CITY OF ATLANTA
City Auditor's Office
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Performance Audit:

Efficiency of the Procurement Process

Why We Did This Audit

We undertook this audit because an efficient procurement process helps mitigate the risk of departments circumventing process controls. We assessed the efficiency of the procurement process and reviewed anti-fraud measures adopted in the updated procedures.

What We Recommended

To ensure fair and open competition, accurate reporting, and risk mitigation, the chief procurement officer should:

- finalize the draft policies and procedures and train staff
- work with the city's ATLCloud consultant to connect the solicitation and contract modules if possible
- ensure all contracts, engagement packages, and justification forms are uploaded to ATLCloud or SharePoint
- continue to implement the RACI chart and integrate key dates into ATLCloud
- clarify City Council reporting metrics for purchase orders
- create a mandatory field in ATLCloud to track non-contract related spending and make the micro or small purchase field mandatory
- consistently label and track purchase categories and encourage city agencies to use punchout vendors to seek economies of scale

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

What We Found

While the Department of Procurement took several steps to standardize its operations, strengthen competition, and enhance efficiency, our audit found that the department should continue to improve reporting and document retention. It could also enhance the uniformity of operations and cost savings through publishing its draft procedures and fostering economies of scale through the use of punchout vendors.

The department communicated to City Council that it had reduced the average cycle time for competitive procurements to 186 days as of January 2023. A random sample of 35 solicitations from the department's monthly reports found that 14 of these had inaccurately calculated cycle times. Correcting these figures showed that the average cycle time was actually 400 days for the sample. Similarly, the department reported decreasing purchase order processing time by over 90% since January 2022, but our audit found that the median time to process purchase orders was the same when comparing January to August 2022 with September 2022 to March 2023.

Documentation and reporting issues also surfaced during the audit. The department did not retain all its documentation in ATLCloud and SharePoint, such as solicitations and contracts. In 18% of the alternative procurements we reviewed, the department failed to provide the necessary documents justifying alternative procurements, potentially leading to inconsistencies and risks in the procurement process. Moreover, inconsistent labeling of purchases hindered tracking against annual vendor limits, creating challenges in monitoring compliance and potential overspending.

We recommended the department work with the city's ATLCloud vendor to enhance automated tracking for accurate reporting, clarifying reporting metrics to ensure accuracy in City Council reporting, ensuring proper documentation for alternative procurements, improving labeling in ATLCloud for better tracking and compliance, and refining the anti-corruption measures within the department's draft policies and procedures.

Management Responses to Audit Recommendations

Summary of Management Responses

Recommendation #1:

We recommend that Procurement incorporate all anti-corruption controls and processes in practice into their draft policies and procedures to ensure that these practices are clearly documented and accessible to all staff.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Partly Implemented	03/24

Recommendation #2:

We recommend that the department finalize the draft policies and procedures and train staff on how to apply them to provide clear guidance to staff and enhance anti-corruption controls.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	07/23

Recommendation #3:

We recommend that Procurement staff work with the city's ATLCloud consultant, Deloitte, to identify whether the solicitation and contract modules can be connected for automated cycle time reporting and improved reporting accuracy.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	07/23

Recommendation #4:

We recommend that the department ensure all contracts are uploaded into ATLCloud as part of award close-out for reporting.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	07/23

Recommendation #5:

We recommend that the department continue to implement the RACI chart and integrate key dates into ATLCloud to increase reporting accuracy and identify areas for process improvement.

Response:	Status:	Estimated Completion Date (M/Y):
Agree	Implemented	10/23

Recommendation #6:

We recommend that the department clarify its purchase order metrics and calculations for City Council reporting to improve accuracy and consistency.

Response:	**Status:**	**Estimated Completion Date (M/Y):**
Agree	Implemented	07/23

Recommendation #7:

We recommend that Procurement ensure procurement request engagement package and justification forms are retained in SharePoint and, if possible, in ATLCloud to help mitigate the risk of approving alternative procurements without adequate justification.

Response:	**Status:**	**Estimated Completion Date (M/Y):**
Agree	Implemented	08/23

Recommendation #8:

We recommend that Procurement create a mandatory designation field in the ATLCloud requisition form for contract or non-contract-related spending and make the micro or small purchase field mandatory to improve consistency, accuracy, and employees' ability to track potential overages.

Response:	**Status:**	**Estimated Completion Date (M/Y):**
Agree	Partly Implemented	12/23

Recommendation #9:

We recommend that Procurement find a method to consistently label and track purchase categories and leverage these data and its category management model to identify opportunities to achieve economies of scale.

Response:	**Status:**	**Estimated Completion Date (M/Y):**
Agree	Started	03/24

Recommendation #10:

We recommend that Procurement encourage user agencies to use punchout vendors.

Response:	**Status:**	**Estimated Completion Date (M/Y):**
Agree	Click to select current implementation status.	07/23