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Procurement in the California Department of Corrections and Rehabilitation: A look at options and opportunities

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Procurement and the California Department of Corrections and Rehabilitation: A look at options and opportunities

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Executive Summary

In 2012, the Senate Advisory Commission on Cost Control in State Government contracted with the University of California, Los Angeles (School of Management), for the purpose of analyzing the procurement activities and processes within the California Department of Corrections (CDCR), Office of Business Services (OBS). In addition, they reviewed the procurement structure for multiple regional facilities in an effort to discover cost containment potential and efficiency modernization efforts. The report also examined the operating structure for procurement within the CDCR.

This report will build upon the findings of the UCLA report and provide recommendations and analysis that will assist CDCR, specifically the OBS team, with increasing efficiency in manageable steps. We will develop and present our suggestions with an understanding of the complexities and challenges of implementing a centralized approach to the statewide procurement processes at this time.

Background

Recovering from a severe recession, California agencies were mandated by incoming Governor Jerry Brown to reduce their fiscal overhead. California was operating with a budget deficit and the focus of the new Administration was to make the necessary choices to once again achieve fiscal solvency in California. Programs and Departments across the state were not spared as the Legislature made necessary but tough cuts (reductions) to notable programs and Departments. These budget reductions resulted in multiple agencies being eliminated and others merging with similar agencies to reduce administrative costs.

CDCR was tasked with reducing an annual FY12-13 budget of over 10 billion, which accounted for 7.8 percent of general fund total expenditures for 2012. Further complicating fiscal decisions was a three-panel federal court decision that mandated the State reduce inmate overcrowding in state prisons.

CDCR considered realignment its best option for cost savings, but also analyzed other cost reduction strategies that included, but were not limited to, restructuring its procurement activities within OBS.

Organizational Structure and Policies

Currently facing multiple fiscal constraints, ranging from federal court rulings to legislation and adopted policy measures, OBS executive staff believes that a robust yet difficult overhaul of CDCR's procurement processes will accomplish major cost savings and align with the current Administration's mandate to reduce budget overhead. Centralization of procurement within the Department is strongly considered a cost-effective alternative to current processes, which historically were and continue to remain very fragmented and disjointed across 42 facilities statewide. Limited to non-IT purchases, the UCLA team employed an array of methods to research the value and benefits inherent in a more streamlined, centralized procurement process.

The CDCR Handbook on procurement policy and procedures summarizes the operating structure currently employed throughout the Department. Purchasing authority is granted to departments that are knowledgeable about compliance measures and can make purchases that are in alignment with statute and statewide policies. The Department of General Services Procurement Division (DGS-PD) are tasked with tracking procurement purchases for the entire State and individual Department using quality reviews and purchasing programs to monitor program compliance. The Office of Business Services (OBS) provides oversight and an annual renewal of the CDCR's purchasing authority. The State Contracting Manual (SCM) outlines the minimum purchasing criteria, including the policy guidelines that govern the Procurement Contracting Officers (PCO) who are responsible for ensuring the Department maintains constant and reliable business practices in state purchasing.

The handbook also identifies the statutes that PCO's reference to ensure contracts are in compliance. All told, there are 20 legislative mandates that the

Department has to comply with, including the Prison Industry Authority, Small Businesses, and Veteran Owned Businesses, to name a few. Requisitions are assigned based on the level of management who approves it. These different levels of approval are based on the dollar amount of the acquisition request. Each prison has its own procurement process and staffing levels are dependent on the size and needs of the prison.

For example, during a meeting with procurement staff at Folsom Prison, our team learned that Folsom currently operates its procurement processes with a staff that consists of one PCO, a business service officer, and a business service assistant. The requisitioners at Folsom Prison determine the needs for the prison and manage the bids for contract. Contracting bids are submitted to the budget analyst who checks the prison account against the requisition and finally submits the contract to the business service officer who processes the proper paperwork associated with the bids up for contract, approves the requisition, and then forwards the paperwork back to the budget analyst.

Depending on the amount and the types of items requested, the budget analyst determines if the requisition can be released (approved) or if the requisition needs to be sent to the PCO, who then communicates the request to headquarters (OBS) for approval. We discovered during our interviews with Prison staff that these processes can be costly and time consuming. Regional staff are more likely to seek approvals from the Associate Wardens than they are to wait for headquarter responses, which can limit opportunities to procure favorable contracts for items that may be less expensive to purchase. Currently the requisition release levels within CDCR are:

- Release Level One: This release level is for need-based purchases only. Classifications approved for this level are Program/Requisitioner Manager.
- Release Level Two: $5,000 or less. This is the maximum purchase level for Standard and Framework Requisition requests at release level two.

Procurement and Services Officer I, II / Staff Manager I or equivalent are eligible to approve requests.

- Release Level Three: $50,000 or less: These levels can be approved by Correctional Business Manager I, II / Staff Services Manager II or equivalent.
- Release Level Four: >$50,000 and <$100,000. These release levels are based on comparative classification such as Associate Warden - Business Services, Assistant Superintendent, Staff Services Manager III or equivalent.

As pointed out in the UCLA study, this process can become very cumbersome and costly as gaps in interagency communication tends to slow the process once a release level needs approval from headquarters. We concluded that the regional staff's apprehension toward headquarters was linked to an apparent breakdown in the organizational chain of command stemming from OBS staffs' inability to be responsive underscoring the capacity limitations they face. It also appears as though OBS's authority only extends as far as the handbook, but does not reach prison procurement staff. They report to the chain of command within the prison, first to the Associate Warden who then reports to the Warden, rather than work within the statewide system. As we will discuss in the limitations section of this report, this lack of authority also contributed to delays with gathering necessary information, such as survey responses from within CDCR for further analysis. This report will provide further examination of the current organizational approval structure and processes, and provide recommendations on how CDCR can best operate more efficiently, thereby reducing inefficiencies in reporting and response times.

UCLA Report

The methods employed by the UCLA team ranged from researching peer-reviewed articles and conducting personal interviews, to examining CDCR reports and files. The UCLA study concluded that centralization could happen but over time with the implementation of their recommendations. The centralization

framework proposed in the UCLA study intended to serve as a guideline for OBS senior staff in helping the Department plan a practical approach to centralization. Citing a lack of direction and a culture that reinforces the organizational challenges associated with implementing an institution-wide policy that may result in the structural reassignment of regional procurement staff, the UCLA study benchmarked against other states with similar geographical regions who have adopted a centralized procurement policy within their own prison institutions. The study also identified statutory constraints, which continue to impair purchasers' ability to negotiate autonomous contracts within CDCR.

These mandates range from compliance with the American Disabilities Act to an act regulating contracting with suppliers who may have had business ties with Darfur (Darfur Contracting Act). Coupled with these mandates, which narrow and even eliminate potential vendors who can bid on contracts with CDCR, the Department is also mandated to purchase commonly used goods from the California Prison Industry Authority (CALPIA). Unless a waiver is granted to procure a product from another supplier, the scope of whom the Department can purchase from narrows further because each state agency must purchase their goods from CALPIA if they make and provide that good.

This lack of independent contracting power, as referenced in the UCLA report, slows down the procurement process considerably, limiting CDCR's ability to take advantage of a favorable contract in a timely manner, leading to operation and coordination inefficiencies that are not administratively cost efficient. Gaps in the flow of information can lead to reporting inaccuracies and well intentioned, but extremely costly, purchasing behaviors. The report also revealed that following examination of prior reports, recommendations were made to the CDCR but were not implemented, alluding to yet again, a lack of organization and communication within the agency. Without the ability to recognize and address these deficiencies, centralization of procurement efforts agency-wide appears unlikely and our report will reveal that these gaps in organization and communication have not been sufficiently addressed.

The UCLA group's analysis of best practices and training programs revealed that a disruption in agency training occurred because of budget reductions in FY2007-08. In light of the organizational structure reforms and the continued goal of cost reductions, inconsistencies in training programs may exacerbate high administrative costs.

The UCLA study pointed out that CDCR would be more efficient implementing an on-line training policy in lieu of a more costly live-training model. OBS staff advised our team that they offer monthly trainings via conference call and recommend that procurement officers take the online trainings offered by DGS on a regular basis; however, during our interviews with the procurement staff at Folsom prison, they noted that courses were not offered regularly and that training sessions were inadequate. The survey responses also supported this point. We surmise that the variations in responses are linked to organizational gaps in the chain of command communication procedures from headquarters to regional staff.

The UCLA researchers further analyzed spending averages using a metric based on the average total prison populations from June 2010 to June 2011 and expenditures, calculating the lowest to the highest expenditures per inmate. They also calculated that roughly $21 million in aggregate savings might be realized through a centralized procurement process. The current budgetary climate in the Legislature creates a policy window that might make a centralized procurement proposal more amenable to state officials, assuming forecasted greater savings potential.

We began our analysis by requesting that OBS staff provide us with records that could highlight what recommendations from the UCLA study were already or currently in the process of being implemented by CDCR. We were not provided with the data to substantiate OBS's claims that some of the recommendations have been implemented. When questioned about this apparent oversight, OBS staff said that due to the budget constraints and cost

reduction policies for the entire Department, in addition to the federal mandates from the three panel judge ruling on reducing prison overcrowding, the Department was unable to make immediate changes. CDCR is in the process of adopting portions of the UCLA recommendations that will now include the recommendations of this USC study. Without having access to data to verify OBS assertions that some recommendations have already been implemented, per the deputy director of OBS, we cannot say for certain how many, if any of the recommendations from the UCLA study have been implemented since its release in 2012.

To address these and other concerns associated with organizational restructuring within CDCR, our team will provide recommendations in this report that will include analysis of prison institutions from outside the state, such as Florida Corrections, who have similar policies in place. This report will also examine the benefits and advantages of centralized and regionalized procurement while recommending alternatives that are feasible given CDCR's budgetary and cultural constraints, which require a "small-steps" approach to implementation of a full-centralized procurement policy.

Project Scope

The original project proposal was to present a centralized model based on examples of successful centralization programs from other state and federal departments and to select the best alternative for further analysis to demonstrate why it would be the best model for CDCR.

Due to slow response times from CDCR staff and limited access to procurement officers, we changed the scope of our project. We are analyzing CDCR's current procurement process, organizational structure, staffing, and workflow to identify inefficiencies, as well as looking to other programs. CDCR has shown little progress toward implementing the UCLA recommendations and is currently under numerous different constraints due to Federal oversight and conservatorship. In light of their current priorities, in addition to time and staff constraints, we will be offering methods for CDCR to improve efficiency within

their current means. The project will examine the increased use of leveraged procurement agreements, regionalization, and best practices for improving efficiency and cost savings.

Methodology

Similar to the methodology of the UCLA Study, our analysis consisted of interviews of CDCR and DGS staff, an inter-agency survey, and interviews with the Florida State Correctional Department for a comparative examination.

