Review and Assessment of the Department of Purchasing & Contract Compliance

Final Report

September 28, 2012

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Section I. Executive Summary

This project was started on August 1, 2012 and a logical plan was followed to complete the study of the Purchasing and Contracts Compliance Department in Fulton County. Interviews, process analyses, procurement file reviews, benchmarking analyses, and analyses of procurement performance were conducted.

A. Findings and Recommendations

The following is the list of findings and recommendations based on the work performed:

Overall

1. There is no integrated purchasing plan for the County. Purchasing, working with users and finance staff, should develop an annual plan. This plan would include the calendar of procurements to be made, metrics of performance, M/FBE and service-disabled veteran participation, and procurement initiatives.
2. Cost analysis is not performed for sole source procurements. Purchasing should conduct cost analysis and negotiate prices for all sole source contracts. This is an allowable and common practice that will result in cost savings to the County.
3. The Board does not sign conflict-of-interest agreements before making award decisions. Board of Commissioners should sign Conflict of Interest statements relating to approvals of contracts. This can be done on an annual basis. This is a common practice of public sector agencies.
4. Cost analysis is not performed on single bid proposals received. Single Bids will be subject to cost and price analysis, and details provided to Board of Commissioners.
5. Renewal pricing is not subject to an analysis as to whether prices are fair and reasonable. Pricing for Renewals must be evaluated against market pricing before exercise. This information will be provided to the BOC at the time of extending contracts. This is the practice of public sector procurement departments.
6. Responsibility determinations are not documented for ITBs. Responsibility determinations should be completed for ITBs as well as for RFPs. This is common practice in public sector procurement. This also should be considered for procurements over $25,000 to be consistent with federal acquisition.
7. There is a lack of direction on the format and process for the development of specifications and statements of work. Standard formats, training, and published procedures should be implemented.

Policies and Procedures

8. Since the County may transfer Federal funds into General funds, all of the procurements completed by the County may be subject to Federal procurement rules. This means that the County's Policies and Procedures must adequately address all relevant Federal requirements.

Federal requirements to be addressed are:

- Local Preference
- Brand names
- Micro-Purchase Price Analysis
- Responsibility Determination
- Prequalification Standards
- Independent Cost Estimate
- History of Procurement Documentation to include method of procurement and type of contract planned, basis of award and the basis for the contract price
- Use of T&M Type Contracts to include a separate approval to use this method since there are no other reasonable alternatives available
- Progress Payments
- Federal Clauses
- Brooks Act
- Davis-Bacon (> $2,000)
- HUD Wage Rates for Maintenance
- Liquidated Damages

9. The Fulton County Code is inconsistent and out of date and does not address many of the aspects of County Purchases. The Code must be completely rewritten. The draft set of code changes is an improvement over the existing set of guidelines but is still in need of updating and reflective of best practices.

10. Purchasing policies and procedures are outdated and not based on best practices. The draft set of procedures is an improvement over the existing document but the entire manual should be rewritten.

11. The documents on the Purchasing Portal are not included in the policies and procedures manual. These have to be integrated into the full purchasing manual.

RFP Process

12. Evaluation Committee membership is unique to Fulton County and not based on best practices. Evaluation Committee membership should change (not to include Purchasing and Finance staff) to reflect best practices and behavior of benchmarks. Purchasing and Finance staff would still participate as non-voting members.

13. Financial responsibility is normally not scored in public procurement but it is part of the overall responsibility determination. The financial responsibility evaluation factor (and 5 points) should

be eliminated and made part of the overall responsibility determination. Finance staff would still review financial capacity. This is the practice of public sector procurement departments.

14. The review of litigation status by the Legal Department based on the submission of a disclosure form is unique to Fulton County and is not reflective of best practices. The disclosure form review should be eliminated as it does not reflect good practice. Aspects of this review can be included in the responsibility determination.

15. Purchasing does not recommend awards which is a chief responsibility of purchasing in both the public and private sectors. Purchasing should recommend awards as result of the VSC evaluation and conduct cost and price analysis based on the price quotations received. This is the practice of public sector procurement departments.

16. Presently, negotiations are not being completed as part of RFP procurements. Purchasing will conduct negotiations with all selected suppliers under the RFP process. This is an allowable and common practice that will result in cost savings to the County.

17. Evaluation criteria are not tied to specific procurements in most cases. Criteria should be unique to specific procurements. Only quality and price criteria are mandatory, along with the chosen socio-economic criteria. This tracks with federal acquisition and public sector best practices. Purchasing should take the lead in recommending the appropriate criteria, weighting, and scoring methods.

Organizational Structure

18. Purchasing staff are not utilizing their skills and knowledge to save money for clients. Purchasing staff will be organized by user and will become purchase category of purchase experts. This will allow for the implementation of Strategic Sourcing that will save the County 5-8% on selected purchases.

19. Contract Compliance staff participate in an indirect way with the Purchasing group and are organized differently regarding user department responsibility. Contract Compliance Staff should be represented on each Purchasing Team. This will allow for the focused identification of potential M/FBEs and the completion of contractor monitoring.

20. Cost savings is not a current metric although it is a current best practice. Cost savings will be added as a measure of Purchasing and Contract Compliance performance. This is typical measure for organizations that are operating at a deficit and are trying to manage expenditures.

21. Based on benchmarks and best practices, the key metrics for Purchasing should be:

    a. Procurement cycle time improvement
    b. Cost savings
    c. Internal Client Satisfaction
    d. M/FBE utilization and monitoring
    e. Contractor performance improvement

Process Analysis

22. Key aspects of Purchasing are not effectively completed and communicated. Guidance and training are needed for Purchasing and User departments on the following:
    - Specifications Development
    - Statements of Work (SOWs) Development
    - Cost and Price Analysis
    - RFP Proposal Scoring
    - Market Analysis
23. Users develop solicitation document which is not best practice. Purchasing should develop solicitation document for user approval. The user department will be responsible for developing a description of the products and services and provide recommended evaluation criteria.
24. Contracts Compliance has not established annual plans to guide their activities. Contracts Compliance will develop formal plans for their M/FBE and service disabled programs. These plans will outline the annual activities for each program. There is no present set of County-wide plans.
25. The County only purchases 25% of what typical public sector groups buy (Fulton- 5-6% against average of 23%) using cooperative agreements. Purchasing should have the ability to use any cooperative purchasing contracts that meet the County's technical needs and results in lower prices. The department presently has to seek approval from the BOC before making these types of purchases.
26. There is no independent assessment of user needs or usage. Purchasing will implement a demand management program that is aimed to validate user requirements and find potential substitutes. This is presently done on an informal basis. The result will be reduced procurement costs.
27. Contracts Compliance only accepts a minimal number of M/FBE certification, which is not a best practice. Contracts Compliance should accept certifications of Minority and Female Business enterprises beyond those currently accepted, including the City of Atlanta, MARTA and the U.S. Small Business Administration.
28. A formal evaluation of annual purchases made by threshold is not completed. Purchasing should evaluate the following for improvement:
    - Converting annual and other RFQs to multi-year contracts to achieve better pricing and terms.
    - Assessing the purchases made at the $2,500 and $49,999 to ensure that staff is not purposely avoiding the need for increased competition. This is an activity that should be started to assess staff compliance and avoidance of competition.
29. Race and gender-based enterprise utilization do not carry specified goals. Contracts Compliance should benchmark the use and deployment of small business programs in public sector

procurement. This program would encompass all small businesses including M/FBEs and others, and could include annual goals. This is a growing trend in State procurement. Fulton County should conduct a study of how this program can be structured and the potential categories of products and services that could apply as well as a market survey.

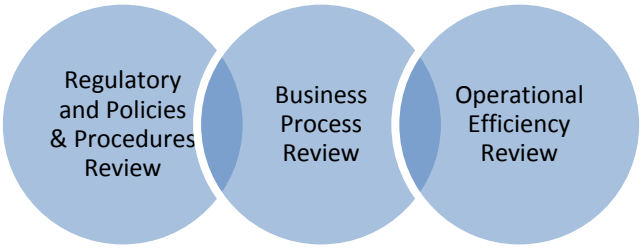
B. Next Steps

The implementation of these recommendations should begin with the development of a revised Fulton County Code and then Purchasing and Contract Compliance procedures. The development of a hybrid organizational structure with team alignment in the department should follow.

Training on all new procedures should be completed, using in-person and just-in-time eLearning for users and Purchasing staff.

Section II. Methodology

The scope of this assessment required the review and analysis of statues, ordinances, policies and procedures governing the County's Purchasing Department, the business processes currently in use, and the level of operational efficiency achieved. These three components are depicted below:



To assess these areas and develop recommendations for the Department to bring practices into alignment with best practices, Calyptus performed the following:

- Regulatory Research
- Staff and User Interviews
- File and Document Review
- Benchmarking
- Process Analysis

A detailed discussion of the specific methods used to determine findings for each review area is provided in this section.

A. Regulatory and Policies and Procedures Review

Calyptus began its review of the Fulton County Purchasing and Contracts Compliance Department by researching the statutes, codes and procurement regulations affecting the County. We identified the relevant statutes and regulations at the state and local levels.

We determined that the following was the body of legislation that governs purchasing for the County:

- Official Code of Georgia Annotated (O.C.G.A.)
- Fulton County Code of Ordinances
- Purchasing Policies and Procedures (800 series)

We reviewed and summarized the provisions of these laws, codes and regulations relating to County Purchasing requirements. We identified variations and conflicts between governing regulations.

Using the Fulton County Code and Purchasing Procedures, we identified which of procedures are mandatory based on OCGA law, which are desirable based on best practices, and which are not necessary because they are not legally required and do not align with best practices. We also identified policies and procedures that are needed to comply with the statutes and/or regulations, including supplemental policies and procedures needed for purchases made with federal funds.

Calyptus also assessed how the existing organizational structure was reflected in the Purchasing procedures. This continued in the interview phase, where we solicited staff and user perspectives on the extent and efficacy of processes, procedures and performance.

B. Business Process Review

In order to review the business processes in place in Fulton County's Purchasing and Contracts Compliance Department, we began by flowcharting the key steps and time frame requirements, including Board of Commissioner approvals, for each type of procurement outlined in the Policies and Procedures.

We then conducted staff interviews to determine the degree to which these processes were being followed and to identify process inefficiencies, communications break-downs, customer service issues and opportunities for efficiency optimization.

These interviews were held with both Purchasing and User Department staff, as well as key staff in supporting Departments such as Legal and Finance, which play a role in the procurement process. In addition to determining the extent to which actual processes conformed to written policies and procedures, the interviews also covered the following topics:

- Organizational structure
- Roles and responsibilities
- Objectives and measures
- Plans for strategic sourcing
- Customer service expectations
- Cycle time
- Approvals process
- Suggested improvements

The result of the interviews and flowcharting was an understanding of the 'as-is' process for purchases made under the RFQ, ITB, RFP, Sole Source, Emergency, and Request for Qualifications methods of procurement. Calyptus also identified the cycle times for all internal work processes, and the output of each step.

Calyptus then reviewed the available templates and standardized documents to be used in these processes and assessed them against regulations, internal requirements, and procurement best practices.

We then conducted a file review for a random sampling of procurements using all methods of procurement to verify that the correct outputs were produced and documented in procurement files according to the written and reported processes in place at the County. We looked at the uniformity of contract files and the extent to which the standardized templates were being utilized, since an insufficient degree of standardization translates to longer lead times, inefficiencies, and room for error in the creation of quality documents. We looked for patterns that might indicate that certain users, groups, or types of purchases were not utilizing standardized documents.

We also assessed the quality of outputs such as Statements of Work and specifications to determine whether unnecessary items, qualifications or requirements were included that may have limited competition and/or raised the contract price.

A targeted examination of sole source procurements, brand name procurements, and procurements where only one bid was received was conducted in order to identify where competition may have been unnecessarily limited by specifications. Based upon this examination and our knowledge of the procurement process, we triangulated the weak points in the system that led to overly restrictively specifications being included in procurements. We also looked at the County's process for identifying and correcting overly restrictive specifications in cases where one bid is received.

Finally, we examined the internal approvals required for each procurement type and threshold. We reviewed the extent of these approvals, Agency policies, the documentation needed for approval, the timing of the approval in relationship to the overall procurement process, the cycle times required, and the percent of time approval takes in relation to procurement cycle time.

C. Operational Efficiency Review

To assess the level of operational efficiency in the County Purchasing and Contracts Compliance Department, Calyptus took all the information gleaned in the research, interview and file review stages and analyzed it in relation to best practices.

We used LEAN tools such as value stream mapping method to sketch the workflow and identify potential non-value added activities and steps that were missing in the process. We identified bottlenecks in the procurement process and re-drafted current 'as-is' flowcharts to indicate 'to-be' processes that will alleviate these bottlenecks and reduce cycle time. We focused our efforts on simplifying the process within the mandatory legal framework and making it more transparent and measurable.

To aid in the re-drafting of the process flows, we also conducted a benchmarking study. Benchmarking allowed us to compare the Fulton County processes against other, best-in-class processes to determine the potential changes for improvement. We received benchmark information from the Institute for Supply Management and the National Institute for Governmental Purchasing (NIGP). We chose County governments of similar size and nature to benchmark against. Benchmarking was conducted through a series of conversations with key procurement staff at the following County Purchasing Departments:

- Broward County, FL
- City of Atlanta, GA
- Cobb County, GA
- County of Charlotte-Mecklenburg, VA
- DeKalb County, GA
- Gwinnett County, GA
- Maricopa County, AZ

The study gathered data on a series of key areas identified as critical to this project. These were:

- Cycle time (in days) from requisition to contract for RFQ, ITB, and RFP processes
- Volume of spend (in dollars) handled by each purchasing employee per year
- Volume of spend (in number of purchasing POs) handled by each purchasing employee per year
- Minority Business Enterprise spend as a percentage of total annual spend
- Female Business Enterprise spend as a percentage of total annual spend
- Organizational structure and degree of centralization
- Evaluation committee composition (using Fulton County-initiated benchmarking information)
- Procedures and criteria for evaluation of RFPs
- Evaluation of financial responsibility
- Approval authority granted to user departments, procurement leadership, county manager, and board of commissioners in terms of dollar thresholds
- Procurement processes utilized for RFQ, ITB, RFP, Sole Source, and Emergency Purchases

We then supplemented this benchmarking research with benchmarking information from projects of similar size and scope that we have recently performed. Finally, we augmented this research with online research to identify any overarching best practices that may not have been observed in the selected sample population. By using benchmarking, we were able to identify where major changes to enhance performance were possible and provide opportunities for improvement.

D. Recommendations

The information and insights gained through our research, interviews, file review, benchmarking, and analysis led us to draft a number of recommendations for improvement in the structure and processes in place in the Purchasing and Contracts Compliance Department. These recommendations are intended to help Fulton County to optimize its processes, promote efficiency, ensure compliance and align itself with best practices.

The following sections of this report describe the work in each of the three areas under review. The discussion will provide the rationale and analytical foundation for our recommendations. The final section of this report will reiterate all recommended actions and suggest next steps.

Section III. Interviews

In order to assess the current procurement system in place at Fulton County, Calyptus interviewed staff from both the Purchasing and Contracts Compliance Department and key user departments. Standard interview guides were used for both set of interviews. There were a number of questions used on both the User and Purchasing interview guides in order to get feedback from differing perspectives on the same topic. See Appendices A and B for these interview guides.

In the Purchasing and Contracts Compliance Department we interviewed the following staff members:

Department of Purchasing and Contracts Compliance Staff	
Title	**Name**
Interim Director	Felicia Strong-Whitaker
Chief Assistant Purchasing Agent – Team A	Cheryl Cochran
Chief Assistant Purchasing Agent – Team B	Bill Long
Chief Assistant Purchasing Agent – Team C	Charles Leonard
Chief Assistant Purchasing Agent – Team K	Donna Jenkins
Assistant Purchasing Agents – Team A	Charlie Crockett Al Micah Phillips
Assistant Purchasing Agents – Team B	Brian Richmond Terrence Reese
Assistant Purchasing Agents – Team C	Donald Riley Malcolm Tyson
Assistant Purchasing Agents – Team K	Joyce Daniel Nancy Harrison Darlene Bank James Jones
Purchasing Officers – Team A	Carolyn Towns Vearnetta Rivers
Purchasing Officers – Team B	Rodney Dority Cynthia Richardson
Purchasing Officers – Team C	Gertis Strozier Diann Washington
Contract Compliance Administrator	Rholanda Stanberry
Contract Compliance Manager	Mario Avery
Contract Compliance Officers	Bebe Love Brian Jones Deborah Walker-Brown
Purchasing Systems Coordinator	Glenn King
Vendor Coordinator	Keisha Massey
P-Card Administrator	Earl Blanding

Department of Purchasing and Contracts Compliance Staff (cont.)	
Title	**Name**
Administrative Staff	Marylan James Larsena White Roberstine Ervin Darlene McCrary Lisa McKine Cassandra Burns

In the key user departments, we interviewed the following staff:

User Department Staff – Top User Departments by Dollars Expended	
Department	**Name**
Health and Human Services	Troy White Linda Jefferson
IT	Derek McKay
Library (Arts and Culture)	Ed Robinson
Police	Brian Casal Delia Givens
Sheriff's Office	Jimmy Butts
Transportation Services and Facilities	David Ricks and staff
Water Resources	Kun Suwanarpa and staff

In the other departments that interact with and support Purchasing, we interviewed:

Other Department Staff Involved in Procurement and Procurement Support	
Title	**Name**
AMS Liaison	Jayanthi Lakshmanan
County Manager	Zach Williams
Finance	Sharon Whitmore
Legal	Cheryl Rogers Denval Stewart

To guide these interviews, Calyptus utilized a series of questions designed to evoke both statistical and narrative responses on areas such as cycle time, procedural consistency, approval processes, work volume, perceived obstacles, and suggestions for improvement.

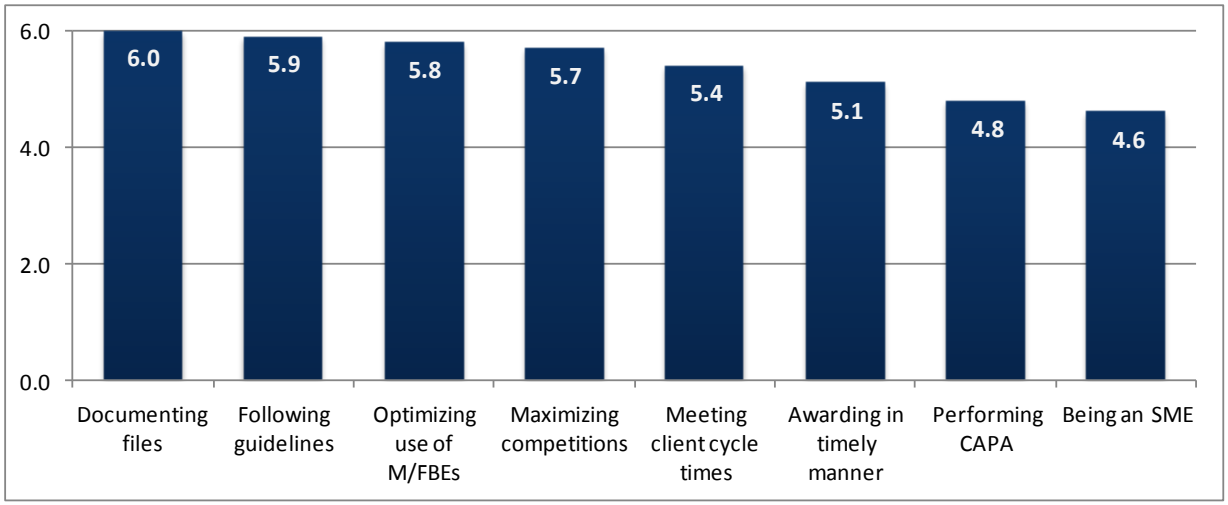
In this section, we will analyze the responses of interviewees on eight statements regarding Department performance, and then discuss the key issues that emerged in the narrative portion of the interviews. The issues that we have chosen to focus on are those that were consistently raised across all teams, functions, and levels of the Purchasing and Contracts Compliance Department and were echoed on the user side, as well.

A. Numerical Responses

Interviewees were asked to assign a score to the following eight (8) statements relating to Purchasing Department performance on a scale of one to seven (1-7) with one (1) being the lowest level of performance and seven (7) being the highest level of performance. The results are broken out below.

Purchasing and Contracts Compliance Staff

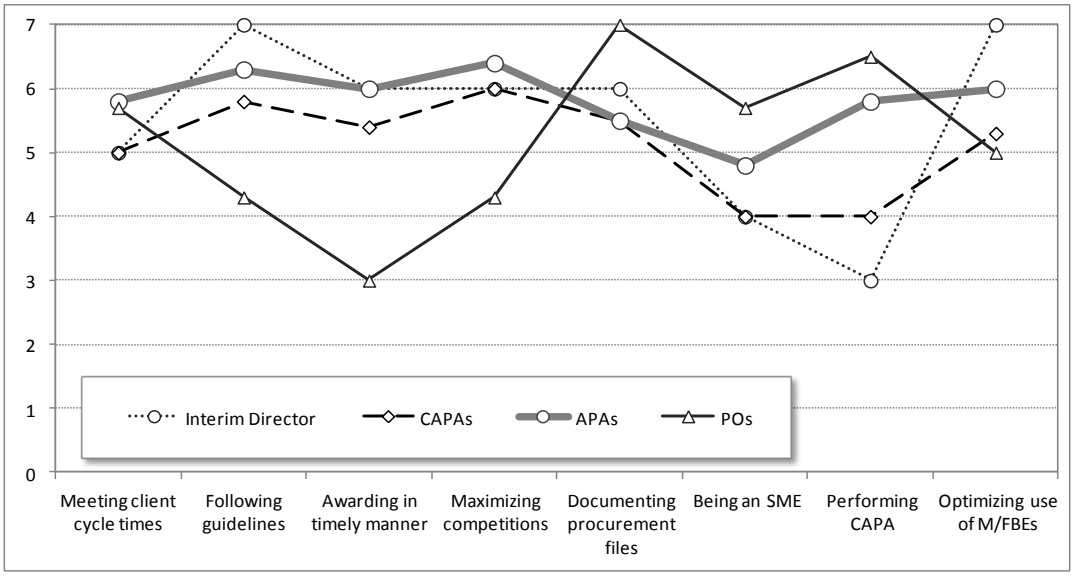
Overall Average Scores by Criterion – Purchasing Staff



Average Scores by Function

	Interim Director	CAPA AVG	APA AVG	PO AVG	Total AVG
Documenting procurement files	6	5.5	5.5	7.0	6.0
Following procurement guidelines	7	5.8	6.3	4.3	5.9
Optimizing use of M/FBEs	7	5.3	6.0	5.0	5.8
Maximizing competition	6	6.0	6.4	4.3	5.7
Meeting internal client's cycle time needs	5	5.0	5.8	5.7	5.4
Awarding POs and contracts in a timely manner	6	5.4	6.0	3.0	5.1
Performing cost and price analysis	3	4.0	5.8	6.5	4.8
Being a subject matter expert in what you procure	4	4.0	4.8	5.7	4.6

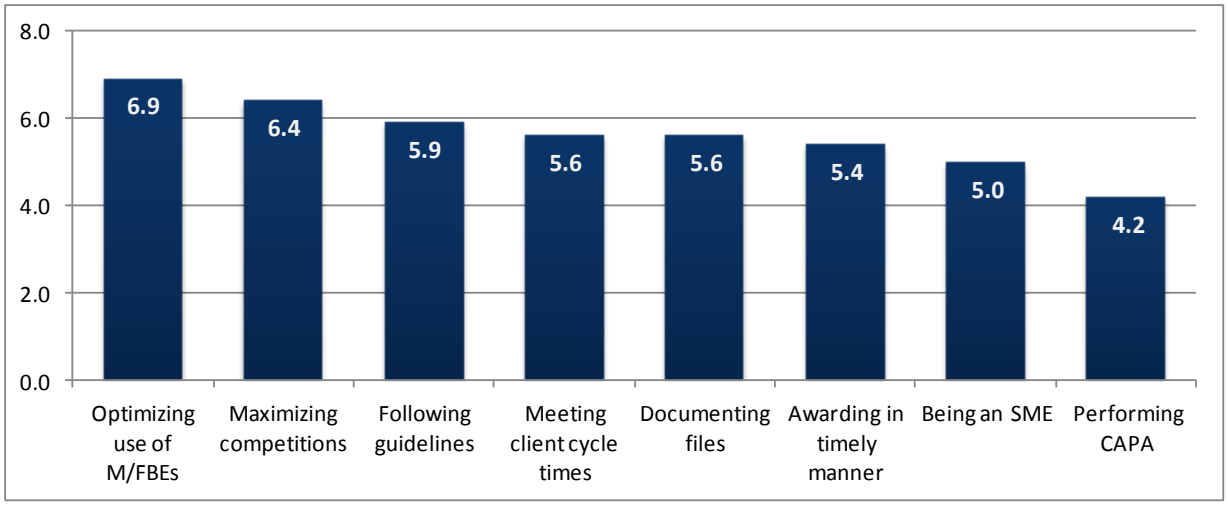
Scoring Trends by Function



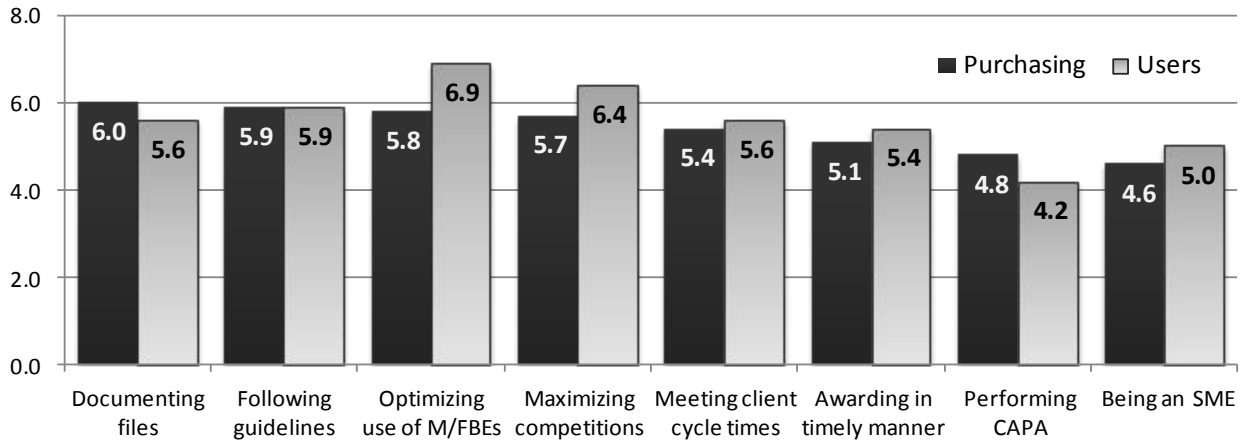
When assigning scores, interviewees frequently added the caveat that while they believed their team and/or department was performing well, overall performance might be assessed to be considerably lower. They attributed this difference to inputs in the process that they felt were outside of the department's control. For example, for the performance indicator "Awarding POs and contracts in a timely manner," interviewees expressed the view that purchasing was doing it's best to make awards in a timely manner, but the lag time in award due to legal and Board review could result in excessive delays, and therefore, a poor overall performance.

User Department Staff

Overall Average Scores by Criterion – User Departments



Comparison of Purchasing and User Scores by Criterion



The comparison between scores assigned by Purchasing staff and User staff shows a high degree of symmetry between how Purchasing feels it is servicing its clients and how these clients feel they are being serviced. Where items are scored lower, both Purchasing and Users have assigned a lower score relative to other criteria, indicating that there is agreement on what areas present challenges to the Purchasing Department.

Where items were scored lower, there may have been agreement that process optimization was required, but there were differing views on where changes should be made. These differences will be captured in the discussion of the criteria below.

Performance Indicator: Meeting Internal Client's Cycle Time Needs

Purchasing and Contracts Compliance Staff

Scores for this performance indicator ranged from four (4) to seven (7) with an overall average of 5.4. Reasons given for lower scores were the delays in the process caused by incomplete or incorrect user input, and a lack of communication between users and Purchasing on what cycle time expectations are.

Interviewees attributed the poor user input to the lack of user knowledge on the procurement process. Furthermore, one interviewee noted that when changes are made to templates and forms, users are unaware and continue to submit outdated forms, which have to be re-done to the frustration of both users and purchasing.

One CAPA indicated that the user departments do not provide enough information on their cycle time needs and are not aware of the time that the procurement process takes. An APA from a different team made the same observation, citing two critical cases where a time-sensitive procurement was sent to purchasing without any indication that a time was an issue at all. In one case, the County was being fined for every day that a situation was not corrected, but the APA was not initially provided with this information, and so went out to bid according to the normal procedure with an expected turn-around time of 90 days.

Some purchasing staff have been able to communicate with frequent users and assist in procurement planning for complex procurements that will need to be initiated many months in advance; however, this process does not seem to be standard across all user departments.

User Feedback

The average score for this criterion from User staff was 5.6. Users confirmed their frustration at having to submit and re-submit requisitions because they had completed outdated versions of the required forms. They felt it was a waste of time to have to go to Portal every time and download the forms again in case changes had been made. They tried to check the Portal to determine if the forms had changed, but found they couldn't tell, because the changes to the forms might be minor. They expressed a desire to have the Portal forms dated, so that they could see immediately if a new template was in effect.

They also felt that having to track these forms and form changes were outside the scope of their position, and that their role should be to provide the specifications to Purchasing. One of the suggestions was for Purchasing to create and conduct the solicitation. At the very least, they requested a checklist for what needed to be submitted in order to avoid having their requisitions rejected.

Performance Indicator: Following Procurement Guidelines

Purchasing and Contracts Compliance Staff

Scores for this indicator ranged from one (1) to seven (7) with an average of 5.9. The Procurement Officers were the least confident that policies and procedures were being followed, assigning a score of 4.3 on average. They expressed frustration over procedural inconsistencies between teams, a lack of knowledge over what procedures they should be following, and a feeling that they didn't know where decisions on procedures were coming from, and that these decisions were made without any input from them.

Although POs were the most frustrated with the procurement guidelines, CAPAs and APAs also reported that a number of procedures were being implemented differently by teams and this was frustrating both internally and to the user departments. Some interviewees indicated that they had received training on the draft SOP, but were still unsure whether the draft procedures were now in place, or whether the old procedures still governed.

User Feedback

On average, Users assigned this indicator a 5.9. In general they felt that Purchasing was following guidelines, although many added the caveat that they did not know what all the guidelines were, so their performance was hard to assess.

User staff providing a lower rating expressed the feeling that there were conflicting directions given depending on the Purchasing staff member that they were working with. Some Purchasing Agents would allow for lump-sum pricing to be provided in lieu of bidding line items, while others would deem blank lines as non-responsive.

Performance Indicator: Awarding POs and Contracts in a Timely Manner

Purchasing and Contracts Compliance Staff

Overall, this performance indicator received an average score of 5.1, with individual scores ranging from two (2) to seven (7). This variation is due to the differing perception of whether "timely" could be applied to just purchasing's inputs – which were generally felt to be executed in a timely manner – or whether the overall timeliness should be indicated.

Interviewees felt that the approvals process made it difficult to guarantee clients that the PO or contract would be in place in a timely fashion. Feedback on the approvals process will be discussed further in the *Narrative Response* section.

User Feedback

Users gave this indicator a slightly higher score of 5.4. In general, Users said that Purchasing did an excellent job awarding POs and contracts in a timely manner; however, sometimes awards were delayed by requirements for Board and/or legal approval.

One User Department rated this indicator as a 2, however. This Department says that they frequently must wait several months after the solicitation and evaluation process is complete before contract award and execution. They say that this delay is limiting competition, as contractors do not want to tie up funds in bonds indefinitely, and so opt not to bid on County projects.

Performance Indicator: Maximizing Competition

Purchasing and Contracts Compliance Staff

Interviewees above the procurement officer position gave high scores (six and above) to this indicator; however, the average PO score was only 4.3. Interviewees who gave higher scores cited the use of ITB and RFPs for procurements $50,000 and above, and serious attempts made to minimize the use of sole source procurements. For procurements under $50,000, however, some purchasing staff has indicated that they feel user departments are putting in requisitions for quotes on items they know to be sole source to avoid having to get Board approval for a sole source purchase. When only one quote is received, user departments have the power to decide to award to the single bidder, and so they follow this procedure to sole source items via "competitive" purchasing.

Additionally, purchasing staff identified the County's 45-day payment terms to be a deterrent to small business participation in bids and proposals. An APA strongly suggested adoption of the standard NET30 payment terms used at other organizations.

User Feedback

User staff gave this indicator an average score of 6.4. Users stated that they believe Purchasing is doing a satisfactory job of reaching out to vendors and ensuring that competition is achieved on a consistent basis.

Performance Indicator: Documenting Procurement Files

Purchasing and Contracts Compliance Staff

Although this indicator received an average score of 6.0 overall, the scores ranged from two (2) to seven (7), with CAPAs and APAs expressing more concerns over the state of file documentation than POs, perhaps because the latter have less complex documentation requirements.

Staff pointed to the loss of a position that was tasked with managing the archived procurement files as the source of their concern. Several staff members have indicated that they keep all their files in their own office because they are afraid that they will not be able to access them. These files are maintained in a locked area, however, and there is an electronic sign-out tracking sheet that the Administrative personnel update when they add or remove files.

User Feedback

Users gave this indicator an average score of 5.6. Some users declined to score, as they said they didn't know anything about documentation practices within the Purchasing Department. The score was lowered significantly by one Department that said they maintained all their own files and did not see a need to have copies of the contract kept at different locations.

Performance Indicator: Being a Subject Matter Expert in What You Procure

Purchasing and Contracts Compliance Staff

This indicator received the lowest average score (4.6) of all the indicators. Staff consistently ranked this indicator lower because they are purchasing a wide variety of items and because some of their purchases are highly technical or complex.

Staff who gave higher ratings either came from a background where they had procured similar items before, or who felt that although they were not a technical expert, they were knowledgeable enough to know the best way to procure a particular good or service.

Since the organizational structure and work assignments of the purchasing department is based on user departments and not on purchase categories, purchasing agents may be tasked with purchasing a wide variety of items without the frequency needed to gain expertise. Feedback on departmental structure will be discussed further in the *Narrative Response* section.

User Feedback

Users assigned this indicator a score of 5. Users did not feel that Purchasing staff were subject matter experts, but in general, felt they had enough understanding of what they were purchasing in order to be able to procure it effectively. Users did say that Purchasing staff does not have adequate subject matter knowledge to have two voting members on RFP Vendor Selection Committees.

Performance Indicator: Performing Cost and Price Analysis

Purchasing and Contracts Compliance Staff

This indicator also received a low score, particularly from the Interim Director, who assigned a three (3) to it because the process is inconsistently deployed and staff do not have an adequate amount of time to perform the analysis. Overall, it received an average score of 4.8. In speaking with staff members, even those who felt confident that cost and price analyses were being performed, there was a wide variance of opinions of what constituted a cost or price analysis and who (purchasing or the user) was responsible for completing it. There was also a variance of opinion on what sort of analysis was required in cases where a single bid was received. In addition to this ambiguity, there was also disagreement on whether an Independent Cost Estimate should or should not be the budget number for the user department and how it might be used in price analysis.

User Feedback

Users assigned a score of 4.2 to this indicator. In general, they said that Purchasing does not do any type of cost/price analysis; however, they are involved in market surveys.

Performance Indicator: Optimizing User of M/FBEs

Purchasing and Contracts Compliance Staff

Overall, staff felt positively about the County's use of M/FBEs, assigning an average score of 5.8. At 34% of dollar volume of purchases in the County, the level of M/FBE utilization is high, and procurement staff feels that efforts by Contracts Compliance and Purchasing staff have been successful.

Some disagreement exists, however, as to how much ability the Board should have to override the competitive process in favor of M/FBE utilization;

User Feedback

This indicator received a near-perfect score of 6.9 from users. Users feel that Purchasing is doing an excellent job encouraging minority and female business enterprise participation.

B. Narrative Response

The narrative response questions posed during the interviews allowed were designed to elicit more open-ended feedback on the purchasing system and processes. Below we have summarized some of the major themes that emerged during the course of these discussions.

Approval Process

Purchasing and Contracts Compliance Staff

Staff and users both agreed that the approvals process takes too long. The requirement for Board approval adds weeks and sometimes months to the procurement process, which causes a very real financial loss to the County if contractors will not hold pricing past the term required by the

solicitation. Staff says that it feels the approvals process can become bogged down in politics when awards go before the Board, and that Board rejections are sometimes made based on considerations other than those strictly related to the procurement process.

One Purchasing staff member stated that the County code is archaic and does not give Purchasing and Users enough authority to do what needs to be done in a timely manner. The requirement for Board approval on all contract modifications (CMs), even for modifications of a low dollar value, causes an unnecessary delay and a potentially a financial loss. In some cases, CMs arise from situations where a work stoppage will result if CM is not executed in a timely fashion; and so a delay in CM approval can prove costly to the County.

Furthermore, some approvals staff is unclear of what the approvals process is for certain types of procurements. There were differing opinions among interviewees about whether sole source procurements under $50,000 required Board approval. One Purchasing staff member said that he believed users are trying to circumvent Board approval requirements by putting known sole source items out to bid to avoid waiting indefinitely for Board approval. The result is a waste of time resources in purchasing.

User Feedback

Some users felt the Board approval process was too slow. In one case, a User reported that he had to wait several months for the approval of a large contract, and by the time approval was finally granted, the CPI had risen, causing the contract price to increase by $800,000. The long lag time also makes it difficult to predict how far in advance a procurement needs to begin, since it is uncertain how long it will take for the County Manager to put the contract award before the Board, and then how long it will take the Board to approve it.

In other cases, Users felt the Board approval process was completed in a reasonable time frame, but that all of the required approvals for a contract, taken together, caused a significant lag time.

Requirements for RFP Selection Committees

Purchasing and Contracts Compliance Staff

Several staff in both Purchasing and User Departments expressed a desire to change the current requirement that two Purchasing Staff and one Finance Staff member sit on all RFP selection committees. Purchasing staff felt this requirement added too great a strain on their resources. Evaluating proposals requires time in meetings plus the time required to read all proposals, which could amount to hundreds or even thousands of pages. To satisfy this requirement, they are often must read these proposals at home. On top of this extra work, they feel that they are adding no real value, as they don't have the technical expertise to make a sound judgment on what is being proposed.

User Feedback

User Departments universally took issue with this requirement, citing Purchasing's lack of technical expertise, and saying that it skews the decision-making process when three of the five selection committee members (two from Purchasing and one from Finance) are not technical experts.

Organizational Structure of Department

Purchasing and Contracts Compliance Staff

During the discussions with interviewees on departmental structure, several viewpoints were expressed. Some staff felt that the Department would be better to organized around categories rather than Departments serviced. This would allow purchasing agents to become an expert in the items or services they purchase. Even more crucially, it would allow for more opportunities to combine purchasing of similar items from different departments to take advantage of economies of scale. Some types of purchases that were suggested for combination and leveraging were executive searches and uniforms. A category-based structure would also reduce workload resulting from duplication of efforts between APAs or POs on different teams who are making the same purchases.

Some staff expressed reservations about switching to a category-based model, however, because they felt User Departments would protest having to deal with different staff for different purchases, rather than having one staff member that they can consistently contact for purchasing needs. Staff reported that blanket contracts for vehicles and office supplies were already in existence, but that in general, User Departments typically want to have their own individual contracts in place.

Another suggestion was to have an open pool of APAs and POs or take advantage of more cooperative agreements, instead of having them assigned to specific teams, so that when a requisition was received it could be assigned to the next available staff member, rather than having some teams' APAs and POs swamped, while others sit idle.

Some purchasing staff also took exception to the fact that Team K was tasked with carrying out procurements for large construction projects, which tend to be higher profile and give those staff higher visibility in the County even though that are at the same organizational level. One interviewee said that staff would like the opportunity to participate in this type of procurement to learn about the process and build their skill set. An APA on another team said that Team K staff have the same job titles, but perform different functions than other staff with the same title, and that the organizational structure should better indicate this.

Finally, when asked if Contract Compliance Officers should be assigned to each team, the CCOs said that would be a possible way to restructure, although they feel they currently work well together as one team focused on their specific work.

User Feedback

In general, Users expressed a desire to stay with the current team structure. They like working with as few different people as possible, as they feel they can get the best and most consistent results. One User cited the importance of trust and knowing from experience that their Purchasing Agent will be able to handle the large, complex procurements that they work with. Other users cited the degree of variation between different agents in terms of requirements and process as a reason why they would prefer to work with fewer, rather than more Purchasing staff.

Lack of User Knowledge on Procurement Process

Purchasing and Contracts Compliance Staff

A number of Purchasing Staff mentioned the poor quality of specifications that are received from User Departments. One CAPA said that s/he spends a considerable amount of time re-writing specifications. One CAPA discovered a lot of single bids resulting from the fact that specifications were written so poorly that only the incumbent knew the true specifications for the project. Furthermore, several staff said that User Departments don't keep up with changes in the procurement process, and end up submitting the wrong forms, which causes frustration both to the User and the CAPA/APA/PO.

Furthermore, one staff member expressed the viewpoint that Contracting Officers at User Departments were not helping with the specifications or process knowledge; they were merely a pass-through, which added additional steps to the process unnecessarily. They submit a poorly-written specification, Purchasing then gets it and send it back to them, they forward to user for re-write, who sends it back to CO who forwards it to Purchasing. The staff member felt it would be more effective just to deal with the User directly.

User Feedback

Users also expressed frustration at receiving rejected specifications multiple times. They cited the lack of a consistency between Purchasing Agents on what must be submitted. They also expressed the viewpoint that Purchasing should take more responsibility for completing steps in the procurement process, rather than just reviewing and rejecting what they have done.

M/FBE Efforts

Purchasing and Contracts Compliance Staff

Staff felt that M/FBE efforts were successful in general, but that sometimes the Board's focus on minority participation exceeded what could be supported by the market and unnecessarily slowed the procurement process. Furthermore, they felt the lists of M/FBEs needed to be edited in order to be more effective. The list has categories that are too broad; for example a "professional services" list might have medical providers, plumbers, and contractors, and therefore not provide a useful list for notifying the appropriate businesses. Also, the list has a lot of wrong addresses leading to waste on postage and emails. Plus, the administrative assistants must currently type out each address onto mailing labels, which occupies a significant amount of time when hundreds of postcards might be sent out. One staff member recommended transitioning this process to email to make it faster, easier, and more cost effective for the County.

Contract Compliance identified their biggest challenge as not being able to set goals and this causes the impression that the Department is not meeting the target. The participation level for 2011 was 34.9%, which is above the City of Atlanta, which has a goal-based program and utilization is at 30%, so this impression appears to be unfair.

User Feedback

Users felt that M/FBE efforts were fine, and did not have comments on the micro-level that Purchasing staff did, as they do not have visibility on all these processes.

IT Systems

Purchasing and Contracts Compliance Staff

Purchasing and Contracts Compliance use a number of systems, including AMS (used for requisitions and RFQ), the Purchasing Department Portal, and STELLA (used for Contract Compliance certification process). One interviewee said that there are too many databases with the same information in the Department. On the other hand, some purchasing staff expressed the need for a departmental vendor database that they have access to. There used to be a centralized database, but the database specialist that managed it has since left and not been replaced.

Additionally, two interviewees said that the vendor system is not user-friendly, and they have to spend time giving guidance to vendors, which becomes a problem as bids/quotes reach the time they are due and frantic vendors call because they are having trouble uploading their bids/quotes. Sometimes these problems prevent vendors from being able to respond to solicitations.

Interviewees also identified the need for the vendor certification process to be streamlined, as there is no automatic notification when the vendor certification has been updated and approved; presently, there is a 48 hour lag time and IT Department has to upload the vendor information manually.

Finally, the PCard reconciliation is done in AMS with a cross-check against receipts. The Bank of America (card issuer) site allows this to be done directly into their system; however, this is being processed as a separate step, which the PCard Administrator feels is unnecessary.

User Feedback

Users like the PCard program. It gives them the ability to make small purchases without having to wait for Purchasing to process their request. One complaint was that purchases could not be made via Amazon, which resulted in paying higher prices for books than could have been obtained through Amazon.

Potential KPIs

Purchasing and Contracts Compliance Staff

When asked what their key performance indicators should be, Purchasing and Contracts Compliance staff suggested the following:

- Quality
- Cycle Time
- How many bids/proposals received
- How well the procurement process is followed
- User satisfaction

- Attendance and experience
- Cost savings
- Quantity of vendor fairs
- Number of M/FBE certifications
- Number M/FBE participating

User Departments

When asked what key performance indicators for Purchasing should be, User staff suggested the following:

- Cycle Time
- Cycle Time Improvements
- Contract Compliance Site Visit Results
- Customer Service

On balance, cycle time, M/FBE compliance, and customer service metrics were common between the two groups of interviewees.

C. Summary of Key Issues Raised

In summary, the following issues emerged during the interviews:

- Competition is being obtained in County procurements.
- M/FBE performance is viewed as outstanding.
- Purchasing could be organized differently to redistribute workload and/or build competencies. Users favor the current structure but Purchasing Staff believe that a hybrid structure might be more effective.
- Board approval can become political and unnecessarily long with negative financial results.
- The current requirement to have two Purchasing staff and one Finance staff member on selection committees for RFPs is cumbersome, skews results, and goes against best practices.
- There is confusion over procedures, and there are procedural inconsistencies among teams.
- There is poor user input due to lack of knowledge of process and how to write specifications.
- Cost and price analysis is an organizational competency that must be improved.
- Cycle times across all procurement methods can be improved. BOC requirements sometimes add more time to the completion of the ITB and RFP process.

Section IV. Statutes, Procedures and Organizational Structure

The first component of the review was the examination of the regulatory environment and policies and procedures. To this end, we reviewed all applicable legislation and regulations, evaluated the County's compliance with these regulations, and assessed the alignment of the Purchasing Department's Policies and Procedures with these requirements. Additionally, we examined the organizational structure within the Department of Purchasing and Contracts Compliance.

A. Review of Applicable Legislation

Calyptus Group conducted a review of State Statute, County Ordinance, Local Acts, and Board Policies to identify variations and inconsistencies in regulation in the area of procurement. This review was conducted with three primary objectives in mind:

1. Map the statutory and regulatory environment under which the Purchasing Department operates.
2. Identify regulatory constraints that may detrimentally impact efficiency in the procurement process.
3. Identify changes required in revised drafts of the Fulton County Code and Standard Operating Procedures pertaining to the Department of Purchasing and Contract Compliance.

Summary of Applicable Legislation

The chart below provides a complete list of the specific excerpts and citations of state and local law that were reviewed. More than sixty-five (65) policy segments were included in this assessment.

In addition to the segments noted below, Calyptus reviewed House Bill 1452 (Fulton County; Purchasing Department; Public Letting and Bids), established in 1998, which set forth the procurement thresholds currently followed by the department.

Elements of Statute, Code, and Policy Reviewed

Official Code of Georgia Annotated (O.C.G.A.)	Fulton County Code of Ordinances	Purchasing and Contracts Compliance Policies, Procedures, and BOC Resolutions
▪ § 45-10-3. Code of ethics for members of boards, commissions, and authorities ▪ § 50-18-99. Records management programs for local governments ▪ § 36-84-1. Preferences for products manufactured in Georgia; reasonableness ▪ § 36-91-20. Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification ▪ § 36-91-21. Competitive award requirements ▪ § 36-91-22. Exceptions; use of inmate labor; emergency situations ▪ § 36-91-50 to § 36-91-54. Bid Bonds ▪ § 36-91-70 to § 36-91-72. Performance Bonds ▪ § 36-91-90 to § 36-91-95. Payment Bonds	▪ Sec. 2-66 to Sec. 2-81. Code of Ethics ▪ Sec. 2-324. - Right to protest; due process ▪ Sec. 102-389. - Receiving of bids ▪ Sec. 2-314. - Expenditures of more than $50,000.00 ▪ Sec. 2-315. - Expenditures up to $50,000.00 ▪ Sec. 2-320. - Conditions for competitive sealed proposals ▪ Sec. 2-319. - Conditions allowing for award of contract without competition ▪ Sec. 2-321. - Emergency procurement ▪ Sec. 2-313. - Purchases generally; exceptions ▪ Sec. 102-354. - Awarding of professional engineering and architectural contracts ▪ Sec. 102-352. - Approval of board for expenditures of $25,000.00 and above required ▪ Sec. 102-353. - Contract change orders ▪ Sec. 102-360. - Vendor selection committees ▪ Subdivision II. - Minority Business Enterprise (MBE) Affirmative Action Program ▪ Subdivision III. - Female Business Enterprise (FBE) Affirmative Action Program ▪ Sec. 102-466 to Sec. 102-472; Nondiscrimination in	▪ Policy and Procedure #800-02: Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done ▪ Policy and Procedure #800-06: Procedures for Handling Change Orders ▪ Policy and Procedure #800-07: Gifts Given to County Officials ▪ Policy and Procedure #800-08: Non Discrimination in Contracting and Procurement ▪ Policy and Procedure #800-09: Evaluation and Award of County Contracts ▪ Policy and Procedure #800-10: Disadvantaged Business Enterprise Policy ▪ Policy and Procedure #800-11: Basis for Conditions Allowing Award of Contract without

- § 36-60-13. Multiyear lease, purchase, or lease-purchase contracts
- § 13-11-4. Time limits for payments to contractors and subcontractors

Contracting and Purchasing

- Sec. 102-42. Records Management Plan
- Sec. 102-358. - Local preference in contracting
- Sec. 102-359. - Competitive sealed proposals for public works construction contracts
- Sec. 102-353. - Contract change orders

Competition

- Policy and Procedure #800-12: Review of Financial Responsibility for Request for Proposals
- Policy and Procedure #800-13: First Source Jobs Policy

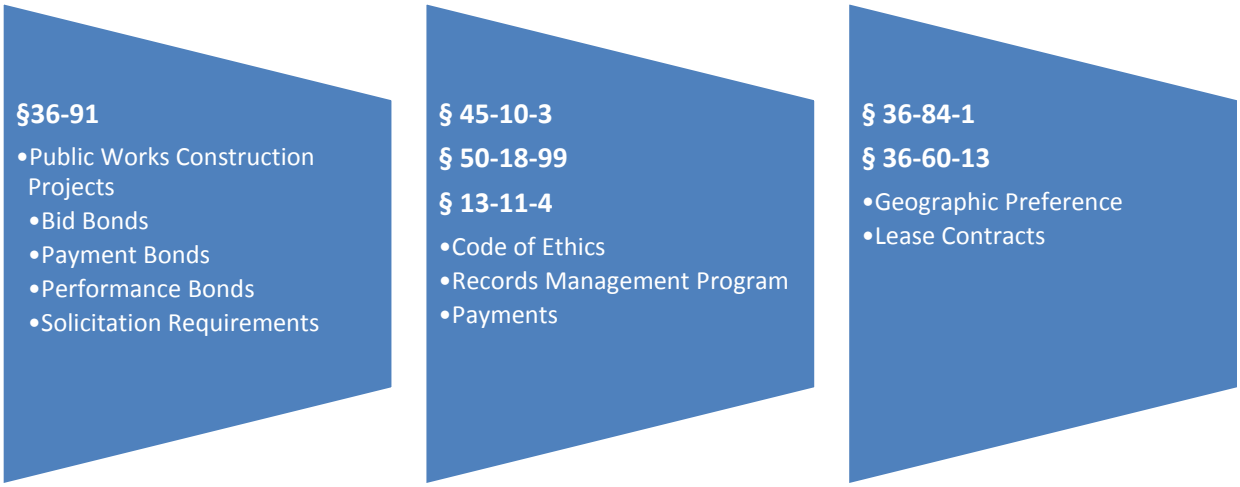
Statutory and Regulatory Environment

The assessment resulted in several observations regarding the function and purpose of purchasing regulations found in the Official Code of Georgia Annotated (O.C.G.A.), Fulton County Code of Ordinances, and Purchasing and Contracts Compliance Policies and Procedures. Calyptus Group reviewed these three sources of statute and policy as the primary State and Local guidance for purchasing.

O.C.G.A. Statutes

The O.C.G.A. statutes governing local and county-level purchasing focus primarily on public works construction projects. This includes specific instructions on the use of bid bonds, performance bonds, and payment bonds as well as requirements for the public works solicitation process. These statutes also contain the Code of Ethics for government employees; geographic preference requirements; and information regarding the use of leases. The exhibit below illustrates the purchasing requirements set forth in O.C.G.A statute that were included in Calyptus Group's assessment.

Overview of O.C.G.A. Purchasing Requirements by Title of Statute



- House Bill 1452

In addition to the O.C.G.A. body of statutes, Calyptus reviewed House Bill 1452 (Fulton County; Purchasing Department; Public Letting and Bids), established in 1998 by the Georgia House of Representatives. This Bill amended an Act creating a purchasing function in certain state counties, to set forth the procurement thresholds to be followed by the Fulton County Department of Purchasing. The Bill created the following thresholds, which are currently observed by the Purchasing Department:

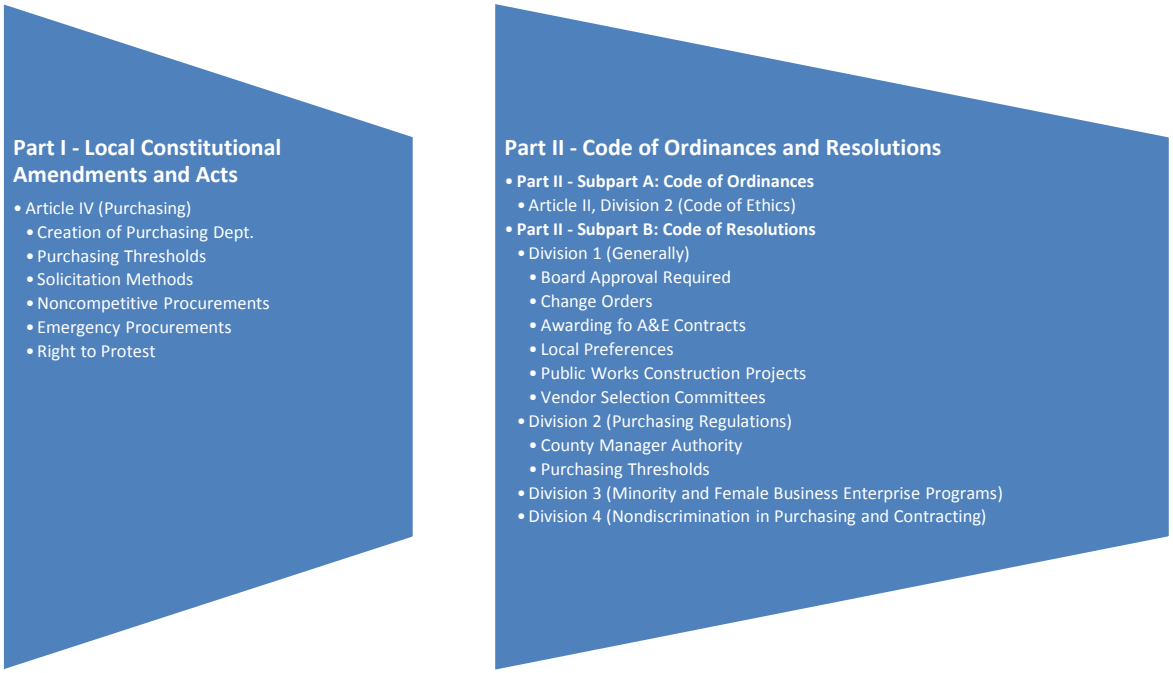
- Formal Procurements:$50,000
- RFQ/Small: $2,500 to $50,000
- Micro: ≤$2,499.99

Fulton County Code of Ordinances

The Fulton County Code of Ordinances serves as a policy document and contains the bulk of policy information guiding the operations of the Department of Purchasing and Contract Compliance. The Code should not be considered a procedural document as it sets in place resolutions and ordinances at the policy level only. It is divided into two parts: Local Constitutional Amendments and Local Acts (Part One) and Code of Ordinances and Code of Resolutions (Part Two). Part Two consists of subparts A and B. Subpart A is a recodification of the general and permanent ordinances of the county. Subpart B is a codification of resolutions that appear to be of general interest. In the preparation of Part Two, the publishers noted that the style of the legislation had been ignored; meaning that material considered penal in nature had been classified as an ordinance and material not considered penal had been classified as a resolution.

Part One, Chapter 2, Article IV (Purchasing) contains policies related to the establishment of a purchasing department, procurement thresholds, solicitation methods, protests, and noncompetitive procurements. Part Two, Subpart A (Code of Ordinances) contains ordinances for the County's Code of Ethics. Part Two, Subpart B (Code of Resolutions) contains a set of general resolutions (Division 1) concerning board approvals, change orders, local preference, public works construction projects, architecture and engineering (A&E) contracts, and evaluation committees. Subpart B also contains a separate set of regulations related to purchasing (Division 2) that include procurement thresholds and the authority of the county manager in approvals. Finally, Subpart B holds the requirements for the establishment and maintenance of minority and female business enterprise plans and states requirements regarding nondiscrimination in purchasing and contracting. The exhibit below illustrates the purchasing requirements set forth in the Fulton County Code of Ordinances that were included in Calyptus Group's assessment.

Overview of Fulton County Code by Part, Article, and Division



Purchasing Policies, Procedures, and Resolutions

- Board of Commissioner Policies and Procedures (800 Series)

The Purchasing and Contracts Compliance Department has also issued several policy and procedure documents in the years between 1994 and 2010 related to purchasing. In many cases, these policies and procedures contain separate requirements from the Fulton County Code and O.C.G.A. The policy and procedure documents – numbered in a series from 800-02 to 800-13 – cover subjects such as purchasing thresholds, solicitation methods, noncompetitive procurements, evaluation of financial responsibility, and change orders. Additionally, in 2005, the Department issued a policy and procedure establishing a Disadvantaged Business Enterprise (DBE) Program, in 2010 a First Source Jobs Policy, and in 2011 a service disabled preference policy were established to help stimulate local job growth.

- Standard Operating Procedures for Department of Purchasing and Contract Compliance

Fulton County is in the process of assessing a draft of the Standard Operating Procedures (SOP) for the Department of Purchasing and Contract Compliance. This draft SOP document was created and then approved by Cecil S. Moore, then Purchasing Director, in April 2011. However, the SOP was never fully implemented and will be finalized upon revisions to the Fulton County Code to ensure alignment. Calyptus does not consider these SOPs to be active procedures.

- Standard Operating Procedures for User Departments

Fulton County has developed an approved set of operating procedures specifically for user departments that was last revised in November 2010. These procedures cover areas such as procurement methods,

requisitions, specifications, and the contract approval process. These SOPs are considered active procedures and Calyptus evaluated existing procurement files against these procedures when conducting the file review.

The chart below provides a summary of the complete policy and procedure environment, including policies and procedures that are under development.

Policy and Procedure Relationship Matrix

Source	Definition	Type	Status
Official Code of Georgia Annotated (O.C.G.A.)	State Statutes that set forth requirements regarding Public Works Construction, Code of Ethics, Geographic Preference, and Leases.	Policy	Active
Fulton County Code of Ordinances	Fulton County ordinances and resolutions that are the primary source of policy information guiding the operations of the Department of Purchasing and Contract Compliance	Policy	Active
Purchasing and Contracts Compliance Policies and Procedures (800 Series)	Policies and procedures approved by the Fulton County BOC that cover subjects such as purchasing thresholds, solicitation methods, noncompetitive procurements, evaluation of financial responsibility, and change orders.	Policy / Procedure	Active
Standard Operating Procedures for Department of Purchasing and Contract Compliance	Set of standard procedures developed April 2011 by the Purchasing Department that are intended to implement State and County policy. Not fully implemented.	Procedure	Under Revision, Inactive
Standard Operating Procedures for User Departments	Set of standard procedures developed by Purchasing and Contract Compliance that guide the User Department role in procurement process. Implemented in 2010.	Procedure	Active
Fulton County Code – Revised Purchasing and Contract Compliance Policies	The Department of Purchasing is updating the Fulton County Code to consolidate and streamline existing county-level purchasing regulations. The proposed policy document will incorporate Board of Commissioners Policies and Procedures #800-02 through #800-13 and existing Fulton County purchasing code into a single body of code comprised of 13 divisions.	Policy / Procedure	Under Development and Revision, Inactive

Comparison of Statutory and Code Requirements with Policies and Procedures

A detailed matrix document was developed to assist in the evaluation of applicable statutes and regulations. This matrix is broken down by compliance element and compares policy content across the O.C.G.A., the Fulton County Code of Ordinances, and Purchasing and Contracts Compliance Policies and Procedures. The conflicts and inconsistencies in existing regulations for each compliance element are

stated in the Policy Evaluation column. This evaluation helped inform Calyptus Group's summary of statutory and regulatory constraints and the proposed changes to Fulton County Code and Purchasing Department Standard Operating Procedures.

Forty-one (41) individual elements of compliance were identified and evaluated within this matrix format. The complete Policy Evaluation Matrix is included below in the next segment of this report.

