



COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

January 28th, 2013

Ms. Vallie Ferraccio
County of Erie
Director of Purchasing
95 Franklin Street 12th Floor
Buffalo, New York 14202

Re: Purchase of an 80" big screen television, speaker system, and wall mount

Dear Ms. Ferraccio:

First and foremost, thank you very much for working in a collaborative manner to answer our questions concerning the administration's purchase of an 80" big screen television set and accompanying electronic equipment. I greatly appreciate your help. There are just a few more issues to address concerning this "Rush Order" that was placed via a Purchase Order dated December 11th, 2012 (Best Buy Purchase #4500031204) before final payment is made.

One review called it *"the largest LED-backlit TV on the market."*¹

When our audit staff first reviewed the bills and estimates we wanted to check why the Buildings and Grounds department wanted to purchase this equipment. We had no idea that although the 80" big screen television was being paid for out of the Buildings and Grounds department, that it was going to be used by the County Executive's office.

According to the original price quote from Best Buy dated November 20th, 2012 the total purchase price for an 80" big screen television, speaker system, wall mount, and "Geek Squad" protection totaled \$5,729.95. When the "Geek Squad" insurance/product protection was removed (along with sales tax) it appears it drove down the final purchase price below the \$5,000 threshold to approximately \$4,628.93.

Purchases above \$5,000 require three quotes for an "informal bid." Are there any other purchases tied directly to the 80" big screen television, wall mount, and sound equipment that would have made the final purchase price over \$5,000?

According to the "Best Buy Geek Squad Commercial Protection Plan" it covers "parts and labor costs to repair your product in the event your product fails to properly operate." Since it appears as though this protection was dropped from the final purchase price and drove the cost down to under \$5,000, was there another warranty purchased to protect the equipment in case repairs are needed? What warranty protections were purchased for the 80" big screen television in order to protect the county from being held liable for future repairs?

¹ Source: CNET.com, Ty Pendlebury, "Sharp Unveils 'Affordable' 80-inch Television, September 27th, 2011

Also, is the 80" big screen television the only model that could be used for video conferencing?

Why not use a smaller and cheaper model that is a mere fraction of the price? Initial reviews of the 80" big screen television question the quality of this model. ***"If you're just looking to wow your friends or fill a wall, then the 80-inch Sharp LC-80LE632U is one of the best TV's you can buy, but ho-hum picture quality makes it a questionable value."***²

It also appears as though this is not a "single source purchase." An on-line search shows multiple avenues to purchase the 80" big screen television.

As stated before, our audit staff had no idea the 80" big screen television was being purchased for the County Executive's office. All paperwork indicates this was a purchase for the Buildings and Grounds department.

Records show the 80" big screen television, speaker system, and wall mount came from a "Laboratory and Technical" equipment budget line from Buildings and Grounds. Prior to this transaction records show that specific account had only \$1,081 in it. Approximately \$3,548 was transferred in from another budget line to cover this purchase.

The funds for this purchase created a shortfall within that line item budget. On December 20th, 2012 a budget resolution was passed by the Erie County Legislature adding an additional \$15,000 for "needed cleaning equipment" to the very same account number used to purchase the 80" big screen television.

If the 80" big screen television, speaker system, and wall mount were going to be used by the office of Erie County Executive, should that office/department have paid for the entire purchase to begin with, not Buildings and Grounds? Should there have been additional information in the resolution passed by the Erie County Legislature stating television equipment was being purchased in addition to "needed cleaning equipment?"

We would also like to know why this purchase was labeled as a "Rush Order" on December 11th, 2012? Should the purchase of an 80" big screen television have waited until the new year when a new Comptroller began on January 1st, 2013? We cannot find supporting documentation that shows us why this was a "Rush Order."

Thank you very much for your prompt attention to this matter. For now, we are going to hold the check/payment for the 80" big screen television. We wholeheartedly understand the need to maximize technology for video conferencing needs, but we do need to know if proper channels were followed in the purchasing of an 80" big screen television, speaker system, and wall mount. Thanks again.

Sincerely,



Teresa Fraas
Deputy Comptroller-Audit

cc: Hon. Mark Poloncarz, County Executive
John Loffredo, Commissioner of Public Works
Erie County Legislature

² Same source as above