipal ordinance or code; or conduct involving fraud, corruption or abuse.” *Broward County Charter Sec. 10.01(A)(2)*. “Intent” is not included within this definition, and even technical violations of the code may be considered “misconduct.” It is worth noting that the Preliminary Report reveals no intentional misconduct on the part of any current or former City employee¹.

Further, the OIG’s investigation identified several factors which provide some important context related to this matter. Specifically, the OIG did not find any evidence of an improper benefit to the City’s former Utility Director or any other City employee, nor did the OIG conclude that there was any inappropriate relationship between the City or its staff and the vendor. While the City acknowledges that certain aspects of this procurement might have been handled differently, after a thorough investigation, the OIG found no evidence that any City employee, current or former, sought to enrich themselves or gain personally from the boom lift purchase.

Additionally, unrelated to the OIG’s investigation of this matter, the City has been taking significant steps in recent years to bolster its Procurement Division and to implement best practices related to the purchase of goods and services. The OIG’s Preliminary Report acknowledges many of these efforts and expressly

¹ This response to the OIG’s Preliminary Report is submitted solely on behalf of the City of Cooper City. It is the City’s understanding that its former Utility Director will be submitting a response to the Preliminary Report on his own behalf.

9090 SW 50 Place, Cooper City, Florida 33328 | 954-434-4300 | info@CooperCity.Gov | www.CooperCity.Gov



recognizes that “the City, its commissioners and its staff appear to be committed to enhancing the City’s purchasing process.”

I. Procurement Improvements

In furtherance of its effort to strengthen the City’s procurement procedures, the City Commission, in 2019, adopted the City’s first comprehensive procurement code. As noted in the Preliminary Report, prior to this time the City’s professional staff relied on a “12-page purchasing manual created in 2005 and a one-page reference guide titled ‘Purchasing at a Glance,’ for general procurement guidance.” The procurement code established a codified framework for the City’s professional staff to utilize when purchasing goods and services.

In October of 2021 the City hired a new Purchasing Agent, who was interviewed by the OIG as part of its investigation. As noted in the OIG’s Preliminary Report, the new Purchasing Agent promptly initiated monthly meetings with City staff who were involved in purchasing. The Purchasing Agent also recommended the hiring of a professional procurement consultant to help review the City’s procurement policies and procedures and to make recommendations for improvements.

On September 28, 2022, the City engaged Kirk Buffington, a longtime public procurement professional, to assist the City in reviewing its overall procurement procedures. On or about February 19, 2023, Mr. Buffington provided the City with a comprehensive analysis of the City’s procurement process and recommended, among other things, a number of amendments to the City’s procurement code. The City Commission, along with the City’s professional staff, promptly considered Mr. Buffington’s recommendations, and the City Attorney’s Office was directed to draft an ordinance embracing these recommendations. On June 13, 2023, the City Commission unanimously adopted the ordinance incorporating Mr. Buffington’s recommendations into the procurement code.

Upon conclusion of the initial scope of work set forth in the original agreement between the City and Mr. Buffington, the parties then extended their relationship pursuant to a contract amendment, whereby Mr. Buffington’s scope of services was expanded to include the development of an updated procurement procedures manual for the City and to work with the City’s professional staff on a number of other specific procurement assignments.

In addition to the foregoing, the City has also been going through a leadership transition in the context of its professional staff. The City is currently working to fill a number of vacancies in the Finance Department, including in the Finance Director position, which is directly responsible for overseeing the City’s Procurement Division. Further, in June 2023, the undersigned was hired by the City Commission to serve as the City Manager. As the new City Manager and chief administrator for the City, the undersigned can affirm that the City remains committed to continuing to review and improve its purchasing procedures and to ensure transparency in its procurement process. In furtherance of this effort, at the recommendation of the City Attorney’s Office, the City recently implemented a procedure requiring staff to include procurement details, including a cite to the operative code section, on the agenda cover memoranda for all items seeking approval of the City Commission for the purchase of goods or services.

II. Conclusion

While the OIG's Preliminary Report admittedly revealed a number of procedural deficiencies related to the boom lift purchase, there was no evidence or indication that any City employee, current or former, sought to enrich themselves or others as a result of that procurement. The report also recognizes the City's commitment for improvement and the significant steps already taken by the City to strengthen its purchasing process. Importantly, many of these efforts had been commenced by the City prior to the issuance of the Preliminary Report. The City welcomes the OIG's continued review and follow-up to ensure that the recommended procurement improvements have been implemented.

