Purchasing Action Plan
January 2016 - December 2018

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 1: Create a Hybrid Structure of Departmental Focus and Method of Procurement	Yes	within 12 months	completed	The hybrid structure and buyer assignments are in place as recommended. Purchasing staff is now meeting on a regular basis with all City departments to enhance communication, procurement planning, and customer service.
Recommendation 2: Purchasing to Report Directly to the City Manager	Yes	within 12 months	within 6 months	The Purchasing function will be elevated by moving the division to the City Manager's Office; the required City Code change will be introduced at the February 1 Mayor and Council meeting. The title of the Purchasing Manager position will be changed to Director of Procurement, and the position will become a part of the City's senior staff management team. The Director of Procurement will report directly to the City Manager.
Recommendation 3: Update Purchasing Guide	Yes	within 12 months	within 12 months	The Purchasing Guide will be updated following completion of the revisions to the Purchasing Code (Chapter 17), as discussed in the response to Recommendation 4. The updated Purchasing Guide will consolidate the City's current Purchasing Manual and Purchasing Guide into one document. The new Guide will contain all of the requirements and information to guide the user through the process from start to finish.
Recommendation 4: Incorporate Best Practices in Purchasing into Code and Purchasing Guide	Yes	within 12 months	within 6 months	Chapter 17 of the City Code will be updated to incorporate best practices in purchasing. Possible Code modifications include a qualifications based method of procurement; services currently exempt from competitive procurement will also be reviewed as part of the Code update. The new Purchasing Guide will be based on the updated City Code and will incorporate best practices as recommended. The Guide will serve as the primary reference source for all City purchasing procedures.
Recommendation 5: Update Purchasing Card Policy and Procedures Manual and Incorporate into Purchasing Guide	Yes	within 12 months	within 6 months	An updated Purchasing Card (P-card) policy manual will be introduced in February 2016. The P-card manual will be incorporated into the new Purchasing Guide as recommended.
Recommendation 6: Conduct Policy and Procedure Training	Yes	within 12 months	within 18 months and ongoing	This training is related to Recommendation 3 and will be implemented upon completion of the new Purchasing Guide. The new Guide will be communicated to City staff through a mandatory comprehensive training program. On an ongoing basis, specific training for different user groups will be provided, at a minimum, annually.
Recommendation 7: Introduce more Convenient Purchase Card Training	Yes	within 24 months	within 6 months	Training will be updated based on the new P-card policy manual as discussed in the response to Recommendation 5. A formal P-card training calendar will be developed so that training will be continuous for all new cardholders and that current cardholders receive refresher training. All training will be offered at least annually. This mandatory training will be conducted in a classroom format; development of an e-learning module will be considered as a longer term objective.

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Recommendation 8: Implement Updated P-Card Oversight Program	Yes	within 12 months	within 6 months	Oversight will be strengthened based on the updated P-card policy manual. More frequent audits will be conducted by the Finance Department, and new forms developed to enhance user compliance. Authority and accountability will be further clarified in the updated manual noted in the response to Recommendation 5.
Recommendation 9: Create Standardized Solicitation documents	Yes	within 12 months	within 18 months	Upon completion of the City Code updates, the creation of a new Purchasing Guide, and updating of forms, the standardized templates for solicitation and contract documents will be updated.
Recommendation 10: Develop a system based Contract Management System	Yes	within 24 months	within 24 months	Funding for a Contract Management System was included in the adopted FY 2016 budget. A needs assessment and purchasing process must be conducted. Staff anticipates that a system will be selected during FY 2016, with implementation taking place in FY 2017.
Recommendation 11: Implement an auto-release function for Purchase Orders	Yes	within 24 months	within 12 months	Work on this item is underway, with a goal of having this functionality in place during calendar year 2016.
Recommendation 12: Conduct Intensive Purchasing Training	Yes	within 12 months	within 12 months and ongoing	Purchasing staff will attend training on an ongoing basis to maintain current certifications, to obtain new certifications, and to stay current on industry practices.
Recommendation 13: Develop standard reports to evaluate procurement activity and update on an annual basis. Data should be compared to established metrics to evaluate Purchasing performance.	Yes	within 12 months	Ongoing	Work can start on this once the upgrade to the City's financial system is complete, which will be in spring of 2016. A needs assessment of reporting requirements will be developed and an evaluation of system functionality will be conducted.
Recommendation 14: Evaluate GAX payments for competitive purchasing opportunities	Yes	within 12 months	within 6 months	A GAX is a financial system term for a check payment, which should not be confused with a procurement method. Guidelines will be developed to educate and direct departments on appropriate and consistent use of payment methods, including GAX. These guidelines will be incorporated into the updated Purchasing Guide.
Recommendation 15: Establish a strategic sourcing plan by first developing category plans for each of its 10-12 major purchase categories and creating sourcing plans and projects to achieve savings.	Yes	within 24 months	within 24 months	The development of standard reports addressed in Recommendation 13 and the optimization of IT systems addressed in Recommendation 29 are key to the establishment of a strategic sourcing plan. This strategic sourcing plan will identify opportunities for achieving savings across City departments.
Recommendation 16: Standardize Documentation Requirements and Create Checklists	Yes	within 24 months	within 12 months	Required contract file documentation will be defined and standardized, and checklists will be developed in conjunction with the changes to the Purchasing Code (Recommendation 4) and Purchasing Guide (Recommendation 3).
Recommendation 17: Implement Periodic File Review Compliance Checks	Alternative identified	within 24 months	within 6 months	Staff is in the process of creating a new file document which incorporates a comprehensive checklist and review verification by the applicable buyer and Director of Procurement to ensure a complete procurement file. Buyers will be responsible for ensuring that all documentation is included in the corresponding file. Therefore, a periodic compliance review will not be required.

