



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



DEPARTMENT OF LAW ENFORCEMENT

FLEX PROJECT – PROCUREMENT OF DATA MAPPING SOFTWARE

Operational Audit

SUMMARY

This report on the Department of Law Enforcement (Department) focuses primarily on the Department's January 2006 procurement of data mapping software related to the Florida Law Enforcement eXchange (FLEX) Project. Our audit disclosed that the Department's processes leading to the selection of the data mapping software could have been improved. In addition, our audit disclosed the need for improvement in the Department's documentation of its consideration and disposition of potential conflicts of interest.

BACKGROUND

The State structure for domestic security, encompassing counter-terrorism efforts and responses, is established pursuant to Sections 943.03101, 943.0311, 943.0312, and 943.0313, Florida Statutes. Organizationally, this structure consists of a State Chief of Domestic Security (employed by the Department), seven Regional Domestic Security Task Forces, and a Domestic Security Oversight Council.

The State Chief of Domestic Security is responsible for coordinating the efforts of the Department in the ongoing assessment of Florida's vulnerability, including the ability to detect, prevent, respond to, and recover from acts of terrorism within or affecting this State. The Chief of Domestic Security is also responsible for advising the Governor and Legislative leadership of State vulnerabilities to terrorism.

Pursuant to Section 943.0312, Florida Statutes, Regional Domestic Security Task Forces (Task Forces) are established in each of the Department's seven operational regions of the State (see Appendix A). These Task Forces are to advise the Chief of Domestic Security and the Department on issues and needs of the regions with respect to counter-terrorism training, materials, and equipment based on the resources and conditions present in each region. The Task Forces are also responsible for the coordination, collection, and dissemination of investigative and intelligence information. Section 943.0312(6), Florida Statutes, requires that the Department provide staff and administrative support for the Task Forces.

The Domestic Security Oversight Council was created by Section 943.0313, Florida Statutes, to provide executive direction and leadership to the efforts of the task forces and to make funding recommendations to the Governor and Legislature on Statewide domestic security and counter-terrorism efforts.

The Department and the Task Forces began working on a Statewide criminal information and intelligence sharing strategy for Florida in March 2004. By December 2004, a Statewide strategy had been developed and approved by the Domestic Security Oversight Council. This undertaking, the Florida Law Enforcement eXchange (FLEX) Project, has a Spring

2007 planned implementation and an approximately \$15 million budget.¹

The FLEX Project, as described by Department documentation, will be a system that provides law enforcement agencies across the State the ability to quickly and easily access and analyze the thousands of records found in individual city, county, and State law enforcement agencies' records management systems. Information, such as local field interview reports, pawn data, and incident, dispatch, and offense information is to be searchable by agencies outside of the agency of ownership and is to be made instantly accessible to law enforcement officers from Pensacola to Key West.

According to the FLEX Project Definition Document, the Project is divided into three phases. Phase I involves Statewide data mapping; Phase II is the establishment of a physical infrastructure and the development of a cross-regional query ability; and Phase III is the implementation of full cross-regional query and analytical abilities.

Under a State contract, the Department engaged a contractor to provide consulting services relative to the FLEX Project.² With the Department's approval, a consultant was engaged by the contractor to function as this Department's FLEX Technical Coordinator and provide the required consulting services.

The total budget and amount expended for the FLEX Project in the 2005-06 fiscal year is presented in Table 1, below:

Table 1
FLEX Project Budget and Expenditures
2005-06 Fiscal Year

| | Budget | Expenditures |
|------------|---------------------|-------------------|
| Department | \$ 546,200 | \$ 505,215 |
| Regions | 1,105,000 | - |
| Total | <u>\$ 1,651,200</u> | <u>\$ 505,215</u> |

Source: Department accounting, budget, and Project records.

