

INTERNAL AUDIT REPORT #2019-007
PROPERTY MAINTENANCE/ZONING
VEHICLES UNDER TOW – REVENUE CONTRACT #55-17813
RELEASE DATE: OCTOBER 14, 2019



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VEHICLES UNDER TOW – REVENUE CONTRACT #55-17813
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OVERVIEW

BACKGROUND

The Jefferson Parish Department of Property Maintenance Zoning/Quality of Life (PMZ) has the responsibility to administer and enforce specific provisions of the Jefferson Parish Code of Ordinances in a consistent and equitable manner. Functions of PMZ include^a but are not limited to:

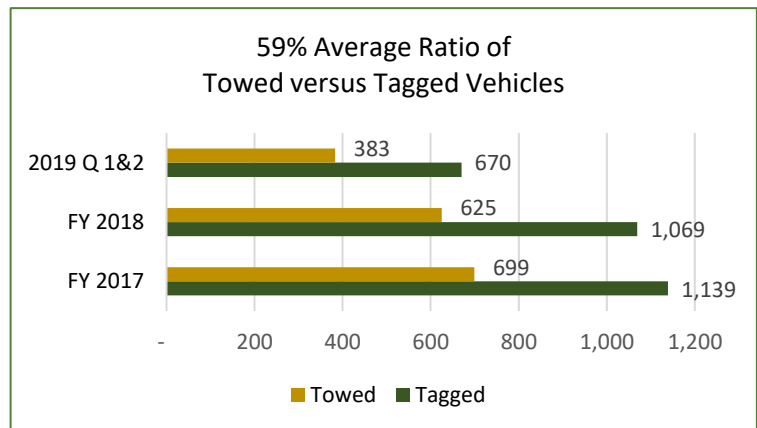
- Performing site inspections and issuing violations when warranted,
- Inspecting taxi cabs to ensure compliance,
- Inspecting lodging accommodations,
- Issuing work orders to cut weeds and grass, and remove trash and debris, and
- Tagging and removing abandoned vehicles.

The focus of this review is on the tagging and removing of abandoned vehicles. PMZ secured a two-year revenue-generating contract^b that engaged Moon's Towing Service, Inc. (Moon's Towing or the "Contractor") for the removal and towing of junked, derelict and abandoned vehicles, boats, oversized and commercial vehicles, trailers and other oversized objects (hereafter referred to as "vehicles"). In general, once vehicles that need to be removed from an area are identified, PMZ issues a violation notice to the vehicle owner providing them with an allotted time frame to cure the violation. If the violation is not cured, then PMZ authorizes Moon's Towing to remove the vehicle. Moon's Towing is to remit payment to the Parish each month based on a per vehicle type charge as established via contract. The Contractor is then permitted to collect towing fees from the owner when the vehicle is retrieved, or take ownership of the vehicle if it is not claimed by the owner.^c

The Contractor tows vehicles as a result of:

- a) Public Property: PMZ Field Inspector tagging the vehicle thereby issuing a notice that the vehicle will be towed if the violation is not cured, or
- b) Private Property: If accessible, a derelict vehicle is tagged. Otherwise, the owner is issued a zoning violation that goes through an administrative process. If necessary, a Hearing Officer determines that the vehicle needs to be towed, then an "Enforcement Order" is issued to the owner.

Tagged vehicle violations are tracked through a system called "CERVIS." Enforcement Orders are not tracked in CERVIS or any other electronic system. Internal Audit obtained the number of vehicles towed by the Contractor versus the number of vehicles tagged by the Field Inspectors for fiscal years 2017 and 2018, along with the first two quarters of 2019. An average of 59% of vehicles tagged were towed by the contractor. This data is only for tagged vehicles since Enforcement Order data was not available.



^a Source: Jefferson Parish 2019 Annual (approved) Budget, page 122

^b See Attachment A for the towing contract between Jefferson Parish and Moon's Towing, Inc.

^c See Attachments B and C for Bid Specifications and per vehicle remittance structure.

OBJECTIVES

The objectives of this review were to:

- 1) Ensure compliance with and adequate monitoring of the current revenue-generating contract with Moon's Towing,
- 2) Evaluate Internal Controls surrounding revenue due to the Parish, from the issuance of violations related to the junked, derelict, and abandoned vehicles through receipt of payment, and
- 3) Review the workflow process of the same (#2).

SCOPE

The Department of Internal Audit evaluated the current policies and procedures, and internal controls in place for effectiveness, adequacy, and efficiency of operations. The revenue-generating contract with Moon's Towing, referenced by the Parish as Contract #55-17813, was reviewed along with related Bid Specifications #50-123613. The current contract term as of the timing of this report is effective October 18, 2018, through October 17, 2020, authorized via Resolution #132187^d. Internal Audit also reviewed the towing contracts that were previously in place.

Internal Audit reviewed a sample of electronic reports submitted by Moon's Towing, which details the daily outcome of each attempt at towing a vehicle. Also, select monthly reports which lists all vehicles towed, date towed, etc. were reviewed. Internal Audit also retrieved relevant financial data from the Parish's AS/400 Financial Management System. General knowledge of the Parish's internal control structure was exercised, revisited, and confirmed throughout this audit. Additionally, Internal Audit obtained information about towing services in other municipalities.

In order to obtain an understanding of the processes in place by the Department relative to the towing contract, Internal Audit interviewed key employees. (See Attachment F for a process diagram relative to the contract under review.)

The Department Director requested this review as a result of inefficiencies noted during previous departmental self-assessments. The report covers only the areas as indicated in the Objectives and adheres to the Scope, as stated above.



^d See Attachment D for Resolution 132187.

CONTRACT REPORTING

CRITERIA

Specifications for Bid #50-123613 related to the contract under review require that Moon's Towing provide the Parish with a daily electronic report and a monthly report detailing the outcome of each attempt at towing a vehicle.

Excerpt from Bid specifications:

Contractor shall provide the Parish a daily electronic report detailing the outcome of each attempt at towing a vehicle.

1) date towed; violation cleared; gone on arrival

2) address/location

Contractor shall provide to the Parish a report at the end of each month due to the Parish on or before the 5th day of the following month, which contains the following information:

1) A listing of all vehicles towed on behalf of the Parish including year, make, model, color, and vehicle identification number;

2) The date towed;

3) Address/location;

4) The current status (whether redeemed, including date of redemption, whether stored, or other).

FINDINGS

The Department could not locate all daily activity reports as required by the contract under review. The Contractor did not remit activity reports on a daily basis. The Contractor did not consistently send monthly reports.

OBSERVATIONS

Internal Audit requested daily reports received on the dates shown in the table on the next page of this report. Out of the twenty (20) reports, five (5) were received timely from the Contractor. All others were either not received or could not be located by the Department. Upon review of the reports received, they appeared to contain the information as required by the contract.

The Department did not effectively retain all daily electronic reports. Internal Audit expanded the original sample requested and was able to verify if Moon's Towing had been sending such reports on a daily basis. Moon's Towing represented via email that they did not submit reports when they did not tow vehicles on the previous day; however, PMZ represented that they usually require daily reports detailing the previous days' work.

Internal Audit requested monthly reports received on the dates in the table shown below. Out of the five (5) months requested, one (1) was received timely from the Contractor. Upon review of the reports

Daily Reports	
Original Sample Selected	
Date Report Received	Last Service Date Indicated
12-Nov-18	Not located by PMZ
13-Nov-18	Not located by PMZ
14-Nov-18	Not located by PMZ
15-Nov-18	Not located by PMZ
16-Nov-18	Not located by PMZ
4-Feb-19	Not located by PMZ
5-Feb-19	Not located by PMZ
6-Feb-19	Not located by PMZ
7-Feb-19	Not located by PMZ
8-Feb-19	Not located by PMZ
24-Jun-19	20-Jun-19
25-Jun-19	Not received
26-Jun-19	25-Jun-19
27-Jun-19	25-Jun-19
28-Jun-19	25-Jun-19
Expanded Sample Selected	
Date Report Rec'd	Last Service Date Indicated
15-Jul-19	Not received
16-Jul-19	Not received
17-Jul-19	16-Jul-19
18-Jul-19	Not received
19-Jul-19	Not received

Monthly Reports	
Original Sample Selected	
Date Report Rec'd	Service Month
20-Dec-18	November 2018
28-Feb-19	February 2019
11-Jul-19	June 2019
Expanded Sample Selected	
Date Report Rec'd	Service Month
8-Aug-19	July 2019

received, they appeared to contain the information as required by the contract.

Green text indicates compliance while **Red** text indicates non-compliance with the terms of the contract.

RECOMMENDATIONS

#1: All reports should be retained on a network drive that is backed up regularly and accessible by designated employees in the event of staff transitions. This control procedure should be incorporated into formal, written policies and procedures.

#2: The Department should strive to obtain both daily and monthly reports as per the terms of the contract.

