



**Los Angeles Unified School District**  
**Office of the Inspector General**  
Auditing Services  
Internal Audit Unit

# Audit Report

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## Procurement of Common Goods at School Sites

OA 13 – 511

November 26, 2013



## Los Angeles Unified School District Office of the Inspector General

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**Richard A. Vladovic, Ed.D., President**  
**Tamar Galatzan**  
**Mónica Garcia**  
**Bennett Kayser**  
**Marguerite Poindexter LaMotte**  
**Mónica Ratliff**  
**Steve Zimmer**  
*Members of the Board*

**John E. Deasy, Ph.D.**  
*Superintendent of Schools*

**Ken Bramlett, MPA, CIG**  
*Inspector General*

November 26, 2013

George Silva  
Chief Procurement Officer  
Los Angeles Unified School District  
333 South Beaudry Avenue, 28th Floor  
Los Angeles, CA 90017

RE: Audit Report of the Audit of Procurement of Common Goods at School Sites

Dear Mr. Silva:

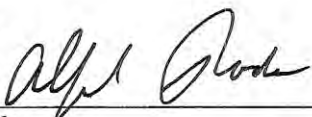
This is our report on the audit of Procurement of Common Goods at School Sites.

These are the report's key sections:

- The Executive Summary describes the scope of the audit and provides a summary of our key audit findings and recommendations.
- The Discussion section details our audit procedures, findings and recommendations and your comments.
- Annex A contains your verbatim response to our recommendations. Annex B lists others receiving copies of this report. Annex C lists the members of the audit team.

We appreciate the courtesies and cooperation extended to us during the audit.

Sincerely,

  
\_\_\_\_\_  
Alfred Rodas  
Deputy Inspector General, Internal Audit

  
\_\_\_\_\_  
Ken Bramlett  
Inspector General

333 South Beaudry Avenue, 12<sup>th</sup> Floor, Los Angeles, California 90017  
Telephone: (213) 241-7700 Fax: (213) 241-6826

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## Why did the OIG do this audit?

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The General Stores Distribution Section of the Materiel Management Branch, a unit of the Procurement Services Division, helps to reduce the operational burden at the school site by providing a single source for schools to acquire a wide variety of school supplies and equipment with the ease of a single transaction and delivery.

As part of our fiscal year 2013 Annual Work Plan, we conducted this audit to provide insight to schools about which method of procurement is most economical for selected commodities.

### **What was the main objective?**

The primary objective of the audit was to benchmark commonly purchased items at school sites, and include a price comparison between the District's preferred method of purchasing via Master Contracts or Business Warehouse and various independent suppliers/vendors. This audit should provide insight to schools about which method of procurement is most economical for selected commodities.

### **What District key strategies does this audit support?**

- ✓ *Operate an effective, efficient, and transparent organization in order to assure the public trust.*

### **What OIG goals does this audit support?**

- ✓ *Provide information that supports effective decision making.*
- ✓ *Find ways to improve processes, programs, functions and activities.*
- ✓ *Prevent and detect waste, fraud and abuse within the District.*

***Areas requiring attention and what the District should do next are discussed briefly in the Executive Summary of this report.***

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## EXECUTIVE SUMMARY

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### *Introduction*

This report contains the results of our audit of “**Procurement of Common Goods at School Sites.**” We performed this audit as part of our FY 2013 Work Plan.

The General Stores Distribution Section of the Materiel Management Branch, a unit of the Procurement Services Division, helps to reduce the operational burden at the school sites by providing a single source for schools to acquire a wide variety of school supplies and equipment with the ease of a single transaction and delivery.

On November 13, 2012, the Board of Education approved the “Buy and Use LAUSD First” Resolution. It was resolved that the Superintendent strongly encourage every school and office to use and/or buy District products and services whenever possible. It was further resolved that schools and offices will take full advantage of better value Master Contracts providing the same goods and services.

### *Objective*

The primary objective of the audit was to benchmark commonly purchased items at school sites, and to include a price comparison between the District’s preferred method of purchasing via Master Contracts or Business Warehouse and various independent suppliers/vendors. This audit should provide insight to schools about which method of procurement is most economical for selected commodities.

For this audit, we reviewed the following areas:

- Pricing Competitiveness
  - Outside Vendors
  - Decentralized Purchase Order - Low Dollar Value (PD LV)
  - Procurement Cards (P-Cards)
- Online Catalog

### *Summary of Key Audit Findings*

#### *Favorable Conditions Noted:*

Some of the favorable conditions we noted during the audit included the following:

- The General Stores Distribution Center (“General Stores”) had a competitive pricing structure that offered schools significant savings for many supply and equipment items.
- The General Stores conducted periodic price surveys to ensure that the items were

competitively priced.

- The General Stores updated and distributed the *Supplies and Equipment Catalog* to schools and offices at the beginning of each school year. The catalog was also available online to provide schools online catalog shopping, price comparisons with three outside vendors and price changes.

### Areas Requiring Attention:

### Key Audit Findings

We noted the following conditions that require management attention:

- In general, schools purchasing from outside retail vendors was not cost-effective. In our test sample, the schools paid on average 20 – 40% more for selected items for purchases made from outside retail vendors (through low dollar purchase orders (PD LVs) and P-Cards) than they would have paid if the same items were purchased from the District General Stores.
- Prior to the Board Resolution, “Buy and Use LAUSD First,” passed on November 13, 2012, District’s policy *required* schools to purchase the “top selling categories” of selected items from the General Stores Distribution Center. However, not all schools followed this policy. Our sample of PD LV transactions showed that some schools purchased 19 % of items that belonged to "top selling categories" from outside vendors.
- The General Stores website was not user-friendly and should be enhanced to encourage more schools to use the General Stores online catalog for their procurement needs. In addition, the General Stores online catalog showed limited product detail and specification as compared to outside vendors’ online catalogs.

**Conclusion:** Through the use of the General Stores system, the District is in a position to enjoy economies of scale through volume purchases and to fill requisitions of standard supplies and equipment for schools and offices at a lower price. However, the District needs to diligently market its products and services and provide practical incentives to ensure that all schools and offices obtain their regular supplies and equipment from the LAUSD General Stores, and the General Stores become their first choice for all of their procurement needs.

### ***Potential Impact***

The schools in our sample could have realized a savings of 20 – 40% on selected purchases if all of their procurement needs for regular supplies and equipment, and items from the “top selling categories” had been filled through the General Stores. In addition, there was no guarantee that the quality and product safety standards were met when the purchases were made from outside retail vendors.



