



April 19, 2016

Response To Audit Committee Questions

1. **Why isn't OUSD a member of a buying group or consortium?**

- A. OUSD does have access to the California Multiple Award Schedules (CMAS) which offers a wide variety of commodities, non-IT services and information technology products and services at prices which have been assessed to be fair, reasonable and competitive. When we use CMAS pricing no bids are required.
- B. We also participate in the U.S. Communities a partnership between the Association of School Business Officials, the National Association of Counties, the National League of Cities and the United States Conference of Mayors founded by 4 national sponsors and over 90 state, city and regional organizations. .

2. **The number of active vendors is as high, or higher, than the number of annual purchase orders.**

OUSD's active vendor list includes vendors for supplies, equipment and services. It also includes current and former employees who receive reimbursement for education related expenses and property owners of Oakland who are eligible to receive a refund of parcel tax due to age or level of income.

3. **Prices are said to be reviewed on an annual basis. In many cases this is not the best practice.**

OUSD negotiates pricing and potential discounts with vendors who exceed the \$87,800 annual spend threshold for procurement.

4. **I didn't understand the annual rebate situation. The committee was told that the District gets credit for purchases by others under its contracts. Does this translate to lowering cost of materials?**

- A. OUSD receives a volume internal rebate (based on OUSD internal annual spend) and volume external rebate (based on other school districts using our negotiated contract pricing for their annual spend).
- B. Our pricing for this rebate is based on the Request For Proposal (RFP) process resulting in a Board of Education resolution accepting pricing and conditions of the contract.
- C. Various school districts feel our contract pricing is to their advantage so they "piggyback" on our contract.

5. **Please give serious consideration to hiring an outside consultant to do a study of OUSD purchasing department practices.**

The Chief Operations Officer published an RFP this spring to study the purchasing department practices as well as other district departments to discover potential savings, redesign for efficiency and closer alignment with district goals and objectives. Procurement Services participated in the interview and selection process of a consultant company scheduled to begin work this calendar year.