Interviews

We utilized the interview process to gain real-time data and insight into the current organizational culture and procurement practices. What we discovered during our conversations with both regional and headquarter staff were discrepancies in process information. During our interviews with procurement staff at Folsom Prison, it was noted that current procurement staff are rarely made aware of training opportunities on SAP and other processes. By contrast, headquarter staff within OBS indicated that training offerings are commonplace and that they are offered to all regional staff consistently. What we gathered from this one example was the existence of a clear gap in communication that resulted in differing expectations from the Folsom Prison procurement officer and the OBS staff pertaining to clear identifiable procurement procedures consistent with controls in place to limit inefficiencies. Discrepancies like this led us to dig deeper into discrepancies between OBS and the facilities through a survey.

In addition to interviews with CDCR staff, we conducted additional interviews with DGS staff and Florida Corrections officials. We spoke with DGS staff via phone and email to hear their opinions about how CDCR can improve their processes. Florida Corrections officials were contacted via email and were asked to complete a survey about their processes. The responses from these interviews were used to develop alternatives to CDCR's current procurement practices.

Survey

Based on the discrepancies we observed during interviews, we decided to get more input from procurement officers through a survey. We developed a 13 question digital survey using Qualtrix. The survey was distributed by OBS senior staff to 200 regional procurement officers in CDCR. We received 38 completed responses, which we discuss in more detail later in the analysis. A complete list of responses is included in the Appendix. The survey was critical to developing our analysis, consistent with the perspectives from the regional facilities on process oriented questions and procedures. Again, there were discrepancies in what many of the respondents identified as inefficiencies within the CDCR procurement structure and what OBS staff indicated. Understanding the perceived limitations from regional procurement officers assisted our team in understanding the cultural barriers that exist within CDCR. These barriers contribute to gaps in communication and information sharing critical to implementing a department wide structural shift in procurement process.

As we will highlight throughout each section of this report, the methodology we employed was significant in determining the narrative for this study and the recommendations that follow. We are confident the data extrapolated from these methodologies will best inform CDCR and OBS senior staff on the challenges associated with full implementation of a centralized procurement policy at this time.

Introduction of Alternatives

Our group is offering two alternatives to the current CDCR procurement structure: increased use of Leveraged Procurement Agreements and regional centralization. We are recommending alternatives that are feasible given CDCR's organizational and cultural constraints that require a "small-steps" approach to centralization. Due to a lack of infrastructure and limitations in data reporting and collection, full-centralization is not attainable at this time.

Utilization of Leveraged Contracts and Strategic Acquisitions

Under current law and state codes, each Department purchases off Leveraged Procurement Agreements (LPA) negotiated by the Department of General Services (DGS) for goods that are purchased on a large scale across the State of California. Once negotiated, any Department in California can purchase off an LPA, saving time because Departments do not have to engage in a bid process. LPAs also reduce legal liabilities for Departments and Agencies because DGS has vetted the vendors.

The current system allows for Departments and Agencies, or those with delegated purchasing authority, to accept bids for goods that do not already have an LPA. Not all contracts are leveraged because of Small Business or Disabled Veteran Business Enterprise (SB/DVBE) opt outs and often there is not enough purchasing in a service area to warrant a leveraged contract. In these cases, CDCR can purchase outside of leveraged contracts.

The UCLA Study recommended CDCR work more closely with DGS to utilize leveraged contracts and strategic acquisitions. CDCR currently makes a large amount of their purchases from the California Prison Industry Authority (CALPIA), which does not require bids. Likewise, CDCR reports that it has increased the number of orders that it makes through LPAs at the state level, but it is unclear if this is in response to the UCLA Study.

In interviews with DGS staff, they expressed a willingness to help CDCR streamline their purchasing. DGS staff suggested that more leveraged contracts would significantly improve CDCR's procurement process. Cooperative agreements and LPAs would save procurement officers time, because they would no longer have to accept bids, and would provide added legal protections as DGS assumes the contracting role. To date, CDCR has not implemented the UCLA recommendations to their full extent and has yet to accept DGS's offer to negotiate more leveraged contracts for orders at the institutional level.

During our research, we conducted a survey of procurement staff across the state. Common responses from staff were mixed when asked about the difficulties of the procurement process and the use of LPAs. When asked about the most difficult part of the procurement process, 28% of respondents cited including SB/DVBE suppliers, while 10% said negotiating with suppliers and 23% said working with DGS is the most difficult. Many of the reasons given for these responses were: length of time spent contracting, excessive paperwork, lack of true competitiveness, and a lack of responsiveness on the part of DGS. Despite procurement officers' desire to do less paperwork and spend less time negotiating contracts, they are less supportive of giving more power to DGS due to past delays in bulk orders. Procurement officers were more supportive of regional contracts because it would increase timeliness and still generate revenue for local communities.

According to DGS staff, there is precedent for negotiating regional statewide contracts, for example, currently all fuel is contracted regionally. If enough CDCR facilities and *state agencies* need a particular good, DGS can negotiate a regional LPA. Unfortunately, some goods will not have enough purchasing volume to get DGS involved to negotiate an LPA.

Approximately 44% of survey respondents said that they would like regional LPAs. The reasons given for support of regional LPAs include "the purchasing process would get done a lot faster, outreach bidding is a long process and takes more time than using contracts" and "a more regional award could improve costs and services".

DGS staff has repeated in numerous interviews that they have identified areas in which CDCR can improve their procurement through utilization of LPAs. While LPAs will not encompass all goods purchased by CDCR facilities, our research indicates an opportunity for CDCR utilize LPAs more often to streamline purchasing through a decrease in time spent negotiating contracts, increasing process efficiency.

CDCR staff raised concerns that the use of more LPAs will harm the Department's relationship with SB/DVBEs in the communities surrounding CDCR facilities. DGS makes an effort to contract with SB/DVBEs and CDCR facilities can opt out of an LPA to purchase from an SB/DVBE if the contract has more cost savings than the LPA. CDCR can continue to purchase from SB/DVBEs, but wanting to purchase from these business does not mean that LPAs are not needed. While the use of more LPAs may reduce purchasing options, they save time, reduce liability, and are important steps toward centralization by shifting more power toward a centralized authority rather than the prison.

Regionalization: Florida Department of Corrections

Methodology

In order to accurately model a regionalized procurement program for CDCR, we evaluated a number of states (including those in the UCLA Study) based on 3 criteria: number of institutions serviced, number of inmates serviced, and operational budget. Upon review, we determined that the Florida's Department of Corrections was the closest match, with 55 adult institutions and approximately 100,000 inmates in comparison to California's 33 adult institutions and approximately 135,000 inmates. The largest disparity was found within the operational budgets of the two states, with California currently operating at a budget of nearly $9 million and Florida operating off of a budget of approximately $2 million.

When evaluating this budget disparity, we must take a number of factors into consideration. First, the cost of living in Florida is significantly lower than that of California, as reflected in the cost of commodities as well as salary comparisons. Take, for example, the salary of an entry level Corrections Officer. California Correctional Officers earn approximately $45,000[1] in comparison to Florida's Correctional Officers, who earn approximately $31,000.[2] Florida also enjoys freedom from legal restrictions that California has in place over its

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[1] http://www.cdcr.ca.gov/career_opportunities/por/pay.html
[2] http://www.fldocjobs.com/paths/co/salary.html

procurement practices. For example, there is no Florida equivalent to California Prison Industry Authority (CALPIA), which CDCR is required by law to purchase from, if possible, often costing more. Additionally, Florida is not required to provide some of the costly amenities that California is required to provide, such as air conditioning, despite Florida's less forgiving, subtropical climate. Lastly, Florida is able to realize dramatic savings in food costs through the leveraging of an agreement with the University of Florida, allowing prisoners to cultivate approximately 10.4 million pounds of food, which is then served in the prisons.

Structure: DC Procurement & Contract Management

Since its establishment in 1821, the Florida Department of Corrections (DC) has grown into an institution that operates on a $2.1 billion budget and currently houses approximately 100,445 inmates within its 55 prison facilities throughout the state[3]. In addition to the prison facilities, the DC supervises 146,000 offenders through its 150 probation offices[4].

The Florida DC's Department of Procurement and Contract Management is aligned under the Administration Department. The department consists of a central, headquarters office that provides guidance, rulemaking and handles all formal solicitations, with three subordinate regional offices that handle day-to-day institutional procurements. The central office is staffed with one chief, one purchasing administrator,

Figure 1. Diagram of FLDC Regions

two supervisors, and nine purchasing agents. These staffing levels are determined by the volume of procurement they undertake, with labor divided among the staff in the form of individual assignments (i.e. formal solicitations).
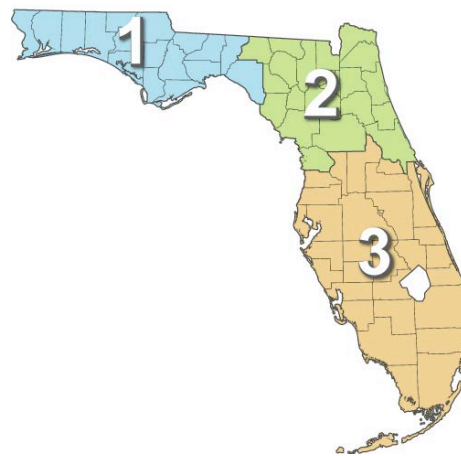
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[3] http://www.dc.state.fl.us/oth/Quickfacts.html
[4] Ibid.

Regional offices are located within their respective regions, and consist of one supervisor/manager, one supervisor, and and six to eight purchasing agents. Staffing levels at the regional level are based on purchasing volume, and are divided into individual assignments by designated commodity or service. Regional purchasing agents are responsible for purchasing all forms of commodities and services, as there is no procurement staff assigned to the individual facilities. The regional offices currently handle procurement for a number of facilities of various types, as depicted below:

Table 1. Type and Number of Correctional Facilities in Florida by Region					
Region 1		Region 2		Region 3	
Major Institutions	15	Major Institutions	17	Major Institutions	16
Privatized Facilities	4	Privatized Facilities	1	Privatized Facilities	2
Annex	7	Annex	6	Annex	3
Work Camp	11	Work Camp	11	Work Camp	10
Work Release Center	3	Work Release Center	4	Work Release Center	13
Contract Work Release Centers	1	Contract Work Release Centers	4	Contract Work Release Centers	8
Forestry Camp/Road Prison	2			Forestry Camp/Road Prison	4
				Boot Camp	1
				Re-Entry Facilities	2

Procurement at the Florida Department of Corrections

Florida's DC uses a number of state sponsored systems to facilitate the bidding and contracting process. Vendors are required to register with the MyFlorida Marketplace, a fully digital system where they are able to view upcoming bids and post information regarding their products and services, as well as receive purchase orders.[5] The Vendor Bid System (VBS), allows vendors to access bid solicitations, including but not limited to Invitations to Bid (ITB), Requests for Proposals (RFP), and Invitations to Negotiate (ITN).[6]

Procurement staffs are required to purchase from State Term Contracts, executed and administered by the Florida Department of Management Services.

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[5] http://www.dc.state.fl.us/business/
[6] Ibid.

