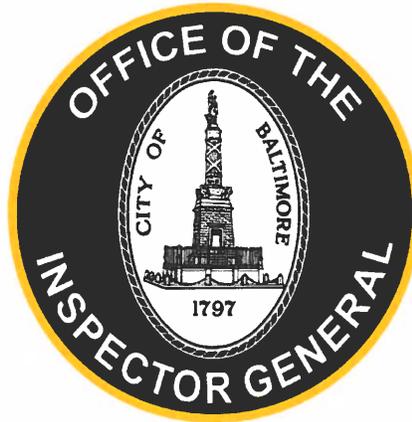


**OFFICE OF THE INSPECTOR GENERAL
CITY OF BALTIMORE**



**Isabel Mercedes Cumming
Inspector General**

**Investigative
Report Synopsis**

OIG Case # 20-0018-I

Issued: March 10, 2020



OFFICE OF THE INSPECTOR GENERAL
Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



March 10, 2020

Dear Citizens of Baltimore City,

The Office of the Inspector General (OIG) investigated a complaint regarding the Department of General Services' (DGS) Fleet Management Division bid solicitation and vendor contract award process for the procurement of wheel loaders¹.

A multi-agency Invitation for Bid (IFB) to procure wheel loaders for Department of Public Works (DPW), Department of Transportation (DOT) and Recreation and Parks (R&P) was posted in February 2019. Two vendors were considered for the contract award. Vendor 2 was the lowest bidder for the DPW and DOT bids, while Vendor 1 was the lowest bidder for the R&P bid². DOT and DPW with approval from DGS, initially approved Vendor 2's bid specifications. The Bureau of Procurement (BOP) did not submit the recommendation to the Board of Estimates (BOE) immediately, allowing DGS management time to reconsider which vendor should be awarded the contract.

Table 1: Wheel Loader Bid Submissions

Vendor	DPW Bid	DOT Bid	R&P Bid
Vendor 1	\$460,140.00	\$516,000.00 ³	\$156,145.00
Vendor 2	\$402,240.24	\$418,587.00 ⁴	\$161,812.00

Prior to the contract being awarded, Vendor 1 contacted DGS' Chief of Fleet Management threatening to protest if Vendor 2 received the DOT and DPW contracts. This is in violation of the formal protest procedures as outlined in the bid solicitation. The Chief of Fleet Management convened an internal DGS meeting to discuss Vendor 1's concerns and threat of a protest after being contacted by Vendor 1 directly. The meeting resulted in Vendor 1 being awarded the contracts for DPW and DOT, the contracts in which Vendor 2 was the lowest bidder. The BOP was unable to provide any documentation to the OIG supporting the disqualification of Vendor 2 from the bid process.

1 Wheel loaders are a type of heavy machinery used in construction, as well as for many other non-construction tasks. They have a square bucket, called the loader, which is maneuvered by flexible arms and used to perform: scooping, digging, dumping and carrying.

2 The IFB reads, the contract award "will be to the lowest responsive and responsible bidder(s) meeting specifications and offering the lowest bid price for a one-year period, item wise and is in the best interest of the City of Baltimore, and at the sole discretion of the City Purchasing Agent

3 Vendor 1's total price for 3 DOT wheel loaders. Each DOT wheel loader for Vendor 1 was priced individually at \$172,000.

4 Vendor 2's total price for 3 DOT wheel loaders. Each DOT wheel loader for Vendor 2 was priced individually at \$139,529.

REPORT FRAUD, WASTE AND ABUSE

The OIG investigation found the Chief of Fleet Management's communication with Vendor 1 during the award review period of an IFB gave the appearance of a conflict of interest. The investigation determined standard procurement and vendor protest procedures were not followed by DGS or BOP. The OIG found the decision to award the DPW and DOT contracts to Vendor 1 rather than Vendor 2 created an increased cost of \$155,312.76 to the City of Baltimore.

Sincerely,



Isabel Mercedes Cumming, Inspector General
Office of the Inspector General

Cc: Hon. Bernard C. "Jack" Young, Mayor of Baltimore City
Hon. Dana P. Moore, Acting City Solicitor
Brandon Scott, President, City Council
Hon. Joan M. Pratt, Baltimore City Comptroller
Honorable Members of the Baltimore City Council

REPORT FRAUD, WASTE AND ABUSE

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