Detailed Policy Evaluation Matrix

Compliance Element: 1.Code of Ethics and Conflicts of Interest

O.C.G.A. Statute

O.C.G.A. TITLE 45. PUBLIC OFFICERS AND EMPLOYEES

CHAPTER 10. CODES OF ETHICS AND CONFLICTS OF INTEREST

§ 45-10-3. Code of ethics for members of boards, commissions, and authorities

(2) Never discriminate by the dispensing of special favors or privileges to anyone, whether or not for remuneration;

(6) Never solicit, accept, or agree to accept gifts, loans, gratuities, discounts, favors, hospitality, or services from any person, association, or corporation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the performance of the member's official duties;

Upon formal charges being filed with the Governor relative to a violation of Code Section 45-10-3 on the part of a member of any such board, commission, or authority, the Governor or his designated agent shall conduct a hearing for the purpose of receiving evidence relative to the merits of such charges. The member so charged shall be given at least 30 days' notice prior to such hearing. If such charges are found to be true, the Governor shall forthwith remove such member from office and the vacancy shall be filled as provided by law. Such hearing shall be held in accordance with Chapter 13 of Title 50, the "Georgia Administrative Procedure Act," and judicial review of any such decision shall be in accordance with such chapter.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 2. - CODE OF ETHICS

Sec. 2-66. - Declaration of policy.

Sec. 2-67. - Definitions.

Sec. 2-68. - Conflicts of interest generally—Impartiality.

Sec. 2-69. - Gifts and favors—Honoraria.

Sec. 2-70. - Campaign contributions.

Sec. 2-71. - Confidential information.

Sec. 2-72. - Representation.

Sec. 2-73. - Incompatible employment—Nepotism.

Sec. 2-74. - Abstention and disclosure of interest.

Sec. 2-75. - Incompatible interests.

Sec. 2-76. - Contracts involving officers or employees.

Sec. 2-77. - Unemployed officers and employees.

Sec. 2-78. - Compliance with applicable laws.

Sec. 2-79. - Disclosure of income and financial interests.

Sec. 2-80. - Board of ethics; creation; duties.

Sec. 2-81. - Hearings and procedures.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-7

Gifts Given to County Officials

Applicability: This policy shall apply to all Fulton County Officials and all gifts and/or fixed assets which are valued at 4100.00 (read as $100) or more. This policy does not apply to activities or transactions governed by Chapter 9 of the Fulton County Ethics Code.

1. Upon receipt of a gift and/or fixed asset valued at 4100.00 (read as $100) or more, the Fulton County Official shall contact the Purchasing Department to have an inventory number assigned to the gift and/or fixed asset.

2. Information needed to add items to the inventory record shall be furnished to Data Processing by the Purchasing Department.

3. The Fulton County Official receiving the gift and/or fixed asset shall be informed of the proper inventory control number affixed to the gift and/or fixed asset. If the nature of such gift and/or fixed asset prohibits the number being affixed, that number will be retained in the Materiel Control Division of the Purchasing Department.

Policy Evaluation

Fulton County Adoption of Local Ethics Policy and Procedures (Division 2 – Code of Ethics)

- < $100 is not best practice as threshold for gifts
- Allows sole source contracts with businesses in which officers or employees have financial interest
- Allows emergency contracts with businesses in which officers and employees have financial interest

- Violations of Code of Ethics subject violator to a $1,000 administrative sanction and a public reprimand, which is not a serious offense or penalty

Purchasing Policy and Procedure – Gifts Given to County Officials

- This policy requires that all fixed assets (items given as gifts valued greater than $100) be recorded and placed on an inventory list. An incorrect reference is made to Chapter 9 of the Fulton County Ethics Code (no section exists), and the policy does not specify the definition of prohibited sources of gifts or honoraria. This policy is misleading and difficult to enforce.

Compliance Element: 2.No Contact Policy

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances
PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS
DIVISION 2. - CODE OF ETHICS
Sec. 2-74. - Abstention and disclosure of interest

An officer or employee who has an interest in a contract, matter, or transaction that he or she has reason to believe will be affected by his or her official acts or actions, or by the official acts or actions of the county, shall abstain from participating in such official acts or actions and shall not vote for or against, discuss, decide, or otherwise participate in the county's consideration of the contract, matter, or transaction, or otherwise attempt to or actually influence the vote, discussion, or decision of the county regarding the contract, matter, or transaction. In addition, the officer or employee shall disclose publicly the nature of such interest prior to any determination of the contract, matter, or transaction.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-9

Evaluation and Award of County Contracts

The Purchasing Agent, in conjunction with the user department, shall ensure that every solicitation of bids, request for proposals, and solicitation for competitive sealed proposals, issued on or after March 1, 2006, shall contain instructions stating substantially the following:

1. No person, firm, or business entity, however situated or composed, obtaining a copy of or responding to this solicitation, shall initiate or continue any verbal or written communication regarding this solicitation with any County officer, elected official, employee, or designated County representative, between the date of the issuance of this solicitation and the date of the County Manager's recommendation to the Board of commissioners for award of the subject contract, except as may otherwise be specifically authorized and permitted by the terms and conditions of this solicitation.

2. All verbal and written communications initiated by such person, firm, or entity regarding this solicitation, if same are authorized and permitted by the terms and conditions of this solicitation, shall be directed to the Purchasing Agent.

3. Any violation of this prohibition of the initiation or continuation of verbal or written communications with County officers, elected officials, employees, or designated County representatives, shall result in a written finding by the Purchasing Agent that the submitted bid or proposal of the person, firm, or entity in violation is not responsive, and same shall not be considered for award.

Policy Evaluation

Policy and Procedure #800-9 was issued in 2006 to address the prohibition of communications between proposers and any County employee other than the Purchasing Agent. This policy requires that instructions regarding the County's No Contact Policy be included in each solicitation document and also sets forth repercussions for violation of this policy by proposers.

This policy is problematic in that it is one-sided and does not address the issue from the perspective of County employees reaching out to proposers. It also is not in line with any guidance provided in the Fulton County Code and O.C.G.A.

Compliance Element: 3.Written Protest Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances
PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS
Sec. 2-324. - Right to protest; due process.
Right to protest.

Any actual bidder or offeror who is aggrieved in connection with the solicitation or award of a contract shall protest in writing to the independent hearing officer. A protest shall be submitted to and received by the independent hearing officer in writing within 14 days after such aggrieved entity known or should have known of the solicitation, the award of contract to another or other acts giving rise to protests thereto; a failure to timely protest in writing shall result in a waiver of protest. An oral protest or a protest to an official, employee, user department, or other person apart from the independent hearing officer does not comply with this section and does not toll the protest time period.

a. Authority to resolve protest.
b. Stand procurements during protest.
c. Making information on protest available.
d. Decision.
e. Remedies.
f. Finality of decision.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

Though there are no conflicts between Protest Procedures stated in the Fulton County Code compared to O.C.G.A and Purchasing Policy, the Fulton Code is currently being revised by the Department of Purchasing to reflect current practices.

Compliance Element: 4.Micro Purchase Conditions and Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-315. - Expenditures up to $50,000.00.

Purchase of $2,499.00 or less may be made without competition. All work or labor solicitations, or solicitations for supplies, materials, or equipment to be let shall be made available for public review in the county purchasing office.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2
Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done
Competition is not required when the total amount of a requisition is less than $1,500. A Buyer in the Purchasing Department will be assigned to select a vendor from Fulton County's list of qualified bidders and a purchase order shall be issued for the commodity or service required.

Policy Evaluation

There are three separate conflicting purchasing thresholds stated in Fulton County policies for micro purchases and all are not reflective of current practices:

Fulton County Code
Part II Sec. 102-389

- Micro: $300 or less

Fulton County Code
Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320

- Micro: $2499 or less

Purchasing Policy and Procedure #800-2

- Micro: <$1500

*The current micro purchase threshold followed in practice by the county was set forth in House Bill 1452 (1998). This Bill set the micro threshold at ≤$2,499.99

Compliance Element: 5.Requisitions for Supplies, Materials and Equipment

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 2. - PURCHASING REGULATIONS

Sec. 102-389. - Receiving of bids.

Any department, office, officer, board, commission, or other agency of the county, requiring supplies, materials, equipment, or work or labor to be done shall request the same by written requisition directed to the county manager, which requisition shall specify the quality and quantity of supplies, materials, or equipment desired, or the nature and character of the work or labor to be done, together with any relevant information and condition deemed pertinent, including a statement showing the necessity therefore. The specifications shall be definite and certain and permit of competition (except employment of labor shall conform to the rules and regulations governing employment).

(1) Purchases of $300.00 or less may be made without competition.

(2) Bids shall be received with respect to every requisition involving an expenditure of more than $300.00 and less than $1,000.00 without public notice, but the purchasing agent shall canvass such number of dealers, not less than three, as the exigency of the situation will permit, taking written bids therefrom, and make the purchase at the lowest price obtainable. A copy of the bids received shall be filed in the permanent files of the county purchasing agent.

(3) If the requisition involves an expenditure of $1,000.00, and not more than $2,500.00, written and sealed bids shall be obtained thereon, after first giving at least five days' notice by posting notice at the courthouse door, which notice shall state the quality and quantity of supplies, materials, or equipment desired, or the work or labor to be done, the place where same is to be delivered or furnished, and the date and hour when bids will be opened.

(4) If the requisition involves an expenditure of more than $2,500.00 or involves bond funds for any amount, written and sealed bids shall be obtained thereon, after first giving at least five days' notice by advertisement in a newspaper of general circulation within the county, which notice shall conform as to contents with the requirements of subsection

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2

Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done

Competition is not required when the total amount of a requisition is less than $1,500. A Buyer in the Purchasing Department will be assigned to select a vendor from Fulton County's list of qualified bidders and a purchase order shall be issued for the commodity or service required.

Policy Evaluation

There are three separate conflicting purchasing thresholds stated in Fulton County policies:

Fulton County Code

Part II Sec. 102-389

- Micro: $300 or less
- RFQ/Small: $300 - $2499
- Sealed Bid: $2500 or greater

Fulton County Code

Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320

- Micro: $2499 or less
- RFQ/Small: $2500 - $50000)
- Sealed Bid/RFP: >$50000

Purchasing Policy and Procedure #800-2

- Micro: <$1500
- RFQ/Small: $1500 - $19999
- Sealed Bid/RFP: $20000 or greater

The current thresholds followed in practice by the County were set forth in House Bill 1452 (1998) and are as follows:

- Formal Procurements: >$50,000
- RFQ/Small: $2,500 to $50,000
- Micro: ≤$2,499.99

The disparate policy-level guidance on procurement thresholds should be reconciled and brought in line with current practice.

Compliance Element: 6.Small Purchase Conditions and Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-315. - Expenditures up to $50,000.00.

If the several parts of the work or labor to be done or the supplies, material, and equipment to be furnished shall together or in part involve an expenditure of more than $2,499.99 but less than $50,000.00, the same may be procured on order awarded to the lowest responsible bidder upon written bids submitted without public advertisement, under such regulation as shall be made by the county authority.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2

Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done

Competition is required when the total amount of a requisition is $1,500, but less than $20,000. A Senior Buyer or a Procurement Officer will be assigned to select a minimum of five (5) vendors from Fulton County's list of qualified bidders; the qualified bidders will have the

solicitation mailed to them. Responses received from the solicitation will go directly to the Senior Buyer or a Procurement Officer generating the solicitation, who will then create a tabulation and forward the responses to the user department.

Policy Evaluation

There are three separate conflicting purchasing thresholds stated in Fulton County policies for small purchases or RFQs:

Fulton County Code

Part II Sec. 102-389

- RFQ/Small: $300 - $2499

Fulton County Code

Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320

- RFQ/Small: $2500 - $50000

Purchasing Policy and Procedure #800-2

- RFQ/Small: $1500 - $19999

*The current small purchase threshold followed in practice by the county was set forth in House Bill 1452 (1998). This Bill set the small purchase thresholds at $2,500 to $50,000

Compliance Element: 7.Sealed Bid Conditions

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-314. - Expenditures of more than $50,000.00

If the several parts of the work or labor to be done or the supplies, materials and equipment to be furnished shall together or in part involve the expenditure of more than $50,000.00, such work or labor or supplies, materials, or equipment shall be procured only by contract on public letting founded on sealed bids under such regulations as shall be made by the board of commissioners or other county authority.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2

Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done

Competition and advertisement are required when the total amount of a solicitation is $20,000 or greater. A Specification Writer, will be assigned to create, edit, or modify specifications provided by the user department to ensure competition is generated. The solicitation will be advertised in accordance with applicable law and mailed to all vendors on the County's list of qualified bidders who have registered as being interested in providing the service or commodity being solicited. Sealed bid responses will be clocked in, tabulated, and forwarded to the user department for vendor selection

Policy Evaluation

There are three separate conflicting purchasing thresholds stated in Fulton County policies for the use of Sealed Bids:

Fulton County Code

Part II Sec. 102-389

- Sealed Bid: $2500 or greater

Fulton County Code

Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320

- Sealed Bid: >$50000

Purchasing Policy and Procedure #800-2

- Sealed Bid: $20000 or greater

*The current formal procurement threshold followed in practice by the county was set forth in House Bill 1452 (1998). This Bill set the formal threshold at >$50,000

Compliance Element: 8.Sealed Bid Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-314. - Expenditures of more than $50,000.00

The terms of such contracts, subject to such regulations and in conformity with law, shall be settled by the county attorney as an act of preliminary specification to a proposal for bids. The agency letting the contract and the board of commissioners may reject all bids if it shall deem it in the interest of the county so to do; if not, it shall, without other consent or approval, award the contract to the lowest responsible bidder. Such bids shall not be accepted after the time limit stated in the proposal for bids and shall not be opened except in the presence of both the county purchasing agent, or the designee thereof, and the head of the agency requesting the items. Tie bids shall be decided by the agency letting the contract. Whenever a contract is awarded to another than the lowest bidder, the agency awarding the same shall file in its office and with said county authority a statement in detail of the reasons therefore.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2

Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done

Competition and advertisement are required when the total amount of a solicitation is $20,000 or greater. A Specification Writer, will be assigned to create, edit, or modify specifications provided by the user department to ensure competition is generated. The solicitation will be advertised in accordance with applicable law and mailed to all vendors on the County's list of qualified bidders who have registered as being interested in providing the service or commodity being solicited. Sealed bid responses will be clocked in, tabulated, and forwarded to the user department for vendor selection. After the user department requesting the solicitation has reviewed the response to the solicitation and selected a vendor based on the response and the specification criteria, the user department shall forward its recommendation to the County’s Office of Contract Compliance & EEO for review, in accordance with the law, to ensure MFBE Program compliance.

Policy Evaluation

Fulton County Code and Purchasing Policy do not provide sufficient detail implementing a process for handling Sealed Bid Procedures and lack consistency; each source focuses on different requirements.

The threshold for use of Sealed Bid Procedures is in conflict between the Purchasing Policy and Fulton County Code.

Compliance Element: 9.Request for Proposal Conditions

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-320. - Conditions for competitive sealed proposals

When the county manager and the purchasing agent, upon written recommendation of the user department, determine that the use of competitive sealed bidding is not practicable or is not advantageous to the county, a contract may be entered into by the board of commissioners based on competitive sealed proposals

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

There are two separate conflicting purchasing thresholds stated in Fulton County policies for the use of competitive proposals:

Fulton County Code

Part II Sec. 102-389

- RFP: $2500 or greater

Fulton County Code

Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320

- RFP: >$50000

Purchasing Policy and Procedure #800-2

- No specific coverage

*The current formal procurement threshold followed in practice by the county was set forth in House Bill 1452 (1998). This Bill set the formal threshold at >$50,000

Compliance Element: 10.Request for Proposal Procedures - Method Selection, Advertising, Bid Opening

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-320. - Conditions for competitive sealed proposals

1. This method of solicitation shall only be used after a written determination by the purchasing agent, upon recommendation by the user department and county manager, that the use of competitive sealed bidding is not practicable under the circumstances or is not in the best interests of the county in accordance with regulations promulgated by the board of commissioners.
2. Proposals shall be solicited through a request for proposal.
3. Adequate public notice of the request for proposal shall be given in the same manner as provided for competitive sealed bidding.

Proposals shall be opened in the same manner as competitive sealed bids, provided that there is no disclosure of any information derived from proposals submitted by competing offerors. A register of proposals received shall be prepared and made available for public inspection in the purchasing department.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

Fulton County Code requirements regarding procedures for the use of competitive sealed proposals do not conflict with other existing policy.

Compliance Element: 11.Request for Proposal Procedures – Evaluation, Negotiation

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-320. - Conditions for competitive sealed proposals

4. The request for proposal shall state the relative importance of price and other evaluation factors.
5. As provided in the request for proposal and under policies and procedures to be developed by the county, discussions may be conducted by the purchasing agent, in conjunction with the user department, with reasonable offerors who submit proposals determined by the purchasing agent, and written recommendation of the user department, to be reasonably

qualified for being selected for award; such discussions shall be for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Vendors who make offers, hereinafter referred to as offerors, shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals; and such revisions may be permitted after submission and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

6. The award shall be made by the board of commissioners to the responsible offeror whose proposal is determined, upon written recommendation by the county manager, the purchasing agent and the user department, to be in the best interest of the county, taking into consideration price and the evaluation factors set forth in the request for proposal. No other factors or criteria shall be used in the evaluation. The contract file shall contain the name and complete identification of the successful offeror and the basis, in writing, upon which the award is made.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-12
Review of Financial Responsibility for Request for Proposals
PROCEDURE:

A. The Department of Purchasing & Contract Compliance RFP solicitation documents shall include that the following documentation shall be required in request for proposals for submittal in order for the Department of Finance to complete its financial review:
    1. Provide audited financial statements for the last three years, including income statements, balance sheets, and any changes in financial position.
    2. The latest quarterly financial report and a description of any material changes in financial position since the last audited financial statement.
    3. Proposer's most recent Dun & Bradstreet, Value Line Reports or other credit ratings/report.
    4. Identify any evidence of access to a line or letter of credit.
B. The Department of Purchasing & Contract Compliance shall forward the financial information to the Department of Finance for review to determine financial responsibility for each proposer who submitted a response to the solicitation.
C. The Department of Finance shall evaluate financial responsibility for each proposer using the following criteria:
    1. Submittal of all of the required information
    2. Acceptable current ratio of 1.5 or better or Acceptable working capital level
    3. greater than or equal to the monthly contract value
    4. Acceptable audit opinion from firm's external auditor
    5. Acceptable low debt ratio of 1.5 or lower
    6. Credit rating from a recognized rating agency (D&B, Moody's Best A&M, Fitch, Standard and Poor's of BBB- or better or Providing evidence of access to a line or letter of credit

Policy Evaluation

The Fulton County Code conflicts with Purchasing Policy and Procedure in the area of evaluating financial responsibility.

- The Fulton County Code Sec. 2-320 states that the award will be made to the responsible offeror as determined by the county manager, the purchasing agent, and the user department.
- Policy and Procedure #800-12 states that the Department of Finance is involved in the review of financial responsibility, and that up to five (5) points will be awarded based on the proposer's financial reports.

The procedure requiring that financial responsibility be considered an evaluation criterion for each competitive sealed proposal is not in line with best practices and conflicts with Fulton County Code.

Compliance Element: 12.Sole Source Conditions

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-319. - Conditions allowing for award of contract without competition

A contract may be awarded by the board of commissioners without competition when the county manager and the purchasing agent determine, in writing, upon recommendation of the user department and after the purchasing agent conducts a good faith review of available sources, that there is only one source for the required work, labor, or service to be done or the supplies, materials, or equipment to be furnished.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-11

Basis for Conditions Allowing Award of Contract without Competition

The Board of Commissioners has authorized that the following categories are permitted as basis for conditions allowing award of contracts without competition:

A. When required in order to comply with, or avoid voiding of or penalties under, licenses and warranties held by the County.

B. Expert services, acquiring the services of an expert or neutral person for any anticipated litigation or dispute.

C. The existence of limited rights in data, patent rights, copyrights, or secret processes; or similar circumstances, make the supplies and services available from only one source.

D. When necessary to maintain compatibility with existing equipment or systems, only specified makes and models of technical equipment, software, and parts will satisfy the County's needs for additional units or replacement items, and only one source is available.

E. Authorized or required by statue, a statue expressly authorizes or requires that the acquisition be made through another agency or from a specified source.

F. Supplies may be deemed to be available only from the original source in the case of a follow-on contract for the continued development or production of a major system or high-specialized equipment, including major components.

G. A governmental agency is the only provider of the service and/or supplies.

H. When a review of the market demonstrates that the work, services, or materials sought by Fulton County are so unique that only one vendor can satisfy the County's requirements.

I. When acquiring utility services.

J. Acquiring legal counsel.

Policy Evaluation

The Fulton County Code and Purchasing Policy and Procedure #800-11 provide different guidance on noncompetitive procurements.

Fulton County Code, Sec. 2-319 states that the following conditions are sufficient for use of sole source:

- Purchasing agent reviews available sources and determine that there is only one source available
- County Manager, Purchasing Agent, and User provide written recommendation to use sole source

Purchasing Policy and Procedure #800-11 elaborates on conditions acceptable for the use of sole source. The list provided in this policy does not provide guidance regarding federal sole source requirements when federal grants are utilized, and is not in line with best practices.

Compliance Element: 13.Sole Source Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-319. - Conditions allowing for award of contract without competition

The purchasing agent, in conjunction with the user department, shall conduct negotiations based upon written documentation and estimates provided in writing by the user department as to quality, price, delivery and terms of performance. A contract shall be written based upon the negotiated terms and conditions. A record of all sole source procurement shall be maintained as a

public record for a minimum of three years and shall list each contractor's name; the amount and type of each contract; a listing of the work, labor, or service to be done or the supplies, materials or equipment to be furnished under each contract; and the identification number of each contract file. A separate record of sole source procurement shall be maintained as a public record for each fiscal year.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-11

Basis for Conditions Allowing Award of Contract without Competition

The User Department requesting the sole source must submit a memo to the Purchasing Department detailing the justification for sole source designation, a completed Sole Source Justification Form and a letter from the vendor indicating their justification of the sole source designation.

The Department of Purchasing & Contract Compliance must complete the following steps:

A. Conduct Market Research
B. Post Public Advertisement
C. Justification Form
D. Public Notice
E. Review of Offer to Perform
F. County Manager Review
G. BOC Approval

The purchasing file shall be maintained in the Purchasing Department File Room as required.

Policy Evaluation

The Purchasing Procedure for sole source builds on the Fulton County Code by requiring a number of steps to be conducted for each noncompetitive procurement. However, these regulations cover different requirements and lack consistency.

For example:

- Purchasing Policy and Procedure #800-11 requires a letter from the vendor justifying a sole source designation (not required in Fulton County Code)
- Purchasing Policy and Procedure #800-11 requires public notice on the Fulton County Bid Board (not included in Fulton County Code)

Fulton County Code procedures pertain to requirements regarding negotiation and documentation – two areas that are not covered in detail in the Purchasing Policy.

Compliance Element: 14.Emergency Purchase Conditions and Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART I - LOCAL CONSTITUTIONAL AMENDMENTS AND LOCAL ACTS

Sec. 2-321. - Emergency procurement.

Notwithstanding any other provision of this article, the purchasing agent, upon written recommendation by the user department and approval by the county manager, may make emergency procurement of work, labor or service to be done or the supplies, materials or equipment to be furnished when there exists a threat to public health, welfare or safety; provided, however, that such emergency procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis of the emergency and rationale for the selection of the particular contractor shall be included in the contract file. As soon as possible in such circumstances, a record of each such emergency procurement shall be made and shall set forth the contractor's name, the amount of payment and type of contract, a list of work, labor, or service to be done or the supplies, materials or equipment to be furnished under the contract, and the identification number of the contract file; and such information shall be forwarded to the board of commissioners for ratification and be made a part of the minutes of the next scheduled meeting of the board of commissioners.

Sec. 2-313. - Purchases generally; exceptions; permanent link to this piece of content

All supplies, materials and equipment shall be purchased or procured by the county purchasing agent, except those for the use of the departments under the jurisdiction of the county board of education and county board of public welfare, provided that in the event of an emergency requiring an immediate purchase involving an expenditure of less than $100.00, and does in fact present an emergency requiring immediate purchase, the county manager may, in writing, authorize the immediate purchase of the same by the county purchasing agent, without receiving written bids therefor, but before purchasing, the purchasing agent shall canvass such number of dealers and suppliers as the exigency of the situation will permit and shall make the purchase at the lowest obtainable price.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code provides the only guidance on Emergency Purchases. The code provides conflicting guidance regarding the use of emergency purchases, as explained below:

Sec. 2-321 states that emergency purchases can only be made when there is a threat to public health, welfare, or safety.

- Sec. 2-313 gives the County Manager the authority to make emergency purchase expenditures under $100 without receiving written bids

Compliance Element: 15.A&E Contracts

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

Sec. 102-354. - Awarding of professional engineering and architectural contracts;

(1) Upon receipt of a response to a request for proposal or invitation for bid, all submitted responses shall be held, unopened, until such time as a selection committee can be convened.

(2) Prior to the opening of sealed bids or responses to a request for proposal, the selection committee shall adopt evaluation criteria and a scoring system allocating a percentage weight to each category of evaluation, and the criteria shall include, but not be limited to, prior related experience, availability of personnel, proximity of office to project site, financial responsibility, price MBE/FBE participation, and the total aggregate percentage allocations to those items must equal 100 percent with five points allocated to local preference.

a. Local businesses shall receive five points for the proximity evaluation. Non- local businesses shall not receive the five points for proximity. Local business shall mean an architectural or engineering entity which has a place of business located within Fulton County.

(3) In connection with the opening of sealed bids and proposals, the purchasing agent shall perform those duties required by law and shall further be responsible for providing the clerical assistance, to include responsibility for tabulation of data received, and the taking of notes and minutes of the meetings of the selection committee.

(4) The members of the selection committee shall be required to complete and file a disclosure report identifying any business or financial interest in any of the architectural or engineering firms which have submitted proposals and/or identifying any and all transactions, gifts, meals or other meetings that may take place between the selection committee member and of the firms responding to the request for proposal/or invitation for bid.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code provides the only guidance regarding procurement requirements around A&E.

The policy language does not clearly reference the Brooks Act and price is allowed as an evaluation criteria component for A&E procurement. This policy is in conflict with federal requirements, and should be modified to exclude price in evaluation of A&E contracts.

The Brooks Act is a United States federal law passed in 1972 that requires that the U.S. Federal Government select engineering and architecture firms based upon their competency, qualifications and experience rather than by price.

Compliance Element: 16.Board Approvals (General)

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

Sec. 102-352. - Approval of board for expenditures of $25,000.00 and above required.

Any expenditure, including service and other contracts in Fulton County, shall require approval of the board of commissioners if $25,000.00 and above. The purchasing director is to report to the board of commissioners within two weeks whether service contracts can be rebid where change orders are requested. The board is to be provided with a simple check-off report including contract compliance findings regarding contracts submitted for board approval.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-2

Procurement of Supplies, Material, or Equipment, and Contracts for Work or Labor to be Done

Subject to applicable state laws and rules established by the Board of Commissioners, the County Manager shall authorize the purchase of supplies, materials or equipment. No supplies, materials or equipment shall be purchased except by the authority of the County Manager; nor shall any services be engaged to be done except by the authority of the County Manager.

REQUISITIONS OF $1,500 BUT LESS THAN $20,000

When the recommendation is for a requisition of less than $10,000 the recommendation shall be approved by the Purchasing Agent; when the recommendation is for a requisition of more than $10,000 but less than $20,000 the recommendation shall be approved by the county Manager. When a contract is determined to be necessary by the Purchasing Agent, the approved contract shall be ratified by the Board of Commissioners and spread on the minutes. After approval, a purchase order will be issued.

ALL REQUISITIONS OVER $1,500:

If, after review, the Purchasing Agent determines a contract is necessary, the Purchasing Agent shall request the user department to provide a contract for approval or ratification by the Board of Commissioners...The County Manager with the assistance of the Purchasing Agent shall present the recommendation and contract to the Board of Commissioners for approval or ratification and spreading on the minutes. Upon spreading on the minutes, a purchase order shall be issued.

Policy Evaluation

There are several conflicting requirements stated in the Fulton County Code and 800 Policy and Procedures regarding board approvals:

- Fulton County Code states that BOC approval is required for all expenditures over $25,000
- Purchasing Policy and Procedure #800-2 gives the County Manager the power to "authorize" purchases without a definition of this term. The same policy states that the BOC will approve purchases between $1500 and $20000 when a contract is deemed necessary, which conflicts with another portion of the policy that states that all requisitions over $1500 require BOC approval.

Fulton County Code Sec. 102-352 indicates that the BOC awards contracts, not the Procurement Department; this is not effective or compliant practice.

Compliance Element: 17.Board Approvals (Change Orders)

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

Sec. 102-353. - Contract change orders.

The Board of Commissioners of Fulton County authorizes the chairman to execute individual contract change orders on public buildings department's construction and/or service contracts in an amount not to exceed $20,000.00 per change order, provided that such change order has been recommended by the director of the public buildings department, the director of finance and the director of contract compliance. All change orders in amounts greater than $20,000.00 shall continue to be submitted for the review and endorsement of the board of commissioners, and all change orders will be reported to the board of commissioners for information

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-6

Procedures for Handling Change Orders

The County Manager is authorized to approve change orders having a total cost that is less than 10% of the original contract cost. A change order may be approved under this procedure if its cost, when combined with that of all previous change orders to the same contract, is an amount less than 10% of the original contract cost. The County Manager may decline to exercise this authority and return change orders for processing through the regular change order procedure, or may direct that the work be procured through the competitive process.

Following approval by the Board of Commissioners and receipt of the approval letter from the County Manager, the user department shall forward the originals (with a copy of the approval letter

and the routing sheet) to the County Manager for execution. The County Manager shall forward the documents to the Chairman's Office for his/her signature. The Chairman's Office shall forward the documents to the Clerk to the Commission for his/her signature. The Clerk's Office shall retain one original for the file designated by the Board of Commissioners for filing contracts and making them available for public inspection, and shall forward one original to Purchasing and the remainder of the documents to the user department.

Policy Evaluation

The Fulton County Code conflicts with Purchasing Policy and Procedure #800-6 in terms of when BOC approval is required for change orders:

- Purchasing Policy and Procedure authorizes County Manager to approve change orders if the total costs is <10% of the original contract
- Fulton County Code authorizes the County Manager to approve change orders ≤$20,000

Compliance Element: 18.Evaluation Committees

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. - GENERALLY

Sec. 102-360. - Vendor selection committees.

(a) This section, to the extent not in conflict with applicable state law, shall govern the size and composition of all vendor selection committees established for the evaluation of competitive sealed proposals obtained for goods and services of all kinds, including, without being limited to, design, construction, and operation services and contracts.

(b) The purchasing agent, in conjunction with the user department, shall establish a vendor selection committee in all cases where goods or services of any kind are to be obtained through the solicitation of competitive sealed proposals.

(c) Each vendor selection committee shall have five voting members, as follows:

(1) Two members shall be employees of the purchasing department appointed by the purchasing agent;

(2) Two members shall be employees of the user department appointed by the director of the user department; and

(3) One member shall be an employee of the finance department appointed by the director of finance; provided, however, that in procurements where the finance department is the user department, this member shall be a non-voting member of the committee.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Vendor Selection Committee structure outlined in Fulton County Code Sec.102-360 requires 2 members from Purchasing and 1 member from Finance to participate on evaluation committees. This practice does not guarantee adequate competition, presents a conflict of interest for the procuring authority, and does not ensure the County of the selection of the best suppliers.

Compliance Element: 19.Minority Business Enterprise (MBE) Programs

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 3. - MINORITY BUSINESS ENTERPRISE (MBE) AND FEMALE BUSINESS ENTERPRISE (FBE) AFFIRMATIVE ACTION PROGRAMS

Subdivision II. - Minority Business Enterprise (MBE) Affirmative Action Program

Sec. 102-423. - Administrative procedures.

Participation goals for all county contracting shall be set by the board of commissioners upon the recommendation of the director of contract compliance and equal employment opportunity and county manager. The director's recommendation shall set forth the basis by which each goal was determined including, but not limited to, the following:

1. The number of MBE firms known to be available for the type and value of services to be obtained;

2. A forecast of all eligible contracts to be awarded within the coming fiscal year, specifying the type and value of goods and services to be obtained;

3. The MBE percentage of the total number of business entities known to be available for the type and value of goods and services to be obtained; and

4. The statistical and data sources by which each goal was calculated.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-8

Non Discrimination in Contracting and Procurement

There are essentially five important parts to Fulton County's Non Discrimination in Purchasing and Contracting Ordinance. They are:

(1) A statement that discrimination is against the laws of this nation and Fulton County will not do business with any company found to be discriminating on the basis of race and gender;

(2) A requirement that the Office of Contract Compliance monitor and capture the appropriate data so that it can later be determined whether minorities and females are being underutilized;

(3) A requirement that the Office of Contract Compliance investigate and determine if individual companies are discriminating against minorities and women;

(4) A requirement that those companies found to be discriminating be given a hearing; and

(5) A requirement that appropriate sanctions or remedies be meted out to those companies that discriminate.

Policy Evaluation

Purchasing Policy addresses the Fulton County Non Discrimination in Purchasing and Contracting requirements and DBE Policy. It does not; however make reference to the M/FBE requirements stated in the Fulton County Code of Ordinances.

- There are essentially 4 separate policies governing this area:
- Fulton County Code Subdivision II – Minority Business Enterprise
- Purchasing Policy and Procedure #800-8 Non Discrimination
- Fulton County Code Subdivision III – Female Business Enterprise
- Purchasing Policy and Procedure #800-10 DBE
- Subdivision II – MBE Program has the following conflicts

  a. Shows eligible projects at $25,000, when current practice is $50,000 (102-421)

  b. Includes goal of 20% (by dollar volume) even though Contract Compliance doesn't establish goals (201-4)

  c. Doesn't address the ability to accept third-party certifications by DOT, SBA, and others

Compliance Element: 20.Female Business Enterprise (FBE) Programs

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS
DIVISION 3. - MINORITY BUSINESS ENTERPRISE (MBE) AND FEMALE BUSINESS ENTERPRISE (FBE) AFFIRMATIVE ACTION PROGRAMS

Subdivision III. - Female Business Enterprise (FBE) Affirmative Action Program

Sec. 102-457. - Implementation authorized; goal.

The Fulton County Board of Commissioners hereby authorizes the implementation of a female business enterprise program with a goal of five percent participation in business opportunities

within Fulton County, under the auspices of the department of contract compliance and equal opportunity working with other appropriate offices, to alleviate the past and present discrimination which resulted in the underutilization of female business enterprises and their manifested imbalance in Fulton County and Fulton County government procurement and contracting.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-8
Non Discrimination in Contracting and Procurement

There are essentially five important parts to Fulton County's Non Discrimination in Purchasing and Contracting Ordinance. They are:

(1) A statement that discrimination is against the laws of this nation and Fulton County will not do business with any company found to be discriminating on the basis of race and gender;

(2) A requirement that the Office of Contract Compliance monitor and capture the appropriate data so that it can later be determined whether minorities and females are being underutilized;

(3) A requirement that the Office of Contract Compliance investigate and determine if individual companies are discriminating against minorities and women;

(4) A requirement that those companies found to be discriminating be given a hearing; and

(5) A requirement that appropriate sanctions or remedies be meted out to those companies that discriminate.

Policy Evaluation

Subdivision III – FBE Program has the following conflicts:

- Establishes a goal of 5% (by dollar volume) even though Contract Compliance doesn't set or have goals (102-457)

Compliance Element: 21.Non-Discrimination in Purchasing

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS
DIVISION 4. - NONDISCRIMINATION IN PURCHASING AND CONTRACTING

Sec. 102-466. - Scope and applicability.

Sec. 102-467. - Monitoring, evaluation and reporting.

Sec. 102-468. - Methods for promoting nondiscrimination in contracting and procurement.

Sec. 102-469. - Contractor discrimination.

Sec. 102-470. - Contract compliance hearing officers.

Sec. 102-471. - Sanctions and penalties.

Sec. 102-472. - Appeals.

Secs. 102-473—102-490. - Reserved.

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-8
Non Discrimination in Contracting and Procurement

There are essentially five important parts to Fulton County's Non Discrimination in Purchasing and Contracting Ordinance. They are:

(1) A statement that discrimination is against the laws of this nation and Fulton County will not do business with any company found to be discriminating on the basis of race and gender;

(2) A requirement that the Office of Contract Compliance monitor and capture the appropriate data so that it can later be determined whether minorities and females are being underutilized;

(3) A requirement that the Office of Contract Compliance investigate and determine if individual companies are discriminating against minorities and women;

(4) A requirement that those companies found to be discriminating be given a hearing; and

(5) A requirement that appropriate sanctions or remedies be meted out to those companies that discriminate.

Policy Evaluation

The Purchasing Non Discrimination in Contracting and Procurement Policy authorizes the Director of Contract Compliance to investigate, where he or she has a basis, private discriminatory conduct engaged in by private contractors that seek to do business with Fulton County. It is not clear how this policy differs from the detailed Policy of Non Discrimination in Purchasing and Contracting set forth in the Fulton County Code. The Purchasing Policy therefore appears repetitive to existing local code.

Compliance Element: 22. Disadvan- taged Business Enterprises

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-10

Disadvantaged Business Enterprise Policy

The participation of DBEs in federally assisted programs is governed by a variety of existing federal laws and regulations, including but not limited to 49 CFR § 26 (2004). Among other things, federal

regulations require certain recipients of federal funds to create a Disadvantaged Business Enterprise Program. Any such Program must state the recipient's commitment to achieving the goals of federal regulations and objectives and responsibilities with respect to the administration of its DBE Program. As part of this commitment, a recipient must assert that it has a policy consistent with the Statement of Policy as outlined herein.

Policy Evaluation

Purchasing Policy and Procedure #800-10 establishes a DBE Policy for the county in an effort to comply with DOT and other federal guidelines requiring the establishment of this program.

Compliance Element: 23.Records Retention

O.C.G.A. Statute

O.C.G.A. § 50-18- State Printing and Documents

- **§ 50-18-93. Duties of division**
- **§ 50-18-99. Records management programs for local governments**

(f) The Secretary of State, through the division, shall coordinate all records management matters for purposes of this Code section. The division shall provide local governments with a list of common types of records maintained together with recommended retention periods and shall provide training and assistance as required.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

ARTICLE II. - RECORDS MANAGEMENT

Sec. 102-42. - Plan adopted.

The board of commissioners hereby adopts a records management plan of Fulton County which is incorporated herein and made a part of this Code by reference. The records management officer or his designee shall distribute a copy of the plan to all elected officials and department heads throughout the county government.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code makes reference to a Records Management Plan but does not include the plan itself along with accompanying procedures. Purchasing Policy and Procedure does not provide coverage regarding records retention or documentation.

Compliance Element: 24.Geographic Preference

O.C.G.A. Statute

O.C.G.A. § 36-84 – Purchasing Preferences

- **§ 36-84-1. Preferences for products manufactured in Georgia; reasonableness**

(b) Local governments, when contracting for or purchasing supplies, materials, equipment, or agricultural products, excluding beverages for immediate consumption, shall give preference as far as may be reasonable and practicable to such supplies, materials, equipment, and agricultural products as may be manufactured or produced in this state. Such preference shall not sacrifice quality.

(c) In determining whether such a preference is reasonable in any case where the value of a contract for or purchase of such supplies, materials, equipment, or agricultural products exceeds $100,000.00, the local government shall consider, among other factors, information submitted by the bidder which may include the bidder's estimate of the multiplier effect on gross state domestic product and the effect on public revenues of the state and the effect on public revenues of political subdivisions resulting from acceptance of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state manufactured or produced goods. Any such estimates shall be in writing. No local government shall divide a contract or purchase which exceeds $100,000.00 for the purpose of avoiding the requirements of this subsection.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. – GENERALLY

Sec. 102-358. - Local preference in contracting

(a) Except as otherwise be required by applicable state or federal law, in the contracting for goods and services of all kinds and description, when such goods are to be obtained, whether through an invitation for bids or a request for competitive sealed proposals, local preference shall be given to:

(1) Businesses having a business location within the geographic boundaries of Fulton County; and

(2) Businesses where at least 51 percent of the owners of the business are residents of Fulton County but the business is located outside of Fulton County; and

(3) Businesses where at least 51 percent of the employees of the business are residents of Fulton County but the business is located outside of Fulton County.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

- The Fulton County Code currently does not address geographic purchasing preference requirements stated in O.C.G.A Code regarding purchases exceeding $100,000
- Purchasing Policy and Procedure does not address Geographic Preferences
- The current practice of including a 10% local preference weighted selection criterion for all RFPs is not grounded in any state statutes or laws yet does not conflict with these requirements.

Compliance Element: 25.Construction – Written Contract Required

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding
ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-20 Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification**

(a) All public works construction contracts subject to this chapter entered into by a governmental entity with private persons or entities shall be in writing and on file and available for public inspection at a place designated by such governmental entity. Municipalities and consolidated governments shall execute and enter into contracts in the manner provided in applicable local legislation or by ordinance.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS
DIVISION 1. – GENERALLY
Sec. 102-359. - Competitive sealed proposals for public works construction contracts.

Upon the conclusion of their evaluation, the vendor selection committee shall forward to the board of commissioners a written recommendation for award of the contract, in conformity with applicable provisions of state. The award of any contract pursuant to this section shall be made by the board of commissioners to the responsible and responsive proposer whose proposal is determined by the board of commissioners to be the most advantageous, taking into consideration the evaluation factors set forth in the request for proposals. The evaluation factors shall be basis on which the award decision is made. Within five days following the award of the contract, the purchasing agent shall post a notice of the award, including the name of the selected proposer, in a conspicuous place.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

- No Conflict in Existing Policy.
- No Coverage Provided in Purchasing Policy and Procedure

Compliance Element: 26.Construction – Advertising

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-20 Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification**

(b) (1) Prior to entering into a public works construction contract other than those exempted by Code Section 36-91-22, a governmental entity shall publicly advertise the contract opportunity.

(2) Contract opportunities that are advertised in the legal organ shall be advertised a minimum of two times, with the first advertisement occurring at least four weeks prior to the opening of the sealed bids or proposals. The second advertisement shall follow no earlier than two weeks from the first advertisement.

(3) Contract opportunities that are advertised solely on the Internet shall be posted continuously for at least four weeks prior to the opening of sealed bids or proposals. Inadvertent or unintentional loss of Internet service during the advertisement period shall not require the contract award or bid or proposal opening to be delayed.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. – GENERALLY

Sec. 102-359. - Competitive sealed proposals for public works construction contracts.

Public notice and advertisement of each request for proposals shall, at a minimum, be in conformity with applicable state law.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code only makes reference to Public Works Construction requirements set forth in O.C.G.A rather than providing a policy and procedure framework for addressing these state statutes.

In the area of advertising, the O.C.G.A provides detailed instructions regarding advertising of public works opportunities, whereas the Fulton County Code only references these requirements.

Compliance Element: 27.Construction – Procurement Methods, Timing of Addendums

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-20 Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification**

(c) Governmental entities are authorized to utilize any construction delivery method, provided that all public works construction contracts subject to the requirements of this chapter that:

(1) Place the bidder or offeror at risk for construction; and

(2) Require labor or building materials in the execution of the contract

shall be awarded on the basis of competitive sealed bidding or competitive sealed proposals. Governmental entities shall have the authority to reject all bids or proposals or any bid or proposal that is nonresponsive or not responsible and to waive technicalities and informalities.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. – GENERALLY

Sec. 102-359. - Competitive sealed proposals for public works construction contracts.

Competitive sealed proposals for public works construction contracts shall be solicited through a request for proposals, which shall set forth and describe, at a minimum, the information, terms and conditions required by applicable provisions of state law. The purchasing agent, in consultation with the user department, shall be responsible for the preparation of the request for proposals, and shall ensure that the contents of the request for proposals comply with applicable provisions of state law.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code only makes reference to Public Works Construction requirements set forth in O.C.G.A rather than providing a policy and procedure framework for addressing these state statutes.

- There is no coverage in the Fulton County Code of the Timing of Addendums requirement found in O.C.G.A. §36-91-20.
- O.C.G.A authorizes the use of both competitive sealed bids and proposals in public works construction contracts; however Fulton County Code only makes reference to the sealed proposal method.

Compliance Element: 28. Construc-tion- Prequalification

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-20 Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification**

(f) Any governmental entity may, in its discretion, adopt a process for mandatory prequalification of prospective bidders or offerors; provided, however, that:

(1) Criteria for prequalification must be reasonably related to the project or the quality of work;

(2) Criteria for prequalification must be available to any prospective bidder or offeror requesting such information for each project that requires prequalification;

(3) Any prequalification process must include a method of notifying prospective bidders or offerors of the criteria for or limitations to prequalification; and

(4) Any prequalification process must include a procedure for a disqualified bidder to respond to his or her disqualification to a representative of the governmental entity; provided, however, that such procedure shall not be construed to require the governmental entity to provide a formal appeals procedure. A prequalified bidder or offeror can not be later disqualified without cause.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. – GENERALLY

Sec. 102-359. - Competitive sealed proposals for public works construction contracts.

With the approval of the county manager, the purchasing agent, in consultation with the user department, may adopt a prequalification process in conformity with applicable state law.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code only makes reference to Public Works Construction requirements set forth in O.C.G.A rather than providing a policy and procedure framework for addressing these state statutes.

The Fulton County Code fails to implement a framework for prequalification in public works construction projects as outlined in O.C.G.A §36-91-20.

Compliance Element: 29.Construction – Competitive Sealed Bidding

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-21. Competitive award requirements**

(b) Any competitive sealed bidding process shall comply with the following requirements:

(1) The governmental entity shall publicly advertise an invitation for bids;

(2) Bidders shall submit sealed bids based on the criteria set forth in such invitation;

(3) The governmental entity shall open the bids publicly and evaluate such bids without discussions with the bidders; and

(4) The contract shall be awarded to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids; provided, however, that if the bid from the lowest responsible and responsive bidder exceeds the funds budgeted for the public works construction contract, the governmental entity may negotiate with such apparent low bidder to obtain a contract price within the budgeted amount. Such negotiations may include changes in the scope of work and other bid requirements.

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

There is no coverage of sealed bidding for construction/public works contracts in the Fulton County Code as outlined in O.C.G.A § 36-91-21.

Compliance Element: 30.Construction – Competitive Sealed Proposals

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

§ 36-91-21. Competitive award requirement

(c) (1) In making any competitive sealed proposal, a governmental entity shall:

(A) Publicly advertise a request for proposals, which request shall include conceptual program information in the request for proposals describing the requested services in a level of detail appropriate to the project delivery method selected for the project, as well as the relative importance of the evaluation factors;

(B) Open all proposals received at the time and place designated in the request for proposals so as to avoid disclosure of contents to competing offerors during the process of negotiations; and

(C) Make an award to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the governmental entity, taking into consideration the evaluation factors set forth in the request for proposals. The evaluation factors shall be the basis on which the award decision is made. The contract file shall indicate the basis on which the award is made.

(2) As set forth in the request for proposals, offerors submitting proposals may be afforded an opportunity for discussion, negotiation, and revision of proposals. Discussions, negotiations, and revisions may be permitted after submission of proposals and prior to award for the purpose of obtaining best and final offers. In accordance with the request for proposals, all responsible offerors found by the governmental entity to have submitted proposals reasonably susceptible of being selected for award shall be given an opportunity to participate in such discussions, negotiations, and revisions. During the process of discussion, negotiation, and revision, the governmental entity shall not disclose the contents of proposals to competing offerors.

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

DIVISION 1. – GENERALLY

Sec. 102-359. - Competitive sealed proposals for public works construction contracts.

(h) All proposals solicited pursuant to this section shall be received and opened by the purchasing agent at the time and place designated in the request for proposals, and shall be received and opened in a manner to avoid the disclosure of the contents of such proposals to competing proposers. A register of the proposals, not to include the contents of such proposals, received pursuant to this section, shall be prepared by the purchasing agent and made available for public inspection following their receipt and opening.

(i)For each public works construction contract to be awarded pursuant to this section, there shall be established a vendor selection committee. Each such selection committee shall be established and governed by the provisions of section 102-360

(j)With respect to each proposal solicited and received pursuant to this section, the purchasing agent shall determine whether the proposal is responsive in accordance with the request for proposals and applicable state law. It shall be the responsibility of the vendor selection committee to evaluate each responsive proposal in accordance with the established evaluation factors and applicable state law.

(k)In accordance with the request for proposals and applicable state law, all proposers submitting proposals which are determined to be reasonably susceptible of being selected for award may be afforded an opportunity for discussion, negotiation, and revision of proposals. Discussions, negotiations, and revisions may be permitted after submission of proposals and prior to award for the purpose of obtaining best and final offers.

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

Sec. 102-359 of the Fulton County Code makes reference to vendor selection committee rules established by the county that require two member of the selection committee to be from the Purchasing Department.

These guidelines regarding vendor selection committees are not required by O.C.G.A § 36-91-21 in terms of competitive award requirements for Public Works Contracts.

This vendor selection committee practice does not guarantee adequate competition, presents a conflict of interest for the procuring authority, and does not ensure the County of the selection of the best suppliers.

Furthermore, the Fulton County Code fails to implement a framework for handling competitive sealed proposal solicitation management and evaluation procedures.

Compliance Element: 31.Construction – Exceptions, Emergency Situations, Inmate Labor

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 2. CONTRACTING AND BIDDING REQUIREMENTS

- **§ 36-91-22. Exceptions; use of inmate labor; emergency situations**

(a) The requirements of this chapter shall not apply to public works construction projects, when the same can be performed at a cost of less than $100,000.00. Public works construction projects shall not be subdivided in an effort to evade the provisions of this chapter.

(b) Any governmental entity having a correctional institution shall have the power and authority to purchase material for and use inmate labor in performing public works construction projects; and in such cases, this chapter shall not apply. Any governmental entity may contract with a governmental entity having a correctional institution for the use of inmate labor from such institution and use the inmates in the performance of any public works construction project; and in such cases, this chapter shall not apply.

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

There is no coverage in Fulton County Code or Purchasing Policies regarding the use of correctional institutions and inmate labor for public works construction projects.

Fulton County Code and Purchasing Policy also does not address the following exceptions allowed by O.C.G.A regarding public works bidding requirements:

- Self-performed public works construction projects
- Sole source public works construction projects
- Hospital authorities exceptions (under specific conditions)

Compliance Element: 32.Bid Bonds

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 3. BONDS

PART 2. BID BONDS

- **§ 36-91-50. Projects requiring bid bonds; revocation of bids; surety**
- **§ 36-91-51. Cash in lieu of bid bonds; letters of credit**
- **§ 36-91-52. Bid and bidder defined; withdrawal of bids for appreciable errors; resubmission**
- **§ 36-91-53. Affiliated corporation defined; forfeit of security by affiliated corporation**
- **§ 36-91-54. Action on breach of bond**

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code does not adopt or implement requirements set forth in O.C.G.A regarding Bid Bonds, Performance Bonds, and Payment Bonds for Public Works Bidding.

Compliance Element: 33.Performance Bonds

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 3. BONDS

PART 3. PERFORMANCE BONDS

- **§ 36-91-70. Requirement of performance bonds**
- **§ 36-91-71. Acceptable substitutes for bond**
- **§ 36-91-72. Action on performance bond**

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code does not adopt or implement requirements set forth in O.C.G.A regarding Bid Bonds, Performance Bonds, and Payment Bonds for Public Works Bidding.

Compliance Element: 34.Payment Bonds

O.C.G.A. Statute

O.C.G.A. § 36-91 - Public Works Bidding

ARTICLE 3. BONDS

PART 4. PAYMENT BONDS

- **§ 36-91-90. Requirement for payment bonds**
- **§ 36-91-91. Liability of contracting party to subcontractors for noncompliance**
- **§ 36-91-92. Notice of commencement**
- **§ 36-91-93. Rights of persons protected by payment bond or security deposit; governmental entity not a party**
- **§ 36-91-94. Providing copy of bond or security deposit agreement**
- **§ 36-91-95. Time limitation**

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

The Fulton County Code does not adopt or implement requirements set forth in O.C.G.A regarding Bid Bonds, Performance Bonds, and Payment Bonds for Public Works Bidding.

Compliance Element: 35.Change Order Procedures

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

PART II - CODE OF ORDINANCES AND CODE OF RESOLUTIONS

Sec. 102-353. - Contract change orders.

The Board of Commissioners of Fulton County authorizes the chairman to execute individual contract change orders on public buildings department's construction and/or service contracts in an amount not to exceed $20,000.00 per change order, provided that such change order has been recommended by the director of the public buildings department, the director of finance and the director of contract compliance. All change orders in amounts greater than $20,000.00 shall continue to be submitted for the review and endorsement of the board of commissioners, and all change orders will be reported to the board of commissioners for information

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-6

Procedures for Handling Change Orders

CHANGE ORDER PROCEDURE: The ordinary sequence of a change order is as follows:

(1) Need for contract change is identified.

(2) Contractor is requested to propose price for change and if necessary, schedule changes.

(3) Contractor and County negotiate price and scope of change.

(4) Agreement between County and contractor for change is clearly defined in a written Modification.

(5) Contractor signs Modification and returns it to County.

(6) Modification is submitted to Board of Commissioners for approval and signature.

Policy Evaluation

The Fulton County Code conflicts with Purchasing Policy and Procedure #800-6 in terms of when BOC approval is required for change orders:

- Purchasing Policy and Procedure authorizes County Manager to approve change orders if the total costs is <10% of the original contract
- Fulton County Code authorizes the County Manager to approve change orders ≤$20,000
- Purchasing Policy and Procedure #800-6 provides procedures for handling change orders that are not required by the Fulton County Code and does not provide sufficient detail on methods of implementing change orders.

Compliance Element: 36.Evaluation of Options/ Renewals

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

BOC Resolution Establishing Policies and Procedures for the Renewal of Contracts for Services

NOW, THEREFORE, BE IT RESOLVED, that it shall be the policy of the Board of Commissioners that the performance of every vendor contract will be monitored and reviewed prior to the approval of renewals of such contracts.

BE IT FURTHER RESOLVED, prior to any contract renewal, the required evaluation of outside vendors shall encompass, at a minimum, an analysis of the following standards:

1) Vendor Performance: The user department shall assess the overall performance of the vendor, resulting in a rating to be recorded on the Contractor Performance Report. The user department's comments must be in accordance with the rating. These ratings will not be rounded up or down.

2) Market Analysis: The user department shall determine whether there are qualified and available sources capable of satisfying the specific requirement for supplies, services or construction. The user department, in conjunction with the Purchasing Agent, shall contact vendors in the market to obtain information regarding availability, quality and cost. The Purchasing Agent will assist the user department in gathering such market information, and will take into consideration all relevant market changes, including the consumer price index.

3) Cost Savings: The user department shall review and evaluate available, comparable cost data for the purpose of determining the costs actually incurred and the costs to be incurred. The Purchasing Agent will assist the user department in conducting an analysis of cost savings and/or cost avoidance methods to determine if the benefits to the County favor renewing the contract.

Policy Evaluation

The BOC established a resolution establishing procedures for evaluating the renewal of contract option periods. This segment of exiting policy does not conflict with Fulton County Code ore O.C.G.A requirements.

Compliance Element: 37.Monitoring Contractor Performance

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

BOC Resolution Establishing Policies and Procedures for the Renewal of Contracts for Services

BE IT FURTHER RESOLVED, that the user department shall:

1) Monitor and review the performance of vendors that provide goods and services to the County. Regular performance appraisals shall be documented once every calendar quarter, or once every sixty (60) days where the total contract period is six (6) months or less. This shall not take the place of, but shall be in addition to the mandatory Contract Performance Report currently required by the Purchasing Department at the end of each contract.

2) Ensure that performance of vendors is recorded on the Contractor Performance Report and forwarded to the Purchasing Department for review and filing. The Purchasing Department will maintain a centralized bank of vendor performance data.

Policy Evaluation

The BOC established procedures for monitoring contractor performance. This BOC resolution does not conflict with Fulton County Code or O.C.G.A requirements.

Compliance Element: 38.Lease

O.C.G.A. Statute

O.C.G.A. § 36-60-13. Multiyear lease, purchase, or lease-purchase contracts

(a) Each county or municipality in this state shall be authorized to enter into multiyear lease, purchase, or lease-purchase contracts of all kinds for the acquisition of goods, materials, real and personal property, services, and supplies, provided that any such contract shall contain provisions for the following:

(1) The contract shall terminate absolutely and without further obligation on the part of the county or municipality at the close of the calendar year in which it was executed and at the close of each succeeding calendar year for which it may be renewed as provided in this Code section;

(2) The contract may provide for automatic renewal unless positive action is taken by the county or municipality to terminate such contract, and the nature of such action shall be determined by the county or municipality and specified in the contract;

(3) The contract shall state the total obligation of the county or municipality for the calendar year of execution and shall further state the total obligation which will be incurred in each calendar year renewal term, if renewed; and

(4) The contract shall provide that title to any supplies, materials, equipment, or other personal property shall remain in the vendor until fully paid for by the county or municipality.

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

There is no coverage or adoption of O.C.G.A requirements regarding multiyear leases or lease-purchase contracts in Fulton County Code or Purchasing Policy and Procedure.

Compliance Element: 39.Payment Provisions

O.C.G.A. Statute

O.C.G.A. § 13-11-4 (2012)

TITLE 13. CONTRACTS

CHAPTER 11. PROMPT PAYMENT

- **§ 13-11-4. Time limits for payments to contractors and subcontractors**

(a) When a contractor has performed in accordance with the provisions of a contract, the owner shall pay the contractor within 15 days of receipt by the owner or the owner's representative of any payment request based upon work completed or service provided under the contract.

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

There is no coverage in Fulton County Code or Purchasing Policy regarding prompt payment requirements set forth in O.C.G.A statute.

Compliance Element: 40.First Source Jobs Policy

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

No Coverage

Purchasing Policies, Procedures, and Resolutions

Policy and Procedure #800-13

First Source Jobs Policy

It is the policy of Fulton County Government to provide employment opportunities to the citizens of Fulton County. This policy will apply to all contracts procured through the Department of Purchasing & Contract Compliance valued in excess of $200,000. The Prime Contractor is expected to utilize Fulton County's First Source Jobs Program to fill 50% of the entry level jobs which arise as a result of any project funded in whole or in part with County funds with residents of Fulton County.

Policy Evaluation

This Policy was issued in 2010 and involves the Office of Workforce Development in a program designed to stimulate job creation by encouraging contractors to fill open positions from Fulton County's First Source Jobs Program.

Compliance Element: 41. Service Disabled Veteran Preference

O.C.G.A. Statute

No Coverage Applicable to Local and County Government

Fulton County Purchasing Code

Fulton County, Georgia - Code of Ordinances

Sec. 102-361. - Service disabled veteran preference

Purchasing Policies, Procedures, and Resolutions

No Coverage

Policy Evaluation

Service Disabled Veterans Business Enterprise Preference is given to businesses that are independent and continuing operations for profit, performing commercially useful functions, and which are owned and controlled by one or more individuals who are at least thirty percent (30%) disabled as a result of military service who have been honorably discharged, designated as such by the United States Department of Veterans Affairs, and located within the geographic boundaries of Fulton County. The Service Disabled Veteran Business Enterprise (SDVBE) must be certified as such by the County's Office of Contract Compliance to receive five (5) SDVBE Preference points for their proposal.

Discussion of Legislation in Relation to Best Practices

Statutory and Regulatory Constraints

Calyptus Group identified regulatory constraints in purchasing statutes, code, and policies as a key activity within the assessment of the Purchasing and Contracts Compliance Department. The output of this work is provided in this section of the report, and includes several types of observations: 1)Conflicts between contents of regulatory and statutory sources; 2)Areas of Federal procurement law that are not addressed in existing regulations; 3)Policies that are not aligned with best practices in government procurement; 4)Segments of existing regulations that are unclear or provide misleading guidance; and 5)Regulations that have a negative impact on the efficiency and effectiveness of the procurement process.

Statutory Constraints

The State of Georgia Statutes adequately covers the following areas: procurement of construction, ethics, records management, and prompt payment. Calyptus has evaluated these statutes in relation to the Fulton County Code and the underlying Purchasing and Contract Compliance Department Policies and Procedures.

In the review of these statutes, we have determined that the following constraints are present:

1. Unlike many other State Procurement Statutes, no guidance is provided for procurement methods other than construction. This requires State and Local Governments to craft their own procurement rules, many of which are not based on benchmarking or the public procurement body of knowledge.
2. The State Statutes as currently written have the following constraints:
    a. The stated penalty for inappropriate procurement actions is only a misdemeanor. This does not track with severity of the ethical infraction. Most states have larger penalties and potential prison terms. (OCGA 36-91-21 (8))
    b. Does not address Federal requirements for construction such as Davis-Bacon and Buy America. At OCGA 36-91-50(d), indicates that bonding is not required for U.S. Department of Transportation funded procurements.