The new administrative leadership in the City remains committed to continuing to improve its procurement procedures and to ensuring that the City is an accountable steward of the public's trust. The City expresses its gratitude to the staff of the OIG for its thorough review of this matter and for the recommendations that have assisted the City in its ongoing efforts to improve its operations.

Sincerely,



Ryan T. Eggleston
City Manager

CC: Mayor Greg Ross
Members of the City Commission
Jacob G. Horowitz, City Attorney

OIG 22-008-M

APPENDIX B

September 19, 2023

Broward Office of the Inspector General
One North University Drive, Suite 111
Plantation, FL 33324

SENT BY EMAIL TO: InspectorGeneral@broward.org

Re: OIG Preliminary Report, Ref. No. OIG 22-008-M

To the Office of the Inspector General (OIG)

I have received and read your preliminary report regarding Cooper City's Former Utilities Director's Misconduct Led to the City's Improper Purchase of a \$99,990 Boom Lift, and offer the following response.

I was Cooper City's Utilities Director and City Engineer for 17 years. During my tenure with the City, I achieved all excellent performance evaluations and was told more than once that I'd earned the trust of the vast majority of Commissioners that I served, during my tenure, with my honesty and integrity, and I'm very proud of that. Prior to Cooper City, I worked for the City of Fort Lauderdale's Utilities Department for 17 years, ultimately attaining the rank of Assistant Utilities Director. Throughout my career, I've made dozens or maybe hundreds of recommendations to the City Manager and City Commission on issues related to municipal water and sewer service. Never once did I make a statement or representation to them that I didn't believe was true or accurate, or my best estimate if I was asked to give an opinion for which I didn't have all the data. I certainly never made a statement that I knew was false or incorrect. My recommendation for the subject procurement was no different.

The OIG's report states multiple times that I "wanted" the subject boom lift as if it was something I personally desired and would commit misconduct to procure. But the report contains no record of any instance where I stated, verbally or in writing, that I "wanted" this equipment. In truth, I had no personal desire for this equipment and procuring it would not benefit me in the least. I would never operate it (I don't even know how) and, in fact, I had already resigned my position with Cooper City prior to the Commission meeting when the purchase was approved, and I would not even be there to see the item delivered.

In May 2021, I prepared a Request for Motorized Equipment form in the amount of \$100,000.00, as part of my preparation of the Fiscal Year 2021-2022 proposed Utilities Department budget, in order to fund the replacement of the City's 2000 JLG 450AJ boom lift. This lift had reached the end of its useful life and needed to be replaced. I was told by my staff that \$100,000.00 should be sufficient to fund a new lift. My expectation was that, If the proposed budget for this item was approved by the Commission, I would direct staff to search for a suitable new boom lift through typical resources such as the Florida Sheriff's Association Cooperative Purchasing Program (FSA). New vehicles and motorized equipment were often purchased through this

means and, therefore, I did not expect that the City's procurement agent would be asked to prepare a solicitation, with the associated technical specifications.

The Fiscal 2021-2022 budget was approved by the City Commission on September 23, 2021. Shortly after, I directed staff to start moving forward with procurement of all capital expense items in the newly approved budget, including the new lift. This is a good point to note that the OIG report finds fault with me because I didn't start the procurement process for a new or used lift in May 2021. That finding is flawed because (1) staff wouldn't initiate a solicitation for an item for which there wasn't an approved budget, so the earliest we would have started would be September 23, 2021; (2) I expected that staff would use the typical procurement means such as the FSA so that there would be no need for a formal solicitation and associated technical specification issued by the City; and (3) there was no consideration on my part of used equipment at that time.

The remainder of my narrative takes place between October 2021 and January 2022. I can't be more specific about the timeline because I don't have access to my Cooper City email records anymore.

Utilities staff informed me that their research indicated that new lifts were no longer available due to manufacturer's shutdowns related to the COVID-19 pandemic, and that manufacturers were not accepting orders for new equipment. Further, I was informed that, when new machines eventually became available, they would cost more than our \$100,000.00 budget. In support of that, staff provided me with a vendor quote for a new boom lift in the amount of \$175,000.00 but they emphasized with me that, although a vendor provided a quote, manufacturers were not producing new lifts due to the pandemic. After we concluded that we would not be able to purchase a new lift and receive one in a reasonable amount of time, staff suggested that used lifts might be available. I agreed to the concept of considering a used lift and staff proceeded to research that option.

After some period of time, staff informed me that used lifts in good condition were readily available and that they inspected at least one that was in poor condition and recommended against further considering that unit(s). I was then informed that staff had found a completely refurbished lift that was in good condition, and they recommended purchasing the lift while it was still available. I was also informed that the vendor's initial asking price was slightly over our \$100,000.00 budget but that staff negotiated the price to \$99,990.00. Additionally, I was informed that another agency was interested in purchasing this lift, so that time was of the essence. Based on the reports from my staff, which I did not independently verify and accepted at face value, I decided that it would be in the City's best interest to present this opportunity to the City Commission for their consideration.

