

**Jefferson Parish Office of Inspector General**



# **Security Services Contracting**

**Investigation Report 2022-0038**

**October 25, 2023**

**Kim Raines Chatelain, Inspector General**

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## EXECUTIVE SUMMARY

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The Jefferson Parish Office of Inspector General (JPOIG) initiated an investigation relating to the Parish's contract for security services. The objectives were: (1) to determine if the Parish contracted with a vendor who did not possess the requisite state licenses, and (2) if so, to determine if there were sufficient controls to prevent it. The JPOIG has twice issued public reports related to the Parish's contract for security services. Given this, the investigation considered whether there was a preventable loss or avoidable risk had the Parish acted on the JPOIG's findings and recommendations in its two previous reports.

Security services are nonprofessional services. Nonprofessional services present unique risks because services are more difficult to quantify than goods. These risks can create the opportunity for one or more vendors to inadvertently, or even knowingly, receive preferential treatment. Jefferson Parish established a Request for Proposal (RFP) process via ordinance to procure nonprofessional services. The goal of the RFP process is to procure nonprofessional services with a provider most advantageous to the Parish considering the quality of services.

The investigation examined the qualifications of New Era Information Technologies, L.L.C. (New Era) who provided security services to the Parish since 2015. The investigation also re-examined past contracts with New Era for security services as well as advertised RFPs for security services. We reached the following findings:

1. The Parish Council approved a contract(s) with a vendor, New Era, who did not possess the required state license, because (1) services were not procured via RFP as required by ordinance, and (2) where services were procured via RFP, the RFP was not properly prepared.
2. An unqualified proposer, New Era, was recommended for selection by the Parish Council, because proposals were not evaluated on specific required experience and technical expertise.
3. The Parish Council selected a contractor where there was no proper disclosure of a subcontractor, because (1) services were not procured via RFP as required by ordinance, and (2) where services were procured via RFP, information provided in the proposals was not validated.

The JPOIG recommends the Parish Council amend JPCO §2-895 which requires the RFP be "used to obtain nonprofessional service(s)" to ensure the Parish Council does not and cannot circumvent this control.

The JPOIG recommends the Parish Administration, and specifically the Parish Attorney's Office and Purchasing Department:

1. Create a process to systematically review RFPs prior to advertisement to ensure minimum qualifications comply with applicable laws;
2. Create a process to systematically review negotiated contracts to ensure terms support compliance with applicable laws;

3. Develop evaluation criteria which specifically correlates to the qualifications advertised in the RFP; and
4. Review existing forms relied upon by the Purchasing Department and modify forms to ensure the forms support compliance with JPCO §2-923.

In its previous investigative report, JPOIG #2016-0006, which was provided in draft to the Parish on 11/02/2016 and published on 08/10/2017, the JPOIG found the “Method of Procurement violated Parish Ordinances” and “Significant deficiencies in controls over the RFP and contracting process.” The JPOIG recommended a procurement and legal review process to ensure they meet established requirements. In this report, the JPOIG makes the same or substantially similar recommendation.

In its previous audit report, JPOIG #2017-0027, which was provided in draft to the Parish on 10/24/2019 and published on 04/23/2020, the JPOIG found “Lack of Adequate Contract Oversight,” “Inadequate Support for Invoices” and no “Subcontractor Agreements” related to New Era’s contracts for security services. The JPOIG recommended all approved Parish contracts should require the prime contractor to provide evidence of a written subcontract agreement prior to the subcontractor engaging in any work.

Had the Parish chosen to take corrective action based upon the JPOIG’s findings and recommendations in its previous reports, the current findings may have been resolved or harm mitigated.

## BACKGROUND

### Acronyms

JPOIG	Jefferson Parish Office of Inspector General	PAO	Parish Attorney's Office
LSLBC	Louisiana State Licensing Board for Contractors	RFP	Request for Proposal

The Jefferson Parish Office of Inspector General (JPOIG) initiated an investigation into whether the Parish contracted with a vendor, New Era Information Technologies, L.L.C. (New Era), to provide security services when New Era did not possess the requisite state licenses. This investigation was initiated after receiving information from the Louisiana State Licensing Board for Contractors (LSLBC).

Beginning in 2015, New Era provided security services to Jefferson Parish (Parish), i.e., card access, cameras, and related audio, video, and computer equipment. The JPOIG issued two public reports on related issues: a 2017 investigative report and 2020 audit report which were titled *Security Services Contracting*.<sup>1</sup> The Parish first contracted with New Era to provide security services without engaging in a competitive proposal process as required by Parish ordinance.<sup>2</sup> This was the subject of the JPOIG investigative report, JPOIG #2016-0006. Later, the JPOIG audited New Era invoices to the Parish for security services and discovered that security services were performed by another contractor, VEC Solutions, LLC, whose work New Era billed to the Parish with a mark-up for New Era. This was the subject of the JPOIG audit report, JPOIG #2017-0027. Given this is the JPOIG's third report related to New Era's contract for security services, the investigation considered if there was a preventable loss or avoidable risk had the Parish adopted the recommendations and remedied the JPOIG's findings in its two previous reports.

### 1. Procuring Security Services

Security services are nonprofessional services.<sup>3</sup> The Parish established a Request for Proposal (RFP) process by local ordinance to obtain nonprofessional services.<sup>4</sup> The goal of the RFP process is to procure nonprofessional services with a provider most advantageous to the Parish considering

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<sup>1</sup> JPOIG #2017-0027, *Security Services Contracting*, [www.jpoig.net/images/Combined\\_Security\\_Services\\_Contracting\\_PUBLIC-FINAL.pdf](http://www.jpoig.net/images/Combined_Security_Services_Contracting_PUBLIC-FINAL.pdf) and JPOIG #2016-0006, *Security Services Contracting*, [www.jpoig.net/images/Combined\\_Public\\_Report.pdf](http://www.jpoig.net/images/Combined_Public_Report.pdf)

<sup>2</sup> JPCO §2-895.

<sup>3</sup> JPCO §2-895. *See also* JPCO Chapter 2, Article VII, Division 3.1.

<sup>4</sup> JPCO §2-895.

the period of performance, type of agreement, price, and quality of services.<sup>5</sup> All RFPs shall include: (1) a defined description of the item(s) and/or services to be procured; (2) mandatory requirements; (3) desired experience; (4) staff capability; and (5) other essential information.<sup>6</sup> The RFP is advertised under the authority and at the direction of the Jefferson Parish Council (Council) via resolution.<sup>7</sup> Proposals are received, and responsive proposals are evaluated by an Evaluation Committee.<sup>8</sup> Evaluation results are communicated to the Council who, by resolution, selects the vendor to perform the services and authorizes a contract.<sup>9</sup> See Figure 1 below.

*Figure 1 Request for Proposal Process*



### **2012 RFP 248**

On 01/25/2012, the Council passed Resolution #118298 authorizing an RFP (RFP 248) which sought proposals for Security Access Hardware and Software System and Maintenance (Security Services).<sup>10</sup> There were two proposers: Stanley Convergent Security Solutions, Inc. and Convergent Technologies, LLC. The proposers were evaluated and scored.<sup>11</sup> On 05/09/2012, the Council passed Resolution #118825 selecting Stanley, and a contract was later negotiated.<sup>12</sup>

The Parish's contract with Stanley expired on 03/02/2016.

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<sup>5</sup> JPCO §2-895.

<sup>6</sup> JPCO §2-895 (3).

<sup>7</sup> JPCO §2-895 (4).

<sup>8</sup> JPCO §2-895 (7).

<sup>9</sup> JPCO §2-895 (8)-(9). The Parish Council authorizes the negotiation of a contract with selected vendor. Once the terms of the contract have been negotiated with the successful vendor, the Council, by resolution, authorizes the contract.

