



COUNTY OF LOS ANGELES
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063



United We Stand

JOAN OUDERKIRK
Director

TELEPHONE: (323) 267-2670
FACSIMILE: (323) 415-8673

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To: Each Supervisor

From: Joan Ouderkirk, Director *Joan Ouderkirk*
Michael J. Henry, Director of Personnel *Michael J. Henry*

Subject: **THIRD AND FINAL ANNUAL STATUS OF PURCHASING
AND CONTRACTS RESTRUCTURING EFFORTS**

On September 14, 1999, the Board of Supervisors approved the Director of Personnel's joint recommendation with the Director of Internal Services Department (ISD) to:

Approve the creation of three new classes for the purchasing and contracts function in the Internal Services Department.

Approve the phased deletion of five existing classes, as the new classes supplant the existing purchasing and contracts classes.

Approve the allocation of fifty-six positions to new purchasing and contracts classes that will require candidates to meet more stringent experience and certificate requirements prior to their appointment.

In adopting the above recommendations, the Board also instructed the Director of Personnel, working with ISD, to provide an annual report to the Board on the progress of implementing the organizational restructuring of the purchasing and contracts function of ISD.

From a strategic perspective, ISD planned on migrating toward the new organization structure and job classifications over a three-year period. Therefore, this is the third and final annual report on the status of ISD's efforts.

Background

On June 9, 1998, the Board adopted a motion instructing ISD to continue to move forward in implementing recommendations contained in the State Auditor's report on the County's purchasing and warehousing practices. One component of ISD's implementation strategy included working with DHR to define the classification needs and qualification requirements related to purchasing and contracts functions. Toward that end, a study was conducted of ISD's purchasing and contracts organizational structures and job classifications. The key findings were:

The purchasing and contracts classes were created almost thirty years ago when the focus was on low dollar value transactions and purchase of centralized supplies and services for the County and no longer accurately reflected the job duties required of the positions. New classifications were needed to recognize the changes in job scope and duties since the classifications were originally established.

New classifications were required in order to integrate purchasing and contracts functions (e.g., creation of master agreements, development of overall acquisition strategies, etc.) into a single classification series.

There was a need to provide competitive salaries and better-defined career paths to attract well-qualified purchasing and contracts staff. ISD had been experiencing significant attrition in the purchasing and contracts areas (in excess of 20% annually) and salaries were not competitive with public and private sector organizations.

All of the new classes require candidates to meet far more stringent qualifications before being eligible for appointment. Existing employees are only appointed as they demonstrate acquisition of new skills and knowledge. New employees are recruited at the revised classification levels as vacancies occur.

Training of Staff

In addition to varying levels of experience, the new classifications require individuals to complete an Accredited Purchasing Practitioner (APP) and/or Certified Purchasing Manager (CPM) certification program. ISD's efforts in this regard are as follows:

The initial formal Certification Training Program was completed in September 2000. A total of forty ISD employees, representing a wide variety of buyers, procurement staff and managers participated in this Certification Training Program.

To date, 20 ISD staff members have passed all of the required APP modules and have received their APP Certification.

In addition to its own staff, ISD has coordinated one additional training class for 28 interested procurement staff from other County departments.

Examination Efforts

The Department of Human Resources finalized the class specifications for the Purchasing and Contracts Analyst series of positions during February 2000. Since that time, ISD has initiated open competitive as well as promotional exams for the Purchasing and Contracts Analyst, Purchasing and Contracts Analyst II, and the Principal Purchasing and Contracts Analyst positions.

To date, twenty-seven of the thirty-three individuals in the buyer positions have been hired or promoted to the new classification (i.e., those that met the more stringent qualifications).

Status Purchasing and Contracts Initiatives

In addition to recruitment and training efforts, ISD has implemented, or is in the process of implementing, several enhancements in the areas of purchasing and contracts. Examples of these efforts include:

Expansion of Master Agreements – ISD has continued to expand the use of master agreements where appropriate in the areas of construction and industrial supplies and equipment, office supplies and computer furniture. Currently, ISD also has partnered with U.S. Communities, Group Purchasing Alliance to establish National master agreements for a variety of commodities enabling the County to obtain deep discounts on goods.

Agreements Website - This browser based, web-enabled application provides County departments with on-line access to all of the 870 active commodity agreements established and maintained by the ISD Purchasing Division.

Procurement units within the individual departments are now able to identify commodities on agreement by contract number, contract title, vendor, or by commodity or contract text through a robust search engine that extracts and displays the agreement information directly from the purchasing system database.

Consultation With County Departments – A Purchasing Division section manager has been assigned to be the direct, single contact for each County Department for purchasing assistance.

County-wide Training for Purchasing and Contracting – ISD has undertaken a lead role in the development and roll-out of formal training programs for departments in the areas of purchasing and contracting, which includes a two-day contracts workshop conducted by ISD, Auditor-Controller and County-Counsel and a one-day procurement training class on the basic requirements of County purchasing, including instruction in standards, policies and procedures. ISD has also actively participated in the Department of Human Resources Training Academy program by conducting sessions in the academy training modules specific to County purchasing and contracting.

Vendor Registration and Notification – Web based electronic vendor registration was implemented in February 2000 and over 9,000 vendors have registered on line to date. This information is transferred automatically to ISD's automated procurement system, and is synchronized with the County's financial system, maintained by the Auditor-Controller for vendor payment transactions and information.

Automated Procurement System – ISD's purchasing staff have been using an automated procurement system since September 1998. Currently, all 39 County departments have been trained, and are submitting requisitions electronically to ISD.

Bid Postings – Solicitations prepared in ISD's automated procurement system are now automatically posted on the County's bid website. Vendors who have registered using the electronic registration system are sent an e-mail notification when a solicitation is posted for goods or services for which they have registered. On-line download of solicitations and attachments are also available.

"How to do Business with the County" Website – Implemented in January 2002, this centralized website provides the business community, as well as County departments, with a single location to obtain information about doing business with the County, including:

- The process for participating in commodity purchasing and service contracting with County departments.
- How to become a registered vendor with the County through "WebVen."
- The goods and services that are purchased by County departments
- Purchasing and contracting opportunities that are available through the consolidated bid website.
- County business requirements and standard terms and conditions.
- Links to other County and governmental agencies.

Summary

The restructuring of purchasing and contracts functions approved by the Board in September 1999 was intended to take place over a three-year period. The successful implementation of the new classifications has led to a higher level of professionalism among purchasing and contracts staff at ISD as well as expanded purchasing programs. As evidenced by the aforementioned contributions and enhancements, these initiatives have enabled ISD the ability to better support the acquisition process for County departments.

ISD is appreciative of the assistance the Department of Human Resources provided in accomplishing this important restructuring effort.

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