Current Fulton County Code Constraints

The Fulton County Code is a policy document and does not provide procedural guidance. The code does not include any of the procurement requirements related to federally funded projects in General Services, Human Services, Housing, Construction, and Maintenance. Only certifications are required and included in solicitations.

Calyptus has identified several constraints in the process and policies stated in the Fulton County Code as compared to best practices, and public sector procurement. These constraints are noted below.

1. Sec. 2-66 to 2-81 (Code of Ethics):
    a. The requirements regarding gifts and honoraria do not apply to any "nonpecuniary gift, ticket, or other thing of value, the value of which is $100.00 or less." This threshold of $100 is not best practice as a threshold for gifts; zero tolerance is the best practice.
    b. The Code of Ethics allows sole source contracts with businesses in which officers or employees have financial interest; this is not appropriate based on best practices.
    c. Emergency contracts with businesses in which officers and employees have financial interest are allowed; this is not appropriate based on best practices
    d. Violations of the Code of Ethics subjects the violator to a not-to-exceed $1,000 administrative sanction. Similar to State Statutes, this penalty is too lenient to adequately enforce ethics violations.
2. Sec. 2-306 to 2-324 (Purchasing):
    a. This Division of the Fulton County Code sets emergency orders at ≤ $100, which is not reflective of practice or effectiveness.
    b. This section contains a conflict with Sec. 102-389 in terms of the need to advertise procurements. Sec. 102-389 specifies that there must be public notice of all procurements > $1,000, whereas Sec. 2-315 states that there must be advertisement of all procurements >$50,000.
    c. This Division does not provide detailed guidance on the conditions for sole source procurements, and does not specify the need for cost analysis for those types of procurements (Sec. 2-319)
    d. This Division conflicts with Section 102-354 on conditions for competitive sealed proposals, and lacks adequate guidance on when to use this method of procurement. (Sec. 2-320)
    e. There are conflicts with Section 102-354 on how awards under competitive sealed proposals are to be made (Sec. 2-320 Paragraph (6) and (7))
    f. There are conflicts with Section 2-313 on the requirements for emergency procurements.
3. Section 102-351 to 102-360 (Purchases and Contracts - Generally):
    a. The BOC approval threshold is stated as >$25,000 (Sec. 102-352) whereas current practice is that approvals are required for purchases >$50,000.
    b. There is no coverage or insufficient coverage in Sec. 102-359 of the Fulton County Code (Competitive sealed proposals for public works construction contracts) of several requirements stated in the O.C.G.A regarding public works procurements:
        i. No coverage of the Timing of Addendums requirement (O.C.G.A. §36-91-20)
        ii. O.C.G.A authorizes the use of both competitive sealed bids and proposals in public works construction contracts; however Fulton County Code only makes reference to the sealed proposal method

iii. In the area of advertising, the O.C.G.A provides detailed instructions regarding advertising of public works opportunities, whereas the Fulton County Code only references these requirements

iv. The Fulton County Code fails to implement a framework for prequalification in public works construction projects as outlined in O.C.G.A §36-91-20.

v. The Fulton County Code does not adopt or implement requirements set forth in O.C.G.A regarding Bid Bonds, Performance Bonds, and Payment Bonds for Public Works Bidding.

c. The Fulton County Code guidance on A&E procurements (Sec. 102-354) does not clearly reference the Brooks Act and price is allowed as an evaluation criteria component for A&E procurement. This policy is in conflict with federal requirements, and should be modified to exclude price in evaluation of A&E contracts.

d. Allows planned gifts, meals, or other meetings between evaluation team members and potential bidders or offerors.

e. A number of provisions are unclear and provide confusing guidance:

i. Section 102-352

ii. Section 102-356 (b)

iii. Section 102-358 (d)

f. This section indicates that the BOC awards contracts, not the Procurement Department. This is not effective or compliant practice.

g. Includes Vendor Selection Committee structure requirement that committees include 2 members from Purchasing and 1 member from Finance; this practice does not guarantee adequate review of submittals, presents a conflict of interest for the procuring authority to evaluate proposals and does not ensure the County of the selection of the best suppliers.

h. The Fulton County Code currently does not address geographic purchasing preference requirements stated in O.C.G.A Code regarding purchases exceeding $100,000 (§36-84-1). The Fulton County Law Department is currently reviewing this to ensure that this provision is not in conflict with HB1452.

4. Section 102-386 to 102-391 (Purchases and Contracts - Purchasing Regulations)

a. The thresholds for micro-purchases, small purchases, and full and open competition stated in Section 102-389 conflict with Sections 2-313, 2-314, and 2-315.

b. These section do not address the need to award to responsive bidders (Sec. 102-389, Paragraph (6))

5. Section 102-421 to 102-423 (MBE Program)

a. This subdivision states that projects eligible for MBE participation are at $25,000, when current practice is $50,000 (Sec. 102-421).

b. A goal of 20% (by dollar volume) is required by this subdivision when Contract Compliance does not currently set goals (Sec. 201-4).

c. The MBE Program policy does not address the ability to accept third-party certifications by DOT, SBA, and others.

6. Section 102-456 to 102-458 (FBE Program)
   This subdivision establishes a goal of 5% (by dollar volume) even though Contract Compliance doesn't set or have goals for the FBE Program (Sec. 102-457).

7. Section 102-42 (Records Management)
   The Fulton County Code makes reference to a Records Management Plan but does not include the plan itself along with accompanying procedures as required by O.C.G.A . § 50-18-99

Board of Commissioners Direction / Policy Constraints

The Fulton County Board of Commissioners periodically issues directives to Purchasing as part of the normal Board Meeting agenda and follow-up actions.

The County has chosen to implement four policies based on BOC direction, all of which place constraints and additional lead times on the procurement. Guidance has also resulted in inefficiency and ineffectiveness.

1. The Service Disabled Business Utilization Policy adds certification and market research requirements. This program must track with the Federal program to be successful.

2. The First Source Program is aimed at creating jobs in the county. It does add another level of approval and certification, and places administrative burden on county contractors.

3. The requirement to evaluate financial responsibility as a separately scored section factor for RFPs:

   a. Doesn't track with Federal and public sector "Responsibility" Determinations, described below in the Federal Acquisition Regulations:

> **9.104-1 General standards.**
>
> To be determined responsible, a prospective contractor must—
>
> a. Have adequate financial resources to perform the contract, or the ability to obtain them
> b. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
> c. Have a satisfactory performance record. A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history
> d. Have a satisfactory record of integrity and business ethics

e. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors).
f. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them
g. Be otherwise qualified and eligible to receive an award under applicable laws and regulations

b. In its present state, doesn't ensure the county of a financially responsible contractor based on two financial ratios.

c. Requiring 5 points out of 100 point evaluation is not the most effective method; eliminating the quantitative factor will free up more points on technical proposal quality.

4. Local Preference is a requirement put in place to provide opportunities to Fulton County businesses. This places administrative burden on contractors, and the 10 points in RFP scoring takes away from participants submitting a more effective proposal.

Other directives issued by the Fulton County Board were found to contain requirements that conflicted with the Fulton County Code and O.C.G.A Statute, were deemed repetitive to other regulations, or were found out of line with best practices.

5. BOC Policy and Procedure #800-7 – Gifts Given to County Officials requires that all fixed assets (items given as gifts valued greater than $100) be recorded and placed on an inventory list. An incorrect reference is made to Chapter 9 of the Fulton County Ethics Code (no section exists), and the policy does not specify the definition of prohibited sources of gifts or honoraria. This policy is misleading and difficult to enforce.

6. The BOC issued Policy and Procedure #800-9 in 2006 to address the prohibition of communications between proposers and any County employee other than the Purchasing Agent. This policy requires that instructions regarding the County's No Contact Policy be included in each solicitation document and also sets forth repercussions for violation of this policy by proposers. This policy is problematic in that it is one-sided and does not address the issue from the perspective of County employees reaching out to proposers. It also is not in line with any guidance provided in the Fulton County Code and O.C.G.A.

7. BOC Policy and Procedure #800-2 sets forth procurement thresholds that do not agree with the Fulton County Code. These inconsistencies are summarized below:

Fulton County Code Part II Sec. 102-389	Fulton County Code Part I Sec. 2-314, Sec. 2-315, and Sec. 2-320	BOC Policy and Procedure #800-2
• Micro: $300 or less • RFQ/Small: $300 - $2499 • Sealed Bid: $2500 or greater	• Micro: $2499 or less • RFQ/Small: $2500 - $50000) • Sealed Bid/RFP: >$50000	• Micro: <$1500 • RFQ/Small: $1500 - $19999 • Sealed Bid/RFP: $20000 or greater

The policy also states that the BOC will approve purchases between $1,500 and $20,000 when a contract is deemed necessary, which conflicts with another portion of the policy that states that all requisitions over $1,500 require BOC approval and with the Fulton County Code which states that BOC approval is required for all expenditures over $25,000.

The current thresholds followed in practice by the County were set forth in House Bill 1452 (1998) and are as follows:

- Formal Procurements: >$50,000
- RFQ/Small: $2,500 to $50,000
- Micro: ≤$2,499.99

The disparate policy-level guidance on procurement thresholds should be reconciled and brought in line with current practice.

8. The Fulton County Code Sec. 2-319 and BOC Policy and Procedure #800-11 provide different procedural guidance on noncompetitive procurements and the conditions that are sufficient for the use of the sole source method. Furthermore, the list provided in this policy does not provide guidance regarding federal sole source requirements when federal grants are utilized, and is not in line with best practices.

Recommendations

Calyptus developed several key recommendations based on the results of mapping the regulatory environment and identifying constraints in existing policy. These recommendations will primarily have an impact on future revisions of the Fulton County Code and Board of Commissioners directives for purchasing.

Fulton County Code

- The Vendor Selection Committee requirement stated in Section 102-351 to 102-360 should be changed to prohibit purchasing department representatives from serving on evaluation committees. As stated previously, this practice does not ensure a fair and efficient evaluation process and presents significant resource challenges for purchasing representatives. The requirement that two purchasing representative and one finance representative serve on every

proposal evaluation committee has not been established with any other County benchmark partners. In fact, this practice is actually prohibited by the City of Atlanta, DeKalb County, and the County of Charlotte-Mecklenburg. It is recommended that purchasing and finance only serve in a facilitator capacity as non-voting members of committees, as this structure is more in line with best practices and benchmark partners.

- The Fulton County Code should be revised to ensure that Federal procurement regulations are addressed. The table below illustrates key areas that are not currently addressed in the Code that are required by organizations such as the Federal Transit Administration:
  - Brooks Act
  - Davis-Bacon
  - Contract term limitations for rolling stock and replacement parts
  - Fair and reasonable price determination for micro purchases
  - Contract requirements around clauses for breach of contract and termination for cause and termination for convenience
  - Cost and price analysis
  - Independent cost estimates
  - Sole source documentation requirements
  - Contract administration system
  - Prohibition of cost-plus-percentage-of-cost type contracts
  - Prohibition of advance payment using federal funds
  - Prohibition on local preference (except for A&E procurements under certain circumstances)
- Reconsider problematic facets of the Code of Ethics found in Sec. 2-66 to 2-81. In particular, the penalties for ethics violations should be more stringent and a policy of zero tolerance should be adopted for the acceptance of gifts.
- Reconcile discrepancies between Sec. 2-306 to 2-324 (Purchasing) and Section 102-386 to 102-391 (Purchases and Contracts - Purchasing Regulations) as there are numerous instances of conflicting guidance on procurement thresholds and policies.
- The Fulton County Code does not implement a procedural framework for addressing O.C.G.A statutes. Rather, the Code merely makes reference to O.C.G.A requirements for public works procurement and records management requirements. Sections 102-359 and 102-42 of the Fulton County Code should be revisited to ensure all statutory requirements are sufficiently addressed and that specific procedures are stated.
- Ensure that Section 102-421 to 102-423 (MBE Program) and Section 102-456 to 102-458 (FBE Program) agree with current practices within the County as these segments of policy do not currently align with existing operations.

Board of Commissioners Directives

- The approach taken towards the Service Disabled Business Utilization, Disclosure Statement, First Source Jobs Program, Local Preference, and Financial Responsibility policies presents inefficiencies in the procurement system. The requirement that points be allocated in the evaluation process towards Service Disabled Business, Disclosure Statement results, Local Preference and Financial Responsibility takes away from the County's ability to consider the quality of technical factors and contractor qualifications. These programs also place

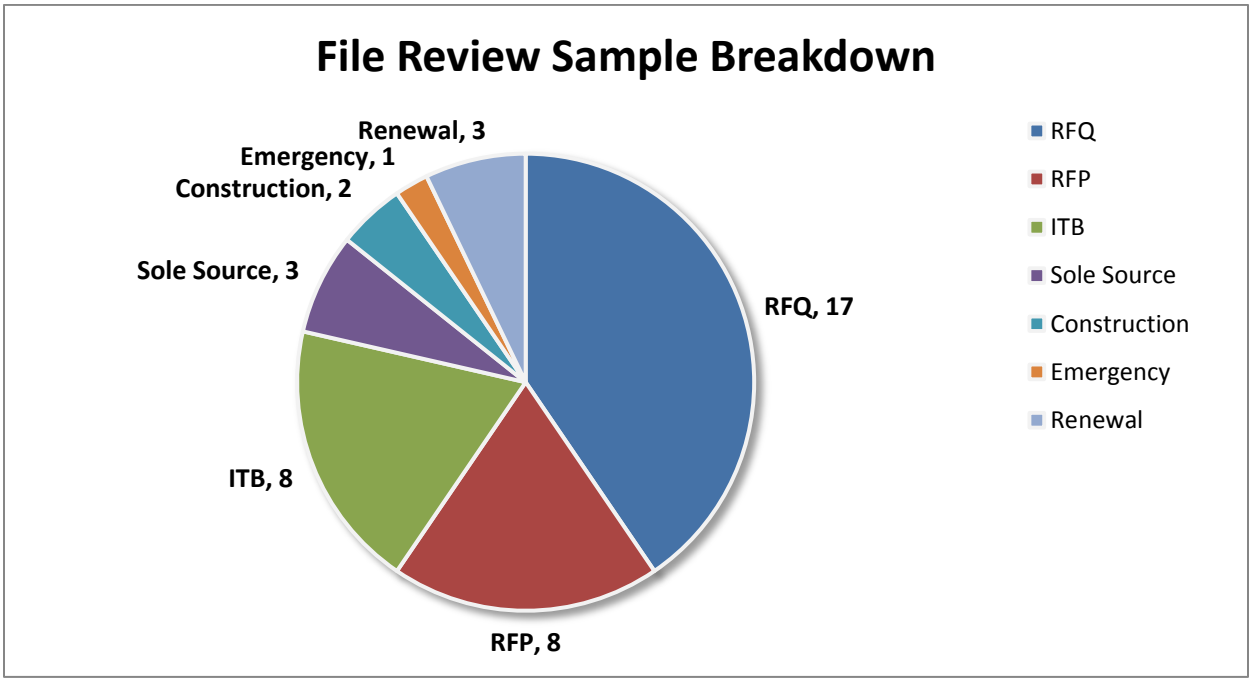
administrative burden on offerors. It is recommended that Financial Responsibility and the disclosure form not be included as a mandatory evaluation factor and rather be considered as part of a pass/fail responsibility check. This will free up points in the evaluation process for the evaluation of technical proposals.

- In general, all Board of Commissioner directives (those documents in the 800 series) should be reviewed to correct inconsistencies with the Fulton County Code. There are several areas where conflicting guidance is provided.
- BOC Policy and Procedure #800-7, Gifts Given to County Officials, and BOC Policy and Procedure #800-9, Evaluation and Award of County Contracts, should both be reviewed for relevance to current county operations and to address necessary clarifications.

B. Compliance with Published Regulations

Calyptus selected a sample of 42 contract files for review to evaluate the extent to which Fulton County Purchasing is following existing policies and procedures.

The chart below illustrates the breakdown of this sample by procurement method.



Checklists were developed based upon requirements stated in Board of Commissioner Directives, User Standard Operating Procedures, Fulton County Code and Federal guidelines. Contract files were reviewed and evaluated against these checklists and against the Bid/Proposal Information Cover Sheet currently in use. These checklists are included in Appendix C – Contract File Review Checklists of this report.

Areas of Compliance and Non-Compliance

For the purposes of this report, Calyptus has provided an overview of the areas of compliance and non-compliance found for each procurement method in the tables on the following pages. Each element reviewed is listed along with the source of the requirement, a rating of “deficient,” “not deficient,” or “not applicable.”

A rating of “deficient” means that Calyptus believes that the purchasing department is not systematically and routinely documenting compliance with the requirement based on the sample reviewed. A rating of “not deficient,” means that the element is being followed routinely, and “not applicable” indicates that there were no instances to be observed.

Competitive Proposals [RFP]

Element	Requirement	Rating	Discussion
Requisition and Cost Estimate Requirements	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	User departments are following procedures in this area by submitting the following for each project: • One copy of the specification • Project scope of work and cost estimate • Breakout of project elements This information is documented within the requisition information included in each file.
Specifications Drafted to Encourage Competition	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	No specifications were found to be unduly restrictive.
Brand Name or Equal	Purchasing Procedures for User Departments (Nov-2010)	Deficient	There were two cases where brand name specifications were utilized without definition of salient characteristics. These cases were related to purchases for traffic control systems and food services for correctional facilities.
Written Recommendation to Utilize Competitive Sealed Proposals	FC Code Sec. 2-320	Deficient	The Fulton County Code requires a written recommendation from the user department justifying the use of the competitive sealed proposals; evidence of this recommendation was not found consistently in contract files.
Review of Financial Responsibility for Request for Proposals	BOC Policy and Procedure #800-12 (April 21, 2010)	Not Deficient	Financial responsibility was reviewed for all procurements in sample.
Evaluation and Award of County Contracts	BOC Policy and Procedure #800-9 (March 1, 2006)	Not Deficient	No Contact Policy language was included in all solicitations.
Written Procurement Selection Procedures	Federal Requirement	Not Deficient	The solicitations all identified requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.
Sound and Complete Agreement	Federal Requirement	Not Deficient	All contracts for request for proposals were deemed to be sound and complete.

Element	Requirement	Rating	Discussion
Adequate Competition	BOC Policy and Procedure #800-2 (October 19, 1994)	Not Deficient	There was adequate competition in all procurements reviewed.
Advertisement and Public Notice	BOC Policy and Procedure #800-2 (October 19, 1994)	Deficient	Policies and procedures require that competitive proposals be advertised for no less than 4 weeks. Purchasing does not include a copy of the advertisement or real proof of how long public ads run; therefore it is difficult to verify the actual length of time each ad is publicized.
Justification for Selection of Other Than the Lowest Bidder	BOC Policy and Procedure #800-2 (October 19, 1994)	Not Applicable	There were no cases in which other than the lowest bidder was selected in the procurement situations reviewed.
Evaluation of Options / Renewal of Contracts for Services	BOC Policy and Procedure #800-2 (October 19, 1994)	Not Deficient	Staff called suppliers that did not submit bids to determine reasons. This analysis did not include an analysis of market prices.
Rejecting Bids	Purchasing Procedures for User Departments (Nov-2010)	Not Applicable	There were no cases of rejected bids in the procurement situations reviewed.
Selection Committee	FC Code Sec. 102-360	Not Deficient	There were no cases in which the selection of evaluation committees conflicted with the requirements of the Fulton County Code.
Evaluation of Cost	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	Prices were compared and evaluated according to policies and procedures.
Written Record of Procurement History	Federal Requirement	Not Deficient	In the majority of cases the Agenda Item Summary contains a detailed record of the procurement history included rationale for method, selection of contract type, and reasons for contractor selection. Basis for contract price could however be better represented in the summary.

Element	Requirement	Rating	Discussion
Recommendation of Award / Price and Other Factors	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	For the most part the recommendation of award was clear. However, for the procurement of standby engineering services, there was no information provided on how PO amounts were established
Time and Materials Provisions	Federal Requirement	Deficient	No justification for the use of a time and materials type contracts was included in the contract file for the procurement of standby engineering services
First Source Jobs Policy	BOC Policy and Procedure #800-13 (September 15, 2010)	Not Deficient	All First Source Jobs Policy documentation was found in solicitations for eligible projects valued in excess of $200,000

Invitations to Bid [ITB]

Element	Requirement	Rating	Discussion
Requisition and Cost Estimate Requirements	Purchasing Procedures for User Departments (Nov-2010)	Deficient	There were two instances in which requisition information was not included in the contract file documenting all of the following elements: • One copy of the specification • Project scope of work and cost estimate • Breakout of project elements There was more inconsistency found in the inclusion of requisition information in ITB files.
Specifications Drafted to Encourage Competition	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	No specifications were found to be unduly restrictive.
Brand Name or Equal	Purchasing Procedures for User Departments (Nov-2010)	Deficient	There were three cases where brand name specifications were utilized without definition of salient characteristics. These cases were related to purchases of fencing installation, blade servers, and firearms.
Advertisement and Public Notice	BOC Policy and Procedure #800-2 (October 19, 1994)	Deficient	Policies and procedures require that competitive proposals be advertised for no less than 4 weeks. Purchasing does not include a copy of the advertisement or real proof of how long public ads run; therefore it is difficult to verify the actual length of time each ad is publicized.
Evaluation and Award of County Contracts	BOC Policy and Procedure #800-9 (March 1, 2006)	Not Deficient	No Contact Policy language was included in all solicitations.
Written Procurement Selection Procedures	Federal Requirement	Not Deficient	The solicitations all identified requirements that offerors must fulfill and all other factors to be used in evaluating bids.
Sound and Complete Agreement	Federal Requirement	Not Deficient	The majority of contract files contained a sound and complete agreement; there was one instance where the contract file was not included in the file.

Element	Requirement	Rating	Discussion
Rejecting Bids	Federal Requirement	Not Applicable	There were no cases of rejected bids in the procurement situations reviewed.
Lowest Responsible Bidder	Federal Requirement	Not Deficient	The award to lowest responsible bidder was not fully indicated in the procurement for janitorial services; however this area was largely compliant in the files reviewed.
Award to Responsible Contractor	Federal Requirement	Not Deficient	There was one case in which no responsibility determination was evident for a procurement related to tractors and boomloaders; however the majority of contract files were compliant in this area.
Firm Fixed Price	Federal Requirement	Not Deficient	All procurements evaluated were appropriate for a firm fixed price contract.
Selection on Price	Federal Requirement	Not Deficient	Selection could be made principally on price for all procurements reviewed.
Discussions Unnecessary	Federal Requirement	Not Deficient	Discussions with bidders were not needed between solicitation and award for the procurements reviewed.
Sufficient Bid Time	Federal Requirement	Not Deficient	There was sufficient time allowed for prospective bidders to prepare bids prior to opening, and the time allotted was typically at least 3 weeks.
Bid Opening	Federal Requirement	Not Deficient	Bid opening forms were found in all contract files reviewed.
Evaluation of Options / Renewal of Contracts for Services	BOC Policy and Procedure #800-2 (October 19, 1994)	Not Deficient	Staff called suppliers that did not submit bids to determine reasons. This analysis did not include an analysis of market prices.
Written Record of Procurement History	Federal Requirement	Not Deficient	In the majority of cases the Agenda Item Summary contains a detailed record of the procurement history included rationale for method, selection of contract type, and reasons for contractor selection.
First Source Jobs Policy	BOC Policy and Procedure #800-13 (September 15, 2010)	Not Deficient	All First Source Jobs Policy documentation was found in solicitations for eligible projects valued in excess of $200,000

Non-Competitive Proposals [Sole Source]

Element	Requirement	Rating	Discussion
Requisition and Cost Estimate Requirements	Purchasing Procedures for User Departments (Nov-2010)	Deficient	There were two instances in which requisition information was not included in the contract file documenting all of the following elements: • One copy of the specification • Project scope of work and cost estimate • Breakout of project elements There was more inconsistency found in the inclusion of requisition information in sole source files.
Conditions for Sole Source	Policy and Procedure #800-11 (August 5, 2009)	Not Deficient	All sole source procurements reviewed met the requirements of policy and procedure #800-11 governing conditions for sole source.
Sole Source Justification	Policy and Procedure #800-11 (August 5, 2009)	Deficient	One of three sole source procurements reviewed did not contain sufficient sole source justification as required by policy and procedure #800-11.
Advertisement and Public Notice	BOC Policy and Procedure #800-11	Not Deficient	As required, all sole source procurement reviewed were advertised on the Fulton County bid board for a minimum of five business days.
Brand Name or Equal	Purchasing Procedures for User Departments (Nov-2010)	Not Applicable	There were no instances found of brand name specifications for sole source procurements.
Sound and Complete Agreement	Federal Requirement	Not Deficient	There were two cases in which only a PO was found in the contract files for sole source procurements. Federal requirements state that a contract should be established for sole sources and is a best practice.
Award to Responsible Contractor	Federal Requirement	Deficient	There were two procurements conducted without evidence of responsibility determination.
Specifications Drafted to Encourage Competition	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	No specifications were found to be unduly restrictive.

Element	Requirement	Rating	Discussion
Cost Analysis Required	Federal Requirement	Not Deficient	Cost analysis was not conducted in the case of two sole source procurements. This is an element evaluated in federal procurement system reviews and should be performed for all non-competitive procurements; such action is a best practice.
Written Procurement Selection Procedures	Federal Requirement	Not Deficient	The solicitations all identified requirements that offerors must fulfill and all other factors to be used in evaluating bids.
Evaluation of Options / Renewal of Contracts for Services	BOC Policy and Procedure #800-2 (October 19, 1994)	Not Applicable	This element was not observed for sole source procurements.
Written Record of Procurement History	Federal Requirement	Not Deficient	In the majority of cases the Agenda Item Summary contains a detailed record of the procurement history included rationale for method, selection of contract type, and reasons for contractor selection.

Construction / Public Works

The CM At-Risk procurement for the construction of libraries was reviewed against requirements for bid bonds, performance security, payment security, prequalification, lowest responsible bidder and inclusion of a no prevention of competition oath. The security and bonding were handled in compliance with O.C.G.A requirements and a no prevention of competition oath was found. There was not prequalification. The file was complete according to the Bid/Proposal Cover Sheet and included all documentation required.

The procurement of water meter installations was also reviewed for compliance with public works requirements. This procurement was found to be compliant in bonding and security. The project was awarded to the lowest responsible bidder and no prequalification process was used.

Request for Quotes / Small Purchases (Purchases Valued $2,500 to $49,999)

Element	Requirement	Rating	Discussion
Requisition and Cost Estimate Requirements	Purchasing Procedures for User Departments (Nov-2010)	Not Deficient	User departments are following procedures in this area by submitting the following for each project: • One copy of the specification • Project scope of work and cost estimate • Breakout of project elements This information is documented within the requisition information included in each file.
Brand Name or Equal	Purchasing Procedures for User Departments (Nov-2010)	Deficient	No salient characteristics were listed with brand name specifications utilized for the procurement of a grass cutter rotary.
Specifications Drafted to Encourage Competition	Purchasing Procedures for User Departments (Nov-2010)	Deficient	Specifications were found to be unduly restrictive for the procurement of apparel for the HHS department and, the purchase of a grass cutter rotary.
Price Quotations	Purchasing Procedures for User Departments (Nov-2010)	Deficient	There was a significant systematic deficiency identified in the area of obtaining five or more quotations for small purchases valued between $2,500 and $49,999. This requirement is stated in the Purchasing Procedures for User Departments. Federal requirements also state that multiple quotes be received for small purchases. There were 8 instances in which less than five quotes were received. In 4 of those cases only a single quote was found in the contract file without explanation or analysis of the single bid situation.
Written Record of Procurement History	Federal Requirement	Deficient	There were four instances when a single bid was received without sufficient explanation of the history of procurement and reasoning for receiving only one quotation.

Constraints and Risks in Regulatory Environment

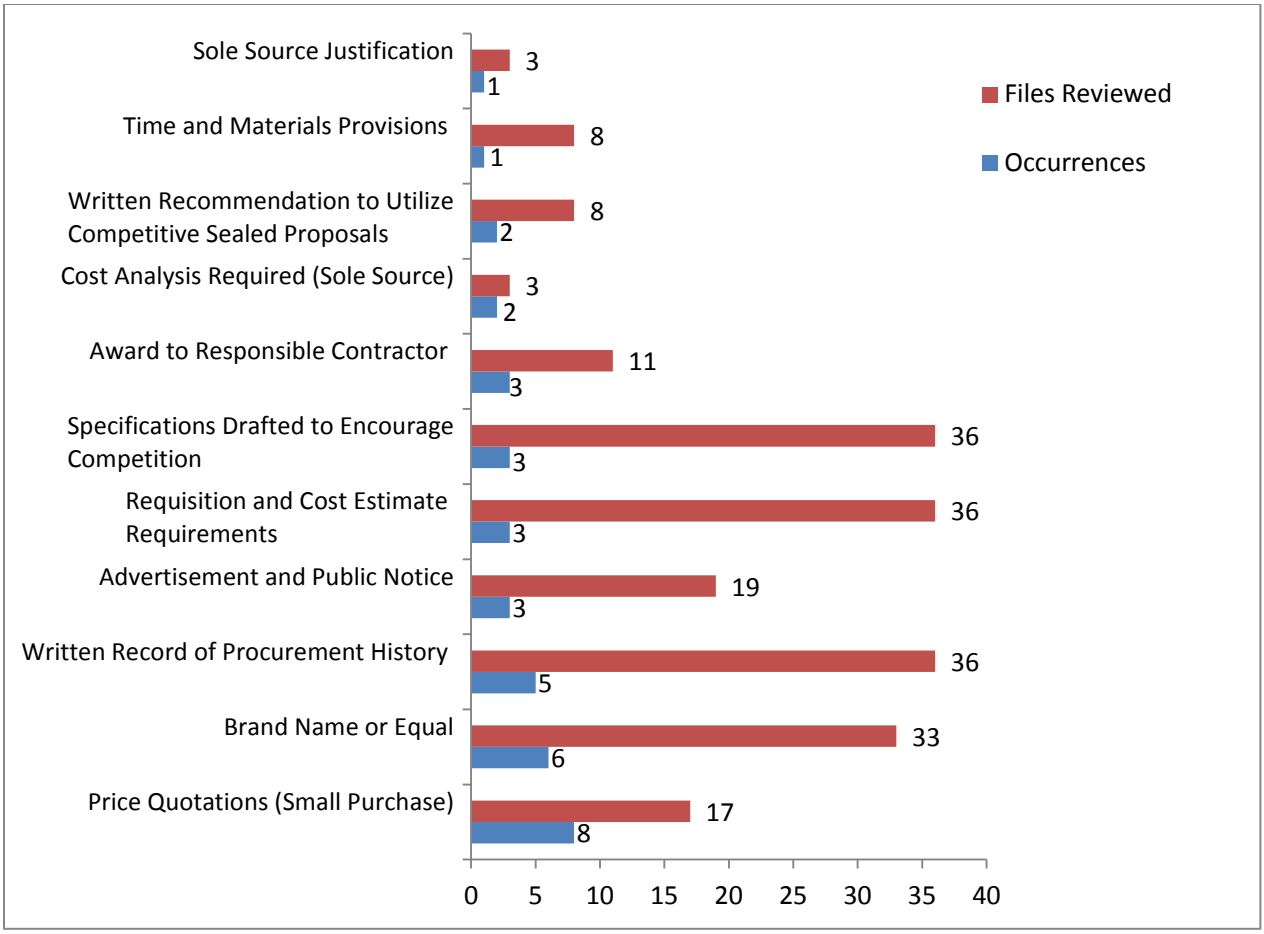
On the whole, Fulton County Purchasing has a functioning documentation and records management system; however Calyptus identified several areas for improvement that will better address Federal requirements and improve the file maintenance system.

Fulton County is in compliance with a number of current policies and procedures. Calyptus determined that there are no systematic deficiencies in the following areas:

Review of Financial Responsibility for Request for Proposals

- Evaluation and Award of County Contracts (No Contact Policy), but Contracts Compliance should be able to request missing ITB/RFP submittal information directly from bidders/offerors
- Written Procurement Selection Procedures
- Evaluation of Options / Renewal of Contracts for Services
- Adequate Competition (RFP and ITB)
- Justification for Other Than the Lowest Bidder
- Sound and Complete Agreement
- Cost Included As Evaluation Criterion (RFP)
- Recommendation of Award /Price and Other Factors
- Rejecting Bids
- Lowest Responsible Bidder (ITB)
- Firm Fixed Price (ITB)
- Selection on Price (ITB)
- Discussions Unnecessary (ITB)
- Sufficient Bid Time (ITB)
- Bid Opening (ITB)
- Office of Contract Compliance Review of Submittals
- Selection Committee (RFP) Process not composition of committee
- Conditions for Sole Source, but doesn't meet Federal requirements
- Evaluation of Disclosure Form and Questionnaire, but not as part of evaluation scores
- First Source Jobs Policy

The graph below demonstrates the frequency of occurrences identified for each element found deficient during the file review compared to the number of files reviewed for compliance with each element:



See Section V for an additional analysis of single bid procurements.

Recommendations

Calyptus has developed several key recommendations based upon the file sample review. These are areas that should be addressed within the file maintenance system and procurement process.

1. ***Develop and Implement Compliance Checklists for Each Method of Procurement and Contract Administration Action***

   To ensure that all required elements of documentation are included in each contract file, it is recommended that Fulton County develop a series of compliance checklists for each method of procurement such as competitive proposals, ITBs, RFQs, and sole source that include the necessary items to document for each method. The current Cover Sheet can be misleading as it is not customized to each method of procurement, which each have varying documentation requirements. Separate checklists should also be developed to aid in the process of contract administration by indicating the required documentation elements for renewals, task orders, and contract

modifications. Finally, there should be supplemental Federal requirement checklist to ensure compliance with Federal regulations when federal funds are utilized. The lack of adequate documentation was evidenced by the deficiencies or opportunities for improvement in the inclusion of contracts; requisition documents; option/renewal analysis; price quotations for small purchases, written records of procurement history, and sole source justifications.

2. ***Institute the Practice of Developing Independent Government Cost Estimates (IGCEs)***

   It is recommended that Fulton County commence the practice of developing independent government cost estimates to align with best practices and federal requirements. Currently this is not a practice conducted by users or purchasing and training is needed on the subject. Federal agencies frequently evaluate IGCEs when conducting assessments of grantees. It is especially important that an IGCE be conducted when federal funds are utilized in a procurement.

3. ***Institute the Practice of Conducting Detailed Cost and Price Analysis***

   Fulton County policy requires that cost proposals be included as an evaluation factor for RFPs. Beyond this requirement, there is little guidance at the State or County level regarding the evaluation of cost and price proposals submitted by offerors. The federal procurement regulations require cost analysis to be conducted for sole source procurements and for price analysis to be documented for all procurements above the micro purchase threshold. The current process used at Fulton County identified during the contract file review involves bid tabulation or price comparison along with a narrative summary of price evaluation included in the Agenda Item Summary. The deeper analysis of indirect costs, direct costs, and profit as components of price is not currently being conducted. To facilitate a standardized level of analysis and documentation of cost and price evaluation, it is recommended that Fulton County implement and train staff on standard templates and to begin conducting cost analysis for sole source procurements and large dollar value purchases.

4. ***Address Specification/SOW Development and the Use of Brand Names***

   The incorrect treatment of brand name specifications is a systematic deficiency identified during the contract file review. Please see the segment of this report entitled *Specification and Qualifications Development Process* for a detailed assessment and set of recommendations in this area.

5. ***Include Additional Documentation on Public Notices /Advertisements***

   Fulton County consistently documents advertisement in contract files; however it is difficult to verify the length of time that advertisements are circulated in the legal register or newspapers. To address this deficiency, Calyptus recommends that the public notice itself be included in each contract file along with proof of the length of time a notice is in circulation.

6. ***Address Documentation Shortfalls for Small Purchases(Valued $2,500 to $49,999), Sole Source Procurements, and Time and Materials Type Contracts***

   Calyptus noted inconsistencies in documentation in sole source and RFQ files in particular. Fulton County should implement a standard sole source justification form and responsibility determination form to address the two deficiencies in these areas and begin conducting cost analysis. There were several instances of inadequate documentation of price quotes received in small purchase files. The

requirement to garner five quotes for each small purchase (as stated in the User SOPs) should be reviewed to ensure relevance to the current process, and all quotes received should be included in the contract files. Finally, there should be a more detailed justification provided in the Agenda Item Summary when Time and Materials type contracts are selected, particularly if Federal funds are involved in the funding of the procurement. This is a contract type with high risk for the government and as such there should be sufficient justification that no other type of contract was suitable.

7. ***Review the Fulton County Code Requirement for a Written Recommendation to Utilize the Competitive Sealed Proposal Method***

   Sec. 2-320 of the Fulton County Code requires that a written recommendation be provided by the user department justifying the use of the competitive sealed proposal method. Evidence of this recommendation was not consistently identified in contract files and this practice does not appear to be a component of the current procurement system. Fulton County should review this requirement for relevance in drafting the Revised Code.

C. Purchasing Policies and Procedures

Maturity Level

The Fulton County Department of Purchasing is currently in the process of updating the Fulton County Code to consolidate and streamline existing county-level purchasing regulations. The proposed policy document will incorporate Board of Commissioners Policies and Procedures #800-02 through #800-13 and existing Fulton County purchasing code into a single body of code comprised of 13 divisions. This draft code document is currently under development and legal review.

Fulton County is also in the process of assessing a draft of the Standard Operating Procedures (SOP) for the Department of Purchasing and Contract Compliance. This draft SOP document was created and then approved by Cecil S. Moore, then Purchasing Director, in April 2011. However, the SOP was never fully implemented and will be finalized upon revisions to the Fulton County Code to ensure alignment.

Calyptus Group conducted a separate review of both the proposed revisions to Fulton County purchasing code and the draft Standard Operating Procedures to recommend changes and identify omissions. The results of this review are provided in this section of the report to assist in the assessment of the draft SOP document and the process of revising Fulton County Code.

Recommendations

<u>Changes Required in Proposed Code</u>

Division 1

- Use Georgia Code 36 definitions to be consistent

Division 2

- Threshold for Emergency Procurement conflicts with other policies (Section 2-5.2)
- Process for developing independent cost estimates must be discussed (Section 2-6(c))

Division 3

- Does not cover Qualification Based Selection Procedures required by the Brooks Act for Federally Funded projects.
- Conditions for use of Competitive Sealed Bids need more guidance to tie to Public Sector procurement (Sec. 3-3(1)). Conditions should include:

  a. Time permits the solicitation, submission and evaluation of sealed bids;

  b. The award will be made on the basis of price and other price-related factors;

  c. It is not necessary to conduct discussions with the responding offerors about their bids; and

  d. There is a reasonable expectation of receiving more than one sealed bid.

- Conditions for use of competitive Sealed Proposals need more guidance to tie to Public Sector procurement (Sec. 2-230 (a)). Conditions should include:

  a. Price is not the determining evaluating factor

  b. Discussions with offerors is required

  c. Offerors are required to provide methods and approaches to perform the Specification or Statement of Work

  d. Agency desires to conduct interviews with offerors

  e. "Best Value" award is anticipated

- Selection Criteria should be listed as options, not required (Sec. 2-302(e) and Sec, 102-354(e))
- All language should include "responsive" and "responsible" offeror (Sec. 2-330(h))
- Review of price proposals should be narrowed to only the highest ranked supplier (Sec. 2-354(9) to track to best practices and Brooks Act
- Section 3-8; take out point evaluation for financial responsibility. In include as part of unscored responsibility determination.
- Section 102-360) – Eliminate membership of Purchasing and Finance staff on evaluation committee as voting members
- Section 3-9 / Sec. 102-360(e) – This should require separate actions for evaluation committee members and Board of Commissioners regarding Conflicts of Interest

- Section 3-10 – Should address whether suppliers can pre-qualify up to the time of bid opening or proposal submission (track to Common Rule and Federal Acquisition)
- Section 3-13 – Should list the reasons for awarding a contract without competition
- Section 3-14, Sec. 2-321; Include a requirement to perform an evaluation of technical and price proposals
- Section 3-21; More description is needed for cost and price analysis; should include "for all procurements, modifications, change orders" at some level
- Section 3-22 (e) and (f). Purchasing should conduct an analysis of the proposed pricing for the extension or renewal to ensure that prices are still fair and reasonable based on market analysis

Division 4

- Section 4-2. A prescribed format is needed for specifications; Include format for Statements of Work
- Section 4-6(b) add the required to list of salient characteristic wherever brand names are used

Division 5

- Section 5-5. Change current $10,000 limit to $2,000 to comply with Davis-Bacon requirements for prevailing wages
- Section 5-7(2). This section should provide guidance on how change orders and modifications are to be completed.

Division 6

- Should describe the difference between contract modifications and change orders
- Should include Fulton County ordered changes versus contractor requested changes

Division 7

This division should include:

a. Overall plan
b. Involvement in Procurement Process
c. Details on advertisement and communications
d. Details on Contract Monitoring
e. Whether WBE or FBE certifications by others will be accepted

Division 8

- None Noted

Division 9

- Plan to be used for Federally Funded projects must be included and addressed
- 49 CFR 26 has the elements of a Plan required for USDOT DBE projects that should be considered

Division 10

- None Noted

Division 11

- Section 11-1(1) Should include information required from the protestor, and how the protest process will be described in solicitations

Division 12

- Section 12-8 Suggest that use of proscribed Cooperative Agreements are globally approved; BOC approves over $49,999

Division 13

- Section 13-7(a) Section 13-7 (b) See comments on State Statutes; Any violation should have higher penalties and personal incrimination.

Proposed SOPs for Purchasing and Contract Compliance Overview

Overview of Comments

1. RFQ, ITB, RFP, and Sole Source processes should be changed to reflect best practices.
2. Clear direction is needed for documentation based on method of procurement.
3. Federal Requirements (Common Rule) must be integrated.
4. Users' roles must be described; flow charts changed to functional flow charts.
5. Guidance required on when RFQ, IFB, RFP, Sole Source methods should be used.
6. RFP process description is unclear and not reflective of best practices.
7. Contract Compliance Strategic Role must be more integrated into daily work.

Section Specific Changes

1. Fulton County Department of Purchasing and Contract Compliance Standard Operating Procedures:
    a. User's role not described, only Department's roles.
    b. Better description needed of why RFQ, ITB, or RFP method should be used.
    c. RFP process description is unclear and incorrect.
    d. Contract Compliance Strategic Role not described.

2. 1.0 Department of Purchasing and Contract Compliance: 1.4 Departmental Authorities:
    a. Add Service Disabled Veterans.
3. 2.0 Purchasing Administration Program: 2.7.3 Technology: Ensure all systems are included.
4. 3.0 Contracts and Procurement Program: 3.7 Program Flow Chart:
    a. Add Contract Type (to Determine Sourcing Method).
5. 4.0 Procurement (Small Purchases): 4.8.1.5 P-Card Personnel Roles / Responsibilities: Purchasing Card Program Administrator (PCPA):
    a. Add identifying potential split purchases; evaluating possibility of establishing annual contracts.
6. 4.0 Procurement (Small Purchases): 4.8.3.6 RFQ Process SIPOC: Evaluating RFQ Quotations:
    a. Step 13, bullets 2 and 3 (Forward the documents to the User Department for evaluation and vendor selection via e-mail and/or fax; Receive a vendor selection and Award Letter from the User Department) should be Purchasing Department Functions.
7. 5.0 Contracts (Formal Purchases): 5.2 Contracts Purpose:
    a. Explanation of how ITB and RFP methods of source selection differ is unclear.
8. 5.0 Contracts (Formal Purchases): 5.3 Contracts Scope:
    a. Change “goods and services valued greater than $50,000.00” to “goods and services valued $50,000.00 or greater.”
9. 5.0 Contracts (Formal Purchases): 5.8.1.1 ITB Overview:
    a. Change “an award made to the lowest responsible bidder” to “an award made to the lowest responsive and responsible bidder.”
10. 5.0 Contracts (Formal Purchases): 5.8.1.2 ITB Purpose:
    a. Needs formal guidance
11. 5.0 Contracts (Formal Purchases): 5.8.2.1 RFP Overview:
    a. Public Opening should be on ITB only.
12. 5.0 Contracts (Formal Purchases): 5.8.2.2 RFP Purpose:
    a. Needs formal guidance
13. 5.0 Contracts (Formal Purchases): 5.8.2.8 RFP Process Detail:
    a. Drafting the Solicitation Document: Last sentence of first paragraph (“The RFP seeks to identify the “best value” for the County by using a combination of technical and cost factors to evaluate vendor proposals”) is incorrect.
    b. Drafting the Solicitation Document: List of critical things to be contained in RFP is incorrect.

c. Issuing an RFP Solicitation: Paragraph is incorrect.

d. Proposal Opening: First paragraph is incorrect.

e. Vendor Selection Committee: Remove Purchasing and Finance from list of voting members.

f. Oral Interviews/Presentations: Applies to competitive range only.

g. Negotiations: Include "Must occur in all RFPs."

h. Contract Preparation: Change "The contract is prepared by the User Department in conjunction with the CAPA/APA" to "The contract is prepared by the Purchasing Department."

    i. Delete second paragraph (following list of information to be included in final contract).

i. Notice to Proceed: Written NTP should be issued by the Purchasing Department rather than the User Department.

14. 6.0 Other Procurement Methods Overview: 6.2.1 Emergency Purchases:

    a. Eliminate final paragraph.

15. 7.0 Contracts and Procurement Definitions: Bid:

    a. Change "complete" to "compete."

16. 12.0 Monitoring and Compliance: 12.1 Monitoring and Compliance Overview:

    a. Needs explanation of how the Contract Compliance staff ensures that each assigned procurement type is adequate and appropriate in terms of necessary language in the procurement solicitation (first bullet-point of second list).

    b. No mention of Davis-Bacon, Service-Contract Act (SCA), HUD Wage Rates, Service Disabled Program, Federal DBE.

17. 14.0 Contract Compliance Appendix:

    a. Change "Contracting Officer Department Assignments" to "Compliance Officer Department Assignments."

Calyptus recommends that changes be made to the Draft Fulton County Code and that the revised code be approved by the Board of Commissioners prior to moving forward with modifying the Standard Operating Procedures. The Fulton County Code should be in a final state prior to developing detailed procedures to ensure that all documents align completely.

Furthermore, it is recommended that Fulton County move forward with one single set of Standard Operating Procedures applicable to user departments, purchasing, and contract compliance rather than implement a separate User SOP and Purchasing SOP. Once the single SOP is developed and approved, training should be conducted for all stakeholders to effectively implement new policies and procedures.

D. Organizational Structure and Metrics

Inputs to Organizational Structure Recommendations

The recommendations for organizational structure, headcount, roles and responsibilities, job descriptions, metrics, and performance targets were based on a set of three (3) different inputs.

1) Interviews were conducted with user department and Purchasing and Contracts Compliance Staff. Specific questions were answered regarding recommended organizational structure and potential metrics.
2) Data was collected during the CCG spend analysis work regarding categories of purchases, dollar volumes, number of contracts, providers used, types of procurements, and cycle times in order to provide workload information.
3) Benchmarking was performed on headcount, types of metrics, organizational structure, volumes of purchases, and roles and responsibilities to provide information on best practices.

All of this data was used to develop our recommendations for the organization of Fulton County's Department of Purchasing and Contracts Compliance.

Organizational Structure and Metrics Overview

Senior organizational leaders are constantly facing the need to restructure their organizations. Changes in leadership, a shift in strategy, or changing factors within an organization often create the need for reorganizing. Organizational design is one of the most potent tools available to senior managers for shaping the direction of their organizations. It can be a key leverage point for directing attention and energy to certain critical activities in an organization.

Organizational structure is inherently linked to the goals of the organization and the processes used to attain those goals. Failure to align the organizational structure and the processes results in reorganizations that fail to produce the desired effects, leading instead to further confusion and problems.

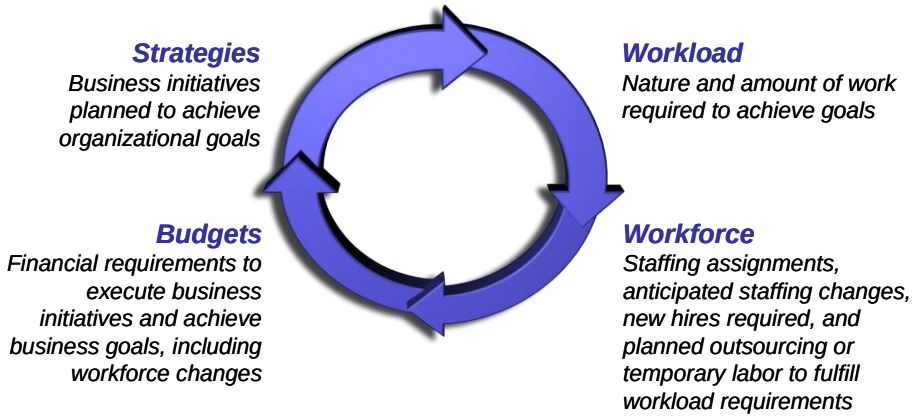
Organizational review examines the structuring of supervisory roles, information flows, and jobs within the context of the goals of the organization. Implementation involves managing the transition of people, skills, process flows, and information to ensure the desired new vision is understood and executed.

The objectives of the organizational review and recommendations for organizational design of OC&P are to:

- Provide transparent services to users
- Build and maintain competencies in category management
- Reduce cycle times and costs
- Implement a best practices solution to manage workload

Organizational effectiveness can best be achieved through organizational structure, effective job design, organizational development, and performance measurement.

Aspects of these elements are identified in the chart below:

Staffing	Determining the appropriate number of Staff positions required for the organization and the teams within the organization, requires a systematic review of the following: • **Strategies** – the business initiatives facing the organization in the short-term and long-term • **Workload** – the nature and amount of work required to achieve organizational goals, including anticipated changes in the workload and required levels of performance • **Workforce** – current Staffing assignments, anticipated Staffing changes, required full-time and temporary Staffing requirements to fulfill the workload requirements • **Budgets** – financial requirements and financial limitations impacting the organization's ability to achieve specified goals and fulfill Staffing requirements 

Organizational Principles

Organizational principles for all high-performing organizations are typically the same regardless of the type of organization or the industry in which it resides. While historically there has been a difference in focus for the corporate environment versus the academic or governmental organization, more and more public sector entities are now embracing the same principles used effectively to run private sector businesses. What follows are some basic rules for creating a high-performance organization of any type.

Rule #1: Focus on the customer: The organization's main objective is to satisfy the growing needs of existing and future customers.

Rule #2: Focus on processes: Processes are the mechanisms whereby value is added for customers; consequently, all non-essential activities must be eliminated.

Rule #3: Focus on results: The organization must endeavor to attain its objectives. Performance should be measured by means of a comprehensive set of management targets using performance indicators consistent with the organization's strategic objectives.

Rule # 4: Strategic centralization and operational decentralization: Strategic centralization aims to create synergy in the organization in order to create and maintain unique competitive advantages. Such advantages include cost and differentiation through the sharing of activities or processes, the sharing of infrastructure and other resources, and the horizontal transfer of knowledge, skills, know how, and technologies. Operational decentralization aims to put tactical, day-to-day tasks and activities where they need to reside – on the front line.

Rule # 5: Human development: The human element is the key factor in determining the organization's success. Consequently, the organization has to ensure that there is Staff training and career-stream plans in place that will enable personnel to grow within the organization, creating a favorable climate in which employees can contribute to the best of their abilities.

With these rules in mind, Calyptus Consulting has prepared a model for how we viewed Purchasing and Contract Compliance from an organizational design and operational performance perspective and the construct for how we will report our findings. The topics we will address in our findings regarding organizational effectiveness include:

- Organization Structure
- Job Design
- Performance Measurement

Organizational structure should be designed based on the organization's strategy and the operational processes to meet the organization's goals:

- A functional structure is best used for organizations procuring similar products and services, undifferentiated markets/customers, long cycle times, and common standards
- A product and service structure is best used for organizations to support a product/service focus, multiple products/services for multiple customers, and short cycle times
- A market/customer structure is best used for important markets/customers, products/services unique to customers, and when customers have a knowledge advantage, in order to encourage rapid customer service
- A process structure is used as an alternative to a functional structure when it is necessary to accommodate process change and to reduce process cycle times
- A geographic structure is best used to accommodate differences in distribution and localization

The trend today is to wider spans of control and flatter organizational structures. With less command-and-control and more coaching styles of leadership, managers can lead larger groups. Moreover, flatter hierarchies lead to faster decisions, leaders who are in touch with organizational members, and lower overhead costs. Spans of control vary based on the experience of the group members and leader, the variety of work being performed, degree of delegation, how independently tasks can be performed, and

how easily tasks can be measured. The traditional organizational model has approximately seven (7) Staff members per manager. A model with a high degree of delegation has approximately 17 Staff members per manager. For example, groups of sales people may have 15 to 20 people, while software design groups may consist of only five.

Centralization and decentralization reflect the distribution of power among departments to accomplish the missions of the organization. There are pros and cons to both:

- Decentralization typically achieves speed of action and involvement of the people closest to the work; however, the cost of decentralization may include duplication of effort, multiple interfaces for customers and providers, and fragmentation of work among work groups
- Centralization can reduce duplication, achieve economies of scale, and present one face to customers and providers; however, decision making can become more complex as it moves further from the work
- Centralized units are cautioned to protect against becoming too internally focused which may result in a lack of responsiveness to other departments.

Assigning the appropriate levels to positions within an organization should be determined based on each position's span of accountability, namely the degree of responsibility assigned to each position, the complexity of trade-offs required of the position to achieve desired results and the level of authority and autonomy required of the position. Position leveling should be perceived as fair and should be based on clearly defined differences in responsibilities from one level to the next. To encourage Staff longevity and cross-training opportunities, position leveling should also provide growth experiences and career advancement opportunities.

Summary of Current Organizational Structure and Metrics

<u>Interview Input</u>

Purchasing and Contracts Compliance Staff

During the discussions with interviewees on departmental structure, several viewpoints were expressed. Some staff felt that the Department would be better to organized around categories rather than Departments serviced. This would allow purchasing agents to become an expert in the items or services they purchase. Even more crucially, it would allow for more opportunities to combine purchasing of similar items from different departments to take advantage of economies of scale. Some types of purchases that were suggested for combination and leveraging were executive searches, inmate food, uniforms, and gasoline. A category-based structure would also reduce workload resulting from duplication of efforts between APAs or POs on different teams who are making the same purchases.

Some staff expressed reservations about switching to a category-based model, however, because they felt User Departments would protest having to deal with different staff for different purchases, rather than having one staff member that they can consistently contact for purchasing needs. Staff

reported that blanket contracts for vehicles and office supplies were already in existence, but that in general, User Departments typically want to have their own individual contracts in place.

Another suggestion was to have an open pool of APAs and POs or take advantage of more cooperative agreements, instead of having them assigned to specific teams, so that when a requisition was received it could be assigned to the next available staff member, rather than having some teams' APAs and POs swamped, while others sit idle.

Some purchasing staff also took exception to the fact that Team K was tasked with carrying out procurements for large construction projects, which tend to be higher profile and give those staff higher visibility in the County even though that are at the same organizational level. One interviewee said that staff would like the opportunity to participate in this type of procurement to learn about the process and build their skill set. An APA on another team said that Team K staff have the same job titles, but perform different functions than other staff with the same title, and that the organizational structure should better indicate this.

Finally, when asked if Contract Compliance Officers should be assigned to each team, the CCOs said that would be a possible way to restructure, although they feel they currently work well together as one team focused on their specific work.

User Feedback

In general, Users expressed a desire to stay with the current team structure. They like working with as few different people as possible, as they feel they can get the best and most consistent results. One User cited the importance of trust and knowing from experience that their Purchasing Agent will be able to handle the large, complex procurements that they work with. Other users cited the degree of variation between different agents in terms of requirements and process as a reason why they would prefer to work with fewer, rather than more Purchasing staff.

Benchmarking and Best Practices Input

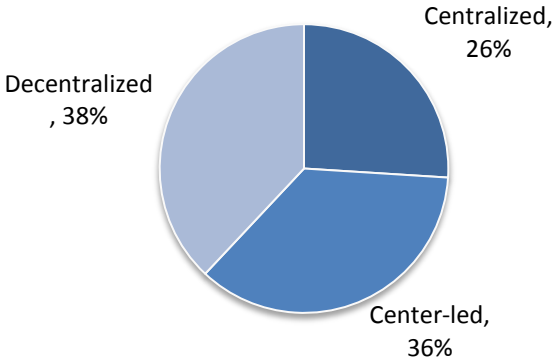
Calyptus identified several key areas to be benchmarked. The areas benchmarked for this study were organization structure, and metrics, as well as various standard procurement benchmarks.

Data was collected from various sources such as the Institute for Supply Management (ISM), CAPS research, and NIGP, as well as previous benchmarking efforts and studies undertaken by Calyptus to review procurement organizations such as Universities, State organizations, Cities, and other Public Agencies.

Organization Structure Findings

Benchmarking indicates that the majority of best practice procurement organizations have a center-led or centralized organization structure. 62% of procurement organizations are totally centralized or center-led, while 38% have either decentralized purchasing or other hybrid organization structures.

Organizational Structure Breakdown



Benchmarking indicates that organizational structures depend on many factors including: number of employees, geographical location, industry, and business philosophy. Although there is no "one-size-fits-all" structure, there are common characteristics in all organizational structures. These characteristics include:

- User Group Support
- Cross-Functional Teams
- Board of Director Support
- Category Expertise

Category teams are at the heart of best practice organizations executing procurement strategies. The purpose of the Category teams is to involve various stakeholders in the procurement process before that process is executed. By involving stakeholders in the sourcing process (such as sourcing project definition, bid evaluation, and provider selection), user specific needs can be identified and addressed. By understanding the stakeholders' needs and accounting for them in negotiated sourcing agreements, the procurement organization ensures greater compliance and collaboration. Research shows that "center-led" procurement is the preferred organizational model among purchasing executives.

Centralized organizations leverage corporate spending and drive standard sourcing, process, and technology decisions as well as execution from a central command and control group. While offering greater spending leverage and operational efficiencies, centralized structures result in higher incidences of unapproved spending, process circumvention, and uneven performance. Decentralized organizations empower business units and sites with autonomy and control over supply, process, and technology decisions, as well as sourcing and procurement execution. This structure improves satisfaction at the site and business unit level, but fails to leverage corporate spending; is costly to operate; and leads to inconsistent supply cost and performance across the organization.

An increasing number of organizations are transitioning to a new organizational structure to position for supply management success: the center-led or hybrid procurement organization. This hybrid model blends spend leverage, process standardization, and the knowledge and resource sharing attributes of centralization with the local empowerment and execution characteristics of the decentralized model.

A center-led structure relies on cross-functional and divisional teams, flexible process and policy standards that can be tailored at the local level, coordinated metrics and incentives, and an integrated procurement information systems infrastructure that automates and aligns spend analysis across the organization.

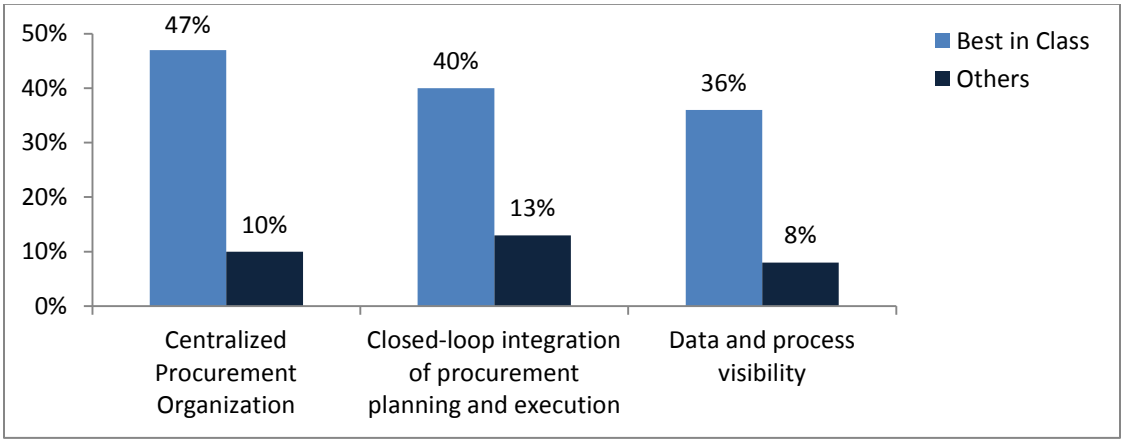
Decentralized	Centralized	Hybrid
Sourcing decisions and procurement activities executed at the business or local level	Sourcing decisions and procurement activities executed at central location	Sourcing coordinated across business units
Spending rarely leveraged across sites or business units	Spending leveraged centrally	Spending leveraged across businesses where practical

Benchmarking research shows that successful hybrid procurement organizations have the following characteristics in place:

- Executive-level support and reporting structure for procurement transformation.
- A multi-year supply plan that aligns with business goals.
- Cross-functional and cross-organizational teams.
- Shared cost and performance metrics across functional groups and businesses.