PAYMENTS FROM CONTRACTOR

CRITERIA

Specifications for Bid #50-123613 related to the contract under review require that Moon's Towing remit payment within 30 days following the monthly reports. Excerpt from Bid specifications:

Payment shall be submitted thirty (30) days after the end of each month following the monthly report.

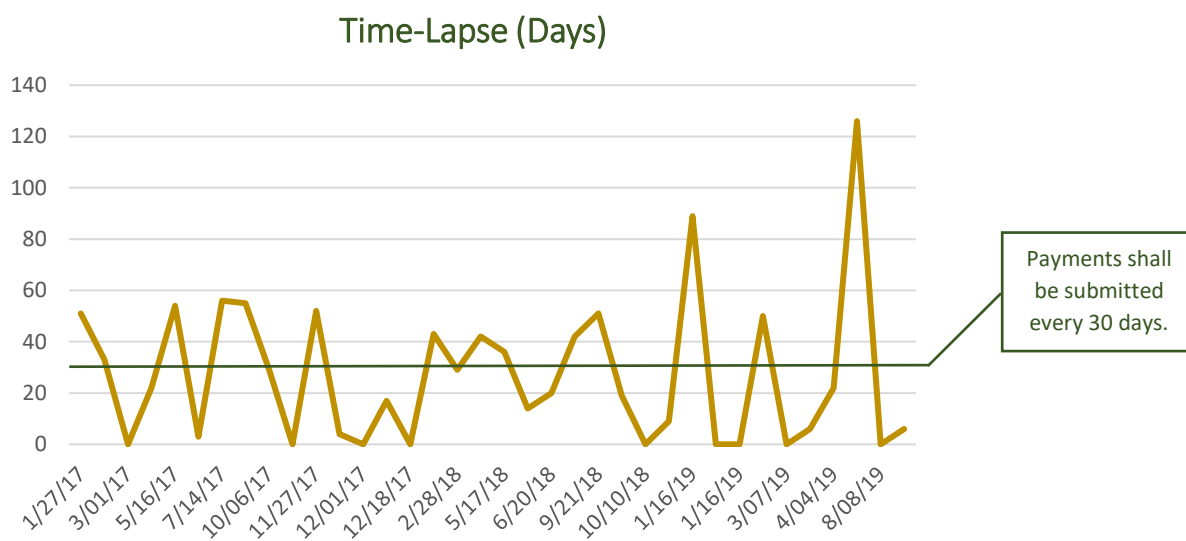
FINDINGS

Payments were not consistently remitted by the Contractor every 30 days. Payments were not regularly sent to the Department of Accounting in a timely manner to be deposited. Transaction descriptions in the general ledger do not lend to effective contract monitoring.

OBSERVATIONS

Payments Made by Contractor

Payments received from Moon's Towing are tracked in the Parish's AS/400 Financial Management System (AS/400) and recorded in account number 10010-5326.4: Abandoned Vehicle Scrap. Internal Audit reviewed the revenue recorded for fiscal years 2017, 2018, up to and including August 2019. Conceptually, payments should be recorded in the AS/400 approximately every 30 days regardless of the specific day a monthly payment is due^e. The time-lapse between payments from one month to the next ranged from three (3) days to one hundred twenty-six (126) days for the period reviewed. The varied time-lapse indicates that payments were not received, processed, and recorded in accordance with the terms of the contract – every 30 days.



Payment Processing by PMZ

When PMZ receives a payment and remittance documentation (the monthly report) from the Contractor, the Department reconciles the amount with information entered into the CERVIS database. Once reconciliation is complete, PMZ prepares a memo to send to accounting along with the check to be deposited. Internal Audit reviewed remittance information for each payment entry in the AS/400 for fiscal years 2017, 2018, up to and including August 2019. When comparing the check date to the memo date, the days the check was held in the Department during the reconciliation process (Days Held) ranged from two (2) days to ninety-five (95) days.^f

^e Example: Internal Audit interprets monthly payments to be due by August 5th for tows occurring during June.

^f See Attachment H for a "Days Held Analysis"

PMZ represented that they did not have a policy in place that calls for the quick and timely deposit of checks received. That is to say; PMZ does not send the check to the Department of Accounting until the reconciliation process is complete.

In further analyzing the Days Held, it appears that the number of days increased after the person responsible for processing payments resigned from the Parish. The Department was then short-staffed and fell behind. At one point in time, the Department had four (4) months' worth of payments, or \$10,500, held before reconciliation was complete and checks were sent the Department of Accounting for deposit. (See the table below for data as of September 5, 2019.)

Internal Audit notified the Department Director, Catherine Toppel, who immediately called for the deposit of all checks held. Ms. Toppel also represented that the Department will develop a formal written policy regarding the quick and timely deposit of all checks, independent of the reconciliation process.

Date	Check Amount	Description	Check Balance on Hand
4/26/2019		Employee Resigns	
5/2/2019	\$ 3,150.00	rec'd 2019 Mar	\$ 3,150.00
6/12/2019	\$ 2,478.00	rec'd 2019 Apr	\$ 5,628.00
7/16/2019	\$ 3,024.00	rec'd 2019 May	\$ 8,652.00
7/30/2019		Audit Request Letter	
8/3/2019	\$ 1,848.00	rec'd 2019 June	\$ 10,500.00
8/5/2019	\$ (3,150.00)	deposit	\$ 7,350.00
8/5/2019	\$ (2,478.00)	deposit	\$ 4,872.00
8/9/2019	\$ (1,848.00)	deposit	\$ 3,024.00

Payment Recordation by the Department of Accounting

The description "pickup inoperable vehicle" is entered in the AS/400 for every payment recorded. The notation entered into the AS/400 does not indicate the month and year of service for each payment received, which makes it challenging to ascertain whether the Contractor remitted payments for all months.

RECOMMENDATIONS

#3: PMZ should strive to collect payments from the Contractor in accordance with the contract.

#4: PMZ should institute and implement a formal written policy to send deposits to Accounting in a quick and timely manner. The deposits can be made independent of the reconciliation process.

#5: The towing information sent to the Department of Accounting should indicate the service month and year so that Accounting can include the month and year in the notation in the general ledger. Such notation will foster more effective contract monitoring.

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PROCESSES AND PROCEDURES

CRITERIA

Sound internal controls call for the assurance of completeness that all valid transactions have been included in the accounting records or related database. Internal Controls also help ensure that all valid transactions are accurate and consistent with originating transaction data. (See Attachment I for the recommended guidance from the Government Finance Officers Association.)

FINDINGS

Not all violations for derelict vehicles are tracked in the CERVIS database.

PMZ relies on the Contractor's representation for vehicles that are towed and determination of the payment due from the Contractor to the Parish.

OBSERVATIONS

Vehicles are flagged for towing via two different processes depending on whether they are located on public or private property^g. If a derelict vehicle is located on public property, then a PMZ Field Inspector places a violation tag or notice on the vehicle notifying the owner of the violation. Information regarding the violation is entered into a database maintained by the Parish, called "CERVIS." The owner has seventy-two (72) hours to remove the vehicle or otherwise bring it into compliance within the terms of the violation. The Field Inspector inspects the vehicle again after the allotted time and either clears the violation or flags it in CERVIS to be towed. A contract letter or work order is generated from CERVIS and sent to Moon's Towing to notify them that the vehicle needs to be towed. The vehicles are towed without supervision by a PMZ Field Inspector.

In some cases, PMZ Field Inspectors cannot freely enter private property and place a tag on a derelict vehicle that is located within. These types of violations go through an administrative process. If necessary, a hearing officer determines that the vehicle needs to be towed then an "Enforcement Order" is sent to PMZ. Violations issued in such a way are not tracked in the CERVIS system; instead, they are tracked via a paper file which contains every Enforcement Order that is issued. This method of manual tracking places the Parish at risk that not all payments will be collected for amounts due. The Enforcement Order is sent to Moon's Towing to notify them that the vehicle needs to be towed. Additionally, a Field Inspector schedules a time to meet Moon's Towing to supervise the towing of the vehicle.

Moon's Towing is to send PMZ a daily report with detailed information regarding vehicles towed, and a monthly report with similar details as specified via the contract. (For more information, refer to the "Contract Reporting" section on page 5 of this report.)



^g See Attachment E for current Processes and Procedures per PMZ.

Moon's Towing is to pay the Parish/PMZ for each vehicle that they tow based on the contract bid specifications. The unit price per vehicle for the contract under review is shown below.

