

# County of Madera

## Information Technology Department

200 West 4<sup>th</sup> Street, Suite 4500  
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DATE: Friday, May 03, 2013

TO: The Honorable D. Lynn Jones  
Presiding Judge  
Madera, County Superior Court  
209 W. Yosemite Avenue  
Madera, CA 93637

FROM: Robert Connal, Director of Information Technology Madera County CA. *RC*  
200 W. 4<sup>th</sup>  
Madera, CA 93637

SUBJECT: Response to 2012-13 Madera County Grand Jury Final Report "Madera County Administration Purchasing Function"

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Honorable Judge Jones:

Pursuant to California Penal Code 933.05, Robert Connal, Director of Information Technology, submits this response to the findings and recommendations in the 2012-13 Madera County Grand Jury Report on "Madera County Environmental Health Department."

**Finding #5:**

Training on report writing to extract information from the system has been inadequate.

**Response:**

Partially disagree with the finding per California Penal Code 933.05 (a) (2). Training on the use of the system as well as reporting functions was conducted by the Purchasing Department in partnership with Information Technology. However additional training material will be distributed for the extraction of historical information in report form

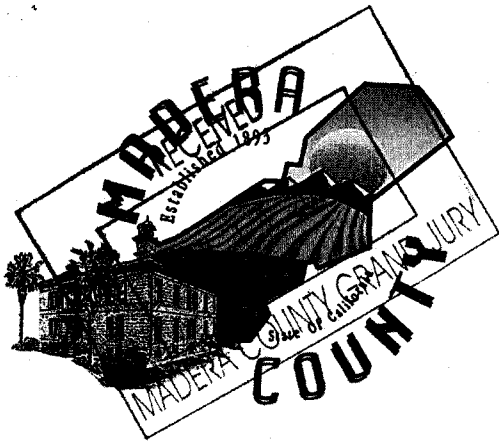
**Recommendation #3:**

Provide adequate training on report generation for the on-line purchasing system.

**Response:**

Training on the use of the system as well as reporting functions was conducted by the Purchasing Department in partnership with Information Technology. However additional training material will be distributed for the extraction of historical information in report form

Cc: Madera County Board of Supervisors  
Darin McCandless, Purchasing Agent



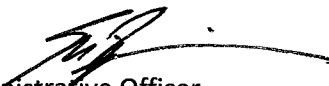
# County of Madera Administrative Management

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May 9, 2013

To: The Honorable D. Lynn Jones  
Presiding Judge  
Madera, County Superior Court  
209 W. Yosemite Avenue  
Madera, CA 93637

From: Eric Fleming   
County Administrative Officer  
200 W. 4<sup>th</sup> Street  
Madera, CA 93637

Darin McCandless   
Risk Analyst/Purchasing Supervisor  
200 W. 4<sup>th</sup> Street  
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**Subject: Response to the 2012-13 Grand Jury Report entitled "Madera County Administration Purchasing Function."**

Honorable Judge Jones:

In accordance with California Penal Code § 933.5(a) and (b), this letter addresses all Findings and Recommendations contained in the above-referenced Grand Jury report.

The following are the Grand Jury's findings and recommendations, followed by the responses of the County Administrative Officer Purchasing Supervisor:

Finding 1:

The Purchasing Policy and Procedures Manual has not been updated to reflect the requirements of the on-line system.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). A component of the completed electronic requisition project was the development of policies, procedures and instructions related to, and specific to, the electronic requisition workflow. These electronic requisition policies and procedures have not been formally incorporated into the Purchasing Policies and Procedures.

Finding 2:

Purchasing utilizes State Procurement Contracts, when available, to take maximum advantage of pricing.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 3:

The Request for Proposal (RFP) is used for the purchase of services and goods for most departments.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1). The RFP process is one of several methods by which goods and services are procured on behalf of County departments.

Finding 4:

The electronic requisition system has streamlined a high volume paper system into an on-line process maintaining all approvals, checks and balances.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 5:

Training on report writing to extract information from the system has been inadequate.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). Training on the use of the system as well as reporting functions was conducted by the Purchasing Department in partnership with Information Technology. However additional training material will be distributed by Information Technology for the extraction of historical information in report form.

Finding 6:

There is no cost analysis to determine the cost of processing a purchase order.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1)

Finding 7:

There is no system for reimbursement of small purchases made outside of blanket purchase orders.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 8:

Non-management employees are putting in voluntary unpaid time in order to insure completion of the work requirements.

Response:

Disagree with the finding per California Penal Code 933.05 (a) (2). Current staffing assigned to the purchasing function is able to satisfy all work requirements within normal working hours.

Finding 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.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1)

Finding 10:

Transfer of employees from purchasing to other units negatively affected the ability to process the purchasing work-load.

Response:

Disagree with the finding per California Penal Code 933.05 (a) (2). In fiscal year 2011-2012, the Purchasing budget was consolidated into the Administrative Management

budget; however, no staff involved with the purchasing function has been transferred to other units.

Recommendation 1:

The Grand Jury recommends that the Purchasing Policy and Procedures Manual should be updated when a policy change takes place.

Response:

The recommendation has been implemented. The Purchasing Policy and Procedures Manual has been updated to include conflict of interest and ethics language. A full revision of the Purchasing Policy is planned and should be completed during the 2013-2014 fiscal year.

Recommendation 2:

The Grand Jury recommends that the Purchasing Policy and Procedures Manual should be reviewed biennially indicating revision date.

Response:

The recommendation has been implemented. A full revision of the Purchasing Policy is planned and should be completed during the 2013-2014 fiscal year.

Recommendation 3:

The Grand Jury recommends that adequate training on report generation for the on-line purchasing system be provided.

Response:

The recommendation has not yet been implemented but will be implemented in the future. According to the Director of Information Technology:

*"additional training material will be distributed for the extraction of historical information in report form."*

Recommendation 4:

The Grand Jury recommends that a cross-training program to insure continued work flow in the absence of key personnel be implemented.

Response:

The recommendation has been implemented. Staffing limitations in the Administrative Office have presented coverage challenges not only with regard to the purchasing function but for other Administrative functions. Despite the challenges, existing

administrative staff have recently been trained on the new electronic requisitioning system and adequate coverage of the purchasing function is now in place.

Recommendation 5:

The Grand Jury recommends that a controlled system to obtain supplies not covered by blanket purchase orders of less than \$25 without the issuance of a purchase order be created.

Response:

The recommendation requires further analysis. Currently emergency purchases or purchases with necessary vendors that do not accept purchase orders are processed upon prior approval of the Purchasing Agent . In order to develop an alternative system for small purchases the County Auditor/Controller will need to approve any proposed system. The Administrative office will work in conjunction with the Auditor's office to explore possible solutions.

Recommendation 6:

The Grand Jury recommends that a cost analysis be conducted to determine the cost to process a purchase order.

Response:

The recommendation requires further analysis. With further refinement of the electronic requisitioning system in terms of further training as well as revision of the procedures and policies, the Administrative office will work to quantify the costs involved in processing a purchase order. Hopefully, this analysis should be completed during the coming fiscal year.

Recommendation 7:

The Grand Jury recommends that a Code of Ethics/Conflict of Interest Declaration be included with every RFP issued.

Response:

The recommendation has been implemented.

Cc: Madera County Board of Supervisors