



OFFICE OF THE CITY AUDITOR  
COURTNEY A. RUBY, CITY AUDITOR

CONTACT: DENA L. SHUPE  
(510) 238-4975 Office  
[dshupe@oaklandca.gov](mailto:dshupe@oaklandca.gov)

## **INVESTIGATION REVEALS LAX PROCUREMENT PROCESS—RESULTING IN QUESTIONABLE CONTRACT AWARD AND POOR BIOHAZARD CLEAN-UP SERVICE**

***Whistleblower complaint alleged contractor was not qualified, and specific requests for picking up hypodermic needles from the public rights-of-way were not being fulfilled***

OAKLAND, Calif. (January 6, 2021): Today, Oakland City Auditor Courtney Ruby released the results of an investigation into the performance of a City contractor hired to perform biohazard clean-ups of crime scenes, City vehicles, police property, and public rights-of-way throughout the City. The investigation was prompted by a whistleblower complaint received in February 2020, alleging the contractor was not qualified and specific requests for picking up hypodermic needles from the public rights-of-way were not being fulfilled. The investigation substantiated problems with how the City solicited, selected, managed, and monitored the contracted services. Additionally, the investigation identified several significant concerns regarding the contractor's capabilities to perform biohazard clean-ups.

In December 2019, the City entered into a two-year contract with Legacy Restoration Services (Legacy) for \$230,000. The City awarded the contract through a flawed procurement bid process which was based upon lowest responsive, responsible bidder, instead of a Request for Qualifications (RFQ) process, which City procedures require for this type of service. For procurement bids, the City awards the contract to the bidder with the lowest quoted price. The City did not assess the qualifications of the bidders to perform the requested service. The investigation identified numerous issues with the bid solicitation, the selected contractor's capabilities, and the City's ability to manage and monitor the contract.

The investigation found the specifications in the bid solicitation were insufficient to assess whether the bidders were qualified and whether the bidders had the requisite supplies and equipment needed to perform the work. Nevertheless, the City awarded the contract to Legacy. The investigation also found the City failed to identify several red flags in Legacy's application that called into question their capabilities to perform the work. For instance, Legacy stated in its application that it had no experience in biohazard clean-ups, no prior clients, and no specialized equipment or supplies to perform the work. Additionally, the City did not require bidders to be certified State trauma waste practitioners. In fact, the investigation revealed that Legacy performed several crime scene clean-ups before receiving its State Trauma Waste Practitioner certification. The investigation also noted Legacy arrived for some hazardous waste clean-ups in a U-Haul truck—a situation that should have immediately called into question whether the contractor had sufficient equipment to perform bio-hazard clean-ups. Furthermore, the City received numerous complaints from

the public citing Legacy's lack of response to hypodermic needles in the public rights-of-way. Between January and December 2020, the City paid Legacy \$144,038 for their contracted services.

The investigation also found the City was not aware that the contractor was related to an employee in the Purchasing section, and the Purchasing manager had no knowledge of this relationship. While the investigation did not find any evidence that City employees influenced the selection of the biohazard contractor, the lack of process to identify such conflicts and the lack of qualifications demonstrated by Legacy, casts doubt on the integrity of the award process.

Auditor Ruby stated, "This contract award process was so troubling--it was flawed from the outset. Yet, no one, except the public, raised any concern and the public's concerns fell on deaf ears. These are the public's dollars, and the health and safety of our residents and our employees is at stake. The City must immediately remedy the numerous deficiencies identified in the City's procurement process."

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To read the full report please click [here](#).



**ABOUT OAKLAND CITY AUDITOR COURTNEY RUBY**

City Auditor Courtney A. Ruby, CPA, CFE, was re-elected in November 2018, and took office in January 2019. She previously served as Oakland's City Auditor for eight years, between 2007 and 2014. In 2014, Courtney was recognized by the American Center for Government Auditing as one of the most influential professionals in Government Auditing. In April 2019, an Association of Local Government Auditors peer review team found the Office of the City Auditor met the highest standards in performance auditing. Performance audits of Measure D (Library Services) and Q (Library Services Retention and Enhancement Act), Measures M (Emergency Medical Services Retention Act) and N (Paramedic Services Act), and Homeless Services are in progress. Some earlier audits released include Oakland Police Department Overtime, the City of Oakland Financial Condition, Police Commission & Community Police Review Agency, Fire Departments Fire Prevention Bureau, Workforce Development Board Follow-Up, Business Tax Refunds FY 2017-18, Rent Adjustment Program Follow-Up, and Limited Public Financing Act. Notable Investigations include Oakland Promise, Controlled Substances and Cannabis Dispensary Permit Process.

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