



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: August 31, 2015
Board Meeting Date: October 6, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: 2014-15 Grand Jury Response – Review of the County of San Mateo's Procurement of Goods

RECOMMENDATION:

Approve the Board of Supervisors' response to the 2014-15 Grand Jury Report, "Review of the County of San Mateo's Procurement of Goods."

BACKGROUND:

On July 13, 2015, the Grand Jury issued a report on the Procurement of Goods in San Mateo County. The Board of Supervisors is required to submit comments on the recommendations pertaining to the matters under control of the County of San Mateo within 90 days. The County's response to the report is due to the Honorable Carole Groom no later than October 4, 2015.

Acceptance of this report contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that all Grand Jury recommendations are thoroughly reviewed by the appropriate County departments and that, when appropriate, process improvements are made to improve the quality and efficiency of services provided to the public and other agencies.

DISCUSSION:

The Grand Jury made five recommendations in its report. The Board's responses follow each recommendation.

FINDINGS

- F1.** Of the 21 recommendations made by the 2003-2004 San Mateo Civil Grand Jury and the 2009 Operational Review by the Controller's Office, which the Procurement Division agreed were valid, only four have been fully implemented.

Response: Agree. Of the nine recommendations of the Grand Jury in 2003, four have been implemented, three have been partially implemented, and two are no longer relevant. Of the twelve recommendations from the Controller's Office 2009 report, six have been implemented, one has not been implemented, and four have been partially implemented, and one is no longer relevant. Efforts are currently underway to implement remaining recommendations.

F2. San Mateo County's Procurement Division does not have full-time experienced procurement leadership.

Response: Partially agree. The Deputy Director of Human Resources currently splits time between two divisions. A dedicated full-time manager will be assigned to the Procurement Division in mid-September.

F3. County departments have expressed dissatisfaction with the service provided by the Procurement Division.

Response: Partially agree. Customer satisfaction has improved during the last two years. Efforts to enhance customer service are underway, including creation of a Procurement Compliance Committee.

F4. County departments use inconsistent purchasing procedures that may not follow procurement best practices.

Response: Partially agree. Departments can make purchases up to \$5,000 on a direct basis. The Procurement Division will establish procurement best practices as part of the Procurement Compliance Committee.

F5. The Procurement Division does not have the necessary systems in place to manage or monitor the purchasing process properly.

Response: Partially agree. The IFAS system is used as a transactional system. Staff are working with the Controller's Office to enhance purchasing system capabilities.

Recommendations

R1. The Procurement Division should develop a timeline for the implementation of recommendations from the 2003-04 Grand Jury and the Controller's Office 2009 Operational Review, as well as any recommendations resulting from the Controller's Office's and PCC's current reviews. The timeline should include regular updates from the Procurement Division directly to the County Manager.

Response: Agree. Of the nine recommendations of the Grand Jury in 2003, four have been implemented, three have been partially implemented, and two are no longer relevant. Of the twelve recommendations from the Controller's Office 2009 report, six

have been implemented, one has not been implemented, and four have been partially implemented, and one is no longer relevant. A workplan with a timeline will be developed by October 15, 2015 to implement the remainder of the recommendations from the 2003 Grand Jury Report, the 2009 Controller's Office report, and the recommendations from the Purchasing Compliance Committee. The County Manager will receive quarterly updates.

R2. The County Manager's Office should strengthen the Procurement Division with full-time procurement-experienced leadership.

Response: Partially agree. The County is dedicating an experienced leader/manager on a full time basis to the Procurement Division beginning on September 21, 2015. This manager will drive the implementation of recommendations from the Grand Jury, the Controller and the Purchasing Compliance Committee reports. An experienced procurement professional was leading the department in 2003 and 2009 when all the previous recommendation were made. The failure to fully implement these recommendations should demonstrate this one factor did not impact the success or failure of process improvement.

R3. The Procurement Division should provide training and involve procurement staff (both in the Procurement Division and in County Departments) in developing, understanding, and implementing professional performance standards.

Response: Agree and partially implemented. The County appropriated funds in the FY 2015-16 Budget for the professional development of staff. Two of the newer staff have prepared for and met the requirements to sit for the California Public Procurement Officer Exam in October 2015. Evaluations, standards, and expectations are provided to the staff. Training for departmental purchasing staff will be outlined in the Purchasing Compliance Committee's upcoming workplan.

R4. The Procurement Division should develop best-practice procedures for purchasing that all County departments must follow.

Response: Agree. This is the main goal of the Purchasing Compliance Committee Report and workplan. The timeline will be completed and provided to the County Manager by October 15, 2015.

R5. The Procurement Division should work closely with the Controller's Office to develop reports necessary to manage and monitor procurement.

Response: Agree and partially implemented. The lead buyer for the County has been working with the Controller's Office team on the technical upgrade of IFAS to OneSolution, the new financial accounting system. The discussions of data elements needed for metrics and management of the department are a part of that project.

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FISCAL IMPACT:

There is no net county cost associated with accepting this report.