

Compliance & Procurement Program

City of Denton

May 8, 2018

Compliance

- Created the beginning of fiscal year 17/18
- Division of the City Manager's Office
- Includes 2 direct positions:
 - Director of Procurement and Compliance
 - Compliance Officer
 - Purchasing/Materials Management also report to the Director of Procurement and Compliance
- Major responsibilities include:
 - Mitigating and managing risk
 - Ensuring business practices and employees are complying with policies, procedures, and applicable regulations
 - Improving oversight and procedures for contract administration
 - Ensuring a fair and transparent procurement process
 - Drafting, implementing, and training employees on a new City ethics policy

Contracts

- Contract administration identified as one of the top 5 risks to the City
- Outside firm hired to conduct contract administration audit
- Compiled a master list of all City contracts, both procurement and non-procurement
- Compliance conducted departmental interviews which identified several issues including:
 - Inconsistencies in contract templates
 - Confusion about roles, responsibilities, processes, and approvals
 - Lack of centralized document storage for non-procurement contracts

Mitigation Strategies

- Risk assessment of current contracts
- Purchase and implement contract management software solution to
 - Track contract expenditures and not-to-exceed amounts
 - Centralize document storage
 - Standardize contract templates
 - Route contracts through appropriate workflow and approval process
- Develop an additional Compliance review process, in conjunction with City Attorney's Office, for large procurement contracts over \$2 million
- Establish policies and procedures for non-procurement contracts

Compliance accomplishments

- Interviewed departments regarding contracts and current contract administration processes
- Completed training and certification as Leadership Professionals in Ethics & Compliance (LPEC)
- Purchased contract management software solution
- Assisted Crawford and Associates, P.C. with contract administration audit
- Developed an ethics policy for all City employees, in conjunction with Human Resources and the City Manager's Office
- Developed and facilitated ethics training classes for supervisors

Procurement accomplishments

- Implemented a conflict of interest disclosure process and evaluation team diversity standards for formal solicitations
- Completed training on alternative delivery methods with attorney Tim Matheny
- Completed contract administration training
- Reorganized the Distribution Center to include Denton Municipal Electric logistics staff, consolidating resources, creating efficiencies, and cross-training staff

Upcoming initiatives

- Evaluate and assess the current procurement card program, including opportunities for improvements in training, standardizing processes, auditing, and reporting
- Produce ethics and compliance training for all City staff, focusing on the City's core values in everyday decision making
- Revise Procurement Manual to include:
 - Current policies, procedures, and practices
 - Simplify format to make it easier for reader to understand
 - Clearly define roles and responsibilities in solicitation and contract process
 - Incentive policy for public work projects