

INTERNAL SERVICES COMMITTEE



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COMMITTEE

Front row, left to right: Jim Cook, Al Alvaro, Jo Ann Miller, Jean Davis,
Joe Massaro (Chair)

Back row, left to right: Bill Brundies, Jim Bryant, Ron Brooks, Bill Sommers

INTERNAL SERVICES COMMITTEE

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INTERNAL SERVICES COMMITTEE

The Internal Services Committee reviewed the operations and functions of the departments within the County's Internal Services Group. We would like to thank each of the following departments for their cooperation:

- Architecture and Engineering
- Facilities Management
- Fleet Management
- Purchasing
- Real Estate Services

Subcommittees were formed and each of the above-mentioned departments was investigated by the committee. Final reports for all departments are included in this report.

ARCHITECTURE AND ENGINEERING DEPARTMENT

BACKGROUND

The Architecture & Engineering Department (A&E) is responsible for the planning, design and administration of the County's Capital Improvement Program. A&E is required to implement, manage and refine the County's delivery process to preserve its resources and maintain the quality of construction established by the standards of State and local government. The staff prepares bid packages and advertises for bids, negotiates and administers contracts for design and construction, and provides inspection and construction project management services to final completion.

FINDINGS

To carry out its responsibilities, the department has 23 employees, including ten (10) Project Managers. A project manager is assigned to each project and monitors the project from inception to completion. Each project manager monitors approximately 12-13 projects at the same time.

The former director informed the Board of Supervisors that A&E would manage about 260 projects for the 2004-2005 fiscal year. Of these, 150 projects would be carryovers from last year. To reduce the workload, the former director had requested additional staff to do the work.

In November 2004 the Board of Supervisors hired a new Director of Architecture and Engineering. He was a project manager from Kaiser Permanente Hospital. He brought with him a management style that suits A&E. Since his hiring, he has modified and prioritized all of the projects in the office, assigned projects to each staff to streamline the work process and has reduced the number of Capital Projects to a minimal number where it was manageable.

The Architecture and Engineering Department has no official policy and procedures manual at this time.

COMMENDATION

THE CURRENT DIRECTOR OF ARCHITECTURE AND ENGINEERING IS COMMENDED FOR REORGANIZING THE DEPARTMENT AND MODIFYING THE WORK PROCEDURES TO REDUCE THE BACKLOG OF CAPITAL IMPROVEMENT PROJECTS TO A MINIMUM.

RECOMMENDATION

05-113 DEVELOP A POLICY AND PROCEDURES MANUAL TO PROTECT THE ARCHITECTURE AND ENGINEERING DEPARTMENT AND THE COUNTY AGAINST QUESTIONABLE POLICIES AND PROCEDURES.

FACILITIES MANAGEMENT DEPARTMENT

BACKGROUND

The Facilities Management Department is responsible for the cleaning and maintenance of County buildings, as well as the payment of over 9,000 utility bills.

FINDINGS

The department has lost four Custodian and four Groundskeeper positions as a result of last year's budget cuts. To its credit, the department has found creative ways to make up for losses by using "volunteers". Jail inmates and personnel serving time with the County Probation Department are used to perform work such as lawn care and clean-up. The department no longer provides evening janitorial services for County buildings.

The department has installed a software program to track the status of accounts and bill monitoring. This software was recommended in an audit conducted by Macias Consulting Group. The department has recruited an analyst to monitor and analyze incoming utility bills.

Grand Jurors observed unauthorized individuals rummaging through the dumpster adjacent to the courthouse almost daily. This poses a potential safety risk for personnel and others walking in the courthouse parking lot. The department was advised of this activity and concern by the Grand Jury. The department responded that changes would be implemented and the dumpster site would be secured and locked daily. This new procedure is not being followed and rummaging through the courthouse dumpster by unauthorized personnel is continuing.

The department has a small warehouse to store custodial supplies. Supervisors currently deliver supplies to custodians or have them go to the warehouse themselves. This takes time away from the job for the custodians as well as use of supervision.

RECOMMENDATIONS

- 05-114 THE FACILITIES MANAGEMENT DEPARTMENT DEVISE A FOOLPROOF PROCEDURE TO PREVENT SCAVENGING OF MATERIAL FROM COURTHOUSE DUMPSTERS.
- 05-115 THE FACILITIES MANAGEMENT DEPARTMENT STUDY PURCHASING CARGO CONTAINERS THAT COULD BE PLACED THROUGHOUT COUNTY FACILITIES TO STORE CUSTODIAL SUPPLIES.

FLEET MANAGEMENT DEPARTMENT

BACKGROUND

The Fleet Management Department is responsible for the maintenance of all County vehicles and supplying related parts and items needed for maintenance and repair. This includes maintenance on all heavy equipment and supplying fuel for County operations.

FINDINGS

This department has about 100 employees. The customer base consists of approximately 4,000 people. Nearly 3,000 vehicles are maintained, with the vehicles traveling about two million miles per month. The fleet also includes 20 hybrid vehicles, which are all still in service. These hybrid vehicles are performing better than the department expected. Drivers/users of the vehicles have reported the hybrids have very good fuel economy, exhibit good power and have few problems with operation.

In order to lessen the costs to the County, the department actively attracts business by selling its services to other entities such as cities, Indian reservations and fire districts. This reduces overhead and helps keep the department self-sufficient.

The department operates five service centers. They are located in Barstow, Twentynine Palms, Needles, Apple Valley, Rancho Cucamonga and the main yard in San Bernardino.

COMMENDATIONS

THE FLEET MANAGEMENT DEPARTMENT IS COMMENDED FOR ITS EFFORTS AT REDUCING COSTS TO THE TAXPAYER BY SOLICITING THEIR SERVICES TO NEIGHBORING CITIES, MUNICIPALITIES, FIRE DISTRICTS AND INDIAN RESERVATIONS.

