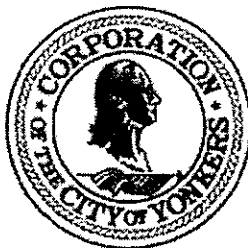


**MIKE SPANO
MAYOR**




**CITY HALL
YONKERS, NEW YORK
10701**

**KITLEY S. COVILL
INSPECTOR GENERAL**

**Ph: 914-377-6107
Fax: 914-377-6990**

**DEPARTMENT OF
INSPECTOR GENERAL
CITY OF YONKERS**

TO: Mike Spano, Mayor
Susan Gerry, Deputy Mayor
Thomas Meier, Commissioner, Department of Public Works
John Liszewski, Commissioner, Department of Finance
Liam McLaughlin, City Council President
All City Council Members

FROM: Kitley S. Covill, Inspector General 

SUBJECT: Air-Conditioner Purchase Order Audit and Review

DATE: January 10, 2014

The Department of Inspector General (IG) periodically conducts audits and reviews of contracts awarded by the City of Yonkers (City) to outside vendors. Accordingly the IG decided to conduct a review of two (2) separate contracts awarded in 2013 for the purchase of 82 air-conditioners. The IG's findings are set forth below.

Background

Several steps are involved in a City purchase of supplies: A department identifies a need, that need is approved for purchase by the department supervisor, price quotes are solicited by the City Purchasing Department, and a contract is awarded to the lowest responsible vendor¹.

Regarding the purchase of air-conditioners, 59² air-conditioners were required because all City Hall windows, which are quite old and energy inefficient, are

¹ No purchases may be made unless money has been allocated in the budget. In this case the funds were available in a capital improvement account.

² The BOCS agenda stated two separate price quotes for 54 and 6 air-conditioners; however the IG was told that only 59 were actually needed.

currently being replaced and new air-conditioners that fit the new windows were needed. A second purchase for 23 units was made to replace broken air-conditioners in other City facilities, such as fire houses and police precincts, on an as needed basis. Normally an inventory of air-conditioners is kept for this purpose by the Department of Public Works, General Services (GS).

The air-conditioner price quotes were handled by the Purchasing Department which is a division of the Department of Finance. Municipal law requires the City to accept the lowest responsible vendor who is responsive to the quote solicitation. The lowest responsible and responsive vendors for the air-conditioners were S&W Appliances (S&W) and DMT Parts Supply (DTM). Any proposed vendor who appears to be the lowest responsive responsible bidder and has bid over \$100,000 is reviewed by the IG in order to ensure that the vendor is responsible and of high integrity. In this case, since the contracts were under that threshold, the IG was not asked to review this proposed vendor.

Once the Purchasing Department selected the vendors, the contracts were placed on the Board of Contract and Supply (BOCS) pre-award meeting. In the agenda for that meeting the amount of the contracts, as well as the proposed amount of the other higher or non-responsive vendors' proposals, was noted. At the BOCS meeting held on May 30, 2013, the members³ of the Board voted on the contract award for \$19,843, to S&W for the purchase of 59 air-conditioners. The second contract, with DMT, for \$9,583.97 for 23 units, was not on the BOCS agenda because we were told it was below the BOCS threshold for approval (\$10,000).

After the BOCS vote on the S&W contract (and regarding the other smaller contract amount as well) the Purchasing Department entered the purchase awards into the software system that tracks all purchase orders. The system then generated two Purchase Orders, dated June 5, 2013, which constitute the contracts between S&W, DTM and the City. The two purchase orders are attached to this report.

In June 2013 GS took delivery of the 82 air-conditioners from the two suppliers. The delivery was made to the GS warehouse on Saw Mill River Road. Until installation, all of the air-conditioners are kept in that secure facility. Every unit delivered was identified in the S&W and DMT invoices by brand and size (BTU).

Findings

As part of this review, the IG visited the GS facility and observed all the air-conditioning units that had not yet been installed, including the air-conditioners purchased for City Hall.

³ BOCS members are the Mayor, the City Council President, the Commissioner of Finance and Management Services, the City Engineer and the City Council Majority Leader.

Additionally, the IG's office visited all of the locations where GS records indicated that replacement air-conditioners had been installed (other than City Hall). The units were inspected for verification of location or facility, brand, serial number, and size as listed on the completed work order. The installations the IG observed matched the completed work orders. The following completed installation work orders submitted to the IG were inspected:

- Order 62623 - 87 Nepperhan Ave, Room 410B -1 unit;
- Order 62423 - 36 Radford St - YFD Engine 4 -1 unit;
- Order 60981 - 435 Central Park Ave - YFD Engine 7 - 2 units;
- Order 62730 - 53 Shonnard PI - YFD Engine 9 -1 unit;
- Order 63129 - 340 Kimball Ave - YFD Engine 13 -1 unit;
- Order 63324 - 730 East Grassy Sprain Rd - YPD 1st Precinct -2 units;
- Order 63452 - 2187 Central Park Avenue - YFD Engine 14 - 1 unit;
- Order 63457 - 460 Nepperhan Ave. - YFD Special Operations - 2 units;
- Order 63472 - 87 Nepperhan Avenue - Room 228 - 1 unit; and
- Order 63611 - 435 Central Avenue - YPD 2nd Precinct – 1 unit.

All of the above units were installed as stated on the work orders. The serial numbers as listed on the work order was verified.

Conclusion

The IG's inspection revealed that all appropriate and mandatory processes were followed in the purchase of the 82 air-conditioners. The City made purchases from the lowest responsible bidders, the delivery of the air-conditioners was completed and the units not yet installed are kept in a secure facility. The air-conditioners that were purchased are being installed as needed and as intended.



