Orange County Community Resources
Contract Compliance Review and Strategic Procurement Assessment

REVISED FINAL REPORT

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I. EXECUTIVE SUMMARY

The County of Orange ("County") contracted with NIGP to perform a contract compliance review and strategic procurement assessment ("Assessment") of Orange County Community Resources ("OCCR"). The results of the Assessment are presented in this final report ("Report"). NIGP has previously conducted a similar analysis on Orange County's Central Procurement Office ("CPO"). Given the CPO's responsibility for the Contract Policy Manual ("CPM") and broad oversight over the procurement function at County, there are a number of recommendations in the OCCR Report that are also found in the CPO Report.

The purpose of the Assessment was to analyze procurement policy, process, staff resources and workload at OCCR. Further, the Assessment addresses the effectiveness of the OCCR procurement function as it relates to: 1) compliance with procurement policies and procedures, and 2) compliance with government-related statutes. The Assessment identifies impediments in the procurement function and provides recommendations for increased efficiency, as well as alignment with industry best practices. The Report addresses the key components of the Assessment, including:

- Procurement Policy and Process Review
  - Contract Compliance
  - Procurement Process and Procedure Review
  - Procurement Roles and Authority
  - Performance Metric and Measurement
  - Relationship Management
- Staff, Workload and Organizational Structure Analysis

The Assessment was conducted by two NIGP consultants ("Review Team"). The Review Team consisted of Senior Consultant Marcheta Gillespie, FNIGP, NIGP-CPP, CPPO, CPPB, C.P.M, CPM and Consultant Penny Owens, NIGP-CPP. The Review Team represents over 50 years of public procurement expertise from highly active leaders in the profession.

The Review Team conducted the Assessment using NIGP's four phase methodology:
1) Preparation: County and CPO written policies, procedures and underlying procurement regulations are reviewed, in addition to State of California regulations applicable to CA counties.
2) On-site Data Collection and File Review: On-site file reviews are conducted, as well as virtual interviews of OCCR Deputy Purchasing Agents ("DPAs"), Contract Development & Management ("CDM") staff and Program Staff (also referred to as "end users") involved in the procurement function.
3) Analysis: Information provided by CPO and OCCR staff, staff interviews, and available industry information are analyzed for opportunities and noted deviations.
4) Report Generation: A draft report is developed for review and input by OCCR staff, resulting in the final report.

In addition to providing a summary of the analysis for each Assessment category, the Report also includes Appendix A: Summary of Recommendations, Appendix B: On-Site Stakeholder Interviewees, and Appendix C: Individual Contract File Reviews.

The Review Team found the DPAs, the Contract Administrators ("CA"s) and Program staff at OCCR to be supportive of the review and open to opportunities for improvement. Nicole Swain was particularly valuable to the Review Team during its work throughout this engagement. Ms. Swain and various other OCCR staff assisted in collecting information, coordinating on-site interviews, providing access and clarification on contract files, and providing general support to the Review Team.

OCCR staff are striving to meet the needs of the County to the best of their abilities, despite the numerous challenges faced over the past few years, not the least of which is the impact of the COVID 19 pandemic. While the past years' emergency has increased the level of challenges experienced by OCCR procurement, it has been observed that the resource challenges existed long before COVID (particularly in the procurement area). The following themes were recognized throughout the Assessment:

1) Program staff view DPAs as a valuable, knowledgeable resource and depend upon them to interpret the CPM and provide guidance on sourcing needs.
2) DPAs are struggling to meet customer needs due to heavy backlogs, a lack of resources and a challenging work environment.
3) DPAs have good support from CPO leadership, who provide oversight, support in resolving larger procurement issues. and provide entity-wide standards.
4) Opportunities exist throughout the procurement function to increase accountability, efficiency, competition, service and transparency.
5) Improvements are needed in communication and collaboration to break down silos.
6) A procurement transformation initiative would create tremendous value for OCCR, its staff, and the sustainability of its business operations.

Conclusion

The County is a large organization with significant and diverse service needs, and a substantial number of individuals involved in the procurement process. While the CPO has responsibility for establishing procurement policy and oversight for the County, it is the DPAs that serve in critical, front-line roles for their department end users.

There is a collective perception from staff that leadership has not always viewed procurement as a value-added service, but rather as more of a transactional and administrative function. There does not appear to have been an investment in procurement resources or demonstration of executive support for the procurement function at OCCR. Consequently, DPA and CDM staff feel undervalued. Resource challenges and significant backlogs of work contribute to low employee morale.

Department leadership has been under transition during this Assessment, creating an opportunity for procurement transformation. While there are numerous recommendations contained in this Report, change will not be successful without the right leadership and oversight of the procurement function. Staff must be equipped for change for that change to be effective and longstanding. Front-line managers must know that they are empowered to drive changes that will create greater consistency, effectiveness, improved service, and professionalism.

The Review Team has offered recommendations that it believes are reasonable and achievable. Recommendations target opportunities to increase competition, decrease risk, increase transparency and efficiency, and increase the level of service to the stakeholders of OCCR procurement. Further, the recommendations bring OCCR into alignment with the practices and expectations of the CPO, creating a level of standardization and compliance.

It should be noted, and it is expected, that the implementation of recommendations will have different owners, perhaps multiple owners. Dependent upon the approach deemed most appropriate and effective by the OC, some recommendations may be more appropriately delegated to the CPO for implementation. Given the CPO's central oversight role for procurement at OC, it would be reasonable for them to take ownership of recommendations that have broader implications, as well as benefits, for other departments in the OC. While recommendations were provided based upon observation of the OCCR (based upon this specific engagement), the Review Team supports a strategic approach of allocating ownership wherever within the OC each recommendation's implementation will bring greatest

value, consistency and oversight.

The OCCR staff that the Review Team interacted with seem committed to providing value for the entity and providing service to the community. They demonstrate a desire to grow in knowledge, skill, and expertise in their respective roles. The Review Team is confident that the team at OCCR is fully capable of analyzing the recommendations in the Report and implementing those changes best suited for the department and the entity. How effective OCCR is in the pursuit of procurement transformation will depend greatly upon strong leadership, collaboration, and a clearly defined vision.

II.   INTRODUCTION

The Review Team brings a breadth and depth of procurement expertise necessary to execute scope of the Assessment. Ms. Penny Owens, NIGP-CPP, CPPO, possesses over 25 years of public sector procurement experience, both in federal and local government agencies, currently serving the City of Knoxville for the past 11 years, now as the interim Procurement Director. She has served in many leadership positions in the industry on the local level with multiple NIGP chapters and is an NIGP Chapter Ambassador for Area 3. Penny was the recipient of the East Tennessee Purchasing Association's Buyer of the Year and Volunteer of the Year for 2016.

Marcheta Gillespie, FNIGP, CPPO, NIGP-CPP, C.P.M., CPPB, CPM, has over 30 years of experience in public sector procurement and executive leadership. She retired as the City of Tucson's Chief Procurement Officer, having led a nationally-recognized strategic procurement operation with over 50 professional staff, multiple program areas and an annual procurement spend of over $400M. Marcheta is an industry consultant, instructor, and leader in the public procurement community. Marcheta assisted in the development of the Principles and Practices of Public Procurement. She has served extensively in leadership positions in the industry, including as President and 10-year board member for NIGP - The Institute for Governmental Procurement, as well as Chair of the Universal Public Procurement Certification Council. Ms. Gillespie has completed consulting engagements for cities, counties, universities, airports, and state agencies throughout the United States. Marcheta has been inducted as a Fellow of the Institute by NIGP (the Institute's highest honor), receiving the 2019 Albert H Hall Award. She has also received the NIGP Distinguished Service Award, the Institutes second highest honor.

Utilizing their extensive public procurement experience and overall professional knowledge, the Review Team directed the strategies and approach of this Assessment. The Review Team conducted virtual interviews of a cross-section of OCCR staff, analyzed provided documentation and researched applicable procurement policy and procedure. Two on-site reviews were conducted for the contract audit.

Components of the Assessment included:
- Review and analysis of relevant procurement statutes, ordinances, policies, and procedures to gain an in-depth understanding of the existing environment.
- Identification of potential impediments to the procurement process and development of recommendations for change.
- Review of business processes from identification and communication of need/requisition through contract administration to identify potential process efficiencies and deviations from procurement best practices.
- Evaluation of procurement processes, timelines, and current customer service levels for identification of improvements based on global best practices in public procurement.
- Interviews with key stakeholders to gain an understanding of the perception of the procurement function, their role in procurement processes, and the level of satisfaction to develop recommendations for enhanced customer service and suggested customer satisfaction measurements.
- Identification of key performance indicators based upon industry standards and best practices.
- Review of 20 contracts, including small dollar purchases and formal procurements.
- Analysis of staff, staff workload and organizational structure.

Under the previous Assessment of the CPO, the Review Team conducted a detailed review of the CPM and various applicable state and local regulations. The foundation of those reviews informs various recommendations and observations under this Assessment. Further, proposed changes in this Assessment are in alignment with the same public procurement industry standards which guided the CPO Assessment. A summary of all recommendations for OCCR opportunities in the various scope

areas is provided in Appendix A. The list of OCCR staff members interviewed is reflected in Appendix B.

Appendix C is the detailed reviews of the twenty (20) randomly selected contract files for goods and services in all OCCR divisions. To prepare for the detailed file review, the Review Team researched State of California regulations and local OC ordinance applicable to goods and services contracting. A contract file checklist was created for the intended specific areas of compliance review. The areas of review included compliance with the applicable CA State regulations, alignment with global best practices in source selection, competition, transparency, and ethics. The checklist incorporated all phases of the sourcing process, from identification of need, to defining the need, to the competitive sourcing process to contract administration. Each item on the checklist was recorded as compliant ("Y"), non-compliant ("N") or not applicable ("N/A") to that particular contract file. The checklist was reviewed by OCCR in advance of the Review for accuracy, thoroughness, and incorporation of all known areas of regulatory compliance.

The recommendations in this Report provide areas of opportunity to assist OCCR in increasing the effectiveness and efficiency of procurement services and enhancing service levels to OCCR end users. Recommendations center on the principles of continuous improvement throughout the entire procurement lifecycle and continuous improvement in the integrity of the public procurement function. This Report is intended to not only reflect the current state, but also to be a tool to transform a future staff focused on providing the highest levels of support to the County and its citizens.

A key component to successful organizational improvement is having staff with the knowledge, skills, and abilities to implement meaningful change. While compliance is an important aspect of the public procurement function, having a procurement function that is continuously focused on improving its level of service to its stakeholders is equally vital. The Review Team believes the staff at OCCR possess the ability and the desire to make the changes recommended in this Report. To ensure staff success, OCCR must ensure the appropriate leadership is in place to drive the change and support the staff in the procurement transformation.

III. METHODOLOGY AND APPROACH

NIGP Consulting has a proven methodology used to conduct procurement review engagements. The methodology, in use since 1995, provides consistency and thoroughness for each unique review. Each phase of the work is critical to the next phase, with four phases to the project.

A. Preparation

As part of the preparation phase of the engagement, the Review Team requested OCCR provide information in each of the designated areas of the scope. The Review Team was previously informed through the CPO project as to State of California codes, statutes, and regulations. The Review Team worked closely with OCCR staff to compile the stakeholder list for the staff interviews and to review the questions for the DPAs, CDMs and Program staff. Supplemental to documentation previously acquired through the CPO, OCCR provided additional information specific to the OCCR operation. These documents included internal policy, procedures, staffing responsibilities, reports and related data.

B. On-site and Off-site Data Collection

On-site contract audits and virtual staff interviews were conducted during the weeks of May 17th and June 1st. Interviews were held with OCCR DPAs, CAs and Program staff responsible for their own contracting in the various OCCR divisions. Interviews provided an opportunity to learn about stakeholders' needs, what they felt was working well and where they experienced challenges or had concerns with the procurement function.

The Review Team requested a report of all procurements conducted by OCCR to randomly select 20 contracts in goods and services. Numerous discussions were held to ensure the Review Team had a clear understanding of the documents being reviewed, the applicable policies and the practices employed throughout the sourcing process.

C. Analysis

The Review Team analyzed all collected information including the 2012, 2017, 2018 and 2019 CPMs applicable to the specific contract files being audited. The 2019 CPM formed the basis for the assessment of current state processes and practices. The Report provides recommendations reflective of best practices in the public procurement industry. These recommendations support strategic objectives for managing an effective procurement operation, focused on simplifying and streamlining processes and increasing the levels of open competition and transparency.

D. Report Generation

The Report provides the results of the Assessment and provides findings and subsequent recommendations, offered as opportunities for enhancing procurement. A draft report was reviewed by OCCR prior to issuance of the final report. The review of the draft report provided OCCR an opportunity to identify any errors, offer clarifications and ensure the Report incorporated all areas of expectation based upon the contractual agreement. All input from OCCR on the draft report was considered by the Review Team prior to issuing this Report.