<sup>10</sup> On that same date, 01/25/2012, the Council also passed Resolution #118301 which authorized RFP 249 that sought proposals for Information Systems. Proposals were received and evaluated. New Era submitted a proposal, and New Era was selected via Resolution # 119212 on 07/25/2012. The terms and conditions of the contract were negotiated. On 09/19/2012, Resolution # 119541 was passed authorizing a two-year contract with New Era for Information Systems. The scope of this contract with New Era was "to provide supplemental computer services to support the MIS and GIS Divisions of the Electronic Information Systems Department." This included management of portions of MIS operations and projects, such as assisting MIS staff with network and PC issues, creating and implementing software applications, coordinating WAN connections, designing and implementing network configurations, and reviewing facility wiring with electrical and building contractors. During relevant time periods, New Era had a contract with the Parish for Information Systems.

<sup>11</sup> Appendix A. RFP 248 Scoring. Convergent Technologies, LLC received a score of 270 and Stanley Convergent Security Solutions, Inc. received a score of 260 on technical qualifications. Stanley was the lower price proposal.

<sup>12</sup> The terms and conditions of the contract were negotiated, and on 08/08/2012, the Council passed Resolution #119369 authorizing a three-year contract with Stanley for a sum not to exceed \$2,367,456. On 08/12/2015, Resolution # 125434 was passed authorizing an amendment to the Stanley contract, extending the term for an additional six months at a cost not to exceed \$82,513.50.

## **2015**

On 12/09/2015, the Council passed Resolution #126174 authorizing an amendment to an existing Parish contract with New Era.<sup>13</sup> The Parish amended the existing information systems contract with New Era to incorporate Security Systems services.<sup>14</sup>

## **2016 RFP 345**

In 2016, the Parish engaged the RFP process again for Security Systems. On 04/20/2016, the Council passed Resolution #126945 which authorized an RFP (RFP 345) for Security Systems. The proposers were evaluated and scored.<sup>15</sup> On 10/05/2016, the Council passed Resolution #127934 selecting New Era. The terms and conditions of the contract were negotiated, and on 11/02/2016, the Council passed Resolution #128149 authorizing a three-year contract with New Era, 12/05/2016 to 12/04/2019.<sup>16</sup>

## **2022 RFP 430 (CANCELLED)**

On 09/15/2021, the Council passed Resolution #138292 which authorized an RFP (RFP 430) for Security Systems. There were two proposers: New Era Technologies, LLC and In-Telecom Consulting, LLC. The proposers were evaluated and scored.<sup>17</sup> New Era scored the highest, but the Council voted to cancel RFP 430 on 02/16/22.<sup>18</sup>

## **2022 RFP 443**

On 07/27/2022, the Council passed Resolution #140122 authorizing an RFP (RFP 443). There were four proposers: New Era Technologies, LLC, In-Telecom Consulting, LLC, Convergent Technologies, LLC, and VEC Solutions, LLC. The proposers were evaluated and scored.<sup>19</sup> On 10/26/2022, the Council passed Resolution #140637 which awarded the contract to In-Telecom Consulting, LLC, who received the highest technical score. New Era received the lowest technical score.

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<sup>13</sup> Appendix B. Resolution #126174

<sup>14</sup> On 12/09/2015, Council passed Resolution #126174 authorizing the contract with New Era at an annual cost of \$794,125. The scope of work subject to the amended contract with New Era was the same scope of work previously procured through an RFP process, e.g., RFP 248.

<sup>15</sup> Appendix C. RFP 345 Scoring.

<sup>16</sup> New Era contract had value not to exceed \$2,905,688. The contract was extended, and a contract cap increased and expired with the signing of a new vendor In-Telecom on 12/01/2022. Contract cap was increased to \$3.2M by Resolution #134345 on 09/18/2019. Contract was increased by \$968,563 and extended one year by Resolution #134556 on 10/23/2019. Resolution #136807 approved a “New Agreement” with New Era for Security Systems on 12/09/2020 with a termination date of 12/04/2021, or when a new contract is in effect. Resolution #138548 extended the contract to 03/01/2022 on 11/10/2021. Resolution #139346 approved a “Second New Agreement” with New Era for Security Systems with an expiration date of 12/31/2022, or when a new contract is in effect, and the addition of \$157,000 on 03/23/2022.

<sup>17</sup> Appendix D. RFP 430 Scoring.

<sup>18</sup> Before the Council took a vote on Agenda Item No. 1 in the Professional Services section of the 02/16/22 Council Meeting, Councilperson Scott Walker stated, “The scoring system and the way the products were bid on and the differences in the amounts and the differences in scoring, that didn’t add up for the totality of what we need.” <https://jeffersonparishla.new.swagit.com/play/191969/6>

<sup>19</sup> Appendix E. RFP 443 Scoring.

Figure 2 Parish's Method of Procuring Security Services

	Advertise	Evaluate/Rank	Select	Contract
2012 RFP 248	Resolution #118298	1. Convergent Security, Score <u>270</u> 2. Stanley Convergent, Score <u>260</u>	Resolution #118825	Resolution #119369
2015				Resolution #126174
2016 RFP 345	Resolution #126945	1. New Era, Score <u>371</u> 2. Johnson Controls, Score <u>343</u> 3. Convergent, Score <u>322</u> 4. Homeland, Score <u>201</u>	Resolution #127934	Resolution #128149
2022 RFP 430	Resolution #138292	1. New Era, Score <u>296</u> 2. In-Telecom, Score <u>283</u>	Cancelled on 2/16/22	
2022 RFP 443	Resolution #140122	1. In-Telecom, Score <u>353</u> 2. Convergent, Score <u>312</u> 3. VEC, Score <u>333</u> 4. New Era, Score <u>294</u>	Resolution #140637	Resolution #140824

## 2. Qualifications for Security Services

The RFP process requires specific evaluation criteria be crafted to measure how well a proposer meets the desired performance requirements:

- a. *Evaluation criteria.* Specific evaluation criteria shall be developed and stated in the RFP, considering the goal of the RFP process stated in section (1) above, and the foregoing elements of the RFP. Said evaluation criteria shall be crafted to measure how well a proposer's approach meets the desired performance requirements, and which permit analysis of whether the proposer's methodology meets the minimum stated performance standards, considering required technical expertise and experience, and managerial capability. A scoring system shall be devised to be impartially applied to each proposal.<sup>20</sup>

Between RFPs advertised in 2012 and 2016, mandatory requirements were added. The following table compares mandatory qualifications between RFP 248 and RFP 345 advertised in 2012 and 2016 respectively, noting that New Era was providing security services in 2015 under the amended contract.

<sup>20</sup> JPCO §2-895(3).

*Table 1 Comparison of RFP 248 to RFP 345*

Mandatory Requirements	2012 RFP 248	2016 RFP 345
Experience	Experienced at providing systems similar in nature and complexity.	Same
		5 years providing maintenance and support of similar size.
	Access Control and Closed Circuit Television systems provider in Jefferson Parish at a minimum of 5 years	Same
License(s)	Contractor license per R.S. 37:2150-2163, Commercial License Certificate - Security	Qualifications may be met through subcontractor
	License by state or local jurisdiction to perform security work.	Licensed contractor in State of LA
Certification	Lenel Certified Technician	Microsoft Certified Engineer on local staff
		Frontier Security System, dealer, minimum 5 technicians
Parts/Equipment	Shall carry complete stock of parts. Parish reserves right to inventory	Maintain fully staffed and equipped service facility

After an RFP is advertised, interested proposers may submit questions to the Purchasing Department. In the event that answers to questions materially change or substantially clarify the RFP, the Purchasing Department issues formal addenda to the RFP.<sup>21</sup>

Questions asked after RFP 345 were advertised and resulted in several addenda relating to mandatory qualifications.<sup>22</sup> Addendum #4 dated 07/18/2016 Attachment “B” – Part 2, Maintenance Proposal and Contractor Specifications, amended qualifications to permit a proposer

<sup>21</sup> JPCO §2-895(5).