The state currently administers 49 contracts[7] with commodities and services that include, but are not limited to, fleet vehicles, equipment, IT hardware and software, furniture, and medical/dental supplies.[8] Additionally, procurement staffs are able to purchase from DC Contracts, negotiated by the Department of Corrections, which include, but are not limited to, a number of services (food, trash, laboratory, etc.), kitchen equipment, and trash containers.[9] The FLDC currently maintains approximately 275 DC Contracts.[10]

Procurement thresholds are set among five categories, and are designated as follows:

- Category One – These purchases are valued at $0-$19,999 and can be executed informally by all procurement staff.
- Category Two – These purchases are valued at $20,000 to $34,999 and follow the same restrictions as category one.
- Category Three – These purchases are valued at $35,000 to $64,999 and considered the minimum threshold for the formal bidding process. Regional staff submits these bids with supervisor approval for administration at the headquarters level.
- Category Four – These purchases are valued at $65,000 to $194,999 and fall under the same restrictions as category three.
- Category Five – These purchases are valued at $195,000 to $325,000, and require administrator approval at the headquarters level.

Training and Certification Requirements

Under Florida state personnel policy, procurement specialists and managers are not required to obtain Universal Public Procurement Certification Council (UPPCC) or Institute for Supply Management (ISM) certification.

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[7] For a comprehensive list of State Term Contracts, please see http://www.dms.myflorida.com/contract_search/%28contractType%29/4110
[8] For a comprehensive list of State Term Contract commodities, visit http://www.dms.myflorida.com/contract_search/%28contractType%29/4110
[9] For a list of current DC contracts, visit http://www.dc.state.fl.us/business/contracts/index.html
[10] http://www.dc.state.fl.us/business/contracts/contractlist.pdf

Additionally, procurement personnel are not required to maintain continuing education in their field. As MyFlorida Marketplace is the customized ERP program utilized and required by the State of Florida, all personnel are required to be trained and proficient in its uses. The MyFlorida Marketplace training team delivers this training.

Requirements Regarding Minority, Women and Veteran-Owned Businesses

While the State of Florida does not have any requirements regarding specific spending thresholds with minority, women and veteran-owned businesses, Governor Rick Scott signed Executive Order Number 11-4 on January 4, 2011 reaffirming the policy of non-discrimination in government contracting. By doing so, the State of Florida solidified their commitment to supporting these businesses and continuously sets goals to ensure their support, effectively spending $22.2 million with minority, women and veteran-owned businesses in Fiscal Year 2012-13, with an additional $28.7 million spent on non-certified businesses.[11]

Regionalization: CDCR

Procurement for CDCR under the Florida DC method would call for realignment and consolidation. At the headquarters level, the Procurement Section and Contracts Management Section would be consolidated under the Procurement Division. Below the headquarters level, procurement agents would be removed from the institutions and realigned under three regions, where they would be responsible for the purchasing for the institutions within their respective region, reflected in the diagram to the right. The offices would be configured as follows:

Figure 2. Diagram of CDCR Parole Regions

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[11] http://www.dc.state.fl.us/oth/oneflorida/plan.html

Table 2. Staffing of CDCR Based on Florida Model	
Office of Business Services – Procurement Division	**Regional Offices**
1 – Division Chief 1 – Purchasing Administrator 2 – Supervisors 11 – Purchasing Agents 1 – ERP Analyst	1 – Manager (with supervisor approval authority) 1 – Supervisor 8-10 – Purchasing Agents

The consolidated Procurement Division of OBS would be outfitted with a procurement team consisting of one division chief of procurement, one purchasing administrator, eleven purchasing agents, and one dedicated ERP analyst. Purchasing agents at all levels would be required conduct procurement activities in accordance with California statutes. Purchasing agents at the OBS level would be responsible for the administration of procurement for the central office and purchases exceeding $50,000. Purchasing agents would be assigned workloads based on a strategic sourcing strategy. The addition of a dedicated ERP analyst will not only follow one of the UCLA Study recommendations, but it will assist in the strategic sourcing process, allowing CDCR to identify trends and inefficiencies, thereby improving the procurement process.

Table 3. Procurement Authorizations Under Regionalization		
Category	**Value**	**Execution**
Category One	$0 to $5,000	All procurement staff
Category Two	$5,001 to $50,000	Requires supervisor approval
Category Three	$50,001 to $100,000 ($250,000 SB/DVBE)	Requires administrator approval

S imilar to the Procurement Division, regional procurement agents would participate in strategic sourcing for the institutions within their region. Regional offices would be staffed with one manager (with supervisor approval authority), one supervisor, and and eight to ten purchasing agents. With procurement agents removed from the institutions, regional purchasing agents would be authorized to make purchases up to $5,000 without approval and up to $50,000 with supervisor approval. Purchases exceeding $50,000 but less than $100,000 (or $250,000 for SB/DBVE) would require purchasing administrator approval at the divisional level.

Division of Labor

Based on the analysis from the other USC team, approximately 3 commodity groups remain decentralized. 1 purchasing agent should be assigned per decentralized commodity, with the remaining centralized commodities assigned to the remaining purchasing agents. Another option is to centralize the remaining commodities in order to streamline the procurement process, dividing the commodities among the purchasing agents equally.

Inventory Management

Utilizing SAP's inventory management functions will be paramount to the implementation of regionalization. Training employees on the functions of SAP and inventory management will allow CDCR to monitor inventory levels at the regional level, prompting purchasing when inventory levels reach a designated threshold. One example is SAP's capability to allow employees to scan their identification badge in order to obtain supplies. This capability can be leveraged with all supplies at the institutional level. Another consideration would be having an inventory manager at the institutional level.

Best Practices

CDCR can benefit from the use of best practices or common industry standards to increase their efficiency. This implementation will not only lead to direct outcomes like efficiency but may also impact department morale and office culture. We have identified a number of best practices from institutions in other states and Canada that have been successful at improving accountability and efficiency. These include, but are not limited to, digitization of handbooks, inventory reporting, universal coding systems for commodities, and consistency in purchase tracking systems

1. Improve the dissemination of the CDCR Procurement Handbook

By making the handbook available through a digital format, local procurement officers would have access to the most up to date forms and procedures. It would also allow the sharing of new procedures in a more rapid fashion reducing delays in implementation and the use of old or outdated policies and procedures and procurement staff wasting time redoing forms. By providing forms in a digital format and allowing for digital signatures the CDCR would immediately benefit from greater efficiency.

2. Create a department-wide coding system for all purchases to be used at both the state and facility level

The introduction of a standardized coding index for purchases will allow for accurate tracking of quantities purchased.[12] A standardized coding system would allow procurement officers at all levels to track and analyze purchases. Online purchase histories would allow procurement officers at different facilities to see what past purchasing trends look like, and allow for an easy sorting of data and records. This system if integrated into a universal online purchase system would allow for easier access to records and give OBS the ability to track purchases of common goods across the prison system.

3. Digitally track inventories at facility warehouses and regional warehouses

Warehouse inventory should be tracked and quantities reported to OBS. It will allow OBS to determine if great purchasing discrepancies on shelf stable goods are occurring from facility to facility.

4. Move to a consistent purchase tracking system

If the CDCR was able to introduce and universally use a system similar to the Florida Department of Corrections MyFlorida Marketplace system the CDCR would save time and money by expanding their current network of vendors and allowing for less paperwork and back and forth in the purchase authorization process. The MyFlorida Marketplace system allows vendors to self-register and

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[12] Meeting with Melissa

provides information regarding their available goods and services.[13] This process would take some of the burden off procurement officers to research and provide accurate information on potential vendors and would allow interested vendors to apply, shifting the power dynamic between the CDCR and vendors.

An online system to request bids, get purchase authorization and complete and track purchases would eliminate the use of multiple systems and methods and would standardize the procurement process across the state.

5. Develop Consistent Training Program

Another UCLA recommendation that has not been implemented is consistent training. Our survey reveals that many procurement officers desire more training. With the integration of any new system, consistent and effective training to field level staff is necessary. Providing a strong training for any new system and providing ongoing training on how to maximize the system is key to a smoother integration of SAP.

Conclusion

Our research team was tasked with reviewing CDCR's organizational process for operating procurement of institutional non-IT goods. We were instructed to highlight feasible improvements to the current procurement process, especially in terms of producing cost-savings and organizational efficiency. At the conclusion of our study our team has several significant findings and possible alternatives for improving the procurement process. These findings highlight alternatives for improving organizational efficiency, by improving technological utilization, resource management, business process improvements, and accountability.

In preparation of our analysis we conducted a careful analysis of the UCLA report and we used the findings of the study as a background for our research. After initially revising our scope, one of our main focuses was assessing

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[13] http://www.dc.state.fl.us/business/

CDCR's implementation of the recommendations offered in the UCLA report. While OBS verbally reported to us that they have been committed to revising organizational procedures to address findings from the UCLA report, our research found that there are many recommendations that still have not been meet. As our research team carried out our study we decided to analyze the Department based on our assessments of the current procedures. For this reason some of our recommendations mirror those found in the UCLA report. This in itself is a significant finding. OBS and other CDCR sections report that they are aware of many of the process improvements that we have recommended and that they are actively pursuing them. However, the lack of progress made two years after the UCLA report was published highlights the need for a more robust organizational commitment.

One research question given to us by OBS involved whether centralizing procurement was a feasible alternative for reducing costs. As discussed earlier in this report time, resource, and access concerns limited the scope of our analysis. The report recommends that further research is conducted, and outlines specific aspects of the CDCR procurement process where future research could provide valuable information. Specifically, to properly assess the feasibility and potential cost savings of centralizing or regionalizing procurement, it necessary to have a grasp of the institutional staffing levels, institutional procurement procedures, and the procurement culture. Our team requested this information, but was not provided detailed staffing information and was prohibited by OBS senior staff from conducting our own interviews with procurement staff.

Furthermore, to assess potential cost savings there would need to be a detailed financial breakdown of institutional procurement for each institution. OBS was not able to provide a detailed summary of institutional spending, or provide analysis for what may account for differences in per prison costs. They admit that certain factors such as age of the facility, gender of the inmate populations, and climate region could affect procurement costs, but this was not based on a comprehensive assessment. A more accurate cost assessment would require an itemized system-wide data set, as well as qualitative information

regarding the various institutional imperatives that account for variations amongst institutional spending.

We recommend that future research looks to establish a detailed analysis of the institutional procurement structures, culture, and unique facility needs. CDCR also needs to compile financial data in a manner that can be analyzed for variability in per-prisoner procurement expenses in each institution. It is the findings of our research team that reconfiguring the organizational procurement process will require considerable resource allocation; executive dedication; and time to devise, pilot, train, and implement any changes. The study reveals that at this point in time, improving the procurement process is not a top priority of CDCR leadership, as OBS staff continues to allocate much of their resources to organizational imperatives unrelated to procurement.

Full centralization and regional centralization of procurement both provide potential benefits, but according to our assessment will require multiple years and a major cultural shift to implement. If the Department chooses to implement a fully centralized or regionally centralized procurement process, further research on implementation and strategic planning is recommended. Under the current organization context, it is evident that a major reformation of the procurement process will require a gradual step-by-step process. Currently, increasing the use of LPAs and then regionalizing the procurement process is a more feasible option than a full-centralization. This study finds some evidence that regionalizing procurement may be a viable option, but requires additional planning before creating a pilot or implementing.