IV. PROJECT SCOPE OF WORK AREAS

A. Procurement Policy and Process Review

Through documentation reviews, policy research, organizational overview and interviews of stakeholders, the Review Team was able to analyze the overall procurement strategy and practices at OCCR. As a large department with a substantial procurement spend, OCCR has a significant number of individuals involved in decision making across the department. Many of these individuals have no specific background, professional training, or professional certification in public procurement. There have been a number of changes to the organizational structure, management, and staff resources over the past few years. While CPO is responsible for procurement oversight throughout the entity, each department director is accountable for authorizing designated staff for specific responsibilities within the procurement function. DPAs, CAs and designated Program staff are responsible for executing the purchasing and contracting responsibilities for OCCR. This includes compliance with CPO policy as defined in the applicable CPM, sufficient resourcing for the procurement function, and delineation of the roles and responsibilities of staff.

Through the previous CPO Assessment, a thorough analysis of policies was conducted in comparison to the ABA Model Procurement Code and various applicable state regulations. For the OCCR Assessment, the Review Team focused on the current state of the department's ability to comply with applicable policies and to manage the various processes necessary to execute their responsibilities. The current state was then compared to industry best practices to vet out areas of practice that are out of alignment with industry best practices. These areas create risk for the entity. The Review Team then provides recommendations for improvement and progression.

1. *File Compliance Review*

During the Assessment, twenty (20) contract files and related amendments/modifications were evaluated for compliance with applicable State of California statutes and applicable local regulations as represented in the CPM. (Note: Contract files are reviewed under the CPM effective at the time of the contract award and administration. As such, the 2012, 2017, 2018 and 2019 CPMs were utilized for the contract file reviews) The contract files were also reviewed in consideration of public procurement best practices and the ABA Model Procurement Code. The Review Team also looked at how compliance to these various requirements were implemented into practice. A summary of the file reviews is contained in Table 1.0 below, and details of each contract file review is located in Appendix C.

While the majority of the OCCR procurement files were found to be fundamentally compliant with State of California statutes, the CPM policies and defined sourcing processes, there were numerous findings that contradicted industry standards of practice, the ABA Model Procurement Code and the principles of sound public procurement. It was observed that several findings had an impact on the principles of open competition, transparency, and accountability. The files reviewed are the responsibility of OCCR, however, fall subject to the policies of the centrally managed CPM and the general organizational expectations of oversight under the CPO.

During the OCCR contract compliance review, as was the case with previous compliance reviews of the CPO and OCPW, the Review Team did not have access to electronic systems used for procurement, including OC Expeditor, CAPS, Bid Sync, CAMS, or the G drive. The limitation of third-party access to County systems is understandable, however, it does create certain challenges. The Review Team had to work with OCCR to secure information not contained in the contract file. OCCR maintains both a physical file and multiple electronic records (in multiple systems) of each contract, with the physical file provided as the official public record subject to public records requests. Given documentation is maintained in multiple systems, it was difficult to locate all the required data and various evidence

required to complete the contract audit. The official contract record (which is provided to the public, auditors, reporters) should be complete, orderly and include only the documentation appropriate for the public record. It should "tell the story", standing on its own merits, without need for extensive assembly of information from other sources. During the contract audit, there was a draft review process which afforded OCCR staff an opportunity to address contract record omissions from the physical contract file as well as to update the file to reflect accurate and complete information.

Numerous findings were removed from the final contract audit record once OCCR staff were able to provide the required evidence. Given the physical contract file is viewed as the official contract record, it should contain complete information or, at a minimum, notation that the information is contained in other specific locations. Throughout the contract file review, notes have been made and provided as recommendations for improvement, recommendations to avoid future findings or recommendations for consideration of standardization across the organization.

Table 1.0 – Summary of Contract File Review

Record#	Owner	Observation	Specific Finding
PO 012 20012140	OCPK	None	None
MA 012 17011966	OCPL	None	• Missing insurance certificates
MA 012 17010591	OCPL	Practices deviate from public procurement industry standards; low/limited supplier response	• Late bid accepted • Negotiated terms and pricing after bid opening/prior to award • CSE submitted 35 days late • Conflicting language in CPM vs IFB • No evaluation information • No reference checks • No current term PO
MA 012 20010273	OCAC	Practices deviate from public procurement industry standards; CPM and IFB terms/language inconsistent	• No solicitation review/publish approval • No attorney review prior to publishing • No evaluation info in file • No record of bid tabulation • No evidence of price analysis • No evidence of CSE for contractor (BI) • No insurance certificate • No current DO • Contractor permitted to modify terms, product, pricing after bid opening • No record of price analysis
MA 012 16011742	OCPK	Low supplier turnout for $2M maintenance project; requirements appear restrictive	• No committee member Conflict of Interest forms or qualifications in file • No signed award recommendation by committee • No reference checks • No current term Cert of Insurance
MA 012 20010097	OCPK	No information on the evaluation and award process	• No record of bid opening/recording • No evaluation committee info/COIs • No award recommendation • No award approval info

			• No notice of award • No notice to unsuccessful(s) • No PO/CT
MA 012 20011824	OCPL	None	None
PO 012 20010212	OCPK	None	• No record of waiver of insurance on file
MA 012 20011949	OCCS	None	None
MA 012 18010585	OCCS	File lacks information in several areas	• No committee information • No award approval • No notice of award • No notice to unsuccessful
MA 012 21010438	OCCS	None	None
MA 012 20011193	OCCS	PO not issued until 45 days after contract start	• No 2nd quote secured for services coop • No Contractor Performance Evaluation
MA 012 20010610	OCPK	Actions in contracting activity not well documented and inconsistent between CPM and solicitation documents (IFB)	• No documentation of verbal quote • No current insurance coverage • No additional insured on COI • Contract extended w/o renewal language • Two consecutive PO's issued to same supplier in contradiction of CPM
CT 012 20010796	OCPL	None	None
CT 012 20010608	OCPL	None	None
CT 012 20011342	OCPL	None	None
MA 012 16010217	OCPK	Same contractor has held contracts for service for over 43 years; contract value over $13.5M	• Multi-step bid non-compliant to CPM • No evaluation criteria • No evaluation documents (criteria, offer analysis, price evaluation) • COVID 19 leveraged to extend contract for an additional term, and COVID "emergency pest infestation" services
MA 012 20011999	OCCS	No record of funding requirements; potential issue with consistency in Federal language	• No notation on req of Fed funding • No insurance (no notation of insurance being maintained in RCA file) • No Federal terms included in quote • Matrix of price comparison may or may not be sufficient to meet Federal requirements for cost/price analysis
MA 012 19010714	OCAC	None	None
MA 012 21010019	Housing	No reference in file regarding supplemental file with evaluation information. No correlation between file numbers. No connection between multiple award files	• No reference checks • No evidence of price analysis • No evidence of DPA/CPO concurrence

OCCR has approximately 400 active contracts. The 20 contract files audited reflect approximately 5% of active OCCR contracts. Of the 20 records audited, half (10 files) had some degree of error or oversight in compliance with policy, procedure, or exception lacking evidence in the file. Many files required clarification of what transpired and several deviated from industry standards in procurement. While it is noted that several of the contracts were awarded under previous year CPM policies, extending this rate of error across all active OCCR contracts suggests the need to provide increased controls, training on procurement file management, clarification and standardization of procedure, revision to CPM policy (noted in previous CPO Report), introduction of additional tools for procurement oversight, and more formalized contract compliance by OCCR and CPO staff. The training should include division supervisors and managers who oversee staff working within the procurement function.

Current State

There were several notable best practices identified during the contract file review. These included use of:

- Delegation of Authority Memos, Delineation of Roles and Responsibilities
- Risk Assessment/Insurance Modification approval form to make changes to standard requirements
- Contract Increase Request Form to make changes beyond the level of authority of the DPA (requires CPO approval). Have not seen these forms in all files, but they are being used
- Contract Compliance Checklist
- Organized files

A number of challenges observed in older contracts (as well as in earlier CPMs) have since been resolved by a change in policy and practice. So, while noted on the individual audit record, the subject of the challenge is not captured as recommendations. Below are the Review Team's noted observations:

- Orders against contracts are kept separate from the originally sourced contract (MA). They receive different file folder numbers. Unclear as to whether the system connects the orders to the MA since there is no consistency in file numbering. This presents challenges in tracking organizational spend, potentially limiting a critical decision-making tool.
- Multiple files are maintained for a single procurement, separating contracts from the information that forms the basis of the decisions related to the contract (evaluation information). This makes auditing the contract more challenging and creates a barrier to accessing the information. Information pertaining to a sourcing process is considered public record and should be readily available to the public for inspection at the appropriate time. It is unclear on why a separate file needs to be maintained as no known state law establishes that evaluation information is confidential and can be withheld from the public or made difficult to access.
- Multiple awards from a single solicitation lack any numeric correlation in the filing system, creating similar challenges as outlined above.
- Files would benefit from executive summaries with centralized key data. Executive summaries "tell the story" of what transpired in a procurement, providing key data, milestones, and justification for actions. Many of the files audited lacked information that established the basis of actions, thereby affecting transparency and accountability. While the outside of the folder does contain some data, it is often not complete.
- Need to establish a single, complete file whether fully electronic (and therefore load all records into the electronic format) or a complete physical file. Current practice of partial electronic and partial physical is challenging.
- There is inconsistency across the department on how and when County Counsel is engaged in

reviews and approvals. The role of County Counsel in the process is not clear in policy and given there is no procedural documentation at the time of the Assessment, it creates inconsistency in staff engagement. Further, there are numerous attorneys involved with procurement, there is risk of inconsistency in application and interpretation of CPM and other policy.
- There are numerous inconsistencies in CPM and solicitation template language, particularly when considering the numerous versions of the CPM that apply to contracts active over multiple years.
- File numbering conventions create challenges in tracking and connecting various documents.

Recommendations

Based upon the above observations, the following recommendations are offered from the contract file review:
- Develop a contract file standard/template, inclusive of instruction on what documentation should and should not be in the official contract record. The standard should include a contract data/tracking record, noting all electronic records not contained in the central file (whether physical or electronic) and their specific location. The CPO offers templates and standards that should be followed for consistency in file management throughout the County.
- Provide staff training (or refresher training) on how to appropriately assemble, and maintain, the official contract record. This should include identifying who is specifically accountable for updating and maintaining the official contract record, including additional data and documents that need to be added to the file after contract award (e.g. – updated insurance certificates, amendments, purchase orders).
- Mandate use of a Contract Summary Page for all contract files. Contract tracking sheets provide organization and valuable, easy-to-access data on the outside of the contract file. Establish a standardized management review process for completed staff work and contract file reviews. Create a Contract File Checklist for management to use during staff work review.
- Merge sourcing information into the same public record as the contract. Identify how long unsuccessful submissions must be retained by the State of CA retention policy and begin practice of removing those records once the retention period is met.
- Retain all contracts resulting from a solicitation in the same contract file or clearly identify when multiple files exist (should have same contract numbers – Folder 1, Folder 2). Retain all DO's within the same MA file.
- Evaluate the CA State Record Retention laws to validate what documents are and are not to be retained in the official contract file. Barring exclusion by state law, files should contain all documents from the procurement sourcing process, such as unsuccessful bids/proposals/statements, all documentation related to the decision-making process and contract completion documentation.
- Develop an executive summary/award summary template for the file to provide a high-level overview of the actions taken in the procurement.
- Streamline the number of document identifiers (file number, contract number, PO/DO/TO numbers, Requisition numbers, MA numbers). Consider using file numbers that correlation to the contract number.
- Merge to fully electronic files or ensure physical file contains all documentation as the electronic file. Alternatively, ensure consistency in what is retained in electronic but not in physical, with specific reference in file to locate of electronic document.
- Create a specific file management policy, including streamlining how files are stored throughout the organization.

These recommendations are focused on creating greater clarity of expectations, streamlining processes, and aligning procurement actions with industry best practices. The contract file is the official record of an entity's procurement action, the basis of that action and the supporting documentation demonstrating

compliance. Proper management of contract files leads to reduced risk to the agency, confidence in the due process for parties competing in the sourcing process and increased transparency of the agency.

For additional guidance on industry standards for compliance auditing, review the Global Best Practice entitled "Audits".[1]

2.   Procurement Processes and Procedures

Current State

The current structure provides authorization for many staff throughout the department to conduct procurement activity. There is a lack of standardization across the individual divisions within OCCR that leads to program managers, DPAs, and related staff executing their responsibilities in a manner that is unique to their divisions' needs and not consistent throughout the department.

While there are some procedures in the CPM, there is presently no detailed procedures manual for County departments. Absent an existing procedures manual, it was challenging to determine compliance with the ways in which various policies were being met by DPAs and customers. For example, while the CPM and state regulations require a determination of "responsibility" and "responsiveness", in many files it was difficult to determine exactly how that determination was consistently executed. As such, there are limited standards for which to measure consistent practices and compliance with defined processes. This leads to improper decision-making and actions by staff. A lack of consistent understanding of proper procedures leads to a failure to consistently applying sound procurement judgment and exercise compliance with policy.

The CPO has been working toward a Procedures Manual and has been working on creating standards for various procurement functionality. This includes establishing standards for procedures (such as standard RFP scoring), for tools (such as the use of a standard Committee Evaluation form), for training (such as the annual Ethics Training) and for systems (such as the expanded use of the OC Expeditor system).

