

# **Ventura County Grand Jury 2014 - 2015**



## **Final Report**

### **Ventura County Green Procurement Policy**

**March 25, 2015**

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# **Ventura County Green Procurement Policy**

**Note:** See “**Glossary**” for definitions.

## **Summary**

An administrative policy, originally released in 2005 under the auspices of the County of Ventura (County) General Services Agency (GSA), documented the County’s approach to reducing environmental waste by recycling waste and utilizing recycled products. This Green Procurement Policy (Policy) also included procedures for implementing the Policy and identified a 10% price preference to encourage the use of recycled paper products.

The 2014-2015 Ventura County Grand Jury (Grand Jury) conducted an investigation to assess the effectiveness of this Policy. To be clear, the Grand Jury supports the County’s goals as stated in the Policy. The focus of the investigation was to determine if the Policy, as implemented, achieved the desired results, especially in the area of recycled paper products.

The Grand Jury conducted this investigation by reviewing the County’s policies and procedures related to procurement and the use of recycled products; interviewing County employees involved in the ordering of products and services falling within the domain of the Policy; reviewing artifacts related to the procurement process such as Purchase Orders (PO), Requests for Proposal (RFP), and statistics and reports derived from purchasing activities; and accessing procurement-related County websites.

The Grand Jury found that the Policy as written is unclear and in general has not been enforced.

The Grand Jury found that the costs of implementing the Policy, i.e., any additional costs for using recycled paper, were generally not known. It was not clear that recycled paper goods were revenue neutral or within the defined 10% price preference since the Policy went into effect.

The Grand Jury found that the GSA websites for Bid Listings and Bid Histories are not consistently updated with current and complete procurement data. Thus they do not provide a reliable source of procurement information in support of public transparency.

The Grand Jury found that limiting items to a targeted subset of choices available for purchase from County suppliers was an effective way to control costs.

The Grand Jury recommends that the Board of Supervisors direct the GSA to revise the Policy in order to eliminate the ambiguity between a policy that establishes requirements and a policy that states goals. If the intent of the Board of Supervisors is to establish a goal to achieve increased use of recycled paper products, then the Policy should be revised to that effect. If the intent of the Board of Supervisors is to establish a requirement to increase use of recycled paper products with a financial cap limited to revenue neutral or a 10% price preference, then the Policy

should clearly define the entities responsible for monitoring the costs, enforcing the requirements, and formally approving any deviations.

The Grand Jury recommends that the Procurement Department (Procurement) within GSA help the County’s agencies and departments develop restricted lists of post-consumer recycled content products that satisfy the Policy’s guidelines for price preference and are compatible with the operational needs of each of those organizations.

The Grand Jury recommends that GSA develop a policy for the content of its Procurement website pages and maintain the content of those pages in a timely manner per the policy.

## **Background**

The Ventura County General Services Agency Procurement Department purchases goods and services for the County’s 27 agencies and departments. During the 2014 calendar year, the GSA contract for over 600 copy machines countywide consumed approximately 50 million blank sheets of paper.

An administrative policy, originally released in 2005 under the auspices of the GSA, documented the County’s approach to reducing environmental waste by recycling waste and utilizing recycled products. This Green Procurement Policy states:

“County agencies, boards, commissions, departments and offices shall reduce waste generated by County business and work practices by reusing discarded materials, recycling waste products when feasible and cost-effective, and purchasing, whenever possible, feasible and cost-effective products (‘recycled content’ products) for use in the delivery of County services to the maximum extent practicable, consistent with existing applicable State and Federal laws and other Ventura County procurement policies.” (Att-01)

Procedures for implementing the Policy are included in the document. The Policy allows a 10% price preference to encourage the use of recycled paper products. (Att-01)

The Grand Jury conducted an investigation to assess the effectiveness of this Policy. To be clear, the Grand Jury supports the County’s goals as stated in the Policy. The focus of the investigation was to determine if the Policy, as implemented, achieved the desired results, especially in the area of recycled paper products. This investigation was not a review of the GSA Procurement system, which consistently earned the National Procurement Institute’s Achievement of Excellence in Procurement Award for the years 2000 through 2013.

## **Methodology**

The Grand Jury conducted this investigation by reviewing the County’s policies and procedures related to procurement and use of recycled products; interviewing County employees involved in the ordering of products and services falling within the domain of the Policy; reviewing artifacts related to the procurement process

such as POs, RFPs, statistics, and reports derived from purchasing activities; and accessing procurement-related County websites.

## **Facts**

**FA-01.** The Policy states, “County agencies, boards, commissions, departments and offices *shall* reduce waste generated by County business and work practices by reusing discarded materials, recycling waste products when *feasible* and cost-effective, and purchasing, whenever possible, *feasible* and cost-effective recycled products (‘recycled content’ products) for use in the delivery of County services to the maximum extent practicable, consistent with existing applicable State and Federal laws and other Ventura County procurement policies [emphasis added].”

