



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
City Auditor, CPA CFE PMP

23-16 City of Colorado Springs and Colorado Springs Utilities Fleet Management and Maintenance Services Procurement

August 2023

Purpose

The purpose of this audit was to monitor the Request for Proposal (RFP) development, evaluation, and selection process for the fleet management and maintenance services of the City of Colorado Springs (City) and Colorado Springs Utilities (Utilities).

Highlights

We conclude a fair, diligent, and generally collaborative process occurred in the solicitation and evaluation of fleet management and maintenance services fulfillment. We identified one opportunity for improvement related to improved communication and collaboration during the RFP process.

The current fleet management and maintenance services contract will expire at the end of 2023. In September 2022, the City and Utilities established a timeline and oversight teams to facilitate the fleet services procurement process. City Procurement staff led the administrative activities. Teams included representation from both City and Utilities. The evaluation team, tasked to evaluate vendor bids with interviews and award recommendation, included key City and Utilities leadership.

Several vendor responses were evaluated. At the conclusion of the procurement process, City and Utilities leadership decided to cancel the RFP. Both the City and Utilities intend to develop internal fleet management and maintenance services.

The Office of City Auditor was given open access to team meetings, correspondence, and legal documents. Our review included team meeting attendance, document and correspondence review, consideration of procurement policies and best practices, attention to transparency, fairness, financial soundness, and citizen/ratepayer best value use of funds.

Management Response

Management was in agreement with our recommendation.

Opportunity for Improvement

1. Utilities should consult with City business partners prior to selecting alternative options that result in a significant change in strategy.

City Council's Office of the City Auditor

City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575

Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387

www.ColoradoSprings.gov

23-16 City of Colorado Springs and Colorado Springs Utilities Fleet Management and Maintenance Services Procurement

Opportunity for Improvement 1

We noted that Colorado Springs Utilities was considering an alternate option prior to consultation with business partners from the City of Colorado Springs. The late nature of the decision to insource placed the City in a reactive position thereby requiring an immediate change in strategy.

Recommendation

Utilities should:

- Consult with City business partners prior to selecting alternative options that result in a significant change in strategy.

Management Response

We agree with the recommendation and will incorporate it into similar assessments moving forward.