# Day 2 – Process Improvement

Review the following scenario that you have encountered as a new procurement officer for the City of GFOAtown. As the city grows, the leadership team for the City understands that a more formal procurement process would provide efficiencies and help reduce risk. However, current staff is not aware of where to start or what exactly they need to do.

In your first few days, you’ve talked with many people from around the City and have made the following observations:

1. The City has a procurement manual that was last approved by the City Council in 1985. A few department leaders referenced the policy and mentioned the need to modernize procurement operations, but the policy manual doesn’t seem to be guiding actions. You have not been able to review the policy yet.
2. The City recently implemented an ERP system, but staff still use a paper procurement requisition form for purchases over $50,000.
3. The accounts payable department reports that they routinely receive invoices from vendors that they don’t have a record for.
4. P-cards for the City are administered in the finance office. The finance directly mentioned that the City needed to hire a new employee to take on the burden of tracking receipts. Also, each department has their own card that employees in the department share. Some departments have lost the card and replacing the cards can be difficult.
5. The City attorney manages all contracts for the City. Purchasing hasn’t been involved in the contract creation process.
6. Several departments have requested purchase orders to send to vendors and that they vendors won’t provide materials without a purchase order. It doesn’t seem like the City has used purchasing orders consistently as other departments seem to not have an issue with ordering supplies directly from other vendors.

You’ve been asked to lead the implementation of “best practice” focused procurement function. How would you approach this challenge?

**Where would you start?**

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**How would you prioritize improvements to the procurement function? (Where is the City facing the most risk? What improvements would provide the most value?)**

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**What challenges do you expect?**

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