Description	Unit Price
Passenger vehicles, multipurpose vehicles, vans or trailers less than 2,000 pounds	\$ 42
Motorcycles	\$ 128
Boats	\$ 95
Trucks, trailers, rv's with gross weight up to 15,000 pounds	\$ 150
Trucks, trailers, rv's with gross weight over 15,000 pounds and up to 60,000 pounds	\$ 195
Trucks, trailers, rv's with gross weight over 60,000 pounds	\$ 210
Dumpsters/Containers (filled)	\$ 3,100
Dumpsters/Containers (empty)	\$ 3,100

Such payment is to be remitted monthly. Once payment is received, PMZ updates the violation (closes the case) in the CERVIS system. During this process, PMZ relies on representation from Moon's Towing as to whether or not a vehicle is towed and thusly whether they owe the Parish for towing a vehicle. There is no system in place for the Parish to verify if a vehicle is towed or not, and thusly if the Parish is due a remittance as per the terms of the revenue contract.^h

Internal Audit researched best practices and found other similar revenue contracts in place in San Francisco, California; Garland, Texas; and Richmond, Virginia. The most relevant best practice found called for the Contractor to grant access to their towed vehicle management database so that the city's staff can verify the towing fee is collected for all vehicles towed by the Contractor. Instead of relying solely on the Contractor's representation of what they owe to the city, the city's staff members invoice the Contractor based on database comparisons and collect the amount due to the city.

Moon's Towing utilizesⁱ "QuickBooks" for financial software, and "In-Tow Manager Professional" software to track towed vehicles. PMZ staff could start working with the Contractor to gain access to such database and institute the practice as described above. The current contract with Moon's Towing expires October 17, 2020. PMZ should consider formally placing this requirement in future Contracts.^j

RECOMMENDATIONS

#6: Develop a method within the CERVIS database to track not only the tagged vehicle violations but also the Enforcement Orders issued by the Bureau of Administrative Adjudication. This method will help to ensure that amounts are collected for all vehicles towed by the Contractor.

#7: In future towing services agreements, PMZ should consider requiring the vendor to maintain a database of all towed vehicles and grant PMZ access to such database. PMZ should reconcile the Contractor's database for vehicles towed then invoice the Contractor for the amount due to the Parish. Formal policies and procedures should be written to incorporate the invoicing processes.

^h See Attachment F for Diagrams of Current Recordkeeping and Payment Processing.

ⁱ Software used by the contractor was not audited. The software names were obtained from PMZ.

^j See Attachment G for an Example Diagram of Suggested Recordkeeping and Payment Processing.

Note: Actual processes and procedures put in place by the Department, and the implementation of such is the sole responsibility of the Department.

CONTRACT RENEWAL

CRITERIA

Fees collected by the Parish for the towing of vehicles are recorded as General Fund revenue and help to offset General Fund costs. Any opportunities to reduce net general fund costs should be leveraged to their fullest.

FINDING

The per-unit price received by the parish for passenger vehicles, the Parish's most commonly towed vehicle, decreased by sixty-six percent (66%) over a four (4) year period.

OBSERVATIONS

The Parish revenue-generating contracts have been effective for two (2) year periods, starting and concluding in mid-October each period. Evaluating the accuracy of revenue for the beginning of the contract was tedious, given the mid-month start date. Additionally, billing would be simplified at the end of a given contract period if the termination date were moved to October 31 versus mid-October. Internal Audit recommends the future contract period be from October 18, 2020, through October 31, 2022, if the Department continues with another two year contract.

During a review of monthly reports as described the "Contract Reporting" section of this report, Internal Audit noted that the most common type of vehicle towed is passenger vehicles. This observation is supported by the estimated quantities used via the Bid Process, as shown in the table on the next page. Internal Audit compared vehicle unit prices paid to the Parish under the current two year contract period along with the three previous contract periods. As shown below, the per-unit price for passenger vehicles decreased from \$125 to \$42, representing a sixty-six percent (66%) decrease per-unit from October 2014 to October 2018. (Outlined in **gold**.) One should also note that the per-unit prices for motorcycles, boats, and dumpsters increased by 818%, 636%, and 224%, respectively, for the contracts ending in 2016 to 2018. (Outlined in **green**.) Additionally, unit prices paid to the Parish are lower in the current period than they were in the last three contracts. These observations highlight the notion that contracts awarded contained unit prices that varied greatly from contract to contract.

	Contract Start Date: Contract End Date:	10/18/2018 10/17/2020	10/19/2016 10/18/2018	10/19/2014 10/18/2016	10/20/2012 10/19/2014
DESCRIPTION OF "VEHICLE"	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
Passenger vehicles, multipurpose vehicles, vans or trailers less than 2,000 pounds	\$ 42	\$ 95	\$ 95	\$ 125	
Motorcycles	\$ 128	\$ 4,500	\$ 550	\$ 500	
Boats	\$ 95	\$ 3,500	\$ 550	\$ 500	
Trucks, trailers, rv's with gross weight up to 15,000 pounds	\$ 150	\$ 595	\$ 595	\$ 600	
Trucks, trailers, rv's with gross weight over 15,000 pounds and up to 60,000 pounds	\$ 195	\$ 705	\$ 705	\$ 700	
Trucks, trailers, rv's with gross weight over 60,000 pounds	\$ 210	\$ 4,200	\$ 4,200	\$ 4,000	
Dumpsters/Containers (filled)	\$ 3,100	\$ 11,450	\$ 5,100	\$ 5,000	
Dumpsters/Containers (empty)	\$ 3,100	\$ 11,450	\$ 5,100	\$ 5,000	
Total Revenue Per Bid:	\$ 120,605	\$ 543,425	\$ 469,250	\$ 432,625	
Mandatory Pre-Bid Conference Required?:	Yes	No	No	No	
Total # of Contractors who submitted bids (qualified or disqualified):	1	1	4	2	

Internal Audit further explored the reason for the unit price fluctuations by examining the procurement method of securing the contract. Procurement of this revenue contract has consistently been achieved via the Public Bid process, which is primarily used to secure Public Works cost contracts. The Public Bid process helps to ensure that contracts are awarded to a Contractor who bids the lowest responsible price. Simplistically, bids submitted to the Parish by a specific date, are opened and read aloud. The Contractor with the lowest responsible bid price is selected to complete the work. The selection is later confirmed and ratified by the Parish Council, who has the authority to choose a different Contractor.

In the case of this PMZ revenue contract, the Contractor with the highest responsible bid is selected. Unit prices are applied against estimated quantities of types of vehicles towed to calculate the "Total Revenue" per the bid. (Shown in red text on the previous page and below.) The Total Revenue in the bids selected for the contract periods shown is not representative of the actual revenues received. This is because a weighted percentage based on estimated quantities (Weighted Revenue) is not considered via the Public Bid process. Had this method been used, the Total Revenue bid for the current contract would have been considered at \$38,339 instead of \$120,605, as shown in the table below.

Description of "Vehicle"	Unit Price	Estimated Quantity	Anticipated Revenue	Quantity Weight	Weighted Revenue
Passenger vehicles, multipurpose vehicles, vans or trailers less than 2,000 pounds	\$ 42	1,000	\$ 42,000	89.1%	\$ 37,433
Motorcycles	\$ 128	5	\$ 640	0.4%	\$ 3
Boats	\$ 95	22	\$ 2,090	2.0%	\$ 41
Trucks, trailers, rv's with gross weight up to 15,000 pounds	\$ 150	25	\$ 3,750	2.2%	\$ 84
Trucks, trailers, rv's with gross weight over 15,000 pounds and up to 60,000 pounds	\$ 195	25	\$ 4,875	2.2%	\$ 109
Trucks, trailers, rv's with gross weight over 60,000 pounds	\$ 210	25	\$ 5,250	2.2%	\$ 117
Dumpsters/Containers (filled)	\$ 3,100	10	\$ 31,000	0.9%	\$ 276
Dumpsters/Containers (empty)	\$ 3,100	10	\$ 31,000	0.9%	\$ 276
Contract Amount		1,122	\$ 120,605	100.0%	\$ 38,339

The weighted revenue is a more realistic number on which to select the highest responsible bid because it determines total revenue based on the anticipated frequency or quantity of tows to occur. Not applying a quantity weight in the bid evaluation process enables the bidder to potentially artificially inflate the total revenue amount by bidding very high per-unit prices for vehicles that are infrequently or perhaps never towed.

Applying the quantity weight or using the weighted revenue as part of the contract award process can be achieved through the Request for Proposal (RFP) process. PMZ should consider using the RFP process instead of the Bid Process for future contracts.

PMZ has expressed concern that there has been only one bid for this contract for the last two contract periods. Changing the procurement process relative to the total revenue evaluation component will give Contractors a fair chance at obtaining the contract given the particulars of the contract, and may encourage more competition. The Department typically starts six months in advance to secure this contract. Internal Audit suggests beginning the procurement process upon issuance of this report in case of lack of Contractor responsiveness. This will allow the Department to re-advertise the RFP if necessary.

RECOMMENDATIONS

#8: Procure the revenue-generating towing contract through the Request for Proposal process instead of the Public Bid process, if deemed lawful by the Parish Attorney's Office. This process will allow for a more equitable evaluation of per-unit pricing and may encourage more Contractors to submit proposals.

RECOMMENDATIONS (continued)

#9: The RFP evaluation committee should evaluate the proposed total revenue based on a weighted average of estimated quantities. This method calculates a more realistic revenue for comparison among Contractors.