FINDINGS AND RECOMMENDATIONS

Law enforcement agencies in the State utilize a variety of databases to store and manage law enforcement data. One of the tasks in Phase I of the FLEX Project was the procurement of a data mapping software product that could be used to locate key data stored in these differing formats and databases. The information derived through the use of the data mapping software is to be used to develop a consistent data sharing model based on the Global Justice XML Data Model (GJXDM) standard.

On January 23, 2006, the Department issued a purchase order (modified on February 14, 2006) to authorize the procurement of a data mapping software product at a cost of \$364,400, based on the recommendation of the FLEX Technical Coordinator. Although there was no existing State contract with this particular software vendor, the software was available through several resellers which were under State contract. The software, together with related installation and training services, were procured from one of these resellers after obtaining responses to a Department request for quotes.

¹ The budget is comprised of \$1,651,200 for the 2005-06 fiscal year and \$13,489,160 for the 2006-07 fiscal year.

² State contracts are negotiated by the Department of Management Services pursuant to Section 287.057, Florida Statutes. Section 287.056, Florida Statutes, requires that for the goods and services needed, State agencies utilize the contracts negotiated by the Department of Management Services.

Our audit disclosed that the award of the contract to the selected State contract reseller was made in accordance with applicable laws and rules; however, we noted the following two areas where the Department's processes leading to the selection of the underlying data mapping software could have been improved:

- The data mapping software selection was made by Department management without the benefit of a selection team's evaluation of alternatives. Also, prior to the procurement, the Department did not require the FLEX Technical Coordinator to demonstrate the strengths, weaknesses, and capabilities of other similar software products. Although the FLEX Technical Coordinator prepared a spreadsheet showing his analysis of similar products (where the product he recommended was the highest scoring), it was not apparent from Department records how the analysis was used and considered by management in the software selection decision process and how the products included in that analysis were identified. Absent a complete analysis of other similar products by a selection team, based on criteria approved by Department management, the Department may lack assurance that the most capable and cost-effective product was selected.
- Background information provided to the Department at the time of the FLEX Technical Coordinator's engagement indicated that he had previously provided consulting services to the data mapping software vendor whose product he recommended for procurement. Prior to the procurement, the Department did not document a determination that there were no continuing relationships between the FLEX Technical Coordinator and the software vendor, or the FLEX Technical Coordinator's employer and the software vendor, that would have posed a conflict of interest on the part of the FLEX Technical Coordinator. After the procurement was made, the Department's Inspector General determined that at the time of the recommendation and subsequent procurement, no conflict of interest existed on the part of the FLEX Technical

Coordinator or his employer.³ Our examination of Department records and interviews of applicable Department management and staff also disclosed no evidence of a conflict of interest at the time of the recommendation and subsequent procurement.

Recommendations: To improve procurement processes, we recommend the following actions:

- **Thorough and documented analyses be performed of all future information technology purchases of hardware or software. The analyses should be performed by a selection team using criteria approved by Department management.**
 - **Document in the public records the consideration and disposition of any potential conflicts of interest. For procurements in excess of \$25,000, the Department should require all involved staff to attest in writing as to their independence and impartiality.**
 - **The Legislature consider changing the provisions of Section 287.057(20), Florida Statutes, to require the execution of written affirmations of independence for all procurements in excess of \$25,000.**
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³ Department of Law Enforcement, Inspector General Report No. IG 75-0039, Sypherlink Management Review.

OBJECTIVES, SCOPE, AND METHODOLOGY

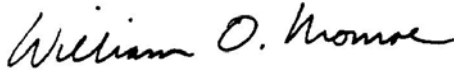
This operational audit focused on the processes utilized by the Department in the January 2006 procurement of a data mapping software product for a major data sharing and integration project developed under the oversight of the Department. Our objectives were:

- To determine whether the procurement of the data mapping software product related to the FLEX Project was made in accordance with all governing laws, rules, internal procurement policies, and prudent business procurement practices.
- To determine the extent the Department's controls promoted the achievement of management objectives related to compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operations of State government; the reliability of records and reports; and the safeguarding of assets.

