



**2012-2013  
Madera County Grand Jury  
Final Report  
Madera County Administration  
Purchasing Function**

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**Introduction:**

The Grand Jury chose to review the Purchasing unit because of the final implementation of the on-line purchasing system. In its review of the Madera County Purchasing function, the Grand Jury examined the current Purchasing Policy and Procedure Manual that is utilized as a guide, the flow chart of the purchasing function, and interviewed several people.

The Madera County Administration Office (CAO) is responsible for the Purchasing function for Madera County Departments, with exception of the Madera County Road Department and some minor or emergency purchases within various departments.

The unit consists of one full-time employee and one supervisor who devotes approximately one-fourth-time to oversee purchasing. Their mission is to procure goods and services that are the best value for the county.

**Facts:**

1. There are approximately 3,000 purchase orders issued per year.
2. Purchases include consumable goods as well as contracted services.
3. The process for purchasing was changed from a manual purchase requisition system to an electronic requisition system some time ago, however mass rollout to all departments was not completed until 2011.
4. Under the current system, purchase of items costing as little as \$1.00 require a requisition/purchase order for payment.
5. Due to work-load, coupled with the impact of mandatory work furloughs, some employees are voluntarily working unpaid hours to keep up with the volume.
6. Employee(s) were transferred from the purchasing unit to the "311 System".
7. A Code of Ethics/Conflict of Interest Declaration form is signed only at the time of initial employment.
8. The Code of Ethics/Conflict of Interest Declarations are not included when an RFP package is issued.

## **Findings:**

1. The Purchasing Policy and Procedures Manual has not been updated to reflect the requirements of the on-line purchasing system.
2. Purchasing utilizes State Procurement Contracts, when available, to take maximum advantage of pricing.
3. The Request for Proposal (RFP) is used for the purchase of services and goods for most departments.
4. The electronic requisition system has streamlined a high volume paper system into an on-line process maintaining all approvals, checks and balances.
5. Training on report writing to extract information from the system has been inadequate.
6. There is no cost analysis to determine the cost of processing a purchase order.
7. There is no system for reimbursement of small purchases made outside of blanket purchase orders.
8. Non-management employees are putting in voluntary unpaid time in order to insure completion of the work requirements.
9. Failure to include the Code of Ethics/Conflict of Interest Declaration form in the RFP package creates a potential conflict with the State Code preventing employees from contracting with the county.
10. Transfer of employees from purchasing to other units negatively affected the ability to process the purchasing work-load.

## **Recommendations:**

1. The Purchasing Policy and Procedures Manual should be updated when a policy change takes place.
2. The Purchasing Policy and Procedures Manual should be reviewed biennially indicating revision date.
3. Provide adequate training on report generation for the on-line purchasing system.
4. Implement a cross-training program to insure continued work flow in the absence of key personnel.
5. Create a controlled system to obtain supplies not covered by blanket purchase orders of less than \$25 without the issuance of a purchase order.
6. A cost analysis be conducted to determine the cost to process a purchase order.
7. Include a Code of Ethics/Conflict of Interest Declaration with every RFP issued.

**Respondents:**

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