Best-in-Class procurement organizations have a central purchasing management organization established with an executive who has end-to-end procurement responsibility and strong cross-functional metrics in place. Industry average is moving toward a more centralized procurement management organization, but most activity is still decentralized into business units and regions. Industry laggards have silo-based procurement operations with little synchronization and collaboration across departments; however, many are moving toward more business unit oversight.

In addition to the foregoing information, Calyptus collected information on organizational structure from NIGP and the evaluation of county and local government organizations. The results are provided below:



State benchmarking results on organization structure show that most State organizations are either centralized or hybrid, and the vast majority, 88%, is organized around categories. In the private sector, corporate departments focus on strategic sourcing and maximizing the amount of spend that is covered by contracts. In this way, local purchasing groups can implement the contracts. Most private sector purchasing groups are organized around categories.

The City of Portland has been implementing strategic sourcing for about 7 years. The State of Oregon DHS has effectively converted to a hybrid system for 3 years. The procurement organization is comprised of teams specializing in products, services, construction, and contract administrators.

The peer purchasing organizations studied within the scope of this project are split fairly evenly between team-based and category-based structures. Of the seven (7) county organizations studied in-depth; three (3) are organized by teams, three (3) are organized by category, and one (1) is organized by procurement threshold.

Strategic Sourcing Organization Findings

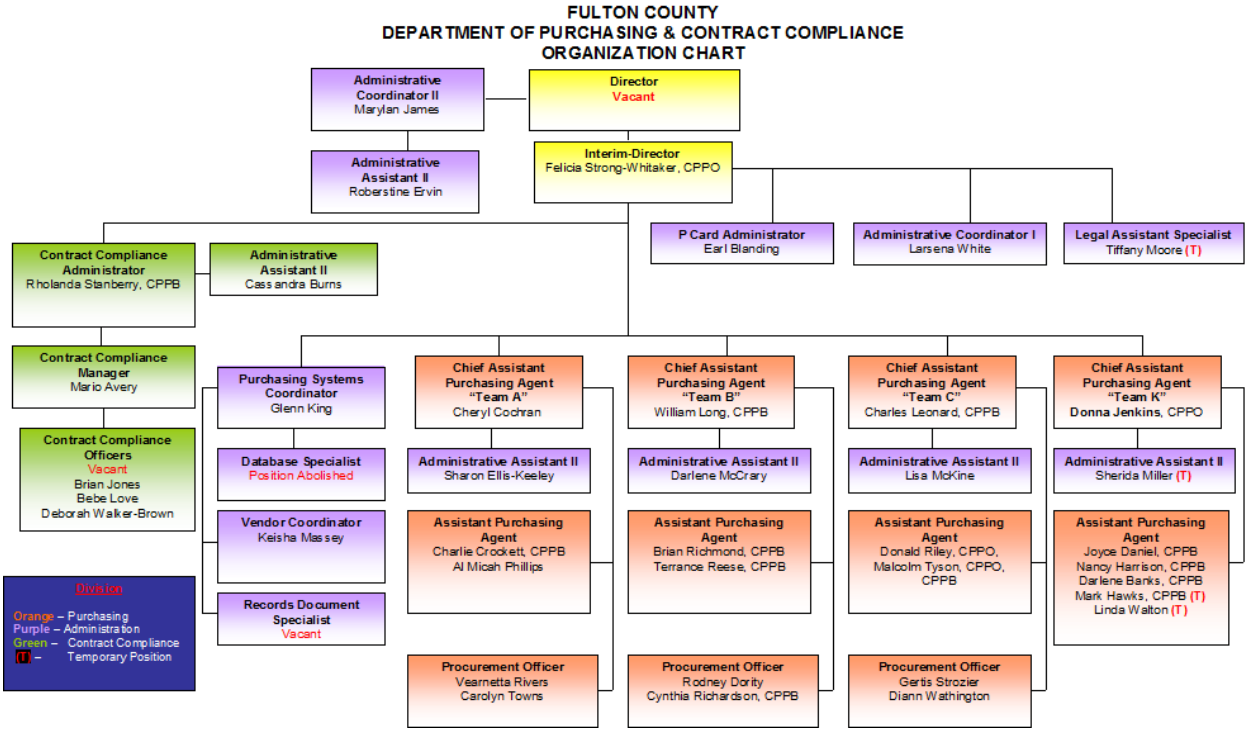
Best-in-class organizations that have implemented strategic sourcing and realized cost savings use a formal sourcing and supply management organization or shared services organization for all company-wide sourcing efforts and have standardized sourcing processes company-wide, including some that use disciplined sourcing procedures for all categories of spending. High-performing organizations analyze spend and compliance on at least a quarterly basis and apply strategic sourcing principles for up to 82% of total spend. The breakout of approaches for implementing strategic sourcing, including organization, are noted in the chart below:

	Best In Class	Industry Average	Laggards
Organization	Formal group for managing and aligning sourcing processes and decisions across the organization	Sourcing teams organized at the business unit level. Some coordination across units and regions	No formal sourcing organization
Process	Standard sourcing procedures used and enforced organization wide	Sourcing standards used only for most critical or strategic spend categories	Sourcing approaches and decisions vary by business unit
Knowledge	Standard and repeatable reporting on spending and contract compliance Standardized sourcing procedures; expertise across multiple categories	Ad hoc and high-level reporting on spending and contract compliance Some sourcing process standards; expertise on critical categories	Limited visibility into corporate spending and contract compliance Little sourcing or category expertise
Performance	Spend and compliance analyzed on quarterly or more frequent basis Strategic sourcing principles applied to 82% of total spend	Spend and compliance analyzed on annual basis Strategic sourcing principles applied to 35% of total spend	Spend and compliance analyzed on ad hoc basis Strategic sourcing principles applied to less than 25% of total spend

Review of Organizational Structure Options

Current Structure

The current Purchasing and Contract Compliance organizational structure is depicted in the chart below. The total headcount is 43, including vacant positions and temporary staff to complete the library construction projects.



The Fulton County Purchasing Department is divided into four groups: 1) Administration, 2) Contracts, 3) Procurement, and 4) Contract Compliance. The department is led by a Director and Deputy Director. The overall mission and vision of the department is provided in the exhibit below.

Fulton County Purchasing and Contracts Compliance Mission and Values

Mission

To promote the timely purchase of quality goods and services at the most favorable cost, within a working environment committed to maximizing the potential of its employees while working to meet the highest ethical and professional standards to encourage growth in the minority and female community and promote diversity in contracting.

Vision

The vision of the Department of Purchasing & Contract Compliance is to ensure the integrity of the purchasing process and to ensure fair and equitable treatment of all persons who deal with the Department of Purchasing & Contract Compliance. To foster competition, and

maximize to the fullest extent practicable the purchasing value of County funds while providing safeguards for maintaining the transparency, quality and integrity of the purchasing process. To be the benchmark of professional public purchasing.

To ensure diversity in contracting which will result in equal business opportunities for small, minority and female businesses.

Contract Compliance Program

Contract Compliance is responsible for administering and enforcing minority and female business enterprise programs and certifying minority and female business enterprises. It is also responsible for promoting and administering activities and procedures for outreach that affords qualified vendors equal business opportunities.

Contracts and Procurement Programs

Contracts and Procurement is composed of three procurement groups organized by the Fulton County departments that each group serves. The procurement groups are responsible for procuring goods and services at the lowest cost while meeting user requirements for quality, quantity, timeliness, and conformance to specifications. The Contracts division is composed of one procurement group that maintains responsibility for capital improvement projects for the County.

The department has a focus on professional development and increasing staff skills. The development of staff is being challenged, however, by budget reductions. These budget challenges may impact the process of maintaining national accreditation through ensuring that staff attains Certified Public Purchasing Officer or Certified Public Purchasing Buyer certifications.

Purchasing Administration

Administration is responsible for providing leadership, management and administrative oversight for the following divisions: Administrative, Contracts Procurement and Contract Compliance. It also administers purchasing policies and procedures under federal, state and county laws and ordinances as adopted by the Fulton County Board of Commissioners. We will use the Purchasing Assessment Survey to provide across-the-board evaluations of the department.

Requirements for Organizational Structure

Purchasing and Contract Compliance is a service organization responsible for coordinating purchasing activities to accomplish the following:

- Assist County departments in the selection of providers to fulfill their needs for products and services
- Manage activities in accordance with statutes, Fulton County code, and Board of Commissioners directives.
- Coordinate purchasing needs to negotiate and ensure the best overall value for The County
- Purchasing Management – identify and evaluate suppliers and M/FBEs, process purchasing requisitions by coordinating master agreements, request for quotes, and ITBs and RFPs in

accordance with regulatory requirements, and ensure customers receive the products and services they require

- Strategic Sourcing – identify opportunities, negotiate, and monitor leveraged contracts to reduce cost and/or improve service to The County
- Policy and Compliance – maintain an accurate record of current regulatory requirements and Fulton County rules and regulations impacting purchasing activities, summarize policies for ease of use by purchasing and customer Staff, document and communicate purchasing processes, monitor process effectiveness, and continuously improve processes as needed to meet department objectives
- Minority/Female Business Enterprise (M/FBEs) Utilization – promote and manage the use of M/FBEs on behalf of The County, increase exposure of procurement opportunities, and increase spending with these types of suppliers.
- Service Disabled Veterans – promote use of Fulton County-based service disabled veterans suppliers
- Local Preference – Provide incentives to Fulton County-based firms by awarding technical points on RFPs.
- First Source – Ensure that offerors and bidders provide opportunities for employment to Fulton County residents.
- First Source – requires suppliers to agree to hire Fulton County results when completing work under applicable contracts.

Potential Options for Organizational Design

Three options for Organizational Design exist based on benchmarking and best practices in Procurement and Contracting. The options include user-based. Each of these options is discussed below.

Option 1: User-focused Structure

This type of organization presently exists at Fulton County. Personnel are organized based on their function and support specific user departments. Staff can be cross-trained on specific u requirements to manage workload and vacations/time off.

Option 2: Category-Based Structure

As the benchmarking information points out, strategic sourcing is made possible by category-based management of products and services. This allows for expertise in specific categories in order to maximize the buying power and service/product knowledge of the Contracts and Procurement teams. This form of organization would be set up to manage purchase categories of supplies and services across user departments. We conducted a basic spend analysis to identify potential categories for assignment.

Spend Analysis

Calyptus performed the preliminary spend analysis using data provided by Fulton County. This data indicated the commodity codes for all purchase orders issued during the period 2010-2011, which allowed for the determination of major spend categories based on recent trends. The data set must be further refined before strategic categories can be finalized; however, here are the results of our initial review:

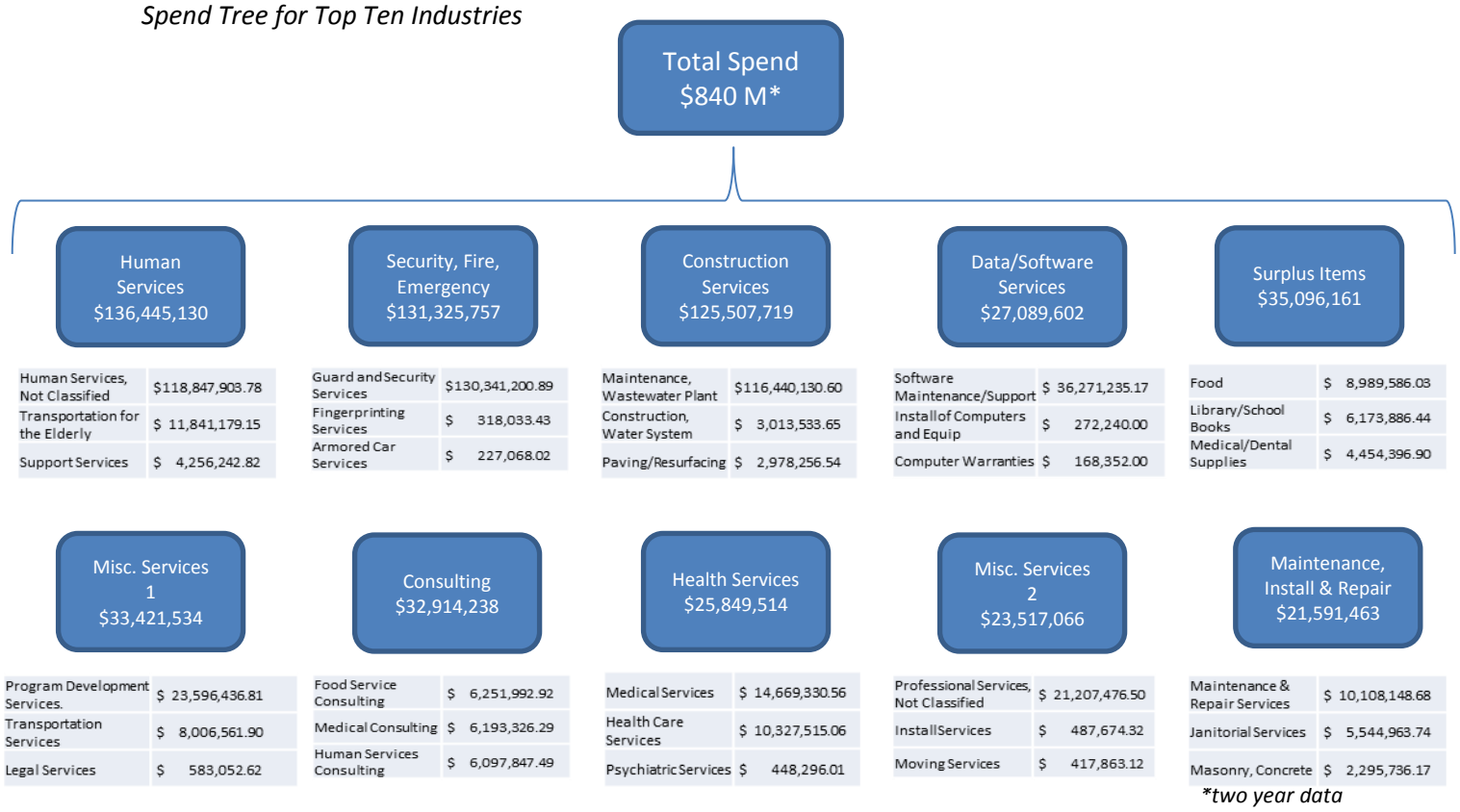
Top 20 Categories by Spend

Category Code	Category Name	Spend*
952	Human Services	$136,445,130.04
990	Security, Fire Safety	$131,325,757.20
913	Construction Services	$125,507,719.92
920	Data and Software Services	$ 37,089,602.43
998	Sale of Surplus Items	$ 35,096,161.56
961	Miscellaneous Services No. 1	$ 33,421,534.33
918	Consulting Services	$ 32,914,238.39
948	Health Related Services	$ 25,849,514.68
962	Miscellaneous Services No. 2	$ 23,517,066.16
910	Building Maintenance and Repair	$ 21,591,463.06
906	Architectural Services	$ 17,932,156.75
963	Non-Biddable Miscellaneous Items	$ 16,733,457.18
725	Radio, Telecom Equipment	$ 15,095,620.56
493	Laboratory Equipment and Supplies	$ 12,153,036.68
475	Hospital and Surgical Accessories	$ 10,248,823.66
031	HVAC	$ 9,876,909.25
909	Construction	$ 9,008,201.78
971	Real Property Rental	$ 8,457,250.17
925	Engineering Services	$ 7,230,594.50
958	Management Services	$ 6,224,008.24

** All data is two year data*

The top ten categories listed in the table above have been broken out with sub-categories and associated spend on the following page.

Spend Tree for Top Ten Industries



**two year data*

The spend tree calls out the top three commodities by spend under each industry. A list of the top twenty commodities by spend is provided below.

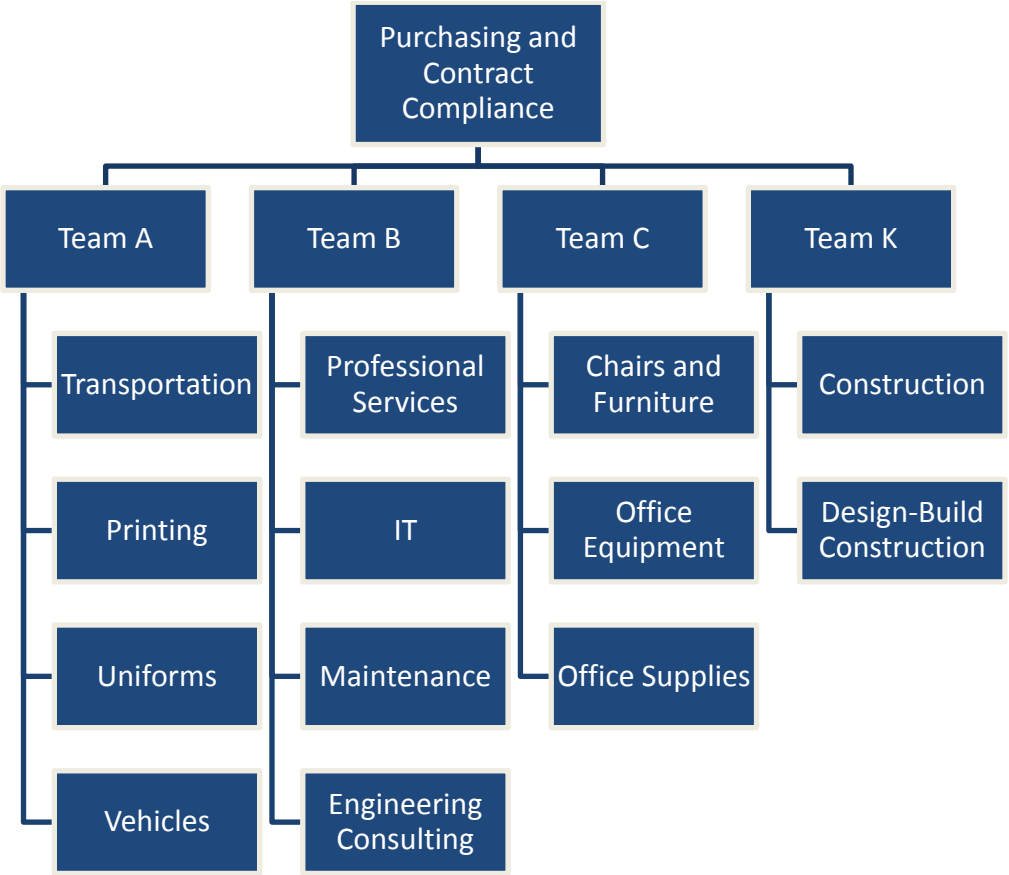
Top 20 Commodities by Spend

Commodity Code	Commodity Name	Spend*
99046	Guard and Security Services	$ 130,341,200.89
95259	Human Services Not Otherwise Classified	$ 118,847,903.78
91391	Maintenance & Repair, Wastewater Treatment Plant	$ 116,440,130.60
92045	Software Maintenance and Support	$ 36,271,235.17
96156	Program/Project Development Management Services	$ 23,596,436.81
96258	Professional Services Not Otherwise Classified	$ 21,207,476.50
90625	Design Build Services	$ 16,902,376.78
72518	Emergency Radio/Telephone Accessories	$ 14,939,143.92
94874	Professional Medical Services	$ 14,669,330.56
96357	Postage Related Purchases	$ 13,670,046.03
49396	Water Quality Monitoring Equipment	$ 12,114,785.76

95294	Transportation for the Elderly	$ 11,841,179.15
94848	Health Care Services Not Otherwise Classified	$ 10,327,515.06
91052	Maintenance and Repair Services, Building	$ 10,108,148.68
47537	Emergency Medical Service Items	$ 9,738,908.46
99844	Food	$ 8,989,586.03
96182	Transportation Services Not Otherwise Classified	$ 8,006,561.90
03113	Chillers, Heat Exchangers and Receivers	$ 7,043,518.17
90930	Building Construction Not Otherwise Classified	$ 7,031,609.28
91852	Food Service Consulting	$ 6,251,992.92

**two year data*

If Fulton County adopted a category-based organizational structure, teams would be broken out by major categories purchased, as can be seen in the sample organizational chart below:

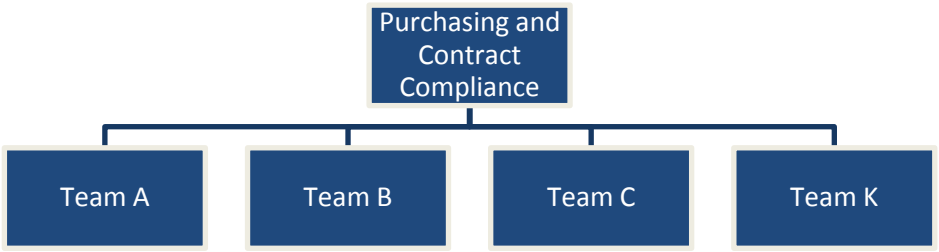


Based on our preliminary research, we believe that a 5-8% savings is possible through strategic sourcing efforts.

Option 3: Hybrid Structure

This form of organization is now ubiquitous in supply management worldwide. It allows for a combination of the centralized planning and strategic sourcing required to manage categories across enterprises. In this form, both a category-based and user focus is possible based on assigned categories.

The structure of this organizational type is provided below:



Category Managers will be chosen to lead strategic sourcing projects based on each team by expertise.

Under a hybrid organizational structure each category is managed by a category manager as in the category-based structure. *While the category managers are responsible for the category across the entire agency, each category is also linked to key users which most utilizes that category based on spend. This allows for closer linkages with key end users and divisions.

Comparison of Organizational Structures

For each common activity performed by the Purchasing and Contract Compliance staff and the user departments, we evaluated various organizational structures. For each unique activity, we assessed whether structure chosen for common activities can be responsive and effective.

	Decentralized	Centralized	Hybrid with Leveraging
Need for leveraging		Typical	**Best**
Need for close supplier interactions		Typical	**Best**
Need for standardization		**Best**	Acceptable
Need for local program support	**Best**		Could work
Need for consistent processes		Acceptable	Acceptable
Need for professional development		Acceptable	Acceptable
Need for customer service	**Best**		Okay for standard implementation
Need for specialized procurement support	**Best**		Acceptable
Need for improved supply chain quality		**Best**	Okay for local implementation
Need for integration of purchasing with user group	**Best**		
Need for expedited source decision-making	Best		Could work

Recommended Structure

We recommend the hybrid organization because it maximizes user department satisfaction and enables the county to introduce strategic sourcing.

Savings of 5-8% of purchased products and services can be obtained through leveraging, negotiations, use of competitive agreements, and establishing market-based pricing.

Strategic Sourcing / Category Management Responsibilities

The specific responsibilities for the CAPA, APA and PO will vary by level when establishing signing authorization level, size and scope of projects they can lead, and the complexity of the procurement. Specific authorization level and category assignments should be documented explicitly in each job description.

- Perform category management for assigned products and services in accordance with regulatory requirements
- Coordinate RFPs, review and evaluate proposals, recommend provided selection to the requisitioner, and negotiate pricing and performance terms
- Issue contracts within the timeframe required by the customer and ensure that the customer has all of the information required to appropriately complete the required purchase
- Stay abreast of current policies, regulations, and processes governing procurement activities
- Develop personal expertise in the assigned category areas
- Ensure a general understanding among the Team and its customers, how to contact people within the department, and how to effectively interact with other Teams
- Provide back-up support for Staff within the Team as needed or assigned
- Consult with customers, as needed, to ensure an accurate understanding of the customer's needs, and to ensure that the requisition is accurate and complete, assisting the customer as needed in the development of clear Statements of Work and/or specifications
- Monitor the performance measurements for assigned requisitions (e.g., turnaround time, cost savings, service level) and follow-up on each requisition to ensure performance targets are achieved
- Ensure that suppliers have a clear understanding of the service levels required, including rates charged, discounts received, invoice accuracy, response time, and customer service; wherever possible, ensure that service levels are documented in contracts
- Follow-up on customer questions, issues, and complaints
- Assist customers with contract changes to ensure documents are accurate and up to date
- Solicit feedback from customer groups on the performance of suppliers
- Track cost savings negotiated on behalf of users
- Track supplier performance for key providers on a semi-annual basis

Contract Compliance

As we noted on the departmental chart, the contract compliance department is comprised of Contract Compliance Officers and two managers. Contract Compliance Officers are organized by department. There are two options, leave as-is or integrate the staff in purchasing teams. The advantages and disadvantages of each are described below:

We propose to leave the department as-is, but align the Contract Officers to the same user departments as Purchasing. Further, teams should develop shared objectives for Purchasing and Contracts Compliance in terms of M/FBE and Service Disabled enterprises.

Recommended Workload Study

We recommend the organization undergo a workload study after process and system improvements have been implemented to determine the appropriate number of positions and appropriate position levels for each team. As part of the workload study, it is important to evaluate the appropriate distribution of category responsibilities among the Teams recommended in this model. Responsibilities should be combined into "natural" groupings to leverage expertise in particular areas. As we will discuss in the Job Design section, the Managers of the Category Teams have both purchasing oversight responsibility and customer relationship responsibilities; therefore, the assignment of category responsibility should also be aligned to be consistent with the customer responsibilities of these positions. Staff within teams should be cross-trained to allow maximum flexibility in handling shifting workloads from various customer groups. Best practice organizations also promote cross-training to allow a team to shift part of its workload to a less busy team during peak demand periods.

Standard Procurement Benchmarks: Headcount

Fulton County was comparable to the industry average on most standard benchmarks as shown in the chart below. Procurement operating expenses include the biennial budget for salaries, services and supplies, and capital outlays.

In terms of procurement resource benchmarks; there is a large amount of variance in the number of full time equivalents (FTEs) assigned to county purchasing groups. The size of procurement departments experiencing similar volumes to Fulton County ranges from nine (9) to fifty (50) FTEs. With 32 FTEs, Fulton County is in line with DeKalb County, Broward County, and the City of Atlanta. Not all counties interviewed had MFBE programs, however those that did assigned between one (1) and six (6) individuals to operate these programs.

Fulton County is also similar to other purchasing departments in terms of volume measures. Most organizations handle between $13M and $25M in spend volume per purchasing agent. Fulton County is closest to the City of Atlanta, DeKalb County, and Gwinnett County in terms of volume. The volume of transactions processed in terms of procurement POs is above average at Fulton County compared to other organizations. This is most likely due to a large number of RFQs and small purchases; a factor that had a significant effect on the transaction volumes experienced within other organizations as well. For example, Cobb County handles over 1,600 transactions per year as a result of a high volume of small purchases.

Total spend as a percent of total budget was lower than the standard benchmark of 27%, while total spend per procurement employee was higher than the benchmark by 50%.

Standard Benchmark	2011 Industry Average	Fulton County
Total Spend as Percent of Sales Dollars/Total Budget	26.59%	
Procurement Operating Expense as Percent of Sales $/Total Budget	0.21%	
Procurement Operating Expense as Percent of Total Spend	0.89%	0.80%
Procurement Operating Expense per Procurement Employee	$71,284	$106,250
Procurement Employees as Percent of Company Employees	0.38%	
Total Spend per Procurement Employee	$10.40	$20.1M
Average Annual Spend on Training per Procurement Employee	$1,528	
Cost Reduction Savings as Percent of Total Spend	2.68%	
Percent of Active Suppliers Accounting for 80% of Total Spend	8.44%	
Percent of Total Spend via Procurement Cards	1.59%	

Purchasing and Contracts Compliance Metrics

Input from Interviews

Purchasing and Contracts Compliance Staff

When asked what their key performance indicators should be, Purchasing and Contracts Compliance staff suggested the following:

- Quality
- Cycle Time
- How many bids/proposals received
- How well the procurement process is followed
- User satisfaction
- Attendance and experience
- Cost savings
- Quantity of vendor fairs
- Number of M/FBE certifications
- Number M/FBE participating

User Departments

When asked what key performance indicators for Purchasing should be, User staff suggested the following:

- Cycle Time
- Cycle Time Improvements
- Contract Compliance Site Visit Results
- Customer Service

On balance, cycle time, M/FBE compliance, and customer service metrics were common between the two groups of interviewees.

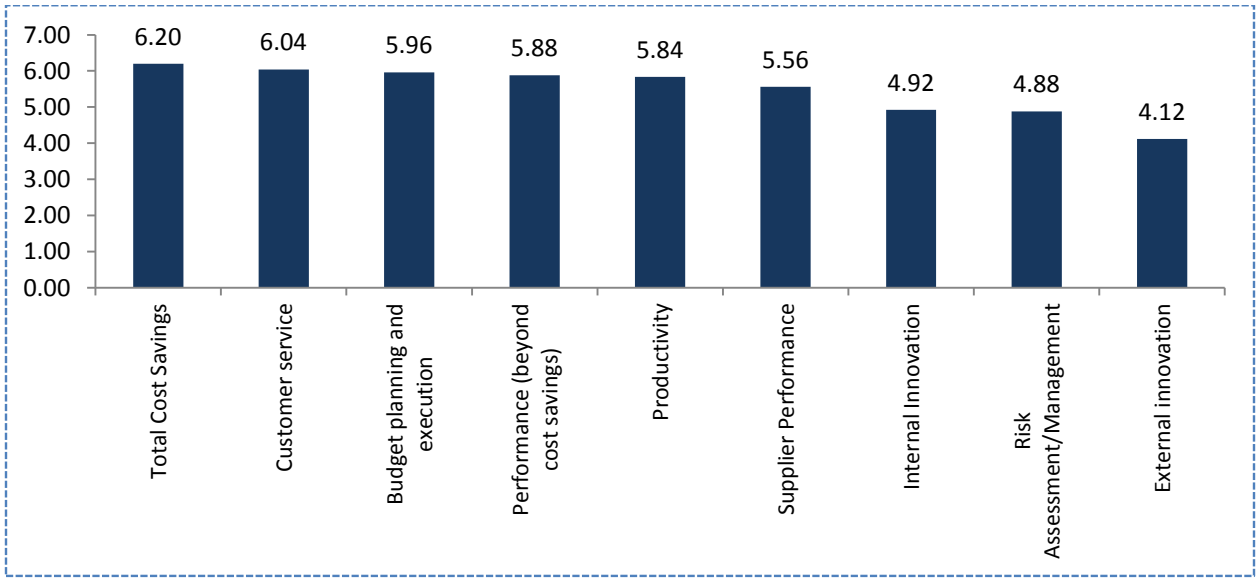
Benchmarking and Best Practices Input

Benchmarking showed that use of metrics varies greatly between the public and private sectors.

The private sector has metrics for procurement that are much more elaborate and comprehensive. Best-in-class organizations typically use the following base metrics:

- Cost Savings
- Customer Satisfaction
- Procurement or Supply Chain Cycle Time
- Responsiveness
- Minority / Small Business Participation/Spend
- Percent Spend Under Contracts
- Compliance Levels
- On-Time Delivery Performance
- Quality Performance

One study shows the importance of various procurement measures to senior purchasing executives. Among the top metrics are cost savings, customer service, budget planning, and performance and productivity measures, as noted below:



Best practices show that metrics tie the organization's objectives to the overall organization mission. The majority of companies studied identify and implement a cost savings metric, measure spend under management, and track provider performance.

The top key performance indicators (KPIs) for best-in-class, industry average, and laggards are noted in the chart below:

Top Financial KPIs to Measure Procurement Performance	Best-In-Class	Industry Average	Laggards
Identified Savings	77%	76%	67%
Implemented Savings	73%	57%	39%
Cost Avoidance	66%	58%	56%
Spend Under Management	62%	71%	56%
Supplier Performance	61%	N/A	N/A
Procurement Return on Investment (ROI)	N/A	57%	41%

Benchmarking indicates that cost saving is the top metric used by organizations across industries and sectors. Cost savings can be defined as the aggregate amount of money saved by reducing costs from one year to the next. This metric measures the procurement department's lump sum contribution to the financial success of the organization. One of the most important practices in demonstrating Purchasing's value to the organization is tracking and reporting cost savings.

Benchmark partners reported the following average cost savings:

	Median	Maximum
Cost avoidance savings as a percent of total spend	1.24%	4.17%
Cost reduction savings as a percent of total spend	1.75%	5.36%
Rebates, discounts, incentives as a percent of total spend	0.33%	1.41%

Cost savings goals vary among organizations even within sectors. Best practices indicate a goal of 5-8% for cost savings, while laggards only save 1-2% per year on purchases as noted in the following chart:

	Best-In-Class	Industry Average	Laggards
Cost Savings/Year	5-8%	4-6%	2-3%

Some benchmark partners shared their measures and target goals in areas of effectiveness, efficiency and workload.

	Objective	Measure(s)	Target
Effectiveness	Maximize procurement compliance rate with procurement rules	% deficient against requirements	98%
Efficiency	Reduce purchase costs	% savings	5% reduction
	Reduce the administrative costs of planning and completing a purchase	% reduction in transaction costs	5% reduction
Workload	Reduce requisition to contract cycle time	% reduction in days	20% reduction

Current Purchasing and Contracts Compliance Metrics

Current metrics tracked and reporting to County Manager, as well as the latest quarter performance are noted in the chart below:

2012 Key Performance Indicators

		1st Quarter 2012		2nd Quarter 2012	
	Target	Results	Status	Results	Status
% of RFPs approved within 120 days	85%	93.33%	Green	100.00%	Green
% of ITBs approved within 90 days	90%	83.33%	Yellow	88.89%	Green
Average # days to execute a contract	21 days	25 days	Yellow	22 days	Yellow
% of MFBE certification applications completed within 30 days	85%	85.71%	Green	87.18%	Green
% of dollars awarded to FMBEs	34%	40.01%	Green	24.90%	Red
% of satisfied and very satisfied ratings from customer survey (Vendor Training Workshops)	85%	85.00%	Green	93.22%	Green

Year 2011

Procurement Performance Indicators	1st Quarter Total	2nd Quarter Total	3rd Quarter Total	4th Quarter Total	YTD Total Dollars
Number of Requisitions Received	947	772	627	437	2783
Number of Purchase Orders Created	1497	1374	1402	2298	6571
Dollar Value of POs	$153,738,968.42	$72,114,442.24	$85,876,166.74	$106,128,938.84	$417,858,516.24
Number of POs $50K & Higher Issued	204	140	155	189	688
Dollar Value of POs $50K & Higher	$146,475,519.08	$64,580,505.24	$79,748,558.42	$69,414,364.45	$360,218,947.19
Number of POs $2,500 to $49,999	407	395	365	547	1714
Dollar Value of POs $2,500 to $49,999	$6,260,367.50	$6,682,020.20	$5,259,945.34	$6,980,639.92	$25,182,972.96
Number of POs less than $2,500 Issued	886	839	882	1562	4169
Dollar Value of POs less than $2,500	$1,003,081.84	$851,916.80	$867,662.98	$884,776.81	$3,607,438.43
Number of Purchase Card Transactions	2192	2596	2597	1941	9326
Dollar Value of P-Card Transactions	$883,896.09	$1,043,256.12	$1,076,315.18	$982,517.71	$3,985,985.10
Total Dollar Value of All POs & P-Card	**$154,622,864.51**	**$73,157,698.36**	**$86,952,481.92**	**$107,111,456.55**	**$421,844,501.34**

Sources: Department of Purchasing & Contract Compliance
AMS Report F2402M and F2300M
P-Card Bank of America

Year 2012

Procurement Performance Indicators	1st Quarter Total	2nd Quarter Total	YTD Total Dollars
Number of Requisitions Received	818	742	1560
Number of Purchase Orders Created	1574	1343	2917
Dollar Value of POs	$128,254,556.94	$98,517,198.51	$226,771,755.45
Number of POs $50K & Higher Issued	250	146	396
Dollar Value of POs $50K & Higher	$120,426,187.14	$92,543,472.01	$212,969,659.15
Number of POs $2,500 to $49,999	461	349	810
Dollar Value of POs $2,500 to $49,999	$6,918,480.92	$5,126,791.65	$12,045,272.57
Number of POs less than $2,500 Issued	863	848	1711
Dollar Value of POs less than $2,500	$909,888.88	$846,934.85	$1,756,823.73
Number of Purchase Card Transactions	2328	2742	5070
Dollar Value of P-Card Transactions	$1,065,823.24	$1,191,260.67	$2,257,083.91
Total Dollar Value of All POs & P-Card	**$129,320,380.18**	**$99,708,459.18**	**$229,028,839.36**

Sources: Department of Purchasing & Contract Compliance
AMS Report F2402M and F2300M
P-Card Bank of America

Recommended Metrics

Based on best practice studies, benchmarking research and stakeholder feedback, Calyptus recommends that Fulton County Purchasing and Contract Compliance create a scorecard that includes six (6) key performance indicators, focusing on operations, financial, human resource development, and quality. Below is the recommended metrics with potential goals or targets:

Best Practice Indicator (BPI)	Metric	Goal/Target
Provide cost savings to County	Total cost savings achieved year to year	5%
Provide quality and timely advice and contracts which deliver quality goods and services	Purchasing cycle time	RFP < 90 days IFB < 60 days
Communicate effectively and ensure productive stakeholder and customer relations	Customer Satisfaction Questionnaire (Score) *(Specific questions on visibility and helpfulness of Purchasing and Contracts Compliance team)*	90%
Ensure compliance with sound procurement practices	% of files with "Perfect" documentation	90%
Procure goods and services in a manner that encourages competition, contract coverage and sustainable economic growth	% spend with M/FBE and Service-Disabled Owned Enterprises	Continuous Improvement
Continuously improving performance and innovation	% of supplier measures that show improvement since previous report	Continuous Improvement

Section V. Business Process Review

A. Benchmarking

Processes at Peer Agencies

Calyptus Group conducted a benchmarking study to understand Fulton County's performance against peer organizations in several areas applicable to purchasing and contract compliance. Specifically, data was gathered on the following key areas:

- Cycle time (in days) from requisition receipt to contract signature for RFQ, ITB, and RFP processes
- Volume of spend (in dollars) handled by each purchasing employee per year
- Volume of spend (in number of purchasing POs) handled by each purchasing employee per year
- Minority Business Enterprise spend as a percentage of total annual spend
- Female Business Enterprise spend as a percentage of total annual spend
- Organizational structure and degree of centralization
- Evaluation committee composition
- Procedures and criteria for evaluation of RFPs
- Evaluation of financial responsibility
- Approval authority granted to user departments, procurement leadership, county manager, and board of commissioners in terms of dollar thresholds
- Flowcharts and procurement processes utilized for RFQ, ITB, RFP, Sole Source, and Emergency Purchases
- Procurement operating budget

Data on these key areas was gathered from three sources of primary and secondary research:

1. **National Institute of Governmental Purchasing (NIGP) Public Procurement Benchmark Survey**
   This survey of 324 heads of procurement at all levels of government throughout the US and Canada is published by NIGP for benchmarking purposes.

2. **CCG Public Procurement Data**

   Calyptus Group used past primary research data conducted with twenty (20) US City Governments and State Universities located across several US states.

3. **In-Depth Benchmarking Interviews**

   Seven (7) City and County Governments were contacted for interviews to obtain information on purchasing and contract compliance operations. Outreach was conducted with the following organizations:

   - City of Atlanta, GA
   - DeKalb County, GA
   - Cobb County, GA
   - Gwinnett County, GA
   - County of Charlotte-Mecklenburg, VA
   - Maricopa County, AZ
   - Broward County, FL

Data Limitations and Interpretation

Please note that some data points derived from interviews with city and county procurement personnel are based on self-reported information and not hard facts or historical reports. For example, the cycle times reported were often based on estimations as hard factual data was not available. Comparative data such as cycle times and volumes are considered directional (not statistically valid) in nature given the small sample size.

The CCG Public Procurement Data is also based on self-reported data from a small sample size, meaning that data should also be considered directional.

The NIGP Public Procurement Survey Data was derived from research conducted with a larger national sample of 324 participants and should be considered more statistically reliable.

The metrics provided in the comparison summary below are stated in terms of ranges, averages, and percentages. The complete raw data for each of the seven (7) government entities studied through in-depth interviews is provided later within this segment of the report, whereas the table below reports on quantitative measures only.

Benchmarking Comparison Summary

	Fulton County	Primary Benchmarking Data (N=7)	NIGP Public Procurement Survey Data (N=324)	CCG Public Procurement Data (N=20)
Cycle Time from Requisition Receipt to Contract Signature (days)		**Range**	**Average**	**Range**
RFQ	**48 days**	5-7 days	6.3 days	10-15days
ITB	**117 days**	30-105 days	45.5 days	28-90 days
RFP	**138 days**	60-120 days	67.8 days	≥60 days
Headcounts (Number of FTEs)		**Average**	**Average**	**Average**
Purchasing/Contracting	**32**	26	N/A	21
Contract Compliance	**6**	2	N/A	N/A
Volume per Purchasing Agent		**Average**	**Average**	**Average**
Total Spend ($M)	**$418M**	$586.70	$444M	N/A
Dollars ($M)	**$20.1M**	$29M	$25.1M	$7.8M
Transactions (No. Procurement POs)	**329**	314	272	271
Organizational Structure		**Percent of Total**	**Percent of Total**	**Percent of Total**
Team-Based by User Dept	**Yes**	43%	N/A	12%
Category Based	**No**	43%	N/A	88%
Other	**N/A**	14%	N/A	N/A
Centralized	**Yes**	100%	69%	65%
Decentralized	**No**	0%	11%	N/A
Hybrid Model	**No**	0%	20%	40%
Evaluation Team Composition				
Number of Committee Members	**5**	3 or 5	N/A	N/A
Evaluation of Financial Responsibility		**Percent of Total**	**Percent of Total**	**Percent of Total**
As Mandatory Evaluation Criterion	**Yes**	50%	N/A	N/A
As Pass/Fail Check	**No**	50%	N/A	N/A
Not Evaluated	**No**	0%	N/A	N/A
Approval Authority		**Average**	**Average**	**Average**
Client Departments	**<$2,000**	<$19,642	≤$99,182	N/A
Procurement Director/CPO		<$178,571	≤$163,705	N/A
City Manager/County Administrator	**<$50,000**	<$83,333	≤$229,420	N/A
County BOC	**≥$50,000**	>$178,571	>$229,420	N/A
Procurement Budget		**Average**	**Average**	**Average**
Operating Budget as % of Total Spend	**0.80%**	N/A	0.60%	N/A
Procurement Operating Budget	**$3.4M**	N/A	$7.2M	N/A

Several observations were drawn from the analysis of results gained from the benchmarking effort. The observations are noted below:

- **There is a large amount of variance in the resources assigned to county purchasing groups.** The size of procurement departments experiencing similar volumes to Fulton County range from nine (9) to fifty (50) FTEs. With 32 FTEs, Fulton County is in line with DeKalb County, Broward County, and the City of Atlanta. Not all counties interviewed had MFBE programs, however those that did assigned between one (1) and six (6) individuals to operate these programs.
- **Fulton County is similar to other purchasing departments in terms of volume measures.** Most organizations handle between $13M and $25M in spend volume per purchasing agent. Fulton County is closest to City of Atlanta, DeKalb County, and Gwinnett County in terms of volume. The volume of transactions processed in terms of procurement POs is slightly above average at Fulton County compared to other organizations. This is most likely due to a larger number of RFQs and small purchases; a factor that had a significant effect on the transaction volumes experienced within other organizations as well. For example, Cobb County reported handling over 600 informal small purchase transactions per year.
- **Purchasing organizations are split fairly evenly between team-based and category-based structures.** Of the seven (7) county organizations studied in-depth; three (3) are organized by teams, three (3) are organized by category, and one (1) is organized by procurement threshold.
- **The majority of purchasing organizations are centralized.** A hybrid model is a less common structure but has been adopted by 20% of the 324 public procurement organizations studied by NIGP. The decentralized model is rarely utilized.
- **Most organizations structure evaluation committees with three (3) or five (5) voting members.** Fulton County is in line with other organizations in this area.
- **Most organizations do not include financial responsibility as a mandatory evaluation criterion.** Of the seven (7) organizations studied in-depth, only Cobb County has this requirement. However, Cobb only applies the mandatory evaluation of financial responsibility to services proposals. Cobb County includes the following language in their proposals regarding their methodology for scoring responsibility:

  Financial Stability of the top proposer(s) will be evaluated by the Finance Department in the following areas: Liquidity Ratios (1 point); Financial Leverage Ratios (2 points); Profitability Ratios (1 point); and whether an audited or reviewed Financial Statement is submitted with Proposal (1 point). A maximum of 5 points may be awarded. Proposers who receive a score of 2 points or less will not be considered for award.
- **Organizations have mixed approaches to evaluation criteria.** Cobb County and DeKalb County verified the use of mandatory criteria. Cobb is required to evaluate the following factors in each proposal: Staffing, Performance, Experience and Expertise, Availability, Financial Stability, and Cost. DeKalb County is required to evaluate Technical Approach, Project Management, Organizational

Qualifications, Performance and Quality Standards, Local SBE Participation, and Cost. On the other hand, Gwinnett County and Maricopa County verified that they do not use any mandatory criteria.

- **The current level of Board of Commissioner approval, set at $50,000, is lower than benchmark organizations.** Fulton County has the lowest Board approval threshold of all seven (7) purchasing departments studied during primary research. The standard Board of Commissioner threshold tends to be $100,000. Maricopa County, Arizona, was an outlier in this area; setting their threshold at $500,000. Fulton County is more aligned with other organizations in terms of user department purchasing authority; however it is worth noting that many organizations grant purchasing approval authority to Procurement Directors/CPOs up to the $100,000 threshold requiring Board approval. The requirements of HB1452 may prevent Fulton County from revising these thresholds. Although the Board approval threshold is lower than most organizations, the Fulton County Board itself may not have discretion or authority to alter this threshold as it was set at the State level through the passing of House Bill 1452 (See Section IV for more information).

- **The majority of organizations do not allow purchasing representatives to serve as voting members on vendor selection committees.** Five (5) counties expressly prohibit this practice and rather allow purchasing to serve in a facilitation role. Two (2) counties allow purchasing agents to serve on evaluation committees however report that this practice is rarely followed. Most organizations place emphasis on ensuring that at least two (2) members of the user department are included on the evaluation committee; however a limit is set that a maximum of two (2) or three (3) members can be from the same user department. Most organizations also allow the Procurement Director or CPO to appoint and approve evaluation committee members based on the type and nature of the purchase.

- **Fulton County's operating budget as a percent of total spend is slightly above average.** According to the NIGP study of 324 public sector procurement departments, the average operating budget is 0.6% of total spend. Fulton County's purchasing budget is 0.77% of annual spend. DeKalb County's operating budget 0.5% of total spend, which again is lower than Fulton County.

The following chart presents a detailed view of information gathered from the seven (7) benchmark procurement organizations studied compared to Fulton County.

The level of data gathered from organizations varied based on availability of information and the ability of purchasing representatives to share benchmarking numbers for the purpose of this report.

Cycle Time from Requisition Receipt to Contract Signature (days)

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte – Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
RFQ	**48 days**	N/A	5 days	N/A	<7 days	N/A	3-5 days	N/A
ITB	**117 days**	N/A	30-60 days	30 days	105 (pre-bid) 70 (no pre-bid)	N/A	60-90 days	N/A
RFP	**138 days**	N/A	60-90 days	60-90 days	105 days	N/A	90-120 days	N/A

Headcounts (Number of FTEs)

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Purchasing/ Contracting	**32**	50	39	9	13	14	12	46
Contract Compliance	**6**	N/A	6	1	0	0	0	4

Volume per Purchasing Agent

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Total Spend	**$418M**	$1B	$780M	$126.4M	$274M	N/A	$740M	$600M
Dollars ($M)	**$20.1M**	$20M	$20M	$14M	$21.1M	N/A	$82.2M	$13.6M
Transactions (No. Procurement POs)	**329**	N/A	N/A	231	83	N/A	N/A	N/A

Minority and Female Business Enterprise (MFBE) Spend

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
MBE % of Total Spend	**32% MFBE Spend**	N/A	10% (All Programs)	10% (DBE)	No Program	No Program	Do Not Track	N/A
FBE % of Total Spend		N/A			No Program	No Program	Do Not Track	N/A

Organizational Structure

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Team-Based by User Dept	**Yes**	N/A	Yes	N/A	Yes	No	Yes	No
Category Based	**No**	N/A	Yes	N/A	No	Yes	No	Yes
Other	**N/A**	N/A	N/A	By Threshold	No	N/A	N/A	N/A
Centralized	**Yes**	Yes	Yes	Yes	Yes	N/A	Yes	N/A
Decentralized	**No**	No	No	No	No	N/A	No	N/A
Hybrid Model	**No**	No	No	No	No	N/A	No	N/A

Evaluation Team Composition

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Required Departments Represented	• 2 Purchasing employees • 1 Finance employee • 2 User Dept. employees	• Purchasing reps cannot serve on evaluation committee • All evaluators are pre-approved by CPO	• 2 from requesting user dept • 2 or 1 from affected user dept • 1 person from contract compliance (runs selection committee) • 1 person from county managers office • 1 from Finance Procurement Director selects/ approves VSC, purchasing agents never serve on committee	• Purchasing representation not required; but allowed to serve on committee • Cannot have more than 2 members from evaluating user dept. on committee	• Max. 3 from same user department • County Administrator can appoint individuals • Purchasing Agents can sit on VSC but not required	• Purchasing reps cannot serve on VSC • Committee composition varies based on type of services	• Purchasing only acts as facilitator in evaluation process • Direct supervisors and employees not on same eval. team	• Purchasing reps cannot serve on VSC • Purchasing Director/ County Administrator select/approve VSC members • No more than 2 voting members from same dept • Direct supervisors and employees cannot serve on same VSC
Number of Committee Members	**5**	3+	7 or 9	3, 5 or 7	3 or 5	N/A	3 or 5	3 or 5+

Procedures for Evaluating RFP Responses

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Mandatory Evaluation Criteria	• **Financial Responsibility (5%)** • **Local Preference (10%)** • **Service Disabled Veterans (5%)** • **Disclosure Form and Question-naire (5%)**	• Financial Capability (5 points) • OCC (DBE, SBE) Programs • Cost	• Technical Approach • Project Management • Organiza-tional • Qualifi-cations • Performance and Quality Standards • Local SBE Participation • Financial Responsibility • Cost	• Staffing • Performance • Experience and Expertise • Availability • Financial Stability • Cost	• Typically Used (None Required): • References • Cost • Oral Presenta-tion (if applicable)	• Experience • Approach • Financial Stability • Cost Efficiency • Acceptance of Terms and Conditions	• No Mandatory Criteria. Most Commonly Used Criteria: • Proposed Solution • Qualifica-tions • Price	N/A
Scoring Methodology		N/A	Avg. scores computed by VSC members and determine cutoff for interview selection	Required weights for prof. services purchases	Varies but determined upfront, have weighted cost formula for price proposals	N/A	Weighted, weights not listed in RFP but listed in order of importance	N/A

Evaluation of Financial Responsibility

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
As Mandatory Evaluation Criterion	**Yes**	N/A	Yes	Yes (for services)	No	N/A	No	N/A
As Pass/Fail Check	**No**	N/A	No	N/A	Yes *(construction)*	N/A	Yes (new vendors)	N/A
Not Evaluated	**No**	N/A	No	N/A	No	N/A	No	N/A

Approval Authority

	Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Client Departments	**<$2,000**	<$20,000	≤$2,000	<$2,000	<$5,000	<$100,000	<$5,000	≤3,500
Procurement Director/CPO		≤$100,000	<$100,000	≤$100,000	≤$100,000 (Informal POs)	<$100,000	≤$500,000 Sole Source <$50,000 Emergency <$50,000	≤$250,000
City Manager/ County Administrator	**<$50,000**	N/A	<$100,000	N/A	≤$100,000 (Formal Contracts)	N/A	Emergency >$50,000	N/A
County BOC	**≥$50,000**	>$100,000	>$100,000	>$100,000 If not budgeted, board approves	>$100,000	>$100,000	>$500,000 >$50,000 (Sole Source)	>$250,000

Procurement Process Notes

Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
	N/A	• Pre-solicitation meetings always held with user dept. • OCC has no involvement before advertising • Purchasing develops solicitation package • Legal, finance, and OCC have no involvement in responsiveness review (on VSC) • Purchasing director chooses VSC members, reviews award recommendation • Negotiate very little, only if over budget • Legal must sign-off on all formal contracts		• Proc. Develops solicitation package and majority of Spec work • Responsiveness Review conducted by VSC and Proc. only (no legal and finance) • VSC does Tech. Eval; Proc. Handles price analysis, negotiation and award recommendation • Proc. negotiates every RFP and requests BAFOs • Legal is required to review all contracts prior to execution (T&Cs)		N/A	N/A

Other Notes

Fulton County	City of Atlanta, GA	DeKalb County, GA	Cobb County, GA	Gwinnett County, GA	County of Charlotte - Mecklenburg, NC	Maricopa County, AZ	Broward County, FL
Procurement operating budget is $3.25M *(0.77% of total FY'11 procurement spend of $418M)*		**Procurement operating budget is $4M** *(0.5% of Total Procurement Spend)*					

Performance Variation

Some of the organizations studied were able to share details on their procurement processes. DeKalb and Gwinnett counties were able to provide the most information in this area. The areas in which these counties differed from the current process in place at Fulton are as follows:

- The Procurement Department develops the solicitation package at both DeKalb and Gwinnett
- Legal and Finance do not have a role in responsiveness review at either county
- DeKalb county required pre-solicitation meetings between the user department and purchasing for every procurement effort
- The Purchasing Director selects and approves the evaluation committee at DeKalb County
- Gwinnett County negotiates every RFP and requests BAFOs
- Contract Compliance has no involvement in the procurement process prior to advertisement at DeKalb County

These variations in process have implications on the "to-be" procurement process adopted by Fulton County. The process improvement recommendations are discussed in that section of this report.

Recommendations

Calyptus has developed the following recommendations and actions based on benchmarking research:

- Evaluation Committee membership should be changed to exclude Purchasing and Finance staff as voting members to reflect best practices and the practices of peer organizations. Purchasing and Finance staff can still participate as non-voting members and facilitators of the evaluation process.
- Evaluation criteria should be tied to specific procurements. Only quality and price criteria should be mandatory, along with the chosen socio-economic criteria. This tracks with federal acquisition and purchasing best practices. Purchasing should take the lead in recommending the appropriate criteria, weighting, and scoring methods. Roughly half of organizations studied in benchmarking research do not have mandatory criteria or limit the mandatory criteria. Furthermore, most organizations studied do not include financial responsibility as a mandatory factor.

B. Cradle to Grave Business Processes (Requisition to Award)

Procurement Department Process Flowcharts and Description

Calyptus Consulting Conducted four 1.5 – 2 hour interviews to review RFP and ITB processes with all four team CAPAs:

- Team A - Cheryl Cochran
- Team B - Bill Long
- Team C - Charles Leonard
- Team K - Donna Jenkins

The focus of the interviews was to define the duration of activities and process cycle times, identify bottlenecks and estimate the workload per process in order to assess staff utilization in procurement department. A flowchart of the RFP and ITB processes was used to discuss the order of activities and cycle times with Team CAPAs.

Since the "Project Status Report" could not be considered as a reliable source of process data, Calyptus Consulting conducted a set of interviews to get experiential data from the team CAPAs. This is also only an "anecdotal" data that can show some trends in process cycle times but can only be taken as a yardstick. Also, the cycle times vary extensively from project to project and more precise analysis would require some stratification of data by the type of products/services procured.

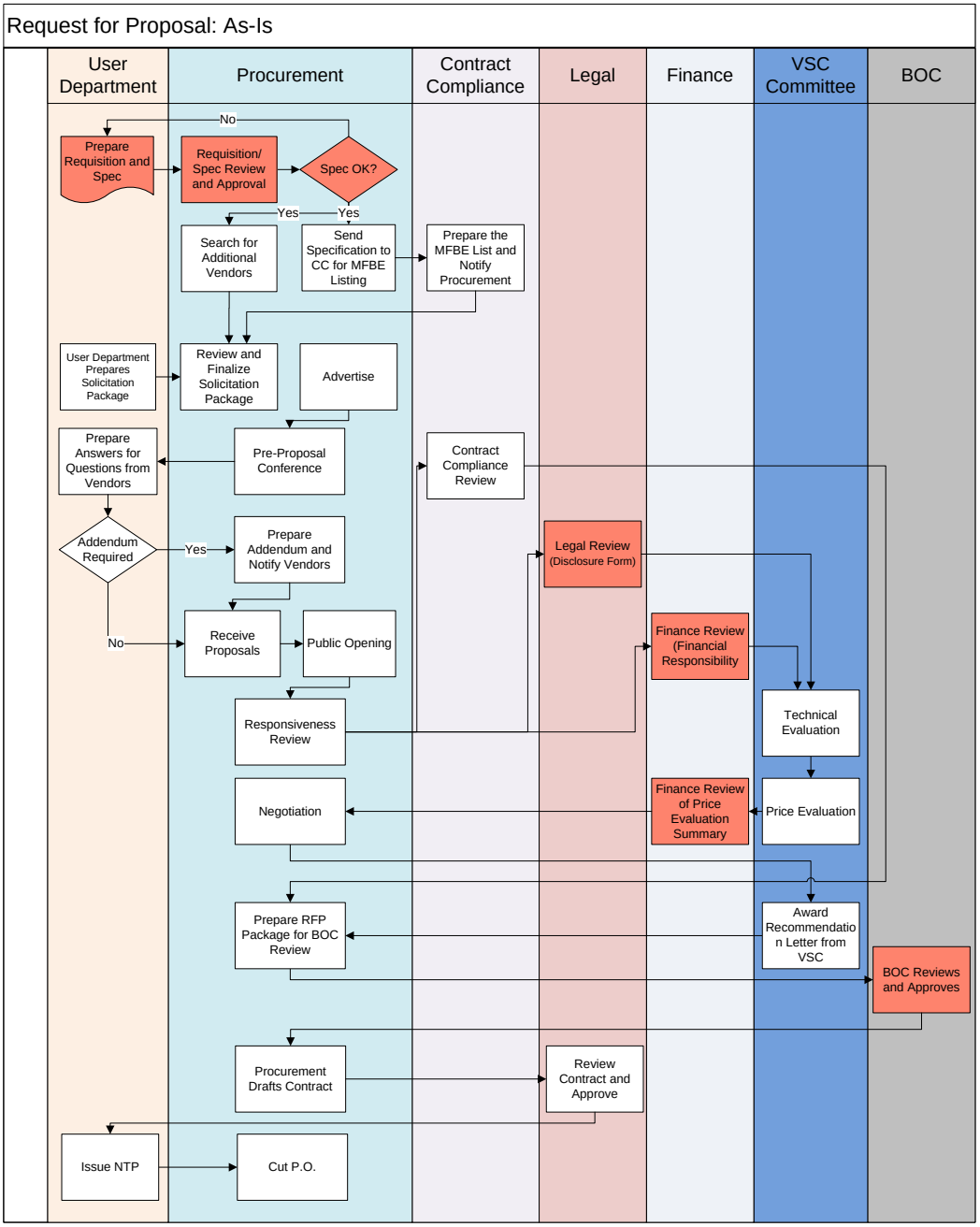
To identify potential bottlenecks and cycle times of the RFQ process, Calyptus conducted a group interview with five procurement officers:

- Carolyn Towns
- Vearnetta Rivers
- Rodney Dority
- Gertis Strozier
- Diann Washington

The group was presented with the flowchart from the Fulton County Department of Purchasing and Contracts Compliance Standard Operating Procedures and the process was reviewed step by step. The group confirmed the process flowchart as a correct description of the order of activities as is conducted in practice.

Request for Proposals

The flowchart below shows the as-is RFP process as described by four team CAPAs:



The steps of the flowchart highlighted represent the bottleneck areas as described by the team CAPAs. The list of bottleneck areas with explanations is also included in the text following the cycle time tables of each team.

The tables on the following pages show the duration of activities and process cycle times for each team based on the Project Status Report data and the data collected during the interviews with Team CAPAs.

Team A

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	1.5	10	**1.5**	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	3	3	**8.5**	List Received from CC
3	8.5	9		Search for Additional Vendors
				Prepare/Review Solicitation Package
				Issue Solicitation
4	17	15	**34**	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	17	15		Receive proposals
6	0.4	2	**0.4**	Responses logged on to Sign in Sheet
				Public Opening
				Responsiveness Review
7	23.5	24	**33**	Finance Review
				Legal Review
				CC Review
8	33	30		Technical Evaluation
				Cost Evaluation
				Negotiation
				Recommendation Letter from VSC
9	21.5	21.5	**21.5**	Prepare BOC Approval Package
				BOC Approves
10	N/A	30	**22***	Notice of Award
				Execute Contract
11	N/A	5	**5**	Prepare NTP
Σ	-	-	**125.9**	**Full Cycle Time**

**Actual performance reported*

Team A Bottlenecks Identified

The factors that influence cycle time the most are the bottlenecks of the process as identified by the Team A CAPA are the following:

- Coordination with user department, specifically at specification development part where the specifications have to go back and forth several times until the final version is approved
- Legal Review of Disclosure Form before the technical evaluation step. The committee perceives that it has to wait for the feedback from Legal before they can proceed with evaluation.
- Finance Review – happens before the technical evaluation (responsibility review) and after the cost evaluation. This practice significantly extends the award decision.
- Two procurement people (CAPAs and APAs) have to be on the Vendor Selection Committee which is a burden for procurement resources

Team B

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	6	3	6	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	4	2	5	List Received from CC
3	5	3		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	17	17	39	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	22	22		Receive proposals
6	1	2	1	Responses logged on to Sign in Sheet
				Public Opening
				Responsiveness Review
7	16	16	16	Finance Review
				Legal Review
				CC Review
8	13	13		Technical Evaluation
				Cost Evaluation
				Negotiation
				Recommendation Letter from VSC
9	17	17	17	Prepare BOC Approval Package
				BOC Approves
10	25	15	22*	Notice of Award
				Execute Contract
11	1	5	1	Prepare NTP
Σ	-	-	107	Full Cycle Time

**Actual performance reported*

Team B Bottlenecks Identified

- Coordination with user department. User Department has problems in using RFP templates uploaded in the system. The documents are usually submitted with formatting issues which requires additional time from procurement employees to put the solicitation package together.
- Legal Review of Disclosure Form before the technical evaluation step. The committee perceives that it has to wait for the feedback from Legal before they can proceed with the evaluation.
- Finance Review – happens before the technical evaluation (responsibility review) and after the cost evaluation. This practice significantly extends the award decision.

