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County of Los Angeles Procurement Modernization and Transformation

The County of Los Angeles spends approximately \$6-8 billion annually for many different types of goods and services. Approximately fifteen percent (15%) are commodities or low-dollar services purchased via the Internal Services Department's (ISD) Purchasing Agent authority, in which County departments determine their needs and ISD centrally manages the sourcing and purchase order process. The vast majority of the County's total procurement expenditure, eighty-five percent (85%), is for services contracted by and through County departments. Each department determines the services that it needs and, in many cases, manages the entire procurement process from solicitation to contract execution.

The Los Angeles County Quality and Productivity Commission (Commission) was formed to provide the Board, the Chief Executive Officer and County departments with advice, information and recommendations relating to productivity, work measurements and quality of services in the County [County Ordinance 3.51]. The core mission of the Commission is to increase productivity and improve the efficiency of County operations, programs, and public services for the more than 10 million residents and businesses who make their home in Los Angeles County. As such, the Commission has identified procurement modernization and transparency as a goal in its efforts to best serve the County.

On September 29, 2020, the Board of Supervisors (Board) adopted a motion that directed the County to review and provide recommendations on several digital and streamlined contracting and auditing activities. On November 25, 2020, ISD submitted a report with a number of recommendations, most of which are in progress or have been implemented. Among the most impactful long-term recommendations in the report was to implement an end-to-end e-Procurement technology solution and to develop procurement process standardization across the whole County. The benefits of an end-to-end procurement solution include greater transparency and visibility, improved speed and efficiency, enhanced modern user experience, increased participation of local, small and diverse businesses, and cost savings. The goal is to modernize and transform the County's existing purchasing and contracting processes to streamline cycle times, move to a paperless system, and implement a strategic, equitable, accessible, and transparent online procurement process.

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In support of the Board and the Commission's goals related to procurement modernization and transparency, ISD issued a request for proposals (RFP) for a new end-to-end e-Procurement technology solution in 2021 and is currently evaluating proposals from various vendors.

The Commission cites the City of New York's Blueprint for Procurement Transformation and Cook County (Illinois) as examples of governments who successfully underwent a procurement transformation and implemented the use of modern technological systems. The support of procurement technology and process experts and consultants is necessary to identify best practices and review, analyze, and consider similar cases that would modernize and transform Los Angeles County's purchasing and contracting system, process, and practices, to be efficient, effective, and equitable, and to be transparent, auditable, and standardized across all County departments.

WE, THEREFORE, MOVE that the Board of Supervisors direct the Quality and Productivity Commission, in consultation with the Internal Services Department (ISD), Chief Executive Office, Auditor-Controller, and any related County departments, take the following actions (in full coordination and collaboration with the County's end to end e-Procurement solution) and report back in writing to the Board of Supervisors in 180 days.

1. Complete a review and analysis of the current state of the County's procurement systems, process, and practices with the goal to modernize and transform the County's purchasing and contracting system.
2. Delegate authority to the Executive Officer of the Board of Supervisors to execute consultant service agreement(s) with subject matter experts to assist in this endeavor.
3. Based on the completed analysis, provide recommendations using emerging technical and business process improvements and innovations to make the County's procurement of all goods and services more efficient, effective, and equitable across all departments. The recommendations should include a standardized process that ensures transparency and accountability for all County procurement efforts.

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