

Quality and Productivity Commission
33rd Annual Productivity and Quality Awards Program
"Empowering Innovative Solutions"

2019 APPLICATION

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

NAME OF PROJECT: RISING FROM ASHES: THE PROCUREMENT TRANSFORMATION

DATE OF IMPLEMENTATION/ADOPTION: DECEMBER 2017
 (Must have been fully implemented for a minimum of at least one year - on or before July 1, 2018)

PROJECT STATUS: Ongoing One-time only

HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT? Yes No

EXECUTIVE SUMMARY: Describe the project in 15 lines or less using Arial 12 point font. State clearly and concisely what difference the project has made.

1 The Procurement Unit of the Department of Public Health (DPH) faced a backlog of
 2 1,200 requisitions in the procurement queue back in 2017. The transformation project
 3 went into high drive over the past 18 months to achieve an unprecedented elimination of
 4 this backlog through streamlining the entire purchasing process by updating purchasing
 5 policies that discarded unnecessary and redundant steps and by working with a team of
 6 dedicated staff assigned to specific tasks in internal and external communication while
 7 stressing transparency, compliance with the County purchasing policies and requisites
 8 of Federal, State and other grant funding agencies, and timely deliverables. The
 9 transformation project also analyzed inherent issues that led to the restructuring of the
 10 purchasing team with additional experienced staff who provided guidance for better
 11 technical support and tools for the internal online requisition system. The new team
 12 now offers continuing informational training to DPH program staff who are involved with
 13 all types of purchasing. These trainings emphasize the importance of communication,
 14 transparency and compliance as indicated but also overall satisfaction for customers as
 15 well as staff and timely payment for services rendered by vendors and suppliers.

BENEFITS TO THE COUNTY

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) = TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$	\$	\$	<input checked="" type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS

Department of Public Health
 313 N. FIGUEROA STREET, 8TH FLOOR
 LOS ANGELES, CA 90012

TELEPHONE NUMBER
 (213) 288-8117

PROGRAM MANAGER'S NAME

Martin Sandoval

TELEPHONE NUMBER
 (323) 914 - 8596

EMAIL
 MaSandoval@ph.lacounty.gov

PRODUCTIVITY MANAGER'S NAME AND SIGNATURE

(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)
 Catherine Mak, MBA

DATE

Catherine Mak
 06/27/2019

TELEPHONE NUMBER
 (213) 288-7240

EMAIL
 cmak@ph.lacounty.gov

DEPARTMENT HEAD'S NAME AND SIGNATURE

Barbara Ferrer, MPH, MEd, PhD

DATE

Barbara Ferrer
 06/27/2019

TELEPHONE NUMBER
 213-288-8117

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1st FACT SHEET – LIMITED UP TO 3 PAGES ONLY: Describe the **challenge(s), solution(s), and benefit(s)** of the project to the **County**. What quality and/or productivity-related outcome(s) has the project achieved? Provide measures of success and **specify assessment time frame**. Use Arial 12 point font.

The Department of Public Health faced a backlog of 1,200 requisitions in the Procurement Unit's queue in 2017. The backlog was a result of various factors including: (1) Procurement personnel challenges at 50% vacancy rate in the Unit, insufficient staffing at higher positions (the Unit only had one supervisor for all eight procurement unit staff), a loss of staff members with purchasing experience (67% of existing staff had less than a year of purchasing experience; 45% of which had less than 6 months of experience), (2) Redundant workflow process, (3) Competing Department priorities to fast-track grant-funded requisitions and emergency requisitions to respond to four separate public health emergency responses, (4) Non-compliance by client programs with purchasing policies, and (5) Lack of transparency in the online requisition system to track requisitions and to create trend reports.

The Department spent the last 18 months addressing all identified factors by:

Building a Robust Procurement Staff

Before the backlog, there were a total of 10 employees in the Procurement Unit, with half the staff on leave. As the number of requests increased, staff had to work an extra 10 hours a week. This was not enough to make an impact on the backlog. One of the improvement strategies to Procurement staffing was acquiring support staff to process requisitions and handle purchase order (PO) approvals. In the past 18 months, Management has expanded the unit by hiring an additional 9 employees, all of whom have extensive experience in purchasing. The new Purchasing Manager has 18 years of purchasing experience while the new Supply Officer has 37 years of experience.

Restructuring the Office Organization

As the Procurement Unit expanded, it was restructured into three teams, each assigned to work with a specific Public Health Bureau. This restructuring streamlined the process by improving communication between each bureau and the procurement team which led to a more transparent purchasing process and a better management of On-Line Requisitions (OLRs).

Simplifying the Workflow Process and Updating Existing Policy

The original workflow process required 29 steps before an approved purchase order is issued. Such cumbersome routing steps to clerical staff for tracking and review prolonged the processing of OLRs.

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Following the robust feedback from Internal Services Department (ISD), Auditor-Controller, and Department of Health Services (DHS) on the workflow processes, the Unit with the support of these other department, updated DPH's purchasing policies and identified and removed redundant and unnecessary steps to successfully consolidate the workflow process into a simple operationally efficient 10-step process.

Improving Program Compliance

Procurement has developed a total of 30 fact sheets. The fact sheets are one-page documents that provide step-by-step guidance to Programs on different types of purchase orders. These fact sheets are posted on the easily accessible Program website and have proven to be beneficial as they address the compliance issues that contributed to the backlog.