Team C

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	6	6	6	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	3	3	12	List Received from CC
3	12	12		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	15	15	36	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	21	21		Receive proposals
6	1	1	1	Responses logged on to Sign in Sheet
				Public Opening
				Responsiveness Review
7	15	15	24	Finance Review
				Legal Review
				CC Review
8	24	24		Technical Evaluation
				Cost Evaluation
				Negotiation
				Recommendation Letter from VSC
9	N/A	25	25	Prepare BOC Approval Package
				BOC Approves
10	35	35	22*	Notice of Award
				Execute Contract
11	N/A	5	5	Prepare NTP
Σ	-	-	**131**	**Full Cycle Time**

**Actual performance reported*

Team C Bottlenecks Identified

- Team C CAPA finds RFP process to be rather fluid with minor coordination issues.

Team K

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	0.5	5	0.5	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	4	2	15	List Received from CC
3	15	5		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	22	14	53	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	31	30		Receive proposals
6	13	12	13	Responses logged on to Sign in Sheet
				Public Opening
				Responsiveness Review
7	55	18	55	Finance Review
				Legal Review
				CC Review
8	48	25		Technical Evaluation
				Cost Evaluation
				Negotiation
				Recommendation Letter from VSC
9	20	10	20	Prepare BOC Approval Package
				BOC Approves
10	36	15	22*	Notice of Award
				Execute Contract
11	10	5	10	Prepare NTP
Σ	-	-	188.5	Full Cycle Time

**Actual performance reported*

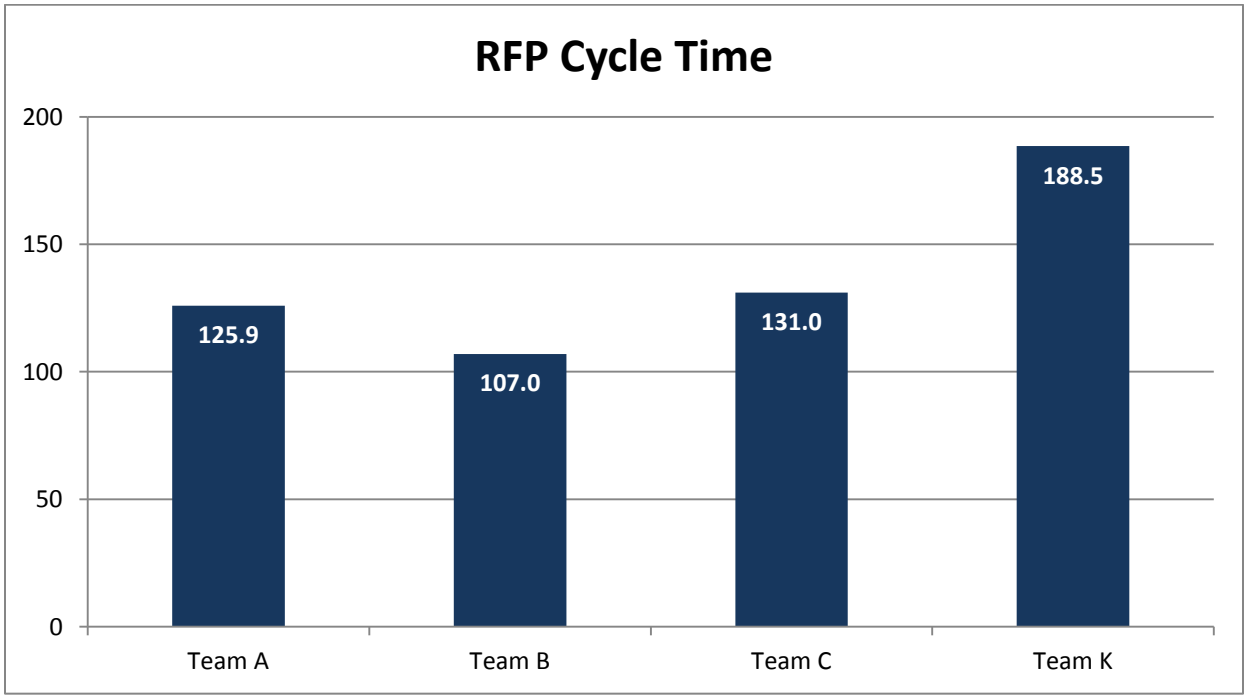
Team K Bottlenecks Identified

- Coordination with user department, specifically at the specification development part where the specifications have to go back and forth several times until the final version is approved.
- Legal Review of Disclosure Form before the technical evaluation step. The committee has to wait for the feedback from Legal for over a month in some cases before they can proceed with evaluation.
- Finance Review – happens before the technical evaluation (responsibility review) and after the cost evaluation. This practice significantly extends the award decision.
- Board Review – Board of Commissioners is held twice a month (every first and third Wednesday). The submission of RFP package for Board approval has to be coordinated. Board sometimes does not approve the RFP for several meeting cycles which extends the process significantly.

Comparison of RFP Process Data Across Teams

Cycle Time

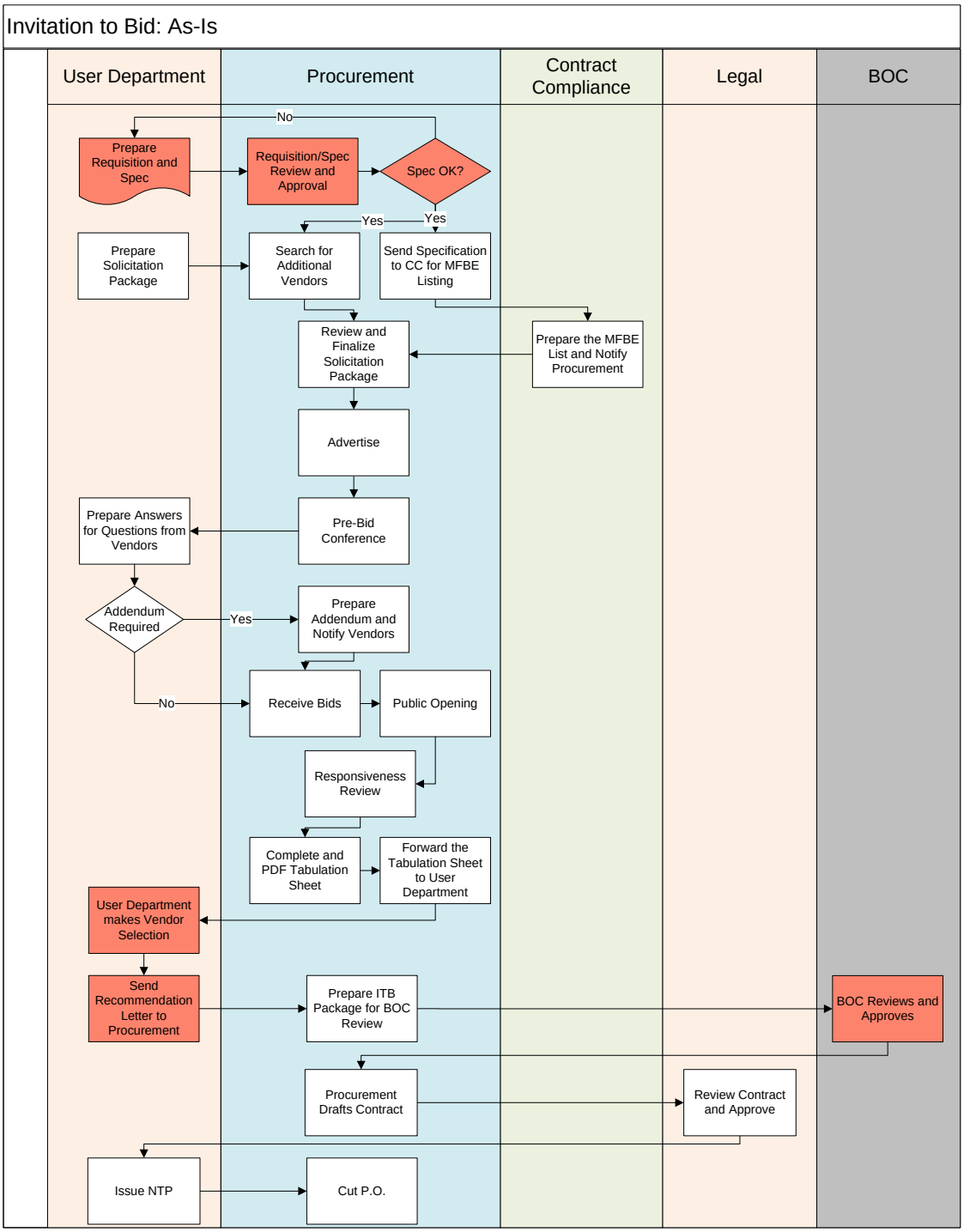
The chart below shows the graphical comparison of the estimated cycle time data for the RFP process based on the analysis of the data from "Project Status Report" and the interview data from team CAPAs:



Invitation to Bid Process

The Invitation to Bid process as stipulated in the Fulton County standard operating procedures is very similar to RFP process except for the evaluation step. Since a committee is not needed for evaluation the process is expected to be significantly shorter on average.

The flowchart below shows the as-is ITB process as described by four team CAPAs:



The steps of the flowchart highlighted represent the bottleneck areas as described by the team CAPAs. The list of bottleneck areas with explanations is also included in the text following the cycle time tables of each team.

The tables on the following pages show the duration of activities and process cycle times for each team based on the Project Status Report data and the data collected during the interviews with Team CAPAs.

Team A

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	4.7	10	4.7	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	1.3	3	13	List Received from CC
3	13	9		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	N/A	15	30	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	N/A	15		Receive Sealed Bids
6	1	1	1	Public Opening
				Responses Logged to Sign in Sheet
				Responsiveness Review
7	N/A	1	20	Complete and PDF Tabulation Sheet
				Forward Tabulation Sheet to UD
8	N/A	20		UD Makes a Selection
				Negotiation
				Recommendation Letter from UD to Procurement
9	21.5	21.5	21.5	Prepare BOC Approval Package
				BOC Approves
10	N/A	30	22*	Notice of Award
				Execute Contract
11	N/A	5	5	Prepare NTP
Σ	-	-	117.2	Full Cycle Time

**Actual performance reported*

Team A Bottlenecks Identified

- Coordination with the user department, specifically at specification development and the step in the process where the User Department makes the selection and forwards the recommendation letter to the Purchasing Department and the execution of the contract.

Team B

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	1.3	3	1.3	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	9	2	9	List Received from CC
3	1	3		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	N/A	17	39	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	N/A	22		Receive Sealed Bids
6	3	1	3	Public Opening
				Responses Logged to Sign in Sheet
				Responsiveness Review
7	N/A	1	7	Complete and PDF Tabulation Sheet
				Forward Tabulation Sheet to UD
8	N/A	7		UD Makes a Selection
				Negotiation
				Recommendation Letter from UD to Procurement
9	17	17	17	Prepare BOC Approval Package
				BOC Approves
10	25	15	22*	Notice of Award
				Execute Contract
11	1	5	1	Prepare NTP
Σ	**-**	**-**	**99.3**	**Full Cycle Time**

**Actual performance reported*

Team B Bottlenecks Identified

- Team B CAPA finds the ITB process to be rather fluid with minor coordination issues.

Team C

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	6.8	6	6.8	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	25.1	3	28.7	List Received from CC
3	28.7	12		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	13	15	34	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	21	21		Receive Sealed Bids
6	1.7	1	1.7	Public Opening
				Responses Logged to Sign in Sheet
				Responsiveness Review
7	7	7	10	Complete and PDF Tabulation Sheet
				Forward Tabulation Sheet to UD
8	N/A	10		UD Makes a Selection
				Negotiation
				Recommendation Letter from UD to Procurement
9	N/A	25	25	Prepare BOC Approval Package
				BOC Approves
10	35	35	22*	Notice of Award
				Execute Contract
11	N/A	5	5	Prepare NTP
Σ	**-**	**-**	**133.2**	**Full Cycle Time**

**Actual performance reported*

Team C Bottlenecks Identified

- Team C CAPA finds the ITB process to be rather fluid with minor coordination issues.

Team K

Tracking Section #	Avg. Duration – PSR (Days)	Avg. Duration – Interview (Days)	Estimated Duration PSR - Interview	Activity
1	13.9	5	13.9	Requisition and Spec Received
				Spec Approved
				Spec sent to CC for MFBE List
2	1.6	2	1.6	List Received from CC
3	1.5	5		Search for Additional Vendors
				Prepare Solicitation Package
				Issue Solicitation
4	17.6	14	48.6	Prepare and Post Ad
				Pre-bid Conference
				User Department prepares Q/A Response
5	31	30		Receive Sealed Bids
6	1	12	1	Public Opening
				Responses Logged to Sign in Sheet
				Responsiveness Review
7	N/A	1	2	Complete and PDF Tabulation Sheet
				Forward Tabulation Sheet to UD
8	N/A	2		UD Makes a Selection
				Negotiation
				Recommendation Letter from UD to Procurement
9	20	10	20	Prepare BOC Approval Package
				BOC Approves
10	36	15	22*	Notice of Award
				Execute Contract
11	10	5	10	Prepare NTP
Σ	-	-	119.1	Full Cycle Time

**Actual performance reported*

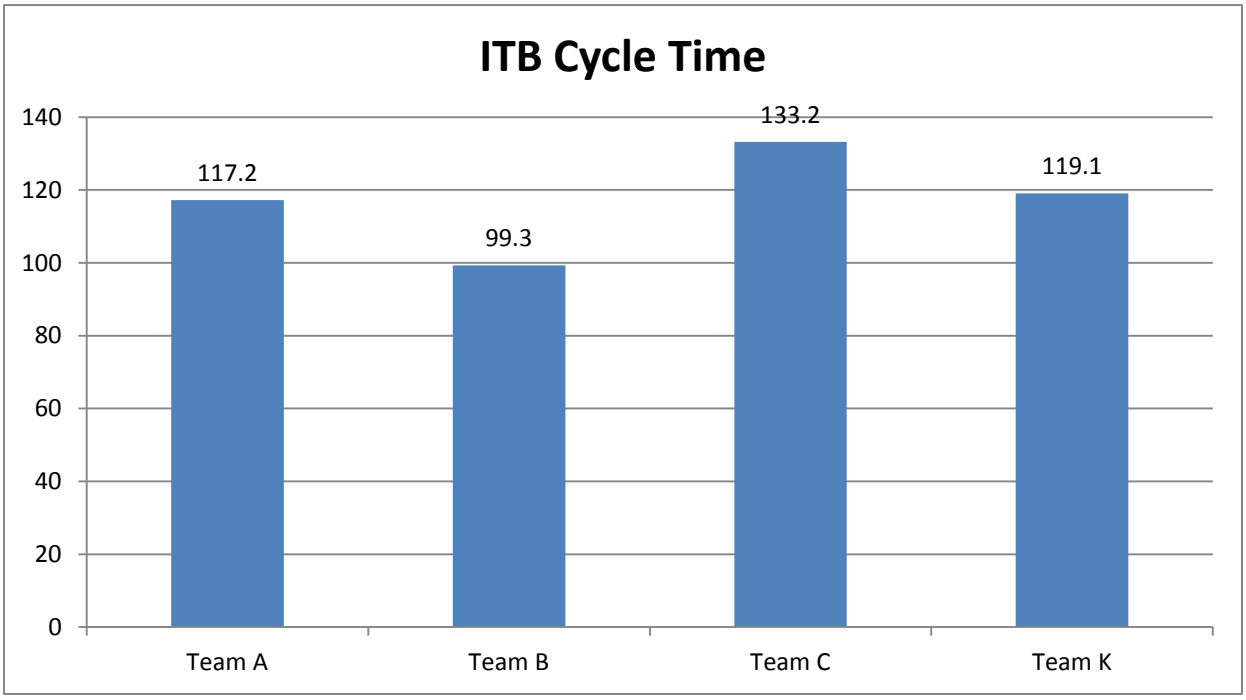
Team K Bottlenecks Identified

- Board Review – Board of Commissioners meeting is held twice a month (every first and third Wednesday). The submission of the ITB package for Board approval has to be coordinated. The Board sometimes does not approve the ITB award decision for several meeting cycles which extends the process significantly.

Comparison of ITB Process Data Across Teams

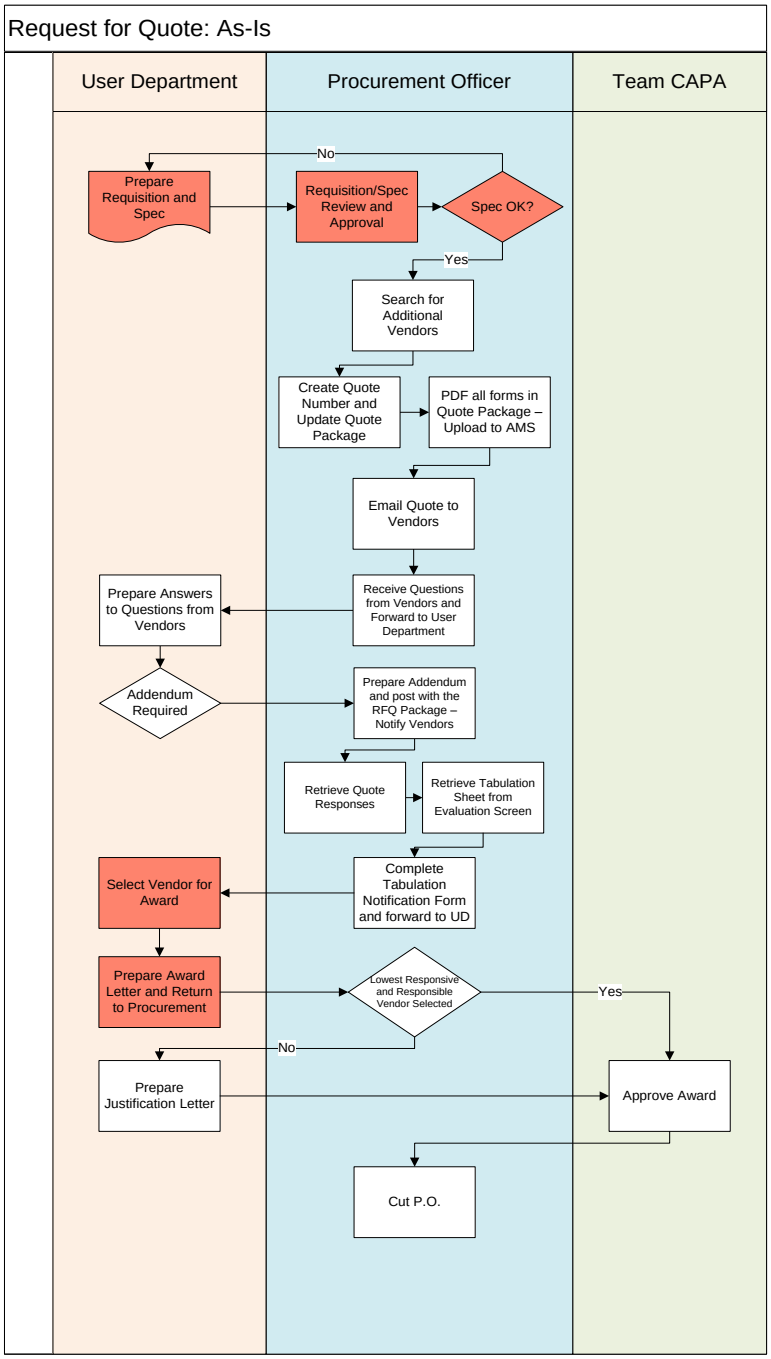
Cycle Time

The chart below shows graphical comparison of the cycle time data for ITB process collected from team CAPAs:



Request for Quote

The flowchart below shows the as-is RFQ process as described by the five Procurement Officers:



The steps of the flowchart highlighted represent the bottleneck areas as described by the team CAPAs. The list of bottleneck areas with explanations is also included in the text following the cycle time tables of each team.

Cycle Time

Since the RFQ process is not tracked in the Project Status Report tool we split the process in five logical sections and asked the group for an estimation of the time needed to complete each step. The following table shows the estimation of days provided by the group at the interview:

Start	End	Avg. Duration – Interview (Days)
Requisition Received	**Notification to Vendors Sent**	20
Notification to Vendors Sent	**Quotes Received from Vendors**	10
Quotes Received from Vendors	**Tabulation Sheet Sent to User Department**	5
Tabulation Sheet Sent	**Award Letter From UD Received**	10
Award Letter From User Department Received	**PO Printed**	3
	Σ	48

A set of data for 15 completed RFQs has also been provided by the Fulton County and analyzed using the same principles as described above. The following table shows the breakdown of cycle time data for the completed RFQs:

RFQ #	Start / End	Requisition Received / Quote Advertised	RFQ Advertised / Quotes Received	Quotes Received / Tab Sheet Sent to UD	Tab Sheet Sent to UD / Date Awarded	Date Awarded / PO Printed	Full Cycle
11RD79422YB		0	7	1	14	0	**22**
11RD79424YB		1	6	1	8	0	**16**
11RD75952YB		0	7	1	5	0	**13**
11CR78996YB		1	14	6	16	0	**37**
11CR76656YC		4	14	3	18	0	**39**
12CR76398YC		1	13	6	6	0	**26**
11CR79668C		18	8	2	4	16	**48**
11DW78490C		0	7	1	5	1	**14**
11DW80075C		6	12	0	1	0	**19**
11GS76163YB		26	-6	69	7	2	**98**
11GS80938YB		3	11	3	1	0	**18**
11CT77189A		20	9	3	98	0	**130**
10RH75337YA		0	10	0	26	0	**36**
12VR84994A		0	12	1	8	0	**21**
12VR84742A		0	10	1	24	0	**35**
AVERAGE		**5.3**	**10.0**	**6.5**	**16.1**	**1.3**	**38.1**

The average cycle time in **calendar days** for fifteen completed RFQs included in the analysis is 38.1 days which is 20% shorter than the estimation. Since the standard deviation for the sample is high (33.07 days) the estimated length of 48 days would still be within the confidence interval (95%) based on the t distribution used (Min=21 days; Max=57 days).

For better estimate of RFQ cycle time a sample size of at least 30 completed RFQs would be required.

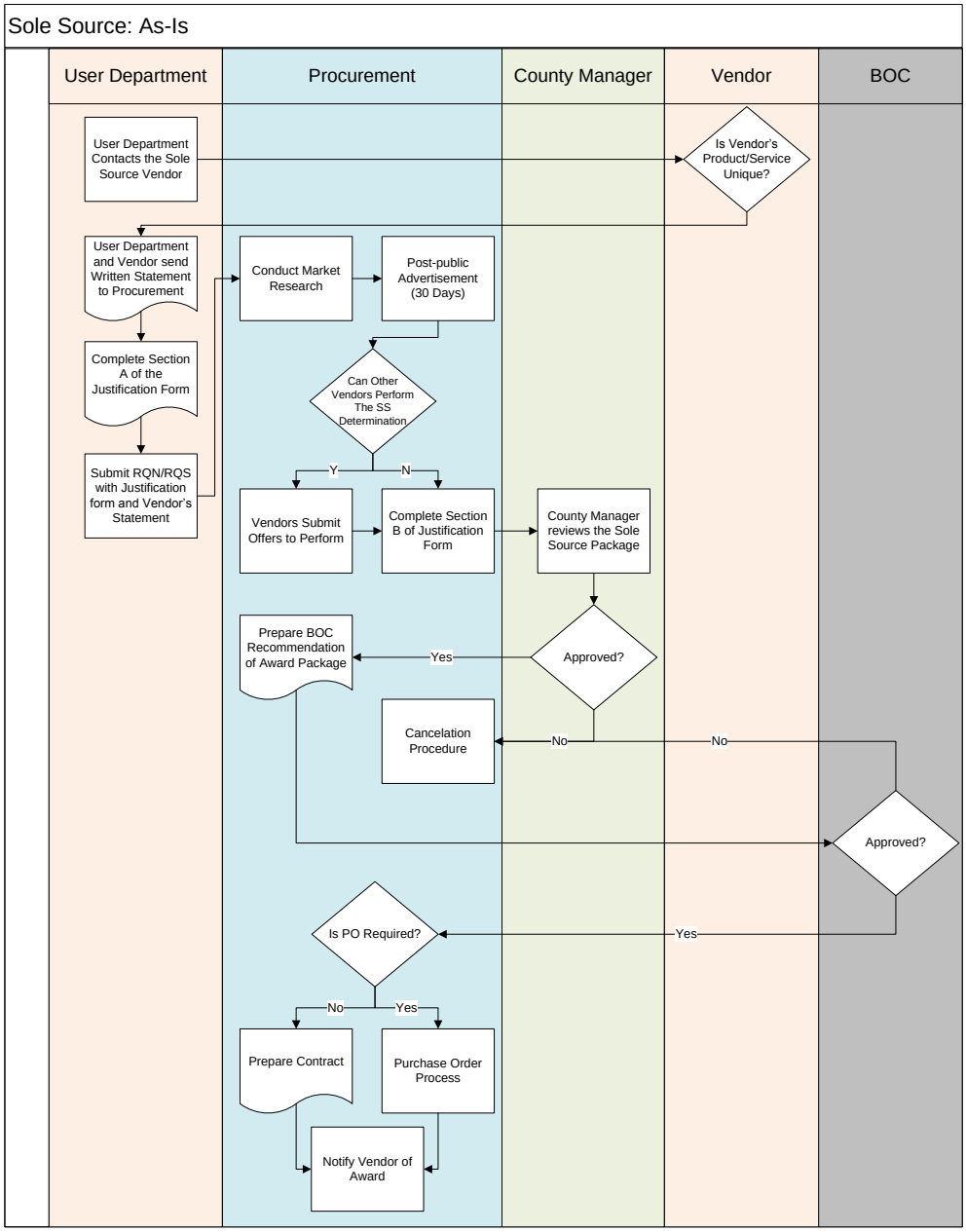
Bottlenecks Identified

There are three (3) main bottlenecks the group identified as the largest contributors to increased RFQ cycle time:

- AMS system is not user-friendly; it causes frustration for Purchasing, vendors and user departments. It slows down the process especially for procurements with larger commodity lists.
- Lack of coordination with liaisons from User Departments. The Procurement Officers do not communicate with the end user directly. The communication is channeled through liaisons from user departments and errors in orders are often the result of miscommunication between departmental liaisons and the end user.
- Seasonality of workload – The group suggested that there is a seasonality in the workload related to the fiscal year dynamics. The workload is specifically intensive at the beginning and the close of fiscal year. The AMS system is also closed for a while but the requisitions still originate from user departments with requests to be processed manually.

Sole Source Procurements

The flowchart below shows the as-is Sole Source process as described by Purchasing staff and standard operating procedures:

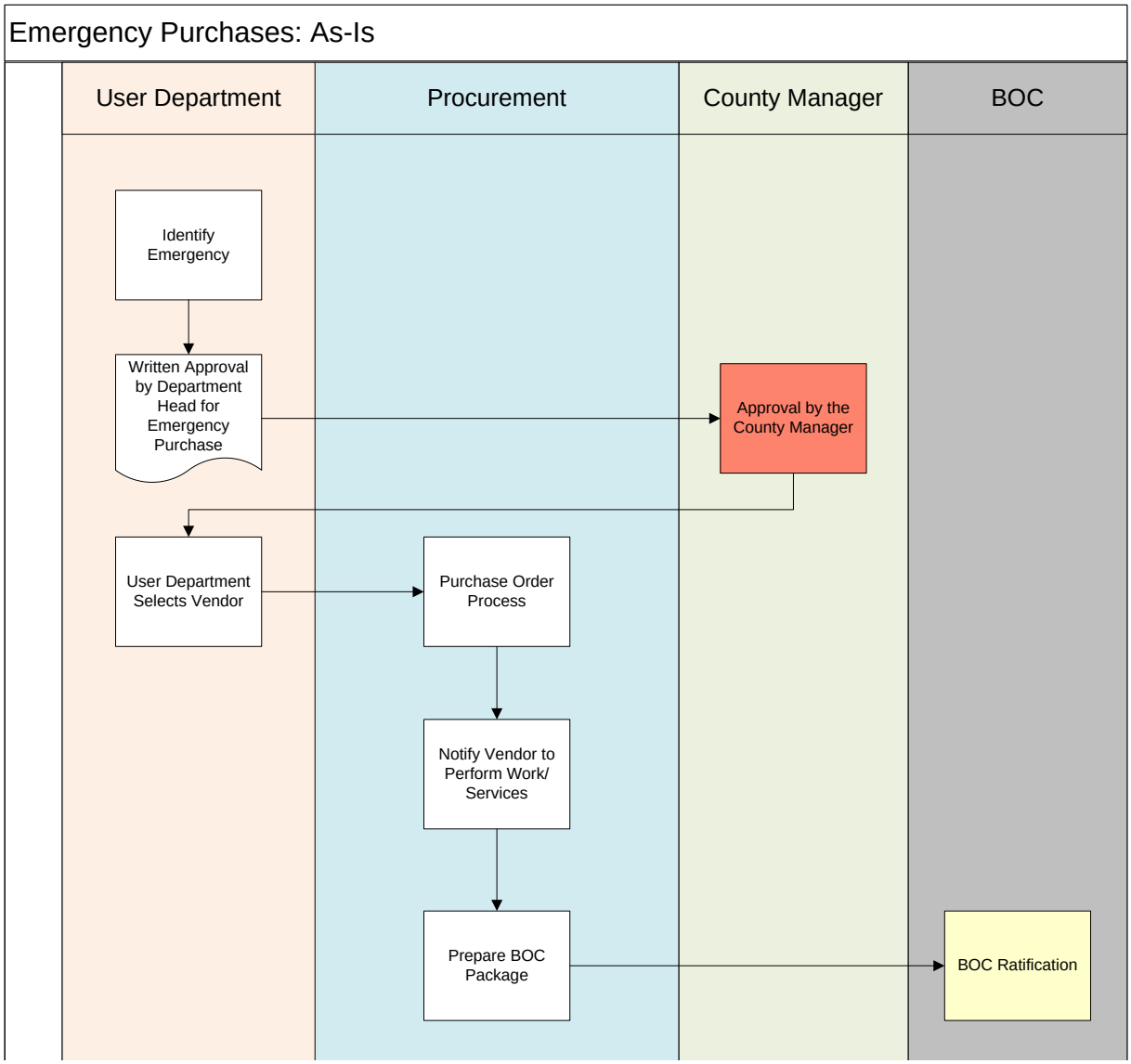


The following issues were identified regarding the Sole Source process:

- Lack of control from the Purchasing Department side.
- Vendor identifies if the service is unique to the market – it is in their interest to identify their service/product as unique – procurement should make this judgment based on market research.
- Analysis of cost/price has to be incorporated in the process to be able to evaluate if the vendor's price is fair and reasonable.

Emergency Procurements

The flowchart below shows the as-is Emergency Procurement process as described by Purchasing staff and the Standard Operating Procedures:

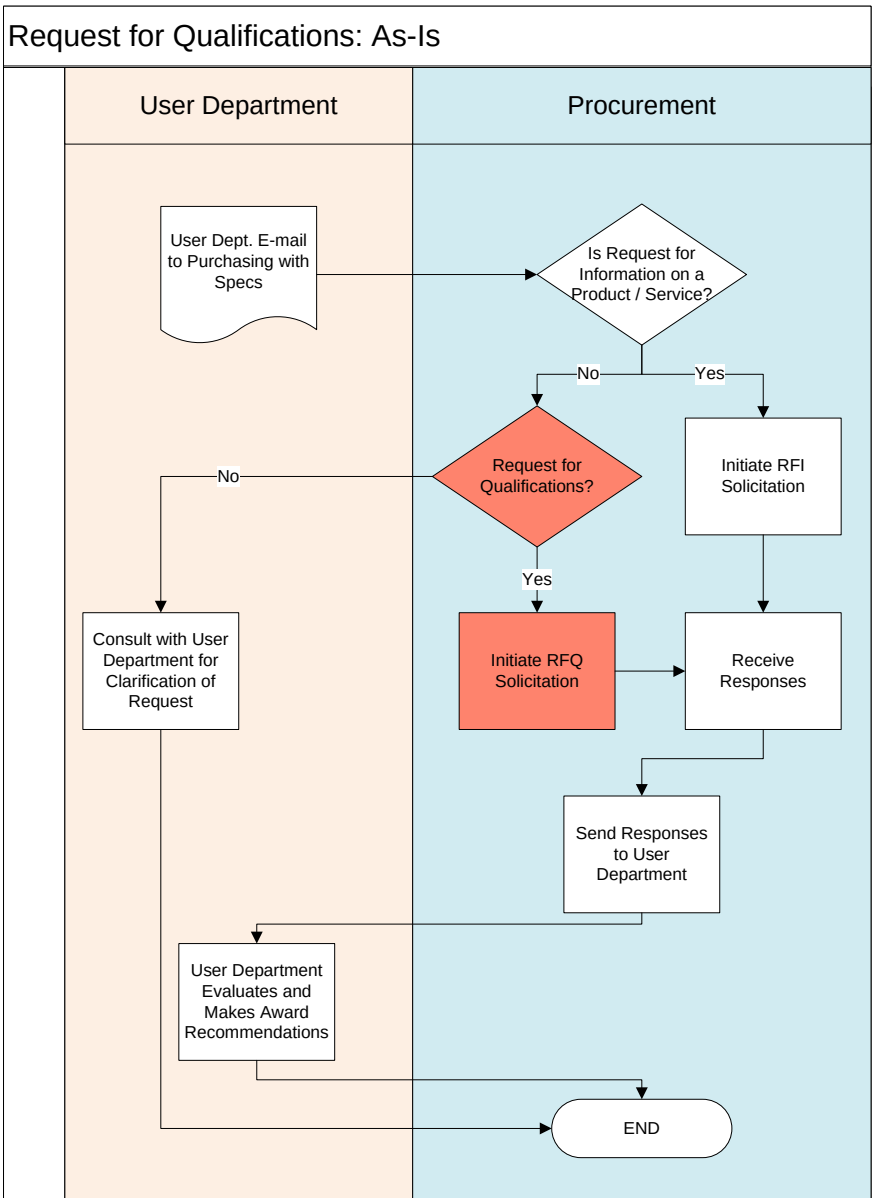


The following issues were identified regarding the Emergency Procurement process:

- Lack of control by Purchasing
- User Department makes the selection of vendor – Purchasing should be responsible for the selection of vendors
- There should be some form of negotiation with the vendor before the work is performed

Request for Qualifications

The flowchart below shows the as-is Request for Qualifications process as described by Purchasing staff and standard operating procedures:



The following issues were identified regarding the Request for Qualifications process:

- Procurement staff is generally not familiar with the process – they need to be trained to better understand the process
- User Department evaluates and makes award recommendations – this step should be the responsibility of the procurement department

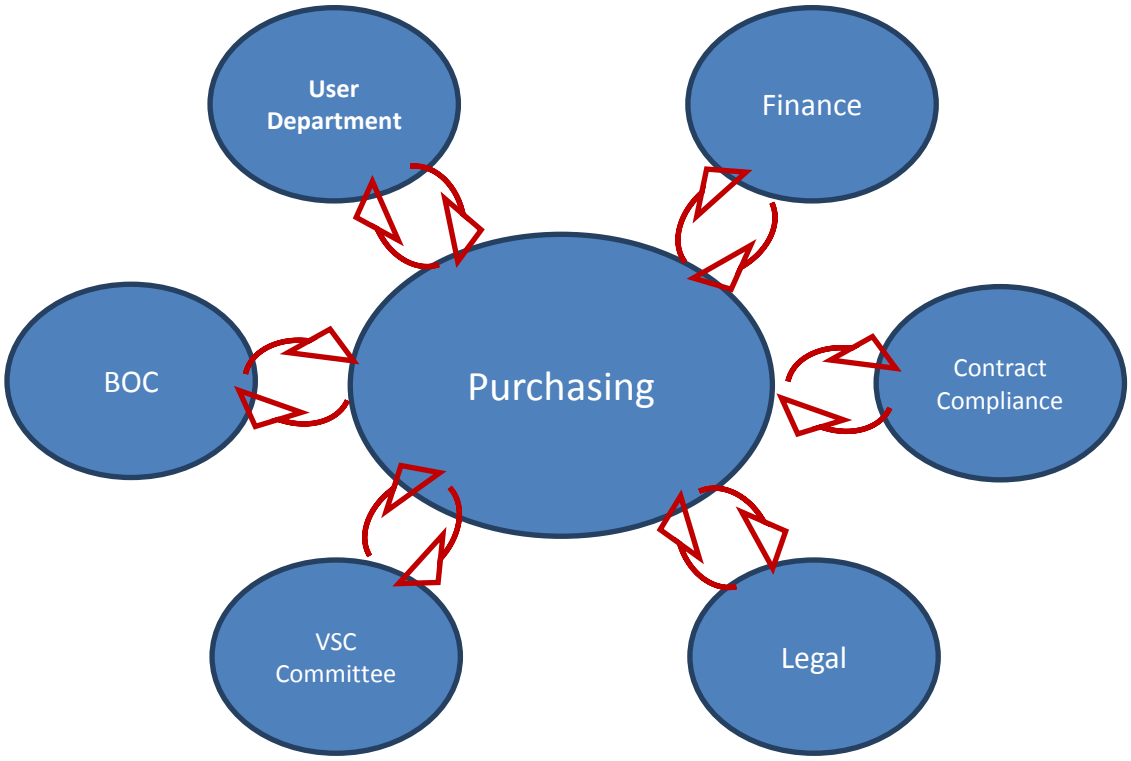
Analysis of adequacy of separation of duties and internal controls

RFP

There are seven organizational inputs involved in the RFP process including the Purchasing Department. (See the graphic below).

- Purchasing
- User Department
- Finance
- Contract Compliance
- Legal
- VSC Committee
- Board of Commissioners

The Purchasing Department administers the process and coordinates all activities from requisition to award.



Based on the information from the interviews and the analysis of the process the following issues regarding the segregation of duties were identified:

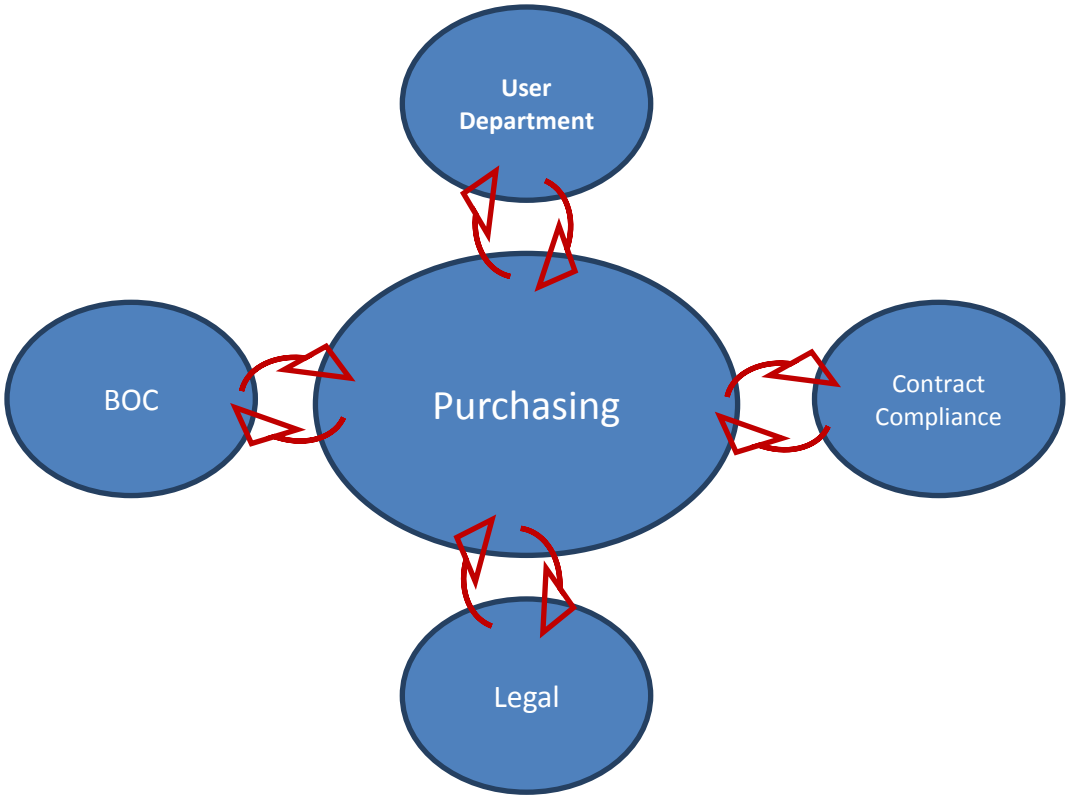
1. A clear border between responsibilities of User Department vs. Purchasing is not defined regarding the development of the Solicitation Package including the requisition and specification. This results in frequent delays in the approval of the Requisition/Specification and the Solicitation Package.

2. The involvement of Finance in evaluating financial responsibility as well as after the Price Evaluation is not a best practice. This part of the RFP process is identified by all team CAPAs as a bottleneck and significantly extends the RFP cycle time. We propose to eliminate the final responsibility review altogether.
3. The review of the Disclosure Statement by the Legal Department and investigation of litigation of offerors should not preclude the Technical Review of the proposal. This practice is another cause of cycle time extension and is not a value added step in the process. We propose to eliminate the legal review of the Disclosure Statement.
4. The VSC Committee includes two voting members from Purchasing and Contracts Compliance. This is not a best practice.

ITB

There are five organizational inputs involved in the ITB process including the Purchasing Department. (See the graphic below).

- Purchasing
- User Department
- Contract Compliance
- Legal
- Board of Commissioners

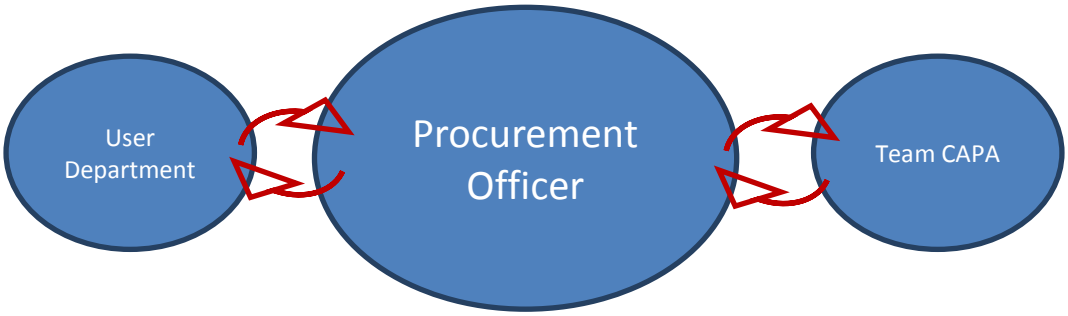


Based on the information from the interviews and the analysis of the process the following issues regarding the segregation of duties were identified:

1. A clear border between responsibilities of User Department vs. Purchasing is not defined regarding the development of the Solicitation Package including the requisition and specification. This results in frequent delays in the approval of the Requisition/Specification and the Solicitation Package.
2. The User Department makes a selection of the vendor based on the tabulation sheet sent from the Purchasing Department. This step of the process is identified by the team CAPAs as a bottleneck because it takes a significant amount of time for the User Department to send an Award Letter to Procurement. It is also not a best practice that the User Department makes a selection of vendors in the RFP process. The selection should be the responsibility of Purchasing.

RFQ

There are two organizational inputs involved in the ITB process including Purchasing. (See the graphic below). Procurement officers are mostly responsible for the process with the final approval by the team CAPA.



Based on the information from the interviews and the analysis of the process the following issues regarding the segregation of duties were identified:

1. A clear border between responsibilities of User Department vs. Procurement is not defined regarding the development of requisition and specifications. This results with frequent delays in approval.
2. Another problem is the fact that Procurement officers do not communicate with the end user directly but they receive information and specifications from liaisons from the User Department. Any miscommunication between liaison and the end user can result with the cancelation of the order or errors in goods services delivered.

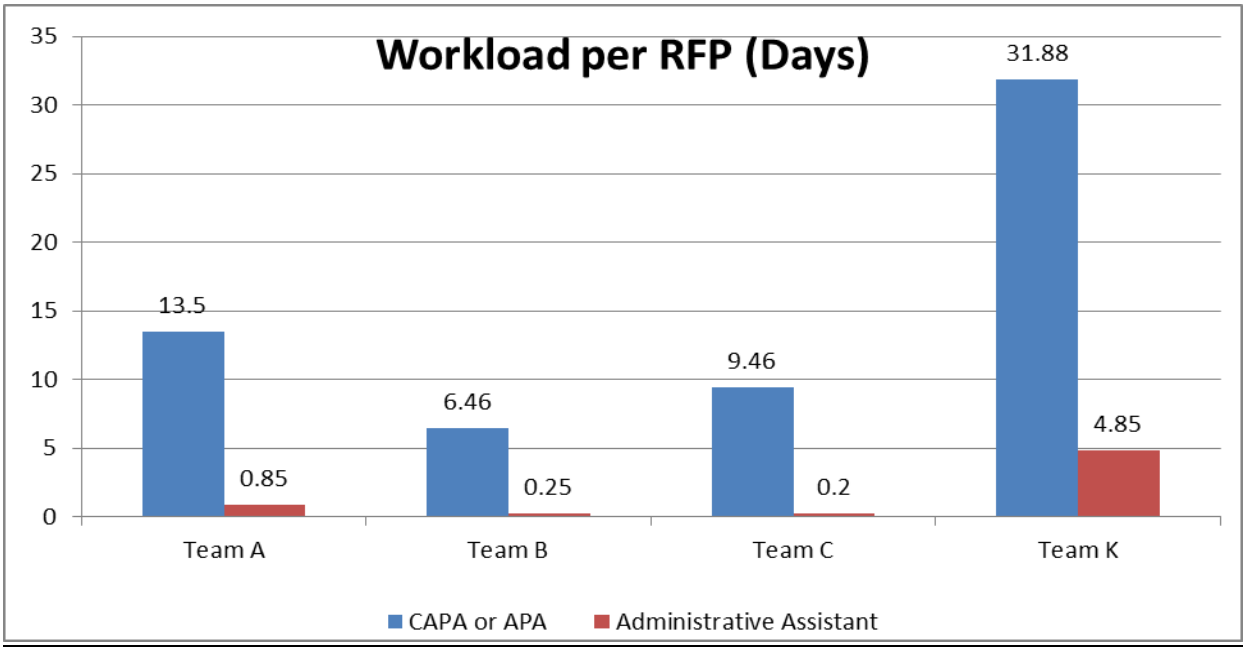
Workload Assessment

RFP

The effective workload per RFP as identified by Team CAPAs is as following:

Team	Avg. Workload per RFP (Days)	
	CAPA or APA	Administrative Assistant
A	13.5	0.85
B	6.46	0.25
C	9.46	0.2
K	31.88	4.85

The chart below shows a graphical comparison of the experiential workload per RFP process collected from team CAPAs:



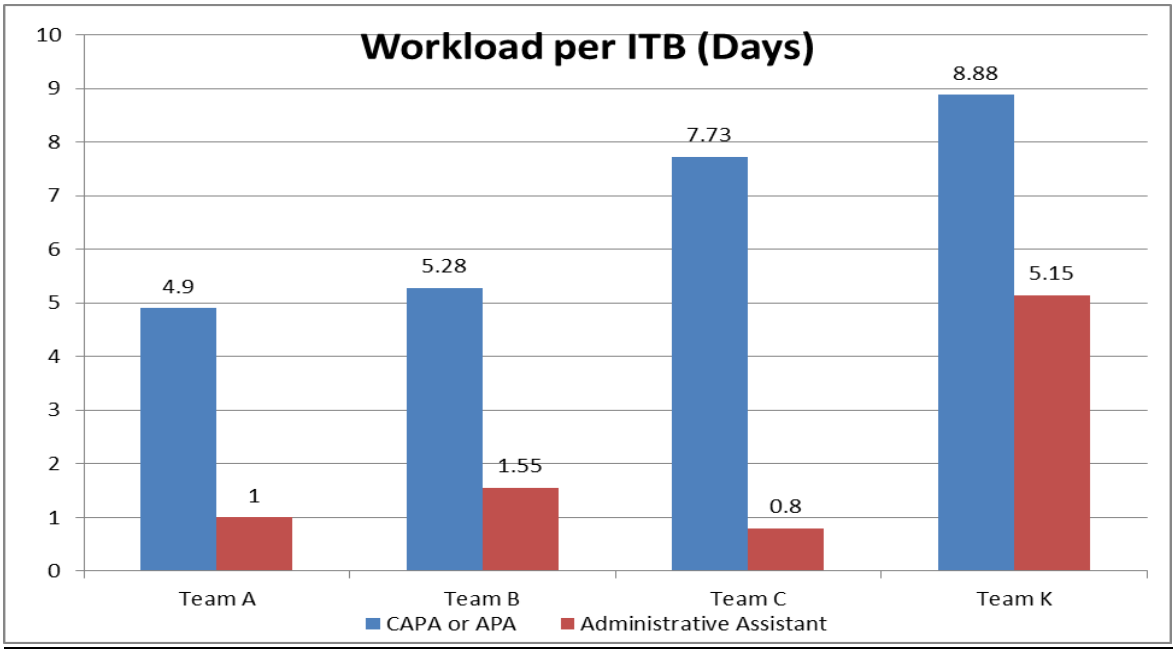
The chart shows the average workload in days for a CAPA or APA and an Administrative Assistant for one RFP. The values are cumulative which means that, for example, 31.88 days workload for the Team K can be distributed among six members of the team (1 CAPA and 5 APAs) adding up to 5.31 full days of work per team member for an average RFP.

ITB

The effective workload per ITB as identified by Team CAPAs is as following:

Team	Avg. Workload per RFP (Days)	
	CAPA or APA	Administrative Assistant
A	4.9	1
B	5.28	1.55
C	7.73	0.8
K	8.88	5.15

The chart below shows graphical comparison of the experiential workload per ITB process collected from team CAPAs:



Similar to the RFP workload chart, the chart above shows the average workload in days for a CAPA or APA and an Administrative Assistant per one ITB. The values are cumulative which means that, for example, 8.88 day workload for the Team K can be distributed among six members of the team (1 CAPA and 5 APAs) adding up to 1.48 full days of work per team member for an average ITB.

The workload per RFP/ITB expressed in number of work days shows a significant discrepancy from team to team. The reason for this might also be lack of standardization or it can be the result of different commodities/services procured; from team to team. More complex projects like construction handled by the Team K partially explain a much higher workload per ITB for this team compared to other procurement teams.

Recommendations

RFPs and ITBs

Bottlenecks

- Three out of four CAPAs underlined coordination with user department as a bottleneck of the RFP and ITB process. This issue is specifically emphasized at the specification development step where the specifications have to go back and forth several times between departments until the final version is approved. Also the documents are usually submitted with formatting issues which requires additional time from Purchasing employees to put the solicitation package together.

- Three out of four CAPAs identified Legal Review of the Disclosure Form as a bottleneck in the RFP process. The committee perceives that it has to wait for the feedback from Legal before they can proceed with evaluation.

- Three out of four CAPAs underlined Finance Review as a bottleneck of the RFP process – it happens before the final technical evaluation (responsibility review) and after the cost evaluation. This practice significantly extends the award decision.

- Two out of four CAPAs underlined the fact that two Purchasing staff members (CAPAs and APAs) have to be on the Vendor Selection Committee as a burden for procurement teams' resources in RFPs.

- One out of four CAPAs underlined Board Review as a bottleneck of the RFP and ITB process – Board of Commissioners is held twice a month (every first and third Wednesday). The submission of RFP/ITB package for Board approval has to be coordinated. The Board sometimes does not approve the RFP/ITB for several meetings which extends the process significantly.

Cycle Times

- There is a significant discrepancy in estimated average cycle times from team to team. The average cycle time estimation for RFP process ranges from 107 (Team B) days to 188.5 days (Team K). For ITB process the average cycle time estimation ranges from 99.3 days (Team B) to 133.2 days (Team C). The discrepancy in cycle times could indicate lack of standardization in the procurement process. The quantity of people and procurements associated with the library project increased the timeframe for proposal review.

Workflow - Procurement Capacity

- Based on the information obtained from the interviews, CAPAs and APAs of Procurement Teams, with the current productivity, can process 265 RFP/ITB procurements per year or 66 per year for each team in average.

RFQs

Bottlenecks

- The AMS system is not user-friendly, it causes frustration from the procurement, vendor and user department side. It slows down the process especially for procurements with larger commodity lists.

- Lack of coordination with liaisons from User Departments. The Procurement Officers do not communicate with the end user directly. The communication is channeled through liaisons from user departments and errors in orders are often the result of miscommunication between liaisons and the end user.

- Seasonality of workload – The group suggested that there is a seasonality in the workload related to the fiscal year dynamics. The workload is specifically intensive at the beginning and the close of fiscal year. The AMS system is also closed for a while but the requisitions still come from user departments with request to be processed manually.

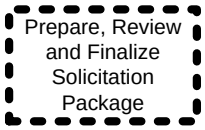
Revised Processes

Calyptus Consulting reviewed current processes by comparing the standard operating procedures with the actual string of tasks performed by the procurement Teams for each type of procurement. By comparing the actual processes with benchmarks from the industry, best practices and information obtained from the interviews we developed a set of recommendations for each type of procurement.

The flowcharts on the following pages illustrate the recommendations of changes for each process. The legend pertaining to the suggested changes is included below:

Legend:

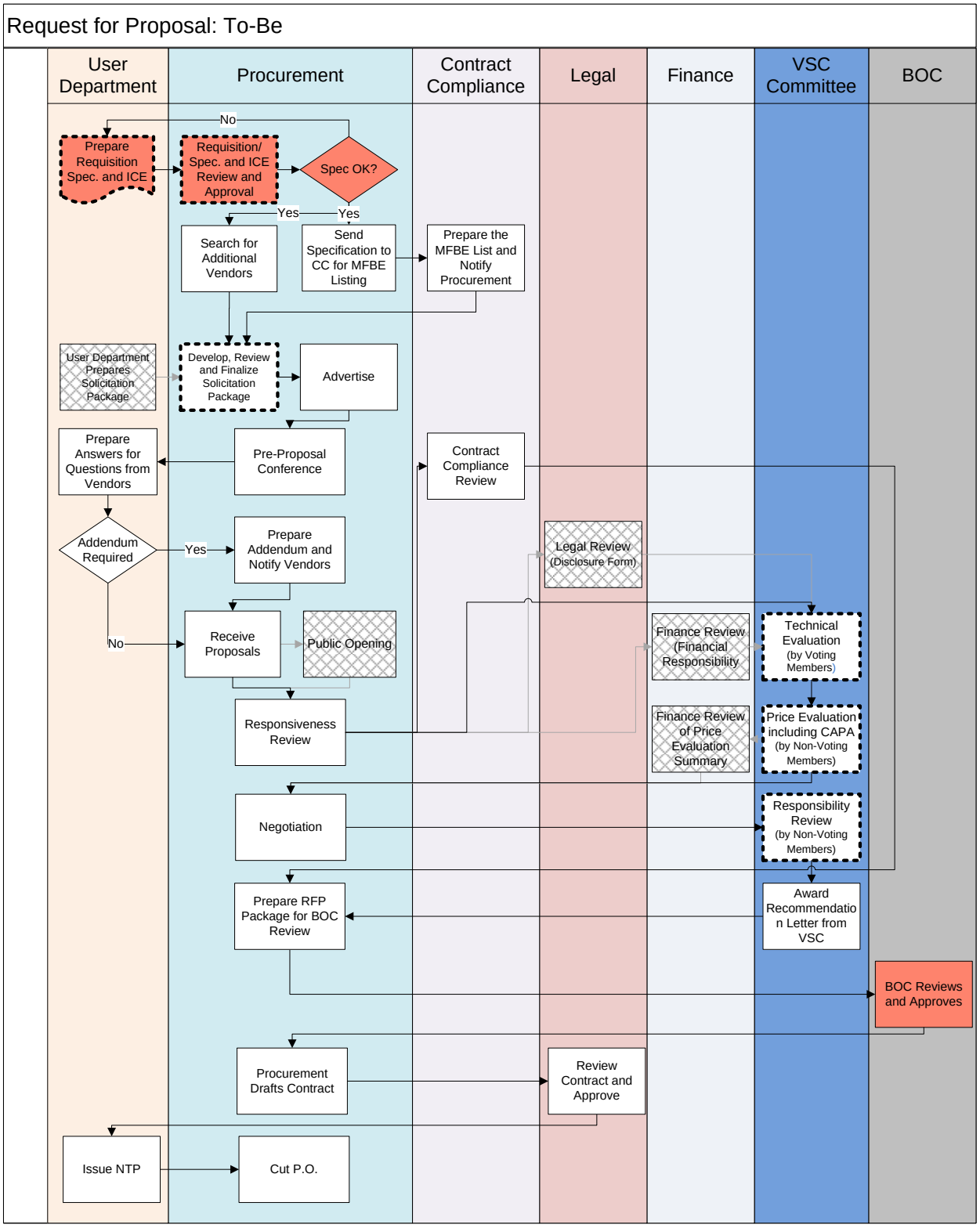
- Steps colored red are the steps identified as bottleneck areas



- Steps with the dashed border are the new/recommended steps or steps with changes

- Steps with patterned background are the steps excluded from the process

RFP


Request for Proposal: To-Be
User Department
Procurement
Contract Compliance
Legal
Finance
VSC Committee
BOC
Prepare Requisition Spec. and ICE
Requisition/ Spec. and ICE Review and Approval
Spec OK?
No
Yes
Yes
Search for Additional Vendors
Send Specification to CC for MFBE Listing
Prepare the MFBE List and Notify Procurement
User Department Prepares Solicitation Package
Develop, Review and Finalize Solicitation Package
Advertise
Prepare Answers for Questions from Vendors
Pre-Proposal Conference
Contract Compliance Review
Addendum Required
Yes
Prepare Addendum and Notify Vendors
Legal Review (Disclosure Form)
No
Receive Proposals
Public Opening
Finance Review (Financial Responsibility
Technical Evaluation (by Voting Members)
Responsiveness Review
Finance Review of Price Evaluation Summary
Price Evaluation including CAPA (by Non-Voting Members)
Negotiation
Responsibility Review (by Non-Voting Members)
Prepare RFP Package for BOC Review
Award Recommendation Letter from VSC
BOC Reviews and Approves
Procurement Drafts Contract
Review Contract and Approve
Issue NTP
Cut P.O.