<sup>22</sup> Addendum #2 dated 07/08/2016, resulted in a revised Part B and Part C of RFP. Addendum #3 dated 07/18/2016 answered specific questions, including why the need for a Microsoft certified technician. Finally, Addendum #4 dated 07/18/2016 revised Part B of RFP.

to qualify based upon a sub-contractor' licensing and qualifications:

- B. The SECURITY CONTRACTOR *or sub-contractor* shall have been in business as electronic Access Control and Closed Circuit Television systems provider in Jefferson Parish for a minimum of 5 years...
- D. At time of proposal submission, the SECURITY CONTRACTOR *or sub-contractor* shall be licensed by the state or local jurisdiction to perform security work within the state...

This change to qualifications again appears in 2021 when the Council passed Resolution #138292 resulting in RFP 430 for Security Systems. The Council voted to cancel the RFP after the Parish received responses.<sup>23</sup> Later, the Council passed Resolution #140122 resulting in RFP 443.<sup>24</sup> The following table compares mandatory qualifications between RFP 430 and RFP 443.

<i>Table 2 Comparison of RFP 430 to RFP 443</i>		
Mandatory Requirements	2022 RFP 430	2022 RFP 443
Experience	Minimum of 5 years providing maintenance and support of similar sized systems.	Same
	<i>Or subcontractor</i> , have been in business as electronic Access Control Closed Circuit Television systems provider in Jefferson Parish for a minimum of 5 years.	<i>And subcontractor</i> , have been in business as electronic Access Control Closed Circuit Television systems provider in Jefferson Parish for a minimum of 5 years.
	<i>May satisfy qualifications through use of subcontractor</i>	
License(s)	Contractor license per R.S. 37:2150-2163, Commercial License Certificate – Security	<i>And sub-contractor</i> , possess a Contractor license...
	Licensed commercial contractor in the State of Louisiana	<i>And sub-contractor</i> , licensed commercial contractor in the State of Louisiana

<sup>23</sup> Responses were received from two proposers: New Era Technologies, LLC and In-Telecom Consulting, LLC. The proposers were evaluated and scored. New Era scored the highest, but the Council voted to cancel RFP 430 on 02/16/22.

<sup>24</sup> Resolution #140122 dated 07/27/2022. In the intervening time, the Council passed Resolution #139346 extending the current security services contract with New Era until 12/31/2022.

### **3. New Era's Contracts for Security Services**

In 2015, the Parish contracted with New Era to provide security services by amending an existing contract with New Era to provide information technologies services (IT).<sup>25</sup> Because the Parish did not engage in an RFP process, New Era was not subject to the evaluation criteria previously set for persons interested in providing security systems services, to include whether New Era possessed the necessary license to perform the work or the anticipated experience. In essence, the Parish substituted a non-competitive contract amendment in lieu of a competitive RFP process. In doing so, the Parish effectively shifted work previously awarded competitively to Stanley Security in 2012 to New Era without competition.

In August 2017, the JPOIG published results of an investigation related to the scope of work permitted for New Era under an amendment.<sup>26</sup>

In 2016, the Parish selected New Era based upon its submitted proposal to RFP 345. In an audit of New Era's contract with the Parish for security services, the JPOIG learned New Era contracted with VEC for the equipment acquisition and installation. VEC maintained all job cost and equipment purchasing records. New Era invoiced the Parish for work performed by VEC, passing along VEC's invoices plus a marked up of approximately twenty-two (22%) percent.<sup>27</sup>

### **4. LA State Licensing Board for Contractors Adjudication, #2022-1106**

The LA State Licensing Board for Contractors (LSLBC) opened an inquiry on New Era based upon information that New Era did not possess the requisite state licenses to perform the scope of work under a contract for Jefferson Parish. LSLBC considered whether there were violations under the state statutes which fall under the jurisdiction of the LSLBC relating to the:

- Willful misrepresentation of fact by an applicant in obtaining a license;
- Engaging or continuing to engage in the business of contracting, or to act as a contractor without an active license as a contractor; and
- Submitting a bid for a type of construction for which one does not hold an active license to perform.

On 10/20/2022, the LSLBC accepted New Era's no contest plea and assessed a civil penalty of \$4,000 plus \$1,000 in administrative fees for engaging in the business of contracting without a contractor's license.

### **5. VEC Lien**

VEC Solutions, L.L.C. filed a subcontractor's lien and statement of claim affidavit with the Jefferson Parish Clerk of Court and Recorder of Mortgages (dated 06/30/2022 and recorded 07/01/2022). According to the notarized affidavit accompanying the lien, VEC claimed New Era's project qualified as a Public Contract under La. R.S. 38:2241 *et. seq.* and was performed on property

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<sup>25</sup> The IT contract was awarded to New Era subsequent to a separate and unique RFP. See footnote above. Resolution #118301 dated 01/25/2012 authorizing RFP 249.

<sup>26</sup> JPOIG #2016-0006 *Security Services Contracting in 2015*, p.15.

<sup>27</sup> JPOIG #2017-0027 *Security Services Contracting*, p. 12.

belonging to the Parish. VEC claimed to be owed \$281,505 for security system servicing, repair maintenance and replacement services and materials furnished to New Era in connection with New Era's contract with the Parish.

VEC and New Era reached an agreement which resolved the lien. A Release by Obligee of Record of an Unparaphed Obligation was filed on 08/05/2022 listing VEC as "the obligee of record of the mortgage or privilege...when the mortgage or privilege made by New Era was partially paid, extinguished, or otherwise satisfied," according to the filing.<sup>28</sup>

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<sup>28</sup> This document states that a part of the obligation secured by the mortgage or privilege is released and directed the Clerk of Court and Recorder of Mortgages to cancel the recordation of the mortgage or privilege, instrument dated 06/30/2022. This document states that VEC reserves all rights to collect all unpaid amounts.

## FINDING #1: Parish Contracted with Unlicensed Vendor

Beginning in December 2015 and continuing through December 2022, the Parish contracted with New Era to provide security systems services:

Provide equipment as needed to replace existing equipment which may become non-operational on an existing Lenel Access Control Hardware/Software (ACHS) and an Identification Management System Security System consisting of, but not limited to, Access Control Hardware/Software (ACHS), card swipe with and without code access, audio and/or visual equipment, computer equipment (hardware and software) and an Identification Management System including printers, cameras, access cards, and all associated primary and peripheral equipment needed to provide a full security system....<sup>29</sup>

During this time, New Era did not possess a “Commercial” license.



Finding #1: The Parish Council approved a contract(s) with a vendor to perform work from 2016 through 2022 who did not possess the required state contractor licenses.

### Criteria:

La.R.S. 37:2150.1 defines contractor to be any person who undertakes to, attempts to, or submits a price or bid or offers to construct, supervise, superintend, oversee, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down, furnishing labor, or furnishing labor together with material or equipment, or installing material or equipment.

La.R.S. 37:2158 provides that no person may engage in the business of contracting, or act as a contractor as defined, unless he holds an active license as a contractor.

La.R.S. 37:2161 provides that any person who performs, attempts to perform, or submits a price, bid, or offer to perform work in construction management whose scope of authority and responsibility include supervision, oversight, direction, or in any manner assumes charge for the construction services provided in which the value of the project is in excess of fifty thousand dollars for a commercial construction project, shall possess a license from the board.