#10: PMZ should start the contract procurement process upon issuance of this report so that the Parish has more time and the ability to reject proposals, or try again if proposals received are not responsible. For ease of monitoring and billing, Internal Audit recommends future contracts end on October 31 with the subsequent contract renewing on November 1.

SUMMARY

In summary, the review highlighted opportunities for policies and procedures to be put in place to effectively obtain and retain all documents as required by the contract. Processes to collect payments from the Contractor need to be enhanced, and deposits need to be made promptly. Notations can also be improved when recording revenue in the general ledger.

Processes and procedures should be tailored so that all vehicles identified for towing, whether on public or private property, are tracked in the electronic database (CERVIS). Additionally, the Department should not rely solely on the Contractor's representation for amounts due to the Parish.

For future contracts, PMZ should work with the Department of Purchasing to secure the contract via the Request for Proposal (RFP) process instead of the Public Bid process. The RFP evaluation committee should evaluate proposed revenue amounts by applying the weighted average of quantities percentages against each revenue line submitted. Internal Audit recommends that the process to secure the next contract start upon issuance of this report.

The Department of Property Maintenance Zoning/Quality of Life should review and take appropriate actions as noted in the ten (10) recommendations contained within this report.

REPORT WRAP UP

Internal Audit obtained responses from both the Department and the Parish Administration which can be found in Attachments #2 and #3, immediately following this report.

Internal Audit would like to thank PMZ for initiating this review, and for their professionalism, assistance, and full cooperation during the process of this review.

****END****

ATTACHMENT A

MOON'S TOWING SERVICE INC / CONTRACT #55-17813

**AGREEMENT
BETWEEN
THE PARISH OF JEFFERSON
AND
MOON'S TOWING SERVICE, INC.**

THIS AGREEMENT made and entered into on this 18th day of October, 2018, by and between the Parish of Jefferson, hereinafter called "OWNER", duly represented herein by **Cynthia Lee-Sheng**, Chairwoman of Jefferson Parish Council, duly authorized to act by virtue of Resolution No. **132167**, dated the 19th day of September, 2018, which is made a part hereof, and **MOON'S TOWING SERVICE, INC.**, represented by **SCOTT MULLEN, PRESIDENT**, hereinafter called "CONTRACTOR".

NOW THEREFORE, for the considerations hereinafter expressed, the parties agree as follows:

SCOPE OF WORK

The OWNER does hereby grant and confirm unto CONTRACTOR a **2 YEAR** Agreement for the **removal and towing of junked, derelict and abandoned vehicles, boats, oversized and commercial vehicles, trailers, and/or other oversized objects** for the **Jefferson Parish Department of Property Maintenance/Zoning Quality of Life.**, as per the General Conditions, any Supplementary Conditions, the Drawings and Specification on the file in the Office of the Chief Buyer for the Parish of Jefferson under Proposal No. **50-123613**, and the Contractor's written Bid Proposal dated **August 14, 2018**, copies of which are attached hereto and made a part hereof. Maximum expenditures for this Agreement shall not exceed **One hundred twenty thousand six hundred five dollars (\$120,605.00)**

The CONTRACTOR, its successors and assigns hereby agree to perform the Agreement well and faithfully in strict conformity with the terms and conditions of the Agreement, including the General Conditions, any Supplementary Conditions, the Drawings and Specifications, the Instructions to Bidders, and CONTRACTOR's written Bid Proposal attached hereto.

OWNER'S REPRESENTATIVE

The Director for the **Department of Property Maintenance/Zoning Quality of Life** is responsible for the Project which is the subject of this Agreement and is hereinafter referred to as the Manager/Design Professional, who is to act as OWNER's representative, and who is to assume all duties and responsibilities and have the rights and authority assigned to the Manager/Design Professional in General Conditions in connection with the completion of Work in accordance with the General Conditions.

LABOR AND MATERIALS PAYMENT BOND

CONTRACTOR hereby firmly and truly binds itself as principal with N/A, as surety, unto the OWNER in the full and true sum of N/A for the payment whereof Contractor and Surety bind themselves, its heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, according to the terms and conditions of the labor and materials payment bond(s).

PERFORMANCE BOND

CONTRACTOR hereby firmly and truly binds itself as principal with N/A, as surety, unto the OWNER in the full and true sum of N/A for the payment whereof Contractor and Surety bind themselves, its heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, according to the terms and conditions of the attached performance payment bond(s).

CONTRACT TIMES OR TERM

The Contract shall be for **two years** beginning on the date the contract is fully executed, and shall terminate at midnight of the date immediately preceding the anniversary date thereafter.

LIQUIDATED DAMAGES

In accordance with Section 17 of the General Conditions, OWNER and CONTRACTOR agree that as stipulated ("liquidated") damages for the delay (but not as a penalty) CONTRACTOR shall pay the OWNER N/A for each day after the time specified for Substantial Completion until the Work is substantially complete. After Substantial Completion of the Work CONTRACTOR shall pay OWNER N/A for each day after Substantial Completion until the Work is complete and ready for final acceptance in accordance with the General Conditions.

Also, in addition to and not in lieu of the foregoing, liquidated damages, OWNER and CONTRACTOR agree that OWNER shall be entitled to recover from CONTRACTOR or

CONTRACTOR's surety additional liquidated damages in accordance with Section 17 of the General Conditions.

PAYMENT AND TERMS

The OWNER binds and obligates itself to pay to said CONTRACTOR on proper completion of the Work under this Agreement those amounts due under the terms and conditions set forth in the General Conditions attached hereto. Notwithstanding anything to the contrary in the foregoing, CONTRACTOR acknowledges and agrees that , pursuant to the applicable Laws and Regulations, this Agreement is subject to an annual appropriation dependency requirement to the effect that the renewal and/or continuation of this Agreement is contingent upon the appropriation of funds to fulfill the requirements of the Agreement. If the OWNER fails to appropriate sufficient monies to provide for payments under this Agreement, the Agreement shall terminate on the last day of the last fiscal year for which funds were appropriated. This ground for termination is in addition to any other grounds that are identified in the General Conditions of the Supplementary Conditions. Such termination shall be without penalty or expense to OWNER except for payments which have been earned prior to the termination date. Termination of this Agreement by OWNER under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Agreement for the next fiscal year will be made by the Parish Council in its unfettered discretion based upon what the Parish Council believes to be in the best interests of OWNER. The Parish Council may in its discretion opt not to fund this Agreement for a subsequent fiscal year or years for any reason.

CONTRACTOR'S REPRESENTATIONS

In order to induce OWNER to enter into this Agreement, the CONTRACTOR makes the following representations:

1. CONTRACTOR has visited the Site, has familiarized itself with and is satisfied as to the nature and extent of the Contract Documents Work, locality, and as to all general, local and Site conditions and federal, state, and local Laws and Regulations, which may affect cost, progress, performance or furnishing of the Work.
2. CONTRACTOR has examined and carefully studied the Contract Documents (including any Addenda) and the other related data identified in the Bidding Documents including "technical data."

3. CONTRACTOR has carefully studied all (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Bidding Documents or in the Supplementary Conditions and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Bidding Documents or in the Supplementary Conditions. CONTRACTOR accepts the determination, if any, set forth in the Bidding Documents of the extent of the "technical data" contained in such reports and drawings upon which CONTRACTOR is entitled to rely. CONTRACTOR acknowledges that such reports and drawings are not Contract Documents and may not be complete for CONTRACTOR'S purpose. CONTRACTOR acknowledges that OWNER and Design Professional do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the Site. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto. CONTRACTOR does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.
4. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Contract Documents.

5. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies and data with the Contract Documents.
6. CONTRACTOR has given Design Professional written notice of all conflicts, errors, ambiguities or discrepancies that CONTRACTOR has discovered in the Contract Documents and the written resolution thereof by Design Professional is acceptable to CONTRACTOR, and the Contract Documents are generally sufficient to indicate and convey an understanding of all terms and conditions for performance and furnishing of the Work.

CONTRACTOR'S REPRESENTATIONS FOR NON-CONSTRUCTION CONTRACTS

1. CONTRACTOR has visited the Site and familiarized itself with and is satisfied as to nature and extent of the Contract Documents Work, Locality, and as to all general, local and Site conditions and federal, state and local Laws and Regulations, which may affect cost, progress, performance or furnishing of the Work.
2. CONTRACTOR has examined and carefully studied the Contract Documents (including any Addenda) and the other related data identified in the Bidding Documents including "technical data" relating to the requirements for the services, equipment, materials or supplies.
3. CONTRACTOR is aware of the general nature of work to be performed by Owner and others that relates to the work as indicated in the Contract Documents.
4. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents.
5. CONTRACTOR has given the OWNER or the Manager/Design Professional, if any, written notice of all conflicts, errors, ambiguities or discrepancies that CONTRACTOR has discovered in the Contract Documents and the written resolution thereof is acceptable to CONTRACTOR, and the Contract Documents are generally sufficient to indicate and convey an understanding of all terms and conditions of performance and furnish of the Work.