OCCR is generally compliant to CPM policies in its procurement sourcing practices. However, given policy is high level, most of the activity in the various sourcing processes are not formally defined. These daily practices are likely communicated through training over time and by multiple individuals. While the CPO provides sourcing training, and OCCR provides training to new staff, there has previously not been a thorough, detailed procedures manual for OCCR DPAs or Program Managers/End Users. This introduces opportunities for variations in how procurements are managed as well as potential lack of understanding by staff of the purpose of procurement practices. The Review Team found numerous cases in the audit where technical compliance may have been achieved, but it did not appear that the fundamental purpose of the action was achieved.

Post Assessment Note: On 7/1/21, the CPO issued the Countywide DPA Procedures Manual. This is a significant achievement and should assist County departments with compliance and consistency.

Challenges observed in OCCR procurement (for DPAs and Program Staff) appear to stem from:
- Decentralized structure of procurement at OCCR.
- Inconsistency in how divisions manage and oversee the procurement function.
- Lack of procurement sourcing strategy for planning and resourcing the procurement function.
- Absence of detailed procurement procedures.
- Large number and variation of staff across the organization engaging in the procurement process

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[1] Principle and Practices of Public Procurement, "Audit", https://www.nigp.org/docs/default-source/new-site/global-best-practices/audits.pdf?sfvrsn=bf398a7a_0, © 2018 NIGP

with limited knowledgeable of and experience in the public procurement profession.
- Certain practices not grounded in public procurement best practices.

Throughout the contract file reviews, staff interviews and documentation review, the Review Team noted the following challenges in sourcing and contract administration at OCCR:

- Human Service contracts do not appear to have much procurement control and oversight. The contracts viewed lacked supporting documentation or justification for many contract-related actions. Given the size and dollar value of these contracts (most in the millions), there was limited (and in some cases no) evidence of the basis for substantial dollar increases (some doubling the size of the contract), overall lack of competition, minimal controls established in the contract to control expenditure (most contracts were cost reimbursement based – a high risk contracting approach with minimal controls) and minimal demonstration of contractor performance and compliance to the contract through contract administration.
- Contract administration is limited and inconsistent. Solicitation requirements, evaluations and contract terms are not structured to be conducive to effective contract administration. There are insufficient resources and a lack of structured roles and responsibilities within a formal Contract Administration program to establish accountability for contractor performance and contract oversight.
- Numerous "interim" contracts are put in place to address the backlog of solicitations resulting from resource challenges and COVID 19 emergencies, eliminating competitive opportunities, likely impacting cost savings opportunities, decreasing quality of service, and increasing risk to the agency.
- Many of the contract file has limited competition, restrictive specifications, insufficient supplier outreach or demonstrated research as to why suppliers chose not to engage. Several contracts have been awarded to the same providers for decades.
- Practice of accepting late bids is permissible in CPM, however, out of misalignment with public procurement industry standards. This practice compromises the integrity of the competitive process, creating inequitable competitive opportunities[2] In Element 1 of the NIGP Global Best Practice, "Invitation for Bids (IFB) AKA Invitation to Tender (ITT)" recommends establishing policies and procedures related to the use of an IFB and references the need, in order to "preserve the integrity of the bidding process, e.g.,treating all bidders with impartiality," to "define 'late' and determine how the delivered bid is handled, e.g., time-stamp, return without opening, retain, accept." It also states that consideration of a late bid, "compromises the value of impartiality and integrity in the bidding process, which may impact the entity's reputation." The footnotes reference articles on case law upholding the rejection of a late bid. The bid date is an element of the specification therefore a bidder can be determined non-responsive if a bid is late. Lastly, GovCode 53068 states, "Any bids received by such local agency after the time specified in the notice shall be returned unopened."
- Contract file lacks evidence of program staff/end users reviewing and recommending award on bids. The record should reflect consideration of a bid, assessment that the bid is in compliance with the specifications, verification that the bid is responsive and affirmation of awarding to the identified successful bidder based upon the award criteria.
- Contracts lack evidence of price analysis during the evaluation process, particularly for analysis of determining low responsive, responsible bidder or best value when pricing involves hourly rates or percentage off list price.

- Practice of allowing negotiations on bids after due date and prior to contract award is out of alignment with public procurement industry standards. GovCode 25482 states any or all bids may be rejected but with "preference being given, however, to the lowest responsible bidder." Further, Element 3 of the NIGP Global Best Practice, "Invitation for Bids (IFB) AKA Invitation to Tender (ITT)" states the an Invitation to Bid "must detail the entity's process for awarding the contract" and "state the entity's selection criteria, e.g., lowest price, required delivery date, and total cost." Element 5 requires "evaluation of the bid against the requirements stated in the IFB" and "After the lowest responsive bid from a responsible bidder has been determined and require approvals have been received by Procurement, the contract may be awarded..." If the criteria states that a bid will be awarded to the lowest, responsible bid, there is no room to negotiation with another bidder unless the lowest bid was rejected. The only exception to this may be negotiation to reduce the lowest bid when above budget, in accordance with Element 1.2 of the NIGP Global Best Practice "Negotiation."
- Lack of evaluation scorecard, standard template, or formula for the departments to utilize. Files are lacking in any type of evaluation information to support committee scoring beyond the score itself.
- Several Emergency Procurement memos are lacking in recorded justification.
- County Counsel deals with wide variations in approach to procurement, risk level tolerances and level of experience as they review various procurement documents from each division. This creates challenges for County Counsel.
- No defined standards for County Counsel's level of engagement by OCCR staff.
- Duplication of effort and inconsistencies in managing various documents in various systems due to non-standardization of document management and data entry leading to inefficiencies, increased soft costs to the entity, inconsistent data, and ineffective use of staff resources.
- Delays in processing invoices to pay contractors. Some occasions where contractors are not paid until months after invoice submission. The process for payment of invoices seems to be inconsistent throughout the department. Though this is not a main responsibility for the procurement team, the Review Team heard instances of both DPAs and CDMs assisting divisions with overdue payments.

Best Practices

Absent a specific policy or procedure that is unique to the County due to state or federal-funding source regulations, procurement practices should be guided by the Public Procurement Values and Guiding Principles[3] and Global Best Practices[4]. These industry standards establish that procurement should have a strategic approach to how it will meet the needs of the entity it serves. Rather than reactively addressing needs, a strategic procurement function aligns with the goals and objectives of the entity in each of the defined areas. As opposed to a tactically driven procurement function (one that reacts to activity in the environment), a strategic procurement function focuses on the correlation between procurement services and the clients served. Through proper alignment, the entity can better set expectations, ensure needs are properly met, and align resources toward a common vision.

There are numerous Global Best Practices available that serve as standards for procurement professionals throughout the sourcing and contract administration phases. These include practices such as:
- Strategic Procurement Planning
- Invitation for Bids
- Request for Proposals
- Distinguishing Between Scope of Work and Statement of Work
- Contract Administration

[3] Values and Guiding Principles of Public Procurement, NIGP, https://www.nigp.org/our-profession/values-and-guiding-principles-of-public-procurement
[4] Global Best Practices, NIGP, https://www.nigp.org/our-profession/global-best-practices#strategy

Recommendations:

OCCR is encouraged to develop a Strategic Procurement Plan, specific not only to the overall procurement function, but which also speaks to meeting the planned procurement needs of the department on an annual basis. This is particularly important in light of the significant workload on a reduced staff in procurement. This plan should incorporate the specific annual goals of the CPO, goals specific to OCCR, objectives related to specific OCCR projects, as well as the planned approach to all sourcing needs of the department.

The Review Team offers the following recommendations relative to the sourcing and contract administration practices at OCCR:

- Eliminate practice of accepting late bids.
- Eliminate practice of negotiating bids.
- Eliminate practice of permitting any modifications to bids after bid submission.
- Establish a standard price and cost analysis model for various structures (unit price, market basket, % of list price, etc) as well as a model for price point allocation.
- Establish a standard scoring approach for RFPs to the greatest extent possible for consistency in committee performance and consistency in treatment of the supplier community. Presently there are 3 approaches to scoring (including consensus, total points, and average). The scoring of a proposal could be affected dependent upon which scoring method was selected.
- Work with CPO and County Counsel to identify and eliminate discrepancies between CPM language and solicitation (IFB, RFP) terms and conditions.
- Establish policy, procedure, and training for supplier evaluation, including determinations of responsibility, responsiveness, and assessment against evaluation criteria.
- Require written evidence of all quotes, eliminate verbal quote practice.
- Work with the CPO to leverage the County's Supplier Outreach Program to build a strategy to expand and diversity supplier base and increase competition at OCCR.
- Establish and document clarification on difference between what constitutes a "consecutive" contract (under CPM 3.3.109) and a contract extension (3.3.106).
- Develop policy, train, and ensure compliance to what determines supplier "responsiveness" to a bid situation (i.e. – what additional documentation is deemed "immaterial" and is permitted for post-bid opening submission versus what is "substantive" and not permissible for post-bid opening submission).
- Provide staff training on solicitation development, evaluation, and contract management.
- Map sourcing processes to identify efficiencies, opportunities for standardization and consistency. Process maps of current and future state will then provide a foundation for future procedures development in areas not covered in the forthcoming CPO procedures manual.
- Review roles and responsibilities as they pertain to processing contract modifications, tracking of expenditures and ensuring contract compliance for the various modifications to contracts.
- Increase staff accountability to record data accurately and thoroughly in the appropriate system to capture information available for reporting on procurement spend and various contracting metrics.
- Establish a recommendation for award template for IFBs, where customer/end user can capture for the official record, their evaluation and recommendation for award.
- Collaborate with CPO to develop a formal Contract Administration program for OCCR, to include defined roles and responsibilities, policies, templates, and training.
- Generally Accepted Accounting Principles (GAAP) discourage any advance payments in public contracting. Develop training of OCCR staff on proper processing of invoices to ensure timely payment.
- Develop supplemental procedures for OCCR specific requirements (this will support the forthcoming CPO Procedures Manual).

3. Procurement Roles and Authority

Current State

The current organizational structure of OCCR presents challenges in decision making and execution of responsibilities. Numerous individuals in OCCR are managing critical procurement activities and making procurement decisions without having a DPA status, professional training, or professional certification. This creates risk to the organization, the potential for inconsistent decision making and deviation from the standards of public procurement practice. Given there are numerous individuals involved in procurement decisions, including DPAs, CAs, Department Directors, Attorneys and Program staff, key decisions are being made without the proper level of knowledge and expertise in public procurement.

Purchasing DPAs and CAs have varying degrees of authority in their respective positions. The determination of their roles and responsibilities appears to be driven in part by the divisions and Division Directors. Of note, the Directors appear to have the ability to customize the level of services they receive from CAs in the Human Services contract area, based upon the desired level of administrative service fees. Human Service contracts represent a significant portion of the County's procurement spend, and the contracts appear to be primarily managed by non-DPAs and individuals with limited procurement training and expertise. These individuals are responsible for defining needs, establishing contract terms, negotiating contracts, evaluating suppliers, and overseeing the execution of service under the contract. Given each Director has authority to determine what procurement responsibilities are executed by their Program staff (non-DPAs), there is inconsistency in how professional procurement staff are utilized across OCCR.

Appreciating that only 2 attorneys were interviewed, the general sense is that County Counsel ("Counsel") has a high level of confidence in many of the DPAs and Program Managers working with contracts throughout OCCR. Counsel appears to work well with those involved in the procurement process. Counsel views their role in the procurement process as reasonable and appropriate, however, they do acknowledge reviews can be lengthy for some documents. Multiple attorneys providing guidance, opinion, and interpretation of policy to OCCR staff do not necessarily have any specific background in procurement and contract law. This creates an environment where staff may receive inconsistent guidance on similar situations in the competitive procurement process or in contract disputes. As a result, stakeholders in a procurement process, particularly suppliers, could receive inequitable treatment due to varying decisions and actions.

Consistency is paramount to maintaining the integrity of the procurement process. It is also important to make decisions in consideration of knowledge in industry standards, best practices, and principles. As an example, where one attorney may deem negotiation of terms and pricing after a bid opening to be in compliance with CPM policy, another attorney may deem that the practice is acceptable due to the creation of inequitable opportunity among suppliers.

OCCR procurement staff handle a myriad of goods and services procurements. Currently, there is minimal category management taking place at OCCR and no staff appear to be aligned to defined spend categories. As a result, there is limited management of spend in similar categories of goods and services. Compounding this issue is a lack of consistent, complete data. There is some effort in Purchasing to consolidate contracts for similar goods and services.