La.R.S. 37:2165 provides that only contractors who hold an appropriate active license be awarded contracts either by bid or through negotiation. All architects, engineers, and awarding authorities shall place in their bid specifications the requirement that a contractor shall certify that he holds an active license.

<sup>29</sup> Appendix F. New Era IT Contract Amendment #2.

For work classified as security by the LSLBC, a contractor's license is required for jobs over \$10,000 in price.<sup>30</sup>

### **Why This Finding Matters:**

The purpose of the Contractors Law, La. R.S. 37:2150 *et seq*, is to protect the safety of those persons dealing with contractors, and the affording of such persons of an effective and practical protection against incompetent, inexperienced, unlawful, and fraudulent acts of contractors with whom they contracted. Unlicensed contractors may not possess the necessary skills or competencies to fully meet the terms of a contract exposing the Parish to the risk of needing a second contractor to finish and/or correct deficiencies in work.

### **Causes:**

#### **Cause No. 1: Council approved contract with New Era for security services via amendment to computer services contract which bypassed the RFP process.**

In 2015, the Parish contracted with New Era for security services via an amendment to a pre-existing contract without a competitive process and without regard for requisite licenses to perform the work. Resolution #126174 approving the amendment to the contract was placed on the Council agenda at the request of the Administration.<sup>31</sup> The Council approved the amendment. We cannot determine if the Council was advised or informed about requisite state licensing or state statutes affecting the contract before approving it.

#### **Cause No. 2: Purchasing and General Services did not properly prepare RFP 345 because it allowed the subcontractor to meet the commercial contractor's license requirement.**

Each RFP for security systems services, as early as 2012 and as late as 2022, required the proposers possess a "Commercial" license per R.S. 37:2150 *et seq*. In 2012, RFP 248 required contractor to possess a license pursuant to La.R.S. 37:2150 *et seq*. However in 2016, RFP 345 permitted the contractor to satisfy "Minimum Requirements" through "the use of a subcontractor."<sup>32</sup> The permitted substitution of a subcontractor's qualifications for that of a contractor was repeated in later RFP until 2022.<sup>33</sup> This permission was incorporated into the RFP without regard to the mandates of state law, such as La. R.S. 37:2165(A)(4).

When New Era responded to RFP 345, New Era provided VEC's license for "Electrical Work" issued by the State Licensing Board for Contractors. New Era was scored based upon VEC's ability to meet the qualification for licensing and not New Era's.

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<sup>30</sup> [https://lsbc.louisiana.gov/wp-content/uploads/cib/cib\\_com\\_fire\\_marshall.pdf](https://lsbc.louisiana.gov/wp-content/uploads/cib/cib_com_fire_marshall.pdf)

<sup>31</sup> Appendix B. Resolution #126174.

<sup>32</sup> Appendix G. RFP 345, 1.4 Proposer Minimum Qualifications.

<sup>33</sup> On 05/11/2022, the Council passed Ordinance No. 26417 amending sections of JPCO 2-895 relating to (1) substantive changes to Statement of Scope of Work; (2) submission of affidavits; (3) technical proposals; and (4) selection and award. The Council approved a contract with an unlicensed vendor because (1) the Council amended an existing contract with an entirely different scope; and (2) departments' interpreted RFP to permit substitution of subcontractor qualifications for that of contractor. Therefore, the amendments made would not cure issues identified in this investigation.

**Recommendation to Council:**

The JPOIG recommends the Council amend JPCO §2-895 which requires the RFP process “shall be used to obtain nonprofessional service(s)” to ensure the Council does not and cannot circumvent the control via amendment to an existing contract to include scope of services which have not been obtained subsequent to an RFP.

**Recommendation to Administration:**

The JPOIG recommends the Administration create a systematic review of RFPs prior to advertisement to ensure minimum qualifications meet mandates of applicable local, state, and federal laws. The Administration, through or in consultation with the Parish Attorney, should develop a process to ensure a systematic review of negotiated contracts to ensure compliance with applicable local, state, and federal laws. Developing a systematic review may involve various subject matter experts throughout Parish government who possess requisite knowledge of mandatory professional licenses, insurance, and other compliance issues that are customary within Parish contracts.

**Prior JPOIG Findings & Recommendations:**

In its previous investigative report, JPOIG #2016-0006, which was provided in draft to the Parish on 11/02/2016 and published on 08/10/2017, the JPOIG found “Method of Procurement violated Parish Ordinances” and “Significant deficiencies in controls over the RFP and contracting process.” The JPOIG recommended:

Jefferson Parish should establish a procurement and legal review process for all potential contracts and amendments to ensure that they meet all established legal procurement requirements prior to council review and approval.

The past Administration (under Parish President Mike S. Yenni) agreed in part and disagreed in part with the JPOIG findings and recommendations. Had the Parish chosen to implement corrective action based upon the JPOIG’s findings and recommendations in its investigative report, the current findings may have been resolved or harm mitigated.<sup>34</sup>

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<sup>34</sup> JPCO §2-890(a) requires the Parish Attorney to certify that “the parish attorney’s office has reviewed the proposed contract and that the proposed contract complies with legal requirements for such contract under federal, state, and parish laws.” Parish Attorney Michael J. Power certified that the amended contract with New Era satisfied federal, state and parish law on 02/12/2016 when the scope of services were previously procured via RFP. Parish Attorney Michael J. Power certified that the contract with New Era procured subsequent to RFP 345 satisfied federal, state, and parish law on 11/02/2016. Each certification contained disclaimers, i.e., that the office “has not reviewed any technical specifications of any contract and this certification applies only to the legal terms of the contract.” JPCO §2-890 appears to serve as a control to ensure compliance. However, in practice it does not.

## FINDING #2: Unqualified Proposer Recommended to Council

On 04/20/2016, the Council passed Resolution #126945 resulting in RFP 345. New Era responded and received the highest technical score. On 11/02/2016, the Council passed Resolution #128149 for a three-year contract with New Era.

On 09/15/2021, the Council passed Resolution #138292 resulting in RFP 430. New Era responded and received the highest technical score. On 02/16/2022, the Council cancelled RFP 430.

New Era received the highest technical score twice but was unqualified.



Finding #2: Evaluation Committee recommended unqualified proposer, New Era, for selection by Council.

### Criteria:

JPCO §2-895 states the following:

- (3) *Preparation and elements of the RFP.* The RFP as prepared shall include, but not be limited to: (i) a defined description of the item(s) and/or service(s) to be procured, termed a “statement of work” or “scope of service”; (ii) the specific time and date after which proposals will not be accepted; (iii) mandatory requirements – a defined description of the documents or information necessary to verify the mandatory requirements; (iv) desired experience in the line of work or service under consideration (with requested references); (v) staff capability with resumes requested from key individuals who will complete work or provide service under any ensuing agreement; (vi) essential information including, but not limited to, delivery dates, critical timeframes within which work must be completed and specific terms and conditions applicable to the RFP; and (vii) the specific evaluation criteria that will be used to evaluate the proposals.
  - a. *Evaluation criteria.* Specific evaluation criteria shall be developed and stated in the RFP, considering the goal of the RFP process stated in section (1) above, and the foregoing elements of the RFP. Said evaluation criteria shall be crafted to measure how well a proposer’s approach meets the desired performance requirements, and which permit analysis of whether the proposer’s methodology meets the minimum stated performance standards, considering required technical expertise and experience, and managerial capability. A scoring system shall be devised to be impartially applied to each proposal.
- (6) *Response(s) to RFP...*
  - c. An affidavit by the proposer identifying any and all subcontractors, and/or persons, excluding full-time employees, who may assist in providing the item(s) and/or services under any ensuing RFP agreement...

