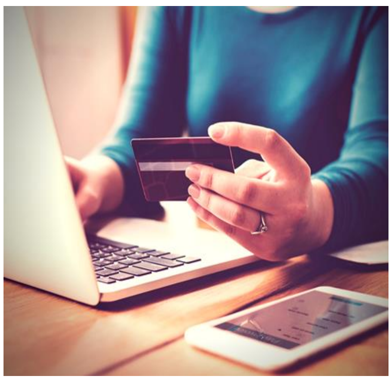

AUDIT OF PROCUREMENT CARD PROCESS

ABSTRACT

Controls over $6 Million resources were weak. Recommended changes and Administration's actions during the audit will improve controls.

Umesh Dalal, City Auditor

CITY OF DENTON

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Description

The City of Denton Procurement Card Audit Report
March 2019

Executive Summary

Honorable Mayor and members of the City Council,

The City Auditor's office has completed an audit of the Procurement Card (P-Card) management process. The City's P-Card program is expected to improve efficiency and expediency of purchasing certain products or services which are either low dollar items or needed for emergency operational needs. However, P-Cards are vulnerable to misuse and therefore, adequacy of internal controls over this process is critical. During the audit period from July 1, 2017 through July 31, 2018, the City incurred about $6 million in charges on P-Cards. The objective of the audit was to verify internal controls over City resources and billing procedures and evaluate efficiencies in the Division's processes.

It should be noted that during the audit, the Compliance Officer was assigned responsibility to manage P-Card purchases. The Compliance Officer has made progress in resolving some of the control deficiencies.

The following are the salient findings of the audit:

- Overall, the controls over this program appear to need improvement. Significant concerns are related to lack of compliance with procurement regulations. The absence of established processes resulted in non-compliance with procurement regulations for P-card purchases. The audit identified seven vendors from whom more than $50,000 in merchandise was purchased without inviting sealed bids (Appendix I). These purchases totaled about $674,000. In addition, the City purchased approximately $2.7 million in merchandise exceeding $3,000 but less than $50,000 from each of 327 vendors but did not request the required quotes from two underutilized businesses. In addition, we observed that the City has not complied with procurement regulations related to food purchases. We will conduct a detailed assessment of compliance with the procurement regulations in the subsequent audit of the Purchasing Division. City employees could incur significant liability for non-compliance with procurement regulations.

- Value contributed by the audit:
    - Implementation of recommendations will improve the City's compliance with the City and State procurement regulations.
    - Enhanced monitoring recommended in this report could help the City to reduce costs incurred in the procurement of products and services. The amount of potential savings cannot be estimated as relevant data is not available.

- Currently, the City is incurring retail costs of about $412,000 for air travel, rental cars and hotel accommodations incurred for City business. The audit identified an opportunity to either save costs or obtain rebates from these expenditures totaling $131,400.
- The controls over $6 million in P-Card transactions were improved due to implementation of better procedures for managing the P-Card program. The City's exposure to credit card liability will be better managed.

The attached detailed report includes additional information. The City Auditor's Office appreciates cooperation of the City staff during this audit. This audit made 14 recommendations. The Purchasing Division has concurred with 13 of them. Implementation of 8 recommendations is already completed. If you have any questions or comments, please contact me at (940) 349-8158 or at umesh.dalal@cityofdenton.com.

Umesh Dalal,
City Auditor

The City of Denton Procurement Card Audit Report
March 2019

Introduction

The City Auditor's Office has completed an audit of the P-Card program managed by the Procurement Department. The objectives of the audit were to evaluate internal controls in the Division's procedures.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Those Standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The auditors believe that the evidence obtained during this audit provides a reasonable basis for their findings and conclusions based on the audit objectives.