Our report recommends nine immediate steps that CDCR can employ to improve the current procurement process. These are feasible alternatives for optimizing the current procurement structure. The recommendations emerged through our research, specifically communicating with OBS staff, surveying institutional staff, examining best practices from similarly large prison systems, analyzing a case-study of the procurement process of the Florida Department of Corrections, interviewing DGS, and reviewing the work of other student groups.

The results of our analysis highlight short-term improvement options and alternatives for a gradual shift towards a centralized procurement process. Implementing these recommendations would not only improve organizational efficiency within the current process, but lay the foundation for a regional procurement process.

Recommendations

It is our recommendation that CDCR improve the current procurement structure, by implementing the listed optimization strategies. These optimization steps will improve the current structure by empowering institutional staff to practice more cost-effective procurement strategies, improve accountability and transparency of institutional procurement, and modernize procurement by better utilizing existing technological resources. Taking immediate steps to optimize current process will increase procurement efficiency and cost-effectiveness without major organization or cultural changes and without the need for a large increase in OBS resource allocation.

These recommendations include the findings of our study, some of which correlate with recommendations from the UCLA report. Specifically, elements of recommendations *1,2,3,4,* and *9* were included within the UCLA report. In order for CDCR to implement these recommendations it is our suggestion that an implementation plan be drafted that details how the organization will address each recommendation, provides a timeline for implementing recommendations, assigns roles to appropriate organization sections, and assesses how the recommendations can be implemented in the most effective and efficient fashion. Because our team was unable to find a large scale implementation of the UCLA recommendations, it is our finding that each of these nine optimization recommendations be incorporated into a project plan.

Recommendations for Optimizing Current Procurement Process

1. ***Take advantage of additional procurement training opportunities***, in order to maximize staff procurement capabilities. As mentioned in the UCLA Study, there are a range of options for improving training including:

   o Institutional procurement staff could be empowered by attending OBS training opportunities or procurement workshops.

   o Pursue SAP training and other 'non-state' training opportunities. Currently, CDCR underutilizes the potential operational capabilities offered by SAP. This is due to both lack of staff training and the need for internal processes to be designed to most effectively utilize SAP.

2. ***Improve the Utilization of SAP***, in order to take advantage of potential efficiency improvements. Potential ways to improve the SAP including:

   o Better utilize SAP by configuring procurement system to take advantage of additional services offered by SAP.

   o Create a mandatory protocol for CDCR staff to take advantage of the training offered by SAP

   o Create more standard format for naming procurement goods. Procurement staff reported that goods are difficult to search for within Business Integration System within SAP, because very specific word choice is required. One respondent referred to the need for a 'cheat sheet' within Bid Sync so that procurement staff knows what key words to search for when researching bids. One example provided involved the differences in results when a search is conducted for 'car', 'vehicle', 'truck', or 'automobile' only one will pull up correct results. Along with this potential cheat sheet reconfiguring the system to make is more logical, accessible, and standardized would improve efficiency.

3. ***Improve the current procurement process by: measuring and reporting on performance data, using performance data to improve institutional***

procurement procedures, and monitoring and insuring compliance with procurement procedures. OBS staff indicates that they do not have access to performance measures, procurement data, inventory levels, waste levels, or the cost-effectiveness of certain institutional procurement items. Making overall procurement processes more efficient involves the improvement of the department's monitoring, auditing, and reporting methods. CDCR can increase oversight of institutional procurement and track institutional procurement procedures by:

- Improving the clarity and consistency of procurement data to improve ability analyzes data and use data to inform managerial decision-making.
- Better measuring and tracking institutional procurement including:
    - Cost-effectiveness of the procurement of various categories of goods.
    - Measure the amount of food waste and the waste of other procured goods.
    - Monitor and create internal reports on the bidding practices within the institutions.
    - Track inventory levels and compare current inventory levels with procured items. Inventory is currently tracked at the institutional level within SAP but there is no global tracking and OBS must actively seek out the data.
- Conducting more regular peer-review audits of institution procurement practices, institutions should be visited semi-regularly. This may involve working with the CDCR Office of Audits and Court Compliance's (OACC) to obtain more staff time and resources to conduct these audits. Audits can be used to evaluate:
    - Cost effectiveness of products purchased
    - Proper bidding practices
    - Inventory management
    - Waste analysis

4. ***Develop, disseminate, and train institutions with best procurement practices.***

- OBS can work with institutional procurement staff to develop best practices for institutional procurement. The current process incorporates many examples of decentralized procurement. As such institutions have developed unique procedures, and there may be lessons learned by particular institutions that others could benefit from implementing.
- These best practices should be distributed to each institution along with training to empower staff to implement any techniques that can reduce procurement cost, or improve procurement processes in other ways.

5. **Improve handbook, disseminate, and provide training.**
- The current Procurement Handbook contains valuable information but the information could be better utilized by updating the format to a digital format and reducing length. The handbook should be a tool that staff can use to quickly reference. The handbook should answer frequently asked questions, provide a guideline for standard procurement processes, and provide staff approaches to find answers for specific procurement procedures. Digitizing the handbook would have negligible costs and the reduced printing could provide cost savings.

6. **Create additional menu items that comply with mandatory nutritional levels**
- Institutional staff reports that fluctuations in the price of food and particularly for certain produce items raise procurement costs. External factors such as shortages, weather, plant disease and other factors can make certain menu items increase in price, but other food items with similar nutritional components may be cheaper but menus are prepared in advance of market changes in the cost of certain food items.
- Formulate a more comprehensive menu that details additional meals that meet nutritional standards, in order to increase flexibility in ordering food based on price fluctuations (i.e. they expect certain types of produce to become more expensive due to drought.)

7. **Facilitate and encourage more cooperation between institutional**

- Set up procedures that encourage institutions to share resources amongst themselves, but also maintain oversight and accountability.
- OBS reports that institutions have strong relationships and do a good job of sharing amongst them, but there may be an opportunity to assist in the coordination of this practice from OBS by making universal best practices for reducing costs.
- This is based on two examples that were reported to have worked well:
  - The sharing of ammunition when supplies were limited do to external market forces, especially the U.S. wars in Afghanistan and Iraq)
  - The procurement structure that exists between Folsom State Prison (FSP) and California State Prison-Sacramento (CSP-SAC)

8. *Streamline the procurement process*
- Our procurement staff survey asked the open-ended question *if you could make the procurement process more efficient, what would you change?* The most frequent answer, with 12 responses, focused on the need to streamline the procurement process. Specifically, respondents suggested that CDCR:
  - Reduce the amount of paper work required for vendors and procurement staff throughout the process
  - Utilize more electronic processing of procedures and transmission of documents
  - Automate common procurement procedures

9. *Continue to expand the range of goods procured through leveraged contracts*
- Survey respondents as well as institutional staff in FSP reported that there are several items that would be purchased centrally and standardly without effecting institution staff's ability to meet the unique circumstances of each institution. Such goods include:
  - Office supplies such as binders, pens, printer toner, and white paper
  - Chemicals for waste water treatment
  - Chemicals for boilers

- Ammunition

It is the finding of this report that incorporating these process improvements will likely reduce procurement costs. Furthermore, CDCR should identify the progress that they have made on any of these recommendations both within OBS and within other CDCR sections. Also, CDCR should identify any obstacles that have or may prevent implementation of any of these recommendations. This information should be provided to future researchers to facilitate a more thorough analysis. Enacting these recommendations will also improve organizational efficiency and provide a groundwork if the department decides to pursue a regional or central procurement structure.

Improving the current system will require an initial increase in resources and a long-term commitment to improvement. However, these recommendations are feasible within the current organizational climate. Findings from this report, along with the UCLA report, and recommendations from DGS offer strategies to effectively improve CDCR procurement in the short-term. As the Department and future research teams explore regional and central procurement structures, it is imperative that detailed information about staffing levels are provided, as well as financial data that can be made into an itemized breakdown of institutional procurement.

Assessment of Processes for Restructuring CDCR Procurement

The findings from this report indicate that several options exist in which CDCR could make significant changes to the current procurement process. These options include creating a regional procurement structure, and implementing a fully centralized procurement process. Our team was not provided with the appropriate information by OBS staff to perform a true cost benefit analysis of these options, but our initial findings are summarized below. Our analysis reveals potential benefits from adoption of a regional or central procurement structure, but also highlights advantages of the current decentralized approach.

Advantages Inherent within Current Decentralized Procurement Structure

- o Given the unique situational imperatives of each institution, the local staff is in the best position to fulfill the procurement needs of each prison.
- o The external mandates and internal value-choice to purchase from Small Business Enterprises, DVBEs, and local vendors requires the cultivation of business relationships with many regional vendors throughout the state.
- o The existing semi-autonomous procurement structure of CDCR institutions is an embedded cultural norm, and each prison has been allocated with a staffing level that suggests improved efficiency and cost saving is possible with improved procurement business practices.

Regional Procurement Process

Establishing a regional procurement structure is one option that could either be the goal of the Department or serve as an intermediary stage between the current process and full centralization. A regional procurement structure could produce a more centralized process while maintaining regional relationships and more autonomy than full centralization. Regional centralization would also require a major departmental commitment and a dedicated change management approach. A regionalized procurement process would be a major change for the institutions and a reduction of institutional control. This may be met with resistance due to the traditional autonomy bestowed to individual institutions. However, there are a few examples of semi-regionalized structures, i.e. the relationship between Folsom State Prison and California State Prison-SAC and the history of inter-institutional cooperation.

The results of our survey of institutional procurement officers found that 57% of respondents answered "No" to the question *would having the ability do leveraged procurement agreements at a regional basis benefit the procurement process at your facility?* Conversely, 43% of respondents answered yes to this question, which suggests that although the majority objected to the merits of

regional procurement, almost half of respondents supported the general idea of regional procurement.

There are many options inherent in the development of a regional procurement structure. The determination of a feasible and effective regionalized procurement model involves further research including interviewing wardens, institutional procurement officers, and CDCR executives. A shift towards regionalization would require OBS to work with institutional staff, train staff, secure buy-in, and overcome resistance.

Regionalizing procurement would involve the creation of regional offices. The regional offices could create a structure to provide oversight of institutional procurement; improve communication between institutions; track institutional inventories; track price per inmate data; and maintain relationships with Certified Small Businesses, DVSBs, and other local vendors.

Advantages of Regionalized Procurement Structure:

- o Regionalized procurement structures could address local contextual factors, while providing a greater chance for oversight, inter-institutional cooperation, and standardization of improved procurement practices;
- o Regional purchases from SBEs, DVBEs, and local businesses could consolidate local procurement, while still utilizing desired vendors;
- o Regional offices could serve a monitoring function for institutions within the region, and promote compliance with efficient procurement practices;
- o Institutions would maintain some purchasing autonomy and would have delegate staff at the regional office, while there would be a more centralized body to improve consistency, reporting, and improve the ability to implement statewide changes to the procurement process;
- o There may be more flexibility to maintain similar staffing levels;

Ways to configure regional procurement:

- The Florida Concept
- CDCR Central Accounting Concept with regions based out of the CDCR accounting offices.
- Similar structure to what exists between New and Old Folsom: i.e. shared warehouse and local food contracts are combined into one purchasing order with food allocated to each prison after it has been received.