## ***What the District Should Do Next:***

### ***Summary of Key Recommendations***

We provided the Materiel Management Branch with 7 recommendations to help encourage schools to fill their procurement needs through the General Stores. A complete description of these recommendations is included in the body of this report. Some of the more significant recommendations we made included the following:

- Increase on-going marketing and sales efforts to promote the General Stores products and services and periodically remind the schools and offices of the benefits of buying from the District's General Stores Distribution Center such as: low prices, quality products and timely delivery services.
- Continue to develop appropriate incentives to encourage schools to purchase from the General Stores Distribution Center for the purpose of achieving the intent of the Board Resolution, "Buy and Use LAUSD First" passed on November 13, 2012.
- Coordinate with the Office of the Chief Operating Officer and the Office of the Superintendent in revising the Procurement Manual language from "*encourage*" to "*require*" schools and offices to buy all needed supplies from the General Stores, if such items are carried by the General Stores.
- Develop a more user-friendly website and enhance features of the District's *Supplies and Equipment Online Catalog* to encourage schools and offices to fill their procurement needs through the General Stores website.

**LAUSD Comments:** The Procurement Services Division agreed to all but two of our recommendations and was responsive to our concerns. The Division also stated that they had taken or would take corrective actions on the recommendations.

One area of disagreement had to do with changing the Procurement Manual language from, "*encourage*" schools and offices to buy all needed supplies from the General Stores to "*require*" schools and offices to buy all needed supplies from the General Stores. The Procurement Services Division did not specifically mention that they would make the suggested language change but stated that they would work with the Office of the Superintendent and the OIG to encourage schools to purchase from the General Stores in order to realize greater savings, and continue to work with the COO to align the schools' desire to increase their savings with the District's "Buy First" initiative.

The second area of disagreement concerned our recommendation to review the current General Stores website and to make various specific enhancements. The Procurement Services Division disagreed and stated that the Division currently uses the new SAP System and the functionality to implement the specific enhancements suggested in our Recommendation A-7 is not available (via simple configuration) in the current SAP software version implemented by the District. However, PSD will use (and enhance where possible) the new system to continue to improve

its website to market products and services and explore ways to increase sales to both schools and offices. In addition, PSD staff will assess the cost/benefit of updating the SAP software to a version which does include the recommended new functionality when the software becomes available.

**Inspector General Response:** Management's response to our audit findings and recommendations indicate an understanding of the issues presented. For the two areas of disagreement, management's alternative actions are deemed as acceptable alternatives to our recommended actions.

### ***Scope and Methodology***

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit covered the activities for fiscal year 2011–12 and the period July 1, 2012 – January 31, 2013. To compare prices, we obtained a listing from the Procurement Services Division and used the data to select purchases made by the schools from outside vendors. In order to address the audit objectives, we performed certain procedures, which included, but were not limited to the following:

- ❖ Reviewed applicable State laws and regulations.
- ❖ Reviewed relevant LAUSD policies and procedures.
- ❖ Performed walkthroughs of each audit area with key personnel of the Materiel Management Branch to obtain an understanding of the current processes and completed Internal Control Questionnaires.
- ❖ Performed price comparisons for randomly selected “top selling items” at the General Stores with retailers and government contract marketplace.
- ❖ Performed price comparisons for selected items purchased by the schools through PD LVs and P-Cards with the items carried in the General Stores.
- ❖ Obtained from Integrated Financial System (IFS) product details, brands and specifications of the samples and reviewed the LAUSD General Stores' and outside vendors' online catalogs for price comparison.
- ❖ Obtained and reviewed supporting invoices of sampled PD LVs via file net, *LAUSD's Enterprise Content Management System*, to determine actual prices and descriptions of the items purchased.



- ❖ Examined and analyzed applicable records and reports.
- ❖ Performed fraud inquiries.

During the course of our audit, we also interviewed key personnel at the Materiel Management Branch, the Accounts Payable Branch and the Budget Services about their activities related to our audit objectives. We performed the audit from March 2013 through June 2013.

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## FINDING AND RECOMMENDATIONS

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**FINDING: Procurement of Common Goods at School Sites**  
**For the Chief Procurement Officer, Procurement Services Division**

### BACKGROUND

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The stated mission of the Procurement Services Division is “to provide schools and administrative offices with goods and services they need – when they need them. In doing this, we must ensure procurement laws are followed and the District achieves the most cost effective prices for goods and services.”

The General Stores Distribution Center (formerly Stores Warehouse) is under the Materiel Management Branch of the Procurement Services Division. Per the Procurement Services Division website, the General Stores Distribution Center (“General Stores”) stocks over 2,700 educational tools, office supplies, furniture, equipment, and specialty items that support a variety of instructional programs. Because of the District’s volume purchasing power, the General Stores provides schools and offices with quality products at the most competitive prices available.

The LAUSD’s *Procurement Manual, 4<sup>th</sup> and 5<sup>th</sup> Editions* state in part that the "Materiel Management Branch (MMB) assists District schools and offices by providing supplies, materials, and equipment through the District's General Stores Distribution Center. MMB will be a partner and a resource to assist schools in the relief of the operational burden of multiple sourcing, ordering/receiving, and payment, by providing a "one stop" shopping source to acquire thousands of classroom and office items in a cost savings manner.

In addition, the LAUSD’s *Procurement Manual, 4<sup>th</sup> Edition* states in part that "Since July 1, 2003, schools and offices have been required to purchase the "top selling categories" of selected items from the District's General Stores Distribution Center. The District's *Supplies and Equipment Catalog*, which is distributed to all schools and offices at the beginning of each school year, includes a special section entitled *Top Selling 30 Categories* highlighting these items." <sup>1</sup>

On November 13, 2012, the Board of Education approved the “Buy and Use LAUSD First” Resolution. It was resolved that the Superintendent *strongly encourage* every school and office to use and/or buy District products and services *whenever possible*. It was further resolved that schools and offices will take full advantage of better value master contracts providing the same goods and services.<sup>2</sup>