Recommendations

The Review Team provides the following recommendations relative to modifications to procurement roles and authority based upon the observations during interviews, contract file reviews and documentation reviews, as well as in consideration of industry best practices:

- Centralize specific authority, roles, and decisions to only central procurement staff who are certified DPAs. OCCR should establish a list of decisions and actions that should be included in this list of responsibilities. This does not suggest any eliminations of the CPO, where CPO guidance and approval may currently be required. It should include concurrence with procurement DPAs prior to discussions with Counsel. At a minimum, the following decisions and actions should be part of that list:
  - Determination of responsiveness
  - Disputes involving determinations of qualification
  - Contract cancellation or termination
  - Decisions on protests and claims
  - Waiver of competition (Sole Source, Emergency)
  - Any deviations from standard practice or policy
- Standardize the roles and responsibilities of DPAs, CAs and Program staff across the entire department. Bring roles and responsibilities of DPAs and CDMs into alignment with the standard procurement responsibilities in the CPO. This recommendation requires a vetting of actions throughout all procurement processes, such as would be defined in the proposed mapping processes of current and future state (as recommended in this Report).
- Narrow the number of legal counsel involved in advising on procurement. Ensure those defined legal counsel representatives receive training on procurement standards and contract law. Encourage legal counsel to share issues encountered and approaches taken, as well as basis of guidance to clients. This will help establish consistency.
- Create category manager positions as part of specified roles within procurement staff/DPAs. This involves analyzing categories of spend and analysis of how current workload is assigned. This should be further vetted throughout the department, such that staff are not limited to assignment of a given division, but rather are assigned based upon categories of similar spend in goods and services to the extent that is reasonable. Category managers should be trained in strategic spend analysis to assist in identifying opportunities to leverage new contract opportunities, as well as analyzing past spending practices for modification to drive savings and efficiencies.
- These recommendations are focused on ensuring that individuals with the appropriate level of knowledge and experience in public procurement professional are responsible for key procurement decisions in the department. The above does not suggest the Program staff should be removed from the various processes, but rather that they should provide subject matter expertise and recommendations to the DPAs for the final decision.

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4. Procurement Timeline

Current State

The Review Team encountered evidence of numerous processes taking longer than typical processing times when compared to timelines experienced at other procurement entities. As an example, the RFP process at OCCR taking upwards of six to eight months or more, even for less complex procurements. OCCR provided several documents, including the Human Services Contract Acquisition and the CDM Human Services Contracts Workflow documents detailing the RFP process. The following items detailed in this document delay the process:

- Requiring notification six months prior to release of the RFP with actual working beginning four months prior to release of the RFP
- Ten days lapse between the time of receipt of RX and the initial meeting to discuss the RFP and then another ten days pass for CDM to provide the timeline and template
- Twenty days allotted for CDM to provide the draft RFP to the Program and Program review
- Ten days allotted for County Counsel review (required if there is no template and the interviews indicated there is not a template for Human Services contracts), five days for Risk Management review and three days for OCCS Director to meet with CDM/Program and approve

- Upon RFP approval, CDM requires three days' time before posting and posting only occurs Monday through Thursdays
- Reviewing the current RFPs posted, the average posting time is about four weeks/28 days
- Estimated evaluation time is four weeks
- Following evaluation and intent to award, the ASR process is 45 days

Reviewing these steps, the total time to publish, post, and review the RFP to the point of award is 153 days or a little over five months, provided there is no protest, and the evaluation and negotiations move quickly. Based on benchmarking performed during the review for CPO, the average processing time of a comparable county entity for an RFP from start to contract execution is about three to three and a half months (approximately 90 – 105 days). Industry averages for RFPS range from 90-120 days.

Recommendations

- Develop a strategic method to planning for procurements, working with Program staff, following the annual budget process to determine procurements planned for the coming year. Develop a calendar of expected solicitations.
- Develop a template for Human Services solicitations to eliminate the need for County Counsel review prior to publishing a solicitation.
- Evaluate the Attorney role in various reviews and approvals if using template solicitation and contract documents. (Note: Also recommended in the CPO Report).
- Use technology (Zoom, Teams, etc.) for meetings with departments to have RFP development meetings.
- Require customers provide a draft scope of work when submitting the RX.
- Review the need to allow three days between receipt of final documents and posting RFP.
- Allow for posting of solicitation documents on Fridays.
- Review the need for a meeting/approval from the OCCS Director prior to posting RFP.
- Review the requirement and value for prior public notice.
- Transition the RFP packages prepared for each evaluator to an electronic document to be emailed or utilize an online document repository for evaluators' access.
- Eliminate the need for Program staff to review the Final Award Recommendation Letters.

In addition to the above, the Review Team advocates for a process reengineering effort. To identify process inefficiencies, non-value-added steps, duplications and missed opportunities, OCCR should develop current and future state process maps. Following are some of the proposed elements that should be reflected on the process maps:

- Establish standard timelines for all phases for the various sourcing processes
- Identify actions and action owners
- Identify documents and data input and output
- Identify decision points

5. Performance Metrics and Management

Current State:

The CPO has established Key Performance Indicators (KPIs) which measure performance of the procurement function at OC. The KPIs are reported on a quarterly basis. This is a best practice. Through the CPO Report provided previously, the Review Team has proposed that the KPIs be reviewed and revised in collaboration with the stakeholder community (including OCCR) to ensure the KPIs are reflective of the value that procurement brings to the entity, as well as reflecting those performance measures of greatest importance to the stakeholders such as OCCR.

The current CPO KPI measures that would be applicable to OCCR include:
- Number of transactions and document types processed
- Procurement spend
- Training provided
- Number of sole sources
- Bidding activity

The present challenge is the lack of defined measures and the access to consistent and accurate data. Multiple systems, multiple points of data entry, non-standard data, and deficiencies in understanding the value of performance measures and metrics create hurdles to a successful performance management program. However, measuring performance is critical to improving the performance of an entity.

Best Practices

Performance management is the manner in which an entity establishes a basis upon which it will measure the results and quality of activity in defined areas. In order to know whether the procurement function is effective in an entity, the entity must be able to define what to measure, how to measure it and what data is necessary to conduct the measurement. Global best practices are available in the following areas to assist an entity in establishing the measurement criteria based on the strategic goals of the entity, the process by which the metric will be measured and how to manage the entity around the performance against the metrics:
- Performance Management[4]
- Performance Measurement
- Performance Metrics

Recommendations:

Additional metrics OCCR should consider establishing performance metrics for include:
- Cost savings/cost avoidance due to procurement efforts (such as % of negotiated savings from base offer)
- Spend management (such as % of spend under contract)
- Process efficiencies (such as reductions in process steps, streamlining of forms)
- Demand for service/Staff workload – measure the burden on procurement resources
- Total procurement spend broken down by spend management categories and by supplier
- Level of supplier engagement – number of solicitations with number of supplier responses
- Procurement cycle times by type of procurement (IFBs, RFPs, CTs. amendments)
- Procurement exceptions to competitive sourcing (sole sources, emergencies)

Determining appropriate performance metrics should be an exercise conducted with OCCR stakeholders, including CPO, program staff and OCCR leadership. It should be noted that the development and management of metrics and measures will have different owners within the entity. Global procurement metrics and measures should be led by the CPO, as has been noted in the previously provided CPO Report. However, it should be recognized that those metrics and measures that are more unique to the service and needs of OCCR, should be appropriately developed and managed within the OCCR. Results should be shared with stakeholders. Areas of success should be celebrated and marketed to demonstrate the value procurement is bringing to the entity. Areas requiring improvement should have a developed action plan for improvement, with close monitoring to ensure improvement occurs.

6. Relationship Management

Current State:

Building relationships with internal and external stakeholders is critical for a high-performing procurement function. Stakeholder interviews offered a consistent view that both DPAs and CDM staff are very willing to support them but neither have the staff levels to provide an excellent level of service. The customers do view the DPA and CDM staff as experts in procurement capable of answering questions and providing guidance. However, many Program managers shared frustration with the impact that delays in procurement have upon their ability to support their clients. Most who offered these observations also shared their perspective that the delays are due to these areas being significantly under-resourced. Numerous favorable comments were offered for Tui and Lydia for their expertise and their willingness to offer help when called upon by program staff. Further, many interviewees offered their appreciation for the "very knowledgeable staff" on both teams.

While the stakeholders appear to appreciate the procurement staff, numerous interviewees shared that OCCR staff work in silos, lack trust in one another and are operating in an environment and under conditions which cannot be sustained. It became evident to the Review Team that the staff feel undervalued by leadership, noting a feeling of abandonment, lack of support, lack of advocacy and absence of any resolutions to the current situation. Over the past year, it was noted that staff were removed from both procurement areas without the procurement managers being informed of the positions being removed. This lack of communication suggests minimal respect for the function and the team, as well as creating a difficult working environment in an already distressed environment.

One discussion provided an example of this lack of engagement, indicating that the staff member only engages the DPAs on the procurement team when an issue arises from a granting authority's monitoring and oversight visit, resulting in a finding. Appropriate levels of support from the DPAs and consistent processes for contract administration should allow for engagement in the process much earlier to ensure issues do not elevate to the point of a finding.

A central theme across all interviews was the lack of consistent and effective communication between OCCR leadership in various divisions and the frontline staff (Program staff) responsible for daily procurement activity. Comments offered focused on key information not getting to the individuals who need the information. Similarly, information flowing from the CPO staff is not always getting to the frontline program staff and DPAs in OCCR.

Best Practices

It is vital for entity leadership to develop strong, productive relationships with internal and external stakeholders. In addition to various training opportunities for leadership development, the Global Best Practices offer a best practice on "Relationship Management"[5]

Recommendations

These challenges in the culture and environment are not easy to transform. However, there were consistent messages of hope from OCCR staff for improvements with the pending change in the Administrative Services management structure. This change presents an excellent opportunity for OCCR leadership to transform the procurement function and environment. The Review Team highly encourages

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[5] Global Best Practices, NIGP, https://www.nigp.org/resource/global-best-practices/global-best-practice-stakeholder-relationships.pdf

the new manager/management team to work closely with the procurement teams to consider the recommendations in this Report and seek out collaborative ways to increase service levels, improve staff morale and enhance internal stakeholder relationships by implementing improvements to processes and staff structure.

While leadership is responsible for setting the tone for the future, staff must be equally invested in the transformation of the environment under new leadership. The Review Team encourages leadership development training for key staff who can be leveraged as change agents within the entity.

Several individuals stood out during the interviews for their perspective on opportunities, their efforts to actively implement new ideas and tools, as well as their desire to see improvements happen in the entity. By identifying key informal and formal leaders throughout the entity, OCCR can establish multiple points of support for changes throughout the organization.

New leadership is responsible for setting the tone for the future and must be focused on energizing staff throughout OCCR to become a high performing team. Establishing trust, advocating for inclusion and empowerment, creating consistency, and developing a supportive growth environment will help transform OCCR procurement into an energized, high performing team.

Specific recommendations for improvements to relationship management include:
- Establish a communication plan for how information will be shared between CPO, OCCR leadership, central OCCR procurement and Program staff. Plan should include intentional ways in which information can be collected and disseminated, such as team meetings, announcements, updates, good news, and feedback opportunities such as surveys and staff engagement opportunities
- Develop and deliver an advanced procurement training or series of trainings for OCCR staff. Topics should be gleaned from procurement and program staff needs.
- Establish an opportunity for dialogue between new OCCR executive leadership and procurement staff as part of the procurement transformation proposed in this Report. The opportunity should focus on prioritizing the opportunities that best align with the vision of County and OCCR leadership. The meeting should provide procurement staff an opportunity to discuss concerns and ideas for improvement and how best they can support the new leadership.

B. STAFF, WORKLOAD AND ORGANIZATIONAL STRUCTURE ANALYSIS

1. Organizational Structure

Current State

The County has a decentralized procurement structure, with both a centralized staff (CPO) and 270 Deputy Purchasing Agents (DPA's) in 22 departments in the County. The OCCR procurement team leads the procurement process in OCCR, responsible for annual expenditures of $518.2 million per year[6]. A majority of this spend is in the Housing & Development division, with 42% of the spend, followed by Parks at 19%, Libraries at 11%, Community Services at 8%, Animal Care at 7%, and the remaining 3% in Administrative Services. The OCCR procurement team consists of two teams formed with a combined total of 18 DPAs.

As is true at OC CPO, the responsibility for procurement authority resides with DPAs who provide direct procurement services to the five OCCR divisions, OC Animal Care, OC Housing and Community

Development, OC Community Services, OC Parks, and OC Public Libraries. Additionally, within each OCCR division there are Purchasing Participants, those staff whose primary responsibility is not procurement, but who do handle procurement-related tasks such as drafting specifications, evaluation of proposals, execution of contracts, and contract administration. Further, as authorized by the CPM, there are non-DPA staff in the program offices responsible for Human Services Contracts[7], handling the majority of the procurement process for those agreements.

Both stakeholders and procurement staff questioned the separation of duties established between the Purchasing team and the CDM team, with only the CDM team working on Human Services contracts. While there is additional work required to incorporate granting authority requirements into Human Services agreements, there is minimal difference in adding other unique requirements into various commodity (IT) or service (medical services) solicitations. The basis for the separation of these two procurement teams appears to be a result of preference rather than an operational or business need for managing the procurements separately.

As previously offered in the County CPO report, there exists the risk of non-compliance and inconsistencies in the application of procedures given the size and complexity of the organizational structure. Further, the delegation of authority for portions of the procurement process and the execution of contracts to non-DPAs opens the County to a great amount of risk of non-compliance

and inconsistency in processes. Based on the reported annual spend estimate of $518M for OCCR, and assuming the DPAs are not leading the Human Services contracts, the amount of spend the non-DPAs potentially lead in OCCR is $311M, a large amount of spend without direct oversight by a procurement professional, such as the DPAs on the OCCR procurement team.

