

City spending

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provides food for thought

Same items cost county much less

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OF THE HOUSTON POST STAFF

While the city of Houston pays \$5.46 per pound for coffee for its jail inmates, anyone could have purchased the same brand of coffee Friday at the Kroger store on Montrose for \$3.20 per pound.

The city's payment of high coffee prices is hardly a freak mistake.

The city has been paying far more than Harris County — from 100 percent to nearly 400 percent more, in some instances — for food served to jail inmates this year.

In fact, bids accepted April 26 by both the city and county for 27 similar or identical food items, from fruit and vegetables to flour and coffee, show a pattern: The city always agreed to pay more.

Usually, far, far more.

"That's appalling," City Councilman Jim Greenwood said Friday. "It smacks of a lot of different things, and I won't say what they are. It just sounds like an atrocious circumstance that we need to change. That's crazy."

Councilman Vince Ryan said the city should spare no effort in investigating its food prices.


"I think obviously the city needs to look into this immediately. It is

COMPARING PRICES

Prices paid by the city against those paid by the county for food for jail inmates. Bids for both county and city orders were accepted the same day.

NAVY BEANS

100 b. sack

 \$113.60

 \$29.96

BLACK-EYED PEAS

100 b. sack

 \$91.99

 \$34.71

SLICED PEACHES


6 institutional cans

 \$36.24

 \$17.15

CORN

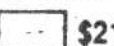
6 institutional cans

 \$28.20



 \$12.24

FLOUR

100 b. sack

 \$21.00

 \$10.00


CITY

COUNTY

P.A.C.E.S.: Spicing by city provides food for thought

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always a possibility that the city can be taken advantage of internally or externally," Ryan said.

Actually, the Harris County attorney's office and the city controller's office have been studying city food prices for several months. A spokesman for the city controller said an audit of city food purchasing will begin next week.

"We are starting it next week with auditors on site," said Terry Phillips with the city controller's office.

Phillips said his office received allegations a few months ago on price problems in the jail cafeteria.

Senior Assistant County Attorney Terence O'Rourke, whose office began the inquiry and later turned over information to the city controller, was less than complimentary about the city's food purchases.

"The city is paying about twice what it should be. It's preposterous to believe that the city of Houston can't purchase items cheaper than a housewife at Safeway or Kroger, especially when it's institutional quality that the city is buying," O'Rourke said.

"Good grief," said Charles Sherrell with the city purchasing office when told of how much more the city pays than the county. Sherrell, who prepares purchase orders for the city's food, said he "had no idea" that the prices the city pays for some groceries are higher than prices at local supermarkets.

Sherrell said there is a separate department in the purchasing office that is supposed to examine the bids and look at prices to compare them with those in the private sector. The head of that department couldn't be reached for comment Friday.

The police officer at the city jail who draws up the food requests also was unavailable for comment.

O'Rourke said his office became involved when it received allegations of irregularities in the awarding of contracts for food for the city jail.

O'Rourke said his office is investigating the matter as a "civil wrong to make a civil case. We specialize in vendor fraud in government." O'Rourke said his investigation in conjunction with the city controller's office is continuing.

The probes involve contracts won this year by Glazier Foods Co.

In a competitive bidding process, Glazier Foods was awarded

the one-year city food contract, which began June 15 and is estimated to be worth about \$180,000.

In another competitive bid, Glazier Foods also won large portions of two six-month county food contracts, one that began in May and another that began in November.

In the spring competition, Glazier's bids to the city on eight food items were, on average, more than 160 percent higher than the county's bids to the county on the items, which county and city documents indicated were identical. For example:

□ The city accepted a bid for canned tomatoes of \$20.46 for six institutional-sized cans. The county's price: \$12.70.

□ For six cans of green beans, the city pays \$17.70. The county, meanwhile, buys the beans for just \$9.93.

□ Ten pounds of macaroni costs the city \$8.40, but the county just \$4.80.

Tom Glazier, president of Glazier Foods, said the higher bids to city government revolved entirely around the lengths of the contracts sought by the city and county.

He said his company can get firm price quotes on most food items for six-month periods, but seldom longer. To ensure against loss during the city's yearlong contract — especially during a time of food-price volatility brought on by nationwide drought — Glazier had to bid higher prices at City Hall, he said.

Actually, Glazier said, someone from his company called the city purchasing department to ask the city to seek bids for a shorter time than a year. "We called down to purchasing and said please don't do that, it was going to kill them (on price)," Glazier said.

Glazier said someone else at his company made the call, and he declined to comment on the city's answer.

O'Rourke said explaining the higher prices through unforeseen external influences, such as drought, was inadequate. "I don't think the prices for plastic cups and napkins have gone up because of the drought."