In conducting our audit, we interviewed Department personnel, observed processes and procedures, and performed various analyses and procedures as determined necessary. We also reviewed the report and working papers associated with the Inspector General's management review of the Department's purchase of the data mapping software.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



William O. Monroe, CPA
Auditor General

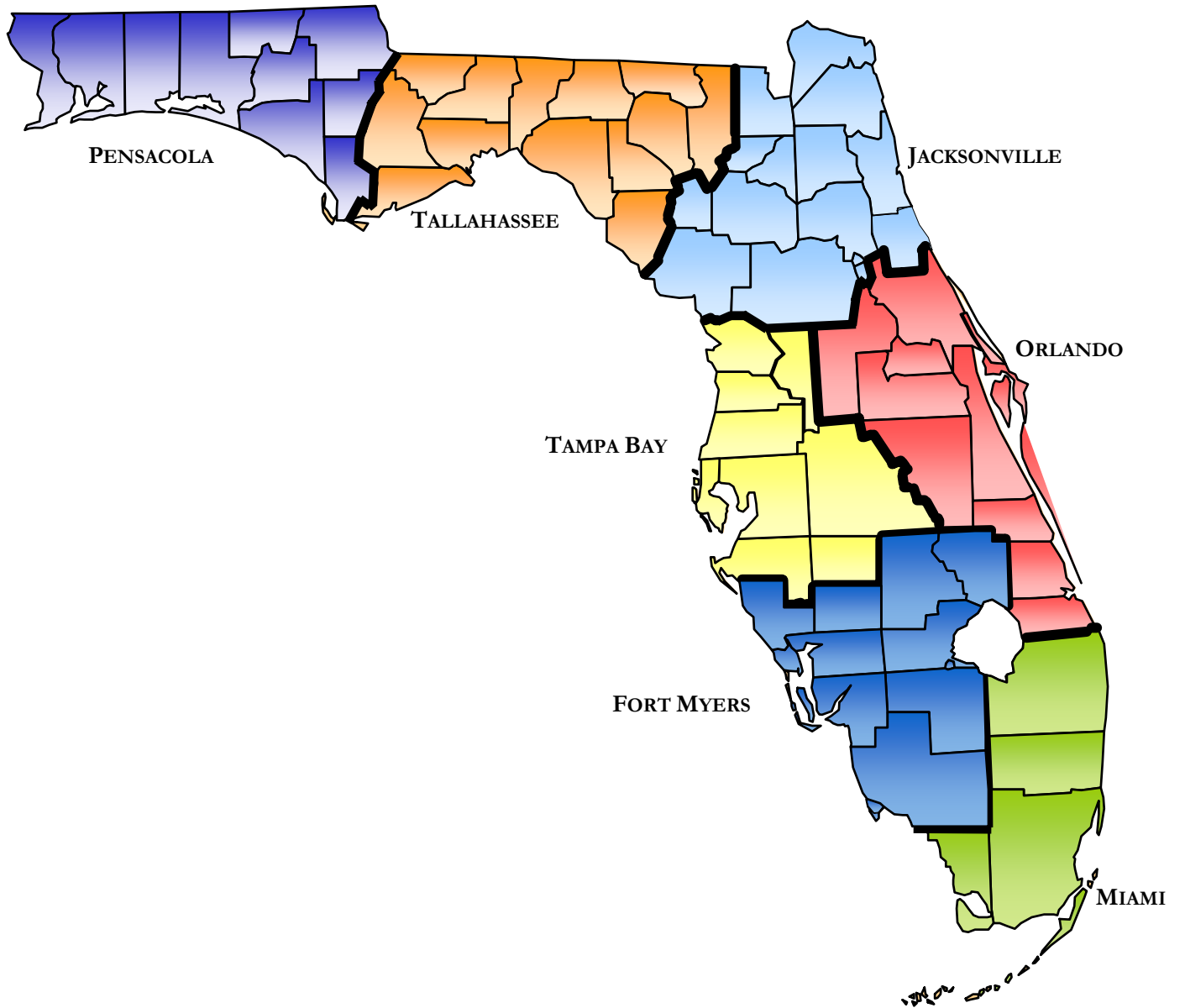
MANAGEMENT RESPONSE

In a letter dated November 22, 2006, the Commissioner of the Department provided a response to our findings and recommendations. The letter is included in its entirety at the end of this report as Appendix B.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was conducted in accordance with applicable *Generally Accepted Government Auditing Standards*. This audit was conducted by Ben Cox, CPA, and supervised by David R. Vick, CPA. Please address inquiries regarding this report to David R. Vick, CPA, Audit Manager, via e-mail at davidvick@aud.state.fl.us or by telephone at (850) 487-9100.

This report and audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone ((850) 487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

APPENDIX A
FLORIDA'S REGIONAL DOMESTIC SECURITY TASK FORCES



APPENDIX B
MANAGEMENT RESPONSE



Florida Department of
Law Enforcement

Gerald M. Bailey
Commissioner

Post Office Box 1489
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(850)410-7001
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Jeb Bush, Governor
Charlie Crist, *Attorney General*
Tom Gallagher, *Chief Financial Officer*
Charles H. Bronson, *Commissioner of Agriculture*

November 22, 2006

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

The Florida Department of Law Enforcement has received the preliminary and tentative findings and recommendations from the following audit of:

Department of Law Enforcement
FLEX Project – Procurement of Data Mapping Software
Operational Audit

We are pleased that your independent examination of department records and interviews of applicable management and staff found no evidence that disclosed a conflict of interest at the time of the recommendation and subsequent procurement of the product.

Your recommendations and our related explanation or our description of actual or proposed corrective actions initiated by the Florida Department of Law Enforcement are enumerated below:

RECOMMENDATIONS: To improve procurement processes, we recommend the following actions:

Thorough and documented analyses be performed of all future information technology purchases of hardware or software. The analyses should be performed by a selection team using criteria approved by Department management.