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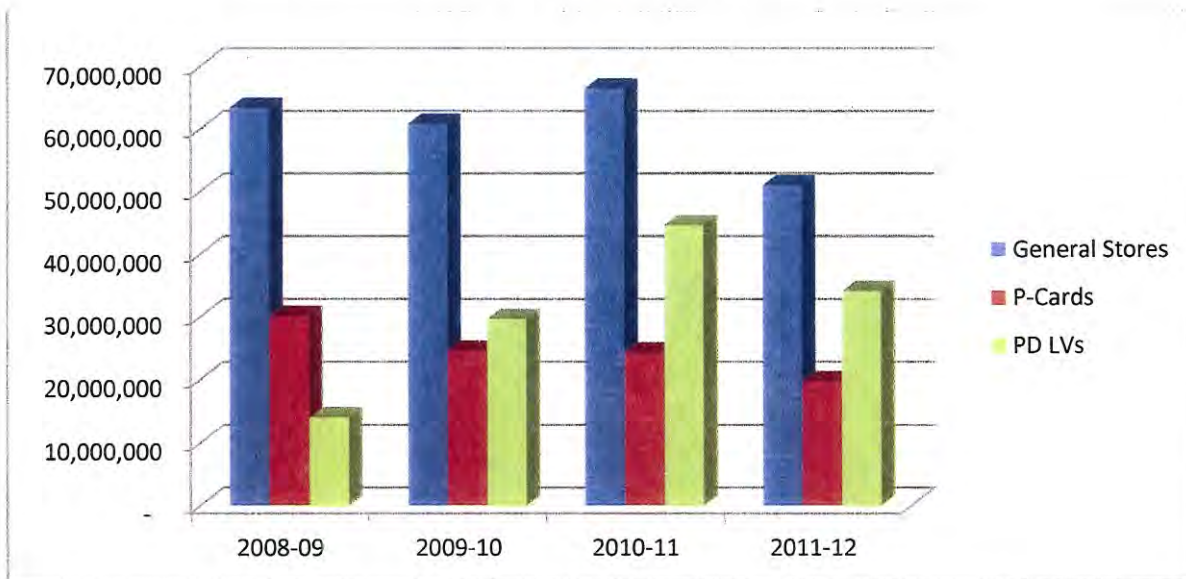
1 LAUSD’s *Procurement Manual, 4<sup>th</sup> Edition*, issued by Procurement Services Division, dated November 2011, page 21.

2 LAUSD’s *Procurement Manual, 5<sup>th</sup> Edition*, issued by the Procurement Services Division, dt Feb. 2013, pp. 2-3.

While schools are encouraged to purchase items from within the District, they have the option to buy from outside sources. One option is Decentralized Purchase Order - Low dollar Value (PD LV) for purchases between \$1,500 and \$25,000. The Procurement Services Division has also developed the Procurement Card (P-Card) Program to manage small purchases for low dollar value transactions between \$1 to \$1,500/\$3,000 for goods, commodities, general services and professional services.

Figure 1 illustrates the trend for the procurement activities by all schools and offices through General Stores, P-Card & PD LV. Figure 1 shows that sales revenues for General Stores for the 4-year period declined except 2010-11 fiscal year when highest numbers of new schools were opened.<sup>3</sup> The General Stores experienced sales decline as a result of the increased amount of purchases made by the schools from outside vendors using the P-Cards and PD LVs.

**Figure 1**  
**Comparison of The General Stores, P-Card & Low Dollar PO (PD LV) Purchases**  
**All Schools & Offices**



Fiscal Year	General Stores	P-Card	Low Dollar PO (PD LV)
2008-09	63,434,638	30,187,350.00	14,084,256.00
2009-10	60,873,032	24,654,561.00	29,685,055.00
2010-11	66,520,245	24,339,369.00	44,656,939.00
2011-12	51,043,135	19,770,273.00	34,140,965.00

<sup>3</sup> Based from the report, *FY12 Pie Chart Comparison of SROC, P-Card, PDLV* =10/29/2012, provided by the Deputy Director of Materiel Management Branch on February 8, 2013.



## DISCUSSION

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This section discusses the following areas:

- Pricing Competitiveness
  - Outside Vendors
  - Decentralized Purchase Order - Low Dollar Value (PD LV)
  - Procurement Cards (P-Cards)
- Online Catalog

### Pricing Competitiveness

#### Outside Vendors

**Can the schools buy almost any product or service more cheaply on their own from outside vendors than through the LAUSD General Stores Distribution Center (General Stores)?**

We found that buying from outside vendors was not cost effective. We noted high prices for commonly purchased items sourced by the school sites from outside vendors. Price comparisons showed that the LAUSD General Stores prices were considerably lower than both retail (36%) and U.S. Communities government contractor (22%).

The LAUSD's *Procurement Manual, 5th Edition* states that "the competition concept is the premise that the public is best served and public funds (over a specified level) are spent wisely only after being subjected to the rigors of competitive procurement. It is incumbent on the District leadership in reinforcing the use of competition and related practices for achieving a competitive environment."<sup>5</sup>

The standard operating procedure of the Materiel Management Branch entitled "*Establishing and Updating the General Stores Warehouse Yearly Catalog Prices*" states in part the following procedures:

"...The Procurement Official will evaluate whether the items costs will be increased based on market information, contract expirations, and adjustment to contracted prices. Ideally the Procurement Officials should know what item is being purchased, thus they can look for an exact item if possible or an equal if available. Price comparison should generally be done with retail store competitors, i.e., Staples, Office Depot, Home Depot, Ace Hardware, Michaels, Joann's Arts and Crafts. If store/online retailers do not carry exact or similar items, then online-only retailers should be used but appropriate shipping and tax charges must be added to the cost."

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<sup>5</sup> LAUSD's *Procurement Manual, 5<sup>th</sup> Edition*, issued by the Procurement Services Division, dated February 2013, page 20.

### Test Work Performed

We randomly selected a sample of 20 top selling items in fiscal year 2011-2012 to review the General Stores price competitiveness with outside retail vendors and government contract.

Based upon the price comparison for the 20 sample items, we noted average savings of 36% (on a unit price basis) for the General Stores prices as compared to private sector retail prices (online prices plus shipping and taxes). Table 1 provides more detail about the price comparison of selected school supplies and average percentage savings that could be realized by buying from the General Stores.