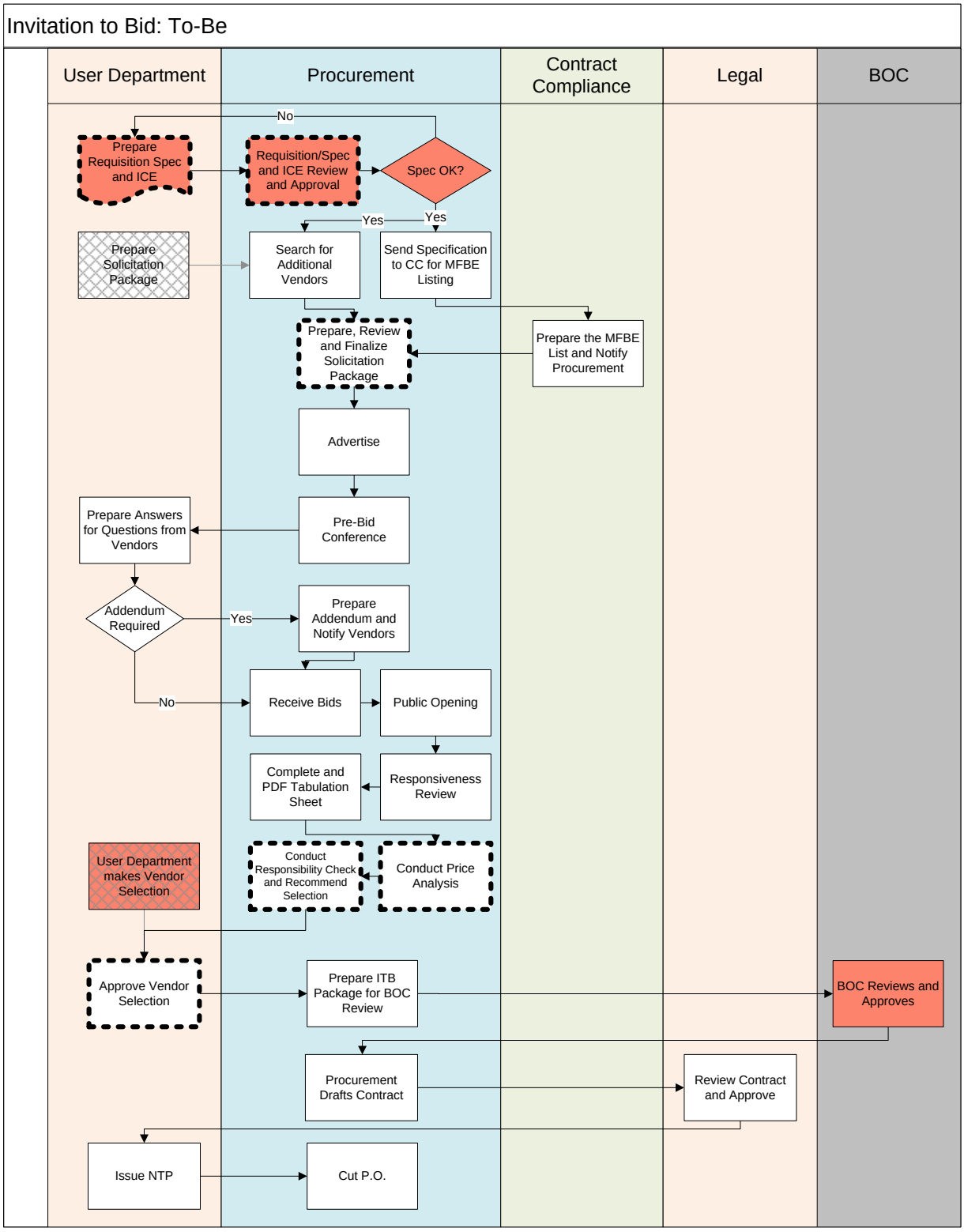
In the RFP process Calyptus Consulting recommends the following changes:

- Include Independent Cost Estimate in the process. The ICE would be the responsibility of the User Department. Preparing the Independent Cost Estimate is essential for the evaluation of price proposals and would help Purchasing and the Vendor Selection Committee to determine if proposals are reasonably priced.
- Development of the Solicitation Package should be the responsibility of Purchasing staff. By taking responsibility for this step of the process, Purchasing would avoid communication issues with the User Department and would have better control of process quality.
- Eliminate public opening. Public Opening for RFPs is not required and is not a best practice since it does not add value to the process
- Exclude Legal review of the disclosure form before the technical evaluation. The legal review significantly delays the process and should be conducted as a part of the responsibility review after negotiation
- Exclude finance review responsibility check. The finance review delays the process and should also be conducted after the evaluation as a part of the responsibility review
- Purchasing staff on the Vendor Selection Committee should be non-voting members. They should manage the process, perform price evaluation and cost and price analysis.
- Include a full responsibility review according to FAR and the Common Rule. The responsibility review should be conducted by the non-voting members of the committee.
- The user department should not be responsible for drafting contracts. The responsibility should be transferred to Purchasing. Purchasing will have better control over the process of contract execution.

Estimated Cycle Time Reduction

By implementing the recommended changes the average cycle time would be reduced by over 20% while improving the quality of the process and cross-departmental communication.

ITB


Invitation to Bid: To-Be
User Department
Procurement
Contract Compliance
Legal
BOC
No
Prepare Requisition Spec and ICE
Requisition/Spec and ICE Review and Approval
Spec OK?
Yes
Yes
Prepare Solicitation Package
Search for Additional Vendors
Send Specification to CC for MFBE Listing
Prepare, Review and Finalize Solicitation Package
Prepare the MFBE List and Notify Procurement
Advertise
Prepare Answers for Questions from Vendors
Pre-Bid Conference
Addendum Required
Yes
Prepare Addendum and Notify Vendors
No
Receive Bids
Public Opening
Complete and PDF Tabulation Sheet
Responsiveness Review
User Department makes Vendor Selection
Conduct Responsibility Check and Recommend Selection
Conduct Price Analysis
Approve Vendor Selection
Prepare ITB Package for BOC Review
BOC Reviews and Approves
Procurement Drafts Contract
Review Contract and Approve
Issue NTP
Cut P.O.

For the ITB process, Calyptus Consulting recommends the following changes:

- Include Independent Cost Estimate in the process. The ICE would be the responsibility of the User Department. An Independent Cost Estimate is essential for the evaluation of bids and would help the purchasing staff to determine if bids are reasonably priced.

- Development of the Solicitation Package should be the responsibility of Purchasing staff. By taking responsibility for this step of the process, Purchasing would avoid communication issues with the User Department and would have better control of process quality.

- The Procurement staff should conduct price analysis before recommending the selection of the vendor. Price analysis is essential in evaluating if the bid price is fair and reasonable

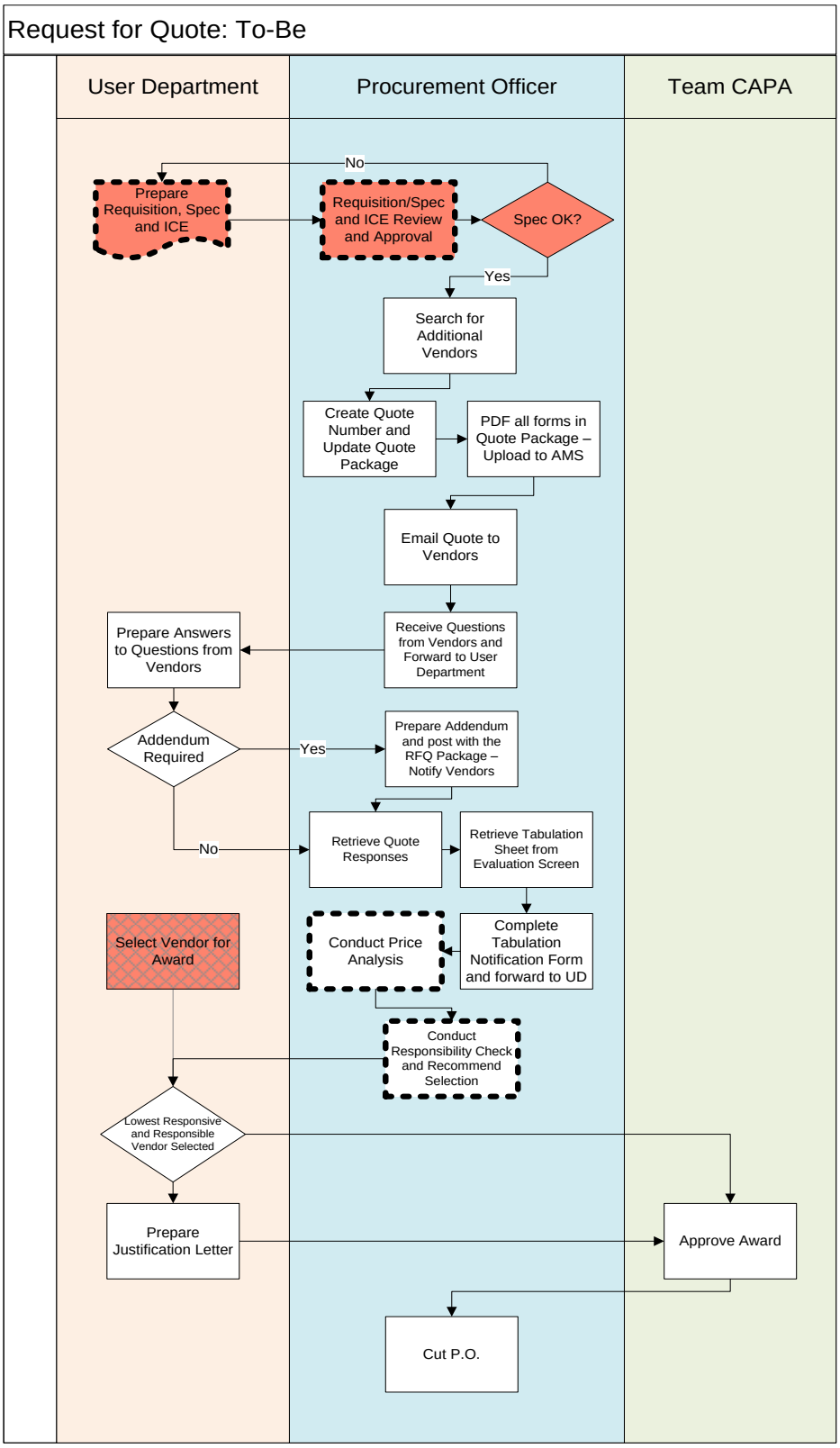
- Include a full responsibility review according to the FAR and the Common Rule. The responsibility review should be conducted by the procurement staff for the lowest responsive bidder before recommending the final selection

- The User Department should not make the final selection of the vendor. They should only approve the selection recommended by the Purchasing staff.

Estimated Cycle Time Reduction

By implementing the recommended changes the average cycle time would be reduced by over 20% while improving the quality of the process and cross-departmental communication.

RFQ


Request for Quote: To-Be
User Department
Procurement Officer
Team CAPA
No
Prepare Requisition, Spec and ICE
Requisition/Spec and ICE Review and Approval
Spec OK?
Yes
Search for Additional Vendors
Create Quote Number and Update Quote Package
PDF all forms in Quote Package – Upload to AMS
Email Quote to Vendors
Prepare Answers to Questions from Vendors
Receive Questions from Vendors and Forward to User Department
Addendum Required
Yes
Prepare Addendum and post with the RFQ Package – Notify Vendors
No
Retrieve Quote Responses
Retrieve Tabulation Sheet from Evaluation Screen
Select Vendor for Award
Conduct Price Analysis
Complete Tabulation Notification Form and forward to UD
Conduct Responsibility Check and Recommend Selection
Lowest Responsive and Responsible Vendor Selected
Prepare Justification Letter
Approve Award
Cut P.O.

For the RFQ process, Calyptus Consulting recommends the following changes:

- Include Independent Cost Estimate in the process. The ICE would be the responsibility of the User Department. An Independent Cost Estimate is essential for the evaluation of bids and would help Purchasing staff to determine if bids are reasonably priced.

- Purchasing staff should conduct price analysis before recommending the selection of the vendor. Price analysis is essential in evaluating if the bid price is fair and reasonable

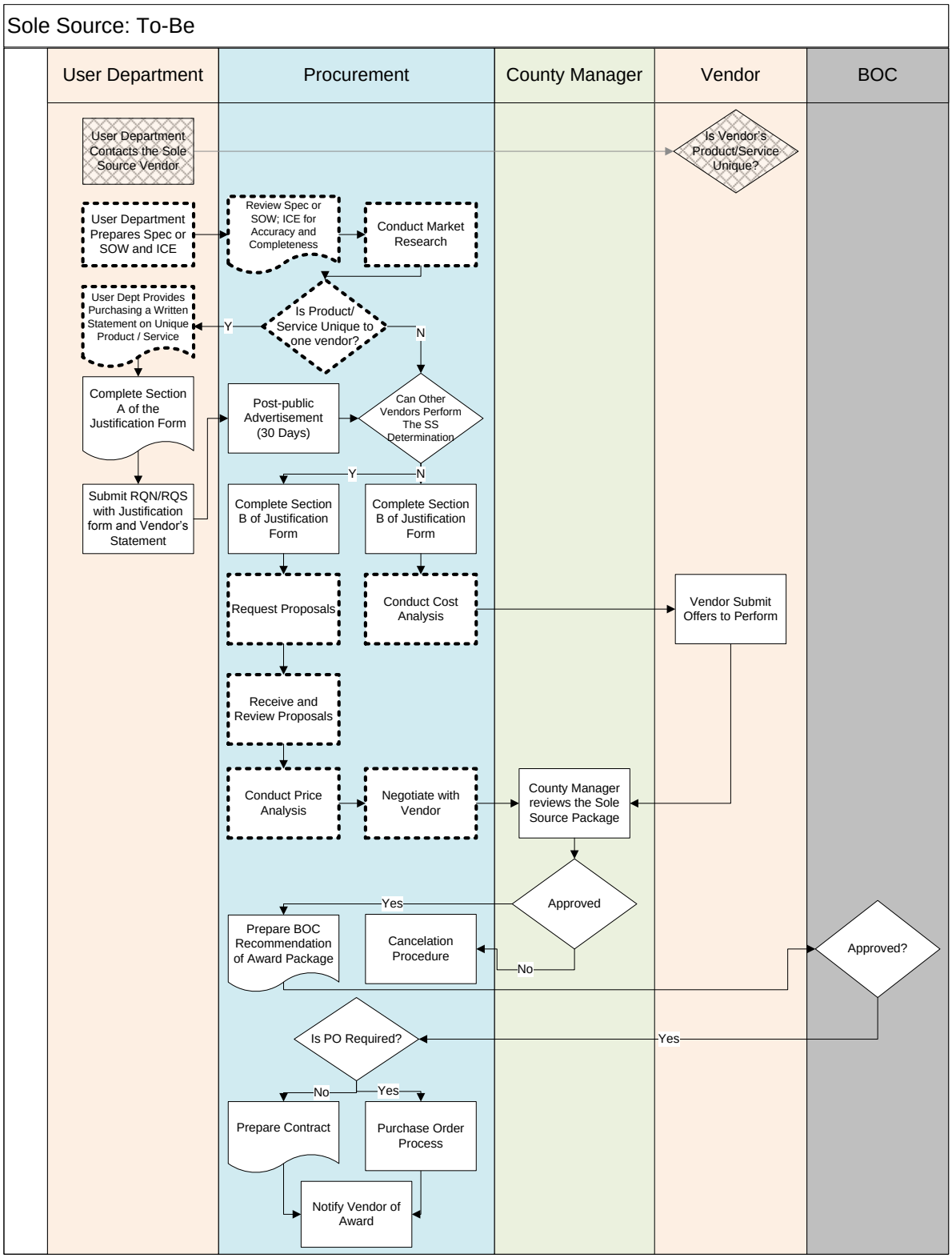
- Include responsibility review. The responsibility review should be conducted by Purchasing staff for the lowest responsive bidder before recommending the final selection

- User Department should not make the final selection of the vendor. They should only approve the selection recommended by Purchasing staff.

Estimated Cycle Time Reduction

By implementing the recommended changes the average cycle time would be reduced by up to 25%, while improving the quality of the process and cross-departmental communication.

SOLE SOURCE


Sole Source: To-Be
User Department
Procurement
County Manager
Vendor
BOC
User Department Contacts the Sole Source Vendor
Is Vendor's Product/Service Unique?
User Department Prepares Spec or SOW and ICE
Review Spec or SOW; ICE for Accuracy and Completeness
Conduct Market Research
User Dept Provides Purchasing a Written Statement on Unique Product / Service
Y
Is Product/ Service Unique to one vendor?
N
Complete Section A of the Justification Form
Post-public Advertisement (30 Days)
Can Other Vendors Perform The SS Determination
Y
N
Submit RQN/RQS with Justification form and Vendor's Statement
Complete Section B of Justification Form
Complete Section B of Justification Form
Request Proposals
Conduct Cost Analysis
Vendor Submit Offers to Perform
Receive and Review Proposals
Conduct Price Analysis
Negotiate with Vendor
County Manager reviews the Sole Source Package
Approved
Yes
Prepare BOC Recommendation of Award Package
Cancelation Procedure
No
Approved?
Is PO Required?
Yes
No
Yes
Prepare Contract
Purchase Order Process
Notify Vendor of Award

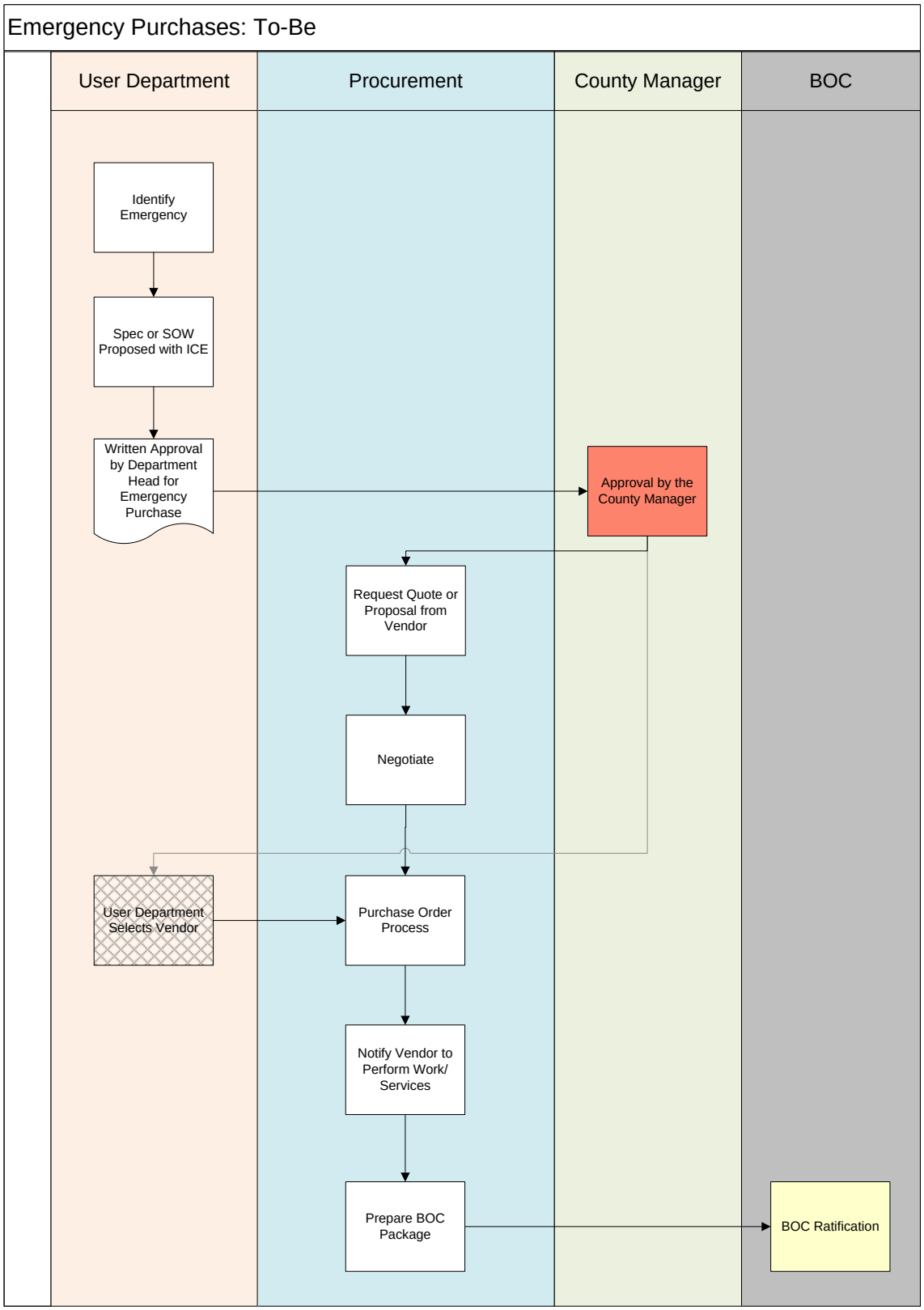
For the Sole Source process, Calyptus Consulting recommends the following changes:

- The determination if the product/service is a unique to the market should not be conducted by the User Department, especially not by consulting the potential vendor. It is in vendor's interest to identify their service/product as unique and they should not make that judgment as an interested party. Instead, the procurement department should determine if it is possible to get competition for the requested product/service based on a market research.

- If it is possible to get competition for the procurement the process should continue as RFQ, RFP or ITB depending on the value of the product/service procured.

- If the product/service is in fact unique and there is only one vendor that can offer it, the procurement staff should continue the process as Sole Source. In that case the procurement staff should conduct a cost analysis to be able to estimate if the price offered is fair and reasonable.

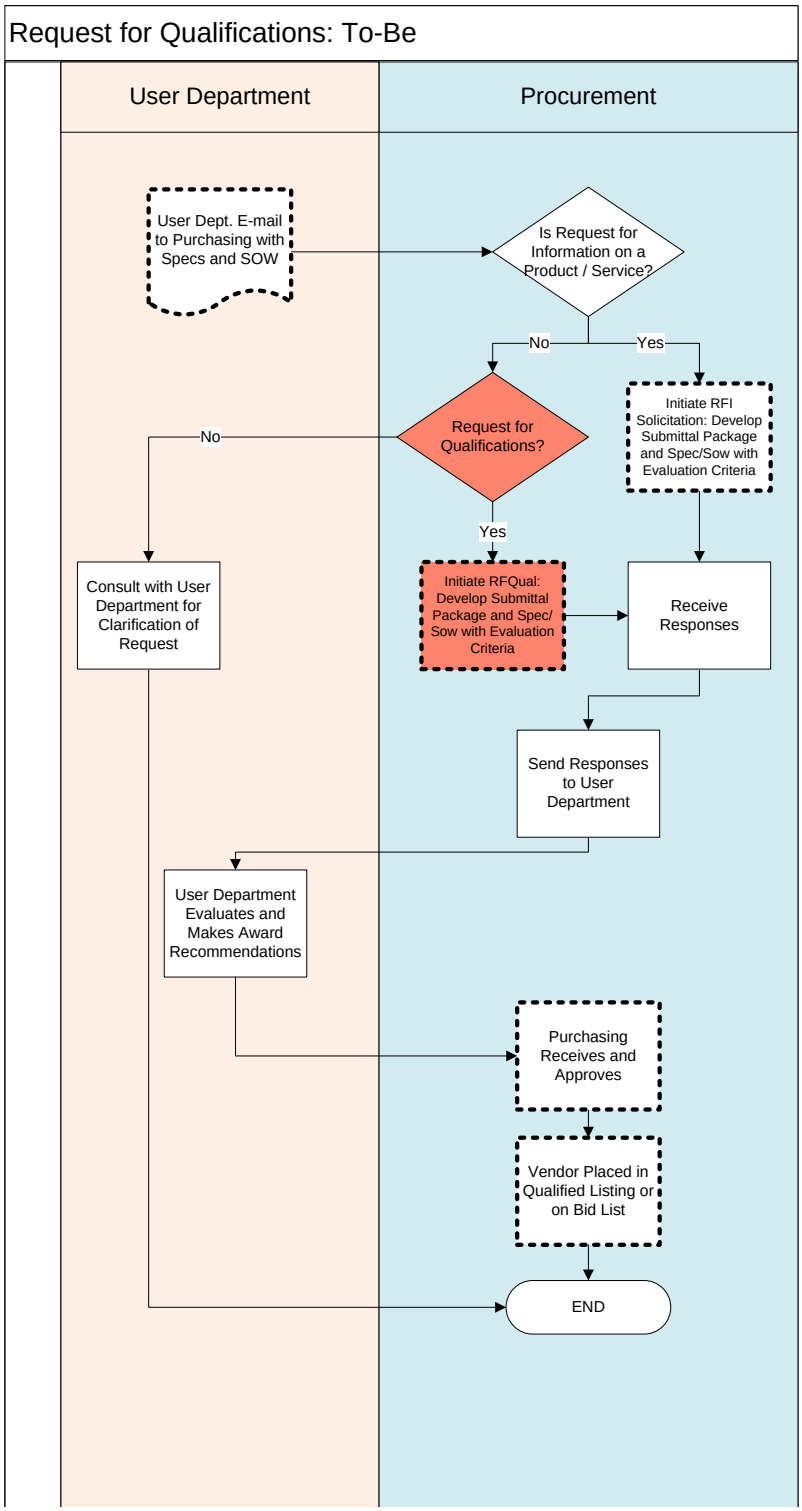
EMERGENCY PURCHASES



For the Emergency Procurement process, Calyptus Consulting recommends the following changes:

- For Emergency Purchases, the procurement department should also be more involved in the process and coordinate activities versus being merely an executor of user department's purchases. Procurement staff should request quotes or proposals from available vendors before making a purchase. Procurement staff should also be responsible for selection of vendors and, whenever possible, negotiate with a vendor before the work is performed.

Request for Qualifications



For the Request for Qualifications process, Calyptus Consulting recommends the following changes:

- Based on the interviews with team CAPAs it is evident that procurement staff needs additional training in this area. Request for Qualifications is a process that procurement staff deals with sporadically and it is also not very well covered in the standard operating procedures.

- Similarly to other processes it is important that procurement department gets more control over the process, especially with the selection of vendors.

C. Standardization of Specifications and Bid Documents

Summary of Review

Calyptus evaluated the quality of the specification and statement of works using a sample of RFPs and ITBs, sole source contracts, and the list of single bids received on RFPs and IFBs over a two-year period. We also considered information from interviews with Purchasing and User Staff on the process, problems, and the challenges. Calyptus also reviewed guidance in policies and procedures.

Information Gained from Interviews

In the Fulton County USER Purchasing Manual, users are asked to include detailed specifications when submitting requisitions. In some departments such as Transportation Services and Facilities, Contracting Officers interact with technical staff in the field to develop appropriate specifications.

A major source of contention and process inefficiency between User Departments and Purchasing is the process for the submission and approval of solicitation packages.

During the interviews, Purchasing staff made it clear that they feel that they are doing the work of the User Departments, when they find themselves re-writing poorly written specifications or re-formatting documents that have been incorrectly entered into templates. They state that they reject specifications and solicitation packages back to the User Departments for correction, which can delay the beginning of the procurement process by as much as six weeks. Furthermore, Purchasing staff is frustrated because if questions arise on the specification, they are supposed to communicate through the Contracting Officer in the User Department, rather than directly with the end user, which adds an extra step to the process without adding any additional expertise.

On the other side, User Department staff feel that they are doing the work of Purchasing by having to track all administrative changes to templates and lists of required submittals for solicitations that are routinely being made to the scores of templates on the Portal, which takes away from their focus on submitting quality specifications and SOWs.

In order to get the User Departments to provide better specifications and solicitations, Purchasing staff has taken the tact of rejecting the User Departments' submissions again and again to force user staff to learn and comply with required submissions. From interviews, this approach seems to be adding time and frustration on both sides without significant progress in the users "learning" what Purchasing feels

they should be learning from these rejections. Clearly, some communication is needed to ensure that users do understand what is needed, that requirements are consistent, and that the process is user friendly.

Recommendations

The solicitation development process work should be redistributed so that user staff submits the statement of work or specifications using a standardized template. Purchasing would then receive expect a clear, well-written specification from the User Department, which would be submitted with a checklist indicating that the User Department staff member has confirmed that the SOW/Specification contains all basic required information, such as quantities, delivery, quality, and functionality.

Review of sample of ITBs, RFPs, and Sole Source Procurements

Calyptus Group reviewed a sample of twenty-two (22) contract files for ITBs, RFPs, and Sole Source Procurements to evaluate documentation quality and adherence to regulatory compliance elements. Part of this review involved detailed analysis of specifications and statements of work across four (4) key dimensions:

1. Clearness and Accuracy
2. Unreasonable Qualifications /Undue Restrictiveness
3. Use of Brand Names
4. Tangible Delivery and Reporting Requirements

Clearness and Accuracy

The review of clearness and accuracy focused on ensuring that specifications were drafted to promote competition by stating requirements in a manner that is understandable and transparent to the supplier community. The language, terms, and structure of specifications and statements of works were closely scrutinized during the course of this review.

The majority of specifications and statements of work reviewed were not deficient in this area. Detailed descriptions of requirements were provided and clear language was used in stating the government's needs to suppliers. In some instances, both the services required and not required under the contract were distinguished and explained in detail. Contract files reviewed that were considered exemplary in this area pertained to procurements for the following products and services: in-home aging services, traffic control, book leasing, audit services, janitorial services, and moving services.

Calyptus noted a few observations on this aspect of the contract file review. First, several varying formats were used for the descriptions of products and services in specifications and scopes of work. It is suggested that user departments be trained on the use of one standardized Statement of Work (SOW) template to improve flow and organization. Finally, it is recommended that Fulton County carefully consider the use of ambiguous language such as the phrase "including, but not limited to."

Unreasonable Requirements and Undue Restrictiveness

Specifications and statements of work should be drafted to encourage competition and should not include unnecessary requirements (such as excessive bonding and unreasonable qualifications). Though the O.C.G.A. and Fulton County Code do not explicitly set forth regulations in this area, it is an aspect frequently reviewed by federal agencies (such as the Federal Transit Administration) during procurement system reviews.

The Purchasing Procedures for User Departments (November 2010) do, however, contain instructions on the reasonableness of requirements, as stated below:

> *The User Department is responsible for developing and preparing specifications to request required goods or services. All specifications shall be drafted to promote overall economy for the purpose intended and to encourage maximum free and open competition in satisfying the department's needs. Specifications shall not be unduly restrictive.*

During the contract file review of RFP, ITB, and Sole Source procurements, Calyptus did not identify any cases in which specifications or statements of work were unduly restrictive or contained unreasonable requirements. However, there were two cases identified in which RFQs contained restrictive specifications.

Use of Brand Names

Though the O.C.G.A. and Fulton County Code do not specifically state requirements at the county level for the use of brand names in solicitations, brand name instructions are provided in purchasing procedures distributed to user departments. The following guidance on the use of brand names was taken from the Purchasing Procedures for User Departments (November 2010):

> ***Brand Name or Equal***
> *"Brand name or equal" specifications shall designate three (3) or as many different brands as are practical and shall permit substantially equivalent products to be considered for award. "Brand name or equal" specifications shall include a description of the particular design, function, or performance characteristics which are required and an explanation that the use of a brand name is for the purpose of describing the standard of equality, performance and characteristics desired and is not intended to limit or restrict competition.*

The instructions to bidders in solicitation documents also contain a statement regarding the use of brand names and the process for responding to specifications with brands included:

Unless clearly shown as "no substitute" or words to that effect, any items in this invitation to Bid which have been identified, described or referenced by a brand name or trade name are for reference only. Such identification is intended to be descriptive but not restrictive, and is to indicate the general quality and characteristics of products that may be offered. Each item Bid must be individually identified as to whether it is a specified item or an equivalent item by typing or printing after the item(s): The brand name; model or manufacturer's number, or identification regularly used in the trade. Deviations from the specifications must be clearly and fully listed on the Bid sheet, including photographs or cuts, specifications, and dimensions of the proposed "alternate". Fulton County is the sole judge of "exact equivalent", or "alternate". The factors to be considered are: function, design, materials, construction, workmanship, finishes, operating features, overall quality, local service facilities, warranty terms and service, and other relevant features of item(s) Bid.

Calyptus found several instances where brand names were utilized in specifications and statements of work. There were varying approaches taken to handling the use of brand names. In some solicitations, the words "or equivalent" followed the brand name without a description of the specific features, design, or performance characteristics offered by the brand. In other cases, there was no "or equivalent" language provided and no salient characteristics described.
In one instance for the procurement of servers, a brand name was stated in the solicitation title and the specifications clearly stated that no substitutes would be authorized. Though it was explained during an interview with the IT Department that the brand name requested was the only hardware compatible with previously procured server chassis from the same brand, these procurements could have been combined to avoid the use of brand name restrictions.

In another procurement for fencing installation, brand names were stated in specifications to describe individual features and components of the product without an "or equivalent" designation or salient characteristics. In this case, competition may have been limited as a result of using brand names in the specifications.

Finally, a third example of the restrictive use of brand names occurred in the solicitation for food services to correctional facilities. In this case, brand names for food and beverage products were listed without salient characteristics and in some cases, the "or equivalent" language.

Judging by the disparity in approaches to the use of brand names, and based upon the observations noted during contract file review, Calyptus has the following recommendations:

- Ensure that requirements and procedures on the use of brand names are incorporated into the revised draft of the Fulton County Code and Standard Operating Procedures for the Department of Purchasing and Contract Compliance.

- Conduct training with Purchasing Agents and User Departments on the appropriate use of brand names in solicitations.
- Revisit the instructions provided to bidders regarding responses to brand name restrictions as this language currently appears to put the onus on the supplier to provide salient characteristics and "or equivalent" designations. This change is particularly important for federally-funded procurements as brand name restrictions are a compliance element at the federal level.

One component of developing effective specifications and statements of work is the inclusion of tangible deliverables and reports. This information may be included in a schedule of items and services to be delivered, or stated clearly within the statement of requirements.

The County is currently developing detailed specifications and statements of work that sufficiently communicate the end deliverables and reports required by the contractor. Calyptus did not note any significant deficiencies in this area; however it is recommended that training be conducted to ensure that a standard format and template is being utilized across all specifications and statements of work for consistency. The use of a standardized format for stating delivery and reporting requirements will strengthen the procurement system in the future and ensure the County continues to perform well in this area.

Review of Single Bids / Proposals Received

Calyptus evaluated 27 ITB and RFP procurements in which only one bid or proposal was selected. We believe that the receipt of a single bid or proposed in this cases was mostly due to poorly written or restricted specifications and statement of work.

The results of our review were as follows:

1. Annual Countywide Armored Car Services for County Government *Fulton County Public Works Department*	Okay, insurance limits may be high
2. Autodesk Constructware Software Application *Atlanta Fulton Public Library System (AFPLS) Capital Improvement Program, Phase I*	Should have been sole source
3. Business License Tax Collection and Audit Services *Fulton County Finance Department*	Could have been split into tax collection; audit services; and recovery. SAS 70 Type II Audits are expensive
4. Cardiovascular Prevention Initiative *Department of Health and Wellness*	Five years of community health education, with regard to prevention of cardiovascular disease seems excessive
5. Carpet Tile Installation & Repair *Facilities and Transportation Services Department*	Use of brand name, no salient characteristics noted
6. Dental Equipment & Installation 2010 *Department of Health and Wellness*	Brand name – no substitution allowed
7. Dental Equipment & Installation 2011 *Department of Health and Wellness*	Brand name – no substitution allowed

8. Empowerment Groups Initiative *Department of Health and Wellness*	Five years of community health education, with regard to prevention of cardiovascular disease seems excessive
9. Fulton Industrial Boulevard Signal Upgrades *Fulton County Department of Public Works*	One firm contacted said they didn't bid because of a lack of a Georgia Utility License; all others didn't respond or said it wasn't in their area of competence
10. High Density Moveable File Storage System for Clerk of Superior Court *General Services Department*	5 year warranty seems excessive
11. HVAC Equipment and Parts *General Services Department*	50 mile radius of Atlanta for inventory is unreasonable
12. HVAC Maintenance – Central, Peachtree & Auburn Ave. Libraries *General Services Department*	Mandatory site visit to assess Fulton requirement is excessive
13. Fulton County Jail Inmate Physical Health Services *Office of the Sheriff*	Questionable need for NCCHS accreditation in correctional facilities; Possible breakout
14. Laboratory Testing Services *Public Works Department*	Market analysis noted that three vendors could not "compete competitively" with no further explanation as to the reasons
15. Maintenance & Support Services for Fujitsu Servers & Storage Equipment *Department of Information Technology*	OEM parts – brand name – should have been considered as sole source
16. Natural Gas Services *General Services Department*	No information available on results of market survey of potential bidders
17. On-Site Repair Including Overhead Doors Preventive & Predictive Maintenance *General Services Department*	Emergency turnaround in 2 hours not needed
18. Prisoner Transportation Services *Office of the Sheriff*	Of the vendors contacted, one indicated they "couldn't meet some of the requirements" of the ITB
19. Radio System Maintenance: Radio Site & Subscriber Maintenance *Emergency Services Department*	Bonding at 100%; 24/7 off-hour service seem excessive
20. Removal & Pick Up of Dead Bodies *Medical Examiner's Office*	Response times at < 30 minutes, <35 minutes, <40 minutes are excessive
21. Retail Fuel Site Conveniently Located to the Downtown Area *General Services Department*	24/7 requirement; excessive 10 mile radius not needed
22. Scrap Metal Removal *General Services Department*	24 hours response time, including weekends is not required
23. OMB A-133 Single Audit and Other Audit Services *Finance Department*	This is a service by the Big 4 Accounting Firms. Further response could have been received. Two firms did not have the time to complete the work, so the SOW may have had tight schedules

24. TCC Traffic Control Center *Public Works*	Two vendors said they couldn't competitively bid on the project without additional information
25. Uniforms & Accessories *Facilities and Transportation Services Department*	No information provided on why three firms did not want to bid — it may have been due to specifications
26. Uniforms and Gear *Sheriff's Department*	Brand names — no substitutions
27. Detection of Unbilled and Underbilled Water & Sewer Services *Department of Finance*	Key Personnel and Project Manager: 5 years in detecting unbilled and underbilled water and sewer services seems excessive

Review of Fulton County Code and Purchasing Procedures.

Calyptus reviewed the state of Georgia statutes, Fulton County codes, and Purchasing Policies and Procedures for guidance in the development of coordination of specifications and statements of work.

The following are observations from our review of these guidance documents:

A. The Georgia Statutes do not provide any guidance as to form, substance, or process
B. The Fulton County Code does not provide any guidance as to form, substance, or process
C. The current version of the Purchasing Procedure on guidance to user groups does not provide any guidance as to form, substance, or process. Standardized solicitation and contract documents do not provide formats.
D. The proposed changes to the Fulton County Code and Purchasing Standard Operating Procedures do not contain any guidance as to form, substance, or process.
E. A formal policy and procedure should be written that describes the roles and responsibilities for developing specifications and statements of work
F. Formal templates for Specifications and Statements of Work should be provided to users for completion.
G. Guidelines on best practices, as well as checklists for checking quality, should be provided to users, and would serve as discussion points for resolving any disagreements.
H. Training for all staff must be completed on policy, procedures, templates, checklists, and roles and responsibilities.
I. On balance, all specifications and statements of work should be written to avoid:
    a. Brand Name Restrictions
    b. Unreasonable Service Levels
    c. Using existing vendor specifications
    d. Excessive warranties and bonding
    e. Unreasonable staff qualifications and experience requirements
    f. Use of 24/7 availability unless in emergencies

Section VI. Operations Improvement and Efficiency Review

A. Review of Operating Procurement Methods, Processes, Workflow

Methods, processes, and workflow in procedures with observed/reported

To be able to compare the processes described in the Standard Operating Procedures with the actual work processes in procurement department and estimate cycle times for each process, Calyptus Consulting has reviewed the Standard Operating Procedures (SOPs), analyzed the data from the "Project Status Report" database and conducted interviews with the process owners within the Fulton County Purchasing and Contracts Compliance Department.

Flowcharts were developed based on the Fulton County SOPs and the "Project Status Report" tool used by the County to keep track of the process duration and comparison with the defined goals. The initial analysis of the data recorded in the tracking tool showed a significant discrepancy in cycle times for different teams. This discrepancy was mostly due to the small sample of procurements tracked (91 procurements with only 18 RFPs and 6 ITBs fully completed), different understanding of certain tracking steps by team CAPAs and the fact that the tracking dates were recorded manually by team CAPAs allowing some space for human error while recording data in the spreadsheet.

Performance Variation

Evaluation of Procurement Capacity

The estimation of the procurement capacity is calculated based on the following assumptions:

- 90% Utilization – Employees effectively work 90% of business hours
- CAPAs and APAs spend 80% of their time to RFPs and ITBs
- Administrative Assistants spend 40% of their time to RFPs and ITBs
- 180 business hours per month
- Ratio of number of RFPs versus number of ITB is 2:1

Calculation of Available Hours:

If the ratio of RFPs to ITBs is 2:1 the Teams are able to process the following number of procurements:

Team	CAPAs and APAs		Administrative Assistants		Hours Per Month	Utilization	Available Hours	
	Number	Availability	Number	Availability			CAPAs/APAs	Admins
A	3	80%	1	40%	180	90%	388.8	64.8
B	3	80%	1	40%	180	90%	388.8	64.8
C	3	80%	1	40%	180	90%	388.8	64.8
K	6	80%	1	40%	180	90%	777.6	64.8

Team	Workload / RFP		Workload / ITB		Average (2:1)		Capacity	
	CAPAs/ APAs	Admins	CAPAs/ APAs	Admins	CAPAs/ APAs	Admin	CAPAs/ APAs	Admins
A	108.0	6.8	39.2	8.0	85.1	7.2	4.6	9.0
B	51.7	2.0	42.2	12.4	48.5	5.5	8.0	11.9
C	75.7	1.6	61.9	6.4	71.1	3.2	5.5	20.3
K	255.0	38.8	71.0	41.2	193.7	39.6	4.0	1.6

The calculation above shows the following:

- CAPAs and APAs of the Team A, with the current productivity, can process 4.6 RFP/ITB procurements per month or 55 per year. If the assumptions listed above are true CAPAs/APAs are more utilized than Administrative Assistants in the RFP/ITB processes
- CAPAs and APAs of the Team B, with the current productivity, can process 8.0 RFP/ITB procurements per month or 96 per year. If the assumptions listed above are true CAPAs/APAs are more utilized than Administrative Assistants in the RFP/ITB processes
- CAPAs and APAs of the Team C, with the current productivity, can process 5.5 RFP/ITB procurements per month or 66 per year. If the assumptions listed above are true CAPAs/APAs are more utilized than Administrative Assistants in the RFP/ITB processes
- CAPAs and APAs of the Team K, with the current productivity, can process 4.0 RFP/ITB procurements per month or 48 per year. If the assumptions listed above are true Administrative Assistants are more utilized than CAPAs/APAs in the RFP/ITB processes. Administrative Assistants with the current workload per RFP can process only 1.6 per month.

Cycle Times

Team	Method of Procurement	Expected Cycle Time	Reported Cycle Time	Gap (%)
A	RFP	120	125.9	4.9%
	ITB	90	117.2	30.2%
B	RFP	120	107.0	-10.8%
	ITB	90	99.3	10.3%
C	RFP	120	131.0	9.2%
	ITB	90	133.2	48.0%
K	RFP	120	188.5	57.1%
	ITB	90	119.1	32.3%
			Avg. Gap RFP:	***15.1%***
			Avg. Gap ITB:	***30.2%***

The table above shows the percentage variation between the goals set for RFP/ITB cycle times (120 days for RFP and 90 for ITB) and the reported cycle times for each team. According to the calculation, Team B

is the one with the shortest cycle time for RFP as well as ITB. Their average RFP cycle time is 13 days shorter than the targeted 120 days.

Team K is the team with the longest procurement cycle time in average. Their RFP cycle time is 68.5 days longer than 120 days in average while the ITB cycle time is 29 days longer than the targeted 90 days for ITB.

B. Efficiency and Effectiveness

Purchasing Department Efficiency and Effectiveness

Purchasing Best Practices

Public and private sector purchasing organizations have embarked on a number of key initiatives over the last 15 years to improve the value they provide, and to ensure that purchases are made based on best value.

We have recommended that strategic sourcing and category management, along with spend analysis, be performed to reduce costs and provide better products and services as part of the tasks as part of an organizational structure review.

Further, we recommend that demand management activities be pursued by Purchasing in the areas of value analysis, product/service substitution, evaluation of usage, and other similar tasks.

Purchasing should also develop a contractor performance management process that integrates contract administration with the evaluation of contractor performance. We have recommended a metric in this area.

Each of these processes is further described below:

Demand Management

Demand Management is the discipline of managing the volume of an organization's purchases. It forces stakeholders to understand the reasoning for making purchases and focuses on the quantity of products and services purchased from vendors. Demand Management involves making knowledgeable choices in the nature, volume, and quality of products and services purchased.

This process of managing purchasing volume can result in 10% — 20% savings in addressable spend through addressing purchasing practices, conducting reviews of budgets and quantities, and capitalizing on replacement, repair and substitutes.

The following diagram illustrates the general demand management process:

The first step of determining spend information involves researching the historical level of purchases by developing spend data by category and sub-category; requesting additional data from vendors; and summarizing spend information at the most granular level of data possible.

The next step is the assessment of demand drivers. These drivers can be determined from interviews with user departments, reviewing industry reports, reviewing usage trends, and holding discussions with vendors. Aspects to consider in this assessment include peak demand periods; the key problems and needs products/services address; trends and commonalities in the end users of products/services; and the place of performance or delivery.

The demand management program should be a collaborative effort with user departments that is based on implementing concrete methods for reducing and eliminating spend. The methods for optimizing value commonly include eliminating demand/use, reducing volume of purchases, reducing frequency of ordering, conducting value analysis/encouraging substitutes, imposing tighter controls, changing policies and increasing awareness. Following is an example of identifying spend drivers for computers.

Computers

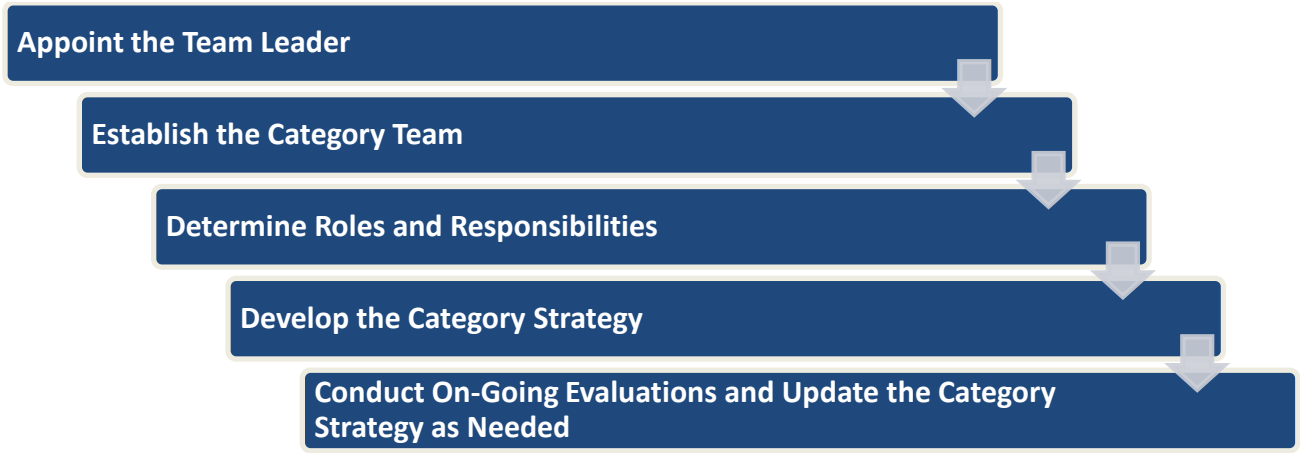
- Replacement cycle
- Hiring of new stakeholders
- Implementation of new technology
- Additional features desired

Developing a strategy to reduce demand involves prioritizing opportunities, scoping the potential change management issues, and determining if end users are ready to address demand issues. Evaluating readiness includes ensuring that resources are available to support change, developing awareness information, and gaining vendor support.

Category Management

Category Management involves grouping goods and services to focus category and purchasing management resources according to the level of risk and degree of value the category brings to the enterprise's cost and competitive drivers. Needs are consolidated for the category across the enterprise; leveraging the needs of individual lines of business into one major requirement. Opportunities are identified to use the supply base differently than it has been used in the past, in order to support the long-range business plans of the organization.

The Category Management process involves five (5) key activities as outlined below.



The process starts with the development of cross functional category teams that ideally incorporate representation from both divisional and functional experts. The category team should be led by an individual responsible for ongoing leadership and project management and for ensuring team success.

Divisional representatives are critical to the overall success of the category strategy. These representatives serve as the subject matter experts on business unit needs and play a key role in conducting spend analysis, creating the strategy, and developing solicitation specifications and statements of work. The functional representatives advise the group on departmental needs and are responsible for assisting in implementing the strategy.

Once the category team has been established and roles and responsibilities have been agreed upon, the category management work can begin. There are the twelve essential elements of category management strategy, which are listed below.

1. Scope and Industry Analysis
2. Business Needs and Requirements
3. Category Goals
4. Category Sizing and Evaluation
5. Category Cost Drivers
6. Risk Identification and Mitigation
7. Supplier Capabilities
8. Category Benchmarking
9. Category Sourcing
10. Implementation Outline

The category plan is implemented by the category manager and category team. While individual project teams manage the sourcing projects, the category manager is still ultimately responsible for the entire category strategy. Feedback loops must be established to get feedback and results on projects completed and make adjustments where necessary.

Sample Category Analysis: Office Supplies

CATEGORY: OFFICE SUPPLIES

Total Annual Vendor Spend (Est.)	Market Dynamics
$15M	• Number of US Suppliers: 9,500 • Market is an oligopoly dominated by three major players, with the remainder of market being more fragmented comprised of distributors, big box stores, and local vendors • Market covers a wide range of products and service delivery options • Highly capable and competitive supply base, and limited product differentiation among suppliers results in stable pricing

Current Situation	Recommended Sourcing Strategies
• High opportunity for savings in this category • Current statewide contracts in place	• Move away from OEMs and purchase items such as remanufactured toner • Leverage purchases to single/dual source • Execute on competitive environment (use reverse-auction) • Establish state-wide contracts with one primary and one secondary supplier

Key Vendors	Spend and Savings Projections	
1. Staples (48% Market Share) 2. Office Depot (24.3% Market Share) 3. Office Max (17.1% Market Share)	**Total Spend FY 2010-2011:**	$15M
	Projected Spend FY 2012-2013:	$15M
	Addressable Spend:	$12M (80% of Projected)
Implementation Constraints	**Estimated Savings Potential:**	12-22% ($1.44M – $2.64M)** **accounts for challenges to adoption of sourcing plan
• Variance in user needs • Specification compliance across multiple locations		

Strategic Sourcing

The goal of strategic sourcing is to identify and implement cost savings by following a standard, intentional, and forward-looking procurement process that is centered on deep research and aggressive measures to obtain the best value in the market. The following diagram illustrates the seven (7) key phases and tasks associated with strategic sourcing efforts:

Profiling the category requires gaining an understanding of the internal spend and external market. The analysis of internal spend includes conducting research into volumes, locations and business units, suppliers, pricing, specifications, and forecasts. Industry analysis involves the assessment of the competitive environment, suppliers, and market segmentation. There are a number of spend data tools and industry resources that can be used for this initial strategic sourcing step. The final deliverable of this first effort would be category deep dives composed of internal spend analysis results and market dynamics.

Selecting the sourcing strategy is the process of creating a "go to market" approach by assessing current sourcing practices, strategically segmenting the category, analyzing alternative sourcing strategies, and selecting appropriate sourcing approaches and techniques. The result of this step will be an added layer of strategic planning that builds on the category profiles with positioning matrices and summaries of constraints.

Generating the supplier portfolio is the step of developing the list all viable suppliers, collecting detailed supplier information, and building a potential supplier master list segmented by capabilities. This step incorporates tools such Requests for information (RFIs) to understand current market capabilities.

Based on the first three strategic sourcing steps, the organization will be positioned well to decide on the most appropriate method of solicitation. At this point, baseline spend assumptions and savings estimate calculations can be generated as a result of detailed market knowledge.

Aggressive negotiations are a critical component of the strategic sourcing process. Once RFP responses have been analyzed and evaluated, a negotiations strategy should be developed and discussions should

be held to negotiate the best possible price for the government. Post negotiation analysis should be developed for documentation purchases and to inform future procurement efforts.

Once negotiations have taken place and the most qualified contractor has been selected, the operational aspects of implementing the project must be proactively addressed. These considerations should include identifying integration issues; uncovering organizational implications and required; and monitoring results.

Sustaining results is an ongoing step in strategic sourcing that leads into future procurements. By monitoring the market and supplier performance; developing processes to continuously benchmark supplier performance; and creating processes to monitor market/industry conditions; the government can continue to generate savings for the County.

Spend Analysis

Spend analysis is a systematic, data-driven, comprehensive approach to producing cost savings in procurement. The process involves understanding current spending patterns, benchmarking against peers, and validating the market.

For strategic sourcing, it is necessary to create a fact-based database to support the analysis of categories and identify opportunities. This begins by asking for information from designated sources of data and refining the information. It is critical that data be comprehensive and up-to-date. Basic data elements include the following elements:

- Volumes purchased and used
- Pricing
- Number of suppliers for each category
- Locations / departments
- Product part numbers (manufacturer or generic number [ideal])
- Part descriptions
- Inventory levels
- Number of purchase orders/contracts/BPAs

A variety of software and other tools can be used to complete this spend analysis work.

The key deliverables of this spend analysis include:

- Accurate spend figures which can be validated by more than one source
- Total spend by category:
  - By supplier
  - By department
  - By sub-category
  - By product / service type

Ultimately, the spend analysis will provide an enhanced understanding of purchases made, the potential proliferation of suppliers, resource allocation, and key categories. The County has the potential to save 5-8% on designated purchases, that could amount to about $40 Million per year.

Contractor Performance Management

The key activities involved in contractor performance management are as follows:

- Providing contractors with an accurate, consistent definition and understanding of requirements
- Developing a performance baseline
- Establishing milestones and monitoring progress
- Managing risks along critical path
- Analyzing delivered results
- Managing corrective action; focusing on improvement

Managing the vendor can be segmented into vendor transitioning, designing and communicating expectations, designing and tracking vendor performance, and improving vendor performance.

Ensuring a smooth and successful project transition starts with selecting the best possible vendors at the outset. At project kick-off, vendor change issues should be addressed along with a transition plan, performing monitoring methods, and communication channels. If a incumbent contractor is being replaced, a managed and phased transition process should be followed.

The aspect of measuring vendor performance is important not only to holding the contractor responsible for their technical approach to the statement of work, but also to ongoing procurement efforts. There are many methods of vendor performance measurement, but most touch on aspects of quality, value, service and innovation. Ultimately, the ability to improve contractor performance over time hinges upon business partnership. Only through effective two-way communications, objective measurement, and joint planning will improvement be realized.

IT Systems

Fulton County uses a number of different IT systems to execute purchasing functions on behalf and in coordination with User Departments. These are:

- **AMS** – AMS is used by users to submit requisitions to Purchasing. It is also used by Purchasing to solicit Requests for Quotes. Interested vendors must submit responses to RFQs through the AMS system.
- **Portal** – The Purchasing Department Portal houses the most current versions of contract and solicitation templates, as well as instructions for completing the templates on the Portal. Users access templates here in order to put together a solicitation or contract package to send to Purchasing.
- **Stella** – Contracts Compliance maintains a database of M/FBEs in Stella, which is used to generate lists of potential minority/female businesses for outreach during the solicitation process.

<u>Issues:</u>
During discussions with both Purchasing staff and User Departments, the following issues with the current IT infrastructure were identified.

1. *AMS System is not user-friendly for either Purchasing or Vendors*

   POs identified problems with the AMS System as contributing significantly to their workload. One PO estimated a 60% reduction in processing time could be achieved by fixing current issues. The Interim Director cited lack of funds and small size relative to other Departments as the reasons why fixes have not been, and likely will not be made. A upgraded version of AMS is scheduled to be released by the end of the year; however, the upgrades are standard and were not made with Purchasing feedback. They do not appear to address the key complaints of Purchasing staff and vendors. These are:

   a) RFQs may have over fifty lines, but the system tends to crash after fifty lines, which requires breaking apart otherwise consolidated procurements.
   b) If vendors enter comments on each line of their quote, the system will not enter these comments into the tabulation, which means that POs must cut and paste comments line-by-line for each quote in order to allow the User Departments to review and determine acceptability.
   c) Vendors have difficulty using the system. In general, they don't understand what must be entered, or if there is an error, what is causing the error to arise. Furthermore, if something was not entered correctly or a box was left incomplete when the RFQ was entered by Purchasing, this will not become evident until vendors try to submit bids. Vendors may not be able to submit quotes or they may think they have been successfully submitted when they have not, and therefore, lose out on the business. POs must spend time on the phone trying to walk vendors through system entry, often right before the deadline for responses. Extensions to the solicitation period may need to be made or the solicitation cancelled and re-procured, leading to wasted time and effort for vendors, users and Purchasing. Vendor interface issues may inhibit competition and lead to single bid scenarios.

2. *Multiple systems in place, where one streamlined system would be preferable*

   Purchasing staff also indicated that they felt there were too many systems currently in place. They would like to see one system in place where they can easily go on and find potential vendors to send solicitations out to. For RFQs, vendors can be found in AMS. For larger solicitations, Stella provides minority and female business listings, but there does not appear to be a central repository of all potential vendors that is easily accessible by Purchasing staff for their own market research requirements.

Recommendations

Given the prohibitive expense of redesigning IT systems to meet current needs, Purchasing has instead adapted procedures to the current IT infrastructure. If this is the only feasible way to address IT issues, then the focus must be on reducing the number of 50+ line RFQs. Materials could be grouped together; this would likely achieve greater cost savings. Department-wide efforts to establish Master Agreements will also decrease volume of RFQs to be processed, reducing workload for the Procurement Officers.

Options to Improve Efficiency and Effectiveness

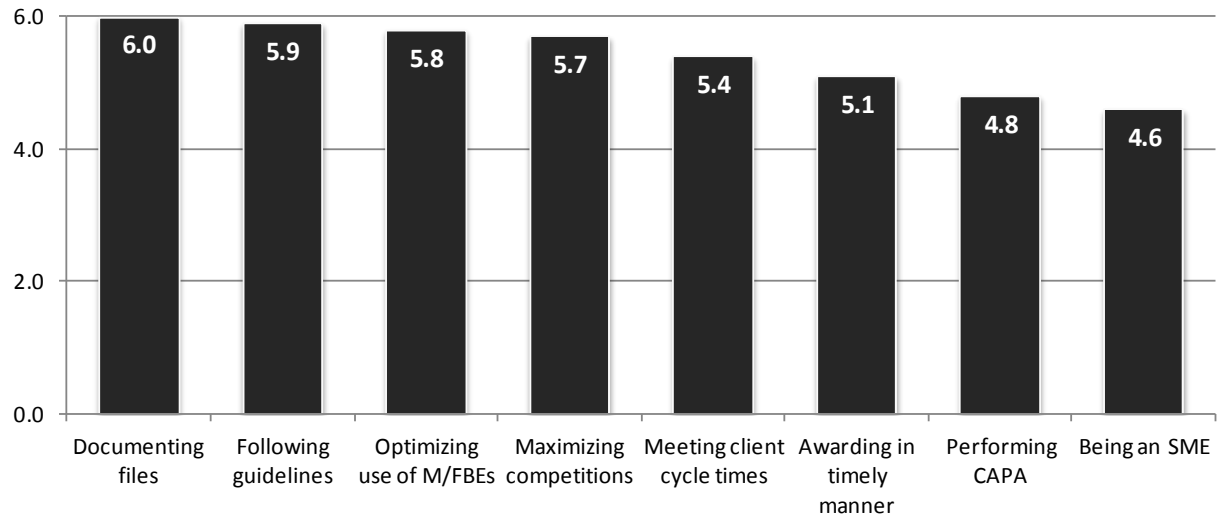
As a result of our analysis of the Purchasing and Contracts Compliance Department, we have determined that there are a number of tasks, projects, flows, and processes that can be approved. This section of the report includes feedback from the interviews, process analysis, and best practice research. It full addresses changes to the RFP process.

<u>Interview Input</u>

Interviewees were asked to assign a score to the following eight (8) statements relating to Purchasing Department performance on a scale of one to seven (1-7) with one (1) being the lowest level of performance and seven (7) being the highest level of performance. The results are broken out below.