At this point, I prepared the purchase item for the February 22, 2022, Commission meeting. I presented the information regarding this purchase to the best of my knowledge and recommended that the Commission waive the City's normal purchasing procedures and purchase this lift. I made this recommendation with the understanding that the Commission had the authority to take this action, but I was not aware of Section 2-258.(i) of the City's Code of Ordinances. I remember being told, early in my tenure with Cooper City, that the Commission

had the authority to waive its normal purchasing procedures if they determined that such action was in the City's best interest. I did not realize that there was a code section that specifically addressed such waivers nor was I aware of its requirements. As evidence of this, it should be noted that I did not reference that code section in my Commission meeting Staff Report. I would have done so had I known there was a code section that addresses waiver of procurement procedures. I also noted in my interview with Mr. Mbiza that I was not aware of a code section that governed purchasing waivers.

After I prepared the Commission item, it was forwarded for the typical reviews and approvals for such items. Specifically, it was routed to the Finance Director (who oversaw and was responsible for the Purchasing Division), the City Attorney, and the City Manager, among others. This review and approval step is very important and was established to make sure that these parties are satisfied with the action that is being recommended to the Commission. In this case, it was the responsibility of these individuals to confirm that my recommendation was appropriate and complied with all relevant ordinances and policies. Surely these three individuals would be even more familiar with the City's procurement code than the Utilities Director. Yet all three signed off on the item without question. Furthermore, they had multiple opportunities to consider this item and ask questions. The City Manager typically held at least one department head meeting to review each Commission meeting agenda, which the City Attorney normally attended. He also typically held an agenda review meeting with each Commissioner prior to the meeting. So, the attorney had at least two opportunities to review this item, and the Manager and Finance Director had more than two opportunities to do the same (most likely it was seven opportunities). Yet none of them raised any questions or advised that it didn't comply with the procurement code with respect to waivers. The OIG report mentions this fact but, in my opinion, minimizes its significance.

In summary, I agree with the OIG on certain aspects of this issue. I agree that the purchase was improper and did not fully comply with the City code section that addresses waiver of procurement procedures. I also agree with the OIG's recommendation that the City's Purchasing Agent be involved in all purchases over a certain threshold to ensure that they fully comply with the City's procurement code. I can even understand if the OIG concludes that I should have known that my recommendation did not comply with this code section, given that I've been a Director in Cooper City for 17 years. In my defense, however, I remember being told about the Commission's authority to waive normal purchasing procedures if they determined that such a waiver would be in the best interest of the City, but I was not aware of the waiver requirements in the code.

I completely disagree, however, with the finding that I committed misconduct or the implication that I knowingly misled the Commission. Specifically:

- I don't recall ever stating, verbally or in writing, that I "wanted" this lift, and the OIG provides no documentation of such a statement. To the contrary, I stated at the Commission meeting "I'm not married to this piece of equipment" and "I'm not trying to pressure you into buying this item". I believe the OIG improperly concludes that I "wanted" the lift and took action to obtain it. It's just as plausible, and is in fact the truth, that I believed this was an excellent opportunity for the City to obtain a lift that it needed

but that the Commission would have to take unusual action to do so, under the circumstances as I understood them.

- I've shown in this response that the OIG's conclusion that there was time to produce and conduct a competitive solicitation is incorrect given the circumstances.
- My statement that manufacturers were not accepting orders for new lifts was true, to the best of my knowledge. That is supported by the interview statements of the former Assistant Utilities Director and Vendor 2.
- My statement regarding the complexity and time constraint associated with drafting technical specifications for a used or refurbished boom lift was true given the circumstances. The refurbished lift that staff identified would probably not be available by the time I finished preparing the specifications and the Commission would not have had the opportunity to consider purchasing it.
- My statement that Utilities Staff had priced comparable boom lifts was true to the best of my knowledge. I did not independently corroborate staff's statements and accepted them at face value.
- The Commission item was reviewed multiple times by individuals who should have known better than me that the proposed purchase didn't appear to meet the requirement of Section 2-258.(i) of the City's Code, yet the OIG's report singles me out as being virtually completely responsible for the improper purchase of the boom lift.

I thank the OIG for the opportunity to respond to their report.

Sincerely,

A handwritten signature in black ink, appearing to read "M.F. Bailey". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Michael F. Bailey, P.E.
September 19, 2023