

# SUNSET AUDIT REPORT

2024-S10

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Bidding Review Board

Purchasing Department

August 7, 2024

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**MUNICIPALITY OF ANCHORAGE**  
**MAYOR SUZANNE LAFRANCE**

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**OFFICE OF INTERNAL AUDIT**

August 7, 2024

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review **Sunset Audit Report 2024-S10, Bidding Review Board, Purchasing Department**. A brief summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Bidding Review Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Bidding Review Board should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

The Bidding Review Board did not have any meetings between January 2023 through June 2024. However, *Anchorage Municipal Code subsection 7.20.130A., Appeals, states that "Any person adversely affected by the provisions of chapters 7.10, 7.15 or 7.20, or regulations promulgated thereunder, or by any acts of the municipality in connection with the award of a municipal contract, may request that the mayor or assembly refer the matter to the bidding review board."* This subsection of Anchorage Municipal Code requires the presence of the Bidding Review Board. Therefore, we recommend that the Bidding Review Board be reauthorized. In addition, we also recommend that the Assembly consider removing the sunset clause for the Bidding Review Board from Anchorage Municipal Code.

The Bidding Review Board will sunset October 14, 2024, unless reauthorized by the Assembly.

Scott Lee  
Acting Director, Internal Audit



MUNICIPALITY OF ANCHORAGE  
MAYOR SUZANNE LAFRANCE

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OFFICE OF INTERNAL AUDIT

August 7, 2024

**Sunset Audit Report 2024-S10**  
**Bidding Review Board**  
**Purchasing Department**

**Introduction.** We have performed a sunset audit of the Bidding Review Board (Board) as required by Assembly Ordinance Number 2011-64(S-1), Section 14 which states:

*“The Municipal Clerk shall notify the Assembly and the Mayor by assembly memorandum at least 120 days prior to the sunset of any board or commission, and an ordinance for reauthorization shall be introduced through the Assembly Chair with the assembly memorandum. The assembly memorandum shall include direction to the Office of Internal Audit to audit the board or commission under Anchorage Municipal Code section 3.20.110 D.3. and 4. The Office of Internal Audit shall report its findings to the Mayor and Assembly at least 60 days, prior to sunset, prior to vote by the Assembly on reauthorization.”*

**Objective and Scope.** The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Board should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Overall Evaluation.** The Bidding Review Board did not have any meetings between January 2023 through June 2024. However, *AMC subsection 7.20.130A., Appeals, states that "Any person adversely*

*affected by the provisions of chapters 7.10, 7.15 or 7.20, or regulations promulgated thereunder, or by any acts of the municipality in connection with the award of a municipal contract, may request that the mayor or assembly refer the matter to the bidding review board."* This subsection of AMC requires the presence of the Bidding Review Board. Therefore, we recommend that the Board be reauthorized. In addition, we also recommend that the Assembly consider removing the sunset clause for the Board from AMC.

## **SUNSET FACTORS**

The following factors were used in our evaluation and are presented for information to the Mayor and Assembly:

**1. Name of Board.**

Bidding Review Board

**2. Sunset Date.**

October 14, 2024

**3. The purpose and goal of the Board.**

*Anchorage Municipal Code (AMC) subsection 4.50.020D., Bidding Review board, states "The bidding review board shall review those proposed contracts of the municipality which may be referred to it by the mayor or the assembly for appropriateness of the award."*

*In addition, AMC subsection 7.20.130A., Appeals, states "Any person adversely affected by the provisions of chapters 7.10, 7.15 or 7.20, or regulations promulgated thereunder, or by any acts of the municipality in connection with the award of a municipal contract, may request that the mayor or assembly refer the matter to the bidding review board."*

**4. Is the Board fully staffed?**

*AMC subsection 4.50.020A. states "There is established a bidding review board consisting of five members including:*

- I. One member from the general public, preferably experienced with bidding activities common to the municipality;*
- 2. One member from a utility board of directors or commission;*
- 3. Two members from the construction and labor industries; and*
- 4. One member from the engineering/professional services industry."*