FDLE Response: FDLE Policy 2.6 (IT Resource Standards) makes FDLE's Chief Information Officer (CIO) responsible for establishing standards for the acquisition, installation, maintenance, support, and use of information technology (IT) resources in the agency. For many years, FDLE has followed a procedure which requires documented review and approval by the CIO for all software acquisitions regardless of price, and equipment and services costing \$500 per unit or \$10,000 per order.

However, the Office of Information Resource Management will review FDLE's IT-related policies and procedures for procurement. Language will be added to define a procedure for implementing the Auditor General's recommendation as it relates to IT purchases in excess of \$100,000. It is not necessary to perform documented analysis on "all" IT purchases involving hardware and software. For example, small quantity IT hardware and software acquisitions do require management review and approval as described above. However, they do not require detailed, documented analyses.

Recommendations for revisions or new policies and procedures will be submitted to FDLE executive management within 90 days and will be published and implemented immediately upon approval.

*Committed to
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APPENDIX B
MANAGEMENT RESPONSE (CONTINUED)

Document in the public records the consideration and disposition of any potential conflicts of interest. For procurements in excess of \$25,000, the Department should require all involved staff to attest in writing as to their independence and impartiality.

FDLE Response: We agree with the use of independence and impartiality attestations for competitive agency procurements in excess of \$25,000. For those procurements in excess of \$25,000, we believe that such attestations should apply only to individuals and staff taking part in the development or selection of criteria for evaluation, the evaluation process, and the award process.

Recommendations for revisions or new policies and procedures providing for the requirement of attestation for competitive agency procurements over Category Two (\$25,000) for those individuals specifically involved in the evaluation and award process will be submitted to FDLE executive management within 90 days and will be published and implemented immediately upon approval.

The recommendations in your audit report are appreciated. If you require further information regarding the actual or proposed corrective actions, please contact me or Inspector General Al Dennis at 410-7225.

Sincerely,



Gerald M. Bailey
Commissioner

GMB/ALD/dkk