**Table 1**  
**Price Comparison for 20 Top Selling Items**  
**The General Stores vs. Outside Retail Vendors**

	Product Description	Unit	General Stores On line Catalog Price	Outside Retail Vendors	Outside Retail Vendors On Line Price	General Stores Dollar Savings	General Stores Percentage Savings
					A	B	C
1	Paper bond 8.5x11" white 20# 10/case	CSE	\$33.99	Staples	\$45.77	\$11.78	25.74%
2	Paper toilet single fold 250/pk 36 /case	CSE	\$35.99	Discount Office Items	\$61.25	\$25.26	41.24%
3	Book composition wide ruled	PKG	\$15.99	Office Depot	\$27.34	\$11.35	41.51%
4	Tissues clean/facial 60/case	CSE	\$52.99	Reliable Paper	\$78.41	\$25.42	32.42%
5	Radio 2 way walkie-talkie Motorola	EA	\$299.99	Radios lights	\$324.28	\$24.29	7.49%
6	Cover toilet seat paper flat 250/pkg	PKG	\$2.99	Office Depot	\$3.97	\$0.98	24.64%
7	Adhesive glue stick non-toxic	BX	\$2.59	Amazon	\$5.59	\$3.00	53.68%
8	Dispenser liquid soap lather 40oz	EA	\$29.99	FSW	\$51.50	\$21.51	41.77%
9	Pencil, pre sharpened, #2 HB, 12/box	DZ	\$1.27	Office Depot	\$3.91	\$2.64	67.54%
10	Toner cart hi-yld P2055 blk CE505X	EA	\$148.99	Office Depot	\$180.93	\$31.94	17.65%
11	Crayons standard assorted 16/box	BX	\$0.55	Staples	\$1.62	\$1.07	66.14%
12	Sealer gym/classroom wood floor 1gl	GAL	\$84.99	Pro-San	\$102.58	\$17.59	17.15%
13	Floor finish sport floor 1 gal can	CAN	\$85.26	Pro-San	\$102.60	\$17.34	16.90%
14	Detergent liquid dishwashing	BTL	\$3.25	Cleanx solution	\$4.69	\$1.44	30.66%
15	Towel paper wiping disp 13"x18" 50bdl	PKG	\$3.89	Amazon	\$8.26	\$4.37	52.92%
16	Envelope white legal #10, 24# 500/ bx	BX	\$8.24	Office Depot	\$9.58	\$1.34	14.00%
17	Marker dry-erase broad non-tox	DZ	\$8.65	Walmart	\$14.02	\$5.37	38.29%
18	Dispenser paper towel single fold	EA	\$77.99	Wasserstrom	\$95.67	\$17.68	18.48%
19	Sharpener pencil small desktop	EA	\$14.99	Discount Office Items	\$28.69	\$13.70	47.75%
20	Protector sheet 8.5x11" top load 100/bx	BX	\$8.49	Discount Office Items	\$23.68	\$15.19	64.14%
<b>Average Savings (sum of C ÷ 20)</b>							<b>36%</b>

In addition, Table 2 shows price comparison for 9 common items that generate 22% average savings (on a unit price basis) for the General Stores prices as compared to the Independent Stationers website prices. The Independent Stationers is a U.S. Communities government contractor for supplies that can be used by public agencies.



**Table 2**  
**Price Comparison for Nine Common Items**  
**The General Stores vs. Government Contract (U.S. Communities)**

	Product Description	Unit	General Stores Online Catalog Price	Independent Stationers Online Price	General Stores Dollar Savings	General Stores Percentage Savings (C÷B)
			A	B	C	D
1	Paper Bond 8.5X11" White 20# 10/case	CSE	\$33.99	\$37.02	\$3.03	8.18%
2	Book Composition Wide Ruled	PKG	\$15.99	\$26.68	\$10.69	40.07%
3	Tissues Clean/Facial 60/case	CSE	\$52.99	\$59.27	\$6.28	10.60%
4	Cover Toilet Seat Paper flat pk 250/PKG	PKG	\$2.99	\$4.38	\$1.39	31.76%
5	Pencil, Pre Sharpened #2 HB, 12/box	DZ	\$1.27	\$1.57	\$0.30	19.09%
6	Crayons Standard Assorted 16/box	BX	\$0.55	\$0.41	\$-0.14	-32.79%
7	Envelope White Legal #10, 24# 500/box	BX	\$8.24	\$12.85	\$4.61	35.88%
8	Sharpener pencil small desktop	EA	\$14.99	\$22.30	\$7.31	32.78%
9	Protector sheet 8.5"X11" 100/box	BX	\$8.49	\$16.80	\$8.31	49.45%
<b>Average Savings (sum of D ÷ 9)</b>						<b>22%</b>

On average, the General Stores prices were 22% lower than the Independent Stationers prices, with the exception of 1 item that was offered at a discounted price for a specific period of time whereas the General Stores price for the item remained constant throughout the year

Recommendation A-1 on page 15 is related to the information in the preceding tables.

*Decentralized Purchase Order-Low Dollar Value (PD LV)*

We found that outside vendor prices for common items purchased through PD LVs were 36% higher than the General Stores prices.

*Test Work Performed*

We selected 25 low dollar value purchase orders (PD LV) that were transacted by 25 schools (7 Elementary, 5 Middle, 12 High and 1 Span School). The 25 PD LVs represent 154 items with total value of \$70,450.47. PD LV transactions covered the period from July 1, 2012 through January 31, 2013. We reviewed the supporting invoices for each of the 25 PD LVs. We compared the prices for common items with the prices of similar items carried in the General Stores to determine which method of procurement was most economical. We also tested whether procurement procedures were properly followed.

We made price comparisons for 98 of the 154 items and noted that the schools could have realized an average saving of 36% with a total value of \$13,723.54 if these purchases were made from the General Stores.



Specifically, 81 out of the 98 comparable items were priced higher than the General Stores. Examples of commonly purchased items with higher prices were: replacement tape cartridge, note pads, laser labels, pens, pencil colored, transparent tape, electric pencil sharpener, softball, rubber basketball, table, stack chair, lanyard, etc.

We also noted that for 12 of the 98 items, vendor prices were lower than the General Stores prices. Examples of similar items carried in the General Stores with minimal difference than outside vendors prices were: BIC white out correction pen, Gregg steno ruled book and colored bond paper.

For five of the 98 items (compatible toner cartridges for HP laser jet 4700 series printer), although the price was lower and a school realized a saving of \$873.88 in buying from outside vendors, this transaction may have voided the product warranty in place with the printer manufacturer. Printer manufactures require the use of OEM (original equipment manufacturer) replacement parts only for the warranty to remain valid.

Table 3 provides more detail about the overall savings that could have been realized if the schools had purchased the items from the General Stores.

**Table 3**  
**Summary of 17 Selected PDLV Purchases**  
**Price Comparison for Common Items – The General Stores vs. Outside Vendors**  
**July 1, 2012 – January 31, 2013**

Vendors	PD LV Number	School Type	No. of Items	Outside Vendors Total	General Stores Total	Savings If Purchased at the General Stores	
						Amount	Percent
				<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Office Xpress	400006085	ES	12	\$588.59	\$369.00	\$219.59	37%
Lakeshore Learning	300003733	ES	1	194.66	106.42	88.24	45%
Star Office Supply	200004698	ES	11	11,751.64	6,700.68	5,050.96	43%
The Office Connection	N00000046	ES	8	422.60	361.52	61.08	14%
Best Office Products	800004332	ES	1	1,442.90	390.00	1,052.90	73%
Classroom Direct	700006348	ES	1	3,539.00	1,574.75	1,964.25	56%
Best Office Products	L00000007	MS	1	1,293.97	490.00	803.97	62%
William Meredith	400006172	MS	6	1,859.65	2,492.70	-633.05	-34%
Best Office Products	700006291	MS	2	187.92	147.54	40.38	21%
Office Xpress	M0000087	HS	15	355.59	285.35	70.24	20%
The Office Connection	Q00000049	HS	11	1,057.89	493.88	564.01	53%
SOS Survival Products	200004720	HS	12	800.40	484.56	315.84	39%
California Pro Sports	P00000122	HS	2	1,776.85	1,127.97	648.88	37%
K-Log, Inc.	800004432	HS	2	6,554.69	3,827.42	2,727.27	42%
Gopher	N00000073	HS	10	907.97	422.14	485.83	54%
Best Office Products	500005991	HS	1	997.23	792.00	205.23	21%
Hillyard Floor Care	100004498	HS	2	265.83	207.91	57.92	22%
<b>Totals</b>			98	33,997.38	20,273.84	\$13,723.54	
<b>Average Savings if Items were Purchased from the General Stores (sum of D ÷ 17)</b>							<b>36%</b>