Some divisions within OCCR have established a position between Program staff and various procurement staff in Purchasing and CDM. There appears to be success in the centralization of this position, as it facilitates discussions and activities among multiple individuals in the division to the appropriate DPAs. This practice is similar to establishing a liaison position for the end users that becomes the "go to" person and creates streamlined communication and efficiencies for the division.

Best Practices:

The placement and structure of the procurement function in an organization is instrumental to establishing the level of service, control, and protection for the organization operation. The Public Procurement Best Practice, "The Place of Procurement[8]" advocates for the position of Procurement within the entity to optimize the influence and impact Procurement has on its internal and external stakeholders.

This best practice builds a case for the strategic placement of the Procurement function, further supported by the ABA Model Procurement Code. Both advocate for Procurement's role in the "C Suite" of an organization. This placement maximizes the effectiveness of Procurement within the entity and is critical for the entity to fully benefit from Procurement operations.

The Review Team found the Department Directors have delegation of authority to sign contracts but are not DPA's. While the CPM does not require DPA training for Directors to execute contracts, Section 1.1-108 seems to conflict with this, delegating authority for solicitations, purchasing, and execution of contracts to the CPO and designated DPAs.

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[6] Per the OCCR 2019/202 FY Annual Report https://www.occr.ocgov.com/about-us/annual-reports

[7] 2021 County Procurement Manual Section 3.4-102

[8] Global Best Practices, NIGP, https://www.nigp.org/resource/global-best-practices/THE PLACE OF PUBLIC PROCUREMENT WITHIN THE ENTITY Best Practice.pdf

Recommendations:

Public procurement best practices advocate for the highest level of authority and structural placement of procurement as the organization will support. Previously, the Review Team provided a recommendation to CPO for a centralized procurement function, with the CPO reporting to the County Executive and having full authority over DPAs, with the DPAs co-located with their respective departments. Barring that restructuring, OCCR currently has a centralized procurement team that could expand and effectively manage the spend of OCCR while protecting the organization from the risk inherent in spending $518M annually. However, to transform the procurement team into an effective, value-added resource for the organization, OCCR leadership must ensure the function is properly resourced, trained, development and supported to perform in a strategic manner rather than a tactical manner.

Based on a high-level assessment of the existing organizational structure, the Review Team offers the following recommendations:

- Consider combining the two procurement teams (Purchasing and CDM) into a single team. All staff in the two sections would become one unit and all team members should be cross trained to ensure all team members are capable of managing all contract types, providing a source of backup, professional development, and succession planning for the future.
- Immediately conduct a comprehensive review of the level of procurement support required to manage OCCR procurement to identify the appropriate number of FTE (Full Time Equivalent) resources required in the central procurement team (DPA and CDM).
- Divisions/Programs with non-DPA staff spending substantive percentages of their time in procurement roles and activities, should be considered for assignment to the OCCR procurement team. This transfer of staff to the OCCR procurement team will enable the appropriate level of purchasing and contracting support through the centralized team.
- OCCR staff members (outside of the OCCR procurement staff members) who have responsibility for Human Services contracts should be certified as DPAs, complete with the required annual training similar to the expectations of the OCCR procurement staff classified as DPAs, to reduce the potential risk to OCCR of non-compliance in the Human Service contracts.
- Delegation of authority for execution of contracts should reside with DPAs rather than Department Directors.
- Consider creating Procurement Liaisons across all divisions in OCCR, whereby the role serves as a central liaison between the division and procurement. This role may then have central responsibility for dissemination of information, coordination and follow up on status updates, vetting of questions and tracking of procurement actions.

The proposed recommendations are intended to increase the accountability, consistency, efficiency, and overall effectiveness of procurement throughout OCCR. Based upon the Review Teams' observations during interviews, documentation reviews and contract file audits, these recommendations should be carefully considered in light of the numerous challenges identified throughout this Report.

2. Staff Analysis

Current State - *Management*

At the time of the interviews for this Report, the OCCR Purchasing and CDM staff reported to Brian Rayburn, but several staff and stakeholders mentioned that, effective July 1st, the teams will report to Connie Chang as a result of a reorganization. Both Brian and Connie are direct reports to Julie Lyons, a new addition to management coming from Public Works to OCCR as the Administrative Services Director. Both changes were viewed as favorable by interviewees.

OCCR has two divisions responsible for procurement led by experienced managers, Fue "Tui" Tuiteleleapaga and Lydia Garcia, who combined have more than 60 years of experience at OC. It was evident to the Review Team that both Tui and Lydia are extremely dedicated to their role, their staff, and the entity.

Tui's Purchasing team leads procurements for both commodities and services for all divisions of OCCR. Lydia's CDM team focuses solely on Human Services procurements. Both teams recently experienced a reduction in staff with no warning (four from Tui's team and one from Lydia's team), resulting in increased workloads to an already strained staff, compounding the impact of the COVID 19 emergency and further lowering staff morale.

Both Tui and Lydia provided high praise for their teams along with wonderment at the amount of work they produce, a sentiment shared by many program staff. However, both procurement managers, as well as the program staff to whom they provide support, shared concern for the overwhelming workload on the already lean staff. Tui and Lydia both indicate they are working managers, each now tackling substantive increases in their procurement-related duties, making it extremely difficult (in some cases non-existent) to address management duties, staff support responsibilities and customer services to internal stakeholders.

Current State - *OCCR Procurement Team - Purchasing and CDM Staff*

The OCCR Purchasing team has a staff of eleven (11) to include two Supervising Contract Specialists, six (6) Procurement Contract Specialists, one (1) Senior Buyer, one (1) Procurement Buyer, and one (1) Office Specialist. The CDM team consists of four (4) Administrative 1 Managers and one Staff Specialist (presently doing some of the same work as the Administrative 1 Managers due to workload).

During interviews, the Review Team encountered concern about the staff workload among the customers the OCCR procurement team serves as well as the team. Customers offered praise for the attempts by Purchasing and CDM staff to provide an acceptable level of service, but also stated it is not possible to provide the level of service required given the lack of staff. This gap in service results in the OCCR divisions taking on more oversight and management of the contracts, in the best of cases. In the worst cases, the oversight and management are simply not occurring. There are delays in the procurement process impacting delivery of service, there are interim measures being put in place to band-aid the situation, and there are burdens on staff that will eventually lead to extensive burnout and staff departure (as has been seen in the past). The Review Team's numerous findings throughout this Report demonstrate the impact of failing to have a sufficiently staffed, trained, and resourced professional procurement function, who are able to invest the time in providing training, guidance, and support to internal customers.

Further comments included concern from the procurement team that "things are getting missed" and stakeholders note the team has to "do what gets it done" rather than having the time to be strategic and proactive in the procurement process. The Review Team learned of "interim contracts" where the lack of time to complete a new procurement based on workload forces the need to issue contracts with existing contractors at the time of renewal, under the approval thresholds, to keep services in place. It appears the increased workload currently causes potential risk of non-compliance with the CPM for OCCR.

Numerous comments were shared pertaining to the difficulties of the present environment, the lack of support and the professional and even personal strain this has placed upon the staff. Most program staff shared their concerns for the procurement teams, one sharing the message that "Procurement is really trying, they just don't have enough staff." Of substantive concern were the numerous comments shared in interviews as well as the information gleaned during the contract file reviews, summarized by an interview statement "we are working in a world where we cross our fingers and hope the shoe doesn't

drop". The stakeholders also consistently reported the belief that the Purchasing and CDM teams reduced staffing level results in a lack of ability to be proactive in the procurement process. This leads to the procurement team not being engaged both at the beginning of the solicitation process, when developing specifications, and in the administration of contracts, notably when tracking contractor compliance.

Procurement staff are investing extensive overtime hours to just to "tread water", making minimal impact on the extensive backlog of work. Several DPAs shared they are strained, over-burdened and quite literally exhausted from the years of lack of support and leadership to address the clear and evident dysfunction of the environment. While Purchasing managers and staff are doing what they can to remain afloat, it is the collective observation of many interviewed that leadership has failed to address this situation.

Recommendations:

While this recommendation was also provided to the CPO, the Review Team recommends that OCCR conduct a formal assessment on procurement service levels needs for its customers. This can be conducted through formal surveys or customer interviews. Additionally, the Review Team also recommends an in-depth workload analysis and staffing assessment, to include both the procurement team and those in the divisions with procurement-related responsibilities. Both recommendations come with a sense of urgency as continuing at the current staff levels and working environment could prove detrimental to the performance of sound procurements, as well as to the morale and health of the procurement team.

The procurement environment and team require an immediate change, a procurement transformation. The transformation requires strong, strategic leadership capable of driving change and to bringing the organization closer in alignment to industry standards of practice. A leader will need to establish a vision, objectives, and a plan of action. They will need to guide and encourage staff throughout the process. The right leader must bring credibility to the transformation effort, to secure buy-in not only from the procurement team, but also from program staff. The right leader must be able to communicate effectively with all stakeholders in OCCR, as well as those stakeholders external to the department.

- Appoint a strong leader to lead transformation initiative. Leader must have executive level support, be authorized to make changes and serve as a conduit for transformation throughout OCCR.
- Provide leadership training, development and coaching to designated change agents on the procurement team.
- Provide leadership training to all Purchasing and CDM staff, to assist in developing necessary skill set to advance change in procurement.

3.   Training

Current State

The Review Team heard repeatedly that the division stakeholders and Purchasing Participants (Program staff) rely on the DPAs for guidance, as they do not automatically receive training as non-DPA staff. While the training provided by the CPO is available for them to attend, there was no indication that Purchasing Participants are encouraged to attend by their respective leadership. A "Purchasing 101" training is provided by Tui, which is specific to OCCR procurement. While the training is appreciated, Program staff suggested the training is high level and would welcome more detailed training on day-to-day procurement responsibilities. Other noted training interests include specification/scope development and contract administration.

Many are aware of the CPM but few were familiar with the content, again referring to their reliance on the Purchasing and CDM staff. Another consistent request was the need for training on specification writing for the non-DPAs responsible for drafting solicitations as well as the need for the DPA staff to be more engaged and provide more guidance to the non-DPAs during the initial drafting of solicitations.

Finally, there is a lack of training on contractor performance oversight, resulting in different groups managing performance inconsistently. Contractor performance falls on non-DPA staff which results in lack of documentation needed to effectively manage a contractor and lack of ability to correct performance or ultimately, terminate a non-performing contractor.

Recommendations:

Training is critical to the success of any staff and operational transformation. It is part of what sustains the most vital resource of any government entity, the human resource. OCCR procurement staff will need to develop and/or expand their procurement expertise to move the entity toward industry best practices and elevate the level of service for their internal and external stakeholders. Training associated with personal growth and development will better equip staff to adapt and embrace the changes needed for transformation. A holistic approach to training will elevate the technical and soft skills for staff engaged in the procurement function. Further, staff should focus on, and management should advocate for, training that will assist procurement staff to become professionally certified. Professional credentials increase the credibility of the procurement team, helping them to become recognized as the entity's resident experts in procurement.

- Absent centralization of procurement duties within the OCCR procurement team, require non-DPA OCCR staff performing procurement duties to attend required DPA training. (These non-DPAs are positions in OCCR, such as the end users and project managers, outside of the OCCR procurement team, who are taking actions, making decisions and serving in roles which typically fall under the procurement function)
- Perform cross-training of the OCCR procurement team, enabling all staff to have expertise in commodities, professional services, and Human Services agreements to ensure a consistent level of service and succession planning.
- Perform an assessment of the invoicing process to establish a process and communicate that process with training to OCCR staff.
- Determine if a policy on Advanced Payments exists outside of the CPM. Barring one, establish a policy detailing when advanced payments are allowed, the maximum percentages payable at each milestone, and communicate the policy to OCCR staff.
- As discovered during the CPO review, the CPO conducts regularly scheduled meetings with department DPAs, sharing updates on procurement policy and procedures. To ensure dissemination of these updates, schedule subsequent meetings with the OCCR staff performing procurement-related activities to further share the updates/training.
- Provide training for the development of specifications/scope of work. Note: The Review Team also offered this recommendation to CPO for DPAs.
- The Review Team recommends the OCCR management encourage and even require the Purchasing Participants take the DPA training offered by the CPO.
- Leverage the CPO Help Desk to transfer some of the training burden away from the OCCR purchasing and CDM team.

V.   CONCLUSION

The challenges experienced at OCCR are not unique. Procurement functions throughout North America continue to pivot through the impacts of the pandemic, continue to assess and reassess the workforce, and continue to strive to improve services to their communities. Those who recognize the value and criticality of the procurement and supply chain functions are implementing new ways of doing business, identifying and leveraging new opportunities and are helping to lead their entities into the next normal. For those who view procurement as a tactical function, who limit the ability of the function to bring value and who see procurement only an administrative function, they not only lose the value of the function, but they increase risk to their entity.

OCCR has a tremendous opportunity for a procurement transformation. However, it must recognize that leadership is vital to the success of a procurement transformation process. To build success for the entire department, leadership must find ways to break down "silos" of divisions and functions within the environment that detracts from a shared vision and mission. OCCR leadership must develop a common understanding and clarity for all those engaged in the procurement transformation as to their role and the importance of their contributions.