ASSIGNMENT

Neither the OWNER nor the CONTRACTOR shall assign, sell, transfer or otherwise convey any interest in this Agreement, including any monies due or to become due to the CONTRACTOR under the contract, without the prior written consent of the other, nor without the consent of the surety unless the surety has waived its right to notice of assignment. Unless specifically stated to the contrary in any written consent, no assignment, sale, transfer, or conveyance will act as a release or discharge of a party from any duty or responsibility under this Agreement or the General Conditions.

SUBMISSION TO JURISDICTION OF JEFFERSON PARISH COURTS

This Agreement shall be deemed to be a contract made under the laws of the State of Louisiana, and for all purposes shall be interpreted in its entirety in accordance with the laws of the State. The CONTRACTOR hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The parties agree that the sole and exclusive venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.

INSPECTOR GENERAL

It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to JPCO 2-155.10(19).

By signing this document, every corporation, partnership, or person contracting with PARISH, whether by cooperative endeavor, intergovernmental agreement, bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program, attests that it understands and will abide by all provisions of JPCO 2-155.10.

SEVERABILITY CLAUSE

Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract

Documents shall be reformed to replace such stricken provision or party thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

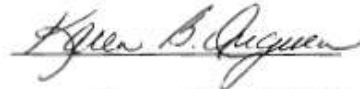
ENTIRE AGREEMENT

This Agreement and the attached documents represent the entire agreement between the OWNER and CONTRACTOR and supersede all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both the OWNER, through its Council Chairman, and the CONTRACTOR.

Thus done and signed in 4 originals on the date first written above, in the presence of the undersigned competent witnesses.

WITNESSES:

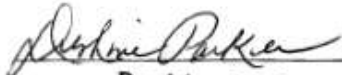
PARISH OF JEFERSON



Karen B. Oseguera

Print: _____

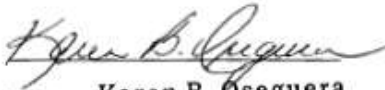
BY: 
CYNTHIA LEE-SHENG, CHAIRMAN
JEFFERSON PARISH COUNCIL



Print: **Deshine Parker**

WITNESSES:

MOON'S TOWING SERVICE, INC.



Print: **Karen B. Oseguera**

BY: 
SCOTT MULLEN

PRESIDENT



Print: **Deshine Parker**

ATTACHMENT B

BID SPECIFICATIONS FOR #50-123613

SPECIFICATIONS FOR BID # 50-123613

The Parish of Jefferson is seeking bids from qualified contractors for a Two (2) Year Contract for the Removal/Towing and Storage of Junked, Derelict and Abandoned Vehicles, Boats, Oversized and Commercial Vehicles, Trailers and/or Other Oversized Objects for the Jefferson Parish Department of Property Maintenance Zoning/Quality of Life.

During the previous contract (2016-2018), the towing contractor towed in excess of 1055 vehicles. Note: The Parish of Jefferson does not guarantee the quantities estimated. Actual quantities, whether lesser or greater than estimated, will not affect the prices as proposed and accepted for the term of the contract.

Pre-Bid Conference:

A MANDATORY Pre-Bid Conference will be held at 10:00 AM on August 2, 2018 in the Jefferson Parish Purchasing Department, located at 200 Derbigny Street, Suite 4400, Gretna, LA 70053. All interested parties are invited to attend. All bidders must attend the Mandatory pre-bid conference and will be required to sign in and out as evidence of attendance. In accordance with LSA R.S. 38:2212(I), all prospective bidders shall be present at the beginning of the Mandatory pre-bid conference and shall remain in attendance for the duration of the conference. Any prospective bidder who fails to attend the conference or remain for the duration shall be prohibited from submitting a bid for the project.

SPECIFICATIONS:

- A. Provide all labor, materials and equipment necessary to remove all junked, derelict or abandoned motor vehicles, vessels, oversized and commercial vehicles or other oversized objects, on any vacant lot or in any unused portion of an occupied lot, neutral ground, sidewalk or roadway, within Jefferson Parish in accordance with Section 36-130 et. seq of the Code of Ordinance of Jefferson Parish as instructed by the Department of Property Maintenance Zoning/Quality of Life. (Hereinafter referred to as the "Department"). After proper determination and written instruction by the Department, contractor shall remove vehicles and dispose of or sell them. Such vehicles shall be removed by contractor within twenty four (24) hours of receipt of written request.
- B. Contractor shall be available to respond immediately to remove vehicles that are determined to be junked or abandoned and significantly hinder the movement of traffic or because of their location or condition jeopardize public safety. Upon notice of the foregoing from the department, the contractor shall immediately remove and store such vehicles at his usual

place of business until receipt of written authorization by the Director or his designee to dispose of or sell such vehicles. Said vehicles must be removed and stored no later than eight (8) hours after receipt of authorization from the Department. Vehicles must be stored in a secure environment segregated from any other vehicles accessible to the public for purposes of salvaging parts therefrom.

- C. Those vehicles which are missing more than 50 percent of their body parts (doors, hood, truck lid, fenders, and/or all glass), or the engine and transmission together, or either the engine or transmission and any one of the body parts listed above, shall not require payment to the Parish for removal of said vehicle. Said vehicles shall be documented by at least three (3) photographs along with a written declaration by the Contractor of the 50% threshold being met.
- D. During the storage period the vehicle owner may claim their vehicle by providing proof of ownership (Certificate of Title and proper identification) and by paying the contractor a towing fee and a storage fee in addition to any other fees applicable; all fees are not to exceed that which are regulated by the Louisiana Public Service Commission for heavy duty, light duty, and medium weight vehicles, starting with the first day the vehicle was towed.

Contractor shall provide the Parish a daily electronic report detailing the outcome of each attempt at towing a vehicle.

- 1) date towed; violation cleared; gone on arrival
- 2) address/location

Contractor shall provide to the Parish a report at the end of each month due to the Parish on or before the 5th day of the following month, which contains the following information:

- 1) A listing of all vehicles towed on behalf of the Parish including year, make, model, color, and vehicle identification number;
- 2) The date towed;
- 3) Address/location;
- 4) The current status (whether redeemed, including date of redemption, whether stored, or other).

Payment shall be submitted thirty (30) days after the end of each month following the monthly report.

Contractor shall provide the Department with the location of its usual place of business and all storage shall take place at that location only. Contractor shall also allow access to its premises and required records, for inspection at any time by any registered owner of an impounded vehicle or Jefferson Parish Official at any time within normal business hours, without prior notice.

Contractor shall provide Jefferson Parish with a report including a list of vehicles and work orders in their possession within 30 days of the expiration of the contract. Payment of these work orders is expected within 30 days of the expiration of contract.

- E. The successful bidder and all sub-contractors performing in accordance with these specifications shall provide proof of insurance in compliance with Jefferson Parish Resolution No. 113646 which entails that the vendor shall furnish the Parish of Jefferson, Department of Purchasing, Certificate(s) of Insurance that indicate insurance coverage has been obtained and it meets the requirements as outlined below: Proof of insurance must be submitted **with** bid submission in the amounts outlined in 1, 2, 3, and 4 below.
1. Worker's Compensation insurance for all employees of the vendor as required by Louisiana State Statute, \$500,000.00
 2. Garage Keeper's legal insurance in an amount not less than \$500,000.00 combined single limit per occurrence for property damage. Policy must be endorsed to include automobile service operations. The Parish of Jefferson must be shown as an additional insured with respect to this coverage.
 3. Automotive Liability insurance covering all owned, leased and/or hired vehicles used in connection with the contracted work, in an amount not less than \$500,000.00 combined single limit per occurrence for bodily injury and property damage.
 4. Commercial General Liability; \$500,000.00 combined single limit per occurrence for bodily injury, personal injury and property damage.

The insurance coverage(s) required shall include those classifications as listed in standard liability insurance manuals, which most nearly reflect the operations of the vendors.

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Louisiana with the following qualifications:

The company must enjoy a rating of "A" or better by the A.M. Best Company, Oldwick, New Jersey, or its equivalent subject to the approval of the Department of Risk Management; or

The Company must hold a valid Louisiana Certificate of Authority as shown in the latest "List of All Insurance Companies authorized or approved to do business in Louisiana" issued by the State of Louisiana Department of Insurance and are members of the Louisiana Guaranty Fund.

NOTE: The Parish of Jefferson must be a named insured and the bid number and title of bid must appear on each certificate.

Compliance with the foregoing requirements shall not relieve the vendor of his liability and obligation under this section or under any other section of this agreement.

- F. The successful bidder and all sub-contractors performing under the terms of these specifications shall provide a copy of an inspection certificate or its equivalent issued by the Louisiana State Police as verification that their vehicles satisfy the requirements for compliance with State law. Proof of insurance is required at the time of signing of contract.
- G. Failure to comply with any of the provisions in these specifications shall result in immediate termination of this agreement upon thirty (30) days written notice by the Parish.
- H. Nothing contained herein shall relieve the contractor from following all applicable state and local laws, including but not limited to the Department of Transportation and Development, Louisiana Public Service Commission and the Louisiana Storage and Towing Act with regard to towing and/or dismantling automobiles or motor vehicles.