**Audit Finding.** Currently, the Board is staffed with three of the required five members.

<b><u>Board Member</u></b>	<b><u>Most Recent Assembly Confirmation</u></b>	<b><u>Term Expiration Date</u></b>
Don Winchester (a member from the general public)	11-9-21	10-14-24
Danny Chad Sereyko (a member from a utility board of directors or commission)	5-21-24	10-14-26
Shiel Rae Cernich (a member from the general public)	5-21-24	10-14-26
Vacant		
Vacant		

Source: Assembly Memorandums

**5. Are the terms of the Board members current?**

*AMC section 4.05.040, Terms, states "Except as otherwise specified in this Code, the regular term of each member of a board or commission is three years commencing on October 15 of the year in which appointed and ending three years thereafter on October 14, provided however, to*

*avoid a vacancy until new appointments can be made and confirmed, an appointed member's term is extended until a new appointment is confirmed or a maximum of 120 days which ever occurs first. The terms of initial or subsequent appointments to a board or commission shall be staggered so that, as nearly as possible, a pro rata number of its members shall be appointed each year of the established regular term of office.”*

**Audit Finding.** The terms for the three Board members are current.

6. **Were positions deemed vacant after the maximum number of absences?**

*AMC subsection 4.05.060A., Attendance requirements; vacancies, states “The office of a member of a board or commission member shall become vacant if the member:*

- 1. Ceases to meet the qualifications prescribed for the office;*
- 2. Resigns;*
- 3. Dies;*
- 4. Is judicially determined to be incompetent;*
- 5. Is convicted of a felony;*
- 6. Is removed from office for breach of the public trust; or*
- 7. During any 12-month period while in office:*
  - a. Is absent from three regular meetings without excuse;*
  - b. Is absent from:*
    - i. Six regular meetings; or*
    - ii. Eight regular meetings for members of the planning and zoning commission, urban design commission, platting board, or zoning board of examiners and appeals; or*
  - c. Fails to attend a two-thirds majority of the regular meetings.”*

**Audit Finding.** The Bidding Review Board did not have any meetings between January 2023 through June 2024. As a result, no attendance records were available for our review.

7. **Did the Board meet regularly?**

*AMC section 4.05.090, Meetings, states “A board or commission shall hold regular monthly meetings at such time and place as may from time to time be designated by the board or commission, but meetings need not be held if no business is pending. Boards and commissions shall advise the public of their meeting schedules, or publicly advertise their meetings where necessitated by statutory requirements. The chair of a board or commission, or the municipal employee who is designated as an ex officio member of the board or commission pursuant to section 4.05.140, or a majority of the board or commission, may call a special meeting of the board or commission. Meetings of all boards and commissions shall be open to the public, except for an executive session, or when meeting solely to make a decision on a procedural motion brought by a party in an adjudicatory proceeding, from which the public may be excluded.”*

**Audit Finding.** The Bidding Review Board did not have any meetings between January 2023 through June 2024.

8. **Were minutes taken and published?**

*AMC section 4.05.130, Reports, minutes and public hearing records, states “A board or commission shall keep minutes of the board or commission proceedings, and such minutes shall record the vote of each member physically present upon every question formally presented to the board or commissions for its consideration. The minutes shall be maintained in the custody of the municipal agency which supplies staff support to the board or commission and shall be a public record, open to inspection by any person.”*

**Audit Finding.** The Bidding Review Board did not have any meetings between January 2023 through June 2024. As a result, no meeting minutes were available for our review.

9. **Did meetings have action items or other business?**

*AMC subsection 4.50.020.E states “All actions involving contract disputes before the board shall be recorded electronically. Recommendations for resolution shall be forwarded to the assembly at its next regular or special meeting after final action of the bidding review board. The assembly may require a verbatim transcript of the hearings before the bidding review board and assess expenses against each party for production of the transcript as directed by the assembly. The assembly may limit participation in a matter which has proceeded before the bidding review board to written briefs, providing a verbatim transcript is available for the bidding review board proceedings.”*

**Audit Finding.** From January 2023 through June 2024, the Board did not have any meetings. The Board did not issue any resolution, report, or decisions during the period.