Purchasing and Contracts Compliance Staff

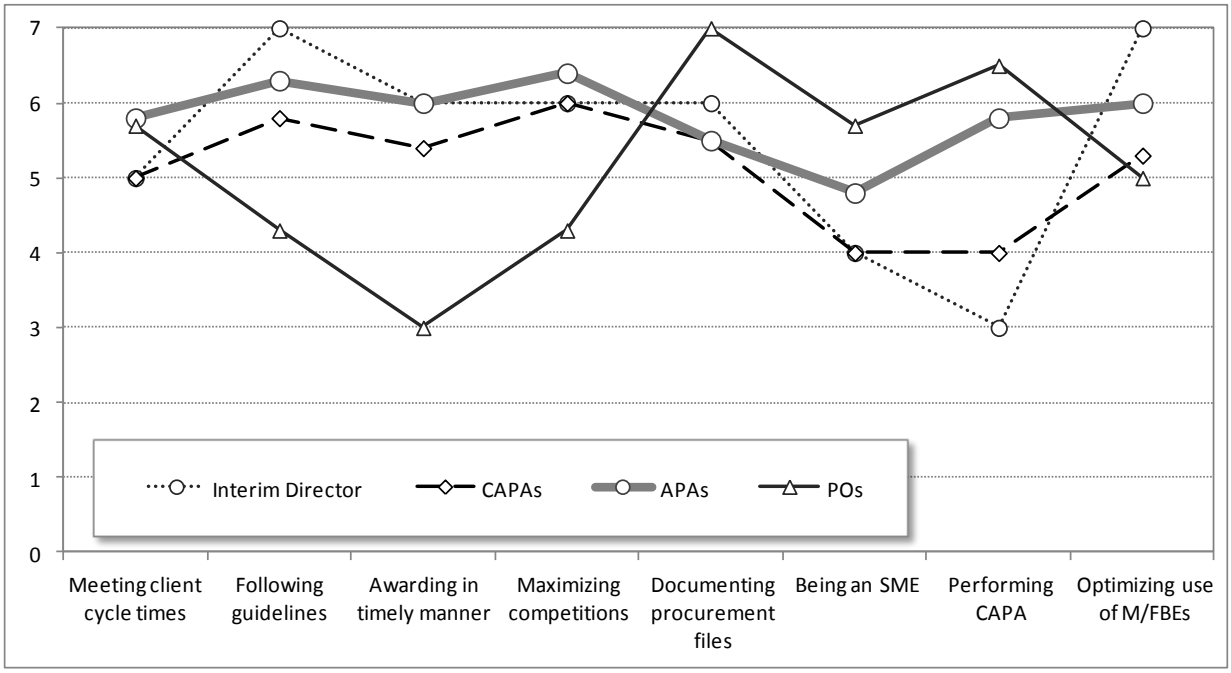
Overall Average Scores by Criterion – Purchasing Staff



Average Scores by Function

	Interim Director	CAPA AVG	APA AVG	PO AVG	Total AVG
Documenting procurement files	6	5.5	5.5	7.0	6.0
Following procurement guidelines	7	5.8	6.3	4.3	5.9
Optimizing use of M/FBEs	7	5.3	6.0	5.0	5.8
Maximizing competition	6	6.0	6.4	4.3	5.7
Meeting internal client's cycle time needs	5	5.0	5.8	5.7	5.4
Awarding POs and contracts in a timely manner	6	5.4	6.0	3.0	5.1
Performing cost and price analysis	3	4.0	5.8	6.5	4.8
Being a subject matter expert in what you procure	4	4.0	4.8	5.7	4.6

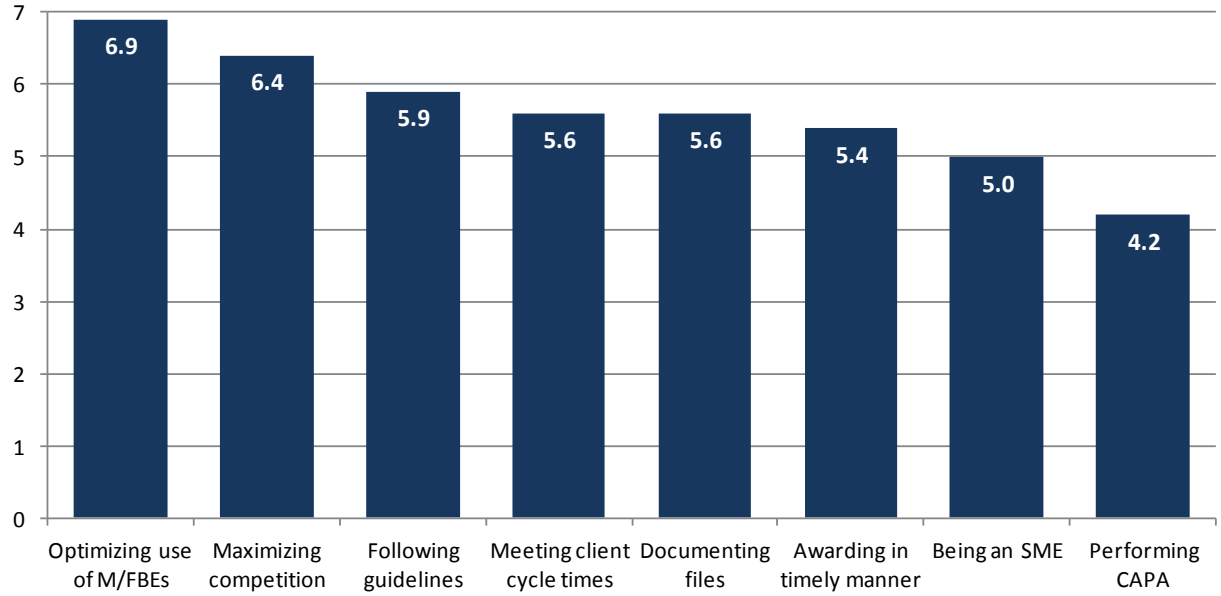
Scoring Trends by Function



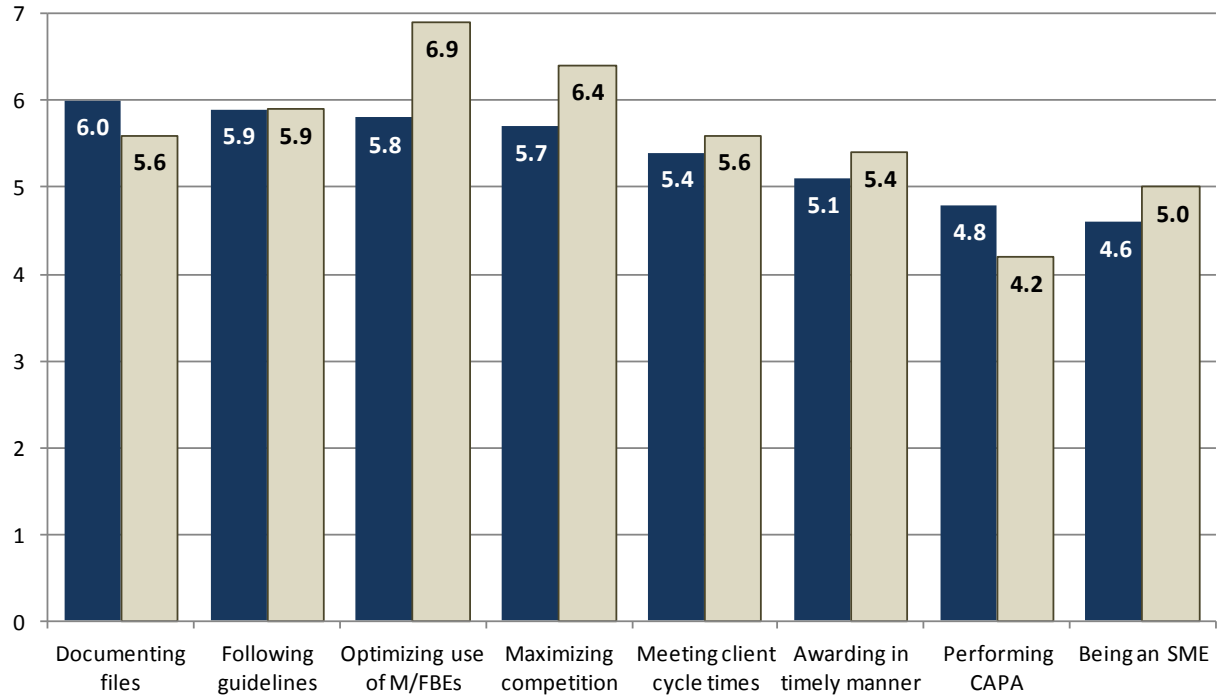
When assigning scores, interviewees frequently added the caveat that while they believed their team and/or department was performing well, overall performance might be assessed to be considerably lower. They attributed this difference to inputs in the process that they felt were outside of the department's control. For example, for the performance indicator "Awarding POs and contracts in a timely manner," interviewees expressed the view that purchasing was doing it's best to make awards in a timely manner, but the lag time in award due to legal and Board review could result in excessive delays, and therefore, a poor overall performance.

User Department Staff

Overall Average Scores by Criterion – User Departments



Comparison of Purchasing and User Scores by Criterion



The comparison between scores assigned by Purchasing staff and User staff shows a high degree of symmetry between how Purchasing feels it is servicing its clients and how these clients feel they are

being serviced. Where items are scored lower, both Purchasing and Users have assigned a lower score relative to other criteria, indicating that there is agreement on what areas present challenges to the Purchasing Department.

Where items were scored lower, there may have been agreement that process optimization was required, but there were differing views on where changes should be made. Comments are provided in full in Section 3 of this report.

RFP Process

Based on our analysis of the methods of procurement and contract compliance processes, we recommend changes to address variations in performance, regulatory requirements, and best practices.

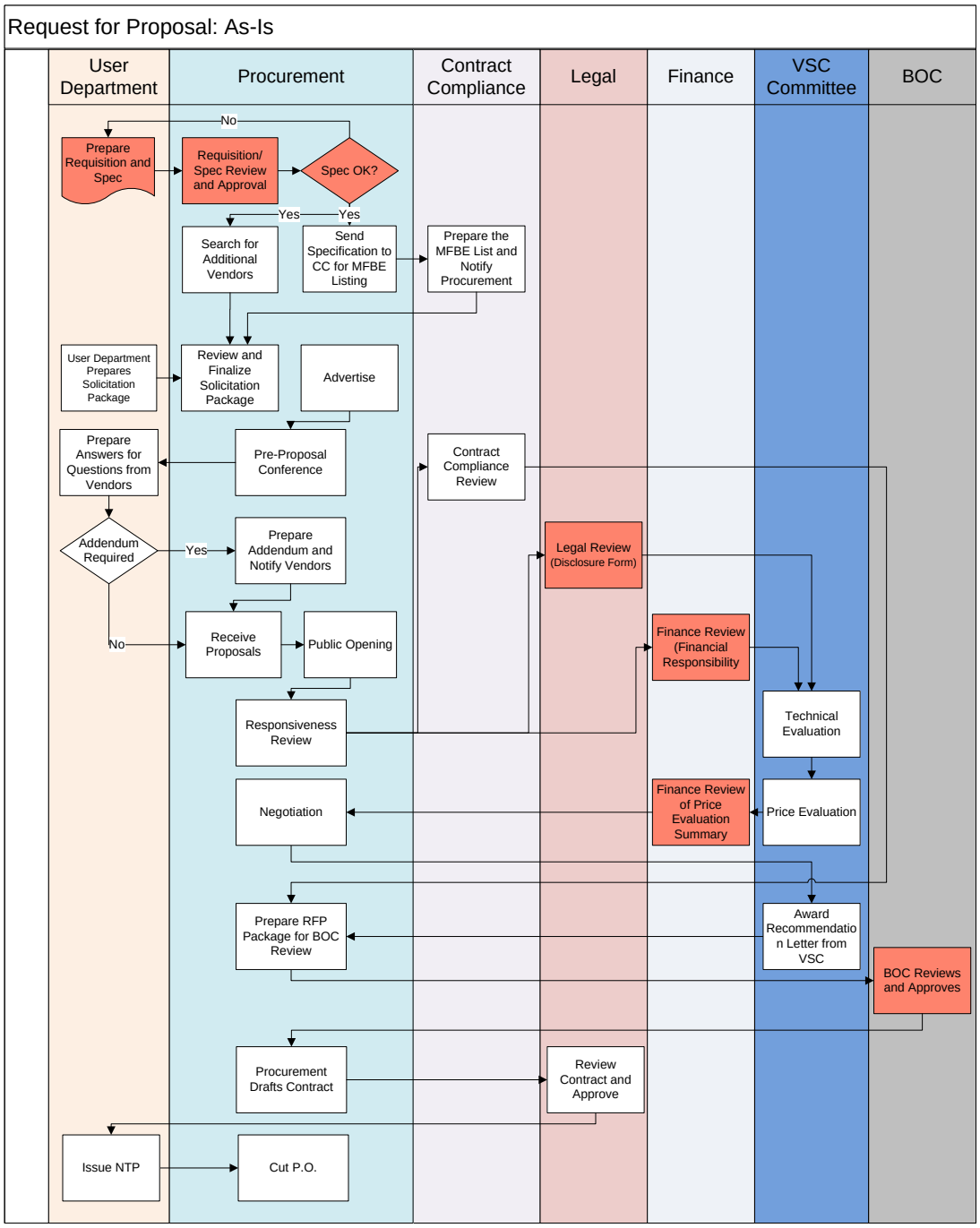
The following is the discussions of each of these recommendations. We have recommended changes to the RFP process.

Summary of RFP Process Evaluation

Calyptus reviewed the draft set of Purchasing Procedures relating to the Request for Proposal process. We asked CAPAs and APAs about the present flow of activities, major constraints, and potential changes to the process. We also reviewed four (4) sets of feedback received by Purchasing and Contract Compliance on the RFP process. We evaluated the benchmarking completed by Fulton County on the membership of the voting committee. Calyptus considered the RFP process at the Federal level, use by states, and other public sector organizations. Further, we carefully reviewed all of the steps included in the RFP process, including cycle times for each activity, and assessed RFP files and data.

Overview

The RFP process follows many of the standard steps used by public sector organizations. The current RFP flow chart, organized by functions, is provided as follows:



The RFP process is historically the most difficult type of procurement to be effectively managed because it includes a fair amount of judgment and input from a wide spectrum of participants.

This is made even more complex with the used of the "best value" selection methodology that focuses on a tradeoff source selection process. This process is very different than the RFP evaluation process used by Fulton County because it allows for a trade-off between non-cost factors and cost/price and allows the purchaser to accept other than the lowest price proposal or other than the highest technically rated proposal to achieve a best-value contract award.

Evaluation Methods

There are a multitude of options when evaluating proposals. In the public sector, there are basically three methods of scoring responses to RFPs. The first method is assigning point totals to all evaluation criteria including cost/price, then averaging the totals to arrive total scores for each offeror. The second method is assigning points to only assigning points to non-price factors, then making a tradeoff between technical score and prices offered. This is a method known as "tradeoff" analysis. The third method is by awarding contracts based on best value. This entails the assignments of qualitative scores to established criteria. In all of the cases, weights are assigned to provide the level of importance for each criterion.

The best value approach is fully described below. Fulton County uses the first method of evaluation using price and technical evaluation factors and weights. Changes to the RFP process at Fulton County are then discussed.

Evaluation Activities under Best Value

<u>Cost or Price Evaluation</u>

Cost or price to the Government shall be evaluated in every source selection. However, no adjectival ratings shall be utilized for evaluating cost or price since cost or price is not rated. The level of detail of analysis required will vary among acquisitions depending on the complexity and circumstances of the acquisition, including the degree of competition, the phase of the program, the type of product/services to be acquired, and the contract type. In order to enable offerors to make informed decisions on how best to propose, every solicitation will provide an adequate description of the cost or price evaluation. In all source selections, the analysis must include a determination of whether the proposed cost or price is fair and reasonable.

<u>Technical Rating Evaluation Processes</u>

The technical rating reflects the degree to which the proposed approach meets or does not meet the minimum performance or capability requirements through an assessment of the strengths, weaknesses, deficiencies, and risks of a proposal.

One of two distinct methodologies can be used to evaluate the technical approach and related risk. Methodology 1 includes risk associated with the technical approach in a single rating. Methodology 2 provides separate technical and risk ratings.

<u>Methodology 1:</u> Combined Technical/Risk Rating

The combined technical/risk rating includes consideration of risk in conjunction with the strengths, weaknesses, and deficiencies in determining technical ratings. Combined technical/risk evaluations shall utilize the combined technical/risk ratings listed in Table 1.

Table 1. Combined Technical/Risk Ratings

Color	Rating	Description
Blue	Outstanding	Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. Strengths far outweigh any weaknesses. Risk of unsuccessful performance is very low.
Purple	Good	Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains strengths which outweigh any weaknesses. Risk of unsuccessful performance is low.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Strengths and weaknesses are offsetting or will have little or no impact on contract performance. Risk of unsuccessful performance is no worse than moderate.
Yellow	Marginal	Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements. The proposal has one or more weaknesses which are not offset by strengths. Risk of unsuccessful performance is high.
Red	Unacceptable	Proposal does not meet requirements and contains one or more deficiencies. Proposal is unawardable.

<u>Methodology 2:</u> Separate Technical/Risk Rating Process

Technical Rating

The offeror's technical solution will be rated separately from the risk associated with its technical approach. The technical rating evaluates the quality of the offeror's technical solution for meeting the Government's requirement. The risk rating considers the risk associated with the technical approach in meeting the requirement. Technical evaluations shall utilize the ratings listed in Table 2.

Table 2. Technical Ratings

Color	Rating	Description
Blue	Outstanding	Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. The proposal contains multiple strengths and no deficiencies.
Purple	Good	Proposal meets requirements and indicates a thorough approach and understanding of the requirements. Proposal contains at least one strength and no deficiencies.
Green	Acceptable	Proposal meets requirements and indicates an adequate approach and understanding of the requirements. Proposal has no strengths or deficiencies.
Yellow	Marginal	Proposal does not clearly meet requirements and has not demonstrated an adequate approach and understanding of the requirements.
Red	Unacceptable	Proposal does not meet requirements and contains one or more deficiencies and is unawardable.

Technical Risk Rating.

Assessment of technical risk, which is manifested by the identification of weakness(es), considers potential for disruption of schedule, increased costs, degradation of performance, the need for increased Government oversight, or the likelihood of unsuccessful contract performance. Technical risk shall be rated using the ratings listed in Table 3. For firm-fixed-price contracts, the reference to increased cost may be removed from the risk rating descriptions.

Table 3. Technical Risk Ratings

Rating	Description
Low	Has little potential to cause disruption of schedule, increased cost or degradation of performance. Normal contractor effort and normal Government monitoring will likely be able to overcome any difficulties.
Moderate	Can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties.
High	Is likely to cause significant disruption of schedule, increased cost or degradation of performance. Is unlikely to overcome any difficulties, even with special contractor emphasis and close Government monitoring.

We introduce this methodology because it allows for more flexibility in the RFP process. Fulton County's system is based purely on a quantitative rating scale.

Standard Evaluation Criteria

The standard evaluation criteria used for RFPs is noted in the County's solicitation document. About 60% of the time, these evaluation criteria and scores are used.

The following criteria will be used to evaluate proposals:

Evaluation Criteria		Weight
Project Plan/Approach to Work		25%
Qualifications of Key Personnel	[Required]	15%
Relevant Project Experience/ Past performance	[Required]	15%
Financial Responsibility	[Required]	5%
Availability of Key Personnel	[Required]	5%
Local Preference	[Required]	10%
Service Disabled Veterans Preference	[Required]	5%
Disclosure Form and Questionnaire	[Required]	5%
Cost Proposal	[Required]	15%
TOTAL POINTS		**100%**

In the balance of the RFPs, users and purchasing staff use the list of criteria but vary the weights. Please note that in any case, the financial responsibility criteria is always weighted 5%, the local preference is weighted 10%, the service-disabled veterans preference is weighted 5% and the disclosure form and questionnaire is weighted 5%.

Selected Areas of Evaluation

Based on our experience with Federal, State, and Local governments, review of over 2,000 RFPs released by public agencies, and benchmarking, we have selected the following areas for further review and evaluation:

1. Local Preference
2. Service Disabled Veteran's Preference
3. Financial Responsibility
4. Disclosure Form Evaluation
5. Composition of Source Selection Teams

1. Local Preference

The factor and percentage is focused on states and other public agencies. It cannot be used when procuring products and services under Federally-focused procurements. The factor and percentage is optional and can be used if the County continues to desire to provide incentives to local firms.

2. Service-Disabled Veteran's Preference

The factor and percentage is focused at the Federal acquisition level, and is typically part of a set-aside program to promote the use of service-disabled veteran business. Few public agencies actually assign points for use of these types of enterprises. The factor and percentage is optional and can be used if the County continues to desire to provide incentives to service disabled firms.

A more detailed outreach effort is required to increase this type of participation due to the lack of established businesses with these qualifications.

3. Financial Responsibility

Financial responsibility is rated at a maximum of 5 points. The rating system has changed over the last 10 years from a qualitative measure to a quantitative measure. This type of quantitative rating is rare in public sector procurement.

The current composition of the rating is as follows:

Criteria for Points	Points
Submittal of all of the required information	1
Acceptable current ratio of 1.5 or better ***or*** Acceptable working capital level greater than or equal to the monthly contract value	1
Acceptable audit opinion from firm's external auditor	1
Acceptable low debt ratio of 1.5 or lower	1
Credit rating from a recognized rating agency (D&B, Moody's Best A&M, Fitch, Standard and Poor's of BBB- or better ***or*** Providing evidence of access to a line or letter of credit	1
TOTAL POINTS	**5**

We find that the submission of this data alone, and the allotment of the minimum ratios, does not guarantee financial responsibility.

Most public sector agencies award to the responsible supplier that submits the best responsive proposal. Responsibility is commonly defined as follows (we use the Federal Acquisition Regulations System definition here).

> **9.104-1 General standards.**
>
> To be determined responsible, a prospective contractor must—
>
> (a) Have adequate financial resources to perform the contract, or the ability to obtain them;
>
> (b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
>
> (c) Have a satisfactory performance record. A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in 9.104-2;
>
> (d) Have a satisfactory record of integrity and business ethics.
>
> (e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors).
>
> (f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
>
> (g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

We find that taking a broader view of responsibility should be used by Fulton County. The current rating process should be eliminated, and the County should revert to the previous methodology used. Sources of the financial analysis for private firms are submitted financial statements, D&B payment and performance reports, Moody's and other similar information.

Purchasing and Contracts Compliance along with Finance should be tasked on conducting a financial evaluation as part of the broader responsibility determination.

The following form could be used by the County:

Department: _____

Solicitation Number: _____

Contractor Name _____

Contractor Address: _____

Circle all applicable statements:

1. A review of the GSA website data dated _____ has been conducted and the contractor **DOES / DOES NOT** appear as suspended.

2. The Contractor **HAS / HAS NOT** performed satisfactorily on other contract(s) awarded by Fulton County.

3. A survey of other agencies and companies doing business with the contractor was performed.

   ADVERSE / NO ADVERSE information has been received that would bring the contractor's present responsibility and technical capability into question.

List the agencies/companies contacted, dated contacted and person providing information.

Agency / Company	Date of Contact	Person Contacted	NO adverse information provided?
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No

4. A review of the Contractor's financial and technical resources **DO / DO NOT** indicate that it is capable of performing the contract.

   List documentation reviewed.

Document(s) Reviewed	Publication Date	Reflects capability?
		☐ Yes ☐ No
		☐ Yes ☐ No
		☐ Yes ☐ No

5. State/local government agencies were contacted, and the contractor **DOES / DOES NOT** have a record of any outstanding code violations, improper business practices, or similar history of non-compliance with public policy.

List agencies contacted.

Agency / Company	Date of Contact	Reflects a history of compliance?
		☐ Yes ☐ No
		☐ Yes ☐ No
		☐ Yes ☐ No

6. Other pertinent information received **DOES / DOES NOT** affect the Contractor's responsibility.

   List parties contacted and results of contact *(e.g., Better Business Bureau, Business Licenses, Dun and Bradstreet, other credit agencies)*.

Agency / Company	Date of Contact	Results

In accordance with 24 CFR 85.36 (b)(8), the contractor is considered to be **RESPONSIBLE / NON-RESPONSIBLE** and **DOES / DOES NOT** possess the ability to successfully perform under the terms and conditions of this contract.

_____ _____ _____

Name Signature Date

_____

Contracting Officer

4. Disclosure Form Evaluation

The information on this required form is used to determine the ability of a supplier to receive up to five points.

The questions on the litigation disclosure form are evaluated, the contractor receives a point for each “no” answer.

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required, may result in the disqualification of your bid or proposal from consideration or termination of the Contract, once awarded.

	YES	NO
1. Please state whether any of the following events have occurred in the last five (5) years with respect to said Offeror. If any answer is yes, explain fully the following:		
a. whether a petition under the federal bankruptcy laws or state insolvency laws was filed by or against said Offeror, or a receiver fiscal agent or similar officer was appointed by a court for the business or property of said Offeror;		
b. whether Offeror was subject of any order, judgment, or decree not subsequently reversed, suspended or vacated by any court of competent jurisdiction, permanently enjoining said Offeror from engaging in any type of business practice, or otherwise eliminating any type of business practice; and		
c. whether said Offeror's business was the subject of any civil or criminal proceeding in which there was a final adjudication adverse to said or Offeror, which directly arose from activities conducted by the business unit or corporate division of said Offeror which submitted a bid or proposal for the subject project. If so please explain.		
2. Have you or any member of your firm or team to be assigned to this engagement ever been indicted or convicted of a criminal offense within the last five (5) years?		
3. Have you or any member of your firm or team been terminated (for cause or otherwise) from any work being performed for Fulton County or any other Federal, State or Local Government?		
4. Have you or any member of your firm or team been involved in any claim or litigation adverse to Fulton County or any other federal, state or local government, or private entity during the last three (3) years?		
5. Has any Offeror, member of Offeror's team, or officer of any of them (with respect to any matter involving the business practices or activities of his or her employer), been notified within the five (5) years preceding the date of this offer that any of them are the target of a criminal investigation, grand jury investigation, or civil enforcement proceeding?		

The use of the disclosure form to evaluate risks based on potential or current litigation is unique to Fulton County. We find no ultimate value to the use of the form, or to the points used, and this certainty is not a best practice. The Fulton County legal staff agrees with the statement that the ultimate evaluation and point total is not a true measure of legal risk.

We recommend that the disclosure form is still completed, and Purchasing obtains legal input as part of the overall responsibility determination.

5. Evaluation Committee Composition

The County has included in its code the need to include the following staff on its RFP proposal evaluation committees:

(2) Purchasing Department Staff

(2) Appointed Staff

(1) Finance Department Staff

Technical Advisors are able to work with the team, but can't be voting members.

Regulatory and Professional Guidance on Assignment of Staff on Evaluation Committees

The Federal Acquisition Regulation at 15.303(b) indicates that the Contracting Officer establish an evaluation team, tailored for the particular acquisition, that includes appropriate contracting, legal, logistics, technical, and other expertise to ensure a comprehensive evaluation of offers.

Guidance provided by the Illinois Society of Professional Engineers includes the following description of how evaluation teams are established:

"A Selection Committee may evaluate qualifications, interview candidates and rank the firms in order of qualifications. The Committee may include a representative from the department responsible for administration of the contract, as well as a representative from the department responsible for the project's functions. In addition, the Committee may include other individuals who are stakeholders in the success of the project, such as individuals who have knowledge or capabilities that are valuable in interviewing prospective design professionals. Frequently, the owner does not have staff with expertise for the project. In such cases, it is helpful to enlist the aid of known experts from surrounding public owners, private consultants or volunteers from design professional associations to serve as members of the Selection Committee". Further, the State of Georgia DAS Purchasing Manual provides the following guidance: "In determining whether or not to use an evaluation committee, the issuing officer should consider whether he/she possesses sufficient knowledge to evaluate the suppliers' responses. However, for all RFPs and for any RFQs which include scoring, the issuing officer must use an evaluation committee and the evaluation committee must include at least three members. It is essential that the issuing officer manage the entire evaluation process and serve as an ex-officio member of the evaluation committee to facilitate the solicitation process".

In addition, our recent benchmarking effort found the following:

- Most organizations structure evaluation committees with three (3) or five (5) voting members. Fulton County is in line with other organizations in this area.
- Organizations are evenly split in their method of evaluating financial responsibility. Half (50%) of the seven (7) benchmark counties studied in-depth evaluate financial responsibility as a mandatory evaluation criterion, whereas the other half evaluate responsibility as a pass/fail check rather than as a weighted evaluation factor.
- Organizations have mixed approaches to evaluation criteria. Two (2) of the seven (7) county organizations studied in-depth do not have any mandatory criteria. Four (4) of the benchmark organizations include financial responsibility as a mandatory evaluation criteria. The most common mandatory evaluation factors were experience/qualifications, approach and cost.
- The majority of organizations do not allow purchasing representatives to serve as voting members on vendor selection committees. Five (5) counties expressly prohibit this practice and rather allow purchasing to serve in a facilitation role. Two (2) counties allow purchasing agents to serve on evaluation committees however report that this practice is rarely followed. Most organizations place emphasis on ensuring that at least two (2) members of the user department are included on the evaluation committee; however a limit is set that a maximum of two (2) or three (3) members can be from the same user department. Most organizations also allow the Procurement Director or CPO to appoint and approve evaluation committee members based on the type and nature of the purchase.
- The finance, contract compliance and legal departments within DeKalb and Gwinnett counties do not have a role in responsiveness checks. Both counties place more emphasis on the vendor selection committee to complete the responsiveness and responsibility checks, while still involving procurement. For example, DeKalb County requires that the selection committee complete the technical evaluation, whereas procurement will handle price analysis, negotiation and award recommendation.

<u>Interview Input</u>

Purchasing and Contracts Compliance Staff

Several staff in both Purchasing and User Departments expressed a desire to change the current requirement that two Purchasing Staff and one Finance Staff member sit on all RFP selection committees. Purchasing staff felt this requirement added too great a strain on their resources. Evaluating proposals requires time in meetings plus the time required to read all proposals, which could amount to hundreds or even thousands of pages. To satisfy this requirement, they are often must read these proposals at home. On top of this extra work, they feel that they are adding no real value, as they don't have the technical expertise to make a sound judgment on what is being proposed.

User Feedback

User Departments universally took issue with this requirement, citing Purchasing's lack of technical expertise, and saying that it skews the decision-making process when three of the five selection committee members are not technical experts.

Recommendations

We recommend that the Purchasing and Finance staff be dropped as voting members. These staff should be actively involved with the proposal evaluation process and be non-voting members in a coordinator role.

Further, we concur with the recommendations made by the Interim Director, in terms of the following responsibilities for Purchasing:

A. "The Department of Purchasing & Contract Compliance VSC responsibilities shall include:

a. User Department (Subject Matter/Technical Experts)	3 members
b. Purchasing	1 member
c. Finance	1 member

B. The Vendor Selection Committee should be divided into different segments so that only the members with that area of expertise will evaluate that portion of the proposal.

I. The Department of Purchasing & Contract Compliance VSC responsibilities shall include:

1. Serve as the facilitator and be responsible for maintaining the integrity of the procurement process as mandated by the Purchasing Code, Board Policy and policies and procedures.
2. Handle communication and correspondence to ensure compliance with the "No Contact During Procurement" policy.
3. The Purchasing representative designated as the project contact shall serve as the liaison for the VSC when clarifications or additional information is required.
4. Determine the responsiveness of each proposer's submittal.
5. Notify vendor selection committee members of their appointment and schedule the initial VSC meeting and subsequent meetings and required. The Purchasing representative must be present at all VSC meetings.
6. Provide training and instructions to VSC members and ensure all VSC members have completed the Confidentiality Statement and review for any potential conflicts.
7. Distribute the following to the VSC members:
   - Proposals
   - Scoring Sheets with evaluation criteria
   - Copy of the RFP

8. Evaluates Local Preference points.
9. Evaluates Service-Disabled Veterans Preference points.
10. Conduct reference checks regarding past performance and relevant project experience.
11. Reviews all contract exceptions submitted by proposers in consultation with the Law Department and provides feedback to the VSC committee.
12. Determines and evaluates non-responsibility
13. Coordinates the selection of a Technical Advisor if requested by the VSC.
14. Schedules oral presentations/interviews if required.
15. Evaluate the cost proposals.
16. Compiles all scoring sheets.
17. Negotiations will be led by the Purchasing representative and include representatives from the User Department.
18. Prepares Vendor Selection Committee Recommendation Letter for signature.
19. Prepares BOC package for recommendation.
20. Verify whether the recommended respondent(s) have performed work previously with the County.

II. The User Department (subject matter/technical experts) VSC responsibilities shall include:

1. Review the RFP, including the scope of work, evaluation criteria and project deliverables.
2. Read all proposals and evaluate the technical evaluation criteria such as: Project Plan/Project Approach
   - Qualifications of Team/Key Personnel
   - Relevant Project Experience
   - Past Performance
   - Availability of Key Personnel
   - Cost
3. Independently scores all respondents' submittals.
4. Determines whether the VSC will require a Technical Advisor.

III. The Finance Department VSC responsibilities shall include:

1. Serves as the financial advisor to the VSC.
2. Evaluate respondents' financial condition based on the existing policy.
3. Calculates total contract costs.
4. Assist Purchasing representative with final scores for cost.

IV. The Office of Contract Compliance responsibilities include:

Validate all Contract Compliance required submittals as follows for accuracy and completeness:

a. Promise of Non-Discrimination

b. Employment Report

c. Schedule of Intended Subcontractor Utilization -Total Dollar Value of Subcontractor Agreement

d. Letter of Intent to Perform as a Subcontractor or Provide Materials or Services

e. Declaration regarding Subcontracting Practices

f. Joint Venture Disclosure Affidavit

All respondents are required to submit all Contract Compliance (Section 6) forms at the time of proposal submittal. Forms are evaluated to determine the level of minority/female business utilization, acknowledgement of agreement to the County's Non-Discrimination in Purchasing and Contracting Policy, acknowledgement of any subcontractor's/supplier's intent to perform on contract, demographic employment make-up of the proposer and subsequent subcontractors as well as the utilization of clients from the County's First Source Jobs Program.

NOTE: The Contract Compliance information is not part of the Vendor Selection Committee evaluation process and that information is not made available to VSC members for consideration.

C. With respect to the procurement of information technology projects, the Department of Information Technology is not able to provide the Vendor Selection Committee with technical expertise required regarding compatibility with existing systems, hardware compatibility, interfaces, etc. Currently, DolT cannot serve as a Technical Advisor nor can they serve as a member of the Vendor Selection Committee unless they are the user department for the solicitation.
Recommendation: We are recommending that as with facilities projects regarding the General Services Department when a user department is procuring information technology related projects that will require support by the DolT that 102-360 (c)(iii) is revised as follows:

Notwithstanding the above, with respect to the procurement of information technology projects, the director of the department of information technology shall appoint one employee of that department as a member of the selection committee, in which case the user department (if different from the IT department) shall be limited to two members of the selection committee.

D. Clarification is needed regarding the technical advisor language, procedures for the VSC and procedures for obtaining the technical advisor. The current language states "In addition to the voting members of the vendor selection committee, the purchasing agent and user department may request the assistance of one or more technical advisors. For purposes of this subsection, "technical advisor" means an individual or entity possessing relevant technical skills, knowledge and experience that are related to the evaluation factors and that are not otherwise available within Fulton County government."
Recommendation: We are recommending that when the technical skills, knowledge and experience is available and identified within Fulton County Government that the County Manager or the Purchasing Director can designate them as "Technical Advisor", that the

Purchasing representative shall serve as the liaison regarding information being requested by the Vendor Selection Committee and ensure that the Technical Advisor only responds to the information requested and is a non-voting member.

Award Evaluation Committee Changes and Process

On balance, the major changes proposed are:

Present	Proposed
Purchasing Staff (2)	Non-voting
Finance Staff (1)	Non-voting
Appointed Staff	3 staff assigned by Purchasing, from user departments 2 additional technical staff from multiple departments or use of outside expert(s)

The proposed guidelines are described below:

Evaluation Committee Guidelines

The Evaluation Committee (EC) has the authority to review and evaluate suppliers' technical responses in response to a specific Request for Proposals (RFP)

General guidelines:

1. **Identifying Evaluation Committee Members.** Ideally, the members of the EC should be identified prior to the solicitation issuance. Members of the EC should have professional interest and expertise to evaluate proposals and make recommendations that could lead to the selection of one or more suppliers. The Purchasing Staff Member of the solicitation shall serve on the EC as an ex-officio member and will facilitate all Evaluation and Negotiation Meetings. He/she may not score suppliers' responses.
2. **EC Member Participation Form.** Prior to beginning the evaluation process, the Purchasing Staff Member will send an Evaluation Committee Member Participation Form to the individual EC members and each member shall return an executed copy.
3. **Initial Review of Suppliers' Responses.** After the official closing of the solicitation, the Purchasing Staff Member will review received responses for compliance with the submittal criteria and content requirements.
4. **Submitting Responses to the EC.** The EC members who have executed the Evaluation Committee Member Participation Form will be provided with all suppliers' responses that passed the administrative review as well as the appropriate evaluation forms to capture scoring. The EC must comply with the scoring guidelines identified below.
5. **Independent and Individual Review.** Each EC member will individually and independently review each supplier's response. The EC member must assign a written assessment to each question. In addition, the EC member must include a written comment justifying any assessment other than "adequate." During the initial review, the EC member should note any clarification questions the EC member suggests asking the supplier. After completing the initial evaluation, the EC member will

submit the evaluation documentation and any identified clarification questions to the Purchasing Staff Member.

6. **Scoring Rating System**. Each question's possible score will be multiplied by its assigned weight to obtain the applicable score for that supplier's response to the question. The following rating system applies:

Scoring Guidelines for Scored Requirements with Narrative Response Required

Assessment	*Scoring Guidelines*	*Evaluator Score*
No Response *(Only Applies to Mandatory Scored)*	• The narrative response provided constitutes a material deviation from the requirement • No narrative response provided • When the response does not meet a mandatory	Fail or Disqualified
Poor	• Fails to address the component or the supplier does not describe any experience related to the component • Proposal is inadequate in most basic requirements, specifications, or provisions for the specific criteria	0.00
Marginal	• Proposal minimally addresses the requirements, but one or more major considerations of the component are not addressed, or so limited that it results in a low degree of confidence in the bidder's response or proposed solution. • Proposal meets many of the basic requirements specifications, or provision of the specific items, but is lacking in some essential aspects for the specific criteria	0.25
Adequate	• Proposal adequately meets the minimum requirements, specification, or provision of the specific item, and is generally capable of meeting the state's needs for specific criteria	0.50
Good	• Proposal more than adequately meets the minimum requirements, specification or provision of the specific criteria, and exceeds those requirements in some aspects for the specific criteria	0.75
Excellent	• Fully meets all requirements and exceeds several requirements • Proposal exceeds minimum requirements, specification and provision in most aspects for the specific criteria	100

7. **Convening EC Committee Meetings**. After the Purchasing Staff Member has consolidated each individual EC member's scores into the master evaluation spreadsheet, he/she will schedule a

meeting for all EC members to meet and discuss initial scores. The EC members will discuss the individual scores and, as a result of the discussion, each member may adjust the member's individual scoring up or down as appropriate. There is no requirement that all EC members reach agreement on the score for a particular question/requirement. In the event the EC members do not reach agreement on a score for a particular question/requirement, the Purchasing Staff Member will average the individual scores to determine the supplier's score for that particular question/requirement.

8. **Analyzing Cost Proposals**. For RFPs, the Purchasing Staff and Finance Staff Members will analyze the cost proposals independently, but may perform the analysis concurrently with the EC's evaluation of the suppliers' technical responses. These staff will not disclose the cost proposals or the cost analysis to the EC until after the Technical Proposals have been scored. The EC may elect to conduct oral presentations or request additional material prior to receiving the Cost Proposals and cost analysis.

9. **Overall Scores Preceding Negotiations**. Each supplier meeting all mandatory requirements will receive a total combined score by adding the supplier's technical score to the supplier's cost score.

10. **Convening a Negotiation Team**. If the EC elects to initiate negotiations, then a Negotiation Team (NT) will convene. The Purchasing Staff Member must follow the guidelines found in the RFP.

11. **Capturing Negotiation Results & Award Recommendation**. If the County elects to negotiate with identified suppliers, the supplier will each be asked to submit a Proposal Revision following each round of negotiations, which Proposal Revision will then augment the original RFP submission. Each Proposal Revision will be evaluated and re-scored by the EC utilizing the same evaluation criteria.

12. **Maintaining Agency Records**. All evaluation/negotiation documents/forms completed by each evaluator and by the EC and NT will be collected by the Purchasing Staff Member and become part of the official records and subject to the Georgia Open Records Act.

We also recommend that all evaluation criteria receiving more than 10 points be broken down into smaller components to allow for more precise evaluation of proposals.

For example, if the technical approach factor received 30 points, then the subfactors could be:

Clarity of tasks to be completed	10 points
Application and scheduling of resources	10 points
Reasonableness of schedule	10 points

Contracts Compliance Efficiency and Effectiveness

Interview Feedback

Purchasing staff felt that M/FBE efforts were successful in general, but that sometimes the Board's focus on minority participation exceeded what could be supported by the market and unnecessarily slowed the procurement process. Furthermore, they felt the lists of M/FBEs needed to be edited in order to be more effective. The list has categories that are too broad; for example a "professional services" list might have medical providers, plumbers, and contractors, and therefore not provide a useful list for notifying the appropriate businesses. Also, the list has a lot of wrong addresses leading to waste on postage and emails. Plus, the administrative assistants must currently type out each address onto mailing labels, which occupies a significant amount of time when hundreds of postcards might be sent out. One staff member recommended transitioning this process to email to make it faster, easier, and more cost effective for the County.

Contract Compliance identified their biggest challenge as not being able to set goals and this causes the impression that the Department is not meeting the target. The participation level for 2011was 34.9%, which is above the City of Atlanta, which has a goal-based program and utilization is at 30%, so this impression appears to be unfair.

Departmental Responsibilities

Contracts Compliance staff are responsible for completing four (4) major responsibilities:

1. Review of M/FBEs, First Source, and disabled veteran business submittals as part of ITB and RFP submissions. Prepares BOC packages.
2. Certify M/FBEs on behalf of Fulton County. The County only accepts certifications made by GDOT and GWBC networks.
3. Plan for and attend outreach fairs to M/FBEs.
4. Monitor and visit contractors to ensure compliance with wage rates, contact terms, and sue of M/FBEs. Mostly construction contractors are visited.

The following is summary data on the work performed and performance for the 2nd Quarter 2012.

Detailed analysis is as follows:

	Certified M/FBE Amounts		Non Certified M/FBE Amounts		Non M/FBE Amounts		Total
$50,000 or More	$2,734,997.42	12.38%	$2,764,097.14	12.52%	$16,584,444.98	75.10%	$22,083,539.54
Purchase Orders	$383,127.71	10.65%	$518,024.58	14.40%	$2,696,672.44	74.95%	$3,597,824.73
P-Cards	$234,865.41	29.71%	$67,890.13	8.59%	$487,705.66	61.70%	$790,461.20
Payment Vouchers	$758,786.62	6.61%	$1,477,349.07	12.88%	$9,234,619.67	80.51%	$11,470,755.36
2nd Qtr. Totals	$4,111,777.16	10.84%	$4,827,360.92	12.72%	$29,003,442.75	76.44%	$37,942,580.83

In addition to monitoring expenditures by departments for the 2nd quarter, the Office of Contract Compliance has engaged in other activities in keeping with the County's Non-Discrimination in Contracting Ordinance, as noted below:

Purchasing and Contract Compliance Minority/Female Business Enterprise Utilization

Category	No. of Items 2nd Quarter	Year To Date Total
No. of Certifications Completed	16	26
No. of Re-Certifications Completed	41	86
No. of BOC Items processed	46	111
No. of Pre-Bid Conferences	20	35
No. of Selection Committees	0	6
No. of Outreach Activities (Interviewed 215 488 over 30 walk-in business owners requesting and or assisting firms to become certified) as well 185 calls were placed seeking certification data, status and/or additional information		
No. Vendors Fairs	14	21
No. of Mediations	2	5
Training (External & Internal)	9	11
Departmental Meetings	4	28
Site Visits	4	10
Vendor List	19	38
Vendors Placed on Website, Access & Stellar	61	116

Contracts Compliance Staff are aligned to different user groups, but this alignment is not the same as the Purchasing section.

Recommendations

Based on our review of Contracts Compliance, we recommend the following:

1. The Contracts Compliance Officers should be aligned with the same user groups as the Purchasing section to provide continuity, required knowledge of opportunities, improved communication on contract timing, and compliance with Federal requirements such as DBE, Davis-Bacon, Brooks Act, and HUD maintenance rates.
2. Contract Compliance Officers cannot contact bidders or offerors directly to request information not provided with bids or offers. They must request information through the purchasing staff. These staff should have the ability to request information directly, to ensure an effective and timely responsiveness check.
3. Like many other public sector organizations, Fulton County should accept the M/FBE certifications of the U.S. Small Business Administration (particularly the 8a program) and large local organizations such as MARTA and the City of Atlanta. This will provide more firms an opportunity to compete for County business.
4. There are few formal and approved procedures, policies, and mandates. A formal set of policies and procedures must be adopted for this group.

5. The section does not publish an annual plan for managing M/FBE, First Source, or service disabled programs. These plans should be developed and published on an annual basis, working jointly with users and purchasing staff. This plan should also be developed in coordination with the County's Economic Development Department as the purposes and goals of the two groups are naturally dependent.

Annual Planning

In order to move to strategic and effective BOC communication and approval, an annual planning process should be established by Purchasing and Contract Compliance. Updates to the Planned Solicitation section of the Fulton County website do occur, but some data is outdated. The following activities should be conducted with Finance, User Representatives, and Departmental l Staff:

1. Meet with user departments to develop a calendar of ITB and RFPs for the upcoming fiscal year
2. Link plans to approved budgets
3. Conduct a spend analysis of previous purchases, planned renewals, and upcoming procurements
4. Develop category plans for major purchase categories, including sourcing projects
5. Evaluate staffing on Purchasing and Contracts Compliance teams.
6. Incorporate data on planned procurements into Contract Compliance planning and outreach.

These plans should be updated on a quarterly basis.

Cooperative Purchasing

Most public sector purchasing departments use available competitive purchasing agreements. 81% of public sector purchasing groups are able to use any contract resulting from another governmental activity, formally advertised solicitation. These organizations use these types of agreements for 22.8% of its public purchases. This level of authority is due to the ability to:

1. Reduce cycle times
2. Achieve lower prices
3. Standardize or optimize products or service features
4. Take advantage of larger organization or leveraged purchasing contract terms and conditions.

We recommend that Fulton County increase their amount of cooperative agreement usage from the 5-6% level as part of its implementation of strategic sourcing and category management. The use of state-wide, national Cooperatives (e.g. U.S. communities), regional or local cooperatives, and GSA Schedules 70 and 84 should be considered.

Section VII. Summary of Recommendations and Proposed Next Steps

A. Recommendations

The following is the list of findings and recommendations based on the work performed by Calyptus:

Overall

1. Purchasing, working with users and finance staff, should develop an annual plan. This plan would include the calendar of procurements to be made, metrics of performance, M/FBE and service-disabled veteran participation, and procurement initiatives.
2. Purchasing should conduct cost analysis and negotiate prices for all sole source contracts. This is an allowable and common practice that will result in cost savings to the County.
3. Board of Commissioners should sign Conflict of Interest statements relating to approvals of contracts. This can be done on an annual basis.
4. Single Bids will be subject to cost and price analysis, and details provided to Board of Commissioners.
5. Pricing for Renewals must be evaluated against market pricing before exercise. This information will be provided to the BOC at the time of extending contracts.
6. Responsibility determinations should be completed for ITBs as well as for RFPs. This also should be considered for procurements over $25,000 to be consistent with federal acquisition.
7. Standard formats, training, and published procedures should be implemented for specifications and statements of work.

Policies and Procedures

8. Since the County may transfer Federal funds into General funds, all of the procurements completed by the County may be subject to Federal procurement rules. This means that the County's Policies and Procedures must adequately address all relevant Federal requirements.

Federal requirements to be addressed are:

- Local Preference
- Brand names
- Micro-Purchase Price Analysis
- Responsibility Determination
- Prequalification Standards
- Independent Cost Estimate
- History of Procurement Documentation to include method of procurement and type of contract planned, basis of award and the basis for the contract price
- Use of T&M Type Contracts to include a separate approval to use this method since there are no other reasonable alternatives available
- Progress Payments

- Federal Clauses
- Brooks Act
- Davis-Bacon (> $2,000)
- HUD Wage Rates for Maintenance
- Liquidated Damages

9. The Fulton County Code must be completely rewritten.
10. The draft set of Fulton County procedures is an improvement over the existing document but the entire manual should be rewritten.
11. The documents on the Purchasing Portal should be integrated into the full purchasing manual.

RFP Process

12. Evaluation Committee membership for RFPs should change (not to include Purchasing and Finance staff) to reflect best practices and behavior of benchmarks. Purchasing and Finance staff would still participate as non-voting members.
13. The financial responsibility evaluation factor (and 5 points) should be eliminated and made part of the overall responsibility determination. Finance staff would still review financial capacity.
14. The disclosure form review should be eliminated as it does not reflect good practice. Aspects of this review can be included in the responsibility determination.
15. Purchasing should recommend awards as result of the VSC evaluation and conduct cost and price analysis based on the price quotations received. This is the practice of public sector procurement departments.
16. Purchasing will conduct negotiations with all selected suppliers under the RFP process. This is an allowable and common practice that will result in cost savings to the County.
17. Purchasing will develop solicitations and contracts for user review and legal approval.
18. Evaluation criteria under RFPs should be unique to specific procurements. Only quality and price criteria are mandatory, along with the chosen socio-economic criteria. Purchasing should take the lead in recommending the appropriate criteria, weighting, and scoring methods.

Organizational Structure

19. Purchasing staff will be organized by user and will become purchase category experts. This will allow for the implementation of Strategic Sourcing that will save the County 5-8% on selected purchases.
20. Contract Compliance Staff should be represented on each Purchasing Team. This will allow for the focused identification of potential M/FBEs and the completion of contractor monitoring.
21. Cost savings will be added as a measure of Purchasing and Contract Compliance performance. This is typical measure for organizations that are operating at a deficit and are trying to manage expenditures.

22. The key metrics for Purchasing should be:
    a. Procurement cycle time improvement
    b. Cost savings
    c. Internal Client Satisfaction
    d. M/FBE utilization and monitoring
    e. Contractor performance improvement

Process Analysis

23. Guidance and training are needed for Purchasing and User departments on the following:
    - Specifications Development
    - Statements of Work (SOWs) Development
    - Cost and Price Analysis
    - RFP Proposal Scoring
    - Market Analysis
24. Purchasing will approve all VSC recommendations before they are presented to BOC. This is a typical practice in the public sector.
25. Contracts Compliance will develop formal plans for their M/FBE and service disabled programs. These plans will outline the annual activities for each program. There is no present set of County-wide plans.
26. Purchasing should have the ability to use any cooperative purchasing contracts that meet the County's technical needs and results in lower prices.
27. Purchasing will implement a demand management program that is aimed to validate user requirements and find potential substitutes. This is presently done on an informal basis. The result will be reduced procurement costs.
28. Contracts Compliance should accept certifications of Minority and Female Business enterprises beyond those currently accepted, including the City of Atlanta, MARTA and the U.S. Small Business Administration.
29. Purchasing should evaluate the following for improvement:
    - Converting annual and other RFQs to multi-year contracts to achieve better pricing and terms.
    - Assessing the purchases made at the $2,499 and $49,999 to ensure that staff is not purposely avoiding the need for increased competition. This is an activity that should be started to assess staff compliance and avoidance of competition.
30. Contracts Compliance should benchmark the use and deployment of small business programs in public sector procurement. This program would encompass all small businesses including M/FBEs and others, and could include annual goals.

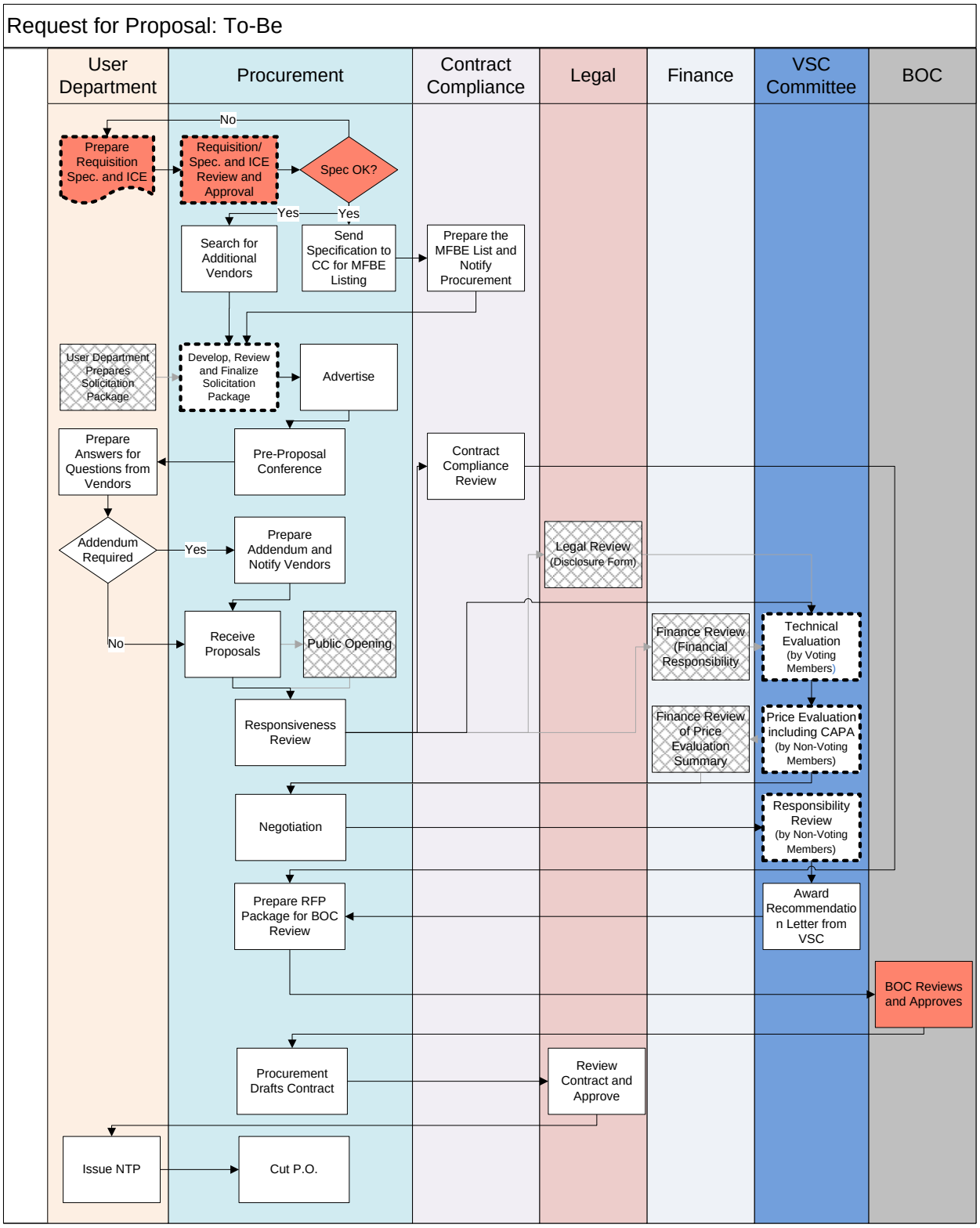
Next Steps

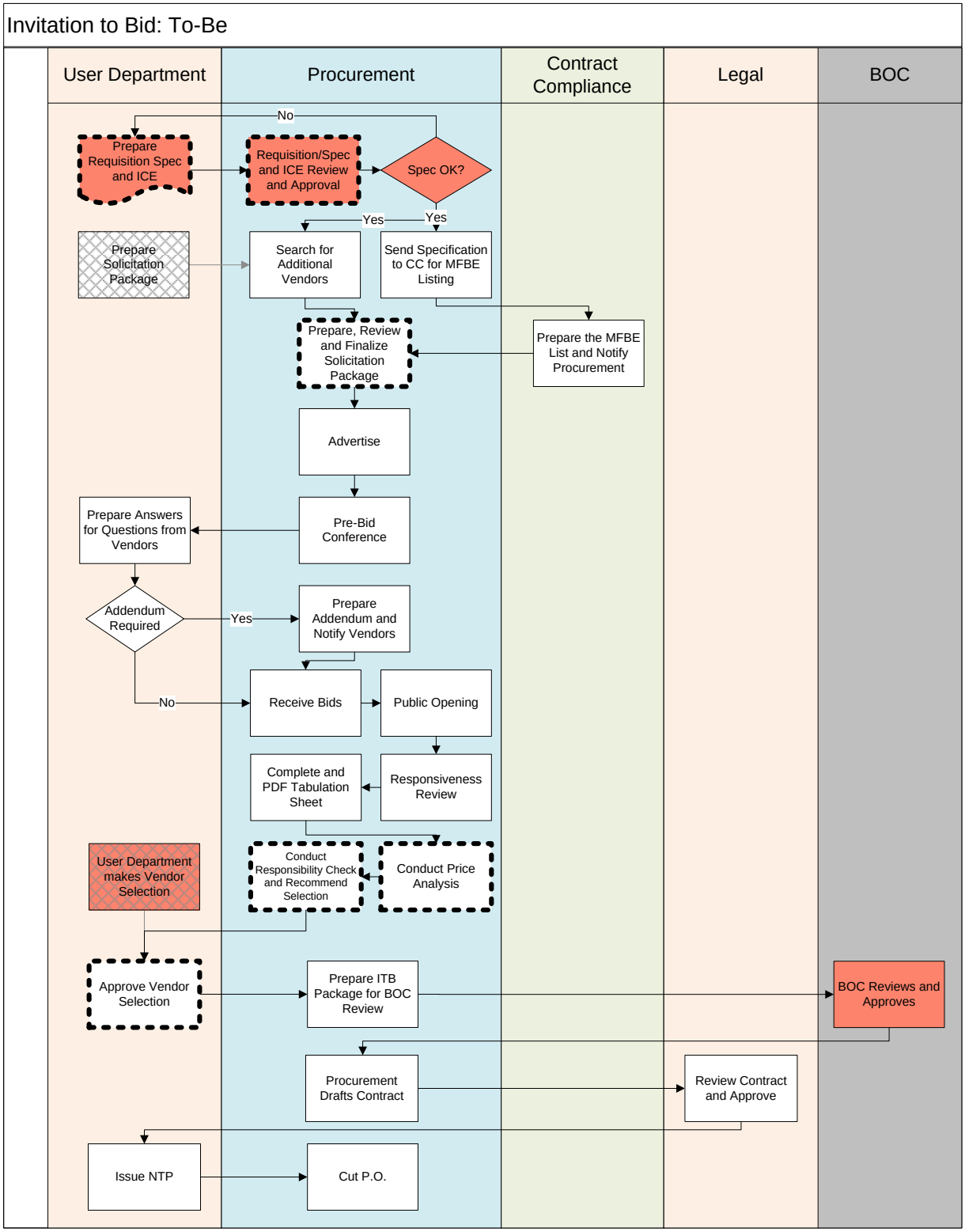
The implementation of these recommendations should begin with the development of a revised Fulton County Code and then Purchasing and Contract Compliance procedures. The development of a hybrid organizational structure with team alignment in the department should follow.

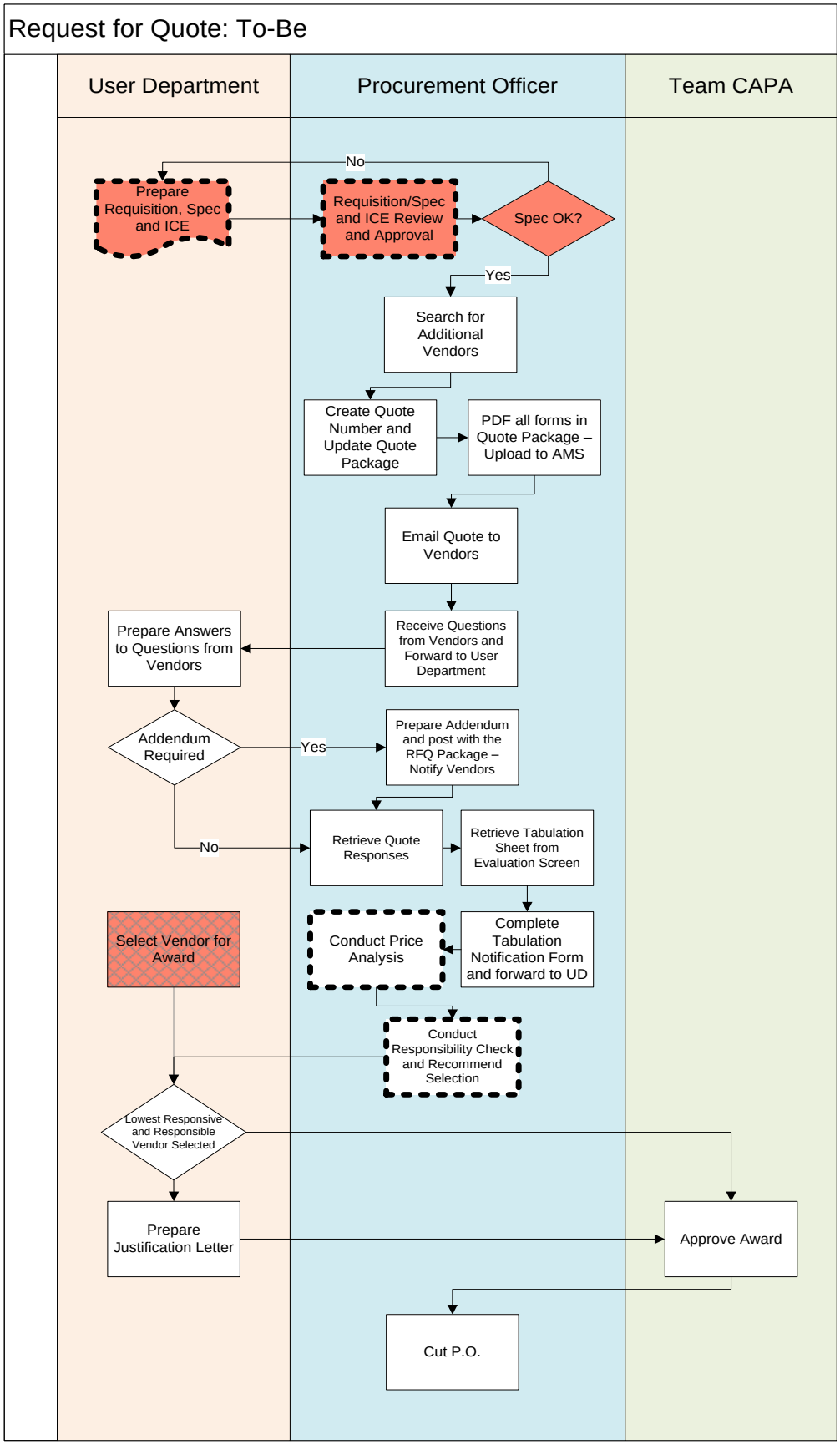
Training on all new procedures should be completed, using in-person and just-in-time eLearning for users and Purchasing staff.