There are numerous opportunities for improvement to the OCCR structure, practice, and business operation of procurement. OCCR possesses very knowledgeable, skilled, and dedicated procurement professionals who will be tremendous resources and advocates for a procurement transformation initiative.

Of primary importance for OCCR is to address the resource challenges and structure of services in the procurement function. Equally pressing is the need to invest in a more productive, supportive environment for the procurement team, supporting improved relationships between executive leadership, procurement staff and program staff. The recommendations in this Report are presented as opportunities to increase the effectiveness and efficiency of the procurement function at OCCR. Through positive, value-added changes to the procurement function, OCCR can increase the value of the services it delivers to the community.

Given there are numerous recommendations, CPO is encouraged to assess short, medium, and long-term changes that would provide meaningful change for the department and its customers. The Review Team recommends a phased approach to incorporating changes in a manner that will be value-added without being overly burdensome.

The Review Team appreciates the opportunity under this engagement to share industry best practices and professional recommendations for OCCR's consideration. NIGP Consulting and the Review Team are available for clarification or other support to assist OCCR in this transformation opportunity. As was shared by one of the OCCR staff during the Assessment, "at the end of the day, we are all public servants. We need to do good for the public, and procurement is all about providing value"

VI.   APPENDICES

Appendix A: Summary of Recommendations

Item	Recommendations
1	**Recommendations From Audit Review:**
	• Develop a contract file standard/template, inclusive of instruction on what documentation should and should not be in the official contract record. The standard should include a contract data/tracking record notating all electronic records not contained in the central file (whether physical or electronic) and their specific location.
	• Provide staff training (or refresher training) on how to appropriately assemble, and maintain, the official contract record. This should include identifying who is specifically accountable for updating and maintaining the official contract record, including additional data and documents that need to be added to the file after contract award (e.g. – updated insurance certificates, amendments, purchase orders).
	• Mandate use of a Contract Summary Page for all contract files. Establish a standardized management review process for completed staff work and contract file reviews. Create a Contract File Checklist for management to use during staff work review.
	• Merge sourcing information into the same public record as the contract. Identify how long unsuccessful submissions must be retained by the State of CA retention policy and begin practice of removing those records once the retention period is met.
	• Retain all contracts resulting from a solicitation in the same contract file or clearly identify when multiple files exist (should have same contract numbers – Folder 1, Folder 2). Retain all DO's within the same MA file.
	• Evaluate the CA State Record Retention laws to validate what documents are and are not to be retained in the official contract file. Barring exclusion by state law, include in files all documents from the procurement sourcing process, such as unsuccessful bids/proposals/statements, all documentation related to the decision-making process and contract completion documentation.
	• Develop an executive summary/award summary template for the file to provide a high-level overview of the actions taken in the procurement.
	• Streamline the number of document identifiers (file number, contract number, PO/DO/TO numbers, Requisition numbers, MA numbers). Consider using file numbers that correlation to the contract number.
	• Merge to fully electronic files or ensure physical file contains all documentation as the electronic file. Alternatively, ensure consistency in what is retained in electronic but not in physical, with specific reference in file to locate of electronic document.
	• Create a specific file management policy, including streamlining how files are stored throughout the organization.

2	**Recommendations on Procurement Processes and Procedures**
	• Develop a Strategic Procurement Plan.
	• Eliminate practice of accepting late bids.
	• Eliminate practice of negotiating bids.
	• Eliminate practice of permitting any modifications to bids after bid submission.
	• Establish a standard price and cost analysis model for various structures (unit price, market basket, % of list price, etc.) as well as a model for price point allocation.
	• Establish a standard scoring approach for RFPs.
	• Work with CPO and County Counsel to identify and eliminate discrepancies between CPM language and solicitation (IFB, RFP) terms and conditions.
	• Establish policy, procedure, and training for supplier evaluation, including determinations of responsibility, responsiveness, and assessment against evaluation criteria.
	• Require written evidence of all quotes, eliminate verbal quote practice.
	• Develop Supplier Outreach strategy to expand and diversity supplier base and increase competition.
	• Establish and document clarification on difference between what constitutes a "consecutive" contract (under CPM 3.3.109) and a contract extension (3.3.106).
	• Develop policy, train, and ensure compliance to what determines supplier "responsiveness" to a bid situation (i.e. – what additional documentation is deemed "immaterial" and is permitted for post-bid opening submission versus what is "substantive" and not permissible for post-bid opening submission).
	• Provide staff training on solicitation development, evaluation, and contract management.
	• Develop process maps of all sourcing processes to identify efficiencies, opportunities for standardization and consistency.
	• Review roles and responsibilities as they pertain to processing contract modifications, tracking of expenditures and ensuring contract compliance for the various modifications to contracts.
	• Increase staff accountability to record data accurately and thoroughly in the appropriate system to capture information available for reporting on procurement spend and various contracting metrics.
	• Establish a recommendation for award template for IFBs, where customer/end user can capture for the official record, their evaluation and recommendation for award.
	• Collaborate with CPO to develop a formal Contract Administration program for OCCR, to include defined roles and responsibilities, policies, templates, and training.
	• Develop training for OCCR staff on proper processing of invoices to ensure timely payment and discouraging advance payments.
	• Develop supplemental procedures for OCCR specific requirements which are not covered in the forthcoming CPO Procedure Manual.
3	**Recommendations on Procurement Roles and Authority**
	• Centralize specific authority, roles, and decisions to only central procurement staff who are certified DPAs. Include, at a minimum: o Determination of responsiveness o Disputes involving determinations of qualification o Contract cancellation or termination o Decisions on protests and claims o Waiver of competition (Sole Source, Emergency) o Any deviations from standard practice or policy • Standardize the roles and responsibilities of DPAs and Program staff across the entire department. Bring roles and responsibilities of DPAs into alignment with the standard procurement responsibilities in the CPO.

		• Reduce the number of attorneys involved in advising on procurement matters. Ensure attorneys receive training on procurement standards and contract law. • Create category manager positions as part of specified roles within procurement staff/DPAs. Train category managers in strategic spend analysis to assist in identifying opportunities to leverage new contract opportunities, to drive savings and increase efficiencies.
4	**Recommendations on Procurement Timeline**	
		• Develop a strategic method to planning for procurements, working with Program staff, following the annual budget process to determine procurements planned for the coming year. Develop a calendar of expected solicitations. • Develop a template for Human Services solicitations to eliminate the need for County Counsel review prior to publishing a solicitation. • Evaluate the attorney role in various reviews and approvals if using template solicitation and contract documents. (Note: Also recommended in the CPO Report). • Use technology (Zoom, Teams, etc.) for meetings with departments to have RFP development meetings. • Require customers provide a draft scope of work when submitting the RX. • Review the need to allow three days between receipt of final documents and posting RFP. • Allow for posting of solicitation documents on Fridays, • Review the need for a meeting/approval from the OCCS Director prior to posting RFP. • Review the requirement and value for prior public notice. • Transition the RFP packages prepared for each evaluator to an electronic document to be emailed or utilize an online document repository for evaluators' access. • Eliminate the need for Program staff to review the Final Award Recommendation Letters. • Process reengineer various sourcing processes, particularly the RFP process.
5	**Recommendations on Procurement Metrics and Management**	
		• Consider adding new categories of performance metrics: o Cost savings/cost avoidance due to procurement efforts (such as % of negotiated savings from base offer) o Spend management (such as % of spend under contract) o Process efficiencies (such as reductions in process steps, streamlining of forms) o Demand for service/Staff workload – measure the burden on procurement resources o Total procurement spend broken down by spend management categories and by supplier o Level of supplier engagement – number of solicitations with number of supplier responses o Procurement cycle times by type of procurement (IFBs, RFPs, CTs. amendments) o Procurement exceptions to competitive sourcing (sole sources, emergencies)
6	**Recommendations on Relationship Management**	
		• Establish a communication plan for how information will be shared between CPO, OCCR leadership, central OCCR procurement and Program staff. • Develop and deliver an advanced procurement training or series of trainings for OCCR staff. Topics should be gleaned from procurement and program staff needs. • Establish an opportunity for dialogue between new OCCR executive leadership and procurement staff as part of the procurement transformation proposed in this Report. The opportunity should focus on prioritizing the opportunities that best align with the vision of OC and OCCR leadership. The meeting should provide procurement staff an opportunity to discuss concerns and ideas for improvement and how best they can support the new leadership.

7	**Recommendations on Organizational Structure**
	• Consider combining the two procurement teams (Purchasing and CDM) into a single team. All staff in the two sections would become one unit and all team members should be cross trained to ensure all team members can manage all contract types, providing a source of backup, professional development, and succession planning for the future.
	• Conduct a comprehensive review of the level of procurement support required to manage OCCR procurement to identify the appropriate number of FTE (Full Time Equivalent) resources required in the central procurement team (DPA and CDM).
	• Consider reassigning staff from Divisions/Programs with non-DPA staff spending substantive percentages of their time in procurement roles and activities to the OCCR procurement team.
	• Certify OCCR staff members with full responsibility for Human Services contracts as DPAs, complete with the required annual training.
	• Delegate authority for execution of contracts to DPAs rather than Department Directors.
	• Create Procurement Liaisons across all divisions in OCCR, whereby the role serves as a central liaison between the division and procurement.
8	**Recommendations for Staffing:**
	• Conduct a formal assessment on procurement service levels needs for its customers. This can be conducted through formal surveys or customer interviews.
	• Conduct an in-depth workload analysis and staffing assessment, to include both the procurement team and those in the divisions with procurement-related responsibilities.
	• Develop a procurement transformation initiative:
	o Appoint a strong leader to lead transformation initiative. Leader must have executive level support, be authorized to make changes and serve as a conduit for transformation throughout OCCR.
	o Provide leadership training, development and coaching to designated change agents on the procurement team.
	o Provide leadership training to all Purchasing and CDM staff, to assist in developing necessary skill set to advance change in procurement.
9	**Recommendations on Training**
	• Require non-DPA OCCR staff performing procurement duties to attend required DPA training.
	• Perform cross-training of the OCCR procurement team, enabling all staff to have expertise in commodities, professional services, and Human Services agreements.
	• Perform an assessment of the invoicing process to establish a process and communicate that process with training to OCCR staff.
	• Establish a policy detailing when advanced payments are allowed, the maximum percentages payable at each milestone, and communicate the policy to OCCR staff.
	• Meet with OCCR staff performing procurement-related activities after each regularly scheduled CPO/Department DPA meeting to share updates.
	• Provide training for the development of specifications and scopes of work.
	• Encourage (and consider requiring) Purchasing Participants to take DPA training offered by the CPO.
	• Leverage the CPO Help Desk to transfer some of the training burden away from the OCCR purchasing and CDM team.

Appendix B: On-Site Interview Attendees

Name	Department/Office
Bill Malohn	Accounting
Chad Ward	Parks
Erika Danczak	Aging and Veteran Services
Francis Barton	Community Services
Fui Tuiteleapaga	Procurement DPA
Jeremy Hampton	Facilities and Maintenance
Joanne Veedor	Parks
John Cleveland	County Counsel
Julie Bidwell	Housing and Development Services
Logan Giesie	IT
Lydia Garcia	Human Services DPA
Mark Batarse	County Counsel
Nina Campmas	Human Services DPA
Wayne Hsiao	Procurement DPA

Appendix C: Individual Contract File Reviews (see attached pdf file)

OC Community Resources

Memorandum

Date: February 2, 2022

To: Lilly Simmering, Deputy County Executive Officer

From: Dylan Wright, Director of OC Community Resources

Subject: NIGP Performance Audit of OC Community Resources

Attached you will find the OC Community Resources responses to the observations and recommendations resulting from the performance audit, conducted by NIGP Consulting and documented by them on their report dated November 16, 2021.

We thank NIGP Consulting for also including commendations in their report, stating that it is evident that OCCR staff is striving to meet the needs of the County and are committed to providing value for the entity and providing services to the community.

Please contact me at (714) 480-2788 or Julie Lyons at (714) 480-2875 if you have any questions.