Management Responsibility

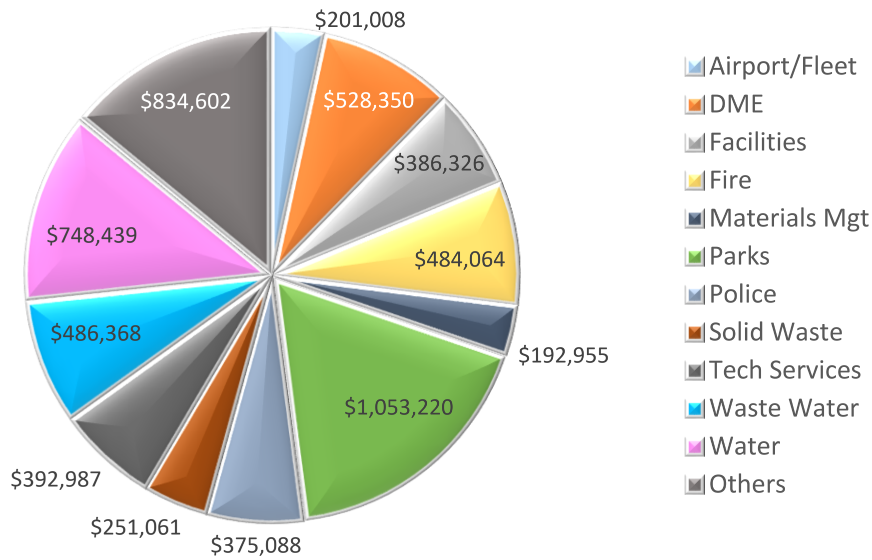
The City management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically. Management is responsible for establishing and maintaining a system of internal accounting and management controls. In fulfilling this responsibility, management is required to assess the expected benefits and related costs of control procedures.

Background

P-Cards are used to gain one or more of the following benefits:

- Improvement in accounts payable and accounting efficiencies as follows:
    - Usually it takes significant effort and expense to issue a check for expenses incurred. Since a number of transactions incurred on P-Cards are paid with one wire transfer, it saves the effort and expense of issuing multiple checks.
    - Transactions are generally summarized, which help in the accounting process.
- Emergency needs or the necessity to purchase a small item with low cost and avoid an extended delay of processing, purchasing and accounts payable paperwork.
- Since all the transaction data is electronically available from the bank for better analysis, there is improved management reporting.

The City adopted the P-Card program in 2007. This program is administered by the Procurement Division. During the audit period of July 1, 2017 through July 31, 2018 the following departments are the major users of P-Cards:



The Parks department spent more than a million dollars on P-Cards during the audit period. Each of the City's utilities and the public safety departments also spent substantial amount on P-Cards respectively.

What Works Well?

Timely cancellation of cards upon employee terminations, recovering for fraud against the City, and transaction audit processes are working as expected.

The auditors found that the P-Card Administrator in the Procurement Department had a good understanding of the P-Card process. The auditors found the following:

- All employee terminations have been recorded in a timely manner and the cards assigned to these positions were canceled immediately. This prevented the potential for abuse.
- All transactions involving fraud by the third parties were successfully followed up. The City received credits for all of the transactions that were charged on the City's cards but did not belong to the City.
- P-Cards transactions audit process represents a control mechanism, which would identify abuse of cards and noncompliance with the established procedures. These audits were conducted as expected. However, the results need to be summarized and reported to management.

Opportunities for Improvement:

Compliance with Procurement Regulations

Major Purchases more than $50,000.

Compliance with State Procurement Regulations including sealed bidding is needed.

What we found?

The City's procurement of goods and services must comply with City Charter, State law, and City ordinances, supplemented by City Council resolutions and administrative policies. Unless a purchase is otherwise exempt from competitive bidding, Texas Local Government Code ("State Statute") Section 252.021 requires, "(a) Before a municipality may enter into a contract that requires an expenditure of more than $50,000 from one or more municipal funds, the municipality must:

(1) comply with the procedure prescribed by this Subchapter and Subchapter C for competitive sealed bidding or competitive sealed proposals; …

Sec. 252.043. AWARD OF CONTRACT. (a) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality."