Full-Centralization of procurement

Fully centralizing all CDCR procurement processes would produce positive and negative outcomes, but any attempt to majorly reconfigure the current procurement structure would require a major commit of resources, time, and leadership. Given the limited scope of our study we do not recommend immediate action be taken to fully centralize procurement. OBS reports that a consultant will further assess procurement process, and we recommend that this subject be studied further and discussed with CDCR executives. There are potential cost-savings as described by the UCLA report, but it is not clear to our group or the other USC team whether the $21 million estimate by the UCLA group is accurate. There may be some benefit in pursuing full centralization or a much more centralized process as a long term goal, but any such decision would require executive support.

Full centralization of procurement would improve accountability, transparency, and the power of headquarters to affect change. However, there would need to be a reconfiguration of how the Department utilizes DVBEs and local vendors. Furthermore, the decentralization and regional centralization empower institutional staff that possesses the greatest knowledge of institutional contexts, imperatives, and circumstances. It is possible that a centralized procurement process could be implemented that accounts for these issues, but given the limitations of our study and the current political climate of

CDCR this is an option that requires further examination. We recommend that future studies examine processes for centralizing procurement.

Summary of Future Research Recommendations

Due to the time, resource, and access limitations of this study it is the recommendation of this group that further planning and research be performed on the procurement process of CDCR. The findings of this report provide a good starting point for implementing future studies. Here is a brief outline to be used as a starting point for further research.

Considerations for a future study

- More in depth As-Is assessment of process and statistical analysis
- Work with OBS, CDCR Executives, institution staff and other departmental actors to outline potential Regional and Centralized procurement models and implementation plans. Specifically:
  - Determine departmental commitment
  - Devise change management strategies
  - Compare cost-savings potential
  - Conduct a feasibility assessment
  - Examine ways to reduce spending while maintaining relationships with SB/DVBEs
  - Provide standards for oversight and accountability of CDCR procurement
  - Outline a transition into a completely centralized procurement process through a multistage plan
- Present existing data in a more legible format
- Research processes for receiving constructive and automated procurement data reports.

Appendix 1: Florida Department of Corrections Organizational Chart[14]

[14] http://www.dc.state.fl.us/orginfo/orgchart.html
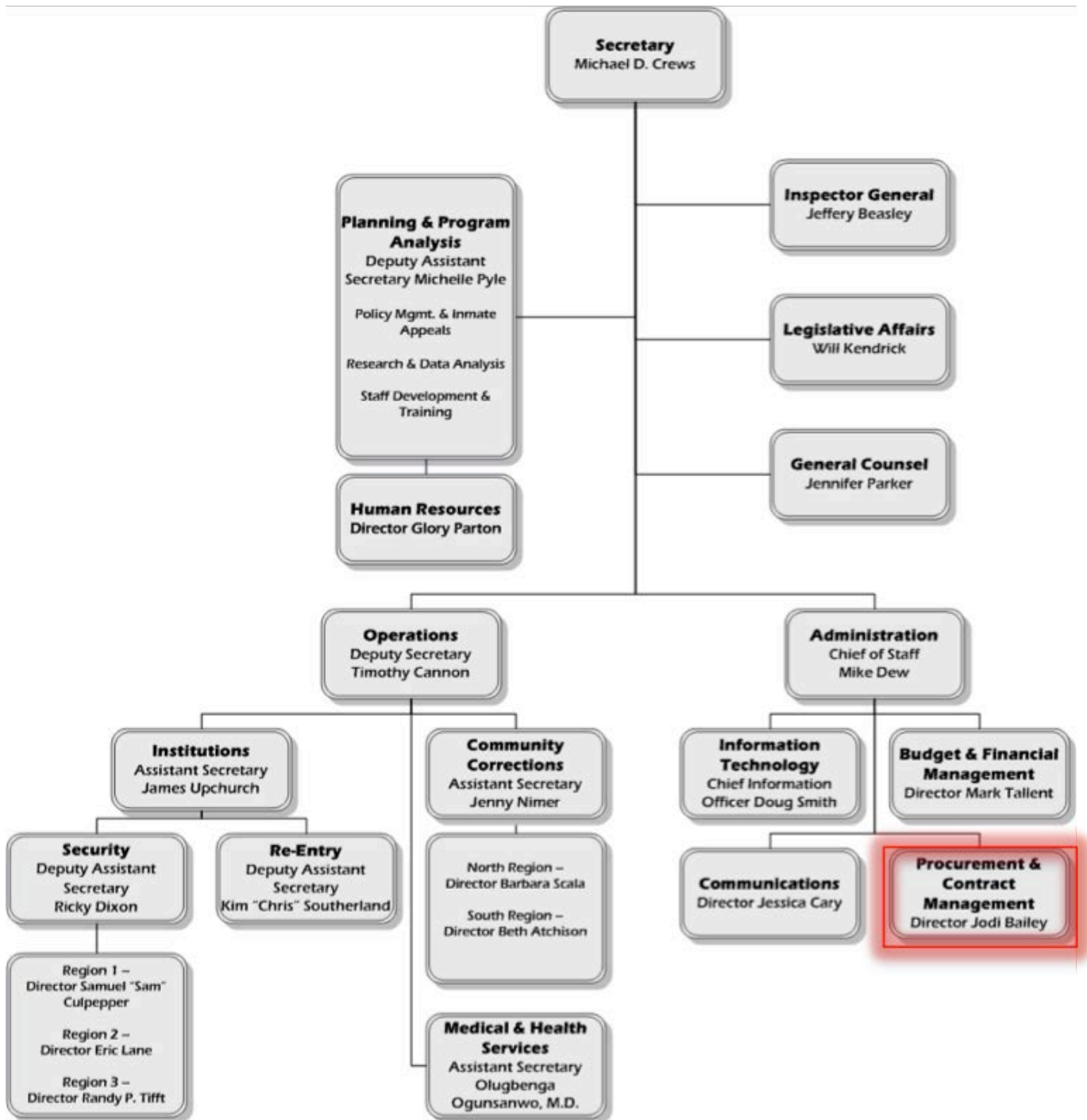
Appendix 2: E-mail from Bobby Brooks, CPPO, CPPB, Purchasing Administrator, Bureau of Procurement & Supply, Florida Department of Corrections, dated March 10, 2014

Staffing and Labor

Central Office

In terms of number of personnel and position type, how is the central office staffed? 1-chief/1-purchasing administrator/2-supervisors/9-purchasing agents

How are staffing levels determined? Volume

How is labor divided among the staff (i.e. in teams, individual assignments, by commodity or groups of commodities)? Individual assignments

Who has authority to purchase at the following levels?
(1)   CATEGORY ONE: $20,000. (Facilities?) All procurement staff
(2)   CATEGORY TWO: $35,000. (Regional offices?) All procurement staff
(3)   CATEGORY THREE: $65,000. (Department of Corrections?) All procurement staff w/supervisor approval
(4)   CATEGORY FOUR: $195,000. (?) All procurement staff w/supervisor approval
(5)   CATEGORY FIVE: $325,000. (?) All procurement staff w/ administrator approval

Regional Offices

How is the regional procurement offices staffed? 1-supervisor/manager/1-supervisor/6-8 purchasing agents

How are staffing levels determined (i.e. commodities, number of facilities, number of inmates, volume, etc.)? Volume

How is labor divided among the staff? Individual assignments/commodity-service

What commodities/informal contracts do the regional offices currently manage? All

Facilities

How are facility procurement offices staffed? No procurement staff at facilities

How are staffing levels determined? NA

How is labor divided among the staff? NA

Do the correctional facilities have any delegated purchasing authority? If so, what are their thresholds? NA

Do the facilities report what purchases they make? Inventory levels? If so, how? NA

ERP

Does the Florida Department of Corrections Procurement Staff utilize any type of ERP software? If so, what software and version? MyFlorida market place-Florida custom system

To what extent is the ERP software used? (Full automation, partial automation, etc.) Full-required for State Agencies

Training Standards

If ERP software is used, what level of training and certification is required by procurement officers/specialists? The MFMP team provides training

Do you require procurements officers/specialists or managers to undergo continuing education? ISM/UPPCC certifications? No

Miscellaneous

What goods and services, if any, are managed above the Florida Department of Corrections level? Florida has State Term Contracts

What requirements are there to purchase through the current DC contracts? DC staff

Which entity/entities purchase through these contracts? Dept. of Corrections

What requirements are there to purchase through the State Term Contracts and State Purchasing Agreements? Which entity/entities purchase through these contracts/agreements? All State Agencies must purchase from STC

Are there any requirements to purchase from SDVBEs? If so, what are they? How are they met? None

Are there any initiatives to purchase from locally owned businesses? No If so, how is purchasing conducted with them? NA

Appendix 3: Revised Project Scope

MEMORANDUM

To: Robert Denhardt, PPD 546 Professor, University of Southern California
        Melissa Kludjian, Executive Director, Senate Advisory Commission on Cost
        Control in State Government
        Bryan Hobson, Deputy Director, CDCR Office of Business Services

From: Kelsey McQuaid, Quentin Foster, Drew Clarke, Andrew Cattell, Jessica Lenth
        MPA Students, University of Southern California

Subject: Revised Scope of CDCR Group 1's Project
_____

Initial Project Scope

The original project proposal stated that the project would consist of an analysis of CDCR's current procurement process, organizational structure, staffing, and workflow to identify inefficiencies.

Based on that analysis, we would present centralized models based on examples of successful centralization programs from other state and federal departments. Based upon our research of other successful centralization programs, we would select the best alternative for further analysis to demonstrate why it would be the best model for CDCR.

Changes to the Project Scope

Due to time and resource constraints, Group 1 is changing the scope of our project. We will still be analyzing CDCR's current procurement process, organizational structure, staffing, and workflow to identify inefficiencies, as well as looking to other programs.

We realize that CDCR is currently under numerous different constraints due to Federal oversight and conservatorship. In light of their time and staff constraints we will be offering methods for CDCR to improve efficiency. The project will examine the increased use of leveraged procurement agreements, regionalization, and best practices for improving efficiency and cost savings.

Next Steps

Our group will collect responses from the procurement officer survey and analyze the responses to determine where the system can be improved. We will also continue to speak with CDCR and DGS staff.

Appendix 4: CDCR Procurement Survey

USC University of
Southern California

Q1.

These questions are meant to illuminate the procurement practices of your facility for the purposes of assisting our team of University of Southern California Masters of Public Administration students in evaluating the procurement practices of the California Department of Corrections and Rehabilitation. All surveys are anonymous.

If you have any questions or comments about the survey please contact Kelsey McQuaid at kmcquaid@usc.edu.

Q2.

What is (are) the most difficult part(s) of the procurement process, from your perspective? (Please choose more than one response if applicable, and explain your choice(s) below.)

☐ Meeting PIA requirements

☐ Dollar amount thresholds

☐ Including SB/DVBE suppliers

☐ Negotiating with suppliers

☐ Working with DGS

☐ Utilizing SAP

☐ Other

Q2.1. Please explain your answer to Question 2 (Optional).