FLEET MANAGEMENT IS COMMENDED FOR ITS EFFORTS AT COST REDUCTIONS AND ENVIRONMENTAL PRESERVATION BY THE USE OF HYBRID VEHICLES.

PURCHASING DEPARTMENT

BACKGROUND

The Purchasing Department is responsible for the acquisition of equipment, supplies and services for County departments. It includes Printing and Central Mail Services, as well as Central Stores.

FINDINGS

The Purchasing Department has been honored with the "Excellence in Procurement" award four years in a row. The award was established in 1995 by the National Purchasing Institute and recognizes the achievement of organizational excellence in public procurement.

The 2003-2004 Grand Jury identified during their investigation that outside companies were paid by the County for the removal of old computers. Based on a Grand Jury recommendation, this practice has since been changed and now surplus companies pay the County for these items.

The department currently has authority to purchase up to \$25,000 in the following areas:

- Services
- Consultants
- Public Works
- Sole Source Contracts

State code allows the county purchasing department's approval authority up to \$100,000 with Board of Supervisors approval. A chart comparing three other counties is attached (Exhibit A).

The department indicated passing increased authority in these areas should be deferred until after November 2005. Since this would be a major policy change, it would be more prudent to allow the two new members of the Board of Supervisors to become more acquainted with the operation of County government. In addition, an upgrade to the Financial Accounting System (FAS), which included a Purchasing Module, was approved by the Board on September 14, 2004 and will require intensive department training to transition from a character-based system to a web-based system with an estimated go-live date of November 14, 2005.

When the new FAS is implemented, the procurement process should require less time from department requests to final buy. Then evaluation will be conducted to determine whether higher limits are needed based on the enhanced productivity of the new system.

COMMENDATION

THE PURCHASING DEPARTMENT IS COMMENDED FOR BEING HONORED FOUR CONSECUTIVE YEARS WITH THE "EXCELLENCE IN PROCUREMENT" AWARD BY THE NATIONAL PURCHASING INSTITUTE.

RECOMMENDATION

05-116 THE PURCHASING DEPARTMENT FOLLOW THROUGH ON EVALUATING THE NEED FOR INCREASED PURCHASING AUTHORITY IN THE FOLLOWING AREAS: SERVICES, FROM \$25,000 UP TO \$100,000; CONSULTANTS, FROM \$25,000 UP TO \$100,000; PUBLIC WORKS, FROM \$25,000 UP TO \$75,000; SOLE SOURCE CONTRACTS, FROM \$25,000 UP TO \$50,000. THESE AMOUNTS WOULD BRING SAN BERNARDINO COUNTY MORE IN LINE WITH OTHER SURROUNDING COUNTIES.

EXHIBIT A

REVIEW OF PURCHASING DEPARTMENT'S LEVEL OF PURCHASING AUTHORITY

	SAN BERNARDINO	RIVERSIDE	SAN DIEGO	ORANGE
COMMODITIES	UL when approved by BOS or in annual budget	UL if competitive and award is to lowest qualified bidder or highest ranking in a best value evaluation	UL if competed	Unlimited
SERVICES	\$25,000	\$100,000 if competitive and award is to lowest bidder	UL if competed	\$50,000
CONSULTANTS	\$25,000	Same as above	UL if competed	\$25,000
PUBLIC WORKS	\$25,000	\$100,000 if competitive and award is to lowest bidder	\$50,000	\$25,000
SOLE SOURCE CONTRACTS	\$25,000	\$25,000	\$100,000	Based on type of contract as noted below; no additional requirements for BOS approval
FIXED ASSETS	UL when approved by BOS or in annual budget	Provided the fixed asset has been approved by BOS in the budget, UL authority if purchase is competitive and awarded to the lowest qualified bidder or highest ranking in a best value evaluation	UL if competed	Unbudgeted: \$10,000; Budgeted: \$25,000 and when the cost of the fixed asset is w/in the budgeted amt.
	Info provided by dept. memo dated 11/19/04	Info in letter from County dated 2/24/05	Info in letter from County dated 2/28/05	Info in letter from County dated 03/1/05

UL = Unlimited (with Board of Supervisors' approval)

REAL ESTATE SERVICES DEPARTMENT

BACKGROUND

The Real Estate Services Department is responsible to provide comprehensive appraisals, acquisition, relocation assistance, surplus property sales, lease negotiations and property management. The department is organized into two divisions. The Right-of-Way Division is responsible for all acquisition, appraisal, relocation and surplus property sales. The Property Management Division is responsible for lease negotiations and the general management of all non-County owned office space utilized by County tenants.

FINDINGS

Under their Memorandum of Understanding (MOU) contracts, each Real Property Agent receives \$500 per year allotment to be used toward their continuing education or to pay for license renewal. The department encourages cross training for the property agents. This leads to a well-trained staff that can be assigned to either the Right-of-Way or Real Property division without loss of experience.

A policy and procedures manual has been in use and is maintained by the Real Estate Services Department. However, the manual is dated 1998.

COMMENDATION

THE REAL ESTATE SERVICES DEPARTMENT IS COMMENDED FOR ITS INITIATIVE IN ITS CROSS-TRAINING PROGRAM FOR PROPERTY AGENTS AND ALLOTMENT OF BUDGETED MONIES FOR CONTINUING EDUCATION.

RECOMMENDATION

05-117 REAL ESTATE SERVICES REVISE THE CURRENT POLICY AND PROCEDURES MANUAL TO REFLECT THE CURRENT STANDARDS AND PROTECT THE DEPARTMENT AND THE COUNTY OF SAN BERNARDINO AGAINST QUESTIONABLE POLICIES AND PROCEDURES.