



Florida Department of
Law Enforcement

Richard L. Swearingen
Commissioner

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Adam Putnam, *Commissioner of Agriculture*

March 7, 2017

Ms. Christina Smith, Director
Division of Accounting and Auditing
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399-0353

Dear Director Smith:

The Florida Department of Law Enforcement has reviewed the findings contained in your Contracts and Grants Review Preliminary Report dated Feb. 10, 2017.

Contract/Grant Agreement

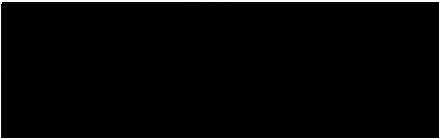
Section 216.3475, F.S., and CFO Memorandum No. 2 (2012-2013) requires agencies to perform a cost analysis for contracts awarded on a noncompetitive basis. Each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity. According to CFO Memorandum No. 3 (2014-2015), a cost analysis is required if a competitive solicitation results in less than two responsive bidders to establish competition.

The agreement with Georgia Tech Applied Research Corporation was procured on a non-competitive basis. The contract was executed on May 12, 2016 and the cost analysis was completed on June 8, 2016, after the execution of the agreement. The cost analysis must be prepared timely to demonstrate that the contract was not awarded in excess of the competitive prevailing rate.

FDLE's Response

FDLE agrees the cost analysis was completed after the contract was executed. Procedures will be put into place to ensure all cost analyses are completed prior to the execution of any contract awarded if the competitive solicitation results in less than two responsive bidders.

If you require further information regarding the actual or proposed corrective action, please contact me or Inspector General Lourdes Howell-Thomas at 850-410-7000.



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Attachment

RLS/lht