It should be noted that the State Statute applies to the municipality, as a whole. It does not recognize separate departments or transactions for complying with the requirements. During the audit period, significant P-Cards transactions were incurred in the following categories, which is about 86% of the total P-Card expenditures during the audit period:

Categories	Amount
Services	$1,727,485
Supplies	$1,769,688
Electronics	$312,541
Materials	$381,060
Furniture, Equipment	$637,483
Food	$268,917
Total	**$5,097,174**

During the audit period, the City made purchases exceeding $50,000 each from seven vendors (Appendix 1). These purchases totaled about $674,000 and were made without inviting formal sealed bids. This occurrence represents non-compliance with procurement regulations. It should be noted that a limited analysis to verify compliance with state statutes was conducted during this audit. More comprehensive analysis will be performed during the subsequent audit of the purchasing function. Other purchases included in the table need to be analyzed to determine the City's compliance with procurement regulations.

The P-Card Administrator may need to improve efforts to monitor and enforce compliance with procurement statutes or policies. The Compliance officer acknowledged this need.

Purchases less than $50,000.

What we found?

The City did not comply with the Procurement regulations

Section 252.0215 of State Local Government Code requires, "A municipality, in making an expenditure of more than $3,000 but less than $50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code."

During the audit, we found at least 327 instances where purchases exceeding $3,000 were made as single or multiple purchases. These purchases totaled about $2.7 million. Quotes from historically underutilized businesses as required by the State Statute were not obtained on these purchases.

We were informed that the default card limits were set at $3,000 as a proactive safeguard. This limit prevents cardholders from purchasing items or services in excess of the amount that requires quotes. However, on three of the above occasions, the P-Card Administrator increased card limit beyond $3,000 to enable these purchases. At least 17 cards have a per transaction limit of more than $3,000. Therefore, these card holders could make purchases exceeding $3,000 and not comply with procurement regulations. This occurrence will not be prevented prior to the employee's action. In this case, non-compliance with procurement regulations will not be detected or corrected in a timely manner.

We observed that the City does not have a contract for food purchases. As depicted in the above table, the City spent $268,000 during the audit period. Therefore, the City did not comply with procurement regulations related to food purchases.

Why does it matter?

Without verification, it is not possible to assure the City's compliance with the Procurement Statutes. The City employees could incur significant liability for non-compliance with procurement regulations. According to the State Statute, "If a person fails to comply with the competitive bidding or competitive proposal procedures required by Chapter 252, that person may be convicted of a Class B misdemeanor. This includes a situation in which a person makes or authorizes separate, sequential or component purchases in an attempt to avoid competitive bidding requirements. A Class B misdemeanor may be punished by a fine of up to $2,000, confinement in jail for up to 180 days, or both the fine and confinement."

The current expectations from the departments to verify compliance with procurement requirements appear to be unreasonable. As a result of these expectations, the compliance may not be currently verified. This issue is highlighted in subsequent observations.

Recommendations:

1. The Purchasing Division needs to satisfy its responsibility of monitoring purchases made by using P-Cards and enforcing compliance with State procurement statutes. Currently, this task may not be accomplished effectively due to lack of dedicated resources. The Purchasing Division may need help in this area.
2. Educate the department personnel responsible for verifying P-Card transactions regarding their duty for and information to verify compliance with procurement regulations.

City management response:

Based on the information provided in this report, Management disagrees with the findings of 327 instances of non-compliance regarding obtaining quotes from historically underutilized businesses (HUB) during the audit period. Management has not received sufficient data to validate the findings of these 327 transactions.

The City purchases food for a variety of events, departments, programs and meetings. Additionally, many purchases are made ad-hoc as the need arises. Staff is working to establish a qualified list of vendors for food purchases for planned programs and events. Beginning March 5, 2019, a food purchase justification form is required for any food purchases made on a p-card. The form requires approval by the Department Director. Food purchases will be reported to the City Manager on a quarterly basis.

