



Agenda Report Details (With Text)

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Date	Ver.	Action By	Action	Result
5/8/2024	1	ADMINISTRATION COMMITTEE		

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

PROCUREAMERICA

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the use of ProcureAmerica to perform analysis of specific operational areas to identify potential cost savings.

BACKGROUND

ProcureAmerica provides government agencies with business intelligent services to identify cost savings of indirect expense categories through Enterprise Strategic Plans (ESP). The firm supports over 115 California government agencies, including: counties, cities, school districts, water districts, hospitals, universities, and community colleges. Each engagement and subsequent ESP are specifically designed to deliver hard dollar expense reduction, provide operational efficiency, and supplier transparency. The company's industry specific practice groups include:

- Utilities
- Telecommunications
- Print Management
- Treasury
- Waste Services
- Technology

ProcureAmerica has a review team for each practice group staffed with highly experienced professionals who come directly from the industry in which they practice. The team of experts review and analyze the billing rates and contracts for services in these practice groups and identify opportunities for savings or alternative arrangements for services.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

There may be unidentified potential savings related to each of the areas of focus.

PROPOSED SOLUTION

Engage the services of ProcureAmerica to review current services and identify potential saving opportunities through a phased approach.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

OC San continues to pay existing cost arrangements for all services.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

ProcureAmerica has provided similar services to other agencies within Orange County, including the cities of Dana Point, Fullerton, and Santa Ana, as well as the County of Orange. ProcureAmerica services are available through a Regional Cooperative Agreement (RCA) entered into by the County of Orange and ProcureAmerica. Under this arrangement, the agencies receive the negotiated terms and conditions of the original RCA.

CEQA

N/A

FINANCIAL CONSIDERATIONS

There is no net financial impact associated with ProcureAmerica services. ProcureAmerica fees are 30% of cost savings/refunds actualized if recommendations are implemented. If no

recommendations are implemented or cost savings/refunds are obtained, then ProcureAmerica will receive no compensation for services rendered. ProcureAmerica continues to monitor billing rates, market changes, and regulation changes throughout the contract engagement and brings forth any additional recommendations to optimize services to achieve cost savings.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A