Appointing a Dedicated Administrative Personnel to Manage Emergency Response Purchases

The appointment of a dedicated staff to coordinate purchasing and resource requisitions during a Public Health emergency response streamlined the acquisition process during emergencies. Moreover, the Procurement Unit also designated a requestor to submit all requisitions for each incident or emergency to avoid duplication of effort, miscommunication, and to ensure proper channeling of emergency OLRs from Programs to the Procurement Unit.

Support from other units in the department's operations also assisted in identifying grant-funded requisitions and in ensuring that grant expenditures were tracked and encumbered in a timely manner. Analysts were cross-trained in Procurement processes, rules, and regulations and are equipped to better respond to general questions from Programs and to advise them on proper OLR submittals. With additional explanations available on the fact sheets on the website, the staff now has more time to focus on processing grant funded orders.

Appointing Procurement Coordinators

In addition, Procurement has designated a Procurement Coordinator for each program who serves as a liaison between the Procurement Unit and his/her Bureau. Procurement Coordinators are responsible for ensuring that programs are following policies and procedures, tracking and elevating any requisitions that are considered priority for the Bureau while recommending corrective actions when needed at every step of the requisition and approval process. The current process creates transparency at all levels of management.

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Continuous Trainings and Open Discussion

The Procurement Unit offers continuous informative training to the Departmental staff to help those involved in the purchasing field to gain a better understanding of not only the process itself but also the importance of total compliance of County Purchasing Policies and Procedures. Annually, a bureau executive management-level meeting, and staff-level trainings occur.

The 2018's 6th Annual In-Sync training was attended by 259 requesters and approvers and highlighted critical purchasing policies, recurring requisition issues, and reviewed County purchasing policies and expectations of submitting requisitions. The In-Sync trainings also serve as a forum for Program staff to engage in an open two-way communication with the Procurement Unit to raise issues of concern and to find resolutions together. This year, 215 employees are expected to attend the training. In addition, 5 Bureau executive management-level meetings were held to discuss ways to decrease non-compliance with policies. A survey of the Procurement Coordinators after these trainings indicated that 100% of respondents were aware that retroactive purchases are not allowed, and goods and services may not be acquired without a purchase order.

Internal and External Departmental Collaboration in Information Technology upgrade

The Procurement Unit has engaged Public Health Information Systems (PHIS) and ISD to implement enhancements to OLR. These enhancements have been deployed to increase transparency and efficiency and address any issues or bugs in the system. Enhancements to the OLR system include automating reports to track backlogs and trends, reducing the time to interface with eCAPS (the County's online financial management system), and assessing any usage errors while flagging problematic requisitions. Procurement has made 56 enhancements to OLR to date, 43 of which have been completed and the remaining 13 are in progress and about to be finalized.

Overall Effect of Streamlining the Procurement's processes

Procurement Unit has successfully eliminated the requisition backlog to effectively meet the purchasing needs of programs within the Department. Through this transformation process, the Procurement Unit has also enhanced their customer service, eliminated elevation of customer complaints, and improved the Department's purchasing experience. A survey of the Procurement Coordinators confirm that 90% of respondents agree or strongly agree that the purchasing experience is better today than 12 months ago. Programs have been able to encumber goods and services without delay. In turn, the timely purchases of goods and services for Public Health Programs have allowed the Department to effectively serve the needs of the public on a daily basis or under emergency circumstances.

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Linkage to the County Strategic Plan – 1 page only. Which County Strategic Plan goal(s) does this project address? Explain how. Use Arial 12 point font.

This project addresses Goal III of the County Strategic Plan: Realize Tomorrow’s Government Today. Streamlining Procurement’s Processes complies with three strategies stated in the County Strategic Plan:

1. Strategy III.2.3: Prioritize and Implement Technology Initiatives That Enhance Service Delivery and Increase Efficiency.
2. Strategy III.3.8: Develop an Early Warning Tool.
3. Strategy III.4.1: Solicit Ongoing Customer Feedback.

The OLR system is a technological advancement that reduces the amount of paperwork and time needed to process a requisition. This system has replaced the former process that required requestors to fill out a paper document which had to be physically routed to obtain approvals. Requisitions are now submitted electronically. The approval process is also electronic, eliminating the time and resource required for employees to track down staff to obtain authorized wet signatures, which significantly improves operational efficiency and productivity. All documentation is electronically stored in a single location and is easily accessible. Since Procurement has migrated the requisition process to an electronic system, requisitions are being processed and completed at a higher rate, and programs are receiving goods and services in a timely manner.

An enhancement to OLR is a feature that reports real-time status on the number of requisitions that has been submitted. With this feature, Procurement is able to track each step of an OLR and determine if the unit is falling behind on processing requests. Procurement monitors and analyzes this data every week to ensure that its staff is completing requisitions on time, and that the amount of OLRs in Procurement’s queue will not negatively impact service delivery or impede the Department’s ability to meet its mission.

Since this is an on-going project, Procurement continually asks for user feedback to make further improvements to the OLR system and the Procurement workflow process. Procurement holds monthly staff meetings to improve the purchasing process and continually seeks for ideas and feedback to better meet the purchasing needs of the Department. Procurement continues to work with ISD and DPH Public Health Information Systems to improve OLR capabilities.

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COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFITS TO THE COUNTY): If you are claiming cost benefits, include a calculation on this page. Please indicate whether these benefits apply in total or on a per unit basis, e.g., per capita, per transaction, per case, etc. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation. Use Arial 12 point font

Cost Avoidance: Costs that are eliminated or not incurred as a result of program outcomes. Please indicate whether these are costs to the County or to other entities.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes. Please indicate whether these were expenditures by the County or by other entities.

Revenue: Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

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