Staff is updating the P-Card Manual to clearly outline card holder and approvers' roles and responsibilities. The revised manual is expected to be completed by April 2019. P-Card training has been updated to include expectations and roles.

City Auditor's Comment:

The City Auditor's Office had made the above observations from database provided by the Purchasing Division. On November 6, 2018, the City Auditor's Office provided a list of 235 vendors from whom the City had made purchases exceeding $3,000 but less than $50,000, to the Director of Procurement and Compliance. Later, upon review of entire database for the vendors in this category, a list of more than 400 vendors was provided to the Director on December 10, 2018. The list of over 400 vendors was refined, which is referred to in the report as 327 vendors. The Director was asked to verify if quotes from Historically Underutilized Businesses were sought during these purchases. Recently, we provided the final list of 327 vendors stated above. This information was sufficient to determine if the quotes from historically underutilized vendors were obtained during these purchases. The City Auditor's Office has not received the requested information from the Director.

Establishing a qualified list of food vendors is appropriate as long as the City follows a competitive process for it.

Lack of monitoring P-Cards purchases could result in missing cost saving opportunities

The P-Card manual states:

"At the end of each billing cycle, the Purchasing Card Administrator will review the master JP Morgan Chase bank statement and request clarification of purchases to determine:

- Monthly or multi-months purchase trends, which may indicate split or combined Purchasing Card purchases to circumvent competitive quoting/bidding requirements
- Purchase trends indicating the need to bid and establish annual contracts for repetitively obtained goods and services
- Purchases that exceed the established per transaction ceiling or exceed the designated per month expenditure limit (card usage violations)"

Upon inquiry, the Compliance Officer informed auditors that due to high P-Card transaction volume, the P-Card Administrator is unable to review purchases for compliance. In addition, the Purchasing Division does not evaluate purchases to determine if entering into a contract will result in better pricing and lower cost for the City.

Regular audits are also a method used to prevent contract or procurement violations. Currently, the Compliance Officer is working on finding a solution that will make it easier for cardholders to check for active contracts.

We had the following observations:

- Currently neither Purchasing staff nor Departments are monitoring P-Card purchases to identify consolidation and seek volume discounts.
- Several Department Directors were unaware of how to access to the City contract list. The P-Card manual also indicates that P-Cards are not to be used for the purchase of items available from the Distribution Center and Fleet Services. However, the departments do not have access to the inventory to search for parts and supplies that are available at these locations.

Why does it matter?

The City may be purchasing similar commodities from different vendors. Consolidation of these purchases and negotiating contracts to receive volume discounts could result in cost savings. For example, we noticed that during the audit period, the City purchased about $83,000 in products from Lowes and $61,000 in products from Home Depot. Both businesses sell similar merchandise. The City does not have a contract with either of them. There are other examples of similar purchases made from different vendors. If a thorough analysis of purchases made from different vendors is performed to identify bulk purchasing opportunities to seek volume discounts, the City's costs may be reduced. The potential savings from these procedures cannot be identified as the procedures don't exist and relevant information is not available.

In addition, due to lack of information, there is a risk that the departments could be buying merchandise that they should be obtaining from the City's warehouse or from vendors with which the City has contracts.

Recommendations:

3. The Purchasing Division needs to work with departments for the monitoring of purchases made on P-Cards and attempt to identify consolidation opportunities to obtain lower prices through contracting or receiving discounts.
4. Educate the department personnel responsible for verifying P-Card transactions regarding their duty for and information to verify compliance with procurement regulations.

City management response:

During the audit period, staff reviewed purchases on a monthly basis with no cumulative review of prior months' transactions until the end of the fiscal year. As of October 2018, staff reviews monthly transactions in conjunction with a rolling 12-month review in order to better identify trends and contract opportunities.

As of October 2018, training material for new p-card users includes more information regarding the p-card holder's responsibilities when verifying transactions and compliance with procurement regulations.

Excessive Number of Cards

Many cards are used sparingly. Eliminating these cards will reduce the City's exposure to risk of misuse and improve controls.