In addition, 29 of 154 (19%) items reviewed belonged to "top selling categories."<sup>9</sup> Thirteen of the 25 selected schools spent \$3,144.44 (10%) more for the top selling items in purchasing from various outside vendors. Examples of top selling items were: highlighters, post its, dry erase markers, binder clips, binders, ink cartridge, electric pencil sharpener, colored pencil, etc.

In making purchases from outside retail vendors, the schools paid higher prices increasing their expenses and program costs. In addition, there was no guarantee that the quality and product safety standards were met when the purchases were made from outside retail vendors.

Refer to Recommendations A-1 through A-4 beginning on page 15 to help improve this situation.

### Procurement Cards (P-Cards)

Items purchased through P-Cards were priced higher than the General Stores.

The LAUSD's *Procurement Manual, 5th Edition* states in part that "Planning ahead is the most important step.... Urgency of the purchase because of lack of prior planning is not an acceptable reason to rush a purchase through....Determining the type of purchase begins by identifying the major objective and/or purpose of the entire purchase.... Ask yourself... is it available in the District's Distribution Center?"<sup>10</sup> In line with this guideline, schools are encouraged to plan ahead for their procurement needs and purchase through the General Stores and minimize the use of P-Cards.

### *Test Work Performed (P-Card Price Comparison ; July 1, 2012 to January 31, 2013)*

We selected 22 P-Card items for the period July 1, 2012 to January 31, 2013 belonging to top ten schools' P-Card purchases and compared the outside vendors' prices to that of the General Stores. We selected identifiable transactions from the level 3 data report (showing items with description) for a total amount of \$168,678.88. The description provided was also limited and did not specify the number of items.

Our Comparative Analysis is shown in Table 4 below. This Table shows that for 17 of 22 items selected for testing, schools could have realized an average savings of 20% (on a per unit basis) if the items were procured from the General Stores instead of outside vendors.

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9 Transactions occurred during the time that schools and offices have been required to purchase "top selling categories" of the selected items from the District's General Stores Distribution Center.

10 LAUSD's *Procurement Manual, 5th Edition*, issued by the Procurement Services Division, dated February 2013, pp. 7, 9



**Table 4**  
**Price Comparison for 17 Commonly Purchased Items**  
**The General Stores vs. Outside Vendors**  
**Selected P-Card Purchases: July 1, 2012 thru January 31, 2013**

Date	School Type	Vendor	Product Description	Outside Vendors Price	General Stores Price	Savings if Purchased at General Stores	Percent age of savings
				<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
10/24/12	HS	Office Depot	Scissors,5",SG	\$ 2.97	\$1.99	\$0.98	33.00%
12/18/12	HS	Office Depot	Paper Mate Ballpoint Pens,	2.29	0.98	1.31	57.21%
10/15/12	HS	Office Max	Legal Pads, 6 pack	7.29	4.02	3.27	44.86%
8/28/12	HS	Office Max	Hanging Folder, Letter 1/5 Cut,	11.89	10.06	1.83	15.39%
1/11/13	HS	Office Depot	Tissue Facial Kleenex 3PK	4.19	2.67	1.52	36.28%
8/9/2012	ES	Office Depot	Cartridge, HP Q7581A,Cyan	192.99	178.99	14.00	7.25%
8/9/2012	ES	Office Depot	Cartridge, HP Q7582A,YLW	192.99	178.99	14.00	7.25%
8/9/2012	ES	Office Depot	Cartridge HP Q7583A,Magenta	192.99	178.99	14.00	7.25%
7/27/12	ES	Office Depot	Toner, HP LJ CC531A,CYAN	245.98	219.00	26.98	10.97%
7/27/12	ES	Office Depot	Toner, HP LJ CC532A, Yellow	245.98	219.00	26.98	10.97%
7/27/12	ES	Office Depot	Toner, HP LJ C533A,Magenta	245.98	219.00	26.98	10.97%
1/28/13	MS	Office Depot	INK,HP,951,XL,Magenta	29.99	27.19	2.80	9.34%
9/3/2012	HS	Office Depot	Cartridge HP Q7553A, Black	122.99	109.70	13.29	10.81%
9/3/2012	HS	Office Depot	Toner Lexmark C522,Cyan	277.98	261.98	16.00	5.76%
9/3/2012	HS	Office Depot	Toner Lexmark C524 Magenta	138.99	130.99	8.00	5.76%
9/3/2012	HS	Office Depot	Toner Lexmark C5224, Yellow	138.99	130.99	8.00	5.76%
10/18/12	HS	Staples	Duracell D 8 Pk Double wide	14.99	7.12	7.87	52.50%
Average Savings per price comparisons for 17 items (sum of D÷17)							20%

*Additional Test Work Performed (P-Card Price Comparison; July 1, 2011 to June 30, 2012)*

We extended our sample to FY 2012 and selected 30 additional items belonging to top ten schools' P-Card purchases and compared the outside vendors' prices to that of the General Stores. We selected identifiable transactions from the level 3 data report (showing items with description) for a total amount of \$301,558.15. The description provided was also limited and did not specify the number of items.

Our Comparative Analysis is shown in Table 5 below. This Table shows that for 23 of 30 items selected for testing, schools could have realized an average savings of 40% (on a per unit basis) if the items were procured from the General Stores instead of outside vendors.