Q3.

Are there any non-IT goods or materials currently purchased separately by each institution that you feel might be more cost-effective or otherwise beneficial to buy in bulk or on a larger scale? If so, please identify.

Q4.
Which leveraged procurement contracts do you most frequently use?

[ ]

Q5.
Would having the ability do leveraged procurement agreements at a regional basis benefit the procurement process at your facility?

○ Yes

○ No

Q5.1. Please explain your answer to Question 5 (Optional).

[ ]

Q6. Are you aware of any non-IT material groups on which you paid a significantly higher price than other institutions paid for the same material groups

○ Yes

○ No

Q6.1. Please explain your answer to Question 6 (Optional).

[ ]

Q6.2. If you answered "Yes" to Question 6, please identify a likely reason for the higher or lower costs for each good:

☐ Prison Industry Authority

☐ Small Businesses and DBVE Vendors

☐ Use of DGS Leveraged Procurement Agreements

☐ Long term relationships with suppliers

☐ Other

[ ]

Q7.
Are your orders of non-IT goods and materials generally placed through a standard automatic order or do you monitor inventory and place orders according to inventory levels?

○ Standard Automatic Order

○ Inventory Levels

Q8.
In addition to mandatory procurement rules and regulations do you utilize other internal procurement procedures or processes? If you have an internal set of guidelines or best practices please email them to kmcquaid@usc.edu (We are assembling a list of best practices and would like to hear from individual facilities. You can remove the name of your facility from documents to maintain anonymity.)

○ Yes

○ No

Q9.
How often do you, and your procurement staff, receive procurement related trainings?

○ Monthly

○ Quarterly

○ Semiannually

○ Annually

○ Other

Q10.
Do you conduct in-house procurement training?

○ Yes

○ No

Q10.1. Please describe the in-house training program. (Optional)

Q11.
Briefly describe your prison's procurement process (including purchasing structure). (Optional)

Q12.
Are there any additional needs imposed by the nature of your institution or population that affect your costs for non-IT goods?

- ○ Age of Facility
- ○ Facility Conditions
- ○ Security Level
- ○ Gender of Inmates
- ○ Overcrowding
- ○ No Additional Needs
- ○ Other

Q12.1. Please explain your answer to Question 12. (Optional)

Q13.
If you could make the procurement process more efficient, what would you change?

Appendix 5: CDCR Procurement Survey Results

1. What is (are) the most difficult part(s) of the procurement process, from your perspective? (Please choose more than one response if applicable, and explain your choice(s) below.)

#	Answer		Response	%
1	Meeting PIA requirements		7	18%
2	Dollar amount thresholds		4	10%
3	Including SB/DVBE suppliers		11	28%
4	Negotiating with suppliers		4	10%
5	Working with DGS		9	23%
6	Utilizing SAP		11	28%
7	Other		22	56%

Please explain your

Other Responses to question 1:

- Dollar amount thresholds and getting purchases approved and released in a timely manner
- THE AMOUNT OF PAPERWORK REQUIRED TO PROCESS A SINGLE PURCHASE. VERY REDUNDANT
- Lack of communication or changes in procedures and not being notified by OBS.
- Restrictions in obtaining sole source purchases
- As a satellite office, having to do much of the procurement work without knowledgeable staff.
- Too much paperwork involved in even the most simple ($200.00 transaction, for example) of procurements
- Complying with conflicting laws, rules, policy and procedure
- Working with IT Department in Headquarters
- Getting purchases through OBS-vehicles are esp. time consuming.
- Cumbersome oversight. The Institutions PSOII and subsequent managers assigned to each correctional facility oversee and approve all procurements for goods and services. The Warden (Chief Executive Officer) is ultimately responsible for all procurement transactions occurring under his/her watch. However, there are several layers developed by CDCR Headquarters over the years, which review and approve these procurements as well. This often times results in procurement delays, resulting in bid expiration, or funds expiring due to lapse of the fiscal year. Many of these procurements, equipment for example are procured through a Schedule 9 process. This is in itself is a lengthy process, however, in being required to receive the surmountable exemptions and approvals required by Headquarters, quite often these procurements do not reach fruition because of these delays. This in turn impairs the task of the correctional facility in being able to purchase critical goods and services in a timely manner to meet its many missions and mandates. This could be eliminated by removing the copious layers of Headquarters oversight, therefore allowing the correctional facilities to streamline the procurement process by generating and approving procurements internally.
- SCPRS not being integrated with the BIS - it makes us do double work.
- Dollars allowed to spend due to budget restraints
- Training new users on all the forms & requirements, keeping up with the changing requirements
- The procurement processes are cumbersome and bureaucratic requiring vendors to complete numerous forms, alienating the vendors.
- PIA Requirements in that we can get items less costly outside of PIA. DVBE Vendors sometimes difficult to find.
- Having to use PIA when I can get better prices elsewhere.
- Obtaining multiple approvals from several entities (EIS, Accounting, etc.). Budgetary constraints.
- The amount of paperwork needed to process one purchase order is excessive, repetitive and time consuming.
- No Issues with meeting the above requirements
- Meeting CDCR requirements that exceed DGS

answer to Question 1 (Optional).

Text Response

SAP was instituted to make it easier to purchase and everybody will be real time from receiving to invoicing and inputting stock. The system is so convoluted that it takes so many different aspects of the program to change or amend PO's and PR's that we don't get a real accounting. We are always finding out different aspects of SAP and it has been almost 4 years since its beginning. There are also way too many documents that need to completed each time you request a bid from potential vendors. We need to develop a way to have DGS keep a record of these documents on file so it is streamlined and all vendors need to do is completed the quote worksheet.

The amount of paperwork DGS requires and the rules of when to use SB/DVBE are so long and often confusing for the staff that works in the Institutions.

Waiver request take very long to process, sometimes up to a month for approval. Toners are very poor quality, and cause printer problems.

DGS and OBS have a different understanding of the laws, rules, etc. so OBS frequently sets policy that conflicts with the intent of the law. Regional Accountings needs different processes that are within the law but OBS is unaware or unable to comply with those processes. This leaves the institutions at a loss of how to effectively perform the necessary duties and follow the rules.

SAP is very complex in the following areas: When amendments are made you have to go back and make changes to PR's. If you enter asset shell and the PR has to be deleted the property controller has to delete SAP should have a button that automatically Disencumbers purchase order and PR

IT department is always change regulations, takes weeks to get PO cut. DGS has different rules and regulations than OBS and IT. IT makes all Institutions use REMI which is the worst vendor and rip off I have ever seen in Procurement.

SCPRS - State Contracting Procurement Registry System is not integrated with the BIS process. This causes us to input information twice - we have to spend more time completing this process.

Purchases are needed, but due to budget restraints the Department cannot purchase which is leading to failure of equipment and low staff morale

PIA is mandatory, per Penal Code. However, most products are not the best value for the state! If PIA had to compete with other vendors, statewide savings would be huge! Bids would be awarded to the lowest responsible bidder, not mandatory to PIA.

It is difficult to get exemptions from PIA for products. Also PIA products traditionally cost more than going to a private vendor so it costs the institution more money for the same item.   It is difficult to find Small and minority vendors and they can bid up to 5 percent more than another vendor and still receive the bid. This impacts an already small budget.

BIS can be slow at times and at first difficult for staff to use.

I would love to get more feedback or explanations especially on denied NCB's, SCR's and LTB's Specifics on why one is denied and the other approved

SAP is not user friendly, and most of the time it times you out. Too much paperwork wasted on the same forms being completed and input into system as part of purchasing requirements

Food Quality PIA offers and PIA delivery timeframes. Vendors are getting irritated with all the mandatory documents that are required to be completed and at the end not getting the award.

The systems that DGS uses are out of date and do not interface with the systems CDCR uses. DGS needs to move into the 21st century.

I've received numerous complaints that utilizing just a SB, MB or DVBE has been difficult for some departments to get quotes. Unlike before when we were able to utilize all three when requesting quotes.

DVBE Suppliers are still difficult to find, especially for some construction-related materials.   DGS remains inflexible, slow-moving and often arbitrary in it's decision-making process

Utilizing SAP - would like additional training or refresher training as to how to use some of the BIS Portals (i.e. BI Commitment Report) Other - having the person or department ordering goods to attach all required documents in order to process the purchase requisition (Preq). Also, involving EIS in the purchasing process. There have been a few instances where Preqs would be "sitting" for weeks for their 2nd Level approval or for EIS to create a purchase order

2. Are there any non-IT goods or materials currently purchased separately by each institution that you feel might be more cost-effective or otherwise beneficial to buy in bulk or on a larger scale? If so, please identify.

Text Response
Yes, it would be beneficial to have a Statewide contract for locksmith supplies, vendors are difficult to find and small or disabled businesses that carry prison lock supplies are not available
ITEMS REQUIRED TO SUPPORT THE INSTITUTION LOCKSHOP. PRODUCE
None
The current DGS Strategic Acquisitions Unit (SAU) process is designed for that but institutions cannot wait for Bulk purchases to get completed and shipped to the institutions. Any delay in delivery could cause major problems at the institutions. It is a good idea if they could be on time with the correct product. What happens sometimes is DGS puts out a bulk requests to the institutions on a quarterly basis for Toilet paper, Paper towels, Latex gloves, etc. and the institutions submit quantity and type and the purchase is supposed to be completed by SAU. However what has occurred is when supplies arrive they are not what was requested or the shipment gets delayed and we have issue with shortages. It is a great concept however there is no guarantee they will arrive on time. We in the field need to do the purchasing.
My office utilizes mostly office supplies and we order only a couple of times per year.
I think most items could be purchased in bulk and stored in a warehouse and shipped to the various institutions; if you had 3 warehouses north/central/south; purchased and shipped from CDCR own warehouse save tons of money and institutions would not be doing expensive purchases because they like certain products
bed sheets,
Office Supplies, Ammunition, Chemical for Boilers, Chemical for Waste Water Treatment
No I do not. In my experience, consolidated purchasing does not work well. There are too many variables at each institution to effectively purchase on behalf of each prison.
The CDCR should be streamlined. All IT equipment should be procured through consolidated purchasing. CDCR currently has an IT division, however, generally only processes procurements for special programs (i.e., new enterprises, Education, etc.). However, these procurements should be broader based; computer workstations for example should be standardized, and purchased through IT via a Master Purchase Agreement and accompanying delivery schedule.
Copier paper, water treatment chemicals, cell bulbs (lighting)
NO. Strategic acquisition may be beneficial across the board, but MOST items I can purchase at the same or LOWER cost from local vendors. Forcing us to use strategic acquisition process doesn't always save dollars! As each institution has their own budget, it makes sense to let us spend our money wisely in house.
Most items can be bulk purchased since all institutions use similar items. i.e. maintenance materiel
Office Supplies -
According to HQ bulk purchases save money; however, about half the time when we gather the information and forward to HQ for a consolidated purchase, they cancel and tell us to purchase individually.
None that I can think of at the moment.
None aware of this
Anything that PIA sells can be bought in bulk or on a large scale and cost CDCR less than what PIA sells to us.
N/A
No. We seem to be declining in our Small Business/DVBE goal efforts because of the strategic acquisitions that are currently being processed.
Water Treatment Chemicals
nothing at this time
White paper, toner, pens,
unknown
Armory Supplies such as chemical agents.
N/A -we are not an institution-based program.
Ammunition