The available P-Card list showed that the City had 445 credit cards during the audit. The City has 1,445 employees. This means every third employee in the City had a P-Card. Some of these cards were used infrequently.

What we found?

There were 126 P-Cards that were used either once a month or less. There were at least 24 cards that were not used for at least three months. Seven of these cards were not used for a year or more. Subsequently, the Department informed auditors that 12 of these cards had increased use in subsequent period and 39 cards were terminated but the records erroneously depicted them as active. Fifteen additional cards were terminated after the audit period. Each department used the remaining cards as follows:

Department	# Sparingly Used	Total Cards	% Under Utilized
CITY MANAGER	3	8	38%
DEVELOPMENT SERVICES	2	12	17%
DME	14	60	23%
ECONOMIC DEVELOPMENT	1	6	17%
FACILITIES MANAGEMENT	0	16	0%

FIRE	9	49	18%
FLEET SERVICES	1	5	20%
HUMAN RESOURCES	1	6	17%
LEGAL	1	4	25%
LIBRARY	3	23	13%
MATERIALS MANAGEMENT	6	16	38%
MUNICIPAL COURT	1	3	33%
PARKS	3	54	6%
POLICE	5	32	16%
REAL ESTATE	4	4	100%
SOLID WASTE	3	18	17%
STREETS	1	6	17%
TECH SERVICES	12	31	39%
WASTEWATER	2	30	7%
WATER	3	34	9%
Total	75		

We found the following six cards had significantly higher limits compared to their use:

A*	B*	C*	D*	E*	F*
1	$10,000	$20,000	1	$75	$6
2	$10,000	$20,000	1	$1,211	$93
3	$10,000	$20,000	3	$962	$74
4	$10,000	$20,000	6	$323	$25
5	$10,000	$20,000	10	$8,896	$684
6	$25,000	$100,000	13	$9,825	$756

*Legend for Table Titles:

A: Cardholder designated by number
B: Authorized amount per transaction
C: Maximum authorized amount per month
D: Number of transactions during the audit period
E: Total spending during audit period
F: Total Spending per month

Why does it matter?

These observations indicate that frequency of utilization of P-Cards is not being reviewed or monitored. Elimination of these cards and using other cards available in the department to carry out these purchases will not hinder the City's operation. In some Departments such as Real Estate and Solid Waste, a significant proportion the of cards are seldom used. This presents an opportunity for additional consolidation. Several Directors indicated the possibility of consolidating P-Cards in their Departments.

The current situation empowers certain City employees to incur liability for the City. The sparingly used P-Cards are associated with per transaction and aggregate monthly credit limits totaling $300,000 and $353,000 respectively. In addition, having unnecessary cards increases the potential for abuse.

Generally, a limited number of cards assigned to fewer employees helps in administration and monitoring compliance. This process may encourage involving more than one individual in making required purchases, which in turn, will improve controls.

Recommendations:

5. Eliminate sparingly used cards and use other cards available to the respective Departments for making necessary purchases.
6. Look for additional opportunity for consolidation of cards to facilitate better administration of P-Cards.

City management Response:

As of February 20, 2019, there are 422 cardholders due to elimination of several sparingly used cards. Staff continues to collaborate with departments to identify sparingly used cards that can be eliminated.

Approvals

Supervisory approval process could be improved.

What we found?

P-Card purchases typically involve an employee unilaterally deciding and carry out purchasing activity. In this process, if there has been supervisory involvement, it is not documented, and available evidence does not support it. Under these circumstances, the risk of abuse of P-Card privilege increases. The established procedures require P-Card purchases to be reviewed and approved by a supervisor. This is the only, ongoing effective control that ensures appropriateness and reasonableness of purchases made.