**Table 5**  
**Price Comparison for 23 Commonly Purchased Items**  
**The General Stores vs. Outside Vendors**  
**Selected P-Card Purchases: July 1, 2011 thru June 30, 2012**

Transaction Date	School Type	Vendor's Name	Product Description	Outside Vendor Price	General Stores Price	Savings if Purchased at General Stores	Percentage of savings
				<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
08/12/11	Occupational Schools	Office Depot	Electric Pencil Sharpener	\$39.91	\$14.99	\$24.92	62%
12/9/11	Occupational Schools	Amazon	Fellowes Cleaning Wipes	8.91	8.50	0.41	5%
10/7/11	Occupational Schools	Office Depot	Battery Alkaline AA	24.50	6.60	17.90	73%
12/12/11	Occupational Schools	Office Depot	Calculator	8.99	4.96	4.03	45%
10/4/11	HS	Office Depot	Marker Sharpie	6.79	4.68	2.11	31%
04/30/12	HS	Office Depot	Duct Tape, Scotch	12.18	7.50	4.68	38%
09/14/11	Occupational Schools	Office Depot	Correction Fluid,3/PK	5.19	2.64	2.55	49%
10/6/11	Occupational Schools	Office Depot	Battery Alkaline AA	18.49	8.34	10.15	55%
10/6/11	Occupational Schools	Office Depot	Battery Alkaline AAA	12.99	6.95	6.04	46%
08/24/11	HS	Office Depot	Calculator	8.09	4.96	3.13	39%
08/24/11	HS	Office Depot	Manila Folder 1/3Cut,100	19.58	9.03	10.55	54%
08/24/11	HS	Office Depot	Manila Folder LTR,1/3,250	29.98	16.88	13.11	44%
08/24/11	HS	Office Depot	Marker Sharpie 8/PK,CLR	17.98	12.5	5.48	30%
11/29/11	MS	Staples	Mouse Pad Blue	3.99	0.78	3.21	80%
11/29/11	MS	Staples	Duracell Coppertop AA 16	12.99	5.56	7.43	57%
12/08/11	Occupational Schools	Staples	File Hanging Folder LGL	30.20	21.98	8.22	27%
12/08/11	Occupational Schools	Staples	Pencil Clr Erasable Red	4.29	1.29	3.00	70%
03/19/12	Occupational Schools	Staples	HP CC530A Black Toner	126.99	119.99	7.00	6%
03/19/12	Occupational Schools	Staples	HP CC531A Cyan Toner	125.99	108.50	18.49	15%
03/19/12	Occupational Schools	Staples	HP CC532A Yellow toner	125.99	108.50	17.49	14%
03/19/12	Occupational Schools	Staples	HP CC533A Magenta Tone	125.99	108.50	17.49	14%
08/30/11	HS	Office Depot	Laserjet Q6470A, Blk Tone	295.98	275.98	20.00	7%
11/17/11	HS	Office Depot	Paper, Premium Ream 3HP	8.29	3.72	4.57	55%
Average Savings per price comparisons for 23 items (sum of D÷23)							40%

In making purchases from outside retail vendors the schools paid higher prices consequently increasing their expenses and program costs. In addition, there was no guarantee that the quality and product safety standards were met when the purchases were made from outside retail vendors.

Refer to Recommendations A-1 through A-4 beginning on page 15 to help improve this situation.

### On Line Catalog

The General Stores website and online browsing tools could be enhanced.

The District's *Supplies and Equipment Catalog*, which is distributed to all schools and offices at the beginning of each school year, provides specifications and photos of all items stocked. A

special section entitled *Top Selling 30 Categories* highlights the most frequently purchased items. The catalog may also be viewed online at <https://storescatalog.lausd.net>." <sup>12</sup>

Procurement Services website was developed to focus on schools' and offices' needs. It includes a shopping page to provide schools and offices a guide to their purchasing needs starting at General Stores Distribution (formerly the "Warehouse"). Schools and offices can view their must know items in one area. This area includes the Procurement Manual, Advisories and important forms. Schools and offices can also refer vendors to the Vendors/Contractors page. The website even welcomes feedback, any opinion and suggestion.<sup>13</sup>

*Test Work Performed*

In our price comparison samples, we accessed outside vendors website and the General Stores online catalog. We compared the two websites and analyzed their set-up, user friendliness and other browsing tools and noted the following issues:

Issues	General Store Website	Outside Vendor Website	Reasons
Product details and specifications were lacking in the General Stores Website as compared to outside vendors' websites.	Limited. Must go to IFS system for product details.	Just click on specification.	Temporary until new SAP system rolls out.
Searching in the General Stores Website was limited.	There is an hour limit. After one hour, a secure password is required to resume navigation.	Unlimited. Without password, unless buying.	The District's website uses Single-Sign on procedure. For security purposes, website is only available for limited time.
Outside vendors' websites have more brand variety.	Usually lists one brand. In three P-Card samples, brands were not indicated.	Lists more than one brand.	The District's website lists the brand that is most likely under contract and carried in the General Stores.
Photos of some items in the General Stores Website were not available.	In four P-Card samples, photos were not shown. In 24 PD LV samples, photos were not available.	Photos available.	The District's website does not display photos of all products. Temporary until new SAP system rolls out which will display a more comprehensive list of products.
Outside vendors' websites have better choice of target keywords and phrases	In 3 samples, it took additional steps to find the items.	Usually can find the item with one keyword.	Temporary until new SAP system rolls out. The online system augmented the

12 LAUSD's *Procurement Manual, 5<sup>th</sup> Edition*, issued by the Procurement Services Division, dated February 2013, page 24.

13 Procurement Services Division Website, accessed on May 13, 2013.



		hardcover paper catalog that is distributed each year.
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The conditions described above occurred because the District adopted a low quality website lacking in many state of the art features. According to the department management, this situation should improve when the new SAP System is fully implemented.

As a result, schools were more inclined to visit outside vendors' websites for browsing and actual purchases on a regular basis.

We discuss the actions needed to correct these conditions in Recommendations A-5 through A-7.

## **RECOMMENDATIONS**

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**Recommendation A-1:** (i) Continue and increase efforts to notify all schools and offices of the benefits of buying from the District's General Stores Distribution Center and make them aware of the available low prices, quality products and timely delivery services, and (ii) Encourage schools to evaluate the actual cost of purchasing from outside vendors' by including the sales taxes and shipping charges and then compare these with the General Stores prices.

**LAUSD Comment:** The Procurement Services Division (PSD) agrees with our recommendation and stated that PSD frequently promotes its "Top 10 Reasons" of why schools and offices should buy from the General Stores via flyers, online catalog and "Buy Line" newsletter. The quarterly "Buy Line" newsletter also promotes new products, promotions and services from the General Stores, and includes price comparison for a random list of 12 to 16 items. Procurement's School Services Representative facilitates a New Project Evaluation Committee of approximately 75 teachers and administrators, who review, evaluate and recommend new products to be stocked in the General Stores.

The Procurement Services Division will continue to promote the General Stores and increase the frequency of the "Buy Line" type of communications.

**Recommendation A-2:** Continue efforts for on-going marketing and sales initiatives that promote the General Stores products and services. This may include but not limited to:

- Continue direct marketing and meeting with the Principals, School Administrative Assistants (SAAs) or designated staff, Financial Managers, or Coordinating Financial Managers, and
- Continue building customer loyalty through superior customer service and low priced, quality products to motivate schools and offices to purchase more supplies and equipment, which will generate greater savings.