- (7) *Evaluation and evaluation committee.* Timely received proposals shall be individually evaluated by the RFP evaluation committee based upon the approved evaluation criteria defined in the advertised RFP. The step-by-step evaluation and the stated objective of the RFP evaluation is to insure that all proposals receive impartial and equitable consideration...
- a. *Reporting.* The secretary of the RFP evaluation committee shall prepare and forward to the Jefferson Parish Council a memorandum identifying the responsive and nonresponsive proposals, identifying the responsible and nonresponsible proposers, and explaining the rationale for the scores assigned...

**Why This Finding Matters:**

The failure to develop specific criteria can result in an unqualified proposer receiving a high technical score, i.e. New Era receiving the highest technical score notwithstanding its proposal revealed that New Era did not meet mandatory qualifications. Further, the absence of specific technical criteria leaves the procurement process susceptible to the subjective determinations of Evaluation Committee members and increased risk of fraud, manipulation, and undue influence.

**Cause:**

**The Parish failed to develop criteria specific to the RFP to evaluate proposer’s required experience and technical expertise.**

A review and comparison across the security services RFPs shows that the Evaluation Criteria published in the RFP is the same evaluation criteria used to score the proposals. However, the Evaluation Criteria was not sufficiently specific to desired experience and qualifications advertised in the RFP to support a step-by-step equitable evaluation of proposer’s ability to deliver services.

Beginning with RFP 345, the technical evaluation criteria against which proposers were scored were:

*Table 3 RFP 345 Scoring Criteria*

Scope of Service	10
Product Quality	10
Project Schedule	10
Specific Experience – similar or larger scope of services currently being provided	15
Personnel – experience of management staff, experience in similar projects, etc.	10
Audiovisual Services Capabilities – amount of available full-time, part-time or temporary employees, etc.	10
Responsiveness to the RFP	5
Financial Profile of Company	5

There were four proposers to RFP 345: (1) New Era Information Technologies, LLC; (2) Johnson Controls, Inc.; (3) Covergint Technologies, LLC; and (4) Homeland Safety Systems, Inc. Applying the above criteria, New Era received the highest technical score of 371 while Johnson Controls and Convergint received 343 and 322, respectively.

However, there is no discernable documentation to relate the above criteria to desired experience and qualifications advertised. The JPOIG identified the following desired experience and qualifications from RFP 345 and compared it against New Era’s proposal to the Parish:

Table 4 New Era Responses to RFP 345

RFP 345	New Era Response	Qualified
Experience at providing systems similar in nature and complexity to the project.	New Era <b>did not</b> demonstrate experience providing security services of similar in nature and complexity to the project, it had experience with computer services.	<b>NO</b>
Minimum of 5 years providing maintenance and support of similar sized systems.	New Era <b>did not</b> possess a minimum of 5 years providing maintenance and support of similar systems, it relied solely on experience of VEC.	<b>NO</b>
Has been in business as Electronic Access Control Closed Circuit Television systems provided in Jefferson Parish for a minimum of 5 years.	New Era <b>was not</b> responsive to business as Electronic Access Control Closed Circuit Television systems provided in Jefferson Parish for a minimum of 5 years.	<b>NO</b>
Possesses a Louisiana State Licensing Board Contractors “Commercial” license per R. S. 37:1250-2163 in the classification of Security.	New Era <b>did not</b> possess a Louisiana State Licensing Board Contractors “Commercial” license per R. S. 37:1250-2163 in the classification of Security, it provided VEC’s contractor’s license in the classification of Electrical.	<b>NO</b>
Licensed contractor in the State of Louisiana.	New Era <b>was not</b> a licensed contractor in the State of Louisiana.	<b>NO</b>
Have a Microsoft Certified Engineer on local staff.	New Era had a Microsoft Certified Engineer on local staff.	<b>YES</b>
Authorized Frontier Security System dealer or proposed system of minimum of 5 technicians.	New Era <b>was not</b> an Authorized Frontier Security System dealer or proposed system of minimum of 5 technicians (It provided a letter from Frontier to VEC).	<b>NO</b>

Maintain fully staffed and equipped service facility.	New Era provided 13 resumes for staff, and 8 of them were VEC employees.	<b>IN PART</b>
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Had New Era’s proposal been evaluated under the specific technical criteria advertised in the RFP, i.e., the criteria stated above, the Parish could have learned that New Era did not satisfy the desired experience.

Conversely, had proposals submitted by Johnson Controls, Convergent, and Homeland been evaluated under the specific criteria advertised in the RFP, i.e., the criteria stated above, the Parish could have learned that Johnson Controls and Convergent each provided specific references demonstrating experience with security services on projects of similar complexity. Johnson Controls’ proposal demonstrated as much as 10 years of experience, including providing comparable services at Louisiana State buildings. Both Johnson Controls and Convergent held licenses issued by the State Board of Contractors in their respective names and had offices within 50 miles.

Continuing with RFP 430, the technical evaluation criteria was the same criteria used for RFP 345, except that product quality was removed as a criteria:

*Table 5 RFP 430 Scoring Criteria*

Scope of Service	10
Project Schedule	10
Specific Experience – similar or larger scope of services currently being provided	15
Personnel – experience of management staff, experience in similar projects, etc.	10
Audiovisual Services Capabilities – amount of available full-time, part-time or temporary employees, etc.	10
Responsiveness to the RFP	5
Financial Profile of Company	5

There were two proposers to RFP 430: (1) New Era Information Technologies, LLC and (2) In-Telecom Consulting, LLC. Applying the above criteria, New Era again received the highest technical score of 396 while In-Telecom received 382.

The technical criteria used to evaluate proposers to RFP 430 was not substantially changed from 345. Therefore, had New Era’s proposal been evaluated under the specific criteria advertised in the RFP, then the Parish could have learned that New Era did not demonstrate the experience or capacity to perform the work, which the Parish was informed, because VEC’s contractor’s license

was provided in lieu of New Era’s contractor’s license. New Era was relying upon another, VEC, to perform the work.

RFP 430 was cancelled by the Council. The Council authorized the advertisement of RFP 443. RFP 443 used substantially the same technical criteria used for RFP 345 and RFP 430, with the exception of the addition of “Innovative Concepts:”

*Table 6 RFP 443 Scoring Criteria*

Scope of Service	10
Project Schedule	10
Specific Experience – similar or larger scope of services currently being provided	10
Personnel – experience of management staff, experience in similar projects, etc.	10
Innovative Concepts	15
Audiovisual Services Capabilities – amount of available full-time, part-time or temporary employees, etc.	10
Responsiveness to the RFP	5
Financial Profile of Company	5

Notably, “Specific Experience” previously represented 15 points. In RFP 443, “Specific Experience” was lowered to 10 points. “Innovative Concepts” was added and valued at 15 points. Again, there is no discernable documentation to relate the above criteria or changes in criteria to desired experience and qualifications advertised in the RFP.

There were four proposers to RFP 443: (1) New Era Information Technologies, LLC; (2) In-Telecom Consulting, LLC.; (3) Covergint Technologies, LLC; and (4) VEC Solutions, LLC. Applying the above criteria, In-Telecom Consulting, LLC received the highest technical score of 353. VEC Solutions, LLC, who had been performing the work for the Parish for the past 5+ years via the Parish’s contract with New Era, received the second highest technical score of 333. Finally, New Era received the lowest technical score of 294.<sup>35</sup>

The specific criteria advertised in the RFP 443 was not substantially changed from 345 and 430. There is no discernable rationale for New Era to have scored so low in RFP 443 compared to its scores in RFP 345 and 430. Stated in the alternative, there is no discernable rationale for New Era to have scored so highly in RFP 345 and 430.

<sup>35</sup> See Figure 2 for all proposers’ scores on p. 6.