The auditors found that 862 transactions were not approved by supervisors as follows:

Department	Number of Transactions	Total amount
Airport	11	$2,791
City Manager	45	$10,761
Dev. Services	41	$8,013
DME	90	$24,451
Economic Dev.	39	$11,312
Fire	16	$3,594
Fleet Services	34	$8,640
Legal	23	$2,783
Library	11	$1,074
Materials Mgt.	33	$10,895
Parks	252	$73,785
Police	10	$470
Real Estate	4	$351
Solid Waste	121	$28,221
Streets	8	$5,138
Tech. Services	25	$11,867
Waste Water	56	$18,131
Water	43	$16,635
Total	**862**	**$238,912**

The P-Card Administrator audits 20 card accounts per month. This process is effective; however, it will allow some of the P-Card transactions to go as long as two years before being audited.

Why does it matter?

Employees are empowered to make purchases on Amazon.com or Walmart.com. This is acceptable as the City can find some better deals on these websites. However, these websites offer many types of merchandise, some of which could be used for personal consumption of employees. Therefore, there are vulnerabilities associated with these types of purchases.

The procedures require employees to document the nature and purpose of the purchase and supervisors are expected to verify them. The risk increases if the supervisors do not approve these purchases.

We found that the above transactions included 178 transactions with Amazon with a total value of $20,850. These transactions were not approved by the supervisors. Fifty-five of these transactions did not have the description of items purchased. The City does not require P-Card holders to upload their receipts to the J P Morgan system. This situation further hinders verification of these purchases. In addition, supervisors not approving a significant number of transactions for almost $238,000 may lead to the risk that P-Card abuses that may not be detected and addressed in a timely manner.

Recommendation:

7. Suspend P-Cards for which transactions are not approved by the supervisors after giving adequate warning.
8. Require employees to upload their receipts in J P Morgan system.

City management response:

The aforementioned recommendations have been addressed as of October 26, 2018.

P-Card Administration

The P-Card Administrator had the responsibility to administer card use but did not have authority to enforce compliance.

What we found?

We observed that the Administrator sent e-mails to several employees repeatedly (up to four email reminders) for reconciling and approving P-Card transactions. The P-Card policy provides for cancellation of the card. However, the Administrator had no authority to cancel the card. During the audit, the auditors were informed that Administration has escalated follow-up process to the City's compliance officer, who will be responsible for taking action for non-compliance.

Why does it matter?

Lack of enforcement of P-Card policy may encourage non-compliance as employees may give lesser priority to these tasks.

Recommendation:

9. The Compliance Officer needs to establish a process for monitoring compliance and enforce the City's policy for non-compliance with P-Card procedures.

City management response:

The aforementioned recommendation has been addressed effective October 5, 2018, all outstanding approvals were completed.

Internal Control Weakness

Both the City's P-Card Administrator and the alternate Administrator had P-Cards. Abuse of any of these cards will not be detected in a timely manner.

The City's P-Card Administrator is an associate buyer in the Procurement Department. The Department has assigned an alternate Administrator to fill in when the Administrator is not available.

What we found?

Both the Administrator and alternate Administrator had P-cards assigned to them in addition to the ability to: set up an account, reconcile, review, approve transactions, and recommend transactions for payment. In addition, they had an enhanced level of access to the J P Morgan system.

We were informed that during the audit, the cards assigned to both these individuals were cancelled.

Why does it matter?

It was possible to set up additional an account, reconcile and approve transactions on that account, and make recommendations for payments without involvement of any other individual.

Recommendation:

10. The P-Card policies and procedures need to be updated prohibiting assigning cards to individuals responsible for administering the program.
11. Periodically, the Compliance Officer needs to review active cards to determine appropriateness and business needs for the charge card accounts.

City management response:

The aforementioned recommendations will be addressed in the revised P-Card Manual expected to be completed by April 2019.

P-Card Audit Process:

The Audit process is working as intended.

What we found?

The established practice requires the P-Card Administrator to select and audit 20 card accounts each month. This means that the Administrator would need 22 months to audit 445 cards.

The P-Card administrator is conducting audits as intended. The Administrator follows up with the user to correct discrepancies observed. However, no report of her work is being made to the Compliance officer.

Why does it matter?

This process is generally working well.