Cc: Lala Oca Ragen, Director, Performance Management and Policy
    Julie Lyons, Director, Administrative Services, OC Community Resources

Document Color Key			
OCCR "grouping"			
CPO "grouping"			

Item	Recommendations	Department Response	Implementation Status
Recommendations From Audit Review:			
1a	Develop a contract file standard/template, inclusive of instruction on what documentation should and should not be in the official contract record. The standard should include a contract data/tracking record notating all electronic records not contained in the central file (whether physical or electronic) and their specific location.	Concur. OC Community Resources will utilize the standard file template, provided by the County Procurement Office (CPO), for internal department training and future use.	TO BE IMPLEMENTED - Internal training to be provided to staff
1b	Provide staff training (or refresher training) on how to appropriately assemble, and maintain, the official contract record. This should include identifying who is specifically accountable for updating and maintaining the official contract record, including additional data and documents that need to be added to the file after contract award (e.g. – updated insurance certificates, amendments, purchase orders).	Concur	COMPLETED - As of July 1, 2021, the CPO implemented a fully electronic filing system (ePFF) for County contracts and have been actively training the new process to all Deputy Purchasing Agents (DPA). The CPO has noted this recommendation as a future training opportunity.
1c	Mandate use of a Contract Summary Page for all contract files. Contract tracking sheets provide organization and valuable, easy-to-access data on the outside of the contract file. Establish a standardized management review process for completed staff work and contract file reviews. Create a Contract File Checklist for management to use during staff work review.	Concur, however the majority of recommendations are already existing within current County procedures.	EXISTING - The CPO currently has an ePFF checklist, which has been published for DPA use. Prior to that, all hard copy contract file folders had the Contract File Checklist printed directly on the Contract file folders. All DPAs have been provided training. TO BE IMPLEMENTED - The CPO will ensure that these file procedures are being followed during annual compliance reviews. Also, as part of 2022 goals, the CPO will consider developing and mandating use of a Contract Summary Page.
1d	Merge sourcing information into the same public record as the contract. Identify how long unsuccessful submissions must be retained by the State of CA retention policy and begin practice of removing those records once the retention period is met.	Concur	COMPLETED - In accordance with the CPO ePFF requirements, the solicitation is a mandatory contract record. COMPLETED - The CPO has added further training on the State of CA retention policy to the 2022 DPA Training Curriculum
1e	Retain all contracts resulting from a solicitation in the same contract file or clearly identify when multiple files exist (should have same contract numbers – Folder 1, Folder 2). Retain all DO's within the same MA file.	Concur	EXISTING - According to CPO guidance all contracts reside in the same file. TO BE IMPLEMENTED - CPO will consider developing the addition of DO inclusion for future ePFF requirements and train DPA's accordingly.
1f	Evaluate the CA State Record Retention laws to validate what documents are and are not to be retained in the official contract file. Barring exclusion by state law, files should contain all documents from the procurement sourcing process, such as unsuccessful bids/proposals/statements, all documentation related to the decision-making process and contract completion documentation.	Concur	COMPLETED - The CPO has added further training on the State of CA retention policy to the 2022 DPA Training Curriculum
1g	Develop an executive summary/award summary template for the file to provide a high-level overview of the actions taken in the procurement.	Concur	REPEATED - As stated in 1c, the CPO will consider development of a contract and award summary.
1h	Streamline the number of document identifiers (file number, contract number, PO/DO/CT numbers, Requisition numbers, MA numbers). Consider using file numbers that correlation to the contract number.	Concur, however currently unable to address as it is current system lack of functionality.	CONSIDERING - All document identifiers are auto assigned by the County CAPS+ ERP for each document whether for MA/DO/CT/PO. The CPO is currently considering other Procurement systems and will consider this recommendation when developing the system requirements.
1i	Merge to fully electronic files or ensure physical file contains all documentation as the electronic file. Alternatively, ensure consistency in what is retained in electronic but not in physical, with specific reference in file to locate of electronic document.	Concur	REPEATED - As of July 1, 2021, the CPO implemented a fully electronic filing system (ePFF) for County contracts and have been actively training the new process to all Deputy Purchasing Agents (DPA). The CPO currently has an ePFF checklist, which has been published for DPA use
1j	Create a specific file management policy, including streamlining how files are stored throughout the organization.	Concur	REPEATED - The CPO has a documented procedure on file management and trains and conducts compliance reviews accordingly.
Recommendations on Procurement Processes and Procedures			
2a	Develop a Strategic Procurement Plan	Concur	COMPLETED - The CPO developed and adopted the 2021 Countywide Procurement Strategic Plan and has also now published the 2022 Strategic Plan with the DPA community.
2b	Eliminate practice of accepting late bids.	Concur	TO BE IMPLEMENTED - The CPO will consider this update to the Contract Policy Manual (CPM) in the upcoming 2022 revision.
2c	Eliminate practice of negotiating bids.	The CPO does not agree with this recommendation.	
2d	Eliminate practice of permitting any modifications to bids after bid submission.	The CPO is not aware of this occurring in the County.	The CPO will research the validity of this finding and if valid will train the DPA accordingly.
2e	Establish a standard price and cost analysis model for various structures (unit price, market basket, % of list price, etc.) as well as a model for price point allocation.	Concur	TO BE CONSIDERED - The CPO has established guidance on cost analysis however will research and consider implementing additional models as appropriate
2f	Establish a standard scoring approach for RFPs. Presently there are 3 approaches to scoring (including consensus, total points, and average). The scoring of a proposal could be affected dependent upon which scoring method was selected.	Concur	TO BE CONSIDERED - The CPO has established guidance on scoring, however will research and consider implementing additional models as appropriate
2g	Work with CPO and County Counsel to identify and eliminate discrepancies between Contract Policy Manual language and solicitation (IFB, RFP) terms and conditions.	Concur	TO BE IMPLEMENTED - As part of the 2022 Strategic Procurement Plan, the CPO is pursuing the development and implementation of Countywide procurement document templates to include, but not limited to, all solicitations types, model contracts, terms and conditions, amendments.
2h	Establish policy, procedure, and training for supplier evaluation, including determinations of responsibility, responsiveness, and assessment against evaluation criteria.	Concur	COMPLETED - The CPO has added an in-depth training on these procedures to the 2022 Countywide training schedule.
2i	Require written evidence of all quotes, eliminate verbal quote practice.	Concur	TO BE CONSIDERED - The CPO will research and consider this recommendation in the upcoming 2022 CPM revision.

2j	Develop Supplier Outreach strategy to expand and diversity supplier base and increase competition.	Concur		IN PROGRESS - The CPO administers the vendor outreach program and is actively pursuing enhancements to this program including a 2021 vendor survey was conducted, a 2022 outreach event has been scheduled as well as new partnerships with additional business organizations are being pursued.
2k	Establish and document clarification on difference between what constitutes a "consecutive" contract (under Contract Policy Manual 3.3.109) and a contract extension (3.3.106).	Concur		TO BE CONSIDERED - The CPO will research and consider this recommendation in the upcoming 2022 CPM revision.
2l	Develop policy, train, and ensure compliance to what determines supplier "responsiveness" to a bid situation (i.e. -- what additional documentation is deemed "immaterial" and is permitted for post-bid opening submission versus what is "substantive" and not permissible for post-bid opening submission).	Concur		REPEATED - As stated in 2h, the CPO has added an in-depth training on these procedures to the 2022 Countywide training schedule.
2m	Provide staff training on solicitation development, evaluation, and contract management.	Concur		COMPLETED - The CPO has added these topics to the 2022 Countywide training schedule.
2n	Map sourcing processes to identify efficiencies, opportunities for standardization and consistency. Process maps of current and future state will then provide a foundation for future procedures development in areas not covered in the forthcoming CPO procedures manual.	Concur. OCCR will review the 2021 County Procedures Manual to determine additional opportunities for internal process efficiencies, as it relates to procedural standardization and consistency with other County Department policies and processes.		TO BE CONSIDERED - With the 2021 County Procedures Manual now in place, OCCR staff have the opportunity to review and standardize for consistency.
2o	Review roles and responsibilities as they pertain to processing contract modifications, tracking of expenditures and ensuring contract compliance for the various modifications to contracts.	Concur. OC Community Resources will review current contract compliance processes and consider alternative methods for tracking expenditures and ensuring contract compliance for various modifications to contracts. Administrative Services staff will collaborate with department Program staff to determine roles and responsibilities, as it relates to Human Service Contracts. OCCR will seek guidance from the CPO and other departments on best practices in these areas.		TO BE CONSIDERED - OC Community Resources will review current contract compliance processes and consider alternative methods for tracking expenditures and ensuring contract compliance for various modifications to contracts. Administrative Services staff will collaborate with department Program staff to determine roles and responsibilities, as it relates to Human Service Contracts. OCCR will seek guidance from the CPO and other departments on best practices in these areas.
2p	Increase staff accountability to record data accurately and thoroughly in the appropriate system to capture information available for reporting on procurement spend and various contracting metrics.	Concur. There is currently limited system capabilities across the procurement function restricting the amount of reporting available.		IN PROGRESS - The CPO developed a Procurement Systems Governance that is currently developing enhanced Countywide Procurement reporting requirements to include dashboards on various data elements within the current Expediter system and potential upgrades to CAPS+.

Once procurement reporting becomes available, the CPO will then pursue the recommendation for the development of Countywide contracting metrics to allow the departments to utilize as a benchmark. |
2q	Establish a recommendation for award template for IFBs, where customer/end user can capture for the official record, their evaluation and recommendation for award.	Concur.		REPEATED - As stated in 2g, As part of the 2022 Strategic Procurement Plan, the CPO is pursuing the development and implementation of Countywide procurement document templates to include, but not limited to, all solicitations types, model contracts, terms and conditions, amendments.
2r	Collaborate with CPO to develop a formal Contract Administration program for OC Community Resources, to include defined roles and responsibilities, policies, templates, and training.	Concur		IN PROGRESS - Human Service Contracts have been recently placed under the Authority of the Contract Policy Manual (which it was not in previous years) and the CPO is dedicating time and resources to develop and provide additional guidance and standardization to human service contracting. In 2021 the CPO led a Human Services Workgroup and is in the process of drafting the County's first Human Service Procedures Manual. Human Services Contracting training has also been added to the 2022 DPA Training Curriculum.
2s	Generally Accepted Accounting Principles (GAAP) discourage any advance payments in public contracting. Develop training of OC Community Resources staff on proper processing of invoices to ensure timely payment.	The CPO does not agree with this finding. The County currently discourages the use of advance payment and only considers it for very few specific instances where it is necessary or appropriate and when this occurs actively partners with Accounting and Legal experts to validate appropriateness.		
2t	Develop supplemental procedures for OC Community Resources specific requirements.	Concur. OC Community Resources will review the 2021 Procedures Manual to determine which supplemental procedures are required.		TO BE CONSIDERED - With the 2021 County Procedures Manual now in place, OCCR staff have the opportunity to review and determine which supplemental procedures are required.

Recommendations on Procurement Roles and Authority

3a	Centralize specific authority, roles, and decisions to only central procurement staff who are certified Deputy Purchasing Agents. Include, at a minimum: oDetermination of responsiveness oDisputes involving determinations of qualification o Contract cancellation or termination oDecisions on protests and claims oWaiver of competition	Concur		TO BE CONISDERED - CPO will further research and consider this recommendation in the upcoming 2022 CPM revision.
3b	Standardize the roles and responsibilities of Deputy Purchasing Agents, Contract and Program staff across the entire department. Bring roles and responsibilities of Deputy Purchasing Agents and Contract Administrators into alignment with the standard procurement responsibilities in the CPO. This recommendation requires a vetting of actions throughout all procurement processes, such as would be defined in the proposed mapping processes of current and future state (as recommended in this Report).	Concur. OC Community Resources has already began working on standardizing the roles and responsibilities, recently the Signatory Delegation and Contract Language Guidelines were released and trained to staff to promote Countywide Department standardization, as it pertains to signatory delegation of Procurement documents. The Department is also currently working towards defining and process mapping actions throughout all procurement processes and will continue to work with Department Program Directors and Manager's to determine additional initiatives.		IN PROGRESS - OC Community Resources has started working on standardizing the roles and responsibilities, recently the Signatory Delegation and Contract Language Guidelines were released and staff are being trained to promote Countywide standardization, as it pertains to signatory delegation of Procurement documents. The Department is also currently working towards defining and process mapping actions throughout all procurement processes and will continue to work with Department Program Directors and Manager's to determine additional initiatives.
3c	Narrow the number of legal counsel involved in advising on procurement. Ensure those defined legal counsel representatives receive training on procurement standards and contract law. Encourage legal counsel to share issues encountered and approaches taken, as well as basis of guidance to clients. This will help establish consistency.	Concur, however, this would need to be discussed with the OCCR Director and the Director of County Counsel to determine the outcome of this change, as there are certain Counsels with subject matter expertise in specific OCCR Programs.		TO BE CONSIDERED - Will discuss with the OCCR Director and the Director of County Counsel to determine the outcome of this change, as there are certain Counsels with subject matter expertise in specific OCCR Programs.

3d	Create category manager positions as part of specified roles within procurement staff/Deputy Purchasing Agents. This involves analyzing categories of spend and analysis of how current workload is assigned. This should be further vetted throughout the department, such that staff are not limited to assignment of a given division, but rather are assigned based upon categories of similar spend in goods and services to the extent that is reasonable. Category managers should be trained in strategic spend analysis to assist in identifying opportunities to leverage new contract opportunities, as well as analyzing past spending practices for modification to drive savings and efficiencies.	Concur, the OCCR Administrative Services Director will work with the Unit Manager to determine the need and re-organizational program funding availability.	TO BE CONSIDERED - The OCCR Administrative Services Director will work with the Unit Manager to determine the need and re-organizational program funding availability.