Others raised the possibility that the difference in the size of the city and county contracts — \$180,000 yearly for the city, about \$1 million for six months for the county — would account for higher city

CITY-COUNTY FOOD PRICE COMPARISON

Chart shows disparities between prices paid by the city and for generally comparable items. All items not from same vendor.

ITEM:	CITY	COUNTY (MAY)
Pinto beans, 100 lb. sack	48.00	25.40
Green beans, 6 cans**	17.70	9.93
Carrots (sliced or diced), 6 cans	17.54	8.50
Green peas, Grade A or B, 6 cans	22.80	11.60
Potatoes, whole, 6 cans	30.36	11.50
Spinach, 6 cans	21.60	10.10
Tomatoes, Grade B, 6 cans	20.46	12.70
Apple sauce, 6 cans	21.54	12.60
Pears, Grade B, 6 cans	36.00	18.60
Pineapple, Grade B, 6 cans	36.00	16.50
Rice, 50 or 100 lb., per lb.	0.51	0.20
Flour, 50 or 100 lb., per lb.	0.21	0.10
Macaroni, 10 lbs., per lb.	0.84	0.40
Spaghetti, 10 lbs., per lb.	0.84	0.40
Baking soda, per lb.	0.90	0.30
Catsup, 6 containers	28.80	13.80
Chili powder, per lb.	5.95	1.40
Cinnamon, ground, per lb.	7.84	1.60
Paprika, ground, per lb.	4.39	1.50
Black pepper, ground, per lb.***	11.42	2.70
Salt, fine, bulk, per lb.	0.18	0.00
Sugar, 50 lb. bag, per lb.	0.59	0.20
Coffee, regular grind, per lb.	5.46	1.80

*The county began 6-month contracts in May and November. The city began a 1-year contract in June.

**Institutional size

***Price variance attributable to large difference in volume of purchase.

prices. But Glazier discounted that theory, saying that buying for the city or county "is essentially just the same thing."

Greenwood was hardly mollified by Glazier's explanation of the higher city prices.

"That kind of risk for six (extra) months doesn't strike me as sufficient to justify as much as a 100 percent to 300 or 400 percent difference," the councilman said. "Second, if that is the case, why in heaven's name haven't our purchasing people picked up on that and gone to a six-month contract?"

Paul Mabry, a spokesman for Mayor Kathy Whitmire, said a review of food bidding at the city may be in order. But he pointed out that Glazier won the city contract by bidding the lowest prices.

"I'm not saying there's not room

to review this program more to it than we've got a better deal here. Is really or would they sell to the county at a far less price?" Mabry said. "nobody offered us

O'Rourke alleged "apparent lack of bidding" on the city's compared with the companies submit city's contract compared on the county's.

When asked to claim his company to go to a six-month contract, Mabry said that that's true. "But if he were going to like that, he would that on to us with

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the one-year city food contract, which began June 15 and is estimated to be worth about \$180,000.

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Potatoes, whole, 6 cans	30.36	11.50	13.95
Spinach, 6 cans	21.60	10.19	10.83
Tomatoes, Grade B, 6 cans	20.46	12.70	14.95
Apple sauce, 6 cans	21.54	12.69	17.59
Pears, Grade B, 6 cans	36.00	18.63	27.14
Pineapple, Grade B, 6 cans	36.00	16.58	19.95
Rice, 50 or 100 lb., per lb.	0.51	0.26	0.31
Flour, 50 or 100 lb., per lb.	0.21	0.10	0.18
Macaroni, 10 lbs., per lb.	0.84	0.48	0.48
Spaghetti, 10 lbs., per lb.	0.84	0.48	0.48
Baking soda, per lb.	0.90	0.35	0.46
Catsup, 6 containers	28.80	13.80	15.00
Chili powder, per lb.	5.95	1.45	1.54
Cinnamon, ground, per lb.	7.84	1.64	1.64
Paprika, ground, per lb.	4.39	1.55	1.54
Black pepper, ground, per lb.***	11.42	2.76	1.64
Salt, fine, bulk, per lb.	0.18	0.06	0.07
Sugar, 50 lb. bag, per lb.	0.59	0.28	0.30
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"I'm not saying there's not room

to review this process, but there's more to it than saying the county got a better deal. I think the issue here is really on Glazier: Why would they sell foodstuffs to the county at a far less price than to the city?" Mabry said. "But the fact is nobody offered us a better deal."

O'Rourke alleged there was an "apparent lack of competitive bidding" on the city's contract, when compared with the county's. Three companies submitted bids on the city's contract compared with 1 on the county's.

When asked about Glazier's claim his company asked the city to go to a six-month contract to cut costs, Mabry said, "I don't know if that's true. And I would think if he were going to make a charge like that, he would want to pass that on to us with specifics."

Post chart