With respect to any report submitted to a jurisdictional agency in compliance with Paragraph I above, a copy of such report shall be submitted by Contractor to the Department of Inspection and Code Enforcement at the same time report is submitted to each agency.

- I. The successful bidder shall be awarded the work for a period of two (2) years commencing with the date of the execution of the contract.
- J. Award of the contract will be made to the bidder submitting the bid deemed to be in the best interest of the Parish of Jefferson, Department of Inspection and Code Enforcement, after considering prices quoted and equipment owned or leased by bidder.
- K. The successful bidder shall execute a contract in accordance with Jefferson Parish Resolution No. 113646.
- L. Miscellaneous Provisions
 - 1. If vehicle cannot be retrieved from contractor because of contractor's fault, all accruing fees must immediately cease and may be waived for cause.
 - 2. Contractor shall provide to the Parish a list of equipment and required equipment includes, but is not limited to, front-end loader, bull dozer, crusher, excavator, dump truck, container trailer, 18-wheeler, flat bed trailer, forklift, bobcat, lowboy trailer, heavy duty tow truck, medium duty tow truck and light duty tow truck.
 - 3. The successful vendor shall have adequate space, size, and construction to maintain storage capabilities to meet Parish demand and scope of work.

Contractor will be required to be completely self-sustaining (provide own food, shelter, fuel, etc.) during the work period for its personnel.

Upon award of the contract to the highest responsible bidder, the parties will enter into a non-exclusive contract regarding the emergency work and the Parish retains the right to obtain similar services from additional providers, if necessary. The parties intend the Parish to procure other services from Contractors when to do so would result in services being obtained in a more prompt and economic manner due to the emergency and nature of the work.

Jefferson Parish agrees to:

- A. Transfer to contractor all rights, titles and interest it has, if any, in all vehicles towed under this contract.

Storage Facility/Capacity

A. How many vehicles, etc., can your firm store at one time?

6,000

B. Location/address of storage lot:

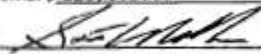
3505 BERWICK STREET, JEFFERSON, LA 70121

9581 WESTBANK EXPRESSWAY, WESTWEGO, LA 70094

Bidders must complete this page and submit with their bid package.
Failure to submit will result in rejection.

ATTACHMENT C

BID FROM MOON'S TOWING SERVICE, INC.

Date: 07/25/2018	BID NO.: 50-00123613	BID FORM
FIRM NAME: <u>MOON'S TOWING SERVICE, INC.</u>		
ADDRESS: <u>3505 BERNICK STREET</u>		
CITY, STATE: <u>JEFFERSON, LOUISIANA</u> ZIP: <u>70094</u>		
TELEPHONE: <u>504-219-1895</u> FAX: <u>504-835-4501</u>		
EMAIL ADDRESS: <u>MOONSTOWING@BELLSOUTH.NET</u>		
Acknowledge Receipt of Addenda: NUMBER: <u>N/A</u>		
NUMBER: <u>N/A</u>		
NUMBER: <u>N/A</u>		
NUMBER: <u>N/A</u>		
NUMBER: <u>N/A</u>		
TOTAL PRICE OF ALL BID ITEMS: <u>\$ 120,605.00</u>		
AUTHORIZED SIGNATURE: <u></u>		
PRINTED NAME: <u>SCOTT MULLEN</u>		
TITLE: <u>OWNER/PRESIDENT</u>		
SIGNING INDICATES YOU HAVE READ AND COMPLY WITH THE INSTRUCTIONS AND CONDITIONS.		
NOTE: All bids should be returned with the BID NUMBER and BID OPENING DATE indicated on the outside of the envelope submitted to the Purchasing Department.		

DATE: 7/25/2018

INVITATION TO BID FROM JEFFERSON PARISH - continued

BID NO.: 50-00123613

SEALED BID

ITEM NUMBER	QUANTITY	U/M	DESCRIPTION OF ARTICLES	UNIT PRICE QUOTED	TOTALS
			TWO YEAR CONTRACT FOR REMOVAL & TOWING OF JUNKED, DERELICT & ABANDONED VEHICLES BOAT, OVERSIZED & COMMERCIAL VEHICLES, TRAILER AND/OR OTHER OVERSIZED OBJECTS FOR DEPT. OF PROPERTY MAINTENANCE/ZONING		
1	1,000.00	EA	0001 - Passenger vehicles, multipurpose vehicles, vans or trailers less than 2,000 pounds.	42.00	42,000.00
2	5.00	EA	0002 - Motorcycles	128.00	640.00
3	22.00	EA	0003 - Boats	95.00	2,090.00
4	25.00	EA	0004 - Trucks, trailers, rv's with gross weight up to 15,000 pounds.	150.00	3,750.00
5	25.00	EA	0005 - Trucks, trailers, rv's with gross Weight over 15,000 pounds and up to 60,000 pounds.	195.00	4,875.00
6	25.00	EA	0006 - Trucks, trailers, rv's with gross weight over 60,000 pounds.	210.00	5,250.00
7	10.00	EA	0007 - Dumpsters/Containers (filled)	3,100.00	31,000.00
8	10.00	EA	0008 - Dumpsters/Containers (Empty)	3,100.00	31,000.00

ATTACHMENT D

RESOLUTION NO. 132167

On motion of **Mr. Roberts**, seconded by **Ms. Lee-Sheng**, the following resolution was offered:

RESOLUTION NO. 132167

A resolution accepting the highest responsible bid of **Moons Towing Service, Inc.**, under Bid Proposal No. 50-123613 for a two year revenue generating contract for the removal and towing of junked, derelict and abandoned vehicles, boats, oversized and commercial vehicles, trailers, and/or other oversized objects for the Jefferson Parish Department of Property Maintenance Zoning/Quality of Life, at the bid tabulation price of \$ 120,605.00. (Parishwide)

WHEREAS, bids were received on August 14, 2018; and

WHEREAS, the highest responsible bid was received by Moon's Towing Service, Inc. in the amount of \$120,605.00; and

WHEREAS, revenues to date have totaled \$ 124,097.06 for the current contract with Moon's Towing Service, Inc., for the period from October 19, 2016 to *October 18, 2018*; and

WHEREAS, the current contract shall expire on October 18, 2018; and

WHEREAS, this is a revenue – generated contract; and

NOW, THEREFORE, BE IT RESOLVED by the Jefferson Parish Council of Jefferson Parish, Louisiana, acting as governing authority of said Parish:

SECTION 1. That the highest responsible bid of Moon's Towing Service, Inc. under Bid Proposal No. 50-123613 for a two year contract for the removal and towing of junked, derelict and abandoned vehicles, boats, oversized and commercial vehicles, trailers, and/or other oversized objects services for the department of Property Maintenance Zoning/Quality of Life, at the bid tabulation price of \$ 120,605.00, be and is hereby accepted.

SECTION 2: All revenues generated from this contract shall be credited to Account No. 10010-0000-5326.4 of the Department of Property Maintenance Zoning/Quality of Life.

SECTION 3: That the Council Chairperson or, in their absence, the Vice-Chairperson be and is hereby authorized to execute any and all documents necessary to give full force and effect to this resolution.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:


YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the **19th day of September, 2018.**

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY


EULA A. LOPEZ
PARISH CLERK
JEFFERSON PARISH COUNCIL

ATTACHMENT E

PMZ PROCESSES & PROCEDURES FOR RECEIPT OF PAYMENT

PROCESS MOON'S TOWING PAYMENTS

- You should receive a package from Moon's around the 5th of every month. There will be a check for all the cars they towed for that month and all the contractor letters and orders we sent for that month.
- Check your Moon's contractor letter folder in your email to verify that every letter and order we sent to them in that month, we get back. If anything is missing email dpicou.mts@bellsouth.net and copy CWhitehead@jeffparish.net letting them know which contractor letter or order wasn't included in the payment. Confirm that dollar amount for tows is correct.
- You will go to the Moon's check memo template and change the dollar amount and check number on the document to what the check is you received. You will also need to change the date. You will print 2 copies of this. Chandelyn signs one and you keep the other for your records. Make a copy of the check for you records also.
- Send the original check and the memo Chandelyn signed to the accounting department.
- Give clerk the contractor letter and orders to update the status of the complaints in Cervis. Make sure she gives you the documents back.
- Scan the contractor letters and orders, the unsigned memo and the copy of the check to a file that you create.

ATTACHMENT F

TOWING: DIAGRAM OF CURRENT RECORDKEEPING AND PAYMENT PROCESSING



TOWING: EXAMPLE DIAGRAM OF SUGGESTED
RECORDKEEPING AND PAYMENT PROCESSING



Note: Actual processes and procedures put in place by the Department, and the implementation of such is the sole responsibility of the Department.