**Recommendation to Administration:**

The Purchasing Department, in consultation with the Parish Attorney and requesting department, should develop evaluation criteria which specifically correlates to the qualifications advertised in the RFP. Specific criteria should support an objective and transparent assessment of proposers' responsiveness and qualifications.

### FINDING #3: No Proper Disclosure of Subcontractor

On 12/09/2015, the Council passed Resolution #126174 authorizing an amendment to the contract with New Era. In connection with the amendment, New Era submitted an affidavit identifying *VEC Solutions* as an “approved subcontractor.”<sup>36</sup> *VEC Solutions* was not an approved subcontractor. The amendment resulted in a contract with New Era, 12/9/2015-12/05/2016, at an annual cost of \$794,125.<sup>37</sup>

On 10/05/2016, the Council passed Resolution #127934 selecting New Era to provide security systems services subsequent to an RFP process, RFP 345. New Era’s proposal incorporated qualifications of *VEC* employees. New Era did not accurately identify *VEC* as a subcontractor or joint proposer or specify which tasks *VEC* would perform. The RFP process resulted in a three-year contract with New Era, 12/05/2016 to 12/04/2019, with a value not to exceed \$2,905,688.<sup>38</sup>



Finding #3: Parish Council selected contractor where there was no proper disclosure of subcontractor.

#### Criteria:

JPCO §2-923 (a) states the following:

(a) All persons or firms who are under contract awarded on a non-bid basis with Jefferson Parish or with any of its agencies, divisions or special districts or who submit responses to any request for submittals to contract on a non-bid basis with Jefferson Parish or with any of its agencies, divisions or special districts must identify all *subcontractors* and persons, excluding full time employees of the firm, who would assist in providing services or materials under the contract or who would share in any fees, commissions or other remuneration under the contract, unless exempt under section 2-923(e). Each such *subcontractor* or person shall submit all documents and information required by this section. **Substitutions or subsequent addition of subcontractors or other persons to the contract must be ratified by council resolution.** The person or firm under contract shall provide to the council detailed justification of the need for any such additional *subcontractor* or person. With each invoice submitted, the person or firm holding said non-bid contract shall acknowledge that no *subcontractors* or other persons have been added to the contract without prior council approval by resolution. Failure to comply with this section shall result in penalties imposed upon the person or firm under contract as set forth in section 2-935.1 for professional service providers. (emphasis added)

<sup>36</sup> Appendix H. Affidavit from New Era dated 11/23/2015.

<sup>37</sup> On 12/09/2015, Council passed Resolution #126174 authorizing the contract with New Era at a annual cost of \$794,125. The scope of work subject to the amended contract with New Era was the same scope of work previously procured through an RFP process, e.g., RFP 248.

<sup>38</sup> This contract was extended, and the contract cap was increased and expired with the signing of a new vendor In-Telecom on 12/01/2022.

RFP 345 states the following:

#### 1.26 Sub-Contractor Requirements

If the proposer intends to subcontract portions of the work or to satisfy any of the Proposer Requirements referenced in Section 1.1.2 through the use of a subcontractor, **the proposer shall include the name of the subcontractor and specific designations of the tasks to be performed or Vendor Requirements to be met by respective subcontractor(s).** The information requested of the proposer under the terms of this RFP shall also be supplied for each subcontractor and shall be included in the proposal. Unless specifically permitted in the contract with the Parish of Jefferson, the successful proposer(s) shall not contract with any other party for furnishing any of the work herein contracted without the ratification by Jefferson Parish Council resolution.

#### **Why This Finding Matters:**

Subcontractors' actions can negatively affect the level of contract compliance, and overall contractual performance. An unknown and undisclosed subcontractor performing work which the Parish believes was performed by the approved contractor creates potential risks and liabilities for the Parish.<sup>39</sup> For example, VEC sought to hold the Parish liable for New Era's debt to VEC in the amount of \$281,505 which demonstrates the exposure to liability caused by inadequate disclosure of subcontractor and subcontractor relationships.

#### **Causes:**

#### **Cause No. 1: Parish Council contracted with New Era for security services via amendment to computer services contract.**

On 09/19/2012, the Council passed Resolution #119541 approving a contract with New Era for computer services. New Era was selected to provide supplement computer services subsequent to RFP 249. At that time, the Council approved six subcontractors:

1. Gulf South Technology Solutions, LLC
2. Ultix Technologies, Inc.
3. Solutient Corporation
4. Geographic Computer Technologies, LLC
5. **Vector Electric & Controls, Inc.** (emphasis added)
6. Digital Forensics Solutions, LLC<sup>40</sup>

On 12/09/2015, the Council passed Resolution #126174 which authorized an amendment to the New Era contract for computer services to add security services. Attached to the supporting documents for Resolution #126174 and contracts was a single, unsigned page which reads, "The following is a list of subcontractors approved to provide professional services for this project," and

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<sup>39</sup> Possible risks include receiving lesser quality goods or services and paying for goods and services which were not competitively procured. Possible liabilities include claims by subcontractors, to include lawsuits against the Parish, seeking compensation for goods and services received by the Parish for which the subcontractor was not paid by the contractor.

<sup>40</sup> (Emphasis added) The Parish contracted with New Era for computer services subsequent to RFP 249 which was authorized by Resolution #119541, dated 09/19/2012.

“VEC Solutions” is listed. Also attached, there is an affidavit from Deborah G. Moran, President, dated 11/23/2015 on behalf of “VEC Solutions.”

Vector Electric and Controls, Inc. is a Louisiana corporation which was created in 1984 as Images in Glass, Inc. and which merged with Bouran Equipment, LLC in 2008.

VEC Solutions, LLC is a Louisiana limited liability company created in 2009.

Vector Electric and Controls, Inc. and VEC Solutions, LLC are two separate and distinct legal entities. The Council did not approve VEC Solutions as a subcontractor. Had the Parish procured security services via an RFP, then New Era’s submission of VEC Solutions would have been reviewed. Because the Parish procured security services via an amendment to New Era’s computer services contract, the contract bypassed existing controls.

**Cause No. 2: Purchasing Department and Evaluation Committee members failed to review and/or validate information provided by New Era in its proposal relative to VEC Solutions, LLC.**

On 04/20/2016, the Council passed Resolution #126945 which authorized RFP 345 for security systems services. New Era responded with a proposal dated 07/01/2016. In its submitted proposal under the caption “Technical Proposal,” New Era writes that it “will partner with Security professionals from VEC Solutions, LLC.” New Era further writes, “For purposes of this proposal, we will refer to this conglomeration as ‘**The New Era Group**’ or simply ‘**New Era.**’”<sup>41</sup> New Era also writes, “Since New Era and VEC have been working together throughout Jefferson Parish Government since 2012, we guarantee the existence of our **subcontractor** partner to be completely seamless and transparent to its operation at Jefferson Parish.”<sup>42</sup>



Jefferson Parish  
Department of General Services / Security Division  
Security Access & Video Management System  
July 1, 2016

**Technical Proposal**

New Era is pleased to provide its proposal to provide Security System Equipment, Maintenance, Repairs, Replacement, Installation, Etc of Existing Security Access and Video Management System for the Department of General Services – Security Division of Jefferson Parish Government.

To provide these services, New Era Information Technologies, LLC (New Era) will partner with Security professionals from:

- VEC Solutions, LLC (VEC)

Both organizations are Louisiana-based companies.

The above parties have worked hand-in-hand on numerous projects since 2012. This unique alliance brings together extensive experience on both technical and administrative sides of security and video management systems. Since New Era and VEC have been working together throughout Jefferson Parish Government since 2012, we guarantee the existence of our subcontractor partner to be completely seamless and transparent to its operations at Jefferson Parish. VEC while working New Era is responsible for the current implementation of the Frontier Security Platform throughout Jefferson Parish.