3. Which leveraged procurement contracts do you most frequently use?

Text Response
Pest Control Supplies, WSCA Grainger, De-icing supplies
WSCA
Industrial gases for welding gas. There are several WSCA contracts that are not mandatory that sell many of the items we use, however, it is not cost effective as we more times than not, get a lower price by competitively bidding. I do not find these contracts worthwhile.
TOOLS, LIGHTING AND INDUSTRIAL SUPPLIES
Copier Paper.
Master
Food Contracts-Grainger (WSCA)
Fuel, new toners, Beverage Base, Cheese, Condiments, Individual Serving Packets, Dry Bakery Mixes, Facilities Maintenance, Lighting Products, Industrial Supplies and Tools.
Food contracts
Food, toner, fuel contracts
Food Contracts
Mostly food contracts.
Food and maintenance supplies (WSCA).
The contracts which provide critical items (i.e., food contracts, Grainger, etc.). However, the MPA's should be expanded to include tires for example which have not been listed for many years now (every correctional facility buys tires).
Textiles, Copy Paper, and Toners.
Food contracts WSCA
Foods and ammo
WSCA MRO (GRAINGER, MSC, FASTENAL), FOOD CONTRACTS, COPY PAPER,
Food
Food, Paper, Toners
Toner from PC Specialist, PIA items- Chairs, binders
Stay Safe (Paper), TIG (Toner), and CalPIA (Toner, furniture, misc. office supplies)
Food, ammunition, blankets, towels
Grainger and Small Business Partners. All food contracts.
WSCA
grainger, tig, all food related contracts
Various, depends on the product needs. Food is the most consistent.
Ammunition, 25 Year Award, Body Armor, Food Service Supplies, Bulk Fuel, Liquefied Gas, Welding Gases, Paper, Print & Writing, Textiles (Towels & Washcloths), Tires, Toner Cartridges, Food Contracts, Light Duty Auto Parts, Small Package Delivery Services.
Grainger

4. Would having the ability do leveraged procurement agreements at a regional basis benefit the procurement process at your facility?

#	Answer		Response	%
1	Yes		14	44%
2	No		18	56%
	Total		32	100%

Please explain your answer to Question 4 (Optional).

Text Response
Because our institution is so remote, having LVA's with vendors from our area would help
I think it is important to keep the purchases in the area n your institution is so as to keep the communities thriving. CDCR is such a huge part of communities because of their purchasing needs. Keep the tax base local.
The purchasing process would get done a lot faster; outreach bidding is a long process and takes more time than using contracts.
California is too large to achieve savings on most statewide contracts. If the vendor is in Sac, they can't always provide the same type and/or speed of service to southern part of the state. A more regional award could improve costs and services.
It definitely quickens the process of procurement. One does not need to solicit business for example because it is already done.
Only if it would apply to our local regional businesses.
Regional would indicate faster service.
We don't have to wait on quotes or all the other 5-10 pages of forms that must be filled out by the vendor, which causes delays.

5. Are you aware of any non-IT material groups on which you paid a significantly higher price than other institutions paid for the same material groups?

#	Answer		Response	%
1	Yes		2	7%
2	No		27	93%
	Total		29	100%

Please explain your answer to Question 5 (Optional).

Text Response
Any contract for goods or services which require a local base. For example, fuel is dedicated by region. Our correctional facility is located in one of the higher cost of living locations in California; therefore the cost of fuel will be higher due to taxation and fees. The same applies to sanitation; the cost of waste removal and disposal will be more expensive than a correctional facility in the desert for example. Again, these costs are primarily driven by geographical location.
Everything purchased from PIA is much higher than other vendors.

If you answered "Yes" to Question 5, please identify a likely reason for the higher or lower costs for each good:

#	Answer		Response	%
1	Prison Industry Authority		2	67%
2	Small Businesses and DBVE Vendors		1	33%
3	Use of DGS Leveraged Procurement Agreements		1	33%
4	Long term relationships with suppliers		0	0%
5	Other		2	67%

Other
Some areas are more expensive such as North vs South; due to location
Any contract for goods or services, which require a local base. For example, fuel is dedicated by region. Our correctional facility is located in one of the higher cost of living locations in California; therefore the cost of fuel will be higher due to taxation and fees. The same applies to sanitation; the cost of waste removal and disposal will be more expensive than a correctional facility in the desert for example. Again, these costs are primarily driven by geographical location.

6. Are your orders of non-IT goods and materials generally placed through a standard automatic order or do you monitor inventory and place orders according to inventory levels?

#	Answer		Response	%
1	Standard Automatic Order		3	10%
2	Inventory Levels		26	90%

7. In addition to mandatory procurement rules and regulations do you utilize other internal procurement procedures or processes? I

#	Answer		Response	%
1	Yes		11	38%
2	No		18	62%

8. How often do you, and your procurement staff, receive procurement related trainings?

#	Answer		Response	%
1	Monthly		15	50%
2	Quarterly		0	0%
3	Semiannually		1	3%
4	Annually		1	3%
5	Other		13	43%

Other
Live Webinar for Procurement
NON EXISTANT, A MONTHLY CONFERENCE CALL CONSISTS OF INFORMATION SHARING ONLY.
We are currently providing training to our staff, as we have many new procurement officers, but we normally attend the required free training offered by DGS once and there has only been one training offered by OBS in the last ten years for all staff to attend.
Monthly calls / however they are numerous staff in the institutions who the initial vendor contacts and price quotes; it ends up taking a long time and often reaches the end result not correct
Monthly during the OBS Procurement Call and also as issues arise
Every couple years
Weekly
Many classes are offered in Sacramento, but travel is not authorized "in the field". Several years ago, 3 day training meetings were the norm. Now, an hour a month on a conference call is trying to provide the same info, but while we are tied to our office and exposed to walk ins customers and daily work. A concentrated learning environment away from work is better for retention. Networking is priceless too!
never
Only through monthly conference calls with one topic per month covered in 1/2 hour.
Rarely
On-going and as needed

9. Do you conduct in-house procurement training?

#	Answer		Response	%
1	Yes		24	80%
2	No		6	20%

10. Please describe the in-house training program.

PROCUREMENT OFFICER/STAFF PROVIDE TRAINING TO NEW BIS USERS BASED UPON ROLE REQUEST AND TRAINING REQUIREMENTS. "SITE TRAINING" IS PROVIDED AS REQUESTED/NEEDED.

We have developed a desk procedure that provides staff with the step by step procedures they need to follow in doing their day to day job.

When a new rule or Management memo comes to the PSOII via email it is shared with all procurement staff.

Meet on a monthly basis with Procurement/Warehouse staff to discuss any changes or policies that need to be implemented and/or issues we have encountered. Meet as needed with institution staff to assist them with their Procurement needs-conduct annual training for all institution staff to review the current Procurement policies.

Small business reports, bi-commitment reports, year-end deadlines, Purchase Requisitions, contracts.

As situations arise that I feel need addressing, in-depth explanations are needed using real, current, relevant examples

Weekly tailgate update/refresher meetings.

There is a standard lesson plan which is distributed to all staff who receive this training. The training is a combination of hand-outs, PowerPoint and interactive. There are additionally guides which summarize the procurement process, making for a more user-friendly process for those generating procurements. Because BIS has established new challenges for staff, "funnel points" have been established in selected. This in essence means that select, dedicated staff have received ample BIS training to process purchase requisitions for areas not familiar with the process (i.e., Armory).

We provide new staff with the BIS training, the different roles, Delegation Purchases, Contract Purchases and Service and Expense orders. We also train in SB/DVBE utilizing always one of these vendors. I also train for Contract manager for Contracts and processes and Scope of Work.

Purchase requisition

My staff sit in on any conference calls and receive copies of all informational bulletins. As needed, my staff and I speak at various departments (in house) to provide basic information and answer questions staff may have regarding the bid process, securing bids, etc.

TRAINING TO STAFF IS DONE BY THE PROCUREMENT OFFICE - CONTAINS INFORMATION ON DELEGATIONA & CONTRACT PURCHASING AND THE RELATED DOCUMENTS.

Training is provided as needed for staff throughout the institution.

Classroom setting mandatory for all staff who do any ordering covering purchasing, Service and Expense Orders and rules and regulations.

Each month Procurement Liaison Unit provides 30 minutes procurement training during our monthly Webinar. Topics are different each month, but touches on procurement practices

Training staff on proper bidding procedures.

Weekly. Discuss workload and any changes that need to be made

IST Training on: DOM, SAM/PAM, Procurement Handbook, DGS policy/procedure, management Memo

We do new employee training and refresher courses for existing staff on standard procurement processes, including SB/DVBE use, CALCARD training and the best ways to utilize the SAP/BIS system

11. Briefly describe your prison's procurement process (including purchasing structure). (Optional)

Text Response

1. Our department get and process quotes, enter purchase requisition into BIS and forward to Procurement. 2. Once per week the Warden approves purchase requisitions. 3. Once approved Procurement processes PO's Timeframe from quote to PO is sometimes a month, some quotes have expired waiting for this process to be complete.

Most of the purchases we make are competitive bid or small business option purchases and we adhere to all the rules and regulations set forth in making these types of purchases.

All purchases require that quotes be sent to vendors. A minimum of 3 bids and 1 must be to a Small Business/DVBE. Once received by the due date an inter-office requisition is submitted (CDCR-954) to Business Services for approval once approved the 954 is returned to the requesting unit where a Purchase Requisition (PR) is created in SAP. Once the PR is approved the Procurement department creates a PO prior to creating the PO the Procurement staff must review the packet to ensure all required documents are attached. The PSOII is the final approving authority for PO's.

Satellite office. We create a list of office supplies needed and send to Sacramento Accounting Office, Admin Unit to do the ordering (contact vendors, prepare/include all forms, enter purchase requisition, obtain approvals).

Broke out by areas; Security; Food; Facility Ops; Religion do their own request for quotes and get all the paperwork completed prior to sending to Procurement for processing and checking to ensure all rules are followed. Warehouse staff do procurement for stock items

Each department identifies the goods/services they need and are responsible for soliciting vendors for quotes. The department head approves the requisition and it is sent to Procurement with all of the necessary paperwork (RFQ, Darfur, 204, etc.). The requisition is sent to Budgets, the Business Manager and Warden for review and approval. The approved requisition is returned to Procurement and a PO is processed. The PO is sent back to Accounting for the Budget Analyst to sign then to the Procurement Officer for final approval and release in BIS. The Business Service Assistant then sends the PO to the vendor and distributes copies.

The department in need of the items will seek quotes, process purchase req. and attach all documents to PR. Procurement staff runs PR report weekly, insures compliance and recommends corrections or release by AW. Once released, PO processed.

Process is based on Purchasing Authority Manual and procurement Manual.