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Recommendation 18: Implement procedures for independent cost estimates, cost/price analysis, vendor responsibility, use of standardized templates, guidance documents to departments for delegated procurements, award memorandum, and process for internal contract review.	Yes	within 12 months	within 12 months	This will happen in conjunction with the changes to the Purchasing Code (Recommendation 4) and Purchasing Guide (Recommendation 3).
Recommendation 19: Investigate additional public procurement websites for opportunities to post public notice of pending procurement actions.	Yes	within 12 months	within 6 months	Staff will review web posting sites to evaluate any additional opportunities for posting bids in venues other than eMaryland marketplace. This task has been assigned to a member of the Purchasing staff and is underway.
Recommendation 20*: Identify potential MFD firms and conduct targeted outreach to increase MFD participation as prime or subcontractors on City procurements.	Yes	within 12 months	Ongoing	Staff will continue with the program as authorized by the Mayor and Council.
Recommendation 21*: Develop a bidders list for use in identifying bidders for procurement opportunities. The list should reflect MFD firms and be updated with each solicitation.	Alternative identified	within 24 months	N/A	Staff does not support the maintenance of a manual bidders lists for procurement. The utilization of various automated/electronic purchasing systems satisfies this requirement. As noted in the response to Recommendation 19, an evaluation of additional opportunities for posting bids is underway.
Recommendation 22: Develop a Strategic Plan	Yes	within 36 months	within 36 months	A strategic plan will be developed once the appropriate purchasing processes have been improved and an updated code, updated policy manual, standardized forms and templates exist.
Recommendation 23: Update and Make clear all Data posted on the Website	Yes	within 12 months	within 6 months	The website will be reviewed to ensure that all posted data is clear as to what it represents. This task has been assigned to a member of the Purchasing staff and is underway.
Recommendation 24: Standardize the information provided to the Mayor and Council	Yes	within 12 months	within 6 months	All award memos will contain standard language that conforms to the City Code and provide sufficient information for decision making by the applicable awarding authority (i.e., Mayor and Council, City Manager, or Purchasing agent).
Recommendation 25: Enhance MFD Program	Continue program authorized by Mayor and Council	within 24 months	N/A	Information about the program is available on the City's website; staff will look for opportunities to enhance the Program's website presence. As previously reported to the Mayor and Council, Purchasing has established a set day and time for the vendor community to receive one-on-one assistance and education. Certain key activities cited by Calyptus are inconsistent with the informal outreach program authorized by the Mayor and Council.
Recommendation 26: Develop Service Level Agreements	Alternative identified	within 12 months	N/A	In the context of the other improvements planned, staff does not believe that Service Level Agreements add significant value. To be effective, all aspects of the procurement process (legal, risk management, City Manager's Office) would need to do Service Level Agreements. With regular meetings and communication between the departments and purchasing; there is sufficient impetus for ongoing improvement and accountability for all departments in the process. See recommendation 27.

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Recommendation 27: Develop Targeted Improvement Plans	Alternative identified	within 24 months	N/A	As noted in the response to Recommendation 1, the recommended hybrid structure has been implemented and buyer assignments are in place. Regular meetings are now being held between Purchasing staff and the various City departments, improving customer service and providing the impetus for continuous improvement and possible cost savings through enhanced procurement planning. With enhanced direct communication between departments and Purchasing staff in place, staff does not believe the addition of two continuous improvement teams as proposed by Calyptus provides value commensurate with the time invested.
Recommendation 28: Establish Five Key Purchasing Measures	Yes	within 12 months	within 6 months	Five key purchasing measures will be developed as part of the FY 2017 budget process and will be incorporated into the FY 2017 recommended and adopted budgets.
Recommendation 29: Optimize use of Current IT Systems	Yes	within 24 months	within 24 months	The build out of the City's upgraded financial system will be time consuming and staff intensive. Work can start on this once the upgrade is complete, which will be in spring of 2016.

** The numbering of the recommendations in the Purchasing Report is inconsistent for recommendations 20 and 21. Staff used pages 161/162, not page 6.*