The Procedures, as stated in the Policy, use the same combination of the words “shall” and “feasible.” Examples of this combination are shown below, with emphasis added.

- “County agencies, boards, commissions, departments and offices *shall*, wherever *feasible*, restructure purchasing specifications to include the use of products that contain post-consumer recycled content, are reusable, or are designed to be easily recyclable.”
- “Whenever *feasible*, recycled paper *shall* be purchased and used in copy machines and *shall* also be used for printing purposes by County agencies, boards, commissions, departments and offices.”

**FA-02.** Use of the word “shall” in process documents such as policies and procedures commonly identifies a mandated action or capability. The International Organization for Standardization (ISO) uses the following definitions to guide in the documentation of processes.

- “‘shall’ indicates a **requirement**”
- “‘should’ indicates a **recommendation**”
- “‘may’ is used to indicate that something is permitted”
- “‘can’ is used to indicate that something is possible, for example, that an organization or individual is able to do something”

[Ref-01]

**FA-03.** The word “feasible” is not defined in the Policy. When “shall” is associated with “feasible” in the Policy, it is not clear whether the provisions stated in the Policy are requirements or not.

**FA-04.** No single County agency is responsible for enforcing the Policy, especially with respect to verifying that the use of recycled paper goods is revenue neutral or within the 10% price preference established by the Policy. Any County agency or department may exceed the 10% price preference defined in the Policy as long as total procurement costs don’t exceed the established budget for that entity. The Procurement Department in GSA encourages County agencies and departments to use environmentally

friendly products. It encourages suppliers to provide environmentally sensitive products. Compliance with the Policy resides with the agencies and departments making the purchases.

- FA-05.** No statistics or reports were uncovered that would show County agencies and departments continually monitored the cost of virgin paper versus the cost of any available alternative recycled paper to verify expenditures were revenue neutral or within the 10% price preference established by the Policy.
- FA-06.** GSA’s Business Support group, which performs document publishing for the County, uses recycled paper as the default printing option. It selected this default option after the quality of recycled paper improved enough for reliable use in County equipment.
- FA-07.** The Ventura County Medical Center experimented with limiting purchases from the County’s office supplier to a restricted list of items. This initiative saved approximately \$20,000 in the first half of 2014 compared to the same period in 2013.
- FA-08.** Procurement within GSA hosts two websites to provide the public with information on its procurement activities. One site is labeled Bid Listing and the other Bid Histories. [Ref-02, Ref-03]

The Bid Listing site lists goods and services intended to be procured by the County using documents identified as RFPs and Bids. A sample page is shown in Attachment 2. (Att-02)

The Bid Histories site lists the results of the awards made for RFPs and Bids. Documents titled “Recap” or “Abstract” provide the data used to make the award for Bids. A document titled “Intent to Award” identifies the supplier awarded the contract defined by an RFP. When an RFP or Bid is cancelled, the word “Cancelled” is noted in the “Awarded To” column on the Bid Histories page. A sample page is shown in Attachment 3. (Att-03)

- FA-09.** The Bid Histories site is incomplete. It fails to consistently provide status on Bids listed, e.g., many Bids have no Recap or Abstract or Cancelled content. In general, no feedback on the status of RFPs is shown, e.g., the only RFPs with “Intent to Award” content are RFPs 5416 and 5389 in year 2007. For RFP 5389, the “Intent to Award” link to the actual award letter is not active. For year 2010, there is no history information for RFPs and Bids.
- FA-10.** The GSA has no policy in place on whether RFP “Intent to Award” information should be provided to the public on its website. Currently, this information is provided only to suppliers who submit responses to RFPs.

## **Findings**

- FI-01.** The Grand Jury found that the Policy as written is unclear and in general has not been enforced. The Policy did not clearly identify whether the allowable 10% price preference was an absolute limit, aimed at containing

the cost of recycled paper or whether it could be ignored if operational budgets were not exceeded. (FA-01, FA-02, FA-03, FA-04, FA-05)

- FI-02.** The Grand Jury found that the costs of implementing the Policy, i.e., any additional costs for using recycled paper, were not known by all departments. It was not clear that recycled paper goods were revenue neutral or within the Policy’s defined 10% price preference. Hence, monies spent beyond the 10% price preference placed the priority on achieving the goal of the Policy at the expense of operational funds that could have been used for other purposes. (FA-05)
- FI-03.** The Grand Jury found that the GSA websites for Bid Listings and Bid Histories are not consistently updated with current and complete procurement data. Thus they do not provide a reliable source of procurement information in support of public transparency. (FA-08, FA-09, FA-10)
- FI-04.** The Grand Jury found that limiting items to a targeted subset of choices available for purchase from County suppliers was an effective way to control costs. (FA-07)

## **Recommendations**

- R-01.** The Grand Jury recommends that the Board of Supervisors direct the GSA to revise the Policy in order to eliminate the ambiguity between a policy that establishes requirements and a policy that states goals.

