



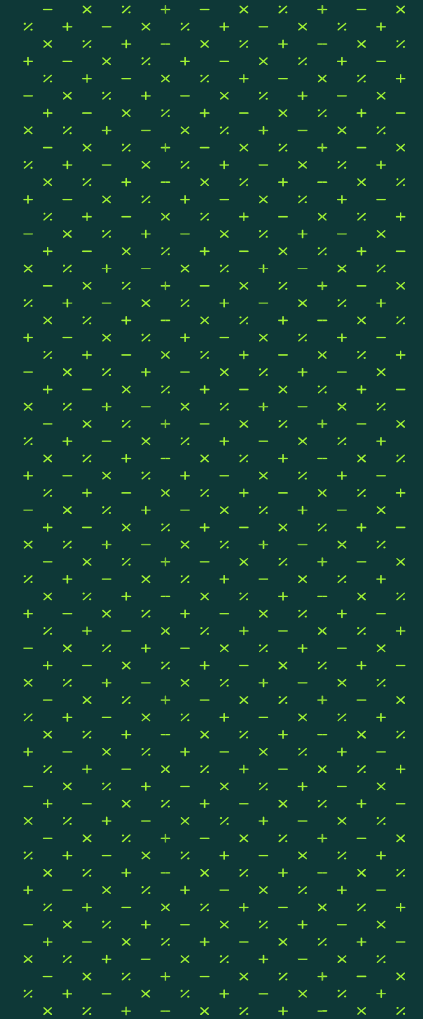
MOSSADAMS

City of Santa Fe

Procurement Operational Review

Audit Committee Meeting

May 22, 2025





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Agenda

01 OBJECTIVES AND SCOPE

02 METHODOLOGY

03 COMMENDATIONS

04 FINDINGS AND RECOMMENDATIONS



Objectives and Scope

As a part of the fiscal year 2025 City of Santa Fe internal audit program, Moss Adams conducted a procurement operational review to assess procurement policies, procedures, and processes and to evaluate opportunities to streamline and enhance efficiency.

This engagement was conducted between December 2024 and April 2025.



Methodology

This engagement consisted of four major phases (project initiation and management, fact finding, analysis, and reporting). Fact-finding was informed by:

- *Interviews:* Conducted interviews with Purchasing staff and leadership, as well as nine focus groups with staff from departments involved in procurement at the City. Overall, we spoke to about 40 City employees.
- *Document Review:* Reviewed a variety of documents, data, and information provided by the City, including procurement policies and manuals, how-to documents, job descriptions, departmental procurement authority matrices, procurement training materials, and forms and templates.
- *Industry Best Practice Research:* Conducted research into relevant industry standards and best practices.
- *Peer Benchmarking:* Peers analyzed included the City of Albuquerque, City of Las Cruces, City of Rio Rancho, and the County of Los Alamos.



Commendations

- Effective **leadership** in Purchasing
- **Strong teamwork** within Purchasing
- **Willingness to change** and openness to continued improvement



Summary of Recommendations

People

- Conduct a workload analysis to assess work volumes and staffing needs.
- Continue to foster a supportive work environment.
- Create standard operating procedures (SOPs) to support continuity.
- Adopt a standardized training and change management process.

Performance

- Implement Key Performance Indicators (KPIs) aligned with service goals.
- Establish service level standards to clarify expectations between Purchasing and other departments.



Summary of Recommendations

Processes

- Update the procurement manual and establish a regular review cadence.
- Develop comprehensive SOPs to guide staff on the procurement process.
- Improve emergency procurement by establishing clear definitions, specifying applicable departments, providing examples, clarifying criteria, and setting monetary limits.
- Enhance internal controls for p-card management by clarifying roles and documenting monitoring guidelines.
- Use the best value approach selectively based on complexity, market conditions, and risk, with clear guidelines.

Systems

- Prioritize the implementation of the City's newly procured procurement system.



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