Recommendation:

12. Notify results of audits to the Compliance Officer.

City management response:

Management agrees with the recommendation and will begin reporting monthly audit report findings to management.

Training

Currently, P-Card training is not provided to the supervisors who approve the transactions but are not cardholders.

What we found?

Current procedures require that all the employees receiving P-Cards must go through training to understand the City's policies and rules related to P-Card. However, the supervisors that do not have cards but are required to review the card transactions do not get such training. These individuals are required to enforce the P-Card rules but may not have thorough knowledge of these rules.

Why does it matter?

The approval process is the only ongoing, effective control in the process. Without proper training this control may not be as effective.

Recommendation:

13. Provide training on P-Card policies and procedures to all supervisors who approve P-card transactions.

City management response:

Staff is in process of revising the P-Card Manual and will be addressing supervisory training upon completion of the manual. The P-Card Manual is expected to be complete by April 2019. All supervisors responsible for P-card approvals were notified of their responsibilities via email on October 11, 2018. New p-card holders and their supervisors are required to complete training before p-cards are issued.

Opportunity for Saving Travel and other Costs

During the audit period of July 1, 2017 through July 31, 2018, the City paid $411,957 for travel costs. This amount mostly consists of airline and hotel costs. The City employees generally pay commercially available prices for airline tickets. For hotels, either commercially available room costs or negotiated rates for conference are paid.

What we found?

The State of Texas (State) has a travel management program which is available for counties and municipalities in Texas. This program at the State Comptroller's office ensures that taxpayer dollars are used more efficiently by providing discounted travel services through vendor contracts and monitoring state travel activity.

They have negotiated the following travel contracts that the City may be able to use:

- Airline
- State Travel Card
- Hotels
- Rental Car

<u>Airline Costs</u>:

The State has contracts with American and Jet Blue airlines. Using information available on the State website, it appears that the rates available under this contract are 48% cheaper than commercial rates. During the audit period, the City paid $144,795 for air travel. This would mean that during this period, if the City was using the State's program, it would have saved 48% or $69,500 on these costs.

<u>Travel Card rebates</u>:

The State has a contract with City Bank for travel cards that can also be used as P-Cards. The State's negotiated rebate and early payment incentive is 2.005% compared to the City's negotiated rate of 1.6625%. At the volume noted during the audit period, the City would have received a rebate and early payment incentive of $111,344 compared to the City's current rebates and incentive of about $99,970. This means that the City has opportunity to earn additional $11,370 using the State's program.

Hotel Costs:

The State Program uses an organization called Hotel Engine. The State website indicated that the program guarantees booking hotels at or below GSA rates. The City incurred $256,000 during the audit period. The Hotel Engine representative could not provide an estimate of savings as the program is new and does not have adequate history. However, the representative was confident that substantial savings could be generated. Using this program would add to the previously quantified savings. We selected a sample of 30 hotel payments incurred by the City employees and compared them with the corresponding GSA rates and found GSA rate to be 25.40% less expensive. This means that based on current spending, it is estimated that the City has opportunity to save $65,000.

Why does it matter?

The City has opportunity to save at least $145,900 as follows:

Opportunity	Potential Savings
Airline Discounts	$55,000
P-card rebates and incentives	$11,400
Hotel Costs Savings	$65,000
Total Savings Possible	$131,400

Recommendation:

14. The Procurement and Compliance Office needs to evaluate feasibility of participating in the State's travel Management Program. If found beneficial, consider participating in the program.

City management response:

The Director of Procurement and Compliance will work with the Finance Department to research the options available to the City through the State's travel management program.

Appendix I

Non-compliance with Inviting Sealed Bidding Requirements:

Vendor Name		Total Purchases
Amazon Marketplace		$240,841
SAMS CLUB and Walmart		$95,389
Dealers Electrical		$82,984
Lowes		$82,892
The Home Depot		$60,552
Denton Tools & Fastener		$56,579
Red Wing Shoe		$54,431
	Total	**$673,668**