If the intent of the Board of Supervisors is to establish a goal to achieve increased use of recycled paper products, then the Policy should be revised to that effect. For example, replace “should” with “shall,” eliminate “feasibility” from statements meant to be goals, and remove the 10% price preference. The goal of the Policy would be to use recycled paper products to the extent each agency and department is able within its allocated budget.

If the intent of the Board of Supervisors is to establish a requirement to increase use of recycled paper products with a financial cap limited to revenue neutral or a 10% price preference, then the Policy should clearly define the entities responsible for monitoring the costs, enforcing the requirements, and formally approving any deviations falling under the umbrella of “feasibility.”

(FI-01, FI-02)

- R-02.** The Grand Jury recommends that the Procurement Department within GSA help the County’s agencies and departments to develop restricted lists of post-consumer recycled content products that satisfy the Policy’s guidelines for price preference and are compatible with the operational needs of each of those organizations. GSA should help to ensure that County departments and agencies are aware of the Policy and the cost

differences between recycled and nonrecycled paper products. (FI-02, FI-04)

- R-03.** The Grand Jury recommends that GSA develop a policy for the content of its Procurement website pages and maintain the content of those pages in a timely manner per the policy. (FI-03)

## **Responses**

### Responses required from:

Ventura County Board of Supervisors (FI-01, FI-02) (R-01)

### Responses requested from:

Ventura County General Services Agency (FI-01, FI-02, FI-03, FI-04) (R-01, R-02, R-03)

## **References**

- Ref-01.** International Organization for Standardization, *Standards Development, Forward - Supplementary Information*, <http://www.iso.org/iso/foreword> (accessed January 19, 2015).
- Ref-02.** County of Ventura, General Services Agency, Procurement, *Bid Listing*, <http://www.ventura.org/gsa/procurement-services/bid-listing> (accessed January 19, 2015).
- Ref-03.** County of Ventura, General Services Agency, Procurement, *Bid Histories*, <http://www.ventura.org/gsa/procurement-services/bid-histories> (accessed January 19, 2015).

## **Attachments**

- Att-01.** County of Ventura Green Procurement Policy
- Att-02.** Bid Listing Website Sample – Year 2015
- Att-03.** Bid History Website Sample – Year 2013

**Glossary**

<b><u>TERM</u></b>	<b><u>DEFINITION</u></b>
County	County of Ventura
Grand Jury	2014-2015 Ventura County Grand Jury
GSA	Ventura County General Services Agency
ISO	International Organization for Standardization
PO	Purchase Order
Policy	Green Procurement Policy (see Attachment 1)
Post-consumer waste	Material previously used in a consumer product, then recycled for reuse in another consumer product
Price preference	In the context of this report, additional cost above a competitive price to promote the use of a recycled product
Procurement	Procurement Department; also, the purchasing of goods and services
Revenue neutral	No net gain or loss
RFP	Request for Proposal

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**Attachment 01**

**County of Ventura Green Procurement Policy**

<b>COUNTY OF VENTURA</b>	<b>2005 ADMINISTRATIVE POLICY MANUAL</b>		<b>FINANCIAL MANAGEMENT CHAPTER VII (A) Expenditures and Accounting</b>
Originating Agency GSA	Last Issued	Revised	<u>Policy No. Chapter VII (A) – 12</u>
Policy: BOS	N/A	2009 NEW	GREEN PROCUREMENT POLICY
Procedure: CEO	N/A	2009 NEW	
Forms (if any): CEO	N/A	N/A	
Policy Change Requires:	<input checked="" type="checkbox"/> CEO Consultation with Board of Supervisors <input type="checkbox"/> CEO Approval		
Procedure/Forms Change Requires:	<input checked="" type="checkbox"/> CEO Approval		

**POLICY**

County agencies, boards, commissions, departments and offices shall reduce waste generated by County business and work practices by reusing discarded materials, recycling waste products when feasible and cost-effective, and purchasing, whenever possible, feasible and cost-effective recycled products (“recycled content” products) for use in the delivery of County services to the maximum extent practicable, consistent with existing applicable State and Federal laws and other Ventura County procurement policies.