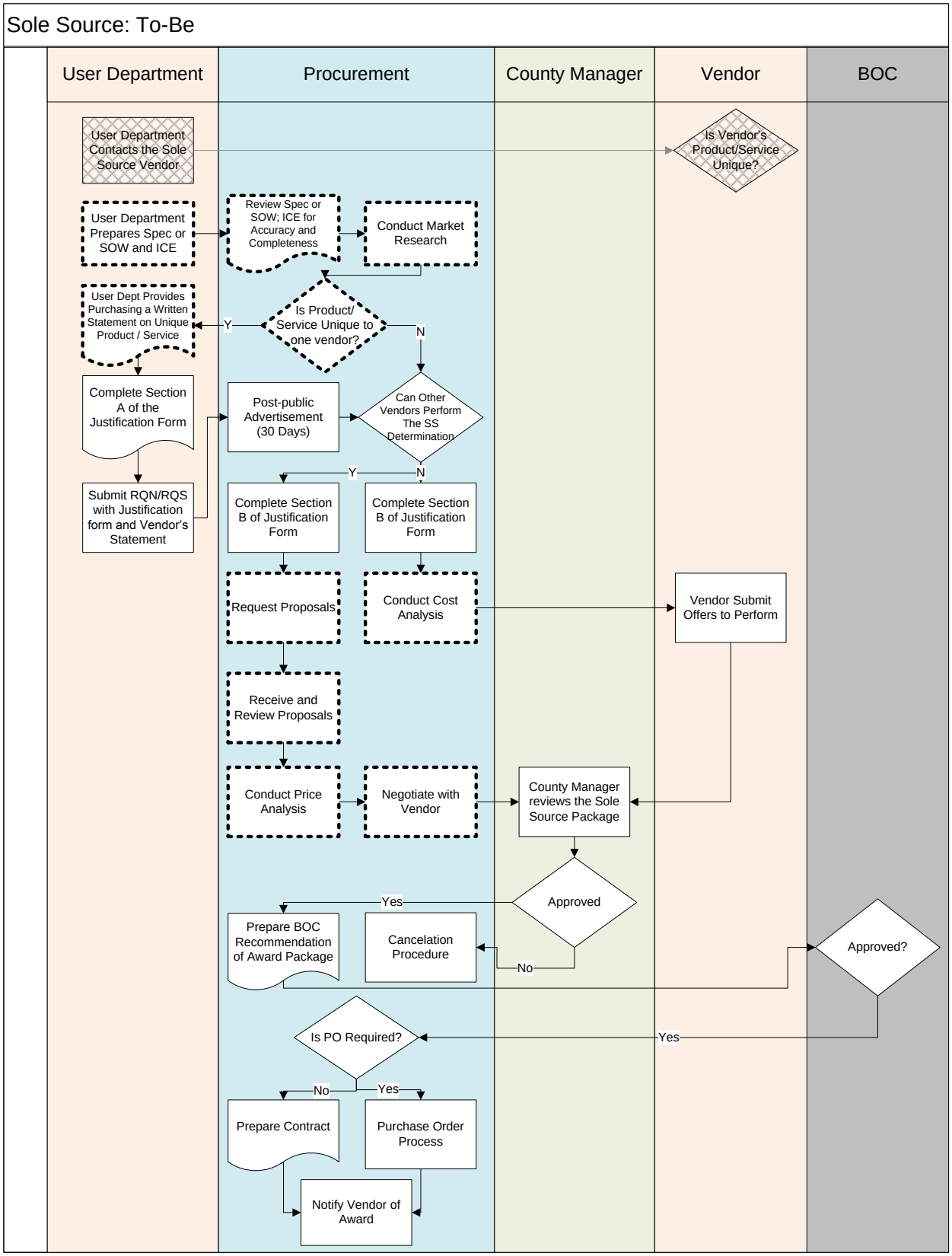
B. Changes to Procurement Processes

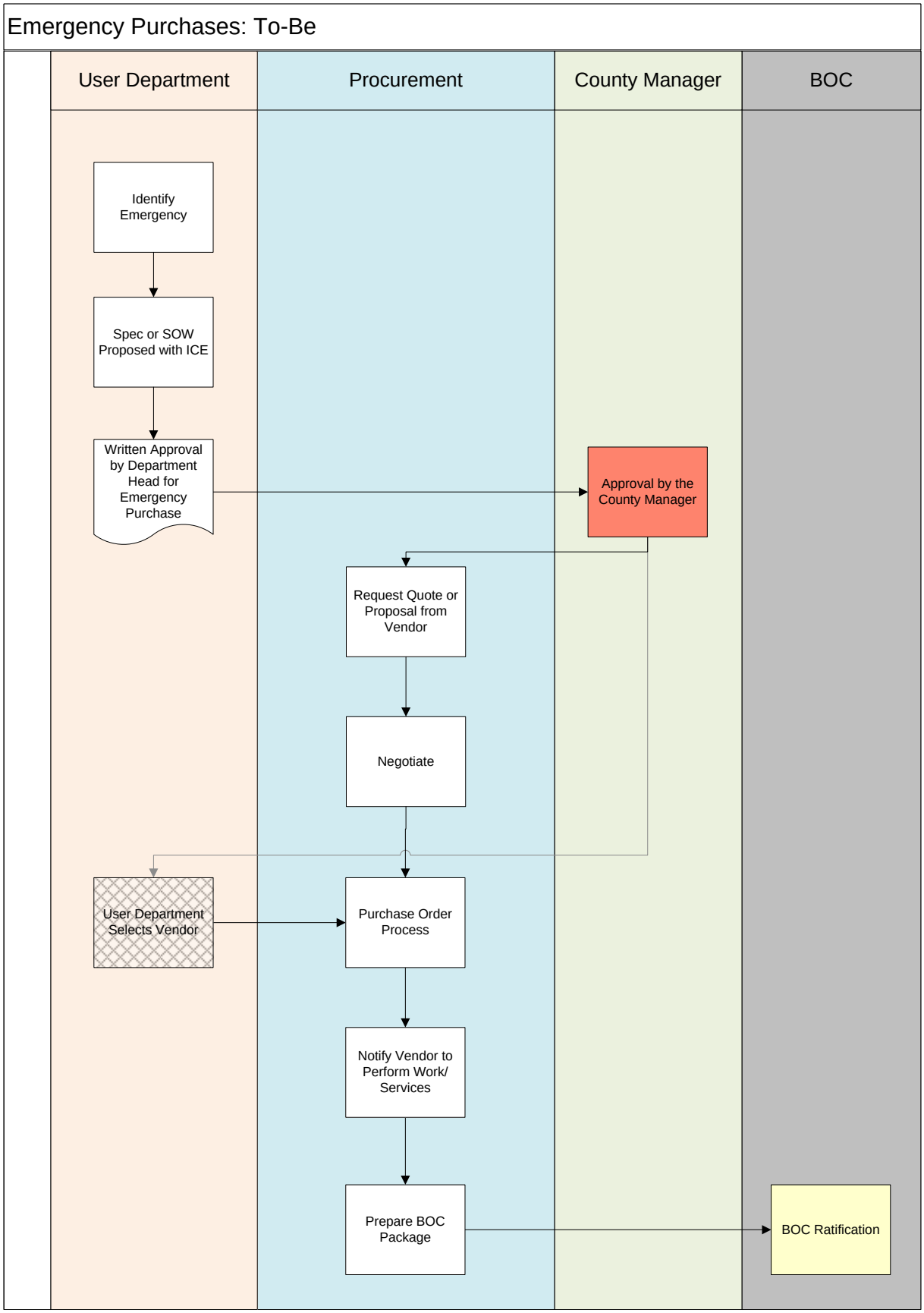
The following changes to the methods of procurement are noted in the next set of charts.

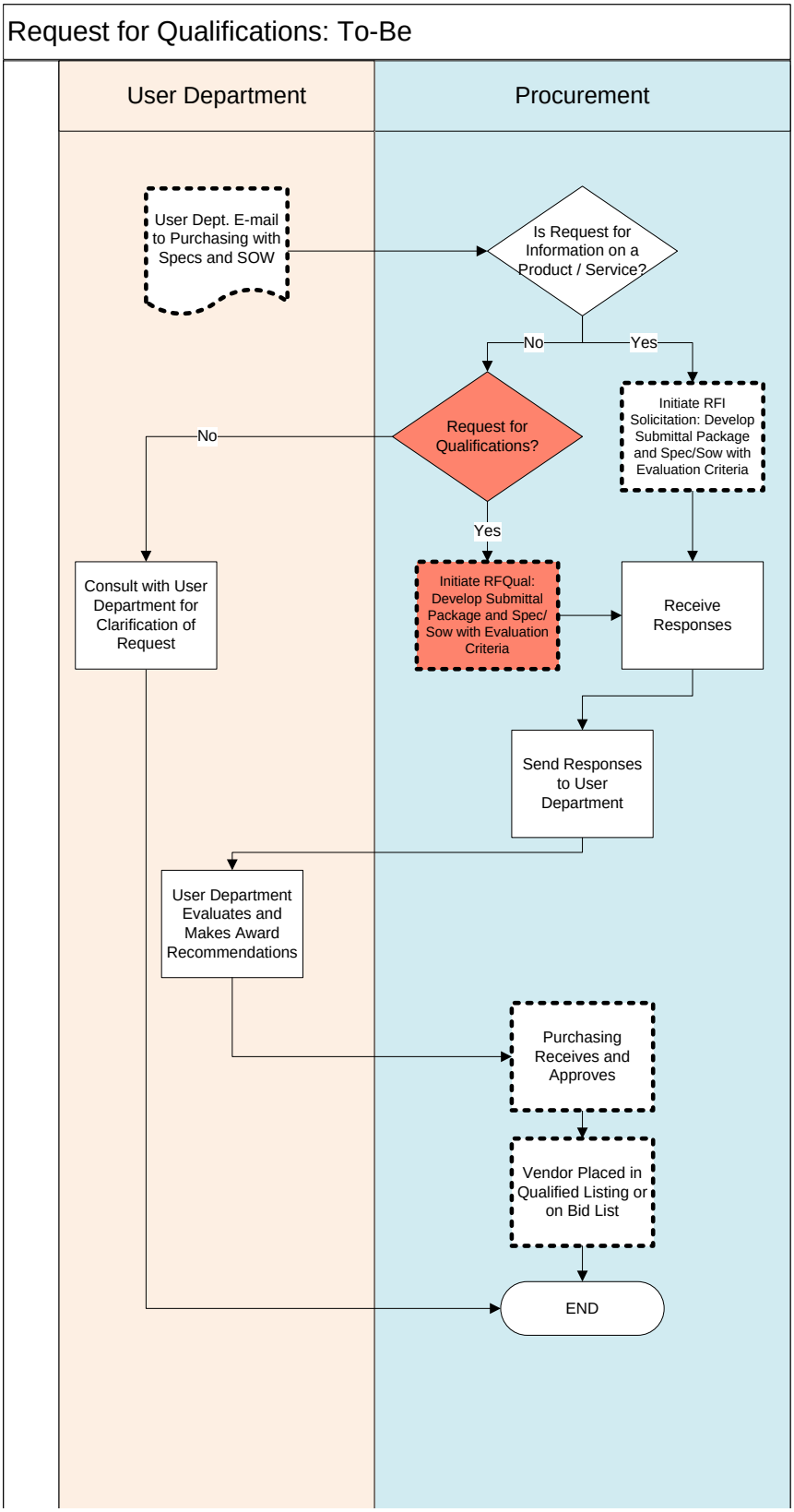



Invitation to Bid: To-Be
User Department
Procurement
Contract Compliance
Legal
BOC
No
Prepare Requisition Spec and ICE
Requisition/Spec and ICE Review and Approval
Spec OK?
Yes
Yes
Prepare Solicitation Package
Search for Additional Vendors
Send Specification to CC for MFBE Listing
Prepare, Review and Finalize Solicitation Package
Prepare the MFBE List and Notify Procurement
Advertise
Prepare Answers for Questions from Vendors
Pre-Bid Conference
Addendum Required
Yes
Prepare Addendum and Notify Vendors
No
Receive Bids
Public Opening
Complete and PDF Tabulation Sheet
Responsiveness Review
User Department makes Vendor Selection
Conduct Responsibility Check and Recommend Selection
Conduct Price Analysis
Approve Vendor Selection
Prepare ITB Package for BOC Review
BOC Reviews and Approves
Procurement Drafts Contract
Review Contract and Approve
Issue NTP
Cut P.O.


Request for Quote: To-Be
User Department
Procurement Officer
Team CAPA
No
Prepare Requisition, Spec and ICE
Requisition/Spec and ICE Review and Approval
Spec OK?
Yes
Search for Additional Vendors
Create Quote Number and Update Quote Package
PDF all forms in Quote Package – Upload to AMS
Email Quote to Vendors
Prepare Answers to Questions from Vendors
Receive Questions from Vendors and Forward to User Department
Addendum Required
Yes
Prepare Addendum and post with the RFQ Package – Notify Vendors
No
Retrieve Quote Responses
Retrieve Tabulation Sheet from Evaluation Screen
Select Vendor for Award
Conduct Price Analysis
Complete Tabulation Notification Form and forward to UD
Conduct Responsibility Check and Recommend Selection
Lowest Responsive and Responsible Vendor Selected
Prepare Justification Letter
Approve Award
Cut P.O.


Sole Source: To-Be
User Department
Procurement
County Manager
Vendor
BOC
User Department Contacts the Sole Source Vendor
Is Vendor's Product/Service Unique?
User Department Prepares Spec or SOW and ICE
Review Spec or SOW; ICE for Accuracy and Completeness
Conduct Market Research
User Dept Provides Purchasing a Written Statement on Unique Product / Service
Y
Is Product/ Service Unique to one vendor?
N
Complete Section A of the Justification Form
Post-public Advertisement (30 Days)
Can Other Vendors Perform The SS Determination
Y
N
Submit RQN/RQS with Justification form and Vendor's Statement
Complete Section B of Justification Form
Complete Section B of Justification Form
Request Proposals
Conduct Cost Analysis
Vendor Submit Offers to Perform
Receive and Review Proposals
Conduct Price Analysis
Negotiate with Vendor
County Manager reviews the Sole Source Package
Approved
Yes
Prepare BOC Recommendation of Award Package
Cancelation Procedure
No
Approved?
Is PO Required?
Yes
No
Yes
Prepare Contract
Purchase Order Process
Notify Vendor of Award


Emergency Purchases: To-Be
User Department
Procurement
County Manager
BOC
Identify Emergency
Spec or SOW Proposed with ICE
Written Approval by Department Head for Emergency Purchase
Approval by the County Manager
Request Quote or Proposal from Vendor
Negotiate
User Department Selects Vendor
Purchase Order Process
Notify Vendor to Perform Work/ Services
Prepare BOC Package
BOC Ratification


Request for Qualifications: To-Be
User Department
Procurement
User Dept. E-mail to Purchasing with Specs and SOW
Is Request for Information on a Product / Service?
No
Yes
Request for Qualifications?
Initiate RFI Solicitation: Develop Submittal Package and Spec/Sow with Evaluation Criteria
No
Yes
Consult with User Department for Clarification of Request
Initiate RFQual: Develop Submittal Package and Spec/ Sow with Evaluation Criteria
Receive Responses
Send Responses to User Department
User Department Evaluates and Makes Award Recommendations
Purchasing Receives and Approves
Vendor Placed in Qualified Listing or on Bid List
END

Appendices

Appendix A: Fulton County Interview Guide – Purchasing and Contracts Compliance Staff

Fulton County Interview Guide Department of Purchasing and Contracts Compliance Staff			
Interviewee Name:		**Date:**	
Position:		**Interviewer:**	

NOTE: Ensure that the interviewee understands the objectives/goals of the consulting project

1. What products and services do you purchase?	
2. Which departments do you buy for?	
3. Who are your largest customers?	
4. Is your job description and accurate reflection of your duties? (give copy of JD for review)	
5. How would you rate the performance of the Department of Purchasing and Contracts Compliance in the following areas:	

	Performance
a. Meeting internal client's cycle time needs	1 2 3 4 5 6 7
b. Following procurement guidelines	1 2 3 4 5 6 7
c. Awarding POs and contracts in a timely manner	1 2 3 4 5 6 7
d. Maximizing competition	1 2 3 4 5 6 7
e. Documenting procurement files	1 2 3 4 5 6 7
f. Being a subject matter expert in what you procure	1 2 3 4 5 6 7
g. Performing cost and price analysis	1 2 3 4 5 6 7
h. Optimizing use of M/FBEs	1 2 3 4 5 6 7

6. How often do you use each procurement method?	Regularly	Sometimes	Never
a. P-Card			
b. Small Purchase			
c. Invitation to Bid (ITB)			
d. Request for Proposals (RFP)			
e. Sole Source			

f. Emergency Procurements			
g. Cooperative Procurements			
7. How are you made aware of policies and procedures governing your purchases? How are you notified of changes in requirements? Where are changes needed?			
8. Do you make purchases with Federal funds? What federal agencies?			
9. At what point in the procurement cycle do you communicate with other staff members in the purchasing department? What are the key points discussed? What data is provided? What guidance is given?			
10. At what point in the procurement cycle do you communicate with user departments? What are the key points discussed? What data is provided? What guidance is given? Who is responsible for supplier/contractor performance?			
11. What is your role in the development of specifications? What is the development process? What guidance or templates are available?			
12. Do you engage in any of the following procurement planning activities? If so, please describe:			
a. Market Research			
b. Specification/SOW Development			
c. Independent Cost Development			
d. Researching Best Practices			
e. Researching previous purchases			
13. What procurement plans currently exist? Do you have a calendar of upcoming procurements? If so, can we get a copy?			

14. Do you engage in category planning? If so, what category plans exist? Can we get copies? (Note to interviewer - Explain what is meant by category planning).	
15. How is the method of procurement determined?	
16. How is the contract type determined?	
17. What is your current work volume of each of the following elements of Purchasing and Contracts Compliance?	
a. P-Card	
b. Small Purchase	
c. Invitation to Bid (ITB)	
d. Request for Proposal (RFP)	
e. Sole Source	
f. Emergency Procurements	
g. Cooperative Procurements	
○ How many requisitions do you process in an average month?	
○ How many bid openings or proposal evaluations in the average week? (break out by individual if multiple persons are present)	
○ How much time is spent on the following activities? (Note to interviewer – should add up to 100%)	
➢ Attending Meetings	
➢ Reviewing Requisitions	
➢ Developing Solicitations	
➢ Evaluating Bids and Proposals	
➢ Developing Contract Documents	
➢ Providing Guidance to User Departments	
18. What is your average cycle time from requisition approval to signed contract? (note type and method of procurement)	

19. What should your key performance measures be?	
20. How should the County measure cost savings?	
21. Which categories do you think have opportunities for strategic sourcing projects? Are there any specific supplies or services you think would benefit from strategic sourcing?	
22. What IT systems do you use? How are these systems used?	
23. On a scale of 1 to 7, how much opportunity is there for increased automation?	
24. What processes do you think should be automated?	
25. Do you have any recommendations on how the Department is organized or work delegated?	

26. Do you have any recommendations on the number of required approvals?

Too Many	Just Right	Too Few

27. Do you think the procurement teams should be divided according to users or according to purchase categories?	
28. Are there any steps in the process for the following procurement methods that you feel do not add value?	
a. P-Card	
b. Small Purchase	
c. Invitation to Bid (ITB)	
d. Request for Proposal (RFP)	
e. Sole Source	
f. Emergency Procurements	

g. Cooperative Procurements	
29. What kinds of training would be useful for you to attend in purchasing/procurement topics?	
30. Do you have any additional recommendations for improvement or change to the Purchasing and Contracts Compliance Department?	
○ Requisitions	
○ Invitations to Bid (ITB)	
○ Requests for Proposals (RFP)	
○ Contract Execution	
○ Other	

Appendix B: Fulton County Interview Guide – User Department Staff

Fulton County Interview Guide User Department Staff			
Interviewee Name:		**Date:**	
Position:		**Interviewer:**	

NOTE: Ensure that the interviewee understands the objectives/goals of the consulting project

1. What products and services do you purchase through the County's Department of Purchasing and Contracts Compliance?	
2. What products and services do you purchase on your own? Up to what threshold do you have the authority to purchase?	
3. What supplies or services that you purchase do you consider highly specialized?	
4. On what issues do you interact with Purchasing? Who is responsible for supplier performance?	
5. How would you rate the performance of the Department of Purchasing and Contracts Compliance in the following areas:	

		Performance
a.	Meeting internal client's cycle time needs	1 2 3 4 5 6 7
b.	Following procurement guidelines	1 2 3 4 5 6 7
c.	Awarding POs and contracts in a timely manner	1 2 3 4 5 6 7
d.	Maximizing competition	1 2 3 4 5 6 7
e.	Documenting procurement files	1 2 3 4 5 6 7
f.	Being a subject matter expert in what you procure	1 2 3 4 5 6 7
g.	Performing cost and price analysis	1 2 3 4 5 6 7
h.	Optimizing use of M/FBEs	1 2 3 4 5 6 7

6. How often do you use each procurement method?	Regularly	Sometimes	Never
a. P-Card			
b. Small Purchase			
c. Invitation to Bid (ITB)			
d. Request for Proposals (RFP)			
e. Sole Source			
f. Emergency Procurements			
g. Cooperative Procurements			
7. Do you make purchases with Federal funds? What agencies?			
8. At what point in the procurement cycle do you communicate with Purchasing?			
9. What are the key points discussed?			
10. What data is provided?			
11. What guidance is given?			
12. What is your role in the development of specifications? What is the development process? What guidance or templates are available?			
13. Do you engage in any of the following procurement planning activities? If so, can you describe the activities? What are the challenges?			
○ Market Research			
○ Specification/SOW Development			
○ Independent Cost Estimate Development			
○ Researching Best Practices			
○ Researching previous purchases by County			

14. What is your involvement in determining the method of procurement?	
15. What is your involvement in determining the contract type?	
16. How much time is spent on the following activities?	
○ Attending Meetings on procurement	
○ Preparing Requisitions	
○ Developing SOWs and ICEs	
○ Evaluating Bids and Proposals	
○ Managing Supplier Performance	
17. What is the average cycle time from requisition approval to signed contract? (note type and method of procurement)	
18. What should the key performance measures be for Purchasing?	
19. Should Purchasing measure cost savings? If so, how?	
20. What categories do you think have opportunities for strategic sourcing projects? Are there any specific supplies or services you think would benefit from strategic sourcing?	
21. What IT systems do you use? How are these systems used?	
22. On a scale of 1 to 7, how much opportunity is there for increased automation?	
23. What processes do you think should be automated?	
24. Do you have any recommendations on how the Department is organized or work delegated?	
25. Do you have any recommendations on the number of required approvals?	

Too Many	Just Right	Too Few

26. Do you think the procurement teams should be divided according to users or according to purchase categories?	
27. Are there any steps in the process for the following procurement methods that you feel do not add value?	
a. P-Card	
b. Small Purchase	
c. Invitation to Bid (ITB)	
d. Request for Proposal (RFP)	
e. Sole Source	
f. Emergency Procurements	
g. Cooperative Procurements	
28. What kinds of training would be useful for you to attend in purchasing/procurement topics?	
29. How can communications be improved with Purchasing?	
30. What are your ideas about how to reduce costs?	
31. Do you have any additional recommendations for improvement or change to the Purchasing and Contracts Compliance Department?	
○ Requisitions	
○ Invitations to Bid (ITB)	
○ Requests for Proposals (RFP)	
○ Contract Execution	
○ Other	

Appendix C: File Review Checklists

Fulton County	**Contractor:**
Reviewer:	**PO/Contract Number:**
Date Reviewed:	**Description:**
Observations:	**Award Amount:**

	Element	Requirement	ND	D	NA	Comments
	Independent Cost Estimate The User Department shall transmit to Purchasing for each and every project to be bid: • One copy of the project specifications for review • Project scope of work and cost estimate • Breakout of project elements	**Purchasing Procedures for User Departments (Nov-2010)**				
	Specifications Drafted to Encourage Competition The Purchasing Agent (Director of Purchasing & Contract Compliance) has general authority over specifications. • Verify that specifications are drafted to promote economy and to encourage maximum competition in satisfying the County's needs. • Verify that specifications are not unduly restrictive	**Purchasing Procedures for User Departments (Nov-2010)**				
	Brand Name of Equal "Brand name or equal" specifications shall designate three (3) or as many different brands as are practical and shall permit substantially equivalent products to be considered for award. "Brand name or equal" specifications shall include a description of the particular design, function, or performance characteristics which are required and an explanation that the use of a brand name is for the purpose of describing the standard of equality, performance and characteristics desired and is not intended to limit or restrict competition. If brand name specifications are not used, select N/A.	**Purchasing Procedures for User Departments (Nov-2010)**				
	Geographic Preferences This is a federally-funded procurement; the solicitation contains no in-State or local geographic preference. If the procurement is not federally-funded, select N/A.	**Federal**				

	Written Recommendation to Utilize Competitive Sealed Proposals When the county manager and the purchasing agent, upon written recommendation of the user department, determine that the use of competitive sealed bidding is not practicable or is not advantageous to the county, a contract may be entered into by the board of commissioners based on competitive sealed proposals	**FC Code Sec. 2-320**				
	Review of Financial Responsibility for Request for Proposals It is the policy of the County to conduct a review of a firm's financial responsibility in order to determine whether the firms' capability to successfully perform the work.	**BOC Policy and Procedure #800-12** **(April 21, 2010)**				
	Evaluation and Award of County Contracts A. The Purchasing Agent, in conjunction with the user department, shall ensure that every solicitation of bids, request for proposals, and solicitation for competitive sealed proposals, issued on or after March 1, 2006, shall contain instructions stating substantially the following: 1. No person, firm, or business entity, however situated or composed, obtaining a copy of or responding to this solicitation, shall initiate or continue any verbal or written communication regarding this solicitation with any County officer, elected official, employee, or designated County representative, between the date of the issuance of this solicitation and the date of the County Manager's recommendation to the Board of Commissioners for award of the subject contract, except as may otherwise be specifically authorized and permitted by the terms and conditions of this solicitation.	**BOC Policy and Procedure #800-9** **(March 1, 2006)**				
	Written Procurement Selection Procedures The solicitation identifies all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.	**Federal**				
	Solicitation Prequalification Criteria The solicitation required prequalification of persons, firms, or products. The list is current, includes enough qualified sources to ensure maximum full and open competition, and potential bidders are not precluded from qualifying during the solicitation period from issuance of the solicitation to its closing date. If the solicitation does not contain a prequalification requirement, check NA.	**Federal**				

	Sound and Complete Agreement This contract is a sound and complete agreement. In addition, it includes remedies for breach of contract and provisions covering termination for cause and convenience.	**Federal**				
	Adequate Competition C. REQUISITIONS OF $20,000 OR GREATER Competition and advertisement are required when the total amount of a solicitation is $20,000 or greater.	**BOC Policy and Procedure #800-2** **(October 19, 1994)**				
	Advertisement and Public Notice An advertisement inviting bids/proposals shall be published for no less than four (4) weeks on the County's Bid Opportunity website, the Georgia Procurement Registry, in newspapers and other local publications. The public notice shall contain a general description of the supplies, services, construction or professional and consultant services to be procured and shall state the location of where appropriate solicitation documents may be obtained and the time, date and place of pre-bid/pre-proposal conference (if applicable) as well as the bid opening. Additionally, all notices must advise potential bidders/offerors of any mandatory prequalification requirements, and/or any federal requirements and notice of bid security if required. Plans and specifications must be available on the first day of the advertisement, and must be available for review by the public. Invitation to Bid and Request for Proposal solicitations exceeding $50,000 requires a legal notice to be advertised in the legal organ of the County. The legal organ of Fulton County is the Fulton County Daily Report.	**BOC Policy and Procedure #800-2** **(October 19, 1994)** **Purchasing Procedures for User Departments (Nov-2010)**				
	Justification for Selection of Other Than the Lowest Bidder D. ALL REQUISITIONS OVER $1,500: Departments selecting other than the lowest bidder must furnish the Purchasing Agent a written justification, stating why each bidder with a lower price was rejected. If other than the lowest bidder was not selected, select N/A.	**BOC Policy and Procedure #800-2** **(October 19, 1994)**				
	Evaluation of Options / Renewal of Contracts for Services Prior to any contract renewal, the required evaluation of outside vendor shall encompass, at a minimum, an analysis of the following standards:	**BOC Resolution - Renewal of Contracts for Services** **(July 19, 2000)**				

	1) Vendor Performance 2) Market Analysis 3) Cost Savings					
	Rejecting Bids Purchasing staff will identify those that are clearly non-responsive, incomplete or otherwise unacceptable. The proposer will be notified in writing regarding the reasons for rejection. If no bids were rejected, check NA.	**Purchasing Procedures for User Departments (Nov-2010)**				
	Selection Committee The Director of Purchasing & Contract Compliance, in conjunction with the User Department Head, shall establish a vendor selection committee in all cases where goods or services of any kind are to be obtained through the solicitation of competitive sealed proposals (RFP). Each vendor selection committee (VSC) shall have five (5) voting members as follows; (i) two (2) members shall be employees of the purchasing department appointed by the purchasing agent (ii) two (2) members shall be employees of the user department appointed by the director of the user department; and (iii) one (1) member shall be an employee of the finance department appointed by the director of finance.	**Purchasing Procedures for User Departments (Nov-2010)** **FC Code Sec. 102-360**				
	Evaluation of Disclosure Form and Questionnaire It is the policy of the County to review the history of litigation of each proposer that includes bankruptcy history, insolvency history, civil and criminal proceedings, judgments and termination for cause in order to determine whether the firms' business practices, legal practices and overall reputation in the industry is one that would be acceptable to perform work for Fulton County. 1. The Disclosure Form and Questionnaire shall become a weighted criteria in the evaluation of Request for Proposals. **2.** The Department of Purchasing & Contract Compliance RFP solicitation documents shall require that potential proposers complete the Disclosure Form and Questionnaire	**Purchasing Procedures for User Departments (Nov-2010)**				
	Evaluation of Cost Once technical scoring has been completed, the purchasing representative on the Vendor Selection Committee shall obtain the cost proposals from the safe and only the voting members of the Vendor Selection Committee shall open, discuss and score the cost proposals. The County has established the following formula to evaluate cost proposals for Request for	**Purchasing Procedures for User Departments (Nov-2010)**				

	Proposals (RFP): (Lowest cost submitted/Each successive cost) X Points allocated for cost in RFP = Cost proposal score					
	Recommendation of Award / Price and Other Factors The award shall be made by the Board of Commissioners to the responsible offeror whose proposal is determined, upon written recommendation by the county manager, the purchasing agent and the User Department, to be in the best interest of the county, taking into consideration price and the evaluation factors set forth in the request for proposals.	**Purchasing Procedures for User Departments (Nov-2010)**				
	Written Record of Procurement History The file contains records detailing the history of this procurement. At a minimum, these records include: (1) Rationale for the method of procurement, (2) Selection of contract type, (3) Reasons for contractor selection or rejection, and (4) Basis for the contract price. Check "Not Deficient" if #3 & 4 are recorded.	**Federal**				
	Out of Scope Changes Fulton County amended this contract outside the scope of the original contract. The amendment was treated as a sole source procurement (complying with requirements for a justification, cost analysis and profit negotiation). If the contract was not modified or if all reviewed modifications were within the scope of the contract, check Not Applicable.	**Federal**				
	Advance Payment Provisions The contractor did not receive an advance payment utilizing federal funds and the contract does not contain advance payment provisions or, if it did, prior written concurrence was obtained from government agency.	**Federal**				
	Progress Payment Provisions The contract contains progress payments based on costs incurred (as opposed to percent of completion, except that percent of completion may be used in construction contracts) and the contract contains a provision giving Fulton County title to property (materials, work in progress, and finished goods) for which progress payments are made. The contract may contain other security in lieu of obtaining title.	**Federal**				

	If the contract does not contain progress payments, check NA.					
	Time and Materials Provisions This is a time and materials contract; Fulton County determined that no other type of contract is suitable; and the contract specifies a ceiling price. If this is not a time and materials contract, check NA.	**Federal**				
	Cost Plus Percentage of Cost This is not a cost plus a percentage of cost type contract.	**Federal**				
	Liquidated Damages Provisions This contract contains liquidated damages provisions and the assessment for damages is specified in the contract at a specific rate per day for each day of overrun in contract time. If this contract does not contain liquidated damages provisions, check NA	**Federal**				
	Clauses This contract contains the appropriate federal and Fulton County-required clauses.	**Federal**				
	Office of Contract Compliance Review Upon receipt of all responsive bids and/or proposals, the assigned Contract Compliance Officer will review all required submittals: • To ensure all M/FBE exhibits have been submitted and are correctly completed • To verify if any minority firms listed are certified with Fulton County • To confirm dollar value(s) listed in bid/proposal is commensurate with bid amount or cost proposal submitted	**Purchasing Procedures for User Departments (Nov-2010)**				
	M/FBE Participation Memo The Compliance Officer then develops M/FBE Participation Memo for each Board item listed on the agenda. The memo is submitted to the Director of Purchasing and Contract Compliance and will summarize the overall subcontracting opportunities (if applicable) as well as the overall minority and female participation.	**Purchasing Procedures for User Departments (Nov-2010)**				
	First Source Jobs Policy Provide all forms, applications, documents and papers related to the First Source Jobs Program in all solicitation documents for eligible projects valued in excess of	**BOC Policy and Procedure #800-13** **(September 15,**				

	$200,000. The County shall require the contractor for every eligible project to enter into a First Source Agreement. If procurement is <$200K, select N/A.	**2010)**				

Fulton County	**Contractor:**				
Reviewer:	**PO Number:**				
Date Reviewed:	**Description:**				
Observations:	**Award Amount:**				
Element	**Requirement**	**ND**	**D**	**NA**	**Comments**
Independent Cost Estimate The User Department shall transmit to Purchasing for each and every project to be bid: • One copy of the project specifications for review • Project scope of work and cost estimate • Breakout of project elements	**Purchasing Procedures for User Departments (Nov-2010)**				
Specifications Drafted to Encourage Competition The Purchasing Agent (Director of Purchasing & Contract Compliance) has general authority over specifications. • Verify that specifications are drafted to promote economy and to encourage maximum competition in satisfying the County's needs. • Verify that specifications are not unduly restrictive	**Purchasing Procedures for User Departments (Nov-2010)**				
Brand Name of Equal "Brand name or equal" specifications shall designate three (3) or as many different brands as are practical and shall permit substantially equivalent products to be considered for award. "Brand name or equal" specifications shall include a description of the particular design, function, or performance characteristics which are required and an explanation that the use of a brand name is for the purpose of describing the standard of equality, performance and characteristics desired and is not intended to limit or restrict competition. If brand name specifications are not used, select N/A.	**Purchasing Procedures for User Departments (Nov-2010)**				

Advertisement and Public Notice An advertisement inviting bids/proposals shall be published for no less than four (4) weeks on the County's Bid Opportunity website, the Georgia Procurement Registry, in newspapers and other local publications. The public notice shall contain a general description of the supplies, services, construction or professional and consultant services to be procured and shall state the location of where appropriate solicitation documents may be obtained and the time, date and place of pre-bid/pre-proposal conference (if applicable) as well as the bid opening. Additionally, all notices must advise potential bidders/offerors of any mandatory prequalification requirements, and/or any federal requirements and notice of bid security if required. Plans and specifications must be available on the first day of the advertisement, and must be available for review by the public. <u>Invitation to Bid and Request for Proposal solicitations exceeding $50,000 requires a legal notice to be advertised in the legal organ of the County. The legal organ of Fulton County is the Fulton County Daily Report.</u>	**BOC Policy and Procedure #800-2** **(October 19, 1994)** **Purchasing Procedures for User Departments (Nov-2010)**				
Geographic Preferences This is a federally-funded procurement; the solicitation contains no in-State or local geographic preference. If the procurement is not federally-funded, select N/A.	**Federal**				
Evaluation and Award of County Contracts A. The Purchasing Agent, in conjunction with the user department, shall ensure that every solicitation of bids, request for proposals, and solicitation for competitive sealed proposals, issued on or after March 1, 2006, shall contain instructions stating substantially the following: 1. No person, firm, or business entity, however situated or composed, obtaining a copy of or responding to this solicitation, shall initiate or continue any verbal or written communication regarding this solicitation with any County officer, elected official, employee, or designated County representative, between the date of the issuance of this solicitation and the date of the County Manager's recommendation to the Board of Commissioners for award of the subject contract, except as may otherwise be specifically authorized and permitted by the terms and conditions of this solicitation.	**BOC Policy and Procedure #800-9** **(March 1, 2006)**				
Written Procurement Selection Procedures The solicitation identifies all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.	**Federal**				

Solicitation Prequalification Criteria The solicitation required prequalification of persons, firms, or products. The list is current, includes enough qualified sources to ensure maximum full and open competition, and potential bidders are not precluded from qualifying during the solicitation period from issuance of the solicitation to its closing date. If the solicitation does not contain a prequalification requirement, check NA.	**Federal**				
Sound and Complete Agreement This contract is a sound and complete agreement. In addition, it includes remedies for breach of contract and provisions covering termination for cause and convenience.	**Federal**				
Rejecting Bids Purchasing staff will identify those that are clearly non-responsive, incomplete or otherwise unacceptable. The proposer will be notified in writing regarding the reasons for rejection. If no bids were rejected, check NA.	**Purchasing Procedures for User Departments (Nov-2010)**				
Lowest Responsible Bidder In competitive sealed bidding, the lowest bid is evaluated to determine whether it is responsive and responsible; if it meets these criteria, the award recommendation should be made to the lowest bidder. The User Department is responsible for providing an award recommendation to the County Manager through the Director of Purchasing & Contract Compliance to be presented to the Board of Commissioners.	**Purchasing Procedures for User Departments (Nov-2010)**				
Award to Responsible Contractor Fulton County made a determination that it was awarding to a responsible contractor considering such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.	**Federal**				
Firm Fixed Price A firm fixed price contract was appropriate for this procurement.	**Federal**				
Selection on Price The selection of the successful bidder could be made principally on the basis of price.	**Federal**				

Discussions Unnecessary In this procurement, other than a pre-bid conference, discussions with bidders should not be needed between solicitation and award.	**Federal**				
Sufficient Bid Time Prospective bidders were provided sufficient time to prepare bids prior to the date set for opening the bids.	**Federal**				
Bid Opening All bids were publicly opened at the time and place prescribed in the invitation for bids.	**Federal**				
Evaluation of Options / Renewal of Contracts for Services Prior to any contract renewal, the required evaluation of outside vendor shall encompass, at a minimum, an analysis of the following standards: 4) Vendor Performance 5) Market Analysis 6) Cost Savings	**BOC Resolution - Renewal of Contracts for Services** **(July 19, 2000)**				
Cost or Price Analysis Either a cost analysis, with associated profit negotiation, or a price analysis was performed and documented in the procurement file with respect to the initial contract award. Also cost analysis was performed when negotiating contract modifications unless price reasonableness was established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.	**Federal**				
Written Record of Procurement History The file contains records detailing the history of this procurement. At a minimum, these records include: (1) Rationale for the method of procurement, (2) Selection of contract type, (3) Reasons for contractor selection or rejection, and (4) Basis for the contract price. Check "Not Deficient" if #3 & 4 are recorded.	**Federal**				
Out of Scope Changes Fulton County amended this contract outside the scope of	**Federal**				

the original contract. The amendment was treated as a sole source procurement (complying with requirements for a justification, cost analysis and profit negotiation). If the contract was not modified or if all reviewed modifications were within the scope of the contract, check Not Applicable.					
Advance Payment Provisions The contractor did not receive an advance payment utilizing federal funds and the contract does not contain advance payment provisions or, if it did, prior written concurrence was obtained from government agency.	**Federal**				
Progress Payment Provisions The contract contains progress payments based on costs incurred (as opposed to percent of completion, except that percent of completion may be used in construction contracts) and the contract contains a provision giving Fulton County title to property (materials, work in progress, and finished goods) for which progress payments are made. The contract may contain other security in lieu of obtaining title. If the contract does not contain progress payments, check NA.	**Federal**				
Time and Materials Provisions This is a time and materials contract; Fulton County determined that no other type of contract is suitable; and the contract specifies a ceiling price. If this is not a time and materials contract, check NA.	**Federal**				
Cost Plus Percentage of Cost This is not a cost plus a percentage of cost type contract.	**Federal**				
Liquidated Damages Provisions This contract contains liquidated damages provisions and the assessment for damages is specified in the contract at a specific rate per day for each day of overrun in contract time. If this contract does not contain liquidated damages provisions, check NA	**Federal**				
Clauses This contract contains the appropriate federal and Fulton County-required clauses.	**Federal**				

Office of Contract Compliance Review Upon receipt of all responsive bids and/or proposals, the assigned Contract Compliance Officer will review all required submittals: • To ensure all M/FBE exhibits have been submitted and are correctly completed • To verify if any minority firms listed are certified with Fulton County • To confirm dollar value(s) listed in bid/proposal is commensurate with bid amount or cost proposal submitted	**Purchasing Procedures for User Departments (Nov-2010)**				
M/FBE Participation Memo The Compliance Officer then develops M/FBE Participation Memo for each Board item listed on the agenda. The memo is submitted to the Director of Purchasing and Contract Compliance and will summarize the overall subcontracting opportunities (if applicable) as well as the overall minority and female participation.	**Purchasing Procedures for User Departments (Nov-2010)**				
First Source Jobs Policy (September 15, 2010) Provide all forms, applications, documents and papers related to the First Source Jobs Program in all solicitation documents for eligible projects valued in excess of $200,000. The County shall require the contractor for every eligible project to enter into a First Source Agreement.	**BOC Policy and Procedure #800-13**				

Fulton County	**Contractor:**				
Reviewer:	**PO Number:**				
Date Reviewed:	**Description:**				
Observations:	**Award Amount:**				
Element	**Requirement**	**ND**	**D**	**NA**	**Comments**
Independent Cost Estimate The User Department shall transmit to Purchasing for each and every project to be bid: • One copy of the project specifications for review • Project scope of work and cost estimate • Breakout of project elements	**Purchasing Procedures for User Departments (Nov-2010)**				

Conditions for Sole Source (August 5, 2009) The Board of Commissioners has authorized that the following categories are permitted as basis for conditions allowing award of contracts without competition: A. When required in order to comply with, or avoid voiding of or penalties under, licenses and warranties held by the County. B. Acquiring the services of an expert or neutral person for any anticipated litigation or dispute. C. The existence of limited rights in data, patent rights, copyrights, or secret processes; D. When necessary to maintain compatibility with existing equipment or systems E. Authorized or required by statute F. Supplies may be deemed to be available only from the original source in the case of a follow-on contract G. A governmental agency is the only provider H. When a review of the market demonstrates that the work, services, or materials sought by Fulton County are so unique that only one vendor can satisfy the County's requirements. I. Acquiring utility services. J. Acquiring legal counsel.	**Policy and Procedure #800-11**				
Sole Source Justification (August 5, 2009) The User Department requesting the sole source must submit a memo to the Purchasing Department detailing the justification for sole source designation, a completed Sole Source Justification Form and a letter from the vendor indicating their justification of the sole source designation. Justification Form – If the purchasing department representative determines the needed good or service should be designated as a sole source acquisition, the purchasing representative shall complete the Sole Source Justification Form.	**Policy and Procedure #800-11**				
Advertising and Public Notice (August 5, 2009) Post Public Advertisement – All intended sole source acquisitions shall be advertised on the Fulton County Bid Board for a minimum of five (5) business days. Public Notice – The purpose of the public notice is to provide any potential qualified vendors the opportunity to respond. The advertisement shall include the following information; a brief description of the supplies and/or services, the identity of the sole source supplier, a copy of the completed Sole Source Justification Form and instructions to the vendors how to submit any offers to perform the sole source determination.	**Policy and Procedure #800-11**				
Brand Name of Equal "Brand name or equal" specifications shall designate three	**Purchasing Procedures for User**				

(3) or as many different brands as are practical and shall permit substantially equivalent products to be considered for award. "Brand name or equal" specifications shall include a description of the particular design, function, or performance characteristics which are required and an explanation that the use of a brand name is for the purpose of describing the standard of equality, performance and characteristics desired and is not intended to limit or restrict competition. If brand name specifications are not used, select N/A.	**Departments (Nov-2010)**				
Geographic Preferences This is a federally-funded procurement; the solicitation contains no in-State or local geographic preference. If the procurement is not federally-funded, select N/A.	**Federal**				
Sound and Complete Agreement This contract is a sound and complete agreement. In addition, it includes remedies for breach of contract and provisions covering termination for cause and convenience.	**Federal**				
Award to Responsible Contractor Fulton County made a determination that it was awarding to a responsible contractor considering such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.	**Federal**				
Specifications Drafted to Encourage Competition The Purchasing Agent (Director of Purchasing & Contract Compliance) has general authority over specifications. • Verify that specifications are drafted to promote economy and to encourage maximum competition in satisfying the County's needs. • Verify that specifications are not unduly restrictive	**Purchasing Procedures for User Departments (Nov-2010)**				
Cost Analysis Required Cost analysis and profit negotiations were performed (initial award and modifications) and documented or price reasonableness was established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.	**Federal**				
Evaluation of Options / Renewal of Contracts for Services Prior to any contract renewal, the required evaluation of outside vendor shall encompass, at a minimum, an analysis	**BOC Resolution - Renewal of Contracts for Services**				

of the following standards: 7) Vendor Performance 8) Market Analysis 9) Cost Savings	**(July 19, 2000)**				
Written Record of Procurement History The file contains records detailing the history of this procurement. At a minimum, these records include: (1) Rationale for the method of procurement, (2) Selection of contract type, (3) Reasons for contractor selection or rejection, and (4) Basis for the contract price. Check "Not Deficient" if #3 & 4 are recorded.	**Federal**				
Out of Scope Changes Fulton County amended this contract outside the scope of the original contract. The amendment was treated as a sole source procurement (complying with requirements for a justification, cost analysis and profit negotiation). If the contract was not modified or if all reviewed modifications were within the scope of the contract, check Not Applicable.	**Federal**				
Advance Payment Provisions The contractor did not receive an advance payment utilizing federal funds and the contract does not contain advance payment provisions or, if it did, prior written concurrence was obtained from government agency.	**Federal**				
Progress Payment Provisions The contract contains progress payments based on costs incurred (as opposed to percent of completion, except that percent of completion may be used in construction contracts) and the contract contains a provision giving Fulton County title to property (materials, work in progress, and finished goods) for which progress payments are made. The contract may contain other security in lieu of obtaining title. If the contract does not contain progress payments, check NA.	**Federal**				
Time and Materials Provisions This is a time and materials contract; Fulton County determined that no other type of contract is suitable; and the contract specifies a ceiling price.	**Federal**				

If this is not a time and materials contract, check NA.					
Cost Plus Percentage of Cost This is not a cost plus a percentage of cost type contract.	**Federal**				
Liquidated Damages Provisions This contract contains liquidated damages provisions and the assessment for damages is specified in the contract at a specific rate per day for each day of overrun in contract time. If this contract does not contain liquidated damages provisions, check NA	**Federal**				
Clauses This contract contains the appropriate federal and Fulton County-required clauses.	**Federal**				

Fulton County	**Contractor:**				
Reviewer:	**PO Number:**				
Date Reviewed:	**Description:**				
Observations:	**Award Amount:**				
Element	**Requirement**	**ND**	**D**	**NA**	**Comments**
Independent Cost Estimate The User Department shall transmit to Purchasing for each and every project to be bid: • One copy of the project specifications for review • Project scope of work and cost estimate • Breakout of project elements	**Purchasing Procedures for User Departments (Nov-2010)**				
Brand Name of Equal "Brand name or equal" specifications shall designate three (3) or as many different brands as are practical and shall permit substantially equivalent products to be considered for award. "Brand name or equal" specifications shall include a description of the particular design, function, or performance characteristics which are required and an explanation that the use of a brand name is for the purpose of describing the standard of equality,	**Purchasing Procedures for User Departments (Nov-2010)**				

performance and characteristics desired and is not intended to limit or restrict competition. If brand name specifications are not used, select N/A.					
Geographic Preferences This is a federally-funded procurement; the solicitation contains no in-State or local geographic preference. If the procurement is not federally-funded, select N/A.	**Federal**				
Specifications Drafted to Encourage Competition The Purchasing Agent (Director of Purchasing & Contract Compliance) has general authority over specifications. • Verify that specifications are drafted to promote economy and to encourage maximum competition in satisfying the County's needs. • Verify that specifications are not unduly restrictive	**Purchasing Procedures for User Departments (Nov-2010)**				
Price Quotations Minimum of five quotations must be obtained.	**Purchasing Procedures for User Departments (Nov-2010)**				
Cost or Price Analysis Either a cost analysis, with associated profit negotiation, or a price analysis was performed and documented in the procurement file with respect to the initial contract award. Also cost analysis was performed when negotiating contract modifications unless price reasonableness was established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.	**Federal**				
Written Record of Procurement History The file contains records detailing the history of this procurement. At a minimum, these records include: (1) Rationale for the method of procurement, (2) Selection of contract type, (3) Reasons for contractor selection or rejection, and (4) Basis for the contract price. Check "Not Deficient" if #3 & 4 are recorded.	**Federal**				

Clauses This contract contains the appropriate federal and Fulton County-required clauses.	**Federal**				

Fulton County	**Contractor:**				
Reviewer:	**PO Number:**				
Date Reviewed:	**Description:**				
****Note:** Elements only apply to public works contracts valued at greater than $100,000. These elements do not apply to sole source public works contracts. Exceptions also apply to hospitals and correctional institutions.**	**Award Amount:**				
Element	**Requirement**	**ND**	**D**	**NA**	**Comments**
Bid Bonds Bid bonds shall be required for all public works construction contracts with estimated bids or proposals over $100,000; The bid bond shall be in the amount of not less than 5 percent of the total amount payable by the terms of the contract. (a) In lieu of the bid bond provided for in Code Section 36-91-50, the governmental entity may accept a cashier's check, certified check, or cash in the amount of not less than 5 percent of the total amount payable by the terms of the contract payable to and for the protection of the governmental entity for which the contract is to be awarded. (b) When the amount of any bid bond required under this article does not exceed $750,000.00, the governmental entity may, in its sole discretion, accept an irrevocable letter of credit issued by a bank or savings and loan association, as defined in Code Section 7-1-4, in the amount of and in lieu of the bond otherwise required under Code Section 36-91-50. If the contract does not exceed $100,000, check NA.	**O.C.G.A. § 36-91-50 (2012)**				
Performance Security Performance bonds shall be required for all public works construction contracts subject to the requirements of this chapter with an estimated contract amount greater than $100,000.00; No public works construction contract requiring a performance bond shall be valid for any purpose unless the contractor shall give such performance bond. The performance bond shall be in the amount of at least the total amount payable by the terms of the contract and shall be increased as the contract amount is increased.	**O.C.G.A. § 36-91-70 (2012)**				

When the amount of the performance bond required under this article does not exceed $750,000.00, the governmental entity may, in its sole discretion, accept an irrevocable letter of credit by a bank or savings and loan association, as defined in Code Section 7-1-4, in the amount of and in lieu of the bond otherwise required under this article. If the contract does not exceed $100,000, check NA.					
Payment Security Payment bonds shall be required for all public works construction contracts subject to the requirements of this chapter with an estimated contract amount greater than $100,000.00; No public works construction contract requiring a payment bond shall be valid for any purpose, unless the contractor shall give such payment bond; provided, however, that, in lieu of such payment bond, the governmental entity, in its discretion, may accept: • A cashier's check, certified check, or cash for the use and protection of all subcontractors and all persons supplying labor, materials, machinery, and equipment in the prosecution of work provided in the contract. The payment bond or other security accepted in lieu of a payment bond shall be in the amount of at least the total amount payable by the terms of the initial contract and shall be increased if requested by the governmental entity as the contract amount is increased. If the contract does not exceed $100,000, check NA.	**O.C.G.A. § 36-91-90 (2012)**				
Time Limit on Addenda No governmental entity shall issue or cause to be issued any addenda modifying plans and specifications within a period of 72 hours prior to the advertised time for the opening bids or proposals, excluding Saturdays, Sundays, and legal holidays. However, if the necessity arises to issue an addendum modifying plans and specifications within the 72 hour period prior to the advertised time for the opening of bids or proposals, excluding Saturdays, Sundays, and legal holidays, then the opening of bids or proposals shall be extended at least 72 hours, excluding Saturdays, Sundays, and legal holidays, from the date of the original bid or proposal opening without need to readvertise as required by subsection (b) of this Code section. If addenda were not issued within a period of 72 hours prior to the advertised time of bid opening, select N/A.	**O.C.G.A. § 36-91-20 (2012)**				
Prequalification Any governmental entity may, in its discretion, adopt a process for mandatory prequalification of prospective bidders or offerors; provided, however, that: 1. Criteria for prequalification must be reasonably related to the project or the quality of work; 2. Criteria for prequalification must be available to any prospective bidder or offeror requesting such	**O.C.G.A. § 36-91-20 (2012)**				

information for each project that requires prequalification; 3. Any prequalification process must include a method of notifying prospective bidders or offerors of the criteria for or limitations to prequalification; and 4. Any prequalification process must include a procedure for a disqualified bidder to respond to his or her disqualification to a representative of the governmental entity; provided, however, that such procedure shall not be construed to require the governmental entity to provide a formal appeals procedure. A prequalified bidder or offeror can not be later disqualified without cause.					
Lowest Responsible Bidder (IFB only) The contract shall be awarded to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids; provided, however, that if the bid from the lowest responsible and responsive bidder exceeds the funds budgeted for the public works construction contract, the governmental entity may negotiate with such apparent low bidder to obtain a contract price within the budgeted amount. Such negotiations may include changes in the scope of work and other bid requirements.	**O.C.G.A. § 36-91-21 (2012)**				
Competitive Sealed Bidding Process (IFB only) (b) Any competitive sealed bidding process shall comply with the following requirements: (1) The governmental entity shall publicly advertise an invitation for bids; (2) Bidders shall submit sealed bids based on the criteria set forth in such invitation; (3) The governmental entity shall open the bids publicly and evaluate such bids without discussions with the bidders	**O.C.G.A. § 36-91-21 (2012)**				
No Prevention of Competition Oath Before commencing the work, any person who procures such public work by bidding or proposal shall make an oath in writing that he or she has not directly or indirectly violated subsection (d) of this Code section. The oath shall be filed by the officer whose duty it is to make the payment. If the contractor is a partnership, all of the partners and any officer, agent, or other person who may have represented or acted for them in bidding for or procuring the contract shall also make the oath. If the contractor is a corporation, all officers, agents, or other persons who may have acted for or represented the corporation in bidding for or procuring the contract shall make the oath. If such oath is false, the contract shall be void, and all sums paid by the governmental entity on the contract may be recovered by appropriate action.	**O.C.G.A. § 36-91-21 (2012)**				

Appendix D: User Questionnaire for Developing SOWs

Name	Date
Project	User Dept. Name

SCOPE

Question	*Answer:*
1. Why is there a need for this requirement?	
2. What are the major tasks involved in doing this work?	
3. Who/what are the interface points between the work to be performed and entities/processes outside of the scope?	
4. Do any tasks or circumstances require approval before proceeding?	
5. At which location(s) will the work or delivery take place? (be specific)	
6. What is the approved budget?	
7. Are any elements of the work contingent on receiving (additional) funding?	
8. Who will oversee or approve this work?	
9. Are there any checkpoints that will require approval to proceed?	

OUTCOMES

Question	*Answer:*
10. What are the expected results or outcomes?	
11. Who is impacted by these outcomes?	
11a. What can be improved in the way this product or service is procured?	
11b. Are there any substitutes?	
11c. What can be improved in the way the product or service is delivered?	

REQUIREMENTS / DELIVERABLES

Question	*Answer:*
12. List your performance requirements for this work in order of priority.	
12.a.	12.d.
12.b.	12.e.
12.c.	12.f.
13. Are there any specifications or policies that need to be followed?	

TIMING

Question	*Answer:*
14. What is the timing and duration of the work?	
15. Are there any benefits to early completion?	
16. What are the consequences of delayed completion?	

QUALIFICATIONS

Question	*Answer:*
17. What skills or resources are required (MANDATORY) to perform this work?	
18. What (if any) special certifications, educational degrees, licenses or permits are required to do this work?	
19. What skills or resources would be helpful in the performance of this work (DESIRED but not mandatory)?	
20. Among the desired skill or resource requirements you have listed, which are the top priorities?	

QUALITY STANDARDS

Question	*Answer:*
21. What industry or independent standards can be used to judge the quality of this work?	
22. What company standards apply to the performance of the work?	
23. What other quantitative measures can be applied to evaluate the quality of the work?	
24. What (if any) qualitative standards should be used to evaluate the performance of the work?	
25. What (if any) significant gaps or defects in performance of this type of work have been noticed in the past?	
26. What is the acceptable error rate for each of your performance requirements?	

SELECTION EVALUATION CRITERIA

Question	*Answer:*
27. What are the mandatory key criteria for selecting the supplier to perform this work?	
27.a.	27.d.
27.b.	27.e.
27.c.	27.f.
Weight or prioritize these criteria.	
Can these be “go / no go” criteria?	
If not, how can they be measured or rated?	
28. What are desirable (but not mandatory) elements that would affect supplier selection?	
29. What scale can be used to rate these elements?	

KEY PERFORMANCE INDICATORS / METRICS

Question	*Answer:*
30. For each requirement or deliverable, indicate how performance can be measured. Where possible suggest metrics that can cover several requirements at once.	
30.a.	30.d.
30.b.	30.e.
30.c.	30.f.
31. How will this data be collected?	
32. Who will be responsible for the data collection and measurement?	
33. How will you be measured on the success of the implementation of this SOW?	
34. How will you measure overall success of the SOW?	
35. How frequently should each item be measured? (remember that frequency adds cost)	
36. How does each metric ensure success of the desired outcomes?	
36.a.	36.d.
36.b.	36.e.
36.c.	36.f.
37. Is a quality assurance person required for this SOW?	

FURNISHED MATERIALS

Question	*Answer:*
38. List any materials, equipment or information to be furnished that will require tracking.	
39. List any materials, information, or actions that could cause delays or problems beyond the vendor's control.	

INCENTIVES OR PENALTIES

Question	*Answer:*
40. What (if any) incentives would be appropriate for this SOW? Why? Link specifically to desired results.	
41. What (if any) penalties would be appropriate for this SOW? Why? Link specifically to desired results.	

Appendix E: Checklist for Statement of Work

1. Have the required project objectives and desired results been clearly and specifically described? ❑
2. Is the work statement sufficiently specific to permit the requisitioner and the contractor to make a list of manpower and resources needed to accomplish it? ❑
3. Has adequate background information been provided which would be helpful to provide a clear understanding of the requirements and how they are achieved? ❑
4. Are specific duties stated in such a way that the contractor knows what is required, and the receiving inspector who signs the acceptance report can tell whether the contractor has complied? ❑
5. Are sentences written so that there is no question of whether the contractor is to be obligated?
   (e.g., "the contractor will do this work," not "this work will be required") ❑
6. Is the proper reference document shown? Is it really pertinent to the task? Fully or partially? Is it properly cited? ❑
7. Are any detailed specifications or exhibits applicable? In whole or in part? If so, are they properly cited?
   (Use the latest available revision or issue of each document) ❑
8. Is general information separated from direction so that background information, and the like are clearly distinguishable from contractor responsibilities? ❑
9. Is there a date for each thing the contractor is to do or deliver? If ***elapsed*** time is used, does it specify calendar days or workdays? ❑
10. Are proper quantities shown? ❑
11. Have the headings been checked for format and grammatical usage? Are subheadings comparable? Is the text compatible with the title? ❑
12. Have extraneous materials and cross-references to contract clauses and general provisions been eliminated? ❑
13. Have all requirements been reviewed to ensure compatibility with the data requirements established for the project? ❑
14. Does the SOW identify only "necessary" requirements? ❑

15. Are security requirements adequately covered? ❑

16. Are any government and grantee specifications or standards applicable? In whole or in part? If so, are they properly cited? ❑

17. Have the type and quantity of reports required for delivery been specifically described and specified? ❑

18. Has the role and responsibility of the project engineer been clearly identified? ❑

19. Do the requirements create any organizational conflicts of interest? (contractor cannot be impartial or receive unfair compensation advantage) ❑

20. Have other government or agency furnished resources been clearly identified? ❑