ATTACHMENT H

DAYS HELD ANALYSIS

Days Held	Memo Date	Check #	Check Date	Month of Svc	Amount
5	1/25/2017	3364	1/20/2017	unknown	\$ 7,583.96
3	2/24/2017	3501	2/21/2017	2016 Dec	\$ 7,980.00
3	2/24/2017	3501	2/21/2017	2017 Jan	\$ 6,519.24
7	3/22/2017	3546	3/15/2017	2017 Feb	\$ 6,748.80
5	5/15/2017	21048	5/10/2017	2017 Mar	\$ 5,465.48
2	5/19/2017	21086	5/17/2017	2017 Apr	\$ 4,436.64
2	7/12/2017	2200	7/10/2017	2017 May	\$ 5,320.00
30	9/6/2017	21370	8/7/2017	2017 Jun	\$ 3,540.00
7	10/5/2017	21561	9/28/2017	2017 Jul	\$ 4,275.00
7	10/5/2017	21562	9/28/2017	2017 Aug	\$ 5,225.00
2	11/22/2017	21747	11/20/2017	2017 Sep	\$ 5,415.00
3	11/30/2017	21762	11/27/2017	2017 Oct	\$ 4,845.00
-2	11/30/2017	21768	12/2/2017	2017 Sep	\$ 285.00
5	12/14/2017	21808	12/9/2017	2017 Nov	\$ 6,365.00
6	12/14/2017	21811	12/8/2017	adj ?	\$ 231.99
10	1/26/2018	21948	1/16/2018	2017 Dec	\$ 5,265.00
3	2/26/2018	22044	2/23/2018	2018 Jan	\$ 5,320.00
4	4/9/2018	22157	4/5/2018	2018 Feb	\$ 5,700.00
4	5/14/2018	22270	5/10/2018	2018 Mar	\$ 3,990.00
6	5/29/2018	22311	5/23/2018	unknown	\$ 4,085.00
7	6/18/2018	22487	6/11/2018	unknown	\$ 5,890.00
4	7/30/2018	22771	7/26/2018	unknown	\$ 6,365.00
0	9/18/2018	22999	9/18/2018	unknown	\$ 7,748.60
4	10/8/2018	24064	10/4/2018	unknown	\$ 2,945.00
0	10/8/2018	24063	10/8/2018	unknown	\$ 9,510.00
5	10/16/2018	24087	10/11/2018	unknown	\$ 1,805.00
42	1/11/2019	24356	11/30/2018	2018 Oct	\$ 583.00
42	1/11/2019	24239	11/30/2018	2018 Oct	\$ 2,184.00
0	1/11/2019	24358	1/11/2019	2018 Nov	\$ 2,436.00
44	2/27/2019	24360	1/14/2019	2018 Dec	\$ 1,890.00
1	2/27/2019	24510	2/26/2019	2019 Jan	\$ 3,891.00
7	3/7/2019	24544	2/28/2019	2018 Dec	\$ 221.00
6	4/2/2019	24611	3/27/2019	2019 Feb	\$ 3,024.00
54	8/5/2019	24918	6/12/2019	2019 Apr	\$ 2,478.00
95	8/5/2019	24713	5/2/2019	2019 Mar	\$ 3,150.00
6	8/9/2019	25093	8/3/2019	2019 Jun	\$ 1,848.00
51	9/5/2019	?	7/16/2019	2019 May	\$ 3,024.00

ATTACHMENT I

GFOA RECOMMENDED – COSO FRAMEWORK

As recommended by the Government Finance Officers Association (GFOA), Internal Controls will be evaluated based on guidance from the Committee of Sponsoring Organizations' (COSO) comprehensive framework on internal controls. COSO was organized in 1985 in response to concerns in Congress regarding fraudulent financial reporting and improper payments by corporations. COSO published Internal Control – Integrated Framework in 1992 which was later revised and reissued in 2013.

According to COSO, internal control is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

In other words, internal controls help to “make sure things happen the way you want them to happen and bad or unexpected things don’t happen.” – Deane Hennett, Director of Internal Audit, Old Dominion University.

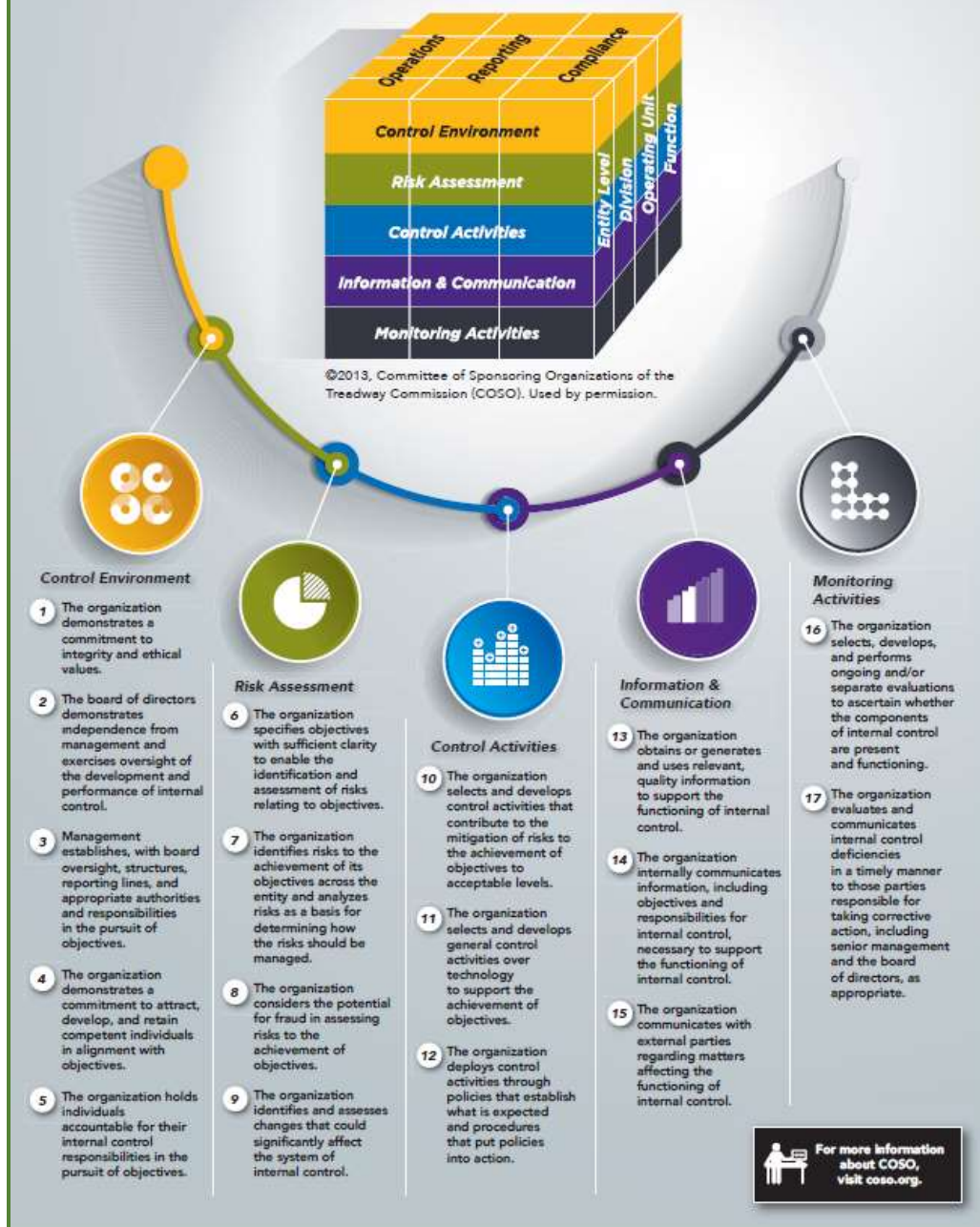
The COSO Internal Control Framework outlines five (5) core principles. (See the graphic on the next page.)

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

This report will focus on Control Activities, specifically:

- Formal Written Policies and Procedures – the blueprint of controls.
- Segregations of Duties – separation of custody, authorization, recordkeeping, and reconciliation functions.
- Control over Transactions – approval, authorization, review, and verification of transactions.
- Physical Controls – access to assets (currency, equipment, inventories, etc.) is secure and restricted to appropriate personnel.
- Reconciliation – various financial records agree to one another such as “cash register” control total to cash drawer count to bank statement deposit amount.

COSO Internal Control — Integrated Framework Principles



ATTACHMENT #1

AUDITOR INDEPENDENCE STATEMENT

According to Ordinance No. 25549 (April 4, 2018), Sec.2-162.2(a) and (d), the Director of Internal Audit “shall engage in audit activities and complete audits in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all audit activity was concluded with independence, free from organizational or personal impairment.”

Sec. 2-162.2- Independence and Objectivity; Professional Standards.