PURCHASE ORDER

CITY OF YONKERS

PO : 506209

SHIP TO

Facilities Maintenance Division
170 SAW MILL RIVER ROAD
YONKERS, NY 10710
Tel:

VENDOR

S & W APPLIANCES
162 WALLABOUT ST
BROOKLYN, NY 11206
Tel:

Requisition No : 104909
Date : 05-JUN-13

Deliver By :	17-JUN-13
FOB :	Destination
Terms :	COY-NET30
Buyer :	D GENSI
Requestor :	BELLIVEAU, DEBRA
Revision :	0
Revised Date :	
Page :	1 of 2

SEND INVOICE TO:

YOU ARE HEREBY NOTIFIED THAT YOUR BID/PROPOSAL FOR THE ARTICLE(S) BELOW HAS BEEN ACCEPTED AND YOU ARE HEREBY DIRECTED TO FURNISH THE SAME PER THE TERMS HEREOF:

FOR ACCOUNTING INFORMATION CALL:
CITY OF YONKERS ACCOUNTS PAYABLE DEPARTMENT
CITY HALL - 40 SOUTH BROADWAY, 2nd FLOOR - RM 215
YONKERS, NEW YORK 10701
(914) 377-6120 OR (914) 377-6124

Vendor Contact:	Email:	Fax:
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LINE	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
			Furnish and Deliver Air Conditioner Units - Frigidaire (DPW-OGS FMD) <i>Firm pricing as quoted by Hershey on 5/12/2013. Please deliver to Facilities Maintenance at 170 Saw Mill River Rd Yonkers, NY 10701 contact Lenny Spano 914 377-6292</i>		
2	54.00	Each	frigidaire window air conditioner FRA126ST2--12,000 BTU	317.00	17,118.00
3	5.00	Each	frigidaire window air conditioner FRA226ST2--22,000 BTU	545.00	2,725.00

<p>THIS ORDER IS SUBJECT TO THE FOLLOWING INSTRUCTIONS DELIVERIES SHALL BE MADE BETWEEN 9:00 A.M. AND 3:00 P.M. WITHIN THIRTY CALENDAR DAYS AFTER RECEIPT OF ORDER UNLESS OTHERWISE SPECIFIED HEREIN. ALL DELIVERIES ARE SUBJECT TO INCOMING INSPECTION. (1) PURCHASE ORDER NUMBER MUST APPEAR ON ALL SHIPPING PAPERS, INVOICES, CLAIMS, AND CORRESPONDENCE. (2) PURCHASES ARE NOT VALID UNLESS COVERED BY A PURCHASE ORDER SIGNED BY THE DIRECTOR OF PURCHASING. ADDRESS ALL CORRESPONDENCE TO DIRECTOR OF PURCHASING. (3) THE CITY OF YONKERS IS EXEMPT FROM ALL LOCAL AND STATE USE AND SALES TAX INCLUDING FEDERAL EXCISE TAXES EXEMPTION NUMBERS AND CERTIFICATES ARE NOT ISSUED TO NYS GOVERNMENTAL ENTITIES. THE GOVERNMENT PURCHASE ORDER IS SUFFICIENT FOR THE VENDOR NOT TO COLLECT SALES TAX.</p> <p>TERMS AND CONDITIONS ON LAST PAGE.</p>	TOTAL	19,843.00
	PAY THIS AMOUNT ➔	19,843.00

DIRECTOR OF PURCHASING



PURCHASE ORDER

CITY OF YONKERS

PO : 506228

SHIP TO
 Facilities Maintenance Division
 170 SAW MILL RIVER ROAD
 YONKERS, NY 10710
 Tel:

VENDOR
 DTM PARTS SUPPLY INC
 31 SAGEMAN ST
 MOUNT VERNON, NY 10550
 Tel:

Requisition No : 105325
 Date : 05-JUN-13

Deliver By :	08-JUN-13
FOB :	Destination
Terms :	COY-NET30
Buyer :	D CENSI
Requestor :	BELLIVEAU, DEBRA
Revision :	0
Revised Date :	
Page :	1 of 2

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 CITY HALL - 40 SOUTH BROADWAY, 2ND FLOOR - RM 215
 YONKERS, NEW YORK 10701
 (914) 377-6120 OR (914) 377-6124

Vendor Contact:	Email:	Fax:
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LINE	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
			Furnish and Deliver Window A/C Units - Manufacturer: Generation Brand - (DPW-FMD) <i>Pricing as quoted by James White on 6/5/2013. Please deliver Monday through Friday 8am - 2pm Attn: Lenny Spano at Facilities Maintenance Division 170 Saw Mill River Rd, Yonkers, NY - (914) 377-6292</i>		
2	4.00	Each	24,500 BTu window mount air conditioner Generations brand GAD259ERS3B	596.00	2,384.00
3	5.00	Each	18,000 BTu window mount air conditioner Generations brand GAC189ERS3B	488.79	2,443.95
4	4.00	Each	15,000 BTu window mount air conditioner Generations brand GAC159ERS3B	420.00	1,680.00
5	6.00	Each	12,000 BTu window mount air conditioner Generations brand GAC129ERS3B	333.17	1,999.02
6	4.00	Each	10,000 BTu window mount air conditioner Generations brand GAC109ERS3B	269.25	1,077.00

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	PAY THIS AMOUNT 	9,583.97

DIRECTOR OF PURCHASING