**LAUSD Comment:** The Procurement Services Division (PSD) agrees with our recommendation and stated that on a regular basis, PSD attends and facilitates meetings with each Educational Service Center (ESC) to meet with each ESC Principals Groups and ESC School Administrative Assistants, and attends various District organization meetings such as the Elementary Principals' Organization and Middle School Principals' Organization. PSD also works with the District's Organizational Excellence to conduct workshops and trainings on the latest procurement policies and procedures. PSD also has a full-time School Services Representative that visits schools and offices on a daily basis to promote General Stores sales, provide training, resolve issues and communicate changes. PSD will continue to provide direct marketing to various schools, offices and District groups.

PSD has a dedicated Customer Service Unit that continues to assist schools and offices with General Stores and procurement-related issues. PSD will continue to work with the New Product Evaluation Committee to continuously bring in new products that schools desire, and will continue to conduct price comparisons to ensure products are offered at competitive prices. PSD has always and will continue to provide quality products at a low price and will continue to aggressively market its services.

**Recommendation A-3:** Continue to develop appropriate incentives to encourage schools to purchase from the General Stores Distribution Center and purchase through better value Master Contracts for the purpose of achieving the intent of the Board Resolution, "Buy and Use LAUSD First". Some appropriate incentives may include:

- The offering of rewards through a tiered schedule of reward points for reaching certain values of items purchased. Earned reward points could be claimed for extra goods or dollar discounts for future purchases, and
- Recognition of the school or office. The school or office could be featured in the *Buy Line* special or quarterly edition for the top 10 schools with the most rewards.

**LAUSD Comment:** The Procurement Services Division (PSD) agrees with our recommendation and stated that on many occasions PSD has held various contests and promotions, i.e., printer giveaways and office makeovers, to promote General Stores products and services and to generate more sales. The winning school or office was featured in its "Buy Line" newsletter with their photos and comments. Individuals from various schools and offices have also made comments about winning various promotional prizes and receiving superior customer service from the General Stores. PSD will continue to recognize individual schools and offices as it promotes its products and services.

**Recommendation A-4:** Coordinate with the Office of the Chief Operating Officer and the Office of the Superintendent in revising the Procurement Manual language from "*encourage*" to "*require*" schools and offices to buy all needed supplies from the General Stores, if such items are carried by the General Stores. This will generate additional savings for the schools and offices and increase revenues for the General Stores.

**LAUSD Comment:** The Procurement Services Division did not specifically agree to revise the Procurement Manual language as noted. However, they did agree to work with the Office of the COO, Office of the Superintendent and the OIG to encourage schools to purchase from the General Stores in order to realize greater savings, and to continue to work with the COO to align the schools' desire to increase their savings with the District's "Buy First" initiative. The General Stores has consistently shown that it carries quality products at a much lower price than outside vendors. PSD will work with the COO and use this independent third party (OIG) report to better communicate and coordinate its messaging to schools.

**Inspector General Response:** Management's response to our audit findings and recommendations indicate an understanding of the issues presented. For the area of disagreement, management's alternative actions are deemed as acceptable alternatives to our recommended action.

**Recommendation A-5:** Enhance features of the District's *Supplies and Equipment Online Catalog* with advanced and user-friendly browsing tools for an efficient shopping experience. In addition, features as noted below may be included:

- Ratings posted by customers on various service categories, such as, product quality, product availability, customer service, response/delivery time, etc.
- Testimonials from previous and current clients
- Complete specifications including brand names and photos of all stock items to be viewed online.
- Frequently Asked Questions link
- Contact Us link (showing customer service phone number, e-mail and physical address)

**LAUSD Comment:** The Procurement Services Division (PSD) agrees with our recommendation and will strive for continuous improvement within the District's new SAP System functionality. As of July 15, 2013, PSD is using the new SAP Procurement System which replaces the *Supplies and Equipment Online Catalog*. The SAP System allows schools and offices to have a shopping experience similar to traditional retail websites. The System has a shopping cart feature that provides photos of products, lists brand names and detailed specification, and allows searches by product, product category or product number. SAP also allows schools and offices to view and shop from other supplier catalogs, and place orders online.

In addition, PSD's newly enhanced website includes a Customer Service Survey that schools and offices can complete online. The website also includes a contact list with PSD's new team reorganization, customer service contact information, FAQs and other useful information. The new SAP Procurement System combined with PSD's enhanced website addresses all of the recommendations in A-5.

**Recommendation A-6:** Build a brand equity that can make the General Stores different from or at least comparable to other major retailers' websites. Part of brand equity is determined by how to present different factors on the General Stores website's usability, interface design, and overall marketing.

**LAUSD Comment:** The Procurement Services Division (PSD) agrees with our recommendation and stated that PSD will continue to grow brand equity in concert with the Board policy of "Buy District First". Leveraging the new SAP functionality (with a new on-line catalog) with a focus on continuous improvement will continue to generate positive brand equity. Other forms of communication and incentives will also continue and evolve to support brand equity of the General Stores Distribution Center.

**Recommendation A-7:** Review the website and uncover all the possible ways to convert visitors to customers, increase sales and revenue, and simply motivate visitors to take action. Install program to track how many visited the website, what items were searched and what orders were placed to determine its effectiveness.

**LAUSD Comment:** The Procurement Services Division (PSD) disagrees with our recommendation and stated that it currently uses the new SAP System. The new SAP has recently replaced the General Stores Online Catalog. PSD will use (and enhance where possible) the new system to continue to enhance its website to market products and services and explore ways to increase sales to both schools and offices. However, functionality as described in Recommendation A-7 is not available (via simple configuration) in the current SAP software version implemented by the District. Nevertheless, PSD staff will assess the cost/benefit of updating SAP software to a version which does include the recommended new functionality when the software becomes available.

**Inspector General Response:** Management's response to our audit findings and recommendations indicate an understanding of the issues presented. For the area of disagreement, management's alternative actions are deemed as acceptable alternatives to our recommended action.



VERBATIM COMMENTS

Los Angeles Unified School District  
Procurement Services Division

JOHN F. DEASY, Ph.D.  
Superintendent of Schools

MICHELLE KING  
Senior Deputy Superintendent, School Operations



ENRIQUE BOULLU  
Chief Operating Officer

GEORGE SILVA  
Chief Procurement Officer

**TO:** Jas Ahmed, Audit Manager  
Office of the Inspector General **Date:** October 22, 2013

**FROM:** George Silva, Chief Procurement Officer  
Procurement Services Division

**SUBJECT:** RESPONSE TO DRAFT AUDIT REPORT ON PROCUREMENT OF  
COMMON GOODS AT SCHOOL SITES

The following is in response to the recommendations provided from the OIG audit of the procurement of Common Goods by schools and offices.