Recommendations on Procurement Timeline

4a	Develop a strategic method to planning for procurements, working with Program staff, following the annual budget process to determine procurements planned for the coming year. Develop a calendar of expected solicitations.	Concur, the OCCR Administrative Services Director will work with Unit Manager to determine need.	TO BE CONSIDERED - The OCCR Administrative Services Director will work with Unit Manager to determine need.
4b	Develop a template for Human Services solicitations to eliminate the need for County Counsel review prior to publishing a solicitation.	Concur	REPEATED - As stated in 2g and 2q, the development and implementation of Countywide procurement document templates to include, but not limited to, all solicitations types, model contracts, terms and conditions, amendments.
4c	Evaluate the attorney role in various reviews and approvals if using template solicitation and contract documents. (Note: Also recommended in the CPO Report).	Concur	REPEATED - As stated in 2g,2q and 4b, as part of the 2022 Strategic Procurement Plan, the CPO is pursuing the development and implementation of Countywide procurement document templates to include, but not limited to, all solicitations types, model contracts, terms and conditions, amendments.
4d	Use technology (Zoom, Teams, etc.) for meetings with departments to have RFP development meetings.	Completed. Due to COVID-19 this has been the practice for the last 1-1/2 years.	COMPLETED - Due to COVID-19 this has been the practice for the last 1-1/2 years.
4e	Require customers provide a draft scope of work when submitting the RX	Concur. The CPO already has scheduled Countywide Scope of Work training for 2022 available for all County staff.	IN PROGRESS - The CPO already has scheduled Countywide Scope of Work training for 2022 available for all County staff.
4f	Review the need to allow three days between receipt of final documents and posting RFP.	Concur. OCCR Administrative Services management team will review current standards throughout the County and make every effort to provide Department Programs with a documented reasonable workflow and timeline for the varies solicitation processes.	TO BE CONSIDERED - OCCR Administrative Management team will review current standards Countywide and make every effort to provide Department Programs with a documented workflow and timeline for varies solicitation processes.
4g	Allow for posting of solicitation documents on Fridays	Concur. Completed. OCCR DPA's currently post bids throughout the week.	COMPLETED - OCCR DPA's currently post bids throughout the week.
4h	Review the need for a meeting/approval from the OCCS Team	Concur. OCCR Purchasing and Contracts teams will develop a process for timely approval from all OCCR Programs, to support Project timelines.	TO BE CONSIDERD - The OCCR Procurement Manager will develop a process for timely approval from all OCCR Programs and Units, in an effort to support project timelines.

Recommendations on Procurement Metrics and Management

5a	Consider adding new categories of performance metrics: oCost savings/cost avoidance due to procurement efforts (such as % of negotiated savings from base offer) oSpend management (such as % of spend under contract) oProcess efficiencies (such as reductions in process steps, streamlining of forms) oDemand for service/Staff workload – measure the burden on procurement resources oTotal procurement spend broken down by spend management categories and by supplier oLevel of supplier engagement – number of solicitations with number of supplier responses	Concur, OCCR will collaborate with the CPO.	IN PROGRESS / REPEATED - As stated in 2p, The CPO developed a Procurement Systems Governance that is currently developing enhanced Countywide Procurement reporting requirements to include dashboards on various data elements within the current Expediter system and potential upgrades to CAPS+. Once procurement reporting becomes available, the CPO will then pursue the recommendation for the development of Countywide contracting metrics to allow the departments to utilize as a benchmark.

Recommendations on Relationship Management

6a	Establish a communication plan for how information will be shared between CPO, OC Community Resources leadership, central OC Community Resources procurement and Program staff.	Concur. OCCR will review current communication methods and staff responsibilities, to determine appropriate designation for shared communication responsibilities throughout the Department.	TO BE CONSIDERED - OCCR will review current communication methods and staff responsibilities, to determine appropriate designation for shared communication responsibilities throughout the Department.
6b	Develop and deliver an advanced procurement training or series of trainings for OC Community Resources staff. Topics should be gleaned from procurement and program staff needs.	Concur	IN PROGRESS - The CPO administers the DPA training program and has added development of End User training modules to the 2022 CPO Training goals. EXISTING: The CPO currently utilizes various methods of establishing upcoming training topics including but not limited to; results of CPO Compliance Reviews and various other audits, questions that come into the CPO Help Desk system, various Board and Public special interest topics.
6c	Establish an opportunity for dialogue between new OC Community Resources executive leadership and procurement staff as part of the procurement transformation proposed in this Report. The opportunity should focus on prioritizing the opportunities that best align with the vision of the County and OC Community Resources leadership. The meeting should provide procurement staff an opportunity to discuss concerns and ideas for improvement and how best they can support the new leadership.	Concur, the OCCR Administrative Services Director will work with Unit Manager to determine an action plan for implementation. Monthly meetings with Programs have been initiated to facilitate these discussions.	IN PROGRESS - Monthly meetings with Programs have been initiated to facilitate these discussions.

Recommendations on Organizational Structure

7a	Consider combining the two procurement teams (Purchasing and CDM) into a single team. All staff in the two sections would become one unit and all team members should be cross trained to ensure all team members can manage all contract types, providing a source of backup, professional development, and succession planning for the future.	Concur. OC Community Resources is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams. Recruitment for a single Procurement Manager underway as a result of recent retirements. This will assist in furthering this objective.	IN PROGRESS - OC Community Resources is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams. Recruitment for a single Procurement Manager is underway as a result of recent retirements. This will assist in furthering this objective.
7b	Conduct a comprehensive review of the level of procurement support required to manage OC Community Resources procurement to identify the appropriate number of FTE (Full Time Equivalent) resources required in the central procurement team (Deputy Purchasing Agent and CDM).	Concur. OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams, with the assistance of Human Resources.	IN PROGRESS - OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams, with the assistance of Human Resources.
7c	Consider reassigning staff from Divisions/Programs with non-Deputy Purchasing Agent staff spending substantive percentages of their time in procurement roles and activities to the OC Community Resources procurement team.	Concur. OCCR will review and update the internal Department Policy to align with the recommendations from this report, to eliminate or transition procurement roles and activities being performed by non-DPA OCCR Program staff.	IN PROGRESS - OCCR is reviewing and plans to update the internal Department Policy to align with the recommendations from this report, by eliminating or transitioning procurement roles and activities being performed by non-DPA OCCR Program staff.
7d	Certify OC Community Resources staff members with full responsibility for Human Services contracts as Deputy Purchasing Agents, complete with the required annual training.	Completed.	COMPLETED
7e	Delegate authority for execution of contracts to Deputy Purchasing Agents rather than Department Directors.	Concur. Implementation will take place in 2022.	IN PROGRESS - Implementation will take place in 2022
7f	Create Procurement Liaisons across all divisions in OC Community Resources, whereby the role serves as a central liaison between the division and procurement.	Concur. Procurement Liaisons have begun being assigned across all Programs in OC Community Resources.	IN PROGRESS - Procurement Liaisons have begun to be assigned across all Programs in OC Community Resources.

Recommendations for Staffing

	Recommendation	Response	Status
8a	Conduct a formal assessment on procurement service levels needs for its customers. This can be conducted through formal surveys or customer interviews.	Concur	IN PROGRESS - In 2021 the CPO initiated a project to review workload and work product data to assist Executives on identifying service level needs. This is a Countywide study, conducted by the CPO, as many departments are struggling to analyze resources for their procurement areas. These resource levels vary across the County and should be looked at across the board for some standardized guidance that the executive teams could utilize when making resource decisions. However, as stated in several findings above, the current Procurement systems lack any reporting functionality and this data is currently being pulled and analyzed manually which requires an abundance of time and resources.
8b	Conduct an in-depth workload analysis and staffing assessment, to include both the procurement team and those in the divisions with procurement-related responsibilities.	Concur. OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams, with the assistance of Human Resources.	IN PROGRESS - OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams, with the assistance of Human Resources.
8c	Develop a procurement transformation initiative: oAppoint a strong leader to lead transformation initiative. Leader must have executive level support, be authorized to make changes and serve as a conduit for transformation throughout OC Community Resources. oProvide leadership training, development and coaching to designated change agents on the procurement team. oProvide leadership training to all Purchasing and CDM staff, to assist in developing necessary skill set to advance change in procurement.	Concur.	COMPLETED - In 2021, the CPO developed a DPA training series "Become a Procurement Trailblazer" that is a two part series and commenced November 2021. The goal of this new training series is to initiate a transformation of the Procurement culture from one of a clerical support nature to one of a functional leadership. The DPAs should conduct themselves and be perceived as experts in the somewhat complex Procurement field. This training will a focus on topics like, providing excellent customer service, increased communication and transparency across all functions (Procurement, Contracts, Program, Budget, Accounting). The 2022 DPA Training curriculum has been developed in support of this initiative as part of the Procurement Professional Program.
Recommendations on Training			
9a	Require non-Deputy Purchasing Agent OC Community Resources staff performing procurement duties to attend required Deputy Purchasing Agent training.	Concur. OCCR plans to update the internal policy to clarify that non-DPA staff working on procurement or contract functions at OC Community Resources is prohibited. A work group was formed between OCCR, Clerk of the Board, the CPO, and County Counsel, also inclusive of 3 other County department Managers, to standardize the County signatory delegation authority. A matrix was developed and has been used to train Countywide DPA's and ASR Coordinators, OCCR is currently updating the Department Policy to align with the recommendations from this work group for standardization, and provide further training to Program staff to eliminate procurement roles and activities being performed by non-DPA OCCR Program staff.	IN PROGRESS - A work group was formed between OCCR, Clerk of the Board, the CPO, and County Counsel, also inclusive of 3 other County department Managers, to standardize the County signatory delegation authority. A matrix was developed and has been used to train Countywide DPA's and ASR Coordinators, OCCR is currently updating the Department Policy to align with the recommendations from this work group for standardization, and provide further training to Program staff to eliminate procurement roles and activities being performed by non-DPA OCCR Program staff.
9b	Perform cross-training of the OC Community Resources procurement team, enabling all staff to have expertise in commodities, professional services, and Human Services agreements.	Concur. OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams and is also in the process of establishing cross-training opportunities, to enable all staff to have expertise in multiple fields.	IN PROGRESS - OCCR Leadership team is in the process of evaluating the internal organizational structure for the Administrative Services Purchasing and Contracts teams and is also in the process of establishing cross-training opportunities, to enable all staff to have expertise in multiple fields.
9c	Perform an assessment of the invoicing process to establish a process and communicate that process with training to OC Community Resources staff.	Concur. OC Community Resources will collaborate with Auditor-Controller staff.	TO BE CONSIDERD - OCCR will discuss with Auditor-Controller.
9d	Establish a policy detailing when advanced payments are allowed, the maximum percentages payable at each milestone, and communicate the policy to OC Community Resources staff.	Concur	IN PROGRESS - as stated in 2s, the County currently discourages the use of advance payments. The CPO has added development of a Payment Structure training to the 2022 DPA Training goals.
9e	Meet with OC Community Resources staff performing procurement-related activities after each regularly scheduled CPO/Department Deputy Purchasing Agent meeting to share updates.	Concur. As stated in 8c, The CPO is currently developing a DPA training series "Become a Procurement Trailblazer" to commence November 2021. The goal of this new training series is to initiate a transformation of the Procurement culture from one of a clerical support nature to one of a functional leadership. The DPAs should conduct themselves and be perceived as experts in the somewhat complex Procurement field. This training will a focus on topics like, providing excellent customer service, increased communication and transparency across all functions (Procurement, Contracts, Program, Budget, Accounting).	IN PROGRESS - The CPO is currently developing a DPA training series "Become a Procurement Trailblazer" to commence November 2021. The goal of this new training series is to initiate a transformation of the Procurement culture from one of a clerical support nature to one of a functional leadership. The DPAs should conduct themselves and be perceived as experts in the somewhat complex Procurement field. This training will a focus on topics like, providing excellent customer service, increased communication and transparency across all functions (Procurement, Contracts, Program, Budget, Accounting).
9f	Provide training for the development of specifications and scopes of work.	Concur	COMPLETED - This training is included in the CPO 2022 curriculum. The CPO trainings are not limited to DPAs and are also open to Department staff to attend.
9g	Encourage (and consider requiring) Purchasing Participants to take Deputy Purchasing Agent training offered by the CPO.	Concur. OCCR Procurement and Contracts staff are all current DPA's and are required by the CPO to attend 10 hours of DPA Training annually. OCCR intends to update the internal Delegation Policy, to clarify that non-DPA staff working on procurement or contract functions within OCCR Programs is prohibited. OCCR agrees further training to Program staff to eliminate procurement roles and activities being performed by non-DPA OCCR Program staff is needed and plans to work with the CPO to implement.	EXISITING - OCCR Procurement and Contracts staff are all current DPA's and are required by the CPO to attend 10 hours of DPA Training annually. OCCR intends to update the internal Delegation Policy, to clarify that non-DPA staff working on procurement or contract functions within OCCR Programs is prohibited. OCCR agrees further training to Program staff to eliminate procurement roles and activities being performed by non-DPA OCCR Program staff is needed and plans to work with the CPO to implement.
9h	Leverage the CPO Help Desk to transfer some of the training burden away from the OC Community Resources Purchasing and Contracts teams.	Concur	EXISTING - The CPO has an established ticketing system to assist DPA's on specific questions from each Department and is accessible to all staff Countywide. CPO utilizes this data to develop more defined training, based on questions submitted. CPO also sends an annual survey soliciting feedback on all services provided including any trainings that may be needed. Also CPO conducts monthly Purchasing Council and DPA meetings and consistently solicits feedback and suggestions during open forum.