**PROCEDURE**

1. County agencies, boards, commissions, departments and offices shall purchase and use recycled products whenever possible, to the maximum extent possible without negatively impacting health, safety, or operational efficiency.
2. County agencies, boards, commissions, departments and offices shall, wherever feasible, restructure purchasing specifications to include the use of products that contain post-consumer recycled content, are reusable, or are designed to be easily recyclable. Outside contractors bidding to provide products or services to the County, including printing services, shall be encouraged, if not required, to use recycled content whenever practicable.
3. Whenever feasible, recycled paper shall be purchased and used in copy machines and shall also be used for printing purposes by County agencies, boards, commissions, departments and offices.
4. When recycled products are used, County agencies, boards, commissions, departments and offices are encouraged to label those products to indicate their recycled content. The use of the “recycled content” symbol on letterhead stationary and business cards shall be encouraged, whenever possible.
5. Wherever feasible and appropriate, life-cycle cost analysis should be used to assist in selecting a product or service. Cost shall be calculated over the life of the item and should consider disposal and replacement costs, not just initial up-front costs. When comparing

alternative products, the initial cost of the acquisition as well as lifetime maintenance costs, operational costs, etc., should be considered in the analysis.

6. As directed by California Public Contract Code (10409), the County of Ventura shall purchase lubricating oil and industrial oil “from the seller whose oil product contains the greater percentage of recycled oil, if the availability, fitness, quality and price of the recycled oil products is otherwise equal to, or better than, virgin oil products.”
7. County agencies, boards, commissions, departments and offices will favorably consider the selection of other recycled content and renewable materials, products and supplies over their non-recycled content and non-renewable alternatives in cases where availability, fitness, health, operational efficiency, quality, safety and price of the recycled product is otherwise equal to, or better than, the non-recycled content and/or non-renewable alternative. The list of materials, products and supplies shall include, but not be limited to, business office products, compost, fuels, mulch, rubberized asphalt, and other items.
8. County agencies, boards, commissions, departments and offices shall consider “less toxic alternatives” when purchasing products such as pesticides and herbicides and to purchase energy-conserving products when possible.
9. A 10% price preference for qualified recycled paper products shall be implemented by all County agencies, boards, commissions, departments and offices and based upon the lowest bid or price quoted by the supplier or suppliers offering non-recycled paper products.

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**Attachment 02**

**Bid Listing Website Sample – Year 2015**

## Bid Listing

**NOTE:** If you cannot open the bid with your reader you will need to download the complete bid and associated files by doing the following: Put your mouse pointer on the bid number, Right Click and choose "save file as" or "save target as" and save the file to your computer. Repeat for addendum's or associated files.

Due Date	Number	Title	Agency/Buyer
1/21/2015	<b>RFP 5777</b>	2014 Multi-Hazard Mitigation Plan	V.C. Sheriff OES/ Bettina Vicencio
1/27/2015	<b>RFP 5717</b> - Exhibit B, Zone 1 - Exhibit B, Zone 2 - Exhibit B, Zone 3 - Exhibit C (PDF; 20 MB) - Exhibit D (ZIPPED Version; 30 MB) - Exhibit D (PDF Version; 130 MB) - Amendment 1	Rodent Management Services (Levees and Dams)	Water Protection District/ Boyd Donavon
Please note, the larger PDF files may take a while to open and may not show a status while the file downloads to your system. You may only see a white screen during that time. The ZIP file of Exhibit D is provided for your convenience and you may need to install an archive program to open it. (ie. 7-Zip (Free))			
2/12/2015	<b>RFP 5732</b>	Unarmed Security Guard Services	Countywide/ Dan Thrower
1/7/2015	<b>BID 5669</b> - Addendum #1	Traffic Signal System Preventative Maintenance & Repairs	PWA/ Transportation/ Glenna Streed

**Attachment 03**

**Bid History Website Sample – Year 2013**

### 2013 Bid History

Closed Date	Awarded To	Number	Title	Agency/Buyer
12/20/2013		RFP 5726	Surgical Booms, Lights, and Flat Panel Display Support Arms	VCMC/ Rick Tolentino
12/19/2013	CANCELLED	BID 5728	New Year Model Wheeled Excavator, Caterpillar Model M322D with Two Piece Room or Equal	GSA Fleet Services/ Maria Moreno
12/17/2013		BID 5714	Dairy Products	Sheriff/Probation /VCMC/ Dan Thrower
12/16/2013		BID 5725	Kitchen Smallwares and Utensils	GSA/ Dan Thrower
12/10/2013		RFP 5710	Mental Health Services for the Juvenile Drug Court Program	GSA/ Bettina Vicencio
11/25/2013		BID 5715	Agricultural Chemicals - Herbicides	PWA-WPD/ Dan Thrower
11/14/2013		BID 5720	New 2014 Toyota Tacoma Trucks	GSA Fleet Services/ Maria Moreno
11/12/2013		BID 5719	New 2014 Ford Truck Chassis or Equal	GSA Fleet Services/ Maria Moreno
11/12/2013	Recap	BID 5718	New 2014 Ford Truck Chassis or Equal	GSA Fleet Services/ Maria Moreno