(a) The Department function must be independent to retain objectivity, and the Department's independence allows the Director to make assessments impartially and without bias while avoiding conflicts of interest. In furtherance of the operation of an independent and objective Department, the Department shall use the following standards in the completion of all audits and in the conduct of all activity:

- (1) The Standards and Code of Ethics produced by the Institute of Internal Auditors and published in the *Professional Practices Framework*;
- (2) The Standards and Principles produced by the Government Accountability Office and published in the *Government Auditing Standards*; and
- (3) the professional and ethical standards issued by the American Institute of Certified Public Accountants.

(d) The Director shall engage in audit activities and complete audits in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all audit activity was concluded with independence, free from organizational or personal impairment. Any impairment to independence, organizational or personal, shall be reported in writing to the Council and copied to the Parish President and the Inspector General within seven (7) days of discovering the impairment, organizational or personal.

The following is the required attestation meant to comply with both professional standards and Jefferson Parish Ordinance No. 25549.

ATTESTATION:

Internal Audit Report #2019-007 was conducted with independence and free from organizational or personal impairment.



TARA HAZELBAKER, CPA
DIRECTOR OF INTERNAL AUDIT

ATTACHMENT #2

RESPONSE FROM JP DEPARTMENT OF PMZ

#	IA Recommendation:	Department Response:
1 PG 6	All reports should be retained on the network drive that is backed up regularly and accessible by designated employees in the event of staff transitions. This control procedure should be incorporated into formal, written policies and procedures.	Agree with this recommendation. All reports are now being stored on the N: drive and are accessible by multiple employees. Procedure has been written into formal policies.
2 PG 6	The Department should strive to obtain both daily and monthly reports as per the terms of the contract.	We currently strive to collect daily and monthly reports and will continue to do so.
3 PG 8	PMZ should strive to collect payments from the Contractor in accordance with the contract.	We currently strive to collect payments in accordance with the contract and will continue to do so.
4 PG 8	PMZ should institute and implement a formal written policy to send deposits to Accounting in a quick and timely manner. The deposits can be made independent of the reconciliation process.	Agree with this recommendation. Procedure has been written into formal policies.
5 PG 8	The towing information sent to the Department of Accounting should indicate the service month and year so that Accounting can include the month and year in the notation in the general ledger. Such notation will foster more effective contract monitoring.	Agree with this recommendation. Procedure has been written into formal policies to include service month and year with the check deposits.

#	IA Recommendation:	Department Response:
6 PG 10	Develop a method within the CERVIS database to track not only the tagged vehicle violations but also the Enforcement Orders issued by the Bureau of Administrative Adjudication. This method will help to ensure that amounts are collected for all vehicles towed by the Contractor.	Agree with this recommendation. This will be implemented within the 2020 calendar year. PMZ/QOL in conjunction with New Era are responsible for completing this recommendation.
7 PG 10	In future towing services agreements, PMZ should consider requiring the vendor to maintain a database of all towed vehicles and grant PMZ access to such database. PMZ should reconcile the Contractor's database for vehicles towed then invoice the Contractor for the amount due to the Parish. Formal policies and procedures should be written to incorporate the invoicing processes.	Do not agree with this recommendation. With the nature of competition in the towing field, I believe this cannot be achieved. However, I do believe it is reasonable to require the towing company to list the fee's paid per vehicle on their daily and monthly reports.
8 PG 12	Procure the revenue-generating towing contract through the Request for Proposal process instead of the Public Bid process, if deemed lawful by the Parish Attorney's Office. This process will allow for a more equitable evaluation of per-unit pricing and may encourage more Contractors to submit proposals.	Agree to attempt this recommendation. Will work with Purchasing to pursue the RFP process immediately in preparation for the end of contract in October of 2020.
9 PG 13	The RFP evaluation committee should evaluate the proposed total revenue based on a weighted average of estimated quantities. This method calculates a more realistic revenue for comparison among Contractors.	Agree to this recommendation provided the RFP process is successful in obtaining bidders.
10 PG 13	PMZ should start the contract procurement process upon issuance of this report so that the Parish has more time and the ability to reject proposals, or try again if proposals received are not responsible. For ease of monitoring and billing, Internal Audit recommends future contracts end on October 31 with the subsequent contract renewing on November 1.	Agree to this recommendation. Will work with purchasing to pursue the RFP process immediately in preparation for the end of contract in October of 2020 and will extend the date of the contract to October 31.

ATTACHMENT #3

RESPONSE* FROM PARISH ADMINISTRATION

The Administration met with the Tara Hazelbaker, Director of Internal Audit and Mr. Michael Power, Chief Administrative Assistance for Jefferson Parish Development Programs and Ms. Catherine Toppel, Director, Jefferson Parish Department of Property Maintenance Zoning/Quality of Life which has responsibility for administration and enforcement of specific provisions of the Jefferson Parish Code of Ordinances pertaining to the tagging and removal of abandoned vehicles. The Administration's response to Internal Audit Report #2019-007 on the Vehicles Under Tow – Revenue Contract are as follows:

1) Improve Report Storage and Data Retention Procedures

We strongly agree with this recommendation and PMZ has pro-actively taken the necessary steps to store all data reports on the "N" drive. New corrective actions have included backing up this data and making it available to several designated employees to provide for continuity of program history and knowledge in the event of staff transitions. Also, the Department has taken steps to incorporate these corrective measures into a new written Departmental Policy and Procedure.

2) Enforce Contract Provisions on Reporting Requirements

The Department and Chief Operating Officer have agreed to hold a consultation meeting with the Parish's towing contractor to review contract requirements pertaining to the submission of daily and monthly activities reports. PMZ is committed to improving this reporting process and will discuss with the contractor how the reporting process to the Parish can be done in a more reliable and systematic manner.

3) Payments Made by Contractor

Payments received from the contractor are tracked in the Parish's AS/400 Financial Management System. Conceptually, payments should be recorded in the AS/400 approximately every 30 days. In the future, we will place the payment schedule on a regular monthly basis. As part of our new internal control process, the Parish will discuss and work with the contractor to insure that payments are received, processed, and recorded in a timely manner and consistent with the terms of the agreement.

4) Payment Recordation by the Department of Accounting

PMZ is working with the Accounting Department and has already taken corrective action to provide for the following: 1) formal written policy describing new PMZ procedures to provide for the quick and timely deposit of all checks; 2) the Department has now implemented a "next business day policy" to send all deposits to the Accounting Department.

5) Other Enhancements of Internal Controls

The towing information send to the Accounting Department will be reviewed by PMZ to clearly indicate the service period (month and year) on all check deposits for recordation in the general ledger. PMZ will strive to get this information properly included in the payments submitted by the contractor to the Parish. This added notation on all checks will foster more effective contract monitoring by the PMZ Department.

6) CERVIS Database Modifications

The Administration and PMZ fully concur with this recommendation. It is anticipated that CERVIS database will be modified in the upcoming 2020 calendar year to allow for tracking of both tagged vehicle violations as well as Enforcement Orders issued by the by the Bureau of Administrative Adjudication. This improvement will help ensure that amounts are collected for all vehicles towed by the contractor. PMZ will be working with the Parish's technology contractor (New Era) to add this data tracking component into the CERVIS database system.

7) Access to Contractor's Database

Both the Chief Operating Officer and the Parish Attorney's Office spoke with the PMZ Director on this matter. Recommendation No. 7 requires the cooperation of the vendor to allow the Department to have access to the vendor's database. The Department agrees that such access would be helpful but, in practice, such access may be difficult to attain. The Administration concurs with the Department's assessment on Recommendation No. 7. However, the Department will require the towing company to list all vehicle fees paid on both the daily and monthly reports. The Department will check this against their own records which lists both tagged vehicles as well as vehicles being towed because of Enforcement Orders by the Bureau of Administrative Adjudication. This should facilitate the Department's ability to monitor and provide oversight of the contractor's work and fee collection system.

8) Use of Request For Proposals Process (RFPs)

Working with the Parish Attorney's Office, The Administration and the Department agree that this process would allow for a more equitable evaluation of per-unit pricing and encourage more competition among prospective contractors. The Department has agreed to pursue the RFP process, working with the Purchasing Department, for the upcoming contract in October 2020.

9) Use of Weighted Averages

In the event the RFP process is used, we agree that prospective contractors should be required to use weighted average and estimated quantities by types of vehicles to be towed in developing cost and revenue projections. The Department will work with the RFP Evaluation Committee in advance of RFP advertisement to determine the specific methodology to be applied to ensure best price for the Parish.

10) Initiate Procurement Process

The Department and Administration agree to pursue the RFP process immediately in preparation for the end of the current contract in October, 2020 with extension of the contract through October 31st. This would maximize the amount of time available to the Parish to review and/or reject proposals or issue a new RFP, if needed.

In Summary, the Administration is in full Agreement with the Internal Auditor's Report with the exception of Recommendation No. 7 which we will need to discuss further, perhaps in concert with prospective bidders. I want to recognize the extensive work and thorough job which was performed by the Internal Auditor in preparation of this evaluation and recommendations for corrective actions.

** Response received via email on October 11, 2019,
from Walter Brooks, Jefferson Parish Chief Operating Officer.*