For purposes of this proposal, we will refer to this conglomeration as “**The New Era Group**” or simply “**New Era**”.

Attached to its proposal New Era submitted numerous affidavits and licenses/certifications as “Attachment 1,” to include the following:

<sup>41</sup> (Emphasis added) New Era’s reference to the “New Era Group,” and accompanying narrative in its proposal suggests that New Era and VEC were jointly submitting, i.e., a joint venture. If so, La. R.S. 37:2162 requires joint ventures be properly licensed before the bid, contract, or performance of work. New Era neither provided supporting documentation of a joint venture or clearly identified VEC as a subcontractor.

<sup>42</sup> (Emphasis added). Appendix I. New Era RFP 345 Proposal.

1. An attestation that “There are NO subcontractors...” signed by David Campbell as “President/CEO of New Era information Technologies;” and
2. An attestation by VEC Solutions, LLC as “the party who submitted a proposal in response to RFP number 345, to the Parish of Jefferson” by Debbie Moran as President/CEO of VEC who also attested that “There are NO subcontractors...”<sup>43</sup>

These attestations, David Campbell for New Era and Debbie Moran for VEC, are Parish forms made available by the Purchasing Department.

**Purchasing Department Review Did Not Identify Subcontractor:** The Purchasing Department reviewed New Era’s and others’ proposals. Internal documentation reflects that the Purchasing Department noted four, possibly five, proposals because it included “NEW ERA INFORMATION TECHNOLOGIES, LLC VEC Solutions as authorized to sell, service and install all levels of Frontiere Solution” and “VEC IS NOT A SUB BUT A SUPPLIER.”<sup>44</sup> The Purchasing Department did not question New Era, and New Era did not clearly identify whether VEC was a subcontractor or person sharing in fees, commissions, or other remuneration as required by JPCO §2-923. Next, the Purchasing Department did not require New Era to specify “the name of the subcontractor and specific designations of the tasks to be performed or Vendor Requirements to be met by respective subcontractor” as required by the advertised RFP.<sup>45</sup>

Description: Provide Security systems and security consulting  
JEFFERSON PARISH, LA  
RFP 0345  
Receipt Date: 7/22/2016

NO	VENDOR	How many boxes or envelopes	Did the firm sign proposal form?	\$5,000 BOND	Did the Firm acknowledge addenda 1, 2, 3 & 4?
1	Homeland Safety Systems, Inc.	1	NO SIGNATURE PAGE	YES	NO
2	JOHNSON CONTROLS	1	YES	YES	1, 2, & 3 NOT #4
3	CONVERGINT TECHNOLOGIES	2	YES	YES	YES
4	NEW ERA INFORMATION TECHNOLOGIES, LLC VEC Solutions as authorized to sell, service and install all levels of Frontiere Solution (component of RFP)	1	YES	YES	YES
5	VEC IS NOT A SUB BUT A SUPPLIER FOR NEW ERA				
6	<b>LICENSES &amp; CERTIFICATIONS:</b>				
7	Homeland Safety Systems, Inc.				NO
8	JOHNSON CONTROLS				YES
9	CONVERGINT TECHNOLOGIES				YES
10	NEW ERA INFORMATION TECHNOLOGIES, LLC				YES

Proposals Owned By: Sidney Buffe & Jennifer Lutz

**Evaluation Committee Scored New Era:** The Evaluation Committee scored “New Era,” i.e., it did not score the “New Era Group.” A review of New Era’s proposal package shows that New Era listed VEC employees and identified these individuals as possessing the requisite experience and credentials to perform the scope of work.<sup>46</sup> New Era received the benefit of skills, experience, and qualifications of VEC employees for purposes of scoring.

New Era’s proposal did not contain any corporate resolution(s) by New Era and VEC whereby New Era was authorized to submit on behalf of VEC, or alternatively, by VEC as a joint proposer.<sup>47</sup> Further, New Era’s proposal did not specify “the tasks to be performed” by VEC as required by the RFP. New Era’s proposal incorporated and included licenses issued in the name of VEC. New

<sup>43</sup> Appendix I. New Era RFP 345 Proposal.

<sup>44</sup> Appendix J. RFP 345 Purchasing Checklist.

<sup>45</sup> Appendix G. RFP 345.

<sup>46</sup> Appendix I. New Era RFP 345 Proposal.

<sup>47</sup> Appendix I. New Era RFP 345 Proposal.

Era's proposal included sufficient conflicting facts and information to alert the Evaluation Committee, but New Era received the highest technical score.<sup>48</sup> On 10/05/2016, the Council passed Resolution #127934 selecting New Era to provide security systems services subsequent to the Evaluation Committee's review of proposals.

On 11/02/2016, the Council passed Resolution #128149 approving a contract with New Era for security services. Unlike the previous resolution, Resolution #128149 did not specifically approve any subcontractors.<sup>49</sup> VEC was neither an approved contractor nor an approved subcontractor on the security services contract. Yet, VEC performed the work, New Era invoiced the Parish for the work performed, and the Parish paid New Era's invoices for VEC's work.<sup>50</sup>

### **Recommendation to Administration:**

The JPOIG recommends the Purchasing Department, in consultation with the Parish Attorney's office, should review existing forms relied upon by the Purchasing Department and modify forms to ensure the forms support compliance with (1) JPCO §2-923, which requires all subcontractors be identified; and (2) RFPs requiring the proposer name the subcontractor(s) and tasks to be performed by respective subcontractor(s).<sup>51</sup>

The Parish Attorney's office may consider providing supplemental training and guidance to the Purchasing Department on criteria or red flags when receiving proposals from corporations, limited liability companies, and partnerships.

### **Prior JPOIG Findings & Recommendations:**

In its previous audit report, JPOIG #2017-0027, which was provided in draft to the Parish on 10/24/2019 and published on 04/23/2020, the JPOIG found "Lack of Adequate Contract Oversight," "Inadequate Support for Invoices" and no "Subcontractor Agreements" related to New Era's contracts for security services. The JPOIG recommended all approved Parish contracts require the prime contractor to provide evidence of a written subcontract agreement prior to the subcontractor engaging in any work. The JPOIG further recommended departments cease approving invoices for payment without proper supporting documentation.

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<sup>48</sup> Appendix C. RFP 345 Scoring and Appendix D. RFP 430 Scoring.

<sup>49</sup> Resolution #119541, adopted 09/19/2012, specifically approving Gulf South Technology Solutions, LLC, Ultix Technologies, Inc., Solutient Corporation, Geographic Computer Technologies, Inc., Vector Electric & Controls, Inc., and Digital Forensics Solutions, LLC. See also p. 20 for discussion.

<sup>50</sup> JPOIG #2017-0027 *Security Services Contracting*, p. 11.

<sup>51</sup> Standardized process and well-designed forms serve as both an integrity control and transparency measure for proposers, reviewers, evaluators, and the Parish. Process should involve validating information provided by proposers to ensure information contained in proposals align with information contained in attestations, licenses, certifications, and other supporting documents incorporated by proposer. Forms should, at a minimum, ensure the Parish is considering the qualifications of an individual or legal entity in good standing, the extent or percentage of work to be performed by a subcontractor and the subcontractor's qualifications, insurability of all those performing the work, and other factors affecting performance and financial responsibility. These forms should continue to capture information currently screened by the Purchasing Department, e.g., corporate resolution.

