



Town of Atherton

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September 21, 2018

Honorable V. Raymond Swope
Judge of the Superior Court
C/O Charlene Kresevich
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA. 94063-1655

SUBJECT: GRAND JURY REPORT "Cooperative Purchasing- A Roadmap to More Effective City Procurement"

Dear Hon. V. Raymond Swope:

Attached please find the Town of Atherton's response to the above Grand Jury Report. Pursuant to California Penal Code Section 933.05, the response was considered by the City Council at a public meeting on September 19, 2018.

Should you have any questions concerning the response, please contact City Manager George Rodericks at (650) 752-0504.

Sincere Regards,

TOWN OF ATHERTON

Cary Wiest
Mayor

RESPONSE TO GRAND JURY REPORT

Report Title: Cooperative Purchasing- A roadmap to more effective procurement

Report Date: July 19, 2018

Response by: Town of Atherton

By: Cary Wiest, Mayor

FINDINGS:

- We agree with the findings numbers: F1, F2, F3, F6, F7, F8, F9, F10, F12, F13
- We disagree wholly or partially with the findings numbered: F4, F5, F11

RECOMMENDATIONS:

Recommendation numbered R1, R2 have been implemented when feasible.

FINDINGS

F4. While city employees receive training on municipal purchasing guidelines and policies, many employees who conduct purchasing operations as a secondary responsibility are not trained or instructed to negotiate optimum prices by leveraging market power.

F4 Response: The respondent disagrees partially with the finding as leveraging market power within the Town in most occurrences is not feasible as the Town size does not allow the purchase of good and services that elicit leverage in purchasing power.

F5. City employees who conduct purchasing operations as a secondary responsibility often do not identify commonly purchased goods that other departments also purchase and so miss the opportunity to negotiate lower costs which could be obtained by purchasing the items in bulk for multiple departments.

F5 Response: The respondent disagrees partially with the finding as Town employees identify when possible commonly purchased goods that other departments also purchase to be able to negotiate costs to allow benefits of purchasing in bulk. Such examples are office supplies and other operational services.

F11. Collaboration between the Cities and the Procurement Division through cooperative purchasing practices could achieve significant cost savings for both the Cities and the County.

F11 Response: The respondent disagrees partially with the finding as the Town believes there would only be minimal significant savings on goods such as vehicles and other equipment. Other services like Tree trimming, street, and signal light

services may not be significant savings as other agencies may already have their own departments or vendors that are at capacity to offer significant cost savings to agencies. We do and have collaborated where practical with other Cities through cooperative purchase agreements.

RECOMMENDATIONS

R1. Increase the use of cooperative purchasing practices, including piggyback contracts and joint procurement agreements.

R1 Response: The recommendation has been implemented when such goods and services align with the Town needs. When feasible, piggyback contracts are researched when the Town is making equipment and vehicle purchases.

R2. Share with other Cities and the County Procurement Division their procurement needs in order to identify opportunities for cooperative procurements between the Cities and the County.

R2 Response: When feasible the recommendation has been implemented when purchasing needs of the Town coincide with the needs of other Cities we look for opportunities for cooperative procurement. One example as illustrated in the report is the Turbo Data Systems for parking ticket citation and adjudication services. In other instances we look for cooperative procurements opportunities with others expenditures such as vehicles and equipment.