**Recommendation A-1:** Continue and increase effort to notify all school and offices of the benefits of buying from the District's General Stores Distribution Center and make them aware of the low prices, quality products, and timely services available. Encourage schools to evaluate outside vendors' prices associated with supply procurement (including sale taxes and shipping) and compare these prices with the General Stores prices.

**Procurement agrees to continue efforts**

Procurement Services frequently promotes its "Top 10 Reasons" of why schools and offices should buy from General Stores via flyers, online catalog, and the "Buy Line" newsletter. The quarterly "Buy Line" newsletter also promotes new products, promotions, and services from General Stores, and includes price comparisons for a random list of 12 to 16 items. Procurement's School Services Representative facilitates a New Product Evaluation Committee of approximately 75 teachers and administrators who review, evaluate, and recommend new products to be stocked in the General Stores.

Procurement Services will continue to promote General Stores and increase the frequency of the "Buy Line" type of communications.

**Recommendation A-2:** Continue efforts for on-going marketing and sales initiatives that promote the General Stores products and services. This may include but not limited to:

- Continue direct marketing and meeting with the Principals, School Administrative Assistants (SAAs) or designated staff, Financial Managers, or Coordinating Financial Managers.

- *Continue building customer loyalty through superior customer service and low priced, quality products to motivate schools and offices to purchase more supplies and equipment, which will generate more savings.*

***Procurement agrees to continue efforts***

On a regular basis, Procurement Services attends and facilitates meetings with each ESC to meet with ESC Principals Groups and ESC School Administrative Assistants, and attends various District Organizations meetings such as the Elementary Principals' Organization and Middle School Principals' Organization. Procurement Services also works with the District's Organizational Excellence to conduct workshops and trainings on the latest Procurement policies and procedures. Procurement Services also has a full-time School Services Representative that visits schools and offices on a daily basis to promote General Stores sales, provide training, resolve issues, and communicate changes. Procurement Services will continue to provide direct marketing to various schools, offices, and District groups.

Procurement Services has a dedicated Customer Service Unit that continues to assist schools and offices with General Stores and procurement-related issues. Procurement will continue to work with the New Product Evaluation Committee to continuously bring in new products that schools desire, and will continue to conduct price comparisons to ensure products are offered at competitive prices. Procurement Services has always and will continue to provide quality products at a low price and will continue to aggressively market its services.

***Recommendation A-3:*** *Continue to develop appropriate incentives to encourage schools to purchase from the General Stores Distribution Center and purchase through better value master contracts for the purpose of achieving the intent of the Board Resolution, "Buy and Use LAUSD First". Some appropriate incentives may include.*

- *The offering of reward through a tiered schedule of reward points for reaching certain values of items purchased. Earned reward points could be claimed for extra goods or dollar discounts for future purchases.*
- *Recognition of the school or office. The school or office could be featured in the BuyLine special or quarterly edition for the top 10 schools with the most rewards.*

***Procurement agrees to continue to develop incentives***

On many occasions, Procurement Services has held various contests and promotions i.e, printer giveaways and office makeovers, to promote General Stores products and services and to generate more sales. The winning school or office was featured in its Buy Line newsletter with their photos and comments. Individuals from various schools and offices have also made comments about winning various promotional prizes and receiving superior customer service from General Stores. Procurement Services will continue to recognize individual schools and offices as it promotes its products and services.

***Recommendation A-4:*** Coordinate with the Office of the Chief Operating Officer and the Office of the Superintendent in revising the Procurement Manual language from “encourage” to “require” schools and offices to buy all needed supplies from the General Stores, if such items are carried by the General Stores. This will generate additional savings for the schools and offices and increase revenues for the General Stores.

***Procurement agrees to work with the Office of the COO, Office of the Superintendent, and the OIG to encourage schools to purchase from General Stores in order to realize greater savings.***

Procurement will continue to work with the COO to align the schools desire to increase their savings with the District’s “Buy First” initiative. General Stores has consistently shown that it carries quality products at a much lower price than outside vendors. Procurement will work with the COO and use this independent third party (OIG) report to better communicate and coordinate its messaging to schools.

***Recommendation A-5:*** Enhance features of the District’s Supplies and Equipment Online Catalog with advanced and user-friendly browsing tools for an efficient shopping experience. In addition, features as noted below may be included.

- Ratings posted by customers on various service categories, such as, product quality, product availability, customer service, response/delivery time, etc.
- Testimonials from previous and current clients
- Complete specifications including brand names and photos of all stock items to be viewed online
- Frequently Asked Questions link
- Contact Us link (showing customer service phone number, e-mail and physical address)

***Procurement agrees and will strive for continuous improvement within the District's new SAP System functionality.***

As of July 15, 2013, Procurement Services is using the new SAP Procurement System, which replaces the *Supplies and Equipment Online Catalog*. The SAP System allows schools and offices to have a shopping experience similar to traditional retail websites. The System has a shopping cart feature that provides photos of products, lists brand names and detailed specification, and allows searches by product, product category, or product number. SAP also allows schools and offices to view and shop from other supplier catalogs, and place orders online.

In addition, Procurement Service’s newly enhanced website includes a Customer Service Survey that schools and offices can complete online. The website also includes a contact list with Procurement’s new team reorganization, customer service contact information, FAQs, and other useful information.

The new SAP Procurement System combined with Procurement Service’s enhanced website addresses all of the recommendations in A-5.



***Recommendation A-6:*** Build a brand equity that can make General Stores different from or at least comparable to other major retailers' websites. Part of brand equity is determined by how to present different factors on the General Stores website's usability, interface design, and overall marketing.

***Procurement agrees to continue to grow brand equity in concert with the Board Policy of "Buy District First".***

Leveraging the new SAP functionality (and the new on-line catalog) with a focus on continuous improvement will continue to generate positive brand equity. Other forms of communication and incentives will also continue and evolve to support brand equity of the General Stores Distribution Center.

***Recommendation A-7:*** Review the website and uncover all the possible ways to convert visitors to customers, increase sales and revenue, and simply motivate visitors to take action. Install program to track how many visited the website; what items were searched; and what orders were placed to determine its effectiveness.

***Procurement disagrees because it now uses the SAP system***

The new SAP Procurement System replaced the General Stores Online Catalog. Procurement Services will use (and enhance where possible) the new system to continue to enhance its website to market products and services and explore ways to increase sales to both schools and offices.

However, functionality as described in Recommendation A-7 is not available (via simple configuration) in the current SAP software version implemented by the District. Nevertheless, Procurement staff will assess the cost/benefit of updating SAP software to a version which does include the recommended new functionality when the software becomes available.

C: Q. Dean  
M. Monforte

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