Had the Parish chosen to implement corrective action based upon the JPOIG’s findings and recommendations identified in its audit report, the current findings may have been resolved or harm mitigated.<sup>52</sup>

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<sup>52</sup> JPCO §2-890(a) requires the Parish Attorney to certify that “the parish attorney’s office has reviewed the proposed contract and that the proposed contract complies with legal requirements for such contract under federal, state and parish laws.” Parish Attorney Michael J. Power certified that the amended contract with New Era satisfied federal, state, and parish law on 02/12/2016 when the scope of services were previously procured via RFP. Parish Attorney Michael J. Power certified that the contract with New Era procured subsequent to RFP 345 satisfied federal, state, and parish law on 11/02/2016. Each certification contained disclaimers, i.e., that the office “has not reviewed any technical specifications of any contract and this certification applies only to the legal terms of the contract.” JPCO 2-890 appears to serve as a control to ensure compliance. However, in practice it does not.

## OBJECTIVES, SCOPE, METHODOLOGY

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### Objectives & Scope

The objectives of the investigation were to determine whether the Parish contracted with a vendor who did not possess the requisite state licenses, and if so, whether existing controls were sufficient to prevent it.

The scope period of the investigation was 09/27/2012 through 10/13/2022.

### Methodology

To accomplish the investigative objectives, the JPOIG:

1. Searched public records and public record databases;
2. Reviewed Parish Council meetings and meeting agendas, minutes, and resolutions;
3. Reviewed Parish contracts;
4. Reviewed Parish RFP;
5. Reviewed laws, regulations, procedures, and policies;
6. Attended Parish RFP 443 Pre-Proposal Conference;
7. Issued requests for records; and
8. Conducted interviews.

### Investigative Standards

We conducted this investigation in accordance with the Principles and Standards for Offices of Inspector General.<sup>53</sup>

### Criteria

Investigators used the following criteria for this investigation:

- Louisiana Revised Statutes,
- Jefferson Parish, LA Code of Ordinances, and
- Requests for Proposals.

### Legal Authority

The authority to perform this audit is established in Jefferson Parish Code §2-155.10 and La. R.S. 33:9613.

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<sup>53</sup> “Quality Standards for Audits by Offices of Inspector General,” *Principles and Standards for Offices of Inspector General* (Association of Inspectors General, 2014).

## **RESPONSES: PARISH & NON-PARISH ENTITY COMMENTS**

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Pursuant to the Jefferson Parish Code of Ordinances (JPCO), the JPOIG must provide a draft of the report or recommendations to the person or entity being reported. The JPCO §2-155.10(9)(c) provides the following for all Parish individuals or entities:

...person in charge of any parish department, agency, board, commission, the parish president, the parish council, or any member of the parish council or person in charge of any parish department [and these persons] shall have thirty (30) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>54</sup>

On May 15, 2023, the JPOIG provided the Draft Report to the following Parish entities:

Parish President Cynthia Lee-Sheng	Councilman Deano Bonano
Councilman Scott Walker	Councilman Byron Lee
Councilman Ricky Temple	Councilman Dominick Impastato
Councilman Marion Edwards	Councilwoman Jennifer VanVrancken

Copies were also provided to the Parish Attorney and Chief Operating Officer.

The JPOIG received a response from Parish President Cynthia Lee-Sheng.

The JPCO §2-155.10(9)(d) provides the following for all non-Parish individuals or entities with:

...a copy of the report after thirty (30) working days and [those individuals or entities] shall have twenty (20) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>55</sup>

On June 29, 2023, the JPOIG provided the Draft Report to the following non-Parish entities:

VEC Solutions, LLC	New Era Information Technologies, LLC
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The JPOIG did not receive any comments from the non-Parish entities.

Comments received, if any, follow this page.

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<sup>54</sup> JPCO §2-155.10 (9)(b).

<sup>55</sup> JPCO §2-155.10 (9)(c).

Parish & Non-Parish  
Entity Comments





# JEFFERSON PARISH

## OFFICE OF THE PARISH PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

June 27, 2023

**Via Electronic Mail**

Kim Raines Chatelain  
Jefferson Parish Inspector General  
990 N. Corporate Drive, Suite 300  
Jefferson, LA 70123

Re: Administration Response to Draft Security Services Contract Investigation

Ms. Chatelain:

In accordance with Jefferson Parish Code Section 2-155.10(9), the Administration respectfully submits this response to the above-referenced JPOIG Draft Investigation. In connection with the above-referenced matter, my staff met with the various Departments responsible for current oversight of the Security Services Contract (“Contract”), including the Department of Purchasing (“Purchasing”) and Department of Finance (“Finance”), to discuss your draft Investigation. Your draft Investigation and those meetings produced many relevant suggestions that I believe warrant further action and corrective measures to ensure that policies are further developed and adhered to regarding contracting for these and other services.

The findings identified in the draft Investigation are addressed in detail below.

**Finding No. 1: The Parish Council approved a contract(s) with a vendor to perform work from 2016 through 2022 who did not possess the required state licenses.**

Please note that the previous administration handled the contracting and Request for Proposal (“RFP”) process along with any review and expansion of the Contract. Neither the current Purchasing Director nor the current Director of Security were in these positions in 2015.

In June 2022, the Louisiana State Licensing Board for Contractors (“Board”) notified the Parish Attorney that New Era did not possess the proper class of license required under state law, and that a sub-contractor could not be utilized to satisfy the requirement. The Parish suspended the contract for the six-week period when New Era was unable to legally provide security services. New Era invoiced the Parish quarterly so the Parish reduced the quarterly payments during this time while the contract was temporarily suspended. New Era obtained the proper licenses from the Board and the State Fire Marshall in July 2022.

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Recognizing the need to be compliant with State law and ensure proper review of license requirements for myriad Parish projects and contracts, the Administration engaged the Board to provide guidance. On November 4, 2022, the Purchasing Department hosted the Board at the East Bank Council Chambers. Brad Hassert, the Licensing Board's Compliance Director, led the presentation and provided insight on the various license categories which shall be included in bid specifications prepared by departments. He also answered questions concerning when certain licenses are required and provided a detailed presentation available on the Parish Intranet.

**Finding No. 2: Evaluation Committee recommended unqualified proposer, New Era, for selection by Council.**

As stated above, the previous administration handled the contracting and RFP process for security services. In February 2022 the Administration strengthened and refined the RFP process and presented a revised ordinance to the Council for adoption. As noted in the Investigation, the Council cancelled RFP 430 and authorized re-advertisement. Department of Security is responsible for developing the RFP and the evaluation criteria and coordinated with the Department of Electronic Information Systems to update the requirements and to provide more specific criteria. Additionally, these Departments updated the RFP to require that the contractor (not the sub-contractor) possess the proper license at the request of the Board.

**Finding No. 3: Parish Council selected a contractor where there was no proper disclosure of a subcontractor.**

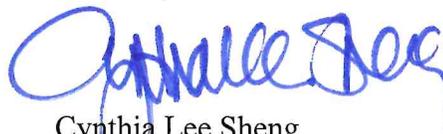
*See* response to Finding No. 2 above.

In conclusion, the Administration is committed to continued discussion with and input from your Office so that prospective and existing policies and procedures are followed.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,



Cynthia Lee Sheng  
Parish President

cc: Mr. Steve LaChute, Chief Operating Officer  
Ms. Cherreen Gegenheimer, Acting Deputy Chief Operating Officer  
Honorable Ricky Templet, Councilman at Large, Div. A  
Honorable Scott Walker, Councilman at Large, Div. B  
Honorable Marion Edwards, Councilman, Dist. 1  
Honorable Deano Bonano, Councilman, Dist. 2  
Honorable Byron Lee, Councilman, Dist. 3

Honorable Dominick Impastato, Councilman, Dist. 4  
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5  
Ms. Peggy Barton, Parish Attorney  
Mr. David Courcelle, Deputy Parish Attorney

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