



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 15-09 Nixon SO<sub>2</sub> Scrubber Procurement

March 2015

### **Purpose**

The purpose of this audit was to monitor the Nixon Unit 1 SO<sub>2</sub> scrubber Request for Proposal (RFP) development, evaluation, and selection process for compliance with procurement policies and support of Colorado Springs Utilities strategic objectives.

### **Highlights**

We conclude that the evaluation team followed Utilities' procurement policies fairly and appropriately to achieve the requirements of the project and drive best value for Utilities. No issues were identified.

The Nixon Unit 1 SO<sub>2</sub> scrubber procurement was for the purpose of selecting a vendor team to provide Engineering, Procurement, Construction, and Commissioning (EPCC) services to deliver an SO<sub>2</sub> scrubber system. Equipment to control sulfur dioxide is required to be installed and operating for Nixon's Unit 1 no later than December 31, 2017, under Colorado's source-specific plan for regional haze reduction submitted to the EPA in compliance with the Regional Haze Rule.

This report is the second of two reports regarding the Nixon SO<sub>2</sub> scrubber procurement. It covers the evaluation of submitted proposals and selection of the awarded vendor. The first report, 14-24, covered our review of the Statements of Qualification (SOQ) evaluation to select the pre-qualified vendors and the development of the RFP through its issuance on July 21, 2014.

We observed the evaluation team's processing of the five pre-qualified vendor teams' proposals for technical qualification, and observed the compilation of the technical score component. Next we observed the opening of the cost proposals, and the development of overall scores combining the technical and cost components.

Throughout the procurement process, the evaluation team took care to abide by Utilities' policies and procedures, and to continue to include each vendor team in the evaluation process until such time as a vendor team was clearly not in the competitive range to provide the best value solution. Cost proposals from the four teams determined to be technically compliant were opened. The top three vendor teams, based on combined technical and cost scores, were determined to be in the competitive range and were brought in for interviews to further clarify their proposals. Technical and cost scores were updated based on information clarified from the interviews. The selected vendor had both the highest technical score and the lowest cost.

We appreciate the diligence and professionalism of the evaluation team during this procurement process. We would like to thank the evaluation team and management for their cooperation during the audit.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.