

INTER-OFFICE MEMORANDUM

CITY OF HARRISBURG

August 19, 2015

TO: Eric Papenfuse, Mayor
Office of the Mayor

FROM: Charlie DeBrunner, Controller
Office of the Controller

SUBJECT: Purchasing Process

It is clear that there has been steady improvement in the purchasing process over the past few months. I would like to take a moment to thank you for your support of improving the city's procurement process. Nevertheless, I believe there are still opportunities to improve the process until the non-compliance rate more closely approaches zero.

As you know, a regular function of the Controller's Office is to review and approve purchase requisitions in the city's financial management system for sufficient budget appropriation and adherence to purchasing policy. When we began working together earlier this year to reign in the purchasing function, by all accounts, each individual department, bureau and office was acting as an autonomous purchasing entity operating under its own policies. With your support, the long vacant Purchasing Manager position was filled and we have seen a marked improvement in related fundamental internal controls. For example, the instances where individuals purchased goods and services prior to a fully executed purchase order being generated have been greatly reduced:

	<u>Count</u>	<u>Percent Incorrect</u>
2014 Fiscal Year	1,508	35%
First Qtr. 2015	352	81%
04/09/15 Check-run	56	39%
04/23/15 Check-run	57	27%
05/07/15 Check-run	37	28%
05/21/15 Check-run	54	39%
06/04/15 Check-run	19	10%
06/18/15 Check-run	27	14%
07/02/15 Check-run	34	18%
07/16/15 Check-run	15	14%
07/30/15 Check-run	7	4%
08/13/15 Check-run	5	4%

The Controller's Office will continue to monitor this particular aspect of the purchasing process going forward and keep you apprised.

Now that respective cost centers have become accustomed to using the purchase order as the mechanism to purchase goods and services, I would like to begin testing the veracity of the competitiveness aspect regarding obtaining quotes. I would again like to solicit your support in this process.

Going forward, I am going to randomly select a sample of purchase orders and request supporting documentation. As I pointed out in my memo of January 16, 2014 and further reinforced in the training session held with your staff, this documentation should include copies of bid specifications and quotes from vendors. Bid specifications demonstrate support that each vendor was bidding on the same scope of goods or services. Documentation related to quotes demonstrates that the goods or services were constantly described, competitively solicited and the lowest responsible bidder selected, thereby saving taxpayer dollars.

I, of course, will prepare a report of my findings for you.

Thank you for your continuing cooperation.

Attachment-Requisition Form

cc: Fred Reddig, DCED
File

**CITY OF HARRISBURG
PURCHASE REQUISITION REQUEST FORM**

REQUISITION DATE: _____

THIS FORM AND ANY RELATED SUPPORTING DOCUMENTATION SHOULD BE USED TO REQUISITION GOODS OR SERVICES. IT SHOULD BE MAINTAINED FOR ONE YEAR AND IS SUBJECT TO INSPECTION BY CITY OFFICIALS.

REQUESTER: _____

DESCRIPTION OF GOODS OR SERVICES BEING REQUISITIONED (ATTACH DETAILED SPECIFICATIONS IF NECESSARY):

FUNDING SOURCE: _____ \$ _____
FUNDING SOURCE: _____ \$ _____

FUNDING SOURCE: _____ \$ _____
FUNDING SOURCE: _____ \$ _____

QUOTES SOLICITED (THREE REQUIRED). ATTACH BACKUP FOR WRITTEN QUOTES TO THIS FORM:

QUOTE 1
VENDOR NAME: _____ CONTACT: _____ EMAIL OR PHONE: _____
AMOUNT: _____

QUOTE 2
VENDOR NAME: _____ CONTACT: _____ EMAIL OR PHONE: _____
AMOUNT: _____

QUOTE 3
VENDOR NAME: _____ CONTACT: _____ EMAIL OR PHONE: _____
AMOUNT: _____

DEPARTMENT HEAD/BUREAU CHIEF (OR DESIGNEE) APPROVAL: _____ DATE: _____

NOTE: _____