Bids go out from the correct liaison of that purchase, their supervisor approves the order and adds it into BIS, brings paperwork to procurement, procurement reviews to check all law and regulations were followed, procurement processes paperwork through administration to approve, procurement gets paperwork back from admin and weather package was approved or not a PO is cut and sent to the vendor.

Our correctional facility applies purchasing requirements consistent with the DGS guidelines, and the Public Contract Code. Best practices have been implemented to make a user-friendly process that non-procurement staff can enter information into.

1.954 2. Justification 3. Request for Quotations 4. Bid Sheet/Quotations 5. Recycle Content 6.Bidders Declaration 7. Small Business Certification 8. Data Payee form 9. Seller's Permit 10. Darfur Act Form 11. Other vendor's quotes and documentation. First the requestor will input the information into BIS. It receives a BIS Preq #. We identify the need of justification of product, we determine if it needs to be purchase through PIA first, then we check to see if it is a LPA, then we assembly the bid package. It is verified first through the BSA for all documentation and the bids are correct and following guidelines, then winning vendor is determined. Once the package is complete, it goes to

the BSO review and initials verification and logs in the Preq for tracking purchases. Then it goes to the PSO II for approval, verification and release at first level. From the PSO II it is forwarded to the AWBS for his signature and full release in BIS. Once released, it comes back to Procurement to the BSA for the completion of a PO. Once is the PO is complete, it goes PSO II for signature, review and release. Once released it goes back to BSA for the faxing to the vendor, the requestor and warehouse (receiving).

Need is identified, quotes are obtained following guidelines. Purchase requisition is completed by staff in program area were need is and forwarded for approval through Supervisor and Business Services AW. Once released, Procurement creates Purchase order and sends to vendor.

Staff with need of non stock product secure bids and process Preq in SAP/BIS. Stock item bids are solicited by Warehouse staff   Approvals are secured via SAP/BIS PO generated in Procurement and sent to the vendor.   Product received by Warehouse/Procurement and GR'd in SAP/BIS Vendor paid by Regional Accounting.

1) DEPARTMENT HAS NEED FOR ITEMS (NON-STOCK) 2) REQUESTOR COMPLETES PURCHASE PACKAGE AND PUTS INTO BIS 3) RELEASED LEVEL 1 BY APPROVER IN BIS 4) ROUTED TO PROCUREMENT OFFICE FOR PROCESSING 5) PROCUREMENT REVEIWS AND ROUTES FOR FULL RELEASE IN BIS 6) PROCURMENT CREATES PO AND SENDS TO VENDOR

We use the request for quote process including all forms we are required to provide to and receive from the vendors. Requisitions are entered by the person obtaining the quotes and are released by the area supervisor. The remaining requisition releases are completed by the Procurement Officer and procurements staff converted to POs. POs are routed to the Business Manager, AWBS, CDW and Warden for signature before sending to vendors.

Bids must be two certified small vendor quotes must have Darfur, procurement summary, recycled content, bidders declaration, and small bus. Certificate, etc. forms filled and completed by vendor. complete the 954 process, send up for approval, then input into SAP, have supervisor review, then Budget Analyst review, then have Business services approved, then its created into purchase order if all forms are completed and input correctly

Requestor obtain/submit via BIS a purchase request. Admiration approves/denies. Procurement review for compliance. Orders generated and sent to vendor. Product received and reviewed for compliance. Product Goods Receipted. Product delivered to requestor.

12. Are there any additional needs imposed by the nature of your institution or population that affect your costs for non-IT goods?

#	Answer		Response	%
1	Age of Facility		13	46%
2	Facility Conditions		1	4%
3	Security Level		1	4%
4	Gender of Inmates		1	4%
5	Overcrowding		1	4%
6	No Additional Needs		5	18%
7	Other		6	21%

Other
REMOTE LOCATION, LIMITED RESOURCES/VENDORS LOCALLY
Camp institutions have a challenging mission. Most Camps are located in isolated areas where goods/services are unavailable
NEW ACTIVATION - MANY NEEDS ARE UNDETERMINED
Age of facility and the condition of the facility
Medical Needs of inmates and age of facility

Please explain your answer to Question 12. (Optional)

Text Response
Our institution was built in 1963, and equipment is difficult to replace because of the process.
Some equipment are original to the institution are breaking down and in need of replacement.
Pleasant Valley State Prison is 20 years old so the infrastructure will require more repair and maintenance.
Prison is very old and is in need of repair throughout the institution
This is an older facility with increased maintenance requirements.
Our correctional facility is archaic, therefore requiring more extensive maintenance and repair than other correctional facilities throughout the state. Conjointly, the physical plant does not have many of the technical updates as do newer correctional facilities, which require additional challenges (i.e., lack of fiber optic cable making computer installation/setup more difficult and time intensive).
Prison is old and broken down. It is in need of constant repairs. Pipes, electrical, plumbing, kitchen is old and floor is rotting.
As prisons age it is more difficult to maintain the facility with a limited budget. Having to purchase higher priced goods from PIA and SMV vendors increases costs.
As the institution ages, it becomes more costly to provide the items necessary to complete required repairs.
Our institution is 136 years old We have male and female inmates

13. If you could make the procurement process more efficient, what would you change?

Text Response

Make the process quicker from quote to PO, make it easier to purchase major equipment to replace obsolete equipment, make it easier to purchase major equipment (new), to have the entire fiscal year's budget loaded into BIS instead of piece by piece.

HANDLE SERVICE CONTRACTS AT THE LOCAL LEVEL. (INSTITUTION) HANDLE ALL "IT" PURCHASES SERVICES & SUPPLIES AT THE INSTITUTION. AMMEND THE LAW PC 2807 REQUIRING STATE TO PURCHASE FROM PIA, ALLOWING FOR COMPETITIVE PURCHASING ON ALL ITEMS.

OBS needs to take a stronger role in the procurement process. From what I see, many of the institutions are oblivious to what the rules are. OBS should develop a training curriculum and provide training to all procurement staff routinely. One of my biggest complaints is that if you asked three OBS staff how to do something, you would get three different answers. They all need to be on the same page since they are supposed to be the group that we go to with our questions. They also seem to change processes often and "field" staff are not notified until you submit something the way you may have done it six months ago you find out that it has changed. It is very frustrating because you have spent time doing something one way to find out after the fact that it needs to be done differently. OBS does not communicate well.

Cutting back that on the number of documents that the vendor has to fill out to submit a quote

Auto generate required forms (most current revision) to submit to bidders. Forms should be easily locatable on the Intranet without having to drill down into a myriad of menus. Forms could be located under the Forms Button on the home page, and categorized by area (Procurement, Accounting, Custody, Healthcare, etc.)

The complicated and numerous forms and paperwork. OBS to do more purchases on a statewide basis to cut costs and the amount of orders/ most prison use the same products just different types and costs

Less paperwork

I like the new BIS system, only thing I'd like to change is the training provided to new users is very limited. I'd like to have ability to provide training here in procurement and not have to rely on institution IT staff.

REDUCE OBS REQUIRED PAPERWORK!!! Work smarter, not harder. Incorporate all the necessary vendor notifications by reference. Vendors regularly receive approximately 15 pages of paperwork to wade through in order to bid on a $200 dollar order. Most vendors refuse since they can better utilize their time serving customers that do not require the completion of numerous documents just to lose the bid.

Make modifications to SAP to allow the system to make changes with a click of a button. Allow the institutions the ability to make their own IT purchases.

Not so much needless paperwork that repeats itself, having hard copies and attaching all paperwork in SAP. No need for IT Dept. More training for all staff that purchases

Return complete purchasing authority back to the institution (Under $50,000). Remove the $5,000 purchasing cap imposed by CDCR. Combined OBS, Contracts and RAO into one unit. Headquarters is so fractured it is almost impossible to please everyone. Give the institutions there full allotment at the beginning of the fiscal year and make them live within their means.

Update the SAP system to the 2007 version or better.

Streamline. CDCR's Headquarters has become too top-heavy as an agency. Correctional facilities have dedicated procurement/support staff; managers and executive officers assigned to review and approve all procurements. The Warden's are ultimately responsible for the budget and compliance of this process. Any procurement for goods

or services requiring additional levels of approval, (i.e., DGS, OFA for vehicles, DGS, OLS for standard agreements, etc.) should be sent directly from the correctional facilities once all internal approvals have been obtained. To send these procurements to the many levels of headquarter review and approval, delays the process, adversely impacting the Institutions ability to meet its many missions.

SCPRS - integrating the SCPRS into BIS. Scanning all documentation from the requestor end. Before it comes to Procurement.

Not sure right now

Change PIA process, Strategic Acquisition, and mandatory leveraged agreements!   PIA charges much more than other vendors for same products...not cost effective!   Strategic Act only helps secure jobs at the Sacramento level, not always a cost savings on product in the field. We can purchase the same goods at close to the same price without the hustle and paperwork involved. Disband SAU. Mandatory leveraging can save some money in some cases, but if an institution has the ability to purchase an item for the same or less price, they should be able to.   Cost savings at another intuitions at the cost of our budget increasing isn't good for us!

Centralized purchasing, stream line the approval process

ANNUAL/REGULAR TRAINING FOR PROCUREMENT OFFICERS AND INSTITUTIONS. CREATE BUYER POSITIONS AT INSTITUTIONS THAT WOULD WORK WITH DEPARTMENTS TO DO THEIR PURCHASE REQUESTS...CURRENTLY DEPARTMENTS IDENTIFY REQUESTORS WHO NEED CONSTANT TRAINING, HAVE STAFF CHANGES ETC.

I would delete the unnecessary bureaucratic requirements that annoy and alienate the vendors. Obtaining quotes (2 or 3) should be sufficient to complete the purchases without bidder declarations, etc.

More authority at the institutional level for handling needed purchases.

I do believe centralized procurement would ease the process but it is at the expense of limiting the number of vendors that would benefit if there weren't centralized procurement. For example in the case where there are statewide contracts, thousands of statewide orders go to one vendor.

Get rid of having to use PIA

If I could make the procurement process more efficient, I would change the amount of time it takes from placing an order to receiving the product. With Non-IT goods, the turn around time from start to finish (receiving product) is between 3-4 weeks.

Provide a limited IT delegation to the Institution Procurement Officers, especially for lower level direct pays or services that are needed in an emergency situation.

The dollar limits for how many bids required. Combine SCPRS into BIS.

LESS PAPER WORK. Per DGS Rules, Should not have to get 3 bids on contracts (Example: WSCA) Shouldn't have to get 3 bids on Service & Expense Orders when they cannot exceed $4,999.99 anyway. Vehicle purchase process is lengthy, i.e. it took us 9 months to purchase a used emergency vehicle (fire truck) with a purchase price of less $15,000.00 from another state agency.

Have the system keep all redundant forms on file such as Darfur, sellers permit, bidders declaration, etc. This is a waste of paper and time for companies to continuously fill out every time we send them a bid, SAP should keep track of this and renew, as it does with the Std 204

Eliminate the paper process by making the Procurement files fully electronic.

Appendix 6: List of Best Practices to Examine Further